RELEASE OF SCHEME BOOKLET

Beadell Resources Limited (**Beadell** or the **Company**) is pleased to announce that the Supreme Court of Western Australia has today made orders approving the dispatch of the scheme booklet (**Scheme Booklet**) and the convening of a meeting of Beadell shareholders in relation to the proposed scheme of arrangement under which Great Panther Silver Limited (**Great Panther**) will acquire all of the issued shares in Beadell (**Scheme**).

The Australian Securities and Investments Commission has also now registered the Scheme Booklet in relation to the Scheme.

The independent expert appointed by Beadell to review the Scheme, Deloitte Corporate Finance, has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell shareholders.

The directors of Beadell unanimously recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and have provided support agreements confirming that they will vote the shares they own or control in favour of the Scheme subject to the same condition.

Shareholders holding in aggregate 18.06% of Beadell agreed to vote in favour of the Scheme, in the absence of a superior proposal and not to dispose of their Beadell shares, except in respect of a superior proposal. Those shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management.

Brant Hinze, Chairman of Beadell, stated: "We believe the proposed transaction with Great Panther represents the best route for Beadell shareholders to maximize exposure to the strong upside potential at Tucano, and thereby grow our value-per-share. The combination of Great Panther and Beadell will result in a more robust precious metal producer with extensive operating experience in Latin America, a strong balance sheet and multi-asset diversification".

A full copy of the Scheme Booklet, which includes the Independent Expert's Report (IER) and Notice of Scheme Meeting, is attached to this announcement and will be sent to Beadell shareholders commencing on 9 January 2019.

SCHEME TIMETABLE

The Scheme Meeting is currently scheduled to be held at 10:00am (AWST) on 12 February 2019 at the Celtic Club, 48 Ord Street, West Perth WA 6005.

All Beadell shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy form by 10:00am (AWST) on 10 February 2019. Details of how to lodge a proxy form are included on the proxy form and in the Scheme Booklet.

An indicative timetable of the key milestones remaining under the Scheme is set out below.

Event	Date
Latest time and date for receipt of proxy forms or powers of attorney by the Beadell Share Registry for the Scheme Meeting	10:00am AWST on 10 February 2019

Time and date for determining eligibility to vote at the Scheme Meeting	10:00am AWST on 10 February 2019
Scheme Meeting	10:00am on 12 February 2019
If the Scheme is approved by Beadell Shareholders at the Scheme Meeting:	
Second Court Date to approve the Scheme	15 February 2019
Effective Date – the date the Scheme comes into effect under the Corporations Act	18 February 2019
Last day of trading in Beadell Shares on ASX	18 February 2019
Scheme Record Date	25 February 2019
Latest time and date for receipt of Election Forms from Small Shareholders	5.00pm AWST on 25 February 2019
Implementation Date	5 March 2019
New Great Panther Shares commence trading on TSX on a normal settlement basis	8 March 2019
New Great Panther Shares commence trading on NYSE (American) on a normal settlement basis	8 March 2019
Expected dispatch of DRS Advices for New Great Panther Shares	19 March 2019

All dates are indicative only and are subject to the Court approval process, ASX and TSX approval, and the satisfaction or waiver of the conditions precedent under the Scheme Implementation Deed. Beadell may vary any or all of these dates and times and will provide notice of any such variation on ASX.

ABOUT BEADELL

Beadell operates the Tucano Gold Mine in mining-friendly Amapá State, northern Brazil. Tucano occurs within 2,500 km^2 of 100%-owned, highly prospective and under-explored 'Birimian age' greenstone terrane. The recently upgraded Tucano plant can process approximately 3.5 million tonnes per year of oxide-sulphide ore feed in a wide range of blends. There is a pregnant pipeline of high potential in-mine and near-mine prospects, anchored by several high-grade gold drill intervals over several metres, that are the near-term opportunity to improve the head grade and prolong the mine life.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Greg Barrett | CFO & Company Secretary

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This is an important document and requires your immediate attention.

You should read this Scheme Booklet carefully and in full before deciding how to vote at the Scheme Meeting.

If you are in any doubt as to what you should do, you should consult your broker, financial adviser or legal adviser immediately.

Scheme Booklet

In relation to the acquisition of all of the ordinary shares in Beadell Resources Limited by Great Panther Silver Limited by way of scheme of arrangement under Part 5.1 of the Corporations Act.

VOTE IN FAVOUR

The Beadell Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.

IMPORTANT NOTICES

This Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before deciding how to vote at the Scheme Meeting.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in section 18.1. Section 18.2 sets out some rules of interpretation which apply to this Scheme Booklet. You should note that some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in section 18.1.

ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with subsection 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing to approve the Scheme.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Beadell Shareholders should vote (on this matter Beadell Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

No investment advice

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Beadell Shareholders or any other person. The Beadell Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read carefully and in full before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 9.16, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure A. If you are in doubt as to the course you should follow, you should consult your legal, financial, taxation or other professional adviser.

Responsibility statement

Beadell has prepared, and is responsible for, the Beadell Information. Neither Great Panther nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Great Panther has prepared, and is responsible for, the Great Panther Information. Neither Beadell nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Deloitte Corporate Finance Pty Limited has prepared the Independent Expert's Report (as set out in Annexure A of this Scheme Booklet) and takes responsibility for that report. None of Beadell or Great Panther or any of their respective Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Forward looking statements

This Scheme Booklet contains certain forward-looking statements.

The forward-looking statements in this Scheme Booklet reflect the current views of Beadell or Great Panther, held as at the date of this Scheme Booklet, concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe Beadell's, Great Panther's or the Merged Group's objectives, plans, goals or expectations are, or may be, forward-looking statements. The statements in this Scheme Booklet about the advantages and disadvantages anticipated to result from the Scheme are also forward-looking statements.

Although Beadell and Great Panther believe that the views reflected in any forward-looking statement they respectively make in this Scheme Booklet have been made on a reasonable basis, no assurance can be given that such views or forward-looking statement will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either Beadell's, Great Panther's or the Merged Group's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements.

These factors include, but are not limited to, risks related to: receipt of all necessary Court, regulatory or shareholder approvals required to complete the Scheme and the satisfaction or waiver of the Conditions Precedent to the Scheme, exploration, development and production, permitting, markets and marketing, resource estimates being inherently uncertain, environmental concerns, availability of, and access to, drilling equipment, contractual risk, and management of growth. Deviations as to future results, performance and achievements are both normal and to be expected.

Beadell Shareholders should note that the historical financial performance of Beadell and Great Panther is no assurance of the future financial performance of Beadell, Great Panther or the Merged Group (whether the Scheme is implemented or not). Beadell Shareholders should review carefully all of the information included in this Scheme Booklet. Any forward-looking statements in this Scheme Booklet are expressly qualified by these cautionary statements and such forward-looking statements are made only as of the date of this Scheme Booklet.

None of Beadell, Great Panther, the Merged Group, or any of their directors, give any representation, assurance or guarantee to Beadell Shareholders that any forward-looking statements will actually occur or be achieved. Beadell Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law, regulation or the ASX Listing Rules, Beadell, Great Panther and the Merged Group do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Notice to Scheme Shareholders

No action has been taken to register or qualify the New Great Panther Shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to Beadell and Great Panther as at the date of this Scheme Booklet, Scheme Shareholders (other than Ineligible foreign Shareholders) whose addresses are shown in the register on the Scheme Record Date as being in the following jurisdictions will be entitled to have New Great Panther Shares issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- Canada
- Cayman Islands;
- Guernsey, where the number of Beadell Shareholders is less than 50;
- Luxembourg; where (i) the Beadell Shareholder is a "qualified investor" within the meaning of Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Luxembourg) and (ii) the number of non-qualified investors is less than 150;
- New Zealand;
- United States; and
- any other person or jurisdiction in respect of which Great Panther reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New Great Panther Shares to a Scheme Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Scheme Shareholders who hold Beadell Shares on behalf of a beneficial owner resident in Australia, Canada, Cayman Islands, New Zealand and the United States may forward this Scheme Booklet (or accompanying documents) to such beneficial shareholder but may not forward this Scheme Booklet to any person in any other country without the consent of Beadell.

Foreign jurisdictions

This Scheme Booklet does not constitute an offer of New Great Panther Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New Great Panther Shares may not be offered or sold, in any country outside Australia except to the extent provided below.

Canada

The New Great Panther Shares to be issued in connection with the Scheme will be issued by Great Panther in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada. The New Great Panther Shares issued in connection with the Scheme may (through a registered dealer, unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including through the TSX, subject to the usual conditions that Great Panther is, and has been, a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade, the trade is not a control distribution, no unusual effort has been made to prepare the market, or create a demand for, the New Great Panther Shares, no extraordinary commission or consideration is paid to a person or company in respect of the trade and if the selling security holder is an insider or officer of Great Panther, such selling security holder has no reasonable grounds to believe that Great Panther is in default of applicable Canadian securities law.

Cayman Islands

No offer or invitation to subscribe for the New Shares may be made to the public in the Cayman Islands.

Guernsey

No offer or invitation to subscribe for New Great Panther Shares may be made to the public in the Bailiwick of Guernsey.

Luxembourg

The information in this document has been prepared on the basis that all offers of New Great Panther Shares will be made pursuant to an exemption under the Prospectus Directive, as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Great Panther Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;

- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive, Directive 2014/65/EC (**MiFID II**);
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive), subject to the prior consent of Great Panther; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by Great Panther of a prospectus pursuant to Article 3 of the Prospectus Directive.

New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of New Great Panther Shares under the Scheme is being made to existing Beadell Shareholders (other than Ineligible Foreign Shareholders) in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

United States

Great Panther and Beadell intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of New Great Panther Shares. Approval of the Scheme by the Court will be relied upon by Great Panther and Beadell for purposes of qualifying for the Section 3(a)(10) exemption.

US shareholders of Beadell should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since Great Panther's headquarters is located outside the United States and most of its officers and directors are not residents of the United States. You may not be able to sue Great Panther or its officers or directors in Australia or Canada for violations of the US securities laws. It may be difficult to compel Great Panther and its affiliates to subject themselves to a US court’s judgment.

You should be aware that Great Panther may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

Financial amounts

Financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Western Australia, unless otherwise indicated. All times and dates relating to the implementation of the Schemes referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

Implied value

Any reference to the implied value of the Scheme Consideration should not be taken as an indication that Beadell Shareholders will receive cash. The implied value of the New Great Panther Shares is not fixed. The implied value of the New Great Panther Shares will vary with the market price of Great Panther Shares. This also applies to Ineligible Foreign Shareholders and electing Small Shareholders, whose Scheme Consideration will be remitted to the Sale Agent to sell. Any cash remitted to Ineligible Foreign Shareholders or electing Small Shareholders under this arrangement will depend on the market price of Great Panther Shares at the time of sale by the Sale Agent.

External websites

Unless expressly stated otherwise, the content of the websites of Beadell and Great Panther do not form part of this Scheme Booklet and Beadell Shareholders should not rely on any such content.

Privacy and personal information

Beadell may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in Beadell and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Beadell to conduct the Scheme Meeting and implement the Scheme. Without this information, Beadell may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Beadell Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of Beadell, Government Agencies, and also where disclosure is otherwise required or allowed by law. Beadell Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the Beadell Share Registry in connection with Beadell Shares, please contact the Beadell Share Registry. Beadell Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how Beadell collects, uses and discloses personal information is contained in Beadell's Privacy Policy located at https://beadellresources.com.au/privacy/.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Beadell Shareholder may appear at the Second Court Hearing, expected to be held on 15 February 2019 at The Supreme Court of Western Australia, Level 11, David Malcolm Justice Centre, 28 Barrack Street, Perth WA 6000.

Any Beadell Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Beadell a notice of appearance in the prescribed form together with any affidavit that the Beadell Shareholder proposes to rely on.

Date of Scheme Booklet

This Scheme Booklet is dated 21 December 2018.

Contents of this Scheme Booklet

1 Overview of this Scheme Booklet

This Scheme Booklet contains information about the proposed acquisition of Beadell by Great Panther that was announced by Beadell on the ASX on 24 September 2018.

The acquisition will be effected by scheme of arrangement under the Corporations Act. Beadell Shareholders (other than Excluded Shareholders) will vote on the Scheme at the Scheme Meeting to be held on 12 February 2019 at The Celtic Club, 48 Ord Street, West Perth WA 6005.

Under the Scheme, a Scheme Shareholder (other than Ineligible Foreign Shareholders and electing Small Shareholders) will receive 0.0619 New Great Panther Shares for each Scheme Share held by that Scheme Shareholder. Small Shareholders may elect to participate in the Sale Facility instead of receiving New Great Panther Shares.

The purpose of this Scheme Booklet is to provide Beadell Shareholders with information to consider before deciding how to vote on the Scheme at the Scheme Meeting.

2 Key dates relating to the Transaction

Latest time and date for receipt of proxy forms or powers of attorney by the Beadell Share Registry for the Scheme Meeting	10:00am AWST on 10 February 2019
Time and date for determining eligibility to vote at the Scheme Meeting	10:00am AWST on 10 February 2019
Scheme Meeting	10:00am on 12 February 2019

If the Scheme is approved by Beadell Shareholders at the Scheme Meeting:

Second Court Date to approve the Scheme	15 February 2019
Effective Date – the date the Scheme comes into effect under the Corporations Act	18 February 2019
Last day of trading in Beadell Shares on ASX (Beadell Shares will be suspended from trading on ASX from close of trading)	18 February 2019
Scheme Record Date – for determining entitlements to Scheme Consideration)	25 February 2019
Latest time and date for receipt of Election Forms from Small Shareholders	5.00pm AWST on 25 February 2019
Implementation Date – Scheme Shareholders (other than Ineligible Foreign Shareholders and electing Small Shareholders) will receive the Scheme Consideration on the Implementation Date[1]	5 March 2019
New Great Panther Shares commence trading on TSX on a	8 March 2019

[1] The Scheme Consideration is subject to rounding for fractional entitlements. Ineligible Foreign Shareholders will not be entitled to receive any New Great Panther Shares and will instead receive cash proceeds (net of any reasonable brokerage or other selling costs, taxes and charges) from the sale by the Sale Agent of the New Great Panther Shares which an Ineligible Foreign Shareholder would otherwise have been entitled to receive. See section 10.5 of this Scheme Booklet for further information about how those cash proceeds will be distributed to Ineligible Foreign Shareholders. Small Shareholders may also elect to participate in this sale facility. See section 10.6 of this Scheme Booklet for further information.

normal settlement basis	
New Great Panther Shares commence trading on NYSE (American) on a normal settlement basis	8 March 2019
Expected dispatch of DRS Advices for New Great Panther Shares	19 March 2019

All times and dates in the above timetable are references to the time and date in Western Australia. All dates are indicative only and are subject to the Court approval process, ASX and TSX approval, and the satisfaction or waiver of the Conditions Precedent. Beadell may vary any or all of these dates and times and will provide notice of any such variation on ASX.

The exact number of New Great Panther Shares to be issued to you will not be confirmed until you receive your DRS Advice following the Implementation Date. It is your responsibility to confirm your holding of New Great Panther Shares before you trade them to avoid the risk of committing to sell more than will be issued to you.

3 Letter from the Chairman of Beadell

21 December 2018

Dear Beadell Shareholder

On behalf of the Beadell Directors, I am pleased to provide you with the details of the proposed acquisition of Beadell by Great Panther that I believe will add significant value to your investment in Beadell if implemented.

The transaction will create a new growth-oriented precious metals producer focused on the Americas, offering geographic diversity across established mining jurisdictions, and a diverse asset portfolio of three producing mines, an advanced stage project, and significant exploration potential. The Merged Group will be listed on the TSX in Canada and the NYSE (American) in the United States of America.

Of particular importance to Beadell's shareholders is Great Panther's exceptional balance sheet, reporting approximately US$58 million cash and short term deposits and no debt as at 30 September 2018. The Merged Group's strong balance sheet will support Tucano's transition to a fully optimised gold mine for the first time in its history. It will also enable investment in the strong growth potential of Tucano via multi-year infill and step-out drill campaigns aimed at increasing the reserves, extending the mine life, and therefore delivering increased value per share to shareholders. Beadell is unable to act on these value creation opportunities as a stand-alone entity because of our weak balance sheet. The volatility of the gold price and poor sector sentiment, combined with Beadell's weak balance sheet, limits our ability to source capital other than on unacceptably punitive terms.

Prior to reaching an agreement with Great Panther our management team and financial advisors investigated many financing scenarios, from alternate and traditional debt providers to strategic investors. In addition, we completed a thorough process with multiple private and listed corporations, ranging from strategic investments to corporate combinations. We believe the proposed transaction with Great Panther represents the best outcome for Beadell shareholders to maximize exposure to the future upside. Great Panther's management team has extensive operating experience in Latin America, including Brazil, and the Merged Group will have a large resource base, robust growth profile, a strong balance sheet and an attractive re-rating potential.

On 24 September 2018, Beadell announced that it had entered into a Scheme Implementation Deed with Great Panther under which, subject to certain conditions,100% of the Beadell Shares will be acquired by Great Panther by way of a scheme of arrangement. One of those conditions is that Beadell Shareholders approve the transaction in accordance with the Corporations Act.

If the Scheme is implemented, Beadell Shareholders (other than Ineligible Foreign Shareholders and certain electing Small Shareholders) will receive 0.0619 New Great Panther Shares for each Beadell Share held as at the Scheme Record Date, which will result in Beadell Shareholders owning approximately 38% of the Merged Group.

The consideration implies a total value of approximately A$144 million based on the closing price of Great Panther Shares on the NYSE (American) on 21 September 2018. The consideration to be provided to Beadell shareholders represents a 51% premium over Beadell's unaffected closing share price on the ASX on 21 September 2018, and a 69% premium to Beadell's volume-weighted average share prices for the 20 trading days up to and including 21 September 2018.[2]

This Scheme Booklet sets out the details of the proposed merger between Beadell and Great Panther and important matters relevant to your vote in relation to the Scheme.

The Beadell Directors **unanimously recommend that you vote in favour of the Scheme**, in the absence of a Superior Proposal.

All of Beadell's directors and senior officers and certain institutional shareholders including Equinox Partners, Donald Smith & Co., collectively holding 18.06% of the outstanding Beadell Shares, have entered into support agreements, agreeing to vote, or procure the voting of, any Beadell Shares held or controlled by them, in favour of the Scheme, in the absence of a Superior Proposal.[3]

Independent Expert

Your Directors appointed Deloitte Corporate Finance Pty Limited as the independent expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders.

How to vote

The enclosed Scheme Booklet includes details of how to vote at the Scheme Meeting. On behalf of the Beadell Directors, I strongly encourage you to vote in favour of the Scheme at the Scheme Meeting, in person or by proxy.

We thank you for your ongoing support of Beadell.

Yours faithfully,

Mr Brant Hinze
Chairman
Beadell Resources Limited

[2] Based on the AUD per USD exchange rate of 1.3717 on 21 September 2018. Beadell shareholders should note that the Independent Expert has assessed the value of the Scheme Consideration (on a minority interests basis) as between A$0.043 and A$0.064 per Beadell Share and that the implied value of the Scheme Consideration will change from time to time based on movements in the Great Panther Share price and in the USD per AUD exchange rate (see section 8.1(c) for further details).

[3] Refer to section 12.11 for further details of the identity of Beadell Shareholders who have entered into Beadell Support Agreements.

4 Letter from the Chair of Great Panther

Dear Beadell Shareholder,

On behalf of the Great Panther Board, I am pleased to present you with the opportunity to participate in the creation of a new emerging intermediate and growth oriented precious metals producer, through the Beadell Scheme outlined in this Scheme Booklet.

The directors of Great Panther and Beadell believe this transaction is an attractive opportunity to unlock synergies and allow shareholders of both companies to benefit from being part of a larger company with more diversified asset portfolio and strong balance sheet. This new company will have greater geographic diversification, more financial strength, greater liquidity, better access to capital for future growth and an experienced management team.

Great Panther is currently focused on mining precious metals from our two wholly-owned operating mines in Mexico: the Guanajuato Mine Complex and the Topia Mine. We are also advancing towards a decision to restart the Coricancha Mine in Peru with the initiation of a bulk sample program following the completion of a positive Preliminary Economic Assessment in May 2018, which highlighted the potential for a 3 million silver equivalent ounces of production per year. We are a proven profitable company, with 4 million silver equivalent ounces of production and positive earnings in 2017. Financial strength is a key aspect of Great Panther. At 30 September 2018, we reported approximately US$58 million in cash and short-term deposits, US$65 million in net working capital and no debt. This cash and net working capital will provide the important funding to complete the optimisation initiatives of the Tucano mine and manage Beadell's debt service. This is important to mitigate any further need for Beadell to raise capital that would be dilutive to shareholders or add further leverage to the balance sheet.

Following implementation of the Scheme, the Merged Group will be managed by a capable and experienced board of Directors, as well as an executive management team that has significant development and operating experience in Latin America. Dr Nicole Adshead-Bell, currently the CEO and Managing Director of Beadell, will join the Merged Group Board. Mr. James Bannantine, the current President and CEO of Great Panther will continue in this role for the Merged Group. Mr. Bannantine has significant operating experience in Brazil and other key jurisdictions in Latin America, and is fluent in Portuguese and Spanish.

The Merged Group will have three mining operations in Mexico and Brazil along with the Coricancha development project in Peru, and is anticipated to have proven and probable reserves of approximately 1.3 million gold ounces. Beadell will also contribute measured and indicated resources of approximately 0.8 million gold ounces (exclusive of reserves) and inferred resources of approximately 1.5 million gold ounces, supplementing Great Panther's measured and indicated resources of approximately 49.4 million silver-equivalent ounces and inferred resources of approximately 48.5 million silver-equivalent ounces.[4]

[4] Combined reserve and resource quantities of Beadell and Great Panther. See the further information set out in Section 11.1 and Section 12.1 (which includes details of the metal pricing assumptions used to calculate the silver-equivalents).

Details of the transaction, including Great Panther's intentions for the Merged Group, are contained in this Scheme Booklet, which I encourage you to read in full.

We are excited about the opportunities that lie ahead for the Merged Group and believe the timing of the merger coincides with a positive long-term outlook for precious metals. We look forward to welcoming you as a shareholder of Great Panther as we create a growth orientated precious metals production company.

On behalf of the Great Panther Board, I encourage you to vote in favour of the Scheme.

Yours sincerely,

R.W. (Bob) Garnett

Chair

5 Overview of the Transaction

5.1 Summary of the Scheme

The Scheme and Scheme Consideration	Beadell and Great Panther have entered into a Scheme Implementation Deed under which Great Panther will acquire all the Beadell Shares by way of a scheme of arrangement. If the Scheme is implemented, Beadell Shareholders (other than Ineligible Foreign Shareholders and electing Small Shareholders) will receive 0.0619 New Great Panther Shares (which will trade on the TSX and the NYSE (American)) for each Beadell Share held at the Scheme Record Date. Scheme Shareholders holding 10,000 Beadell Shares or less as at the Scheme Record Date may elect to have all, but not some, of their Scheme Shares dealt with in accordance with the sale facility under the Scheme.
The Beadell Directors' recommendation	**The Beadell Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal at the upcoming Scheme Meeting at The Celtic Club, 48 Ord Street, West Perth WA 6005 on** 12 February 2019 **at 10:00am (AWST).** The Beadell Directors intend to vote, or procure the voting of, any of the Beadell Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal.
Beadell Shareholder support	Beadell Shareholders holding in aggregate 18.06% of Beadell have agreed to vote in favour of the Scheme, in the absence of a Superior Proposal, and not to dispose of their Beadell Shares, except in respect of a Superior Proposal. Those shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management. For further information see section 12.11.
Independent Expert's conclusion	The Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders. You should read the Independent Expert's Report which is contained in Annexure A of the Scheme Booklet.

5.2 Summary of key considerations relevant to your vote

(a) Reasons you may want to vote in favour of the Scheme

- The Beadell Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.
- The Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders.

- The implied value of the Scheme Consideration represents a substantial premium of 51% over Beadell's unaffected closing share price on the ASX before the Announcement Date, being 21 September 2018.[5]
- Beadell Shareholders will receive substantial exposure to the Merged Group, with approximately 38% pro forma ownership in the Merged Group.
- The Merged Group is anticipated to have proven and probable reserves of approximately 1.3 million gold ounces. Beadell will also contribute measured and indicated resources of approximately 0.8 million gold ounces (exclusive of reserves) and inferred resources of approximately 1.5 million gold ounces, supplementing Great Panther’s measured and indicated resources of approximately 49.4 million silver-equivalent ounces and inferred resources of approximately 48.5 million silver-equivalent ounces.[6]
- The Merged Group will have an enhanced balance sheet compared to Beadell on a stand-alone basis, with a pro forma cash and short term deposits balance of approximately US$53.5 million as at 30 September 2018,[7] which will enable ongoing optimisation initiatives at Tucano, plus provide the opportunity for investment capital in growing Tucano’s reserves.
- There are material uncertainties regarding Beadell’s financial position in the short-term. Beadell has undertaken a process to identify and consider a range of alternatives to address these uncertainties, including sources of debt and equity funding and other potential acquirers, and have selected the Scheme as the best available alternative given Great Panther’s financial strength.
- The Merged Group will have three mining operations in Mexico and Brazil along with the Coricancha development project located in Peru. Operating risk is expected to be significantly diversified with the inclusion of Mexico and Peru as new jurisdictions, which will represent 58% and 4% of pro forma net asset value respectively[8].
- With a diversified portfolio of producing assets, near-term growth opportunities backed by a strong balance sheet and a quality management team, the Merged Group is well

[5] Based on the AUD per USD exchange rate of 1.3717 on 21 September 2018. Beadell shareholders should note that the Independent Expert has assessed the value of the Scheme Consideration (on a minority interests basis) as between $0.043 and $0.064 per Beadell Share and that the implied value of the Scheme Consideration will change from time to time based on movements in the Great Panther Share price and in the US$:A$ exchange rate (see section 8.1(c) for further details).

[6] See the further information set out in Section 11.1 (in respect of Beadell’s reserves and resources) and 12.1 (in respect of Great Panther’s reserves and resources).

[7] Pro forma cash and short term deposit figure assumes that all holders of Beadell Convertible Debentures accept the change of control offer described in section 9.12(c), and are repaid subsequent to the completion of the Scheme. See further section 13.5.

[8] Based on the median of all available broker estimates.

positioned for a re-rating, to the benefit of both Great Panther and Beadell shareholders.

- Since the Announcement Date, no Competing Proposal has emerged.
- No brokerage or stamp duty will be payable by you on the transfer of your Beadell Shares.
- If the Scheme does not proceed and no Superior Proposal emerges, the price of Beadell Shares may fall.

The reasons to vote in favour of the Scheme are discussed in more detail in section 8.1 of this Scheme Booklet.

(b) Reasons you may want to vote against the Scheme

- You may disagree with the Beadell Directors' unanimous recommendation and the Independent Expert's conclusion and prefer Beadell to continue to operate as a standalone entity.
- You may wish to maintain your current investment and risk profile.
- You may consider that there is a possibility that a Superior Proposal could emerge in relation to Beadell in the foreseeable future.
- The Scheme may be subject to conditions that you consider unacceptable.
- The monetary value of the Scheme Consideration is not certain and will depend on the price at which the New Great Panther Shares trade after the Implementation Date.
- You will only be able to trade your New Great Panther Shares on TSX or NYSE (American) as the New Great Panther Shares will not be listed on the ASX.
- The tax consequences of the Scheme may not suit your current financial circumstances.

The reasons to vote against the Scheme are discussed in more detail in section 8.2 of this Scheme Booklet.

6 Next steps and voting at the Scheme Meeting

Next steps

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour or against the Scheme (as set out in sections 8.1 and 8.2 of the Scheme Booklet), before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Transaction are set out in section 7 of this Scheme Booklet. If you have any additional questions about this Scheme Booklet or the Transaction, please contact Beadell on 08 9429 0800 (within Australia) or +61 8 9429 0800 (outside Australia), or contact your broker or legal, financial, taxation or other professional adviser.

How to vote at the Scheme Meeting

Voting entitlements

If you are registered as a Beadell Shareholder on the Beadell Share Register at 10:00am (AWST) on 10 February 2019 (and you are not an Excluded Shareholder), you will be entitled to attend and vote at the Scheme Meeting to be held on 12 February 2019.

How to vote

You can vote on the Scheme Resolution at the upcoming Scheme Meeting on 12 February 2019 in any of the following ways:

- in person by attending the Scheme Meeting at The Celtic Club, 48 Ord Street, West Perth WA 6005 at 10:00am (AWST) on 12 February 2019;
- by appointing a proxy or attorney to attend the Scheme Meeting and vote on your behalf:
  - by lodging a proxy online at www.investorvote.com.au;
  - by faxing the enclosed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
  - by mailing the enclosed Proxy Form to the Beadell Share Registry at GPO Box 1282 Melbourne, Victoria, Australia 3000; or
- in the case of a body corporate, by appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

To be valid, a proxy must be received by the Beadell Share Registry by 10:00am (AWST) on 10 February 2019.

7 Frequently Asked Questions

This section 7 answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for Beadell Shareholders. This section 7 should be read together with all other parts of this Scheme Booklet.

Question	Answer	For more information see
Overview of the Scheme		
What is the Scheme?	A 'scheme of arrangement' is a statutory procedure that can be used to enable one company to acquire another company. The Scheme is a scheme of arrangement between Beadell and Beadell Shareholders (other than Excluded Shareholders) under which Great Panther may acquire 100% of Beadell Shares for consideration to be provided under the terms of the Scheme, being 0.0619 New Great Panther Shares for each Beadell Share issued and outstanding, held by Scheme Shareholders (other than Ineligible Foreign Shareholders and electing Small Shareholders) on the Scheme Record Date.	Section 5.1
What is the effect of the Scheme if implemented?	If the Scheme is approved by Scheme Shareholders and the Court, and if all other Conditions are satisfied or waived (where applicable): • all your Beadell Shares held on the Scheme Record Date will be transferred to Great Panther; • in exchange you will receive the Scheme Consideration (unless you are an Ineligible Foreign Shareholder or you are a Small Shareholder and you elect to participate in the Sale Facility); • Beadell will become a wholly-owned subsidiary of Great Panther; • Beadell will be delisted from the ASX; and • New Great Panther Shares issued to you will be listed on the TSX and NYSE (American).	Section 9
Who is Great Panther?	Great Panther is public company incorporated under the laws of the Province of British Columbia, Canada, which is listed on the TSX under the symbol GPR and on the NYSE (American) under	Section 12

Question	Answer	For more information see
	the symbol GPL. Great Panther is a primary silver mining and precious metals producer and exploration company. Its wholly-owned mining operations in Mexico are the Topia Mine, and the Guanajuato Mine Complex which comprises the Guanajuato Mine, the San Ignacio Mine, and the Cata processing plant.	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Beadell Shareholder (and you are not an Excluded Shareholder) and you are being asked to vote on the Scheme which, if approved, will result in Great Panther acquiring all Beadell Shares for 0.0619 New Great Panther Shares for each Beadell Share you hold on the Scheme Record Date (unless you are an Ineligible Foreign Shareholder or you are a Small Shareholder and you elect to participate in the Sale Facility). This Scheme Booklet is intended to help you decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.	Section 1
What do I need to do?	You should read this Scheme Booklet carefully and in full and then vote at the Scheme Meeting in person or by appointing a proxy to vote on your behalf.	Section 6
What will I receive under the Scheme?		
What is the Scheme Consideration?	Each Scheme Shareholder (other than Ineligible Foreign Shareholders and electing Small Shareholders) will receive 0.0619 New Great Panther Shares for each Beadell Share held by the Scheme Shareholder on the Scheme Record Date. If a Scheme Shareholder (other than an Ineligible Foreign Shareholder or an electing Small Shareholder) would be entitled to a fraction of a New Great Panther Share under the Scheme Consideration, the fractional entitlement will be rounded down to the nearest whole number of New Great Panther Shares.	Section 10

Question	Answer	For more information see
What are the New Great Panther Shares?	A New Great Panther Share is a common share in the share capital of Great Panther, being the equivalent of an "ordinary" share in Australia. New Great Panther Shares will be quoted and tradable on the TSX in C$ and on the NYSE (American) in US$. New Great Panther Shares will not be quoted or tradable on the ASX.	Section 10.4
When and how will I receive my Scheme Consideration?	You will be eligible to receive the Scheme Consideration if you are a Scheme Shareholder on the Scheme Record Date, provided you are not an Ineligible Foreign Shareholder or electing Small Shareholder. If the Scheme becomes Effective, Great Panther must issue, or cause to be issued, your New Great Panther Shares on the Implementation Date (unless you are an Ineligible Foreign Shareholder or you are a Small Shareholder and you elect to participate in the Sale Facility). DRS Advices for the New Great Panther Shares will be sent to you within 10 Business Days after the Implementation Date. If you are a Small Shareholder, you may elect to have all, but not some, of your Scheme Shares dealt with in accordance with the sale facility under the Scheme. See below and Section 10.6 for information for Ineligible Foreign Shareholders and below and Section 10.7 for information for Small Shareholders.	Section 10.2.
Where will the New Great Panther Shares be quoted for trading?	If the Scheme is approved by Scheme Shareholders and the Court, and if all other Conditions are satisfied or waived (where applicable), New Great Panther Shares will be quoted on the TSX and on the NYSE (American).	
When and where will I be able to trade my New Great Panther Shares?	New Great Panther Shares can be traded on the TSX and NYSE (American) following the listing of New Great Panther Shares on the TSX and the NYSE (American). Upon receipt of the New Great Panther Shares, you will be able to trade such New Panther Shares, you will be able to trade such New Great Panther Shares immediately after the Implementation Date.	
How can I trade my New Great Panther	Great Panther is listed on the TSX and NYSE (American) but is not listed on the ASX. If you wish	Section 10.4(d)

Question	Answer	For more information see
Shares?	to sell the New Great Panther Shares you receive under the Scheme, or purchase additional Great Panther Shares, you will need to instruct a stockbroker who is able to execute trades on the TSX or NYSE (American).	
What are the tax implications of the Scheme for me?	The tax implications for Scheme Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Shareholder. General information regarding the tax implications under the Scheme is set out in Section 15. For information about your individual financial or taxation circumstances, please consult your financial, legal, taxation or other professional adviser.	Section 15
Am I an Ineligible Foreign Shareholder?	You are an Ineligible Foreign Shareholder if you are a Beadell Shareholder whose address as shown in the Beadell Share Register at 5:00pm on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, Canada, the Cayman Islands, Guernsey, Luxembourg or the United States, unless Great Panther, in consultation with Beadell, determines that it is lawful and not unduly onerous or impracticable to issue you New Great Panther Shares when the Scheme becomes Effective.	Section 10.5
What will Ineligible Foreign Shareholders receive under the Scheme?	If you are an Ineligible Foreign Shareholder, you will not be entitled to receive New Great Panther Shares in connection with the Scheme. Any New Great Panther Shares to which you would otherwise be entitled to under the Scheme will be allotted to a Sale Agent, who will sell the New Great Panther Shares on your behalf and at your risk as soon as reasonably practicable following the implementation of the Scheme. You will receive such proportion of the proceeds in A$ (after deducting any applicable brokerage, stamp duty and other taxes and charges, and selling costs) as the number of New Great Panther Shares which would have been issued to you (if you were eligible to receive New Great Panther Shares) as a portion of all New Great Panther Shares which would have been issued to all Ineligible Foreign Shareholders (if they were eligible to receive New Great Panther Shares), in full satisfaction of your rights to the Scheme	Section 10.5

Question	Answer	For more information see
	Consideration.	
Am I a Small Shareholder?	You are a Small Shareholder if you hold 10,000 Scheme Shares or less at the Scheme Record Date.	Section 10.6
What will Small Shareholders receive under the Scheme?	If you are a Small Shareholder, you: • will be issued your entitlement to New Great Panther Shares under the Scheme; or • at your election, may have all, but not some, of the New Great Panther Shares to which you would have otherwise been entitled to under the Scheme allotted to the Sale Agent, who will sell the New Great Panther Shares on your behalf and at your risk as soon as reasonably practicable following the implementation of the Scheme. In this case, you will receive such proportion of the proceeds in A$ (after deducting any applicable brokerage, stamp duty and other taxes and charges, and selling costs) as the number of New Great Panther Shares which would have been issued to you (if you had elected to be issued your entitlement to New Great Panther Shares) as a portion of all New Great Panther Shares which would have been issued to Small Shareholders, in full satisfaction of your rights to the Scheme Consideration.	Section 10.6
How should I vote at the Scheme Meeting?		
What do the Beadell Directors recommend?	The Beadell Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.	Section 8.1(a)
What is the opinion of the Independent Expert?	The Independent Expert is of the opinion that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders.	Section 8.1(b) For a copy of the Independent Expert's Report please see Annexure A
What are the reasons you may want to vote in	Reasons why you may want to vote in favour of the Scheme include:	Section 8.1

Question	Answer	For more information see
favour of the Scheme?	• the Beadell Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal; • the Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders; • an attractive premium of 51% over Beadell's unaffected closing share price on the ASX on 21 September 2018;[9] • Beadell Shareholders receiving substantial exposure to the Merged Group, with approximately 38% ownership in the Merged Group. • an extensive resource and reserve base of the Merged Group; • the Merged Group will have a strong balance sheet, with a pro forma cash and short term deposits balance of approximately US$53.5 million as at 30 September 2018,[10] which will enable ongoing optimisation initiatives at Tucano; • Great Panther's financial strength is considered to be the best available alternative to address Beadell's financial uncertainties; • a diversified asset portfolio; • attractive re-rating potential; • since the Announcement Date, no Competing Proposal has emerged; • no brokerage or stamp duty will be payable by you on the transfer of your Beadell Shares; and • if the Scheme does not proceed and no Superior Proposal emerges, the price of Beadell Shares may fall.	

[9] Based on the AUD per USD exchange rate of 1.3717 on 21 September 2018. Beadell shareholders should note that the Independent Expert has assessed the value of the Scheme Consideration (on a minority interests basis) as between $0.043 and $0.064 per Beadell Share and that the implied value of the Scheme Consideration will change from time to time based on movements in the Great Panther Share price and in the US$:A$ exchange rate (see section 8.1(c) for further details).

[10] Pro forma cash and short term deposit figure assumes that all holders of Beadell Convertible Debentures accept the change of control offer described in section 9.12(c), and are repaid subsequent to the completion of the Scheme. See further section 13.5.

Question	Answer	For more information see
What are the reasons you may want to vote against the Scheme?	Reasons why you may want to vote against the Scheme include: • you may disagree with the Beadell Directors' unanimous recommendation and the Independent Expert's conclusion and prefer Beadell to continue to operate as a standalone entity; • you may wish to maintain your current investment and risk profile; • you may consider that there is a possibility that a Superior Proposal could emerge in relation to Beadell in the foreseeable future; • the Scheme may be subject to conditions that you consider unacceptable; • the monetary value of the Scheme Consideration is not certain and will depend on the price at which the New Great Panther Shares trade on the TSX and NYSE (American) after the Implementation Date; • you will only be able to trade your New Great Panther Shares on TSX and NYSE (American) as the New Great Panther Shares will not be listed on the ASX; and • the tax consequences of the Scheme may not suit your current financial circumstances.	Section 8.2
What are the intentions of Beadell Directors in relation to the Scheme?	Each Beadell Director intends to vote, or procure the voting of, any Beadell Shares held or controlled by them, in favour of the Scheme, in the absence of a Superior Proposal.	Section 8.1(a)
Implementation of the Schemes		
Are there any conditions to the Scheme?	The Scheme will not become Effective unless and until all of the Conditions Precedent to the Scheme as set out in the Scheme Implementation Deed are satisfied or waived (if applicable). Material conditions of the Scheme include but are not limited to the following: • FIRB, ASIC and TSX approval (where applicable) are obtained; • Great Panther shareholders approve the issue of the Scheme Consideration;	For a full list of conditions please see section 9.3

Question	Answer	For more information see
	• all necessary third party consents are obtained in respect of the MACA Agreement, Facility Agreement, short term uncommitted facilities and other material contracts identified in the Scheme Implementation Deed; • Beadell has entered into binding agreements with 100% of the holders of Beadell Warrants to accept the Warrant Consideration in exchange for their outstanding Beadell Warrants; • no Beadell or Great Panther material adverse change occurs as set out in the Scheme Implementation Deed; • no Beadell or Great Panther prescribed occurrence or regulated event occurs as set out in the Scheme Implementation Deed; • Beadell and Great Panther warranties are true and correct in all material respects; • the Court approves the Scheme; and • the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting. If the Conditions Precedent are not satisfied or (where applicable) waived, the Scheme will not proceed and no Beadell Shares will be acquired by Great Panther. In these circumstances, you will retain your Beadell Shares, they will not be acquired by Great Panther and you will not receive the Scheme Consideration. Beadell will continue to operate as a standalone entity listed on the ASX.	
What is required for the Scheme to become Effective?	In order for the Scheme to become Effective, all Conditions Precedent must be satisfied or waived (where applicable), including the Conditions Precedent requiring that the Scheme Resolution be approved by the Requisite Majorities at the Scheme Meeting and the Scheme be approved by the Court.	
When and where will the Scheme Meeting be held?	The Scheme Meeting to approve the Scheme is scheduled to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 at 10:00am (AWST) on 12 February 2019.	Section 9.6
What will Beadell Shareholders be asked to vote on at	At the Scheme Meeting, Beadell Shareholders will be asked to vote on whether to approve the Scheme.	

Question	Answer	For more information see
the Scheme Meeting?		
What is the Beadell Shareholder approval threshold for the Scheme?	In order to become Effective, the Scheme must be agreed to by: • a majority in number (more than 50%) of Beadell Shareholders present and voting at the Scheme Meeting on 12 February 2019 (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Beadell Shareholders present and voting at the Scheme Meeting on 12 February 2019 (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative). Even if the Scheme is agreed to by Beadell Shareholders at the Scheme Meeting on 12 February 2019, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in section 9.3 of this Scheme Booklet).	Section 9.6
What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?	If the Scheme is not approved then: • the Scheme will not proceed; • no Beadell Shares will be acquired by Great Panther; • you will retain your Beadell Shares; • you will not receive the Scheme Consideration; • Beadell will continue to operate as a standalone entity listed on ASX; • the current Beadell Board and management team will continue to operate Beadell; • the expected benefits of the Scheme will not be realised; and • Beadell will have incurred significant costs, and utilised significant management time and resources for no outcome.	Section 9.16
When will the Scheme become Effective and when	The Scheme will become Effective on the date on which the Court order approving the Scheme is lodged with ASIC. This date is the Effective Date of	Sections 9.9 and 9.10

Question	Answer	For more information see
will be implemented?	the Scheme. Upon the Scheme becoming Effective, the Scheme will bind Beadell and all Scheme Shareholders. Beadell will also give notice of those events to the ASX and apply to the ASX for trading in Beadell Shares to be suspended from the close of trading on the Effective Date. The Implementation Date is currently anticipated to be 5 March 2019.	
How do I vote at the Scheme Meeting?		
Am I entitled to vote at the Scheme Meeting?	If you are registered as a Beadell Shareholder on the Beadell Share Register at 10:00am (AWST) on 10 February 2019, you will be entitled to attend and vote at the Scheme Meeting.	Section 6
How can I vote if I can't attend the Scheme Meeting?	Voting at the Scheme Meeting may be in person, by attorney, by proxy or, in the case of a corporation, by corporate representative. Details on how to vote by proxy attorney or corporate representative are set out in the 'How to Vote' part of section 6. If you cannot attend the Scheme Meeting, you may also vote online or complete the personalised proxy form accompanying this Scheme Booklet in accordance with the instructions. The deadline for lodging your proxy form for the Scheme Meeting is 10:00am on 10 February 2019.	Section 6
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting to be held on 12 February 2019 are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX (www.asx.com.au) once available.	
What happens to my Beadell Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 5.00pm (AWST) on 25 February 2019) will be cancelled, and you will receive the Scheme Consideration (unless you are an Ineligible Foreign Shareholder or an electing Small Shareholder), despite not having voted or having voted against the Scheme.	

Question	Answer	For more information see
Information about the Merged Group		
How will the Merged Group differ from Beadell	Following implementation of the Scheme, the Merged Group will have its registered office in Vancouver, Canada. Beadell will become a wholly-owned subsidiary of Great Panther and will remove itself from the official list of the ASX. Great Panther will remain listed on TSX and NYSE (American) where Great Panther Shares will be listed and traded.	Section 13
What will be the strategy of the Merged Group?	Great Panther's strategy for the Merged Group is to focus on the optimisation of Beadell's Tucano mine in Brazil, including enhancement of mining and processing operations, while maintaining and improving operations at Great Panther's Guanajuato and Topia mines in Mexico and advancing the evaluation of a restart of the Coricancha mine in Peru. Great Panther plans to implement this strategy with a diligent focus on mining costs and conservative decision making in order to preserve the balance sheet of the Merged Group and minimise future financing requirements. To the extent that additional financing is required, the Merged Group will evaluate equity and debt financings, and potentially a combination of equity and debt financings, as required to continue its business plans for the Merged Group.	Section 13
What are the risks associated with the Merged Group?	There are various potential risks relating to the Scheme and the Merged Group, some of which are discussed in detail in sections 14.2, 14.3 and 14.4 of this Scheme Booklet.	Sections 14.2, 14.3 and 14.4
Other questions		
Can I sell my Beadell Shares now?	You can sell your Beadell Shares on market at any time before the close of trading on ASX on the Effective Date at the then prevailing market price. Beadell intends to apply to the ASX for Beadell Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your Beadell Shares on market after this date. If you sell your Beadell Shares on the ASX, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may	

Question	Answer	For more information see
	be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.	
Will I have to pay brokerage or stamp duty?	You will not have to pay brokerage or stamp duty on the transfer of your Beadell Shares under the Scheme.	
Where can I get further information?	For further information, you can call Beadell on 08 9429 0800 (from within Australia) or +61 8 9429 0800 (from outside Australia) Monday to Friday between 9.00am and 5.00pm (AWST time). Beadell is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Information disclosed to the ASX by Beadell is available on the ASX's website at www.asx.com.au or on Beadell's website at www.beadellresources.com.au. If you are in doubt about anything in this Scheme Booklet, please contact your legal, financial, taxation or other professional adviser.	

8 Key considerations relevant to your vote

8.1 Reasons you may want to vote in favour of the Scheme

This section sets out the reasons you may want to vote in favour of the Scheme. This section should be read in conjunction with the 'Reasons you may want to vote against the Scheme' set out in section 8.2 of this Scheme Booklet, and the 'Additional Considerations' set out in section 8.3 of this Scheme Booklet.

(a) The Beadell Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

The Beadell Board unanimously recommends that Beadell Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. Each Beadell Director intends to vote, or procure the voting of, any Beadell Shares held or controlled by them, in favour of the Scheme, in the absence of a Superior Proposal.

(b) The Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders

Beadell appointed Deloitte Corporate Finance Pty Limited to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of Beadell Shareholders.

The Independent Expert has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell Shareholders.

Among other things, the Independent Expert has noted that:

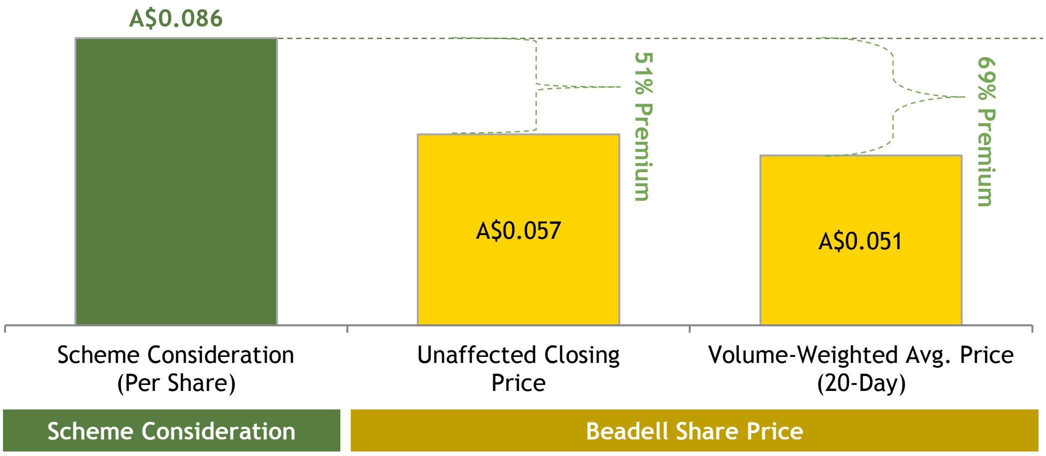
- the Scheme is not 'fair' because it has assessed the fair market value of a Beadell Share before the Announcement Date (inclusive of a premium for control) as between \$0.053 and \$0.090 per Beadell Share, which compares with its assessment of the value of the Scheme Consideration (on a minority interests basis) as between \$0.043 and \$0.064 per Beadell Share;
- the Scheme is 'reasonable' because the short-term financial challenges faced by Beadell due to its high gearing and the imminent repayment profile of its debt, the resulting vulnerability of its balance sheet, and the high risks posed by its high operating leverage leave Beadell vulnerable on a stand-alone basis to any exogenous shocks and show that Beadell Shareholders could be significantly worse off if the Scheme is not implemented and Beadell is forced to raise capital on a stand-alone basis; and
- while the Scheme Consideration is not equal to or greater than the value of Beadell Shares, there are sufficient reasons for Beadell Shareholders to vote in favour of the Scheme in the absence of a higher offer.

The full reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure A of this Scheme Booklet. Beadell Shareholders should review the Independent Expert's Report carefully and in full.

(c) Attractive Upfront Premium

The implied equity value for Beadell based on the Scheme Consideration is approximately A$144 million (approximately US$105 million), based on the closing price of a Great Panther Share on the NYSE (American) on 21 September 2018[11]. The Scheme Consideration to be received by Beadell shareholders represents a 51% premium over Beadell's unaffected closing share price on the ASX on 21 September 2018[12], and a 69% premium to Beadell's volume-weighted average share prices for the 20 trading days up to and including 21 September 2018.[13]

Implied Premium to Beadell Shareholders



Note: market data as at 21 September 2018.

Beadell Shareholders should note that the implied value of the Scheme Consideration will change from time to time based on movements in Great Panther's share price and in the US$:A$ exchange rate. Based on the closing Great Panther share price on NYSE of US$0.5749 on the Last Practicable Date and an AUD per USD exchange rate of 1.3930,[14] the implied value of the Scheme Consideration was A$0.050 per Beadell Share. The implied value of the Scheme Consideration has been as high as A$0.086 per Beadell Share and as low as A$0.046 per Beadell Share between the Announcement Date and the Last Practicable Date.[15]

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[11] The last trading day for Beadell Shares on the ASX before the Announcement Date.

[12] The last trading day for Beadell Shares on the ASX before the public announcement of the Scheme.

[13] Based on the AUD per USD exchange rate of 1.3717 on 21 September 2018.

[14] Based on an AUD per USD exchange rate of 1.3930 on the Last Practicable Date.

[15] Based on daily closing prices for Great Panther shares on TSX and the A$:US$ exchange rate.

(d) Ongoing Ownership in a New Leading Precious Metals Producer

Beadell Shareholders will receive substantial exposure to the Merged Group, with approximately 38% pro forma ownership in the Merged Group. The Merged Group is expected to produce approximately 2.2 million silver ounces and approximately 149,000 gold ounces in 2018.

(e) Extensive Resource and Reserve Base

The Merged Group is anticipated to have proven and probable reserves of approximately 1.4 million gold ounces. Beadell will also contribute measured and indicated resources of approximately 0.8 million gold ounces (exclusive of reserves) and inferred resources of 1.2 million gold ounces, supplementing Great Panther's measured and indicated resources of approximately 49.4 million silver-equivalent ounces and inferred resources of approximately 48.5 million silver-equivalent ounces.

Pro Forma Reserves and Resources[16]

	Proven & Probable			Measured & Indicated			Inferred		
	Tonnes	Grade	Contained	Tonnes	Grade	Contained	Tonnes	Grade	Contained
	(Mt)	(g/t)	(Moz Au)	(Mt)	(g/t)	(Moz Au)	(Mt)	(g/t)	(Moz Au)
Beadell	21.7	1.81	1.3	14.7	1.66	0.8	22.9	2.03	1.5
Total Au	**21.7**	**1.81**	**1.3**	**14.7**	**1.66**	**0.8**	**22.9**	**2.03**	**1.5**
	Tonnes	Grade	Contained	Tonnes	Grade	Contained	Tonnes	Grade	Contained
	(Mt)	(g/t)	(Moz AgEq)	(Mt)	(g/t)	(Moz AgEq)	(Mt)	(g/t)	(Moz AgEq)
San Ignacio	-	-	-	1.0	354	11.4	0.6	302	5.6
Guanajuato	-	-	-	0.2	327	2.3	0.2	280	1.4
Topia	-	-	-	0.3	1,039	11.6	0.4	962	11.1
Coricancha	-	-	-	0.8	1,000	24.2	0.9	935	28.4
El Horcón	-	-	-	-	-	-	0.2	401	2.1
Total AgEq	-	-	-	2.3	664	49.4	2.2	687	48.5

(f) Strong Balance Sheet to Support Complementary Assets

The enhanced balance sheet of the Merged Group, with a pro forma cash and short term deposits balance of approximately US$53.5 million as at 30 September 2018,[17] will enable ongoing optimisation initiatives at Tucano. Additionally, the additional cash available may provide some downside protection in the event of an operational delay or downward movement in the gold price.

(g) Great Panther's financial strength addresses Beadell's financial uncertainties

As detailed in section 11.2, there are material uncertainties regarding Beadell's financial position in the short-term. These uncertainties principally result from the 2019 Tucano mine plan back-ending production and the significant debt repayments due in the first half of 2019.

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[16] Combined reserve and resource quantities of Beadell and Great Panther. See the further information set out in Section 11.1 and 12.1 (which includes details of the metal pricing assumptions used to calculate the silver-equivalents).

[17] Pro forma cash and short term deposit figure assumes that all holders of Beadell Convertible Debentures accept the change of control offer described in section 9.12(c), and are repaid subsequent to the completion of the Scheme. See further section 13.5.

Beadell has undertaken a process to identify and consider a range of alternatives to address these uncertainties. It has held discussions with a number of potential counterparties regarding corporate merger transactions, strategic equity investments and debt funding, as well as the announced transactions (which have since terminated) with Golden Harp Resources and Ring the Bell Capital Corporation.

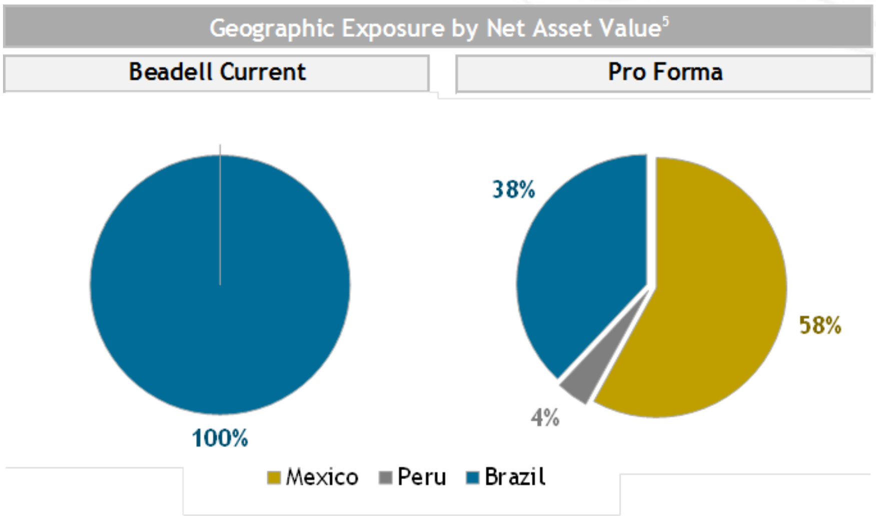
The Directors consider the Scheme to be the best available alternative to address the Company's financial uncertainties, in light of Great Panther's strong balance sheet and the other reasons set out in this section 8.1.

(h) Diversified Portfolio

The Merged Group will have three mining operations in Mexico and Brazil along with the Coricancha project located in Peru. Operating risk is expected to be significantly diversified with the inclusion of Mexico and Peru as new core jurisdictions, which will represent 58% and 4% of the Merged Group's pro forma net asset value respectively[18].

Geographic Breakdown of Combined Portfolio

[18] Based on the median of all available broker estimates.



(i) **Attractive Re-Rating Potential**

With a diversified portfolio of producing assets, near-term growth opportunities backed by a strong balance sheet and quality management team, the Merged Group is well positioned for a re-rating, to the benefit of both Beadell and Great Panther shareholders.

(j) **Since the Announcement Date, no Competing Proposal has emerged**

Since the Scheme was announced, there has been a significant period of time for a Competing Proposal to emerge. No Competing Proposal has emerged to date.

(k) **No brokerage or stamp duty will be payable by you on the transfer of your Beadell Shares**

You will not incur any brokerage or stamp duty on the transfer of your Scheme Shares to Great Panther under the Scheme. If you sell your Beadell Shares on the ASX (rather than disposing of them via the Scheme), you may incur brokerage charges.

(l) **If the Scheme does not proceed and no Superior Proposal emerges, the price of Beadell Shares may fall**

If the Scheme is not implemented, Beadell Shares will remain quoted on the ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions in the markets in which Beadell operates. As such, if the Scheme is not implemented, it is possible that the price at which Beadell Shares trade will fall.

In addition, as noted above, there are material uncertainties regarding Beadell's financial position. If the Scheme does not proceed, Beadell would need to progress alternatives for additional equity and debt funding. While Directors have a reasonable expectation that such additional funding can be secured, no assurances can be made that appropriate funding will be available on terms favourable to the Beadell Group (and its existing shareholders) or at all.

On 21 September 2018, the trading day prior to Beadell confirming to the ASX that it had entered into the Scheme Implementation Deed with Great Panther, the Beadell share price closed at $0.057.

8.2 Reasons you may want to vote against the Scheme

This section summarises the reasons identified by the Beadell Directors as to why you may want to vote against the Scheme. The Beadell Directors believe that the reasons to vote in favour of the Scheme outweigh the reasons you may want to vote against the Scheme and that the Scheme is in the best interests of the Beadell Shareholders, in the absence of a Superior Proposal. However, the Beadell Directors believe that Beadell Shareholders should take into consideration these factors when deciding whether or not to vote in favour of the Scheme.

(a) You may disagree with the Beadell Directors' unanimous recommendation and the Independent Expert's conclusion and prefer Beadell to continue to operate as a standalone entity

Notwithstanding the unanimous recommendation of the Beadell Directors and the conclusions of the Independent Expert, you may believe that the Scheme is not in your best interests.

There is no obligation to follow the recommendation of the Beadell Directors or to agree with the opinion of the Independent Expert.

(b) You may wish to maintain your current investment and risk profile

If the Scheme is implemented, there will be a change in the risk profile to which Beadell Shareholders are exposed.

If the Scheme is implemented, Beadell will become part of Great Panther and Beadell Shareholders will become holders of New Great Panther Shares listed on the TSX and the NYSE (American).

This changed risk profile may be seen by some Beadell Shareholders as a disadvantage.

(c) You may consider that there is a possibility that a Superior Proposal could emerge in relation to Beadell in the foreseeable future

You may consider that a Superior Proposal, which is more attractive to Beadell Shareholders than the Scheme, could emerge in the foreseeable future.

Since the announcement of the Scheme on 24 September 2018 and up to the date of this Scheme Booklet, the Beadell Directors have not received or become aware of a Superior Proposal and have no reason to believe that a Superior Proposal will emerge.

If Competing Proposal does emerge, it is possible that Beadell may have to pay Great Panther the Beadell Reimbursement Fee. See section 9.14 for further details.

(d) The Scheme may be subject to conditions that you consider unacceptable

In addition to Beadell Shareholder approval and Court approval, the implementation of the Scheme is subject to a number of other Conditions Precedent. If the Conditions Precedent are not satisfied or waived (as applicable), the Scheme will not be implemented and Beadell Shareholders will not receive the Scheme Consideration.

The Conditions Precedent are summarised in section 9.3 of this Scheme Booklet and are set out in full in clause 3.1 of the Scheme Implementation Deed. It is possible that you consider those Conditions Precedent to be unacceptable. However, note that the Scheme will not be implemented unless those Conditions Precedent are satisfied or waived.

(e) The monetary value of the Scheme Consideration is not certain and will depend on the price at which the New Great Panther Shares trade on the TSX and the NYSE (American) after the Implementation Date

Following implementation of the Scheme, the price of New Great Panther Shares may rise or fall based on market conditions, currency exchange fluctuations and the Merged Group's financial and operational performance. If the price of Great Panther Shares fall, the value of New Great Panther Shares received as Scheme Consideration will decline. If the price of Great Panther Shares increases, the value of the New Great Panther Shares received as Scheme Consideration will increase.

Accordingly, there is no guarantee as to the future value of the Scheme Consideration to be received under the Scheme.

(f) You will only be able to trade your New Great Panther Shares on TSX or NYSE (American) as the New Great Panther Shares will not be listed on the ASX

The New Great Panther Shares will be listed on the TSX and NYSE (American) but will not be listed on the ASX. If you receive New Great Panther Shares, you will only be able to trade your New Great Panther Shares on the TSX or NYSE (American).

Please see section 10.4(d) for further information on trading New Great Panther Shares.

(g) The tax consequences of the Scheme may not suit your current financial circumstances

If the Scheme proceeds, there may be tax consequences for you as a Beadell Shareholder which may include tax payable by you on any gain on the disposal of your Beadell Shares.

Further detail regarding the general tax considerations in relation to the Scheme is contained in section 15.

8.3 Other considerations

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Schemes.

(a) The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Beadell Shareholders and the Court. If this occurs, your Beadell Shares will be transferred to Great Panther and you will receive the Scheme Consideration (unless you are an Ineligible Foreign Shareholder or an electing Small Shareholder) even though you did not vote on, or voted against, the Scheme.

(b) Implications for Beadell if the Scheme is not implemented

If the Scheme is not implemented, Beadell Shareholders will retain their Beadell Shares and will not receive the Scheme Consideration.

If the Scheme is not implemented, transaction related costs of approximately $1,029,000 are expected to be incurred by Beadell. Further details of the estimated costs are set out in section 17.5 of this Scheme Booklet. These amounts do not include transaction or other similar costs that may be incurred by Great Panther.

(c) Reimbursement fee

If certain events occur and the Scheme is not implemented, the Beadell Reimbursement Fee of $2.2 million may be payable by Beadell to Great Panther. The circumstances in which the Beadell Reimbursement Fee would be payable are set out in section 9.14 of this Scheme Booklet.

(d) Warranty by Scheme Shareholders about their Scheme Shares and no encumbrances over Scheme Shares

If the Scheme is implemented, each Scheme Shareholder is deemed to have warranted to Beadell and Great Panther that all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Great Panther, be fully paid and free from all encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Great Panther under the Scheme. See section 9.2 of this Scheme Booklet for further details.

In addition, the Scheme provides that, to the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under the Scheme to Great Panther will, at the time of transfer of them to Great Panther vest in Great Panther free of all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

(e) Beadell Support Agreements

Beadell Shareholders holding in aggregate 18.06% of Beadell Shares have agreed to vote in favour of the Scheme, in the absence of a Superior Proposal, and not to dispose of their Beadell Shares, except in respect of a Superior Proposal.

For more information on the Beadell Support Agreements, see section 12.11.

9 Overview of the Scheme

9.1 The Scheme Implementation Deed

The Scheme Implementation Deed sets out each of Beadell's and Great Panther's rights and obligations in connection with the implementation of the Scheme.

A copy of the Scheme Implementation Deed was released to the ASX by Beadell on 24 September 2018. On 18 December 2018, Beadell and Great Panther agreed to amend the Scheme contained in Attachment 2 to the Scheme Implementation Deed to:

- clarify the process for Small Shareholders to elect to participate in the Sale Facility; and
- clarify the quotation of the New Great Panther Shares on the NYSE (American).

A copy of the Scheme, as amended, is attached to this Scheme Booklet as Annexure B.

9.2 The Deed Poll

On 14 December 2018, Great Panther executed the Deed Poll pursuant to which it agreed, subject to the Scheme becoming Effective, to provide each Beadell Shareholder (other than Excluded Shareholders) with, or procure the provision to each Scheme Shareholder (other than Ineligible Foreign Shareholders and electing Small Shareholders), the Scheme Consideration to which it is entitled under the Scheme.

A copy of the Scheme Deed Poll is attached to this Scheme Booklet as Annexure E.

9.3 Conditions Precedent

The Scheme will not become Effective, and the obligations of Great Panther will not become binding, until and unless each Condition Precedent is satisfied or waived (where applicable).

The Conditions Precedent as set out in the Scheme Implementation Deed are as follows:

(a) **Regulatory Approvals**: before 5.00pm on the Business Day before the Second Court Date:

(1) **FIRB**: one of the following has occurred:

(A) Great Panther has received written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia (**Treasurer**), advising that the Commonwealth Government has no objections to the Scheme either unconditionally or on terms that are acceptable to Great Panther in its absolute discretion;

(B) the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Scheme and the Scheme is not prohibited by section 82 of the FATA; or

(C) where an interim order is made under section 68 of the FATA in respect of the Scheme, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision;

(2) **other**: any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the Scheme (including in respect of Canadian, United States, Mexican and Brazilian anti-trust approvals, as required) are granted, given, made or obtained on an unconditional basis (or on conditions acceptable to each party, acting reasonably) and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) and all applicable review and waiting periods have expired or been waived before 8.00am on the Second Court Date.

(b) **Beadell Shareholder approval**: Beadell Shareholders agree to the Scheme at the Scheme Meeting by the Requisite Majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

(c) **Independent Expert**: the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interest of Beadell Shareholders before the time when the Scheme Booklet is registered by ASIC.

(d) **Court approval**: the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.

(e) **Great Panther Shareholder approval**: Great Panther shareholders approve the issue of the Scheme Consideration at the Shareholder Meeting by ordinary resolution in accordance with the requirements of the TSX.

(f) **Restraints**: between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date:

(1) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;

(2) no action or investigation is announced, commenced or threatened by any Government Agency; and

(3) no application is made to any Government Agency,

in consequence of, or in connection with, the Scheme which:

(4) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Scheme or the rights of Great Panther in

respect of Beadell or the Beadell Shares to be acquired under the Scheme; or

(5) requires the divestiture by Great Panther of any Beadell Shares or the divestiture of any assets of the Great Panther Group or the Beadell Group,

unless such order, injunction decision, decree, action, investigation or application has been disposed of to the satisfaction of Great Panther acting reasonably, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.

(g) **No Beadell Prescribed Occurrence**: no Beadell Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(h) **No Beadell Regulated Event**: no Beadell Regulated Event occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(i) **No Beadell Material Adverse Change**: no Beadell Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Great Panther, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(j) **No Great Panther Prescribed Occurrence**: no Great Panther Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(k) **No Great Panther Regulated Event**: no Great Panther Regulated Event occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(l) **No Great Panther Material Adverse Change**: no Great Panther Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Beadell, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(m) **MACA Agreement**: with respect to the MACA Agreement:

(1) the MACA Agreement remains in full force and effect, and there is no breach or threatened breach of the MACA Agreement, at all times between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date; and

(2) on or before 8.00am on the Second Court Date, Beadell shall have obtained from all applicable parties to the MACA Agreement their agreement to (i) consent to the “Change of Control” (as such term is defined in the MACA Agreement) of Beadell resulting from the completion of the Scheme, and (ii) enter into an amended and restated MACA Agreement reflecting the acquisition of Beadell by Great Panther, each on terms satisfactory to Great Panther, acting reasonably, without a requirement of Great Panther to guarantee any obligation of any member of the Beadell Group or to incur any financial obligation to MACA, except as otherwise agreed by Great Panther in its sole discretion; and, once obtained, such agreement shall remain in full force and

effect, unamended without the prior written consent of Great Panther, at all times between the date of their execution and delivery and 8.00am on the Second Court Date.

(n) **Relevant Material Contracts**: on or before 8.00am on the Second Court Date:

(1) the relevant counterparty to a Relevant Material Contract provides Beadell in writing (which, to avoid doubt, includes a document originally executed and transmitted by email) a binding, irrevocable and unconditional waiver or release of its rights under the Relevant Material Contract that are triggered as a result of the completion of the Scheme (**Relevant Release**) provided that, to the extent that the Relevant Release is subject to conditions, those conditions are acceptable to Great Panther, acting reasonably; and

(2) the Relevant Release is not varied, revoked or qualified (such that, with respect of a variation or qualification, the Relevant Release is not acceptable to Great Panther, acting reasonably) before that time;

(o) **Facility Agreement consent**: on or before 8.00am on the Second Court Date, Beadell shall obtain from all applicable parties to the Facility Agreement:

(1) their consent, in writing, to the implementation of the Scheme, and a waiver of their rights to demand the early payment of the facilities under the pre-export agreement triggered by the change of control resulting from such implementation;

(2) their consent, in writing, to extend the repayment terms and maturity date for such facilities by six months;

(3) their waiver, in writing, of their rights to demand the early payment of the facilities under the Facility Agreement for failure by Beadell to maintain any of the financial covenants for the period extending from 1 January 2018 until the final maturity date, as amended as aforesaid; and

(4) such other waivers and amendments, in writing, as may be required by Great Panther, acting reasonably, to ensure that the facilities will continue to remain in place following implementation of the Scheme,

and, once obtained, such consents and waivers shall remain in full force and effect, unamended without the prior written consent of Great Panther (acting reasonably), at all times between the date of their execution and delivery and 8.00am on the Second Court Date.

(p) **ACC Agreement Consent**: on or before 8.00am on the Second Court Date, Beadell shall obtain from Banco Bradesco S.A. in connection with the short term uncommitted facilities commonly referred to as ACCs (the **ACCs**) with Beadell Brasil:

(1) their consent to the implementation of the Scheme, and the waiver of their rights to demand the early payment of such facilities; and

(2) such other waivers and amendments as may be required by Great Panther, acting reasonably, to ensure that the facilities

will continue to remain in place following implementation of the Scheme; and, once obtained, such consents and waivers shall remain in full force and effect, unamended without the prior written consent of Great Panther (acting reasonably), at all times between the date of their execution and delivery and 8.00am on the Second Court Date.

(q) **Beadell Convertible Debentures**: before 8:00am on the Second Court Date, the holders of the Beadell Convertible Debentures on issue as at the date of the Scheme Implementation Deed agreeing in writing to either:

(1) accept the offer required to be made by Beadell under the Debenture Indenture to purchase those debentures upon Implementation of the Scheme, unconditionally or on conditions satisfactory to the parties (each acting reasonably), or

(2) waive the obligation under the Debenture Indenture to make an offer to purchase those debentures upon Implementation of the Scheme and consent to the entering into of a supplemental indenture in respect of the Beadell Convertible Debenture to, among other things, (1) consenting to the "Change of Control", as defined in the Debenture Indenture, resulting from the implementation of the Scheme, (2) agreeing to accept the issue of Great Panther Shares in lieu of Beadell Shares on exercise of rights of conversion of the Beadell Convertible Debentures, (3) agreeing that Great Panther is not a successor issuer for the purposes of Article 11 of the Debenture Indenture and is not required to assume the obligations of Beadell under the Debenture Indenture, (4) waiving the requirement under section 7.12 of the Debenture Indenture that Beadell maintain the listing of its common shares on the ASX, and (5) such other terms and conditions satisfactory to Great Panther, acting reasonably, without a requirement of Great Panther to assume the obligations of Beadell or otherwise act as an obligor or guarantor of the amounts owing under the Debenture Indenture

(r) **Beadell Warrants**: either:

(1) Beadell has entered into binding agreements with 100% of the Warrantholders to accept the Warrant Consideration in exchange for their outstanding Beadell Warrants on the Scheme becoming Effective; or

(2) if Beadell proposes the Warrant Scheme:

(A) the Warrantholders agree to the Warrant Scheme by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act; and

(B) the Court approves the Warrant Scheme in accordance with paragraph 411(4)(b) of the Corporations Act,

each as contemplated in the Scheme Implementation Deed.

(s) **Beadell Convertible Securities**: on or before 8:00am on the Second Court Date, the Beadell Board has made a determination that all

Beadell Convertible Securities will have been vested and exercised or terminated as provided below:

(1) in the case of the Beadell Options, each outstanding Beadell Option will be exercised in exchange for Beadell Shares or will lapse or be terminated in accordance with the Beadell Option Plan by 5.00pm on the Business Day before the Scheme Record Date; and

(2) in the case of the Beadell Performance Rights, each outstanding Beadell Performance Rights will vest and be exercised in exchange for Beadell Shares in accordance with the Performance Rights Plan by 5.00pm on the Business Day before the Scheme Record Date, provided that any New Great Panther Shares issued to employees of Beadell who will continue as employees of Beadell following completion of the Scheme in exchange for their Beadell Shares under the Scheme will be subject to a six month restriction on resale, provided the restriction will expire in the event of termination of their employment within the six month period,

each as contemplated in the Scheme Implementation Deed.

(t) **New Great Panther Shares**: the New Great Panther Shares to be issued pursuant to the Scheme are approved for listing on the TSX by 8.00am on the Second Court Date (provided that any such approval may be subject to the customary conditions) and that approval remains in full force and effect in all respects (subject to those customary conditions), and has not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.

(u) **Brazilian Property Title Opinion**: Beadell delivers a legal opinion of its Brazilian counsel to Great Panther respecting the Beadell Mineral Rights as of a date that is no earlier than five Business Days before the Second Court Date that contains no changes from the opinion delivered by Beadell to Great Panther respecting the Beadell Mineral Rights prior to and in connection with the execution of the Scheme Implementation Deed that amount to or evidence a breach of a Beadell Representation and Warranty that would give rise to an entitlement of Great Panther to terminate the Scheme Implementation Deed under clause 13.2(a) of that deed.

(v) **Beadell Officer's Certificate**: Beadell delivers to Great Panther a certificate of an officer of Beadell confirming that, as at 8.00am on the Second Court Date:

(1) there has been no breach of a Beadell Representation and Warranty that would amount to or evidence a Beadell Material Adverse Change, or which could reasonably be expected to give rise to any loss, Claim, damage or expense of A$2.5 million or more in aggregate; and

(2) Beadell has complied with its obligations under the Scheme Implementation Deed in all material respects.

(w) **Great Panther Officer's Certificate:** Great Panther delivers to Beadell a certificate of an officer of Great Panther confirming that, as at 8.00am on the Second Court Date:

(1) there has been no breach of a Great Panther Representation and Warranty that would amount to or evidence a Great Panther Material Adverse Change, or which could reasonably be expected to give rise to any loss, Claim, damage or expense of A$5.0 million or more in aggregate; and

(2) Great Panther has complied with its obligations under the Scheme Implementation Deed in all material respects.

9.4 Status of Conditions Precedent

As at the date of this Scheme Booklet, the following Conditions Precedent to the Scheme have been satisfied or waived:

(a) **FIRB:** FIRB issued a statement of 'no objection' on 2 November 2018.

(b) **Independent Expert:** the Independent Expert issued its Independent Expert's Report which concludes that the Scheme is in the best interests of Beadell Shareholders on 5 December 2018.

(c) **MACA Agreement:** Great Panther has reached an agreement with MACA Limited and MACA Mineracao e Constructao Civil Limitada (together **MACA**) on modifications to MACA's outstanding loan due from Beadell. Under the agreement, MACA has agreed to consent to the change of control to Beadell resulting from the completion of the Scheme and keep the outstanding loan in place with a term to June 2022 and the following amendments with effect from the Implementation Date:

	Original Loan	**As Amended**
Principal Amount	A$54.7m	A$54.7m
% of the net cash proceeds from any third-party debt or equity financing required to be paid to MACA and applied against the outstanding balance of the loan	30%	10%
% of the net proceeds from any exercise of warrants required to be paid to MACA and applied against the outstanding balance of the loan	30%	20%

Principal repayment of loan during 2019	A$12.0m	A$16.5m
Ultimate parent guarantee	Full balance	First A$6.0m of repayments
Principal repayment of loan during 2020	A$18.0m	A$18.0m
Conversion right	100% of Loan into Beadell Shares[1]	A$15.0m into Great Panther Shares[2]

[1] Conversion is subject to shareholder approval.

[2] MACA's conversion right under the amended terms provides for a limit of A$5 million in each quarter following the Implementation Date at a 5% discount to the 20-day volume weighted average price. Any principal amount of the loan which is converted to Great Panther shares will reduce the outstanding balance of the loan, with 50% to be applied to reduce the remaining monthly payments on a pro-rata basis with the exception of the A$6 million guaranteed payments.

(d) **Beadell Warrants:** Beadell has entered into binding agreements with 100% of the Warrantholders to accept the Warrant Consideration in exchange for their outstanding Beadell Warrants on the Scheme becoming Effective, in satisfaction of this Condition Precedent – see further section 9.12(d). Accordingly, Beadell has not proposed the Warrant Scheme contemplated by the Scheme Implementation Deed.

(e) **ACC Agreement Consent:** On 4 December 2018, Banco Bradesco S.A. gave a consent and waivers in satisfaction of the Condition Precedent in section 9.3(p).

Great Panther is in ongoing discussions with the applicable counterparties to obtain the remaining consents to complete the Scheme and satisfy the outstanding conditions precedent as outlined in section 9.3 of this Scheme Booklet. Great Panther anticipates that it will be in a position to obtain such consents prior to completion of the Scheme.

9.5 Beadell Shareholder support

Beadell Shareholders holding in aggregate 18.06% of the outstanding Beadell Shares agreed to vote their Beadell Shares in favour of the Scheme, in the absence of a Superior Proposal, and not to dispose of their Beadell Shares, except in respect of a Superior Proposal. Such Beadell Shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management.[19]

[19] Refer to section 12.11 for further details of the identity of Beadell Shareholders who have entered into Beadell Support Agreements.

9.6 Scheme Meeting

The Court has ordered that the Scheme Meeting be held on 12 February 2019 at The Celtic Club, 48 Ord Street, West Perth WA 6005 for the purposes of approving the Scheme Resolution. The Notice of Scheme Meeting for Scheme Shareholders which sets out the Scheme Resolution is attached to this Scheme Booklet as Annexure E.

Beadell Shareholders registered on the Beadell Share Register at 10:00am (AWST) on 10 February 2019 (other than Excluded Shareholders) will be entitled to attend and vote at the Scheme Meeting, either in person or by proxy or attorney or in the case of a body corporate, by its corporate representative appointed in accordance with paragraph 250D of the Corporations Act.

Instructions on how to attend and vote at the Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set out on in Section 6 of this Scheme Booklet.

In order to become Effective, the Scheme must be agreed to by:

- a majority in number (more than 50%) of Beadell Shareholders (other than Excluded Shareholders) present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Beadell Shareholders (other than the Excluded Shareholders) present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative).

Even if the Scheme is agreed to by Beadell Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in section 9.3 of this Scheme Booklet).

9.7 Great Panther Shareholder Approval

It is a Condition Precedent to completion of the Scheme that Great Panther Shareholders approve the issue of the Scheme Consideration by ordinary resolution in accordance with the requirements of the TSX.

Approval of the ordinary resolution of Great Panther Shareholders requires the affirmative vote of greater than 50% of the votes cast in respect of the requisite resolution by Great Panther Shareholders present in person or represented by proxy at a general meeting of the Great Panther Shareholders.

A special meeting of Great Panther Shareholders will be convened in connection with the issue of the Scheme Consideration.

9.8 Second Court Hearing

In the event that:

- the Scheme Resolution is approved by the Requisite Majorities of Scheme Shareholders at the Scheme Meeting; and
- all other Conditions Precedent have been satisfied or waived (if applicable),

Beadell will apply to the Court for orders approving the Scheme.

The Second Court Date is expected to be on 15 February 2019 and the hearing is open to all Beadell Shareholders. The Court will consider things such as whether procedural requirements have been satisfied, whether Beadell Shareholders have received adequate information and whether the terms and conditions of the exchange of securities under the Scheme is fair and reasonable to Beadell Shareholders. The Court may refuse to grant the orders even if the Scheme is approved by the requisite majorities of Scheme Shareholders.

There is a procedure prescribed by statute for Beadell Shareholders to oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme. If a Beadell Shareholder wishes to oppose approval by the Court of the Scheme at the Second Court Hearing, they can do so by filing with the Court and serving with Beadell a notice of appearance in the prescribed form together with any affidavit on which they wish to rely. The notice of appearance and affidavit must be served on Beadell at least one day before the Second Court Date, which is currently scheduled for 15 February 2019. Any change to this date will be announced through ASX and will be available on ASX's website (www.asx.com.au). Alternatively, a Beadell Shareholder can make representations to the Court in respect of the Scheme by being granted leave of the Court to be heard on the Second Court Date without becoming a party to the proceeding.

If the Scheme is not approved by Scheme Shareholders, the Scheme will not proceed and Beadell will not apply to the Court for any orders in connection with the Scheme.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC will not provide a statement under paragraph 411(17)(b) of the Corporations Act until the Second Court Date. The Court must not approve the Scheme unless there is produced to the Court a statement in writing by ASIC stating that ASIC has no objection to the Scheme or unless it is satisfied that the Scheme has not been proposed to avoid the operation of Chapter 6 of the Corporations Act.

9.9 Effective Date

If the Court makes orders approving the Scheme, Beadell will lodge with ASIC an official copy of the Court orders given under paragraph 411(4)(b) of the Corporations Act approving the Scheme on the Business Day following the day on which the Court approves the Scheme (or such other Business Day as Beadell and Great Panther agree in writing).

The Scheme will become Effective on the date that lodgement occurs. This date is the Effective Date of the Scheme.

Upon the Scheme becoming Effective, the Scheme will bind Beadell and all Scheme Shareholders including those who do not attend the Scheme Meeting or who do not vote at the Scheme Meeting or who vote against the Scheme at the Scheme Meeting.

Upon the Scheme becoming Effective, Beadell will give notice of those events to ASX. It will also apply to ASX for trading in Beadell Shares to be suspended from the close of trading on the Effective Date.

9.10 Implementation Date

The Implementation Date is currently anticipated to be 5 March 2019.

On the Implementation Date, Great Panther will:

(a) accept a transfer of the Scheme Shares from Scheme Shareholders; and

(b) issue or cause to be issued the Scheme Consideration to each Scheme Shareholder (other than to Ineligible Foreign Shareholders who will be dealt with in accordance with section 10.5 and other than to electing Small Shareholders who will be dealt with in accordance with section 10.6).

9.11 Determination of entitlements to Scheme Consideration

(a) Dealings on or before the Scheme Record Date

For the purposes of determining persons entitled to the Scheme Consideration, dealing in Beadell Shares will only be recognised if:

(1) in the case of dealings of the type to be effected through CHESS, the transferee is registered in the Beadell Share Register as the holder of the relevant Beadell Shares or Beadell Warrants by 5.00pm on the Scheme Record Date; and

(2) in all other cases, registrable transfer or transmission applications in respect of those dealings are received on or before 5.00pm at the place where the Beadell Share Register is kept.

Beadell will not accept for registration, nor recognise for the purpose (except a transfer pursuant to the Scheme), any transfer or transmission application or other requests received after 5.00pm on the Scheme Record Date or received prior to the Scheme Record Date, but not in registrable or actionable form.

(b) Dealings after the Scheme Record Date

If the Scheme becomes Effective, the Scheme Shareholders (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to the Scheme, and any attempt to do so will have no effect and Beadell will be entitled to disregard any such disposal, purported disposal or agreement.

For the purposes of determining entitlements to Scheme Consideration, Beadell must maintain the Beadell Share Register in accordance with clause 6.2 of the Scheme of Arrangement until the Scheme Consideration has been provided to the Scheme Shareholders.

All statements of holding for Beadell Shares (other than statements of holding in favour of Great Panther or any Ineligible Foreign Shareholder) will cease to have effect after the Scheme Record Date as documents of title in respect of those Beadell Shares and, as from that date, each entry current at that date on the Beadell Share Register (other than entries in respect of any Ineligible Foreign Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Beadell Shares relating to that entry.

(c) Ineligible Foreign Shareholders

Ineligible Foreign Shareholders will receive cash consideration in accordance with the Sale Facility, which is explained in section 10.5.

An Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Beadell Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, Canada, the Cayman Islands, Guernsey, Luxembourg or the United States, unless Great Panther, in consultation with Beadell, determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Great Panther Shares when the Scheme becomes Effective.

(d) Small Shareholders

Small Shareholders who make an election to participate in the Sale Facility will receive cash consideration in accordance with the Sale Facility, which is explained in section 10.6.

Small Shareholders are those Scheme Shareholders who hold 10,000 Scheme Shares or less at the Scheme Record Date.

9.12 Treatment of Beadell Options, Beadell Performance Rights, Beadell Convertible Debentures and Beadell Warrants

(a) Beadell Options

There are 27,800,000 Beadell Options on issue which are detailed in the table below. The Beadell Options are held by Beadell Directors, senior management and key staff members and are not quoted on any financial market.

In accordance with the terms of the Scheme Implementation Deed, the Beadell Board intends to exercise its discretions under the Beadell Option Plan to determine in accordance with section 1(s)(i) of the Beadell Option Plan that the Beadell Options may be exercised at any time from the date of dispatch of the Scheme Booklet until the Business Day prior to the Scheme Record Date. Beadell Shares issued to holders of Beadell Options who have exercised their Beadell Options will be transferred to Great Panther under the Scheme and those holders will receive the Scheme Consideration.

Any Beadell Options not exercised prior to 5:00pm (AWST) on the Business Day prior to the Scheme Record Date will lapse and terminate to the extent they have not been exercised.

Number of Beadell Options	Exercise Price	Expiry Date
8,900,000	$0.20	31 December 2018
2,500,000	$0.54	30 September 2019

Number of Beadell Options	Exercise Price	Expiry Date
8,900,000	$0.25	31 December 2019
2,500,000	$0.63	30 September 2020
2,500,000	$0.078	30 June 2021
2,500,000	$0.091	30 June 2022

Details of Beadell Options held by Beadell Directors are set out in Section 17.10.

(b) Beadell Performance Rights

Beadell has 4,402,687 Beadell Performance Rights on issue, which are set out in the table below.

In accordance with the terms of the Scheme Implementation Deed, the Beadell Board intends to exercise its discretion under the Performance Rights Plan to:

(1) cause all outstanding Beadell Performance Rights to be vested in accordance with the Performance Rights Plan, as provided for in Section 9.1 of the Performance Rights Plan; and

(2) cause Beadell Shares to be issued to the holders of the vested Beadell Performance Rights in full satisfaction of the Beadell Performance Rights, as provided for in Section 10.1 of the Performance Rights Plan, prior to the Scheme Record Date so that the Beadell Shares issued to the holders of the vested Beadell Performance Rights will be transferred to Great Panther under the Scheme, provided that any New Great Panther Shares issued to employees of Beadell who will continue as employees of Beadell following completion of the Scheme in exchange for their Beadell Shares under the Scheme will be subject to a six month restriction on resale, provided the restriction will expire in the event of termination of their employment within the six month period.

Number of Beadell Performance Rights	Performance Measure	Vesting Date
4,402,687	BDR's TSR ^{3} 50th percentile of BDR's comparator group from 1 January 2017 to 31	31 December 2018

As at the date of this Scheme Booklet, the performance measures attached to the Beadell Performance Rights has not been met.

(c) Beadell Convertible Debentures

Beadell has 10,000 Beadell Convertible Debentures on issue.

The implementation of the Scheme will constitute a "Change of Control" (as defined in the Debenture Indenture) of Beadell. In accordance with the terms of the Debenture Indenture, upon the occurrence of a Change of Control, Beadell is required to make an offer (the **Change of Control Purchase Offer)** to purchase all Beadell Convertible Debentures on issue at a price per Beadell Convertible Debenture equal to 105% of the principal amount, plus accrued and unpaid interest (the **Change of Control Offer Price**).

It is a Condition Precedent to completion of the Scheme that holders of Beadell Convertible Debentures agree in writing, before 8:00am on the Second Court Date, to either:

(1) accept the Change of Control Purchase Offer, or

(2) waive the obligation of Beadell to make the Change of Control Purchase Offer and consent to the entering into of a supplemental indenture in respect of the Beadell Convertible Debentures. See Section 9.3(q) of this Scheme Book for a more complete description of this Condition Precedent.

If the Condition Precedent is not satisfied before 8:00am on the Second Court Date, Great Panther will decide to either: (a) not proceed with the Scheme; or (b) waive the application of such Condition Precedent and proceed with the making of the Change of Control Purchase Offer in accordance with the terms of the Debenture Indenture.

The Debenture Indenture provides that if not less than 90% of the Beadell Convertible Debentures are tendered to the Change of Control Purchase Offer, then Beadell will have the right, but not the obligation, to redeem the remaining outstanding Beadell Convertible Debentures at the Change of Control Offer Price (the **Redemption Right**).

If fewer than 90% of the Beadell Convertible Debentures are tendered to the Change of Control Purchase Offer, then it is anticipated that Great Panther will enter into an amended and restated or supplemental Debenture Indenture pursuant to which Great Panther will expressly assume the obligations of Beadell under the Debenture Indenture and the holders of Beadell Convertible Debentures will be entitled to receive Great Panther Shares on the conversion thereof. Additional amendments may be made in connection with the entering into of such amended and restated or supplemental indenture upon mutual agreement of Great Panther and the holders of Beadell Convertible Debentures.

(d) Beadell Warrants

Under the Scheme Implementation Deed, Beadell agreed to use best endeavours to secure the agreement of 100% of the Warrantholders to accept the Warrant Consideration in exchange for their outstanding Beadell Warrants on effectiveness of the Scheme. Before the date of this Scheme Booklet, 100% of the Warrantholders have signed agreements (**Warrant Deeds**) on substantially the following terms:

(1) the Warrantholder agrees to the cancellation of their Beadell Warrants, or to transfer their Beadell Warrants to Great Panther, on the Implementation Date, at Great Panther's election;

(2) Great Panther must provide the Warrant Consideration to the Warrantholder on the Implementation Date ;

(3) Beadell must seek all ASX approvals, confirmations or waivers necessary for the parties to undertake and effect the transactions without first obtaining shareholder approval;

(4) the cancellations and transfers are conditional on, amongst other things, the Scheme becoming Effective, receiving all required approvals, confirmations or waivers before the Second Court Date and all holders of Beadell Warrants entering into Warrant Deeds (can be waived by Great Panther); and

(5) if the Warrant Scheme is proposed, the Warrantholder agrees to vote all its Beadell Warrants in favour of the Warrant Scheme (subject to a Superior Proposal where matching rights have been given effect).

The Warrant Deeds do not prevent the Warrantholders from exercising the Beadell Warrants prior to the Scheme Record Date, in which case they will be able to participate in the Scheme as a Scheme Shareholder.

9.13 Conduct of business and integration

Pursuant to clause 5.5 of the Scheme Implementation Deed, Beadell and Great Panther have agreed in the period prior to the Implementation Date to each use their best endeavours to conduct their businesses and operations in the ordinary and usual course, except in relation to any matter required to be done or procured by that party pursuant to, or which is otherwise permitted by, the Scheme Implementation Deed or the Scheme, of which the other party, as applicable, has approved in writing (such approval not to be unreasonably withheld or delayed) or which is required by an applicable law or by a Government Agency (except where that requirement arises as a result of an action by the other party).

Each party must ensure that no Beadell Prescribed Occurrence or Beadell Regulated Event or Great Panther Prescribed Occurrence or Great Panther Regulated Event, as applicable, occurs.

9.14 Exclusivity and Reimbursement Fee

(a) Exclusivity

In accordance with clause 11 of the Scheme Implementation Deed, Beadell has agreed to certain exclusivity provisions that restrict it from encouraging, or engaging with, the proponent of a Competing Proposal.

During the Exclusivity Period, Beadell must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, directly or indirectly:

(1) (**no shop**):

- solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or
- communicate to any person an intention to do anything referred to in the preceding paragraph; or

(2) (**no talk**):

- participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
- negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal; or
- communicate to any person an intention to do anything referred to in the preceding paragraphs of this section 9.14(a)(2).

(b) Fiduciary exception

The no talk obligation set out in paragraph 9.14(a)(2) above does not prohibit any action or inaction by Beadell, any of their Related Bodies Corporate or any of their respective Related Persons, in relation to an actual, proposed or potential Competing Proposal if compliance with that obligation would, in the reasonable opinion of the Beadell Board, formed in good faith after receiving written legal advice from its external legal advisers, constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the Beadell Board Members, provided that:

(1) the actual, proposed or potential Competing Proposal:

(A) was not directly or indirectly brought about by, or facilitated by, a breach of the exclusivity provisions, the no shop obligations or the no talk obligations; and

(B) is, or may reasonably be expected to result in, a Superior Proposal;

(2) Beadell immediately notifies Great Panther of each action or inaction by it, any of its Related Bodies Corporate or any of their respective Related Persons in reliance on the fiduciary exception; and

(3) prior to providing any information to the Third Party, Beadell enters into a confidentiality agreement on terms no less onerous to the Third Party (including as to dealings in Beadell Shares) than the Confidentiality Agreement.

(c) Notification and matching rights

In accordance with clause 11 of the Scheme Implementation Deed, Beadell has agreed to certain notification and matching rights under which Beadell must notify Great Panther if it receives an unsolicited proposal from a rival bidder, and must not recommend a rival proposal unless and until it has given Great Panther a short period to match or better the rival proposal.

During the Exclusivity Period, Beadell must as soon as possible (and in any event within 2 Business Days) notify Great Panther in writing if it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:

(1) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

(2) proposal made to Beadell, any of its Related Bodies Corporate or any of their respective Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or

(3) provision by Beadell, any of its Related Bodies Corporate or any of their respective Related Persons of any material non-public information concerning the business or operations of Beadell or any of its Related Bodies Corporate to any to a Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal, whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

During the Exclusivity Period, Beadell:

(1) must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, Beadell or any of its Related Body Corporate proposes or propose to

undertake or give effect to an actual, proposed or potential Competing Proposal; and

(2) must use its best endeavours to procure that none of its directors change their recommendation in favour of the Scheme, publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Scheme) or make any public statement to the effect that they may do so at a future point (provided that a statement that no action should be taken by a party's shareholders pending the assessment of a Competing Proposal by that party's board and its advisers shall not contravene the above),

unless:

(3) the Beadell Board acting in good faith and in order to satisfy what the Beadell Board Members reasonably consider to be their statutory or fiduciary duties (having received written legal advice from its external legal advisers) determines that the Competing Proposal would be or would be reasonably likely to be an actual, proposed or potential Superior Proposal;

(4) Beadell has provided Great Panther with the material terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal, and an outline of the basis on which the Beadell Board has formed the view that the Competing Proposal is would be reasonably likely to be an actual, proposed or potential Superior Proposal;

(5) Beadell has given Great Panther at least five Business Days after the date of the provision of the information referred to above to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (including by way of an increase or decrease in the Scheme Consideration); and

(6) Great Panther has not announced or otherwise formally proposed to that party a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (including by way of an increase or decrease in the Scheme Consideration) by the expiry of the five Business Day period above.

(d) Reimbursement fees

Under the Scheme Implementation Deed, Beadell and Great Panther acknowledged that, if the Scheme is not implemented, each party will incur significant costs.

In these circumstances, the parties have agreed for certain break or reimbursement fees to be payable to the other party, without which the parties would not have entered into the Scheme Implementation Deed or otherwise agreed to implement the Scheme.

Beadell and the Beadell Board believe (in respect of the Beadell Reimbursement Fee), and Great Panther and the Great Panther Board believe (in respect of the Great Panther Reimbursement Fee), each having taken advice from its external legal advisers and financial advisers, that the implementation of the Scheme will provide benefits to it and its shareholders and that it is appropriate for Beadell (in respect of the Beadell Reimbursement Fee) and Great Panther (in respect of the Great Panther Reimbursement Fee) to agree to the payments referred to below in order to secure the other party's participation in the Scheme.

The Beadell Reimbursement Fee is not triggered by Beadell Shareholders failing to approve the Scheme.

Beadell must pay the Beadell Reimbursement Fee to Great Panther if:

(1) at any time during the Exclusivity Period, any Beadell Board Member withdraws, adversely revises or adversely qualifies their support of the Scheme or their recommendation that Beadell Shareholders (other than Excluded Shareholders) vote in favour of the Scheme or fails to recommend that Beadell Shareholders (other than Excluded Shareholders) vote in favour of the Scheme unless the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interest of Beadell Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal);

(2) during the Exclusivity Period, the Beadell Board or a majority of the Beadell Board recommends that Beadell Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director Beadell Shares), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;

(3) a Competing Proposal in respect of Beadell of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 6 months of the date of such announcement, the relevant Third Party or any Associate of that Third Party:

(A) completes a Competing Proposal of a kind referred to in any of paragraphs 1.a.i (but only where the acquisition is through an issue of new Beadell Shares), 1.a.ii, 1.a.iii or 1.a.iv of the definition of that term;

(B) enters into any agreement, arrangement or understanding with Beadell or the Beadell Board that would have (or would, if the Scheme were still on foot and the terms of the Scheme Implementation Deed were still operating, have had) the effect referred to in paragraph 1.b of the definition of Competing Proposal; or

(C) without limiting the above, acquires (either alone or in aggregate) a Relevant Interest in more than

50% of the Beadell Shares under a transaction that is or has become wholly unconditional or otherwise acquires (either alone or in aggregate) Control of Beadell;

(4) the Court fails or refuses (taking into account all appeals) to approve the Scheme, or indicates that it is only willing to do so subject to amendments or modifications which are not consented to by Great Panther (in its absolute discretion), as a result of a material non-compliance by Beadell with any of its obligations under the Scheme Implementation Deed or applicable law; or

(5) Great Panther has terminated the Scheme Implementation Deed pursuant to clause 13.1(a)(1) or 13.2(a) of that deed and the Scheme does not complete,

unless Beadell is, at that time, entitled to terminate the Scheme Implementation Deed pursuant to clause 13.1(a)(1), 13.1(a)(3) of that deed.

Great Panther must pay the Great Panther Reimbursement Fee to Beadell if:

(1) at any time during the Exclusivity Period, any Great Panther Board Member withdraws, adversely revises or adversely qualifies their support of the Scheme or their recommendation that Great Panther Shareholders vote in favour of the Scheme and the issuance of the Scheme Consideration or fails to recommend that Great Panther Shareholders vote in favour of the Scheme in the manner described in clause 5.3(h) of the Scheme Implementation Deed and Great Panther Shareholders do not approve the Scheme by the requisite majorities or Great Panther terminates the Scheme Implementation Deed under clause 13.1(b)(1) of that deed;

(2) a Competing Proposal in respect of Great Panther of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and the Great Panther Shareholders do not approve the Scheme by the requisite majorities and, within 6 months after the date of the announcement of the Competing Proposal, the relevant Third Party or any Associate of that Third Party:

(A) completes the Competing Proposal;

(B) enters into any agreement, arrangement or understanding with Great Panther or the Great Panther Board that would have if completed in accordance with its terms (or would, if the Scheme were still on foot and the terms of the Scheme Implementation Deed were still operating, have had) the effect referred to in paragraph 2.b of the definition of Competing Proposal; or

(C) without limiting the above, acquires (either alone or in aggregate) a legal, beneficial or economic interest in, or control of, more than 50% of the

Great Panther Shares under a transaction that is or has become wholly conditional or otherwise acquires (either alone or in aggregate) Control of Great Panther; or

(3) Beadell has terminated the Scheme Implementation Deed pursuant to clause 13.1(a)(1) or 13.2(b) of that deed and the Scheme does not complete, unless, at that time, Great Panther is entitled to terminate the Scheme Implementation Deed pursuant to clause 13.1(a)(1), 13.1(a)(3) of that deed.

9.15 Delisting of Beadell

If the Scheme becomes Effective, Beadell will apply for suspension from the close of trading on the Effective Date and for termination of the official quotation of Beadell Shares on ASX by the close of trading on the trading day immediately following the Implementation Date.

9.16 If the Scheme does not proceed

If a Condition Precedent becomes incapable of being satisfied or the Scheme has not become Effective on or before the End Date (being 24 March 2019 or such later date as agreed by Beadell and Great Panther in writing), then Beadell and Great Panther may serve notice on the other party requiring it to consult in good faith with a view to determining whether:

- the Scheme or a transaction which results in a merger of Beadell and Great Panther may proceed by way of an alternative approach and, if so, to agree on the terms of such an alternative approach;
- to extend the date for satisfaction of the relevant Condition Precedent; or
- to adjourn or change the date of an application to the Court for an order under paragraph 411(4)(b) of the Corporations Act.

If Beadell and Great Panther are unable to reach agreement as set out above, then unless the relevant Condition Precedent(s) is waived in accordance with the Scheme Implementation Deed, either Beadell or Great Panther are able to terminate the Scheme Implementation Deed.

If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

10 Scheme Consideration

10.1 Overview

If the Scheme becomes Effective, each Scheme Shareholder (other than an Ineligible Foreign Shareholder and electing Small Shareholders) will be entitled to receive the Scheme Consideration, being 0.0619 New Great Panther Shares for each Scheme Share held by Scheme Shareholders on the Scheme Record Date.

If a Scheme Shareholder (other than an Ineligible Foreign Shareholder or an electing Small Shareholder) would be entitled to a fraction of a New Great Panther Share under the Scheme Consideration, the fractional entitlement will be rounded down to the nearest whole number of New Great Panther Shares.

Great Panther has agreed to ensure that the Scheme Consideration will be validly issued, fully paid and rank equally with Great Panther's other issued common shares from their date of issue.

The indicative Scheme Record Date is 5:00pm AWST on 25 February 2019.

10.2 Issuance of Scheme Consideration

Great Panther must:

(a) issue the Scheme Consideration to the Scheme Shareholders; and

(b) ensure that on or before the date that is 10 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder who received Scheme Consideration in the form of New Great Panther Shares representing the number of New Great Panther Shares issued to the Scheme Shareholder pursuant to this Scheme.

10.3 Joint holders

In the case of Scheme Shares held in joint names:

(a) the New Great Panther Shares to be issued under the Scheme must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Beadell, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and

(c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Beadell, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

10.4 Information about New Great Panther Shares

Great Panther's outstanding share capital is comprised of 169,165,007 Great Panther Shares.

Upon liquidation, dissolution or winding-up of Great Panther, holders of Great Panther Shares are to share rateably in the remaining assets of Great Panther as are distributable to holders of Great Panther Shares. The Great Panther Shares are not subject to redemption or retraction rights, rights regarding purchase for cancellation or surrender, or any exchange or conversion rights.

(a) What is a New Great Panther Share?

A New Great Panther Share is a common share in the share capital of Great Panther, being the equivalent of an "ordinary" share in Australia.

New Great Panther Shares will be quoted and tradable on the TSX in C$ and on the NYSE (American) in US$. New Great Panther Shares will not be quoted or tradable on the ASX.

(b) Voting

Holders of New Great Panther Shares will be sent notices of general and special meetings of the Great Panther shareholders at the same time as they are sent to other Great Panther shareholders.

Shareholders of Great Panther will be entitled to one vote per Great Panther Share at a general or special meeting of shareholders of Great Panther. Holders of Great Panthers Shares may not be entitled to vote at meetings at which only holders of a specified class of Great Panther Shares are entitled to vote.

Great Panther will fix a record date for determining which holders of New Great Panther Shares are entitled to receive notice of a general or special meeting and vote on the matters to be considered at that meeting.

(c) Communications from Great Panther

Great Panther will communicate directly with holders of New Great Panther Shares with respect to corporate actions.

(d) Trading

New Great Panther Shares must be traded on the TSX and NYSE (American) through a stockbroker that is entitled to trade on the TSX or the NYSE (American) (as applicable). Not all Australian stockbrokers are able to trade securities on the TSX or the NYSE (American).

(e) Dividends

Any cash dividends or distributions payable to holders of New Great Panther Shares will be paid in C$.

(f) Evidence of ownership

Scheme Shareholders who are issued Scheme Consideration in the form of New Great Panther Shares will be issued with DRS Advices to evidence legal title.

10.5 Ineligible Foreign Shareholders

Restrictions in certain foreign countries make it impractical or unlawful for New Great Panther Shares to be offered, or issued, under the Scheme to Beadell Shareholders in those countries.

An Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Beadell Share Register at 5:00pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, Cayman Islands, Guernsey, Luxembourg or the United States, unless Great Panther, in consultation with Beadell, determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Great Panther Shares when the Scheme becomes Effective.

Great Panther will be under no obligation to issue any New Great Panther Shares under this Scheme to any Ineligible Foreign Shareholder and instead:

- subject to clauses 5.6 and 5.8 of the Scheme of Arrangement, Great Panther must, on or before the Implementation Date, issue the New Great Panther Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme, to the Sale Agent;
- Great Panther must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Great Panther sells or procures the sale of all the New Great Panther Shares issued to the Sale Agent and remits to Beadell the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
- promptly after receiving the Proceeds in respect of the sale of all of the New Great Panther Shares referred to above, Beadell must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

  $$\mathbf{A = (B \div C) \times D}$$

  where

  B = the number of New Great Panther Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

  C = the total number of New Great Panther Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

  D = the Proceeds (as defined above).

Great Panther and Beadell have appointed Eight Capital to be the Sale Agent for the purposes of the Sale Facility. Eight Capital's brokerage commission will be 1.0% of the gross proceeds of the sale of the relevant New Great Panther Shares.

10.6 Small Shareholders

Small Shareholders are those Scheme Shareholders who hold 10,000 Scheme Shares or less at the Scheme Record Date.

Each Small Shareholder may elect to either:

(a) be issued their entitlement to New Great Panther Shares in accordance with the Scheme Implementation Deed; or

(b) have all, but not some, of the New Great Panther Shares to which they are entitled issued to the Sale Agent, in which case:

(1) subject to clauses 5.6 and 5.8 of the Scheme, Great Panther must, on or before the Implementation Date, issue the New Great Panther Shares which would otherwise be required to be issued to the Small Shareholders under the Scheme, to the Sale Agent;

(2) Great Panther must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Great Panther sells or procures the sale of all the New Great Panther Shares issued to the Sale Agent and remits to Beadell the proceeds of the sale (after deduction of any applicable brokerage (see above), stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);

(3) promptly after receiving the Proceeds in respect of the sale of all of the New Great Panther Shares referred to in clause 5.4(b)(1) of the Scheme Implementation Deed, Beadell must pay, or procure the payment, to each Small Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

A = (B ÷ C) x D

where

B = the number of New Great Panther Shares that would otherwise have been issued to that Small Shareholder had it not been a Small Shareholder and which were issued to the Sale Agent;

C = the total number of New Great Panther Shares which would otherwise have been issued to all Small Shareholders and which were issued to the Sale Agent; and

D = the Proceeds.

Small Shareholders may make such an election by completing the election form to be made available by Computershare on request (**Election Form**).

For an election to be valid:

(a) the Small Shareholder must complete and sign the Election Form;

(b) the Election Form must be received by the Beadell Registry before 5.00pm (AWST) on the Scheme Record Date at the following address:

GPO Box 242 Melbourne
Victoria 3001 Australia

An election made by a Small Shareholder, whether valid or not, will be irrevocable unless Great Panther in its absolute discretion agrees to the revocation of the election.

If:

(a) a valid election is not made by a Small Shareholder; or

(b) no election is made by a Small Shareholder, then that Scheme Shareholder will be deemed to have elected to receive New Great Panther Shares as Scheme Consideration.

11 Profile of the Beadell Group

11.1 Overview of Beadell

(a) Introduction

Beadell Resources Limited is an ASX listed gold mining company. It owns and operates the Tucano Gold Mine, located in the Amapá state, northern Brazil. Tucano has Mineral Resources of approximately 3.2 million ounces and Reserves of approximately 1.3 million ounces, with over 2,500km² of highly prospective contiguous gold exploration tenements.

Tucano sits in an underexplored greenstone belt. There is significant potential to increase reserve quantity and quality both at surface and underground.

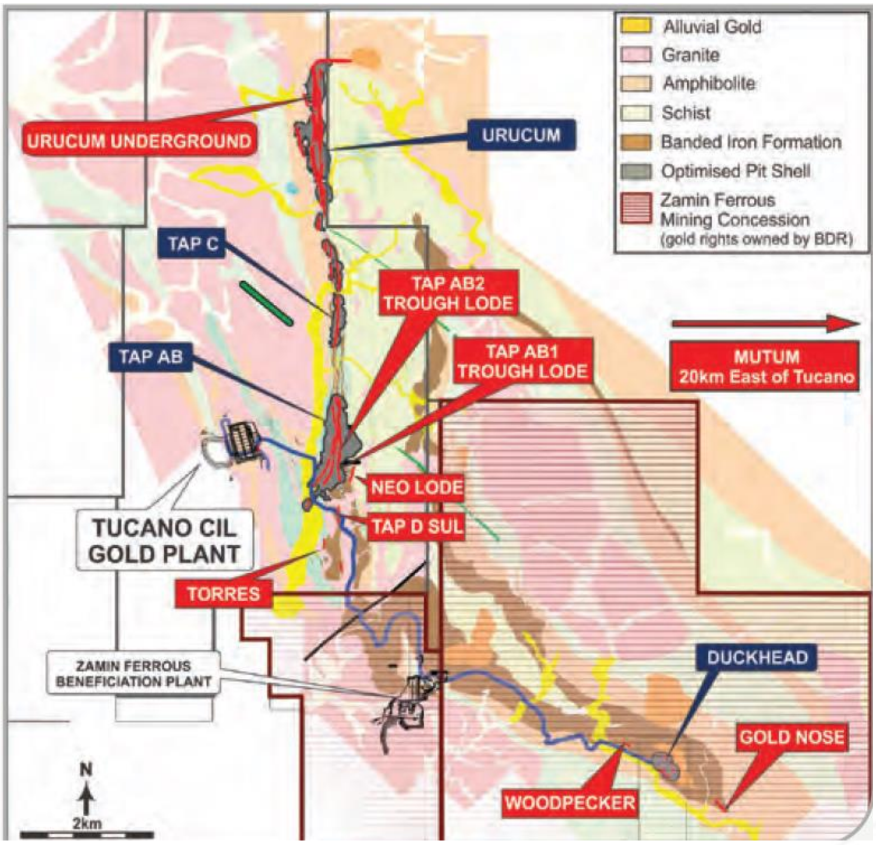
Beadell is led by the Beadell Board and senior management comprised of experienced and proven mining professionals with a track record of successfully identifying and developing undervalued projects.

Beadell's other project is the 100% Tartaruga Gold Exploration Project located 120 kilometres northeast of Tucano.

Beadell's exploration focus is along the Tucano mine corridor, with the aim of increasing mine life and NPV. Immediate targets include:

- Follow-up of the high-grade plunging shoots from Tap AB to Urucum
- Follow-up drilling in the Urucum saddle between Urucum Central and Urucum North pits.
- Delineation and definition drilling on all Neo Lodes.

Delineation and definition drilling at shallow oxide targets at Urso.

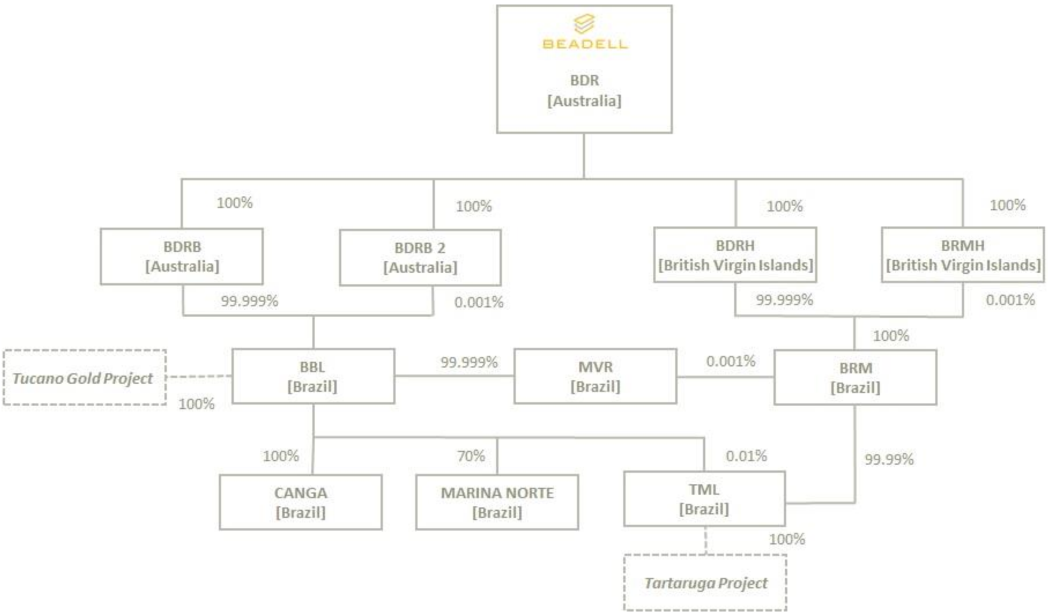


(b) Corporate structure

Beadell has the following 100% owned subsidiaries (other than Marina Norte, which is 70% owned by Beadell):

- **BDR**: Beadell Resources Ltd
- **BBL**: Beadell Brasil Ltda
- **BDRB**: Beadell (Brazil) Pty Ltd
- **BDRB 2**: Beadell (Brazil 2) Pty Ltd
- **BDRH**: Beadell Resources (Holdings) Ltd
- **BRM**: Beadell Resources Mineração Ltda
- **BRMH**: Beadell Resources Mineração (Holdings) Ltd
- **CANGA**: Mineração Serra da Canga Ltda
- **MARINA NORTE**: Marina Norte Empreendimentos de Mineração S.A.

- **MVR:** Mineração Vale dos Reis Ltda
- **TML:** Tartarugalzinho Mineração Ltda



(c) Overview of Tucano Gold Mine

The Tucano Gold Mine covers approximately 2,500 square kilometres of exploration licences and mining concessions. Tucano consists of open pits which deliver ore to a 3.6 million tonnes per annum processing plant located at the Tucano mine (**Tucano Processing Plant**).

Gold production for the 2017 financial year was 129.764 ounces and a total of 21,253,363 tonnes of material was moved.

In May 2017, Beadell announced the results of a Feasibility Study (**FS**) completed on the upgrade to the Processing Plant. The FS demonstrated the viability of upgrading the Tucano Processing Plant with an incremental estimate post tax present value of US$127,000,000 at a 5% discount rate, and estimated internal rate of return of 138% and a 14 month payback period. The estimated pre-production capital cost was US$27,600,000.

The Tucano Processing Plant upgrade project is expected to deliver numerous benefits to Beadell including:

- the ability to process any mix of sulphide / oxide mill feed allowing the mine to be fully optimised;
- the ability to consistently process head grades in line with the reserve grade;
- an increase in forecast recoveries to 93%; and
- a stable gold production profile and more consistent cash flow.

On 3 September 2018, Beadell announced completion of the ball mill, approximately two weeks ahead schedule as guided by new management from July 2018. As outlined in the 31 July 2018 ASX Announcement, the Tucano Plant Upgrade Project encompasses four key areas including installation of a ball mill (now complete), pre-leach thickener, CIL tank and oxygen plant that will increase sulphide ore processing capacity from ~30% to ~80% and recoveries from ~88% to ~93%.

Capital expenditure related to the Tucano Plant Upgrade Project as at 30 September 2018 was approximately BRL$75 million (US$22 million) with approximately BRL$35 million remaining (US$10 million) for a total capital expenditure of BRL$110 million (US$32 million), using the feasibility study US/BRL exchange rate of 3.40 (ASX Announcement 11 May 2017). This is in line with the update provided in the June 2018 Quarterly Report which highlighted an additional US$2 million to US$4 million increase from the original budget of US$28 million (ASX Announcement 11 May 2017).

Beadell has increased power usage from the grid to 8MW and is forecast to draw a total of 12MW from the grid in 2019.

On 22 November 2018, the Company announced that construction of the pre-leach thickener, CIL tank and oxygen tank that comprise the final stages of the Tucano Plant Upgrade Project were complete and fully commissioned.

Set out below are the Beadell's key Ore Reserve and Mineral Resources as at 30 June 2018.

Due to budget constraints (resulting from the Tucano Plant Upgrade Project and change in mining contractor) and recent changes in management, Beadell has not undertaken sufficient drilling to add to its mineral resources and ore reserves estimates in 2018. The Ore Reserves and Mineral Resources set out below are a re-statement of the Annual Ore Reserve and Mineral Resource statement as at 30 June 2017, after depletion by mining and processing activities from 1 July 2017 through to 30 June 2018. Initial limited drilling has indicated promising results, but Beadell is not able to report exploration results until further drilling and analysis has occurred. Beadell expects to be in a position to undertake this further work throughout 2019 upon completion of the Scheme. Beadell plans infill and step out drilling to convert inferred resources to measured and indicated resources and to further define the four discoveries along the Tucano mine trend. The highest priority step-out target will be the Neo lodes as they occur in the current Tap AB pit outline in an area classified as waste.

Beadell Ore Reserves

Total Ore Reserves as at 30 June 2018 were 21.67 million tonnes @ 1.81 g/t gold for 1.26 million ounces compared to 25.06 million tonnes @ 1.83 g/t for 1.47 million ounces as at 30 June 2017. This is a decrease of 145,000 ounces due to depletion over the second half of 2017 and the first half of 2018 and 67,000 ounces due to a revision of the Urucum underground Reserve.

Total Open Pit Reserves are 16.52 million tonnes @ 1.74 g/t gold for 924,000 ounces compared to 18.45 million tonnes @ 1.77 g/t gold for 1.05 million ounces as at 30 June 2017.

Total Stockpile Reserves are 2.77 million tonnes @ 0.66 g/t gold for 59,000 ounces compared to 3.64 million tonnes @ 0.66 g/t gold for 77,000 ounces as at 30 June 2017.

Total Underground Reserves as at 30 June 2018 were 2.38 million tonnes @ 3.64 g/t gold for 278,000 ounces compared to 2.97 million tonnes @ 3.61 g/t gold for 345,000 ounces as at 30 June 2017. This is a decrease of 67,000 ounces resulting from a revision of the Urucum Underground Reserve by AMC.

BRAZIL	PROVEN			PROBABLE			TOTAL ORE RESERVE			CUT-OFF g/t
	Tonnes ('000)	Gra de g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	
Urucum Open Pit Oxide	177	1.15	7	122	1.14	4	299	1.14	11	0.7
Urucum East Open Pit Oxide	0	0.00	0	151	1.71	8	151	1.71	8	0.7
Tap AB Open Pit Oxide	1,450	2.20	102	1,723	1.74	97	3,173	1.95	199	0.6
Tap C Open Pit Oxide	206	0.95	6	168	0.85	5	374	0.9	11	0.6
Total Oxide	**1,832**	**1.96**	**115**	**2,165**	**1.64**	**114**	**3,998**	**1.78**	**229**	
Urucum Open Pit Primary	4,311	1.63	227	5,504	1.76	311	9,815	1.7	537	0.8
Urucum East Open Pit Primary	0	0.00	0	16	1.50	1	16	1.50	1	0.9
Tap AB Open Pit Primary	952	2.14	66	1,094	1.77	62	2,047	1.95	128	0.8
Tap C Open Pit Primary	248	1.34	11	401	1.40	18	648	1.38	29	0.8
Total Primary	**5,511**	**1.71**	**303**	**7,015**	**1.74**	**392**	**12,525**	**1.72**	**695**	
Urucum Open Pit Total	4,488	1.62	233	5,626	1.74	315	10,114	1.69	548	
Urucum East Open Pit Total	0	0.00	0	167	1.69	9	167	1.69	9	
Tap AB Open Pit Total	2,402	2.18	168	2,818	1.76	159	5,220	1.95	327	
Tap C Open Pit Total	453	1.16	17	569	1.24	23	1,022	1.2	40	
Total Oxide and Primary	**7,343**	**1.77**	**418**	**9,180**	**1.71**	**506**	**16,523**	**1.74**	**924**	
Open Pit Stockpile	1,994	0.66	42	0	0.00	0	1,994	0.66	42	0.5
Spent Ore Stockpile	307	0.61	6	0	0.00	0	307	0.61	6	0.5
ROM Expansion Stockpile	470	0.70	11	0	0.00	0	470	0.70	11	0.5
Total Stockpiles	**2,771**	**0.66**	**59**	**0**	**0.00**	**0**	**2,771**	**0.66**	**59**	0.5
TOTAL TUCANO OPEN PIT & STOCKPILES	**10,115**	**1.47**	**477**	**9,180**	**1.71**	**506**	**19,294**	**1.58**	**983**	
Urucum Underground Primary Total*	0	0.00	0	2378	3.64	278	2378	3.64	278	
Urucum Underground Primary Total*	**0**	**0.00**	**0**	**2378**	**3.64**	**278**	**2378**	**3.64**	**278**	
TOTAL BRAZIL	**10,115**	**1.47**	**477**	**11,558**	**2.11**	**784**	**21,672**	**1.81**	**1,261**	

Beadell Mineral Resources

Beadell's Measured, Indicated and Inferred Mineral Resources as at 30 June 2018 were 59.24 million tonnes @ 1.86 g/t gold for 3.54 million ounces. This is a decrease of 187,000 ounces after allowing for ounces mined during the second half of 2017 and the first half of 2018.

Total Open Pit Resources are 32.09 million tonnes @ 1.62 g/t gold for 1.67 million ounces compared to 35.43 million tonnes @ 1.61 g/t gold for 1.84 million ounces as at 30 June 2017.

Total Stockpile Resources are 4.26 million tonnes @ 0.58 g/t gold for 79,000 ounces compared to 5.23 million tonnes @ 0.59 g/t gold for 99,000 ounces as at 30 June 2017.

Total Underground Resources at Urucum and Tap AB are 16.43 million tonnes @ 2.76 g/t gold for 1.46 million ounces.

BRAZIL	MEASURED RESOURCES			INDICATED RESOURCES			INFERRED RESOURCES			TOTAL RESOURCES			CUT-OFF
	Tonnes ('000)	Grade g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	g/t
Urucum Open Pit Oxide	360	1.07	12	278	1.03	9	69	0.96	2	707	1.04	24	0.5
Urucum East Open Pit Oxide	0	0	0	200	1.88	12	9	1.58	0	209	1.87	13	0.5
Tap AB Open Pit Oxide	1,854	2.23	133	3,376	1.79	195	663	1.26	27	5,893	1.87	354	0.5
Tap C Open Pit Oxide	370	0.91	11	284	0.85	8	88	0.71	2	742	0.86	21	0.5
Duckhead Open Pit Oxide	89	4.24	12	140	1.74	8	60	1.56	3	289	2.47	23	1.0
Total Oxide	**2,674**	**1.95**	**168**	**4,277**	**1.68**	**232**	**889**	**1.21**	**35**	**7,840**	**1.72**	**434**	
Urucum Open Pit Primary	5,279	1.54	262	7,131	1.72	393	397	1.56	20	12,808	1.64	675	0.5
Urucum East Open Pit Fresh	0	0	0	211	1.45	10	84	0.94	3	295	1.30	12	0.5
Tap AB Open Pit Primary	1,918	1.80	111	3,858	1.61	199	1,257	1.29	52	7,033	1.60	362	0.5
Tap C Open Pit Primary	468	1.22	18	1,966	1.22	77	1,044	1.35	45	3,478	1.26	141	0.5
Duckhead Surface Primary	115	2.28	8	264	2.26	19	262	1.81	15	641	2.08	43	1.0
Total Pit Primary	**7,781**	**1.6**	**400**	**13,429**	**1.62**	**699**	**3,045**	**1.38**	**135**	**24,255**	**1.58**	**1,234**	
Urucum Open Pit Total	5,639	1.51	275	7,409	1.69	402	466	1.47	22	13,515	1.61	699	0.5
Urucum East Open Pit Total	0	0	0	411	1.66	22	92	1.00	3	503	1.54	25	0.5
Tap AB Open Pit Total	3,772	2.01	243	7,233	1.69	394	1,921	1.28	79	12,926	1.72	717	0.5
Tap C Open Pit Total	838	1.08	29	2,250	1.17	85	1,132	1.30	47	4,220	1.19	161	0.5
Duckhead Open Pit Total	205	3.14	21	404	2.08	27	322	1.76	18	930	2.20	66	1.0
Total Oxide and Primary Open Pit	**10,455**	**1.69**	**568**	**17,707**	**1.63**	**930**	**3,933**	**1.34**	**170**	**32,094**	**1.62**	**1,668**	
Open Pit Stockpile	1,994	0.66	42	0	0	0	0	0	0	1,994	0.66	42	0.5
Spent Ore Stockpile	307	0.61	6	0	0	0	0	0	0	307	0.61	6	0.5
ROM Expansion Stockpile	470	0.70	11	0	0	0	0	0	0	470	0.70	11	0.5
Marginal Ore Stockpiles	1,491	0.43	21	0	0	0	0	0	0	1,491	0.43	21	0.3
Total Stockpiles	**4,263**	**0.58**	**79**	**0**	**0**	**0**	**0**	**0**	**0**	**4,263**	**0.58**	**79**	
Total Open Pit & Stockpiles	**14,717**	**1.37**	**647**	**17,707**	**1.63**	**930**	**3,933**	**1.34**	**170**	**36,357**	**1.49**	**1,747**	
Tap AB Underground Primary*	22	1.49	1	1,025	2.30	76	3,653	3.19	375	4,700	2.99	452	1.2
Urucum Underground Primary	260	4.06	34	2,634	4.24	359	8,839	2.15	611	11,733	2.66	1,004	1.6
TOTAL UNDERGROUND	**282**	**3.86**	**35**	**3,659**	**3.70**	**435**	**12,492**	**2.45**	**986**	**16,433**	**2.76**	**1,456**	
Tartaruga	**0**	**0.00**	**0**	**0**	**0.00**	**0**	**6,451**	**1.63**	**337**	**6,451**	**1.63**	**337**	**0.5**
TOTAL BRAZIL	**14,999**	**1.41**	**682**	**21,365**	**1.99**	**1,365**	**22,877**	**2.03**	**1,493**	**59,241**	**1.86**	**3,540**	

* The June 2018 Tap AB UG Resource includes 173,000t @ 4.68g/t of Inferred Oxide in the Inferred Fresh Category

(d) Overview of Tartaruga Gold Exploration Project

The Tartaruga project is located 120 kilometres northeast of Tucano and comprises four contiguous exploration concessions covering 359km² of the prospective greenstone within the Guianian shield. The project was acquired in 2007 and includes an estimated Inferred Resource of 6.45 Mt at 1.63 g/t gold for 337,000 ounces. Set out below are the Tartaruga Gold Project's key Ore Reserve and Mineral Resources as at 30 June 2018.

TARTARUGA GOLD PROJECT	INFERRED RESOURCES			TOTAL RESOURCES			CUT- OFF
	Tonnes ('000)	Grade g/t	Ounces ('000)	Tonnes ('000)	Grade g/t	Ounces ('000)	g/t
	6,451	1.63	337	6,451	1.63	337	0.5

(e) Overview of exploration strategy

Beadell's refocused exploration strategy, led by the recently appointed Head of Exploration & Geology Aoife McGrath, will be driven by systematic and disciplined capital allocation decisions aimed at reserve replacement, extending the life of mine, expanding near-term cash flow, and increasing the net present value (**NPV**) of Tucano.

Exploration drilling along the 7 km-long Tucano mine trend demonstrates that the deposit remains open along strike and at depth, with exceptional gold grades intersected down-plunge from shoots that contribute to the ore reserve. In addition, the scope for in-mine exploration has increased with the discovery of high-grade gold mineralisation in the schist package, previously thought to be barren and is the dominant rock type in the mine sequence.

Recent commissioning of the Tucano Plant ball mill provides greater ore type processing flexibility at Tucano, enabling the company to make risk-adjusted capital allocation decisions with respect to mining and processing based on grade rather than ore type.

Exploration Highlights from November 2015 to Present

There has been ongoing exploration success since November 2015, based on refinement of the geological model and controls on gold mineralisation. This has resulted in the discovery of eight new lodes of gold mineralisation within 3km of the Tucano Plant. Referring to the figure below, and moving from north to south, these are:

- Urso Lode – 3.0km from Tucano Plant.
- Neo North Lode (blind to surface and within reserve pit design) – 2.0km from Tucano Plant.
- Southern extension of Tap AB2 Trough Lode, across Mata Fome Fault – 1.5km from Tucano Plant.
- High-grade plunging shoot on Tap AB1 Trough Lode – 1.5km from Tucano Plant. This lode was previously believed to be the southern extension of Tap AB2 Trough Lode and had never optimised a pit until the high-grade shoot was discovered.
- Neo East Lode – 2km from Tucano Plant.
- Tap D South Lodes – 2km from Tucano Plant.
- Torres & Southern Extension Lodes – 2km from Tucano Plant.

In addition, high-grade gold mineralisation has been intersected in the saddle between the Urucum Central and Urucum North Reserve Pits with 12 m @ 22.5 g/t Au and 4 m @ 6.14 g/t Au intersected beneath the saddle area.

The exploration drilling in 2015 and 2016 resulted in an overall 15% increase in the Tucano reserve grade from the 31 December 2015 to the 30 June 2017 update. This was predominantly due to a 33% increase in grade at Tap AB. In addition, Tucano gold resource grade and ounces increased 13% and 6%, respectively, again driven by Tap AB Open Pit and Underground, where the resource gold grade increased by 23% and ounces by 45%.

Beadell also consolidated its near mine land position in April 2017 by securing an additional 576km^2 of highly prospective ground contiguous with the Tucano mine lease. The Company is now in the rare position of having 100% control of a highly-prospective, 2,500km^2 'Birimian type' greenstone belt around a processing plant with expanded ore feed type flexibility.

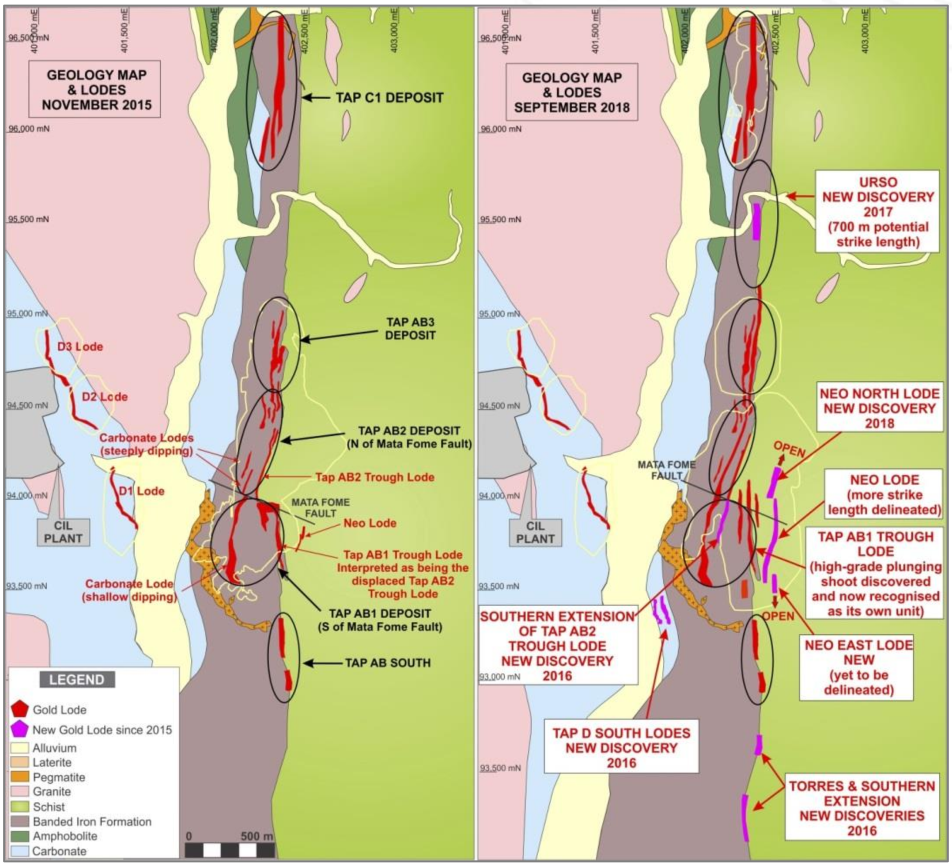


Figure 1: Simplified geology map showing locations of Tucano gold deposits and lodes. Map on the left shows status as at November 2015 while the map on right indicates current status. Newly identified zones of mineralisation over this time period are denoted in pink and annotated on the 2018 map. All of these with the exception of Tap D South, Neo (upper benches that fell within the existing reserve pit design) and the southern extension of Tap AB2 Trough Lodes are still to be added to reserves.

Exploration – Current Work

The Company is close to completing a full 2D data organisation and data mining process. This organisation portion of the process was started in July 2018 and the new 2D geological data management system is scheduled for implementation in January of 2019 along with data mining combined with target assessment and ranking. Once these are complete (likely at the end of January 2019), reconnaissance exploration plans will be generated as part of short, medium and long-term resource growth plans.

A new 3D geological data management system, acquire has already been implemented, is fully functional and operating smoothly onsite.

The aims of these system upgrades are to reduce time spent manually manipulating and organising data and to ensure world class data integrity and data auditability. The products will enable the Tucano site team to focus more on data analysis, interrogation, interpretation and exploration planning.

Exploration expenditure at Tucano over the last 25 years is estimated to be >US$50 million (based on assessment of previous operators' and Beadell's exploration expenditure). The geological data management systems will cost ~US$250,000 to implement and should result in an exceptional economic return from this important data mining exercise.

Exploration – Short Term Plans

With the ability to process up to 80% sulphide ore, Beadell will be able to plan systematic exploration, delineation and definition drilling of known sulphide mineralisation. High gold grades have been intersected in oxide and sulphide mineralisation along the entire 7km strike of the mine corridor and to the southeast at Duckhead. The short-term exploration focus will therefore be along the mine corridor, with the aim of increasing mine life and NPV. Immediate targets include:

- Follow-up of the high-grade plunging shoots from Tap AB to Urucum
- Follow-up drilling in the Urucum saddle between Urucum Central and Urucum North pits. Continuity of gold mineralisation between these pits could have a significant impact on pit shape and economics. In addition, Urucum North has an attractive Measured and Indicated resource ounce per vertical metre profile.
- Delineation and definition drilling on all Neo Lodes.
- Delineation and definition drilling at shallow oxide targets at Urso.

In summary, the multiple in-mine and near-mine drill discoveries and untested prospects provide the Beadell exploration team with a compelling opportunity to grow the gold resource at Tucano through low cost and relatively low risk work programs. Delineation and step-out drilling at the highest ranked targets is expected to commence before the end of 2018, with resource estimate determinations to occur once sufficient holes have been assayed and incorporated into the Tucano database.

(f) Beadell's strategy

Beadell is focussed on:

- implementing a mine plan that results in consistent production quarter on quarter;
- improving mining performance and predictability across all seasons;
- improvement of the Tucano Processing Plant efficiency following completion of the upgrade in November 2018;
- investing in its exploration potential;
- improving the level of proficiency in its personnel on site through training and mentoring;
- strengthening its balance sheet; and
- having an overall focus on share price appreciation.

11.2 Historical financial information

(a) Historical consolidated statement of profit or loss

Set out below is a summary of Beadell's consolidated statement of profit or loss for the years ended 31 December 2017, 2016 and 2015 and the nine month period ended 30 September 2018.

	30-Sep 2018 $'000 Unaudited	31-Dec 2017 $'000 Audited	31-Dec 2016 $'000 Audited	31-Dec 2015 $'000 Audited
Revenue	141,516	211,067	239,845	190,554
Cost of sales	(143,368)	(296,963)	(191,913)	(172,898)
Gross margin	**(1,852)**	**(85,896)**	**47,932**	**17,656**
Other income	770	502	118	217
Administrative expenses	(14,961)	(20,318)	(19,094)	(18,788)
Project exploration and evaluation expenses	(692)	(854)	(1,449)	(809)
Impairment losses	(6,467)	(2,881)	(2,239)	(16,808)
Other expenses	(334)	(821)	(986)	(2,163)
Results from operating activities	**(23,536)**	**(110,268)**	**24,282**	**(20,695)**
Finance income	2,888	315	10,644	774
Finance expense	(17,756)	(5,936)	(4,491)	(31,323)
Net finance (expense)/income	**(14,868)**	**(5,621)**	**6,153**	**(30,549)**
(Loss)/Profit for the period before income tax	**(38,404)**	**(115,889)**	**30,435**	**(51,244)**
Income tax benefit/(expense)	3,879	14,720	(8,081)	6,899
(Loss)/Profit for the period after income tax	**(34,525)**	**(101,169)**	**22,354**	**(44,345)**
Other comprehensive profit/(loss)				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(18,521)	(18,767)	37,310	(46,558)
Other comprehensive (loss)/profit for the period net of tax	**(18,521)**	**(18,767)**	**37,310**	**(46,558)**
Total comprehensive (loss)/profit for the year	**(53,046)**	**(119,936)**	**59,664**	**(90,903)**

(b) Historical consolidated statement of financial position

Set out below is a summary of Beadell's consolidated statements of financial position as at 31 December 2017, 2016 and 2015 and as at 30 September 2018.

	30-Sep 2018 $'000 Unaudited	31-Dec 2017 $'000 Audited	31-Dec 2016 $'000 Audited	31-Dec 2015 $'000 Audited
Assets				
Cash and cash equivalents	8,383	10,136	28,298	9,721
Restricted cash	161	171	283	5,059
Prepayments	2,362	2,365	1,351	947
Gold bullion awaiting settlement	-	9,496	5,360	5,058
Trade and other receivables	27,987	24,907	29,267	16,791
Inventories	37,185	29,696	55,464	57,534
Total current assets	**76,078**	**76,771**	**120,023**	**95,110**
Trade and other receivables	18,367	18,062	153	66
Inventories	-	-	53,049	-
Exploration and evaluation assets	399	451	498	673
Mineral properties	24,791	31,429	28,428	17,734
Property, plant and equipment	151,385	137,270	134,942	122,573
Deferred tax assets	30,553	30,820	18,553	20,108
Total non-current assets	**225,495**	**218,032**	**235,623**	**161,154**
Total assets	**301,573**	**294,803**	**355,646**	**256,264**
Liabilities				
Trade and other payables	43,080	58,670	44,230	38,189
Employee benefits	3,664	4,311	5,129	2,774
Borrowings	49,065	55,801	54,637	49,497
Provisions	5,663	5,333	4,527	2,751
Total current liabilities	**101,472**	**124,115**	**108,523**	**93,211**
Employee benefits	12	13	204	180
Other financial liabilities	6,973	-	-	-
Borrowings	55,121	-	6,949	34,061
Provisions	7,284	8,209	7,845	6,130
Total non-current liabilities	**69,390**	**8,222**	**14,998**	**40,371**
Total liabilities	**170,862**	**132,337**	**123,521**	**133,582**
Net assets	**130,711**	**162,466**	**232,125**	**122,682**
Equity				
Share capital	324,968	303,512	254,435	206,585
Reserves	(39,170)	(22,530)	(4,963)	(49,065)
Accumulated losses	(155,087)	(118,516)	(17,347)	(34,838)
Total equity	**130,711**	**162,466**	**232,125**	**122,682**

(c) Basis of preparation

The above financial statements summarises certain financial information about Beadell for the years ended 31 December 2015, 2016 and 2017 and the nine month period ended 30 September 2018. The annual historical financial information has been extracted from the audited financial statements contained in the annual reports of Beadell for the years ended 31 December 2015, 2016 and 2017. The financial statements for the years ended 31 December 2015, 2016 and 2017 were audited by KPMG and all included an unqualified opinion.

Further information on Beadell's financial performance for the year ended 31 December 2015, 2016 and 2017 is provided in the results announcements to ASX dated 28 February 2018, 28 February 2017 and 29 February 2016. These documents are available from ASX on its website at www.asx.com.au.

The historical financial information for the nine month period 30 September 2018 has been extracted from the unaudited management accounts of Beadell.

Beadell has adopted *IFRS 15 Revenue from Contract with Customers* (IFRS 15) effective 1 January 2018. The restated impact of this change in accounting policy on the years ended 31 December 2017 and 2016 has not been reflected in the above financial statements which have been extracted from Beadell's audited financial statements. Further information regarding the adoption of IFRS 15 can be found in Beadell's Condensed Consolidated Financial Report for the half year ended 30 June 2018.

(d) Material changes in financial position (since 30 June 2018)

Other than as disclosed in this Scheme Booklet (including below), within the knowledge of the Beadell Directors, the financial position of Beadell has not materially changed since 30 June 2018.

Inventories

Ore stockpiles are valued at the lower of cost and net realisable value (**NRV**). Beadell has recognised a write down to NRV of $2.2 million in June 2018 and a futher $3.9 million in September 2018 (total of $6.1 million) in respect of low grade ore mined during the period. The NRV adjustment has been recognised in cost of goods sold during the period.

Beadell has not recognised a deferred tax asset for temporary differences arising from NRV adjustments on low grade ore mined during 2018 on the basis it is not probable that taxable profits will be available at the time of reversal.

Share capital raising

On 14 August 2018, Beadell raised $11.8 million (before costs) through a placement of 218,293,000 fully paid ordinary shares, at an issue price of $0.054 per share.

Borrowings

In July 2018, an initial repayment of $3 million was made in relation to the MACA Termination Deed and a further $3.3 million was made in August 2018 representing a repayment equal to 30% of the proceeds (after costs) relating to the $11.8 million (before costs) capital raising announced in August 2018.

In July 2018, a scheduled repayment of US$2.5 million ($3.5 million) was made in relation to the Santander – Itaú Export Prepayment Facility.

Beadell made net repayments of US$1.3 million ($1.8 million) in relation to unsecured interest bearing bank facilities during the 3 month period ended 30 September 2018.

On 7 December 2018, Beadell and Great Panther entered into a loan agreement (**Loan**), pursuant to which Great Panther has agreed to advance to Beadell a non-revolving term loan in the principal amount of US$5,000,000. The proceeds of the Loan are expected to be used by Beadell for the costs, fees and expenses to undertake the Scheme and certain working capital requirements. The Loan is unsecured and interest bearing at the rate of 14% per annum. The Loan has a maturity date of 15 January 2019, which may be extended by mutual agreement for an additional 30 days. Beadell has agreed to prepay the outstanding principal balance of the loan upon receipt of certain VAT balance (PIS and COFINS) cash refunds which Beadell has applied for. Further details can be found in Section 13.7(c).

As at 21 December 2018, the Loan had been fully drawn. Beadell Shareholders will be updated as to the status of the Loan by an announcement to ASX before the date of the Scheme Meeting.

<u>Financial position</u>

Should operations not successfully achieve operating, capital and working capital forecasts, including the continued support from Beadell's unsecured financiers, the Group will require additional funding in the form of debt and/or equity. Negotiation for additional equity and debt funding will be further progressed as required and the Directors have a reasonable expectation that such additional funding can be secured.

These material uncertainties give rise to significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in an orderly manner at the amounts stated in the financial information presented in this Scheme Booklet.

<u>Change of control</u>

Certain Advances on Currency Exchange Contracts and the Senior Secured Convertible Debentures contain various change of control clauses for which waivers have not yet been received as at the date of this Scheme Booklet (see further Section 9.12(c)).

Should the Scheme complete, without obtaining these waivers, the counterparties to those agreements will have the right to require Beadell to repay all amounts outstanding on demand. The amount repayable at the date of this Scheme Booklet is US$15.5 million ($21.2 million).The Directors have a reasonable expectation of financial support from Great Panther if such debts became payable on a change of control.

(e) Forecast financial information

Beadell has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. It has determined that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist having regard to the requirements of applicable law, policy and market practice.

11.3 Board and senior management

The directors of Beadell (as at the Last Practicable Date) are listed below. Further information on each of the Beadell directors who will be on the Merged Group Board is contained in section 13.3 of this Scheme Booklet.

Name	Current position

Name	Current position
Mr Brant E. Hinze	Independent Non-Executive Director, Chairman
Mr Craig Readhead	Independent Non-Executive Director
Dr Nicole Adshead-Bell	Chief Executive Officer and Managing Director
Mr Timo Jauristo	Independent Non-Executive Director
Mr Greg Barrett	Company Secretary and CFO

(a) Mr Brant E. Hinze B.S. Mining Engineering

Mr Hinze is a mining engineer with a career spanning more than 30 years and has worked in all facets of the mining business from small start-ups to some of North America's largest mining companies, in remote operations and on foreign assignments in South America and Southeast Asia.

He was President and Chief Operating Officer of Kinross Gold Corporation from 2010 to 2014. Mr Hinze also worked for Newmont Mining Corporation from 2001 to 2010. Prior to 2001, Mr Hinze worked for Battle Mountain Gold until its merger with Newmont in 2001. He served as Senior Vice President for North American Operations, General Manager of the Minera Yanacocha SRL in Peru, as well as other senior management positions in Southeast Asia.

Mr Hinze is the chairman of the Remuneration, Nomination and Diversity Committee and member of the Audit and Risk Management Committee.

(b) Dr Nicole Adshead-Bell B.Sc. (Hons), PhD

Dr Adshead-Bell is a geologist with over 20 years of capital markets and natural resource sector experience. From 2015 to 2018, she was the President of Cupel Advisory Corp., an advisory firm focused on investments in the natural resource sector. From 2012 to 2015, Dr Adshead-Bell was the Director of Mining Research at Sun Valley Gold LLC (**SVG**), a US-based Securities Exchange Commission registered investment advisor focused on the precious metals sector. Prior roles include: Managing Director, Investment Banking at Haywood Securities, where she concentrated on building the company's M&A and financing business in the mining sector; sell-side analyst at Dundee Securities; and buy-side analyst at SVG.

(c) Mr Craig Readhead B.Juris, LL.B, FAICD

Mr Readhead is a lawyer with over 30 years legal and corporate advisory experience with specialisation in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. Mr Readhead is a former president of the Australian Mining and Petroleum Law Association and is a General Counsel of Whitestone Minerals Pty Ltd.

Mr Readhead is currently a non-executive director of Eastern Goldfields Ltd (previously called Swan Gold Mining Ltd), Redbank

Copper Ltd and Western Areas Ltd. Mr Readhead is also a member of the WA Council of the Australian Institute of Company Directors.

Mr Readhead is a member of the Remuneration, Nomination and Diversity Committee and the Audit and Risk Management Committee.

(d) Mr Timo Jauristo B.App.Sc, Grad Dip Fin, MAusIMM

Mr Jauristo is a geologist and seasoned mining professional with over 35 years' experience in the gold mining industry. Most recently, Mr Jauristo was Executive Vice President – Corporate Development of Goldcorp. He spent 15 years with Placer Dome in various operating and corporate roles. Mr Jauristo was involved in numerous merger and acquisition transactions in many of the major gold producing regions of the world.

Mr Jauristo is currently a non-executive director of the TSX listed company Integra Resources.

Mr Jauristo is the chairman of the Audit and Risk Management Committee and member of the Remuneration, Nomination and Diversity Committee.

(e) Mr Greg Barrett CA, FFin, B.Comm

Mr Barrett is a member of the Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia. He has over 20 years of management, corporate advisory, finance and accounting experience, working for several listed and unlisted companies for which he has held positions as Director, Chief Financial Officer and Company Secretary. He is the former Finance Executive and Company Secretary for Agincourt Resources Ltd and Nova Energy Ltd and had previously worked for KPMG before specialising in the mining industry.

11.4 Capital structure

As at the Last Practicable Date, the issued securities of Beadell are as follows:

Type of security	Number on issue
Quoted fully paid ordinary share	1,673,584,196
Unquoted option (expiry date of 31 December 2018 and exercise price of $0.20)	8,900,000
Unquoted option (expiry date of 30 September 2019 and exercise price of $0.54)	2,500,000
Unquoted option (expiry date of 31 December 2019 and exercise price of $0.25)	8,900,000
Unquoted option (expiry date of 30 September 2020 and exercise price of $0.63)	2,500,000
Unquoted option (expiry date of 30 June 2021 and exercise price of $0.078)	2,500,000
Unquoted option (expiry date of 30 June 2022 and exercise price of $0.091)	2,500,000
Unquoted warrants (expiry date of 17 May 2022 and exercise price of US$0.0815)	55,380,165
Unquoted warrants (expiry date of 27 June 2022 and exercise price of US$0.0815)	102,127,545
Convertible debentures due 30 June 2023	10,000
Unquoted performance rights (expiry date 1 January 2019)	4,402,687

Additional details about the Beadell Rights are set out in section 9.12 of this Scheme Booklet.

11.5 Financing arrangements

As at 30 September 2018, Beadell has four debt facilities in place totalling $108.5 million. The facilities are:

Facility	Description	Facility size	Drawn at 30 September 2018	Expiry
MACA Termination Deed	Unsecured and interest bearing	$54.7 million	$54.7 million	30 June 2022
Senior Secured Convertible Debentures	Secured and interest bearing	$13.4 million	$13.4 million	30 June 2023
Santander – Itaú Export Prepayment Facility	Secured and interest bearing	$17.3 million	$17.3 million	12 April 2019
Advances on Currency Exchange Contracts	Unsecured and interest bearing	$23.1 million	$23.1 million	16 January 2019

In respect of the Santander – Itaú Export Prepayment Facility, Beadell's subsidiaries have provided security in the form of a fiduciary lien over the issued shares of Beadell Brasil Limitada and a pledge over the mineral rights at Tucano.

In respect of the Senior Secured Convertible Debentures, Beadell has provided security in the form of share pledges over Beadell's Australian subsidiaries which hold the shares in Beadell Brasil Limitada.

Subsequent to 30 September 2018, Beadell has extended the expiry date on certain Advances on Currency Exchange Contracts. As at the date of this Scheme Booklet, the expiry date of the Advances on Currency Exchange Contracts is November 2019.

Shareholders should note:

- the agreement entered into by Great Panther and MACA Limited in respect of the MACA Termination Deed, as described in section 9.4; and
- the agreement entered into by Beadell and Great Panther, as described at section 13.7(c).

11.6 Beadell Share price

Beadell is a public company limited by shares that has been admitted to the official list of ASX. Beadell is listed on ASX under the code "BDR".

The Scheme Implementation Deed was executed and announced by Beadell to the market on 24 September 2018. The last recorded closing price for Beadell Shares on ASX before the public announcement of the Scheme was $0.057 (on Friday, 21 September 2018).

The closing price of Beadell Shares on ASX on 17 December 2018, being the Last Practicable Date before the date of this Scheme Booklet was $0.044.

Beadell's highest and lowest share prices within the 3 month period preceding the date of this Scheme Booklet were, respectively $0.069 on 24 September 2018 and $0.043 on 5 December 2018.

Beadell's current share price can be found at the ASX's website at www.asx.com.au.

11.7 Litigation

As at the Last Practicable Date, Beadell is not aware of any material contractual disputes or litigation in respect of Beadell, including with its customers or other third parties.

Following the acquisition of the Tucano Gold Project in 2010, the Beadell Group assumed a claim relating to environmental damages at William Creek. The alleged damage is related to the modification of the creek's riverbed, soiling and sedimentation.

In January 2018 the Amapá State Court ordered the Beadell Group to pay a fine of R$6 million plus interest and inflation to the State Environmental Fund of Brazil. No liability has been recognised in relation to this decision based on legal advice received and as the Beadell Group intends to appeal.

In November 2018 the Secretaria da Receita Federal do Brasil recognised that Beadell is entitled to receive a refund of A$13.9 million of PIS COFINS value added tax in December 2018. While the PIS COFINS value added tax refund is due late December 2018, the timing and probability of the receipt of these amounts is not certain.

As previously disclosed, during the June quarter of 2018, Tucano site personnel took control of the plant upgrade from Harrier Project Management Pty Ltd, the contractor managing the plant upgrade, because of a repudiatory breach of contract by Harrier. An initial investigation by Beadell determined Harrier might have breached its obligations under the contract. Beadell is currently considering its legal options regarding the results of this investigation.

11.8 Publicly available information about Beadell

Beadell is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, Beadell is subject to Listing Rules which require (subject to some exceptions) continuous disclosure of any information that Beadell has that a reasonable person would expect to have a material effect on the price or value of Beadell shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by Beadell is available on the ASX's website at www.asx.com.au.

In addition, Beadell is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Beadell may be obtained by an ASIC office.

Beadell Shareholders may obtain a copy of Beadell's 2017 Annual Report (including its audited financial statements in respect of the year ended 31 December 2017) from ASX's website (asx.com.au), from Beadell's website (beadellresources.com.au/investor-centre/financial-reports/) or by calling the Beadell on 08 94290800 (within Australia) or +61 8 9429 0800 (outside Australia).

12 Profile of the Great Panther Group

This section 12 has been prepared by Great Panther. The information concerning Great Panther and the intentions, views and opinions contained in this section 12 are the responsibility of Great Panther.

12.1 Overview of Great Panther

(a) Introduction

Great Panther is a primary silver mining and precious metals producer and exploration company.

Great Panther was originally incorporated under the Company Act (British Columbia) in 1965 under the name "Lodestar Mines Ltd". On 18 June 1980, Great Panther Shares were listed on the TSX Venture Exchange. On 22 March 1996, Great Panther was continued under the Business Corporation Act (Yukon). On 9 July 2004, Great Panther was continued to British Columbia under the Business Corporations Act (British Columbia).

On 14 November 2006, the Great Panther Shares began trading on the TSX under the symbol "GPR". On 8 February 2011, the Great Panther Shares were listed on the NYSE (American) under the trading symbol "GPL", while Great Panther retained its listing on the TSX in Canada.

The articles of Great Panther were amended on 28 June 2012, to provide for and facilitate the electronic delivery and receipt of notices, statements, reports or other records to shareholders.

Great Panther's principal and registered offices are located at 1330 – 200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada. Great Panther's telephone number is 604-608-1766, its facsimile number is 604-608-1768, and Great Panther's website can be found at www.greatpanther.com.

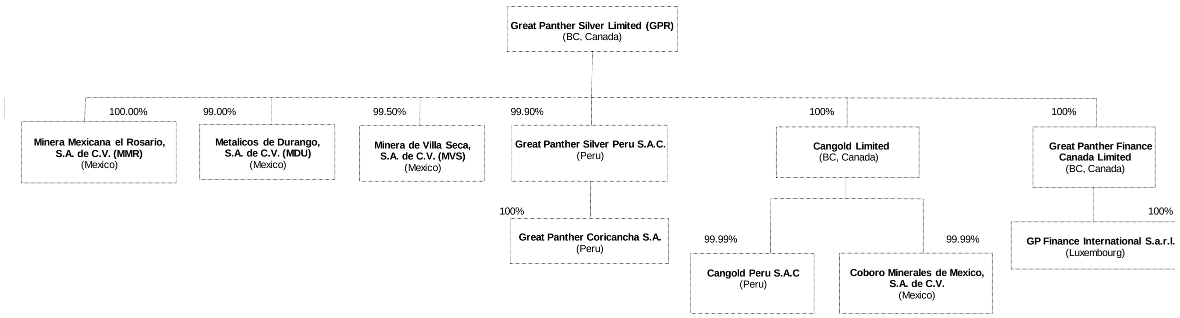
(b) Corporate structure

The following companies are the subsidiaries of Great Panther, the ownership interests of which are set out in the structure diagram below:

- Minera Mexicana el Rosario, S.A. de C.V.;
- Metalicos de Durango, S.A. de C.V.;
- Minera de Villa Seca, S.A. de C.V.;
- Great Panther Silver Peru S.A.C.;
- Great Panther Coricancha S.A.;
- Cangold Limited;
- Cangold Peru S.A.C;
- Coboro Minerales de Mexico, S.A. de C.V.;
- Great Panther Finance Canada Limited; and

- GP Finance International S.a.r.l.

Great Panther Organizational Chart



For a description of the Great Panther Shares, see Section 10.4.

(c) Overview of assets and operations

Great Panther's wholly-owned mining operations in Mexico are the Topia Mine (**Topia**), and the Guanajuato Mine Complex (**GMC**) which comprises the Guanajuato Mine, the San Ignacio Mine (**San Ignacio**), and the Cata processing plant. The map below shows the location of Great Panther's mining operations in Mexico.

Map of Great Panther's mining operations in Mexico

For the full year 2017, Great Panther produced 1,982,685 silver ounces and 22,501 gold ounces from its Mexican operations.

Great Panther's exploration properties include the El Horcón, Santa Rosa and Plomo projects in Mexico; and the Argosy project in Canada. El Horcón is located 100 kilometres by road northwest of Guanajuato city, Santa Rosa is located approximately 15 kilometres northeast of Guanajuato city, and the Plomo property is located in the state of Sonora, Mexico. The Argosy property is in the Red Lake Mining District in northwestern Ontario, Canada. Great Panther has not undertaken any significant exploration programs on El Horcón, Santa Rosa, Plomo and Argosy in the last three years, and none of these properties is considered material.

Set out below is the El Horcón Mineral Resource Estimate, which has an effective date of 31 August 2016. The El Horcón Mineral Resource Estimate was released on 24 February 2017, and is available for review under the Company's profile on SEDAR located at www.sedar.com, "News Release Great Panther Silver Increases Mineral Resource Estimate at the Guanajuato Mine Complex".

Mineral Resources	Total
Inferred	162,140 tonnes at 76 g/t silver, 3.44 g/t gold, 2.69% lead and 3.79% zinc for 2,092,913 silver eq oz

Notes

1. US$110/tonne NSR Cut-off.

2. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.

3. Rock Density for all veins for Diamantillo is 2.77 t/m^3, San Guillermo 2.78 t/m^3, Diamantillo HW is 2.62 t/m^3, Natividad 2.57 t/m^3.

4. Totals may not agree due to rounding.

5. Grades in metric units.

6. Contained silver and gold in troy ounces.

7. Minimum true width 1.5 m.

8. Metal Prices: $18.00/oz silver, $1,300/oz gold and $0.80/lb lead.

9. Ag eq (g/t) and Ag eq (oz) use only gold, silver and lead values.

The GMC, Topia, El Horcón and Santa Rosa are held by Minera Mexicana el Rosario, S.A. de C.V. (**MMR**), a wholly-owned subsidiary acquired in February 2004. In 2005, Great Panther incorporated Metalicos de Durango, S.A. de C.V. and Minera de Villa Seca, S.A. de C.V. which are responsible for the day-today affairs and operations of Topia and the GMC, respectively, through service agreements with MMR. Argosy is held by Cangold Limited, and Plomo is held by Coboro Minerales de Mexico, S.A. de C.V.

As part of conducting mining operations, Great Panther requires, and has applied for, certain additional permits from regulators. Refer to page 11 of the MD&A attached as Annexure to this Scheme Booklet.

On 30 June 2017, Great Panther acquired a 100% interest in the Coricancha Mine Complex (**Coricancha**), by acquiring all the common shares of Nyrstar Coricancha SA, from Nyrstar N.V., a European-based multi-metals company (**Nyrstar**). Coricancha is a gold-silver-copper-lead-zinc mine, located in the Peruvian province of Huarochirí, approximately 90 kilometres east of Lima, and has been on care and maintenance since August 2013.

(d) GMC

The GMC produces silver and gold concentrate and is located in central Mexico, approximately 380 kilometres north-west of Mexico City, and approximately 30 kilometres from the Guanajuato International Airport.

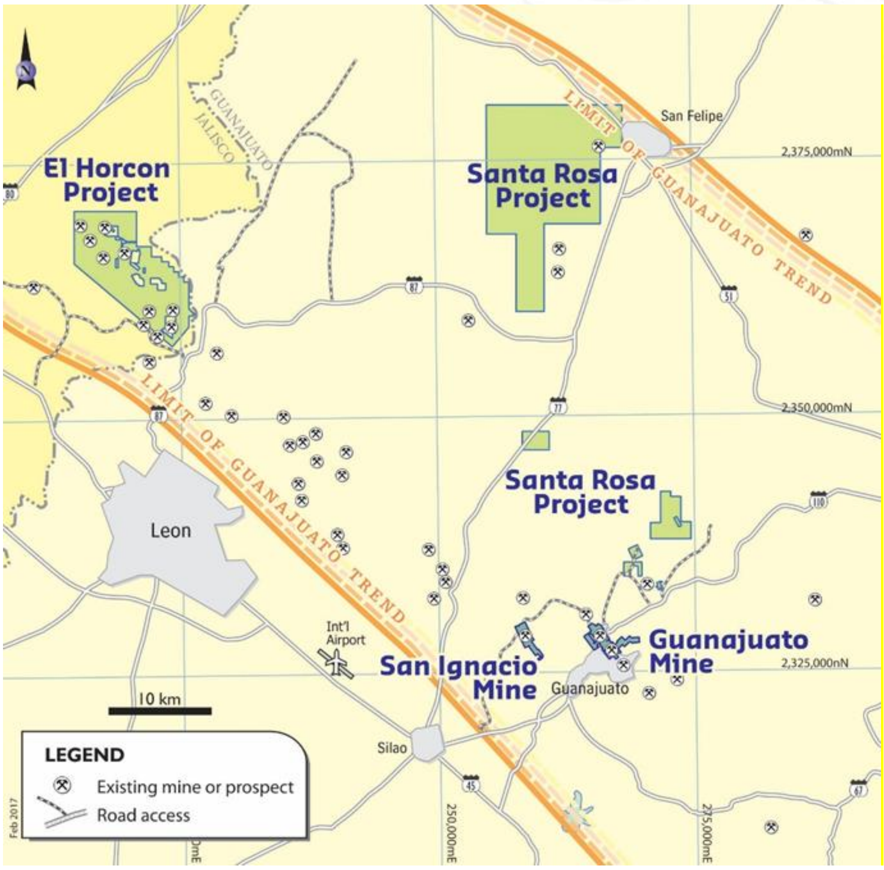
When purchased, the GMC comprised 1,107 hectares in two main properties (the Guanajuato and San Ignacio claims), the 1,000 tonnes per day Cata processing plant, workshops and administration facilities, complete mining infrastructure, mining equipment, and certain surface rights. Since then, Great Panther has purchased from the Sociedad Cooperativa Minero Metalúrgica Santa Fe de Guanajuato 3.88 hectares of real estate adjacent to the Cata plant and 0.28 hectares of land immediately adjacent to the plant and below the tailings dam.

In August 2012, Great Panther signed a definitive agreement for the purchase of a 100% interest in certain surface rights to a total of 19.4 hectares at San Ignacio, for the construction of a mine portal and ancillary surface facilities.

The method of production at GMC consists of conventional mining incorporating cut and fill and resue methods. Extracted ore is trucked to on-site conventional processing plants which consist of a pyrite-silver-gold flotation circuit.

For the nine months ended 30 September 2018, Great Panther produced 842,352 silver ounces and 15,240 gold ounces for 2.061.540 silver equivalent ounces at the GMC. Silver averaged 129 g/t while gold averaged 2.34 g/t.

Great Panther has established a life-of-mine estimate for the GMC assets of approximately four years (at 31 December 2017). This life of mine estimate does not include additional resources which may be discovered through ongoing exploration drilling.



Map of the Guanajuato District

The Guanajuato Mine is an underground silver-gold mine and consists of a number of mineralization zones along an approximately 4.2-kilometre strike length, which is being mined from two operating shafts and two ramps. The 19 mineral claims comprise 680 hectares in a contiguous claim block and expire between 2024 and 2057.

Set out below is the Guanajuato Mine Mineral Resource Estimate, which has an effective date of 31 August 2017 The Guanajuato Mine Mineral Resource Estimate was released on 25 January 2018, and is available for review under the Company's profile on SEDAR located at www.sedar.com, "News Release Great Panther Silver Increases Mineral Resource Estimate at the Guanajuato Mine Complex".

Mineral Resources	**Total**
Total measured and indicated	214,907 tonnes at 224 g/t silver and 1.45 g/t gold for 2,257,472 silver eq oz
Measured	170,978 tonnes at 227 g/t silver and 1.50 g/t gold for 1,829,281 silver eq oz

Indicated	43,929 tonnes at 215 g/t silver and 1.25 g/t gold for 428,190 silver eq oz
Inferred	158,846 tonnes at 136 g/t silver and 2.04 g/t gold for 1,431,334 silver eq oz

Notes

1. Cut-offs are based on the marginal operating costs per mining area, being $76/tonne for Cata, $70/tonne for Santa Margarita/San Cayetano, $68/tonne for Los Pozos, $93/tonne for Guanajuatito, and $80/tonne for Valenciana/Promontorio.

2. Block model grades converted to US$ value using plant recoveries of 87% silver, 86.8% gold, and net smelter terms negotiated for pyrite concentrates.

3. Rock Density for all veins is 2.68t/m3.

4. Totals may not agree due to rounding.

5. Grades in metric units

6. Contained silver and gold in troy ounces.

7. Minimum true width 1.0 m.

8. Metal Prices: $17.00/oz silver and $1,300/oz gold.

9. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.

Surface rights owned by Great Panther in respect of San Ignacio are limited to blocks of ground around the old San Ignacio shaft and an additional acquired block over the present underground development (new roads, mine rock dumps, and surface infrastructure). The nine mineral claims comprise 398 hectares and expire between 2031 and 2041. The mineralization on the property consists of epithermal silver-gold veins, with approximately equal contributions of each.

Set out below is the Mineral Resource Estimate at San Ignacio, which has an effective date of 31 August 2017. The Mineral Resource Estimate at San Ignacio was released on 25 January 2018, and is available for review under the Company's profile on SEDAR located at www.sedar.com, "News Release Great Panther Silver Increases Mineral Resource Estimate at the Guanajuato Mine Complex".

Mineral Resources	**Total**
Total measured and indicated	998,417 tonnes at 141 g/t silver and 3.01 g/t gold for 11,362,323 silver eq oz
Measured	801,468 tonnes at 142 g/t silver and 3.09 g/t gold for 9,283,955 silver eq oz
Indicated	196,949 tonnes at 139 g/t silver and 2.68 g/t gold for 2,078,368 silver eq oz

Inferred	573,431 tonnes at 130 g/t silver and 2.44 g/t gold for 5,565,972 silver eq oz

Notes

1. Cut-offs are based on the marginal operating costs per mining area being US$71/tonne for San Ignacio.

2. Block model grades converted to US$ values using plant recoveries of 84% silver, 84% gold, and net smelter terms negotiated for pyrite concentrates.

3. Rock density for Intermediate 2.64 t/m³, Intermediate 2 – 2.66 t/m³, Melladito 2.63 t/m³, Melladito BO 2.65 t/m³, Nombre de Dios 2.64 t/m³, Nombre de Dios 1.5 2.63 t/m³, Nombre de Dios 2 & Nombre de Dios 2S 2.62 t/m³.

4. Totals may not agree due to rounding.

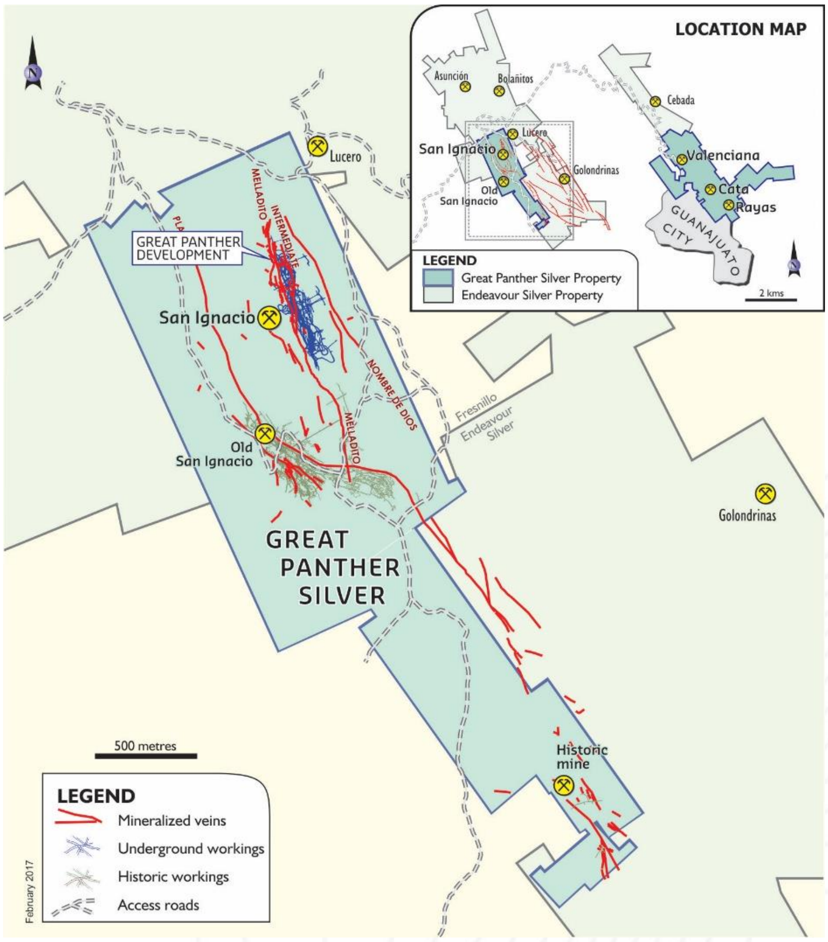
5. Grades in metric units.

6. Contained silver and gold in troy ounces.

7. Minimum true width 1.0 m.

8. Metal Prices: $17.00/ounce silver and $1,300/ounce gold.

9. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.



Map of San Ignacio

(e) **Topia mine**

The Topia Mine is located in the Sierra Madre Mountains in the state of Durango in northwestern Mexico and produces concentrates containing silver, gold, lead and zinc at its own processing facility.

The method of production at Topia consists of conventional mining incorporating cut and fill and resue methods. Extracted ore is trucked to on-site conventional processing plants which consist of zinc and lead-silver flotation circuits.

During 2016 and 2017, 0.9 million silver equivalent ounces and 1.1 million silver equivalent ounces, respectively, were produced at Topia. For 2018, Great Panther anticipates production at Topia to be at approximately the same level as in 2017.

Great Panther has established a life-of-mine estimate for Topia of 8.5 years as at 31 December 2017 for the purposes of depleting the current mineral inventory. This life of mine estimate does not take into account any additional resources which may be discovered through recent and future exploration drilling.

Exploration work carried out at Topia by Great Panther has comprised diamond drilling, chip sampling, mapping, and underground development.

Reviews by the regulatory authorities dating back to 2015, coupled with permitting work undertaken by Great Panther in connection with the expansion of the Topia tailings storage facility, led to a broader review by the Mexican environmental compliance authority, la Procuraduría Federal de Protección al Ambiente (PROFEPA), and by Great Panther of all of Topia operations' permitting status and environmental compliance (including the historical tailings dating back to periods prior to Great Panther's ownership) and a clarification of land titles. Devised as a cooperative management strategy, Topia has been accepted into a voluntary environmental audit program supported by PROFEPA. The audit commenced during the second quarter of 2017. Great Panther is working on a compliance program authorized by PROFEPA to address the audit findings and has until January 2020 to complete this. This compliance program includes remediation, and technical reviews as defined by the audit. Progress updates will be submitted to PROFEPA for further review. Great Panther anticipates that it will be able to achieve full compliance; however, Great Panther cannot provide complete assurance that upon completion of the compliance program further reviews will not lead to future suspensions of operations. Great Panther received all necessary permits for the construction of the phase II tailings storage facility at Topia. Construction is underway and Great Panther continues to utilize the phase I tailings storage facility until completion of phase II construction activities.

Set out below is an estimate of Mineral Resources for Topia with an effective date of 30 November 2014. There are no Mineral Reserve estimates for Topia. The Mineral Resource Estimate at Topia Mine was released on 9 July 2015, and is available for review under the Company's profile on SEDAR located at www.sedar.com,"News Release Great Panther Silver Updates Mineral Resources at Topia Mine".

Mineral Resources	Total
Total measured and indicated	346,200 tonnes at 624 g/t silver, 1.31 g/t gold, 4.50% lead and 4.19% zinc for 11,580,000 silver equivalent ounces
Measured	180,400 tonnes at 606 g/t silver, 1.44 g/t gold, 4.26% lead and 4.52% zinc for 6,010,000 silver equivalent ounces
Indicated	165,800 tonnes at 644 g/t silver, 1.17 g/t gold, 4.75% lead and 3.82% zinc for 5,570,000 silver equivalent ounces
Inferred	357,400 tonnes at 592 g/t silver, 1.31 g/t gold, 3.44% lead and 3.96% zinc for 11,050,000 silver equivalent ounces

Notes:

1. CIM Definitions were followed for Mineral Resources.

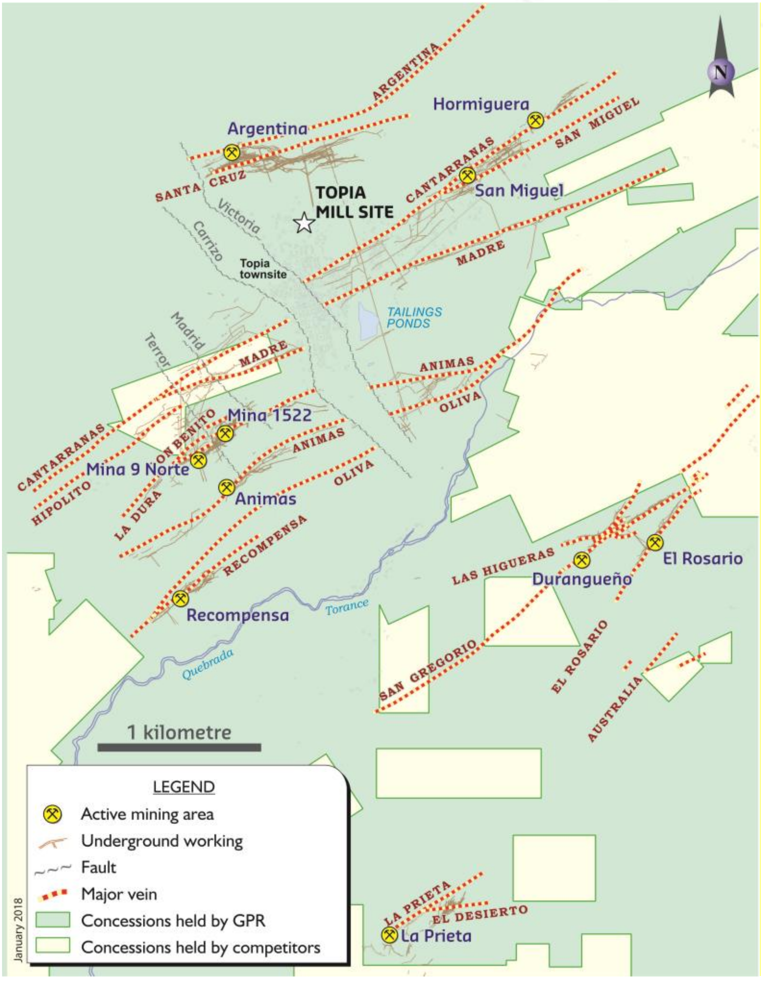
2. Mineral Resources are reported using different Net Smelter Return (NSR) cut-off values for the different mines as follows: US$167/t for the 1522 Mine, US$197/t for Argentina, US$153/t for Durangueno, US$189/t for Hormiguera, US$196/t for Recompensa, US$173/t for El Rosario, and US$204/t for La Prieta.

3. Area-specific bulk densities are as follows: Argentina - 3.06t/m3; 1522 - 3.26t/m3; Durangueno - 3.12t/m3; El Rosario - 3.00t/m3; Hormiguera - 2.56t/m3; La Prieta - 2.85t/m3; Recompensa - 3.30t/m3.

4. A minimum mining width of 0.30 metres was used.

5. Mineral Resources are estimated using metal prices of: US$1,200/oz gold, US$17.00/oz silver, US$0.90/lb lead, and US$0.95/lb zinc. Silver equivalent calculations used the same metal pricing and 2014 recoveries of 89.9% for silver, 56.4% for gold, 94.0% for lead and 92.3% for zinc.

6. Totals may not agree due to rounding.



Map of Topia

(f) Coricancha

Coricancha includes 127 mining concessions, 1 mining transport concession, and 1 processing concession, all for metallic substances.

Coricancha has been exploited almost continuously since colonial times. The historical Coricancha mine production for the 60 years prior to 1996 is reported to have ranged from 2,600 to 5,000 tpm. Historical mining methods at Coricancha include cut and fill, shrinkage stoping and variations of resue mining techniques.

Coricancha has been on care and maintenance since August 2013, and was operated by a number of previous companies before that date, the most recent being Nyrstar. It is subject to oversight by the Organismo de Evaluación y Fiscalización Ambiental (**OEFA**), the Peruvian public agency responsible for environmental assessment and inspection, and by the Organismo Supervisor de la Inversión en Energía y Minería (**OSINERGMIN**), which is the Peruvian regulatory body with oversight responsibility over energy and mining companies. There are open administrative and judicial proceedings by OEFA and OSINERGMIN, the outcomes of which are not yet readily determinable.

By agreement entered into with Biomin Technologies SA (now owned by Outotec) dated 5 February 1995, Coricancha was granted the right to use BIOX® technology. There are no other agreements or encumbrances known that would affect the current project. A 1% NSR royalty in favour of Global Resource Fund is payable on production from most of the mining licences, and a royalty of $1/ounce exists for gold processed using BIOX® technology.

In May 2018, Great Panther released the results of a Preliminary Economic Assessment which confirmed the potential for three million silver equivalent ounces of annual production. Great Panther is now advancing the project by commencing a Bulk Sample Program which commenced in July 2018. Following a successful outcome of the Bulk Sample Program, Great Panther expects to be able to make a decision in early 2019 to commence the restart of Coricancha. Subsequent development and capital investments necessary to restart Coricancha are expected to occur within a year after successful completion of the Bulk Sample Program. Great Panther does not currently plan to complete a feasibility study in connection with any production decision due to (i) the existing processing plant facility, (ii) the ability to continue on to development and production based on low initial capital costs, and (iii) Great Panther's knowledge of the mine and resource base.

Set out below is the Mineral Resource Estimate for Coricancha, which has an effective date of 20 December 2017. The Mineral Resource Estimate for Coricancha was released on 20 December 2017, and is available for review under the Company's profile on SEDAR located at www.sedar.com, "News Release Great Panther Silver Updates Mineral Resource Estimate at the Coricancha Mine, Peru".

Mineral Resources	**Total**
Measured	404,205 tonnes at 5.9 g/t gold, 210 g/t silver, 2.16% lead, 3.43% zinc and 0.54% copper for 13.49 million silver eq oz
Indicated	348,554 tonnes at 5.6 g/t gold, 189 g/t silver, 1.95% lead, 3.05% zinc and 0.52% copper for 10.71 million silver eq oz
Inferred	943,160 tonnes at 5.0 g/t gold, 209 g/t silver, 1.45% lead, 3.25% zinc and 0.64% copper for 28.36 million silver eq oz

Notes:

1. Cut-offs are based on an estimated $140 net smelter return $/tonne.

2. Metal prices used to calculate NSR: $1,300 per ounce (oz) gold, $17.00/oz silver, $1.15 per pound (lb) lead, $1.50/lb zinc, $3.00/lb copper

3. Block model grades converted to United States Dollar (US$) value using plant recoveries of 92.1% silver, 80.2% gold, 77.3% lead, 82.6% zinc, 52.7% copper.

4. Rock Density for Constancia: 3.3 tonnes per cubic metre (t/m^3), Wellington, Constancia East, Escondida, San Jose: 3.2 t/m^3, Colquipallana: 2.9 t/m^3.

5. Totals may not agree due to rounding.

6. Grades in metric units.

7. All currencies US$.

8. Silver equivalent ounces (eq oz) million (M) is calculated from gpt data

9. AgEq g/t = Ag g/t + (Pb grade x ((Pb price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) +(Zn grade x ((Zn price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Cu grade x ((Cu price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Au grade x (Au price per oz/Ag price per oz)).

Great Panther has undertaken the reclamation of certain legacy tailings facilities at Coricancha under a remediation plan approved by the Peru Ministry of Energy and Mines (the **MEM**), the relevant regulatory body. In addition, as part of the purchase of Coricancha (completed on 30 June 2017), Great Panther has an agreement with the previous owner, Nyrstar, for the reimbursement of the cost of these reclamation activities up to an agreed maximum. Great Panther is seeking approval of a modification to the remediation plan from MEM in accordance with the recommendations of an independent consultant to preserve the stability of nearby areas. Great Panther has changed the scheduling of the reclamation work, pending a decision from the MEM regarding the proposal to modify the approved remediation plan. Concurrently, Great Panther has undertaken various legal measures to protect itself from any pending or future fines, penalties, regulatory action or charges from government authorities which may be initiated as a result of the change in timing of reclamation under the approved plan. Great Panther believes this matter can be resolved favourably but cannot provide any assurance. If it is not resolved favourably, it may result in fines and may impact Great Panther's stated plans and objectives for Coricancha.

Under the terms of the acquisition agreement for Coricancha, Nyrstar agreed to indemnify Great Panther for up to $20.0 million on account of certain reclamation and remediation expenses incurred in connection with Coricancha. As at 30 September 2018, Great Panther's financial statements reflected a reimbursement right in the amount of $8.7 million due from Nyrstar in respect of these reclamation and remediation obligations. Since closing the acquisition on 30 June 2017, Great Panther has received $1.8 million in reimbursements from Nyrstar. In respect of reclamation and remediation costs incurred by Great Panther at Coricancha. For further information see section 3.C.1 of the AIF attached as Annexure to this Scheme Booklet.

Location map of Coricancha

(g) Great Panther's Strategy

Great Panther's mission is to grow and become a leading intermediate precious metals producer in the Americas, with a particular focus on leading mining jurisdictions in Latin America. The mission also includes achieving excellence in safety, efficiency, enhancing shareholder value, and in environmental and social performance with the objective of being highly respected by investors, employees and communities. The strategy to achieve this mission is to optimise and add value to its existing operations and projects and also growth through acquisitions in Great Panther's preferred jurisdictions.

12.2 Board and senior management

(a) Great Panther Board

The members of the Great Panther Board (as of the Last Practicable Date) are listed below. Further information on the directors of Great Panther is provided in Great Panther's Annual Information Form dated 23 March 2018 which is Annexure to this Scheme Booklet.

Name	Current position

Name	Current position
R.W. (Bob) Garnett, CPA, CA, ICD.D.	Independent Director, Chair of the Board
James M. Bannantine, PE, MBA	President & Chief Executive Officer and Director
Robert A. Archer, P.Geo	Non-executive Director
John Jennings, MBA, CFA	Non-executive Director
W. James Mullin, B.Sc.	Non-executive Director
Jeffrey R. Mason, CPA, ICD.D	Non-executive Director
Elise Rees, FCPA, FCA, ICD.D	Non-executive Director

(b) Great Panther Senior management

Great Panther's senior management is comprised the following members. Further information on the senior management team of Great Panther is provided in Great Panther's Annual Information Form dated 23 March 2018 which is Annexure to this Scheme Booklet.

Name	Current position
James M. (Jim) Bannantine, PE, MBA	President & Chief Executive Officer and Non-Independent Director
Jim A. Zadra, CPA, CA, MBA	Chief Financial Officer and Corporate Secretary
Mariana Fregonese	Vice President, Social Responsibility
Samuel Mah, P.Eng., M.A.Sc.	Vice President, Technical Services
Brian Peer, B.A.Sc.	Vice President, Operations Mexico
Christopher M.H. Richards, CPA, CA	Vice President, Finance

(c) Corporate governance

(1) General

The Great Panther Board is committed to following sound corporate governance practices, as such practices are both in the interests of Great Panther and Great Panther Shareholders and help to contribute to effective and efficient decision-making. In support of this objective, the Great Panther Board has adopted corporate governance policies, including the following which are available on Great Panther's website at http://www.greatpanther.com/corporate/corporate-governance/:

(a) Code of Business Conduct and Ethics; and

(b) Whistle Blower Policy.

The following disclosure has been prepared under the direction of Great Panther's Nominating and Corporate Governance Committee (**NCGC**) and has been approved by the Great Panther Board.

(2) Board of Directors

Independence of the Great Panther Board

The Great Panther Board facilitates its exercise of independent supervision over management by ensuring representation on the Great Panther Board by Directors who are independent of management. Directors are considered to be independent if they have no direct or indirect material relationship with Great Panther. A "material relationship" is a relationship which could, in the view of the Great Panther Board, be reasonably expected to interfere with the exercise of a Great Panther Director's independent judgment. A majority of the Great Panther Directors are independent, including the Chair of the Great Panther Board. Currently, two Directors, James M. (Jim) Bannantine, President and CEO of Great Panther and Robert A. Archer, former President and CEO of Great Panther, are not independent.

Diversity and Gender Equality

Even though the Great Panther Board has not yet adopted a written policy relating to the identification and nomination of female directors or a formal diversity policy, the Great Panther Board, through its direction to management, continues to generally promote diversity in the workplace. Great Panther respects and values differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief or disability. Great Panther recognizes the benefits arising from the Great Panther Board, management and employee diversity, including broadening Great Panther's skill sets and experience, accessing different outlooks and perspectives and benefiting from all available talent. Directors are recruited and promoted based upon their qualifications, abilities and contributions. In 2017, the Great Panther Board identified and nominated Ms. Rees, who is an experienced director, having served on the boards of several for-profit and not-for profit organizations. Having completed a 35-year career in professional accountancy, she brings extensive experience in acquisitions, mergers and corporate reorganizations across a wide range of industries, including mining, energy, infrastructure, construction, real estate, retail and distribution and a valuable variety of skill sets to the Great Panther Board.

The Great Panther Board is committed to fostering a diverse workplace environment where:

- individual differences and opinions are heard and respected;
- employment opportunities are based on the qualifications required for a particular position at a particular time, including training, experience, performance, skill and merit; and
- inappropriate attitudes, behaviours, actions and stereotypes are not tolerated and will be addressed.

The Great Panther Board monitors Great Panther's adherence to these principles.

Though Great Panther does not currently have any female executive officers, it benefits from the service of women, including at the senior management level. Great Panther has not adopted any targets for the number of women in executive officer positions but intends to have at least one female candidate for any new executive officer position. Executive officers will be recruited and promoted based upon their qualifications, abilities and contributions.

(3) Committee Composition

There are currently four committees of the Great Panther Board (**Great Panther Committees**): (a) the Audit Committee, (b) the Human Resources and Compensation Committee (**HRCC**), (c) the NCGC and (d) the Safety, Health and Environment Committee (**SHEC**). The Audit Committee, the HRCC and the NCGC are comprised solely of Great Panther Independent Directors.

(4) Meeting Attendance Record

Directors are expected to attend all meetings of the Great Panther Board and the committees of which they are members in person, to attend such meetings fully prepared, and to remain in attendance for the duration of the meeting. Attendance by telephone is acceptable in appropriate circumstances. Where a Great Panther Director's absence from a meeting is unavoidable, the Great Panther Director is expected to contact the Chair, the Chief Executive Officer or the Corporate Secretary as soon as possible for a briefing on the substantive elements of the meeting.

The Great Panther Independent Directors hold regularly scheduled meetings at which Great Panther Non-Independent Directors and members of management do not attend. The Great Panther Board holds in-camera meetings which are attended only by the Great Panther Independent Directors regularly as part of Great Panther Board meetings and Audit Committee meetings. During the fiscal year ended 31 December 2017, the Great Panther Independent Directors held ten in-camera meetings in conjunction with each Board meeting held in the year. In addition, four in-camera Audit Committee meetings were held during the year that were attended only by the Audit Committee members, other Great Panther Independent Directors, as guests, and Great Panther's auditors.

The Audit Committee meets at least four times per year in conjunction with the review and approval of annual and quarterly financial statements, management's discussion and analysis of operating results, and related filings. The HRCC meets as often as deemed necessary but will meet at least three times per year. Other Great Panther Board committees hold regular meetings throughout the year as required but will meet at least once annually.

(5) Mandate and Charters

The Great Panther Board has developed and approved a written mandate for the Great Panther Board (**Great Panther Board Mandate**) and formal charters for each Great Panther Committee. Copies of the Great Panther Committee mandates and charters can be found on Great Panther's website at http://www.greatpanther.com/corporate/corporate-governance/. Summaries of the Great Panther Board Mandate and the responsibilities of each Great Panther Committee are set out below.

(6) Mandate of the Great Panther Board

The Directors are stewards of Great Panther, responsible for the overall management and direction of Great Panther. The Great Panther Board has the responsibility to oversee the conduct of Great Panther's business, to supervise management and to act with a view towards the best interests of Great Panther. The Great Panther Board has adopted a Great Panther Board Mandate, the principles of which define the parameters for the implementation and achievement of corporate goals and objectives. The Great Panther Board Mandate requires compliance from each Director in letter and spirit. Each Director will execute his or her duties as a member of the Great Panther Board in accordance with the terms contained in the Great Panther Board Mandate. In discharging its Great Panther Board Mandate, the Great Panther Board is responsible for the oversight and review of the development of, among other things, the following matters:

- Strategic planning, including:
  - participation with management in the development of, and annual approval of, a strategic plan that takes into consideration,

among other things, the risks and opportunities of the business;

- approval of annual capital and operating budgets that support Great Panther's ability to meet its strategic objectives;
- directing management to develop, implement and maintain a reporting system that accurately measures Great Panther's performance against its business plans;
- approval of entry into, or withdrawal from, lines of business that are, or are likely to be, material to Great Panther; and
- approval of material acquisitions and divestitures.

- Financial and corporate matters, including:
    - taking reasonable steps to ensure the implementation and integrity of Great Panther's internal control and management information systems;
    - approval of financings and the incurrence of material debt outside the ordinary course of business; and
    - approval of commencement or settlement of material litigation.
- Business and risk management, including:
    - ensuring that management identifies the principal risks of Great Panther's business and implements appropriate systems to manage the risks;
    - approval of any plans to hedge sales; and
    - evaluation of, and assessing, information provided by management and others about the effectiveness of risk management systems.
- Policies and procedures, including:
    - approval of, and monitoring of compliance with, all significant policies and procedures that govern Great Panther's operations;
    - approving and acting as guardian of Great Panther's corporate values; and
    - directing management to ensure that Great Panther operates within applicable laws and regulations and to the highest ethical and moral standards.

(7) Audit Committee Charter

The Audit Committee is responsible for overseeing the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with policies and laws. The Audit Committee's role is to support the Great Panther Board in meeting its responsibilities to Great Panther Shareholders, review and enhance the independence of the external auditor, facilitate effective communication between management and the external auditor, provide a link between the external auditor and the Board, and increase the integrity and objectivity of financial reports and public disclosure. The full text of the Audit Committee Charter is available for viewing in Schedule A of Great Panther's Annual Information Form dated 23 March 2018 which is Annexure L to this Scheme Booklet. During 2017, the Audit Committee met four times.

The Audit Committee has complete and unrestricted direct access to the external auditor and is responsible for approving the nomination, and establishing the independence, of the external auditor.

(8) Human Resources and Compensation Committee Charter

The role of the HRCC includes evaluating the performance of the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer. The HRCC also approves all compensation for Executive Officers and Directors, recommends compensation plans, including equity-based compensation plans to the Great Panther Board, and performs an annual review of Great Panther's benefits plans. The full text of the HRCC Charter is available for viewing on Great Panther's website at http://www.greatpanther.com/_resources/pdf/charter-of-the-human-resources-compensation-committee.pdf. During 2017, the HRCC met three times.

(9) Nominating and Corporate Governance Committee Charter

The NCGC enhances Great Panther's performance by developing and recommending governance principles and by assisting Great Panther in discharging its corporate governance responsibilities under the applicable law. It also assesses and makes recommendations relating to the effectiveness and performance of the Great Panther Board. This committee is responsible for establishing and leading the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for Directors. As part of its mandate, the NCGC, among other things, develops and reviews a long-term plan for Board composition, reviews the Great Panther Board's relationship with management to ensure the Great Panther Board functions independently, develops criteria for Directors, recommends nominees for election as Directors and for appointment to committees, and reviews and monitors orientation and education of Directors. The full text of the NCGC Charter is available for viewing on Great Panther's

website at
http://www.greatpanther.com/_resources/pdf/charter-of-the-nominating-and-corporate-governance-committee.pdf.
During 2017, the NCGC met two times.

(10) Safety, Health and Environment Committee Charter

The role of the SHEC is to assist the Great Panther Board in the review, monitoring, and oversight of Great Panther's Safety, Health and Environmental policies and regulatory compliance obligations. It is the responsibility of this committee to review and make recommendations with respect to the safety and health plan, including corporate occupational health and safety policies and procedures, and safety and health compliance issues. The SHEC must satisfy itself that the management of Great Panther monitors trends, and reviews current and emerging issues in the safety and health field and evaluates the impact on Great Panther. The full text of the SHEC Charter is available for viewing on Great Panther's website at http://www.greatpanther.com/_resources/pdf/charter-of-the-safety-health-environment-committee.pdf. During 2017, the SHEC met two times.

(11) Position Descriptions

Written position descriptions have been developed for the President and Chief Executive Officer, the Chair of the Great Panther Board, and the Chair of each committee of the Great Panther Board. The position descriptions are further augmented by the experience of the President and Chief Executive Officer, Chair of the Great Panther Board and respective Chairs of the Great Panther Committees, who have a thorough knowledge and understanding of the responsibilities associated with their respective roles.

(d) Orientation and Continuing Education

The NCGC is responsible for establishing and monitoring the orientation and continuing education of Directors. When new Directors are appointed, they receive orientation, commensurate with their previous experience, on Great Panther's properties, business, technology and industry and on the responsibilities of Directors. Great Panther Board meetings also include presentations by Great Panther's management and employees to give the Great Panther Directors additional insight into Great Panther's business. While Great Panther does not have a formal continuing education program, in order to enable each Director to better perform his or her duties and to recognize and deal appropriately with issues that arise, Great Panther provides Directors with suggestions to undertake continuing director education, the cost of which is borne by Great Panther. All Great Panther Board members have significant experience in the governance of public companies, which the Great Panther Board believes ensures the effective operation and governance of the Great Panther Board.

(e) Ethical Business Conduct

The Great Panther Board has adopted a Code of Business Conduct and Ethics (the "Code") which applies to its Directors, officers and employees. The Code sets out expectations for the conduct of Great Panther's business in accordance with all applicable laws, rules and regulations and the highest ethical standards. The Code is available on Great Panther's website at http://www.greatpanther.com/_resources/pdf/code-of-business-conduct-ethics.pdf. In addition, the Great Panther Board has found that fiduciary duties placed on individual Directors by governing corporate legislation and the common law, and restrictions placed by applicable corporate legislation on an individual Director's participation in decisions of the Great Panther Board in which the Great Panther Director has an interest, are sufficient to ensure the Great Panther Board operates independently of management and in the best interests of Great Panther. On 7 December 2017, Great Panther reviewed and updated the Code for best practices.

Great Panther has also adopted a whistleblower policy and reporting system (the "Whistleblower Policy") which is available on Great Panther's website at http://www.greatpanther.com/_resources/pdf/whistle-blower-policy.pdf. The Code and Whistleblower Policy provide a mechanism for Directors, officers, employees and contractors of Great Panther and its subsidiaries, to report violations or concerns. The reporting person is encouraged to discuss concerns or violations to the Code directly with their supervisor or Human Resources, but if, for any reason, these channels are not appropriate, concerns can be reported through the alternative anonymous and confidential reporting system via the Internet, electronic email, telephone or mail. The system will provide an immediate notice to the Business Ethics Officer and the Chair of the Audit Committee. The Code requires any questions or reported violations to be addressed immediately and seriously and provides that reporting of suspected breaches can be made anonymously. Upon review and investigation of the reported matters, Great Panther may take corrective and disciplinary action, if appropriate.

(f) Nomination of Directors

The Great Panther Board considers its size each year when it considers the number of Directors to recommend to the Great Panther Shareholders for election at the annual meeting of Great Panther Shareholders, taking into account the number required to carry out the Great Panther Board's duties effectively and to maintain a diversity of views and experience.

In fulfilling its mandate, the NCGC, among other things: identifies and evaluates individuals qualified to be nominated for election as Directors of Great Panther or any of the Great Panther Board's committees (the "Nominees"); reviews and develops the Great Panther Board's criteria for selecting Nominees; selects, or recommends that the Great Panther Board select, Nominees for election at the annual meeting of the Shareholders of Great Panther; evaluates any individuals nominated for election as Directors of Great Panther by the Great Panther Shareholders; and retains a search firm to assist the NCGC in identifying, screening and attracting Nominees, if necessary.

(g) Assessments and Performance Reviews

The Board monitors the adequacy of information given to Directors, communication between the Great Panther Board and management, and the strategic direction and processes of the Great Panther Board and its committees. The NCGC oversees an annual formal assessment of the Great Panther Board, its committees, and the individual Directors. The Great Panther Board has also undertaken formal Director peer reviews utilizing a third-party professional. The Great Panther Board is satisfied with the overall progress and corporate achievements of Great Panther and believes this reflects well on the Great Panther Board and its practices.

(h) NYSE American Corporate Governance Requirements

In addition to the corporate governance requirements prescribed under applicable Canadian securities laws, rules and policies, Great Panther is also subject to corporate governance requirements prescribed by the listing standards of the NYSE (American) (formerly known as NYSE MKT), and the rules and regulations promulgated by the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended (including those applicable rules and regulations mandated by the Sarbanes-Oxley Act of 2002).

12.3 Historical financial information

(a) Basis of preparation

Great Panther's consolidated financial statements have been prepared by management of the Company in accordance with International Financial Reporting Standards (**IFRS**).

The financial statements below summarises certain financial information about Great Panther for the years ended 31 December 2015, 2016 and 2017 and the nine months ended 30 September 2018. The annual historical financial information has been extracted from the audited financial statements contained in the annual reports of Great Panther for the years ended 31 December 2015, 2016 and 2017. The financial statements for the years ended 31 December 2015, 2016 and 2017 were audited by KPMG and all included an unqualified opinion.

Scheme Shareholders should note that the information in this section 12.3 is a summary only and does not include all of the information and disclosures that would ordinarily be included in financial statements pursuant to IFRS. The full consolidated financial statements of Great Panther for the years ended 31 December 2015, 2016 and 2017 are available on the SEDAR website at www.sedar.com under Great Panther's name and on Great Panther's website at www.greatpanther.com. The consolidated financial statements of Great Panther for the nine months ended 30 September 2018 (including the notes thereto) together with the MD&A, are attached as Annexure to this Scheme Booklet.

Great Panther has adopted *IFRS 15 Revenue from Contract with Customers* (IFRS 15), and *IFRS 9 Financial Instruments (IFRS 9),* effective 1 January 2018. Great Panther determined that the adoption of the two new accounting standards had no impact on the comparative period's financial statements.

A new accounting standard applicable to Great Panther, IFRS 16 Leases, which specifies how to recognise, measure, present and disclose leases, has an effective date of 1 January 2019. For a description of the potential effect of the new accounting standard on Great Panther, refer to page 28 of the MD&A attached as Annexure to this Scheme Booklet.

(b) Historical consolidated statement of profit or loss

Set out below is a summary of Great Panther's consolidated statement of profit or loss for the years ended 31 December 2017, 2016 and 2015 and for the nine months ended 30 September 2018.

Great Panther Silver Limited
Historical conosolidated statement of profit or loss

	30-Sep-18 US$'000 Unaudited	31-Dec-17 US$'000 Audited	31-Dec-16 US$'000 Audited	31-Dec-15 US$'000 Audited
Revenues	45,787	63,746	61,881	56,219
Production costs	38,807	46,057	39,859	51,852
Gross margin	**6,979**	**17,688**	**22,022**	**4,367**
General and administrative expenses	**4,736**	**7,823**	**5,813**	**6,083**
Exploration, evaluation and development expenses	**9,284**	**9,523**	**6,127**	**6,381**
Impairment charges	**-**	**-**	**1,679**	**2,303**
Interest income	1,079	808	225	223
Finance costs	(19)	(171)	(76)	(70)
Accretion on reclamation & remediation	(646)	(791)	(23)	(61)
Foreign exchange (gain) loss	599	2,292	(11,135)	3,121
Other (income) expense	76	275	(2)	26
Finance and other income (expense)	**1,089**	**2,414**	**(11,012)**	**3,239**
Income (loss) before income taxes	**(5,952)**	**2,756**	**(2,609)**	**(7,161)**
Income tax expense (recovery)	552	1,466	1,509	(4)
Net income (loss)	**(6,504)**	**1,290**	**(4,118)**	**(7,157)**
Other comprehensive income (loss)				
Foreign currency translation	66	(11)	5,452	(304)
Change in fair value of financial assets designated as fair value through OCI (net of tax)	–	(6)	(3)	(3)
	66	(17)	5,449	(307)
Total comprehensive income (loss)	**(6,438)**	**1,273**	**1,331**	**(7,464)**

(c) Historical consolidated statement of financial position

Set out below is a summary of Great Panther's consolidated statements of financial position as at 31 December 2017, 2016 and 2015 and as at 30 September 2018.

Great Panther Silver Limited
Historical conosolidated statement of financial position

	30-Sep-18 US$ Unaudited	31-Dec-17 US$ Audited	31-Dec-16 US$ Audited	31-Dec-15 US$ Audited
CURRENT ASSETS				
Cash and cash equivalents	35,343	36,797	41,642	13,684
Short-term deposits	22,593	20,091	15,020	-
Trade and other receivables	8,928	14,780	10,178	9,667
Inventories	5,200	5,294	5,744	6,540
Reimbursement rights	4,113	4,446	-	-
Other current assets	731	401	530	818
	76,908	**81,809**	**73,113**	**30,710**
NON-CURRENT ASSETS				
Restricted cash	1,234	1,234	-	-
Inventories - non-current	1,547	1,580	-	-
Reimbursement rights	6,507	6,589	-	-
Mineral properties, plant and equipment	13,659	14,966	14,118	16,369
Exploration and evaluation assets	15,348	15,633	2,112	4,158
Deferred tax assets	69	70	98	316
TOTAL ASSETS	**115,272**	**121,880**	**89,441**	**51,553**
CURRENT LIABILITIES				
Trade payables and accrued liabilities	9,687	11,314	6,017	5,233
Derivative liabilities	-	85	536	-
Reclamation and remediation provision - current	2,201	4,446	-	-
	11,888	**15,844**	**6,553**	**5,233**
NON-CURRENT LIABILITIES				
Reclamation and remediation provision	25,263	22,965	3,466	3,649
Deferred tax liabilities	1,928	1,930	2,133	3,064
	39,079	**40,739**	**12,153**	**11,946**
SHAREHOLDERS' EQUITY				
Share capital	130,871	130,201	128,485	96,268
Reserves	19,847	18,962	18,115	8,533
Deficit	(74,526)	(68,022)	(69,312)	(65,194)
	76,193	**81,141**	**77,289**	**39,607**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**115,272**	**121,880**	**89,441**	**51,553**

(d) Material changes in financial position since 30 September 2018

There were no material changes in financial position since Great Panther published its condensed interim financial statements for the three and nine months ended 30 September 2018 on 31 October 2018.

(e) Forecast financial information

Great Panther's most recently published MD&A for the three and nine months ended 30 September 2018 contains forward-looking statements and certain forecast production and financial information, and is attached as

Annexure to this Scheme Booklet.

Great Panther has given careful consideration as to whether a reasonable basis exists to produce further reliable and meaningful forecast financial information in addition to those already contained in its MD&A. It has been determined that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist having regard to the requirements of applicable law, policy and market practice.

12.4 Capital structure

(a) Summary

As at the Last Practicable Date, the issued securities of Great Panther are as follows:

Type of security	Number on issue
Quoted fully paid common shares	169,165,007
Unquoted options (expiry date – 5 June 2020; exercise price of $0.65)	1,900,199
Unquoted options (expiry date – 11 December 2020; exercise price of $0.71)	1,422,666
Unquoted options (expiry date – 4 November 2019; exercise price of $0.86)	250,000
Unquoted options (expiry date – 27 June 2019; exercise price of $1.31)	1,160,166
Unquoted options (expiry date – 2 February 2023; exercise price of $1.57)	404,000
Unquoted options (expiry date – 15 June 2023; exercise price of $1.60)	1,262,000
Unquoted options (expiry date – 9 June 2022; exercise price of $1.63)	770,333
Unquoted options (expiry date – 20 January 2019; exercise price of $2.00)	8,000
Unquoted options (expiry date – 28 December 2021; exercise price of $2.16)	495,000
Unquoted options (expiry date – 10 June 2021; exercise price of $2.19)	981,133
Unquoted restricted share units (final vesting date – 19 June 2020)	136,000
Unquoted restricted share units (final vesting date – 19 June 2020)	151,267
Unquoted restricted share units (final vesting date – 17 Dec 2020)	191,000
Unquoted restricted share units (final vesting date – 15 June 2023)	322,700
Unquoted deferred share units (no expiry)	251,400

(b) Long term incentive

Great Panther's long-term incentive plan (**Great Panther LTIP**) is governed by two shareholder-approved equity-based compensation plans – the Amended and Restated Stock Option Plan (the **Share Option Plan**), which was approved by Shareholders on 9 June 2016, and the Omnibus Incentive Plan (the **Omnibus Plan**) which was approved by shareholders on 8 June 2017. Since the approval of the Omnibus Plan, no new awards have been granted under the Share Option Plan nor will there be in the future.

The Great Panther LTIP component of compensation is intended to advance the interests of Great Panther by encouraging Directors, officers, employees and consultants of Great Panther to remain associated with Great Panther and by furnishing them with an additional incentive in their efforts on behalf of Great Panther in the conduct of its affairs. Grants of options and awards of restricted share units under the Omnibus Plan are intended to provide long-term awards linked directly to the market value performance of Great Panther's shares. The HRCC reviews management's recommendations in respect of LTIP awards and makes its own recommendations to the Great Panther Board. LTIP awards are awarded according to the specific level of responsibility of the particular executive. When new grants or awards are made, previous grants and awards are also taken into consideration to ensure that the overall grants and awards are fair in relation to those of other employees and executives and within the range of awards in similar companies in the mining industry. The number of outstanding options and restricted share units is also considered by the HRCC when determining the number of options and restricted share units to be granted and awarded in any particular year. Great Panther typically splits the annual LTIP award to Executive Officers and senior management into two separate awards: one at mid-year and one close to the end of year. This is done to take into account the cyclicality of metal prices throughout the year which impacts Great Panther's share price, and therefore the values used to compute these awards. This also allows for the Great Panther Board to consider the performance of Great Panther and individual Executive Officers and senior management at different times during the year and adjust grant levels accordingly.

12.5 Great Panther's major shareholders

To the knowledge of Great Panther's directors and executive officers, there are currently no persons or companies who beneficially own or control, directly or indirectly, Great Panther Shares carrying more than 10% of the voting rights attached to all outstanding Great Panther Shares as at the date hereof.

12.6 Great Panther Share price

The Scheme Implementation Deed was executed and announced by Great Panther on 24 September 2018. The last recorded closing trading price for Great Panther Shares before the public announcement of the Scheme (on Friday, 21 September 2018) on the TSX was CDN$1.22 and on the NYSE (American) was USD$ 1.01.

The closing trading price of Great Panther Shares on 17 December 2018, being the Last Practicable Date before the date of this Scheme Booklet was C$0.78 on the TSX and US$0.5749 on the NYSE (American).

Great Panther's highest and lowest share prices within the 3 month period preceding the date of this Scheme Booklet were, respectively C$1.30 on 25 September 2018 and C$0.70 on 12 November 2018 on the TSX and US$1.01 on 21 September 2018 and US$0.535 on 11 November 2018.

Great Panther's current share price can be found at the TSX's website at tmx.com and on the NYSE (American) website at nyse.com/markets/nyse-american.

12.7 Publicly available information about Great Panther

Great Panther is a reporting issuer in each of the provinces of Canada other than Québec, and as such is subject to regular reporting and disclosure obligations of the securities commissions and similar regulatory bodies in each such province.

Specifically, Great Panther is subject to National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, which requires certain disclosure documents to be provided on a continuous basis (e.g. financial statements, management discussion and analysis and annual information forms) and timely disclosure regarding material changes where such change is one that would reasonably be expected to have a significant effect on the price or value of the Great Panther Shares. In addition, Great Panther is subject to the disclosure and reporting obligations of the TSX and the NYSE (American).

Annexed to this Scheme Booklet are the following documents:

- Great Panthers financial statements for the period ended 30 September 2018, and the MD&A for the three and nine month periods ended 30 September 2018 at Annexure ; and
- Great Panther's annual information form, dated 23 March 2018, for the year ended 31 December 2017 at Annexure .

Additional information (including technical reports) on Great Panther's historical projects identified above is available at www.sedar.com under Great Panther's name and on Great Panther's website at www.greatpanther.com. Information available on SEDAR and on Great Panther's website does not constitute a part of this Scheme Booklet and should not be considered in deciding how to vote on the Scheme.

12.8 Financing arrangements

Great Panther currently has no debt facilities or financing arrangements in place.

12.9 Information relating to Great Panther directors

As at the Last Practicable Date, the number of Great Panther securities held by or on behalf of each Great Panther director are as follows.

Interest of Great Panther directors

Director	Shares	Options	Deferred Share Units	Restricted Share Units
R.W. (Bob) Garnett, CPA, CA, ICD.D.	91,500	175,000	94,900	0
James M. Bannantine, PE, MBA	55,610	182,000	0	220,767
Robert A. Archer, P.Geo	1,528,355	2,249,000	8,800	58,300
John Jennings, MBA, CFA	60,000	169,166	47,500	0
W. James Mullin, B.Sc.	26,639	307,000	47,500	0
Jeffrey R. Mason, CPA, ICD.D	35,400	198,500	0	48,400
Elise Rees, FCPA, FCA, ICD.D	5,000	0	52,700	0
Total	1,802,504	3,280,666	251,400	327,467

12.10 Litigation

During the financial year ended 31 December 2017, Great Panther was not and is not currently a party to, nor is any of its property the subject of, any legal proceedings for which the outcome is expected by management to have a material adverse effect on Great Panther, nor, to Great Panther's knowledge, is Great Panther to be a party to any contemplated legal proceedings, the outcome of which could have a material adverse effect on Great Panther.

There have been no penalties or sanctions imposed against Great Panther by a court relating to securities legislation or by a securities regulatory authority during the financial year ended 31 December 2017, or any other penalties or sanctions imposed by a court or regulatory body against Great Panther that would likely be considered important to a reasonable investor making an investment decision in Great Panther, and Great Panther has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the financial year ended 31 December 2017.

12.11 Interests in Beadell securities

As at the date of this Scheme Booklet, none of the directors of Great Panther, nor their associates have a relevant interest in any Beadell securities.

On 22 and 23 September 2018, Great Panther and certain Beadell Shareholders, who have a voting power of 18.06% in Beadell, entered into support agreements in favour of Great Panther (**Beadell Support Agreements**). Under the Beadell Support Agreements the Beadell Shareholders agreed to attend (either in person, by proxy, power of attorney or body corporate representative) the Scheme Meeting and vote or cause to vote all Beadell Shares to which the Beadell Support Agreement relates in favour of the Scheme in the absence of a Superior Proposal. The identities of Beadell Shareholders who have entered into Beadell Support Agreements are set out in the table below.

Holder	Number of Beadell Shares
Brant Hinze	384,610
Hengolo Pty Ltd <C L Readhead Super A/C>	2,650,000
Hengolo Pty Ltd <CL Readhead Super Fund>	145,000
Hengolo Pty Ltd	928,200
Nicole Adshead-Bell	4,375,200
Timo Jauristo	256,410
Hookipa Pty Ltd as trustee for <G Barrett Family>	5,000,000
Graham Donahue	3,571,000
Quinta Via Pty Ltd as trustee for <The Larkin Family>	150,000
Paula Vianna Raffo	80,000
Anne-Marie Nunes	10,000
Paul Chi Keong Tan	430,000
Mason Hill Advisors, LLC on behalf of Wilhelma Henricus Mari Pot	20,783,112

Equinox Partners LP	133,321,793
Mason Hill Partners, LP	10,570,058
Donald Smith & Co	119,670,537

Pursuant to sections 608(1)(b) and 608(1)(c) of the Corporations Act, Great Panther acquired relevant interests in Beadell Shares being a right to control the exercise of votes attached to the securities and the right to control the power to dispose of the Beadell Shares, as a result of the Beadell Support Deeds. As at the date of this Scheme Booklet, Great Panther has a relevant interest in 302,325,920 Beadell Shares comprising 18.06% of the voting power in Beadell.

13 Profile of the Merged Group

13.1 Overview of the Merged Group

(a) Introduction

The merger of Beadell and Great Panther, via the Scheme, will create a new emerging and growth oriented precious metals producer. The shares of the new merged entity will be quoted in Canada on the TSX and in the United States on the NYSE (American) exchange.

(b) Corporate structure

It is intended that Beadell and its related bodies corporate will be acquired by Great Panther. If the Scheme is implemented, the Subsidiaries of Great Panther will include Beadell and each of its Subsidiaries listed in section 11.1(b) of this Scheme Booklet.

(c) Overview of asset portfolio

The transaction will create a new emerging and growth oriented precious metals producer focused on the Americas with strong geographic diversity across three leading mining jurisdictions, and a diverse asset portfolio including:

- Beadell's Tucano Gold Mine located in Brazil;
- Beadell's Tartaruga Gold Exploration Project located in Brazil;
- Great Panther's Guanajuato Mine Complex located in Mexico;
- Great Panther's Topia Mine located in Mexico;
- Great Panther's Coricancha Mine in Peru; and
- Great Panther's El Horcon, Santa Rosa, and Plomo exploration properties in Mexico.

These assets are described in more detail in Sections 11.1 and 12.1 of this Scheme Booklet.

(d) Future Direction of the Merged Group

Great Panther's strategy for the Merged Group is to focus on the optimization of Beadell's Tucano mine in Brazil, including enhancement of mining and processing operations, while improving operations in Mexico and advancing the evaluation of a restart of the Coricancha mine in Peru. Great Panther plans to implement this strategy with a diligent focus on mining costs and conservative decision making in order to preserve the balance sheet of the Merged Group and minimize future financing requirements. In this regard, Great Panther will continue to explore a range of initiatives, including rescheduling production (including by increasing or decreasing mining rates at specific mines or in particular areas of mines), headcount or other cost reductions, undertaking additional exploration, and options for expansion of processing capacity.

To the extent that additional financing is required, the Merged Group will evaluate equity and debt financings, and potentially a combination of equity and debt financings, as required to continue its business plans for the Merged Group.

Over the last few years, Great Panther has grown and optimized its operations in Mexico and acquired and advanced its Coricancha project in Peru. Great Panther's balance sheet strength and management team, who have experience in Brazil, are expected to facilitate Beadell's Tucano improvement and other optimization initiatives and assisting in managing Beadell's debt service obligations. At 30 September 2018, Great Panther had approximately US$58 million in cash and short-term deposits, US$65 million in net working capital and no debt. Great Panther's cash and net-working capital will enable the Merged Group to manage through Tucano's lower productivity in the first half of 2019 due to the onset of the wet season and later fund Tucano's near term exploration and growth initiatives aimed at increasing the Tucano life of mine and net present value.

Great Panther's intentions in relation to Beadell and the Merged Group are set out in more detail in Section 13.2.

13.2 Intentions in relation to Beadell and the Merged Group

This section sets out Great Panther's intentions for the Merged Group if the Scheme is implemented.

The statements of intention made in this section are based on the information concerning Beadell and Great Panther and the circumstances affecting the businesses of Beadell and Great Panther that are known to both companies at the date of this Scheme Booklet.

Final decisions on these matters will only be made by the Merged Group Board in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this section are statements of Beadell's and Great Panther's current intentions only, which may change as new information becomes available or circumstances change, and which will be superseded by the intentions, strategic focus, outlook and decisions of the Merged Group Board.

(a) Business, operations and assets

If the Scheme is implemented, the Merged Group's principal assets will include:

- the Tucano Gold Mine (100% owned);
- the Tartaruga Gold Exploration Project (100% owned);
- the Guanajuato Mine Complex (100% owned);
- the Topia Mine (100% owned);
- the Coricancha Mine (100% owned); and
- exploration tenure in Mexico (100% owned).

The Merged Group plans to operate and manage these assets as described below:

(1) Mexican Operations

The Merged Group will focus on improving operations in Mexico, including seeking ways to optimize mining methods and control costs as referred to in section 13.1(d) of this Scheme Booklet. The Merged Group will continue with existing exploration programs in order to extend the mine life of the GMC and Topia mines, and to continue to advance the permitting applications at the GMC, and satisfy the PROFEPA process at Topia.

(2) Brazil Operations

The Merged Group will continue the operations of the Tucano mine in Brazil. In addition, it is anticipated that the Merged Group will continue to carry out exploration of Beadell's 2,500 square kilometre exploration package.

(3) Coricancha

The Merged Group expects to advance the Coricancha project by completing the Bulk Sample Program early in 2019 and to make a decision shortly thereafter as to whether to commence the restart of Coricancha. The objective of the Bulk Sample Program is to confirm expectations regarding throughput, grades, and recoveries. If a decision is made to proceed with a restart, it is anticipated that the development and capital investments necessary to restart Coricancha will occur within a year of a restart decision. The Merged Group does not currently plan to complete a feasibility study in connection with any production decision due to (i) the existing processing plant facility, (ii) the ability to continue on to development and production based on low initial capital costs, and (iii) the Merged Group's knowledge of the mine and resource base.

The Merged Group expects to continue the reclamation of certain legacy tailings facilities at Coricancha under a remediation plan approved by the MEM (see section 12.1(f) for further information)

(b) Employees

The Merged Group anticipates that the Beadell headquarters in Australia will be closed and Great Panther will assume the overall head office responsibilities from its headquarters in Vancouver, Canada. As a result, the senior management of Beadell will be terminated on completion of the Scheme as their services will not be required as part of the management team of the Merged Group. However, Dr. Nicole Adshead-Bell will join the Board of the Merged Group. The Merged Group anticipates that the existing management and operating team in Brazil will remain in place as they are required to continue the operations of the Tucano mine.

(c) Other intentions

Other than as referred to or described in this Section 13.2 and elsewhere in this Scheme Booklet, it is the intention of Great Panther that the business of the Beadell Group will be conducted in substantially the same manner as at the date of this Scheme Booklet.

13.3 Board and senior management

(a) Merged Group Board

Great Panther and Beadell expect that the Merged Group Board following the Scheme will be comprised of:

Name	Position
R.W. (Bob) Garnett, CPA, CA, ICD.D	Independent Director, Chair of the Board
James M. (Jim) Bannantine, PE, MBA	President & Chief Executive Officer and Director
Dr Nicole Adshead-Bell	Non-executive Director

Name	Position
Robert A. Archer, P. Geo	Non-executive Director
John Jennings, MBA, CFA	Non-executive Director
Jeffrey R. Mason, CPA, ICD.D	Non-executive Director
W.J. (James) Mullin, B.Sc.	Non-executive Director
Elise Rees, FCPA, FCA, ICD.D	Non-executive Director

(b) Senior management

After giving effect to the Scheme, it is expected that the senior management of the Merged Group will be comprised of:

Name	Position
James M. (Jim) Bannantine, PE, MBA	President & Chief Executive Officer and Non-Independent Director
Jim A. Zadra, CPA, CA, MBA	Chief Financial Officer and Corporate Secretary
Mariana Fregonese	Vice President, Social Responsibility
Samuel Mah, P.Eng., M.A.Sc.	Vice President, Technical Services
Brian Peer, B.A.Sc.	Vice President, Operations
Christopher M.H. Richards, CPA, CA	Vice President, Finance
Aoife McGrath	Vice President, Geology & Exploration (under negotiation)
Luis Pablo Diaz	Country Manager, Brazil

13.4 Corporate governance

The corporate governance regime which exists in Canada is a combination of certain mandatory rules on disclosure and compliance, as well as guidelines and recommendations as to best practices. In addition, proposals of Canadian corporate governance advocacy groups are made and considered by Canadian corporations.

As a "reporting issuer" (or the equivalent) in the provinces of Canada, other than Quebec, Great Panther is required to disclose its corporate governance practices in a prescribed manner and is expected to comply with corporate governance guidelines to the fullest extent possible.

Following the Implementation Date, Great Panther intends that the Merged Group will continue to comply with all mandatory corporate governance rules in

Canada and will endeavour to follow the best practices in Canada that are applicable to it, and that the policies and charters in effect for Great Panther prior to implementation of the Scheme will continue.

For a full description of the expected corporate governance policies and procedures of the Merged Group, see Section 12.2(c) of this Scheme Book.

13.5 Pro forma financial information

(a) Merged Group Financials

This Section 13.5 contains the unaudited pro forma consolidated statement of financial position as at 30 September 2018 and the unaudited pro forma consolidated statement of operations and comprehensive income for the nine months ended 30 September 2018 for Great Panther as the holding company of the Merged Group following completion of the Scheme (**Merged Group Financials**).

The information contained in the Merged Group Financials has been prepared, and is set out in, abbreviated form and does not include all of the information and disclosures that would ordinarily be included in financial statements pursuant to IFRS or the Australian Accounting Standards (**AAS**). Accordingly, the information should be considered in conjunction with the rest of this Scheme Booklet and the consolidated financial statements for each Merged Group Entity, together with related notes and other information, available at:

- for Beadell – the ASX announcements platform (www.asx.com.au) using the code 'BDR'; or
- for Great Panther – the SEDAR website (www.sedar.com) under the Great Panther profile.

The Merged Group Financials should be read together with the notes set out in section 13.5(d) below.

(b) Merged Group Pro Forma Consolidated Statement of Financial Position

PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018 (UNAUDITED)

(expressed in thousands of US dollars)

	GREAT PANTHER SILVER LIMITED	BEADELL RESOURCES LIMITED	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
ASSETS				
Current Assets				
Cash and cash equivalents	$ 35,343	$ 6,054	$ (10,500)	$ 30,897
Short-term deposits	22,593	-	-	22,593
Restricted cash	-	116	-	116
Trade and other receivables	8,928	20,212	-	29,140
Inventories	5,200	26,855	-	32,055
Reimbursement rights	4,113	-	-	4,113
Prepayments and other current assets	731	1,706	-	2,437
	76,908	54,944	(10,500)	121,352
Restricted cash	1,234	-	-	1,234
Trade and other receivables	-	13,265	-	13,265
Inventories - non-current	1,547		-	1,547
Reimbursement rights	6,507		-	6,507
Mineral properties, plant and equipment	13,660	127,234	4,546	145,441
Exploration and evaluation assets	15,347	288	-	15,635
Deferred tax assets	69	22,065	-	22,134
	$ 115,272	$ 217,796	$ (5,954)	$ 327,114
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Trade payables and accrued liabilities	$ 9,687	$ 34,918	$ 5,550	$ 50,155
Employee benefits	-	2,655	-	2,655
Borrowings	-	35,435	3,250	38,685
Reclamation and remediation provision - current	2,201	285	-	2,486
	11,888	73,292	8,800	93,980
Other financial liabilities	-	5,036	(5,036)	-
Borrowings	-	39,808	(9,073)	30,736
Reclamation and remediation provision	25,263	5,261	-	30,524
Deferred tax liabilities	1,928	-	-	1,928
	39,079	123,397	(5,308)	157,167
Shareholders' Equity				
Share capital	130,872	234,692	(141,211)	224,353
Reserves	19,847	(28,289)	31,034	22,592
Deficit	(74,526)	(112,004)	109,532	(76,998)
	76,193	94,399	(645)	169,947
	$ 115,272	$ 217,796	$ (5,954)	$ 327,114

(c) Merged Group Pro Forma Consolidated Statement of Profit or Loss

PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS
For the nine month period ended September 30, 2018
(Expressed in thousands of US dollars, except per share amounts)

	GREAT PANTHER SILVER LIMITED	BEADELL RESOURCES LIMITED	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	Nine month period ended September 30, 2018			
Revenue	$ 45,787	$ 107,257	$ -	$ 153,044
Cost of sales				
Production costs	35,784	85,979	-	121,763
Amortization and depletion	2,659	19,997	-	22,656
Share-based compensation	365	-	-	365
Royalties	-	2,685	-	2,685
	38,808	108,661	-	147,469
Mine operating earnings	6,979	(1,404)	-	5,575
Administrative expenses	3,883	11,271	-	15,154
Amortization and depletion	79	-	-	79
Share-based compensation	774	68	-	842
General and administrative expenses	4,736	11,339	-	16,075
Exploration and evaluation expenses	7,760	524	-	8,284
Mine development costs	1,559	-	-	1,559
Share-based compensation	(35)	-	-	(35)
Exploration, evaluation and development expenses	9,284	524	-	9,808
Impairment	-	4,901		4,901
Interest income	1,079	60	-	1,139
Finance costs	(19)	(4,979)	-	(4,998)
Accretion	(646)	-	-	(646)
Foreign exchange gain (loss)	599	(8,160)	-	(7,561)
Changes in fair value of derivatives	-	2,129	-	2,129
Transaction costs	-	(319)	-	(319)
Other income (expense)	76	330	-	406
Finance and other income (expense)	1,089	(10,938)	-	(9,849)
Income (loss) before income taxes	(5,952)	(29,107)	-	(35,059)
Income tax expense (recovery)	552	(2,940)	-	(2,388)
Net income (loss) for the period	**$ (6,504)**	**$ (26,167)**	**-**	**$ (32,671)**

(d) Notes to the Merged Group Financials

(1) Basis of Presentation

The Merged Group Financials give effect to the acquisition of outstanding ordinary Beadell Shares by Great Panther pursuant to the Scheme and as a business combination. As such, Great Panther's assets, liabilities, equity and historical operating results are included at their historical carrying values, while the net assets of Beadell will be recorded at fair value as at the Implementation Date with any excess recorded as mineral properties, plant and equipment. All of Beadell's deficit and other equity balances prior to the Scheme are eliminated.

The Merged Group Financials have been compiled for illustrative purposes by Great Panther management to give effect to the Scheme as described below and are not intended to reflect the financial position that will exist following the Implementation Date. Actual amounts recorded should the Scheme take place will likely differ from those recorded in the Merged Group Financials.

The Merged Group Financials are presented in US$ and have been compiled by combining Great Panther's unaudited condensed interim statement of financial position as at 30 September 2018 with:

- Beadell's unaudited condensed interim statement of financial position as at 30 September 2018 as if the acquisition had occurred on 30 September 2018, including estimated fair value adjustments as described in section (2) below;
- Great Panther's unaudited condensed interim consolidated statement of loss for the nine months ended 30 September 2018 and Beadell's unaudited condensed interim consolidated statement of loss for the nine months ended 30 September 2018 as if the Scheme had been implemented on 1 January 2017;
- Great Panther's consolidated statement of loss for the year ended 31 December 2017 and Beadell's consolidated statement of loss for the year ended 31 December 2017, as if the acquisition had occurred on 1 January 2017; and
- The additional assumptions and adjustments set out in section (2) below.

The Merged Group Financials should be read in conjunction with the audited annual consolidated financial statements of Great Panther as at and for the year ended 31 December 2017 and Beadell as at and for the year ended 31 December 2017.

The accounting policies used in the preparation of the Merged Group Financials are those set out in the audited financial statements of Great Panther as at and for the year ended 31 December 2017. In preparing the Merged Group Financials, a review was undertaken by Great Panther management to identify differences between Great Panther's accounting policies and those of Beadell that could have a material impact of the Merged Group Financials. No material differences were noted. Following completion of the Scheme, Beadell will adopt the accounting policies set out in Great Panther's financial statements.

The pro-forma adjustments and allocations of the purchase price of Beadell by Great Panther are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of Beadell that exist as of the date of completion of the acquisition.

(2) Pro forma assumptions and adjustments

The Merged Group Financials incorporate the following pro-forma assumptions:

- The consolidated statement of financial position of Beadell as at 30 September 2018 has been translated into US$ from A$ at the 30 September 2018 exchange rate of 1.3847 A$ per 1 US$.
- As consideration for 100% of the outstanding Beadell Shares, as well as the assumed vesting of 4,402,687 performance rightswhich entitle the holders to one Beadell Share for each performance right) upon the close of the Scheme, Great Panther will issue 103,867,388 New Great Panther Shares to Beadell shareholders in exchange for 1,677,986,882 Beadell Shares based on the share exchange ratio of 0.0619. The value of the New Great Panther Shares issued is based on the weighted average market price of Great Panther Shares of US$0.90 per share for the month of September 2018, resulting in an aggregate fair value of US$93,481,000 (a $0.10 per share change in the share price would result in a US$10,387,000 change in the fair value assigned to the Beadell Shares).
- The fair value of the Replacement Warrants ($2,745,000) expected to be issued by Great Panther has been determined using the Black-Scholes model.
- For the purposes of preparing the Merged Group Financials, it is assumed that none of the Beadell Options will be exercised prior to the Scheme Record Date, resulting in the lapse of those options as described further in section 9.12(a) of this Scheme Booklet. Accordingly no amount is included in the estimated consideration transferred in respect of the Beadell Options.
- The difference between the estimated fair values of Great Panther Shares and Replacement Warrants issued to Beadell Shareholders and Beadell warrant holders and the fair values of the net assets of Beadell acquired has been recorded within mineral properties, plant and equipment.
- The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price		
103,867,388 Great Panther common shares	$	93,481
Replacement Warrants consideration		2,745
Total Purchase Price	$	96,226
Allocation of Purchase Price		
Cash and cash equivalents	$	6,054
Restricted cash		116
Trade and other receivables		33,477
Inventories		26,855
Prepayments		1,706
Mineral properties, plant and equipment		131,781
Exploration and evaluation assets		288
Deferred tax assets		22,065
Trade and other payables		(37,996)
Employee benefits		(2,655)
Borrow ings		(79,920)
Reclamation and remediation provision		(5,545)
	$	96,226

The pro-forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Beadell net assets to be acquired pursuant to the Scheme will ultimately be determined after the Implementation Date. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the Merged Group Financials and that those differences may be material.

The Merged Group pro-forma consolidated statement of financial position has been adjusted for the elimination of Beadell's share capital, reserves and accumulated deficit within shareholders' equity.

- Great Panther, conditional to the completion of the Scheme, has re-negotiated debts owed by Beadell to MACA. As a result, the repayment schedule has been revised whereby an additional $3.25 million (A$4.5 million) is due within the next 12 months, resulting in this amount being reclassified from non-current to current liabilities.
- The Pro Forma Financials assume that all holders of Beadell Convertible Debentures accept the change of control offer described in section 9.12(c) of this Scheme Booklet, and be repaid subsequent to the completion of the Scheme. The related amounts recorded in Other financial liabilities

($2,735) and Borrowings ($5,823) have been eliminated as a result of the assumed repayment.

- Beadell's outstanding warrants are denominated in US$, whereas Beadell's functional currency is the Australian dollar. As a result, Beadell had recorded an embedded derivative liability (US$2.30 million at 30 September 2018). As the Replacement Warrants to be issued by Great Panther will be denominated in the same currency as Great Panthers functional (US$), this embedded derivative liability has been eliminated for the purposes of the Merged Group Financials.
- Transaction costs anticipated to be incurred in relation to the Scheme amount to US$5.55m. These costs include accounting, legal, regulatory and financial advisory fees. Of this amount, Beadell is expected to incur US$3.08 million and Great Panther is expected to incur US$2.47 million.
- The consolidated statement of loss and comprehensive loss of Beadell for the nine month period ended 30 September 2018 has been translated into US$ from A$ at the average exchange rate of 1.3194 A$ per 1 US$ for the nine month period then ended.
- The consolidated statement of loss and comprehensive loss of Beadell for the year ended 31 December 2017 has been translated into US$ from A$ at the average exchange rate of 1.3040 A$ per 1 US$ for the year then ended.

13.6 Capital structure and ownership

(a) Share capital

The table below summarises the share capital structure of the Merged Group:

Security type	Number
Great Panther Shares on issue as at date of Scheme Booklet	169,165,007
Great Panther Shares to be issued under the Scheme	103,867,388
TOTAL	**273,032,395**

The common shares of the Merged Group will have the same attributes as the Great Panther Shares described in Section 10.4 of this Scheme Booklet. Such shares will be listed on the TSX under the symbol GPR and on the NYSE (American) under the symbol GPL.

(b) Ownership

Upon completion of the Scheme, Beadell Shareholders will own approximately 38% of the Merged Group, prior to any dilution in respect of the exercise or conversion of the convertible securities described in section 13.6(c) of this Scheme Booklet.

(c) Convertible securities

Upon completion of the Scheme, it is expected that the following Merged Group convertible securities will be on issue:

- 8,653,497 options to purchase Merged Group shares, with a weighted average exercise price of C$1.29;
- 800,967 restricted share units with a weighted average grant date fair value of C$1.60; and
- 251,400 deferred share units with a weighted average grant date fair value of C$1.61.

In addition, there will be on issue:

- 3,428,032 warrants to purchase Merged Group shares with an exercise price of US$1.317 and an expiry date of 17 May 2022; and
- 6,321,695 warrants to purchase Merged Group shares with an exercise price of US$1.317 and an expiry date of 27 June 2022,

which warrants replaced Warrants of Beadell under the arrangements described in section 9.12(d) of this Scheme Booklet.

As noted in section 13.7(b)(3) of this Scheme Booklet, depending on the result of the change in control offer made to holders of the Beadell Convertible Debentures following completion of the Scheme, the Merged Group may also have on issue a number of such debentures which are convertible into Great Panther Shares.

13.7 Financing arrangements

(a) General

At 30 September, 2018, Great Panther had approximately US$58 million in cash and short term deposits, US$65 million in net working capital and no debt. Immediately following the Implementation Date, it is anticipated that the Merged Group will have outstanding indebtedness of approximately US$69 million, as a result of the financial arrangements described below.

(b) Documentation

A number of the conditions precedent to the completion of the Scheme in favour of Great Panther are directed at securing the agreement of the creditors of Beadell to a restructuring of Beadell's liabilities in order to help the Merged Group manage cash flows from Tucano. These key agreements are summarized as follows:

MACA

Great Panther has entered into an agreement with MACA Limited and MACA Mineracao e Construcao Civil Limitada (together **MACA**) with respect to modifications to MACA's outstanding loan to Beadell. Further details can be found in section 9.4(c).

The Merged Group will otherwise continue to be liable for the payment of the amounts payable under the MACA Agreement.

Bank Indebtedness

Refer to section 13.7 for the status of the Merged Group's negotiations with Beadell's lenders in respect of the repayment terms and maturity date of Beadell's outstanding bank indebtedness.

Convertible Debentures

Refer to section 9.12(c) for Great Panther's intentions in relation to the Beadell Convertible Debentures.

The above agreements are expected to enable the Merged Group to continue the operations of Beadell in the ordinary course.

(c) Loan Agreement

Great Panther and Beadell have entered into a loan agreement (the **Loan Agreement**), dated 7 December 2018, pursuant to which Great Panther has agreed to advance to Beadell and Beadell Brasil, as joint and several borrowers, a non-revolving term loan in the principal amount of US$5,000,000 (as such amount may be reduced or cancelled in accordance with the Loan Agreement, the **Loan**), the proceeds of which are expected to be used by Beadell for the costs, fees and expenses to undertake the Scheme and certain working capital requirements.

Pursuant to the Loan Agreement, the outstanding balance of the Loan will bear interest at the rate of 14% per year in arrears until and including 15 January 2019 (which maturity date may be extended by mutual agreement for an additional 30 days). The Loan will be unsecured. In accordance with the Loan Agreement, Beadell and Beadell Brasil have agreed to prepay the outstanding principal balance of the Loan (but not accrued and unpaid interest thereon) in an amount equal to 100% of all proceeds of PIS (*Programas de Integração Social e de Formação do Patrimônio do Servidor Público*) and COFINS (*Contribuição para Financiamento da Seguridade Social*) refunds, immediately upon receipt of such proceeds by Beadell or Beadell Brasil. In connection with the execution of the Loan Agreement, Beadell has agreed to pay to Great Panther a structuring fee in an amount equal to US$50,000, payable from the proceeds of the Loan.

As at 21 December 2018, the Loan had been fully drawn. Beadell Shareholders will be updated as to the status of the Loan by an announcement to ASX before the date of the Scheme Meeting.

(d) Other financing considerations

The Merged Company does not anticipate having any indebtedness following the Implementation Date, except as described above and trade creditors incurred in the ordinary course of business.

14 Risk factors

14.1 Introduction

In considering the Scheme, you should be aware that there are a number of risk factors, both general and specific associated with the Scheme.

This section outlines some of the:

- specific risk factors relating to the Scheme and the creation of the Merged Group (see section 14.2 of this Scheme Booklet); and
- risks relating to the Merged Group (see sections 14.3 and 14.4 of this Scheme Booklet).

A significant number of the risks related to the Merged Group are, or will be, risks to which Beadell Shareholders are already exposed, and will continue to be exposed to even if the Scheme does not proceed. If the Scheme does proceed, the nature of the Merged Group's business will change from that of the standalone business of Beadell and accordingly, Beadell Shareholders will potentially be exposed to additional risks in respect of the Merged Group.

These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Beadell Shareholders. If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, it is recommended that you consult your legal, financial, taxation or other professional adviser before deciding how to vote.

You should carefully consider the risk factors discussed in this section 14, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

In addition, Great Panther's business and operations are subject to a number of risks. Please refer to "Item 8 – Risk Factors" of Great Panther's Annual Information Form, attached hereto as Annexure L.

14.2 Risks relating to the Scheme and the creation of the Merged Group

The following risks will apply to the Merged Group if the Scheme proceeds. As they are related to the Scheme, they do not currently apply to either Beadell or Great Panther as standalone businesses.

(a) Risks due to Great Panther being a foreign company

Great Panther is a company incorporated under the laws of British Columbia, Canada, and is listed on the TSX. Great Panther's corporate governance requirements and listing requirements on the TSX are governed by Canadian laws which differ from Australian laws.

Great Panther and Beadell cannot assure that there will be no change in the political or economic climate of British Columbia, or Canada, that may have an impact on the Canadian rule of law.

Please see Section 16 for a comparison between Canadian and Australian laws.

(b) Completion of the Scheme is subject to several conditions that must be satisfied or waived

The Scheme is subject to a number of Conditions Precedent. Please refer to section 9.3 for further information regarding the Conditions Precedent. There can be no certainty, nor can Beadell or Great Panther provide any assurance, that these Conditions Precedent will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, several of the Conditions Precedent to the Scheme are beyond the control of Beadell and Great Panther, including, but not limited to, required regulatory and third party approvals and consents.

If, for any reason, the Conditions Precedent are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of Beadell Shares may be adversely affected.

(c) The Scheme Implementation Deed may be terminated by Beadell or Great Panther in certain circumstances

Each of Beadell and Great Panther has the right to terminate the Scheme Implementation Deed in certain circumstances. Please refer to clause 13 of the Scheme Implementation Deed for further information regarding the termination of the Scheme Implementation Deed. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either Beadell or Great Panther before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, there is no assurance that Beadell will be able to find a party willing to pay an equivalent or greater price for Beadell Shares than the price to be paid pursuant to the terms of the Scheme Implementation Deed and the Scheme.

(d) There are risks related to the integration of Beadell's and Great Panther's existing businesses

The ability to realise the benefits of the Scheme including, amongst other things, those set forth in section 8.1, will depend, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as on Great Panther's ability to realise the anticipated growth opportunities and synergies from integrating Beadell's and Great Panther's businesses following completion of the Scheme. This integration will require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities available to Great Panther following completion of the Scheme, and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the ability of Great Panther to achieve the anticipated benefits of the Scheme.

(e) Great Panther and Beadell expect to incur significant costs associated with the Scheme

Great Panther and Beadell will collectively incur significant direct transaction costs in connection with the Scheme. Actual direct transaction costs incurred in connection with the Scheme may be higher than expected. Moreover, certain of Beadell's and Great Panther's costs related to the Scheme, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Scheme is not completed.

(f) The Great Panther Shares issued in connection with the Scheme may have a market value different than expected

Each Scheme Shareholder (other than an Ineligible Foreign Shareholder and electing Small Shareholders) will be entitled to receive the Scheme Consideration, being 0.0619 New Great Panther Shares for each Scheme Share held by Scheme Shareholders on the Scheme Record Date. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Great Panther Shares, the market values of the Great Panther Shares and the Beadell Shares at the Effective Date may vary significantly from the values at the date of this Scheme Booklet. If the market price of Great Panther Shares declines, the value of the consideration received by Scheme Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Great Panther, market assessments of the likelihood the Scheme will be consummated, regulatory considerations, general market and economic conditions, changes in the prices of precious metals and other factors over which neither Beadell nor Great Panther has control.

14.3 Specific risks relating to the Merged Group

(a) Share market conditions

There are risks associated with any investment in securities. Publicly listed securities and, in particular, securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies.

General factors that may affect the market price of shares include economic conditions in both Australia, Canada and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and Canadian taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

These factors may materially affect the market price of the Great Panther Shares, regardless of the Merged Group's performance. The past performance of Great Panther or Beadell is not necessarily an indication as to the future performance the Merged Group.

Great Panther will issue a significant number of New Great Panther Shares under the Scheme. Some Great Panther shareholders may not intend to continue to hold their New Great Panther Shares following implementation of the Scheme and may wish to sell them on the TSX or the NYSE (American). There is a risk that if a significant number of Great Panther Shareholders seek to sell their Great Panther Shares or New Great Panther Shares that this may adversely impact the price of Great Panther Shares. Investor and analyst perception in relation to the Merged Group will also impact the price of Great Panther Shares.

There can be no guarantee that there will continue to be an active market for Great Panther Shares or that the price of Great Panther Shares will increase. Neither Great Panther, Beadell nor the Great Panther Board or Beadell Board warrants the future performance of the Merged Group or any return on an investment in the Merged Group.

(b) Trading of the Great Panther Shares May Be Restricted by the SEC's "Penny Stock" Regulations Which May Limit a Stockholder's Ability to Buy and Sell the Shares

The US Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The Great Panther Shares are expected to be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors" (as defined). The penny stock rules require a broker-dealer to provide very specific disclosure to a customer who wishes to purchase a penny stock, prior to the purchase. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade the Great Panther Shares.

(c) Equity dilution

While Great Panther and Beadell do not currently have any planned offerings of securities (other than the issue of Great Panther Shares under the Scheme and the issue of Replacement Warrants) and do not expect to require any further equity financing in the near term, Great Panther may undertake offerings of securities in the future. The increase in the number of securities issued and the possible sale of these securities may have the effect of depressing the price of Great Panther Shares. In addition, the issue of additional securities may dilute the voting power of persons holding Great Panther securities prior to such issue of securities.

(d) Dividends

The payment of dividends (if any) by the Merged Group will be determined by the Merged Group Board from time to time at its discretion, and is dependent upon factors including the profitability and cash flow of the Merged Group's business at the relevant time. Any dividends paid by Beadell if the Scheme is not successful will be subject to similar considerations (and Beadell has not previously paid dividends).

The Merged Group will operate in a cyclical sector, in which financial characteristics (such as commodity prices, foreign exchange rates and energy costs) vary and as a result will have an impact on profit and cash flow generation. This may result in variations in the capability of the Merged Group to make dividend payments to shareholders through varying business cycles.

(e) Operational uncertainty

The Merged Group's assets and mining operations, as any others, will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), in fill resource drilling, mill performance, the level of experience of the workforce, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters.

The occurrence of any of these circumstances could result in the Merged Group not realising its operational, development or exploration plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Merged Group's financial and operational performance.

(f) Speculative nature of resource exploration and development

As mining activities will deplete the reserves and resources of the Merged Group, the ability to continually find or replace reserves and resources is important for the ongoing stability of the Merged Group's operations.

Exploration on Beadell's or Great Panther's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Merged Group and possible relinquishment of the exploration and mining tenements.

The success of the Merged Group will depend on the successful exploration and acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, proficient financial management, access to required development capital, movement in the price of commodities, securing and maintaining title to pre-existing exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Failure in any of these areas may adversely impact the profitability and financial position of the Merged Group.

(g) Ability to exploit successful discoveries

It may not always be possible for the Merged Group to exploit successful discoveries, which may be made in areas in which the Merged Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Merged Group's interests and objectives.

It is necessary to effectively manage the competing needs of various stakeholders, including that of governments and communities, or the Merged Group will run the risk of damaging its corporate reputation, enduring project approval delays, protests or violent opposition and increased operating costs.

(h) Commercial viability of development projects

Great Panther and Beadell are in the process of conducting exploration relating to potential developments. The commercial viability of any such endeavours is based upon estimates of the potential size and grade of mineral resources or ore reserves, proximity to infrastructure and other required resources (such as energy and water), potential production rates, the feasibility of recovery of metals, capital and operating costs, and metal demand and prices. The projects also remain subject to the completion of favourable environment assessments, further feasibility studies, the grant and maintenance of necessary permits and authorisations, and receipt of adequate financing.

It is possible that certain projects may be delayed, cancelled or otherwise adjusted due to a lack of commercial viability associated with such factors.

Despite careful evaluation that includes the factors set out above, it is possible that development projects do not realise their predicted value or revenue due to circumstances beyond the control of the Merged Group.

(i) Ability to achieve production

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. If such circumstances occur, the Merged Group may not be able to complete planned developments or operational activities and may not meet key production and cost estimates, or realise the benefits of any impacted growth projects.

(j) Joint venture and other arrangements

The Merged Group may hold assets, developments or undertake projects through incorporated and unincorporated joint ventures with third parties. There is a risk of financial failure or default by a participant in any joint venture to which the Merged Group is a party. Disagreements between co-venturers or a failure of co-venturer to adequately manage a project poses a further risk of financial loss or legal or other disputes with the other participants in such a joint venture.

Projects held and run through joint ventures may impose a number of restrictions on the Merged Group’s ability to sell its interest in any assets held through such a structure and may require prior approval of the other joint venture partner or may be subject to pre-emptive rights.

In addition, it is common practice in the mining exploration industry to operate tenement farm-ins initially on the basis of a letter or heads of agreement while negotiations on the formal agreement proceed. In these circumstances there is a risk that the negotiations on a formal agreement are unsuccessful and a formal agreement is not reached, which may affect the Merged Group’s rights in respect of the relevant tenements.

(k) Financing risks and capital requirements

The Merged Group's capital requirements will depend on a number of factors. Substantial further financing may be required in the future for the Merged Group's exploration, development or ongoing activities. For example, should the Merged Group make a decision to further develop the Tartaruga Gold Project, or to restart operations at Coricancha (or be required to fund reclamation activities at Coricancha beyond the reimbursement arrangements agreed with former owner Nyrstar as detailed in section 12.1(f) of this Scheme Booklet), it will need considerable financing that may either take the form of debt or equity.

The Merged Group may be required to seek alternative or further financing (either in the form of debt or equity), and there is no guarantee that the Merged Group will be able to secure the required level of funding. Any debt financing, if available, may involve restrictions on the Merged Group's financing and operating activities, or its business strategy and additional equity financing may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Merged Group or at all. If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Merged Group's operations and financial position.

In the ordinary course of operations and development, the Merged Group will be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. The Merged Group's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

(l) Mineral Resource and Ore Reserve estimates

The volume and quality of the commodities that the Merged Group recovers may be less than the estimates included in this Scheme Booklet. Mineral Resources and Ore Reserves estimates are expressions of judgement based on knowledge, experience and industry practice, and may ultimately prove to be inaccurate and require adjustment. In addition, estimates which were valid when originally calculated may alter significantly when new information, market conditions or techniques are available including during the process of mine development. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. Adjustments to resource estimates could affect the future development and mining plans of the Merged Group and, in turn, its operations and financial performance.

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. Estimates also require interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

Contained metal (tonnes and grades) are normally estimated annually and published in resource and reserve statements, however actual production in terms of tonnes and grade often vary as ore bodies can be complex and inconsistent.

Beadell has advised Great Panther that the reserves and resources estimates for the Tucano Gold Mine will be updated in the future and are likely to change during that process. Factors that will influence these changes may include, but not be limited to, ongoing depletion from mining activities, changes to the reserve and resource modelling parameters, and additional drilling information. The overall impact of these updates is uncertain; however, Beadell and Great Panther anticipate that it may result in a reduction of the reserve and resource figures reported by Beadell to the ASX on 4 December 2018.

Gold and base metals price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

If the Merged Group's actual Mineral Resources and Ore Reserves are less than current estimates, the Merged Group's prospects, value, business, results of operations and financial condition may be materially adversely affected.

(m) Inaccuracies in Production and Cost Estimates

Great Panther and Beadell prepare estimates of future production and future production costs for specific operations. No assurance can be given that these estimates will be achieved. Production and cost estimates are based on, among other things, the following: the accuracy of mineral resource estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of mineralization, equipment and mechanical availability, labour, and the accuracy of estimated rates and costs of mining and processing. Actual production and costs may vary from estimates for a variety of reasons, including actual mineralization mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to the mineral resources, such as the need for sequential development of mineralized zones and the processing of new or different grades of mineralization; and the risks and hazards generally associated with mining described elsewhere in this section. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: variability in grade or dilution, metallurgy, labour costs, costs of supplies and services (such as, fuel and power), general inflationary pressures and currency exchange rates. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on the Merged Group's future cash flows, earnings, results of operations and financial condition.

(n) Infrastructure, transportation and remoteness of operations

The concentrates produced by the Merged Group will have significant value and are loaded onto either road vehicles or helicopters for transport to smelters in Brazil, Mexico or to sea ports for export to smelters in foreign markets, such as Europe and Asia, where the metals are extracted. The geographic location of the Company's operating mines in Mexico and trucking routes taken through the country to the smelters and ports for delivery, give rise to risks including concentrate theft, road blocks and terrorist attacks, losses caused by adverse weather conditions, delays in delivery of shipments, and environmental liabilities in the event of an accident or spill. The Merged Group has insurance coverage; however, recovery of the full market value may not always be possible. Despite risk mitigation measures, there remains a continued risk that theft of concentrate may have a material impact on the Merged Group's financial results.

(o) Land access arrangements

Mineral exploration, development and mining generally require consultation and agreement with landholders or other third parties in relation to access arrangements regarding underlying land. The Merged Group may be subject to restrictions associated with such land access arrangements, and may be required to pay compensation or adhere to other attached conditions. There is the further risk that landholders or other third parties may refuse access to the relevant land, which may negatively impact the Merged Group's capacity to further explore or develop any projects the subject of such land.

(p) Availability and cost of key equipment

The Merged Group will require specific consumables, spare parts, plant and equipment and construction materials for its exploration, development and mining activities. Any delay, lack of supply or increase in price in relation to such equipment and material could adversely impact the financial position of the Merged Group.

(q) Fluctuations in the price and availability of energy and other resources

Fluctuations in the price and availability of resources required for the operations of the Merged Group, including materials required for operations, water and energy resources such as diesel, gas and other fossil fuels may materially impact the operations and financial position of the Merged Group.

(r) Substantial Decommissioning and Reclamation Costs

Decommissioning and Reclamation costs must be funded by the Merged Group's operations. These costs can be significant and are subject to change. It is unknown what level of decommissioning and reclamation may be required in the future by regulators. If the Merged Group is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Merged Group's future cash flows, earnings, results of operations and financial condition.

As noted in section 12.1(f) of this Scheme Booklet, Great Panther is entitled to claim reimbursement of certain reclamation costs in respect of Coricancha from former owner Nystar, up to a US$20 million limit. If reclamation costs exceed this amount, or if Nystar defaults on its obligations under this arrangement, this may have a material effect on the Merged Group.

(s) Environmental risks and hazards

The operations of the Merged Group may be materially affected by adverse weather conditions and other environmental hazards such as fires, floods and water ingress and seismic activity which may delay or prevent operations from taking place and cause the Merged Group to incur significant costs to rectify any damage or consequences arising from those hazards.

(t) Legal and regulatory risks

The Merged Group will be subject to a broad range of laws and regulations in Australia, Canada, Brazil, Mexico, Peru and in other jurisdictions in which it may operate or have investment interests. Any enforcement or other government action or changes to governmental or legal regulatory frameworks may adversely impact the Merged Group. Additional capital commitments or investment may be required to ensure compliance, and operational activities may be delayed or prevented entirely.

(u) Litigation

Except as disclosed in this Scheme Booklet, Great Panther and Beadell are not aware of any material disputes or litigation being undertaken.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Merged Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding may have a material effect on the Merged Group's financial position or results of operations.

The Merged Group may be subject to governmental and regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Beadell is subject to certain litigation with respect to environmental damages in Brazil (see section 11.7 of this Scheme Booklet). There can be no assurance that the result of such litigation will be in favour of Beadell or the Merged Group.

Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Merged Group is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Merged Group's business, financial condition, results of operations, cash flows or prospects.

(v) Compliance with Anti-Corruption Laws

The Merged Group's operations will be governed by, and involve interaction with, many levels of government in Mexico, Peru and Brazil. The Merged Group will be subject to various anti-corruption laws and regulations such as the Canadian Corruption of Foreign Public Officials Act and the United States' Foreign Corrupt Practices Act, each of which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In addition, the Extractive Sector Transparency Measures Act recently introduced by the Canadian government contributes to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. According to Transparency International, Mexico, Peru and Brazil are each perceived as having fairly high levels of corruption relative to Canada. The Merged Group cannot predict the nature, scope or effect of future regulatory requirements to which the Merged Group's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable anti-corruption laws and regulations could expose the Merged Group and its senior management to civil or criminal penalties or other sanctions, which could materially and adversely affect the Merged Group's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Merged Group's business, reputation, financial condition and results of operations. Although each of Beadell and Great Panther has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Merged Group, its employees or third-party agents will comply with such laws.

(w) Title risks

There can be no assurance that title to any property interest acquired by the Merged Group or any of its subsidiaries is secured. Although both Great Panther and Beadell have taken reasonable precautions to ensure that legal title to their properties is properly documented, there can be no assurance that their property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

In the jurisdictions in which the Merged Group operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions in such jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

(x) Regulatory requirements including exploration and mining permits and licences

The Merged Group's operations will be subject to various Government and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health.

Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. The Merged Group will be required to obtain government permits to commence or expand operations, which can be a costly and timeconsuming process that can be cross-jurisdictional and may involve public hearings and costly undertakings.

No assurance can be given that the Merged Group will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Merged Group may be curtailed or prohibited from continuing or proceeding with production and exploration.

(y) Termination of Mining Concessions

The Merged Group's mining concessions may be terminated in certain circumstances. Under the laws of Brazil, mineral resources belong to the federal government and governmental concessions are required to explore for, and exploit, mineral reserves. The Merged Group will hold mining, exploration and other related concessions in each of the jurisdictions where the Merged Group operates and where it will carry on development projects and prospects. The concessions the Merged Group will hold in respect of its operations, development projects and prospects may be terminated under certain circumstances. Termination of any one or more of the Merged Group's mining, exploration or other concessions could have a material adverse effect on the Merged Group's financial condition or results of operations.

(z) Renewal of mining authorisations

Beadell and Great Panther cannot guarantee that all or any licences or permits in which the Merged Group will have interests will be renewed. Such renewals are at the discretion of relevant government bodies and ministries in the jurisdiction, and often depends on the Merged Group being successful in obtaining other required statutory approvals for its proposed activities. There is no assurance that such renewals or grants will be granted, nor that they will be granted without different or further conditions attached.

(aa) Environment, rehabilitation and restoration

The operations and activities of the Merged Group will be subject to the environmental laws and regulations of Canada, Brazil, Mexico, Peru and the other jurisdictions in which the Merged Group may conduct business. As with most exploration projects and mining operations, the Merged Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Merged Group will attempt to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

The nature of the activities of the Merged Group are highly energy intensive and depend on the use of fossil fuels. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Merged Group's costs and operational efficiency.

Great Panther and Beadell are unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Merged Group's cost of doing business or affect its operations in any area.

(bb) Community Relations and Social License to Operate

The Merged Group's relationship with the communities in which it operates is important to ensure the future success of existing operations and the construction and development of its projects. While each of Beadell and Great Panther believes the relationships of the Merged Group with the communities in which it will operate are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations (**NGOs**), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on the Merged Group's reputation or financial condition and may impact its relationship with the communities in which it operates. While each of Beadell and Great Panther believes that the Merged Group will operate in a socially responsible manner, there is no guarantee that the Merged Group's efforts in this respect will mitigate this potential risk.

(cc) Export and import regulations

The import and export policies of any jurisdiction in which the Merged Group operates or sells product to may change in the future. As the revenues of the Merged Group depend upon the process of exporting commodities, the profitability and financial position of the Merged Group may be adversely affected by any such adverse import and export regulations.

(dd) Illegal Activity in the Countries in which the Merged Group Operates Could Have an Adverse Effect on Operations

The Merged Group's primary mineral exploration and exploitation activities will be conducted in Mexico, Peru and Brazil and will be exposed to various levels of political, economic and other risks and uncertainties. These risks include but are not limited to, hostage taking, murder, illegal mining, high rates of inflation, corruption of government officials, blackmail, extortion and other illegal activity. Corruption of foreign officials could affect or delay required permits, service levels by foreign officials, and protection by police and other government services.

Mexico continues to undergo sometimes violent internal struggles between the government and organized crime with drug cartel relations and other unlawful activities. The number of kidnappings, violence and threats of violence throughout Mexico is of particular concern and appears to be on the rise. While the Merged Group will take measures to protect both personnel and property, there is no guarantee that such measures will provide an adequate level of protection for the Merged Group or its personnel. The occurrence of illegal activity against the Merged Group or its personnel cannot be accurately predicted and could have an adverse effect on the Merged Group's operations.

(ee) Unauthorized Mining

The mining industry in Mexico is subject to incursions by illegal miners or “lupios” who gain unauthorized access to mines to steal ore mainly by manual mining methods. Great Panther has experienced such incursions including an incident in the first quarter of 2014 which resulted in both a significant financial loss to Great Panther and a material impact to Great Panther’s operations. In addition to the risk of losses and disruptions, these illegal miners pose a safety and security risk. The Merged Company will take security measures at its sites to address this issue and ensure the safety and security of its employees, contractors and assets. These incursions and illegal mining activities can potentially compromise underground structures, equipment and operations, which may lead to production stoppages and impact the Merged Group’s ability to meet production goals.

(ff) Corruption and fraud in Brazil relating to ownership or real estate

Under Brazilian law, real property ownership is normally transferred by means of a transfer deed, and subsequently registered at the appropriate real estate registry office under the corresponding real property record. There are uncertainties, corruption and fraud relating to title ownership of real estate in Brazil, mostly in rural areas. In certain cases, a real estate registry office may register deeds with errors, including duplicate and/or fraudulent entries, and, therefore, deed challenges frequently occur, leading to judicial actions. Property disputes over title ownership are frequent in Brazil, and, as a result, there is a risk that errors, fraud or challenges could adversely affect the Merged Group’s ability to operate, although ownership of mining rights are separate from ownership of land.

(gg) Restrictions to the acquisition of rural properties by foreigner investors or Brazilian companies under foreign control

Non-resident individuals and non-domiciled foreign legal entities are subject to restrictions for the acquisition or lease for agricultural purpose, or arrendamento, of rural properties in Brazil. Limitations also apply to legal entities domiciled in Brazil controlled by foreign investors, such as the Merged Group’s subsidiaries through which the Merged Group will operate in Brazil. The limitations are set forth mainly in Law No. 5,709/1971 and in Decree No. 74,965/1974.

Until 2010, limitations imposed on the acquisition of rural property did not apply to Brazilian companies under foreign control. However, an opinion issued by the General Counsel of the Federal Government Office of Brazil significantly changed the interpretation of the applicable laws at the time. Accordingly, Brazilian companies that have the majority of their capital stock owned by foreign individuals and legal entities domiciled abroad are deemed "foreign investors" for the purposes of application of the restrictions on the acquisition of rural property in Brazil. The legality of such opinion has been and is currently being challenged, however prior challenges to the opinion have been unsuccessful.

A foreign investor or a Brazilian company under foreign control may only acquire rural property in Brazil without breaching the aforementioned opinion if certain conditions are met, including, among others, prior approval by the Brazilian Ministries or, in certain cases, by the Brazilian Congress. Pursuant to applicable legislation, any agreements regarding the direct or indirect ownership of rural properties by foreign individuals or entities may be considered null and void, as well as any agreements regarding corporate changes which might result in indirect acquisition or arrendamento of rural lands by foreign investors. Accordingly, the Merged Group's ownership of any such rural properties in Brazil may be subject to legal challenges which could result in a material adverse effect on the Merged Group's business, results of operations, financial condition and cash flows.

(hh) Tax risk

Changes to income tax (including capital gains tax), GST, duty or other revenue legislation, case law, rulings or determinations issued by government agencies or other practices of tax authorities may change following the date of this Scheme Booklet or adversely affect the Merged Group's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

There is additional exposure to risk for the Merged Group as it operates in the resources sector, and as such is often required to pay government royalties and other indirect taxes and levies. Any changes in government policies relating to the taxation, royalties or other levies imposed on the resources sector, or the interpretation thereof, may adversely impact the financial position of the Merged Group.

As an international business, Great Panther also operates across national boundaries and therefore must comply with several different tax regimes. Complexities in the application of, or changes in. taxation laws on matters such as transfer pricing, may therefore have an impact on Great Panther and the Merged Group.

(ii) Mexican Foreign Investment and Income Tax Laws

Under the Foreign Investment Law of Mexico, there is no limitation on foreign capital participation in mining operations; however, the applicable laws may change in a way which may adversely impact the Merged Group and its ability to repatriate profits. Under Mexican Income Tax Law, dividends are subject to a withholding tax. Corporations with their tax residence in Mexico are taxed on their worldwide income. Mexico levies a value added tax, known as the IVA, which is an indirect tax levied on the value added to goods and services, and it is imposed on corporations that carry out activities within Mexican territory.

During 2013, the Mexico Senate passed tax reform legislation, effective 1 January 2014. The tax reform includes an increase in the corporate tax rate to 30% from 28%, the introduction of a special mining royalty of 7.5% on the profits derived from the sale of minerals, and, the introduction of an extraordinary mining royalty of 0.5% on the gross income derived from the sale of gold, silver and platinum. These changes are expected to have a material impact on the Merged Group's future earnings and cash flows, and possibly on future capital investment decisions.

(jj) Conflicts of Interest of Directors and Officers

Certain of the Merged Group's directors and officers may be involved in a wide range of business activities through their direct and indirect participation in corporations, partnerships or joint arrangements, some of which are in the same business as the Merged Group. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Merged Group. The directors and officers of the Merged Group will be required by law and the Merged Group's Code of Business Conduct and Ethics to act in the best interests of the Merged Group. They may have the same obligations to the other companies and entities for which they act as directors or officers. The discharge by the directors and officers of their obligations to the Merged Group may result in a breach of their obligations to these other companies and entities and, in certain circumstances, this could expose the Merged Group to liability to those companies and entities. Similarly, the discharge by the directors and officers of their obligations to these other companies and entities could result in a breach of their obligation to act in the best interests of the Merged Group. Such conflicting legal obligations may expose the Merged Group to liability to others and impair its ability to achieve its business objectives.

(kk) Liquidity Risk

Liquidity risk is the risk that the Merged Group will not be able to meet its financial obligations as they arise. There can be no assurance that a sudden significant decrease in commodity prices, or unforeseen liability, or other matter affecting the operations of the business might arise which will have a material impact on the Merged Group's sufficiency of cash reserves to meet operating requirements. In addition, a large acquisition or significant change in capital plans could significantly change the cash and working capital required by the Merged Group.

14.4 General risks relating to the Merged Group

(a) Economic conditions

The operating and financial performance of the Merged Group will be influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies.

Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Merged Group's operating and financial performance and financial position.

(b) Current Global Financial Conditions

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability. These had a profound impact on the global economy. Many industries, including the mining sector, were impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the ability of the Merged Group to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Merged Group. If these increased levels of volatility and market turmoil continue, the Merged Group's operations and planned growth could be adversely impacted and the trading price of the securities of the Merged Group may be adversely affected

(c) Insurance

The Merged Group will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, this insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Merged Groups operating and financial performance and financial position.

Insurance of risks associated with minerals exploration and production (including accidents, pollution and other hazards) is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where Merged Group considers it is unreasonable or not in its interests to maintain insurance cover to a level of coverage which is in accordance with industry practice. The Merged Group will use reasonable endeavours to insure against the risks it considers appropriate for its needs and circumstances. However, no assurance can be given that Merged Group will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

(d) Political Risk and Government Regulations

The Merged Group's mining, exploration and development activities will be focused in Mexico, Peru and Brazil, and are subject to national and local laws and regulations governing prospects, taxes, labour standards, occupational health, land use, environmental protection, mine safety and others which currently or in the future may have a substantial adverse impact on the Merged Group. To comply with applicable laws, the Merged Group may be required to make significant capital or operating expenditures. Existing and possible future environmental legislation, regulation and action could cause additional expense, capital expenditures, restriction and delays in the activities of the Merged Group, the extent of which cannot be reasonably predicted. Violators may be required to compensate those suffering loss or damage by reason of the Merged Group's mining activities and may be fined if convicted of an offence under such legislation.

Mining and exploration activities in the countries where the Merged Group operates may be affected in varying degrees by political instabilities and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the Merged Group's control and may adversely affect the business. Operations may also be affected to varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. The status of

Mexico, Peru and Brazil as developing countries may make it more difficult for the Merged Group to obtain any required financing for projects. The effect of all these factors cannot be accurately predicted. Notwithstanding the progress achieved in improving Mexican, Peruvian and Brazilian political institutions and in revitalizing their economies, the present administrations or any successor governments may not be able to sustain the progress achieved.

On 1 December 2018, a new government took office in Mexico. This new government has demonstrated a drive towards social and environmental responsibility and has tabled bills containing proposed changes to the mining code in Mexico which include, among other things, environmental and indigenous community protections as well as the ability to revoke permits and existing concessions deemed to have a negative social impact. Management of Great Panther is closely monitoring the potential impacts the change in government will have on the mining industry, foreign investment and general economy in Mexico as it will relate to the Merged Company.

The Merged Group will not carry political risk insurance.

(e) Wars, terrorism and natural disasters

Events such as acts of terrorism, civil disturbance or protest, war, political intervention and natural activities such as earthquakes, floods, fires and adverse weather conditions may adversely impact the Merged Group by affecting the market for commodities, the operations of the Merged Group or its suppliers, service providers or customers, or the transport or other infrastructure relating to the operations of the Merged Group.

(f) Commodity price volatility

The financial performance of the Merged Group will be exposed to fluctuations in the price of precious metals.

The market prices of precious metals and other minerals are volatile and cannot be controlled. If the prices of precious metals and other minerals drop significantly, the economic prospects of the Merged Group's operating mines and projects could be significantly reduced or rendered uneconomic. There is no assurance that even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Merged Group, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Neither Great Panther nor Beadell have entered into any hedging arrangements for any of their silver or gold production, but have from time to time sought arrangements to price silver and gold content of its production in advance of contractual pricing periods, which can be two to three months from the time of shipment. The Merged Group may enter into similar arrangements in the future.

(g) Foreign exchange rates

The Merged Group will be a Canadian incorporated entity that reports in US$. The Merged Group's revenue will be derived from the sale of commodities that will typically be priced in US$, and the majority of its costs are usually denominated in local currencies such as the Brazilian Real, C$, Mexican Peso and Peruvian Sol. Therefore, the Merged Group will be exposed to movements in foreign exchange rates, the impact of which cannot be predicted reliably.

Great Panther has, from time to time, used hedging instruments to manage its foreign exchange risk. Such instruments can be subject to material gains and losses.

(h) Inflation in Brazil

In the past, high levels of inflation have adversely affected the economies and financial markets of Brazil, and the ability of its government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation in Brazil and have created general economic uncertainty. As part of these measures, the Brazilian government has at times maintained a restrictive monetary policy and high interest rates that have limited the availability of credit and economic growth. Brazil may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in Brazil and lead to further government intervention in the economy, including interest rate increases, restrictions on tariff adjustments to offset inflation, intervention in foreign exchange markets and actions to adjust or fix currency values, which may trigger or exacerbate increases in inflation, and consequently have an adverse impact on the Merged Group. In an inflationary environment, the value of uncollected accounts receivable, as well as of unpaid accounts payable, declines rapidly. If Brazil experiences high levels of inflation in the future and price controls are imposed, the Merged Group may not be able to adjust the rates the Merged Group charges the Merged Group's customers to fully offset the impact of inflation on the Merged Group's cost structures, which could adversely affect the Merged Group's results of operations or financial condition.

(i) Competition risk

Competition in the mineral industry is significant, and competition from other producers and exploration companies may impact the future profitability of the Merged Group. Competition includes major mining companies in Australia, the Americas and internationally, some of which possess greater financial and other resources than the Merged Group and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Merged Group can compete effectively with these companies. Further, the Merged Group may face competition from new mining or exploration companies or facilities, which may lower commodity prices.

The Merged Group may be unable to acquire new projects required to sustain or increase its future production level due to competition from such other companies.

(j) Key personnel and labour

A number of key personnel are important to attaining the business goals of the Merged Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Merged Group to conduct their business and, accordingly, affect the financial performance of the Merged Group and the price of Great Panther Shares.

Recruiting and retaining qualified personnel are important to the success of the Merged Group. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons can be strong, depending on market conditions.

Any disputes with employees (through personal injuries, industrial matters or otherwise) change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Merged Group.

(k) Key contractors

The Merged Group may use external contractors or service providers for many of its activities, and as such the failure of any current or proposed contractors, sub-contractors or other service providers to perform their contractual obligations may negatively impact the business of the Merged Group. Great Panther and Beadell cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that the Merged Group would be successful in enforcing any of its contractual rights through legal action. Further, the insolvency or managerial failure by any such contractors or other service providers may pose a significant risk to the Merged Group's operating and financial performance and financial position.

(l) Reliance on local counsel and advisors in foreign jurisdictions

The Merged Group will hold mining and exploration properties in Brazil, Mexico and Peru. The legal and regulatory requirements with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Australia and Canada. The Merged Group's officers and directors must rely, to a great extent, on the Merged Group's local legal counsel and local consultants retained by the Merged Group in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Merged Group's business operations, and to assist the Merged Group with its governmental relations. The Merged Group must rely, to some extent, on those members of management and the Merged Group Board who have previous experience working and conducting business in Brazil, Mexico and Peru in order to enhance its understanding of and appreciation for the local business culture and practices. The Merged Group will also rely on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Brazil, Mexico and Peru. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Merged Group's control and may adversely affect the Merged Group's business.

(m) Health, safety and hazardous materials

The potentially hazardous nature of exploration and mining mean that health and safety regulations impact the activities of the Merged Group. Any injuries or accidents that occur on a site of operations of the Merged Group could result in legal claims, potential delays or stoppages and other actions that could adversely affect the Merged Group.

14.5 Risks and implications for Beadell if the Scheme is not implemented

(a) Implications

If the Scheme does not proceed:

- Beadell will remain listed on ASX as a standalone entity;
- Beadell Shareholders will retain their Beadell Shares;
- the price of Beadell Shares on ASX will likely decline; and
- Beadell may be required to pay the Beadell Reimbursement Fee to Great Panther.

(b) Risks for Beadell as a standalone entity

If the Scheme does not proceed, and no Superior Proposal is forthcoming, the Beadell Board intends to continue with its existing strategy of operating the Tucano Gold Mine and conducting exploration activities around the Tucano Gold Mine, under the leadership of the current management team.

However, as set out in section 11.2, should Beadell's operations not successfully achieve operating, capital and working capital forecasts, including the continued support from Beadell's unsecured financiers, the Beadell Group will require additional funding in the form of debt and/or equity. Negotiation for additional equity and debt funding will be further progressed as required and the Directors have a reasonable expectation that such additional funding can be secured. However, no assurances can be made that appropriate funding will be available on terms favourable to Beadell or at all.

In light of this, there is significant doubt about the ability of Beadell to continue as a going concern as a standalone corporate group.

There are a number of other risks, including or of the nature of the risks outlined in Sections 14.2, 14.3 and 14.4 above with respect to the Merged Group, that may affect Beadell's ability to secure any additional financing as and when required, and Beadell's performance and operations more broadly, to which Beadell Shareholders are already exposed.

(c) Transaction costs already incurred

Before the meeting of Beadell Shareholders, Beadell estimates that it will have incurred or committed one-off transaction costs of approximately A$929,000 in relation to the Scheme. These costs have already been incurred or will be payable by Beadell regardless of whether or not the Scheme is implemented.

15 Tax considerations

15.1 Australian tax outline

This Section provides a broad summary of the Australian income tax, GST and stamp duty implications for Scheme Shareholders if the Scheme proceeds. This summary is based on the existing tax law and administrative practice as at the date of this Scheme Booklet. The relevant law may subsequently be amended which may impact the tax implications of the Scheme.

Being general and limited in nature, this Section does not take into account the individual circumstances of each Scheme Shareholder. All Scheme Shareholders should consult their own tax advisers regarding the tax consequences of participating in the Scheme.

Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

The comments contained in this Section 15 are only relevant to those Scheme Shareholders who are Australian tax residents and hold their shares on capital account for income tax purposes. The comments in this Section do not apply to Scheme Shareholders who:

- are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth);
- are temporary residents of Australia for Australian taxation purposes;
- hold their Beadell Shares on revenue account or as trading stock, such as banks and share trading entities;
- hold their Beadell Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- acquired their Beadell Shares in return for services or as the result of an employee share plan or employee share option plan; or
- are a bank, insurance company or tax exempt organisation.

15.2 Australian resident shareholders

(a) CGT scrip for scrip roll-over relief on disposal of Beadell Shares

Scheme Shareholders who receive New Great Panther Shares may be eligible for and may choose capital gains tax roll-over to disregard any capital gain arising from the disposal of Beadell Shares. Instead, if roll-over is elected, Scheme Shareholders may be taxed on a subsequent disposal of the New Great Panther Shares. The treatment of such a disposal is discussed below.

Roll-over relief does not apply automatically. Scheme Shareholders who wish to apply the roll-over must choose to do so, which can simply be evidenced by excluding the relevant capital gain in respect of which the CGT roll-over relief is chosen from the Scheme Shareholders tax return. Roll-over relief is not available if Scheme Shareholders would otherwise make a capital loss.

(b) CGT on disposal of Beadell Shares

If Scheme Shareholders do not, or are unable to, choose CGT roll-over, a CGT event will happen on the Implementation Date on disposal of their Beadell Shares. A Scheme Shareholder will:

- make a capital gain if the capital proceeds from the disposal exceed the cost base of the Beadell Shares; or
- make a capital loss if the capital proceeds are less than the reduced cost base of the Beadell Shares.

The capital proceeds will be equal to the market value of the New Great Panther Shares received under the Scheme, as determined on the Implementation Date. The cost base of the Beadell Shares will broadly be equal to the consideration paid by a Scheme Shareholder to acquire the Beadell Shares, plus other incidental costs incurred (such as brokerage fees).

A Scheme Shareholder who is an individual or trust and has held their Beadell Shares for at least 12 months may be eligible to reduce their capital gain from the disposal (after the application of capital losses) by a 50% discount. Similarly, a complying superannuation fund may be able to discount its capital gain by 33 1/3% (after the application of capital losses). Companies are not entitled to the CGT discount.

A Scheme Shareholder’s net capital gain for an income year, which includes the capital gains for an income year reduced by any capital losses and any applicable CGT discount, should be included in their assessable income.

Any capital losses made on the disposal of the Beadell Shares may be applied by a Scheme Shareholder against capital gains in the same income year, or carried forward to future income years to offset capital gains in those years (subject to the satisfaction of loss utilisation tests).

(c) Receipt of future dividend income

Dividend income received in relation to the New Great Panther Shares will be assessable to the Scheme Shareholders. New Great Panther Shares will be traded on the TSX and NYSE (American), and Great Panther is expected to withhold tax from any dividends which are paid to Australian resident Scheme Shareholders. Dividends paid, deemed to be paid, or credited on New Great Panther Shares to a Scheme Shareholder will be subject to non-resident withholding tax under the Canadian Tax Act at a rate of 25% of the gross amount of the dividend unless the rate is reduced by an applicable income tax treaty. In the case of a beneficial owner of dividends who is a resident of the Australia for purposes of the Australia-Canada Income Tax Convention, as amended, and who is entitled to the benefits of that treaty, the rate of withholding tax on dividends will generally be reduced to:

- 5%, if the Scheme Shareholder controls at least 10% of the voting power in Great Panther and is beneficially entitled to those dividends; or
- otherwise, 15%.

The Scheme Shareholder must include the amount of tax which has been deducted from the dividends, together with the cash amount of the dividend received, in the Scheme Shareholder's assessable income. Depending on the specific tax profile of the Scheme Shareholder, the Scheme Shareholder may be entitled to claim a foreign income tax offset to reduce their Australian tax liability by the amount of tax withheld from the dividends.

In addition, where the Scheme Shareholder is a company that holds a greater than 10% participation interest in Great Panther, any dividends received may be treated as 'non-assessable non-exempt' income for Australian tax purposes.

(d) Future disposal of New Great Panther Shares

A Scheme Shareholder may wish to dispose of any New Great Panther Shares acquired under the Scheme at a later time. If the Scheme Participant chose to obtain CGT roll-over relief on the disposal of their Beadell Shares under the Scheme, the cost base and acquisition date of the New Great Panther Shares they acquired under the Scheme may be different.

In particular, for those Scheme Shareholders who were eligible for and chose to obtain CGT roll-over relief in respect of their Beadell Shares, the CGT roll-over relief rules will determine the cost base of any New Great Panther Shares and their time of acquisition.

In general terms, where CGT roll-over relief is chosen, the cost base of the New Great Panther Shares will be equal to the existing cost base of the Shares exchanged under the Scheme.

In those circumstances, each New Great Panther Share should also be deemed to have been acquired by the relevant Scheme Shareholder on the same date as the date the original Beadell Share which gave rise to the entitlement to the New Great Panther Share was acquired. This deemed acquisition date will be relevant for the availability of the CGT discount concession.

Where CGT roll-over relief is not chosen or is not available, the cost base of the New Great Panther Shares should be equal to the market value of the Beadell Shares exchanged under the Scheme. In this case, the New Great Panther Shares should be taken to have been acquired at the time they are issued, which should be the implementation date.

If the capital gain is subject to foreign tax, the Scheme Shareholder may be entitled to an offset against Australian tax for any foreign tax paid.

15.3 Non-resident shareholders

For a Beadell Shareholder who:

(a) is not a resident of Australia for Australian tax purposes; and

(b) does not hold their Beadell Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Beadell Shares will generally only result in Australian CGT implications if:

(c) that Shareholder together with its associates held an interest of 10% or more in Beadell at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as a "non-portfolio interest"); and

(d) more than 50% of the market value of Beadell's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation).

Based on Beadell's representation that currently and up to the Implementation Date, less than 50% of the market value of Beadell's assets is attributable to direct or indirect interests in "taxable Australian real property", non-resident shareholders should not be subject to CGT as a result of this Scheme.

The script for script roll-over relief discussed in 15.2 above is not available for non-resident shareholders.

The cost base of the New Great Panther Shares for non-resident Shareholders participating in the Scheme should be equal to the market value of the Beadell Shares exchanged under the Scheme. The New Great Panther Shares should be taken to have been acquired at the time they are issued, which will be the Implementation Date.

If you hold a "non-portfolio" interest in Beadell, you should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

A non-resident Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Beadell Shares as set out in Section 15.2.

15.4 GST

No Australian GST will be payable by the Scheme Shareholders in relation to the transfer of Beadell Shares and the acquisition of the New Great Panther Shares. Subject to certain requirements, there may be a restriction on the entitlement of Scheme Shareholders to claim an input tax credit for any GST paid on costs associated with the acquisition of New Great Panther Shares.

15.5 Stamp Duty

No stamp duty should be payable in Australia by Scheme Shareholders in relation to the transfer of Beadell Shares or the acquisition of the New Great Panther Shares.

15.6 Canadian Federal Income Tax considerations

(a) Overview

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (**Canadian Tax Act**) generally applicable to a Scheme Shareholder who exchanges Scheme Shares for New Great Panther Shares pursuant to the Scheme and who, for purposes of the Canadian Tax Act and at all relevant times, is neither resident nor deemed to be resident in Canada, deals at arm's length with, and is not affiliated with, Great Panther, holds such shares as capital property, and does not use or hold and is not deemed to use or hold Scheme Shares or New Great Panther Shares in carrying on a business in Canada (**Holder**).

Generally, Scheme Shares would be considered to be capital property to a Holder provided that the Holder does not hold such shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere or an "authorised foreign bank" as defined in the Canadian Tax Act.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations (**Canadian Tax Regulations**) thereunder. It takes into account all specific proposals to amend the Canadian Tax Act and the Canadian Tax Regulations publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (**Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the Canada Revenue Agency whether by legislative, regulatory, administrative, or judicial action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. It is not exhaustive of all federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Scheme Shares or New Great Panther Shares (including proceeds of disposition, dividends and adjusted cost base) must be determined in C$ based on the single rate quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada).

(b) Exchange of Scheme Shares for New Great Panther Shares

Holders who exchange their Scheme Shares for New Great Panther Shares under the Scheme will not be subject to tax under the Canadian Tax Act on any capital gain realised on the exchange unless such Scheme Shares:

- are, or are deemed to be, "taxable Canadian property" (as described below) of the Holder at the time of the exchange; and
- the shares are not "treaty protected property", as defined in the Canadian Tax Act, of the Holder at the time of exchange.

The cost of any new Great Panther Share received in exchange for a Scheme Share will be equal to the fair market value of the new Great Panther Share received in exchange immediately after the Scheme becomes effective.

(c) Dispositions of New Great Panther Shares

Any capital gain realised by a Holder on the disposition or deemed disposition of New Great Panther Shares will not be subject to tax under the Canadian Tax Act unless such New Great Panther Shares:

- are, or are deemed to be, "taxable Canadian property" of the Holder at the time of disposition; and
- are not "treaty protected property", as defined in the Canadian Tax Act, of the Holder at the time of disposition.

Generally, a Scheme Share or new Great Panther Share owned by a Holder will not be taxable Canadian property of the Holder at a particular time provided that the Scheme Shares or New Great Panther Shares, as applicable, are listed on a "designated stock exchange" (as defined in the Canadian Tax Act) (which includes ASX and TSX Tiers 1 and 2) at that time, unless the Holder, persons with whom the Holder did not deal at arm's length, partnerships in which the Holder or a person with whom the Holder did not deal at arm's length hold a membership interest directly or indirectly through one or more partnerships, or the Holder together with all such persons, (i) held 25% or more of the shares of any class or series of Beadell or Great Panther, as the case may be and (ii) more than 50% of the fair market value of the Scheme Share or new Great Panther Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act), "timber resource properties" (as defined in the Canadian Tax Act) or options in respect of, or interests in, or for civil law rights in, such property whether or not such property exists. Further, Scheme Shares or New Great Panther Shares may be deemed to be taxable Canadian property to a non-resident Shareholder for purposes of the Canadian Tax Act in certain circumstances.

Even if Scheme Shares or New Great Panther Shares are taxable Canadian property to a Holder at a particular time, such holder may be exempt from tax on any capital gain realised on the disposition of such shares by virtue of an applicable income tax treaty or convention to which Canada is a signatory.

Holders whose Scheme Shares or New Great Panther Shares may be taxable Canadian property should consult their tax advisor for advice as to the Canadian taxation implications of their particular circumstances.

(d) Dividends on New Great Panther Shares

Dividends paid, deemed to be paid, or credited on New Great Panther Shares to a Holder will be subject to non-resident withholding tax under the Canadian Tax Act at a rate of 25% of the gross amount of the dividend unless the rate is reduced by an applicable income tax treaty. In the case of a beneficial owner of dividends who is a resident of the Australia for purposes of the *Australia-Canada Income Tax Convention*, as amended, and who is entitled to the benefits of that treaty, the rate of withholding tax on dividends will generally be reduced to 15%.

16 Comparison of Australian and Canadian laws and summary of rights attaching to New Great Panther Shares

Beadell is a public company registered in Western Australia and is subject to Australian law. Beadell Shares are admitted to the official list of ASX.

Great Panther was incorporated in British Columbia, Canada and is subject to the laws of British Columbia and the applicable laws of Canada. Great Panther Shares are listed on the TSX and NYSE (American).

If the Scheme is implemented, the rights of Beadell Shareholders who receive New Great Panther Shares will, in respect of those shares, be governed principally by Canadian law, the TSX Company Manual and Great Panther's notice of articles and articles.

A comparison of some of the material provisions of Australian company law and Canadian company law as they relate to Beadell and Great Panther respectively is set out in Annexure E, along with a description of the rights and liabilities attaching to Great Panther Shares and a description of certain securities laws and stock exchange rules where applicable.

Canadian corporate law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Great Panther, the relevant statute is the BCBCA.

References to 'Australian law' where they appear in this section are references to the Corporations Act, Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to 'Canadian law' are references to the BCBCA, the TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison in Annexure E is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Beadell Shareholders should consult with their own legal adviser if they require further information.

17 Additional information

17.1 Consents and disclaimers

Great Panther has given, and has not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context in which it is named and to the inclusion of the information attributed to it in this Scheme Booklet in the form and context in which that information is included in this Scheme Booklet. Great Panther has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name and the information mentioned above, takes no responsibility for any other part of this Scheme Booklet other than the Great Panther Information.

Deloitte Corporate Finance Pty Limited has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context in which it is named and to the inclusion of its Independent Expert's Report contained in Annexure A of this Scheme Booklet. Deloitte Corporate Finance Pty Limited has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name and the Independent Expert's Report contained in Annexure A of this Scheme Booklet, takes no responsibility for any other part of this Scheme Booklet.

CSA Global Pty Ltd has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context in which it is named and to the inclusion of its Technical Expert's Report contained in Appendix 12 to the Independent Expert's Report in Annexure A of this Scheme Booklet. CSA Global Pty Ltd has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name and the Technical Expert's Report contained in Appendix 12 to the Independent Expert's Report in Annexure A of this Scheme Booklet, takes no responsibility for any other part of this Scheme Booklet.

CIBC World Markets Inc. has given, and not withdrawn before registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form in which it is named. CIBC World Markets Inc. has not made any statement that is included in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based. CIBC World Markets Inc. has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name, takes no responsibility for any other part of this Scheme Booklet.

Herbert Smith Freehills has given, and not withdrawn before registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form in which it is named. Herbert Smith Freehills has not made any statement that is included in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based. Herbert Smith Freehills has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name, takes no responsibility for any other part of this Scheme Booklet.

Computershare Investor Services Pty Limited has given and, as at the date of this Scheme Booklet, has not withdrawn, its written consent to be named as Share Registrar in this Scheme Booklet in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Scheme Booklet other than being named as Share Registrar to Beadell. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any other part of this Scheme Booklet.

17.2 Regulatory consents, waivers and exemptions

(a) ASIC

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC otherwise allows, this Scheme Booklet must contain the matters set out in Part 3 of Schedule 8 to the Corporations Act. In the absence of relief, clause 8302(h) of Part 3 of Schedule 8 to the Corporations Regulations would require inclusion of disclosure in this Scheme Booklet of whether, within the knowledge of the Beadell Directors, the financial position of Beadell has materially changed since the date of the last balance sheet put before Beadell Shareholders in general meeting or sent to Beadell Shareholders in accordance with sections 314 or 317 of the Corporations Act (being the balance sheet of Beadell as at 31 December 2017) and, if so, full particulars of any change.

ASIC has allowed Beadell to depart from complying with the requirements of clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations on the basis that:

(1) Beadell has complied with the Corporations Act in respect of its financial report for the half year ended 30 June 2018 (**Half Year Financial Report**);

(2) this Scheme Booklet states that Beadell will provide a copy of the Half Year Financial Report free of charge to Beadell Shareholders who asks for it before the Scheme is approved by order of the Court;

(3) any material change in Beadell's financial position occurring after 30 June 2018 is disclosed in this Scheme Booklet (refer to Section 11.2(d) of this Scheme Booklet for disclosure of material events since 30 June 2018) or on the ASX; and

(4) this Scheme Booklet is substantially the same as the form provided to ASIC on 5 December 2018.

(b) ASX

ASX Listing Rule 6.23.2 provides that the cancellation of unlisted options for consideration requires the approval of shareholders. Subject to the Share Scheme being approved by the Requisite Majorities and the Court, the ASX has granted a waiver to Beadell from compliance with ASX Listing Rule 6.23.2 to permit the Beadell Warrants to be cancelled without requiring the approval of Beadell Shareholders.

The ASX has approved the conduct of the Scheme in accordance with the timetable set out in the section entitled "Key dates relating to the Transaction" at the beginning of this Scheme Booklet.

(c) TSX

Great Panther has applied to the TSX for approval to list the New Great Panther Shares on the TSX, which listing shall be subject to receipt of, amongst other things, necessary Great Panther Shareholder approvals in favour of the issuance of the Scheme Consideration, as described in section 9.7 and in paragraph 4(b) of Annexure E.

17.3 Foreign jurisdictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Beadell disclaims all liabilities to such persons.

No action has been taken to register or qualify the New Great Panther Shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to Beadell as at the date of this Scheme Booklet, Scheme Shareholders (other than Ineligible Foreign Shareholders) whose addresses are shown in the register on the record date for the Scheme as being in the following jurisdictions will be entitled to have New Great Panther Shares issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- Canada
- Cayman Islands;
- Guernsey, where the number of shareholders is less than 50;
- Luxembourg; where (i) the Beadell Shareholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in Luxembourg) and (ii) the number of non-qualified investors is less than 150;
- New Zealand;
- United States; and
- any other person or jurisdiction in respect of which Beadell reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New Great Panther Shares to a Scheme Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Scheme Shareholders who hold Beadell Shares on behalf of a beneficial owner resident in Australia, Canada, Cayman Islands, New Zealand and the United States may forward this Scheme Booklet (or accompanying documents) to such beneficial shareholder but may not forward this Scheme Booklet to any person in any other country without the consent of Beadell.

Beadell Shareholders who reside outside Australia should refer to the ‘Foreign jurisdictions’ section of the ‘Important Notices’ at the beginning of this Scheme Booklet.

17.4 Information in relation to Exploration Results, Mineral Resources and Ore Reserves

(a) Reporting standard applicable to Great Panther mining information

The information in this Scheme Book that relates to Exploration Results and Mineral Resources reported by Great Panther has been prepared in accordance with the NI 43-101 standards of disclosure for Mineral Projects published by the CSA. NI 43-101 is different from the reporting standard ordinarily applicable to Australian publicly listed companies, the JORC Code.

The NI 43-101 standards require that mineral resource estimates are prepared in accordance with, and have the meaning ascribed by, the Canadian Institute of Mining, Metallurgy and Petroleum (**CIM**) Definition Standards. The NI 43-101 Companion Policy identifies the Australian JORC Code as an "acceptable foreign code" for the estimation of mineral resources and that it is substantially similar to CIM Definition Standards as both are based on and are consistent with the CRIRSCO Template.

(b) Comparison of JORC Code, CIM Definition Standards and NI 43-101

(1) JORC Code

Under the JORC Code, Mineral Resources and Ore Reserves are defined in the following manner:

(A) Inferred Mineral Resource: "An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based upon exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

(B) An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration."

(C) Indicated Mineral Resource: "An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

(D) Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where the data are gathered.

(E) An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve."

(F) Measured Mineral Resource: "A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

(G) Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

(H) A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource of an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve."

(I) Probable Ore Reserve: "A Probable Ore Reserve is the economically mineable part of an Indicated, and in some instances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit."

(J) Proved Ore Reserve: "A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve represents the highest confidence category of reserve estimate and implies a high degree of confidence in geological and grade continuity, and the considerations of the Modifying Factors. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits."

(2) CIM Definition Standards

Under the CIM Definition Standards, Mineral Resources and Mineral Reserves are defined in the following manner:

(A) Inferred Mineral Resource: "An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration."

(B) Indicated Mineral Resource: "An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological continuity and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve."

(C) Measured Mineral Resource: "A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve."

(D) Probable Mineral Reserve: “A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve. The Qualified Person may elect, to convert measured Mineral Resources to Probable Mineral Reserves if the confidence in the Modifying Factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.”

(E) Proven Mineral Reserve: “A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors. Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study. Within the CIM Definition standards the term Proven Mineral Reserve is an equivalent term to Proven Mineral Reserve.”

(3) NI 43-101

NI 43-101 does not, in itself, prescribe definitions of mineral resources or mineral reserves in the same manner as the JORC Code. It does, however, require that the terms “mineral resource”, “inferred mineral resource”, “indicated mineral resource”, “measured mineral resource”, “probable mineral reserve”, and “proven mineral reserve” have the meanings ascribed to those terms by the CIM, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended in 2014.

(4) Summary

As can be seen from the definitions above derived from the CIM and JORC Codes, the definitions of “Inferred”, “Indicated”, and “Measured” mineral resources and “Probable” and “Proven” mineral reserves are essentially the same, and are considered to be equivalent to each other. NI 43-101 recommends the use of the CIM Definition Standards but does not itself define mineral resources or mineral reserves or their confidence levels.

CIM Definition Standards	NI 43-101	JORC Code
Inferred Mineral Resources	See CIM Definition Standards	Inferred Mineral Resources
Indicated Mineral Resources	See CIM Definition Standards	Indicated Mineral Resources
Measured Mineral Resources	See CIM Definition Standards	Measured Mineral Resources
Probable Mineral Reserves	See CIM Definition Standards	Probable Ore Reserves
Proven Mineral Reserves	See CIM Definition Standards	Proven Ore Reserves

While there are some differences in the terminology between the two “reserve codes” (the CIM Definition Standards and the JORC Code) they share (and require) common themes:

- there must be a very high level of confidence (reliability) in the data used to define the mineral deposit;
- the continuity of mineralisation between observation points (sampling points or drillholes) must be established to a very high standard;
- the quality of sampling data must be of a very high standard; and
- most importantly, the potential development of a deposit with either “Proven” or “Probable” ore reserves must be economic to develop and produce, as determined by engineering and mine design studies.

(c) Competent Person’s Statement – Beadell and Great Panther

(1) Beadell

The information in this Scheme Booklet relating to Open Pit Ore Reserves is based on information compiled by Mr Felipe Fernandes who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Fernandes is a full-time employee of Beadell Brasil Ltda and consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

The information in this Scheme Booklet relating to Underground Ore Reserves is based on information compiled by Mr Gary Methven who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Methven is a consultant and a full-time employee of AMC Consultants (Canada) Ltd and consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

The information in this Scheme Booklet relating to Mineral Resources has been approved by Mr Paul Tan who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the JORC Code. Mr Tan is a full-time employee of Beadell Brasil Ltda and consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

The information in this Scheme Booklet relating to Urucum Underground, Tap AB Underground, Tap C open pit and Duckhead Open Pit Mineral Resources is based on information compiled by Mr Marcelo Batelochi who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the JORC Code. Mr Batelochi is a consultant and consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

The information in this Scheme Booklet relating to Urucum open pit and Tap AB open pit Mineral Resources is based on information compiled by Mr Brian Wolfe who is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the JORC Code. Mr Wolfe is a consultant and consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(2) Great Panther

The information in this report that relates to resource estimates for Great Panther’s projects is based on, and accurately represents, information compiled from the following technical reports filed by Great Panther under Canadian securities laws:

- **Guanajuato Mine Complex:** Technical report entitled “NI 43-101 Mineral Resource Update Technical Report on the Guanajuato Mine

Complex, Guanajuato Mine and San Ignacio Mine, Guanajuato State, Mexico", dated 28 February 2018 prepared by Mr. Matthew C. Wunder, P.Geo.

- **Topia Mine:** Technical report entitled "NI 43-101 Report on the Topia Mine Mineral Resource Estimates as of 30 November 2014" dated 6 July 2015 prepared by Mr. Robert F. Brown, P.Eng.
- **Coricancha:** Technical report entitled "Resource Update Technical Report on the Coricancha Mine Complex, Huarochirí Province, Lima Region, Perú", dated 2 February 2018 submitted by Golder Associates Inc. as Report Assembler of the work prepared by or under the supervision of the following "Qualified Persons" named as authors: Ronald Turner, MAusIMM CP(Geo); Daniel Saint Don, P.Eng.; and Jeffrey Woods, P.E.
- **El Horcon:** Technical report entitled "NI43-101 Technical Report on the Guanajuato Mine Complex Claims and Mineral Resource Estimations for the Guanajuato Mine, San Ignacio Mine, and El Horcon and Santa Rosa Projects" dated 24 February 2017 prepared by Robert F. Brown, P. Eng.

The information in this announcement derived from Great Panther's technical reports is an accurate representation of the available data and studies and has been reviewed by Mr. Robert Brown, P.Eng. Mr. Brown, P.Eng is a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Brown, P.Eng has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Brown, P.Eng consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr. Brown, P.Eng was the VP Exploration of Great Panther until 31 December 2016 and is currently employed by R.F.B. Geological through which Mr. Brown, P.Eng consults to Great Panther.

(d) Qualified Persons

The technical information contained in this Scheme Booklet as it relates to Great Panther has been reviewed and approved by Robert F. Brown, P. Eng., the Qualified Person for Great Panther's projects under the meaning of NI 43-101.

(e) Cautionary statement

The qualifying foreign estimates have not been reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

The technical information contained in this Scheme Booklet relating to Great Panther's mining projects is governed by NI 43-101 which incorporates the guidelines as set out in the CIM Definition Standards. Beadell considers that CIM Definition Standards are sufficiently similar to the JORC Code for Great Panther's resources and reserves to be be quoted as 'qualifying foreign estimates' according to ASX Listing Rules.

(f) No intention to verify the foreign estimates in accordance with the JORC Code

Beadell will apply to be delisted on the ASX by the close of trading on the trading day immediately following the Implementation Date. As such, there is no intention to verify the resources estimates for Great Panther's projects in accordance with the JORC Code.

17.5 Fees

The fees set out in this section relate to fees payable by Beadell in connection with the Scheme. Those fees include payments to:

- Herbert Smith Freehills for acting as Australian legal adviser;
- CIBC World Markets Inc for acting as financial adviser;
- Deloitte Corporate Finance Pty Ltd for acting as independent expert;
- CSA Global Pty Ltd for acting as technical expert; and
- Computershare Investor Services Pty Limited for acting as the Beadell Share Registry and providing various other services.

In aggregate, if the Scheme is implemented Beadell expects to pay approximately $2,399,000 (excluding GST) in transaction costs. In aggregate, if the Scheme is not implemented Beadell expects to pay approximately $1,029,000 (excluding GST) in transaction costs.

17.6 Directors' statement

The issue of this Scheme Booklet has been authorised by the Beadell Board.

The Beadell Board has given (and not withdrawn) its consent to lodgement of this Scheme Booklet with ASIC.

17.7 No unacceptable circumstances

The Beadell Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any members of Beadell that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

17.8 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the Beadell Directors are aware, there is no other information that is:

- material to the making of a decision by a Beadell Shareholder whether or not to vote in favour of the Scheme; and
- known to any Beadell Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to Beadell Shareholders.

17.9 Supplementary disclosure

Beadell will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is or becomes false or misleading in a material respect;
- a material omission from this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Beadell may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Beadell Shareholders at their address shown on the Beadell Share Register; or
- posting a statement on Beadell's website at www.beadellresources.com.au.

as Beadell, in its absolute discretion, considers appropriate.

17.10 Information relating to Beadell Directors

(a) Relevant interests of Beadell Directors in Beadell securities

As at the Last Practicable Date, the Beadell Directors had the following Relevant Interests in Beadell securities:

Beadell Director	Number of Beadell Shares	Number of Beadell Options, Beadell Warrants and Beadell Performance Rights Rights
Mr Craig Readhead	3,723,200	1,750,000 options
Dr Nicole Adshead-Bell	4,375,200	2,808,900 warrants
Mr Brant E. Hinze	384,610	1,750,000 options
Mr Timo Jauristo	256,410	1,750,000 options

Each Beadell Director intends to vote, or procure the voting of, any Beadell Shares held or controlled by them, in favour of the Scheme, in the absence of a Superior Proposal.

(b) Dealings of Beadell Directors in Beadell Shares

No Beadell Director had acquired or disposed of a Relevant Interest in any Beadell Shares in the four month period ending on the Last Practicable Date.

(c) Interests of Beadell Directors in Great Panther Shares

As at the Last Practicable Date, no Beadell Director has any interest in any Great Panther Shares.

(d) Dealings of Beadell Directors in Great Panther Shares

No Beadell Director had acquired or disposed of an interest in any Great Panther Shares in the four month period ending on the Last Practicable Date.

(e) Benefits in connection with retirement from office

Other than pursuant to their existing contractual entitlements (which are disclosed in Beadell's 2018 Annual Report), no payment or other benefit is proposed to be made or given to any director, company secretary or executive officer of Beadell (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Beadell or in a Related Body Corporate of Beadell in connection with the Scheme.

(f) Agreements connected with or conditional on the Scheme

Except as set out below, there are no agreements or arrangements made between any Beadell Director and any other person in connection with, or conditional on, the outcome of the Scheme other than in their capacity as Beadell Shareholders or holders of Beadell Options or Beadell Warrants.

The implementation of the Scheme will constitute a "Change of Control" (as defined in Dr Nicole Adshead-Bell's employment agreement dated 26 July 2018) of Beadell. In accordance with the terms of the employment agreement, upon the occurrence of a "Change in Control", Dr Nicole Adshead-Bell will be entitled to receive the equivalent of 12 months Deferred Share Price Correlated Consideration (approximately A$204,000) as a one-off cash payment within 7 days of the "Change of Control". Dr Adshead-Bell will also join the Merged Group Board following implementation of the Scheme and it is anticipated that she will receive reasonable remuneration and expense reimbursement for her services as a director of the Merged Group Board.

Mr Timo Jauristo chaired an Independent Special Committee of the Board, and Mr Brant Hinze and Mr Craig Readhead were members of the Independent Special Committee, established to oversee the process to identify and consider a range of alternatives to address Beadell's financial uncertainties (as set out in section 8.1(g)) and, ultimately, to oversee the finalisation and execution of the Scheme Implementation Deed. Mr Jauristo will receive a fee of $40,000 and Mr Hinze and Mr Readhead will each receive a fee of $30,000 for acting in their respective capacities on the Independent Special Committee.

Great Panther has indemnified Beadell and each Beadell Director from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Beadell or any Beadell Director suffers, incurs or is liable for arising out of any breach of any of the representations and warranties given by Great Panther under the Scheme Implementation Deed.

(g) Interests of Beadell Directors in contracts with Great Panther

None of the Beadell Directors has any interest in any contract entered into by Great Panther or a Related Body Corporate of Great Panther.

(h) Benefits from Great Panther

None of the Beadell Directors has agreed to receive, or is entitled to receive, any benefit from Great Panther, or any Related Body Corporate of Great Panther, which is conditional on, or is related to, the Scheme, other than in their capacity as Beadell Shareholders or holders of Beadell Options or Beadell Warrants or as set out in Section 17.10(f).

17.11 Beadell's substantial shareholders

As extracted from filings released on ASX, in each case prior to the Last Practicable Date, the following persons were substantial holders of Beadell Shares:

Substantial holder	Number of Beadell Shares	Voting power
Great Panther Silver Limited	302,325,920	18.06%[20]
Mason Hill Advisors, LLC on behalf of itself, Mason Hill Partners LP, Equinox Partners LP, Wilhelmus Henricus Marla Po and Stichting Lichfield	220,645,202	13.18%
Franklin Resources, Inc.	159,520,246	9.53%
BlackRock Group	139,525,618	8.33%
Donald Smith Value Fund, L.P.	120,355,537	7.19%

[20] Resulting from the Beadell Support Agreements.

18 Glossary and Interpretation

18.1 Glossary

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
A$	Australian dollars.
ACCs	the short term uncommitted facilities commonly referred to as ACCs between Beadell Brasil and Banco Bradesco S.A..
Ag	means silver.
Au	means gold.
Announcement Date	24 September 2018
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
AWST	means Western Australian Standard Time as recognised in Perth, Western Australia.
BCBCA	the *Business Corporations Act* (British Columbia).
Beadell	Beadell Resources Ltd ACN 125 222 291.
Beadell Board	the board of directors of Beadell and a ‘Beadell Board Member’ means any director of Beadell comprising part of the Beadell

Term	Meaning
	Board.
Beadell Convertible Debenture	a debenture with rights of conversion into unissued Beadell Shares issued by Beadell.
Beadell Convertible Securities	the Beadell Options and Beadell Performance Rights.
Beadell Director	the directors of Beadell.
Beadell Group	Beadell and each of its Subsidiaries, and a reference to an ‘Beadell Group Member’ or a ‘member of the Beadell Group’ is to Beadell or any of its Subsidiaries.
Beadell Information	information regarding the Beadell Group prepared by Beadell for inclusion in this Scheme Booklet, which for the avoidance of doubt comprises the entirety of the Scheme Booklet but does not include the Great Panther Information, the Independent Expert's Report or other report or opinion prepared by an external advisor to Beadell.
Beadell Material Adverse Change	has the meaning given to that term in Scheme Implementation Deed.
Beadell Mineral Rights	the Beadell Group’s title to material mineral interests and rights (including any mineral claims, mining claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of law or otherwise)
Beadell Option	an option to acquire one unissued Beadell Share.
Beadell Option Plan	the ‘Employee Option Scheme’ approved by Beadell Shareholders at the general meeting held on 21 January 2016.
Beadell Performance Right	a right to acquire Beadell Shares issued under the Performance Rights Plan approved by Beadell shareholders on 18 May 2016
Beadell Prescribed Occurrence	has the meaning given to that term in Scheme Implementation Deed.

Term	Meaning
Beadell Regulated Event	has the meaning given to that term in Scheme Implementation Deed.
Beadell Reimbursement Fee	A$2.2 million.
Beadell Representations and Warranties	the representations and warranties of Beadell set out in Schedule 4 of the Scheme Implementation Deed, as qualified by clause 7.5 of that deed.
Beadell Right	a right to acquire one unissued Beadell Share upon vesting.
Beadell Share	a fully paid ordinary share in the capital of Beadell.
Beadell Share Register	the register of members of Beadell maintained by the Beadell Share Registry in accordance with the Corporations Act.
Beadell Share Registry	Computershare Investor Services Pty Limited
Beadell Shareholder	each person who is registered as the holder of a Beadell Share in the Beadell Share Register.
Beadell Support Agreements	has the meaning given to that term in section 12.11.
Beadell Warrant	a warrant to acquire on unissued Beadell Share.
Business Day	a business day as defined in the Listing Rules.
C$	Canadian dollars.
CGT	Capital Gains Tax.
CHESS	means the clearing house electronic sub-register system for the electronic transfer of securities operated by ASX Settlement Pty

Term	Meaning
	Limited and ASX Clear Pty Limited.
CIM	means the Canadian Institute of Mining, Metallurgy and Petroleum.
CIM Definition Standards	the CIM Definition Standards on Mineral Resources and Mineral Reserves.
Claim	any claim, demand, legal proceedings or cause of action (including any claim, demand, legal proceedings or cause of action: 1 based in contract, including breach of warranty; 2 based in tort, including misrepresentation or negligence; 3 under common law or equity; or 4 under statute, including the Australian Consumer Law (being Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**CCA**)) or Part VI of the CCA, or like provision in any state or territory legislation), in any way relating to the Scheme Implementation Deed or the Scheme, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in the Scheme Implementation Deed.
Competent Person	has the meaning given in the JORC Code.
Competing Proposal	1 in respect of Beadell, any proposal, agreement, arrangement or transaction (whether or not publicly announced) which, if entered into or completed, would: a. mean a Third Party (either alone or together with any Associate) would: i. directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Beadell Shares or of the share capital of any material Subsidiary of Beadell; ii. acquire Control of Beadell or any material Subsidiary of Beadell; iii. directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of Beadell's business or assets or the business or assets of the Beadell Group; iv. otherwise directly or indirectly acquire or merge with Beadell or a material Subsidiary of Beadell; or

Term	Meaning
	b. require Beadell to abandon, or otherwise fail to proceed with, the Scheme, whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement; and 2 in respect of Great Panther, any proposal, agreement, arrangement or transaction (whether or not publicly announced) which, if entered into or completed, would: a. mean a Third Party (either alone or together with any Associate) would: i. acquire Control of Great Panther or any material Subsidiary of Great Panther; ii. directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or greater than 50% of Great Panther's business or assets or the business or assets of the Great Panther Group; iii. otherwise directly or indirectly acquire or merge with Great Panther or a material Subsidiary of Great Panther; or b. require Great Panther to abandon, or otherwise fail to proceed with, the Scheme, whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.
Conditions Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Confidentiality Agreement	the confidentiality agreement between Great Panther and Beadell dated 22 March 2018.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the *Corporations Act 2001* (Cth).

Term	Meaning
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Court	the Supreme Court of Western Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Great Panther and Beadell.
CRIRSCO	the Committee for Mineral Reserves International Reporting Standards.
CRIRSCO Template	the International Reporting Template, published by the CRIRSCO.
CSA	the Canadian Securities Administrators.
Cu	means copper.
Debenture Indenture	the debenture indenture between Beadell and Computershare Trust Company of Canada (as Debenture Trustee and Collateral Agent) dated 17 May 2018.
Deed Poll	a deed poll provided by Great Panther attached as Annexure C.
Director Beadell Shares	any Beadell Share: 1 held by or on behalf of a Beadell Board Member; or 2 listed as an indirect interest in the latest Appendix 3X or Appendix 3Y lodged by Beadell with ASX in respect of each Beadell Board Member.
DRS Advice	direct registration system advice evidencing ownership of securities in the Great Panther Canadian Registry's registration system.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.

Term	Meaning
Election Form	the form under which Small Shareholders may make an election in respect of all of their Beadell Shares.
End Date	the date 6 months after the date of execution of the Scheme Implementation Deed, or such other date as agreed in writing by the parties.
Excluded Shareholder	any Beadell Shareholder who is a member of the Great Panther Group or who holds any Beadell Shares on behalf of, or for the benefit of, any member of the Great Panther Group and does not hold Beadell Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from and including the date of the Scheme Implementation Deed to the earlier of: 1 the date of termination of the Scheme Implementation Deed; 2 the End Date; and 3 the Effective Date.
Facility Agreement	the Amended and Restated Export Prepayment Agreement between Banco Santander (Brasil) S.A., Grand Cayman Branch Itau BBA International PLC, Banco Santander S.A., Banco Santander (Brasil) S.a., Grand Cayman Branch, Banco Santander (Brasil) S.A. and Beadell Brasil LTDA, dated 20 January 2015, as amended pursuant to an amendment agreement dated as of 22 June 2017 and as further amended pursuant to a waiver letter dated 11 July 2018.
Financial Advisor	any financial advisor retained by a party in relation to the Transaction from time to time.
FIRB	the Foreign Investment Review Board.
g/t	means grams per tonne.
Government Agency	any foreign or Australian government or governmental, semigovernmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

Term	Meaning
Great Panther	Great Panther Silver Limited.
Great Panther Board	the board of directors of Great Panther and an 'Great Panther Board Member' means any director of Great Panther comprising part of the Great Panther Board.
Great Panther Directors	the directors of Great Panther.
Great Panther Group	Great Panther and each of its Subsidiaries, and a reference to a 'Great Panther Group Member' or a 'member of the Great Panther Group' is to Great Panther or any of its Subsidiaries.
Great Panther Independent Director	a director that does not have any director or indirect material relationship with Great Panther that could reasonably be expected to affect his or her independent judgement.
Great Panther Information	information regarding the Great Panther Group, and the Merged Group following implementation of the Scheme, provided by Great Panther to Beadell in writing for inclusion in the Scheme Booklet, being: 1 the letter from Great Panther's Chairman; 2 section 12 of this Scheme Booklet; 3 section 13 of this Scheme Booklet, save to the extent it pertains to Beadell's contribution to the Merged Group; 4 section 14 of this Scheme Booklet as it pertains to Great Panther; 5 any information about Great Panther, other Great Panther Group members, the businesses of the Great Panther Group, Great Panther's interests and dealings in Beadell Shares, Great Panther's intentions for Beadell and Beadell's employees; and 6 the information contained elsewhere in this Scheme Booklet repeating or based on the information referred to in 1 to 5 above.
Great Panther Material Adverse Change	has the meaning given to that term in Scheme Implementation Deed.
Great Panther Non-Independent Director	a director of Great Panther that is not a Great Panther Independent Director.
Great Panther Prescribed	has the meaning given to that term in Scheme Implementation

Term	Meaning
Occurrence	Deed.
Great Panther Regulated Event	has the meaning given to that term in Scheme Implementation Deed.
Great Panther Reimbursement Fee	A$2.2 million.
Great Panther Share	a fully paid common share in the capital of Great Panther.
Great Panther Share Register	the register of Great Panther Shareholders maintained in accordance with the Corporations Act.
Great Panther Shareholder	each person who is registered as the holder of a Great Panther Share in the Great Panther Share Register.
GST	Goods and Services Tax
Half Year Financial Report	Beadell's financial report for the half year ended 30 June 2018.
IFRS	International Financial Reporting Standards.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Independent Expert	the independent expert in respect of the Scheme appointed by Beadell, after consultation with Great Panther, being Deloitte Corporate Finance Pty Limited.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme as attached at Annexure A, and including any subsequent, updated or supplementary report, setting out the Independent Expert's opinion whether or not the Transaction is in the best interests of Beadell Shareholders and the reasons for holding that opinion.
Ineligible Foreign	a Scheme Shareholder whose address shown in the Beadell Share

Term	Meaning
Shareholder	Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, Canada, Cayman Islands, Guernsey, Luxembourg or the United States, unless Great Panther, in consultation with Beadell, determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Great Panther Shares when the Scheme becomes Effective.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) published by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.
Last Practicable Date	17 December 2018, being the last practicable date before the date of this Scheme Booklet to finalise data and information for inclusion.
Listing Rules	the official listing rules of ASX.
MACA	MACA Limited and MACA Mineracao e Construcao, or any one of them, as the context requires.
MACA Agreement	the 'Deed of acknowledgement of debt, termination and release of Open Pit Mining Services Contract' entered into between Beadell, Beadell Brasil Limitada and MACA dated June 2018.
MD&A	Great Panther's Management's Discussion and Analysis for the three years and nine months ended 30 September 2018, which is attached as Annexure H to this Scheme Booklet.
MEM	has the meaning given to it in section 12.1(f).
Merged Group	the group comprising the combination of the Beadell Group and the Great Panther Group.
Merged Group Board	the board of directors of the Merged Group.
Merged Group Financials	has the meaning given to that term in section 13.5(a).

Term	Meaning
Mineral Reserve	has the meaning given to that term in NI 43-101, the CIM Definition Standards and/or the JORC Code, as the context requires.
Mineral Resource	has the meaning given to that term in NI 43-101, the CIM Definition Standards and/or the JORC Code, as the context requires.
New Great Panther Share	a fully paid ordinary share in Great Panther to be issued to Scheme Shareholders under the Scheme.
NI 43-101	*National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.
NI 43-101 Companion Policy	*Companion Policy 43-101CP to National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting attached as Annexure D.
NYSE (American)	the New York Stock Exchange (American).
Ore Reserve	has the meaning given to that term in the JORC Code.
oz	ounces.
Pb	lead.
Performance Rights Plan	the Long Term Incentive Plan adopted by Beadell in April 2016.
Proxy Form	the proxy form for the Scheme Meeting to be held on 12 February 2019 which accompanies this Scheme Booklet.
Registered Address	in relation to a Beadell Shareholder, the address shown in the Beadell Share Register as at the Scheme Record Date.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.

Term	Meaning
Related Person	1 in respect of a party or its Related Bodies Corporate, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate; and 2 in respect of a Financial Advisor, each director, officer, employee or contractor of that Financial Advisor.
Relevant Interests	has the meaning given in sections 608 and 609 of the Corporations Act.
Relevant Material Contracts	has the meaning given to that term in Scheme Implementation Deed.
Replacement Warrant	a warrant issued by Great Panther conferring the right on the holder to be issued one new Great Panther Share on the following terms: 1 the exercise price for the Replacement Warrants will equal the exercise price of the Beadell Warrants divided by 0.0619; 2 the expiry date of the Replacement Warrants will be the same as the expiry date for the Beadell Warrants; and 3 the Replacement Warrants will otherwise be on substantially the same terms and conditions as the Beadell Warrants, with such modifications as are necessary to comply with Great Panther's status as a British Columbia company and to comply with applicable Canadian securities laws and stock exchange requirements.
Requisite Majorities	in relation to the Scheme Resolution, a resolution passed by: 1 a majority in number (more than 50%) of Beadell Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative); and 2 at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Beadell Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative). The Court has the discretion to waive the first of these two requirements if the Court considers it appropriate to do so.
Sale Agent	Eight Capital, being the nominee appointed by Beadell and Great Panther to sell the New Great Panther Shares which Ineligible Foreign Shareholders would otherwise have been entitled to receive under the Scheme, as described in section 10.5, and the New Great Panther Shares which would have been issued to Small Shareholders who elect to participate in the Sale Facility, as

Term	Meaning
	described in section 10.6.
Sale Facility	the facility for the sale of New Great Panther Shares by the Sale Agent on behalf of Ineligible Foreign Shareholders and Small Shareholders described in sections 10.5 and 10.6.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Beadell and the Scheme Shareholders, as amended on 18 December 2018, the form of which is attached as Annexure B, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Great Panther and Beadell.
Scheme Consideration	the consideration to be provided by Great Panther to each Scheme Shareholder for the transfer to Great Panther of each Scheme Share, being 0.0619 New Great Panther Shares for each Beadell Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Implementation Deed	the scheme implementation deed dated 24 September 2018 (as amended from time to time) between Great Panther and Beadell relating to the implementation of the Scheme. A copy of the Scheme Implementation Deed was released on the ASX by Beadell on 24 September 2018.
Scheme Meeting	the meeting of Beadell Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm (Sydney time) on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Resolution	the resolution set out in the Notice of Scheme Meeting in Annexure D to agree to the terms of the Scheme.
Scheme Share	all Beadell Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Beadell Shares recorded in the Beadell Share Register as at the Scheme Record Date (other than an Excluded

Term	Meaning
	Shareholder).
Second Court Date	the day of the Second Court Hearing.
Second Court Hearing	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
SEDAR	System for Electronic Document Analysis and Retrieval.
silver eq oz	means silver equivalent ounces.
Small Shareholder	a Scheme Shareholder who holds 10,000 Scheme Shares or less at the Scheme Record Date.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	a bona fide written Competing Proposal: 1 of the kind referred to in any of paragraphs a.ii, a.iii and a.iv of the definition of Competing Proposal: 2 not resulting from a breach by Beadell of any of its obligations under clause 11 of the Scheme Implementation Deed (it being understood that any actions by the Related Persons of Beadell not permitted by clause 11 will be deemed to be a breach by Beadell for the purposes of that clause); 3 not subject to due diligence, financing or other conditions which are more onerous or uncertain as regards their satisfaction than the Conditions Precedent; and 4 that the Beadell Board, acting in good faith, and after taking advice from its external legal advisers, determines (i) is reasonably capable of being valued and completed within a reasonable timeframe (not exceeding six months) and in accordance with its terms; and (ii) would, if so implemented, result in a more favourable outcome for Beadell Shareholders (as a whole) than would result from the Scheme (as amended or varied following application of the matching right set out in section 11.5), in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the

Term	Meaning
	probability of the Competing Proposal being completed) and of the Scheme.
t/m3	tonnes per cubic metre.
Tax Act	the *Income Tax Assessment Act 1997* (Cth).
Third Party	a person other than Beadell, Great Panther and each of their Associates.
Transaction	the acquisition of the Scheme Shares by Great Panther through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.
TSX	Toronto Stock Exchange
US$	United States dollars.
Warrant Consideration	the consideration to be provided by Great Panther to each holder of Beadell Warrants for the cancellation of each Beadell Warrant, being 0.0619 of a Replacement Warrant for each Beadell Warrant.
Zn	zinc.

18.2 Interpretation

In this Scheme Booklet, unless the context otherwise appears:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing a gender include any gender;

(c) words importing the singular include the plural and vice versa;

(d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;

(f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(h) a reference to time is a reference to time in Sydney, Australia;

(i) a reference to writing includes facsimile transmissions; and

(j) a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Annexure A

Independent Expert's Report

Annexure A

Independent Expert's Report

Beadell Resources Limited

Independent Expert's Report and Financial Services Guide

21 December 2018

Financial Services Guide

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) has been engaged by Beadell Resources Limited to prepare an independent expert's report (our Report) in connection with the Proposed Scheme with Great Panther Silver Limited by way of scheme of arrangement. Beadell Resources Limited will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately $285,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the Proposed Scheme

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

We were previously appointed as the independent expert and issued a draft report without values or an opinion in relation to the terminated merger with Golden Harp Resources Inc.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Financial Ombudsman Service (FOS).

FOS provides fair and independent financial services dispute resolution free to consumers.

www.fos.org.au
1800 367 287 (free call)
Financial Ombudsman Service
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte.

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The Directors
Beadell Resources Limited
Level 2, 16 Ord Street
West Perth
WA 6005
Australia

21 December 2018

Dear Directors

Re: Independent Expert's Report

Introduction

On 24 September 2018, Great Panther Silver Limited (Great Panther) announced the proposed acquisition of Beadell Resources Limited (**Beadell or the Company**) via a scheme of arrangement (**the Proposed Scheme).** Great Panther will acquire 100% of Beadell, for consideration comprising the issue of 0.0619 common shares of Great Panther for each ordinary share of Beadell, resulting in former Beadell shareholders holding 38% of the combined entity. If the Proposed Scheme is approved, implementation is expected to occur in the March 2019 quarter.

Subsequent to the acquisition of Beadell, the combined entity will continue trading as Great Panther on both the New York (American) Stock Exchange and the Toronto Stock Exchange (TSX)(Merged Entity), and Beadell will be delisted from the Australian Securities Exchange (**ASX**).

Beadell has prepared a scheme booklet containing the detailed terms of the Proposed Scheme (**the Scheme Booklet**). An overview of the Proposed Scheme is provided in Section 1 of our report.

To assist Beadell shareholders in their consideration of the Proposed Scheme, the directors of Beadell have engaged Deloitte Corporate Finance to prepare an independent expert's report (**IER**).

The Proposed Scheme follows the terminated merger with Golden Harp Resources and the terminated letter of intent with Ring The Bell Capital Corp.

Basis of evaluation

Purpose of the report

Section 411 of the Corporation Act 2001 (**Section 411 of the Act**) regulates schemes of arrangement between companies and their shareholders. Part 3 of Schedule 8 of the Corporations Regulations 2001 (**Cth** or **Regulations**) (**Part 3**) prescribes the information to be provided to shareholders in relation to schemes of arrangement.

As Great Panther does not own any shares in Beadell and there are no common directors, an IER is not specifically required in relation to the Proposed Scheme. Notwithstanding this, the directors of Beadell (**the Directors**) have requested that Deloitte Corporate Finance provide an IER advising whether, in our opinion, the Proposed Scheme is in the best interests of Beadell shareholders.

This IER has been prepared in a manner consistent with Part 3, Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 111 and ASIC Regulatory Guide 112 to assist Beadell shareholders in their consideration of the Proposed Scheme.

Accordingly, we have prepared this IER to consider whether or not, in our opinion, the Proposed Scheme is in the best interests of Beadell shareholders and set out the reasons for that opinion. This report is to be included in the Scheme Booklet to be sent to Beadell shareholders and has been prepared for the exclusive purpose of assisting Beadell shareholders in their consideration of the Proposed Scheme.

Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Beadell shareholders and Beadell, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

Neither Section 411 of the Act nor the Regulations define the term "in the best interests of". ASIC has however issued Regulatory Guide 111: Content of expert reports (**RG 111**) which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

RG 111 notes that if a scheme results in a change of control, the analysis within the IER must be substantially the same as for a takeover offer. In valuing the "target" company subject to a takeover offer, RG 111 requires the assessment to be inclusive of a control premium. Where the consideration being offered by the "bidder" consists of shares, those shares need to be valued on a minority interest basis (i.e. without a control premium). Analysis on this basis recognises that the target's shareholders are exchanging a controlling interest in the target for a minority interest in the bidder.

Under the terms of the Proposed Scheme, on implementation, it is estimated that former Beadell shareholders will have a 38% interest in the Merged Entity while Great Panther shareholders will have a 62% interest (refer to Section 1.2). Accordingly, former Beadell shareholders are not collectively expected to be in a position to control the Merged Entity.

The reconstituted Board of Great Panther will be made up of continuing Great Panther Directors as well as Dr. Nicole Adshead-Bell, who will join the board of the Merged Entity.

The Proposed Scheme represents a "change of control" transaction as contemplated under RG 111. On this basis, we have assessed the Proposed Scheme by comparing the value of the shares currently held by Beadell shareholders (on a control basis) with the value of the consideration they will receive, being shares in the Merged Entity (on a minority basis).

Consistent with RG 111, if the value of the consideration being offered by the Merged Entity is equal to or greater than the value of Beadell shares, the subject of the Proposed Scheme, then the Proposed Scheme would be considered 'fair'. If 'fair', the Proposed Scheme would also be considered 'reasonable'. It might also be 'reasonable' if, despite being 'not fair', there are sufficient reasons for Beadell shareholders to accept the Proposed Scheme in the absence of a higher alternative proposal.

If, based on the above analysis as set out in RG 111, we assessed the Proposed Scheme to be 'fair and reasonable', we would consider the Proposed Scheme to be 'in the best interests' of Beadell shareholders. If we assessed the Proposed Scheme to be 'not fair but reasonable' we may still consider the Proposed Scheme to be 'in the best interests' of Beadell shareholders if there are sufficient other reasons for Beadell shareholders to vote in favour of the scheme, in the absence of a higher offer. If we assessed the Proposed Scheme to be 'not fair and not reasonable', we would consider the Proposed Scheme to not be 'in the best interests' of Beadell shareholders.

Role of the technical expert

CSA Global Pty Ltd (**CSA Global**), an independent mining expert, was engaged by Beadell to undertake the following:

- review and critique the specific mining assumptions contained within Beadell's life of mine financial model for the Tucano Gold Mine open-pit operations (**Tucano Gold Mine**)
- provide a valuation of Beadell's reserves and resources that form part of the Urucum underground operations
- provide a valuation of Beadell's resources outside of the current mine plan as well as its exploration assets in Brazil
- review and critique the specific mining assumptions contained within Great Panther's life of mine financial models for its two wholly owned operating mines in Mexico including the Guanajuato Mine Complex (**GMC**) and the Topia Mine
- provide a valuation of any exploration or development assets held by Great Panther, including the Coricancha Mine in Peru.

CSA Global prepared its technical report having regard to the code for Technical Assessment and Valuation of Minerals and Petroleum Assets and Securities for Independent Expert Reports (**VALMIN code).** The scope of CSA Global's work was controlled by Deloitte. A copy of CSA Global's report is provided in Appendix 12.

Summary and conclusion

In our opinion the Proposed Scheme is not fair but reasonable and therefore in the best interests of Beadell shareholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Scheme is not fair

We have assessed whether the Proposed Scheme is fair by comparing the fair market value of a Beadell share before the Proposed Scheme (on a control basis) with the value of the consideration offered under the Proposed Scheme (on a minority interest basis).

Table 1

	Reference	Unit	Low	High	Mid
Value of a share in Beadell (control basis)	Table 35	**A$**	**0.053**	**0.090**	**0.071**
Value of the consideration (minority interest basis)	Table 48	**A$**	**0.043**	**0.064**	**0.054**

Source: Deloitte Corporate Finance Analysis

Figure 1

Source: Deloitte Corporate Finance analysis
Note:
1. Great Panther 30 day volume weighted average share price (VWAP) as at 14 December 2018 of US$0.58 converted to A$0.80 at the prevailing daily exchange rate. The consideration implied by the 30 day VWAP of a Great Panther share is A$0.050 after applying the Exchange Ratio of 0.0619.

The consideration offered under the Proposed Scheme partially overlaps the range of our estimate of the fair market value of a share in Beadell. Although there is an overlap between the consideration and the value of a Beadell share, a significant portion of the value of a Beadell share falls above our valuation of the consideration. If the value of Beadell is towards the upper end of the range, we would expect the value of Great Panther to also be at the top end of the range and vice versa. We also note that the consideration of A$0.050 implied by the 30 day VWAP of a Great Panther share up to 14 December 2018 (reflecting the market's expectation of the value of the Merged Entity), falls slightly below the low end of our estimate of the value of a Beadell share. The consideration of A$0.057 implied by the VWAP of Great Panther for the entire period post the announcement of the Proposed Scheme (A$0.93) falls within the lower half of our estimate of the value of a Beadell share.

Accordingly, it is our opinion that the Proposed Scheme is not fair.

We note that our valuation of a Beadell share and the consideration is very sensitive to the commodity price forecasts, foreign exchange rate and operating expense assumptions adopted; hence the value ranges can change significantly with relatively small changes in these assumptions. Our opinion on the fairness of the Proposed Scheme to Beadell shareholders is based on gold and silver price assumptions at the mid-point of spot and median broker forecast prices. Our opinion remains the same if we adopt only spot or only broker forecast prices.

The above valuation work was completed as at 31 October 2018. Since that date, we have continued to monitor the relevant input assumptions affecting our valuations, including economic assumptions and the Great Panther share price.

Between 31 October 2018 and 30 November 2018, gold and silver spot prices increased slightly, the Australian dollar spot rate strengthened, the outlook for the Brazilian Real remained stable and the outlook for the Mexican Peso has the currency devaluing slightly. Economic assumptions affect both the valuation of Beadell on a stand-alone basis and the consideration offered, and the valuations are very sensitive to these assumptions, as set out in the sensitivity analysis accompanying our valuations. The Great Panther share price has remained stable.

The valuations of Beadell on a stand-alone basis and the consideration offered have both increased by about 10% between 31 October and 30 November, but our overall conclusion remains unchanged. We will continue to monitor the impact of changing input assumptions on our valuations and will issue a supplementary report if required before the scheme meeting.

The Proposed Scheme is reasonable

In accordance with RG 111 an offer is reasonable if it is fair. An offer might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for the shareholders to accept the offer in the absence of any higher offer.

We have formed our opinion on the reasonableness of the Proposed Scheme based on an analysis of the reasons for Beadell Shareholders to accept the offer in the absence of any higher offer.

Comparison of values assuming a hypothetical capital raising to address Beadell's short-term financial challenges

Beadell faces significant short-term financial challenges during early 2019. The 2019 Tucano mine plan has back-ended production and Beadell is required to make significant debt repayments in the first four months of 2019.

Prior to reaching an agreement with Great Panther, Beadell had investigated a significant number of external financing alternatives to remedy the financing constraints the Company faces. A competitive, robust and thorough merger, acquisition and investment process was undertaken since Q3 2016.

This included consideration of the following:

- corporate combinations with Canadian and London Metals Exchange (**LME**) listed gold developers and producers including execution of confidentiality agreements (CAs), due diligence and site visits with more than seven companies
- strategic investments from global publicly listed and private mining companies including completion of extensive desk top due diligence and site visits with four interested investors
- alternative debt financiers including executed CAs and desk top due diligence
- debt funding from Tier 1 Canadian banks
- definitive agreement with Golden Harp Resources Inc (mutually terminated 26 June 2018)
- letter of intent with Ring The Bell Capital Corp (terminated 25 September 2018).

The Proposed Scheme with Great Panther was selected as the best available alternative, as it will provide an immediate solution to Beadell's capital expenditure and debt repayment commitments in the near term. If the Proposed Scheme does not go ahead, Beadell's cash flow position, on a stand-alone basis, is highly constrained and would likely require a significant capital raising in the near term. Without a significant capital raising it would also leave Beadell highly exposed to any adverse operational issues or downward movement in the gold price.

The life of mine (LOM) model provided by Beadell management for the Tucano Gold Mine (Tucano Model) includes the following significant short-term outflows:

- repayment of A$13.5 million of net debt during the first 6 months of 2019 (A$23.5 million during 2019)
- settlement of c. A$12 million of overdue creditors during the remainder of 2018.

The Tucano Model includes the following sources of funding during the remainder of 2018 and 2019:

- receipt of c. A$13.9 million of PIS COFINS value added tax (VAT) refund in December 2018 and a further A$13.9 million in December 2019. While the PIS COFINS VAT refund is due now, the timing and probability of the receipt of these amounts is not certain and we have adjusted the timing for the purposes of our valuation as noted in Section 6.3
- new equity of A$3.6 million in the first 6 months of 2019 (A$7.2 million during 2019)

Based on Deloitte analysis, due to the back-ended FY19 gold production and significant debt repayments during the first four months of FY19, if the PIS COFINS VAT refund of A$13.9 million is not received or is significantly delayed, Beadell's short term cash flow requirements that cannot be funded through operations could reach between A$25 million and A$35 million. Given Beadell's financial challenges and the significant operating risks posed by its high operating leverage, for the purpose of our analysis we have reflected funding requirements in the order of A$30 million to A$35 million during FY19.

Beadell has indicated that it has the following alternatives to finance any funding shortfalls:

- entering into a gold prepayment arrangement for approximately A$10 million. The terms of such a prepayment arrangement would likely include marketing rights to 100% of Beadell's gold production for a period of 6 to 12 months. Based on our understanding of Beadell's previous arrangements with a precious metals merchant, this could result in Beadell receiving a 10% discount to the spot price of gold at any point in time.
- deferral of Santander debt repayments or transfer of a portion of this facility to a different lender
- refinancing of all of Beadell's debt. Although the Company has had some interest from non-traditional debt providers, this would likely have a highly dilutive effect on Beadell's current shareholders in the form of equity interests attached to the debt as well as royalty obligations or marketing rights. Traditional bank finance requires three quarters of strong mine performance which will not meet the timing requirements of Beadell's funding requirements
- equity financing. Beadell shareholders are likely to face significant dilution to their Beadell share holding due to the magnitude of a potential equity raise and the likely required pricing discount. We note that during Beadell's previous capital raising during May 2018, Beadell shares were issued at a 16% discount and had 0.75 warrants per share attached at a strike price of US$0.0815.

We note that as part of the MACA Limited (**MACA**) loan agreement, 30% of the net funds raised by Beadell in connection with any new equity or new debt financing must be repaid against the MACA loan.

Given the limited visibility that Management currently has on the other financing options, we have analysed the illustrative impact on Beadell shareholders if Beadell proceeds with an equity raising to raise A$45.0 million (of which A$13.5 million will be applied to the MACA loan), as set out in Table 2 below. We have assumed the hypothetical equity raising is achieved on similar terms to the May 2018 equity raising; however, we note that this is likely an optimistic assumption given the sheer size of the raising (shares on issue increase by 78%) and the increasing scepticism of Beadell shareholders based on Beadell's history of missing production targets. The outcome of an actual equity raising of this magnitude is therefore likely to be worse than illustrated below. We also note that a gold prepayment produces a significantly worse outcome then the equity raising illustrated below.

Table 2

	Unit	Low	High
Beadell equity value (per Table 35)	**A$m**	**88.8**	**150.7**
Cash raised through equity issue[1]	A$m	45.0	45.0
Value of warrants[2]	A$m	(13.8)	(13.8)
Adjusted Beadell equity value	**A$m**	**120.0**	**181.9**
Gross ordinary shares outstanding	Million	1,678.0	1,678.0
Additional shares[3]	Million	1,316.7	1,316.7
Total shares outstanding	**Million**	**2,994.7**	**2,994.7**
Adjusted Value of a share in Beadell (control basis)	**A$/share**	**0.040**	**0.061**

Source: Deloitte Corporate Finance analysis

Note:

1. A$13.5 million will be applied to the MACA loan, raising net funds of A$31.5 million
2. The value of the warrants has been determined on the same terms as the current Beadell warrants, updated for the 30 day VWAP preceding 24 September 2018, being the announcement date of the Proposed Scheme (Announcement Date). We have also adjusted for the dilutive effect of issuing the warrants on the share price, which we estimate to be 20%, and have adjusted the capital raise price accordingly.
3. Calculated as A$45.0 million equity raised divided by the Beadell 30 day VWAP, discounted by 16% in line with the May 2018 capital raising) and a further 20% to adjust for the dilutive effect of issuing the warrants.

The table below compares the adjusted value of a share in Beadell on a control basis with the value of the consideration offered under the Proposed Scheme (on a minority interest basis).

Table 3

	Unit	Low	High
Adjusted value of a share in Beadell (control basis) (per Table 2)	**A$/share**	**0.040**	**0.061**
Value of the consideration (minority interest basis) (per Table 48)	**A$/share**	**0.043**	**0.064**

Source: Deloitte Corporate Finance analysis

Accordingly, on the basis of an assessment of the value of Beadell on a stand–alone basis, incorporating a capital raising to alleviate its funding constraints, the consideration received for a Beadell share is higher than the value of a Beadell share before the Proposed Scheme.

These calculations are based on gold and silver price assumptions at the mid-point of spot prices and median broker forecast prices as at 31 October 2018. The outcome remains the same if we adopt only spot prices or only median broker forecast prices.

Between 31 October 2018 and 30 November 2018, gold and silver spot prices increased slightly, the Australian dollar spot rate strengthened, the outlook for the Brazilian Real remained stable and the outlook for the Mexican Peso has the currency devaluing slightly. As a result, the valuations of Beadell on an adjusted stand-alone basis and the consideration offered have both increased by about 10% between 31 October and 30 November, but our overall conclusion remains unchanged. We will continue to monitor the impact of changing input assumptions on our valuations and will issue a supplementary report if required before the scheme meeting.

Comparison of values should Beadell shareholders view the Proposed Scheme as more akin to a merger than a control transaction

ASIC's guidance requires the Proposed Scheme to be analysed as a control transaction. As a result, our assessment of fairness must compare the fair market value of a Beadell share before the Proposed Scheme on a control basis with the fair market value of a Merged Entity share after the Proposed Scheme on a minority interest basis.

However, former Beadell shareholders will effectively hold approximately 38% of the Merged Entity and participate in the future benefits Great Panther brings to the Tucano Gold Mine through the cash to improve operational difficulties and alleviate short-term financial constraints. Beadell shareholders may therefore view this transaction as more akin to a merger than a control transaction. In this case, Beadell shareholders may compare the fair market value of a Beadell share before the Proposed Scheme on a minority interest basis with the fair market value of a Merged Entity share after the Proposed Scheme, also on a minority interest basis. This analysis is set out below.

Table 4

	Unit	Low	High
Value of a share in Beadell (control basis) (per Table 35)	A$/share	0.053	0.090
Minority interest discount (per 7.1.12)	%	15.0	15.0
Value of a share in Beadell before the Proposed Scheme (minority interest basis)	**A$/share**	**0.045**	**0.077**
Value of the consideration (minority interest basis) (per Table 48)	**A$/share**	**0.043**	**0.064**

Source: Deloitte Corporate Finance analysis

On the basis of an assessment of the Proposed Scheme being more akin to a merger than a control transaction, the consideration at the low end is largely aligned with the value of a Beadell share, while at the high end the consideration is below the value of a Beadell share.

These calculations are based on gold and silver price assumptions at the mid-point of spot prices and median broker forecast prices. The outcome remains the same if we adopt only spot prices or only median broker forecast prices.

Diluted shareholding in Beadell's Assets

On implementation of the Proposed Scheme, Beadell shareholders will change from holding 100% of Beadell to holding 38% of the Merged Entity. However, while they will have reduced exposure to Beadell's mining assets, Beadell shareholders will hold an interest in a wider portfolio of assets including Great Panther's GMC and Topia operating mines along with the expanded portfolio of development and exploration projects including the Coricancha mine in Peru.

Beadell shareholders are also expected to benefit from the Merged Entity being listed on the TSX and NYSE (American) exchanges with improved exposure to North American capital markets and, in particular, to resource-focused investors that have an understanding of and interest in, Brazilian and Mexican mining assets. The enhanced exposure to North American capital markets is expected to assist with growing the business to become an Americas focused intermediate gold and silver producer.

Beadell share price if the Proposed Scheme does not proceed

If the Proposed Scheme does not proceed the significant short-term financial challenges faced by Beadell and the vulnerability of its balance sheet leave Beadell highly exposed to further operational issues or downward movements in the gold price. In the event that the Proposed Scheme is not implemented, the Beadell share price is likely to decline if Beadell is required to raise capital on a stand-alone basis.

Conclusion on reasonableness

We have considered the short-term financial challenges faced by Beadell due to its high gearing and the imminent repayment profile of its debt. The resulting vulnerability of its balance sheet as well as the high risks posed by its high operating leverage leave Beadell vulnerable on a stand-alone basis to any exogenous shocks. For example, if the gold price declines by 12%, all else being equal, Beadell becomes loss making on a cash basis.

Our calculations show that Beadell shareholders could be significantly worse off if Beadell is forced to raise capital on a stand-alone basis. We consider that these issues are so significant and pose such a high risk for shareholders that they outweigh the fairness assessment presented in this report, and we therefore conclude that the Proposed Scheme is the best option for Beadell shareholders, in the absence of a higher offer.

Accordingly, we consider that the Proposed Scheme is reasonable and in the best interests of Beadell shareholders.

Opinion

In our opinion, the Proposed Scheme is not fair but reasonable. While the consideration is not equal to or greater than the value of the Beadell shares, there are sufficient reasons for Beadell shareholders to vote in favour of the Proposed Scheme in the absence of a higher offer and the Proposed Scheme is therefore in the best interests of Beadell shareholders.

An individual Beadell Shareholder's decision in relation to the Proposed Scheme may be influenced by his or her particular circumstances. If in doubt, the Beadell shareholders should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Nicki Ivory

Authorised Representative
AR Number: 461005

Stephen Reid

Authorised Representative
AR Number: 461011

Glossary

Reference	Definition
AISC	All in sustaining costs
Announcement Date	24 September 2018
ASA	Auditing Standard
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AUASB	Auditing and Assurance Standards Board
A$	Australian dollars
A$m	Million Australian dollars
A$/oz	A$ per ounce
Beadell Options	Beadell's unlisted options on issue
Beadell or the Company	Beadell Resources Limited
bps	Basis points
BR$	Brazilian Real
β	Beta
CAGR	Compound annual growth rate
Cannington	South32's Cannington mine
CAPM	Capital Asset Pricing model
CAs	Confidentiality agreements
cash-on-hand	cash, cash equivalents and short term deposits
Cata	Cata processing plant
CIL	Carbon in leach
CME	Chicago Mercantile Exchange
COMEX	Commodities Exchange
Consideration	The value of Great Panther shares issued to Beadell shareholders as consideration for the proposed acquisition
Coricancha Mine or Coricancha	The Coricancha Mine
CSA Global	CSA Global Pty Ltd
Cth or Regulations	Corporations Regulations 2001
C$	Canadian dollars
DCF	Discounted cash flow
Deloitte	Deloitte Touche Tohmatsu
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
DFS	Definitive Feasibility Study

the Directors	Directors of Beadell
the Scheme Booklet	Scheme booklet containing the detailed terms of the Proposed Scheme
DTA	Deferred tax asset
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	European Central Bank
EE&D	Exploration, evaluation and development
El Horcón	El Horcón exploration project
EMRP	Equity Market Risk Premium
ETFs	Exchange Traded Funds
ETP	Exchange traded products
the Exchange Ratio	Beadell shareholders will receive 0.0619 common shares of Great Panther for each ordinary share of Beadell
Exploration Assets	El Horcón, Santa Rosa and Plomo exploration projects in Mexico and the Argosy exploration project in Canada
FS	Feasibility Study
FY	Financial year
FY15	Year ended 31 December 2015
FY18 YTD	30 September 2018 year to date
GMC	Guanajuato Mine Complex
Great Panther	Great Panther Silver Limited
Great Panther Model	Great Panther's GMC and Topia mines financial model
Harrier	Harrier Project Management Pty Ltd
IBIS	IBIS World Pty Limited
IER	Independent expert's report
Kd	Cost of debt
Ke	Cost of equity capital
km	Kilometres
LBMA	London Bullion Market Association
LME	London Metals Exchange
m	Metres
MACA	MACA Limited
Merged Entity	Great Panther after the acquisition of Beadell
mlb	million pounds
moz	million ounces
MPBA	Mineracao Pedra Branca do Amapari
MSCI Index	Morgan Stanley Capital International World Index
MX$	Mexican Pesos
New Gold	New Gold Inc
NPAT	Net profit after tax
NSR	Net smelter royalty

NTA	Net tangible assets
Nyrstar	Nyrstar N.V
NYMEX	New York Mercantile Exchange
NYSE (American)	New York (American) Stock Exchange
Operating Assets	The Guanajuato Mine Complex and Topia Mine
Part 3	Part 3 of Schedule 8 of the Corporations Regulations 2001
PEA	Preliminary economic assessment
PFT	Pre-feasibility study
the Proposed Scheme	Great Panther Silver Limited's proposed acquisition of Beadell Resources Limited via a scheme of arrangement
RBA	Reserve Bank of Australia
Rf	Risk free rate of return
RG 111	Regulatory Guide 111: Content of expert reports
Rm	Expected return on the market portfolio
Royalty	Amapa Iron Ore Royalty
Santander Facility	Santander-Itau' facility
Section 411 of the Act	Section 411 of the Corporation Act 2001
SGE	Shanghai Gold Exchange
SHFE	Shanghai Futures Exchange
Sqkm	Square kilometer
SUDAM	Superintendence for the Development of the Amazon
t	tonnes
Tartaruga	Tartaruga Gold Project
Topia	Topia Mine
Tpa	Tonnes per annum
Tpd	Tonnes per day
TSX	Toronto Stock Exchange
Tucano Gold Mine or Tucano	Tucano Gold Project
Tucano Model	Beadell LOM financial model for the Tucano open-pit gold mine
Unclassified material	Unclassified material included in Great Panther's LOM plans
US$	United States dollars
US$/oz	US$ per ounce
U&M	U&M Mineração e Construção S/A
VALMIN code	Valuation of Minerals and Petroleum Assets and Securities for Independent Expert Reports
VAT	Value-added tax
VWAP	Volume weighted average share price
WACC	Weighted average cost of capital

Contents

1 Terms of the Proposed Scheme

1.1 Overview of the Proposed Scheme

On 24 September 2018, Great Panther announced the proposed acquisition of Beadell via the Proposed Scheme. Beadell shareholders will receive 0.0619 common shares of Great Panther for each ordinary share of Beadell (**the Exchange Ratio**), resulting in the issue of approximately 103.9 million Great Panther shares, excluding any shares that may be issued in connection with Beadell's outstanding options and performance rights. On the date of announcement, the Exchange Ratio implied a consideration of A$0.086 per Beadell share, which implied an equity value of Beadell of approximately A$144 million based on the closing price of a Great Panther share on the NYSE (American) on 21 September 2018 (**the Consideration**). On completion of the Proposed Scheme, existing Beadell shareholders and Great Panther shareholders are expected to own approximately 38% and 62%, respectively, of the issued capital of the Merged Entity.

Key conditions of the Proposed Scheme:

- Beadell shareholder approval
- Great Panther shareholder approval of the Proposed Scheme and the issue of the Proposed Scheme consideration
- Australian court approval of the Proposed Scheme, FIRB (which at the date of this Report has been received), ASIC and TSX approval obtained
- All necessary third party consents obtained in respect of Beadell's financing facilities and the loan agreement with MACA (at the date of this Report, the debt agreement with MACA has been reached)
- Beadell has entered into binding agreements with 100% of the holders of Beadell warrants on issue
- The directors of Beadell have made determinations on the convertible securities of Beadell.

The board of directors of the Merged Entity will comprise of the current directors of Great Panther, being R.W (Bob) Garnett, James Bannantine, Jeffrey R. Mason, Robert Archer, John Jennings, W.J (James) Mullin and Elise Rees and the current Managing Director and CEO of Beadell, Dr. Nicole Adshead-Bell.

The head office of Great Panther will remain in Vancouver, Canada.

Further details of the Merged Entity are set out in Section 4.

1.2 Impact of the Proposed Scheme on Beadell shareholders

Included in Table 5 is a summary of the Merged Entity shares that Beadell shareholders will receive under the terms of the Proposed Scheme.

Table 5

	(Millions)
Beadell	
Number of shares on issue	1,673.58
Number of options[1,2]	27.80
Performance rights	4.40
Exchange Ratio	0.0619
Number of Merged Entity shares to be issued:	
- to Beadell shareholders	103.60
- to holders of performance rights	0.27
Total shares to be issued	**103.87**
Beadell warrants	**157.51**
Exchange Ratio	0.0619
Number of Merged Entity warrants to be issued	**9.75**

Source: Beadell ASX Announcement, Appendix 3B

Note:

1. Number reflects 3,500,000 employee options forfeited as a result of failing to meet vesting conditions. The Proposed Scheme currently provides that all Beadell's outstanding options will vest and be exerciseable on their existing terms, and all performance rights will vest and consideration shares will be issued.
2. For the purpose of our analysis, we have assumed that all Beadell's outstanding options on issue will not be exercised prior to the implementation date of the Proposed Scheme.
3. There will be a concurrent arrangement in relation to Beadell's issued warrants, whereby Beadell warrant holders will receive warrants in the Merged Entity in line with the Exchange Ratio.

As an indication of the share structure of the Merged Entity after the Proposed Scheme, the table below summarises the number of shares Great Panther will have on issue before the Proposed Scheme and the number of shares the Merged Entity will have on issue after the Proposed Scheme.

Table 6

	(Millions)	Interest (%)
Great Panther: Before - securities currently on issue		
Number of shares on issue	169.17	
Number of options	9.71	
Great Panther (Merged Entity): After - shares on issue after the Proposed Scheme		
Number of shares on undiluted basis	169.17	62.0%
Number of shares to be issued to Beadell shareholders under the Proposed Scheme	103.87	38.0%
	273.03	**100.0%**

Source: Scheme Booklet and Deloitte Corporate Finance analysis

As set out in the Scheme Booklet, shareholders that hold 10,000 Beadell shares or less may elect to have their shares allotted to a sale agent who will sell the shares on their behalf. This provides shareholders with an opportunity to monetise their small parcel of Great Panther shares to receive proceeds in Australian dollars (after deducting any applicable brokerage and other selling costs), which may otherwise be uneconomical to sell. Beadell management have indicated that international brokerage trading accounts are available from Australian banks and other financial institutions with brokerage costs consistent with those that apply for the sale of shares on the ASX.

1.3 Rationale for the Proposed Scheme

Following a competitive and robust merger, acquisition and investment process, the Beadell directors have determined that the Proposed Scheme with Great Panther provides timely capital and operational mining expertise in South America. The Merged Entity will have an extensive resource base, a robust growth profile and a strong balance sheet with significant cash resources. The Proposed Scheme will create a new growth-oriented precious metals producer offering geographic diversity and a diverse asset portfolio including three producing mines, an advanced stage project, and significant exploration potential.

The financial strength of Great Panther is a key reason for undertaking the Proposed Scheme. At 30 September 2018, Great Panther reported almost US$58 million in cash and short-term deposits, US$65 million in net working capital and no debt. This will provide important funding to complete the transformation initiatives of the Tucano mine and manage Beadell's future debt servicing and capital expenditure program and may provide some downside protection in the event of an operational delay or downward movement in the gold price. Beadell's access to Great Panther's strong balance sheet as part of the Merged Entity is important to mitigate any further need for Beadell to raise capital that would be dilutive to current shareholders on a stand-alone basis.

The Merged Entity will have an increased production profile and market capitalisation, which should result in increased trading liquidity and access to capital. Furthermore, Great Panther will emerge as an intermediate gold producer, making it well positioned for a potential value re-rating for the benefit of shareholders of the Merged Entity.

The Proposed Scheme would diversify Beadell's operating risk while providing a strong balance sheet to support the plant expansion and underground development of the Tucano Gold Mine. Beadell shareholders will gain exposure to operating silver mines in Mexico as well as the potential restart of the Coricancha Mine that was placed on care and maintenance in August 2013.

2 Profile of Beadell

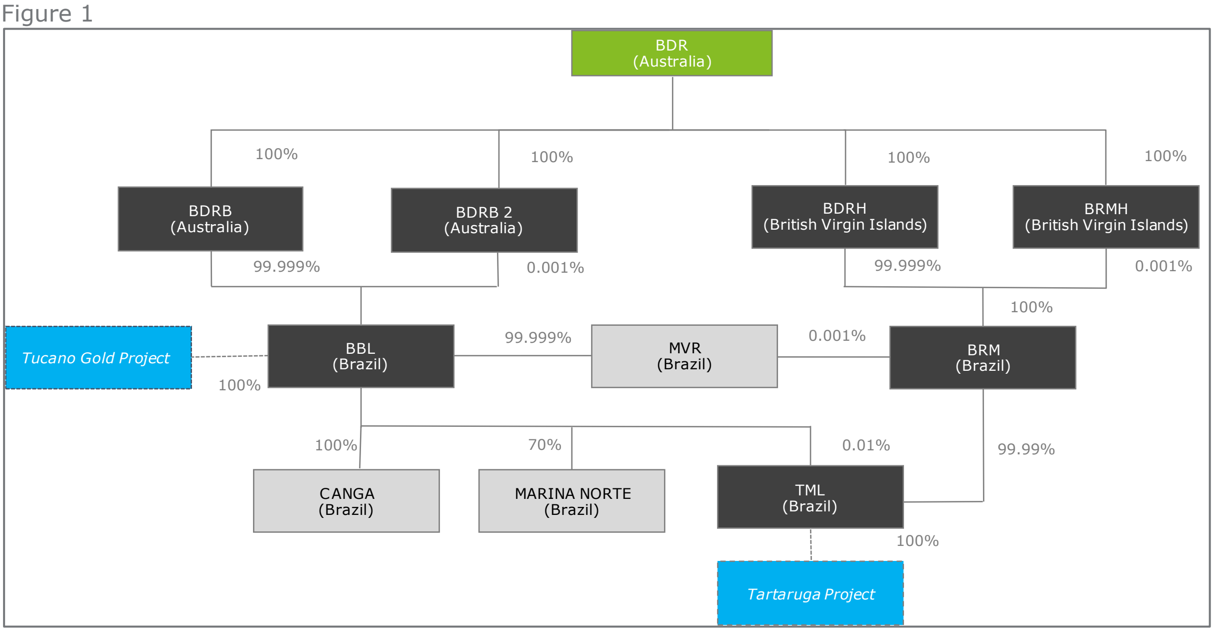
2.1 Overview of Beadell

Beadell was incorporated on 3 May 2007 and was listed on the ASX on 26 September 2007. The company's primary asset is the Tucano Gold Project located in the Amapa State, Northern Brazil.

2.2 Group Structure

The figure below sets out the Group's existing structure, as well as the relevant interests held in subsidiaries.

Figure 1



Source: Beadell
Notes:
BDR: Beadell Resources Ltd; **BBL**: Beadell Brasil Ltda; **BDRB**: Beadell (Brazil) Pty Ltd; **BDRB 2**: Beadell (Brazil 2) Pty Ltd; **BDRH**: Beadell Resources (Holdings) Ltd; **BRM**: Beadell Resources Mineração Ltda; **BRMH**: Beadell Resources Mineração (Holdings) Ltd; **CANGA**: Mineração Serra da Canga Ltda; **MARINA NORTE**: Marina Norte Empreendimentos de Mineração S.A; **MVR:** Mineração Vale dos Reis Ltda; **TML:** Tartarugalzinho Mineração Ltda

Beadell has a 100% economic interest in the operating Tucano Gold Mine, via its wholly owned Brazilian subsidiary, BBL, and a 100% economic interest in the exploration stage Tartaruga Project, via its wholly owned Brazilian subsidiary, TML.

2.3 Capital Structure

2.3.1 Equity

Shareholdings

At 30 September 2018 the Company had 1,673.58 million shares on issue, with the following top 10 shareholders:

Table 7

No	Shareholder	No ordinary shares held (millions)	Percentage of issued shares (%)
1	Mason Hill Advisers	220.65	13.2%
2	Franklin Resources, Inc. and its affiliates	159.52	9.5%
3	BlackRock Group	139.53	8.3%
4	Donald Smith & Co	120.36	7.2%
5	APAC Resources	57.72	3.4%
6	Ruffer	55.49	3.3%
7	Schroder Investment Mgt	53.09	3.2%
8	Craton Capital	34.04	2.0%
9	Private Clients of AustralianSuper	25.09	1.5%
10	EFG Private Bank	23.12	1.4%
	Total top 10 shareholders	**888.61**	**53.1%**
	Other shareholders	**784.97**	**46.9%**
	Total shares outstanding	**1,673.58**	**100.0%**

Source: Beadell, extract from Computershare 30 September 2018. Shareholders are presented on a beneficial ownership basis.

Share options

As at 30 September 2018, Beadell had 27.8 million unlisted options on issue (**Beadell Options**). Each option entitles the holder to one Beadell share, once it is exercised. The expiry dates and exercise prices are documented in Table 8 below. All Beadell Options not exercised prior to 5.00pm (WST) on the business day before the Scheme Record Date will lapse and terminate for no consideration.

Table 8

Expiry date	Exercise price	Number of Beadell Options (Units)
31 December 2018	$0.20	8,900,000
30 September 2019	$0.54	2,500,000
31 December 2019	$0.25	8,900,000
30 September 2020	$0.63	2,500,000
30 June 2019	$0.08	2,500,000
30 June 2019	$0.09	2,500,000
	Total	**27,800,000**

Source: Incentive options register

Prior to the Proposed Scheme, all Beadell Options will vest and are exercisable at the stated exercise price.

Other securities

In addition to ordinary shares, Beadell has the following other securities on issue as at 30 September 2018.

Table 9

Type of security	Potential shares (millions)
Performance rights	4.4

Source: Performance rights register

On 18 May 2017, 9.45 million performance rights were granted to key management personnel and employees. At 30 September 2018, 5.05 million of those performance rights were forfeited due to not meeting vesting conditions, leaving 4.4 million performance rights unvested as at 30 September 2018. The Performance Rights Plan allows each vested performance right to be converted into one fully paid ordinary share in the Company for nil cash consideration at the discretion of the board under a change of control scenario. Prior to the Proposed Scheme, holders of vested Beadell performance rights are to be issued Beadell ordinary shares, by no later than 5.00pm (WST) on the business day before the Scheme Record Date.

During May and June 2018, Beadell completed a capital raising through the placement of equity (shares and warrants) and convertible debentures to raise a total of A$31.5 million.

Table 10

	Shares (millions)	Amount (A$m)
Tranche 1		
Ordinary shares - Including 0.75 warrants per share	73.8	6.13
(# of warrants)	55.4	
Secured convertible debentures	n/a	4.87
Tranche 2		
Ordinary shares - Including 0.75 warrants per share	136.2	11.30
(# of warrants)	102.1	
Secured convertible debentures	n/a	8.35
Share purchase plan	11.9	0.83
Total	**221.9**	**31.48**

Source: Beadell 2018 Announcements dated 18 May 2018, 28 June 2018 and Appendix 3B dated 11 July 2018

The key terms of the embedded derivative in the secured convertible debentures are summarised in the table below.

Table 11

	Derivative embedded in secured convertible debentures
Maturity	30 June 2023
Strike price (US$ per share)	0.0815
Strike price (A$ per share)[1]	0.1119
Other terms	Not redeemable until 30 June 2021

Source: Beadell Appendix 3B, Debenture Indenture dated 17 May 2018
Note:
1. Converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.

The key terms of the warrants are summarised in Table 12.

Table 12

	Warrant
Maturity	17 May 2022 and 27 June 2022
Strike price (US$ per share)	0.0815
Strike price (A$ per share)[1]	0.1119

Source: Beadell Appendix 3B, Debenture Indenture dated 17 May 2018
Note:
1. Converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.

Thirty percent of the net funds of the capital raising was paid against the MACA loan, as per the terms of the agreement between Beadell and MACA (refer Section 2.3.2).

2.3.2 Debt

As at 31 October 2018, Beadell had the following debt:

Table 13

A$'000	Unaudited Actual 31-Oct-18
ACC loans / other	21,040
Santander	14,121
MACA	54,673
Convertible Debentures (issued)	14,121
Accrued interest	1,508
Balance at the end of the period	**105,463**
Current	49,378
Non current	56,085
Balance at the end of the period	**105,463**

Source: Beadell

Beadell has an A$54.7 million loan payable to MACA. On 22 June 2018, Beadell announced that it had reached a mutual agreement with MACA to terminate its open-pit mining contract for the Tucano Gold Mine. Under the terms of the agreement, all amounts owing to MACA by Beadell were consolidated into one loan with an initial payment of A$3 million paid in July 2018. A second payment of A$3 million is due on 31 March 2019 followed by monthly payments of A$1.5 million commencing 1 July 2019 until repaid or 30 June 2022, whichever comes first. The outstanding loan amount at 31 October 2018 was approximately A$54.7 million and has interest payable quarterly at a rate based on the Reserve Bank of Australia (**RBA**) cash rate plus 5% per annum. As part of the MACA loan agreement, announced 22 June 2018, 30% of the net funds raised by Beadell in connection with any new equity or debt financing must be repaid against the MACA loan. In August 2018, a further A$3.3 million repayment was made representing 30% of the capital raised in August 2018. As part of the Proposed Scheme, Great Panther has reached agreement on new terms with MACA which are detailed in Section 4.4.1.

The A$21.0 million in unsecured bank facilities consist mainly of advances on currency exchange contracts. The currency exchange contracts are interest bearing at a weighted average rate of 4.31% p.a and expire on 25 October 2019.

The Company has a secured Santander-Itau' facility (**Santander Facility**), with a balance of A$14.2 million as at 31 October 2018. The quarterly interest payments are 5.9% p.a of the outstanding balance and it is secured by a charge over the Tucano mining concession.

On 18 May 2018 and 28 June 2018, Beadell issued two tranches of senior secured convertible debentures totalling US$10 million (A$13.4 million) due 30 June 2023. The debentures can be redeemed by Beadell after 30 June 2021. Interest is payable semi-annually on 30 June and 31 December of each year at 6% per annum**,** commencing on 31 December 2018. An embedded derivative liability of A$3.8 million has been recognised at 31 October 2018 in relation to the debenture holders' option to convert the debenture into shares. The derivative is included as part of the convertible debenture balance of A$14.1 million at 31 October 2018.

2.3.3 Litigation

Following the acquisition of the Tucano Gold Mine in 2010, Beadell assumed a claim relating to environmental damages to William Creek. The alleged damage is related to the modification of the creek's riverbed, soiling and sedimentation.

In January 2018, the Amapá State Court ordered Beadell to pay a fine of Brazilian Real (**BR$**) 6 million (converted to A$2.1 million at a rate of BR$:A$2.92 as at 31 October 2018) plus interest and inflation to the State Environmental Fund. Beadell intends to appeal the decision. Beadell has not recognised a liability in relation to this decision based on legal advice received.

In November 2018 the Secretaria da Receita Federal do Brasil recognised that Beadell is entitled to receive a refund of A$13.9 million of PIS COFINS VAT in December 2018. Although the refund is due in late December 2018, the timing and probability of the receipt of these amounts is not certain.

2.4 Tucano Gold Mine

2.4.1 Overview

In April 2010, Beadell acquired New Gold Inc's (**New Gold**) Brazilian subsidiary Mineracao Pedra Branca do Amapari (**MPBA**) for total a consideration of US$53.0m (US$37.0m in cash and the issue of US$16m fully paid ordinary shares in Beadell). MPBA had 100% ownership of the Amapari Gold Mine, located in the Amapa State in northern Brazil and an Amapa Iron Ore Royalty (**Royalty**). The Royalty entitled Beadell to ongoing cash flows from the Amapa Iron Ore Project owned by Anglo American plc (70%) and Cliffs Natural Resources Inc (30%). Beadell subsequently sold the Royalty to Anglo Pacific Group plc for A$31.3m in September 2010 to fund the construction of the carbon in leach (**CIL**) gold plant at the Amapari Gold Mine.

The construction of the CIL Gold Plant was for the resumption of large scale gold mining at the Amapari Gold Mine after the mine was placed into care and maintenance by MPBA in January 2009 due to the extraction of gold via heap leaching no longer being economical. The Amapari Gold Mine was renamed the Tucano Gold Mine to reflect the transition from heap leach operations to a new CIL operation.

In June 2010, Beadell announced the commencement of the Definitive Feasibility Study (**DFS**) for the Tucano Gold Mine for the conversion of processing operations to CIL. The DFS was completed in May 2011, with findings indicating an annual steady state production of 150,000 oz (given a 7.6-year mine life) under the proposed conventional CIL plant. Construction of the CIL plant was completed in November 2012 with a designed nameplate capacity of 3.5mtpa. Ore commissioning into the 7MW SAG Mill commenced on 20 November 2012 and the first gold pour occurred on 16 December 2012.

On 31 March 2016, the Company announced the results of a pre-feasibility study (**PFS**) completed by AMC Consultants Pty Ltd in relation to the Urucum underground project. Management currently plans to delay the development of the Urucum underground project until resources from the Tucano open-pit operations are sufficiently depleted. The current development timeline is assumed to commence in 2021.

On 11 May 2017, the Company announced the results of a Feasibility Study (**FS**) completed on the Tucano plant upgrade. The FS demonstrated the viability of upgrading the processing plant to include an additional 6MW ball mill, a high rate thickener, a seventh leach tank and an oxygen sparging system. The plant upgrade will enable the processing of any mix of sulphide/oxide mill feed. Annual throughput is expected to be maintained at 3.6mtpa and recoveries are expected to increase to 93.0%, from budgeted recovery of 88.0%. The plant upgrade commenced in the second half of 2017 and commissioning was expected in the September 2018 quarter.

During the June quarter of 2018, the Tucano site personnel took control of the plant upgrade from Harrier, the contractor managing the plant upgrade, because of a repudiatory breach of contract by Harrier. An initial investigation determined Harrier might have breached its obligations under the contract, including its obligation to perform all orders and directions of Beadell's Board, its obligation to report to Tucano site personnel and instances of what Beadell considers to be misconduct. Beadell is currently considering its legal options regarding the results of this investigation. Because of the investigation and the various issues identified, the plant upgrade project completion date has been extended to mid November 2018. The total cost of the project is estimated to be an additional US$2 to US$4 million above the original budget of US$28 million.

On 3 September 2018 Beadell announced the completion of the construction of the ball mill and on 22 November 2018 the completion and commissioning of the remainder of the plant upgrade, comprising the construction of the pre-leach thickener, CIL tank and oxygen tank.

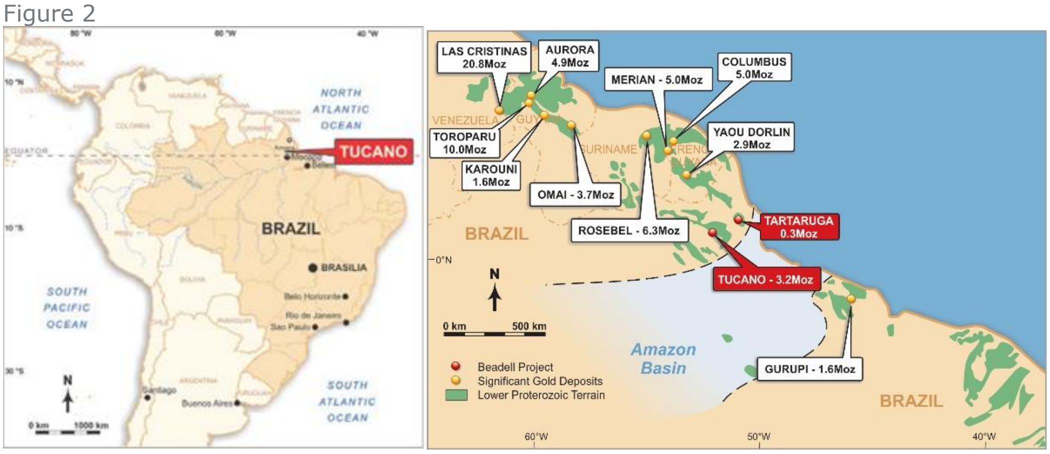
Coinciding with the Tucano plant upgrade, the Company is transitioning away from diesel generated power to grid power to reduce processing costs. The FS assumes 12MW is drawn from the grid, which aligns to the agreement between Beadell and Amapa Electricity Company to increase grid supply to 12MW. An extension agreement has been signed with CEA (Amapa state energy provider) allowing up to 12MW of power supply to Beadell. Following installation of a 69KV transformer at the Serra do Navio substation, Beadell will begin a staged increase in power supply until 12MW is attained. The installation of the 69KV transformer at the Serra do Navio substation is underway and expected to be completed in mid-November.

Beadell has primarily focused on near mine exploration over the past few years. In the March and June quarters of 2018, Beadell continued the focus on the Tap AB complex area, targeting Neo Lode, Tap AB1 Trough Lode, Torres and Urso. Regional exploration outside of the mine operating area at Tucano is still in a greenfields stage, however prospects include Mutum, Serra de Canga, T3 and T4. In May 2018, it was announced that two new gold discoveries were made at Urucum Saddle and Neo North, approximately 10 km northeast of the Tucano Plant.

On 22 June 2018, Beadell announced that it had reached a mutual agreement with MACA to terminate its open-pit mining contract for the Tucano Gold Mine. On 16 July 2018, Beadell announced that it had executed a LOM mining contract with U&M Mineração e Construção S/A (**U&M**) that is forecast to result in a c. US$100 million reduction in the LOM mining costs for Tucano. At the end of the September quarter 2018, U&M was 95% mobilised and commissioned. The entire fleet, with a run rate of 32 million tonnes (**t**) per annum, is expected to be fully mobilised and commissioned by mid-November 2018.

The figure below highlights the location of Tucano and its exploration project, Tartaruga Gold Project (**Tartaruga**) (please refer section 2.5 for further discussion on Tartaruga).

Figure 2



Source: Beadell

2.4.2 Mineral Resources and Ore Reserves

A summary of the total Mineral Resources and Ore Reserves for the Tucano Gold Mine as at 30 June 2018 are presented in Table 14 and Table 15.

Due to budget constraints and recent management changes, Beadell has not undertaken sufficient drilling to update its mineral resource and reserve estimates in 2018. The ore reserves and mineral resources set out in Table 14 and Table 15 are a re-statement of the annual ore reserve and mineral resource statement as at 30 June 2017, after depletion by mining and processing activities from 1 July 2017 through to 30 June 2018. A detailed assessment of the total Mineral Resources and Ore Reserves statements are included in the CSA Global report in Appendix 12.

Table 14

	Proven & Probable		
	Tonnes ('000)	**Grade (g/t)**	**Ounces ('000)**
Tucano Gold Mine	21,672	1.81	1,261

Source: Tucano Gold Mine - Ore Reserve and Mineral Resource Update, Scheme Booklet – Effective 30 June 2018

The Company's total Mineral Resources including the Tartaruga Project (see section 2.5) are presented in Table 15.

Table 15

	Measured & Indicated			Inferred			Total Resources		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
Tucano Gold Mine	36,364	1.75	2,047	16,426	2.19	1,156	52,790	1.89	3,203
Tartaruga				6,451	1.63	337	6,451	1.63	337
Total Resource	**36,364**	**1.75**	**2,047**	**22,877**	**2.03**	**1,493**	**59,241**	**1.86**	**3,540**

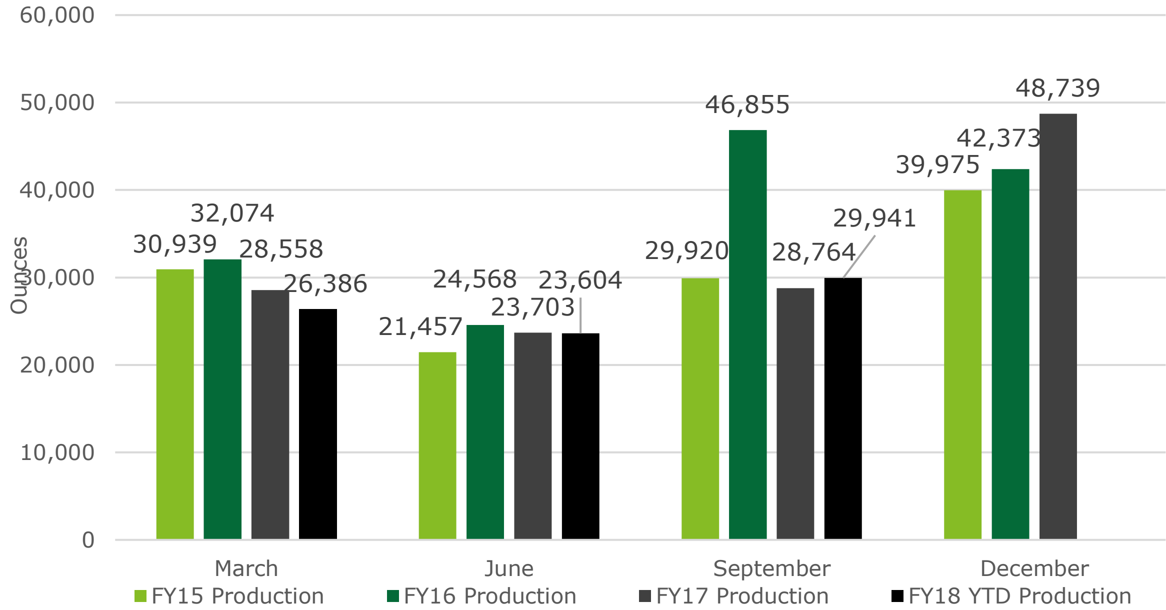
Source: Ore Reserves and Mineral Resources Update, Scheme Booklet – Effective 30 June 2018

2.4.3 Operations

Production

The figure below illustrates Tucano Gold Mine production on a quarterly basis over the past three financial years and the March, June and September quarters of FY18. Gold production is determined by the total gold recovered.

Figure 3



Source: Beadell Quarterly Reports

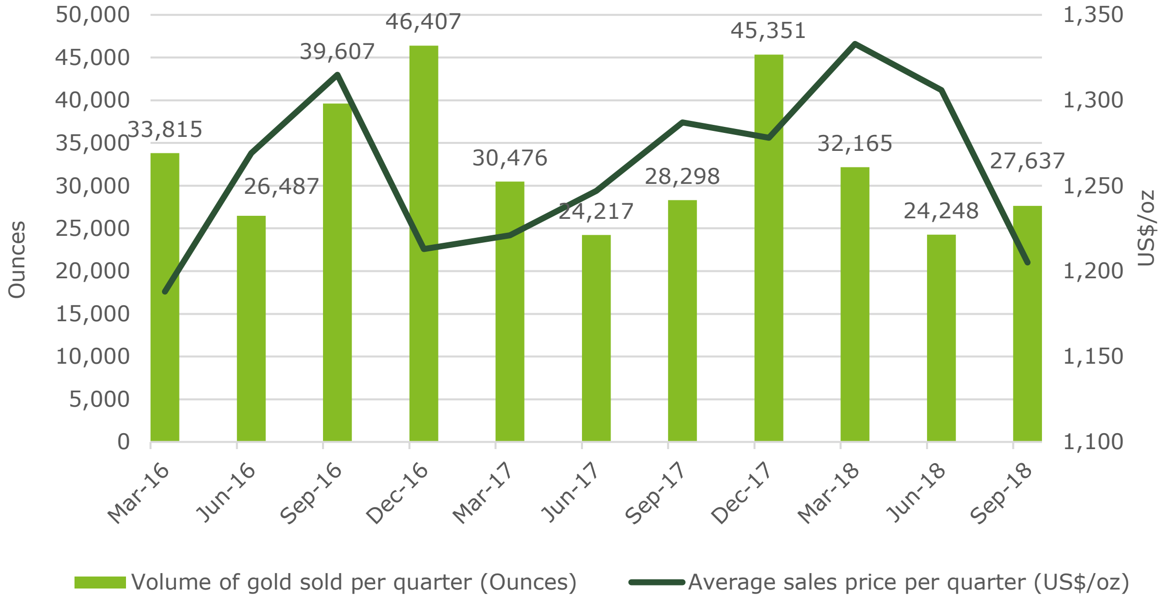
Gold production for the September quarter 2018 was 29,941 oz, a 4% increase on the same period in 2017. During the quarter the Tucano plant feed was predominantly mined ore rather than the heap leach spent ore or low-grade stockpile that was previously required to supplement underperformance on actual versus planned material movements. This led to a 20% increase in gold grade through the plant. The increase in head grade was offset by a 10% decrease in gold ore milled and a 3% decline in recovery. Compared to the June quarter 2018, revenue increased 27% due to a 50% increase in gold ore mined. This lead to a 33% increase in head grade, offset by a reduction of 3% in processed ore and 2% in the recovery rate.

The Company has maintained its FY18 production guidance of 125,000-135,000 oz.

Sales

Beadell sells all its gold on the spot market with sales priced in US$. In line with the Tucano Gold Mine's historical production profile, gold sales increased from the June 2018 quarter. The increase in gold sales was offset by a sharp decline in the average sales price from US$1,306/oz to US$1,205/oz. Figure 4 shows the quarterly volume of gold sold and the average sales price in US$ per ounce (**US$/oz**) for the past two years.

Figure 4

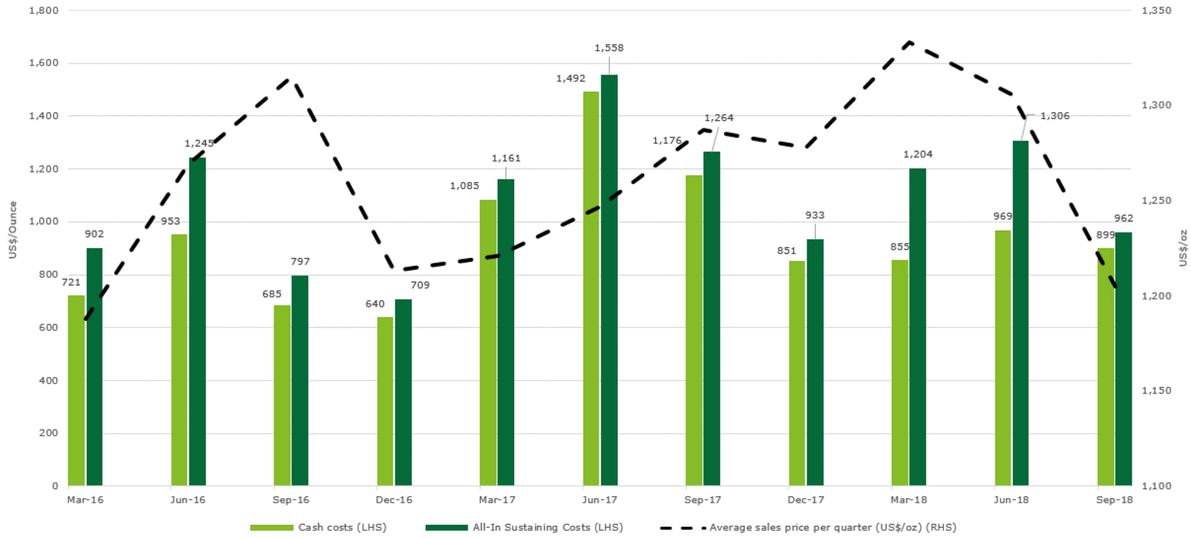


Source: Beadell Quarterly Reports

Cash costs and All-In Sustaining Costs (AISC)

The cash costs and AISC are incurred in United States dollars (**US$**) and Brazilian Real. The figure below shows the costs per ounce for the Tucano Gold Mine for the past two years.

Figure 5



Source: Beadell Quarterly Reports

In the March quarter 2017, the BR$ denominated on-site costs were generally in line with FY17 budget, however the strengthening BR$ negatively impacted the US dollar denominated AISC. The Company also incurred additional sustaining capital expenditure for the acquisition of critical spares, machine refurbishment and construction of new site buildings.

In the June quarter 2017, AISCs were 34.2% higher than the March quarter and 25.1% higher than the corresponding period in the previous year. The June quarter costs were expected to be higher due to the pre-strip of Monkey Hill, however the cost per ounce was negatively impacted by below guidance production, higher mining unit costs and a stronger BR$.

In the September quarter 2017, AISC per ounce improved on the June quarter, due to improved mine productivity and cost saving initiatives. Mine productivity improved with the mobilisation of a second Brazilian mining contractor in July 2017. The reduction in costs per ounce was sustained in the December quarter 2017, with access to higher-grade ores and higher gold sales. The improvement in US$ AISC per ounce was partly offset by the sustained strength in the BR/US exchange rate over budget.

In the March quarter 2018, AISC were 29.0% higher than the December quarter 2017, eroding productivity gains in the December quarter 2017. The higher costs were due to increase waste stripping, required to access higher-grade oxide ore for processing in the June quarter 2018.

AISC rose a further 8% in the June quarter 2018. The increase in AISC was due to lower gold ore tonnes mined which resulted in lower gold production and consequently negatively impacted gold sold for the quarter. This was marginally offset by a softening of the BR$:US$ exchange rate which decreased the relative cost of BR$ denominated on-site costs.

The September quarter 2018 saw AISC decrease 24% compared to the September quarter 2017. The fall in AISC was due to increased gold production resulting from a 20% increase in grade, improved operating costs from the change in mining contractor to U&M and a decline in waste mined, reducing capitalised stripping costs.

2.5 Other exploration assets

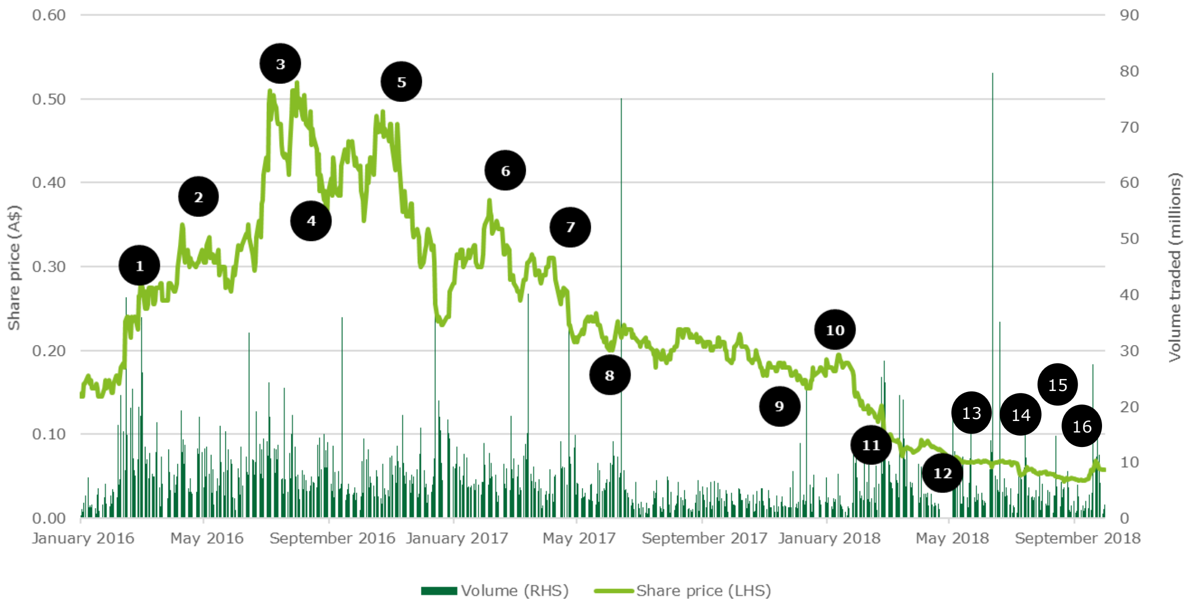
Tartaruga is a 100% owned exploration project, located in the Brazilian Amapa State, 120 kilometres (**km**) northeast of Tucano Gold Mine. Tartaruga covers 357 sqkm of the Tartarugalzinho greenstone belt (refer Figure 2). Tartaruga was acquired in 2007, and as at 30 June 2018, had JORC inferred resources of 6.45mt at a grade of 1.63 g/t, for 337,000 oz (Refer section 2.4.2 for total Mineral Resources and Reserves). Additional non JORC resources are estimated at 4.0mt at a grade of 1.44 g/t for 186,000 oz.

The company sold its interest in the Tropicana East project in Western Australia, Australia, to Thunderstuck Investments Pty Ltd, in the December quarter of 2017, for a total consideration of A$75,000 and a 1.0% net smelter royalty (**NSR**).

2.6 Recent share trading

The figure below illustrates Beadell Resources' share trading since 2016.

Figure 6



Source: Capital IQ, ASX announcements

Key market activities and announcements from the figure above are detailed in the following table. We note the last twelve-month liquidity percentage[1] for Beadell was 108.6% at 31 October 2018.

Table 16

Ref	Date	Commentary
1	17-Feb-16	The share price growth was likely due to the positive announcement on the outlook for Tucano Gold Mine for CY2016 (announced on 15 February 2016, and again on 17 February 2016 via Company investor presentation). Beadell entered a trading halt on 19 February 2016 and announced an A$50m capital raise on 22 February 2016, however the Company advised that no decision was made to proceed with and commence a capital raising until after ASX trading on 18 February 2016 (Company advised via ASX announcement on 23 February 2016).
2	14-Apr-16	Released the Ore Reserve and Mineral Resource update for the Company, as at 31 December 2015. Total Ore Reserves after depletion increased by 13.5% to 1.47m/oz at 1.59 g/t. The net increase was primarily due to the addition of the Urucum underground Probable Reserve.
3	7-Jul-16	On 6 July 2016, Beadell announced new high-grade oxide drilling results from the Tap AB Mine area at the Tucano Gold Mine. All results were within 2km of the Tucano Gold Mine mill.
4	25-Aug-16	Released 2016 Interim Financial Report
5	26-Oct-16	Released September 2016 Quarterly Report
6	2-Feb-17	Strong exploration drilling results at Tap AB, Torres and Duckhead
7	11-Apr-17	Released the Ore Reserve and Mineral Resource update for the Company as at 31 December 2016. Total Mineral Resources increased by 11% to 3.92m/oz at 1.82 grams per tonne (g/t) and Ore Reserves increased by 7% to 1.58m/oz at 1.74 g/t. The increases were largely due to the Tap AB deposits.
8	26-Apr-17	Released March 2017 Quarterly Report
9	30-Oct-17	Released September 2017 Quarterly Report
10	22-Dec-17	Released below guidance 2017 Tucano Gold Mine production update
11	01-Mar-18	Released 2017 Full Year Statutory Accounts and Appendix 4E. Please refer Section 2.7 for commentary on Beadell's recent financial performance.
12	19-Mar-18	Announcement of Proposed Toronto listing and merger with Golden Harp, which ultimately did not progress
13	26-Jun-18	Beadell advised that the definitive agreement signed with Golden Harp was mutually terminated and the transaction would not proceed. Beadell announced that it had entered into a non-binding letter of intent with Ring The Bell Capital Corp to pursue discussions for a business combination
14	31-Jul-18	Released June 2018 Quarterly Report
15	24-Sep-18	Beadell announced that Great Panther Silver Limited have entered into a scheme implementation deed to acquire Beadell Resources for approximately A$144 million. The consideration to be received by Beadell shareholders represents a 51% premium over Beadell's closing share price on 21 September 2018 and a 69% premium to Beadell's volume-weighted average share prices for the 20 days up to and including 21 September 2018.
16	31-Oct-18	Released September 2018 Quarterly Report

Source: Capital IQ, ASX announcements

[1] Liquidity percentage is calculated as the sum of daily trade volume divided by ordinary shares outstanding

2.7 Financial performance

We have summarised in the table below the profit and loss statements Beadell. The period of coverage is from year ended 31 December 2015 (**FY15**) to 30 September 2018 year to date (**FY18 YTD**).

Table 17

A$'000	Audited Actual 31-Dec-15 FY15	Audited Actual 31-Dec-16 FY16	Audited Actual 31-Dec-17 FY17	Unaudited Actual 30-Sept-2018 FY18 YTD
Revenue	190,554	239,845	211,067	141,516
Cost of sales	(172,898)	(191,913)	(296,963)	(143,368)
Gross profit	**17,656**	**47,932**	**(85,896)**	**(1,852)**
Other income	217	118	502	770
Administrative expenses	(18,788)	(19,094)	(20,318)	(14,961)
Project exploration and evaluation expenses	(809)	(1,449)	(854)	(692)
Impairment losses	(16,808)	(2,239)	(2,881)	(6,467)
Other expenses and overheads	(2,163)	(986)	(821)	(334)
Operational profit/(loss)	**(20,695)**	**24,282**	**(110,268)**	**(23,536)**
Finance income	774	10,644	315	2,888
Finance expense	(31,323)	(4,491)	(5,936)	(17,756)
Net finance income/(expense)	**(30,549)**	**6,153**	**(5,621)**	**(14,868)**
Profit/(loss) before tax	**(51,244)**	**30,435**	**(115,889)**	**(38,404)**
Income tax benefit/(expense)	6,899	(8,081)	14,720	3,879
Profit/(loss) after tax	**(44,345)**	**22,354**	**(101,169)**	**(34,525)**
Other comprehensive profit/(loss) (Foreign currency translation)	(46,558)	37,310	(18,767)	(18,521)
Other comprehensive profit/(loss) net of tax	**(46,558)**	**37,310**	**(18,767)**	**(18,521)**
Total comprehensive profit/(loss) for the period	**(90,903)**	**59,664**	**(119,936)**	**(53,046)**

Source: Scheme Booklet

We note the following in relation to the financial performance of Beadell:

- The Company has made a YTD net loss after tax (before other comprehensive profit from foreign currency translation) of A$34.5 million. Gold sales and production costs were adversely affected by falling gold prices in the September quarter 2018 and the increased costs associated with the MACA and Harrier contract cancellations.
- The A$6.5 million impairment loss relates to ICMS, a Brazilian state VAT, incurred on Company purchases. The ICMS assets are recoverable against an ICMS tax liability, which accrues from domestic Brazilian gold sales. Significant domestic Brazilian gold sales are not considered probable and hence the assets are impaired.
- The decline in FY17 revenue is due to a 12.3% decline in gold sales from 146,316 oz in FY16 to 128,342 oz, which was marginally offset by an 1.0% increase in the average gold price received (US$1,258 in FY17).
- The increase in the FY17 cost of sales is due to a 31.9% (or A$46.6 million) increase in the cost of production and a A$63.8 million non-cash adjustment to low grade stockpiles (discussed below). Depreciation and amortisation (included within cost of sales) was 12.9% lower than FY16 at A$35.9 million.
- In June 2017, the Company recognised a write down of the low-grade ore stockpiles to a net realisable value (**NRV**) of A$6.9 million, and a further write down of A$56.9 million in December 2017 (total write down of A$63.8 million). The write down of the carrying value was in accordance with a revised processing schedule (due to the Tucano plant upgrade), and revised assumptions on future processing costs and forecast gold price. Beadell recognised a further write down to NRV of A$2.2 million in June 2018 and a further A$3.9 million in September 2018 (total of A$6.1 milllion) in respect of low grade ore mined during the period.

2.8 Financial position

We have summarised in the table below the financial position of Beadell as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 September 2018.

Table 18

A$'000	Audited Actual 31-Dec-15 FY15	Audited Actual 31-Dec-16 FY16	Audited Actual 31-Dec-17 FY17	Unaudited Actual 30-Sept-18 Q3 FY18
Cash and cash equivalents	9,721	28,298	10,136	8,383
Restricted cash	5,059	283	171	161
Prepayments	947	1,351	2,365	2,362
Gold bullion awaiting settlement	5,058	5,360	9,496	-
Trade and other receivables	16,791	29,267	24,907	27,987
Inventories	57,534	55,464	29,696	37,185
Total current assets	**95,110**	**120,023**	**76,771**	**76,078**
Trade and other receivables – Non-current	66	153	18,062	18,367
Inventories	-	53,049	-	-
Exploration and evaluation assets	673	498	451	399
Mineral properties	17,734	28,428	31,429	24,791
Property, plant and equipment	122,573	134,942	137,270	151,385
Deferred tax assets	20,103	18,553	30,820	30,553
Total non-current assets	**161,154**	**235,623**	**218,032**	**225,495**
Total assets	**256,264**	**355,646**	**294,803**	**301,573**
Trade and other payables	38,189	44,230	58,670	43,080
Employee benefits	2,774	5,129	4,311	3,664
Borrowings	49,497	54,637	55,801	49,065
Provisions	2,751	4,527	5,333	5,663
Total current liabilities	**93,211**	**108,523**	**124,115**	**101,472**
Employee benefits – Non-current	180	204	13	12
Other financial liabilities	-	-	-	6,973
Borrowings	34,061	6,949	-	55,121
Provisions	6,130	7,845	8,209	7,284
Total non-current liabilities	**40,371**	**14,998**	**8,222**	**69,390**
Total liabilities	**133,582**	**123,521**	**132,337**	**170,862**
Net assets	**122,682**	**232,125**	**162,466**	**130,711**

Source: Scheme Booklet

We note the following in relation to the financial position of Beadell:

- The decrease in the cash balance from December 2017 to September 2018 was due to significant debt repayments and capital expenditure following a capital raising in August 2018. On 14 August 2018, Beadell raised A$11.8 million before costs, through a placement of 218 million fully paid ordinary shares. In accordance with the MACA termination agreement, 30% of the proceeds were paid towards the principal of the outstanding loan, totalling approximately A$3.3 million. A further A$3 million in scheduled loan repayments were made to MACA in Q3 2018. Additionally, Beadell made a US$2.5 million scheduled loan repayment to Santander and repaid US$1.3 million of its working capital facility. Significant capital expenditure related to the Tucano plant upgrade continues to be incurred, approximately US$22 million incurred to date, with an additional US$10 million remaining.
- Non-current borrowings increased to A$55.1 million as a result of the cancellation of the MACA mining contractor agreement, which led to the creation of a consolidated loan of all amounts outstanding totalling A$61 million. As mentioned above, approximately A$6.3 million of this balance was repaid in Q3 2018.
- The other financial liabilities balance of A$7.0 million at 30 September 2018 pertains to embedded derivative liabilities associated with the convertible debentures and warrants that were issued during the June 2018 capital raising.
    - an embedded derivative liability was recognised upon initial recognition of the convertible debentures as the debenture holders have the option to convert at a fixed price of US$0.0815 per share which is different from Beadell's functional currency, AUD. The fair value of the embedded derivative liability was estimated to be A$3.8 million.
    - 94 million warrants were issued as part of Tranches 1 and 2 of the capital raising in June 2018. The warrants have an exercise price of US$0.0815 and expire three years from the date of issue. As the warrants are exercisable in US$ and Beadell's functional currency is A$, an embedded derivative liability of A$3.2 million was recognised at 30 June 2018.
- At 30 June 2018, the Company had no hedging instruments on gold prices, interest rates or foreign currency.
- The increase in FY17 non-current trade and other receivables is due to a A$4.7 million Judicial Deposit with the State of Amapa' Supreme Court (in relation to a dispute on the change in gold royalty calculation) and an A$8.8 million increase in recoverable VAT taxes for Brazilian federal taxes, PIS and COFINS. PIS is a mandatory employer contribution to an employee savings initiative and COFINS is a contribution to finance the social security system. The Company expects the assets will be recovered against future federal tax liabilities.
- In FY16, ore stockpiles increased by A$49.9 million, and a portion of the ore stockpiles were reclassified as noncurrent as a result of the annual update of the life of mine plan. The ore stockpiles were reclassified to reflect the revised timing for conversion to gold bullion and subsequent sale. These ores were subsequently written off during FY17 as per financial performance commentary.

3 Profile of Great Panther

3.1 Overview of Great Panther

Great Panther was originally incorporated under the Company Act (British Columbia) in 1965 under the name "Lodestar Mines Ltd." On 14 November 2006, the company's common shares began trading on the TSX in Canada under the symbol "GPR" following previous exchange listings for different ventures. On 8 February 2011, the company's common shares were listed on the NYSE (American) stock exchange under the trading symbol "GPL", while the company retained its listing on the TSX in Canada. Great Panther's shares continue to trade on the two exchanges with these symbols.

Great Panther's current business was effectively established on 18 February 2004 when it entered into an option agreement, which granted it the right and option to purchase 100% of the ownership rights to its current day Topia Mine in the state of Durango, Mexico. Great Panther exercised its option to purchase the mine in February 2005. Following this, on 25 October 2005, Great Panther signed a formal purchase agreement to purchase 100% of the ownership rights in a group of producing and non-producing silver-gold mines in the Guanajuato mining district. These mines included the primary assets and concessions that comprise Great Panther's current day Guanajuato Mine Complex, including the San Ignacio mining concessions and the Cata processing plant. In August 2012, Great Panther signed a definitive agreement for the purchase of a 100% interest in certain surface rights to a total of 19.4 hectares at the San Ignacio Mine, for the construction of a mine portal and ancillary surface facilities.

On 30 June 2017, Great Panther purchased the Coricancha Mine in Peru.

Currently, Great Panther has wholly owned operations and assets in Mexico, Peru and Canada, consisting of the following:

- the Guanajuato Mine Complex (GMC), comprising the Guanajuato Mine, San Ignacio Mine and the Cata processing plant (Cata) in Mexico
- the Topia Mine (Topia) in Mexico

  (collectively the Operating Assets)
- the Coricancha Mine in Peru, which is a gold-silver-copper-lead-zinc mine located in the central Andes of Peru, and has been on care and maintenance since August 2013

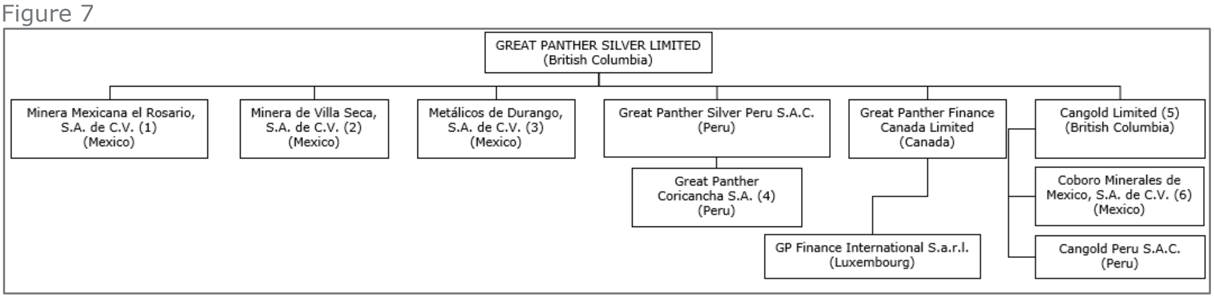
  (the Coricancha Mine)
- El Horcón, Santa Rosa and Plomo exploration projects in Mexico
- Argosy exploration project in Canada

  (collectively the Exploration Assets)

3.2 Group Structure

The figure below sets out Great Panther's existing group structure.

Figure 7



Source: Great Panther

3.3 Capital structure and ownership

Great Panther had 169,033,007 shares on issue as at 9 September 2018, as summarised in the table below:

Table 19

No	Shareholder	Shares (units)	Percentage of issued shares (%)
1	Van Eck Associates Corporation	13,759,937	8.1%
2	Financial & Investment Management Group, Ltd.	4,163,174	2.5%
3	AMG Fondsverwaltung AG	2,858,800	1.7%
4	Global X Management Company LLC	2,509,867	1.5%
5	Renaissance Technologies LLC	1,881,495	1.1%
6	Archer (Robert A)[1]	1,528,355	0.9%
7	Esposito Partners, LLC	1,296,912	0.8%
8	Konwave AG	1,200,000	0.7%
9	Dimensional Fund Advisors, L.P.	1,163,600	0.7%
10	AgaNola AG	1,000,000	0.6%
	Total top 10 shareholders	**31,362,140**	**18.6%**
	Other shareholders	**137,670,867**	**81.4%**
	Total shares outstanding	**169,033,007**	**100.0%**

Source: Great Panther, extract from Thomson Reuters, 9 September 2018. The Scheme Booklet discloses total shares outstanding of 169,165,007.

Notes:

1. Robert Archer is a director and co-founder of Great Panther

As disclosed in the Scheme Booklet, Great Panther also had 8,653,497 options and 1,052,367 restricted/deferred shares (performance rights) on issue. As at 7 September 2018, 3,111,199 options and 251,400 restricted share units are both vested and in-the money. Refer to Section 7.1.9 for further detail on the impact of the options and other equity instruments on our valuation.

We note that Great Panther has not raised equity since 2016.

Great Panther has no external borrowings.

3.4 The Operating Assets

3.4.1 Overview

GMC

The 100% owned GMC is Great Panther's flagship operation. The GMC includes the Guanajuato Mine, the San Ignacio Mine and Cata processing facility. For the purpose of resources estimation, GMC also includes the El Horcón exploration project (**El Horcón**), as future production of El Horcón will be processed at Cata.

The main Guanajuato Mine, Cata processing facility and accompanying offices are located within the capital city of Guanajuato, in Guanajuato State. The Guanajuato Mine is an underground silver-gold operation that uses cut-and-fill methods. Two shafts and two ramps allow access to the mine, which is comprised of numerous deposits. Ore recovered from the Guanajuato Mine is processed at the Cata processing plant, located near the central Cata shaft.

The San Ignacio Mine is located approximately eight kilometres to the west-northwest of the city of Guanajuato. In 2001, under a prior owner, production was halted due to low metal prices and no further work was conducted until 2010, when exploration drilling conducted by Great Panther discovered a new zone of silver-gold mineralisation. The project advanced quickly and the mine resumed commercial production in 2014.

The Guanajuato property is situated along the core of the Veta Madre silver-gold structure. The low sulphidation epithermal deposits demonstrate a vertical depth extent in excess of 600 metres (**m**). Great Panther has been successful at discovering new mineralised zones allowing it to replace what it mines from Guanajuato each year. Due to the nature of the ore, some zones are mined as they are found without the need for detailed drilling. On this basis, Great Panther has limited resources defined to JORC code reportable standards and it mines directly from a mixture of Measured, Indicated and Inferred resources as well as unclassified material.

The figure below highlights the location of the Guanajuato and San Ignacio Mines and the El Horcón project.

Figure 8

Source: Great Panther – NI 43-101 Mineral Resource Update Technical Report on the Guanajuato Mine Complex, Guanajuato Mine and San Ignacio Mine, Guanajuato State, Mexico

Topia Mine

The Topia Mine is situated near the town of Topia, Durango State, Mexico, approximately 235 km northwest of the city of Durango. The Topia Mine (silver-gold-lead-zinc) consists of 10 separate narrow-vein, underground operations utilizing a modified cut-and-fill mining method known as 'resuing'. The mines are typically accessed by unpaved mountain roads leading to adits that either follow the veins into the mountains or are driven to crosscut them. The veins range from 15 to 150 cm wide; with an average of 30 cm. Ore is hauled by 8-tonne truck to the central processing plant on the edge of town.

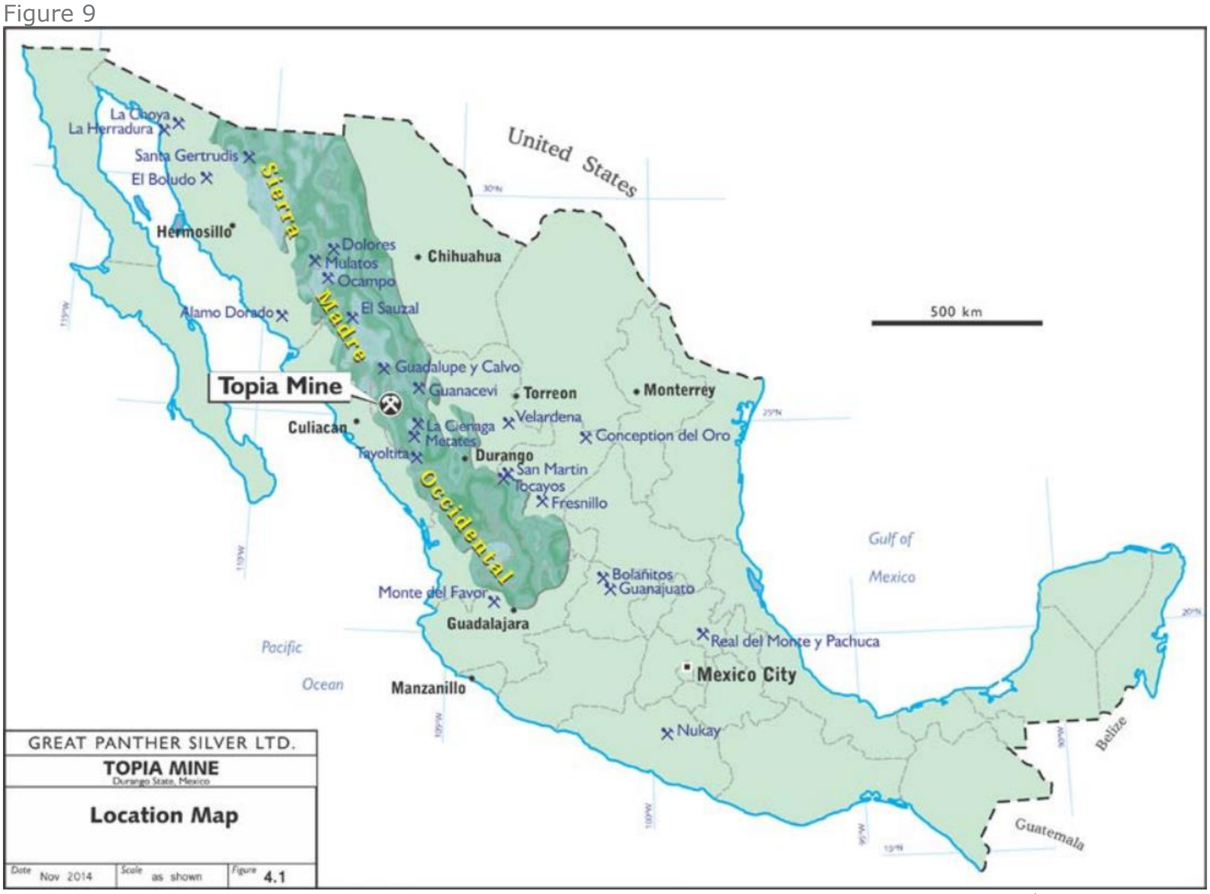
The mineralised veins at Topia are laterally extensive and can be locally followed for more than four kilometres. Given their nature, very little underground drilling is conducted and Inferred Mineral Resources are defined primarily from surface drilling and these are subsequently upgraded to Measured and Indicated Resources once underground sampling is complete.

The plant capacity is approximately 270 tonnes per day and consists of a 2-stage crusher that produces a fine ore mill feed, a grinding circuit comprising of three ball mills, and two conventional flotation circuits that produce a silver and gold-rich lead concentrate plus a zinc concentrate. The concentrates are transported to the Pacific port of Manzanillo, where they are sold to commodity traders. From Manzanillo, the concentrates are shipped to smelters around the world for the extraction and refining of metals.

Milling operations were suspended from early December 2016 until early April 2017 to facilitate the construction of a tailings filtration plant, along with plant upgrades and the transition to a new tailings handling facility. In December 2017, SEMARNAT (the Mexican environmental permitting agency) granted Great Panther all permits for the construction and operation of the new Phase II tailings storage facility at the Topia Mine.

The figure below highlights the location of the Topia Mine.

Figure 9



Source: Great Panther – NI 43-101 Report on the Topia Mine Mineral Resource Estimates as of November 30th, 2014

3.4.2 Mineral Resources

GMC

The Mineral Resources for the Guanajuato Mine, San Ignacio Mine and the El Horcón project (together comprising the GMC) are presented in the tables below.

Table 20

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
Guanajuato (GTO)												
Silver	171	227	1,246	44	215	384	159	136	695	374	193.40	2,324
Gold	171	1.50	8	44	1.25	2	159	2.04	10	374	1.73	21
Ag eq oz	171		1,829	44		428	159		1,431	374		3,689

Source: Guanajuato Mine Complex Resources Estimates released 25 January 2018 with an effective date of 31 August 2017

Table 21

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
San Ignacio (SI)												
Silver	801	142	3,655	197	139	879	573	130	2,395	1,572	137.12	6,929
Gold	801	3.09	80	197	2.68	17	573	2.44	45	1,572	2.80	142
Ag eq oz	801		9,284	197		2,078	573		5,566	1,572		16,928

Source: San Ignacio Resources Estimates released 25 January 2018 with an effective date of 31 August 2016

Table 22

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
El Horcón (EH)												
Silver							162	76.00	398	162	76.00	398
Gold							162	3.44	18	162	3.44	18
Ag eq oz							162		2,093	162		2,093

Source: GMC Resources Estimates released 25 January 2018 with an effective date of 31 August 2017 and El Horcón Resource Estimate as at 31 August 2016

The GMC's total Mineral Resources including the El Horcón project are presented in Table 23.

Table 23

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**
GMC (GTO + SI + EH)												
Silver	972	156.76	4,901	241	163.00	1,262	894	121.30	3,488	2,108	142.43	9,652
Gold	972	2.81	88	241	2.46	19	894	2.55	73	2,108	2.66	180
Ag eq oz	972		11,113	241		2,507	894		9,090	2,108		22,710

Source: Guanajuato Mine Complex Resources Estimates 31 August 2017

Topia Mine

The Mineral Resources for the Topia Mine at 30 November 2014 (latest available) are presented in Table 24.

Table 24

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**
Silver	180	606	3,516	166	645	3,438	357	592	6,807	704	608	13,760
Gold	180	1.44	8.33	166	1.17	6.24	357	1.31	15.06	704	1.31	29.64
Ag eq oz	180		6,000	166		5,570	357		11,050	704		22,620
	Tonnes ('000)	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**
Lead	180	4.26%	16,943	166	4.75%	17,363	357	3.44%	27,105	704	3.96%	61,410
Zinc	180	4.52%	17,977	166	3.82%	13,963	357	3.96%	31,202	704	4.07%	63,142

Source: Topia Resource Estimates updated 2015 – effective 30 Nov 2014
* Silver equivalent oz includes lead and zinc resources

Consolidated Operating Assets

Precious metals mining operations at the location in Mexico have a long and successful mining history; however they are operated in a slightly unusual manner (from an Australian perspective) in that they have limited resources defined to JORC Code reportable standards and they are mining directly from a mixture of Measured, Indicated and Inferred Resources as well as unclassified material. This approach is based on the long operating history of the mines (going back over 400 years) and the deep knowledge of the operators, with the current owners successfully operating for the past 13 years. The Operating Assets have a strong history of Mineral Resource replacement year on year and regularly mining Inferred and Unclassified material.

Great Panther considers their approach of only defining limited resources and including some Inferred and Unclassified material in their life of mine models to be the most cost effective way to operate, taking advantage of the high level of accumulated geological understanding and the predictability of the mineralisation continuity of the veins being mined.

The Mineral Resources for Great Panther's Operating Assets on a consolidated basis are presented below.

Table 25

	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes ('000)	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000)**
GMC (GTO + SI + EH)												
Silver	1,153	227.08	8,417	407	359.47	4,700	1,252	255.80	10,295	2,811	259.02	23,412
Gold	1,153	2.60	96	407	1.94	25	1,252	2.20	88	2,811	2.32	210
Ag eq oz	1,153		17,113	407		8,077	1,252		20,140	2,811		45,330
		Grade (%)	**Pounds ('000s)**		**Grade (%)**	**Pounds ('000s)**		**Grade (%)**	**Pounds ('000s)**		**Grade (%)**	**Pounds ('000s)**
Lead	1,153	4.26%	16,943	407	4.75%	17,363	1,252	3.44%	27,105	2,811	3.96%	61,410
Zinc	1,153	4.52%	17,977	407	3.82%	13,963	1,252	3.96%	31,202	2,811	4.07%	63,142

Source: Guanajuato Mine Complex Resource Estimates 31 August 2017, Topia Resource Estimates updated 30 Nov 2014

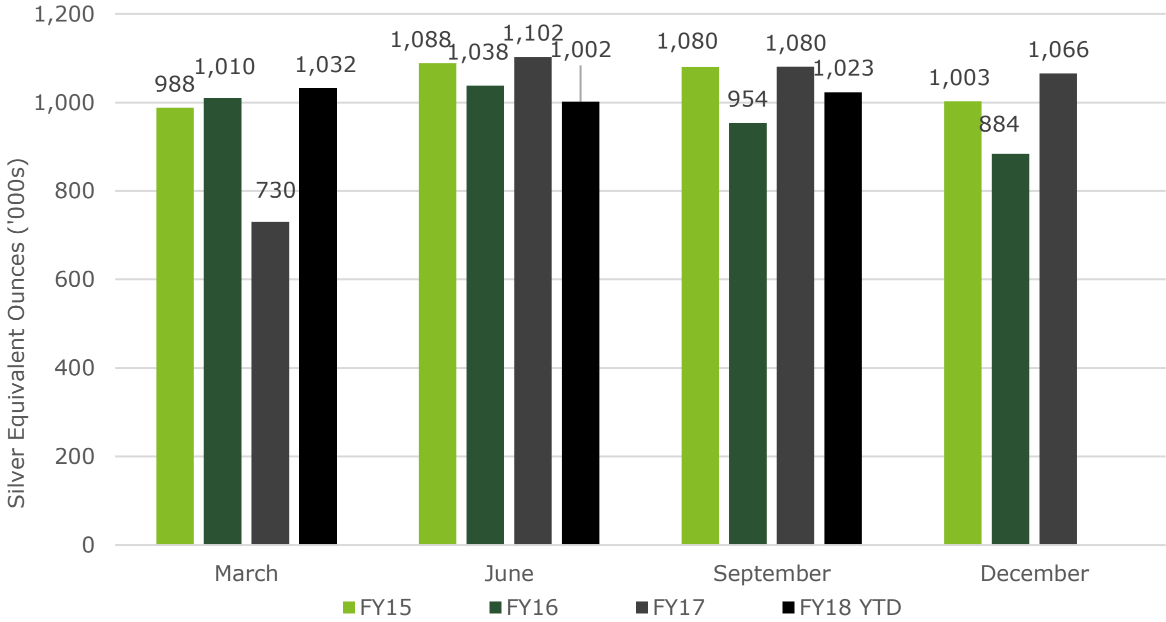
* Silver equivalent oz includes lead and zinc resource

3.4.3 Operational Highlights

Production

The figure below presents Great Panther's total production on a quarterly basis over the past three financial years ending 31 December and the March, June and September quarters of 2018. Silver equivalent production is determined by the total gold, zinc and lead recovered and their relative market prices compared to silver[2].

Figure 10



Source: Great Panther Quarterly Reports

Lower grades have negatively impacted production for Great Panther in 2018. Periods of reduced processing capacity in 2016, 2017 and 2018 adversely affected output.

Annual production at the GMC has followed a downward trend from 3.08 million Ag eq oz in 2015 to 2.89 million Ag eq oz in 2017. The decrease in production oz has been due to lower silver and gold grades which was partly offset by higher metal recoveries for both silver and gold.

The September quarter 2018 production at GMC was 613,938 oz, which represented a 15.3% decrease compared to the same quarter in 2017. Metal production was affected by lower grades reflecting variability in the mineralisation and a decrease in tonnes milled. The decrease in tonnes milled was largely a result of a higher proportion of production sourced from the San Ignacio Mine. Ores from the San Ignacio Mine are generally harder than those sourced from Guanajuato, leading to reduced processing capacity at Cata. Additionally, the increased proportion of ores from the San Ignacio Mine (76% in Q3 2018 compared to 58% in Q3 2017) contributed to the lower overall grade, as the mine has a lower silver grade compared to Guanajuato. In June 2018, processing at the GMC was temporarily suspended due to heavy rains which further contributed to the lower production levels.

Production for the September quarter 2018 at Topia was 409,190 Ag eq oz, which represents a 15% increase on the same quarter in the prior year and a 14% increase on the previous quarter. In Q3 2018, silver and gold production decreased by 2% and 14% respectively, compared to Q3 2017. However, lead and zinc production increased significantly by 29% and 14% compared to the same quarter in the prior year, which resulted in the overall 15% increase in production.

[2] "Ag eq oz are calculated using a 70:1 Ag:Au ratio and ratios of 1:0.0559 and 1:0.0676 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations. It should be noted that although the current Ag:Au ratio is approximately 80:1, the ratio of 70:1 has been used in order to remain consistent with the Company's guidance and historical averages." – Great Panther Management Discussion & Analysis 30 June 2018

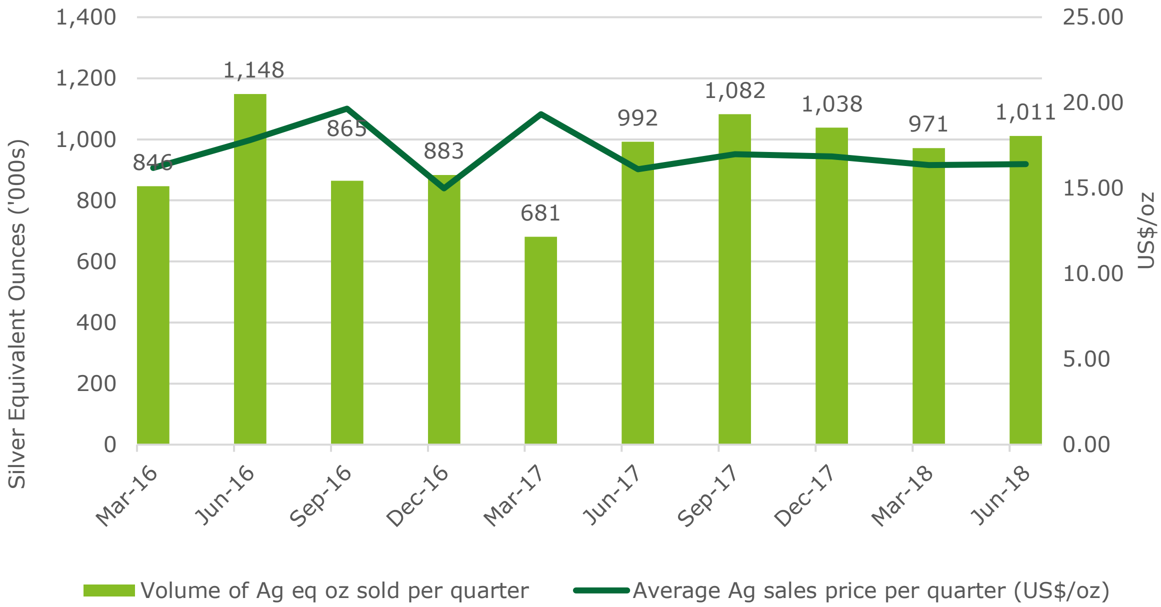
The rise in metal production at Topia is attributed to higher tonnage processed coupled with higher lead and zinc grades. The increase in ore processed is a result of wider vein mining areas as well as increased mill availability due to improved operational efficiencies.

Production for the March quarter 2017 was severely impacted by the suspension of milling operations at the Topia processing facility due to an upgrade of the facility and the addition of dry tailing handling facilities. This resulted in no Ag eq oz produced for the quarter. During the plant shutdown, mining operations were continued and consequently significant stockpiles were built up. These stockpiles were processed in the following quarters and helped offset the impact of the first quarter shutdown on annual sales.

Sales

The figure below shows the quarterly volume of Ag eq oz sold and the average Ag sales price in US$/oz for the past two and a half years.

Figure 11



Source: Great Panther quarterly management discussion and analysis

Great Panther produces silver and gold in concentrate, which is sold to large international metals trading companies. The price received by Great Panther is based on the current market metal prices, denominated in US$, and the mineral content of the concentrate. Revenue from the sale of the concentrates is subject to adjustment upon final settlement based upon metal prices, weights and assays. Monthly sales volumes and average sales price from GMC have remained relatively constant over the past two years. The spike in silver equivalent oz sold in Q2 2016 was a result of a 58% increase in gold oz sold and a 36% increase in silver oz sold for the quarter. This was due to higher than normal levels of inventory at the end of Q1 2016 due to timing of shipments.

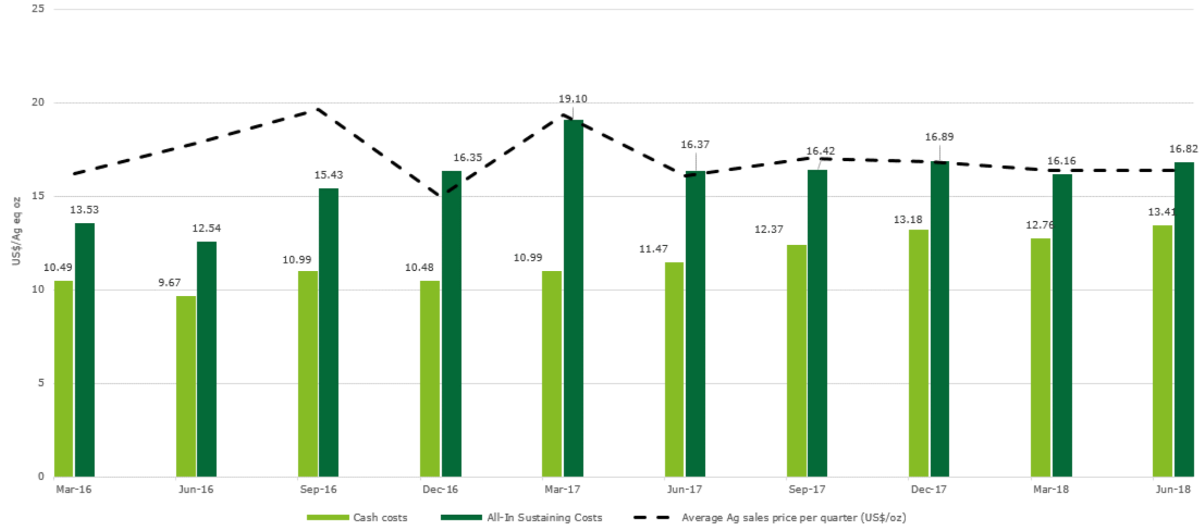
Monthly sales volumes from Topia have increased by 38.6% from 212,776 Ag eq oz in Q1 2016 to 294,912 thousand Ag eq oz in Q2 2018. The reduction in sales volume in Q3 and Q4 2016 and the halting of sales in Q1 2017 were a result of the commencement of the processing facility upgrade and subsequent suspension of milling operations.

Cash Costs and AISC

The cash costs[3] and AISC[4] are incurred in Mexican Pesos (**MX$**) and US$. Figure 12 shows the costs per silver equivalent ounce for the past two and a half years.

[3] Cash costs per Ag eq oz is calculated based on the total cash operating costs divided by silver equivalent oz sold.
[4] AISC per Ag eq oz starts with operating cash cost and adds G&A expenditures inclusive of share-based compensation, accretion of reclamation provisions, sustaining EE&D expenses, and sustaining capital expenditures.

Figure 12



Source: Great Panther Quarterly Reports

Cash costs and AISC have exhibited an upward trend over the period from the beginning of FY16 to June 2018. Cash costs and AISC at GMC have increased by 51.5% and 52.7% during the period to US$14.49 and US$16.28 respectively, at June 2018. The increase in costs has been primarily due to the impact of higher MX$ production costs and lower payable silver oz. These factors were partially offset by lower smelting and refining charges and the strengthening of the US$ relative to the MX$, which had the effect of reducing production costs in US$ terms. Great Panther includes the full cost of its general and administrative expenditures, including head office and listed company costs, in calculating its AISC.

Costs at the Topia mine have been relatively stable over the period from January 2016 to June 2018. However, a number of anomalies have occurred, in particular; two spikes in AISC in Q3 and Q4 2016, a spike in AISC in Q1 2017 and a decrease in costs in Q2 2018.

From Q2 2016 to Q3 2016 Topia AISC increased by 46% to US$19.54 per Ag eq oz. This was partially due to an increase in cash costs caused by lower sales volume and production levels. The lower production levels were attributed to reduced milled tonnes as the Topia operations encountered narrower veins that increased dilution and decreased grade. In addition to increases in cash costs, sustaining capital expenditure increased as a result of the commencement of construction of the Phase I tailings facility. Additionally, the commencement of construction led to decreased production at the facility, which further increased AISC per ounce. Construction of the facility continued until April 2017, with ore processing ceasing entirely during Q1 2017. This resulted in significantly higher AISC for the overall Great Panther operations as increased construction costs were combined with lower production levels.

AISC at Topia decreased to US$11.93 in Q2 2018 due to lower sustaining exploration, evaluation and development expenses, higher sales volumes and lower capital expenditures.

Based on 2018 cash cost estimates, GMC and Topia rank in the 93rd and 88th percentile of silver projects identified and analysed by SNL Mining.

3.5 Coricancha Mine and Other Exploration Assets

3.5.1 Coricancha Mine

Overview

On 30 June 2017, Great Panther acquired the Coricancha Mine by purchasing 100% of the outstanding common shares of the Nyrstar N.V's (**Nyrstar**) Peruvian subsidiary that owned Coricancha. Under the terms of the agreement, the purchase price comprised US$0.1 million payable upon closing and an earn-out consideration of up to US$10 million. Under the earn-out, Nyrstar may receive 15% of the free cash flow generated by Coricancha during the five-year period after which the mine is cumulative free cash flow positive from 30 June 2018. Pursuant to the acquisition, Nyrstar agreed to:

- maintain a remediation bond of US$9.7 million for Coricancha until at least 30 June 2020. Should Great Panther make a decision to permanently close Coricancha prior to 30 June 2020, the bond will be used to pay for remediation costs and obligations
- pay for the cost of movement and reclamation of certain legacy tailings should the regulatory authorities require these to be moved, up to a maximum of US$20 million
- satisfy on a timely basis all fines or sanctions that arise before or after closing, resulting from activities or ownership of Coricancha for the period prior to 30 June 2017, up to US$4.0 million.

Coricancha is an underground gold-silver-copper-lead-zinc mine located in the central Andes of Peru. The mine has an operating history dating back to 1906, however has been on care and maintenance since August 2013. Coricancha has a 600 tonnes per day processing facility along with other supporting mining infrastructure. Great Panther is undertaking technical and environmental studies with a view to restarting the operation. The preliminary economic assessment (**PEA**) results announced in May 2018 outlined the economics for the project with potential for 3 million Ag eq oz per annum production. A bulk sampling program is underway to confirm key mine inputs and assumptions and is expected to be completed in Q1 2019. Initial capital costs have been estimated at US$8.8 million indicating that, on a decision to restart the mine, it can be fully funded from existing cash reserves.

The figure below highlights the location of the Coricancha Mine project.

Figure 13

Source: Great Panther

Mineral Resources

The Mineral Resources for the Coricancha Mine at 20 December 2017 are presented in Table 26.

Table 26

	Measured			Indicated			Inferred			Total Resources		
	Tonnes ('000)	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**	**Tonnes ('000)**	**Grade (g/t)**	**Ounces ('000s)**
Silver	404	210.2	2,731	349	189.2	2,120	946	209.5	6,351	1,699	205.46	11,203
Gold	404	5.94	77	349	5.59	63	946	5.02	152	1,699	5.36	292
Ag eg oz	404		13,490	349		10,710	946		28,360	1,699		52,560
	Tonnes ('000)	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**	**Tonnes ('000)**	**Grade (%)**	**Pounds ('000s)**
Lead	404	2.16%	19,248	349	1.95%	14,984	946	1.45%	30,150	1,699	1.72%	64,383
Zinc	404	3.43%	30,565	349	3.05%	23,437	946	3.25%	67,578	1,699	3.25%	121,580
Copper	404	0.54%	4,812	349	0.52%	3,996	946	0.64%	13,308	1,699	0.59%	22,115

Source: Coricancha Mine Mineral Resource updated 20 December 2017
* Silver equivalent oz includes lead, zinc and copper resources

3.5.2 Other exploration assets

Great Panther's exploration properties include the El Horcón, Santa Rosa, and Plomo projects in Mexico; and the Argosy project in Canada.

The El Horcón gold-silver-zinc-lead exploration project is located 100 km by road northwest of Guanajuato in the state of Jalisco, Mexico. The property hosts mineralized epithermal veins similar to those observed in Great Panther's existing operations. The project hosts nine known veins and several underground workings exist. Great Panther has conducted 2,147 metres of drilling in 24 holes, which has resulted in a small Inferred Resource. Given the operation would not require a stand-alone plant; the project is potentially viable as a satellite to Guanajuato.

Santa Rosa is a gold-silver exploration project located 15 km northeast of Guanajuato. Exploration at the site is grass roots in nature; however the project benefits from being within trucking distance of the Cata processing facility and is being evaluated as a potential satellite.

The Plomo property is located in Sonora, Mexico and the Argosy property is located in the Red Lake Mining District in northwestern Ontario, Canada.

The figure below highlights the location of the El Horcón and Santa Rosa projects in relation to Great Panther's operating mines.

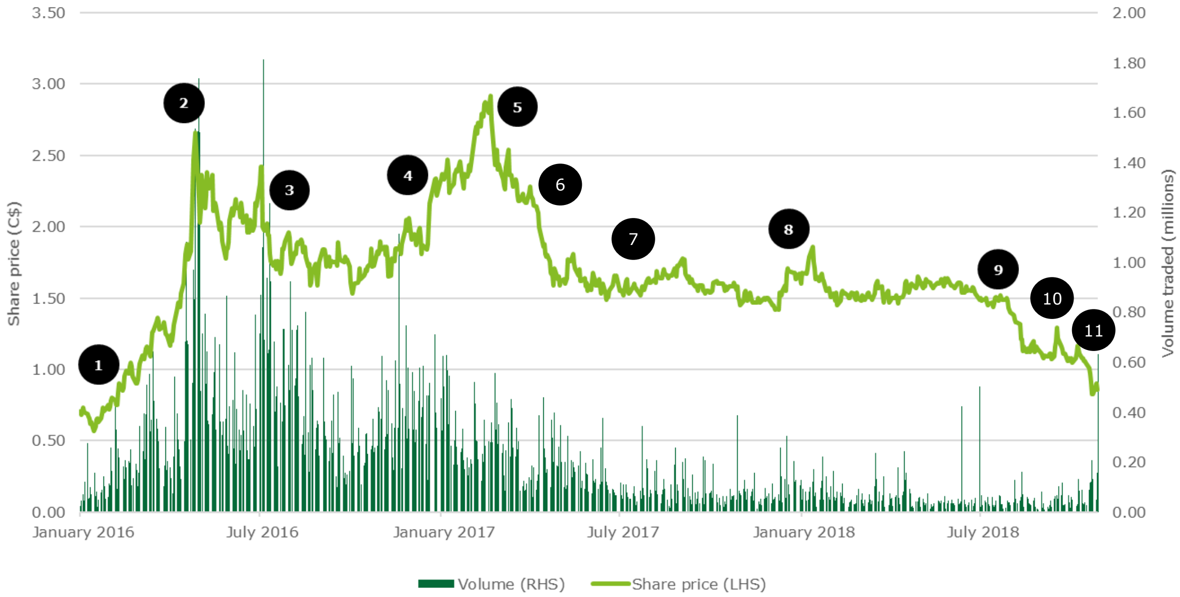
Figure 14

Source: Great Panther

3.6 Share price performance

The figure below illustrates Great Panther share trading in Canadian dollars (**C$**) since 2016.

Figure 15



Source: Capital IQ, TSX announcements

Key market activity and announcements from the figure above are detailed in the following table. We note the liquidity[5] percentage for the twelve months prior to the announcement was 80.7%. During this period prior to the Announcement Date), 87% of the trading volume of Great Panther shares took place on the NYSE (American) exchange, and 13% on the TSX.

Table 27

Ref	Date	Commentary
1	3-Mar-2016	Great Panther announced its financial results for Fiscal Year 2015. Record metal production of 4,159,121 Ag eq oz, a 30% increase on FY14. Cash costs for the year decreased by 41% to US$7.50 and AISC decreased by 38% to US$13.76. Increased production combined with lower costs translated to a 35% increase in revenue to US$73.4 million and adjusted EBITDA of US$9.3 million, compared to $0.3 million in the prior period.
2	3-Apr-2016	Released the first quarter 2016 production results that showed a 10% decrease in silver production to 539,472 Ag oz and a 19% increase in gold production to 5,599 Au oz. It was noted that the increase in gold production and decrease in silver production were a result of the rising production from San Ignacio, which has a higher gold to silver ratio and pillar recoveries at the Guanajuato mines.
3	6-Jul-2016	Great Panther announced that due to increased demand, it entered into an amended and restated underwriting agreement to increase the size of the previously announced offering of units from US$20 million to US$26 million. Each unit consists of one common share in Great Panther and one-half warrant that entitles the holder thereof to purchase one share at an exercise price of US$2.25 per share for each whole warrant. Additionally the underwriters were granted an over-allotment option, exercisable at the discretion of the underwriters, to purchase up to an additional 1,875,000 units at the issue price per unit.
4	19-Dec-2016	Great Panther announced it had entered into an agreement with subsidiaries of Nyrstar to acquire the Coricancha gold-silver-lead-zinc-copper mine and mill complex in central Andes, Peru. The project has the potential for annual production of approximately 3 million silver equivalent oz. With over US$54 million in cash, Great Panther was fully financed to bring the mine back into production.

[5] Liquidity percentage is calculated as the sum of daily trade volume divided by ordinary shares outstanding

5	27-Feb-2017	Announcement of the Fiscal Year 2016 financial results. Compared to FY15, revenue increased by 10% to US$61.9 million and net loss improved to US$4.1 million from US$7.2 million. This was primarily attributable to a 14% increase in the average realisable prices for silver and gold that accounted for a US$8.0 million improvement in revenue. This was offset by a 4% decline in metal sales volume, which reduced revenues by US$3.6 million. Guidance for FY17 is broadly consistent with FY16 in terms of production; however cash costs are forecast to increase from US$3.65/oz to US$5-$6/oz and AISC to increase from US$10.99/oz to US$14-$16/oz.
6	5-Apr-2017	Great Panther announced that Robert Archer, President and CEO, will be stepping down in 2017 and will work with the board to find his successor.
7	19-Jul-2017	Great Panther is dropped from the S&P / TSX Global Mining Index
8	11-Jan-2018	Announcement of fourth quarter and annual 2017 production results and 2018 outlook. Great Panther's consolidated metal production increased 2% to 3.98 million silver equivalent oz. The Topia mine achieved a record 1.08 million Ag eq oz in metal production, representing 21% growth in the period. Great Panther had a strong fourth quarter posting a 21% increase in total metal production, 12% increase in silver production and 14% increase in gold production compared to the same period in FY16.
9	1-Aug-2018	Great Panther reported the second quarter 2018 financial results. While revenues increased by 9% compared to the second quarter of FY17, the financial results reflected a full quarter of Coricancha related care and maintenance expenditure, which is being expensed until a formal decision to restart is made. This resulted in a US$2.8 million net loss for Q2 2018 compared to US$833k net income in Q2 2017.
10	23-Sept-2018	Great Panther announced the acquisition of Beadell, through a proposed scheme of arrangement subject to various conditions.
11	31-Oct-2018	Great Panther released its third quarter 2018 financial results. Net income for the quarter had decreased by 447% compared to the third quarter 2017 to a net loss of US$3.6 million.

Source: Capital IQ, TSX announcements

3.7 Financial performance

We have summarised in the table below the profit and loss statements of Great Panther in US$.The period of coverage is from year ended 31 December 2015 to 30 September 2018 year to date.

Table 28

US$'000	Audited Actual 31-Dec-15 FY15	Audited Actual 31-Dec-16 FY16	Audited Actual 31-Dec-17 FY17	Unaudited Actual 30-Sept-18 FY18 YTD
Revenue	56,218	61,881	63,746	45,787
Cost of sales	(51,852)	(39,859)	(46,057)	(38,807)
Gross profit	**4,366**	**22,022**	**17,689**	**6,979**
% Gross profit	*8%*	*36%*	*28%*	*15%*
General and administrative expenses	(6,082)	(5,813)	(7,822)	(4,736)
Exploration, evaluation and development expenses	(6,380)	(6,127)	(9,524)	(9,284)
Impairment charges	(2,303)	(1,679)	-	-
Operational profit/(loss)	**(10,399)**	**8,403**	**343**	**(7,041)**
% Operational profit	*(18%)*	*14%*	*1%*	*(15%)*
Interest income	223	225	808	1,079
Finance costs	(131)	(76)	(19)	(19)
Accretion	-	(23)	(646)	(646)
Foreign exchange (loss) gain	3,121	(11,135)	2,292	599
Other income (expenses)	25	(3)	275	76
Net finance and other income/(expense)	**3,238**	**(11,012)**	**2,413**	**1,089**
Profit/(loss) before tax	**(7,161)**	**(2,609)**	**2,756**	**(5,952)**
Income tax benefit/(expense)	4	(1,509)	(1,466)	(552)
Profit/(loss) after tax	**(7,157)**	**(4,118)**	**1,290**	**(6,504)**
Other comprehensive profit/(loss) (Foreign currency translation)	(304)	5,452	(11)	66
Change in fair value of available-for-sale financial assets	(3)	(3)	(6)	-
Other comprehensive profit/(loss) net of tax	**(307)**	**5,449**	**(17)**	**66**
Total comprehensive profit/(loss) for the period	**(7,464)**	**1,331**	**1,273**	**(6,438)**
% Net profit	*(13%)*	*2%*	*2%*	*(14%)*

Source: Great Panther interim and final financial statements

We note the following in relation to the financial performance of Great Panther:

- Great Panther has reported a YTD FY18 net loss after tax of US$6.50 million. The loss was attributed to a decrease in metal sales volumes and a decrease in realised metal prices. The decrease in metal sales volume was due to a large concentrate shipment not being shipped until just after the end of the quarter, resulting in the revenue not being recognised until Q4 2018. Great Panther's average realised silver price decreased to US$15.81/oz for the nine months to 30 September 2018, compared to US$17.19/oz for the same period in 2017. Production costs decreased by 9% in Q3 2018, compared to Q3 2017, due to decreased sales volumes and a weakening of the MX$. These factors were partly offset by an increase in the MX$ denominated costs as a result of a higher proportion of mining activities in narrower veins at the GMC, requiring more waste material to be mined, along with minor increases in contractor rates
- exploration, evaluation and development (**EE&D**) expenses increased US$0.7 million (26%) in Q3 2018 when compared to the same period in 2017. This increase was due to US$0.7 million in corporate development expenditure in relation to the acquisition of Beadell. Coricancha related project expenses in EE&D increased to US$1.17 million in Q3 2018 due to costs associated with the bulk sample program
- the increase in revenue from FY16 to FY17 was driven by a 2% increase in production to 3.98 million Ag eq oz and improved realised metal prices of gold, lead and zinc. Mine operating profits were adversely impacted by higher production costs, which saw cash costs increase by US$1.76 to US$12.11 per Ag eq oz and AISC increase by US$2.58 to US$16.87 per Ag eq oz. This was primarily due to the mining of narrower veins at the GMC and increased contractor rates, as well as increased processing costs at Topia associated with the change to processing of dry tailings. Great Panther also incurred increased exploration and evaluation expenditure due to an increase in drilling activities at its operating mines in Mexico and costs to advance Coricancha that were not capitalised. Capitalisation of costs associated with Coricancha Mine can only occur once a formal decision to bring the mine back into production is made
- in FY16, despite the strong operational performance, financial results were negatively affected by significant losses on foreign exchange of approximately US$11 million. These losses related predominantly to unrealised losses on foreign-denominated assets and liabilities. Most of the recorded losses related to the revaluation of an intercompany loan between Great Panther parent company and one of its Mexican subsidiaries. The losses arose due to differences in the reporting and functional currencies (MX$, US$ and Canadian dollar) across the group entities. Notwithstanding this accounting impact, the US$ denominated loan between the related parties had no impact in economic terms for the group. As Great Panther implemented the use of US$ as its functional and reporting currency, issues like this have been addressed. The FY17 foreign exchange gains related primarily to hedge operations to fund operating expenditure in Mexico
- FY15 saw a 35% increase in revenue compared to FY14, primarily due to a 42% increase in sales volume on an Ag eq oz sold basis. The increase in volume sold was offset by the impact of 17% and 11% decrease in average realised silver and gold prices. The lower average realised metal prices and increased metal unit sales contributed to the low gross margin of 8%

3.8 Financial position

We have summarised in the table below the financial position of Great Panther as at 31 December 2015, 31 December 2016, 31 December 2017 as well as at 30 September 2018. The values are expressed in US$.

Table 29

US$'000	Audited Actual 31-Dec-15 FY15	Audited Actual 31-Dec-16 FY16	Audited Actual 31-Dec-17 FY17	Unaudited Actual 30-Sept-18 Q3 FY18
Cash and cash equivalents	13,685	41,642	36,797	35,343
Short-term deposits	-	15,020	20,091	22,593
Trade and other receivables	9,635	10,178	14,780	8,928
Inventories	6,540	5,744	5,294	5,200
Reimbursement rights	-	-	4,446	4,113
Other current assets	850	529	401	731
Total current assets	**30,710**	**73,113**	**81,809**	**76,908**
Restricted cash	-	-	1,234	1,234
Inventories - non-current	-	-	1,580	1,547
Reimbursement rights	-	-	6,588	6,507
Mineral properties, plant and equipment	16,369	14,118	14,966	13,659
Exploration and evaluation assets	4,158	2,112	15,633	15,348
Deferred tax assets	316	98	70	69
Total non-current assets	**20,843**	**16,328**	**40,071**	**38,364**
Total assets	**51,553**	**89,441**	**121,880**	**115,272**
Trade payables and accrued liabilities	5,233	6,017	11,313	9,687
Derivative liabilities	-	536	85	-
Reclamation and remediation provision	-	-	4,446	2,201
Total current liabilities	**5,233**	**6,553**	**15,844**	**11,888**
Reclamation and remediation provision	3,649	3,466	22,965	25,263
Deferred tax liabilities	3,064	2,134	1,930	1,928
Total non-current liabilities	**6,713**	**5,600**	**24,895**	**27,191**
Total liabilities	**11,946**	**12,153**	**40,739**	**39,079**
Net assets	**39,607**	**77,288**	**81,141**	**76,193**

Source: Great Panther annual reports and interim financial statements

We note the following in relation to the financial position of Great Panther:

- Great Panther has historically presented a strong cash position, with cash, cash equivalents and short term deposits (**cash-on-hand**) representing a significant portion of its net assets over the past few years. At 30 September 2018, Great Panther had US$57.9 million dollars of cash-on-hand.
- Great Panther has not had any debt throughout the period
- in FY17, the Coricancha Mine acquisition resulted in significant movements in Great Panther's financial position reflecting the recognition of assets worth c. US$11.0 million at the end of FY17 associated with costs and contingency reimbursement rights and the recognition of US$23.7 million in reclamation and rehabilitation liabilities. Other relevant impacts of the Coricancha Mine acquisition include US$13.5 million in exploration and evaluation assets and US$1.2 million in restricted cash associated with an environmental bond related to Coricancha remediation plan
- as at 30 September 2018, Great Panther had US$10.6 million in reimbursement rights assets associated with Coricancha acquisition. The reimbursement rights will be received from Nyrstar when Great Panther undertakes reclamation activities associated with the legacy tailings. At this point, these activities are on hold and reimbursable costs yet to be incurred as Great Panther awaits a decision from the Peruvian government on a proposed revised closure plan
- reclamation and remediation provisions of US$27.5 million reflect the largest liability of Great Panther and consist mostly (c. US$ 23 million) of remediation and reclamation of Coricancha Mine
- Great Panther has disclosed possible contingencies relating to outstanding water and environmental permits, for which applications are under review by the competent authorities in Mexico and Peru.

4 Profile of the Merged Entity

4.1 Introduction

Great Panther intends to acquire Beadell to create a new Merged Entity. Following the Proposed Scheme Beadell and its subsidiaries will become subsidiaries of Great Panther. Great Panther will continue to be dual listed in Canada on the TSX and in the US on the NYSE (American).

The head office of Great Panther will remain in Vancouver, Canada.

4.2 Board and senior management

4.2.1 Proposed Merged Entity board

Table 30

Member	Position held
R.W. (Bob) Garnett, CPA, CA, ICD.D	Independent Director, Chair of the Board
James M. (Jim) Bannantine, PE, MBA	President & Chief Executive Officer and Director
Dr Nicole Adshead-Bell	Non-executive Director
Robert A. Archer, P. Geo	Non-executive Director
John Jennings, MBA, CFA	Non-executive Director
Jeffrey R. Mason, CPA, ICD.D	Non-executive Director
W.J. (James) Mullin, B.Sc.	Non-executive Director
Elise Rees, FCPA, FCA, ICD.D	Non-executive Director

Source: Scheme Booklet

4.2.2 Senior management

Table 31

Member	Position held
James M. (Jim) Bannantine, PE, MBA	President & Chief Executive Officer and Non-Independent Director
Jim A. Zadra, CPA, CA, MBA	Chief Financial Officer and Corporate Secretary
Mariana Fregonese	Vice President, Social Responsibility
Samuel Mah, P.Eng., M.A.Sc.	Vice President, Technical Services
Brian Peer, B.A.Sc.	Vice President, Operations Mexico
Christopher M.H. Richards, CPA, CA	Vice President, Finance
Aoife McGrath	Vice President, Exploration
Luis Pablo Diaz	Country Manager, Brazil

Source: Scheme Booklet

The Beadell headquarters in Australia will be closed. As a result, the senior management of Beadell will be terminated on completion of the Scheme as their services will not be required as part of the management team of the Merged Entity. However, Dr. Nicole Adshead-Bell will join the Board of the Merged Entity. The existing management and operating team in Brazil will remain in place as they are required to continue the operations of the Tucano mine.

4.2.3 Asset portfolio

Great Panther's asset portfolio will comprise:

- Beadell's Tucano Gold Mine located in Brazil
- Beadell's Tartaruga Gold Exploration Project located in Brazil
- Great Panther's Guanajuato Mine Complex located in Mexico
- Great Panther's Topia Mine located in Mexico
- Great Panther's Coricancha Mine in Peru
- Great Panther's El Horcon, Santa Rosa, and Plomo exploration properties in Mexico.

Please refer Sections 2.4, 2.5, 3.4 and 3.5 for further discussion on these assets.

4.3 Strategy

A key rationale for the Proposed Scheme is for Beadell to access Great Panther's strong balance sheet in respect of cash and net working capital. This will provide important funding to complete the optimisation initiatives of the Tucano mine, including enhancement of mining and processing operations and to manage Beadell's future debt service obligations. Great Panther intends to improve operations in Mexico and to advance the evaluation of a restart of the Coricancha mine in Peru. Great Panther intends to implement this strategy with a focus on mining costs and conservative decision making in order to preserve the balance sheet of the Merged Entity and minimise future financing requirements. In this regard, Great Panther will continue to explore a range of initiatives, including rescheduling production (including increasing or decreasing mining rates at specific mines or in particular areas of mines) headcount or other cost reductions, undertaking additional exploration, and options for expansion of processing capacity. To the extent that additional financing is required, the Merged Entity will evaluate equity and debt financing as required to continue its business plans for the Merged Entity. As highlighted above, the Merged Entity will be managed by a capable and experienced board of Directors, as well as an executive management team that has significant development and operating experience.

Beadell shareholders will gain exposure to the North American capital markets with an expected increase in liquidity achieved through the listing on the TSX and NYSE (American). The strategy supports Beadell's objective to become an Americas focused, intermediate gold producer.

4.4 Financials

4.4.1 Merged Entity pro forma balance sheet

The Merged Entity pro forma balance sheet as at 30 September 2018 as set out in the Scheme Booklet is presented in Table 32.

Table 32

US$'000[(a)]	Great Panther	Beadell	Adjustments Amount	Notes	Pro forma Merged Entity
Cash and cash equivalents	35,343	6,054	(10,500)	(e)	30,897
Short-term deposits	22,593	-			22,593
Restricted cash	-	116			116
Trade and other receivables	8,928	20,212			29,140
Inventories	5,200	26,855			32,055
Reimbursement rights	4,113	-			4,113
Prepayments and other current assets	731	1,706			2,437
Total current assets	**76,908**	**54,943**			**121,352**
Restricted cash	1,234	-			1,234
Trade and other receivables	-	13,265			13,265
Inventories - non current	1,547	-			1,547
Reimbursement rights	6,507	-			6,507
Mineral properties, plant and equipment[2]	13,660	127,234	4,546	(b), (e), (f)	145,441
Exploration and evaluation assets	15,347	288			15,635
Deferred tax assets	69	22,065			22,134
Total non-current assets	**38,364**	**162,852**			**205,763**
Total assets	**115,272**	**217,795**			**327,114**
Trade and other payables[3]	9,687	34,918	5,550	(d)	50,155
Employee benefits	-	2,655			2,655
Current Borrowings	-	35,435	3,250	(c), (e)	38,685
Reclamation and remediation provision	2,201	285			2,486
Total current liabilities	**11,888**	**73,292**			**93,980**
Other financial liabilities	-	5,036	(5,036)	(e), (f)	0
Borrowings	-	39,808	(9,073)	(c), (e)	30,736
Reclamation and remediation provision	25,263	5,261			30,524
Deferred tax liabilities	1,928	-			1,928
Total non-current liabilities	**27,191**	**50,105**			**63,187**
Total liabilities	**39,079**	**123,397**			**157,167**
Net assets	**76,193**	**94,399**	**(645)**		**169,947**
Share capital	130,872	234,692	(141,211)	(b)	**224,353**
Reserves	19,847	(28,289)	31,034	(b)	**22,592**
Deficit	(74,526)	(112,004)	109,532	(b), (d)	**(76,998)**
Shareholder's equity	**76,193**	**94,399**	**(645)**		**169,947**

Source: Scheme Booklet
Notes:
(a) The consolidated statement of financial position of Beadell has been translated into US$ at an exchange rate of A$1.3847 per US$1.
(b) As set out in the notes to the Scheme Booklet pro forma adjustments, as consideration for 100% of the outstanding ordinary shares of Beadell, Great Panther will issue 103,867,388 common shares to Beadell shareholders valued at US$93.5 million. The difference between the estimated fair value of the consideration and the fair values of the net assets of Beadell acquired has been recorded within mineral property, plant and equipment in the amount of US$4.5 million.
(c) As a result of the renegotiated terms with MACA, an additional US$3.25 million has been reclassified as current borrowings.
(d) Transaction costs anticipated to be incurred in relation to the Proposed Scheme amount to US$5.55 million. These costs include accounting, legal, regulatory and financial advisory fees.
(e) The pro-forma financial statements assume that debenture holders will accept Beadell's offer to repurchase the debentures at 105% of the principal amount. The related amounts recorded under other financial liabilities (US$2.7 million) and borrowings (US$5.8 million) have been eliminated
(f) Beadell's outstanding warrants are denominated in US$, whereas Beadell's functional currency is A$. As a result, Beadell had recorded an embedded derivative liability (US$2.3 million). As the replacement warrants issued by Great Panther will be denominated in US$, this embedded derivative liability has been eliminated.

MACA

Great Panther Silver Limited has reached an agreement with MACA on modifications to MACA's outstanding loan due from Beadell. MACA has agreed to consent to the change of control and keep the loan in place with a term to June 2022 and a number of amendments (see Beadell Announcement: 20 November 2018, Great Panther Silver Announces Agreement with MACA Limited in Connection with Acquisition of Beadell Resources).

The Scheme Booklet sets out details of various other change of control provisions in relation to Beadell's debt facilities which do not affect the approach to our valuation of the Merged Entity.

4.4.2 Combined share structure

The Merged Entity share structure under the Proposed Scheme is presented in Table 33 below. Refer to Section 1.2 for further discussion on the Merged Entity share structure following implementation of the Proposed Scheme.

Table 33

	Shares (Millions)	Interest (%)
Held by former Beadell shareholders	103.87	38.04%
Held by Great Panther shareholders	169.17	61.96%
Total	**273.03**	**100.0%**

Source: Deloitte Corporate Finance analysis

5 Valuation approach

5.1 Introduction

To assess the fair market value of Beadell and the Merged Entity, we have considered the generally acceptable valuation methodologies as set out in Appendix 2. We have selected the sum of the parts method, which aggregates our assessed fair market value of each of Beadell and Great Panther's primary assets and liabilities. We have adopted the following methodologies for each of the primary assets of each of the entities:

Table 34

Summary of mining assets	Selected valuation methodology
Beadell	
Tucano - open-pit	DCF
Tucano Urucum – underground mine	CSA Global valuation
Resources outside LOM	CSA Global valuation
Other exploration assets	CSA Global valuation
Great Panther	
Guanajuato Mine Complex	DCF
Topia mine	DCF
Coricancha project	CSA Global valuation
Other exploration assets	CSA Global valuation

Source: Beadell, CSA Global, Deloitte Corporate Finance analysis

We have used the discounted cash flow methodology to value the operating mines as is customary for projects at this stage of development. We have cross-checked our discounted cash flow valuation of the Tucano Gold Mine using ore reserve multiples implied by trading and transactions in comparable companies and assets. In addition, we have considered the fair market value of Beadell implied by the share trading of the company on the ASX prior to the announcement of the Proposed Scheme.

We have cross-checked our sum of the parts valuation of the Merged Entity by considering the recent share trading of Great Panther on the NYSE (American) subsequent to the announcement of the Proposed Scheme.

The valuation methodology adopted by CSA Global for the resources outside the LOM models and exploration assets is set out in Section 6.5.

Fair market value is defined as the amount at which the subject assets and liabilities would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Fair market value, as defined above, is a concept of value which may or may not equal the "purchase/sale price" that could be obtained if the subject assets and liabilities were sold to a special purchaser in an actual transaction in the open market. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

5.2 Appointment and role of the technical expert

CSA Global was engaged by Beadell and instructed by Deloitte Corporate Finance to prepare a report providing input and advice on the appropriateness of the technical mining assumptions adopted in the Beadell LOM financial model for the Tucano open-pit gold mine (**Tucano Model**) and Great Panther's GMC and Topia mines (**Great Panther Model**). They also provided their assessment of the value of Beadell and Great Panther's development and exploration assets (including Beadell's planned Urucum underground project).

CSA Global's scope of work included input and advice in relation to the following operating assumptions adopted for the Tucano Model and the Great Panther Model:

- reserves and resources utilised in the LOM plans
- production profiles including total ore mined and processing volumes and recoveries
- operating expenditure, including rehabilitation and abandonment costs
- capital expenditure
- any other relevant assumptions.

CSA Global has advised us to make certain changes to the operating assumptions adopted in the Tucano Model and the Great Panther Model. We have detailed these changes in Section 6.3 and Section 7.1.5.

CSA Global prepared its technical report having regard to the VALMIN code. The scope of CSA Global's work was controlled by Deloitte. A copy of CSA Global's report is provided in Appendix 12.

6 Valuation of Beadell before the Proposed Scheme

We have estimated the fair market value of a Beadell share before the Proposed Scheme on a control basis. Our assessment of value requires the assessment of:

- fair market value of Beadell's interest in the Tucano open-pit gold mine (100% interest)
- fair market value of Beadell's interest in the Tucano Urucum underground gold mine (100% interest)
- net present value of the future cash flows of corporate expenses associated with Beadell operations
- fair market value of Beadell's interest in resources outside of the current LOM plan
- fair market value of Beadell's interest in exploration assets
- fair market value of other assets and liabilities
- net debt
- number of ordinary shares on issue, including potential dilutionary effects of share options, performance rights and warrants currently on issue.

We have estimated the fair market value of a Beadell share on a control basis to be in the range of A$0.053 to A$0.090 per share. The following table sets out our assessment of the fair market value of a Beadell share before the Proposed Scheme on a control basis using the sum of the parts method.

Table 35

A$m[2]	Reference	Unit	Low	High	Mid
Tucano open-pit gold mine	Table 39	A$m	161.0	189.2	175.1
Tucano Urucum underground mine	Table 41	A$m	27.6	41.4	34.5
Additional mineral resources	Table 43	A$m	14.4	26.7	20.5
Tucano exploration tenure	Table 43	A$m	9.6	17.8	13.7
Less: Net debt	Table 44	A$m	(102.7)	(102.7)	(102.7)
Less: Convertible instruments	Table 46	A$m	(3.2)	(3.2)	(3.2)
Less: Corporate costs	6.8	A$m	(17.9)	(18.5)	(18.2)
Equity value of Beadell (control basis)		**A$m**	**88.8**	**150.7**	**119.7**
Number of ordinary shares on issue[3]	2.3.1	million	1,678	1,678	1,678
Value of a share in Beadell (on a control basis)		**A$**	**0.053**	**0.090**	**0.071**

Source: Beadell, CSA Global, Deloitte Corporate Finance analysis
Notes:
1. The table above is subject to rounding
2. Converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.
3. Including 4.4 million vested performance rights

We set out our consideration of the above values in the following sections.

6.2 Economic assumptions

The principal asset held by Beadell is the Tucano Gold Mine. Management has provided us with a financial model, the Tucano Model, which includes projected cash flows for the project denominated in BR$. The Tucano Model separately includes both the open-pit and planned underground operations.

We have made amendments to the Tucano Model to reflect our selected gold price assumptions, foreign exchange rate and inflation assumptions and remove the impact of the underground operations. Our consideration of these assumptions is set out below.

Commodity prices

The primary commodity produced from the Tucano Gold Mine is gold. In estimating appropriate forecast gold price assumptions, we have had regard to the following:

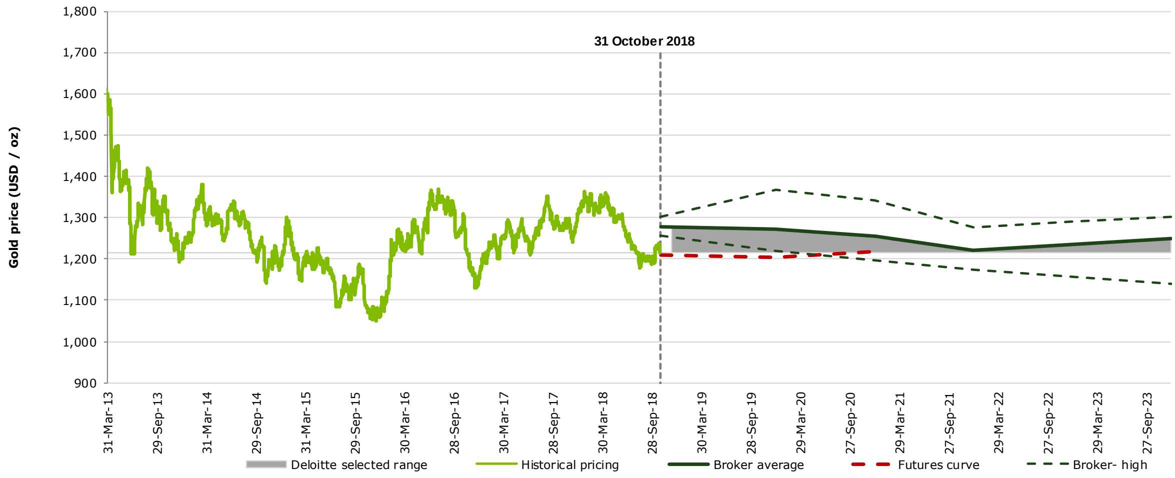
- spot and historical gold prices
- broker forecast gold price estimates
- open gold futures contracts
- other publicly available industry estimates and commentary.

Gold is predominantly traded through the London Bullion Market Association (**LBMA**), the New York Mercantile Exchange (**NYMEX**), the Commodities Exchange (**COMEX**) or the Tokyo Commodities Exchange. As gold is traded on a similar basis to currencies between central banks, the gold futures market is driven by spot prices and interest rate differentials. The gold futures markets exhibit greater dependence on spot prices and interest differentials than base metals markets.

Demand for gold, either in ingot form, or fabricated into jewellery and coins, rests on its traditional role as a store of wealth for both individuals and nations. Industrial uses for gold are limited to the electronics industry and dentistry. The gold price over the past five years has averaged approximately US$1,241/oz, whilst the gold price for the 12 months to 31 October 2018 averaged approximately US$1,277/oz. The spot price of gold as at 31 October 2018 was US$1,215/oz and it traded between US$1,189 and US$1,237/oz during the month prior to 31 October 2018.

The following figure shows historical gold prices over the past five years, along with the range of broker real gold price forecasts, the real forward curve and the real gold spot price.

Figure 16



Source: CapitalIQ, Thomson Research, Deloitte Corporate Finance analysis

While we have had regard to the short term historical gold price and the forward curve (which has been CPI adjusted to reflect real prices), we have selected a real gold price range at the mid-point between where the spot price has traded in the 30-day period leading up to 31 October 2018 and the median of broker estimates (which have been CPI adjusted to reflect real prices).

As highlighted in the figure above, the range we have adopted incorporates medium term broker estimates that gold will return to above the current spot price and is likely to remain above the current spot price in the long term, while at the low end of our selected range, our approach is based on the premise that, because gold is a globally accepted store of value and a scarce commodity which (unlike base metals, for instance) experiences relatively slow growth in supply, the spot price for gold reflects the market expectation of the equilibrium between future demand and supply.

Based on the above, we have adopted the following gold price assumptions. Broker forecasts have been CPI adjusted to reflect real commodity prices.

Table 36

Gold price (US$/oz)	2018	2019	2020	2021	2022	2023+
Low - spot	1,215	1,215	1,215	1,215	1,215	1,215
High – median broker forecasts	1,278	1,272	1,255	1,221	1,235	1,248
Mid – mid-point between spot and median broker forecasts	1,246	1,244	1,235	1,218	1,225	1,232

Source: Thomson Research, Deloitte Corporate Finance analysis

We understand that there are no gold hedges or contracts in place.

Foreign exchange

We have selected US$:BR$ foreign exchange rate assumptions based on our consideration of the following:

- historical and current US$:BR$ exchange rates
- forecasts prepared by economic analysts and other publicly available information, including analyst forecasts
- open currency futures contracts with observable traded volumes
- median broker forecasts collated and published by the Central Bank of Brazil.

Based on the above, we have adopted the following foreign exchange rate assumptions which have been CPI adjusted to reflect real exchange rates:

Table 37

Foreign exchange	2018	2019	2020	2021	2022	2023+
Spot	3.82	3.82	3.82	3.82	3.82	3.82
US$:BR$	3.66	3.68	3.61	3.57	3.56	3.56

Source: Thomson Research, Deloitte Corporate Finance analysis

As evident, our selected assumptions premise an appreciation of the BR$ against the US$ in real terms in the long term. This is based on market expectations of a recovery in the Brazilian economy over the coming years, after the country has gone through a very difficult four-year period, during which it experienced its worst recession in decades. In addition, uncertainties associated with Brazilian presidential elections, which were completed in October 2018, have negatively influenced the current BR$ exchange rate. The expectation of fundamental economic reform by the newly elected government underpins the forecast trajectory of the Brazilian Real over the forecast period. The conclusion of the electoral process should also contribute to dissipate, to some extent, part of the volatility observed in the Brazilian market over the past few months.

Inflation

The Tucano Model has been prepared on a real basis. We have therefore adopted the following US$ and BR$ inflation assumptions to adjust the observed nominal foreign exchange rate assumptions to real exchange rates, based on our consideration of the following:

- historical and current US and Brazilian CPI rates
- CPI forecasts prepared by economic analysts and other publicly available information
- CPI forecasts collated and published by the Central Bank of Brazil.

Based on the above, we have adopted the following CPI assumptions to determine real exchange rates.

Table 38

Foreign exchange	2018	2019	2020	2021	2022	2023+
US CPI	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BR CPI	4.40%	4.20%	4.04%	3.89%	3.83%	3.83%

Source: Thomson Research, Deloitte Corporate Finance analysis

6.3 Tucano Gold Mine – open-pit

We have estimated the fair market value of the Tucano Gold Mine to be in the range of A$161.0 million to A$189.2 million on a control basis, as set out in the table below.

Table 39

	Unit	Low	High	Mid
Value of the Tucano Gold Mine – open-pit (100% interest)	US$m	114.0	134.0	124.0
Value of the Tucano Gold Mine - open-pit (100% interest)	**A$m[1]**	**161.0**	**189.2**	**175.1**

Source: Deloitte Corporate Finance analysis
Note:
1. Converted to Australian dollars based on the A$:US$ rate of 1.4121 as at 31 October 2018.

We have adopted the DCF method to value the open-pit operations of the Tucano Gold Mine. As outlined above, management has provided us with a financial model for the Tucano Gold Mine, separately including projections for both the open-pit and underground operations, which includes detailed cash flow projections, on a real basis. Our discounted cash flow valuation has considered the technical and operating characteristics of the open-pit operations of the Tucano Gold Mine only. On this basis, we have performed an analysis of the cash flow projections, including:

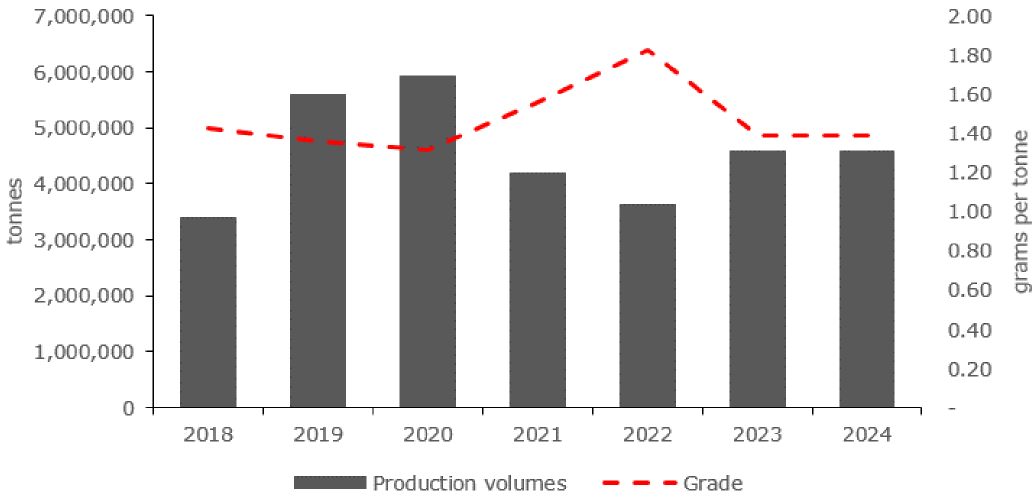
- limited procedures regarding the mathematical accuracy of the Tucano Model (but have performed neither a detailed review nor an audit)
- review of the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure and royalties.

In addition to the above, CSA Global has reviewed the technical assumptions set out in the Tucano Model, and held discussions with management regarding the preparation of and basis for the technical assumptions. The key assumptions adopted in the preparation of the cash flow projections and the adjustments we have made are discussed below. We note the figures presented below are presented in real terms unless otherwise stated.

Revenue

Revenue is a function of the quantity and price of gold, which is discussed in the following sections. The figure below shows the forecast annual gold production profile over the life of mine of the Tucano Gold Mine open-pit operations.

Figure 17



Source: Tucano Model

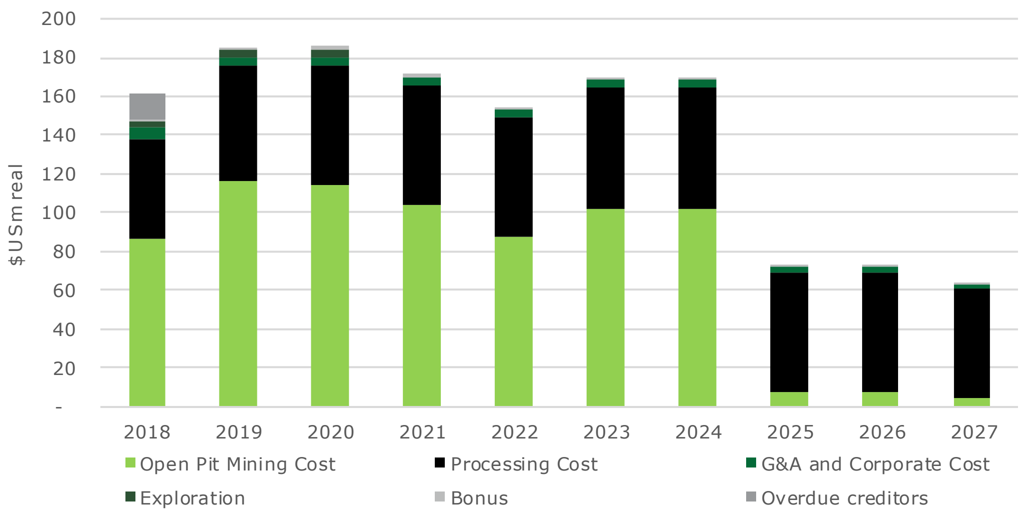
We note the following with respect to the above figure:

- total forecast ore mined comprises approximately 31.9 Mt for the open-pit operations containing 1.5 million ounces (moz). An additional 1.8 Mt of stockpile ore is incorporated in total forecast processing feed
- forecast processing feed is 3.5 mtpa between 2018 and 2026, which is consistent with processing capacity of the project of 3.6 mtpa. Following the forecast completion of the plant upgrade during mid- November 2018, comprising upgrades to the Ball Mill, thickener, CIL and Oxygen Tanks, recoveries are forecast to ramp up to 93%. As recommended by CSA Global, we have assumed that the recoveries increase to 89% in November 2018, 91% in December 2018, 92.5% during 2019 and at full operational capacity from 2020 onwards.

Operating expenditure

Operating expenditure consists largely of mining and processing costs. The following figure sets out forecast annual operating expenditure at the open-pit operations (in real terms).

Figure 18



Source: Tucano Model

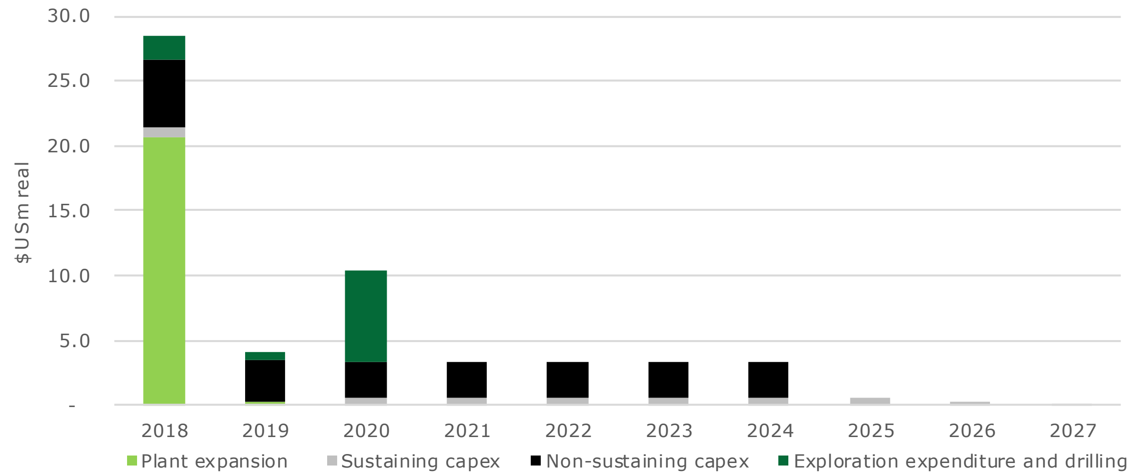
We note the following with respect to Figure 18:

- total operating expenditure over the Tucano Gold Mine's life for the open-pit operations is projected to be approximately US$1,475 million (in real terms), which is equivalent to approximately US$1,092/oz of gold produced (net of royalties)
- processing costs are approximately US$445/oz of gold produced, of which the largest cost input is power. While the project is connected to the electricity grid, supply has fallen short of contracted volumes, albeit improving. The Beadell LOM cash flow presents costs for a case where the grid supplies 12MW. An extension agreement has been signed with CEA (Amapa state energy provider) allowing up for 12MW of power supply to Beadell. Following installation of a 69KV transformer at the Serra do Navio substation, Beadell will begin a staged increase in power supply until 12MW is attained. The installation of the 69KV transformer at the Serra do Navio substation is underway and expected to be completed in mid-November. CSA Global has concluded that this is a reasonable basis for the power assumption
- the Tucano Gold Mine previously utilised three contractors on site. U&M and MACA provided load and haul services and MACA and Master Drilling Brazil Ltd undertook drill and blast. On 22 June 2018 Beadell announced that it had reached mutual agreement with MACA to terminate the open-pit mining contract. On 16 July 2018 Beadell announced that it had executed a LOM mining contract with U&M which is forecast to result in a US$100 million reduction in the LOM mining costs for Tucano. In addition, the termination of the MACA contract is expected to result in annual savings of US$1 million in contract administration costs. CSA Global has reviewed the forecast contractor mining costs and concluded that the assumptions have been included in the Tucano Model on a reasonable basis.

Capital expenditure

The following figure sets out projected capital expenditure at the Tucano Gold Mine open-pit operations (in real terms).

Figure 19



Source: Tucano Model

We note the following with respect to Figure 19:

- total projected capital expenditure over Tucano Gold Mine's life is approximately US$57.3 million. A significant portion of this capital expenditure is attributed to the completion of the plant upgrade of approximately US$20 million in total during FY18 (FY17 US$6 million). CSA Global reviewed the costs associated with the plant upgrade and concluded that as at 30 September 2018, the US$10 million capital expenditure costs included in the Tucano Model for the remainder of FY18 are reasonable
- total sustaining capital expenditure of US$4.5 million over the LOM relates to the movement of material and non-sustaining capital expenditure of US$22.6 million relates to tailings dams. A contingency of 10% is incorporated in both sustaining and non-sustaining capex projections
- Beadell has an additional 4,572 kt of resources included in the LOM scheduled to be mined in FY23 and FY24. Beadell intends to undertake US$7.0 million of exploration drilling expenditure in FY20 to prove up the mineral resources. CSA Global concluded that this is a reasonable assumption.

Other assumptions

In addition to the assumptions discussed in the preceding sections, we have also made the following assumptions:

- cash flows are modelled on a post-tax basis, incorporating a Brazilian corporate tax rate of 34% less a tax incentive for operating in the Superintendence for the Development of the Amazon (SUDAM). We note that the projected effective tax rate over the life of the project is approximately 15.24% which is consistent with the effective tax rate in FY17 and FY16
- we have incorporated total projected rehabilitation costs of US$6.7 million which are progressively incurred between 2018 and 2032, with the majority of expenditure occurring in FY27 and FY28, followed by 5 years of monitoring. Rehabilitation costs are stated net of the project salvage value, which CSA Global estimated to be US$1.0 million
- the Tucano Gold Mine is currently subject to certain royalty payments to the Brazilian Government and local region in which it operates. Royalty payments are levied on gold produced at the Tucano Gold Mine and reflect the increased federal royalty of 1.5% which was legislated on 19 December 2017
- as Tucano exports all of its production, it is entitled to a refund of VAT paid on operating and capital expenditure (c. 5% on average). As at 30 September 2018, Beadell held a VAT receivable of approximately A$40.06 million. However, the process to receive the VAT refund from the government is lengthy (i.e. typically between five to ten years) and Tucano has typically used available credits to reduce annual tax payable to nil. Notwithstanding the fact that the Brazilian government has acknowledged that a refund of a portion of this receivable (A$13.9 million) is due to Beadell, as Tucano has yet to obtain a direct refund of any VAT receivables, we have assumed that the project receives refund payments on VAT receivables (net of income tax) on a five-year rolling basis. These payments have been discounted at the same rate as the Tucano Gold Mine open-pit operations
- cash flows have been adjusted for working capital movements based on projected terms between Tucano and its contractors and suppliers, inclusive of inventory movements.

Discount rate

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor. We have selected an US$ denominated, real post-tax discount rate in the range of 10.50% to 11.50% to discount the future cash flows of the Tucano Gold Mine to their present value. Refer to Appendix 5 for greater detail on our selected discount rate.

In selecting this range, we considered the following:

- the required rates of return on listed companies in a similar business
- the specific business and financing risks of the Tucano open-pit project
- an appropriate level of financial gearing.

Sensitivity analysis

We have considered the sensitivity of the Tucano Gold Mine open-pit project valuation outcomes to changes in gold prices, discount rate, operating expenditure and capital expenditure assumptions adopted, as set out in the table below.

Tucano open-pit project

Table 40

		Discount rate (real, post-tax)				
(US$ million, 100% interest)		**10.00%**	**10.50%**	**11.00%**	**11.50%**	**12.00%**
Gold price						
Mid-point between spot and median broker forecasts	**Average price/US$/oz**					
+7.5%	**1,325**	206	203	200	197	195
+5.0%	**1,294**	180	177	175	173	170
+2.5%	**1,263**	154	152	150	148	146
Deloitte selected	**1,232**	128	126	124	123	121
-2.5%	**1,202**	102	100	99	98	96
-5.0%	**1,171**	76	75	74	73	71
-7.5%	**1,140**	50	49	48	48	47
Operating expenditure (Mid-point gold price)	**Average cash cost/oz**					
-10.0%	**1,009**	206	203	200	197	194
-5.0%	**1,051**	167	164	162	160	157
Selected assumptions	**1,171**	128	126	124	123	121
+5.0%	**1,133**	89	88	87	85	84
+10.0%	**1,175**	50	50	49	48	48
Foreign exchange (Mid-point gold price)	**Average AISC/oz**					
+7.5%	**3.85**	192	190	187	185	182
+5.0%	**3.76**	172	170	167	165	163
+2.5%	**3.67**	151	148	146	144	142
Deloitte selected	**3.32**	128	126	124	123	121
-2.5%	**3.49**	104	103	101	100	98
-5.0%	**3.40**	79	78	77	76	74
-7.5%	**3.32**	53	52	51	50	49
Capital expenditure (Mid-point gold price)	**Average BR$:US$ over LOM (real)**					
-20.0%	**1,140**	132	130	128	126	125
-10.0%	**1,142**	130	128	126	124	123
Selected assumptions	**1,226**	128	126	124	123	121
+10.0%	**1,147**	126	124	122	121	119
+20.0%	**1,150**	124	122	121	119	117

Source: Deloitte Corporate Finance analysis

The tables above illustrate that the value of the Tucano Gold Mine open-pit project is highly sensitive to the gold price, foreign exchange rate and operating expenditure assumptions. This results from Tucano having a relatively high operating leverage as a result of being a high cost project. Based on 2018 cash cost estimates, Tucano ranks in the 83rd percentile of all gold projects (identified and analysed by SNL Mining). As a higher cost producer, Tucano Gold Mine has tighter margins and is more susceptible to movements in the gold price, operating expenditure and foreign currencies. As indicated in Section 2.4.3 AISC for the FY18 reported quarters ranged from US$962 – US$1,306 (FY17 US$1,161 to US$1,558), although AISC is forecast to improve with the ramp up of U&M as mining contractor and additional efficiencies from the upgraded processing plant and power consumption. AISC over the life of the

Tucano Gold Mine open-pit project is projected to be US$1,092. At the mid-point of our selected gold price range of US$1,232, this results in a margin of US$140 and therefore results in the significant fluctuations observed in our sensitivity analysis. Conversely, improvement in the gold price has a significantly positive impact on the valuation outcome.

Assessment of value

Based on our consideration of the above, we have selected a valuation range around the mid-point of the spot real gold price and the real median broker forecast gold price, and the mid-point of our discount rate range. Accordingly, we have estimated the fair market value of the Tucano Gold Mine open-pit to be in the range of US$114.0 million to US$134.0 million, equivalent to A$161.0 million to A$189.2 million, on a control basis.

6.4 Urucum underground

CSA Global's assessment of the fair market value of the ore reserves and mineral resources of the planned Urucum underground project is set out in the table below.

Table 41

	Unit	Low	High	Mid
Urucum underground – ore reserves	A$m	11.9	17.8	14.8
Urucum underground – mineral resources	A$m	15.7	23.6	19.7
Total	**A$m**	**27.6**	**41.4**	**34.5**

Source: CSA Global

As indicated in Section 6.2, Beadell provided us with a financial model that separately included cash flows projections for the Urucum underground project that forms part of the Tucano Gold Mine. CSA Global performed a review of the technical assumptions underpinning these forecasts and determined that an income-based valuation methodology is not suitable for the Urucum underground reserves given the uncertainty around timing in relation to the commencement of the project.

The Urucum underground ore reserves and mineral resources have therefore been valued by CSA Global using a comparative transactions approach. This method considers historical transactions of comparable assets and applies a resource multiple to the total oz of gold equivalent in-situ to arrive at a value for the Urucum underground mineral resources. This was cross-checked against a yard-stick approach, which determined the value of mineral resources at different levels of geological confidence as an order of magnitude to the current spot gold price.

We have relied on the CSA Global Report to estimate the value of the Urucum underground project. Refer to Appendix 12 for CSA Global's Report.

We have also cross-checked the value derived for the Urucum underground ore reserves by applying a high level discounted cash flow approach using the economic assumptions set out in Section 6.2 and adjusting our selected discount rate range for an additional 2.0% specific risk premium in relation to the uncertainty around the timing of the project. The value determined under the discounted cash flow method supports the valuation derived under CSA Global's comparable transaction approach.

Cross-check

We have cross-checked the selected enterprise value of the Tucano underground and open-pit reserves with reference to the overall A$/oz of gold equivalent ore reserve multiples implied by our valuation.

The reserves multiple rule of thumb has emerged from market transactions as it can be calculated by analysts based on limited publicly available information, however there are limitations in its use including the following:

- the multiples may be affected by issues such as gold grade, development risk, projected levels of capital expenditure, long term favourable / unfavourable contracts and synergies and special value attributed to strategic benefits that only the acquirer could achieve
- reserve ratio calculations do not make allowance for the relative proportions of Measured, Indicated and Inferred resources as a percentage of total resources attributable to an asset, nor do they allow for different cost structures of the resources
- reserve ratio calculations derived from transactions are static and are generally influenced by the economic environment surrounding the transaction, which may not reflect the current environment.

Reserves multiples are only intended to provide a high-level cross-check for our valuation of the Tucano Gold Mine open-pit and underground reserves.

The following table summarises the ore reserves and multiples implied by our valuation of Tucano.

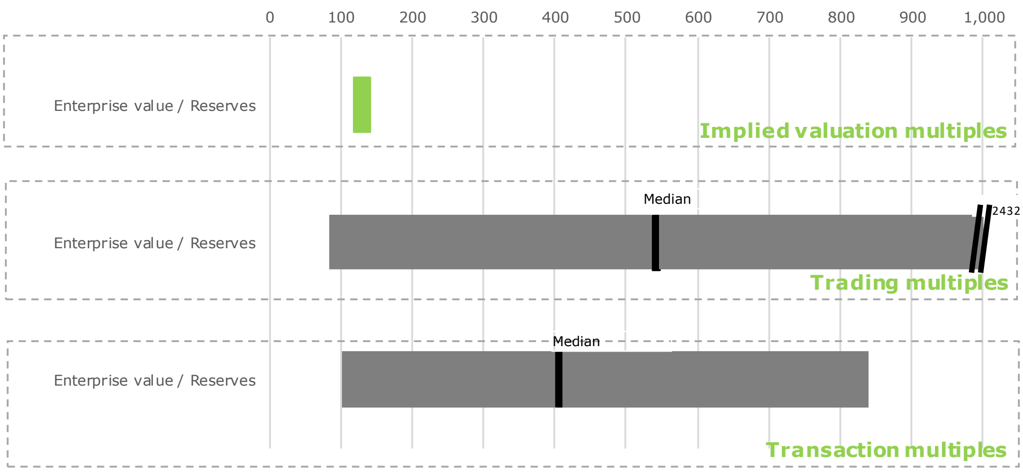
Table 42

	Reference	Unit	Low	High
Assessed value of Tucano open pit	Table 39	A$ m	161.0	189.2
Assessed value of Urucum underground reserves	Table 41	A$ m	11.9	17.8
Total assessed value of ore reserves		A$ m	172.9	207.0
Gold equivalent ore reserves		Moz	1.473	1.473
Enterprise value / Ore reserves		**A$/ oz**	**117.4**	**140.5**

Source: Deloitte Corporate Finance analysis
Note:
Ore reserves reflect the volumes incorporated in the LOM Plan only. CSA Global has separately valued additional mineral resources excluded from the LOM Plan (see Section 7.1.6)

The following figure depicts the range of ore reserve multiples implied by share trading in comparable companies and transactions in comparable projects. Refer to Appendix 9 and Appendix 10 for additional detail of the comparable companies and transactions.

Figure 20: Observed trading and transaction multiples (A$/oz)



Source: Deloitte Corporate Finance analysis
Note:
1. Trading multiples presented incorporate a 30% control premium.

Most of the trading multiples observed reflect international gold companies with multiple projects around the world. We have focused on four companies which operate predominantly in Brazil. These companies trade in a range of A$83 to A$2,432/oz of ore reserve. We have also focused on transactions involving gold projects in South America. These transactions have occurred in a range of A$101 to A$840.

We note that the ore reserve multiples implied by our valuation are within the observed range of both share trading in comparable companies and comparable transactions. However, they are at the low end of trading multiples observed.

We do not consider this to be unreasonable given Tucano's relatively low grade, high costs and small scale of operations compared to comparable projects. Based on 2018 cash cost estimates, Tucano ranks in the 83rd percentile of gold projects identified and analysed by SNL Mining. Based on the identified comparable listed companies, we note that while Tucano ranked above the median in terms of gold grade, it was the smallest project relative to the comparable companies and had relatively high FY18 cash costs.

6.5 Additional mineral resources

CSA Global's assessment of the fair market value of the exploration tenements, including Tartaruga, and additional mineral resources outside the current mine plan, is set out in the table below.

Table 43

	Unit	Low	High	Mid
Additional mineral resources	A$m	14.4	26.7	20.5
Tucano exploration tenure	A$m	9.6	17.8	13.7
Total	**A$m**	**24.0**	**44.5**	**34.2**

Source: CSA Global, Deloitte Corporate Finance analysis

A comparables approach was adopted by CSA Global as follows:

- exploration tenures: this method considers historical transactions of comparable assets and applies a value per sqkm to the total exploration acreage held by Beadell to determine the value of the exploration tenures
- additional mineral resources (including Tartaruga): this method considers historical transactions of comparable assets and applies a resource multiple to the total oz of gold in-situ to arrive at a value for additional mineral resources. This was cross-checked against a yard-stick approach, which determines the value of mineral resources at different levels of geological confidence as an order of magnitude to the current spot gold price.

Refer to Appendix 12 for the CSA Global Report.

6.6 Net debt

Beadell had net debt of A$102.7 million as at 31 October 2018, per the table below.

Table 44

	A$m[1]
Cash and cash equivalents	2.8
ACC loans	(21.0)
Santander facility	(14.1)
MACA facility	(54.7)
Convertible debentures	(14.1)
Accrued interest	(1.5)
Net Debt	**(102.7)**

Source: Beadell
Note:
US$ facilities and interest converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.

6.7 Other net assets/liabilities

Other assets and liabilities held by Beadell are comprised largely of trade receivables and payables, inventory, deferred tax assets (**DTA**)and provisions. We have not separately valued these assets and liabilities due to the following:

- **Working capital**: movements in working capital have been incorporated into the projected cash flows in our discounted cash flow analysis, including a release at the end of the life of mine
- **DTA**: deferred tax assets predominantly comprise Brazilian tax losses. We have not incorporated the value of Australian tax losses in our valuation of Beadell as, in the absence of any Australian operations, these losses are unlikely to be utilised. In addition, they may not be transferrable to the Merged Entity. Brazilian tax losses have been modelled in the projected cash flows in our discounted cash flow analysis
- **Provisions**: we have not separately valued provisions on the basis that both employee and rehabilitation provisions have been incorporated into our projected cash flows in our discounted cash flow analysis.

6.8 Corporate costs

Beadell Management provided us with an estimate of A$3.0 million of annual corporate costs incurred in relation to Perth head-office and listing costs. We have not incorporated a tax shield on these costs as the Australian entity is loss-making and is not likely to be able to utilise the tax shield.

We have determined the present value of corporate costs based on the annual costs incurred over the Tucano life of mine at our selected discount rate range of 10.5% to 11.5% to be in the range of A$17.9 million to A$18.5 million.

6.9 Valuation of share options, performance rights, convertible debentures and warrants on issue

Share options

There are currently 27.8 million employee share options outstanding. The Board intends to exercise its discretion under the share option plan to cause all options to vest and allow them to be exercised at any date prior to the scheme record date. Section 2.3.1 sets out the detailed list of outstanding share options along with their key terms. All of the employee share options have a strike price that is above the current share price. We therefore consider it unlikely that employees will exercise these options prior to the scheme record date and accordingly we have assumed they will not be exercised and will expire.

Performance rights

There are currently 4.4 million performance rights on issue as set out in Section 2.3.1. The Board intends to exercise its discretion under the performance rights plan to cause all performance rights to vest unconditionally and holders will receive Beadell shares prior to the scheme record date. We have therefore included the full dilutive effect of these performance rights in the number of shares applied in our valuation of a Beadell share and the number of consideration shares in our valuation of the Merged Entity.

Convertible debentures

On 17 May 2018 Beadell issued 10,000 convertible debentures with a face value of A$13.7 million at 31 October 2018. The implementation of the Proposed Scheme will constitute a "change of control" of Beadell. In accordance with the terms of the scheme implementation deed, upon a "change of control" of Beadell, the holders of the debentures may elect to either:

- accept the offer made by Beadell under the debenture indenture to repurchase those debentures upon implementation of the Proposed Scheme at 105% of the principal amount plus accrued and unpaid interest; or
- waive Beadell's obligation to repurchase the debentures and enter into a supplemental indenture agreement to agree to accept the issue of Great Panther Shares in lieu of Beadell Shares on exercise of rights of conversion of the convertible debentures.

We have determined the fair value of the embedded derivative to be A$3.1 million as set out in the table below. Given that the value of the embedded derivative is lower than the face value of the debentures, we have included the face value of the debentures in net debt in Section 6.6 (but see Section 7.1.3 for the adjustment made in the Merged Entity). Further details on the valuation of the embedded derivatives associated with the convertible debentures are included below.

Table 45

	Unit[1]	Amount
Secured convertible debentures		
Face value[1]	**A$ million**	**14.1**
Number of embedded derivatives[2]	million	122.7
Value per derivative	A$ per option	0.025
Value of embedded derivatives	**A$ million**	**3.10**
Total included in Net Debt (excluding accrued interest)	**A$ million**	**14.1**

Source: Beadell, Deloitte Corporate Finance analysis
Note:
1. US$10 million face value converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.
2. Calculated as the US$10 million face value divided by the strike price of US$0.0815

We have estimated the value of the embedded derivatives using the Black-Scholes method, which results in a likely value that represents the time and intrinsic value of the embedded derivatives.

The key assumptions adopted in valuing the embedded derivatives are as follows:

- risk free rate of 2.33%, based on Australian zero-coupon bond yields corresponding to the underlying security maturity
- share price of Beadell of $0.051 per share as at 23 September 2018
- volatility of 75%, having regard to the daily and weekly historical volatilities of Beadell and comparable gold producing companies over a two-year and four-year period
- dividend yield of nil over the life of the securities.

Warrants

All of the warrant holders on issue have accepted the warrant consideration in exchange for their Beadell warrants on implementation of the Proposed Scheme. The warrant consideration is 0.0619 Great Panther warrants in exchange for one Beadell warrant, which is in line with the Exchange Ratio. Further details on the valuation of the warrants are included below.

Table 46

	Unit[1]	Amount
Warrants		
Number of warrants issued	million	157.5
Value per warrant	A$ per warrant	0.020
Value of warrants	**A$ million**	**3.2**

Source: Deloitte Corporate Finance Analysis, Beadell Appendix 3B
Note:1. Converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.

We have estimated the value of the warrants using the Black-Scholes method, which results in a value that represents the time and intrinsic value of the warrants. The value attributed to the warrants has been deducted from the equity value of Beadell, given that the warrants have a dilutive effect on the value of a Beadell share.

The key assumptions adopted in valuing the warrants are as follows:

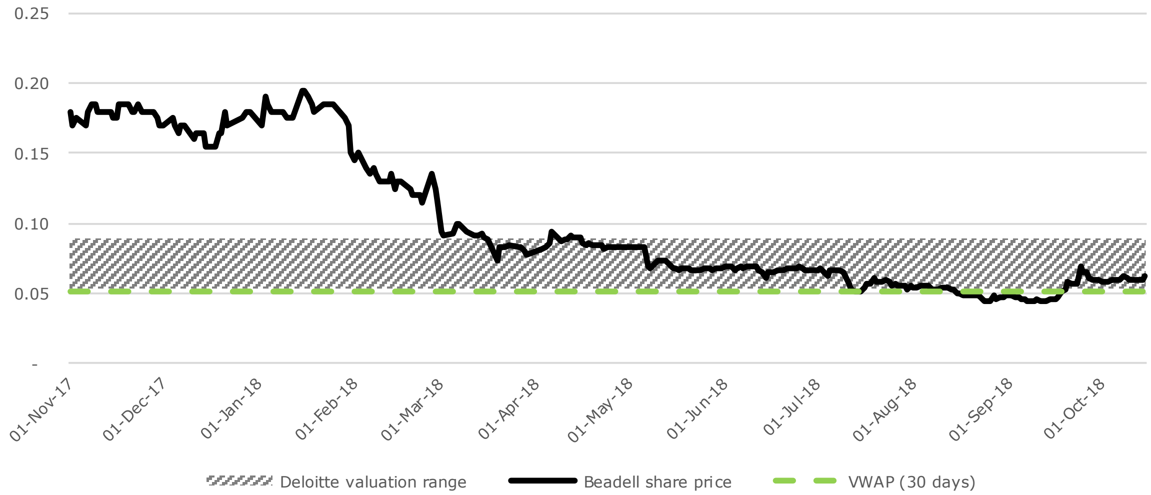
- risk free rate of 2.17% based on Australian zero-coupon bond yields corresponding to the security maturity
- share price of Beadell of A$0.051 per share as at 23 September 2018
- volatility of 75%, having regard to the daily and weekly historical volatilities of Beadell and comparable gold producing companies over a two-year and four-year period
- dividend yield of nil over the life of the securities.

6.10 Analysis of recent share trading

The total volume of shares traded in Beadell in the twelve months prior to the announcement of the Proposed Scheme represents 108.6% of the ordinary shares outstanding on an annualised basis. We consider this level of liquidity to be high.

Beadell's recent share price history and its 30-day VWAP prior to the announcement of the Proposed Scheme is set out in the figure below, in addition to our assessed value range of a Beadell share before the Proposed Scheme on a controlling interest basis, being A$0.053 to A$0.090, with a mid-point value of A$0.071.

Figure 21



Source: Capital IQ, Deloitte Corporate Finance analysis

The 30-day VWAP of Beadell shares before the Announcement Date was A$0.051 per share which is slightly below the low end of our assessed value range for a Beadell share before the Proposed Scheme. At the mid-point and high-end of our selected range of A$0.071 and A$0.090 respectively, the implied control premium is 30% and 77% respectively, which is at the high end of control premiums typically observed in takeovers of publicly listed entities (refer to Appendix 11). We have not considered Beadell's short-term funding issues in this valuation. These issues are considered in the reasonableness assessment.

We consider Beadell's recent share trading broadly supports our valuation conclusion.

The closing share price on the day prior to the announcement of the Proposed Scheme was A$0.057 per share. Since that date, Beadell's shares have traded in a range of A$0.049 to A$0.069 per share, a movement of -14% to 35% compared with the closing Beadell share price prior to the announcement of the Proposed Scheme, this movement is in tandem with Great Panther's share price based on the Exchange Ratio and spot A$:US$ exchange rate.

7 Valuation of the Merged Entity after the Proposed Scheme

7.1 Introduction

We have assessed the fair market value of the Merged Entity after the Proposed Scheme on a minority interest basis, to be in the range of A$0.81 to A$1.21 per share. After applying the Exchange Ratio of the Proposed Scheme, the value of the consideration equates to between A$0.043 and A$0.064 per Beadell share.

For the purpose of our opinion, fair market value is defined as the amount at which the shares would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. We have not considered special value in this assessment.

The Proposed Scheme involves the merger of Beadell and Great Panther at a ratio of 0.0619 Beadell shares for 1 share in the Merged Entity. As a result, the value of the Merged Entity after the Proposed Scheme is equal to the sum of Beadell's and Great Panther's current equity values plus the value of any synergies arising from the merger and allowing for a minority interest discount in accordance with the requirements set out in RG 111 and ASIC's guidance in relation to control transactions. Great Panther's equity value consists of the value of its mining assets, less the net present value of the corporate overheads to support its operations plus its surplus cash-on-hand.

Based on the above, we have estimated the fair market value of a Merged Entity share after the Proposed Scheme using the sum of the parts method, which requires the determination of:

- fair market value of the equity in Beadell
- fair market value of Great Panther's Operating Assets
- fair market value of Great Panther's Coricancha Mine and Other Exploration Assets
- fair market value of the unclassified material not included in the Operating Assets' cash flow projections
- net present value of the cash flows associated with Great Panther's corporate structure, which is expected to support the Merged Entity's future operations
- Great Panther's cash-on-hand, given that it has no financial borrowings
- synergies arising from Beadell's corporate costs savings which will not continue to be incurred post the Proposed Scheme
- impact of Great Panther's outstanding options and performance rights in the Merged Entity share capital
- number of ordinary shares on issue in the Merged Entity, following the issue of shares to Beadell shareholders under the Proposed Scheme
- allowance for an appropriate minority interest discount.

The Table 47 sets out our assessment of the fair market value of a Merged Entity share after the Proposed Scheme, using the sum of the parts method.

Table 47

	Reference	Unit	Low	High
Equity value of Beadell (control basis)	Table 35	**A$m**	**88.8**	**150.7**
Add back: corporate cost synergies	7.1.4	A$m	17.9	18.5
Less: additional 5% of debenture repurchase amount	7.1.3	A$m	(0.7)	(0.7)
Great Panther assets and liabilities				
Fair value of Operating Assets (100% interest)	Table 49	A$m	28.2	49.4
Fair value of development assets (100% interest)	Table 54	A$m	43.7	64.2
Less: corporate costs	7.1.8	A$m	(33.6)	(34.5)
Enterprise value of the Merged Entity (control basis)		**A$m**	**144.3**	**247.7**
Add: Great Panther net cash[2]	7.1.7	A$m	82.1	82.1
Less: Options liability	7.1.9	A$m	(1.4)	(1.4)
Add: Coricancha DTA	7.1.9	A$m	0.0	7.0
Equity value of the Merged Entity (control basis)		**A$m**	**225.0**	**335.4**
Shares outstanding	7.1.11	million	172.5	172.5
Consideration shares	7.1.11	million	103.9	103.9
Fully diluted shares		**million**	**276.4**	**276.4**
Value of a Merged Entity share after the Proposed Scheme (control basis)		**A$/share**	**0.81**	**1.21**

Source: Deloitte Corporate Finance analysis
Note:
1. The table above is subject to rounding
2. Net cash is adjusted for the option liability and proceeds from the assumed exercise of options

The value of the consideration offered under the Proposed Scheme based on the Exchange Ratio of 0.0619 fully paid ordinary shares in Beadell for one share in the Merged Entity is set out below.

Table 48

	Reference	Unit	Low	High
Value of a Merged Entity share after the Proposed Scheme (control basis)	Table 47	A$/share	**0.81**	**1.21**
Minority interest discount	7.1.12	%	15.0	15.0
Value per Merged Entity share (minority basis)		A$/share	**0.69**	**1.03**
Exchange ratio			0.0619	0.0619
Value of consideration (minority basis)		A$/share	**0.043**	**0.064**

Source: Deloitte Corporate Finance analysis

7.1.2 Equity value of Beadell

As outlined in Section 6 (refer Table 35), the value of 100% of the equity in Beadell is assessed to be in the range of A$88.8 million to A$150.7 million.

7.1.3 Convertible debentures

As outlined in Section 6.9, under the Proposed Scheme debenture holders are entitled to accept Beadell's offer to repurchase those debentures at 105% of the principal amount plus accrued and unpaid interest or accept the issue of Great Panther Shares in lieu of Beadell shares on exercise of their rights of conversion. Our valuation of the equity value of Beadell incorporates the current face value and accrued and unpaid interest of the debentures (Refer Table 45). We have included the additional 5% of the principal amount in our valuation of a Merged Entity share, which amounts to US$500,000 (equivalent to A$706,050).

7.1.4 Corporate cost synergies

Beadell management estimated A$3.0 million of corporate costs per annum associated with the Perth head-office and ASX listing costs which are not expected to be incurred post the Proposed Scheme. These cost synergies have been included in our valuation of a Merged Entity share. Our valuation of these corporate costs is detailed in Section 6.8.

7.1.5 Great Panther's Operating Assets

We have estimated the fair market value of Great Panther's Operating Assets to be in the range of A$28.2 million to A$49.4 million on a control basis, as set out in the table below.

Table 49

	Unit	Low	High
Value of the Operating Assets (100% interest)	US$m	20.0	35.0
Value of the Operating Assets (100% interest)	**A$m[1]**	**28.2**	**49.4**

Source: Deloitte Corporate Finance analysis
Note:
1. Valuation range in US$ converted to A$ based on the A$:US$ rate of 1.4121 as at 31 October 2018.

Similar to the approach used for Beadell's Tucano Model, we have made amendments to the Great Panther Model to reflect our selected commodity price assumptions as well as the adjustments recommended by CSA Global.

Our consideration of these assumptions is set out below.

Commodity prices

As previously discussed, Great Panther is essentially a silver producer, notwithstanding the fact that part of its revenues relate to the production of gold, lead and zinc. In estimating appropriate forecast price assumptions for these commodities, we have had regard to the following:

- spot and historical prices
- broker forecast price estimates
- open futures contracts
- other publicly available industry estimates and commentary.

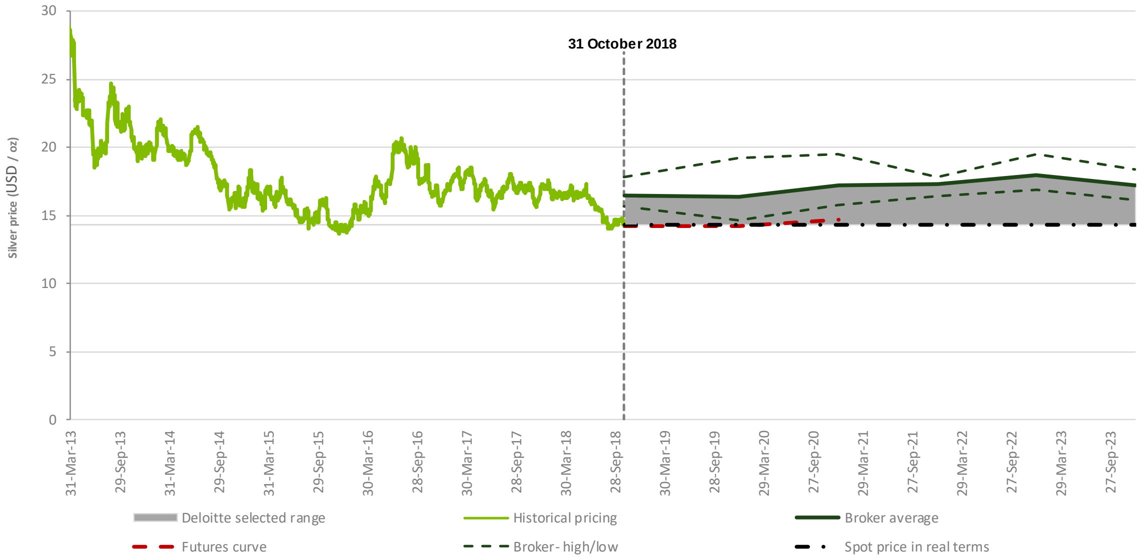
Whilst some of the fundamentals of silver prices are similar to those driving gold prices, there are also important differences between them. Like gold, silver has historically been used as a store of wealth and as a hedge against market volatility. Industrial uses for silver, however, are broader than for gold, hence industrial demand has a more significant impact on silver prices than that observed in relation to gold.

Silver prices peaked over US$35/oz during 2011 and 2012 as a result of increasing demand from investors looking for safe investments after the GFC and strong industrial demand from developing countries like India, Brazil and China. After that, prices declined due to increasing investor confidence and the world economic recovery post GFC, which have re-established capital flows moving away from precious metals to riskier investments. We also observe substitute metals increasingly replacing silver in industrial processes, putting additional downward pressure on prices.

Silver prices have been subject to a high degree of volatility over the past five years, with prices falling from a peak of over US$30/oz in early 2013 to the current prices around US$15/oz. Over the past five years, prices have averaged approximately US$17.11/oz, whilst the silver price for the 12 months to 31 October 2018 averaged approximately US$16.05/oz. The spot price of silver as at 31 October 2018 was US$14.28/oz, representing the lowest price during the month prior to this date, against a peak of US$14.79/oz during the same month.

The following figure shows historical silver prices over the past five years, along with the range of broker real silver price forecasts, the forward curve and the real silver price range selected by Deloitte.

Figure 22



Source: CapitalIQ, Thomson Research, Deloitte Corporate Finance analysis

Similar to the approach used in determining gold prices, our selection of a constant real silver price range largely reflects where the spot price was trading in the 30-day period leading up to 31 October 2018. Adopting the spot price reflects the premise that precious metal spot prices are a good proxy for the market expectation of the equilibrium between future demand and supply, given its use as a globally accepted store of value and for being a scarce commodity.

Our selected range has also taken into account median broker estimates, which have been CPI adjusted to reflect real prices. In determining our price forecast range, we have considered both the spot price on 31 October 2018 and the median of broker forecast in real terms, which have been selected as the low and high end of our price range, respectively.

Prices for lead and zinc commodities (by-products of Great Panther's operations) are largely driven by demand from the construction and automotive industries, whose performance, in turn, is closely linked to the level of global economic activity. Both zinc and lead have experienced a significant decrease in prices during the current calendar year, after hitting 5 year highs at the beginning of 2018. Prices are expected to pick up over the short to medium term, however no significant increase is expected in the long run.

Our forecast ranges for zinc and lead commodity prices are based on median broker forecast prices for these commodities.

For details regarding our gold price forecast assumptions, please refer to the Beadell valuation section (Section 6.2).

Table 50 summarises our selected assumptions for metal prices:

Table 50

	Unit	2018	2019	2020	2021	2022	Long term
Low							
Silver	US$/oz	14.3	14.3	14.3	14.3	14.3	14.3
Gold	US$/oz	1,215	1,215	1,215	1,215	1,215	1,215
Zinc	US$/lb	1.28	1.04	0.93	0.90	0.94	0.98
Lead	US$/lb	1.03	0.86	0.80	0.79	0.82	0.86
High							
Silver	US$/oz	16.5	16.4	17.2	17.3	17.2	17.2
Gold	US$/oz	1,278	1,272	1,255	1,221	1,235	1,248
Zinc	US$/lb	1.33	1.18	1.09	1.09	1.09	1.10
Lead	US$/lb	1.06	0.99	0.95	0.94	0.94	0.95
Mid (Base Case)							
Silver	US$/oz	15.4	15.3	15.7	15.8	15.8	15.7
Gold	US$/oz	1,246	1,244	1,235	1,218	1,225	1,232
Zinc	US$/lb	1.30	1.11	1.01	1.00	1.02	1.04
Lead	US$/lb	1.05	0.92	0.88	0.86	0.88	0.90

Source: Deloitte Corporate Finance analysis

The key assumptions adopted in the preparation of the cash flow projections and the adjustments we have made are discussed below. We note the figures are presented in real terms unless otherwise stated.

Foreign exchange

We have selected MX$ to US$ foreign exchange rate assumptions for the Operating Assets, based on our consideration of the following:

- historical and current MX$:US$ exchange rates
- forecasts prepared by economic analysts and other publicly available information, including analyst forecasts
- open currency futures contracts with observable traded volumes
- median broker forecasts collated and published by the Central Bank of Mexico.

Based on the above, we have adopted the following foreign exchange rate assumptions.

Table 51

Foreign exchange	2018	2019	2020	2021	2022	2023+
MX$:US$ (in real terms)	19.7	18.9	18.5	18.3	18.3	18.3

Source: Deloitte Corporate Finance analysis, Central Bank of Mexico,

We note that markets are reasonably bullish on the MX$. Mexico is well positioned in the emerging markets space; it is currently rated investment grade and presents generally positive economic indicators compared to similar markets. Despite the uncertainties surrounding the new government to take office in December 2018, emerging market analysts in general highlight the potential upsides Mexico has to offer. Further, the recent shift in US foreign trade policy, which is likely to reduce the share of Chinese products in US imports, may benefit Mexican exports in conjunction with progressing new NAFTA talks, hence potentially appreciating the MX$ over upcoming years.

Inflation

The Great Panther Model has been prepared on a US$ real basis. We have therefore adopted the following US$ and MX$ inflation assumptions to adjust the observed nominal foreign exchange rate assumptions to real exchange rates, based on our consideration of the following:

- historical and current US and Mexico CPI rates
- CPI forecasts prepared by economic analysts and other publicly available information
- CPI forecasts collated and published by the Central Bank of Mexico.

Based on the above, we have adopted the following CPI assumptions to determine real exchange rates.

Table 52

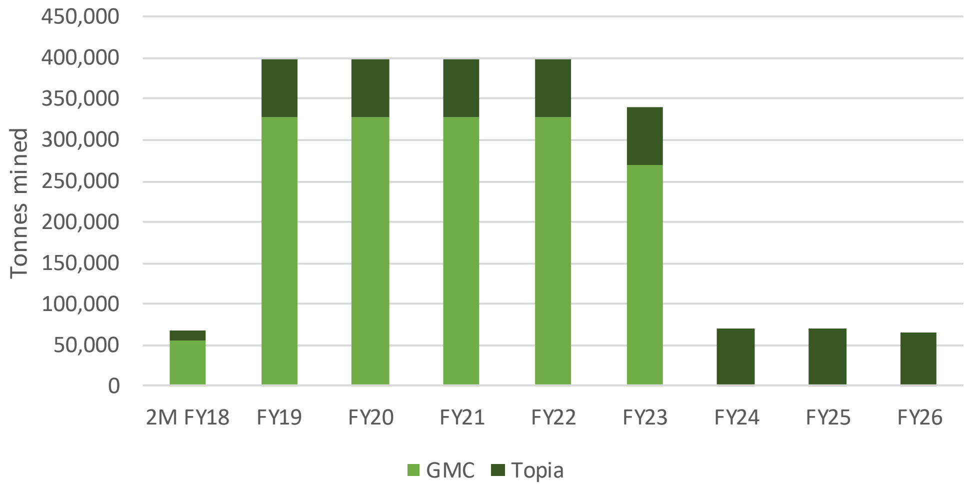
Foreign exchange	2018	2019	2020	2021	2022	2023+
US CPI	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Mexico CPI	4.23%	3.63%	3.67%	3.67%	3.67%	3.67%

Source: Deloitte Corporate Finance analysis

Production profile

The figure below sets out the production profile at GMC and Topia Mine.

Figure 23



Source: Great Panther Model, Deloitte analysis
Note:
1. 2M refers to 2 months

Great Panther's original LOM plans include metals production which originated from mineral resources as well as unclassified material. On this basis, Great Panther included c. 1.6 million tonnes and 169,000 tonnes of unclassified material (the **Unclassified Material**) in the original LOM plans for GMC and Topia, respectively. As a result, the GMC LOM was expected to end in 2028, while the Topia LOM was expected to end in 2030.

We have had regard to CSA Global's consideration of the Unclassified Material included within GMC and Topia LOM models (refer to Section 7.4.4 of the CSA Global's Report attached at Appendix 12), which concludes that the current Australian public disclosure regime precludes the valuation of the Unclassified Material using the DCF method. Accordingly, as advised by CSA Global, we have excluded the Unclassified Material from the LOM models forming the basis for the DCF valuation. Notwithstanding this approach, CSA Global acknowledges that most of the Unclassified Material has a robust internal classification system based on well-established historical underground workings, geology, drilling, underground face sampling and mapping. As such, in CSA Global's view, the well-defined Unclassified Material represents significant value within the GMC and Topia mine operations. CSA Global has separately valued the Unclassified Material as detailed in Section 7.1.6.

Whilst the inclusion of inferred resources in the LOM plan is unusual for some types of mining operations and jurisdictions, CSA Global is of the view that there are reasonable grounds for its inclusion in the Operating Assets' mine plans. This is particularly due to the geological characteristics displayed by the Operating Assets (formed by deep narrow veins hosting high grade mineralisation), and to the long and prolific mining history of the Operating Assets, which is characterised by high and fast conversion rates of inferred resources to production.

Consequently, the adjusted LOM plans underpinning the DCF valuation incorporate only measured, indicated and inferred resources. According to CSA Global's estimates, GMC reserves and resources comprise approximately 934,000 tonnes of measured and indicated resources and 732,000 tonnes of inferred resources as at 30 September 2018. Topia's resources have been estimated to be approximately 208,000 tonnes of measured and inferred resources and 357,000 tonnes of inferred resources as at 30 September 2018. As a result of the exclusion of the Unclassified Material, our base case presents the LOM ending in 2023 for GMC and in 2026 for Topia.

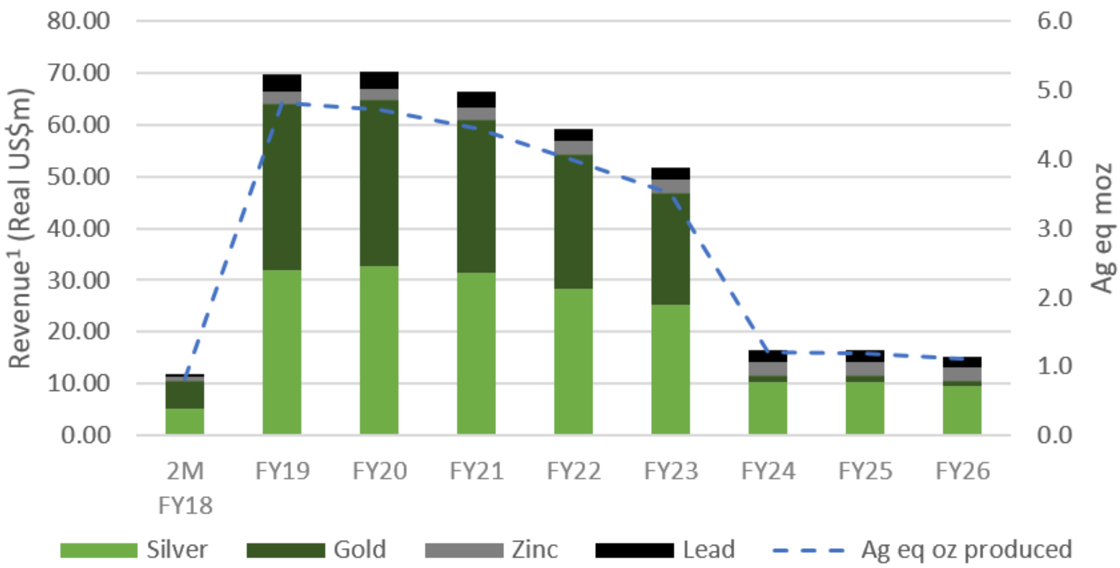
For additional details regarding the Operating Assets' production profile and resources, please refer to the CSA Global's Report at Appendix 12.

Revenue

Revenue is a function of the volume and price of the metals sold by Great Panther. Silver is the primary source of revenue for Great Panther, followed by gold, zinc and lead.

The figure below shows the Operating Assets' annual sales mix over the projection period.

Figure 24



Source: Great Panther Model, Deloitte Corporate Finance analysis
Note:
1. Projected revenue based on Deloitte selected base case price assumptions

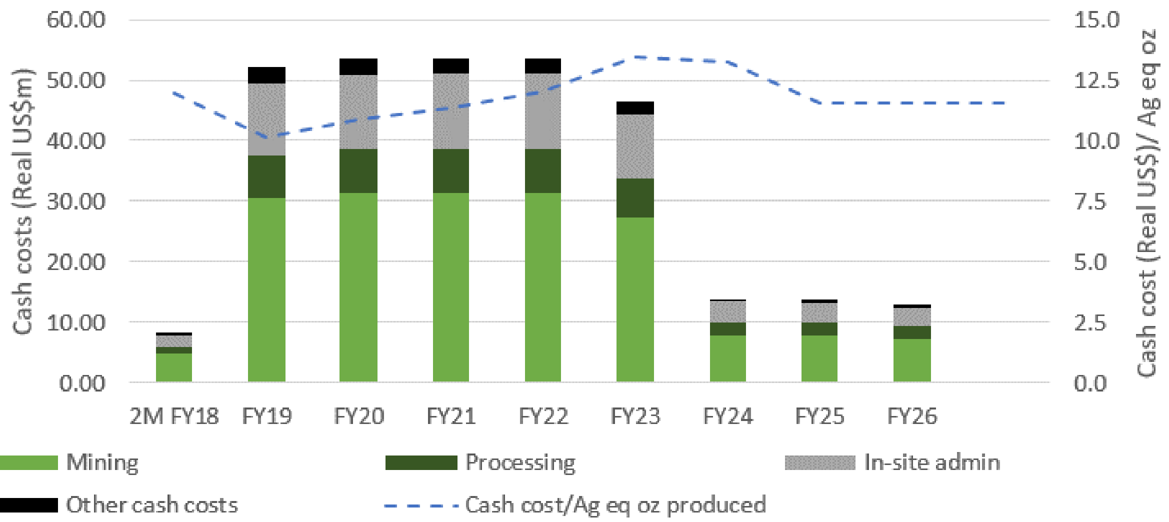
We note the following with respect to Figure 24:

- total forecast ore mined comprises approximately 1.6 Mt for GMC and 0.57 Mt for Topia, containing 6.6 moz and 5.9 moz of Ag respectively and approximately 117,000 oz and 10,000 oz of Au respectively. In addition, a total of c. 45 million pounds (mlb) of lead and zinc by-products are projected to be produced at Topia
- these volumes result in an estimated total production of 25.8 moz of Ag eq oz over the lives of the mines, being 15.8 moz contributed by GMC and 10.0 moz contributed by Topia. Consolidated Ag eq oz production averages 3.1 moz per annum over the projection period, excluding the remaining two month period in FY18
- forecast processing feed is approximately 328,000 tpa for GMC and 70,000 tpa for Topia throughout the projection period. The daily feed capacities are 899 tpd and 191 tpd for GMC and Topia respectively
- weighted average head grade metal for GMC is projected to average 138.6 g/tonne and 2.5 g/tonne for Ag and Au with recovery rates of c. 90% and 88% respectively. For Topia, weighted average head grade metal is expected to average 356.5 g/tonne and 0.80 g/tonne for Ag and Au respectively with recovery rates averaging 91.6% and 67.1% respectively. Forecast head grade for lead and zinc at the Topia mine averages c. 2.4% with recovery rates of 92.8% and 94.3% respectively.

Cash costs

Cash costs consist largely of production costs (mining, processing and site admin) as well as government royalties and refining and smelting charges. The following figure presents projected annual cash costs for the Operating Assets (in real US$ terms).

Figure 25



Source: Great Panther Model, Deloitte analysis

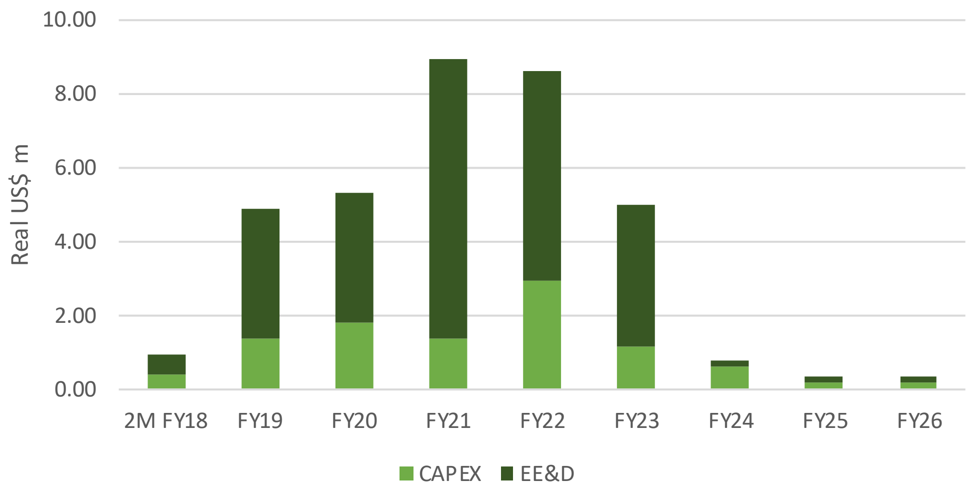
We note the following with respect to the Figure 25:

- in projecting the Operating Assets' cash costs we have had regard to CSA Global's estimates of a reasonable level of operating costs for GMC and Topia. CSA Global has estimated operating costs of MX$2,100/tonne for GMC and MX$3,500/tonne for Topia, which include mining, processing and site admin costs. These costs have been converted to US$ using our selected assumptions for exchange rate over the LOM. No real movements in operating costs per tonne have been projected
- mining costs are the most significant cost item for the Operating Assets representing c. 58% of the total cash costs. CSA Global has estimated mining costs of MX$1,320 and MX$2,040 per mined tonne for GMC and Topia respectively. The mining costs discrepancy between the operations is due primarily to the more complex mining conditions at the Topia mine, which consist of several continuous narrow veins as opposed to more accessible deposits at GMC
- other relevant production costs are processing and in-site admin costs, which are estimated at MX$280 and US$500 per tonne respectively for GMC and MX$600 and MX$860 per tonne respectively for Topia. We have also incorporated refining and smelting charges as well as government royalties in the calculation of cash costs
- Mexican government mining royalty on Au and Ag sales of 0.5% and refining and smelting charges averaging 3.5% of the Operating Assets' revenue have been considered in the costs
- total cash costs (excluding corporate overheads) over the Operating Assets' lives amount to approximately US$308 million (in real terms), which is equivalent to approximately US$11.9 per produced Ag eq oz. GMC total cash cost is projected at US$12.5 per produced Ag eq oz and Topia total cash cost is projected at US$11.1 per produced Ag eq oz

Capital expenditure and EE&D expenses

The following figure sets out projected capital expenditure and EE&D expenses at the Operating Assets (in real terms).

Figure 26



Source: Great Panther Model, Deloitte Corporate Finance Analysis

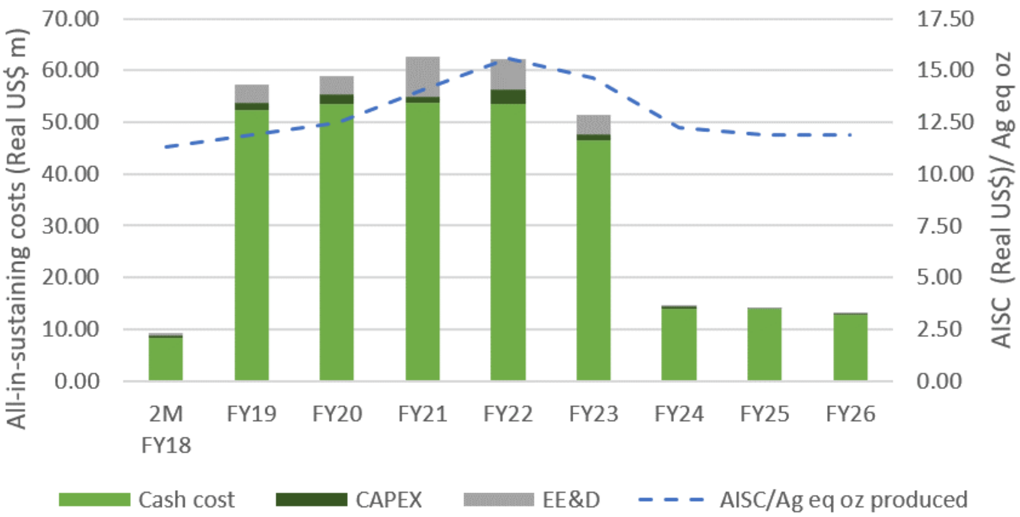
We note the following with respect to Figure 26:

- total projected capital expenditure over the Operating Assets' lives is approximately US$9.9 million, mostly associated with current plant and equipment maintenance. Capital expenditure for GMC and Topia amounts to US$8.1million and US$1.8 million, over their respective LOMs. No expansion capital expenditure has been forecast for the Operating Assets
- EE&D expenses relate to assessments regarding the Operating Assets' future production potential and Great Panther's efforts to convert its inferred resources into production. As previously discussed, relevant parts of the Operating Assets' production is expected to originate from inferred resources
- GMC's total EE&D expenses over the LOM are projected at US$23.7 million, being US$16.5 million associated with mine development and US$7.2 million with exploration development
- Topia's total EE&D expenses over the LOM are projected at US$1.5 million, exclusively associated with mine development
- Capex and EE&D expense projections incorporate a contingency of 10% reflecting future unplanned costs, as per CSA Global's recommendation. In addition, capex and EE&D expenses have been adjusted on a per tonne basis in order to reflect the shorter LOM due to the exclusion of the Unclassified Material of the original mine plan provided by Great Panther

AISC

AISC comprise operating cash costs, EE&D expenses and capex. The following figure sets out the resulting annual AISC/Ag eq oz for the Operating Assets on an individual and consolidated basis.

Figure 27



Source: Great Panther Model, Deloitte Corporate Finance Analysis

We note the following with respect to the figure above:

- total AISC for the Operating Assets is US$343 million over the LOM. Total AISC net of corporate costs is US$229 million and US$115 million for GMC and Topia respectively,
- total AISC/Ag eq oz for GMC is US$14.5, comprised of US$12.5 of cash costs, US$1.5 of EE&D expenses and US$0.5 of capex
- total AISC/Ag eq oz for Topia is US$11.5, comprised of US$11.1 of cash costs, US$0.2 of EE&D expenses and US$0.2 of capex
- resulting total AISC/Ag eq oz for the Operating Assets is US$13.3.

Other assumptions

In addition to the assumptions discussed in the preceding sections, we have also made the following assumptions:

- cash flows are projected on a post-tax basis, incorporating a Mexican corporate tax rate of 30% plus a special mining duty tax of 7.5%, which is applied to the income before tax, interest and depreciation
- tax losses carried forward of approximately US$9 million have been incorporated in the cash flow projections, and fully utilised over the two initial projection periods
- we have considered closure costs of US$2 million and US$1.5 million for GMC and Topia respectively, to be incurred at the end of their respective LOMs
- cash flows have been adjusted for working capital movements based on projected terms between the Operating Assets and their contractors and suppliers, inclusive of inventory movements. Working capital balance have been realised at the end of the LOM.

Discount rate

The discount rate used to equate the future cash flows to a present value reflects the risk-adjusted rate of return demanded by a hypothetical investor. We have selected an US$ denominated, real post-tax discount rate in the range of 9.00% to 10.00% to discount the future cash flows of the Operating Assets to their present value. Refer to Appendix 6 for more detail on our selected discount rate.

In selecting this range, we considered the following:

- the required rates of return on listed companies in a similar business
- the specific business and financing risks of the Operating Assets
- the country risk premium for Mexico
- an appropriate level of financial gearing.

Sensitivity analysis

We have considered the sensitivity of the Operating Assets' valuation outcome to changes in silver and gold prices, discount rate, operating expenditure and capital expenditure (including EE&D expenses) assumptions adopted, as set out in the table below.

Table 53

Operating Assets value (US$ million, 100% interest)		Discount rate (real, post-tax)				
		8.50%	9.00%	9.50%	10.00%	10.50%
Mid-point between spot and median broker forecasts	**Average price US$/Ag eq oz**					
+10%	16.1	50.0	49.5	49.0	48.5	48.0
+5%	15.4	39.4	39.0	38.7	38.3	37.9
+2.5%	15.0	34.0	33.7	33.4	33.1	32.8
Base Case	14.6	27.9	27.7	27.4	27.2	27.0
-2.5%	14.2	21.5	21.4	21.2	21.1	20.9
-5%	13.9	15.2	15.1	15.0	15.0	14.9
-10%	13.1	2.5	2.6	2.6	2.7	2.8
Change in production costs (Mid-point metals price)	**Average cash cost US$/Ag eq oz**					
-10%	10.8	47.6	47.1	46.6	46.1	45.6
-5%	11.4	38.2	37.8	37.4	37.1	36.7
Base case	11.9	27.9	27.7	27.4	27.2	27.0
+5%	12.5	16.8	16.7	16.7	16.6	16.5
+10%	13.1	5.7	5.8	5.9	5.9	6.0
Contingency charge on capex and EE&D expenses (Mid-point metals price)	**Average AISC US$/Ag eq oz**					
0%	13.2	30.4	30.1	29.9	29.6	29.3
+5%	13.2	29.1	28.9	28.6	28.4	28.2
Selected assumptions (+10%)	13.3	27.9	27.7	27.4	27.2	27.0
+15%	13.4	26.7	26.4	26.2	26.0	25.8
+20%	13.4	25.4	25.2	25.0	24.8	24.6
Change in MX$:US$ exchange rate (Mid-point metals price)	**Average MX$:US$ rate over LOM (real)**					
+7.5%	19.9	41.9	41.5	41.1	40.7	40.3
+5.0%	19.5	37.7	37.4	37.0	36.6	36.3
+2.5%	19.0	33.2	32.9	32.6	32.3	32.1
Base case	18.5	27.9	27.7	27.4	27.2	27.0
-2.5%	18.1	22.2	22.1	21.9	21.8	15.6
-5.0%	17.6	9.9	9.9	9.9	9.9	9.9
-7.5%	17.1	3.6	3.7	3.7	3.8	3.9

Source: Deloitte Corporate Finance analysis

Assessment of value

Based on our consideration of the above, we have selected a valuation range around the mid-point of the spot real gold price and the real consensus broker forecast gold price, and the mid-point of our discount rate range. Accordingly, we have estimated the fair market value of the Operating Assets to be in the range of US$20 million to US$35 million (equivalent to between, A$28.2 million and A$49.4 million)[6], on a control basis.

As discussed, our valuation of the Operating Assets does not include the GMC and Topia Unclassified Material, which has been separately valued by CSA Global. However, inferred resources have been

[6] Valuation range in US$ converted to A$ using the exchange rate of A$:US$ of 1.4121 as at 31 October 2018

included in the LOMs underpinning our valuation, having regard to CSA Global's recommendation that the inclusion of the inferred resources in the DCF valuation is reasonable.

The Operating Assets value is highly sensitive to commodity prices and operating costs per tonne assumptions with operating costs also directly impacted by the MX$:US$ exchange rate. Base case average cash costs per Ag eq oz are approximately 22.5% lower than the average Ag eq oz price and c. 20% lower than the silver spot price, which is close to its 5-year-low.

Further, taking into account relatively low capital cost (capex and EE&D expenses) requirements and forecast cash cost levels, an increase in commodity prices would generate high profitability and have a significant positive impact on the DCF valuation.

7.1.6 Coricancha Mine and the Other Exploration Assets

The table below sets out CSA Global's valuation range for the GMC and Topia Unclassified Material, the Coricancha Mine and the Other Exploration Assets:

Table 54

	Mineral Asset Stage	Unit	Low	Preferred	High
GMC - Unclassified	Development Project	A$m	17.2	18.7	20.2
Topia - Unclassified	Development Project	A$m	8.4	9.2	10.0
Unclassified Material	**Development Project**	**A$m**	**25.6**	**27.9**	**30.2**
Coricancha Mine	**Pre-development Project**	**A$m**	**10.8**	**15.4**	**20.0**
GMC - El Horcon Project	Advanced Exploration Area	A$m	3.2	4.5	5.9
GMC - Santa Rosa Project	Exploration Area	A$m	0.4	0.6	0.8
Topia Project – Exploration Tenure	Exploration Area	A$m	2.3	3.3	4.3
Plomo Project	Exploration Area	A$m	1.2	1.7	2.7
Argosy Project	Exploration Area	A$m	0.2	0.2	0.3
Other Exploration Assets	**Various**	**A$m**	**7.3**	**10.3**	**14.0**
Total		**A$m**	**43.7**	**53.6**	**64.2**

Source: CSA Global report

As presented above CSA Global has estimated the total fair market value of Great Panther's non-operating assets to be in the range of A$43.7 million to A$64.2 million.

CSA Global has applied a number of different methodologies to assess the value of Great Panther's Coricancha Mine, Other Exploration Assets and the Unclassified Material, due to the different characteristics of these assets. CSA Global has adopted the comparative transaction (multiple based) method in assessing the values of the Coricancha Mine and the Other Exploration Assets, and the Geological Risk method in assessing the value of the Unclassified Material. The valuation results have been cross-checked using the Yardstick Order of Magnitude check. Detailed information and additional considerations regarding the selection and application of these methods are detailed in the CSA Global report at Appendix 12.

7.1.7 Great Panther's adjusted net cash

Great Panther's net cash was US$56.5 million at 31 October 2018.

The cash position has been adjusted to reflect the proceeds of the hypothetical exercise of share options that were both vested and in-the-money as at 31 October 2018. On this date, Great Panther had on issue approximately 1.9 million share options with a strike price of C$0.65 and 1.2 million vested share options with a strike price of C$0.71. Accordingly, we have included US$1.6 million in the company's cash position to reflect the hypothetical proceeds from the exercise of these options as well as increased the number of shares on issue.

Therefore, Great Panther's adjusted net cash for the purpose of our valuation is US$58.1 million, which converts to A$82.1 million based on the A$:US$ rate of 1.4121 as at 31 October 2018.

7.1.8 Corporate costs

Great Panther's corporate costs have been separately valued using the DCF approach. The projected cash flows denominated in real US$ associated with the corporate costs in Vancouver and in Mexico have been discounted to their present value using a discount rate ranging from 9.00% to 10.00%, consistent with the discount rate adopted in the Operating Assets valuation.

Corporate costs relate mostly to general and administrative expenses, averaging US$3.4 million per year over the LOM. This reflects the adjustment made due to the shorter LOM of the Operating Assets as a result of the exclusion of the Unclassified Material of the DCF.

We have assessed the corporate costs present value to be in the range of US$23.8 million to US$24.4 million (equivalent to A$33.6 million to A$34.5 million).

7.1.9 Other assets and liabilities

We have considered the following surplus asset and liability in our valuation:

Coricancha DTA

Great Panther Coricancha S.A, one of Great Panther's subsidiaries incorporated in Peru, has c. US$63 million in tax losses carried forward. We have assessed the value of the DTA associated with these tax losses to be in the range of nil to US$5 million (equivalent to between nil and A$7 million).

We note the following in respect to our assessment of the DTA fair value:

- We have had regard to risks and uncertainties associated with the restart of the Coricancha Mine operations, taking into account that it is currently under care and maintenance, and management is yet to decide the timeline for resuming operations. We note that the DTA's recoverability is subject to the generation of future taxable income by Coricancha
- we have assessed the DTA's value using the incremental cash flow method, having regard to the high level cash flows projections prepared by Great Panther for the Coricancha Mine
- management cash flow forecasts have been adjusted having regard to our selected commodity price assumptions
- we have adopted a discount rate ranging from 15% to 25% in real US$ terms. The discount rate reflects the significant risks associated with the timeframe for Coricancha resuming operations as well as with its economic feasibility.

Options liability

Great Panther has approximately 6.4 million share options and performance rights that are currently either unvested or out-of-the money. These equity instruments represent a potential liability to Great Panther's shareholders, who may be diluted in the future.

We have valued these equity instruments using the Black Scholes model, having regard to their respective remaining contractual lives and strike prices, and using the following assumptions:

- risk free rate of 2.82%, based on yields of US 2-year maturity treasury bonds
- share price volatility of 47% based on Great Panther's and comparable companies' historical share prices
- Great Panther's share price of C$0.86 as at 31 October 2018

We have estimated the fair value of the options liability to be US$976,949 (equivalent to A$1.4 million).

7.1.10 Corporate cost synergies

Under the Proposed Scheme, the Merged Entity will be dual listed on the TSX and NYSE (American). The Beadell ASX listing will be terminated and the corporate office located in Perth will be closed. Therefore, we have incorporated the corporate cost savings associated with the ASX listing and Perth office corporate costs. No adjustments have been made for the corporate costs relating to the Brazilian operations. Our valuation of the corporate costs is set out in Section 6.8.

7.1.11 Shares outstanding in the Merged Entity

The 276.4 million shares outstanding in the Merged Entity reflect the following:

- the 172.5 million Great Panther ordinary shares outstanding, including 3.4 million shares relating to options hypothetically exercised and 264,000 restricted share units immediately vested as set out in Section 3.3
- the 103.9 million shares to be issued to Beadell shareholders under the terms of the Proposed Scheme.

Refer to Section 1.2 for the terms of the Proposed Scheme and the detailed calculation of the share structure of the Merged Entity after the Proposed Scheme.

7.1.12 Minority interest discount

As required under RG 111, we have assessed the fair market value of a Merged Entity share after the Proposed Scheme on a minority interest basis.

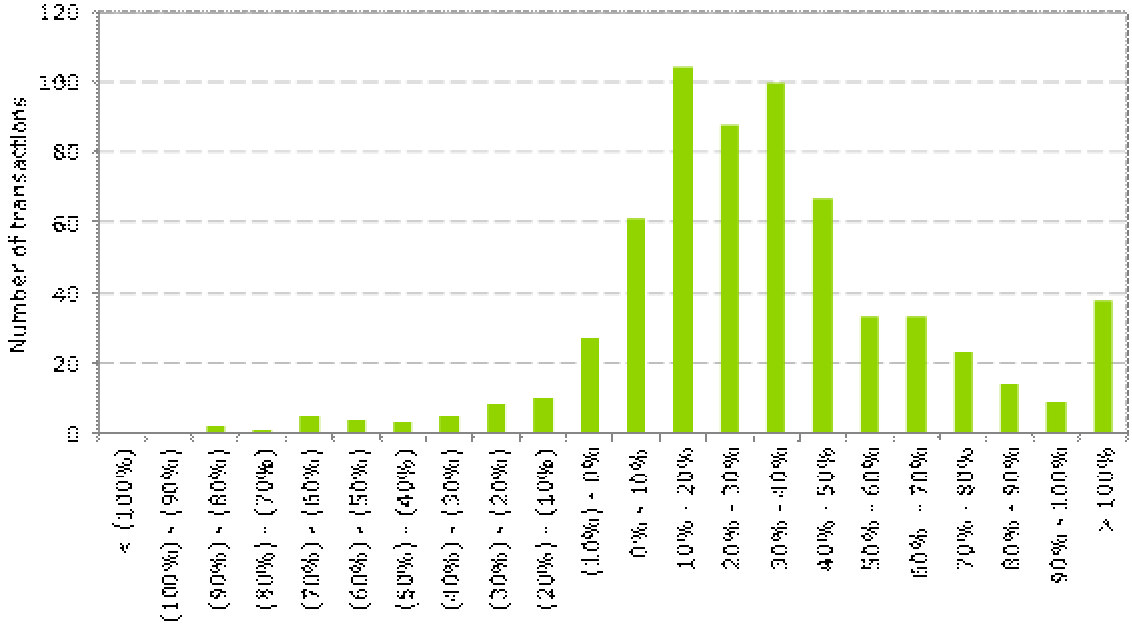
The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control. Australian studies indicate the premiums required to obtain control of companies range between 20% and 40% of the portfolio holding values.

A minority interest discount is the inverse of a premium for control (minority interest discount = 1-[1/(1+control premium)]) and generally ranges between 15% and 30%. The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors
- determine the strategy and policy of the company
- make acquisitions, or divest operations
- control the composition of the board of directors.

In determining an appropriate minority interest discount to apply to the equity value of the Merged Entity after the Proposed Scheme we have considered an empirical study conducted by Deloitte Corporate Finance of the premiums paid in transactions in Australia between 1 January 2000 and 30 September 2018. Figure 28 illustrates the findings of this study.

Figure 28



Source: Deloitte Corporate Finance analysis

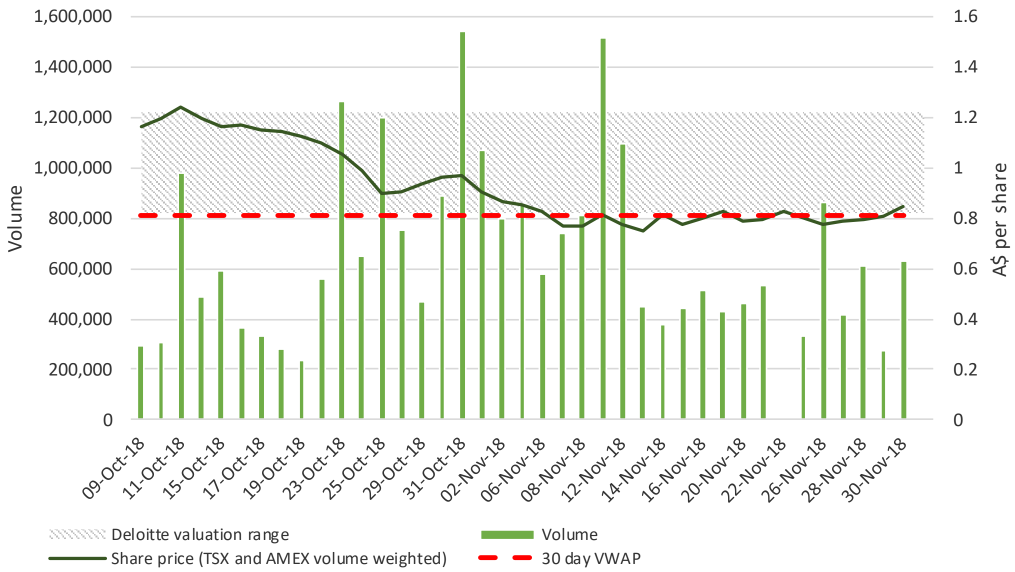
The level of discount that should be applied to the value of a controlling interest in order to derive the value of a minority interest is somewhat subjective. Based on the above considerations, and the significant net cash (no gearing) position of Great Panther, we believe that a minority interest discount in the order of 15% is appropriate for the Merged Entity after the Proposed Scheme.

Although we have referenced Australian studies, the concept of a minority interest is globally accepted and equally applicable in North America. We note that the outcomes of North American studies are broadly consistent with Australian studies.

7.2 Analysis of recent share trading

The figure below illustrates Great Panther's recent share price history following the Announcement Date of the Proposed Scheme and our assessed value range of a Merged Entity share following the Proposed Scheme on a minority interest basis, being A$0.81 to A$1.21, with a mid-point value of A$1.00.

Figure 29



Source: Capital IQ, Deloitte Corporate Finance analysis

Great Panther's VWAP since the Announcement Date at 14 December has been A$0.93 (US$0.66). The closing share price (volume weighted for NYSE (American) and TSX trading) of a Great Panther share on the day prior to the announcement of the Proposed Scheme was A$1.38 (US$1.01) per share. Over the 30 day period after the announcement Great Panther's shares traded at a VWAP of A$1.19 (US$0.85) before trading down to A$0.80 (US$0.57) per share as at 14 December 2018. This represented a movement of -43% compared with the closing Great Panther share price on the day prior to the announcement of the Proposed Scheme.

We note that for the 6 month and 12 month periods prior to the announcement of the Proposed Scheme, the Great Panther share price traded at a VWAP of A$1.49 (US$1.11) and A$1.55 (US$1.19) respectively. The liquidity, on an annualised basis, of Great Panther's shares over the 80 trading days after the Announcement Date to 14 December 2018 has been 87.9%.

The fall in Great Panther's share price after the announcement may potentially be attributed to the following factors:

- on 12 October 2018, Great Panther reported its 3Q2018 production results. Production results were lower than recorded over the same period for the previous fiscal year, especially for Au and Ag production (-19% and -16% in comparison to production over 3Q2017). The low metal price environment led to adjustments in the company's production plan resulting in lower metal grades especially in GMC's operations
- on 31 October 2018, Great Panther reported its 3Q2018 financial results. Revenue for the nine months ended 30 September 2018 decreased 36% in comparison with the same period for the previous fiscal year. Over the period, Great Panther incurred a net loss after taxes of US$6.5 million against a net profit of US$3.2 million over the same period in FY17
- the sustained low metal price environment has posed a challenge for precious metals producers. Whilst Great Panther's share price has fallen more sharply than its peers, we note that many of the listed companies comparable to Great Panther have been experiencing declining share prices. The share prices of Wheaton Precious Metal, Fortuna Silver Mines, Endeavour Mining, Pan American Silver and Fresnillo have declined 3.9%, 23.5%, 14.0%, 3.57% and 2.75% respectively since the Announcement Date.

However, having regard to the liquidity of the Great Panther shares, we consider the post announcement trading of Great Panther to be indicative of the value the market is placing on the Merged Entity.

Great Panther's 30 day VWAP at 14 December 2018 of US$0.58 (equivalent to A$0.80) falls within our valuation range of a share in the Merged Entity on a minority interest basis, being A$0.69 to A$1.03. Great Panther's VWAP from Announcement Date to 14 December 2018 is A$0.93 which falls in the top half of our valuation range of a Merged Entity share on a minority interest basis. Accordingly, we consider that recent share trading provides a reasonable cross check to our valuation of the Merged Entity.

Appendix 1: Context to the report

Individual circumstances

We have evaluated the Proposed Scheme for Beadell's shareholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, shareholders may reach different conclusions to ours on whether the Proposed Scheme is in the best interests of shareholders. If in doubt, shareholders should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

The report has been prepared at the request of the Directors of Beadell and is to be included in Beadell's Scheme Booklet to be given to shareholders for approval of the Proposed Scheme in accordance with Section 411. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive Beadell's Scheme Booklet in their assessment of the Proposed Scheme outlined in the report and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the shareholders and Beadell, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposed Scheme. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is in the best interests of the shareholders as a whole. Deloitte Corporate Finance consents to this report being included in the Scheme Booklet in the form and context in which it is to be included in the Scheme Booklet.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Beadell, Great Panther and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Beadell management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by Beadell and its officers, employees, agents or advisors, Beadell has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Beadell may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Beadell and its officers, employees, agents or advisors or the failure by Beadell and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

Deloitte Corporate Finance has also relied on the review by CSA Global of technical assumptions in the Tucano Model and Great Panther Model and valuation reports prepared by CSA Global. Deloitte Corporate Finance has received consent from CSA Global for our reliance on and inclusion of their opinion in the preparation of this report.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of Beadell and Great Panther personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for Beadell and Great Panther included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of Beadell and Great Panther referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Nicki Ivory, Director, B.Com (Hons), CA, CFA and Stephen Reid, Director, M App. Fin. Inv, B.Ec, CA. Each have many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of Tower 2, Brookfield Place, 123 St Georges Terrace, Perth, WA 6000, acknowledges that:

- Beadell proposes to issue a disclosure document in respect of the Proposed Scheme
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the Scheme Booklet for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Annexure A of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Annexure A of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in Annexure A.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft Scheme Booklet
- audited financial statements for Beadell for the years ending 31 December 2015, 31 December 2016 and 31 December 2017 and interim unaudited financial statements for the 9-month period to 30 September 2018
- audited financial statements for Great Panther for the years ending 31 December 2015, 31 December 2016 and 31 December 2017 and interim unaudited financial statements for the 9-month period to 30 September 2018
- annual reports for Beadell and Great Panther for the years ending 31 December 2015, 31 December 2016 and 31 December 2017
- Beadell company website
- Beadell ASX announcements
- Great Panther company website
- Great Panther TSX and NYSE (American) company announcements
- the Tucano Model
- the Great Panther Model

- the CSA Global independent technical assessment and valuation report
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research, Thomson Reuters Financial markets, SDC Platinum and Mergermarket
- IBIS World company industry reports
- other publicly available information, media releases and brokers reports on Beadell, Great Panther and the gold and silver industries

In addition, we have had discussions and correspondence with certain directors and executives, including Greg Barrett, CFO and Company Secretary; Craig Readhead, Non-Executive Director and Chairman; Dr Nicole Adshead-Bell, CEO; Brant E. Hinze, Non-Executive Director; and Timo Jauristo, Non-Executive Director in relation to the above information and to current operations and prospects.

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses are discussed below.

Market based methods

Market based methods estimate an entity's fair market value by considering the market price of transactions in its shares or the fair market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings
- analysis of an entity's recent share trading history
- industry specific methods.

The capitalisation of maintainable earnings method estimates fair market value based on an entity's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the fair market value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting an entity's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Appendix 3: Global gold industry

Overview

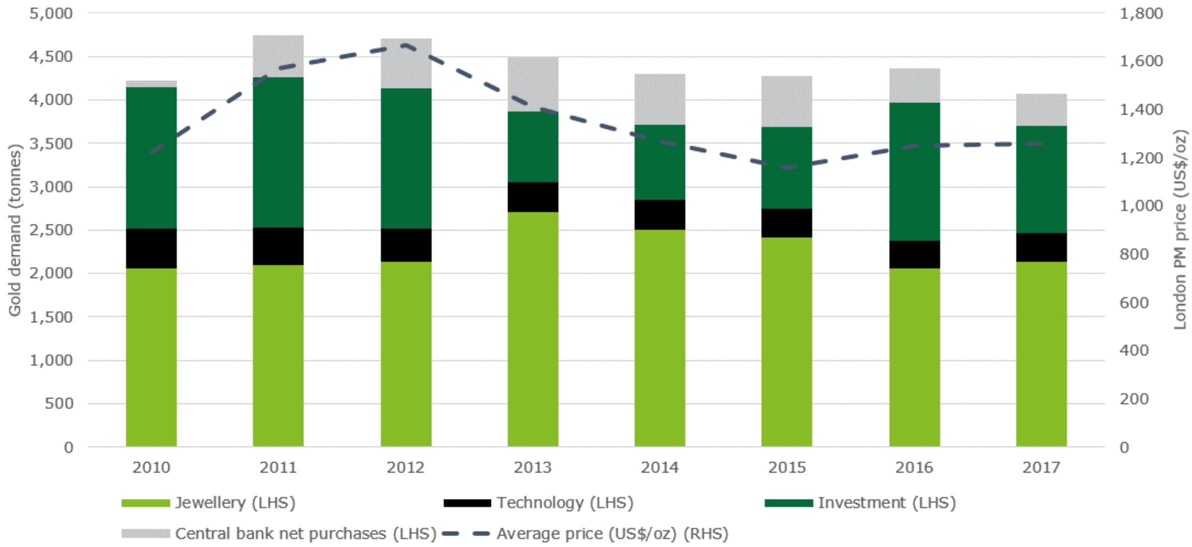
Gold is primarily used for jewellery and in industrial applications, such as dentistry and electrical components. Gold was historically used as the underlying asset to support the value of paper currencies and it is still considered a valuable 'safe haven' asset, particularly during times of economic uncertainty.

Gold is actively traded on commodity markets internationally with its price denominated in US$. As gold is a monetary asset, the price of gold is often influenced by a broad range of international factors, such as economic and geopolitical uncertainty. This is different to other commodities where prices are driven by traditional demand and supply factors, such as the amount of the commodity being produced and consumed.

Demand

The historical demand for gold (in tonnes), by category and the average annual nominal price (US$/oz) is illustrated in Figure 30 below.

Figure 30



Source: World Gold Council

Global gold demand declined by 6.7% to 4,071.7t in 2017. This represented the lowest level of gold demand in the past eight years (peak of 4,739.2t in 2011). The decline in global demand was largely due to investment demand, which experienced a 22.8% (or 363.6t) decline to 1,231.9t in 2017. This was partly offset by an increase in jewellery and technology demand by 4.0% and 2.9%, respectively.

The decline in investment demand in 2017 was due to the decline in annual inflows into gold-backed Exchange Traded Funds (**ETFs**). Annual ETF inflows in 2017 were 202.8t compared with 548.6t in 2016 (the second highest on record). The growth in demand declined in the second half of 2017, with inflows of 42.1t compared to 160.7t in the first half. This is likely due to investors exiting their position after gold prices had increased 14.0% by the end of August. The World Gold Council has identified a number of risks driving 'firm foundations' in current ETF demand, including geopolitical tensions in Europe, unwinding of quantitative easing measures, and high international stock indices.

The 4.0% increase in jewellery demand to 2,135.5t represented the first annual growth since 2013. The growth was led by India and China, as the primary markets behind jewellery demand. Indian demand increased by 11.5% to 562.7t, and Chinese demand increase by 2.6% to 646.9t. Key demand drivers in India were lower rupee gold prices, institutional lending growth (in light of economic environment), and the government's decision to exempt jewellery from the Money-Laundering Act (which occurred in Q4 2017 when jewellery demand peaked for the year). The key demand driver in the Chinese market was increased retail trade due to a refocusing on premium gold jewellery products and successful online sales strategies.

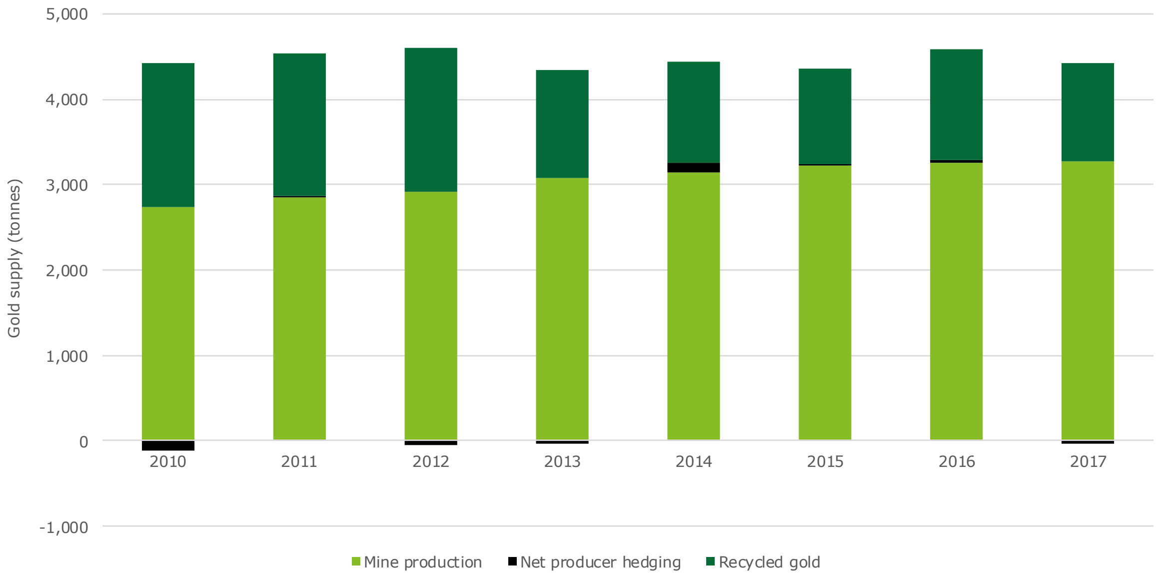
The marginal increase in technology demand to 332.8t, was the first annual increase since 2010. The growth in demand was led by a 3.8% increase in the electronics sector due to increased applications in smartphone technology. Taiwan and South Korea were the key markets driving electronics gold demand in 2017.

In the first half of 2018, global gold demand declined to 1,959.9t, the lowest level since 2009. This was driven by US investors focussing their capital on the booming domestic economy rather than gold backed ETFs. This led to ETF inflows remaining at relatively low levels following the steep declines in 2017. Technology demand offered some respite by adding 2% to reach a three-year high of 83.3t. Demand for smartphones and gaming consoles has led to seven quarters of growth in demand from the technology sector. Additionally, central bank H1 gold purchases were the highest since 2015 with an 8% increase y-o-y to 193.3t. Although Q2 2018 suffered from weak jewellery demand from India due to high local prices and seasonal changes, jewellery demand for H1 2018 was essentially unchanged at 1,031.2t.

Gold supply

The historical supply for gold (in tonnes), by source is illustrated in Figure 31 below.

Figure 31



Source: World Gold Council

Total gold supply in 2017 was down 4.2%, due to a 10.4% reduction in gold recycling. The 2017 recycling levels are down from a higher base set in 2016. Gold recycling growth of 15.7% in 2016 bucked the recent downward trend (eight-year low of 1,119.7t in 2015), with markets increasing recycling activity in response to political tensions surrounding Brexit and the Middle East, amongst other factors.

Mine production was relatively flat in 2017, with incremental growth of 0.17% to 3,268.7t. According to the Thomson Reuters GFMS Gold Survey 2017, China and Indonesia were the key markets that constrained growth. Chinese mine production declined due to stricter environmental protection laws, and Indonesian production fell due to a tax amnesty programme and tighter environmental regulation on mercury and cyanide.

In H1 2018 global gold mine production increased by 4% (y-o-y) to 1,629.5t. Production in China was negatively affected by environmental reforms introduced in 2017 leading to a 5% decline y-o-y. Mine completions and shutdowns in the US led to an 8% decline in production y-o-y. This was offset by Q2 increases in production of 16%, 18% and 21% y-o-y in Russia, Indonesia and Canada respectively. Net hedging in Q2 2018 fell from 32.3t to net de-hedging of 10t on the back of a weakened gold price. Supply of recycled gold in 1H 2018 was broadly in-line with the same period in 2017.

Gold price

Gold is typically traded through the LMBA, COMEX (Commodities exchange division of the New York Mercantile Exchange) or the Tokyo Commodities Exchange. Gold is traded on a similar basis to currencies between central banks and the gold futures market is driven by spot prices and interest differentials.

The gold market is almost always in contango (where the gold futures price is higher than the expected future spot price). When expressed as a percentage of the gold price, the amount of contango is usually close to the risk-free rate, which is equivalent to high liquidity US government bonds. This means that through trading gold futures, it is possible to earn a return on gold which is similar to the return on low-risk assets. Therefore, gold can be viewed as more akin to a financial asset than a commodity.

In line with the global economic recovery, particularly in the US and the UK, the US$ denominated gold price declined from 2012 through 2015. During this period, the US$ gold price decreased at a compound annual growth rate (**CAGR**) of 11.4%. In light of renewed geopolitical uncertainty, 2016 experienced a 7.6% increase in growth, which remained relatively steady throughout 2017, with an average annual increase of 0.8%. The average annual COMEX gold price was US$1,258.2 in 2017. Following strong economic figures and financial market performance in the US, the gold price in FY18 has fallen from US$1,316 at the beginning of the period to US$1,192 at 1 October 2018.

The figure below illustrates the historical trading of gold, denominated in US$.

Figure 32

Source: Capital IQ

Outlook

The near-term outlook for gold is well supported by monetary and physical demand factors. Key monetary factors include Federal Reserve rate hikes expected in the latter part of 2018, potential reductions in quantitative easing measures from the European Central Bank (**ECB**) and Bank of Japan, expensive US equities, and the international geopolitical climate. The physical demand factors include the US economic recovery driving retail purchases, and growth in Germany's economy supporting the bar and coin market.[7] However, strong economic figures coming out of the US have contributed to a booming financial market putting downward pressure on gold which is seen to be a "safe haven", countercyclical asset. A strengthening US dollar will also contribute to the potentially negative outlook for gold in the near term.

[7] *Gold 2018 Outlook and Market Forecast*, World Gold Council; *GFMS Gold Survery 2017 Q4 Update & Outlook*, Thomson Reuters

Appendix 4: Global silver industry

Overview

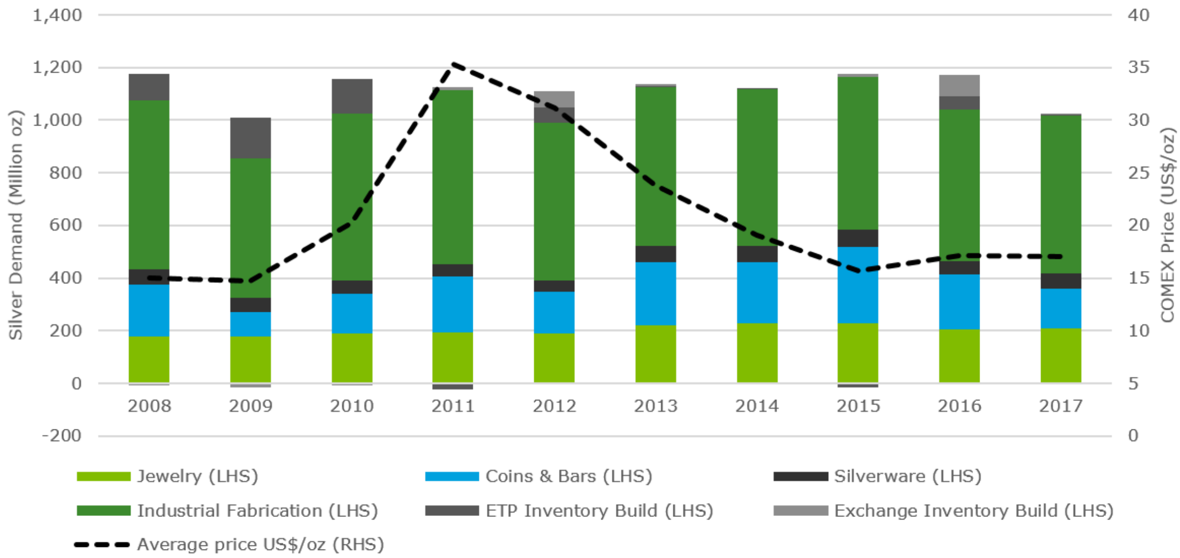
Silver is primarily used in jewellery and in the industrial sector, as well as the medical sector to a lesser extent. Due to its thermal and electrical conductivity, silver's primary use in the industrial sector is in electronics. Those properties make silver a key input into photovoltaics, which have been an increasing source of demand in recent years. Silver is also used as a catalyst for oxidation reactions that form the first step in creating polymers and polyesters. Silver's antimicrobial properties are used in a wide range of medical devices from bandages to catheters and breathing tubes. Generally, demand for medical services is independent of the economy, as a result demand for silver from the medical industry is not affected by the economy's performance. However, industrial demand for silver is highly correlated with the state of the economy.

Like gold, silver is often used as an investment instrument, usually as a hedge against movements in the value of a currency. As the silver commodity price is denominated in US$, the demand for silver tends to have an inverse relationship with the value of the dollar. As the dollar appreciates relative to other currencies, silver becomes more expensive outside of the US, which puts downward pressure on prices. During a recession investors look to hold solid commodities, such as gold and silver, as opposed to more volatile assets such as stocks and bonds. Consequently, these precious metals tend to be seen as safe-haven assets and are typically countercyclical in nature.

Demand

The historical demand for silver (in million oz), by category, and the average annual nominal price (US$/oz) is illustrated in Figure 33 below:

Figure 33



Source: The Silver Institute's *World Silver Survey 2018*

Global silver demand fell 12% in 2017 to 1,027 million oz, the lowest level in eight years. Physical demand contracted by 2% due to a 27% fall in coin and bar demand from 2016. Strong performance in various global equity markets shifted investors away from safe-haven assets such as gold and silver, to higher risk (higher potential return) investments such as cryptocurrencies and stocks. Further, investors that were investing in silver were opting for used coins as opposed to new ones, which hindered new coin sales.

Silver jewellery fabrication increased 2% in 2017 to 209.1 million oz. India was the main source of increased demand as stock piles were built up ahead of the implementation of a goods and services tax (GST). Increased fabrication demand was also seen in the US, which rose 12% to an all-time high. Additionally, Europe, China and Thailand recorded strong increases of 2%, 5% and 9% respectively.

Silverware demand increased by 12% in 2017 to 58.4 million oz, driven primarily by a 19% rise in demand from India which helped to offset falls in other key markets.

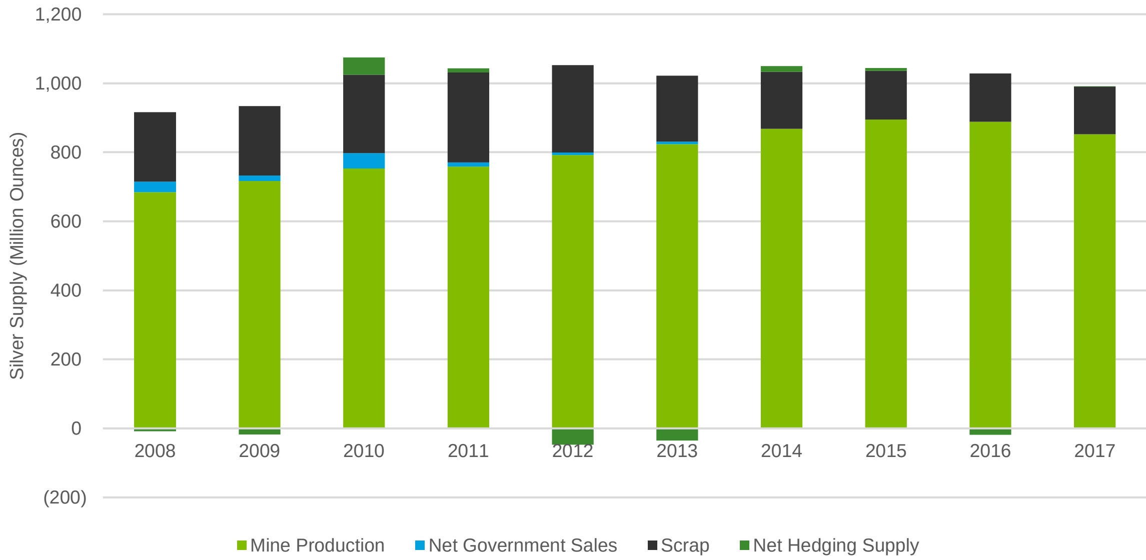
Industrial fabrication, the largest source of demand for silver, increased by 4% in 2017 to 599 million oz. The expansion of the photovoltaic sector was the primary driver of the increase, surging 19% to 94.1 million oz. China was the main contributor to the growth, accounting for over half of the world's new solar panel installations in 2017. A strong global economy fuelled demand in the semiconductor market leading to increased demand from electronics. Demand from the photographic applications and ethylene oxide continued their downward trend in 2017, falling 3% and 32%, respectively.

Demand from inflows to silver backed financial assets such as exchange traded products (**ETP**) and commodity exchanges fell by 95% and 91% respectively. ETP investors added only 2.4 million oz to the total outstanding ETP stock in 2017, compared to 49.8 million oz in 2016. The modest inflow of silver to ETPs was caused by traders seeking short-term profits rather than investing for the long term. This investment mentality has been attributed to the ETP constituency being more heavily weighted to retail investors who have a shorter investment time horizon, compared to institutional investors. Global commodity exchanges added 6.8 million oz to their stocks in 2017, compared to 79.8 million oz added in 2016.

Supply

The historical supply of silver (in million oz), by source is illustrated in Figure 34 below.

Figure 34



Source: The Silver Institute's *World Silver Survey 2018*

In 2017 total world supply of silver decreased by 2% to 992 million oz because of a 4% decline in mine production. The decline in mine production was a result of numerous supply disruptions in the Americas. In particular, Guatemala and Chile's production decreased 57% and 16% to 11.6 million oz and 40.5 million oz respectively. The Guatemalan decrease was largely due to the shutdown of Tahoe Resources' Escobol Mine due to licensing issues with the Guatemalan government. Australian mine production also decreased by 19% from 43.5 million oz to 35.4 million oz. The majority of the decrease in Australian production came from South32's Cannington mine (Cannington) in North West Queensland. Production at Cannington fell 6.2 million oz from 2016 to 2017[8] as a result of an underground fire at the project in April 2017. In the United States production fell 9%, largely due to a union workers strike at Hecla Mining Co.'s Lucky Friday mine in Idaho. Mexico, the world's largest producer, bucked the trend by increasing production from 186.3 million oz to 196.4 million oz.

Scrap production has been steadily decreasing at a CAGR of -10% from 261 million oz in 2011 to 138 million ounces in 2017. This has been driven by lower scrap flows from Asia, mainly China, driven by a lack of incentives for suppliers and consumers to recycle.

[8] Silver Institute's *World Silver Survey 2018*

Net government sales of silver have decreased significantly from a peak of 97.2 million oz in 1999 to zero in 2014. In total, central banks sold 774 million oz into the market during this period. The cut-off in supply in 2014 has been attributed to depleted government stockpiles.

Silver price

Silver is primarily traded on the COMEX, LMBA and Shanghai Gold Exchange (**SGE**), while silver futures are traded on the Chicago Mercantile Exchange (**CME**) and the Shanghai Futures Exchange (**SHFE**).

The figure below illustrates the historical trading of silver, denominated in US$.

Figure 35

Source: Capital IQ

Following the 2008 recession, global silver demand from the industrial sector decreased, however this was offset by the increased investment demand as investors shifted their portfolios to less volatile assets. The net effect was a 2% decline in the silver price in 2009. A quick recovery of the industrial sector in China, Brazil and India combined with a reluctance of investors to relinquish their silver investment pushed the silver price above US$20/oz in 2010[9]. Due to the significant lead times associated with the exploration for and development of mining assets, supply of silver was unable to keep up with the rise in the demand, resulting in a sharp price increase in 2011. The silver price peaked at US$48.4/ oz in April 2011 and averaged above US$30/oz for the rest of 2011 and 2012.

In late 2013, the US Federal Reserve wound down its bond-buying program which lowered demand for silver as a store of value and led to a 20% price decrease in 2014. 2015 saw further falls in the silver price as slowing growth in China put downward pressure on commodity prices. Economic shocks in 2016, such as Brexit, helped push up precious metal prices as investors retreated to less volatile assets. Strong global economic growth over the past few years has shifted investment away from safe-haven assets, placing downward pressure on the silver price. Further, a strengthening US$ has contributed to a falling silver price as the commodity has become relatively more expensive outside of the US.

Outlook

The positive outlook for the US economy and a strengthening US$ is likely to have a negative impact on silver demand going forward. However, increased market volatility associated with the rising political tension between China and the US, and the perceived possibility of a trade war, could increase demand for silver as investors look to de-risk their portfolios. Furthermore, the consistent net deficit (i.e. demand outstripping supply) of the silver market over the past decade, could place upward pressure on the silver price in the future.

[9] IBISWorld – World price of silver August 2018

Appendix 5: Discount rate - Beadell

The discount rate used to equate the future cash flows to their present value reflects the risk adjusted rate of return demanded by a hypothetical investor for the asset or business being valued. Discount rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity selected. This is commonly referred to as the weighted average cost of capital (**WACC**). The WACC can be derived using the following formula:

$$WACC = \left(\frac{E}{V} \times K_e\right) + \left(\frac{D}{V} \times K_d \times (1 - t_c)\right)$$

The components of the formula are:

K_e	=	cost of equity capital
K_d	=	cost of debt
t_c	=	corporate tax rate
E/V	=	proportion of enterprise funded by equity
D/V	=	proportion of enterprise funded by debt

We have used the CAPM to estimate the K_e for Beadell. CAPM calculates the minimum rate of return that the company must earn on the equity-financed portion of its capital to leave the market price of its shares unchanged. The CAPM is the most widely accepted and used methodology for determining the cost of equity capital. The cost of equity capital under CAPM is determined using the following formula:

$$K_e = R_f + \beta (R_m - R_f) + \alpha$$

A brief description of the above factors and a summary of the build-up of our selected discount rate is set out below.

Table 55

	Low	High
Risk free rate (R_f)	3.26%	3.26%
Equity market risk premium (EMRP)	6.00%	6.00%
Beta (ungeared β)	1.00	1.20
Beta (geared β)[1]	**1.20**	**1.40**
Country risk premium - Brazil	2.50%	3.50%
Company specific risk premium	2.00%	2.00%
Calculated K_e	**14.96%**	**17.12%**
Net debt / enterprise value	25.00%	25.00%
Tax rate	15.25%	15.25%
K_d (pre-tax)	6.3%	6.3%
K_d (post-tax)	**5.3%**	**5.3%**
Calculated WACC (post-tax, nominal)	**12.54%**	**14.17%**
Inflation rate	2.00%	2.00%
Calculated WACC (post-tax, real)	**10.34%**	**11.93%**
Selected WACC (real)	**10.50%**	**11.50%**

Source: Capital IQ, Deloitte Corporate Finance analysis
Notes:
1. Includes the Blume adjustment

A brief discussion on the key parameters adopted in the calculation of the discount rate is set out below:

- **R_f:** compensates the investor for the time value of money and the expected inflation rate over the investment period. In determining the risk-free rate, we have adopted the five-day average of the 20-year US treasury constant maturity bonds as at 31 October 2018. We note that the expected mine life is approximately 10 years (2027), however we consider the 20-year US constant maturity bond to be applicable as the risk-free benchmark based on anecdotal evidence that market participants for mining assets do not precisely match the terms of key inputs in the CAPM to the life of mine
- **EMRP:** represents the risk associated with holding a market portfolio of investments, that is, the excess return a shareholder can expect to receive for the uncertainty of investing in equities as opposed to investing in a risk free alternative. We consider an EMRP of 6.0% to be reasonable
- **β:** measures the systematic risk or non-diversifiable risk of a company in comparison to the market as a whole. To gain an understanding of a benchmark beta for the gold mining industry, we have also considered the betas of large multi-national gold mining companies.

  The calculated betas of the vast majority of the comparable companies exhibit low coefficients of determination and are often negative, which leads us to place limited reliance on these observations. We have instead estimated a beta based on an analysis of betas of mining companies in general and our assessment of the risks related to gold mining companies, and the Tucano Gold Mine more specifically, relative to the broader sector.

  The average beta for all mining companies listed on the ASX as at 31 October 2018 was 1.45. This average beta includes mining companies from early stage junior explorers through to large diversified miners. Miners who have mature producing assets are typically lower risk relative to exploration and development stage miners due to the inherent risk associated with exploration and the significant amount of capital expenditure, and therefore funding, required to develop projects. We would therefore expect producing mining companies and assets to have a beta below the industry average of 1.45.

  We have observed betas for the largest diversified mining companies, which we would expect to have betas at the low end of the range for the industry due to their relative size and diversification compared with their peers. The average unlevered beta for these companies is 1.0 and 1.2 respectively measured on a two year weekly and four-year monthly basis against the MSCI Index.

  Industries with betas below one are generally those that provide non-discretionary goods or services or have low levels of financial and operating leverage. By comparison, mining companies have significant capital costs and therefore often require a high level of financial leverage. Furthermore, mining companies are price takers and usually have limited flexibility in their operating costs. Coupled with high exit costs, this means mining companies are highly leveraged to commodity price movements that are typically volatile and dependent on the global economic cycle. We would therefore expect mining companies to have a beta of 1 or more, with producing mining companies toward the lower end of the range, all else being equal.

  Gold mining companies are subject to the same exploration, development and mining related risks as companies in other extractive industries. However, gold is a financial asset rather than a commodity, and gold producers are therefore not subject to the same demand side risks that drives volatility in other commodities. Furthermore, an active futures market for gold allows producers to lock in prices over the medium term at prices approximate to the current spot price plus the risk-free rate for the period to delivery. For this reason, we consider gold producers to be lower risk than producers of other more volatile commodities, all else being equal. We would therefore expect a producing gold project to have a beta of between 1.0 and 1.2

  Therefore, we have selected a beta of between 1.0 and 1.2 for the Tucano Gold Mine, which is currently in production. We have also applied the Blume mean reversion adjustment, resulting in an adjusted levered beta in the range of 1.19 to 1.36. We have selected a levered beta range of 1.20 to 1.40.

- **gearing ratio**: We have considered the capital structures of companies considered comparable to Tucano and our view on the optimal long-term capital structure of similar companies to determine a reasonable LOM gearing ratio of 25%. Beadell currently has a gearing ratio of 51% which is attributed to recent capital expenditure associated with processing plant upgrades and offset by the capital raising in 2017
- **country specific risk premium:** we have selected a country specific risk premium of 2.5% to 3.5%. Sovereign, or country risk, is the risk arising from an unpredictable change in government policy or behaviour of a regulatory agency and other risks attributable to an unstable political or civil environment. In selecting our risk premium we have had regard to Aswath Damodaran's country risk premium analysis which is based on sovereign credit risk according to to the major rating agencies as well as Brazil credit default swap (**CDS**) spreads in excess to US government bonds on US$ denominated Brazilian government bonds. We note that Moody's and S&P rate Brazil's credit as Ba2 and BB respectively.
- **company specific risk premium:** we have selected a company specific risk premium of 2.0%, taking into account the following:
  - Beadell is a high cost producer. Based on 2018 cash cost estimates, Tucano ranks in the 83rd percentile of all gold projects (identified and analysed by SNL Mining). As a higher cost producer, Beadell has lower margins and is more susceptible to negative movements in the gold price and foreign currencies
  - historically, actual AISC have exceeded budget. The increased risk that Beadell's cost assumptions are understated increases the overall risk of the project
  - Beadell has one single producing asset, making it less diversified than many of its competitors and more reliant on the on-going operations of the asset
- **tax rate**: our selected tax rate incorporates the Brazilian corporate tax rate of 34% less a tax incentive for operating in SUDAM, resulting in an effective tax rate of 15.25%
- **K_d:** we have estimated an applicable pre-tax cost of debt of 6.3% having regard to the all-in rate of Beadell's current debt facility with Santander of 5.9%, the interest rate of 6% on senior convertible debentures issued during the period and the interest rate associated with the MACA liability of 5% p.a plus the RBA cash rate. We note that Beadell did not proceed with the proposed debt facility with Sprott, which would have carried an annual interest rate of 6.75% plus the greater of the US 3-month LIBOR or 1.25%, due to the cost of the facility
- **inflation rate:** to convert the nominal post-tax WACC to a real post-tax WACC, we have applied the Fisher equation. We have assumed long-term US inflation of 2%, consistent with long-term inflation targets of the Federal Reserve, together with other external evidence, including forecasts of the Economist Intelligence Unit and the International Monetary Fund.

Appendix 6: Discount rate – Great Panther

The discount rate used to equate the future cash flows to their present value reflects the risk adjusted rate of return demanded by a hypothetical investor for the asset or business being valued. Discount rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity selected. This is commonly referred to as the weighted average cost of capital (**WACC**). The WACC can be derived using the following formula:

$$WACC = \left(\frac{E}{V} \times K_e\right) + \left(\frac{D}{V} \times K_d \times (1 - t_c)\right)$$

The components of the formula are:

K_e = cost of equity capital

K_d = cost of debt

t_c = corporate tax rate

E/V = proportion of enterprise funded by equity

D/V = proportion of enterprise funded by debt

We have used the CAPM to estimate the K_e for Great Panther. CAPM calculates the minimum rate of return that the company must earn on the equity-financed portion of its capital to leave the market price of its shares unchanged. The CAPM is the most widely accepted and used methodology for determining the cost of equity capital. The cost of equity capital under CAPM is determined using the following formula:

$$K_e = R_f + \beta\ (R_m - R_f) + \alpha$$

A brief description of the above factors and a summary of the build-up of our selected discount rate is set out below.

Table 56

	Low	High
Risk free rate (R_f)	3.26%	3.26%
Equity market risk premium (EMRP)	6.00%	6.00%
Beta (ungeared β)	1.00	1.20
Beta (geared β)[1]	**1.07**	**1.22**
Country risk premium - Mexico	1.30%	1.60%
Company specific risk premium	1.00%	1.00%
Calculated K_e	**12.00%**	**13.19%**
Net debt / enterprise value	15.00%	15.00%
Tax rate	37.50%	37.50%
K_d (pre-tax)	6.3%	6.3%
K_d (post-tax)	**3.9%**	**3.9%**
Calculated WACC (post-tax, nominal)	**10.79%**	**11.80%**
Inflation rate	2.00%	2.00%
Calculated WACC (post-tax, real)	**8.62%**	**9.61%**
Selected WACC (real)	**9.00%**	**10.00%**

Source: Capital IQ, Deloitte Corporate Finance analysis
Notes:
1. Includes the Blume adjustment

A brief discussion on the key parameters adopted in the calculation of the discount rate is set out below:

- **R_f:** compensates the investor for the time value of money and the expected inflation rate over the investment period. In determining the risk-free rate, we have adopted the five-day average of the 20-year US treasury constant maturity bonds as at 31 October 2018. We note that the expected mine life for Great Panthers two operating mines; GMC and Topia, is approximately 10 years (2027) and 11 years (2028) respectively. However, we consider the 20-year US constant maturity bond to be applicable as the risk-free benchmark based on anecdotal evidence that market participants for mining assets do not precisely match the terms of key inputs in the CAPM to the life of mine
- **EMRP:** represents the risk associated with holding a market portfolio of investments, that is, the excess return a shareholder can expect to receive for the uncertainty of investing in equities as opposed to investing in a risk free alternative. We consider an EMRP of 6.0% to be reasonable
- **β:** measures the systematic risk or non-diversifiable risk of a company in comparison to the market as a whole. To gain an understanding of a benchmark beta for the silver mining industry, we have considered the betas of large global silver producers and silver exploration companies with projects in Mexico.

  The calculated betas of the majority of the comparable companies exhibit low coefficients of determination and are often negative, which leads us to place limited reliance on these observations. Generally, the comparable companies that have a meaningful coefficient of determination, are the larger more diversified silver producers. The average unlevered beta for these companies is 1.1 and 2.0 respectively, measured on a two-year weekly and four-year monthly basis against the Primary Index.

  Industries with betas below one are generally those that provide a non-discretionary goods or services or have low levels of financial and operating leverage. By comparison, mining companies have significant capital costs and therefore often require high level of financial leverage. Furthermore, mining companies are price takers and usually have limited flexibility in their operating costs. Coupled with high exit costs, this means mining companies are highly leveraged to commodity price movements that are typically volatile and dependent on the global economic cycle. We would therefore expect mining companies to have a beta of 1 or more, with producing mining companies toward the lower end of the range, all else being equal.

  Silver mining companies are subject to the same exploration, development and mining related risks as companies in other extractive industries. However, silver is a financial asset as well as a commodity. Silver is primarily used for investment purposes, industrial fabrication and jewellery. Demand from industrial fabrication and jewellery generally moves in line with the economy, where as investment demand is countercyclical. Consequently, silver demand is less volatile over the course of the economic cycle, reducing risk to producers. Furthermore, an active futures market for silver allows producers to lock in prices over the medium term at prices approximate to the current spot price plus the risk-free rate for the period to delivery. For this reason, we consider silver producers to be lower risk than producers of other more volatile commodities, all else being equal. We would therefore expect a producing silver project to have a beta of between 1.0 and 1.2. We have also applied the Blume mean reversion adjustment, resulting in an adjusted levered beta in the range of 1.07 to 1.22.
- **gearing ratio**: Great Panther currently has no debt so we have considered the capital structures of comparable companies and our view on the optimal long-term capital structure of similar companies to determine a reasonable LOM gearing ratio of 15%.
- **country specific risk premium:** we have selected a country specific risk premium of 1.3% to 1.6%. Sovereign, or country risk, is the risk arising from an unpredictable change in government policy or behaviour of a regulatory agency and other risks attributable to an unstable political or civil environment. In selecting our risk premium we have had regard to Aswath Damodaran’s country risk premium analysis which is based on credit risk according to to the major rating agencies as well as Mexico CDS spreads in excess to US government bonds

on US$ denominated Mexican government bonds. We note that Moody's and S&P rate Mexico's credit as A3 and BBB+ respectively, hence rated investment grade fot both agencies.

- **company specific risk premium:** we have selected a company specific risk premium of 1.0%, taking into account that Great Panther is a high cost producer. Based on 2018 cash cost estimates, GMC and Topia rank in the 93rd and 88th percentile of silver projects identified and analysed by SNL Mining. As a higher cost producer, Great Panther has lower margins and is more susceptible than most of the players to negative movements in the metals prices and foreign currencies
- **tax rate**: our selected tax rate incorporates the Mexican corporate tax rate of 30% plus a special mining tax of 7.5%
- **K_d:** we have estimated an applicable pre-tax cost of debt of 6.3% having regard to the US 20 year treasury constant maturity bond rate and the five day BB rated US corporate bond spread
- **inflation rate:** to convert the nominal post-tax WACC to a real post-tax WACC, we have applied the Fisher equation. We have assumed long-term US inflation of 2% consistent with long-term inflation targets of the Federal Reserve, together with other external evidence, including forecasts of the Economist Intelligence Unit and the International Monetary Fund.

Appendix 7: Comparable entities - Beadell

We identified the following companies whose securities are traded on various securities exchanges and which we consider similar to Beadell:

Table 57

Company	Enterprise value (US$ million)	Net debt to EV[2]	Unlevered 2-year weekly beta MSCI	Unlevered 4-year monthly beta MSCI
Beadell Resources Limited	136	51%	n/m	n/m
Large producers				
Barrick Gold Corporation	20,472	20%	n/m	n/m
Newmont Mining Corporation	18,560	6%	0.7	0.6
Goldcorp Inc.	10,667	26%	0.6	n/m
Newcrest Mining Limited	12,303	8%	n/m	n/m
AngloGold Ashanti Limited	5,849	31%	n/m	n/m
Gold Fields Limited	3,697	38%	n/m	n/m
Kinross Gold Corporation	4,052	19%	n/m	n/m
Yamana Gold Inc.	3,888	44%	n/m	0.9
Eldorado Gold Corporation	819	26%	1.5	1.3
Average	**8,923**	**24%**	**1.0**	**0.9**
Median	**5,849**	**26%**	**0.7**	**0.9**
Medium-sized producers				
Evolution Mining Limited	3,628	1%	n/m	n/m
OceanaGold Corporation	1,893	6%	0.6	n/m
Northern Star Resources Limited	3,661	-	n/m	n/m
Independence Group NL	1,673	-	0.9	1.5
St Barbara Limited	1,291	-	n/m	n/m
Regis Resources Limited	1,382	-	n/m	n/m
Saracen Mineral Holdings Limited	1,349	-	n/m	n/m
Alacer Gold Corp.	843	21%	n/m	n/m
Gold Road Resources Limited	313	-	0.6	n/m
Silver Lake Resources Limited	113	-	n/m	n/m
Ramelius Resources Limited	100	-	n/m	n/m
Kingsgate Consolidated Limited	38	30%	n/m	n/m
Average	**1,357**	**5%**	**0.7**	**1.5**
Median	**1,320**	**0%**	**0.6**	**1.5**
Large diversified miners				
BHP Billiton Limited	138,625	9%	0.5	1.2
Rio Tinto Limited	103,190	5%	0.6	1.0
Vale S.A.	91,567	14%	1.4	1.3
Glencore Plc	88,101	35%	1.1	1.4
Anglo American plc	36,146	9%	1.5	1.1
Average	**91,604**	**14%**	**1.0**	**1.2**
Median	**92,024**	**9%**	**1.1**	**1.2**
Overall Average	**21,348**	**13%**	**0.9**	**1.1**
Overall Median	**3,679**	**7%**	**0.7**	**1.2**

Source: Capital IQ

Notes:

1. Data above is current as at 30 September 2018
2. EV – Enterprise value
3. n/m – not meaningful. Selected R^2 threshold is 2.0%

Appendix 8: Comparable entities – Great Panther

We identified the following companies whose securities are traded on various securities exchanges and which we consider similar to Great Panther:

Table 58

Company	Enterprise value (US$ million)	Net debt to EV[2]	Unlevered 2-year weekly beta	Unlevered 4-year monthly beta
Great Panther Silver Limited	53	-	1.2	2.9
Producers				
Wheaton Precious Metals Corp.	8,562	15%	0.6	1.5
Fresnillo PLC	8,149	1%	1.3	2.1
Industrias Peñoles, S.A.B. de C.V.	7,574	14%	1.2	0.9
Pan American Silver Corp.	2,043	-	n/m	1.5
Hecla Mining Company	1,633	30%	1.2	n/m
First Majestic Silver Corp.	1,150	6%	1.3	2.5
Coeur Mining, Inc.	1,276	25%	1.0	n/m
Hochschild Mining plc	1,169	6%	1.3	1.7
Minera Frisco, S.A.B. de C.V.	2,005	59%	0.7	0.7
Fortuna Silver Mines Inc.	473	-	n/m	2.3
MAG Silver Corp.	474	-	1.0	1.4
Endeavour Silver Corp.	234	-	1.4	2.3
Americas Silver Corporation	95	10%	n/m	3.2
Excellon Resources Inc.	45	-	0.9	3.4
Average	**2,492**	**12%**	**1.1**	**2.0**
Median	**1,222**	**6%**	**1.2**	**1.9**
Explorers				
IMPACT Silver Corp.	15	-	1.0	4.7
Defiance Silver Corp.	19	1%	n/m	3.6
Levon Resources Ltd.	14	-	n/m	3.2
Average	**16**	**0%**	**1.0**	**3.8**
Median	**15**	**0%**	**1.0**	**3.6**
Diversified Miners				
Anglo American plc	36,146	9%	1.6	1.4
Glencore Plc	88,101	35%	1.1	1.2
Average	**62,123**	**22%**	**1.3**	**1.3**
Median	**62,123**	**22%**	**1.3**	**1.3**
Overall Average	**8,378**	**11%**	**1.1**	**2.2**
Overall Median	**1,169**	**6%**	**1.1**	**2.1**

Source: Capital IQ
Notes:
1. Data above is current as at 31 October 2018
2. EV – Enterprise value
3. n/m – not meaningful. Selected R^2 threshold is 2.0%

Appendix 9: Trading multiples

Company Name	Country	Enterprise Value (US$ millions)	Contained gold equiv. reserves (oz)	Au equiv multiple (US$/oz)	Last Year production (oz)	Cash cost (US$/oz)	Gold grade - Reserves (g/t)
Large producers							
Barrick Gold Corporation	Canada	34,934	84,115,569	415.3	4,232,000	589.0	1.55
Newmont Mining Corporation	United States	33,122	75,488,273	438.8	4,742,000	750.0	0.03
Goldcorp Inc.	Canada	18,308	98,681,239	185.5	2,322,000	n/a	0.91
Newcrest Mining Limited	Australia	22,050	118,619,678	185.9	2,346,354	n/a	1.31
AngloGold Ashanti Limited	South Africa	9,835	51,831,862	189.7	3,258,000	823.0	1.32
Gold Fields Limited	South Africa	6,052	50,714,185	119.3	1,988,000	n/a	2.70
Kinross Gold Corporation	Canada	7,052	26,552,487	265.6	2,511,972	n/a	0.70
Yamana Gold Inc.	Canada	6,352	58,529,938	108.5	848,000	n/a	0.42
Eldorado Gold Corporation	Canada	1,372	23,455,882	58.5	376,958	579.4	1.37
Average				218.6	2,513,920	685.4	1.15
Median				185.9	2,346,354	669.5	1.31
Medium-sized producers							
Evolution Mining Limited	Australia	6,637	9,837,827	674.6	95,000	n/a	0.79
B2Gold Corp.	Canada	5,148	6,514,000	790.3	959,554	560.0	1.70
OceanaGold Corporation	Australia	3,425	6,663,940	514.0	537,200	445.0	1.41
Northern Star Resources Limited	Australia	6,873	3,990,000	1,722.5	575,121	841.5	3.80
Independence Group NL	Australia	3,079	4,064,778	757.5	140,142	552.5	1.89
St Barbara Limited	Australia	2,493	3,923,000	635.4	403,089	567.2	3.90
Regis Resources Limited	Australia	2,602	4,065,000	640.0	341,324	582.8	1.08
SEMAFO Inc.	Canada	1,394	3,189,300	437.0	91,400	853.0	3.37
Saracen Mineral Holdings Limited	Australia	2,513	2,500,000	1,005.2	316,453	n/a	1.90
Alacer Gold Corp.	United States	1,441	3,795,750	379.6	100,916	537.0	2.04
Gold Road Resources Limited	Australia	632	1,870,000	338.0	n/a	n/a	1.20
Silver Lake Resources Limited	Australia	242	466,000	519.5	137,796	n/a	3.50
Ramelius Resources Limited	Australia	210	698,000	301.1	182,324	n/a	1.60
Kingsgate Consolidated Limited	Australia	64	861,876	74.0	89,875	549.0	0.50
Average				**627.8**	**305,400**	**609.8**	**2.05**
Median				**577.5**	**182,324**	**560.0**	**1.79**
Min				**74.0**	**89,875**	**445.0**	**0.50**
Max				**1,722.5**	**959,554**	**853.0**	**3.90**

Company Name	Country	Enterprise Value (US$ millions)	Contained gold equiv. reserves (oz)	Au equiv multiple (US$/oz)	Last Year production (oz)	Cash cost (US$/oz)	Gold grade - Reserves (g/t)
Brazilian gold companies							
Jaguar Mining Inc.	Canada	102	242,000	423.1	75,368	761.0	4.22
Aura Minerals Inc.	United States	111	1,290,785	85.6	132,916	890.0	1.08
Brio Gold Inc.	Canada	551	2,902,000	189.7	178,025	846.0	1.30
Serabi Gold plc	United Kingdom	35	353,652	98.2	37,502	861.0	7.32
Average				**199.2**	**105,952.8**	**839.5**	**3.48**
Median				**144.0**	**104,142.0**	**853.5**	**2.76**
Overall minimum				**58.5**	**37,502.0**	**445.0**	**0.03**
Overall average				**427.9**	**1,039,203.4**	**681.6**	**1.96**
Overall median				**379.6**	**359,141.0**	**589.0**	**1.41**
Overall maximum				**1,722.5**	**4,742,000.0**	**890.0**	**7.32**

Source: Deloitte analysis, CapitalIQ, Company announcements

Notes:

1. Enterprise values as at 31 October 2018
2. Trading multiples incorporate a control premium of 30%

Appendix 10: Transaction multiples

Announcement date	Buyer	Target	Percent sought	Purchase price (US$ million)	AuEq - Reserves (million oz)	Implied EV (US$ million)	EV/Reserves (AuEq)
Jun-17	Shandong Gold Mining Co., Ltd.	Veladero mine	50%	960	6.75	1,920	284.5
Feb-17	LeaGold Mining Corporation	Los Filos gold mine	100%	362	1.71	362	212.2
Jul-16	Premier Gold Mines Limited	Mercedes mine	100%	144	0.38	144	381.4
Feb-16	Yamana Gold Inc.	Riachos dos Machados project	100%	51	0.71	51	71.7
Oct-12	Minera Frisco, S.A.B. de C.V.	Aurico Gold de México, S.A. de C.V.	100%	750	2.01	750	373.5
May-12	AngloGold Ashanti Ltd	Minerao Serra Grande S.A.	50%	220	0.74	440	594.6
Jun-08	Rusoro Mining Ltd	Mina Isidora	100%	25	0.19	25	135.2
Average							**293.3**
Median							**284.5**
High							**594.6**
Low							**71.7**

Source: Deloitte analysis, CapitalIQ, Company announcments
Note:
1. Transactions involving a minority interest incorporate a control premium of 30%

Appendix 11: Control premium

Set out in this appendix are a number of studies and analysis we have identified in order to inform our assessment of the appropriate range of control premiums to apply. Most specifically, we maintain our own database of transactions in the Australian market and using this database we are able to calculate historical control premiums.

Deloitte database of Australian public company M&A activity

We conducted a study of premiums paid in Australian transactions completed between 1 January 2000 and 30 September 2018. Our merger and acquisition data was sourced from MergerMarket, Capital IQ and Thomson Reuters along with publicly available news and information sources. This identified 635 transactions that were completed during the period under review[10].

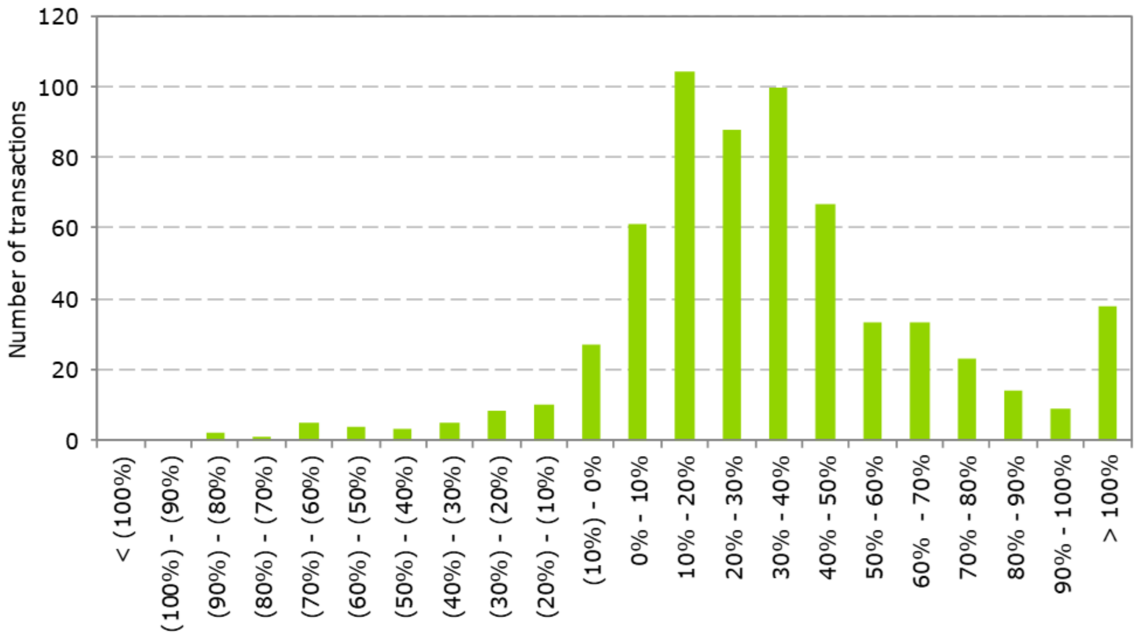
Our data set consisted of transactions where an acquiring company increased its shareholding in a target company from a minority interest to a majority stake or acquired a majority stake in the target company.

We assessed the premiums by comparing the offer price to the closing trading price of the target company one month prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the day prior to the date of the offer.

Summary of findings

As the following figure shows, premiums paid in Australian transactions between 1 January 2000 and 30 September 2018 are widely distributed with a long 'tail' of transactions with high premiums.

Figure 36: Control premium analysis - distribution of transactions



Source: Deloitte Corporate Finance analysis

[10] Excluding transactions where inadequate data was available.

The following table details our findings.

Table 59: Control premium analysis – overall market findings

	Control premium
Upper quartile	49%
Average	36%
Median	30%
Lower quartile	13%

Source: Deloitte Corporate Finance analysis

Many of the observed control premiums below 20% are likely to have been instances where the market has either been provided with information or anticipated a takeover offer in advance of the offer being announced. Accordingly, the pre-bid share-trading price may already reflect some price appreciation in advance of a bid being received, which creates a downward bias on some of the observed control premiums in our study.

Many of the observed control premiums above 40% are likely to have been influenced by the following factors which create an upward bias on some of the observed control premiums in our study:

- some acquirers are prepared to pay above fair market value to realise 'special purchaser' value which is only available to a very few buyers. Such 'special purchaser' value would include the ability to access very high levels of synergistic benefits in the form of cost and revenue synergies or the ability to gain a significant strategic benefit
- abnormally high control premiums are often paid in contested takeovers where there are multiple bidders for a target company. In such cases, bidders may be prepared to pay away a greater proportion of their synergy benefits from a transaction than in a non-contested situation
- some of the observations of very high premiums are for relatively small listed companies where there is typically less trading liquidity in their shares and they are not closely followed by major broking analysts. In such situations, the traded price is more likely to trade at a deeper discount to fair market value on a control basis.

Accordingly, the observed control premiums to share trading prices for such stocks will tend to be higher.

For the reasons set out above, we consider the control premium range of 20% to 40% to be representative of general market practice.

Other studies

In addition to our own analysis as set out above, we have also had regard to the following:

- a study conducted by S.Rossi and P.Volpin of London Business School dated September 2003, 'Cross Country Determinants of Mergers and Acquisitions', on acquisitions of a control block of shares for listed companies in Australia announced and completed from 1990 to 2002. This study included 212 transactions over this period and indicated a mean control premium of 29.5% using the bid price of the target four weeks prior to the announcement
- 'Valuation of Businesses, Shares and Equity' (4th edition, 2003) by W.Lonergan states at pages 55-56 that: "Experience indicates that the minimum premium that has to be paid to mount a successful takeover bid was generally in the order of at least 25 to 40 per cent above the market price prior to the announcement of an offer in the 1980s and early 1990s. Since then takeover premiums appear to have fallen slightly."
- a study conducted by P.Brown and R.da Silva dated 1997, 'Takeovers: Who wins?', JASSA: The Journal of the Securities Institute of Australia, v4 (Summer):2-5. The study found that the average control premium paid in Australian takeovers was 29.7% between the period January 1974 and June 1985. For the ten year period to November 1995, the study found the average control premium declined to 19.7% (however, we note that during this period the Australian economy went through a period of unusually weak economic growth, including a recession)
- a study conducted by A. Gilmore, G. Yates and I. Douglas of RSM dated 2017, 'Control Premium Study 2017 – Insights into market dynamics, financial dynamics and other factors', on successful takeovers and schemes of arrangement completed between 1 July 2005 and 30 June 2016 for companies listed on the Australian Stock Exchange. The study included 463 transactions (for which meaningful data was available) and indicated an average implied control premium at 20 days pre-bid of 34.5% and a median implied control premium of 27.0%.

Appendix 12: CSA Global Independent Technical Specialist's Report

CSA Global
Mining Industry Consultants

Independent Technical Specialists Report on Beadell Resources Limited's and Great Panther Silver Limited's Mineral Assets

CSA Global Report № R456.2018
4 December 2018

www.csaglobal.com

Report prepared for

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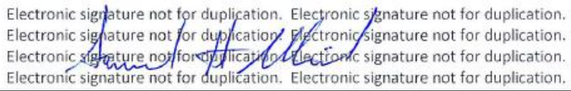
Coordinating Authors	Sam Ulrich BSc (Hons.), GDipAppFin, MAusIMM, MAIG, FFin	
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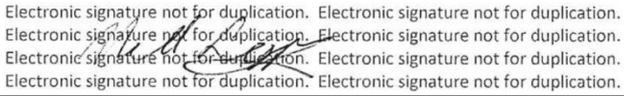
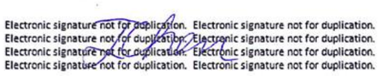
	Neal Leggo BSc (Hons), MAIG, MSEG	
	Ivy Chen BAppSc (Geology), MAusIMM, GAICD	
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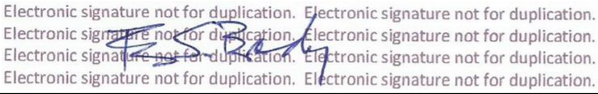
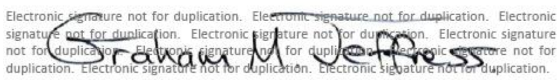
	Bruce Brady B.Eng. P.Eng. FCIM	
Peer Reviewer and CSA Global Authorisation	Graham Jeffress BSc (Hons), FAIG, RPGeo, FAusIMM, FSEG	

Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by Deloitte Corporate Finance Pty Ltd (Deloitte) to prepare an independent technical specialists report ("the Report") on Beadell Resources Limited's (Beadell's) mineral assets in Brazil (the Tucano Gold Mine and Tartaruga Project), and Great Panther Silver Limited's (Great Panther's) mineral assets (the Guanajuato Mine Complex (GMC), Topia mines and Plomo exploration property – all in Mexico, the Coricancha Project located in Peru, and the Argosy Project in Canada).

This Report was prepared for Deloitte. The Report provides an opinion to support an Independent Expert's Report to be prepared by Deloitte, and has been prepared as a public document, in the format of an independent technical assessment and valuation report and has been prepared in accordance with the VALMIN Code.

The Report provides a review of the Mineral Assets of Beadell and Golden Panther, and provides a valuation of those parts of these assets not forming part of life of mine plans. In addition, CSA Global has provided input and advice on the appropriateness of the assumptions adopted in the various life-of-mine cash flow models including discussing the level of reserves and resources, production profiles (including production profiles or potential expansion cases), operating expenditures including rehabilitation and abandonment costs, and capital expenditures.

Deloitte are valuing the life of mine plans based the CSA Global review of inputs. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the Tucano and Great Panther projects.

Note that the CSA Global valuations are of:

- the Tucano Mineral Resources outside the life-of-mine plan, the exploration tenements and the Urucum underground deposit,
- GMC and Topia unclassified material and exploration tenements;
- Coricancha Mineral Resources and tenement area;
- the Plomo and Argosy exploration areas;

and not the value of Beadell, or Golden Panther, as companies.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 30 September 2018 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

CSA Global's valuations are based on information provided by Beadell, Great Panther and public domain information. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 30 September 2018. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Tucano Gold Mine

The Tucano Gold Mine is in the state of Amapá, in northern Brazil, approximately 200 km northwest of Macapá, the capital of Amapá state. The Tucano Gold Mine comprises of 31 granted licences and 24 licence applications covering an area of approximately 2,500 km², which Beadell has 100% beneficial ownership interest in. The project contains an operating gold mine, which produced 129,764 oz of gold in the 2017 calendar year.

The deposit setting at Tucano is an orogenic, structurally-controlled, gold mineralising system hosted in Palaeoproterozoic rocks. Beadell also holds exploration tenements in the vicinity of the Tucano Gold mine and elsewhere in the region, which are considered prospective for the discovery of additional gold deposits. The main exploration project apart from those around Tucano, is the Tartaruga Project.

The Tucano Gold Mine contains several reported Mineral Resources and Ore Reserves. As at 30 June 2018, Beadell had total Mineral Resources of 59.2 Mt at 1.86 g/t Au for 3.54 Moz of contained gold; included in the Mineral Resources are Ore Reserves totalling 21.7 Mt at 1.81 g/t Au for 1.26 Moz of contained gold. All Mineral Resources and Ore Reserves, except the Tartaruga Mineral Resource, are in close proximity to the current Tucano mining and processing infrastructure.

Guanajuato Mine Complex

The GMC is located approximately 360 km by road northwest of Mexico City and is situated along the north-eastern side of the city of Guanajuato. The GMC comprises two mines, the Guanajuato and San Ignacio mines. The Guanajuato mine is accessible via city streets. The San Ignacio mine is located approximately 8 km northwest of the city of Guanajuato and is accessed from the outskirts of the city. The area has long mining history having actively mined for 400 years. Great Panther has been operating the Guanajuato underground silver mine there since 2006, and started the San Ignacio underground silver mine in 2013.

The GMC properties consist of 51 contiguous and non-contiguous claims that cover approximately 14,743 ha in area, which Great Panther holds a 100% beneficial interest in.

The mineral deposits in the Guanajuato area are classic fissure-hosted low-sulphidation epithermal gold-silver-bearing quartz veins and stockwork.

Total Mineral Resources as at 31 August 2017 at the Guanajuato and San Ignacio mines totalled 1.945 Mt at 147 g/t Ag and 2.59 g/t Au for 9,250 koz of silver and 162 koz of gold. There is an additional Mineral Resource at El Horcon having 0.16 Mt at 76 g/t Ag, 3.44 g/t Au, 2.69% Pb and 3.79% Zn for 400 koz of Ag and 18 koz of Au.

Topia Mine

The Topia Mine is in and surrounding the town of Topia, Durango State, Mexico, approximately 235 km northwest of the City of Durango, and 100 km northeast of Culiacán, Sinaloa. The property comprises of 53 contiguous concessions plus six outlier concessions that cover approximately 6,616 ha, which Great Panther holds a 100% beneficial interest in. The area has long mining history having actively mined for 400 years. Great Panther has been operating an underground silver mine there since 2006.

The Topia area is underlain by a kilometre-thick package of Cretaceous and Tertiary andesite lavas and pyroclastic rocks which are, in turn, overlain by younger rhyolitic flows and pyroclastics. The mineral deposits at Topia are adularia-sericite-type, silver-rich, polymetallic epithermal veins. Silver-gold-lead-zinc mineralisation is found in fissure-filling veins along sub-parallel faults cutting andesitic flows, breccias, and pyroclastics. Deposits are usually characterised by multiple veins in areas measuring 10 to 15 km^2 with individual veins generally less than 2 m in thickness but up to 3-4 km in length.

Topia's last Mineral Resource estimate was dated 30th November 2014, and stated total Mineral Resources of 0.7 Mt at 608g/t Ag, 1.31 g/t Au, 3.96% Pb and 4.07% Zn for 5.2 Moz of silver and 10 koz of gold.

Coricancha Project

The Coricancha Project is located within the Rímac River Valley in the central Andes of Perú in the District of San Mateo, Huarochirí Province, Department of Lima. The Coricancha Project includes 127 mining concessions, one mining transport concession, and one processing concession, which Great Panther has a 100% beneficial interest in. The project contains an underground silver and gold mine presently on care and maintenance since 2013.

The Coricancha property is almost entirely underlain by the Rímac Formation andesitic volcanic rocks. The mineralisation is a polymetallic hydrothermal, brittle low sulphidation deposit hosted in the andesitic rocks of the Rímac Formation. Mineralisation is that of an anastomosed system where most of the secondary and tertiary veins branch off either from the main vein or the secondary veins. The three main veins on the Coricancha property include the Wellington, Constancia and Animas veins. The veins exhibit pinch-swell type behaviour typical of hydrothermal systems found within compressional and extensional structural environments. Vein widths reach upwards of 2.0 m and with a mean width of 0.6 m.

The Coricancha Project has total Mineral Resources of 1.7 Mt at 5.34 g/t Au, 205 g/t Ag, 1.72% Pb and 3.25% Zn and 0.59% Cu.

Plomo and Argosy Projects

Great Panther has two additional projects, the Plomo Project located in Sonora, Mexico and the Argosy Project located in the Red Lake mining district of Ontario, Canada. Both projects are at a relatively early exploration stage prospective for gold. Gold mining has occurred at the Argosy Project between 1932 and 1951, with the area having had minimal modern exploration since.

Assessment of Technical Inputs into Life-of-mine Plans

At Deloitte's request, CSA Global undertook an assessment of the technical inputs into the Tucano life-of-mine plan so that Deloitte could undertake a Discounted Cash Flow model valuation. CSA Global's assessment of the inputs into Tucano life-of-mine plan did not identify any material issues, and that the inputs and costs indicated in the life-of-mine are appropriate and reasonable.

In CSA Global's opinion the Urucum underground Ore Reserves are not suitable for valuation by the DCF valuation method. The timing of revenue and costs in a DCF valuation is critical, due to the discounting effect of the discount rate in determining a present value. With Beadell not having a set timeline for the inclusion of the Urucum underground within its present life-of-mine plan, it is not possible to determine revenue and costs for the underground with any accuracy or confidence. To include the Urucum underground, would require creating a new mining and processing schedule for the life-of-mine plan, which would require considering different ore types and adjustments to feed grades to reflect the contribution the underground ore would make. CSA Global do not consider it appropriate for them to opine on the potential timing of the Urucum underground as Beadell are unsure of the potential timing themselves. Therefore, CSA Global has chosen to value the Urucum underground Ore Reserves by an alternative method, CSA Global does not consider there to be a reasonable basis for the income-based approach.

At Deloitte's request, CSA Global undertook an assessment of the technical inputs into the GMC and Topia mine life-of-mine plans so that Deloitte could undertake a Discounted Cash Flow model valuation.

In the life-of-mine plans provided by Great Panther, both Inferred Resources and unclassified material are included in the cash flow modelling. Under Australian regulation[1], to comply with the Corporations and ASIC Acts, you must have reasonable grounds for any forward-looking statement; which includes any production target or forecast financial information such as a life-of-mine plan. To have a reasonable basis for using material in a DCF model it would normally need to be classified as Indicated Resources or better – a requirement that excludes Inferred or unclassified material.

[1] In particular the Corporations Act 670A and ASIC Acts, and ASIC Information Sheet 214

However, in CSA Global's professional opinion, based on its technical assessment of the GMC and Topia life-of-mine plans, the inclusion of Inferred Resources within the life-of-mine is justified. CSA Global considers this reasonable for the following reasons:

- Long operating history, area has been actively mined for 400 years and by Great Panther for over 10 years (since 2006); during this time Great Panther has been mining directly from Inferred Resources (and unclassified material).
- Great Panther has a strong history of Mineral Resource replacement and growth year on year;
- Great Panther has a history of regularly converting and mining Inferred and unclassified material;
- The mineralising veins have strong geological continuity, with excellent grade continuity over a long strike length; which has been tested by closed spaced channel sampling in underground development and diamond drilling.
- The veins and structures hosting the mines have been mapped extending on the several kilometre scale.
- The relatively high grade of the silver mineralisation provides greater abundance of metal. The greater abundance of silver makes it easier to follow the mineralisation.
- Mineral Resource estimation conservatively applies top-cuts on input data, to moderate the influence of high-grade outliers in the sample population;
- Great Panther applies economic cut-offs and modifying factors to the Inferred Resources; and
- CSA Global's site visit confirmed the above points.

As with Inferred Resources, the Australian public disclosure regime precludes the valuation of unclassified material by income methods, given the absence of a classification for tonnes/grades fails to provide reasonable grounds to support an income-based valuation.

Nonetheless in the case of GMC and Topia, CSA Global notes that most (approximately 74%) of the unclassified material has a robust internal classification system, based on well-established historical underground workings, geology, drilling, underground face sampling and mapping (refer to Section 3.7.2and Section 4.7.2). In CSA Global's professional view, the well-defined unclassified material represents significant value within the GMC and Topia mine operations for the following reasons:

- Great Panther are aware of the existence of the mineralised material based on detailed historical information, and plan to mine this material using their current mining methods, equipment, and plant infrastructure.
- Great Panther have a documented history of successfully finding, proving, and mining this type of material.
- The location and grade of the material is known from the historical workings, but Great Panther is not able to accurately predict the degree of depletion from the historical workings prior to accessing and sampling the historic workings.
- The internal mine classifications, that do not directly correspond with the JORC Code classifications for public disclosure, are nonetheless systematic, repeatable, evidence-based, and demonstrably underpinning mine production and planning.

CSA Global, based on discussions with Great Panther, its site visits to the operations and its own technical assessment of the operations, endorse Great Panther's view that there has been a sufficient body of evidence based on the historical conversion rates of the deposits to assume that significant amounts (75% to 85%) of the unclassified material will convert to Mineral Resources with additional exploration as required. Further, CSA Global is of the opinion that the combined modern exploration data acquired by Great Panther and the older collected body of work dating back to the 1800s also lends confidence to this conclusion.

CSA Global has elected to value the unclassified material using the Geological Risk method (which is based on the probability of successful conversion of this material to resources reportable under the JORC Code categories of mineralisation confidence. The probability of success is a valuer's call, and in this case is based on the historical success rate achieved by Great Panther's staff and reported by the Great Panther Qualified Person[2] of being between 75–85% over the 13+ years that Great Panther have been mining at GMC and Topia.

In CSA Global's professional opinion the unclassified material should not be included within the life-of-mine plan forming the basis of Deloitte's income-based DCF valuation and should be valued separately. There is not enough confidence in the unclassified material therefore there is not a reasonable basis for its inclusion in the DCF valuation.

CSA Global has provided updated operating costs for GMC and Topia based on the mines recent cost performance. Capex, general & administration, and closure costs were considered appropriate and reasonable.

[2] Qualified Person is the Canadian (CIM/NI43-101) equivalent of Competent Person (JORC Code) in Australia

Valuations

CSA Global was requested by Deloitte to provide a valuation of the Mineral Resources and exploration potential outside of the life-of-mine plans for Beadell and Great Panther.

CSA Global was also requested by Deloitte to provide a valuation of the Mineral Resources outside of the present Tucano life-of-mine schedule and excluding the Urucum Underground Ore Reserves.

CSA Global's opinion on the Market Value of Beadell's Brazilian Mineral Assets as at 30 September 2018 for the Mineral Resources including the Urucum underground Ore Reserves outside of the life-of-mine plan is summarised in Table 1.

Table 1: Valuation of Beadell's Mineral Assets not in Life-of-mine Plan

Mineral Asset	Mineral Asset Stage	Beadell's equity %	Valuation (A$M)			Source Table in this report
			Low	Preferred	High	
Mineral Resources	Pre-development	100	14.4	20.5	26.7	Table 60
Urucum Underground	Pre-development	100	27.6	34.5	41.4	Table 62
Tucano Exploration Tenure	Advanced Exploration	100	9.6	13.7	17.8	Table 65
		Total	**51.6**	**68.7**	**85.9**	

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

CSA Global have valued Great Panther's Mineral Assets outside of the GMC and Topia life-of-mine plans. CSA Global's opinion on the Market Value of Great Panther's Mineral Assets as at 30 September 2018 is summarised in Table 2.

Table 2: Great Panther valuation – Mineral Assets not included in GMC and Topia LOMs

Mineral Asset	Mineral Asset Stage	Beadell's Equity %	Valuation (A$M)			Source Table in this report
			Low	Preferred	High	
GMC–Unclassified	Development Project	100	17.2	18.7	20.2	Table 80
GMC–El Horcon Project	Advanced Exploration Area	100	3.2	4.5	5.9	Table 83
GMC–Santa Rosa Project	Exploration Area	100	0.4	0.6	0.8	Table 75
Topia–Unclassified	Development Project	100	8.4	9.2	10.0	Table 80
Topia Project – Exploration Tenure	Exploration Area	100	2.3	3.3	4.3	Table 73
Coricancha Project	Pre-development Project	100	10.8	15.4	20.0	Table 84
Plomo Project	Exploration Area	100	1.2	1.7	2.7	Table 77
Argosy Project	Exploration Area	100	0.2	0.2	0.3	Table 79
		Total	**43.7**	**53.6**	**64.2**	

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

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1 Introduction

1.1 Context, Scope and Terms of Reference

Beadell Resources Limited (Beadell) is a Perth-based mining company that is listed on the Australian Securities Exchange (ASX). Beadell's key asset is the Tucano Gold Mine in Brazil.

On 24th September 2018, Beadell announced that it had entered into a Scheme Implementation Deed dated 23rd September 2018 with Great Panther Silver Limited (Great Panther), pursuant to which Great Panther will acquire all of the issued ordinary shares of Beadell by means of a Beadell scheme of arrangement under the Australian Corporations Act 2001.

Great Panther is a Vancouver based mining company that is listed on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE). Great Panther's key mining assets are the Guanajuato Mine Complex (GMC) and Topia Mine in Mexico and the Coricancha Project in Peru.

Under the terms of the Scheme, Beadell shareholders will receive 0.0619 common shares of Great Panther (Great Panther Share) for each ordinary share of Beadell (Beadell Share) (the Exchange Ratio), resulting in the issue of approximately 103.6 million Great Panther Shares. The Exchange Ratio implies consideration of A$0.086 per Beadell Share for an implied equity value for Beadell of approximately A$144 million based on the closing price of a Great Panther Share on the NYSE on 21 September 2018 (the Consideration). On completion of the Proposed Transaction, existing Beadell shareholders and Great Panther Shareholders are expected to own approximately 38% and 62%, respectively, of the issued capital of the combined company. The Proposed Transaction supersedes the proposed merger with Golden Harp Resources Inc (Golden Harp) of Canada by way of a scheme of arrangement announced 19 March 2018, which was mutually terminated and will no longer proceed.

Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance) has been engaged by Beadell Resources Limited (Beadell) to prepare an independent expert's report (the "IER") advising whether in Deloitte's opinion the proposed acquisition of Beadell by Great Panther by way of a scheme of arrangement (the Scheme) is in the best interests of Beadell's shareholders ("Proposed Transaction"),

CSA Global Pty Ltd (CSA Global) was in turn commissioned by Deloitte to provide an independent technical specialists report (CSA Global Report or "the Report") in accordance with the requirements of the VALMIN Code. Deloitte will rely on, and the Deloitte Report will refer to, the CSA Global valuation opinion, and a copy of the CSA Global Report will be appended to the Deloitte Report.

The Report provides a review of the Mineral Assets of Beadell and Great Panther, and provides a valuation of those parts of these assets not forming part of life of mine plans. In addition, CSA Global has provided input and advice on the appropriateness of the assumptions adopted in the various life-of-mine cash flow models including discussing the level of reserves and resources, production profiles (including production profiles or potential expansion cases), operating expenditures including rehabilitation and abandonment costs, and capital expenditures.

Deloitte are valuing the life of mine plans based on the CSA Global review of inputs. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the Tucano and Great Panther projects Mineral Assets outside the life-of-mine plans.

Note that the CSA Global valuations are of the Tucano, GMC, Topia, Coricancha, Plomo and Argosy Mineral Assets outside of the life-of-mine plans, and not the value of Beadell, or Great Panther, as companies.

The Deloitte Report will provide an opinion to Beadell's shareholders, and as such it will be a public document. CSA Global will provide its consent to the use of the Report in the form and context in which it will be published.

1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[3] and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The Report has been based on information available up to and including 20th October 2018. The information was provided to CSA Global by Beadell and Great Panther, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Beadell's and Great Panther's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

Mr Bruce Brady of CSA Global had previously undertaken a site visit to the Tucano Gold Mine from the 9th to 12th April 2018, and undertook a site visit to the GMC and Topia Mines from the 9–12th October 2018 in preparation of this Report.

No site visit was made to the Coricancha Project in preparation of this report. The project is currently on care and maintenance, and has a long history which is sufficiently documented. CSA Global concluded that it has sufficient knowledge of the project area and that the project stage is such that no material information would be gained by completing a site visit.

Tenement information on the Tucano Gold Mine was provided by independent legal firm FFA Legal, details are provided in Section 2.2. CSA Global relies on the independent opinion of FFA Legal dated 17th September 2018, with regards to the validity, ownership, and good standing of Beadell's Tucano Gold Mine tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

Tenement information on the GMC and Topia Mine projects was provided by independent legal firm RB abogados, details are provided in Sections 3.2 and 4.2 respectively. CSA Global relies on the independent opinion of RB abogados dated 5th October 2018, with regards to the validity, ownership and good standing of Great Panther's GMC and Topia Mine tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

Tenement information on the Coricancha Project was provided by independent legal firm Miranda & Amado, details are provided in Section 5.2. CSA Global relies on the independent opinion of Miranda & Amado dated 5th October 2018, with regards to the validity, ownership, and good standing of Great Panther's Coricancha Project tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

[3] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

CSA Global provides multidisciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to the Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Sam Ulrich who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. He is not a related party or employee of Beadell. Mr Ulrich has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Ulrich consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of Mineral Resources at the Tucano and Tartaruga Assets was completed by CSA Global Principal Resource Geologist, Serikjan Urbisinov, BSc (Geology), BSc (Computer Science), MAIG. He has over 20 years' experience as a geologist, comprising over 10 years' experience in exploration, field operations and resource estimation, and 10 years' experience as a geological consultant. Mr Urbisinov has a strong background in both geology and computer technologies that has allowed him to master geological and mining software to an expert level. Mr Urbisinov's experience with various mining operations gives him an excellent practical and theoretical basis for resource estimation.

The information in this Report that relates to the Technical Assessment of Mineral Resources at the Guanajuato Mine Complex was completed by CSA Global Principal Geologist, Neal Leggo, BSc Hons, MAIG, MSEG. Neal has over 30 years' experience including management, mineral exploration, consulting, resource geology, underground operations, and open pit mining. He has worked in a variety of geological terrains and specialises in copper, gold, silver-lead-zinc, and iron ore for which he has the experience required for code-compliant reporting. He also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands, and industrial minerals. Mr Leggo has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The information in this Report that relates to the Technical Assessment of Mineral Resources at the Topia Mine complex in Mexico and the Coricancha project in Peru was compiled by CSA Global Principal Geologist, Ivy Chen BAppSc (Geology), MAusIMM, GAICD. Ms Chen is a corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the Australian Securities and Investments Commission (ASIC) from 2009–2015. Ms Chen's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong, and UK stock exchanges. Ivy is a company director in the ASX junior resources listed space, and is a member of the VALMIN committee.

The Mining Assessment of the Tucano Mine in this report was completed by CSA Global Canada Geosciences Ltd Senior Associate Mining Engineer, Bruce Brady (B.Eng. P.Eng. FCIM). He is a mining engineer with over 40 years of experience in operations, engineering, management, and consulting. Mr Brady has extensive experience in due diligence reviews, technical reports, preliminary economic assessments, feasibility studies, valuations, and operations reviews.

The Mining Assessment of the GMC and Topia mines in this report was completed by CSA Global UK, Principal Mining Engineer, Gavin Ferguson (B.Sc. (Hons) M.Phil Ph.D C Eng Eur Eng MIMM who has a long practical experience in technical, production and the financial aspects of evaluating mining projects world-wide. He has undertaken, design and evaluation work for surface and underground mines in Africa, Australia, Brazil, Canada, Central America, Chile, Europe, countries of The Middle and Far East, Peru, and the United States of America. He assisted Codelco-Chile with the adoption of protocols for the estimation of resources and engineering of reserves; and served on the first Geomechanics Board for the El Teniente Division. Gavin has acquired specific skills with respect to deriving economically beneficial strategies at the scale of mine extraction and corporate development; and implementation of costs and productivity strategies to position companies to prosper against the backdrop of the long-term decline in metals prices. Recent work, most relevant to today's mining industry is the involvement in risk analysis and developing risk management strategy and risk response plans for both operating mines and mining projects.

The valuation of Mineral Resources and Exploration Tenure was completed by CSA Global Principal Consultant, Mr Sam Ulrich, BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin. He is a consulting geologist with over 23 years' experience in the minerals industry, including seven years as a consultant. Mr Ulrich has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. His knowledge is broad based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Mr Ulrich has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The reviewer of the Report is CSA Global Manager Corporate, Principal Geologist Graham Jeffress, BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG. Graham is a geologist with over 25 years' experience in exploration geology and management in Australia, Papua New Guinea, and Indonesia. He is Principal Geologist with CSA Global in Perth and manages the Exploration and Evaluation Division. Graham has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. Graham was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014.

1.5 Prior Association and Independence

The authors of this Report have no prior association with Beadell regarding the Mineral Assets. Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in Beadell or the mineral properties in which Beadell has an interest. CSA Global's relationship with Beadell is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A$135,000.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of Beadell. No member or employee of CSA Global has, or has had, any material shareholding in Beadell. There is no formal agreement between CSA Global and Beadell to CSA Global conducting further work for Beadell.

1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 30th September 2018 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

The opinions expressed in the Report have been based on the information supplied to CSA Global by Beadell and Great Panther. The opinions in the Report are provided in response to a specific request from Beadell to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Beadell, Great Panther, and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted.

The valuations discussed in the Report have been prepared at a valuation date of 30th September 2018. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

1.6.1 Results are Estimates and Subject to Change

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

2 Tucano Gold Mine and Tartaruga Projects

2.1 Location and Access

The Tucano Gold Mine is located in the state of Amapá, in northern Brazil (Figure 1), approximately 200 km northwest of Macapá, the capital of Amapá state. It comprises two distinct tenement areas, the main area at Tucano, containing the Tucano mine approximately 15 km from the town of Serra do Navio, and the Tartaruga tenements, which are located 120 km northeast of the Tucano mine.

Figure 1: Tucano Gold Mine location

The Tucano Gold Mine can be accessed via road or by chartered aircraft. Road access to Tucano from Macapá is via Brazilian federal highway BR-210, with the first 100 km of the highway from Macapá being sealed – the balance of the road is unsealed. Total driving time from Macapá to the mine site is three to four hours, depending on road conditions.

The Tucano mine site is also serviced by a 1,100 m airstrip located approximately 800 m from the main gate. Charter flights from Macapá to the Tucano mine take about 50 minutes.

2.2 Ownership and Tenure

The ownership structure for the Tucano Gold Mine is presented in Figure 2. The Tucano Gold Mine comprises of 34 granted licences, of which 15 are currently undergoing renewal, additionally there are 18 licence applications (Figure 3 and Table 3). Beadell either owns 100% of the licences through various Brazilian subsidiaries or has 100% of the gold rights. A summary of specific agreements, royalties and payments required for some of the Tucano Gold Mine licences is detailed in Section 2.2.1.

CSA Global has relied on a report prepared on 17th September 2018, by legal advisers[4] in Brazil appointed by Beadell, who have conducted the assessment and analysis of the Mineral Rights in accordance with the rules and principles that regulate mining activity in Brazil and have relied on the information obtained at the offices of the DNPM in the cities of Macapá/AP, Belém/PA and Brasília/DF. The legal advisers have provided a summary of applications and proceedings in progress, and CSA Global is satisfied that Beadell has the necessary statutory permits and approvals to undertake mining; and that this has been independently verified in accordance with VALMIN guidelines.

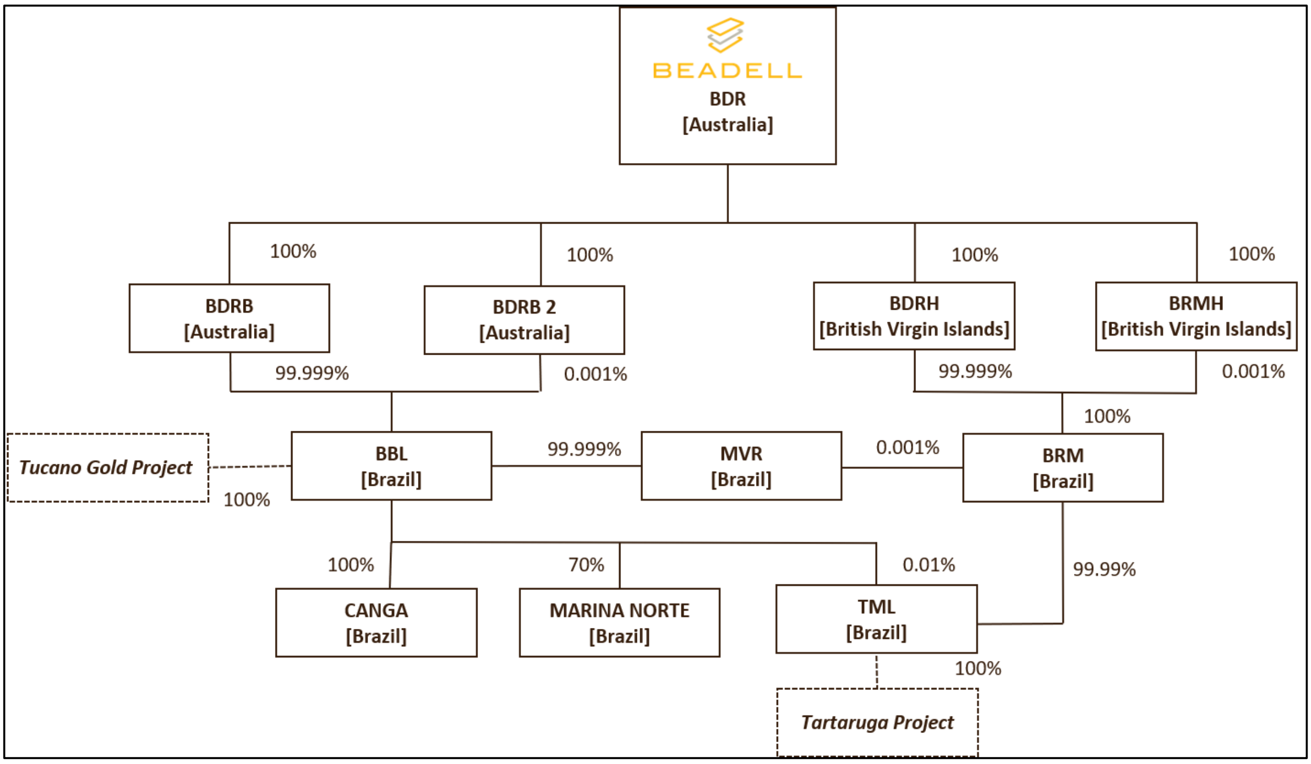


Figure 2: Beadell Resources Limited group structure
Notes: BDR – Beadell Resources Limited; BBL – Beadell Brasil Ltda; BDRB – Beadell (Brazil) Pty Ltd; BDRB 2 – Beadell (Brazil 2) Pty Ltd; BDRH – Beadell Resources (Holdings) Ltd; BRM – Beadell Resources Mineração Ltda; BRMH – Beadell Resources Mineração (Holdings) Ltd; CANGA – Mineração Serra da Canga Ltda; MARINA NORTE – Marina Norte Empreendimentos de Mineração Ltda; MVR – Mineração Vale dos Reis Ltda; TML – Tartarugalzinho Mineração Ltda.
Source: Beadell 2018

[4] Legal advisers have permitted reliance only to Beadell, CSA Global do not have permission to quote.

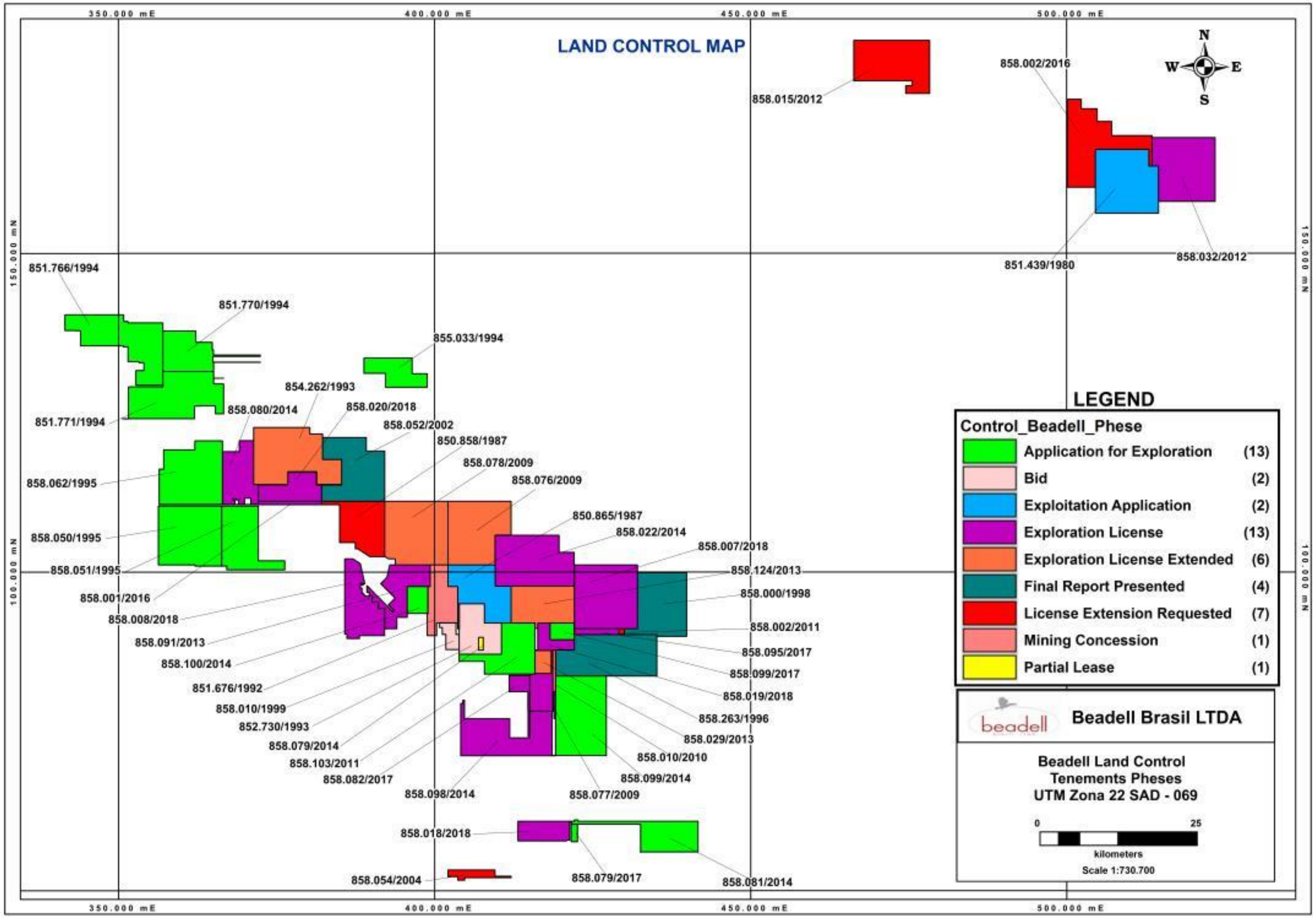

LAND CONTROL MAP
LEGEND
Control_Beadell_Phese
Application for Exploration (13)
Bid (2)
Exploitation Application (2)
Exploration License (13)
Exploration License Extended (6)
Final Report Presented (4)
License Extension Requested (7)
Mining Concession (1)
Partial Lease (1)
Beadell Brasil LTDA
Beadell Land Control
Tenements Pheses
UTM Zona 22 SAD - 069
kilometers
Scale 1:730.700

Figure 3: Tucano Gold Mine tenements
Source: Beadell and FFA Legal, 2018

Table 3: Tucano Gold Mine tenements as at 31st March 2018

Tenement no.	Type	Status	Holder	Area (ha)	Expiry date
854.262/93	Exploration	Granted	MINERAÇÃO TANAGRA LTDA	9,793	15/01/2019
858.080/14	Exploration	Granted	BEADELL BRASIL LTDA	4,593	04/09/2019
858.002/16	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	9,408	04/09/2019
858.001/16	Exploration	Granted	MNERAÇÃO SERRA DA CANGA LTDA	543	04/09/2019
858.091/13	Exploration	Granted	BEADELL BRASIL LTDA	4,469	17/09/2019
858.098/14	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	8,006	17/09/2019
858.078/09	Exploration	Granted	MNERAÇÃO SERRA DA CANGA LTDA	9,823	17/03/2020
858.124/13	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	5,813	14/07/2020
858.010/10	Exploration	Granted	MINERAÇÃO VALE DOS REIS LTDA	290	28/07/2020
858.076/09	Exploration	Granted	MNERAÇÃO SERRA DA CANGA LTDA	8,807	17/12/2020
858.022/14	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	9,348	18/12/2020
858.018/18	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	2,527	07/06/2021
858.019/18	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	3,736	30/07/2021
858.020/18	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	3,452	30/07/2021
858.029/13	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	919	6/09/2021
858.007/18	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	9,993	14/09/2021
858.008/18	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	5,148	14/09/2021
858.082/17	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	1,038	14/09/2021
858.095/17	Exploration	Granted	BEADELL RESOURCES MINERAÇÃO LTDA	644	14/9/2021
858.000/98		Renewal – Pending	BEADELL BRASIL LTDA	7,884	N/A
858.263/96		Renewal – Pending	BEADELL BRASIL LTDA	9,691	N/A
858.052/02		Renewal – Pending	MNERAÇÃO SERRA DA CANGA LTDA	8,065	N/A
858.077/09		Renewal – Pending	BEADELL BRASIL LTDA	124	N/A
852.336/94		Renewal – Pending	BEADELL BRASIL LTDA	919	N/A
858.062/04		Renewal – Pending	BEADELL BRASIL LTDA	5,771	N/A
858.065/05		Renewal – Pending	BEADELL BRASIL LTDA	9,323	N/A

Tenement no.	Type	Status	Holder	Area (ha)	Expiry date
858.264/96		Renewal – Pending	BEADELL BRASIL LTDA	10,000	N/A
858.054/04		Renewal – Pending	BEADELL BRASIL LTDA	971	N/A
858.015/12		Renewal – Pending	BEADELL RESOURCES MINERAÇÃO LTDA	8,280	N/A
858.032/12		Renewal – Pending	BEADELL RESOURCES MINERAÇÃO LTDA	8,476	N/A
850.858/87		Renewal – Pending	MINERAÇÃO VALE DOS REIS LTDA	5,644	N/A
858.002/11		Renewal – Pending	MNERAÇÃO SERRA DA CANGA LTDA	77	N/A
851.676/92	Mining	Granted	BEADELL BRASIL LTDA	3,971	N/A
852.730/93	Mining	Renewal – Pending	ZAMIN AMAPÁ MINERAÇÃO LTDA	4,472	N/A
858.100/14	Exploration	Application	BEADELL BRASIL LTDA	1,377	N/A
858.103/11	Exploration	Application	BEADELL BRASIL LTDA	5,530	N/A
858.099/14	Exploration	Application	BEADELL RESOURCES MINERAÇÃO LTDA	10,000	N/A
858.081/14	Exploration	Application	BEADELL RESOURCES MINERAÇÃO LTDA	4,874	N/A
855.033/94	Exploration	Application	MARINA NORTE EMPREENDIMENTOS DE MINERACAO S.A	3,262	N/A
851.766/94	Exploration	Application	MINERAÇÃO DORICA LTDA	8,983	N/A
851.770/94	Exploration	Application	MINERAÇÃO DORICA LTDA	4,747	N/A
851.771/94	Exploration	Application	MINERAÇÃO DORICA LTDA	8,750	N/A
858.062/95	Exploration	Application	MINERAÇÃO TANAGRA LTDA	8,982	N/A
858.079/17	Exploration	Application	BEADELL RESOURCES MINERAÇÃO LTDA	269	N/A
858.099/17	Exploration	Application	BEADELL RESOURCES MINERAÇÃO LTDA	997	N/A
858.050/95	Exploration	Application	MINERAÇÃO TANAGRA LTDA	9,300	N/A
858.051/95	Exploration	Application	MINERAÇÃO TANAGRA LTDA	6,371	N/A
858.079/14	Mining	Partial Lease	BEADELL BRASIL LTDA	150	N/A
852.730/93	Exploration	Application	BEADELL BRASIL LTDA	5,530	N/A
858.010/99	Exploration	Application	BEADELL BRASIL LTDA	8,634	N/A
850.865/87	Mining	Application	MNERAÇÃO SERRA DA CANGA LTDA	6,112	N/A
851.439/80	Mining	Application	BEADELL RESOURCES MINERAÇÃO LTDA	9,602	N/A

Source: FFA Legal, 2018

2.2.1 Agreements and Royalties

Under an agreement executed 24 March 2014 between Beadell Brasil Ltda (Beadell Brasil) and Zamin Amapá Mineração S.A. (Zamin), Beadell Brasil will pay Zamin BRL$5.0/t of gold ore extracted from licence 852.730/93 in return for 100% of the gold rights within the licence.

In 2016, Beadell Resources Mineração Ltda (BRML) renegotiated an agreement with Keystone Ltda (Keystone) over the Tartarugalzinho Project (licence 851.439/80), where the annual payment of US$100,000 was reduced to US$10,000. Under an option agreement entered in 2005, annual payments of US$100,000 were required to Keystone by Brazmin Ltda (Brazmin). BRML assumed Brazmin's obligations to Keystone in 2007.

Under an agreement signed on 6 April 2017 (ASX Announcement 6 April 2017), Beadell acquired the issued capital of Mineração Vale dos Reis Ltda (MVR), a Brazilian company that currently held 30% of the MVR Joint Venture (JV). Beadell held the remaining 70% of the JV.

Total cash consideration paid was US$1.8 million for MVR and a 0.75% net smelter royalty (NSR) will also be payable on any gold or other precious metals that are produced from the former JV ground. All other licences held by Beadell that do not form part of the former JV ground, including the Tucano Mining Lease, are not subject to this royalty.

2.3 Geology

The descriptions of the regional and local geology as well as deposit types and mineralisation have been taken from Wolfe *et al*. (2017).

2.3.1 Regional Geology

The South American Precambrian Shield comprises some 50% of the bedrock in Brazil and consists of major Proterozoic deformation zones surrounding cratonic nuclei of Archaean age (Figure 4). The three principal cratons are the Guyana Craton in the north, the Amazon (or Guapore) craton immediately south of the Amazon River, and the São Francisco Craton situated between the Amazon Craton and the coast. The cratons are mostly a granite gneiss complex including some highly metamorphosed supracrustal belts, of which greenstone belts represent a small portion. Remoteness and lack of outcrops due to deep weathering prevent detailed stratigraphic and structural mapping across most of the greenstone belts. However, stratigraphic, and structural elements typical for greenstone belts worldwide are well recognised in most South American examples. The consistent north-easterly trend of inferred extensions within granite-greenstone belts across north-eastern South America suggest they have formed during a single major event. The Tucano Gold Mine is located within the Guyana Craton, described by several authors as the Maroni–Itacaiunas mobile belt. This belt runs from Pará and Amapá States of northern Brazil through the Guyanas and into Venezuela. The regional structure is marked by a north-western trending foliation parallel to the main lithologic contacts.

Figure 4: Tucano Gold Mine – regional Proterozoic geology
Source: Beadell, 2018

2.3.2 Local Geology

The western part of the Tucano Gold Mine (about 25% of the area) is underlain by basement gneiss. The balance of the project area is underlain by ortho-amphibolite and metasedimentary rocks of the Vila Nova Group (1.75–1.9 Ga), composed essentially of gneisses, granites, amphibolites, banded iron formations (BIFs), massive iron formations, schists and quartzites (Table 4). These units are intruded by granitic pegmatites, dolerite dykes and gabbro bodies. The metasediments are similar to what has been named the Serra do Navio Formation in the nearby area that was mined by Indústria e Comércio de Minerios S/A for manganese. The metasediments hosting the gold mineralisation within the Tucano Gold Mine lie along the limb of a syncline. On the south end of the syncline, the strike is north-south, with dips ranging from 65° to 85° to the west. To the north the dip becomes vertical to dipping slightly northeast, with the strike trending north-northwest. The gold mineralisation is associated with iron and carbonate-rich units of the chemical sedimentary sequence known as the William Formation (Table 4). Ore mineralisation is predominantly associated with the BIF, but carbonate and calc-silicate rocks also host economic mineralisation. Sub-economic mineralisation may be hosted by any of the lithologies shown in the stratigraphic column (Table 4) except the late intrusions.

Laterite and lateritic colluvium are common throughout the area and tend to be thicker over topographic highs, with thick laterites developed in proximity to BIF. Colluvium is characterised by deeply weathered rock that no longer displays any trace of original structure and commonly has angular fragments that indicate limited transport. The colluvium hosts secondary mineralisation. A north-south trending shear zone appears to control gold mineralisation by carrying gold-bearing hydrothermal fluids or remobilising existing mineralisation; this can be justified by the presence of mineralisation found in BIF that was not deformed by shearing. Mineralisation is both conformable and not conformable with metasedimentary contacts in the William Formation.

Table 4: Tucano stratigraphic column

<table>
<tr><th colspan="6">Alluvium/laterites</th></tr>
<tr><td rowspan="2"></td><td rowspan="2">Intrusives</td><td>Basic</td><td>Db</td><td>Gabbro/dolerite</td><td rowspan="2">Dykes of dolerite and gabbro</td></tr>
<tr><td>Acid</td><td>Gran./ Peg</td><td>Pegmatites</td></tr>
<tr><td rowspan="9">Vila Nova Group</td><td rowspan="2">Clasto-pelitic Sedimentary Unit</td><td>Quartz Domain</td><td>QMX</td><td>Muscovite quartzites</td><td>Muscovite–quartz schist, muscovite quartzite, locally with fuchsite and/or sillimanite</td></tr>
<tr><td>Pelitic Domain</td><td>QBX</td><td>Quartz-mica schists</td><td>Quartz-biotite-muscovite schist with garnets, interspaced with lenses of calc-silicates, iron formation and muscovite</td></tr>
<tr><td>Clasto-chemical Sedimentary Unit</td><td>Transitional Unit</td><td>RANF</td><td>Quartz-grünerite cummingtonite schist w/ garnets, chlorite, and biotite</td><td>Quartz-amphibole schists and amphibole schists with lenses of silicate facies iron formation and calc-silicates</td></tr>
<tr><td rowspan="5">Chemical Sedimentary Unit (William Formation)</td><td rowspan="3">Ferruginous Domain</td><td>FFER</td><td>Iron formation, silicate facies</td><td>Garnet-hornblende-grünerite-diopside; magnetite-grünerite-hornblende schists</td></tr>
<tr><td>BIF-O</td><td>Iron formation oxide facies</td><td>(Grünerite)-quartz-magnetite/hematite, sometimes with garnets and diopside</td></tr>
<tr><td>BIF-OS</td><td>Iron formation oxide-silicate facies</td><td>(Hornblende)-diopside-grünerite-quartz with magnetite; (diopside)-hornblende-garnet, quartz-magnetite-grünerite schist</td></tr>
<tr><td rowspan="2">Calc-magnesian Domain</td><td>CALC</td><td>Schists with diopside porphyroblasts</td><td>Actinolite-tremolite-diopsides, hornblende-diopsides, amphibole-diopsides, with epidote, biotite, and garnets</td></tr>
<tr><td>RCB</td><td>Marble and carbonate schists</td><td>Calcic marble, serpentine marble with tremolite, forsterite, fayalite, hastingsite, chlorite and magnetite; actinolite-tremolite-carbonate schists</td></tr>
<tr><td>Volcanic Unit</td><td></td><td>MTB or ANF</td><td>Metabasic ortho-amphibolites</td><td>Plagioclase amphibolite’s, biotite-amphibole schists, plagioclase-</td></tr>
</table>

					cummingtonite-hornblende schists

Source: Wolfe et al., 2017 after AMC, 2009

2.3.3 Deposit Types

The deposit setting is an orogenic, structurally controlled gold mineralising system hosted in Palaeoproterozoic rocks.

At Urucum, Tap C and Tap AB mineralisation occurs over a 7 km strike length and is associated with the subparallel intersection of a north-south shear zone and a BIF unit which also hosts significant quantities of friable iron ore. Mineralisation at Duckhead is controlled by the recently interpreted intersection of steep west-northwest striking shear zones with a BIF-schist lithological contact to form steeply west plunging high grade shoots. The texture and mineralogy along the shear zone indicates high-temperature hydrothermal alteration, particularly silicification and sulphidation, bearing auriferous pyrite. Deep weathering is present in most of the deposits with high grade mineralisation extending right to the surface through a layer of colluvium several metres thick.

The Urucum underground resource covers a strike length of approximately 800 m down to a depth of approximately 500 m below the open pit reserve showing a gold endowment of over 1,000 oz per vertical metre. The lodes form continuous subparallel ore shoots hosted within an approximately 100 m wide BIF. Three main ore lode horizons have been defined by the drilling and are named Lode 1, Lode 2 and Lode 300 with each lode dipping sub-vertically and generally separated by 20–30 m. The average true horizontal width of each lode is 6 m.

Continuous high grade shallowly plunging ore lodes are developed along mineralised shear zone hosts. The geometry and plunge of the ore shoots is interpreted to be controlled by gently plunging F2 fold hinges and more steeply dipping fault intersections. Gold mineralisation at Urucum is predominantly strata bound to specific sheared lithological units within the BIF and is characterised by strong disseminated and shear fabric pyrrhotite sulphide. The strong association between gold and pyrrhotite results in a highly visual ore in fresh rock that is easily discernible from unmineralised BIF and other waste rock.

2.3.4 Mineralisation

Mineralisation at Tucano is controlled by a north-south shear zone. The texture and mineralogy along the shear zone indicates high-temperature hydrothermal alteration. The interaction of favourable rocks, structure, heat, and mineralised solutions produced the primary sulphide concentrations. This zone exhibits intense hydrothermal alteration, particularly silicification and sulphidation, bearing auriferous pyrrhotite and pyrite. The alteration is most intense in the proximity of reactive meta-sediments such as BIF, followed by amphibolite, carbonate schist and, to a lesser extent, in calc-silicate rocks. The presence of superimposed foliation, brecciation and silicification indicates some remobilisation of the auriferous mineralisation.

Mineralisation can be found in the fresh rock at depth, where sulphides are not oxidised, in a saprolite zone created by in situ weathering of the underlying rocks and also in colluvial deposits, which overlie the saprolite mineralisation as a blanket, spreading out over the hill slopes. The saprolite and the colluvial mineralisation are collectively grouped together as “oxide mineralisation”.

Sulphide shoots follow shear plane foliation, often crosscutting the BIF and other host meta-sediments and as bedding parallel lenses dipping either east or west along the limbs of the folded BIF units. Host rocks are poor in sulphide and gold outside the shears and faulted zones. The accumulation of auriferous massive and/or disseminated sulphides in zones of fractures and folds, and forming plunging ore shoots, often crossing lithological contacts, suggests an epigenetic or remobilisation event.

The mineralisation at Tucano occurs in a series of deposits over a 7 km strike length of the shear zone, along a north-south line of topographic ridges. From south to north, these deposits have been named Taperebá A, B, C and Urucum. Taperebá D is offset to the west. Taperebá is often shortened to "Tap". Subsequent infill drilling may reveal the entire zone to be mineralised along the trend. Higher grades are associated with the more intensely hydrothermally-altered rocks.

The locations of the deposits are shown in Figure 5.

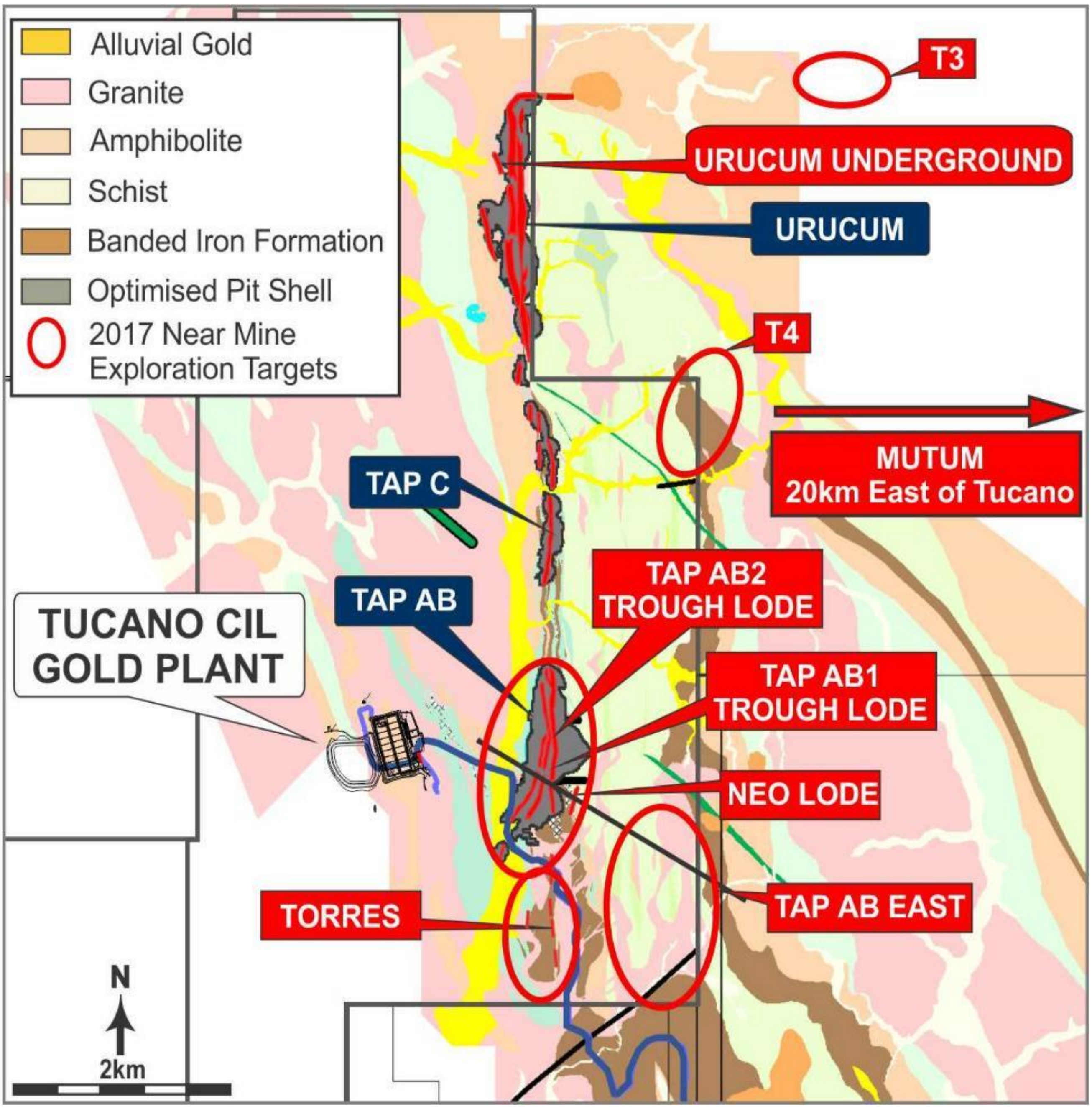


Figure 5: Tucano Mine geology
Source: Beadell, 2018

Colluvial Mineralisation

The colluvial deposits occur along north-south trending ridges cut by William Creek. The creek is at about 115 m elevation and the ridges reach 300 m. The top and slopes of the ridges are covered by alluvial and colluvial sediments. It is difficult to separate them in the field and therefore have been collectively named colluvium.

All ore shoots are covered by mineralised colluvium, which varies according to the subsurface lithology. The grade of mineralisation in colluvium tends to reflect the grade of underlying ore shoots, with patches of low grade or barren colluvium usually reflecting low grade or barren underlying saprolite zones. However, zones of mineralisation in colluvium tend to be wider than in underlying saprolite due to mechanical transport and development of some secondary mineralisation due to variations in surface soil chemistry.

Deep weathering and intense fixation of iron in the upper portions of the soil often creates a laterite horizon. The top of the colluvium is usually a layer rarely more than 1 m thick composed of silty, clayey, and sandy materials, poor in fragments of limonite. Immediately below there is a variable layer up to 10 m thick containing lateritic fragments rich in iron oxide dispersed in a ferruginous clay-sand matrix which becomes rich in manganese at the base.

The colluvium deposits are heterogeneous, reflecting the varied subsurface lithologies. Occasionally there are semi-decomposed, angular fragments of these lithologies within the colluvium.

Saprolite Mineralisation

Intense tropical weathering reaching down 30–300 m has caused the formation of saprolite, that is, an in-situ oxidation of the primary sulphide mineralisation and host rocks. The saprolite consists mainly of iron oxides and hydroxides, clay, and silica. Ore zones within saprolite follow the strike, dip, and plunge of the primary sulphide mineralisation. Semi-decomposed remnants of the primary mineralisation become more frequent with depth.

Weathering has left much of the saprolite material amenable to free-digging but some of the saprolite has required blasting prior to excavation. The mineralisation in these more competent zones may range from entirely oxidised to partially or even completely primary sulphides. The occurrence and size of hard zones increase with depth.

Primary/Sulphide Mineralisation

Sulphide mineralisation within fresh rock is only found in drill core and does not outcrop at Tucano. Pyrrhotite and pyrite are the most abundant sulphides. Chalcopyrite, arsenopyrite, sphalerite and galena occur in trace amounts (less than 1%). At Urucum, the mineralisation occurs with intense silicification and pyrrhotite is the dominant sulphide. At Tap AB, the gold is associated with masses containing 5% to 10% pyrite pyrite (Tap AB1 & Tap AB2 pits). Both pyrrhotite and pyrite have been observed in the Tap AB3 and Tap C pits with pyrrhotite being the dominant sulphide. At Duckhead the pyrite mineralisation is associated the high grade mineralisation in the BIF (Duckhead Hangingwall Lode). The individual sulphide masses are several metres thick and can be elongated on strike along north northwest or north-south orientations. The sulphides extend in depth along a plunge dipping from 10° to 40° at about N10°W. The dip ranges from almost vertical at Urucum, to 30° at the southern Taperebá deposits.

Gold occurs primarily with pyrrhotite (Urucum Zone and Tap AB3) and pyrite (Tap AB1 and AB2). Studies show that the gold occurs as free gold and not tied into the crystal lattice of the sulphide minerals.

Mineralisation is not confined to any particular lithology, nor is it concordant with lithological contacts.

2.4 Exploration and Mining History

In 1994, Anglo American Plc discovered a mineralised shear zone at Tucano and undertook extensive exploration between 1995 and 2002. Anglo American Plc transferred the project to AngloGold Ashanti Limited who completed a feasibility study of the oxide resources in October 2002. The mine was subsequently acquired by EBX Gold Ltd in May 2003. EBX Gold Ltd carried out a feasibility study for the oxide mineral resources and a prefeasibility study for mining the sulphide ore.

The project was acquired by Wheaton River Minerals Ltd (which later merged with GoldCorp Inc.) in January 2004. Mine construction began in July 2004, with the first gold production in late 2005. The mine was operated as an open pit and heap leach operation until 2 January 2009, when it was placed on care and maintenance. A significant factor in the decision to close the operation was the increasing occurrence of transitional material in the pits and an inability to treat this material economically with the existing process route. GoldCorp Inc. sold the mine to Peak Gold Ltd in April 2007. Peak Gold Ltd later merged with New Gold Inc.

The operation suffered from problems with handling the clayey nature of the saprolitic oxide ore and did not reach the predicted recoveries. In response to the operational problems, some test work was conducted on site during 2007 to investigate the potential improvements from installing a wash-plant (integrated with downstream carbon in leach (CIL) facilities and oxide and sulphide milling circuits) to remove fines and clays and improve heap percolation characteristics. However, it was not possible to reach firm conclusions regarding the potential benefits of the proposed wash plant. As a consequence of the testwork ambiguities, continued heap leach improvements and the relative shortage of oxide resources, the plans for the integrated wash-plant and oxide and sulphide milling circuit were put aside in favour of a milling and CIL circuit to treat predominantly sulphide plus remnant oxide material.

Until closure in 2009, mining operations extracted 8.8 Mt of gold ore from four areas, Taperebá AB (pits 1, 2 and 3), Taperebá C, Taperebá D and Urucum. Total gold production from the heap leach operations was approximately 292,000 oz.

In 2010, Beadell acquired the operation from New Gold Inc. and commenced a feasibility study to construct a semi-autogenous grinding (SAG) mill and CIL process plant at the site of the existing plant infrastructure. Mining and stockpiling of ore commenced in 2011. Commissioning of the newly constructed 3.0 Mtpa CIL plant started in November 2012 and by 31 December 2016, 15.2 Mt of ore containing 676,000 oz had been processed made up of a blend of pit oxide ore, sulphide ore, spent ore and historic stockpiles. Tucano's production for the 2017 calendar year was 129,764 oz.

2.5 Exploration Potential

2.5.1 Near Mine Exploration Potential

Beadell has primarily concentrated on near mine exploration in the last couple of years. Recent exploration has focused on the Tap AB complex area, targeting Urso, Tap AB1 Trough Lode, Neo, Neo East and Torres (Figure 6). At Torres, drill results indicate a mineralised shear along the 1 km eastern BIF contact (Figure 6). The Urso and Torres areas are to be drill tested for the potential to provide additional open pittable Mineral Resources. The depth potential of the Tap AB Trough Lodes in fresh rock is planned for 2019.

The Neo North and Neo East lodes are on newly identified mineralised structures, which have almost no previous drilling along a potential 8 km long target trend, due to a lack of access. Neo North is in a shear zone hosted by clastic schist 80 m east of the BIF contact. Mineralisation at Neo East has currently been delineated over 170 m of strike and remains open in all directions.

Potential exists at the Carbonate Lode at depth, recent results have confirmed a north plunge to the mineralisation, presently it remains shallowly drilled beneath the present open pit Ore Reserve. The Carbonate Lode is a 20 m stratabound carbonate unit within the BIF.

In CSA Global's opinion, the near mine exploration potential of the Tucano Gold Mine is high, based on recent results of Beadell's exploration programs. Much of the area has not been drill tested in the past due to challenges with access due to the terrain. Many of the identified lodes to date are open along strike and at depth.

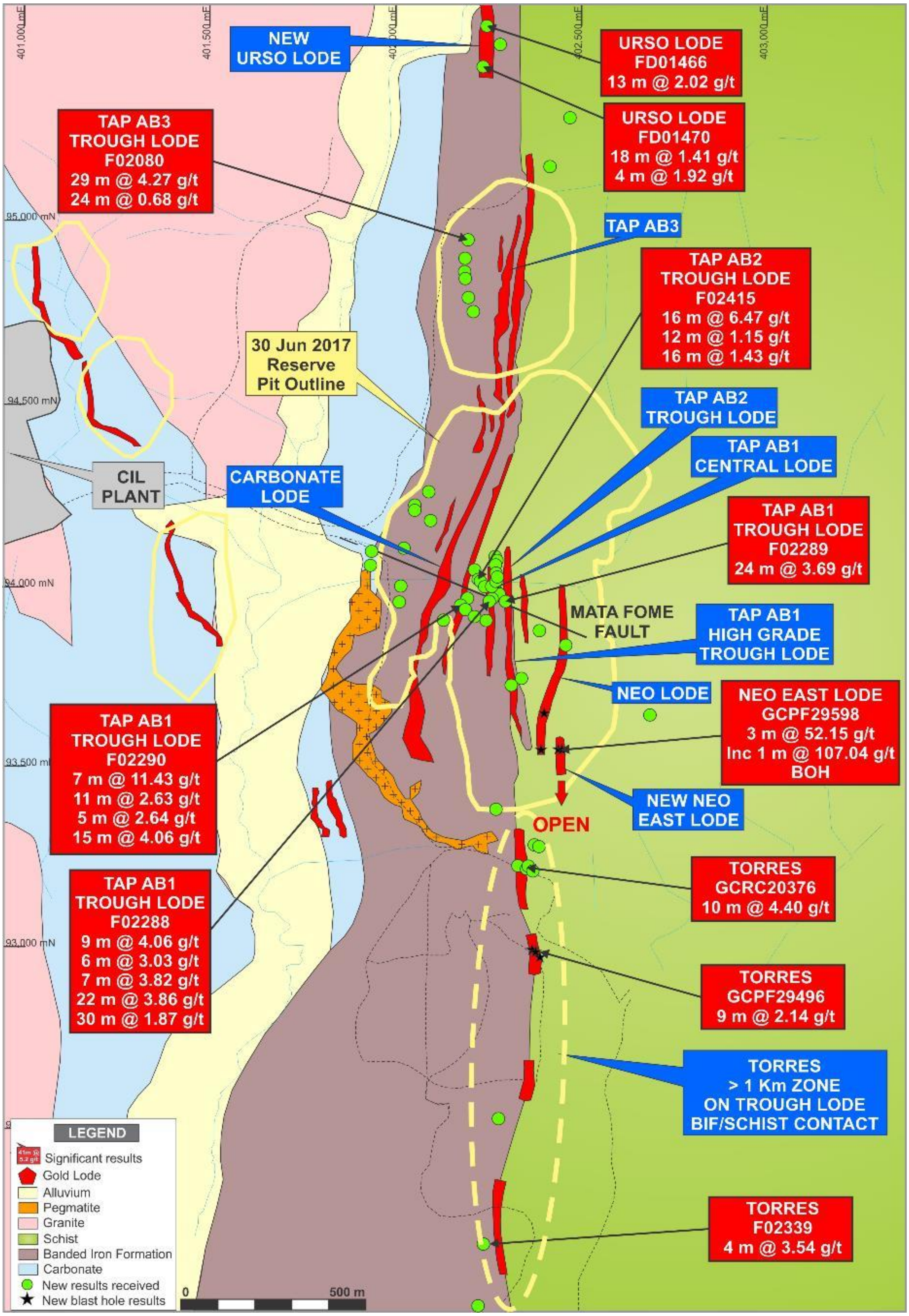


Figure 6: Plan of Tap AB complex area with drill results

Source: Beadell 2018, drill results from ASX Announcement 26th October 2017

2.5.2 Regional Exploration Potential

Outside of the main mine mining area at Tucano the remainder of the project is at a relatively early stage of exploration (greenfields stage). The exploration done by Beadell and earlier parties has been very encouraging with many early stage prospects requiring follow up drilling. Large gold surface anomalies from soil sampling or auger drilling have been delineated (Figure 7). Better prospects include Mutum, Serra da Canga, T3 and T4.

In 2017 Beadell has recently been undertaking drilling at the Mutum prospect (Figure 8) after the first diamond hole (FDMT0001) returned 5.6 m at 5.17 g/t Au from 11.4 m (Beadell, ASX Announcement 26 October 2017). The Mutum Prospect is located 20 km east of the Tucano mill and comprises of an 8 km soil anomaly that is interpreted to be hosted in a BIF.

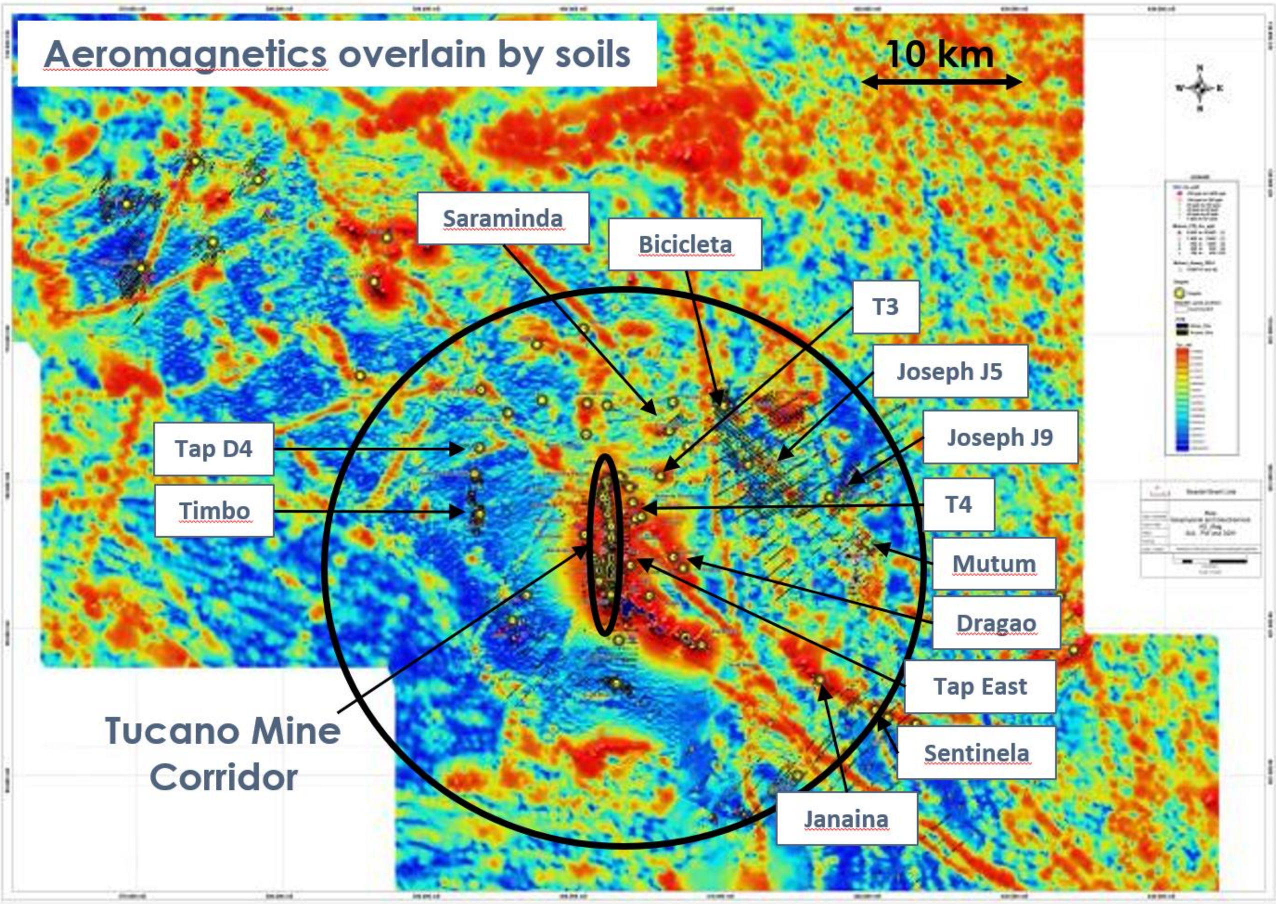


Figure 7: Tucano Gold Mine – regional exploration potential
Source: Beadell

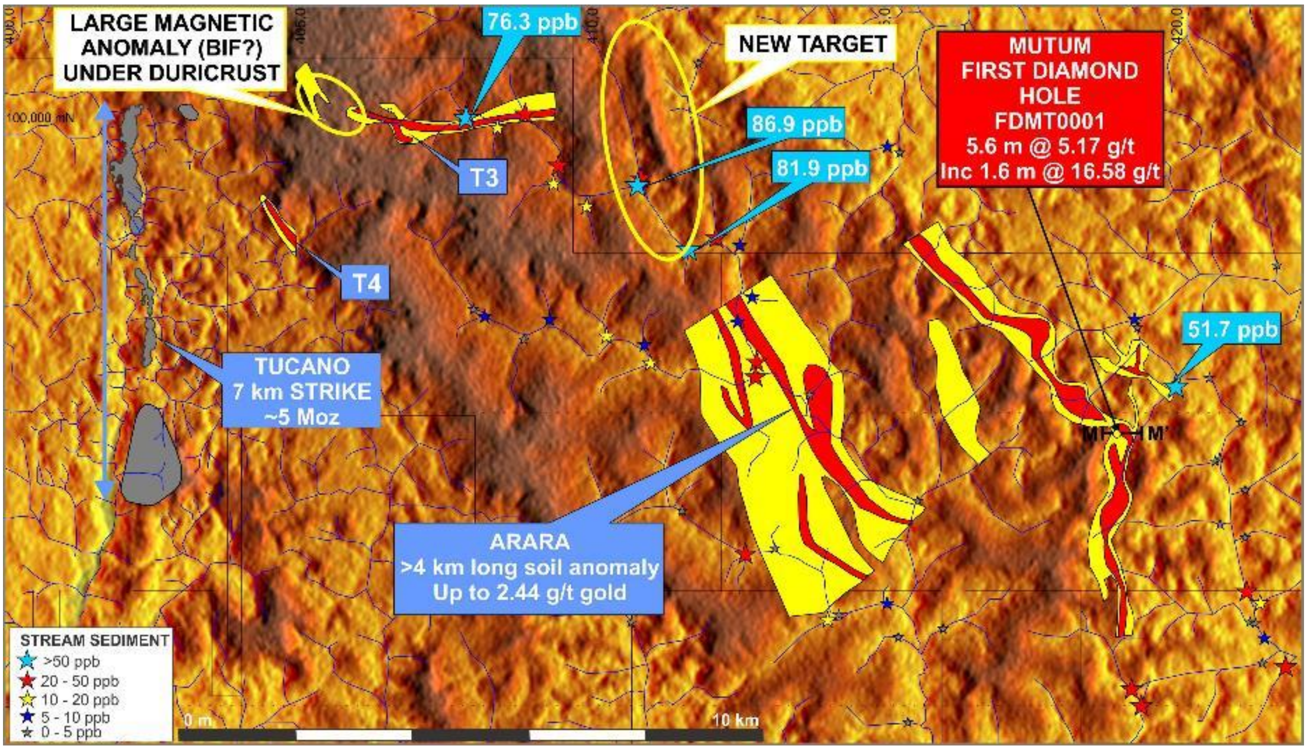


Figure 8: Location of Mutum, Arara, T3 and T4 prospect area on DTM
Source: Beadell, ASX Announcement 30 October 2017

The T3 and T4 targets are aeromagnetic anomalies interpreted to represent untested BIF occurrences east of the Urucum deposit. First pass soil sampling returned a coherent >3 km long east-west gold anomaly at T3 at plus 10 ppb gold coincident with the lower relief magnetic highs that may indicate an underlying BIF. Soil sampling at T4 delineated a >500 m long northwest trending plus 10 ppb gold anomaly, which remains open to the southeast (Beadell, ASX Announcement 31 July 2017).

Beadell has recently been undertaking the organisation of their geological information to put into a new geological data management system, for data mining combined with target assessment and ranking. This will aid in planning exploration programs to meet Beadell's short, medium and long term resource growth plans.

In CSA Global's opinion, the regional exploration potential of the Tucano Gold Mine is good. Outside of the main mine corridor exploration is still at an early stage (greenfields stage), with positive early results delineating several targets for follow-up exploration and drill testing.

2.6 Mineral Resources

The latest publicly released Mineral Resources for Tucano and Tartaruga (Table 5) are as at 30 June 2018, (Beadell, ASX Announcement 4 December 2018).

CSA Global conducted high-level reviews of the Mineral Resource estimates for the Tucano and Tartaruga deposits. The reviews of the deposits included a document review and check reporting of the resources from the block models.

Table 5: Tucano Mineral Resources as at 30 June 2018

Brazil	Cut-off Au (g/t)	Measured			Indicated			Inferred			GRAND TOTAL		
		Tonnes ('000)	Grade Au (g/t)	Ounces ('000)	Tonnes ('000)	Grade Au (g/t)	Ounces ('000)	Tonnes ('000)	Grade Au (g/t)	Ounces ('000)	Tonnes ('000)	Grade Au (g/t)	Ounces ('000)
Urucum Open Pit oxide	0.5	370	1.07	12	278	1.03	9	69	0.96	2	707	1.04	24
Urucum East Open Pit oxide	0.5	-	-	-	200	1.88	12	9	1.58	0	209	1.87	13
Tap AB Open Pit oxide	0.5	1,854	2.23	133	3,376	1.79	195	663	1.26	27	5,893	1.87	354
Tap C Open Pit oxide	0.5	370	0.91	11	284	0.85	8	88	0.71	2	742	0.86	21
Duck Head Open Pit oxide	1	89	4.24	12	140	1.74	8	60	1.56	3	289	2.47	23
Total oxide		**2,674**	**1.95**	**168**	**4,277**	**1.68**	**232**	**889**	**1.21**	**35**	**7,840**	**1.72**	**434**
Urucum Open Pit primary	0.5	5,279	1.54	262	7,131	1.72	393	397	1.56	20	12,808	1.64	675
Urucum East Open Pit fresh	0.5	-	-	-	211	1.45	10	84	0.94	3	295	1.30	12
Tap AB Open Pit primary	0.5	1,918	1.80	111	3,858	1.61	199	1,257	1.29	52	7,033	1.60	362
Tap C Open Pit primary	0.5	468	1.22	18	1,966	1.22	77	1,044	1.35	45	3,478	1.26	141
Duck Head surface primary	1	115	2.28	8	264	2.26	19	262	1.81	15	641	2.08	43
Open Pit primary		**7,781**	**1.60**	**400**	**13,429**	**1.62**	**699**	**3,045**	**1.38**	**135**	**24,255**	**1.58**	**1,234**
Urucum Open Pit total	0.5	5,639	1.51	275	7,409	1.69	402	466	1.47	22	13,515	1.61	699
Urucum East Open Pit total	0.5	-	-	-	411	1.66	22	92	1.00	3	503	1.54	25
Tap AB Open Pit total	0.5	3,772	2.01	243	7,233	1.69	394	1,921	1.28	79	12,926	1.72	717
Tap C Open Pit total	0.5	838	1.08	29	2,250	1.17	85	1,132	1.30	47	4,220	1.19	161
Duck Head Open Pit total	1	205	3.14	21	404	2.08	27	322	1.76	18	930	2.20	66
Total oxide and primary open pit		**10,455**	**1.69**	**568**	**17,707**	**1.63**	**930**	**3,933**	**1.34**	**170**	**32,094**	**1.62**	**1,668**
Open pit stockpile	0.5	1,994	0.66	42	-	-	-	-	-	-	1,994	0.66	42
Spent ore stockpile	0.5	307	0.61	6	-	-	-	-	-	-	307	0.61	6
Rom expansion stockpile	0.5	470	0.70	11	-	-	-	-	-	-	470	0.70	11
Marginal ore stockpiles	0.3	1,491	0.43	21	-	-	-	-	-	-	1,491	0.43	21
Total stockpiles		**4,263**	**0.58**	**79**	**-**	**-**	**-**	**-**	**-**	**-**	**4,263**	**0.58**	**79**
Total Tucano Open Pit and Stockpiles		**14,717**	**1.37**	**647**	**17,707**	**1.63**	**930**	**3,933**	**1.34**	**170**	**36,347**	**1.49**	**1,747**
Tap AB Underground primary*	1.2	22	1.49	1	1,025	2.30	76	3,653	3.19	375	4,700	2.99	452
Urucum Underground primary	1.6	260	4.06	34	2,634	4.24	359	8,839	2.15	611	11,733	2.66	1,004
Total Tucano Underground		**282**	**3.86**	**35**	**3,659**	**3.70**	**435**	**12,492**	**2.45**	**986**	**16,433**	**2.76**	**1,456**
Tartaruga	0.5	-	-	-	-	-	-	6,451	1.63	337	6,451	1.63	337
TOTAL BRAZIL		**14,999**	**1.41**	**682**	**21,365**	**1.99**	**1,365**	**22,877**	**2.03**	**1,493**	**59,241**	**1.86**	**3,540**

* June 2018 Tap AB Underground Resource includes 173 kt at 4.68 g/t of Inferred Oxide in the Inferred Fresh Category.
Source: Beadell, ASX Announcement 4 December 2018

2.6.1 Tucano Mineral Resource

The Mineral Resource estimate for Tucano was completed by Brian Wolfe and Marcelo Batelochi and reported by AMC Mining Consultants Ltd (AMC) in June 2017 it was updated for depletion only as at 30 June 2018. The Tucano Mineral Resource estimate has been classified and reported in accordance with the JORC Code (2012 Edition).

Deposit Geology

Mineralisation at Tucano is controlled by a major north-south shear zone. The texture and mineralogy along the shear zone indicates high-temperature hydrothermal alteration. This zone exhibits intense hydrothermal alteration, particularly silicification and sulfidation, bearing auriferous pyrrhotite and pyrite. The alteration is most intense in the proximity of reactive meta-sediments such as BIF and carbonate-rich units and, to a lesser extent, in calc-silicates, schists and amphibolites. Late crosscutting intrusions are typically barren.

CSA Global Assessment

The broad-scale controls to the mineralisation are well understood, which has set a solid foundation for the Mineral Resource estimation.

Data Collection Techniques

Data used to prepare the Tucano Mineral Resource estimate is sourced primarily from diamond (DD), reverse circulation (RC) and rotary air blast (RAB) drill holes.

Drillhole collar locations and the drill hole azimuths and dips were surveyed using a Total Station Leica 407, using the SAD69 22N coordinate system. Downhole surveys for the RC drilling are undertaken using a Reflex Gyro tool. Downhole surveys are collected in DD holes utilising a Reflex Maxibore II. These surveys are generally undertaken every 100 m as the hole progresses (i.e. 0–100 m, 0–200 m, 0–300 m etc) to monitor drilling deviation as the hole progresses. Maxibore survey data are collected on 3 m intervals during each survey. Geology staff check survey data for repeatability.

RAB drilling is undertaken by Beadell’s owned track-mounted PW blast hole rig trailing an air compressor, which is used exclusively by geology for both grade control and exploration. The rig can penetrate to depths of 30 m but is generally used to test to depths of around 4–8 m. It is used where access is difficult to undertake grade control in the mine with RC drilling. It also provides a rapid means to drill test exploration targets with a minimal amount of clearing required, especially where there is extensive laterite development in the regolith.

RC drilling was by either a track mounted Schramm T60 with a track-mounted auxiliary booster operated by McKay Drilling (an Australian contract drilling company); this has a mounted cyclone and cone splitter which are both accessible for cleaning during drilling operations; or currently use an Atlas Copco Explorac R50 model with a 900pcm x 350psi compressor. The sample splitting is performed via a riffle splitter coupled to the cyclone.

DD drilling used two skid-mounted Brazilian Maquesonda Mach 1200 diamond rigs operated by Brazilian drilling contractor Geosol. The rigs are mainly employed to drill deeper underground resource extensions.

DD drilling utilises both HQ2 and NQ2 diameter core. Normally holes are started utilising HQ2 size in oxide and are reduced to NQ2 once fresh rock is encountered. Drill core is orientated with a Reflex ACT III orientation tool in fresh rock. Core is routinely measured for bulk density with the oxide tested immediately after drilling to determine wet and dry bulk density. Once the core has been bulk density tested and photographed, it is half cut for assay. The remaining half is stored in purpose built, undercover racks at the site core yard.

Core recovery is measured along with rock quality designation in core run intervals. Average recoveries of core from all Tucano deposits is 94%. Both core recovery and rock quality designation are recorded together in the drill hole database.

One metre RC samples were obtained by an adjustable cone splitter attached to the base of the cyclone (1.5–6.0 kg) and were utilised for both lithology logging and assaying.

Diamond core is predominantly sampled at 1 m intervals, with some sampling on geological intervals (0.6–1.4 m). Diamond core was used for structural, geotechnical, and density measurements as well as lithology logging and assaying. Density measurements were completed for both oxide and fresh whole core with the oxide being weighed before and after drying to determine dry bulk density, and moisture content.

A total of 113,629 density measurements of diamond core were collected from the property.

Sample preparation is completed at the Tucano Mine sample preparation facility.

Core samples are dried at 105°C, crushed to –8 mm then to –2 mm and split to 0.9–1 kg before being pulverised to 1 mm. This sample is quarter cut to between 200 g and 400 g before being pulverised to 95% passing 105 µm. The final pulp is quartered again to achieve a sample of 100–200 g and is sent to the onsite lab or SGS laboratories in Belo Horizonte for fire assay. RC samples are dried at 140°C, crushed to –2 mm (if aggregated) and riffle split to 1 kg. The 1 kg sample is then pulverised to 1 mm and quarter cut to between 200 g and 400 g. This sample is then pulverised to 95% passing 105 µm and quarter cut to a 100–200 g sample to send to the onsite lab or SGS in Belo Horizonte.

Sample analysis is completed by both the Beadell Site Lab and an external laboratory (SGS in Belo Horizonte).

Sample analysis is undertaken at both laboratories using a 30 g charge, fire assay with an AAS finish. For holes analysed at the Beadell Site Lab, intervals that yield positive gold results have the corresponding pulverised sample send to the external laboratory for analysis using the same methodology. Received results from the external lab then supersede the results of the Beadell Site Lab in the drill hole database and are used as an additional means to monitor site lab performance.

Quality control (QC) samples were sent to SGS Geosol in Belo Horizonte for analysis. Certified standards were inserted every 20th sample by Beadell to assess the accuracy and methodology of the laboratory. Field duplicates are taken every 20th sample of the diamond core only to assess the repeatability and variability of the gold mineralisation. No field duplicates are produced for the RC drilling which represents the majority for drilling completed. A blank standard was inserted at the start of every batch of approximately 150 samples. In addition, the contract labs SGS Geosol also carried out their own internal standards and lab duplicates for each lot. Results of the quality assurance/quality control (QAQC) sampling were assessed on a batch-by-batch basis and were considered acceptable.

The QC data has been statistically evaluated, and summary plots have been produced for interpretation using the functions available in Maxwell's QAQC Report software.

The Competent Persons reviewed the summary reports and plots produced by Maxwell's Geoscience for the 2012–2017 dataset. The Competent Persons reported that the database is fit-for-purpose and, in the Competent Persons' opinions, the geological data provided by Beadell for the purposes of Mineral Resource estimation were collected in line with industry best practice.

CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and topographic control are largely consistent with good industry standard and a high confidence can therefore be placed in the data.

Data was collected by DD and RCP drilling methods which both provide a high-quality sample. However, the results obtained from RAB drilling were also used for interpretation and grade estimation. CSA Global considers that these drill holes should be excluded from the grade estimation, since this drilling method may introduce smearing and/or contamination to the sampling data.

The mineralisation at the deposit is associated with the zones of intense hydrothermal alteration, particularly silicification and sulfidation, bearing auriferous pyrrhotite and pyrite. At Tap AB, the gold is associated with masses containing 5% to 10% pyrite. It has been noted that RC samples are dried at 140°C, but considering the high sulphide content CSA Global recommends reducing the temperature to 105°C or even to 85°C.

Sampling and analytical techniques are considered appropriate, and adequate QC data appears to have been collected to allow the quality of the data to be assessed. The Competent Person has formed the view that acceptable levels of precision and accuracy have been demonstrated. Hole location methods, inclusive of collar location and downhole survey, also appear appropriate.

Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

Three-dimensional (3D) lithological modelling was completed to support the Mineral Resource estimate.

Tap AB and Urucum

Based on grade information and geological observations, colluvium, and oxidation boundaries have been interpreted and wireframes modelled to constrain resource estimation. Interpretation and digitising of all constraining boundaries has been undertaken on cross sections orientated at 90° (drill line orientation). The resultant digitised boundaries have been used to construct wireframe surfaces or solids defining the 3D geometry of each interpreted feature.

In a similar fashion, geological logging of drill core and RC chips has been input into the construction of lithological wireframes for the project. At Urucum and Urucum East, modelled lithologies comprise pegmatites and granites, BIF, schist, and carbonate rocks. At Tap AB, an additional lithology, amphibolite, has been modelled.

Tap C

Although reported as one Mineral Resource, the geological model was developed differently in different zones. For geological domaining the area is divided into the C3N and C3W zones and “other”.

The C3N and C3W zones, the lithological domains were manually modelled based on 10 m space sections. Outside of these zones, only the pegmatite that cross cuts the mineralisation was modelled using a wireframe solid. The remaining lithologies were estimated using a nearest neighbour approach.

Duck Head

The Duck Head geological model was rebuilt on 10 m spaced oblique northeast-southwest sections cut oblique to the strike of the stratigraphy. The lithological modelling approach used was the same as Tap AB and Urucum.

The models were estimated for gold by ordinary kriging (OK). Nested mineralisation domains were manually built digitising and wireframing on a sectional and plan basis. An additional low grade envelope was generated by the implicit model module using Minesight software.

Tap AB and Urucum Open Pit Model

The style of mineralisation is somewhat discontinuous and irregularly distributed on the scale of approximately 50 m to 100 m.

This commonly makes the traditional approach of wireframing on a sectional and plan basis somewhat difficult with multiple plausible geometrical solutions often existing.

To establish appropriate grade continuity, the mineralisation models for the Tap AB and Urucum Open Pit were therefore based upon a nominal 0.3 ppm Au indicator mineralisation shell estimated using 3 m unconstrained downhole composites. This interpretation is designed to capture the broad mineralisation halo that encompasses the geological lode system and is not intended to constrain individual veins or shear zones. As the main grade estimation technique is MIK with the change of support technique, this type of mineralisation constraint is deemed appropriate.

The mineralisation grade shell was generated via indicator kriging at a single cut-off, 0.3 g/t Au. Grade estimation was into block models with cell dimensions of 2 mE × 2 mN × 2 mRL. Grade shell triangulations were then generated by constraining the block model at a 35% probability cut-off for Tap AB and a 31% probability cut-off for Urucum.

The selected probability shells are considered optimal to capture the observed continuity and tenor of mineralisation while excluding obvious low-grade material. Grade shells were reviewed in multiple orientations and in plan and section view prior to being accepted for grade estimation and block modelling purposes.

Mineralisation estimation domains were thus defined with further subdivision being differentiated based on orientation, flexures in the shear and tenor of gold grade. In the case of Tap AB, a total of seven estimation domains have been defined.

At Urucum, a total of 10 estimation domains have been defined with six minor flat lying domains relating to bodies of colluvium having been generated by manual wireframing and four major steeply orientated domains generated via grade shell estimate.

Tap AB and Urucum Underground

Both the Tap AB and Urucum Underground models had manually constructed wireframes built on 10 m vertical east-west sections using both drill hole geology and assay grades to drive the interpretation and digitisation.

Tap C

For the Tap C deposit, 25 mineralisation domains were manually digitised and wireframed on 10 m sections using a nominal 0.3 g/t cut-off. A low-grade envelope was also constructed using a 0.1 g/t envelope using Implicit Modeller in MineSight software.

Duck Head

For the Duck Head deposit, 24 mineralisation domains were modelled and were also split into oxide and sulphide sub domains for gold grade estimation where enough data existed. The modelling for Duck Head covers the main Duck Head pit and also the surrounding smaller deposits. Due to the extremely high grades in Duck Head, it was necessary to create the model using nested grade shells, one inside the other, to restrict the influence of very high grades in the core of the deposit.

The following nominal cut-offs were used to drive the digitisation of the nested grade shells:

- Duck Head Main Lode Extreme Grade Core: >50 g/t = Lode 1
- Duck Head Main Lode High Grade Envelope: >2 g/t = Lode 2
- Duck Head Main Lode Low Grade Envelope: >0.3 g/t = Lode 3
- Duck Head Hangingwall Lode High Grade Envelope: >2 g/t = Lode 4
- Duck Head Hangingwall Lode High Grade Envelope: >0.3 g/t = Lode 4.

The rest of the lodes were modelled using a 0.3 g/t cut-off.

CSA Global Assessment

Geological data has been collected in a consistent manner that has allowed the development of geological models to support the Mineral Resource estimate.

The texture and mineralogy along the shear zone indicates high-temperature hydrothermal alteration. The interaction of favourable rocks, structure, heat, and mineralised solutions produced the primary sulphide concentrations. The mineralised zone exhibits intense hydrothermal alteration, particularly silicification and sulfidation, bearing auriferous pyrrhotite, and pyrite. The alteration is most intense in the proximity of reactive meta-sediments such as BIF, followed by amphibolite, carbonate, schist and to a lesser extent calc-silicate rocks. Lithological models were developed based on geological logging to assist with the interpretation of the mineralisation.

A significant attention was given to the modelling of the major weathering profiles: colluvial mineralisation, saprolite mineralisation and sulphide mineralisation. All three domains were defined, coded into the sampling data, and considered during geological interpretation.

The use of various cut-off grades for various deposits of the property to define the limits to the mineralisation appears broadly appropriate to encapsulate the mineralisation.

For Tap AB and Urucum open pit resources, the mineralisation grade shell was generated via indicator kriging at a single cut-off, 0.3 g/t Au. Grade estimation was into block models with cell dimensions of 2 mE × 2 mN × 2 mRL. Grade shell triangulations were then generated by constraining the block model at a 35% probability cut-off for Tap AB and a 31% probability cut-off for Urucum. The selected probability cut-offs are somewhat subjective and requires a careful approach in estimation of resources.

CSA Global considers that interpretation and modelling procedures are correctly implemented and do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

Tucano is an operating gold mine. Mineral resources were reported on 30 June 2017 for the following deposits; Tap AB Open Pit, Tap AB Underground, Urucum Open Pit, Urucum North Underground, Urucum South Underground, Tap C, Urucum East, and Duck Head.

Urucum and Tap AB Open Pit Resources were modelled by MIK with change of support to emulate mining selectivity by independent consultant Brian Wolfe. Grade estimation shells for the Tap AB and Urucum Open Pit resources were built in Vulcan using indicator kriging at a 0.3 g/t cut-off and selecting a 31% or 35% probability threshold for the grade shell generation.

Tap AB Underground and Urucum Underground, Tap C and Duck Head were modelled by independent consultant Marcelo Batelochi using OK. Tap AB and Urucum Underground Resources were wireframe modelled manually on 10 m sections using a nominal 0.3 g/t cut-off above the 2016 US$1,500/oz optimised shell and 1.4 g/t below this shell. Duck Head was wireframed manually on 10 m sections to create nested grade shells of 0.3 g/t, 2 g/t, and 50 g/t for the main Duck Head deposit and 0.3 g/t for the surrounding smaller deposits.

Urucum East and the updated part of the Tap C deposit (C3N and C3W) were modelled internally by Beadell employees using OK. Tap C and Urucum East were wireframed manually on 10 m sections using a 0.3 g/t cut-off. These resource estimates have been reviewed by Brian Wolfe and Marcell Batelochi and no fatal flaws were identified.

CSA Global Assessment

Parent cell size for estimation is appropriate to the deposit and the sub-cell size appropriate to the selective mining unit. Composites used in the MIK estimates were not top-cut as this was considered not necessary for this type of estimate. Statistical analysis was carried out for all OK estimates and top-cuts determined by reviewing the outliers in the log histogram plots and cumulative frequency plots.

Beadell validated the resource estimate by checking summary statistics (e.g. checking of composites against the estimated grades), swath plots, and visual checking of the model. None of the validation steps revealed any fatal flaws.

To check the Mineral Resource estimate, CSA Global imported the Mineral Resource block models, mineralisation and lithological wireframes and drill hole database files that were provided into Micromine software. Wireframes were assessed for correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data.

Validation checks of the drill hole database files, such as checking for overlapping samples, revealed no material errors. CSA Global also re-reported the Mineral Resource estimate from the block model and was able to reproduce the tonnage, grades and metal estimates tabulated in the AMC consulting report.

CSA Global considers that the way the Mineral Resource model was prepared does not represent a material risk to the ongoing development, mining, or global value of the project.

Mineral Resource Classification and Statement

Resource classification for the open pit resources was based on a combination of geological knowledge, variogram ranges of the first structure, drill density and orientation and estimation statistics.

Resource classification for the Urucum North Underground PFS resource was completed using a combination of drill hole spacing, geological knowledge, and slope of regression. The resource reported for the Urucum North Underground PFS was reported at a cut-off of 1.6 g/t Au according to the block model classification of the 2015 Urucum North Underground PFS model. A part of the 2015 Urucum North Underground PFS model outside of the defined PFS resource was reclassified following a re-evaluation in 2016. Urucum North Underground resources in the 1.2 g/t Au to 1.6 g/t Au cut-off range were reported in addition to the 2015 PFS resource as at the 31 December 2016 and classed as an Inferred Resource. All underground resources at Urucum South Underground and Tap AB Underground were assigned a classification of an Inferred Resource and reported at a cut-off of 1.2 g/t Au.

For the purpose of reporting open pit resources at Tap AB and Urucum South, Beadell used a US$1,500/oz Au optimised pit and reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated, and Inferred blocks).

The optimised pit shell constraint was applied to the Tap AB and Urucum South Open Pit resource with the Urucum North Open Pit resource being reported within the 31 December 2016 reserve design pit. All other open pit resources were drilled to a shallow level and have been reported as a global resource without an optimised pit constraint, these include Tap C, Duck Head, and Urucum East. Open pit resources excluding Duck Head have been reported at a cut-off grade of 0.5 g/t Au. Duck Head open pit resources have been reported at a cut-off 1.0 g/t Au based on the increased haulage distance from the process plant.

CSA Global Assessment

CSA Global considers that industry best practice has been adopted when forming a judgement on Mineral Resource confidence. The quality of the input data, confidence in the interpretation, sampling density and local uniform conditioning results have been considered.

However, conflicting information was noted in the technical report regarding the underground resources at Tap AB Underground. These resources were described and classed as Inferred in the report, but part of these resources were assigned Measured and Indicated status albeit on 2%. Further investigation and discussion with the resource division of Beadell revealed that all resources at Tap AB Underground should be treated as Inferred.

CSA Global therefore considers that the way the Mineral Resource classification was completed does not represent a material risk to the ongoing development, mining, or global value of the project.

2.6.2 Tartaruga Mineral Resource

The Mineral Resource estimate for Tartaruga was completed by Ms J. Abello of Beadell in September 2008. The Tartaruga Mineral Resource estimate has been classified and reported in accordance with the JORC Code (2004 Edition).

The Tartaruga Project contains at least four recognised gold deposits within a single Mining Concession Title which covers a total area of 9,601.89 ha. The resource estimates for the deposits; Mineiro, Mandiocal and Bananal, were discussed in the report. An inferred resource named Rio de Ouro comprises 16% of the overall ounces of the Tartaruga resource was estimated by Mr M. Batelochi in 2013. This deposit is not discussed in this report.

Data Collection Techniques

Data, representing the collars, surveys, assays, and geology for drill holes located in Tartaruga were checked using Vulcan's drill hole validation process.

BP Mineracao Ltda (BP), completed the initial drilling of 88 holes in the Tartaruga area between 1985 and 1989. Brazmin worked on the Tartaruga Project in 2005–2006. Drilling of 13 drill holes was completed by 2006.

Historically, BP worked on a Local Grid. The relative coordinates in UTM were also provided for 84 holes AP-MID-01 to AP-MID-76, AP-MID-81 to AP-MID-86, AP-MID-88 and AP-MID-90. However, there is a problem in the conversion values of these UTM coordinates because they have been documented using UTM 22S rather than UTM 22N datums. Also, no record of the actual coordinate system used to calculate these UTM coordinates has been found. It is therefore unclear whether the collars are in UTM (WGS84), (WGS72), (Corrego Alegre) or (SAD69) or some other form of conversion.

Brazmin collar locations were provided by Brazmin and confirmed in the field using a differential global positioning system (GPS) or Garmin GPS. Five holes TTD-02, TTD-03 TTD-04, TTD-08 and TTD-011 were confirmed using the differential GPS. Maximum variation of 5 m east and 2 m north was calculated, indicating the collar positions for Brazmin were accurate.

No survey data was available for the BP drill holes.

Brazmin drill holes were surveyed using the Topari Survey Method. This method is commonly practiced in Brazil but is not considered highly accurate. Measurements are taken generally 30–50 m downhole and at end of hole. Beadell drill holes were all surveyed using the Maxibor system. Measurements were taken every 3 m downhole. Variability of the survey depends on the input of collar details. Accuracy is considered high.

An extensive data validation process was conducted on historical BP assay data because there are no original assay files. This included a comparison of BP cross sections containing composite intervals, cross-sections containing individual intervals, graphic log values and values reported in BP internal reports.

Beadell regularly inserted standards into the batch of samples that are sent to the assay laboratory. Up to four different standards were inserted into the sample batches per drill hole.

The total number of field duplicates taken from Tartaruga is 119; 97 of these were sampled by Beadell and 22 were done by Brazmin in 2006. A total of 204 laboratory duplicates were assayed as well as 169 laboratory duplicates were taken at the sample preparation stage.

The Competent Person reported that the field and laboratory precision plots lack enough data and therefore it is not possible to make conclusions on the level of precision with the current samples.

CSA Global Assessment

CSA Global considers that insufficient information is provided in the Mineral Resource report to allow an informed judgement regarding the quality of the data supporting the Mineral Resource estimate, especially for historical drill holes. Data was collected by DD drilling method which provides a high-quality sample. Subsampling and analytical techniques are not known with any certainty and limited QC data is provided only for Beadell samples to allow the quality of the data to be assessed. Hole location methods, inclusive of collar location and downhole survey, appear appropriate for the Beadell drill holes, but some issues with locating BP drill holes were described in the report. No density data collection methods were described in the report.

Based on the information supplied, CSA Global is not able to form an opinion on whether the quality of the data represents a material risk to the Mineral Resource estimate.

Geological Interpretation and Modelling

3D lithological and weathering modelling was completed to support the Mineral Resource estimate.

The wireframe envelopes were created to define the mineralised zones. The Mineiro deposit is characterised by one main high-grade envelope surrounded by a corresponding low-grade zone. The main zone strikes roughly northwest 293° west and dips toward the southeast at approximately 30°.

The Mandiocal deposit has been modelled as a low-grade envelope. The mineralised envelope strikes the same as the Mineiro deposit slightly offset (40 m) to the south.

Bananal is defined by a narrow low-grade envelope. Slightly different in orientation to Mandiocal and Mineiro, the Bananal region is more east-west.

CSA Global Assessment

Geological data appears to have been collected in a consistent manner that has allowed the development of lithological and weathering models to support the Mineral Resource estimate. Lithological models were developed based on geological logging to assist with the interpretation of the mineralisation, however the relationship between the lithologies and the mineralisation was not described in the Mineral Resource report.

Although the litho-structural controls were not adequately described in documentation supporting the Mineral Resource estimate, CSA Global considers that interpretation and modelling procedures do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

The estimation method used for the main deposits of Mandiocal, Mineiro and Bananal was Simple Kriging. The reason for this choice was the relatively wide spacing of the drill holes with respect to the range of the variogram. The Mineiro deposit has been drilled on a grid of approximately 50 m × 50 m. The Mandiocal and Bananal deposits have been drilled on a grid of approximately 80 m × 60 m.

The estimation of the high-grade blocks used only high-grade composite samples (hard boundaries). This zone was geologically easy to define and different from the hangingwall and footwall. However, for the low-grade blocks, both the high and low-grade composite samples were used (soft boundaries). Although the grade change across the high-grade boundary was dramatic, it was perceived not to be sharp. The soft boundary approach for the low-grade estimate would allow the grade profile from the high-grade zone to the low-grade zone to be more continuous, rather than a sudden step at the zone boundary.

CSA Global Assessment

CSA Global considers that insufficient information is provided in the Mineral Resource report to allow an informed judgement regarding the estimation methodology of the data supporting the Mineral Resource estimate.

Beadell validated the resource estimate by checking wireframe volume versus block model volume and visual checking of the model. None of the validation steps revealed any fatal flaws.

To check the Mineral Resource estimate, CSA Global imported the Mineral Resource block models, mineralisation and lithological wireframes and drill hole database files that were provided into Micromine. Wireframes were assessed for correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data.

Validation checks of the drill hole database files, such as checking for overlapping samples, revealed no material errors. CSA Global also re-reported the Mineral Resource estimate from the block model and was able to reproduce the tonnage, grades and metal estimates tabulated in the report.

Based on the information supplied, CSA Global is not able to form an opinion on whether the estimation approach represents a material risk to the Mineral Resource estimate.

Mineral Resource Classification and Statement

The resources were reported according to the Australasian Code for the reporting of Exploration Results, Mineral Resources, and Ore Reserves the JORC Code, 2004). The criteria used for classification were:

- Drill spacing (in general, areas drilled on 50 m sections at Mineiro and 80 m sections at Mandiocal and Bananal)
- Geological continuity
- Kriging variance
- The degree of extrapolation (areas extrapolated beyond the drilling have in general been accorded a lower level of classification).

Using the above criteria, the deposits were placed in the Inferred Resource categories.

CSA Global Assessment

CSA Global considers that there is insufficient information in documentation supporting the Mineral Resource estimate to make an informed decision about the quality of the input data, and therefore cannot form a view on the appropriateness of the classification applied.

Mineral Resource classification should consider the quality of the input data, confidence that can be ascribed to the geological interpretation and estimation quality. Each should be discussed in documentation supporting the Mineral Resource estimate.

2.7 Tucano Mining Operations

2.7.1 History

The Tucano Mine (formerly known as the Amapari Mine) construction started in July 2004 and gold production commenced in late 2005. The mine was operated as an open pit and heap leach operations by Mineração Pedro Branca do Amapari Ltda until 2 January 2009, when surface mining operations were suspended, and the mine was placed on care and maintenance. Instrumental in the decision to cease operations at the end of 2008 was the increasing occurrence of transition material in the pits and the inability to process this material economically under the processing setup at the time. To the end of 2008, total life-of-mine production was more than 8.8 Mt of ore mined with production of approximately 292,000 oz of gold.

Beadell announced a conditional agreement to acquire the mine in January 2010 (Beadell, ASX Announcement 28 January 2010), with the acquisition completed in April 2010 (Beadell, ASX Announcement 13 April 2010). At the time of acquisition, Beadell announced that it was proposing to undertake a feasibility study to support construction of a 2–2.5 Mtpa CIL processing plant, utilising the existing gold elution infrastructure. As part of Beadell's definitive feasibility study, Beadell elected for a 3.5 Mtpa CIL plant (Beadell, ASX Announcement 10 May 2011).

Mining commenced in June 2011 comprising predominantly of pre-stripping with ore being stockpiled. Commissioning commenced in late September 2012, with the first ore into SAG mill on 20 November 2012 (Beadell, ASX Announcement 21 November 2012). Beadell completed construction of a 3.5 Mtpa CIL plant and began operating in December 2012, with first gold poured on 16 December 2012 (Beadell, ASX Announcement 17 December 2012).

2.7.2 Tucano Ore Reserves

The current publicly reported Ore Reserves for Tucano in accordance with the JORC Code 2012 as of 30 June 2018 (Beadell, ASX Announcement 4 December 2018) are presented in Table 6.

Table 6: Tucano Ore Reserves (30 June 2018)

Brazil	Cut-off grade g/t	Proved			Probable			Total Ore Reserves		
		Kt	Grade (g/t)	Koz	Kt	Grade (g/t)	Koz	Kt	Grade (g/t)	Koz
Urucum Open Pit Oxide	0.7	177	1.15	7	122	1.14	4	299	1.14	11
Urucum East Open Pit Oxide	0.7	-	-	-	151	1.71	8	151	1.71	8
Tap AB Open Pit Oxide	0.6	1,450	2.20	102	1,723	1.74	97	3,173	1.95	199
Tap C Open Pit Oxide	0.6	206	0.95	6	168	0.85	5	374	0.90	11
Total Oxide		**1,832**	**1.96**	**115**	**2,165**	**1.64**	**114**	**3,998**	**1.78**	**229**
Urucum Open Pit Primary	0.8	4,311	1.63	227	5,504	1.76	311	9,815	1.70	537
Urucum East Open Pit Primary	0.7	-	-	-	16	1.50	1	16	1.50	1
Tap AB Open Pit Primary	0.8	952	2.14	66	1,094	1.77	62	2,047	1.95	128
Tap C Open Pit Primary	0.8	248	1.34	11	401	1.40	18	648	1.38	29
Total Primary		**5,511**	**1.71**	**303**	**7,015**	**1.74**	**392**	**12,525**	**1.72**	**695**
Urucum Open Pit Total		4,488	1.62	233	5,626	1.74	315	10,114	1.69	548
Urucum East Open Pit Total		-	-	-	167	1.69	9	167	1.69	9
Tap AB Open Pit Total		2,402	2.18	168	2,818	1.76	159	5,220	1.95	327
Tap C Open Pit Total		453	1.16	17	569	1.24	23	1,022	1.20	40
Total Oxide and Primary		**7,343**	**1.77**	**418**	**9,180**	**1.71**	**506**	**16,523**	**1.74**	**924**
Open Pit Stockpile	0.5	1,994	0.66	42	-	-	-	1,994	0.66	42
Spent Ore Stockpile	0.5	307	0.61	6	-	-	-	307	0.61	6
ROM Expansion Stockpile	0.5	470	0.70	11	-	-	-	470	0.70	11
Total Stockpile		**2,771**	**0.66**	**59**	**-**	**-**	**-**	**2,771**	**0.66**	**59**
TOTAL TUCANO OPEN PIT & STOCKPILES		**10,115**	**1.47**	**477**	**9,180**	**1.71**	**506**	**19,294**	**1.58**	**983**
Urucum Underground Primary		-	-	-	2,972	3.61	345	2,972	3.61	345
TOTAL BRAZIL		**10,115**	**1.47**	**477**	**11,558**	**2.11**	**784**	**21,672**	**1.81**	**1,261**

Source: Beadell, ASX Announcement 19 December 2017

2.7.3 Recent Gold Mining Production History and Performance

A summary of the recent mining and processing history on an annualised basis for Tucano is presented in Table 7 and annualised cost summary in Table 8.

Table 7: Tucano Mine production summary

Production summary	Unit	CY2014	CY2015	CY2016	CY2017
Total waste moved	tonnes	NA*	17,381,302	16,655,670	18,235,697
Gold ore Mined	tonnes	2,355,755	3,363,255	2,935,037	3,017,666
Total material moved	tonnes	NA*	20,744,556	19,590,706	21,253,363
Gold ore milled	tonnes	4,288,264	3,714,942	3,597,163	3,720,125
Head grade	g/t	1.24	1.14	1.45	1.21
Plant recovery	%	90.0	89.3	86.9	89.9
Total gold recovered	ounces	153,691	122,292	145,870	129,764
Total gold sold	ounces	165,789	121,469	146,316	128,342

**Not reported in the same format as years 2015, 2016 and 2017.*

Table 8: Tucano Mine costs summary

Cash costs and all-in sustaining costs	Units	CY2014	CY2015	CY2016	CY2017
On-site production costs	US$/oz	730	780	685	1,040
On-site G&A costs	US$/oz	54	47	43	60
Cash costs	US$/oz	764*	827	728	1,100
Royalties	US$/oz	21	25	24	28
On-site corporate costs	US$/oz	24	15	14	32
Exploration costs (sustaining)	US$/oz	25	9	28	1
Capitalised stripping costs (sustaining)	US$/oz	66	125	63	9
Capital expenditure (sustaining)	US$/oz	22	5	9	10
All-in sustaining costs	US$/oz	922	1,006	866	1,180

**Includes US$20/oz by-product credits.*

2.7.4 Open Pit Mining

The open pit mining operations are based on the use of excavators and a haul truck fleet engaged in conventional open pit mining techniques. Excavated material is loaded to trucks and hauled to either the ROM, long term low grade or marginal stockpiles, the iron ore stockpile, or the waste dump. Ore excavation and haulage is monitored by QC personnel employed by the Geology department. Oxide material is free dig with transitional material lightly blasted to loosen it for digging. Fresh rock is typically blasted on 4 m benches; however, 8 m benches are also fired. Normally, ore and waste are fired together requiring the use of 8 m long poly pipes or Blast Vector Indicators at each node of the ore polygon to determine post-blast movement. Ore sent to the ROM is stockpiled on fingers of oxide or sulphide within various grade cut-off categories to facilitate blending to achieve the desired oxide/sulphide proportions and grade. Mining at Tucano is undertaken by a mining contractor, U&M Mineração e Construção S/A (U&M), including all drilling. U&M is responsible for excavation and haulage to the run-of-mine (ROM) pad and waste dumps as well as the maintenance of haul roads, dumps, and sediment traps. Mining was contracted to MACA from 2015 to June 2018. U&M did not start at Beadell until August 2017. They had a small 6 Mt contract in 2017. U&M executed a life-of-mine contract with Beadell in June 2018. MACA left in June 2018. Since then, U&M has been mobilising more equipment and staff. Substantial cost savings are anticipated when U&M has fully mobilised and commissioned all mining equipment in November 2018, which will have material movement capacity of 32 million tonnes/year.

Contract Mining Fleet

The Beadell and contract mine production equipment used by U&M and Master Drilling Brazil at Tucano is outlined in Table 9. Additional mining equipment support is provided by JS Rental and Vale do Amazonas.

Table 9: Tucano mining fleet

Equipment	Units	Owner/Contractor
Excavators		
Hitachi EX2500	3	U&M
Hitachi EX1200	3	U&M
Hyundai 220	4	U&M
Total diggers	**10**	
Trucks		
CAT 777F/G	20	U&M
Komatsu K730	6	U&M
CAT 740B	10	U&M
Dump Truck (8x4)	9	U&M
Total trucks	**45**	
Dozers		
CAT D9T	5	U&M
CAT D6T	1	U&M
Total dozers	**6**	
Graders		
CAT 14M/16H	5	U&M
Drill and blast rigs		
Panther + Alphadrill	8	U&M
Loaders		
CAT 980	4	U&M

2.7.5 *Processing Plant*

Ore is delivered to ROM pad where ore of oxide and sulphide are stockpiled separately on fingers of specified grade ranges. The Tucano processing plant consists of a jaw crusher feeding a single-stage SAG mill, with the ore then being treated in a CIL plant. Beadell is currently mining and treating approximately 3.6 Mtpa of ore through the process plant, elution, and electrowinning facility to produce around 140,000–150,000 oz of gold per year. The plant treats an ore blend of 80% oxide and 20% sulphide. Presently Beadell are undertaking the Tucano Expansion Project (see Section 2.7.7), which is expanding the existing processing plant by:

- Adding an additional 3.0 MW ball mill to the grinding circuit to obtain a finer product size distribution P80 of 75 µm
- Thickening the CIL feed by adding a high-rate thickener thereby increasing the leach retention time for a higher yield of gold
- Construction of an additional steel leach tank on site complete with an agitator, motor, and drive
- Construction of an oxygen sparging system.

The processing plant throughput rate will be maintained at 3.6 Mtpa. Figure 9 shows the current mill configuration and Figure 10 shows new configuration following the expansion (now in progress).

The CIL plant when constructed by Beadell was configured to use the existing elution circuit and gold room already in place from the previous heap leach operation. Tailings are deposited in the West Pond located to the north of the plant.

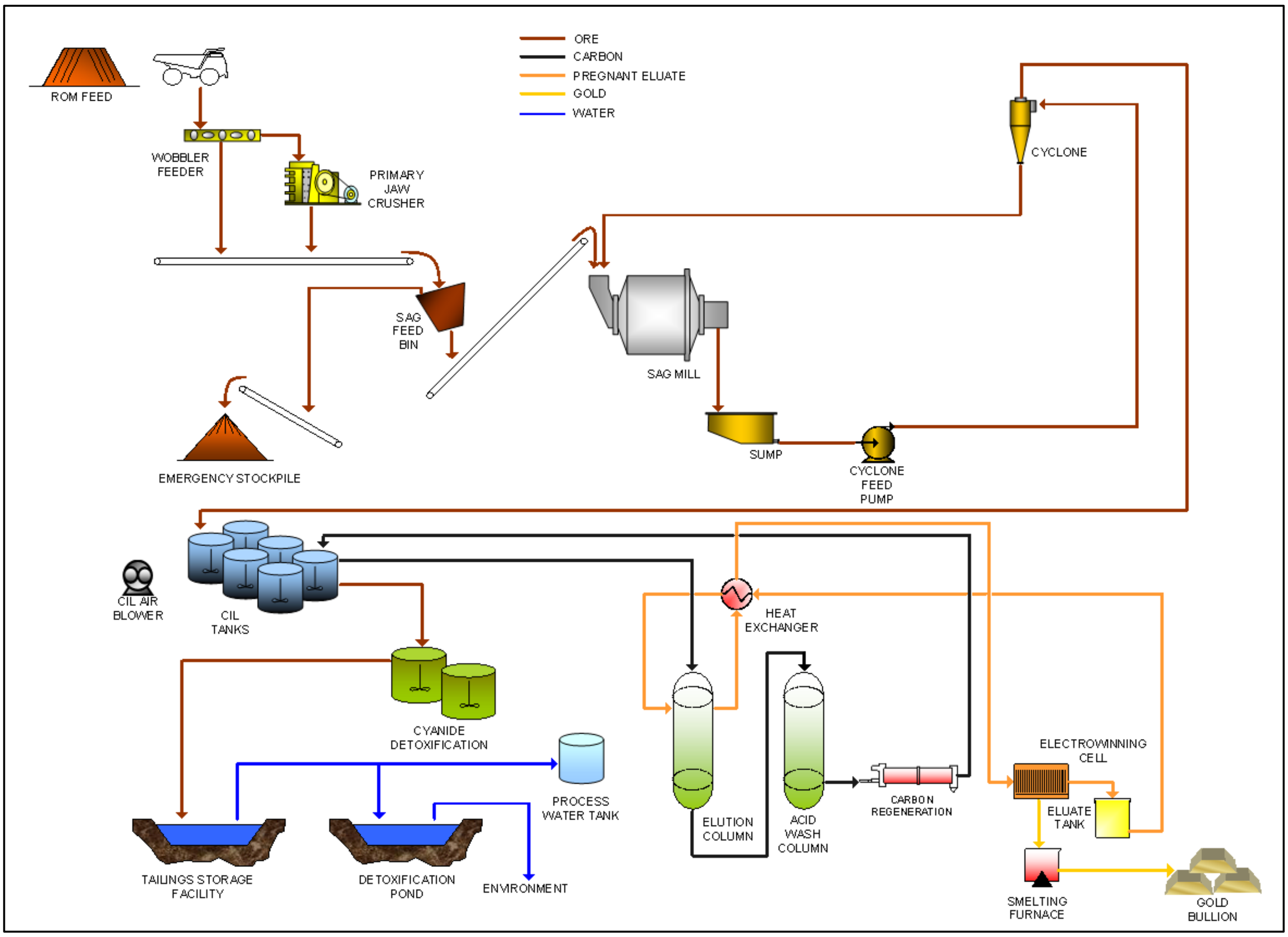


Figure 9: Current Tucano processing flowsheet
Note: The wobbler feeder has been changed to a vibrating grizzly feeder.

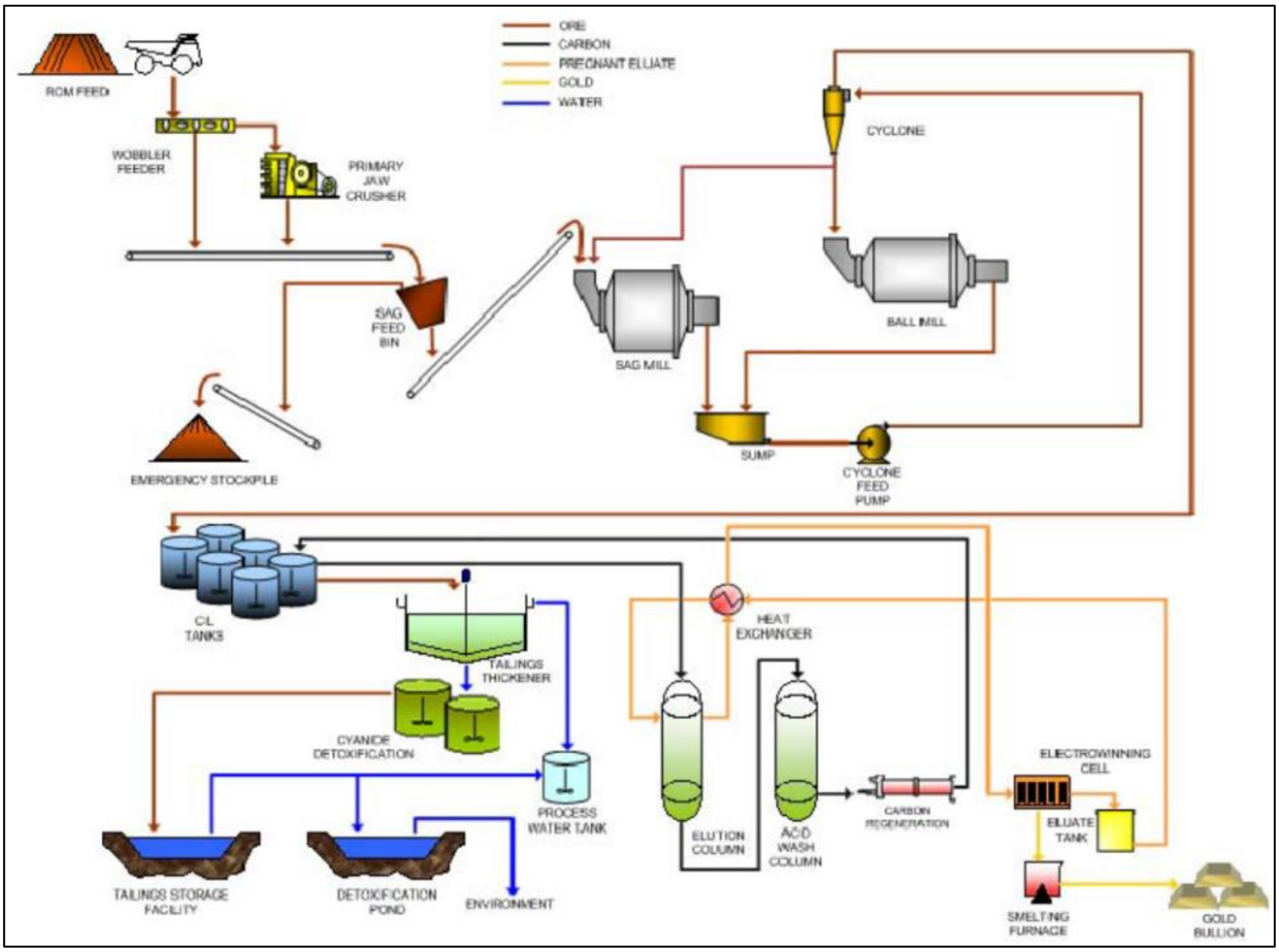


Figure 10: Tucano expansion project proposed processing flowsheet
Note: The wobbler feeder has been changed to a vibrating grizzly feeder.

2.7.6 Urucum Underground Prefeasibility Study

In 2016, Beadell reported a positive prefeasibility study (PFS) for the Urucum Underground. The PFS was updated in 2018 by AMC Vancouver.

Key highlights of the 2018 study were:

• Underground Probable Ore Reserve	2.378 Mt at 3.64 g/t Au for 278,000 oz
• Total recovered ounces	252,800 oz
• Cash costs	US$802/oz
• Initial life-of-mine	8 years
• Gross revenue	US$303 million
• Pre-production capital	US$10 million
• Pre-tax $NPV_{5\%}$	US$25.5 million
• Payback period	4.9 years
• Pre-tax IRR	19.9%

The PFS initially considered the location of all Measured, Indicated and Inferred Mineral Resources above cut-off as mineral inventory to determine the overall mine layout and development. The 2016 PFS stope and development solids designed on Measured and Indicated resources were publically reported as probable reserves and included a minor proportion of inferred material captured inside those solids. In 2018 AMC Vancouver revised the 30th June 2017 Urucum Underground reserve estimate by removing this inferred material from the Reserve Statement resulting in a reduction of 67koz. Key Assumptions used in the PFS were:

- Twin decline development from a single portal
- North and south exhaust rises
- Two longhole open stoping mining methods proposed (up-hole retreat mining in upper northern levels and downhole benching in the remainder)
- Cut-off grade of 1.6 g/t Au used for estimating mining inventories
- Mining inventory based on Measured and Indicated Resources only
- Metallurgical recovery of 90%
- Gold price of US$1,200/oz
- Brazilian Real/US$ exchange rate of 3.8:1
- Government royalties 2%
- Assumes contract mining and associated equipment lease amortisation.

2.7.7 Tucano Plant Upgrade Feasibility Study

Beadell completed a feasibility study in 2017 into undertaking a plant upgrade at Tucano (Beadell, ASX Announcement 11 May 2017). The plant upgrade incorporates the addition of a 3.0 MW ball mill, a high-rate thickener, another leach tank and an oxygen sparging system (see Figure 10 above).

The feasibility study was based on Ore Reserves as at 31 December 2015. As the mine deepens there will be an increasing amount of sulphide ore, which requires a finer grind to achieve economic gold recoveries. The new ball mill will allow for a grind size of 75 microns and will enable the mine to be fully optimised for any combination of sulphide and oxide ores. The finer grind requires longer residency in the leach circuit, which is facilitated by the additional CIL tank. Throughput remains at 450 t/hour for a nominal annual throughput of 3.6 Mtpa.

The plant upgrade project is planned to provide unlimited flexibility with the oxide/sulphide feed to the mill and improved gold recovery via:

- Addition of a ball mill and resultant finer grind
- Increased leach residence time in the CIL with an extra leach tank
- Addition of a pre-leach thickener allowing selection of the optimum density for cyclone classification efficiency as well as leaching in the CIL
- Incorporation of an oxygen plant reducing cyanide consumption and improving leach efficiency.

The plant upgrade based on the feasibility study is expected to deliver several benefits including:

- The ability to process any mix of sulphide/oxide mill feed allowing the mine to be fully optimised
- The ability to process head grades in line with the Ore Reserve grade consistently
- An increase in forecast recoveries to 93% from the budgeted recoveries of 88%
- A steadier gold production profile and increased cash flow.

The key results and parameters of the Tucano plant upgrade feasibility study are presented in Table 10. It is expected that the plant upgrade will be commissioned in November 2018.

Table 10: Tucano plant upgrade feasibility study results – May 2017

Item	Unit	Value
Assumed gold price	US$/oz	1,250
Assume US$/BRL exchange rate	US$/BRL	3.40
Tonnes open pit oxide ore	Mt	6,6781
Tonnes open pit sulphide ore	Mt	14,118
Total open pit ore tonnes	Mt	20,899
Average gold grade	g/t	1.51
Incremental recovered gold	oz	190,471
Incremental gold revenue	US$M	233.3
Construction capital cost	US$M	27.6
Incremental processing cost life-of-mine	US$M	40.0
Incremental post-tax $NPV_{5\%}$	US$M	127.1
IRR	%	138
Payback	years	1.13

Source: Beadell, ASX Announcement 11 May 2017

2.8 Mining Technical Inputs Assessment

At Deloitte's request, CSA Global undertook an assessment of the technical inputs into the Tucano life-of-mine plan so that Deloitte could undertake a discounted cash flow (DCF) model valuation.

The mining assessment is based on a site visit by Bruce Brady, B.Eng. P.Eng. FCIM, from 9–12th April 2018 and on a review of the following documents:

- Tucano Gold monthly reports for December 2017 through to September 2018.
- Urucum North Underground PFS, April 2016, by AMC. This contains underground mining parameters and scheduling.
- The 11th May 2018 Final of a Technical Report titled Mineral Resource and Reserve Update for the Tucano Gold Mine by AMC Mining Consultants (Canada). This contains open pit optimisation parameters, open pit and underground design, and mine scheduling with effective date 30th June 2017.
- The life-of-mine cash flow spreadsheet prepared by Beadell as of start of 2018 (180917 BDR Financial Model_Low 2018 Prodn Scenario.xlsx).

The Tucano Mine Ore Reserves include the active open pits Tap AB, Tap C, Urucum, and Urucum East, as well underground Ore Reserves for the planned Urucum Deeps project. Mining is undertaken by contractors using conventional truck and shovel open pit methods.

A 10,000 tpd processing plant is active at the site. Additions are currently underway (see Section 2.7.7) to enable maintaining this throughput with an increasing proportion of fresh (hard) rock. The project is also intended to increase gold recovery from 88% to 93% by providing a finer grind and increased residence time in the leach circuit.

Open Pit Mining

Open pits have been optimised using industry standard software. CSA Global considers the inputs used within the optimisation process to be reasonable. Geotechnical parameters were developed from geotechnical studies that have been updated as mining progressed. Slope conditions vary in the pits and shallower slopes are required in the oxide rock. Inter-ramp slopes vary from less than 40° to 56°. Bench height is 4 m, with 2 m being used in relatively flat-lying ore formations. The contractors are using production equipment suited to the purpose; most production features 91 t haul tucks loaded with excavators in the 8–15 m^3 range. Smaller equipment, including 36 t articulated dump trucks, is used where needed.

Proposed Underground Mining

Underground planning has been undertaken to prefeasibility study standards, with an accuracy of ±20% to ±25%. Resource drilling below the Urucum North pit was geotechnically logged; the data was used to prepare PFS-level estimates of safe stope, development, and pillar dimensions. Good ground conditions are expected, and two variations of longitudinal blast-hole open stoping are proposed, depending on ore geometry. These are up-hole retreat and downhole benching. Level interval will be 20 m with maximum stope length of 50 m. The underground minimum mining width is 2.0 m, with an additional 50 cm of dilution assumed on both the hangingwall side and the footwall side. The underground PFS proposes 32 t articulated haulers being loaded by 10 t load-haul-dump units. Two-boom electric hydraulic jumbo drills would be used for development drilling with electric hydraulic rigs for production drilling. Mobile equipment will be used for ground control activities. Although equipment will be chosen by a mining contractor, the proposed rubber-tyred diesel-powered equipment is considered suitable by CSA Global for the proposed underground mining at Urucum.

Processing

The ore processing process involves, crushing, size reduction in a SAG mill, the CIL process, elution, electrowinning, and pouring of doré bars. The plant does not include a gravity circuit as there is little coarse gold at Tucano. A carbon regeneration kiln prepares the carbon to be returned to the circuit. The tailings report to a cyanide destruction process before being pumped to storage areas for settling. Clear water is then returned to the process.

Processing Expansion Project

During the site visit, CSA Global's engineer met with the Project Manager for the Tucano Plant Expansion, and toured the project site.

The Expansion Project includes four sub-projects: Ball Mill Project, Thickener Project, 7th CIL Tank Project, and Oxygen Plant Project.

The existing SAG mill is being supplemented with a ball mill. The ball mill was brought on line in September. The extra leach tank and thickener projects are targeted for completion by the end of October. As the mine moves deeper to more hard ore and less soft oxidised ore, the ball mill will enable the plant to maintain the current annual tonnage and also enable a finer grind size, -75 microns instead of -105 microns. This will improve leaching and increase Au recovery. The SAG mill ball charge has been changed to 5-inch balls, as originally designed. The ball mill is be charged with 3-inch balls. The extra feed size reduction will require significantly more electric power.

The thickener project is targeted for completion by early November (Beadell, ASX Announcement 31st October 2018). At the thickener, settling will occur and clear water will be decanted and re-used as plant water at the mills. Since the ore slurry will be denser and occupy less volume, leach retention time will be increased. This will increase Au recovery.

Completion of the additional leach tank is expected by early November (Beadell, ASX Announcement 31st October 2018). The increased leach volume will also increase leach retention time and Au recovery.

The oxygen plant awaits delivery of the compressors; the target completion date is now mid-November. Injection of oxygen into the leach tanks will improve leaching and result in increased Au recovery.

CSA Global considers a completion date of late November 2018 is appropriate. Although the additions are not overly complicated, there will be a few weeks of ramp-up time before steady-state is reached in tonnage, grind size, and Au recovery.

The CSA Global engineer also met with the Plant Metallurgical Engineer, Samuel Viana, and toured the existing parts of the plant. Mr. Viana believes that the Au recovery will be 93% after completion of the plant upgrade project. CSA Global, based on their site visit and experience, in their opinion consider that full ramp-up to 93% recovery should be achieved. CSA Global considers an 89% recovery for November 2018, 90% for December 2018, is a reasonable ramp-up forecast considering the significant changes being made. For the full year 2019, 92.5% recovery is appropriate, with 93% in 2020 and beyond.

Not all the new ball mill motor's 6 MW capacity will be required; the Expansion Project will add an estimated 3.5 MW to 4 MW to the mine's power demand. The larger ball mill motor will provide flexibility for any expansion or for periods when the hard rock to soft rock ratio varies above and below 80:20.

2.8.1 Assessment of Cash Flow Model Inputs

Open Pit Mining

Future revenue is based on open pit mining of oxide and sulphide (fresh (hard)) ore, underground mining of sulphide ore, reclaiming spent ore stockpiles left from the previous heap leach operation, and reclaiming of regular and marginal ore stockpiles. Mining costs used in Tucano's life-of-mine cash flow spreadsheet are specific for each type of ore, with stockpile recovery having the same mining cost as open pit oxide mining. Only sulphide ore and sulphide waste have costs for drilling and blasting.

The life-of-mine plan runs from 2018 to 2024; in that period 32 Mt of ore are mined (of which 59% is fresh material), at an average grade of 1.45 g/t Au, delivering 1.48 Moz of gold. The amount of waste moved in the same 7-year interval is 183 Mt at an average strip ratio (waste:ore) of 5.75.

Recent mining cost history is shown in the Table 11 below. Stockpile recovery is included.

Table 11: Recent open pit mining cost history

Period	Cost per tonne
2017 full year	BRL 13.07
2018 nine months	BRL 11.89

U&M is now the only mining contractor (drill/blast, load/haul) at the Tucano Gold Mine. Additional mining equipment was provided by JS and Vale do Amazonas, which at the date of this report were being demobilised, with full demobilisation expected by 14th November 2018.

Scheduled within the life-of-mine is an additional 4,572 kt of ore to be mined each year in years 2023 and 2024. This material is not classified as Ore Reserves, but presently comprises of Measured and/or Indicated Mineral Resources. Beadell intends to undertake US$7 million dollars of exploration in year 2020, to prove up these Mineral Resources to convert them to Ore Reserves. In CSA Global's professional opinion it considers this to be a reasonable assumption.

Underground Mining

In CSA Global's opinion the Urucum underground Ore Reserves are not suitable for valuation by the DCF valuation method. The timing of revenue and costs in a DCF valuation is critical, due to the discounting effect of the discount rate in determining a present value. With Beadell not having a set timeline for the inclusion of the Urucum underground within its present life-of-mine plan, it is not possible to determine revenue and costs for the underground with any accuracy or confidence. To include the Urucum underground, would require creating a new mining and processing schedule for the life-of-mine plan, which would require considering different ore types and adjustments to feed grades to reflect the contribution the underground ore would make. CSA Global do not consider it appropriate for them to opine on the potential timing of the Urucum underground as Beadell are unsure of the potential timing themselves. Therefore, CSA Global has chosen to value the Urucum underground Ore Reserves by an alternative method, CSA Global does not consider there to be a reasonable basis for the income-based approach.

Processing

The plant gold recovery was 89.9% for 2017 and 88% for the first eight months of 2018. Recovery dropped to 83% in September as the amount of hard ore was increased. CSA Global suggests the following conservative ramp-up in recovery be used for the DCF valuation:

- October 2018 – 88%
- November 2018 – 89%
- December 2018 – 90%
- 2019 – 92.5%
- 2020 and beyond -- 93%, as planned.

The processing operating cost for 2017 was BRL 47.15/t treated. Unit grinding costs will increase as the proportion of sulphide (hard) ore increases, increase when the grind size is reduced, and decrease when the proportion of grid power increases. Unit CIL costs will tend to decrease when the proportion of sulphide ore increases.

A summary of the life-of-mine processing schedule is as follows. For the period of the life-of-mine plan, from 2018 to 2024, the processing schedule comprises processing 33.5 Mt of material, of which 33% is oxide. The feed grade of the life-of-mine plan averages 1.35 g/t Au, and recovery is predicted to be 92.5%, giving recovered gold of 1.35 Moz.

Marginal stockpiles are recorded as Measured Resources, not Proved Reserves.

Plant Expansion Project

The processing plant expansion project was underway during CSA Global's visit to the Tucano Gold Mine. The 2017 feasibility study had a construction capex of US$28million. Beadell highlighted an additional US$2 million to US$4 million increase from original budget in their June Quarterly Report (Beadell, ASX Announcement 31st July 2018). CSA Global were supplied an update from Beadell as to the progress of expenditure, as at 30th September 2018, approximate costs were US$22 million with expected costs at completion of US$32 million (US$10 million remaining). CSA Global considers that with 69% spent and very little cost slippage to date that the remaining capex forecast is reasonable.

Power Supply

Initial upgrades to the power supply were completed in September 2018 with an increase in power draw from the grid from 6 MW to 8 MW. Further upgrades to the power supply are underway to increase the power draw from the grid to 12 MW. This is forecast to be completed by the year end. Beadell plans to complete additional power studies in 2019 to assess the potential to further increase power draw from the grid. The Beadell management life-of-mine cash flow presents costs assuming the 12 MW case. CSA Global considers this to be prudent.

General and Administration

In 2017, the General and Administration (G&A) costs amounted to BRL 26.5 million. The 2018 budget cost is BRL 26.9 million, with BRL 27.4 million for years 2019 to 2024, then reducing to BRL 15.7 million for years 2025 to

2027 when only processing is taking place; CSA Global considers these annual amounts reasonable assumptions for the life-of-mine DCF.

Capital Costs

Sustaining capital and non-sustaining open pit and tailings storage capital are outlined in the Beadell life-of-mine cash flow model and for the period of the plan the sustaining capital totals US$4.3 million, and the non-sustaining CapEx is budgeted for US$21.7 million. Significantly less sustaining capital will be required during the last two years of plant operation, when long-term projects will not be needed.

Closure Costs

Although Beadell performs ongoing remediation of pits and tailings storage areas, there will be substantial closure costs after production ceases. Considering only the open pit scenario, with final production in late 2027, most closure capital expenses will occur in 2027 and 2028; this will be followed by five years of monitoring. The budget, in 2017 Brazilian Reals, totals BRL 20.4 million and is shown in Table 12 below. CSA Global considers Beadell's closure plan to be reasonable and appropriate for the project.

Table 12: Tucano Mine closure costs, 2017 BRL millions

Reduced production	Final production and demolition		Monitoring				Total
2026	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**All**
1.781	2.689	10.542	1.308	1.308	1.308	1.507	**20.444**

Ongoing remediation costs are budgeted at a total of BRL 4.5 million between 2018 and 2025.

The project will have some salvage value at the end of the mine life, especially for the crusher, grinding mills, and electrical substation. CSA Global considers a reasonable allowance would be US$1 million.

2.8.2 Summary

CSA Global's assessment of the inputs into Tucano life-of-mine plan did not identify any material issues, and that the inputs and costs indicated in the open pit life-of-mine are appropriate and reasonable.

In summary CSA Global considers:

- The inputs used in the optimisation process of the open pits to be reasonable;
- That in 2019 a gold recovery of 92.5% be used and from 2020 onwards the intended gold recovery of 93% from the plant expansion project;
- That there will be minimal disruption with Beadell moving to a single load and haul mining contractor;
- The G&A costs are reasonable
- Beadell's Tucano Mine closure plan to be reasonable and appropriate.

3 Guanajuato Mine Complex

The background information on the Guanajuato Mine Complex (GMC) has been largely derived from Great Panther's most recent NI43-101 report by Wunder, 2018.

3.1 Location and Access

The GMC is located approximately 360 km by road northwest of Mexico City (Figure 11) and is situated along the north-eastern side of the city of Guanajuato (Figure 12). The municipality of Guanajuato has a population of approximately 184,239 (2015 census) and is located approximately 50 km, by road, from the Guanajuato International Airport (Del Bajío international airport at León), Mexico. The mine area is easily accessible from major population centres in central Mexico via a system of modern roads.

The GMC comprises two mines, the Guanajuato and San Ignacio mines. The Guanajuato mine is accessible via city streets. The San Ignacio mine is located approximately 8 km northwest of the city of Guanajuato, and is accessed from the outskirts of the city, mostly by paved road through the towns of Santa Ana and Cristo Del Rey.

Figure 11: Guanajuato Mine Complex location
Source: Wunder, 2018

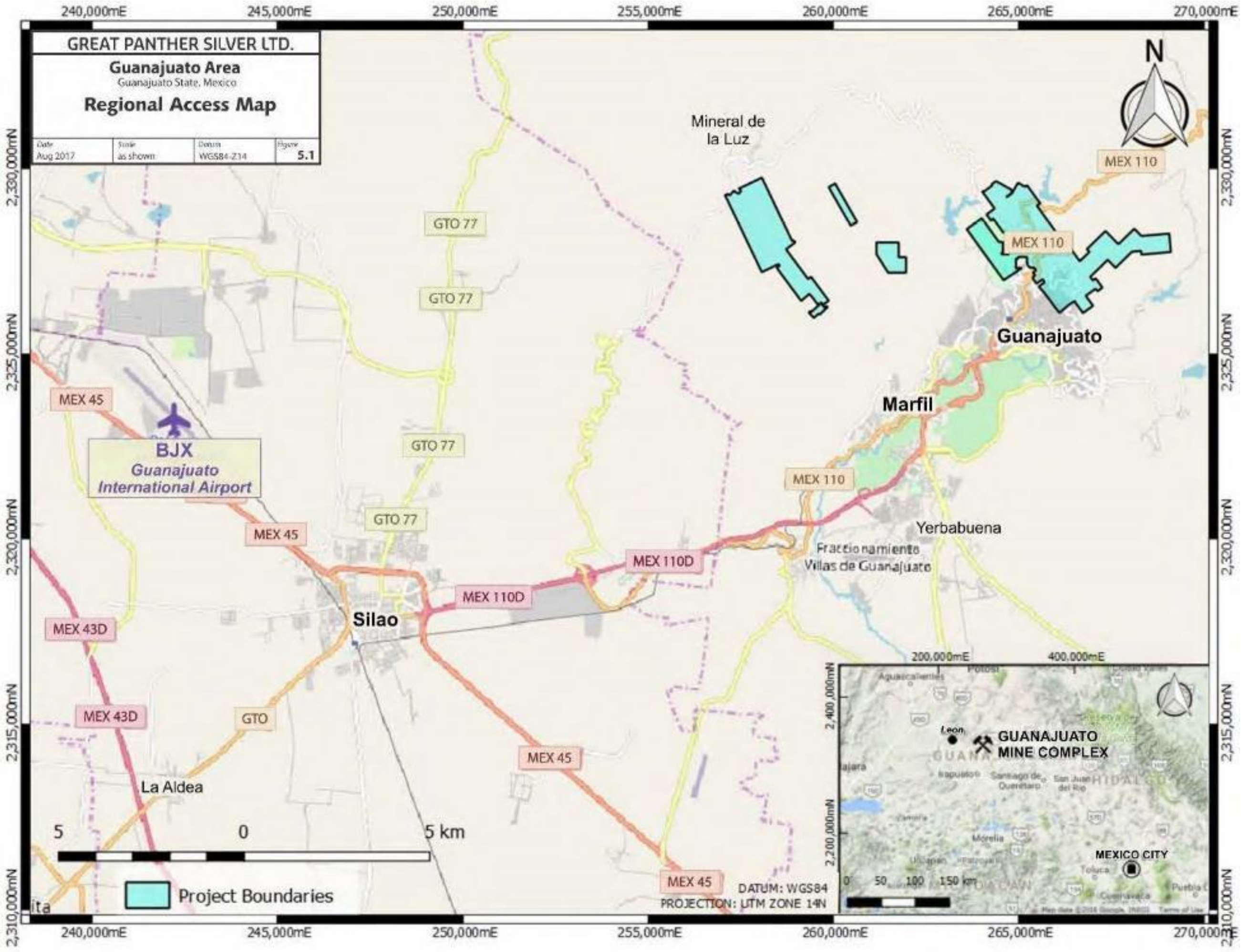


Figure 12: Regional access to GMC
Source: Wunder, 2018

3.2 Ownership and Tenure

Great Panther owns a 100% interest in the claims through a wholly-owned Mexican subsidiary, Minera.

The GMC properties consist of 51 contiguous and non-contiguous claims that cover approximately 14,743 ha in area (see Table 13). Great Panther holds a 100% interest in the properties through its wholly owned Mexican subsidiary, Mexicana El Rosario SA de CV (MMR).

For display and description purposes the claims have been subdivided into the Guanajuato Mine and San Ignacio Mine. In addition, the company owns claims in the El Horcon Project and Santa Rosa Project areas as illustrated on Figure 13 and as listed in Table 13.

The claims that comprise the Great Panther holdings at the Guanajuato and San Ignacio mines are presented in Figure 14 and Figure 15 respectively. Claim boundaries have been legally surveyed.

Table 13: GMC claims held by MMR

Project Area	Claim Name	Title Number	Area (ha)	Date of Record	Expiry Date
Guanajuato	La Victoria	168162	28.7718	2/03/1981	1/03/2031
	Cata	168163	91.604	2/03/1981	1/03/2031
	Esperanza	168164	47.489	2/03/1981	1/03/2031
	Valenciana	168165	91.9428	2/03/1981	1/03/2031
	Rayas	168167	88.6727	2/03/1981	1/03/2031
	1ra. Ampliacion de Esperanza	168169	8.9073	2/03/1981	1/03/2031
	Primera Ampl. de Valenciana	168170	97.3097	2/03/1981	1/03/2031
	El Borrego	168171	24	2/03/1981	1/03/2031
	El Progreso	180370	30.8635	25/03/1987	24/03/2037
	El Promontorio	180371	10.3232	25/03/1987	24/03/2037
	El Caliche	233320	7.8465	10/10/1928	9/02/2059
	Animas o Espiritu Santo	233312	4.14	23/05/1930	4/02/2059
	San Vicente	233311	3.0552	6/08/1959	4/02/2059
	Pipichagua	160650	6	10/10/1974	9/10/2024
	Nueva Seguridad	160674	27	10/10/1974	9/10/2024
	La Guadalupana	161526	16	25/04/1975	24/04/2025
	Socavon de La Fe	189664	15	5/12/1990	4/12/2040
	El Zapote	214890	80.7106	4/12/2001	3/12/2051
	El Triangulo	229058	0.1237	28/02/2007	27/02/2057
San Ignacio	San Francisco de Pili	168161	97.2871	2/03/1981	1/03/2031
	Purísima Conception	168166	66	2/03/1981	1/03/2031
	San Pedro Gilmonene	168168	72.1458	2/03/1981	1/03/2031
	San Francisco de Asis	169359	6.8808	11/11/1981	10/11/2031
	La Chuparrosa	169360	1.2	11/11/1981	10/11/2031
	San Antonio	177934	49	29/05/1986	28/05/2036
	Primera Ampl. de San Antonio	215568	32.1847	5/03/2002	4/03/2052
	Robledo	191436	49.486	19/12/1991	18/12/2041
	Primera Ampliacion de Sirio	192176	24	19/12/1991	18/12/2041
El Horcon	Ampl. San Ignacio de Loyola	214853	420	4/12/2001	3/12/2051
	La Perlita I	215054	226.7442	7/02/2002	6/02/2052
	La Perlita Frac. I	215055	280.8344	7/02/2002	6/02/2052
	La Perlita Frac. II	215056	181.3383	7/02/2002	6/02/2052
	Comanja	215375	99.927	19/02/2002	18/02/2051
	Ana Camila	222078	700	7/05/2004	6/05/2054
	Ana Camila I	224984	100	6/07/2005	5/07/2055
	Horcon 1	225451	222.9318	8/09/2005	7/09/2055
	Horcon 2 Fracción I	225467	1,222.0977	9/09/2005	8/09/2055
	Horcon 2 Fracción II	225468	15	9/09/2005	8/09/2055
	Horcon 3 Fracción I	226421	33.183	17/01/2006	16/01/2056
	Horcon 3 Fracción II	226422	6.2134	17/01/2006	16/01/2056

Project Area	Claim Name	Title Number	Area (ha)	Date of Record	Expiry Date
	Horcon 4 Fracc. I	228452	4,387.9491	22/11/2006	21/11/2056
	Horcon 4 Fracc. II	228453	10	22/11/2006	21/11/2056
	Horcon 4 Fracc. III	228454	2.2936	22/11/2006	21/11/2056
	Horcon 4 Fracc. IV	228455	0.1251	22/11/2006	21/11/2056
	Horcon 4 Fracc. V	228456	0.0205	22/11/2006	21/11/2056
Santa Rosa	Red. Salaverna	219875	178.8078	25/05/2000	22/05/2050
	Red. Salaverna Norte 1	217140	1,187.0675	16/01/1998	15/01/2048
	Clavellina	211241	120	18/04/2000	17/04/2050
	Nuevo Guerrero	186242	27.8617	22/03/1990	21/03/2040
	Canada de la Virgen	214875	30	4/12/2001	3/12/2051
	Jardin de Oro	243423	4,213	3/10/2014	2/10/2064

Source: RB abogados, 2018

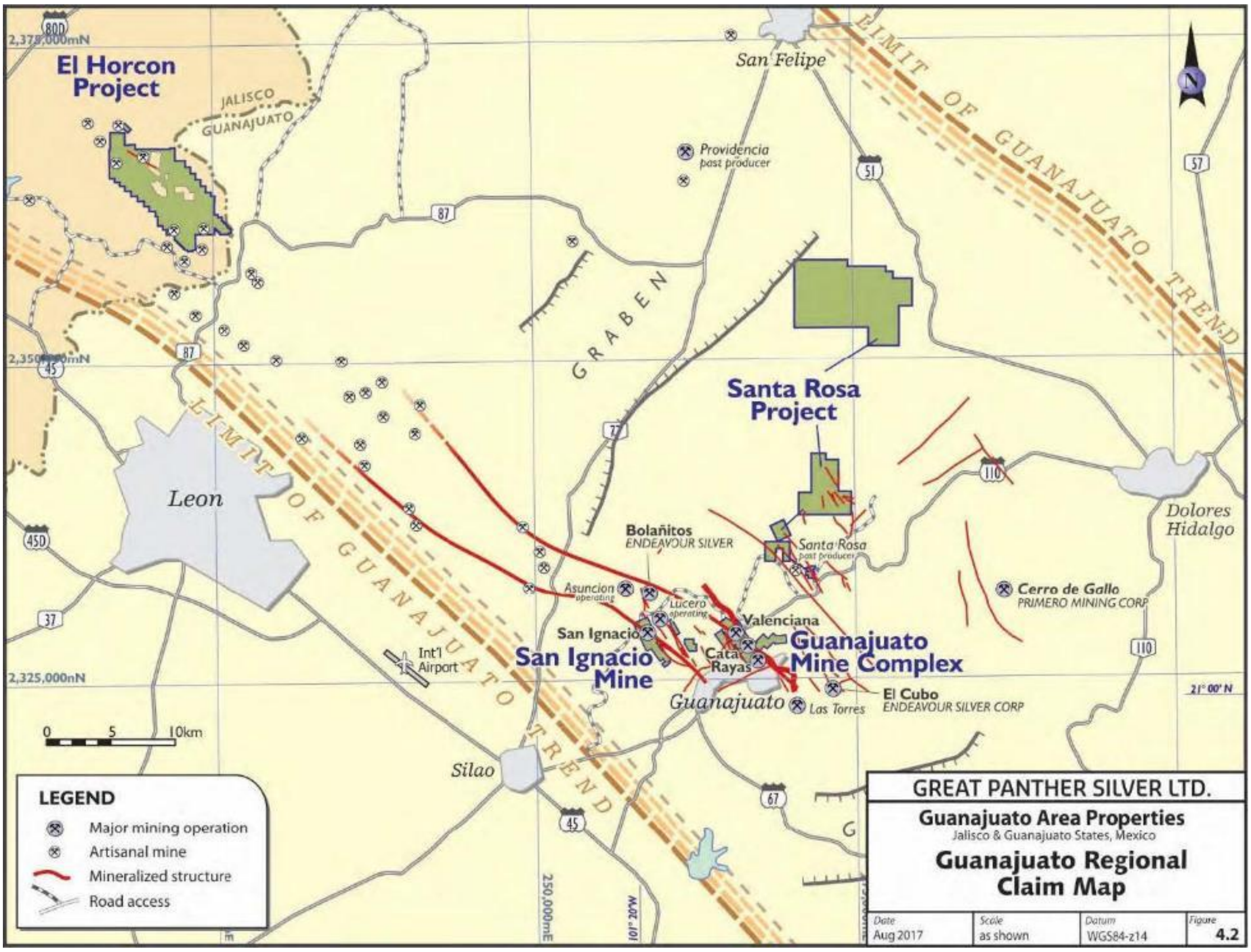


Figure 13: Guanajuato area claim plan
Source: Wunder, 2018

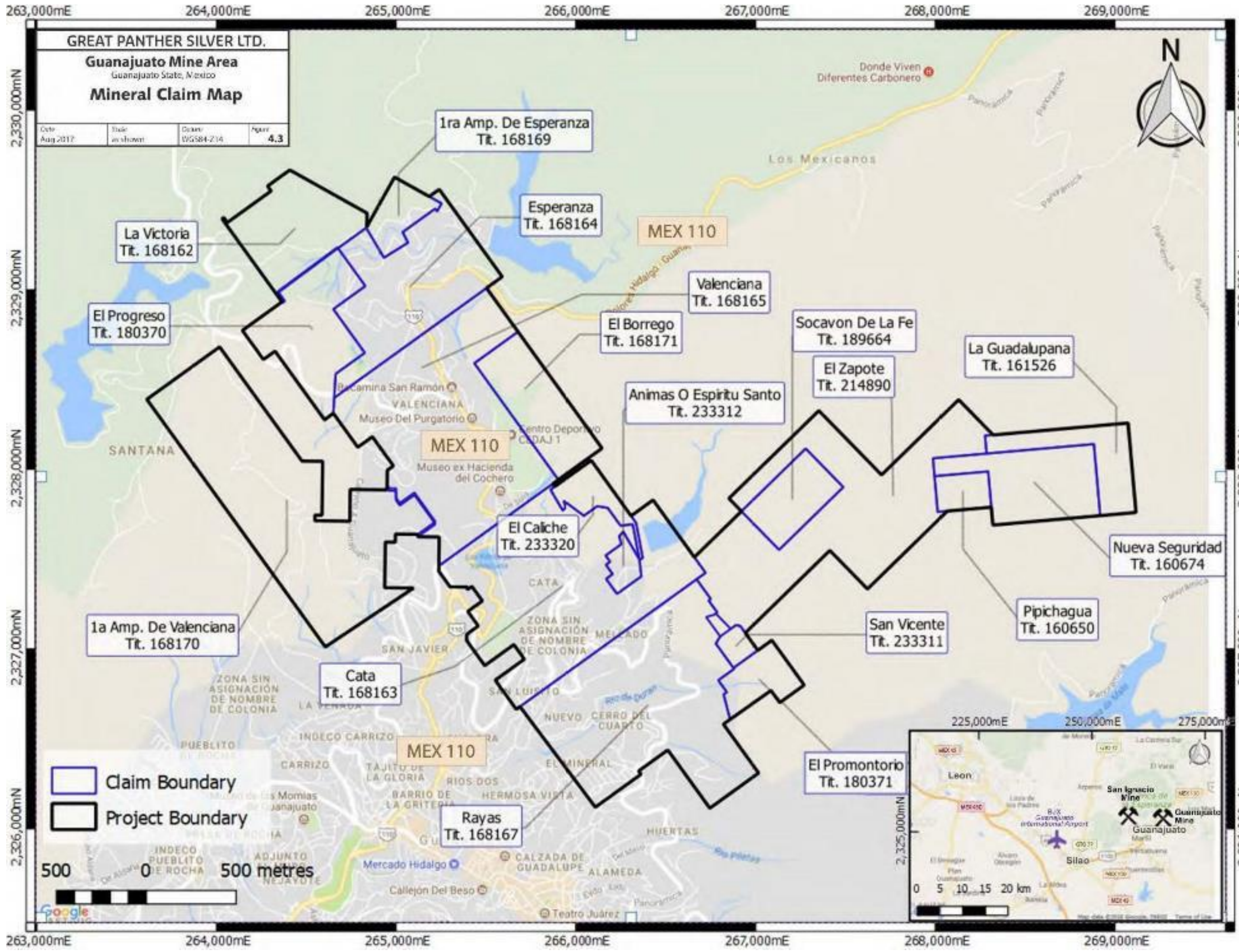


Figure 14: Guanajuato mine area claim map
Source: Wunder, 2018

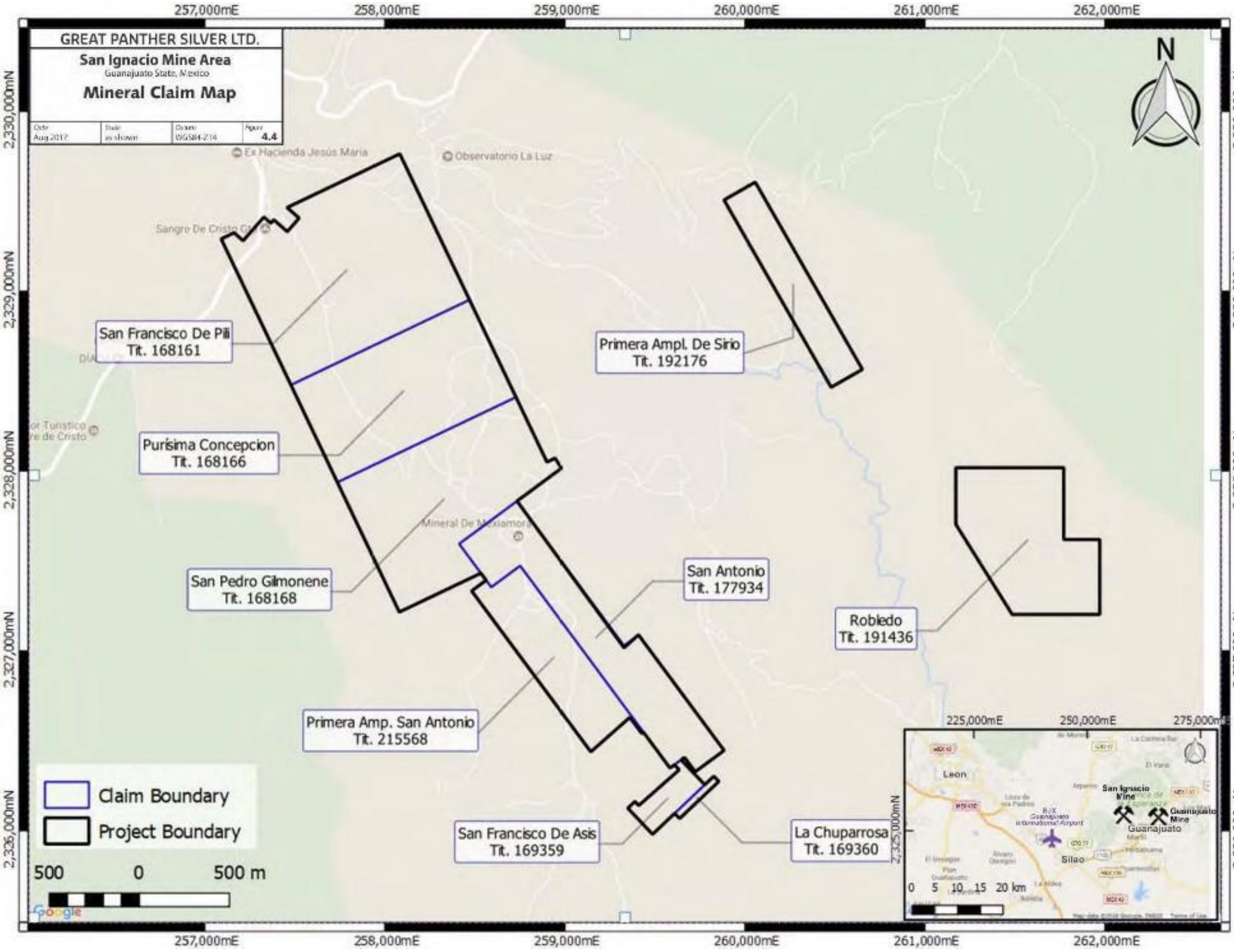


Figure 15: San Ignacio Mine claim map
Source: Wunder, 2018

3.2.1 Royalties and Taxes

Royalties

- No third-party royalties are payable other than statutory Mexican mining duties.

Taxes

- Mexico has a corporate tax rate of 30%.
- Employee profit sharing (10% of adjusted taxable income). This is managed through separate service companies which employ personnel and provide services to the operating company through transfer pricing agreements (4% mark-up).

Mexican Government Mining Duties

- General Mining Duty – a cost per hectare.
- Special Mining Duty – 7.5% on mining profit excluding depreciation, interest, and inflation.
- Extraordinary Mining Duty – 0.5% on revenues from gold and silver.
- Penalty Mining Duty
  - 50% additional General Mining Duty if no work is undertaken on the property for >2 years;

- 100% additional General Mining Duty if no work is undertaken on the property for >12 years.

3.3 Geology

3.3.1 Regional Geology

The GMC is in the Guanajuato Mining District, which is in the southern part of the Mesa Central physiographic province. The Mesa Central is an elevated plateau of Cainozoic volcanic and volcaniclastic rock (66 Ma to present) located in central Mexico. It is bounded to the north and east by the Sierra Madre Oriental, to the west by the Sierra Madre Occidental, and to the south by the Trans-Mexican Volcanic Belt (Figure 16).

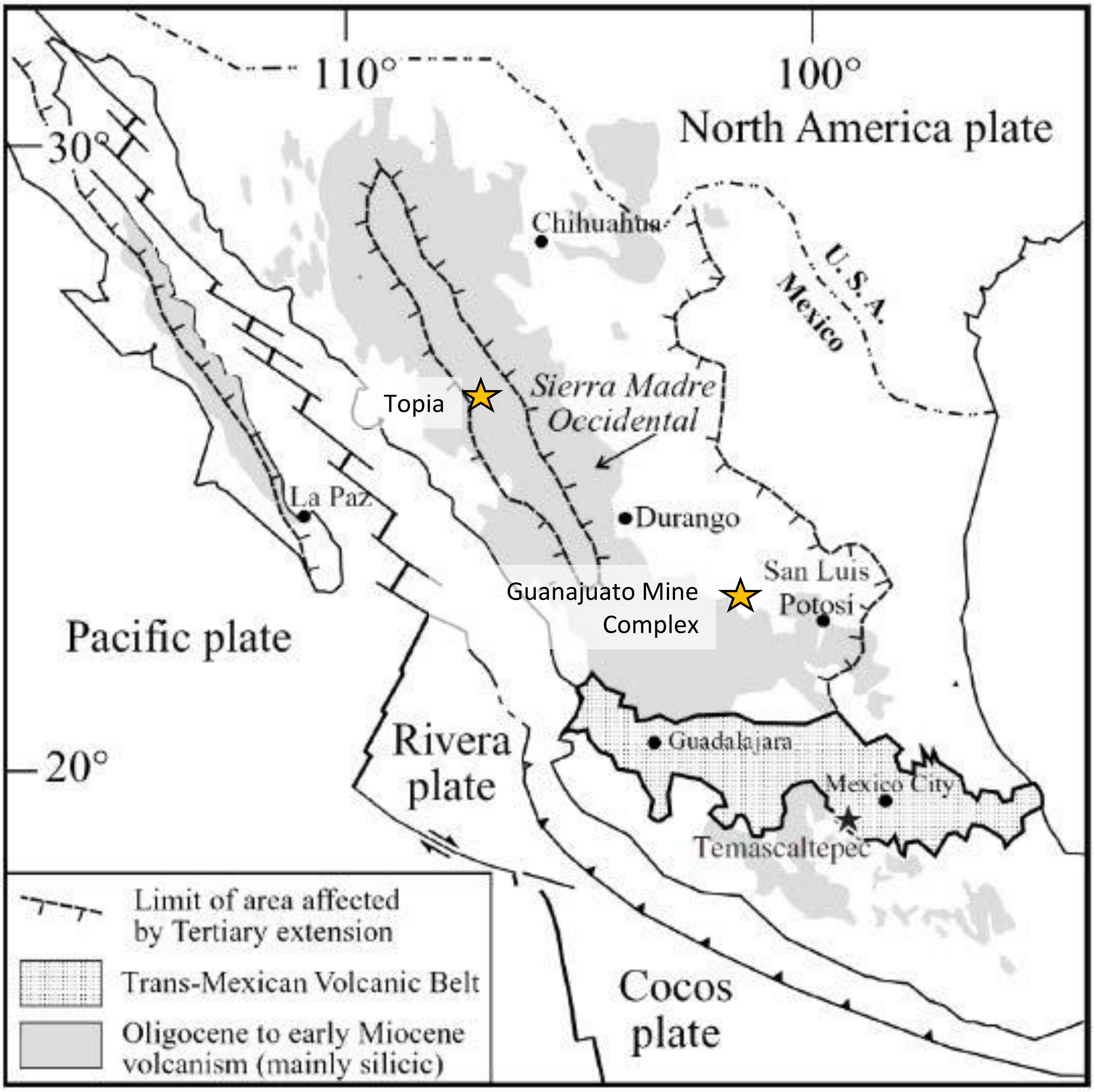


Figure 16: Regional geological framework
Source: Wunder, 2018

Rocks within the Mesa Central consist of a Palaeocene to Pliocene (66 Ma to present) sequence of dacite-rhyolite, andesite and basalt with related intrusive bodies and intercalated local basin fill deposits of coarse sandstones and conglomerates. This Cainozoic volcanic-sedimentary sequence overlies a package of deformed and weakly metamorphosed Mesozoic submarine mafic volcanic and turbidite rocks. Within the Mesa Central, the GMC is situated within the Sierra de Guanajuato, a northwest-trending anticlinal structure approximately 100 km long and 20 km wide (see Figure 17). The strata within the belt are transected by northwest, north, east, and northeast-trending regional scale faults. It is predominantly the northwest-trending structures that control the position of mineralisation. Normal fault movement along northeast-trending faults resulted in the downward displacement of certain blocks and the preservation of strata that was eroded in other areas. The northwest faults and structural intersections along these faults are therefore important locators of mineral camps within the belt.

Cretaceous volcanic rocks (145 Ma – 79 Ma) of La Luz Basalt underlie the San Ignacio property. These rocks are part of a volcanic-sedimentary complex that has various tectonic interpretations, but in general preserves a tectonic history though to be related to a northeast-ward tectonic thrust event. By contrast, much of the area to the south (e.g., in and around Guanajuato Mine) is underlain by a series of Tertiary volcanic rocks that lie unconformably on top of the La Luz Basalt. The lower Guanajuato Conglomerate is widespread and is of mid-Eocene to early Oligocene age (41.2 Ma–27.82 Ma). Later volcanic rocks were deposited unconformably on the Guanajuato conglomerate in a caldera setting at the intersection of regional northeast and northwest mid-Oligocene extensional fracture systems. Three main northwest-trending precious metal-bearing vein systems occur in the district as follows: the Sierra, Veta Madre, and La Luz systems (see Figure 17).

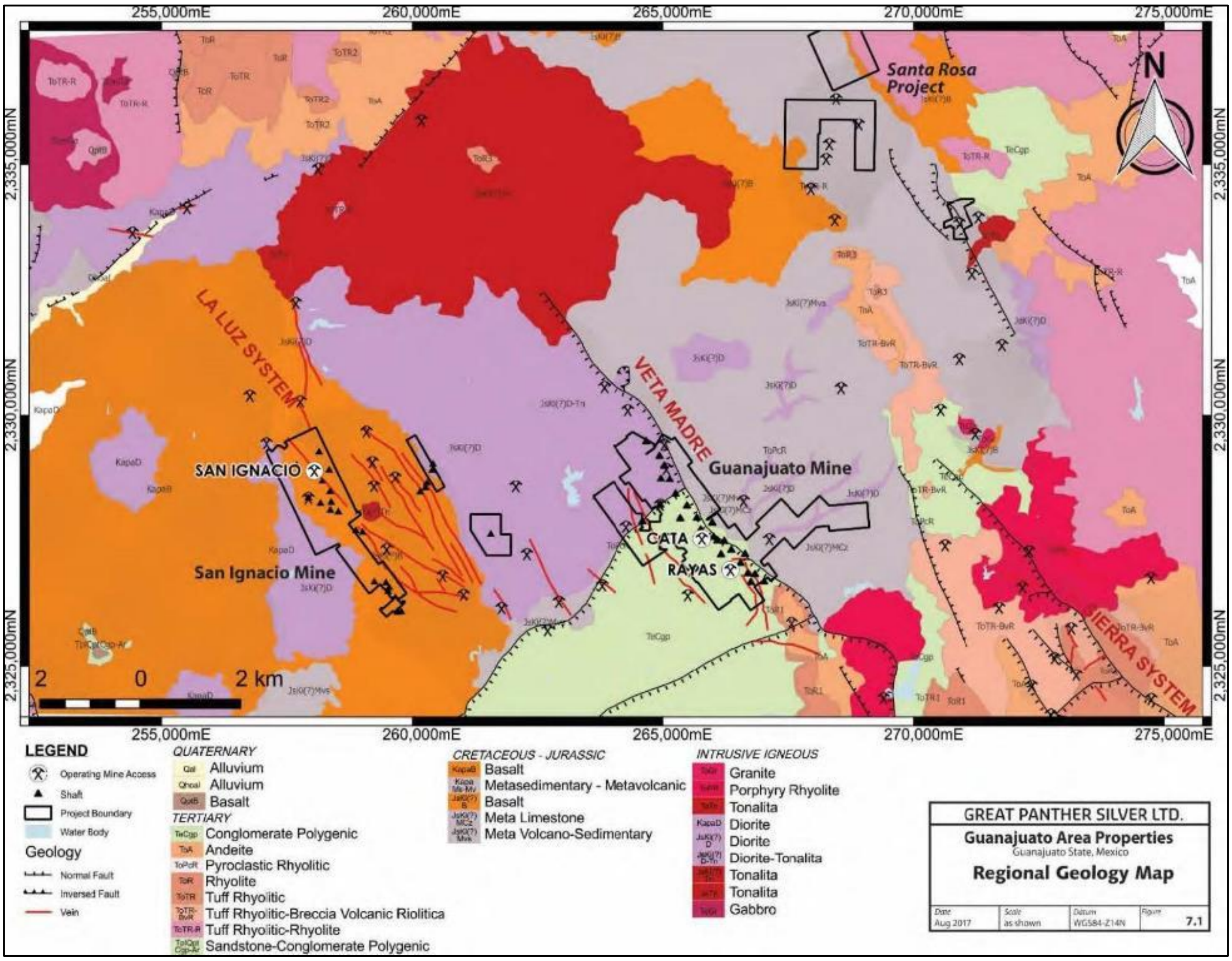


Figure 17: GMC regional geology
Source: Wunder, 2018

3.3.2 Local Geology

The Guanajuato Mining District is underlain by Mesozoic marine sediments and predominantly mafic submarine lava flows (252 Ma – 66 Ma), of the Luz and Esperanza Formations, which are weakly metamorphosed and intensely deformed. This basal sequence is cut by a variety of intrusive bodies ranging in composition from pyroxenite to granite with tonalitic and dioritic intrusive being the most volumetrically significant.

Guanajuato Mine Local Geology

Cainozoic volcanic and volcanogenic sediments unconformably overlie the Mesozoic basement rocks. In the area, the oldest Cainozoic unit is the Palaeocene Comanja granite (66 Ma – 56 Ma), this was followed by the Eocene extrusion of andesite (56 Ma – 33.9 Ma) which was sporadically deposited and contemporaneous with the deposition of the Guanajuato conglomerate in localised grabens. The Guanajuato conglomerate underlies an unconformity beneath a sequence of felsic to mafic volcanic rocks that consist of Oligocene ignimbrites, lava flows and domes (33.9 Ma – 23 Ma). The local area geology is shown on Figure 18.

The country rocks are transected by numerous faults which host precious metal-bearing veins, stockworks and breccia. The veining and mineralisation are early Oligocene in age and hence contemporaneous with the eruption of felsic–intermediate volcanic rocks. The primary strike direction of the faults which host the mineralised veins is northwest. Of lesser significant are the north-south, east-west, and northeast orientations.

Principal fault systems in the Guanajuato camp are the La Luz, Sierra, and Veta Madre as displayed on Figure 17. The Veta Madre hosts the Mineral Resource that is the subject of this report. The Veta Madre structure is traceable for 25 km through the district. It strikes northwest-southeast and dips at ≈45° to the southwest.

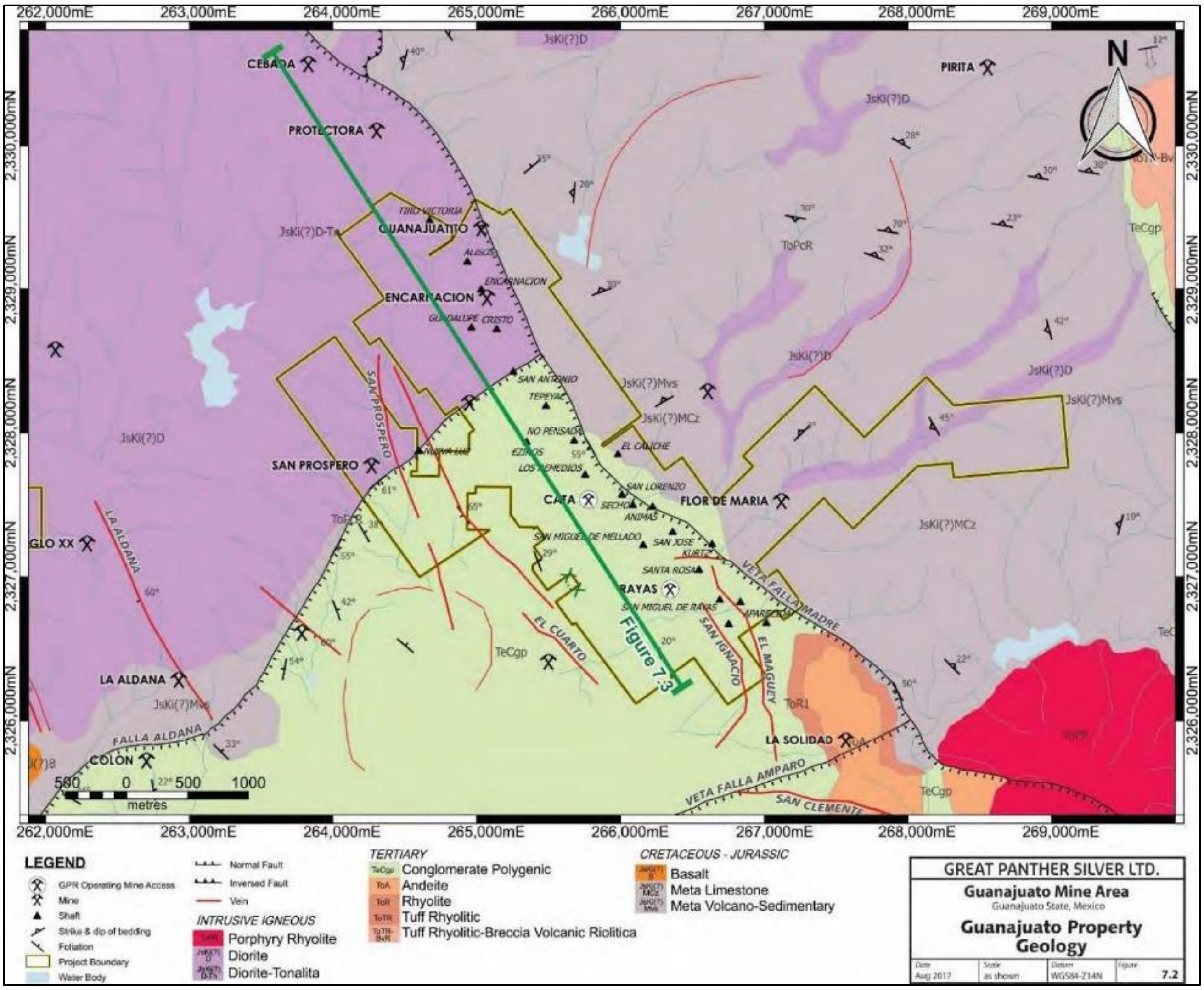


Figure 18: Guanajuato mine local geology
Source: Wunder, 2018

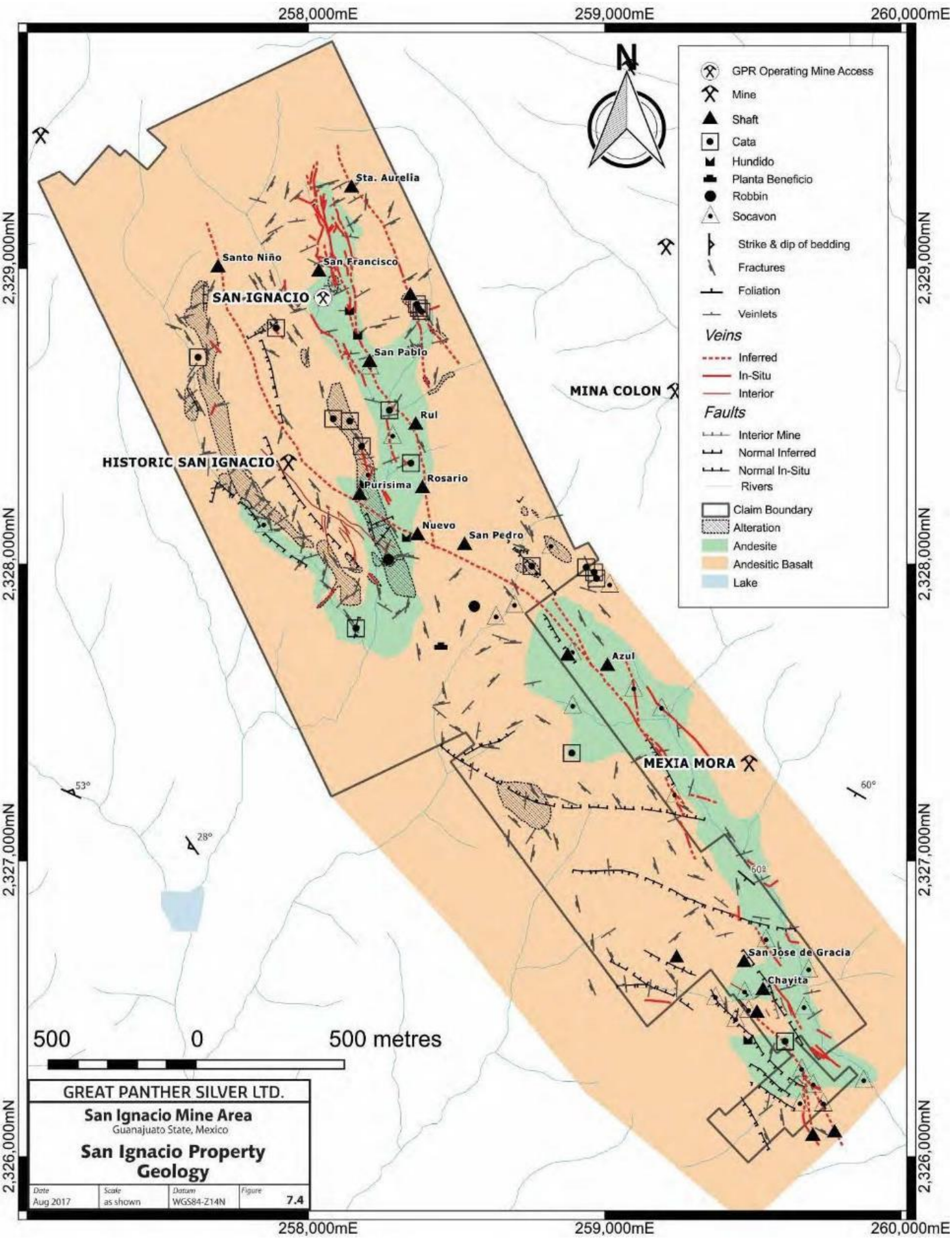


Figure 19: San Ignacio mine local geology
Source: Wunder, 2018

San Ignacio Mine Local Geology

The San Ignacio property is underlain by a monotonous package of basalt and andesite of lower Cretaceous age. The basalt generally has subtle to well-developed pillow structures that are locally flattened. Andesite is generally massive to locally feldspar-phyric to laminated and formed by accumulation of a series of extrusive flows and ash falls. Locally, these volcanic rocks have interbeds composed of sandstone, siltstone, or fine, pale ash layers. A more coarse-grained felsic unit is exposed northwest of the San Jose Mine in the southern part of the property. Where observed, bedding is generally shallowly dipping. The structure is shallowly plunging, broad scale folding. Minor fine-grained mafic dykes and fine-grained felsic dykes intrude the sequence. The interpreted property geology map is presented in Figure 19.

3.3.3 GMC Mineralisation

The mineral deposits in the Guanajuato area are classic fissure-hosted low-sulphidation epithermal gold-silver-bearing quartz veins and stockwork. Economic mineralisation consists of fine-grained disseminations of acanthite, electrum, aguilarite, and naumannite with accessory pyrite, and relatively minor sphalerite, galena, and chalcopyrite. Gangue minerals include quartz, calcite, adularia, and sericite. The veins are accompanied by hydrothermal alteration consisting of argillic, phyllic, silicic and propylitic assemblages. Mineral textures in this zone are typically fracture-filling, drusy and colliform masses.

Epithermal precious metal deposits in the La Luz vein system and specifically in the San Ignacio Mine area are strongly vertically controlled and pinch to centimetre scale at surface, associated with weak shear zones, minor argillic alteration, and weakly anomalous precious metal values. The mineralised vertical interval typically is 100 m to 150 m; however, it can range from 50 m to well beyond 250 m.

The QP's extensive experience and familiarity (Brown, 2018) with geological and mineralisation continuity and controls on mineralisation over the 13-plus years that Great Panther has been mining at GMC, has resulted in a success rate in the order of between 75-85% for hitting grade-bearing intersections when designing and planning drillholes. The mine site staff also have a similar longevity of experience and knowledge of the mine's mineralisation. Collectively, this forms the basis for the internal classification system that is used in the mine to categorise and plan short-term mining production.

Blocks which have not been formally classified in accordance with CIM criteria (Measured, Indicated and Inferred Mineral Resources), the "unclassified" blocks, have been categorised using this internal system for mine planning purposes. Production records over the life of mine have validated this approach, and the principles of this approach are discussed in section 3.7.1.

Guanajuato Mine Mineralisation

Mineralisation at the GMC is closely associated with the structural history. The "Veta Madre" quartz-adularia vein / breccia system is closely associated with the Veta Madre fault and an associated diorite dyke (thickness varying from discontinuous lenses at Guanajuatito to a 50-100 m thick body in the Cata, Los Pozos, and Santa Margarita areas), oriented 325° with a 45° southwest dip. The Veta Madre forms along the dyke contacts, and in the footwall Esperanza Formation.

The mineralising event is thought to have taken place during the early Oligocene, a period of intense felsic volcanic activity in the area, and comprised three stages: termed pre-ore, ore, and post-ore. Pre-ore mineralisation consists of trace silver and gold with accessory quartz and adularia. Ore mineralisation comprises an early silver-rich phase associated with adularia, as well as a later low-silver variant, which is typified by calcite and quartz. The post-ore mineralisation is also precious metal-poor, with accessory calcite, dolomite, and fluorite. Zone thickness ranges from centimetre-scale to tens of metres.

The vertical extent of the deposits at Guanajuato spans over 700 m. Mineralisation occurring above 2,100 m elevation was termed “upper ore”, between 2,100 m and 1,700 m “lower ore”, and below the 1,700 m elevation “deep ore” (Randall *et al*., 1994). Fluid inclusion data (Moncada *et al*., 2011) from over 850 samples gathered through the mine and in deep drilling from the Santa Margarita area, indicated boiling zones from the 2,100 m to 1,500 m (deepest drilling at the GMC) elevations. Moncada’s (2011) work, along with Barclay (2007) and Rhys’s (2013) structural observations suggest up to eight stages of crosscutting brecciation. The variable range of silver to gold ratios indicate that the mineralisation along the Veta Madre is associated with multi-phase structural activity and fluid flow.

The best mineralisation is often found related to bends in the Veta Madre orientation (Barclay, 2007 and Rhys, 2013) such as at San Vicente in the Rayas area, and at Cata and Santa Margarita. These structural bends may be due to changes in rock type competencies, and varying thickness of the diorite dyke.

The primary economic components are silver and gold, with silver the more important of the two. Base metals do not normally occur in economic concentrations. Average silver grades of the ore are typically in the 100 g/t Ag to 500 g/t Ag range but locally can be over 1,000 g/t Ag. Gold grades are generally in the 0.5 g/t Au to 2 g/t Au range, except for Santa Margarita where average grades are in the range of 5 g/t Au to 7 g/t Au. Relative gold and silver contents at Santa Margarita are quite different from Cata, Los Pozos and Guanajuatito. The average silver to gold ratio in Cata is roughly 225:1, at Pozos 250:1, at Guanajuatito 275:1 while at Santa Margarita 3.5:1. Within the mine, drill core and channel samples are not normally analysed for base metals so an average grade for Cu, Pb or Zn is not obtainable.

San Ignacio Mine Mineralisation

The most important phase of mineralisation in the Guanajuato district consists of epithermal silver-gold veins contained within northwest-trending, Cainozoic-age faults. The La Luz structure consists of numerous mineralised fractures in a northwesterly-trending orientation, which extends for a known strike of approximately 8 km long. Historically productive veins on the property include Veta Melladito, and Veta Plateros. Veins identified in the recent Great Panther drilling are the Melladito, Melladito BO, Intermediate, Intermediate 2, Nombre de Dios 1, Nombre de Dios 1.5, Nombre de Dios 2 and Nombre de Dios 2S. Mineralisation is contained within tabular veins, vein stockwork, and breccias. The eight veins with structural continuity inferred from surface mapping and diamond drilling from surface, and now with extensive underground development, have been defined up to 1,050 m along strike and 150 m down dip. Five of the veins are very steeply dipping and three are shallowly dipping and are likely offshoots of the other veins. The veins are accompanied by hydrothermal alteration, consisting of argillic, phyllic, silicic, and propylitic facies.

The primary economic components are silver and gold with approximately equal contributions of each. Economic mineralisation consists of fine-grained disseminations of acanthite and pyrargyrite (silver minerals), electrum (gold-silver mineral), with accessory pyrite, and very minor sphalerite and chalcopyrite.

Mineral textures in this zone are typically fracture filling, drusy, and coliform masses. Average silver grades of the eight veins range from 24 g/t to 159 g/t and the average gold grades from 1.43 g/t to 3.75 g/t.

3.4 Exploration and Mining History

3.4.1 Guanajuato Mine Area History

Exploration in the Guanajuato mine area dates from 1548 when silver mineralisation was first discovered in the La Luz area by Spanish colonists. Two years later an outcrop of the Veta Madre was found on what is now the Rayas mineral claim. Mining took place on a relatively small scale until the early 1700s when application of explosives for tunnelling resulted in a significant increase in productive capacity. In the latter portion of the 18th century, Antonio Obregón y Alcocer financed the discovery and development of the Valenciana Mine (within the present Valenciana mineral claim). This mine became one of the premier silver mines in the world, at the time accounting for a third of global annual silver production. The Spanish controlled mining in the district until 1816 when mining ceased, and all production facilities were destroyed during the Mexican War of Independence. The Valenciana Mine was reopened in 1868 with British capital. The British interests ran the mines for ten years but did not enjoy much success, losing a considerable amount of money. Operations at that time were hampered by a lack of rail facilities and the necessity for hauling heavy equipment from the coast by mule. Mining production declined during the early 1900s due to low metal prices. At that time, American interests acquired and reopened many of the mines. Old ore dumps and tailings were reprocessed to extract gold and silver using the newly discovered cyanide process; however, the onset of the Civil War in 1910 severely curtailed mining activity in the country, resulting in a decades-long slump in production.

By the mid-1930s, demands for higher pay and better working conditions resulted in the mines being turned over to the Sociedad Cooperativa Minera Metalurgica Santa Fe de Guanajuato (the Cooperative) in 1939. The Cooperative operated several mines in the district throughout the latter half of the 20th century and into the 2000s. Great Panther acquired the Guanajuato Mine from the Cooperative in 2005.

3.4.2 San Ignacia Mine Area History

Exploration in the Guanajuato mining district dates to 1548, when silver mineralisation was first discovered in La Luz area by Spanish miners on their way to find their fortune on the newly discovered bonanza veins in the Mexican state of Zacatecas. Historical documentation has indicated that mining activity on the La Luz vein system has passed through numerous boom and bust cycles. No mining records remain of work undertaken in the area from 1548 until 1793. Research by Great Panther geologists has turned up a few maps post-dating 1793, depicting the development and mining from several shafts and adits.

The Sociedad Cooperativa Minera Metalurgica Santa Fe de Guanajuato (the Cooperative), which began in 1939, amassed what is now the San Ignacio property. The Cooperative operated several mines in the Guanajuato Mining district throughout the latter half of the 20th and into the 21st Century, including the Guanajuato Mine at Guanajuato, Mexico.

On the San Ignacio property, there are twelve known historical workings including major shafts at San Ignacio, Purísima, Pili, and San Jose de Gracia. No production figures for these workings are available except for those relating to the mining by the Cooperative from the San Ignacio shaft. Cooperative records from 1977 to 2001 indicate that 617,455 t at a grade of 113 g/t Ag and 1.01 g/t Au were extracted from the San Ignacio shaft along a parallel structure, at an average rate of 85 tpd. As there was no processing facility at San Ignacio, ore was trucked back to the Guanajuato Mine plant in the main GMC, approximately 20 km by road.

Great Panther began underground development in late November 2013 using a surface portal and ramping to access both the Intermediate and Melladito veins.

3.4.3 GMC Production History

Great Panther recommenced mining operations at the Guanajuato mine in 2006 after purchasing the property in 2005, then bringing the San Ignacio mine into operation in late 2013. At the GMC to the end of 2017 Great Panther has produced 12.37 Moz of Ag and 0.14 Moz of Au. Detailed production is presented in Section 3.7.3.

Great Panther has successfully been mining from Measured, Indicated, and Inferred Mineral Resources as well as unclassified material during its operating history, with up to 35% being derived from unclassified material in the past. Great Panther has a strong history of Mineral Resource replacement and growth year on year at GMC and regularly converting Inferred and unclassified material.

This approach is somewhat atypical compared to common Australian practice. However, after CSA Global's review of the mine plans and operational practices, CSA Global concluded that, in its professional opinion, the inclusion of both Inferred Resources and unclassified materials in cash flow models by Great Panther is justified for these operations based on the points below.

- There is a very long operating history and hence robust understanding of the area that has been actively mined for 400 years and by present company for over 10 years (since 2006); during this time Great Panther has been mining routinely from Inferred Resources and unclassified materials and relying on their inclusion in mine plans.
- Great Panther has a strong history of Mineral Resource replacement and growth year on year.
- Great Panther has a history of regularly converting and mining Inferred and unclassified material.
- The mineralising veins have strong geological continuity, with excellent grade continuity over a long strike length; which has been tested by closed spaced channel sampling in underground development and diamond drilling.
- The veins and structures hosting the mines have been mapped extending on the several kilometre scale.
- The relatively high grade of the silver mineralisation provides greater abundance of metal. The greater abundance of silver, makes it easier to follow the mineralisation.
- Mineral Resource estimation conservatively applies top-cuts on input data, to moderate the influence of high-grade outliers in the sample population.
- Great Panther applies economic cut-offs and modifying factors to the Inferred material.
- Great Panther are aware of the existence of the mineralised material based on detailed historical information, and plan to mine this material using their current mining methods, equipment, and plant infrastructure.
- Great Panther have a documented history of successfully finding, proving, and mining this type of material.
- The location and grade of the material is known from the historical workings, but Great Panther is not able to accurately predict the degree of depletion from the historical workings prior to accessing and sampling the historic workings.
- The internal mine classifications, that do not directly correspond with the JORC Code classifications for public disclosure, are nonetheless systematic, repeatable, evidence-based, and demonstrably underpinning mine production and planning.
- CSA Global's site visit confirmed the above points.

Great Panther's strategic decision is that it is not a worthwhile investment to spend additional capital on drilling programs in order to further upgrade the Inferred Resources, or unclassified material, far ahead of mining, given their high level of confidence in the continuity of the mineralised vein established over a 10 year period of successful mining.

Discussions with Great Panther's Qualified Person, Mr Robert Brown (pers. comm., October 2018) has indicated that over the years, the accumulated knowledge of the control on mineralisation has allowed the Company to have a solid mining exploration drilling success rate of between 75–85% in intersecting grade-bearing portions of the vein with exploration drill planning.

Regardless of these points above, the current Australian public disclosure regime precludes the valuation of unclassified material by income methods, given the absence of a classification for these tonnes fails to provide reasonable grounds to support an income-based valuation, as is discussed below in this report (see section 7).

3.5 Exploration Potential

Exploration drilling, under the control of the mine and exploration staff, is continuing at Guanajuato, Cata, Valenciana, and Promontorioto exploring down-dip extensions of the mineralised zones at 25–50 m spacing.

3.5.1 El Horcon Project

The El Horcon project area is underlain by Mesozoic marine sediments and predominantly mafic submarine lava flows, of the Luz and Esperanza Formations; these are weakly metamorphosed and intensely deformed. This basal sequence is cut by a variety of intrusive bodies ranging in composition from pyroxenite to granite with tonalitic and diorite intrusive being the most volumetrically significant. Cainozoic volcanic and volcanogenic sediments unconformably overlie the Mesozoic basement rocks. In the area, the oldest Cainozoic unit is the Palaeocene Comanja Granite. This was followed by the Eocene extrusion of andesite, which was sporadically deposited and contemporaneous with the deposition of the Guanajuato conglomerate in localised grabens. The Guanajuato conglomerate underlies an unconformity beneath a sequence of felsic to mafic volcanic rocks that consist of Oligocene ignimbrites, lava flows and domes.

Within the El Horcon Project area quartz veins (Figure 20) follow fractures and faults and are hosted within the Comanja granite, as well the surrounding Mesozoic metavolcanic and metasedimentary rocks. The vein system at El Horcon is a quartz-chalcedony, structurally-controlled, epithermal system hosted by Palaeocene Comanja granitic rocks and Mesozoic low-grade metamorphic metasedimentary and metavolcanic basement. The vein system consists of three principal vein sets that formed in faults and extension fractures:

1. northwest-striking, southwest-dipping veins with dips generally ranging from 45°–70°,
2. northwest-striking, southwest-dipping low-dip veins (20°–30°), and
3. northeast-striking generally steep transverse veins.

The primary vein structures on the El Horcon Project include the Diamantillo, San Guillermo, Los Ratones, Madre, Crucero and Veta Del Alto veins (Figure 20) and also the Alaska vein. Historic data includes channel sample assay results across the surface expressions of these veins, vein widths, and underground exposures by EXMIN, MHM, and Great Panther. Great Panther decided to focus their initial core drill hole program on the Diamantillo and San Guillermo veins. The narrow Natividad and Diamantillo veins were found both from drill site preparation and core drilling. The veins extend in a northwest-southeast orientation for approximately 7 km in strike and across approximately 2.5 km in width. This drilling resulted in definition of mineral resources as described below in Section 3.6.3.

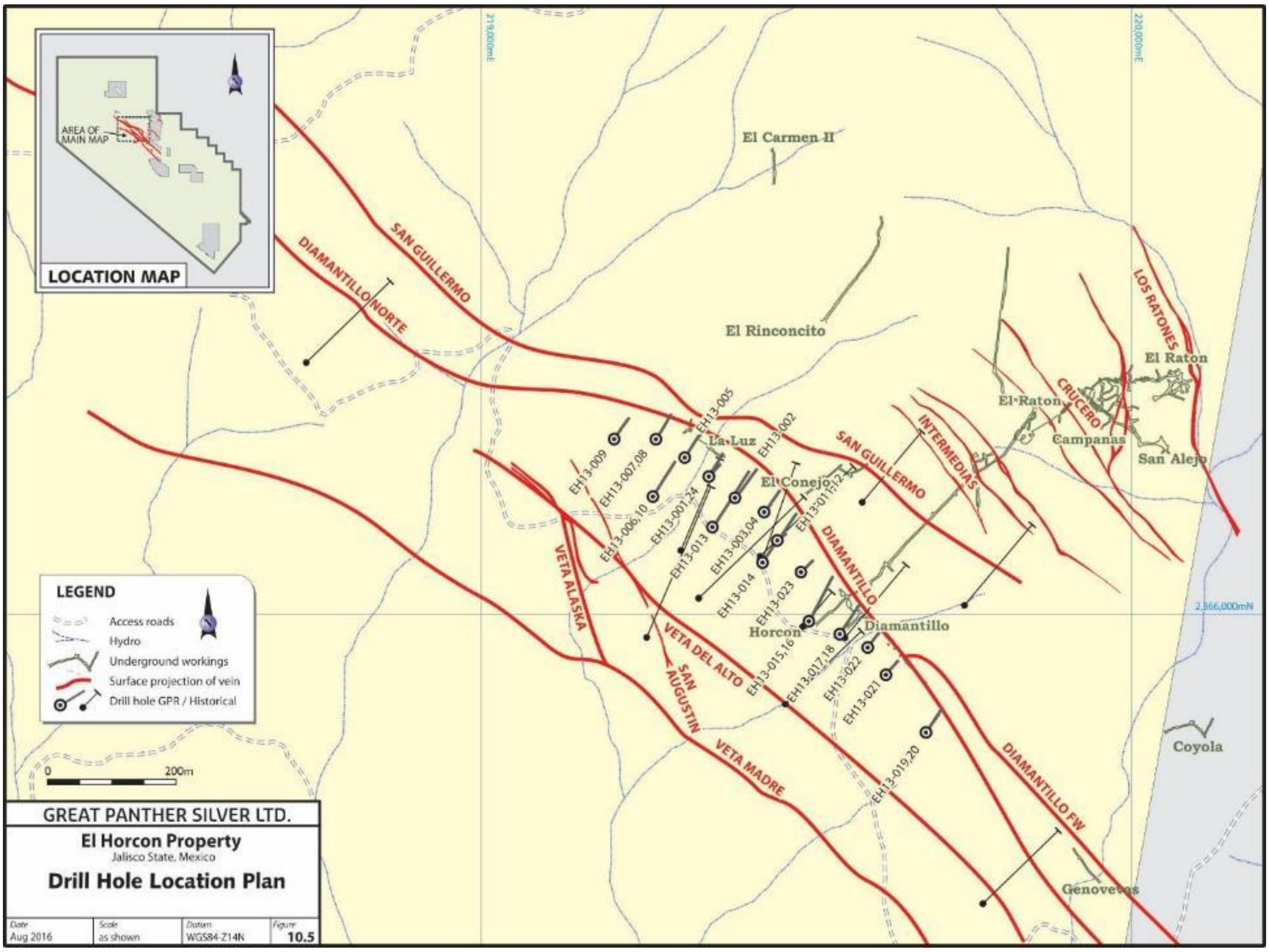


Figure 20: El Horcon Project – Mineral Resource drilling and veins.
Source: Brown, 2017

3.5.2 Santa Rosa Project

Basement rocks of the Santa Rosa project area comprise Cretaceous aged metasedimentary sequences of shale, andesite and felsic dykes deformed and folded by regional metamorphism. An overlying Cainozoic aged package of volcanic rocks comprise lithic tuff, ignimbrites, rhyolite dykes and jasperoids. A strong northwest structural orientation is defined by normal faults with a dextral component (Figure 21).

In the Canada de la Virgen and Salaverna North mineral claims there are three structures-oriented north-northwest and related to a system of regional faults. In the first stage of core drilling the Canada vein was drilled, where the best exposure is observed in the Socavon Refugio. It is a structure of 0.20 m width, with an orientation of 330° (north-northwest) and dip of 65° to the southwest. The structure is under an andesite dyke with 2-3% fine disseminated pyrite and magnetite. The drill holes cut the entire sequence of the metasedimentary rocks with intercalations of andesite and amorphous veinlets of calcite. The assays from sampling of this structure had no economic values.

Detailed mapping was completed in the Canada de la Virgen claim and in the Virgen vein development tunnel. The Virgen vein structure with minor quartz is oriented around 320-330° with a dip of 35-45° to the northeast, with an average width of 0.50 m. The vein, inside the tunnel, occurs at the bottom contact structure diorite dyke. On surface, there are two separate structures enveloping a quartz stockwork hosted in the metasedimentary rocks. The tunnel is 60 m long and there are several inclined shafts where mineralisation has been extracted. The average grade of samples is 457 g/t Ag equivalent. Along the Virgen vein, which outcrops for 400 m, propylitic alteration can be found. Host rocks include lithic tuffs, ignimbrites, and associated dykes.

Another structure identified during the mapping extends for more than 600 m and is exposed in the Salaverna North tunnel, and is a structure of 0.40 m width, with strong silicification and hosted in the metasedimentary package. The structure, when it reaches the upper rhyolite volcanic rocks, becomes a stockwork with hematite, limonite, clays, and fine disseminated pyrite.

The Santa Rosa project is at an early stage of exploration with only minor drilling undertaken by Great Panther to date.

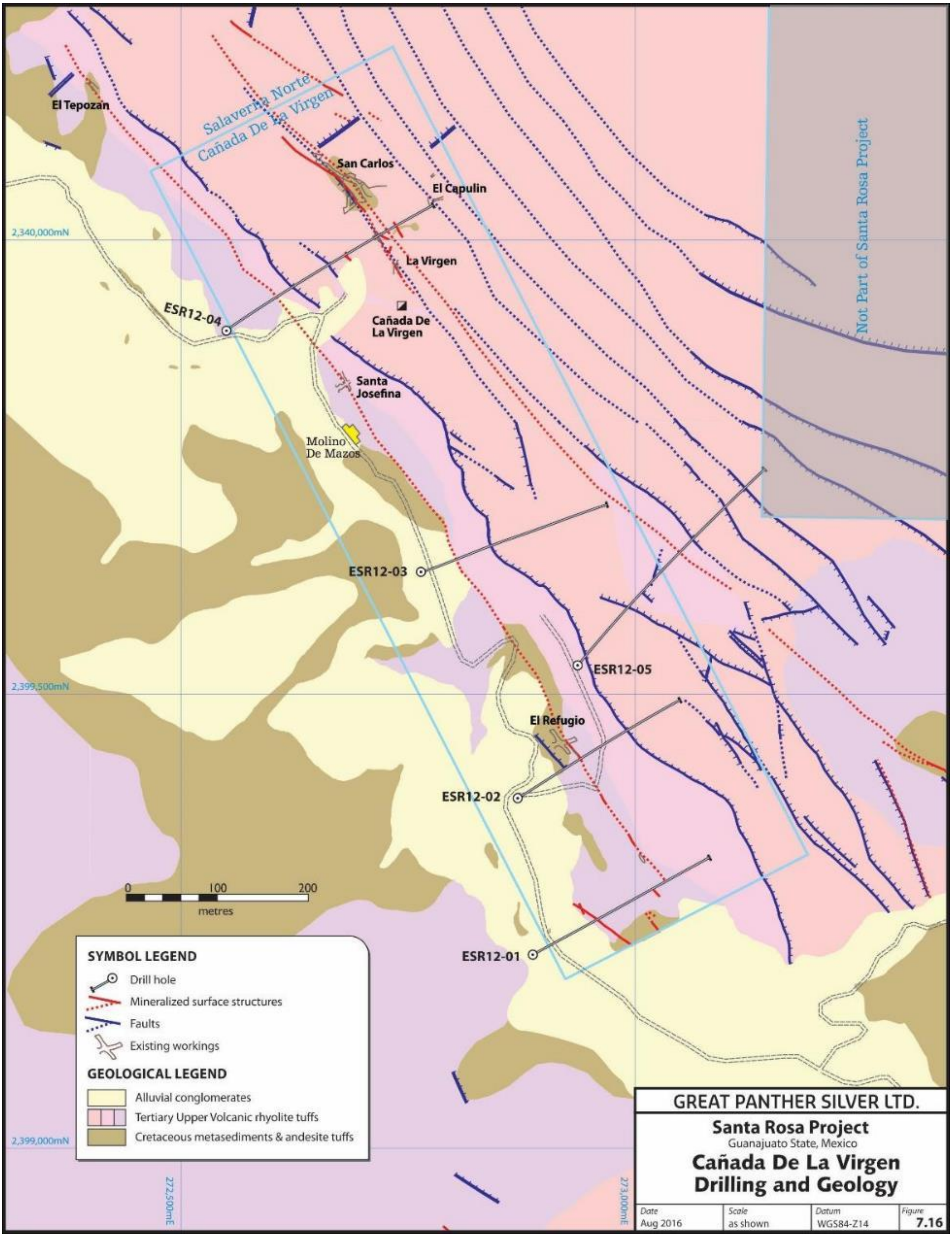


Figure 21: Santa Rosa Project – Geology and drilling
Source: Brown, 2017.

3.6 Mineral Resources

The latest publicly released Mineral Resources for the Guanajuato and San Ignacio mines are as at a reference date of 31 August 2017 and are presented in Table 14 and Table 15 respectively. The latest publicly released Mineral Resources for El Horcon are as at a reference date of 31 August 2016 and are presented in Table 16. The Mineral Resource estimates have been classified and reported in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition) and applying the definitions of "Mineral Resource" as set forth in the CIM Definitions Standards, adopted May 10, 2014 (CIMDS).

Table 14: Guanajuata Mineral Resources as at 31 August 2017

Class	Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
MEASURED	Cata	37,030	355	422,167	1.61	1,912	468	557,142
	Los Pozos	48,817	217	341,243	1.11	1,738	296	463,972
	Guanajuatito	33,962	256	279,592	1.22	1,329	342	373,403
	Santa Margarita	11,443	128	47,170	2.61	960	312	114,933
	Valenciana	7,084	155	35,225	1.51	343	261	59,455
	San Cayetano	24,958	102	82,198	1.96	1,569	241	192,980
	Promontorio	7,683	154	37,973	1.69	417	273	67,396
Total Measured		**170,978**	**227**	**1,245,568**	**1.5**	**8,268**	**333**	**1,829,281**
INDICATED	Cata	5,784	355	66,022	1.33	248	449	83,536
	Los Pozos	18,455	207	202,223	1.05	952	281	166,710
	Guanajuatito	10,313	224	74,230	1.17	389	307	101,705
	Santa Margarita	2,947	191	18,091	1.60	151	304	28,781
	Valenciana	-	-	-	-	-	-	-
	San Cayetano	5,347	101	17,302	1.64	282	217	37,225
	Promontorio	1,083	163	5,663	1.86	65	294	10,233
Total Indicated		**43,929**	**215**	**383,530**	**1.25**	**2,088**	**303**	**428,190**
MEASURED & INDICATED	Cata	42,814	355	488,189	1.57	2,160	465	640,678
	Los Pozos	67,272	214	543,466	1.09	2,691	292	630,682
	Guanajuatito	44,275	249	353,822	1.21	1,718	334	475,109
	Santa Margarita	14,390	141	65,260	2.40	1,111	311	143,714
	Valenciana	7,084	155	35,225	1.51	343	261	59,455
	San Cayetano	30,305	102	99,500	1.90	1,851	236	230,205
	Promontorio	8,766	155	43,637	1.71	481	275	77,629
Total Measured & Indicated		**214,907**	**224**	**1,629,098**	**1.45**	**10,356**	**327**	**2,257,472**
INFERRED	Cata	1,432	255	11,738	0.98	45	324	14,909
	Los Pozos	29,181	182	170,806	1.11	1,038	260	244,106
	Guanajuatito	7,368	194	45,869	0.97	230	262	62,096
	Santa Margarita	11,686	333	124,969	1.64	617	448	168,498
	Valenciana	94,415	102	310,598	2.46	7,463	276	837,410
	San Cayetano	13,518	57	24,830	2.23	971	215	93,356
	Promontorio	1,247	152	6,106	1.71	69	273	10,960
Total Inferred		**158,846**	**136**	**694,917**	**2.04**	**10,432**	**280**	**1,431,334**

Notes on Guanajuato Mine Mineral Resource Estimates 2017

1. Cut-offs are based on the marginal operating costs per mining area, being $76/tonne for Cata, $70/tonne for Santa Margarita/San Cayetano, $68/tonne for Los Pozos, $93/tonne for Guanajuatito, and $80/tonne for Valenciana/Promontorio.
2. Block model grades converted to US$ value using plant recoveries of 87% Ag, 86.8% Au, and net smelter terms negotiated for pyrite concentrates. Rock Density for all veins is 2.68 t/m³.

4. Totals may not agree due to rounding.
5. Grades in metric units
6. Contained silver and gold in troy ounces.
7. Minimum true width 1.0 m.
8. Metal Prices: $17.00/oz silver and $1,300/oz gold.
9. Silver equivalent was calculated using a 70.6 to 1 ratio of silver to gold value.

Source: Wunder, 2018

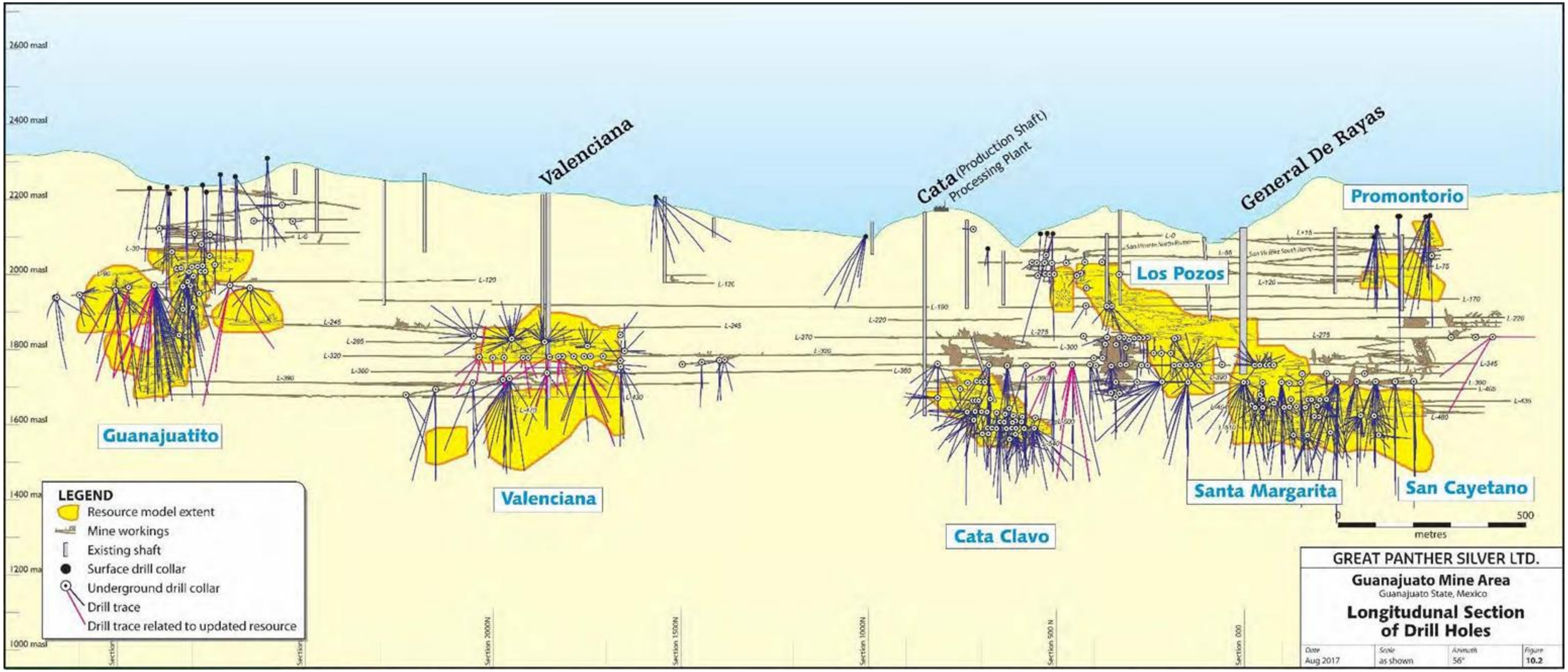


Figure 22: Longitudinal section of the Guanajuato Mine showing location and extent of Mineral Resource Models with drilling and mine infrastructure
Source: Wunder, 2018

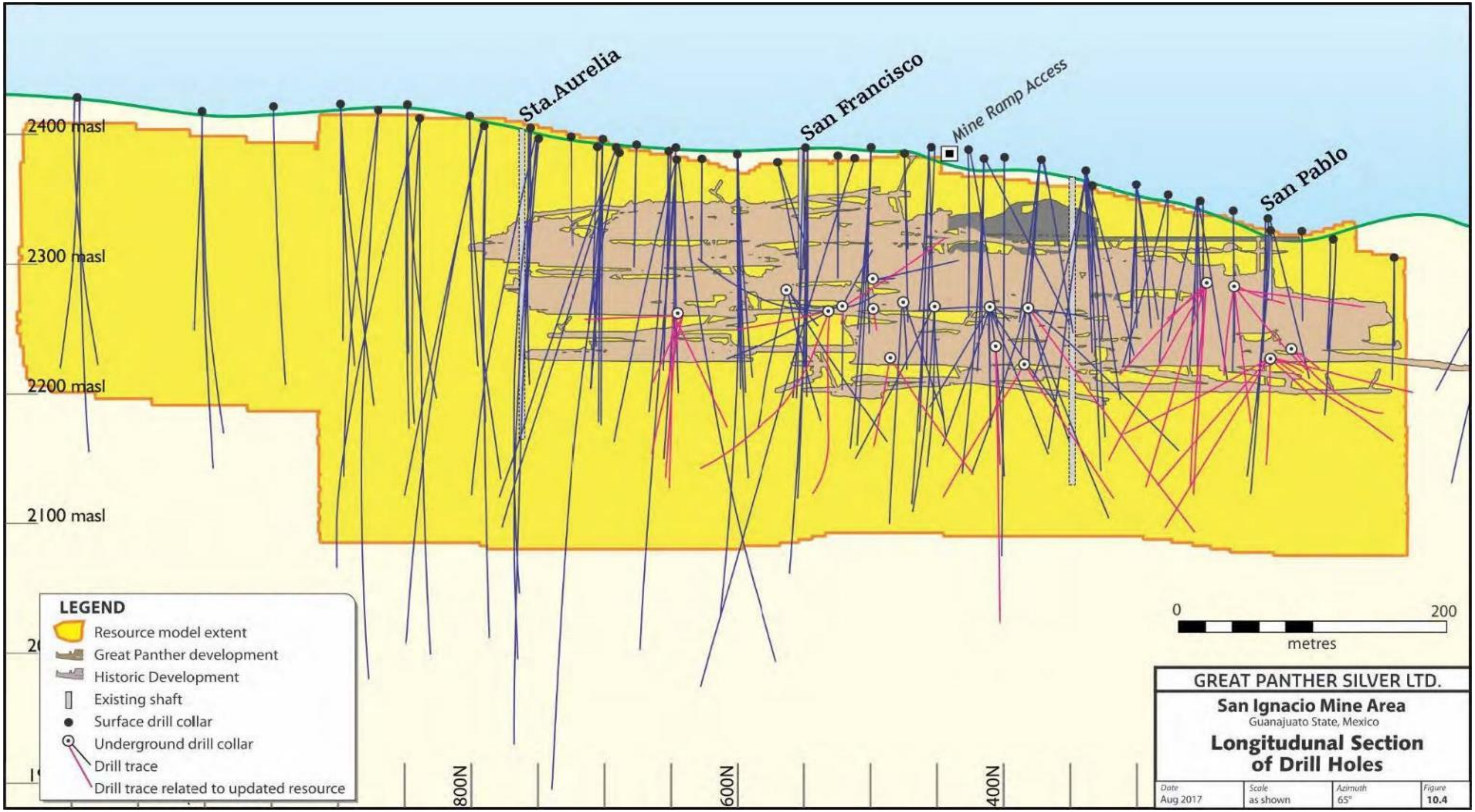


Figure 23: Longitudinal section of the San Ignacio Mine showing location and extent of Mineral Resource Models with drilling and mine infrastructure

Source: Wunder, 2018

The location of individual deposits which constitute the resources for Guarajuata are shown in Long Section view in Figure 22. CSA Global has conducted high-level reviews for the Mineral Resource estimates for the Guanajuato, San Ignacio and El Horcon deposits.

3.6.1 Guanajuato Mineral Resources

The Mineral Resource estimate for Guanajuato was completed internally by Great Panther in August 2017. The Mineral Resource estimates have been classified and reported in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition) and applying the definitions of "Mineral Resource" as set forth in the CIM Definitions Standards, adopted May 10, 2014 (CIMDS).

Deposit Geology

Mineralisation at Guanajuato is described in Section 3.3 above.

CSA Global Assessment

The controls to the mineralisation are well understood at both the broad and local scale, through study of drill core and mine exposures of the ore and host rocks, which has set a solid foundation for the Mineral Resource estimation.

Data Collection Techniques

Exploration work conducted by Great Panther at Guanajuato has consisted of underground mapping, sampling, and diamond drilling with minor surface drilling. Data used to prepare the Mineral Resource estimates is sourced primarily from underground channel sampling and diamond drill core. Diamond drilling utilises both HQ2 and NQ2 diameter core. Most holes in the dataset are angled towards the northeast at moderate to steep angles in fans collared from development headings located in the hanging wall of the mineralised vein structures. Core recovery is measured routinely indicating excellent recovery generally above 90% averaging 93% across all veins. Some 160,000 m of core from 144 drill holes has been drilled. Drill collar surveys are conducted by total station instrument. Down hole surveys are performed every 50 m using a Reflex instrument. Diamond core was used for structural, geotechnical, and density measurements as well as lithology logging and assaying. Logging covers rock quality designation (RQD) measurement, photography and logging with the geological descriptions written in long hand onto a formatted sheet for later data entry into a database. Diamond core is sampled at variable geological intervals (0.5–2.0 m). Density measurements are made for the mineralised intervals using the water immersion method.

Channel sampling is carried out daily in accessible stopes and development headings by technicians after the sample positions are marked out by a geologist and a detailed drawing of the face is made. The samples consist of chips broken along a line across the structure using a rock hammer and chisel. The quality of the channel samples is considerably more variable than the drill samples, but they are taken at a much higher density than drill samples.

Analytical work was carried out at a laboratory managed for Great Panther by SGS Group which is located within the confines of the Cata Facility. The laboratory is equipped to perform Aqua Regia digest, fire assay, gravimetric and atomic absorption spectroscopy (AAS). Dry samples are then run through a crusher (10 mesh) and subsequently a 200g split was run through a disc mill for pulverising to 98% passing 200 mesh. Samples are analysed by Aqua Regia with an AAS finish, and any that report greater than 10g/t Au or 300g/t Ag are re-analysed by fire assay with a gravimetric finish. Routine QAQC, instrument calibration, and database management is conducted by the SGS laboratory manager. Additional to internal Laboratory QAQC monitoring, Great Panther personnel also inserted quarter-core duplicates, standards, and blanks into the channel and drill sample streams as well as arranging regular umpire checks: a duplicate for every 19 samples, and one blank and a standard for every 40 samples. Suspicious QAQC results are detected by the Database Administrator who informs the relevant geologist. Re-assaying was performed in cases of poor repeatability. In January 2013, Great Panther's Topia and Guanajuato QAQC data were audited by Dr. Wesley M. Johnson of Quality Analysis Consultants who stated that 'There is no obvious problem with the data generated in the laboratory from either an accuracy or a precision standpoint.'.

CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and survey control are largely consistent with industry standard practice and a moderate confidence can therefore be placed in the data. Sampling and analytical techniques are considered appropriate, and adequate QAQC data has been collected and analysed. Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

Three-dimensional lithological modelling and mineralisation domain modelling at Guanajuato was completed to support the Mineral Resource estimate based on a validated assay database containing 64,453 sample intervals from drill holes and 125,544 channel sample intervals from underground development and mining areas. The average interval length was 1.14 m for drilling and 0.8 m for underground sampling. Wireframe modelling was completed using Leapfrog 3D geological modelling software. Not all material that was logged as vein, vein breccia, or stockwork was included in the seven-modelled domains, as some of this material could not be correlated between drill holes, and not all the intersections used to model the veins were mineralised. All wireframes for underground workings were generated using a combination of digitised historic level plans and drill hole logs. These wireframes were subsequently cut from the mineralisation wireframes to generate total mined solids.

CSA Global Assessment

CSA Global considers that interpretation and modelling procedures are correctly implemented and do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

Grade estimation and geological modelling at Guanajuato was completed using by Micromine software. A total of 2,351 drill intervals and 50,462 underground samples were used for resource modelling process. All drill samples were composited to a length of 1.5 metres prior to use in grade interpolation. High grade capping was applied to samples prior to grade interpolation to prevent overestimation caused by high grade outliers. Different techniques were used to determine individual grade caps for all combinations of mineralised zone and sample type. For underground channel samples, caps were applied, interpolation performed and resulting model grades reconciled with reported production grades. This process was repeated with various caps until an acceptable correlation between model and production grades was achieved. For core samples, probability plots were examined for 'breaks' which are considered to indicate appropriate capping levels. The net impact of the capping on drilling was to reduce the average Au and Ag assay grades by 43% and 33%, respectively. For underground sampling, the average reductions related to capping were 37% and 33% respectively.

Variogram analysis was undertaken for both Au and Ag to characterise the spatial variance of each. Single structure ranges were developed in the average plane of all zones for each area. Long ranges were found to be between 6-12 m for Ag and 6-18 m for Au, while the nugget (C0) values ranged from 14–56% and 21–55% of total sill (C0+C1) for Ag and Au, respectively.

The block dimensions for the block models were 2.5 m x 2.5 m x 2.5 m with local grid coordinates. Each block located at least partly within a wireframe has been assigned a zone code that matches the assay coding scheme.

Block percentages were also estimated based on the portion of the block coincident with the wireframe. Grades were estimated only to those blocks coincident with one of the 33 wireframes. Grade interpolation for both Au and Ag was executed as a series of 3 passes, using the inverse distance (ID) method chosen because of the short major axis ranges and high nugget values. A power of 3 was selected, as greater influence was given to grades more proximal to the block. Kriging was not used due to concerns regarding potential over-smoothing of grades. A minimum of 1 and a maximum of 4 composites were allowed for interpolation to each block. The first pass was performed at half of the variogram range. For second pass, total range was used and for the third pass, 4 times the range was applied for each vein.

An average density was assigned to all blocks in the grade model for all veins and deposits. Only 552 density measurements were contained within the mineralisation wireframes. Following exclusion of outliers, an average density determination of 2.68 t/m³ was calculated and was used across all 7 areas (33 zones) for resource estimation purposes.

CSA Global Assessment

The graphs produced by the variogram analysis were not provided in the report, therefore CSA Global is unable to comment on their findings. A table summary of variography by vein and variable indicate that nugget is very high, and ranges are short (10 – 30 m for Axi2 direction and 2 – 10 m for Axi1 and Axi3 directions). To compensate for this nuggety characteristic Great Panther used very few samples to estimate block grades (maximum of 4). Local estimates of grade are not expected to be particularly accurate given the high nugget values present. Parent cell size for estimation was very small (2.5 m) however the mining method used has a similarly small selective mining unit. Composites used in the estimates were capped and reconciliation data was used by Great Panther to refine the capping levels on a deposit basis. The use of the same density value across the entire Mineral Resource is an oversimplification of this variable which will lead to inaccurate tonnage and metal content estimates at the local scale. CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice, but short of good practice, however this does not represent a material risk to the ongoing development, mining, or global value of the project.

Mineral Resource Classification and Statement

The approach to classification for Guanajuato was to consider the distance of any block to development or stoping. Measured blocks were required to be situated adjacent to and within 15 m of underground workings. To be classified as Indicated, blocks were required to be within 15 to 30 m from underground workings. All other blocks not classified as either Measured or Indicated and residing at least partially within a wireframe, or within a wireframe with exclusively drill hole intersections, were classified as Inferred.

CSA Global Assessment

The classification of the estimated Mineral Resources was based on a collated approach, with the distance from data points adopted as a proxy to collectively represent considerations of the quality of the input data, confidence in the interpretation, sampling density. The approach is considered by CSA Global to lean towards being conservative, drawing on the extended mining history that the Company has with these deposits. CSA Global considers the classified estimates to be fit for the purpose of supporting valuation of the projects.

3.6.2 San Ignacio Mineral Resource

The Mineral Resource estimate for San Ignacio were completed internally by Great Panther in August 2017.

Table 15: San Ignacio Mineral Resources as at 31 August 2017

Class	Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
MEASURED	Melladito	338,492	117	1,276,330	3.18	34,638	342	3,721,772
	Melladito BO	115,669	82	303,101	3.09	11,488	300	1,114,185
	Intermediate	109,602	168	592,341	2.76	9,717	363	1,278,345
	Intermediate 2	84,276	210	568,356	3.73	10,106	473	1,281,862
	Nombre De Dios	50,357	149	241,493	2.93	4,737	356	575,917
	Nombre De Dios 1.5	35,791	142	163,178	2.23	2,565	299	344,260
	Nombre De Dios 2S	67,280	236	510,648	2.99	6,473	447	967,615
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Measured		**801,468**	**142**	**3,655,447**	**3.09**	**79,724**	**360**	**9,283,955**
INDICATED	Melladito	61,872	92	183,285	3.02	6,016	306	607,997
	Melladito BO	22,777	76	55,346	3.61	2,644	330	242,012
	Intermediate	23,605	191	145,223	2.57	1,950	373	282,901
	Intermediate 2	23,652	167	127,220	1.72	1,308	289	219,582
	Nombre De Dios	18,584	128	76,323	2.49	1,490	304	181,530
	Nombre De Dios 1.5	12,146	129	50,330	1.49	582	234	91,406
	Nombre De Dios 2S	34,314	219	241,078	2.72	3,001	411	452,939
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Indicated		**196,949**	**139**	**878,805**	**2.68**	**16,991**	**328**	**2,078,368**
MEASURED & INDICATED	Melladito	400,364	113	1,459,615	3.16	40,654	336	4,329,769
	Melladito BO	138,446	81	358,447	3.18	14,132	305	1,356,197
	Intermediate	133,207	172	737,564	2.72	11,667	365	1,561,246
	Intermediate 2	107,928	200	695,576	3.29	11,415	433	1,501,444
	Nombre De Dios	68,940	143	317,816	2.81	6,227	342	757,447
	Nombre De Dios 1.5	47,937	139	213,507	2.04	3,147	283	435,666
	Nombre De Dios 2S	101,595	230	751,726	2.90	9,473	435	1,420,554
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Measured & Indicated		**998,417**	**141**	**4,534,252**	**3.01**	**96,715**	**354**	**11,362,323**
INFERRED	Melladito	99,307	58	185,811	2.85	9,113	260	829,192
	Melladito BO	22,661	75	54,731	3.67	2,670	334	243,259
	Intermediate	33,026	150	158,787	2.30	2,442	312	331,164
	Intermediate 2	35,560	166	189,987	2.37	2,712	334	381,456
	Nombre De Dios	164,263	128	674,972	2.01	10,592	269	1,422,743
	Nombre De Dios 1.5	66,406	132	280,965	1.79	3,819	258	550,583
	Nombre De Dios 2S	47,197	171	260,061	2.23	3,389	329	499,294
	Nombre De Dios 2	105,010	175	589,906	3.01	10,175	388	1,308,281
Total Inferred		**573,431**	**130**	**2,395,220**	**2.44**	**44,911**	**302**	**5,565,972**

Notes San Ignacio Mine Mineral Resource Estimates 2017

1. Cut-offs are based on the marginal operating costs per mining area being US$71/tonne for San Ignacio.
2. Block model grades converted to US$ value using plant recoveries of 84% Ag, 84% Au, and net smelter terms negotiated for pyrite concentrates.
3. Rock Density for Intermediate 2.64 t/m³, Intermediate 2–2.66 t/m³, Melladito 2.63 t/m³, Melladito BO 2.65 t/m³, Nombre de Dios 2.64 t/m³, Nombre de Dios 1.5 2.63 t/m³, Nombre de Dios 2 & Nombre de Dios 2S 2.62 t/m³.
4. Totals may not agree due to rounding.
5. Grades in metric units.
6. Contained silver and gold in troy ounces.
7. Minimum true width 1.0 m.
8. Silver equivalent was calculated using a 70.6 to 1 ratio of silver to gold value.

Source: Wunder, 2018

The Mineral Resource estimate for San Ignacio was completed internally by Great Panther in August 2017. The Mineral Resource estimates have been classified and reported in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition) and applying the definitions of “Mineral Resource” as set forth in the CIM Definitions Standards, adopted May 10, 2014 (CIMDS).

Deposit Geology

Mineralisation at San Ignacio is described in Section 3.3 above.

CSA Global Assessment

The controls to the mineralisation are well understood at both the broad and local scale, through study of drill core and mine exposures of the ore and host rocks, which has set a solid foundation for the Mineral Resource estimation.

Data Collection Techniques

Exploration work conducted by Great Panther at San Ignacio has consisted of underground mapping, sampling, and diamond drilling with minor surface drilling. Data used to prepare the Mineral Resource estimates is sourced primarily from underground channel sampling and diamond drill core. Data collection techniques are essentially the same as those employed at the Guanajuato Mine as described in Section 3.6.1 above.

CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and survey control are largely consistent with industry standard practice and a moderate confidence can therefore be placed in the data. Sampling and analytical techniques are considered appropriate, and adequate QAQC data has been collected and analysed. Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

Three-dimensional lithological modelling and mineralisation domain modelling at San Ignacio was completed to support the Mineral Resource estimate based on a validated assay database containing drill holes channel sample intervals. Wireframe modelling was completed using Leapfrog 3D geological modelling software. The mineralised domains were modelled to include vein, vein breccia, and stockwork material that were interpreted by Great Panther geologists to form continuous veins called Melladito, Melladito BO, Intermediate, Intermediate 2, Nombre de Dios 1, and Nombre de Dios 1.5, Nombre de Dios 2, Nombre de Dios 2S. Not all material that was logged as vein, vein breccia, or stockwork was included in the eight-modelled domains, as some of this material could not be correlated between drill holes, and not all the intersections used to model the veins were mineralised. All wireframes for underground workings were generated using a combination of digitised historic level plans and drill hole logs. These wireframes were subsequently cut from the mineralisation wireframes to generate total mined solids.

CSA Global Assessment

CSA Global considers that interpretation and modelling procedures are correctly implemented and do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

Grade estimation and geological modelling San Ignacio was completed using by Micromine software. All drill samples were composited to a length of 1.0 m prior to use in grade interpolation. High grade capping was applied to samples prior to grade interpolation to prevent overestimation caused by high grade outliers. For underground channel samples, caps were applied, interpolation performed and resulting model grades reconciled with reported production grades. For core samples, probability plots were examined for 'breaks' which are considered to indicate appropriate capping levels. The net impact of the capping on drilling comparison of capped to uncapped block model estimates showed that capping removed approximately 12% of the total metal.

Variogram analysis was undertaken for both Au and Ag to characterise the spatial variance of each. Single structure ranges were developed in the average plane of all zones for each area. Long ranges were found to be between 20-40 m for Ag and Au, while the nugget (C0) values ranged from 20–68% and 15–63% of total sill (C0+C1) for Ag and Au, respectively.

The block dimensions for the block models were 2.5 m x 2.5 m x 2.5 m except Nombre de Dios 2 which used 5 m x 5 m x 5 m. Each block located at least partly within a wireframe has been assigned a zone code that matches the assay coding scheme. Block percentages were also estimated based on the portion of the block coincident with the wireframe. Grades were estimated only to those blocks coincident with one of the wireframes. Grade interpolation for both Au and Ag was executed as a series of 3 passes, using the inverse distance (ID) method chosen because of the short major axis ranges and high nugget values. A power of 3 was selected, as greater influence was given to grades more proximal to the block.

An average density was assigned to all blocks in the grade model for all veins and deposits. Only 773 density measurements were contained within the mineralisation wireframes. Following exclusion of outliers, an average density determination of 2.63 t/m³ was calculated and was used across all veins for resource estimation purposes.

CSA Global Assessment

The graphs produced by the variogram analysis were not provided in the report, therefore CSA Global is unable to comment on their findings. A table summary of variography by vein and variable indicate that nugget is high, and ranges are short. Local estimates of grade are not expected to be particularly accurate given the high nugget values present. Parent cell size for estimation was very small, however the mining method used has a similarly small selective mining unit. Composites used in the estimates were capped and reconciliation data was used by Great Panther to refine the capping levels on a deposit basis. The use of the same density value across the entire Mineral Resource is an oversimplification of this variable which will lead to inaccurate tonnage and metal content estimates at the local scale. CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice, but short of good practice, however this does not represent a material risk to the ongoing development, mining, or global value of the project.

Mineral Resource Classification and Statement

The approach to classification for the San Ignacio deposits was to consider the distance of any block to development or stoping. Measured blocks were required to be situated adjacent to and within 15 m of underground workings. To be classified as Indicated, blocks were required to be within 15 to 30 m from underground workings. All other blocks not classified as either Measured or Indicated within a wireframe were classified as Inferred.

CSA Global Assessment

The classification of the estimated Mineral Resources was based on a collated approach, with the distance from data points adopted as a proxy to collectively represent considerations of the quality of the input data, confidence in the interpretation, sampling density. The approach is considered by CSA Global to lean towards being conservative, drawing on the extended mining history that the Company has with these deposits. CSA Global considers the classified estimates to be fit for the purpose of supporting valuation of the projects.

3.6.3 El Horcon Mineral Resource

The Mineral Resource estimate for El Horcon estimate was completed internally by Great Panther in August 2016 (Table 16). The Mineral Resource estimates have been classified and reported in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition) and applying the definitions of "Mineral Resource" as set forth in the CIM Definitions Standards, adopted May 10, 2014 (CIMDS).

Table 16: El Horcon Mineral Resources as at 31 August 2016

Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Pb (%)	Pb (lb)	Zn (%)	Zn (lb)	oz Ag eq	g/t Ag eq
Diamantillo	109,649	89	313,468	3.04	10,705	3.11	7,518,282	4.62	11,173,130	1,403,358	398
Diamantillo HW	4,781	54	8,269	4.59	706	2.65	278,787	0.47	49,868	70,518	459
Natividad	6,038	136	26,347	3.03	587	1.74	232,115	0.13	16,938	78,139	403
San Guillermo	41,672	37	50,011	4.44	5,5943	1.75	1,604,152	2.56	2,320,297	540,899	404
Totals Inferred	**162,140**	**76**	**398,094**	**3.44**	**17,942**	**2.69**	**9,633,336**	**3.79**	**13,560,233**	**2,092,913**	**401**

Notes:
1. US$110/tonne NSR Cut-off
2. Silver equivalent was calculated using a 70.6 to 1 ratio of silver to gold value
3. Rock Density for all veins for Diamantillo is 2.77 t/m³, San Guillermo 2.78 t/m³, Diamantillo HW is 2.62 t/m³, Natividad 2.57 t/m³
4. Totals may not agree due to rounding
5. Grades in metric units
6. Contained silver and gold in troy ounces
7. Minimum true width 1.5 m
8. Metal Prices $18.00USD/oz silver, $1,300USD/oz gold, and $0.80USD/lb lead
9. Ag eq (g/t) and Ag eq (oz) use only Au, Ag, and Pb values
Source: Brown, 2017

Deposit Geology

Mineralisation at El Horcon is described in Section 3.5.1 above.

CSA Global Assessment

The controls to the mineralisation are understood at both the broad and local scale, through study of drill core of the mineralisation and host rocks, which has set a foundation for the Mineral Resource estimation.

Data Collection Techniques

Exploration work conducted by Great Panther at El Horcon consisted of geological mapping, vein re-sampling both on surface and of all accessible underground openings (1,623 samples), followed by surface HQ diamond drilling program of 24 drill holes totalling 2,160 m (1,177 samples). Data collection techniques are essentially the same as those employed at the Guanajuato Mine as described in Section 3.6.1 above. Drilling was on 50-100 m spaced sections, with 1 to 3 holes drilled per section at approximately 50 m spacing vertically between holes, focused from surface to about 100 m below surface along a strike length of 650 m. Samples are analysed by Aqua Regia digestion with an AA finish, and any that report greater than 10 g/t Au or 300 g/t Ag are reanalysed by fire assay with a gravimetric finish. The laboratory also performed determinations for arsenic, copper, lead, zinc, and antimony using Aqua Regia digestion with an AA finish. Analysis and QAQC techniques are essentially the same as those employed at the Guanajuato Mine as described in Section 3.6.1 above. All channel and drill hole sample data collected under the supervision of the Exploration Department are entered and stored within a Microsoft SQL database.

Bulk density determinations for El Horcon drill core were carried out on site on whole HQ core using the water submersion method. Samples with a minimum weight of 500 g were selected at a minimum frequency of 3 per mineralised zone plus additional hanging wall and footwall samples.

CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling and analytical methods and survey control are largely consistent with industry standard practice and a moderate confidence can therefore be placed in the data. Sampling and analytical techniques are considered appropriate, and adequate QCQC data has been collected and analysed. Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

Three-dimensional lithological modelling and mineralisation domain modelling at El Horcon was completed to support the Mineral Resource estimate based on a validated assay database. A validated dataset extracted from the El Horcon SQL database and subsequently used in modeling consisted of 42 drill holes and 463 underground channel samples yielding adatabase containing 1,852 sample intervals from drill holes and 998 intervals from underground development and mining. The average interval length is 0.8 m for drilling and 0.9 m for channel samples. All zones show good recoveries (all above 90%) and RQDs (all above 52%).

Wireframes were created for each of the mineralized zones contained within each of the 4 areas.

Wireframe modelling was completed using Leapfrog 3D geological modelling software. The mineralised domains were modelled to include vein, vein breccia, and stockwork material that were interpreted by Great Panther geologists to form continuous veins. Not all material that was logged as vein, vein breccia, or stockwork was included in the modelled domains, as some of this material could not be correlated between drill holes, and not all the intersections used to model the veins were mineralised.

CSA Global Assessment

CSA Global considers that interpretation and modelling procedures are correctly implemented and do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

The Resources were estimated from 4 area-specific block models. A set of wireframes representing the mineralised zones served to constrain both the block models and data subsequently used in inverse distance cubed Au, Ag, Pb, and Zn grade interpolation. The block dimensions for all four models are 5m x 5m x 5m. For the El Horcon Project, the 97.7% percentile was used to determine grade caps for all combinations of mineralized zone and sample type (drill and channel). The net impact of the capping on all assays was to reduce the average Au and Ag assay grades. Grade estimation and geological modelling El Horcon was completed using similar techniques and values as the Guanajuato Mine as described in Section 3.6.1. All drill samples were composited to a length of 1.0 metres prior to use in grade interpolation. Variogram analysis was undertaken for both Au and Ag to characterise the spatial variance of each. Single-structure ranges were developed in the average plane of all zones for each area. Long ranges were found to be between 5-15 m for Ag and 7-17 m for Au, while the nugget (C0) values were more than 25% and 47% of total sill (C0+C1) for Ag and Au, respectively. These results indicated that while there is a demonstrable (albeit limited) spatial correlation between samples within each zone, local estimates of grade are not expected to be particularly accurate given the high nugget values reported above. The block dimensions for the block models were 2.5 m x 2.5 m x 2.5 m. Grades were estimated only to those blocks coincident with one of the wireframes. Grade interpolation for both Au and Ag was executed as a series of 3 passes, using the inverse distance cubed method chosen because of the short major axis ranges and high nugget values.

Core density determinations totalled 856. Following exclusion of outliers, an average SG determination of 2.68 t/m³ resulted. For each domain, a slightly different bulk density calculated based on the corresponded interval within the wireframes, as follows: Diamantillo = 2.77 t/m³, Diamantillo HW = 2.62 t/m³, Natividad = 2.57 t/m³, and San Guillermo = 2.78 t/m³.

CSA Global Assessment

The graphs produced by the variogram analysis were not provided in the report, therefore CSA Global is unable to comment on their findings. CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice, but short of good practice, however this does not represent a material risk to the ongoing development, mining, or global value of the project.

Mineral Resource Classification and Statement

The approach to classification for the El Horcon deposits was to consider the distance of any block to development or stoping.

CSA Global Assessment

The classification of the estimated Mineral Resources was based on a collated approach, with the distance from data points adopted as a proxy to collectively represent considerations of the quality of the input data, confidence in the interpretation, sampling density. The approach is considered by CSA Global to lean towards being conservative, drawing on the extended mining history that the Company has with these deposits. CSA Global considers the classified estimates to be fit for the purpose of supporting valuation of the projects.

3.7 Guanajuato Mine Complex Operations

3.7.1 Internal Mine Classification of Mineralised Material

Both the GMC and Topia mines life-of-mine plans include both Inferred Mineral Resources and unclassified material termed “Geological Potential” – a term not permitted by the JORC Code. Locally at the GMC and Topia mines an internal classification system, implemented by Great Panther in 2016, is used to define the mineralised material used in the life-of-mine. The Internal classification scheme is defined by material’s proximity to existing ore development, diamond drill holes and channel samples. Documentation concerning the scheme was partly provided to CSA Global in Spanish and translation to English was required. This internal classification system is detailed below.

Probado (Proved)

- The 'Probado' material extends 7.5 m above and below a mineralised level (Figure 24);
- When there is 'Probado' material above and below two levels, the material between the two levels is entirely classified as 'Probado' (Figure 24).
- Equivalent to the declared Measured and Indicated Mineral Resources

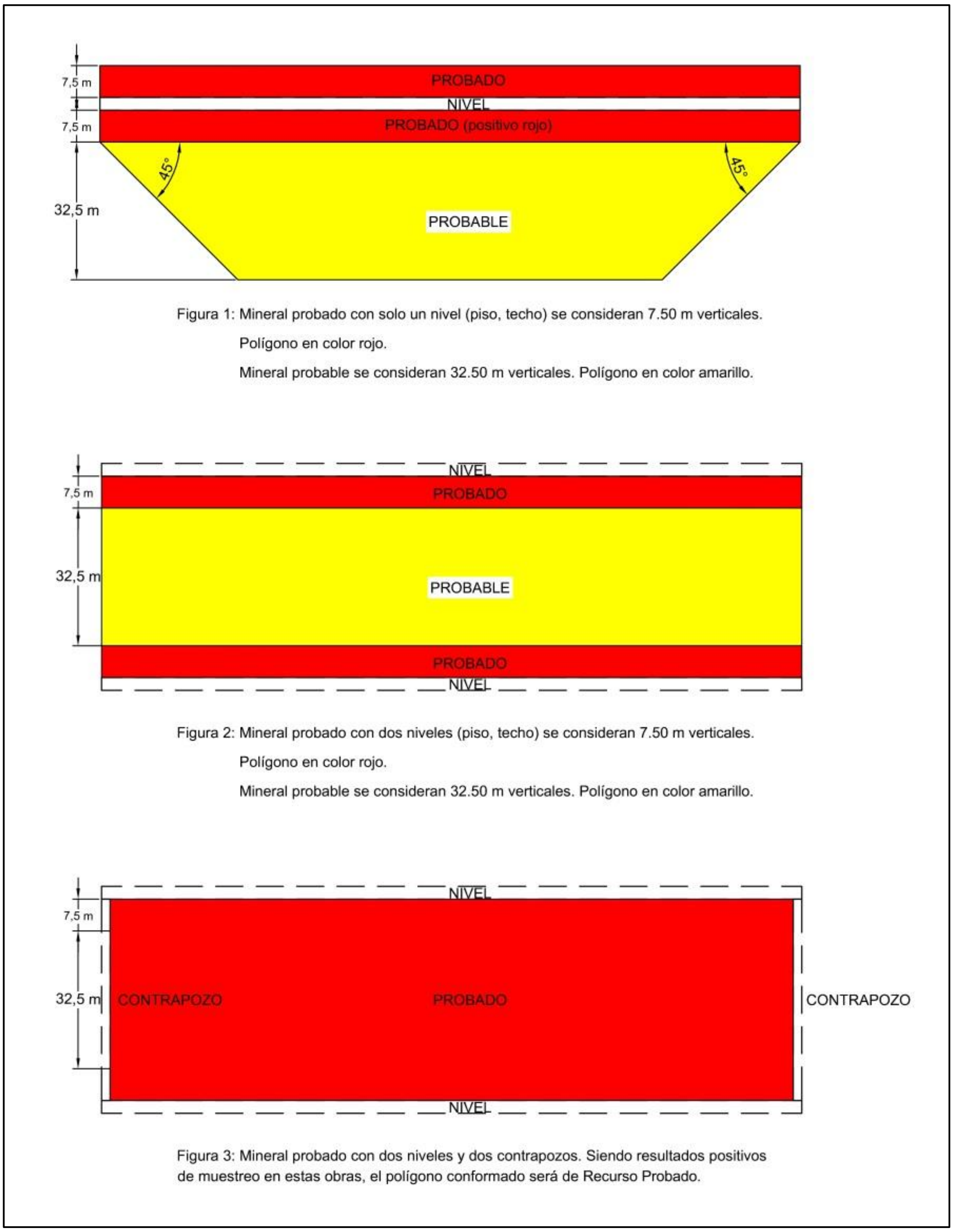


Figure 24: Internal GMC and Topia mine classification of Probado material

<u>Probable (Probable)</u>

- The 'Probable' material is estimated above and below active workings (levels), taken after the 7.5 m of 'Probado' material extending to 32.5 m above and below the 'Probado' material, tapering at the ends using an angle of 45° (Figure 25).
- Equivalent to the declared Inferred Mineral Resources

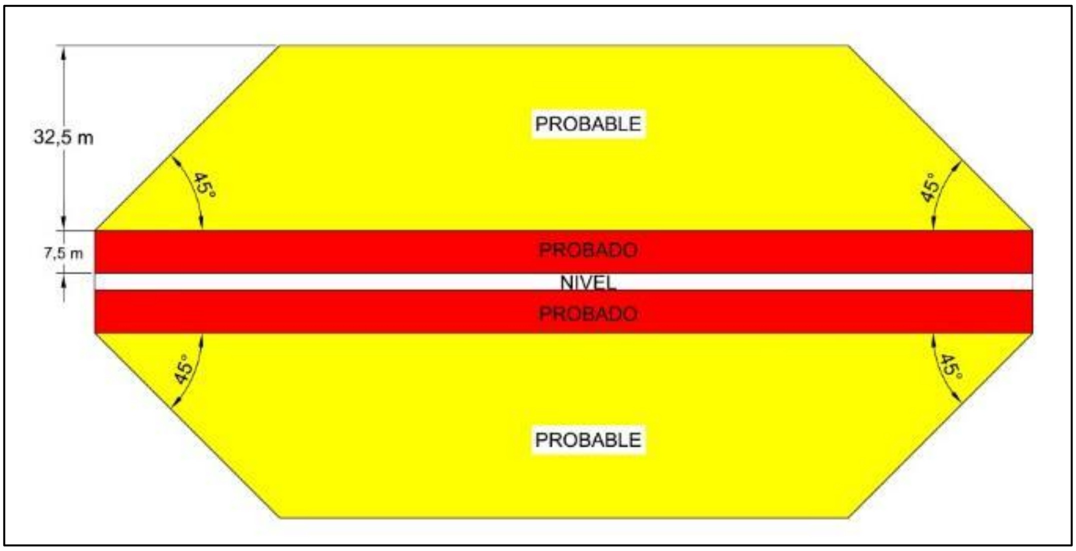


Figure 25: Internal GMC and Topia mine classification of Probable material

<u>Indicado (Indicated)</u>

- Here the occurrence of mineralisation is considered using the knowledge of the mineralised vein, structure, the influence of the 'Probado' and 'Probable' material and whether the area is considered a favourable zone to host mineralisation. Based on these parameters the 'Indicado' zone of influence is taken 40 m above and below the 'Probable' mineralisation (Figure 26).
- Equivalent to Geological Potential (unclassified material).

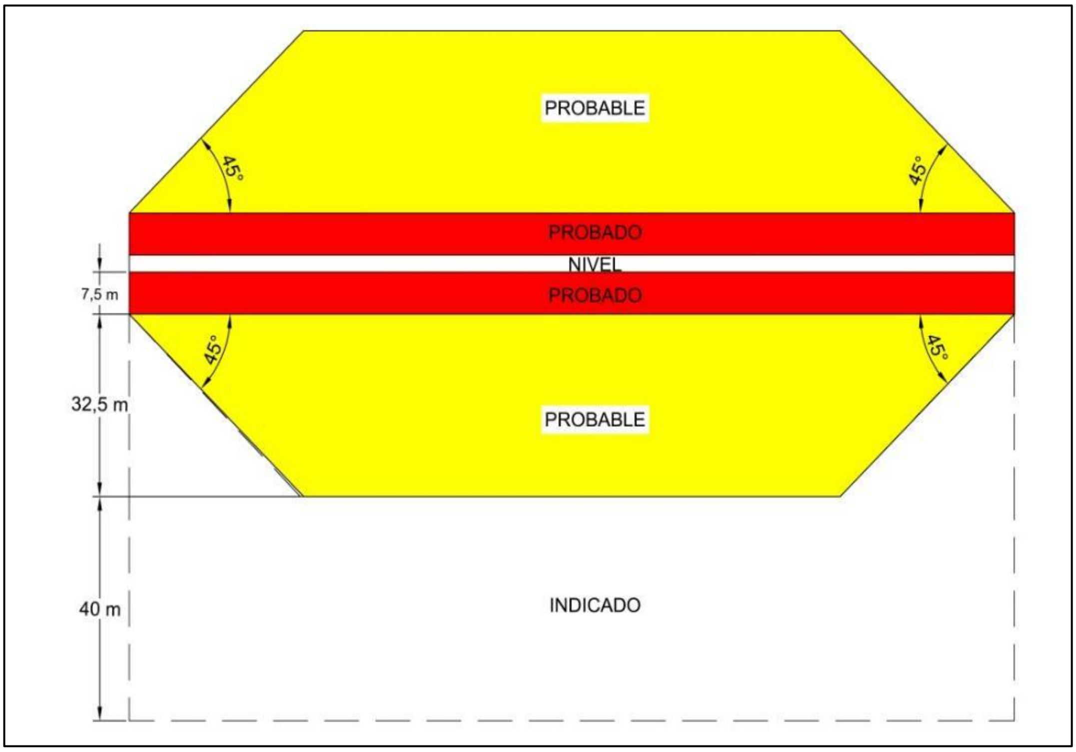


Figure 26: Internal GMC and Topia mine classification of Indicado material

In many cases zones of Geological Potential have had some drilling, and in some cases underground access, which has allowed for a geological interpretation of the orientation of the zones. Most zones of Geological Potential have had some former mining (pre-Great Panther) and as the dimensions of the former mining are unknown, and the old workings are unsafe and inaccessible, it is difficult to ascertain the volume and subsequent tonnage of what remains in place now. It is possible to estimate a reasonable global volume of Geological Potential overall on the basis of what has been mined historically year on year, but accurate short term and local estimates of volume would be significantly more challenging. Details of the unclassified material at GMC are provided in the following section.

3.7.2 GMC Unclassified Material

At GMC, within their mine planning and scheduling Great Panther includes unclassified material. This material in Great Panther's opinion, does not meet the requirements of classification of Mineral Resources, however Great Panther considers with additional exploration this unclassified material will convert to Mineral Resources. The unclassified material that Great Panther had included in their GMC life-of-mine on a diluted basis is presented in Table 17. Great Panther have provided a detailed breakdown of this unclassified material at the Guanajuato (Table 17 and Figure 27) and San Ignacia (Table 19 and Figure 28) mines to CSA Global. This detailed breakdown forms approximately 74% of the unclassified material within the GMC life-of-mine, with Great Panther stating that the balance is less robust in definition and confidence.

Table 17: GMC unclassified material

Tonnes	Ag (g/t)	Au (g/t)	Contained AgEq (Moz)
1,662,689	140	2.50	16.9

Source: GPR Template LT Model v6.xlsx

Table 18: Guanajuato mine unclassified material

Block No	Tonnes	Au (g/t)	Ag (g/t)	AgEq (g/t)	Area
Orange Blocks – Unclassified material based on historical Spanish workings and face sampling					
1	81,187	1.96	196	333	Valenciana Españoles
2	21,226	1.96	196	333	Valenciana Españoles
3	37,049	1.50	270	375	Cata Españoles
4	16,209	1.13	166	245	Pozos Españoles
Sub Total	**155,670**	**1.76**	**210**	**334**	
Green Blocks – Unclassified material based on contemporary workings and diamond drilling					
5	85,104	2.12	142	290	Guanajuatito norte
6	34,640	0.56	185	223	Guanajuatito sur
7	51,774	0.56	185	223	Guanajuatito. Superior
8	312,075	2.71	173	362	Valenciana norte
9	60,277	1.96	196	333	Valenciana Sur
10	91,094	0.90	177	240	Cata-Valenciana superior
11	43,307	1.50	270	375	Tiro Cata norte
12	16,208	1.50	270	375	Tiro Cata Sur
13	39,798	1.13	166	245	Pozos norte
14	13,507	1.13	166	245	Pozos profundo
15	75,737	0.90	200	263	Tiro Rayas norte
Sub Total	**823,522**	**1.81**	**182**	**309**	
Yellow Blocks – Unclassified material based on diamond drilling					
16	31,997	2.80	144	340	Guanajuatito profundo
17	34,443	1.96	196	333	Valenciana profundo
18	31,838	0.90	177	240	Cata-Valenciana Profundo
Sub Total	**98,278**	**1.89**	**173**	**305**	
Total	**1,077,470**	**1.81**	**185**	**312**	

Source: Great Panther 2018

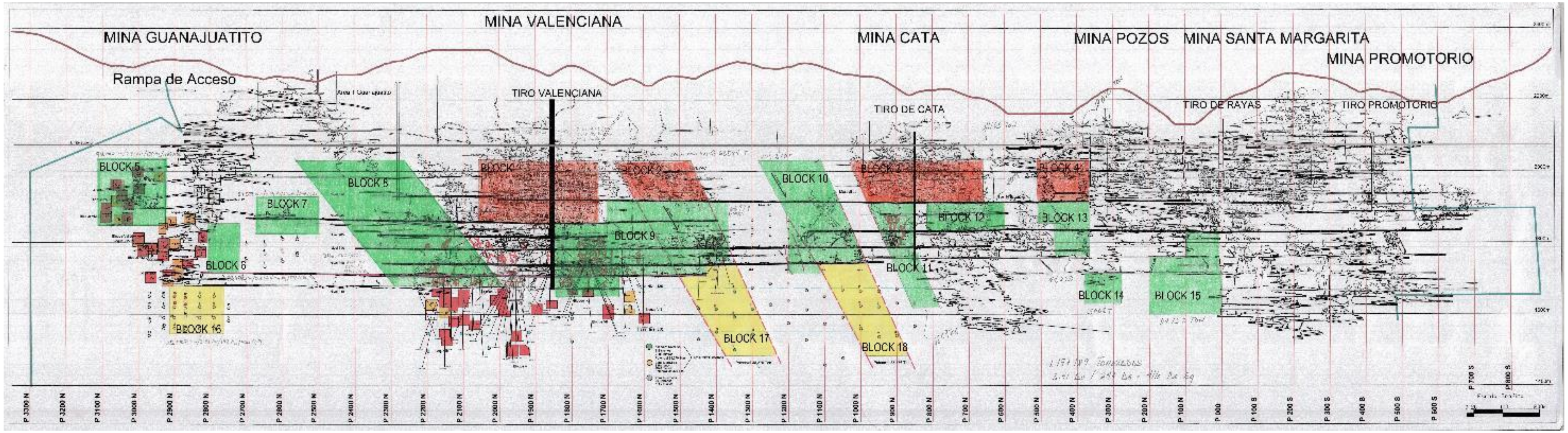


Figure 27: Guanajuato mine long section showing location of unclassified material blocks listed in Table 17.

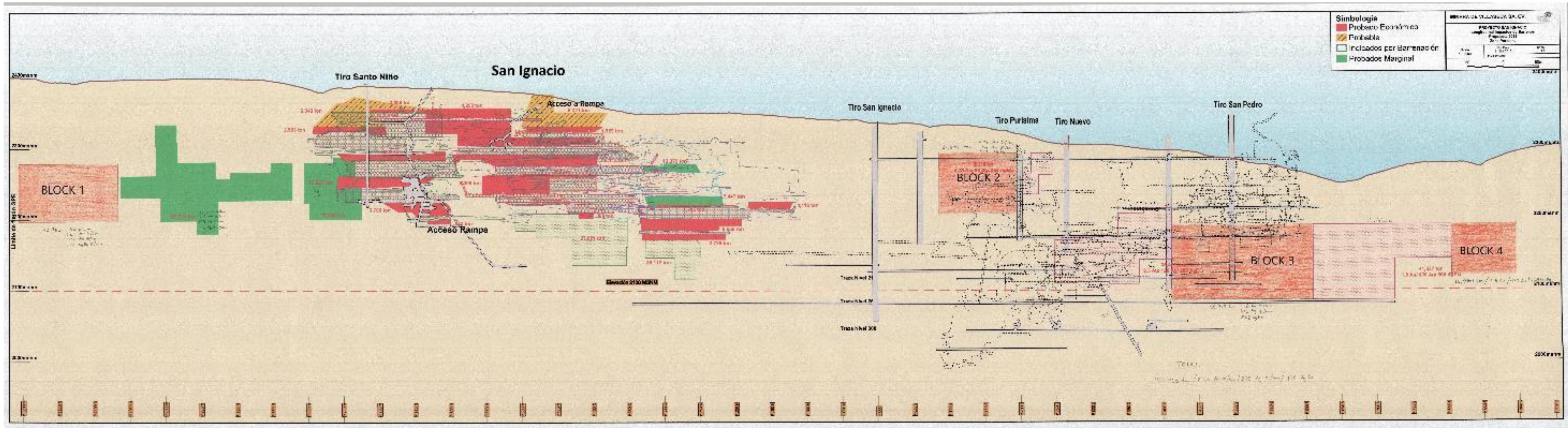


Figure 28: San Ignacio mine long section showing location of unclassified material blocks listed in Table 19

Table 19: San Ignacio mine unclassified material

Block No	Tonnes	Au (g/t)	Ag (g/t)	AgEq (g/t)	Area
1	42,765	2.60	195	377	NDD
2	37,587	4.25	56	354	Melladito
3	55,717	1.8	435	561	Purisima
4	16,884	1.8	435	561	Purisima
Total	**152,953**	**2.63**	**275**	**459**	

Source: Great Panther 2018

CSA Global, based on discussions with Great Panther, its site visit to GMC and its own technical assessment of the GMC operations, endorse Great Panther's view that there has been a sufficient body of evidence based on the historical conversion rates of the deposits to assume that significant amounts (75% to 85%) of the unclassified material will convert to Mineral Resources with additional exploration. Furthermore, CSA Global is of the opinion that the combined modern exploration data acquired by Great Panther and the older collected body of work dating back to the 1800s also lends confidence to this assumption.

- Whilst the inclusion of Inferred and unclassified resources in mine plans are not typically seen in modern Australian assets, we note that it is quite common in this part of Mexico which leads the world production of silver. The production of minerals from blind zones and fast conversion rates of Inferred Resources into production is quite common in this jurisdiction, and in other jurisdictions where deep, narrow vein hosted high grade mineralisation is more common. CSA Global also notes that this approach is used for internal planning purposes in a small number of deep mines in Australia where there is a long history of mining, for example the Roseberry lead zinc mine in Tasmania, and the Mt Isa copper mine in Queensland.
- The distinguishing features of this specific mining geology that enables mining from Inferred Resources and Unclassified Materials are as follows:
    - Geological continuity, the mineralising veins are very well understood, and have excellent grade continuity over a long strike length (Figures 3-5);
    - The geological and mineralisation continuity has been tested by closed spaced channel sampling in underground development and diamond drilling
    - The veins and structures hosting the mines have been mapped extending on the several kilometre scale.
    - The relatively high grade of the silver mineralisation (approximately 600 g/t or ppm) provides greater abundance of metal. Compared to the typical occurrence of gold mined underground in similar setting (approx. 5-6 g/t Au is economic), this greater abundance of silver, makes it easier to follow the mineralisation.
- CSA Global has completed a site visit, confirming geological continuity, operating history, and other key inputs to the DCF model.

However, in CSA Global's professional opinion the unclassified material should not be included within the life-of-mine plan forming the basis of Deloitte's income-based DCF valuation and should be valued separately. The current Australian public disclosure regime precludes the valuation of unclassified material by income methods, given the absence of a classification for tonnes/grades fails to provide reasonable grounds to support an income-based valuation. However in the case of GMC and Topia, CSA Global notes that most (approximately 74%) of the unclassified material has a robust internal classification system, based on well-established historical underground workings, geology, drilling, underground face sampling and mapping (refer to Section 3.7.2 and Section 4.7.2). In CSA Global's professional view, the well-defined unclassified material represents significant value within the GMC and Topia mine operations for the following reasons:

- Great Panther are aware of the existence of the mineralised material based on detailed historical information, and plan to mine this material using their current mining methods, equipment, and plant infrastructure.
- Great Panther have a documented history of successfully finding, proving, and mining this type of material.
- The location and grade of the material is known from the historical workings, but Great Panther is not able to accurately predict the degree of depletion from the historical workings prior to accessing and sampling the historic workings.
- The internal mine classifications, that do not directly correspond with the JORC Code classifications for public disclosure, are nonetheless systematic, repeatable, evidence-based, and demonstrably underpinning mine production and planning.

CSA Global, based on discussions with Great Panther, its site visits to the operations and its own technical assessment of the operations, endorse Great Panther's view that there has been a sufficient body of evidence based on the historical conversion rates of the deposits to assume that significant amounts (75% to 85%) of the unclassified material will convert to Mineral Resources with additional exploration as required. Further, CSA Global is of the opinion that the combined modern exploration data acquired by Great Panther and the older collected body of work dating back to the 1800s also lends confidence to this conclusion.

CSA Global has elected to value the unclassified material based on the probability of successful conversion of this material to higher categories of mineralisation confidence. The probability of success is a valuer's call, based on the historical success rate exhibited by Great Panther's staff and the Qualified Person of between 75-85% (R Brown, pers. comm 2018) over the 13+ years that Great Panther have been mining at GMC and Topia.

3.7.3 GMC Mining History

The GMC production history on a calendar year basis from 2006 to 2017 is presented in Table 20 with graphs showing production and Mineral Resources for silver and gold in Figure 29 and Figure 30 respectively from 2009 to 2017.

Table 20: Guanajuato Mine Complex production history

Year	Tonnes Milled	Grade Ag (g/t)	Grade Au (g/t)	Ag Produced (oz)	Au Produced (oz)
2006	86,111	58	0.55	105,480	988
2007	203,968	113	0.86	521,225	3,794
2008	155,079	203	1.40	848,083	5,488
2009	138,517	275	1.79	1,019,751	6,748
2010	144,112	249	1.61	1,019,856	6,619
2011	169,213	199	1.52	959,490	7,515
2012	174,022	199	2.02	1,004,331	10,350
2013	221,545	169	2.31	1,079,980	15,063
2014	267,812	161	2.03	1,239,009	15,906
2015	309,944	192	2.35	1,708,061	21,126
2016	320,903	163	2.43	1,473,229	21,626
2017	319,963	151	2.41	1,386,964	21,501

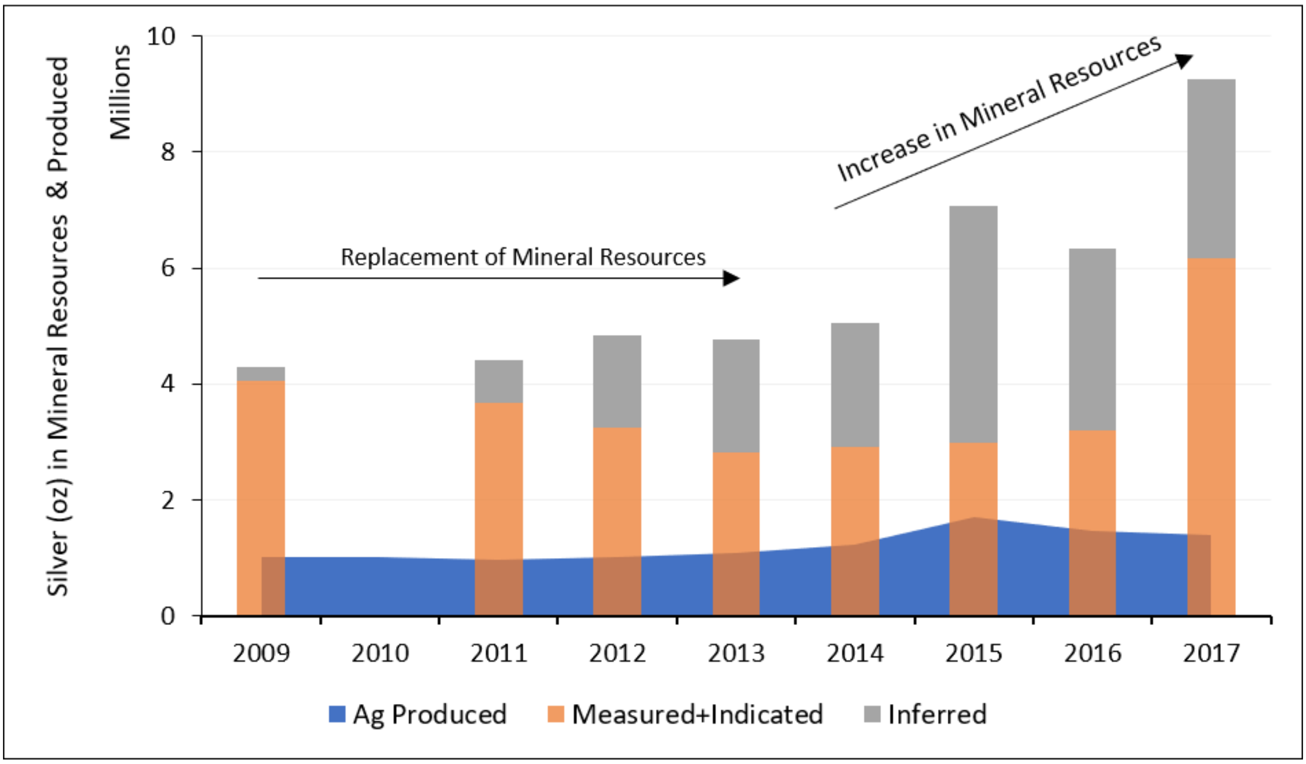


Figure 29: GMC silver production and reported Mineral Resources year on year
Source Data: Great Panther (2009, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018), Wunder (2018), Brown (2012, 2015, 2016 and 2017)

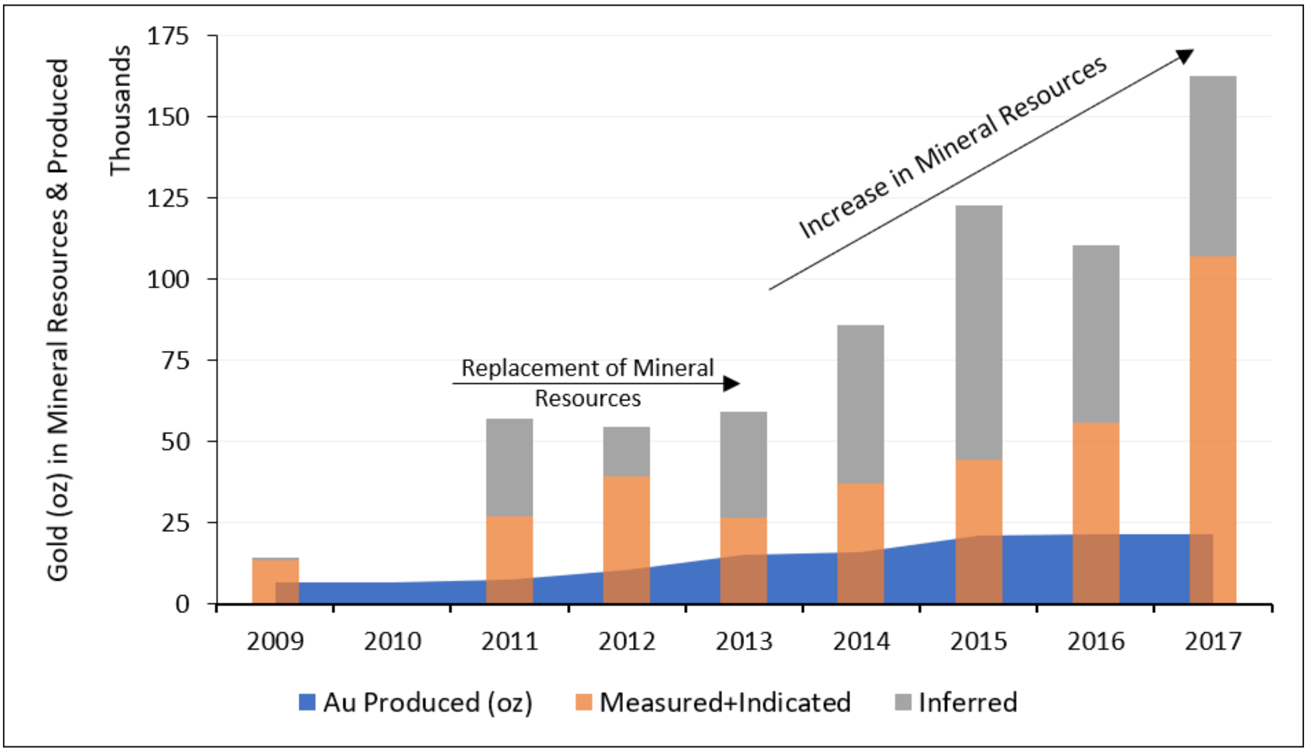


Figure 30: GMC gold production and reports Mineral Resources year on year
Source Data: Great Panther (2009, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018), Wunder (2018), Brown (2012, 2015, 2016 and 2017)

The GMC has a history of mining unclassified material. In Brown (2017) it states that

"…53,974 tonnes of material mined between August 1, 2015 to August 31, 2016 was outside the stated Mineral Resource. This is approximately 35% of the total production in the same period of 154,064 tonnes. A large part of the mined material outside the Mineral Resource was from areas of Geological Potential".

In Figure 31 the recent mining history at GMC is presented showing the percentage of tonnes mined using Great Panther's internal material classification system. It shows that approximately 84% of material mined was 'Probado' equivalent to Measured and Indicated, 8% was 'Probable' equivalent to Inferred and 8% was 'Indicado' equivalent to unclassified.

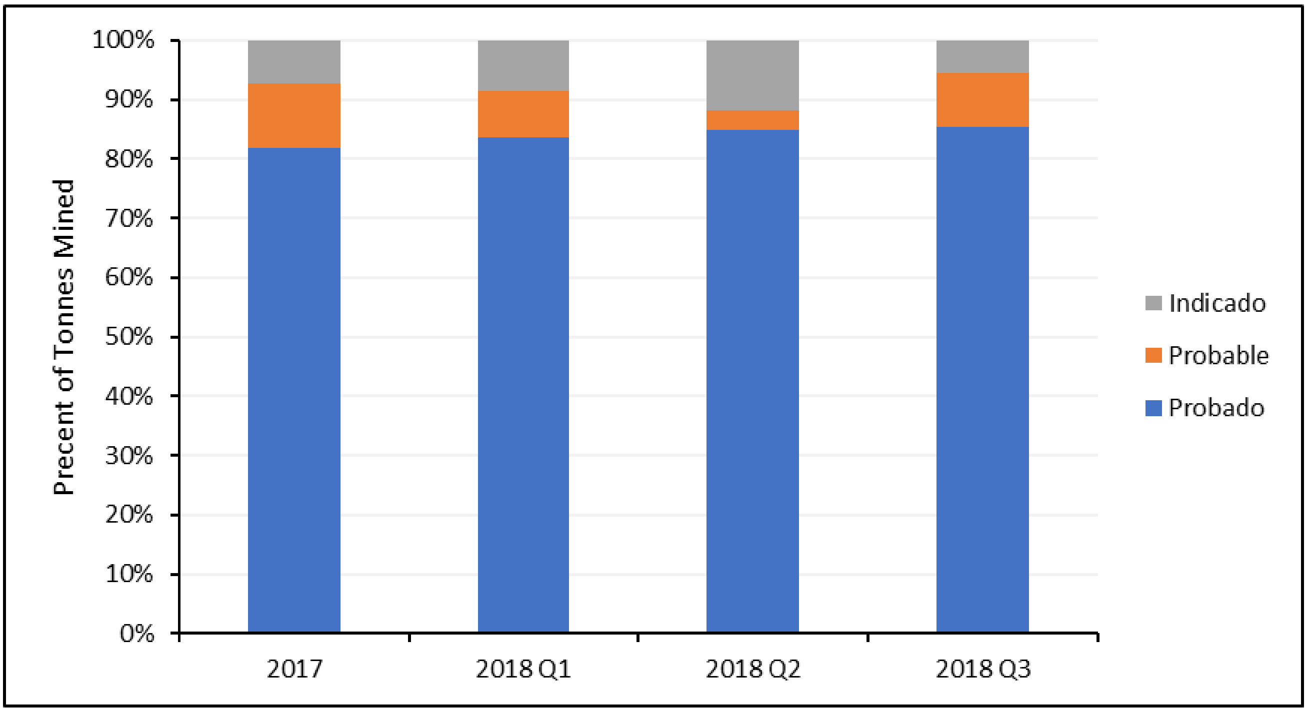


Figure 31: GMC recent mining history percent of tonnes mined by internal classification system

3.7.4 GMC Ore Reserves

Great Panther last estimated Mineral Reserves (Canadian Reporting Standard equivalent to Ore Reserves in accordance with the JORC Code 2012) in 2011, but they have now been depleted. Great Panther has not established Ore Reserves at the GMC due to the following reasons:

- Establishment of Measured and Indicated resource estimates only with associated development, sampling, and mining in the mineralised zones;
- Geological nature of the deposit type and mineralised zones; and
- Associated costs of third-party Mineral Reserve estimation when Great Panther is already in production from these zones

Great Panther has made production decisions to enter production at the GMC at both the Guanajuato Mine (2006) and the San Ignacio Mine (2013). Great Panther has not based these production decisions on any feasibility study of Mineral Reserves demonstrating economic and technical viability of the mines. Thus, there may be increased uncertainty and risks of achieving any level of recovery of minerals from the mines at the GMC or the costs of such recovery. As the GMC, does not have established reserves, Great Panther faces higher risks that anticipated rates of production and production costs will not be achieved.

3.7.5 Underground Mining

Typically, all zones at the GMC are extracted by the Cut and Fill mining method. A brief description of the Cut and Fill mining method is as follows:

An access ramp approximately 3.5 m (width) by 3.5 m (height) is located at the bottom of the vein, from which development drifts are advanced along the zone to open headings at the mine blocks. Sub-levels off the access ramp are between 20 m and 35 m apart with attack drifts to the zone averaging from 20 m to 40 m in length.

Overall development in ore is completed with either jack-leg drills or a 16 ft Jumbo. 3.5 yard and 4.0-yard ScoopTrams are used for ore handling with either 10 t or 18 t trucks used to transport the ore. Ore transported from the San Ignacio mine to the Guanajuato plant is by conventional 20 t trucks.

Evidence gained from the site visit is included hereunder and augment the preceding information:

> *Guanajuato Mining Complex uses cut-and-fill stoping with multiple jacklegs drilling uppers; mucking is carried out utilising LHDs. Ore is hoisted through the Rayas vertical shaft at Guanajuato, whereas San Ignacio has ramp haulage.*
>
> *Systematic ground support is not installed in the majority of the mining areas. Where ground support is required, split sets are used, and are sometimes used in combination with grouted rebars. Great Panther Silver initiated the use of rock bolting in the Guanajuato Mining Complex.*
>
> *CSA Global visited the Guanajuato mines and the processing plant in the city of Guanajuato, as well as the adjacent tailings storage area. The six zones at Guanajuato (GTO) are six historical mines located along a mineralised zone in excess of 2 km. Today, GTO operates as a single mine with access from one end to the other. The Rayas shaft is 11.4 m in diameter about 325 m in depth, was sunk by hand during the colonial era, and encompasses a modern hoisting system for the removal of run-of-mine ore. (The shaft is large because, in the Spanish era, there were seven hoists powered by mules walking in circles). The Valenciana Shaft is over 500 m deep, 11m in diameter, and was also sunk without the use of rock drills. Personnel access to the shaft station is via an adit.*
>
> *Silver mining in Guanajuato has persisted for over 400 years and it is reasonable to assume that mining will continue for some time. Great Panther Silver has been drilling, and adding resources, deeper than current workings, and has concluded that mineralisation is likely to taper off at depth. Great Panther Silver is presently exploring and developing shallower zones that were not mined by the Spaniards or by the previous Cooperativo. Ore veins in the Guanajuato mine complex, are associated with the Veta Madre (Mother Lode). The Veta Madre is always present, but has little economic mineralisation.*
>
> *The San Ignacio concession is some distance away from the Veta Madre. San Ignacio Mine is part of the GMC, although it is located away from the Guanajuato mine complex. For this reason, ore is hauled some 28 km to the processing plant situated in the city of Guanajuato. Great Panther Silver expect to extend the San Ignacio mineral resources but acknowledge that the concession is relatively small and surrounded by the Endeavor and Peñoles concession.*
>
> *Explosives usage comprises ANFO and NONELS, with stick "Gelignite" or packaged emulsion utilised as primers.*
>
> *Ramps and hauls levels within the Guanajuato mine complex are developed using single-boom jumbo drills, and mucked by LHDs of various capacities.*

3.7.6 Processing

Ore from the Guanajuato Mine is being treated on site at the plant. Great Panther have operated the metallurgical plant since 2006. The processing plant uses conventional crushing, grinding, milling, flotation, and concentrate dewatering circuits to generate sulphide concentrates containing silver and gold, which are sent offsite for smelting and refining (Figure 32).

Presently, the mill at the Guanajuato Mine processes mined mineralisation from both the Guanajuato Mine and the San Ignacio Mine. The mill is currently operating at a rate of approximately 320,000 tpa. It has been processing material from the Guanajuato Mine since 2006 and, has been processing material from the San Ignacio Mine since late November 2013. Blending of the Guanajuato & San Ignacio material began in July 2016 and the processing (milling) of the blended ore continues to date. CSA Global finds the processing flowsheet for the Guanajuato mine to be acceptable to support the inputs for valuation.

3.7.7 GMC Depleted Mineral Resources

CSA Global has estimated the GMC depleted Mineral Resources as at 30 September 2018 (Table 21). CSA Global have used information provided by Great Panther to deplete the most recent Mineral Resource dated 31 August 2018.

Table 21: GMC depleted Mineral Resources

Category	Tonnes	Grade Ag (g/t)	Grade Au (g/t)	Ag (oz)	Au (oz)
Measured & Indicated	1,213,324	155.74	2.74	6,075,391	106,754
Mining Depletion	279,529	151.93	2.26	1,365,429	20,334
Depleted Measured & Indicated	**933,795**	**156.88**	**2.88**	**4,709,962**	**86,420**
Inferred	732,277	131.30	2.35	3,090,137	55,343
Mining Depletion	26,816	151.93	2.26	130,989	1,951
Depleted Inferred	**705,461**	**130.47**	**2.35**	**2,959,148**	**53,392**

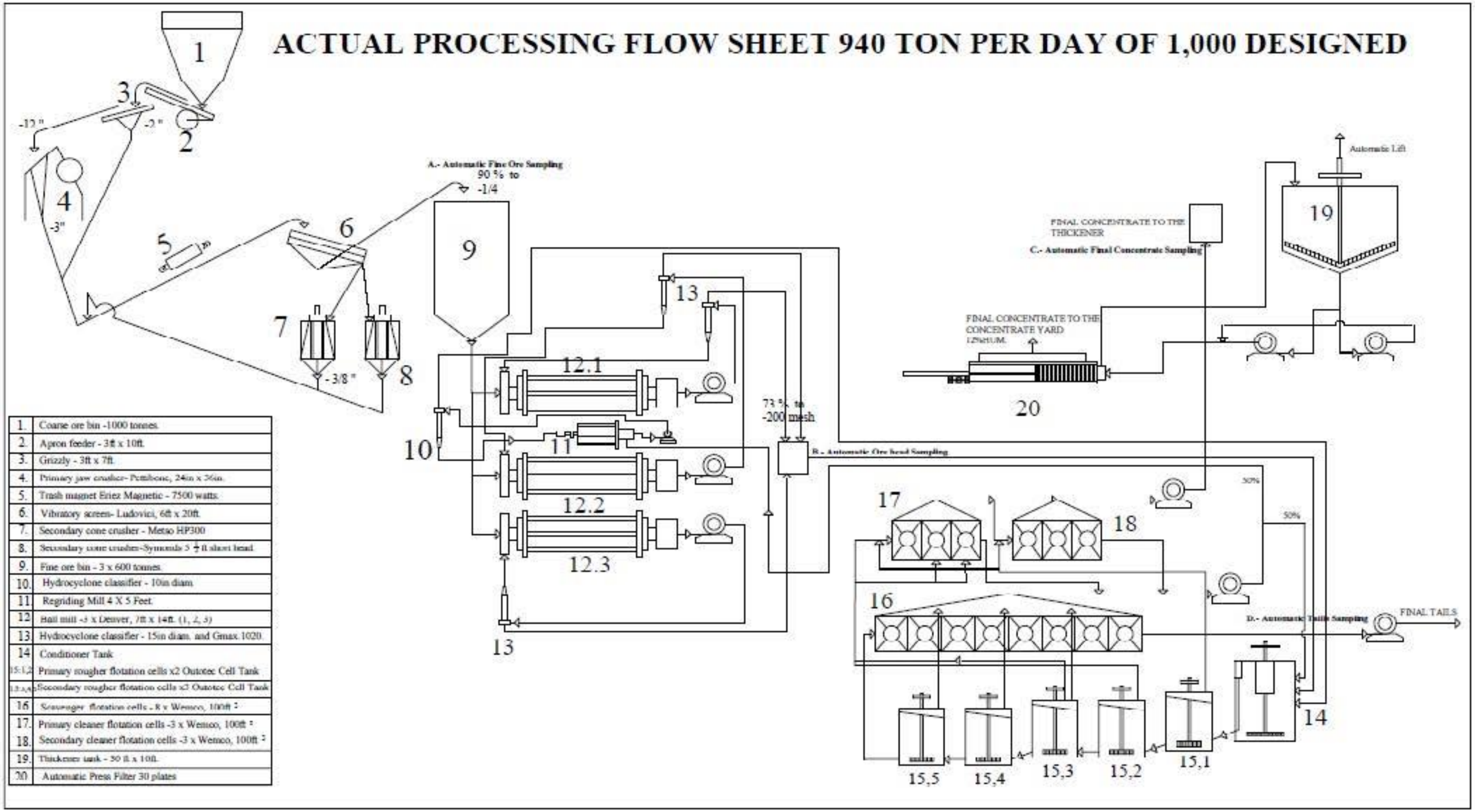


Figure 32: Guanajuato processing plant flow sheet

Source: Great Panther 2018

3.8 Mining Technical Inputs

3.8.1 Capital Costs

Capital expenditure is grouped under three distinct areas:

- Exploration & Development
  - Mine development
  - Exploration development
  - Exploration drilling
- Sustaining Capital
  - Plant and equipment
  - Other
- Closure costs

Great Panther use similar activity-based structures to estimate operating and capital expenditures for budgeting purposes, Table 22.

Table 22: San Ignacio Capital Development Budget Costing (MXN/Unit)

Element/Activity	MXN/Unit
Conventional Raise 1.5 x 1.5 m – CMD-San Ignacio	m
Drifts, Ramps and Crosscuts – 2.5 x 2.5 m – CMD-San Ignacio	m
Drifts, Ramps and Crosscuts – 3.0 x 3.0 m – CMD-San Ignacio	m
Drifts, Ramps and Crosscuts – 3.5 x 3.0 m – CMD-San Ignacio	m
Underground Haulage with Trucks (0 to 500 m) – CMD-San Ignacio	m^3
Underground Haulage with Trucks (501 to 1,000 m) – CMD-San Ignacio	m^3
Underground Haulage with Trucks (1,001 to 1,500 m) – CMD-San Ignacio	m^3
Underground Haulage with Trucks (over 1,501 m) – CMD-San Ignacio	m^3
Underground Haulage with Scooptram (0 to 200 m) – CMD-San Ignacio	m^3
Underground Haulage with Scooptram (over 201 m) – CMD-San Ignacio	m^3
Loading Trucks Underground – CMD-San Ignacio	m^3
Dywidag Bolting 5/8" x 2.4 m – CMD-San Ignacio	pcs
Split Bar Bolting 2.4 m – CMD-San Ignacio	pcs
Cable Bolting 5/8" x 4.0 m Injected with Cement – CMD-San Ignacio	pcs
Mesh Installation 1.5 x 3.0 m – CMD-San Ignacio	m^2
Slashing in Waste – CMD-San Ignacio	m^3

Similarly, estimates for sustaining Physical Assets identify specific items for the year ahead, and specific months in which to make the expenditure, Table 23. However, Great Panther, as for many businesses, delay expenditure in times of cash shortage or over budget operating expenditures.

The approach to capital estimation is judged to be reasonable, but is likely to be subjected to unplanned capital spending, as unexpected purchases arise during the course of any given production year, as observed in the documentation presented by Great Panther for the purposes of this work. For this reason, it is suggested that a contingency of 10% be added to the capital budget – of both properties.

Table 23: GMC Sustaining Capital Budget 2018

GMC - Physical Assets - PPE Capex	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
GTO Maintenance Equipment (excl. San Ignacio) - SAUL												
Overhaul scoop 205 (9206 hrs septiembre)	33,810	14,134	11,000	-	-	-	-	-	-	-	-	-
Overhaul scoop 353 (9502 hrs septiembre)	15,000	116,813	53,327	1,572,817	10,362	-	-	-	-	-	-	-
Overhaul scoop 402 (9664 hrs septiembre)	-	-	-	-	-	-	-	-	-	-	-	-
Overhaul scoop MTI 270 (12422 hrs septiembre)												
Overhaul scoop 352 (12100 hrs septiembre)												
Overhaul retroexcavadora 02 (14594 hrs septiembre)												
2 compresor para taller (30 hps)												
4 capsulas de freno para scoop 351, 351 o 353												
Motor Recosntruido CAT C9												
GTO Mining Equipment (excl. San Ignacio) - RICARDO												
Bomba Flight 60 HP												
Bombas Flygt 140 HP General												
Ventilador Zitron Zvn-1-12-86/4												
Ventilador Zitron Gel 7-42/2												
Rodase Pump												
Ventiladores De 75 Hp												
2 Camiones TORINOS												
Tuberia de bombeo tiro de Cata (reposición)												
2 pick up trucks for Explorations (required investment to keep licences)			734,310									
San Ignacio Maintenance Equipment - SAUL												
Motor BF8-4|3 deutz, para scoop 351, 352 0 353	-	-	-	-	-	-	-	-	-	-	-	
Motor BF6.914 deutz para scoop 203. 204 o 205	-	-	-	-	-	-	-	-	-	-	-	
Maquina para soldar de 600 amp	-	-	-	-	-	-	-	-	-	-	-	
Motor electrico Jumbo 75 hps	-	-	-	-	-	-	-	-	-	-	-	
Caja para Torino completa	-	-	-	-	-	-	-	-	-	-	-	
GTO-2016-NP-003 Eqpo y Software trazabil	-	-	-	-	-	-	-	-	-	-	-	
Bomba 60 hps, para desague minero, 500 gal/min a 300 pies	464,655	-	-	-	-	-	-	-	-	-	-	
Bomba 30 hps, para desague minero, 150 gal/min a 210 pies	206,763	-	-	-	-	-	-	-	-	-	-	
Overhaul scoop 601 (16,500 hrs aprox a Marzo del 2018)	-	-	-	-	-	-	-	-	-	-	-	
Overhaul scoop 205 (13500 hrs en agosto del 2018)	-	-	-	-	-	-	-	-	-	-	-	
SHE - LUIS												
Polaris	-	-	-	-	-	-	-	-	-	-	-	-
Auto rescatadores - Lamparas Mineras	- 368,283	-	-	-	-	-	-	-	-	-	-	-
Equipamiento de Cuadrilla de Rescate	-	-	-	-	-	-	-	-	-	-	-	-
Estación de Gas Fetido	-	-	-	-	-	-	-	-	-	-	-	-
50 autorrescatadores para refugios mineros	-	-	-	-	-	-	-	-	-	-	-	-
10 radios fijos para Refugios e instalaciones de emergencia y ambulancia	-	-	-	-	-	-	-	-	-	-	-	-
Ambulancia Rayas	-	-	-	-	-	-	-	-	-	-	-	-
Rehabilitacion de refugio minero	-	-	-	-	-	-	-	-	-	-	-	-
GTO-2017-NP-009 Ambulancia	-	400,000	-	-	-	-	-	-	-	-	-	-

CSA Global Assessment

The Great Panther DCF model is based upon the forward projection of the current budget year in terms of both expenditure and income. The income is generated from the mining of numerous veins which invariably change their geometry along strike and down dip. Different veins would be mined over the course of the DCF model, with different characteristics requiring different exploration development and drilling programmes. It would be difficult to plan their extraction with the current state of geoscientific knowledge. The DCF model tonnes and grade are thus based on an expected combination of tonnes and grades from the available veins. In other words, a broad-based estimate, which given the circumstances is acceptable practice.

Given the nature of the capital expenditure – which is related to supporting the needs of first year's stoping operation – and then projected forward for the following years, unrelated to specific veins – it would be difficult to ascertain any detailed requirement of the future veins supporting the output. It thus makes sense to factor the capital expenditure on a per tonne basis for the following years to cover all the resource categories.

CSA Global find the approach used to model the DCF to be suitable for the purpose of valuation.

3.8.2 Operating Costs

Actual operating expenditures reported in company presentations and the 2018 Master File Production Report, (an Excel based Budgeting tool), it can be seen that GMC mining costs have risen significantly over the course of the current year, Table 24 and Table 26.

Table 24: GMC Actual Costs – 2018 Master File Production Report – MXN $/t – January 2018 to May 2018

Process	Jan-18	Feb-18	Mar-18	Apr-1	May-18	Actual Ave.	Budget Ave.	Actual vs Budget
Mining	1,043	1,320	1,299	1,374	1,369	1,281	1,103	116%
Milling	280	223	243	280	296	264	236	112%
Admin	487	369	425	454	423	432	342	126%
MXN $/t	1,810	1,912	1,968	2,108	2,088	1,977	1,682	118%

At the end of 2017, overall direct mining costs for GMC were 10% higher against budget and were projected to be 5% higher for 2018. Revision of the budget and production reports for GMC – (GTO mines & San Ignacio mine) – indicates a rising unit cost and shortfall in meeting tonnage expectations, Table 25.

Table 25: GMC Performance end September 2018 (2018 – 9 months actual + 3 months forecast)

Factor	Actual	Budget	Comments
Production tonnes	312,109	328,290	Resources estimate adrift
Silver oz.	1,233,764	1,600,010	Reduced Silver – more tonnes from lower grade San Ignacio
Gold oz.	19,785	17,819	
Exploration m GTO Exploration m SI	19,176 10.149	13,877 9,129	Valenciana – increased m drilled Increased m drilled – related to higher tonnes output
Total Opex MXN/t	2,265	1,630	Lower tonnes mined; increased electricity cost; more development
Capex MXN 000s	7,718	8,315	Less exploration development and drilling – to reduce expenditure

All the process unit costs have increased in 2018 – mining, milling and administration, Table 26.

Table 26: GMC Total Operating Expenditure (MXN $/t) – September 2018

Process	Actual 2018	Budget 2018	Actual vs Budget
Mining	1,478	1,105	134%
Milling	280	234	120%
Administrative	507	349	145%
MXN $ /t	2,265	1,688	134%

It would be advisable for Great Panther Silver to interrogate in detail all the GMC mine site costs and implement a LEAN[5] approach to the way that activities are performed, for such a rising trend is likely to be unsustainable.

In addition, increased electricity costs (from MXN$/kWh 2.09 to 2.81), can be expected to increase both the milling and mining unit costs, related to the power demand from the milling activity, and for the mine: compressed air, hoisting and ventilation costs, Table 27.

Table 27: Electricity Costs – 3rd Quarter 2018

2018	Jolula		Hacienda de Bustos		Totals		Unit cost
Month	kWh	MXN $	kWh	MXN $	kWh	MXN$	MXN $/ kWh
July	39,903	95,559	952,046	1,977,230	991,949	2,072,789	2.09
August	38,056	102,156	940,984	2,186,345	979,040	2,288,501	2.34
September	36,030	96,204	871,479	2,456,520	907,509	2,552,724	2.81

It is evident from the budget file provided by Great Panther Silver, that the structure for performing the budget cost estimation process is appropriate for the task in hand, Table 28 and Table 29.

Table 28: San Ignacio Direct Mining Budget Costing

Element/Activity	MXN/Unit
Conventional Raise 1.5 x 1.5 m – Production – Opex-San Ignacio	m
Drifts, Ramps and Crosscuts – 2.5 x 2.5 m – Production – Opex-San Ignacio	m
Drifts, Ramps and Crosscuts – 3.0 x 3.0 m – Production – Opex-San Ignacio	m
Drifts, Ramps and Crosscuts – 3.5 x 3.0 m – Production – Opex-San Ignacio	m
Stoping – Cut and Fill – Production – Opex-San Ignacio	m^3
Stoping – Narrow Vein – Production – Opex-San Ignacio	m^3
Underground Haulage with Trucks (0 to 500 m) – Production – Opex-San Ignacio	m^3
Underground Haulage with Trucks (501 to 1,000 m) – Production – Opex-San Ignacio	m^3
Underground Haulage with Trucks (1,001 to 1,500 m) – Production – Opex-San Ignacio	m^3
Underground Haulage with Trucks (over 1,501 m) – Production – Opex-San Ignacio	m^3
Surface Mine to Plant Trucking (+22,000 m) – Production – Opex-San Ignacio	WMT
Underground Haulage with Scooptram (0 to 200 m) – Production – Opex-San Ignacio	m^3
Underground Haulage with Scooptram (over 201 m) – Production – Opex-San Ignacio	m^3
Loading Trucks Underground – Production – Opex-San Ignacio	m^3
Track Haulage – Production – Opex-San Ignacio	m^3
Loading Trucks on Surface – Production – Opex-San Ignacio	m^3

[5] A LEAN approach has a focus on identifying, planning, excuting and then closing the loop with review, to achieve an efficient and optimal outcome.

Element/Activity	MXN/Unit
Surface Haulage from Shaft to Stockpile – Production – Opex-San Ignacio	m^3
Inclined Hoisting – Production – Opex-San Ignacio	m^3
Cata Shaft Skipping – Production – Opex-San Ignacio	WMT
Dywidag Bolting 5/8" x 2.4 m – Production – Opex-San Ignacio	pcs
Split Bar Bolting 2.4 m – Production – Opex-San Ignacio	pcs
Cable Bolting 5/8" x 4.0 m Injected with Cement – Production – Opex-San Ignacio	pcs
Mesh Installation 1.5 x 3.0 m – Production – Opex-San Ignacio	m^2
Backfill of Stopes – Production – Opex-San Ignacio	m^3
Slashing in Waste – Production – Opex-San Ignacio	m^3
Labour: Technician and Helper – Production – Opex-San Ignacio	(MXN)
Sampling and Assays – Production – Opex-San Ignacio	(MXN)
Definition Drilling-Opex-San Ignacio	m

It can be seen, from a revision of the cost centres, Table 29, that GMC's approach follows common industry practice in structuring and managing the cost of mine maintenance. Month on month these costs are consistent and demonstrate little variance, the annual cost indicated, comprises 5 months of actual costs and 7 months of forecast.

Table 29: San Ignacio Mine Maintenance Budget (Annual Cost)

Cost Centres	2018 Annual MXN
Workshop	304,647
Hoists	-
Substations	973,182
Drilling	4,845,408
Mucking	6,890,948
Communications	129,250
Compressed Air	612,781
Tracks Haulage	-
Auxiliary Equipment	1,419,601
Pumps	581,606
Ventilation Fans	194,971
Haulage	3,210,408
2018 Total MXN	**19,162,802**

CSA Global Assessment

In its professional opinion CSA Global recommends that GMC's mining operating costs, arising from a revision of budget and corporate reporting presentations, in real 2018 terms be set as follows:

GMC mining costs MXN1,320/t and total site costs of MXN$2,100/t (processing say MXN$280/t and G&A say MXN$500/t).

3.8.3 Metallurgical Inputs

CSA Global undertook a high-level review of the metallurgical inputs into the GMC and Topia mines. The key findings of this review were:

- Annual input milled tonnes are appropriate and in line with historical data and likely performance;
- Head grades are aligned with historical data and are consistent with Mineral Resource grades;
- life-of-mine recovered metal calculations are appropriate and are consistent with historical production data;
- Assigned metal recover inputs are consistent with historical data and are projected for future production and are assumed to be essentially the same as previous results;
- Processing input costs are considered appropriate for GMC
- Topia processing input costs appear to be on the low side at US$25/t, based on the recent years and current 2018 performance and forecast. Given the available data a number closer to US$30/t would be recommended;
- For both GMC and Topia production models, Inferred and exploration tonnages are assumed to extend mine life with the same recovery and product specifications;
- There appear to be little metallurgical test work having been conducted on future ore sources based on the documentation available;
  - No additional Topia test work noted, however the operation has over many years produced relatively consistent results;
  - For GMC, no test work was observed since 2015, however the operation has been running since 2006 and has produced reasonable consistent results from multiple ore sources.
- While the specific projected recovery assumption data could not be verified as there is no test work available on future ore sources, historical performance data would seem to be generally supportive of the assumptions especially with ongoing operational improvements likely.

3.8.4 General and Administration

General and administration costs for the GMC properties are expected to amount to some MXN$125,000,000 for the calendar year 2018, Table 30.

Table 30 GMC Administration Costs – 2018 (5A7F)

Admin Costs	MXN$
Commercial GTO	5,952,248
IT Systems-GTO	4,330,978
Management-GTO	5,153,406
Administration-GTO	17,940,088
Laboratory-GTO	1,932,948
Engineering-GTO	3,837,399
Mine Maintenance-GTO	4,088,152
Warehouse-GTO	3,830,285
Procurement-GTO	2,088,662
Human Resources-GTO	3,905,872
Environmental-GTO	6,419,316
Security-GTO	18,335,426

Admin Costs	MXN$
Planning – GTO	10,354,103
Geology GTO	12,690,483
Safety & Health GTO	11,590,212
Legal Services – GTO	2,322,328
CSR – GTO	4,243,161
Projects	585,885
VP Operations MX	5,139,059
Total Admin Costs	**124,740,012**

Month on month administration costs demonstrate relative stability – apart from higher costs in Engineering, Geology and Safety and Health in January 2018 – and average, more or less MXN$500,000 per month

3.8.5 Closure Costs

The Great Panther Silver estimate of US$2.3 million for mine site closure is reasonable. It is common practice to look for closure activities that may be completed whilst the property is in operation, with a view to minimising the closure budget. But for the purposes of this valuation exercise, the inclusion of a single payment at the point of operations closure is acceptable.

3.8.6 Discussion

In CSA Global's professional opinion, based on its technical assessment of the GMC life-of-mine plan, the inclusion of Inferred classified material within the life-of-mine is justified. CSA Global consider this reasonable for the following reasons:

- Long operating history, area has been actively mined for 400 years and by present company for over 10 years (since 2006); during this time Great Panther has been mining directly from Inferred Resources and unclassified materials.
- Great Panther has a strong history of Mineral Resource replacement and growth year on year (see Figure 29);
- Great Panther has a history of regularly converting and mining Inferred and unclassified material (see Figure 31);
- The mineralising veins have strong geological continuity, with excellent grade continuity over a long strike length; which has been tested by closed spaced channel sampling in underground development and diamond drilling.
- The veins and structures hosting the mines have been mapped extending on the several kilometre scale.
- The relatively high grade of the silver mineralisation provides greater abundance of metal. The greater abundance of silver, makes it easier to follow the mineralisation.
- Mineral Resource estimation conservatively applies top-cuts on input data, to moderate the influence of high-grade outliers in the sample population;
- Great Panther applies economic cut-offs and modifying factors to the Inferred material; and
- CSA Global's site visit confirmed the above points.

Great Panther's strategic decision is that it is not a worthwhile investment to spend additional capital on drilling programs in order to further upgrade the Inferred Resources far ahead of mining, given their high level of confidence in the continuity of the mineralised vein established over a 10 year period of successful mining.

CSA Global Assessment

Whilst the inclusion of Inferred classified resources in mine plans are not typically seen in modern Australian assets, CSA Global notes that it is quite common in this part of Mexico, which leads the world in the production of silver. The production of minerals from blind zones and fast conversion rates of Inferred Resources into production is quite common in this jurisdiction, and in other jurisdictions where deep, narrow vein hosted high grade mineralisation is more common. CSA Global also notes that this approach is used for internal planning purposes in a small number of deep mines in Australia where there is a long history of mining, for example the Roseberry lead zinc mine in Tasmania, and the Mt Isa copper mine in Queensland.

4 Topia Mine

The background information on the Topia Mine has been taken from Great Panther's most recent NI43-101 report by Brown, 2015.

The Topia Mine encompasses several small underground silver-gold-lead-zinc mines and a processing plant with a capacity of 275 tonnes per calendar day (tpd) located in and around the town of Topia, Mexico. The deposits in the Topia area have been mined intermittently since the 16th century. Great Panther purchased the property in 2005, refurbished and re-commissioned the mill, rehabilitated underground workings, and resumed operations. Great Panther has carried out exploration and continues to explore the property.

During 2014 the mill was operating seven days per week at a rate of 210 tpd treating ores from Great Panther's mines as well as from other independent operators. Two separate concentrates were produced, a silver-rich lead concentrate and a zinc concentrate. Plant metallurgical performance was steady in 2014 with metal recoveries of 89.9% for silver, 56.4% for gold, 93.0% for lead, and 92.3% for zinc.

The Topia Mine underground mining operation producing approximately 174 tpd from up to eleven (nine at year end 2014) mines on 40 separate veins using conventional and mechanized mining methods, including resuing (a method of mining used for narrow veins, in which the rock wall adjacent to the vein is removed by cutting or excavating in steps or layer by layer, allowing the ore to be extracted in a cleaner condition). Table 31 summarise the global classified Mineral Resource and Table 35 to Table 38 present the detailed report by vein.

Table 31: Topia Global Mineral Resource Estimate, as at 30 November 2014

Category	T (kT)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Measured	180.4	606	1.44	4.26	4.52
Indicated	166	644	1.17	4.75	3.82
Measured +Indicated	346.2	624	1.31	4.5	4.19
Inferred	357.4	592	1.31	3.44	3.96

Notes:
1. CIM Definitions were followed for Mineral Resources.
2. Measured and Indicated Mineral Resources are reported at a cut-off Net Smelter Return (NSR) of US$180/t.
3. Area-Specific Bulk Densities as follows: Argentina 3.06 t/m³; Don Benito 3.26 t/m³; Durangueno 3.12 t/m³; El Rosario 3.00 t/m³; Hormiguera 2.56 t/m³; La Prieta 2.85 t/m³; Recompensa 3.30 t/m³.
4. NSR cut-offs in US$ include 1522 Mine $167/t, Argentina Mine $197/t, Durangueno Mine $153/t, Recompensa Mine $196/t, Hormiguera Mine $189/t, El Rosario Mine $173/t, and La Prieta $204/t.
5. Totals may not agree due to rounding.
6. A minimum mining width of 0.30 metres was used.
7. Mineral Resources are estimated using metal prices of: US$1,200/oz Au, US$17.00/oz Ag, US$0.90/lb Pb, and US$0.95/lb Zn.

Source: Brown, 2015

4.1 Location and Access

The project is located in and surrounding the town of Topia, Durango State, Mexico, approximately 235 km northwest of the City of Durango, and 100 km northeast of Culiacán, Sinaloa (Figure 33). It is situated in the Sierra Madre Mountains. Ground access is provided via 350 km of paved and gravel road from the city of Durango via Highway 23 to Santiago Papasquiaro, and west to Topia. Small aircraft flights from Culiacán and Durango service the town of Topia daily.

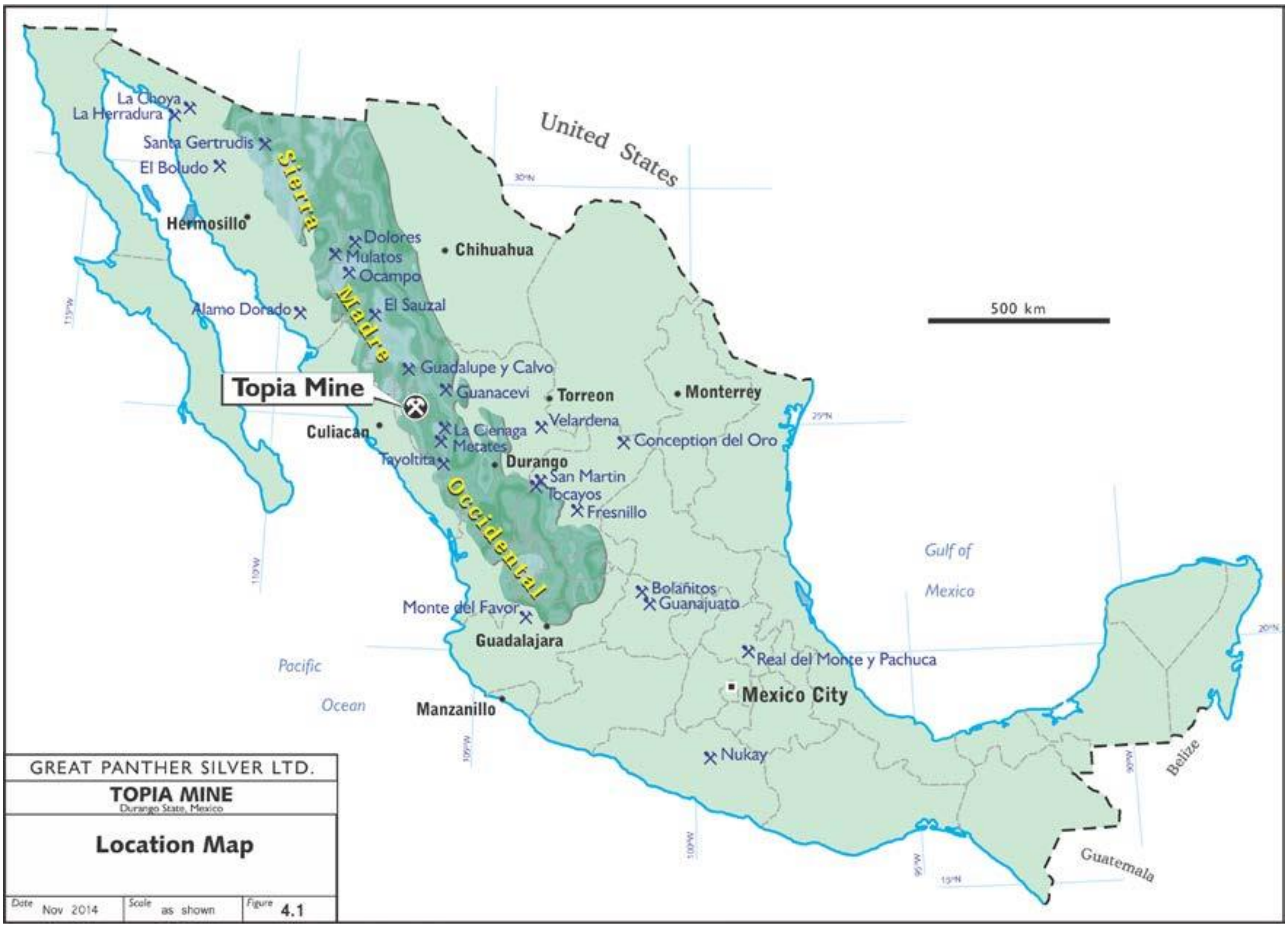
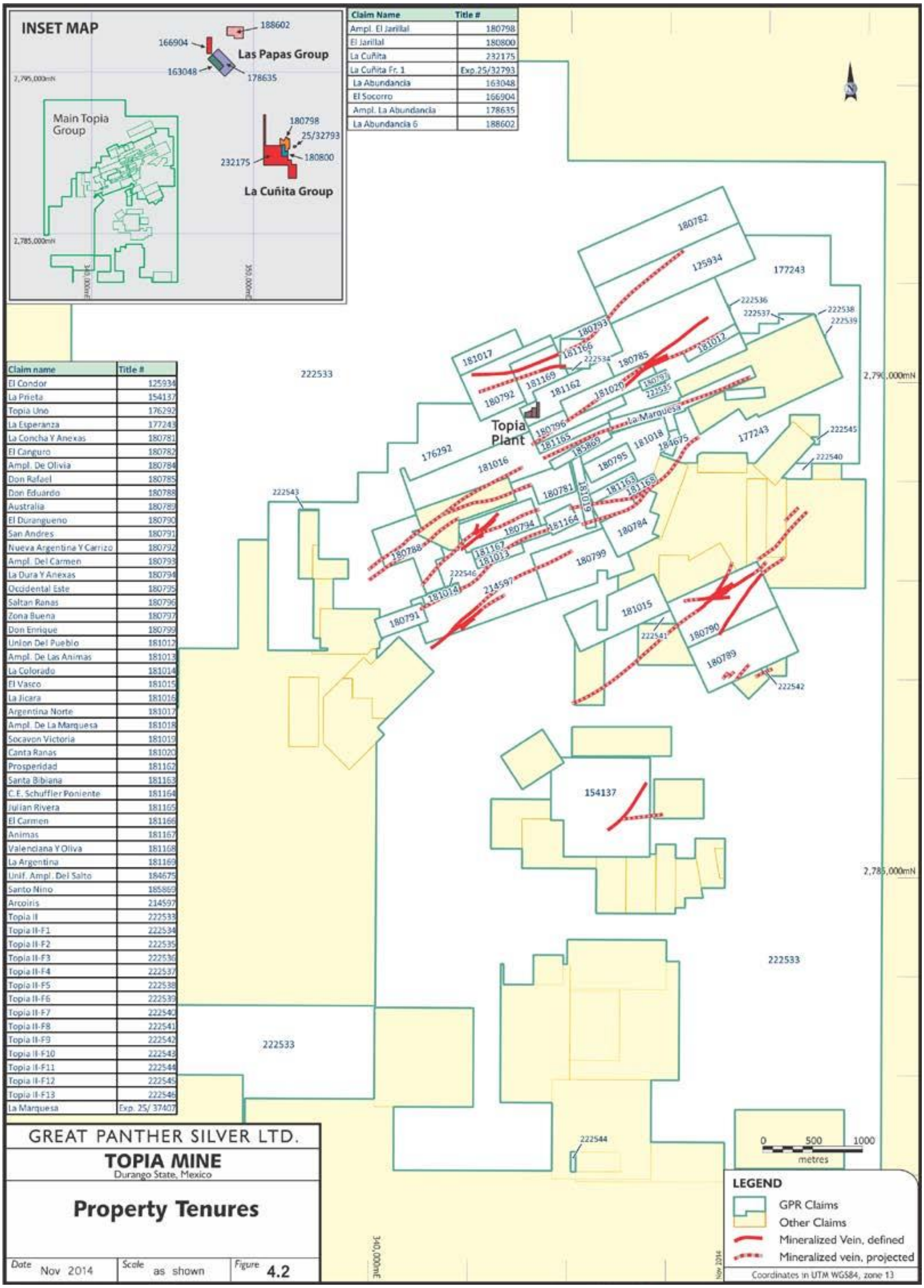


Figure 33: Topia Mine location
Source: Brown, 2015

4.2 Ownership and Tenure

The property comprises 53 contiguous concessions plus six outlier concessions that cover approximately 6,616 ha (Figure 34). Great Panther holds a 100% interest in the property through its wholly owned Mexican subsidiary, MMR. The concessions that comprise the Great Panther holdings at Topia are shown in Figure 34 and a list of the tenures is provided in Table 32.

CSA Global have relied on a recent report by RB Abogados, 5th October 2018, a Mexican law firm based in Mexico City (RB abogados, 2018) to verify Great Panther's tenure, held by Minera Mexicana el Rosario, S.A. de C.V. ("MMR"), which is a Mexican subsidiary of Great Panther. The report concludes that MMR, is the legal recorded and beneficial holder of the mining concessions and that the mining concessions are valid and existing, and their holders can conduct exploration and exploitation works. A single tenement "Topia II Fracc. 9", title 222542, has mining duties owing, but it is anticipated that these duties will be paid. The tenement is 0.3 ha in size and located on the south eastern periphery (please see Figure 34) of the camp. CSA Global consider this issue to be immaterial, and are satisfied that Great Panther has secure tenure.



Claim Name	Title #
Ampl. El Jarillal	180798
El Jarillal	180800
La Cuñita	232175
La Cuñita Fr. 1	Exp.25/32793
La Abundancia	163048
El Socorro	166904
Ampl. La Abundancia	178635
La Abundancia 6	188602

Claim name	Title #
El Condor	125934
La Prieta	154137
Topia Uno	176292
La Esperanza	177243
La Concha Y Anexas	180781
El Canguro	180782
Ampl. De Olivia	180784
Don Rafael	180785
Don Eduardo	180788
Australia	180789
El Durangueno	180790
San Andres	180791
Nueva Argentina Y Carrizo	180792
Ampl. Del Carmen	180793
La Dura Y Anexas	180794
Occidental Este	180795
Saltan Ranas	180796
Zona Buena	180797
Don Enrique	180799
Union Del Pueblo	181012
Ampl. De Las Animas	181013
La Colorado	181014
El Vasco	181015
La Jicara	181016
Argentina Norte	181017
Ampl. De La Marquesa	181018
Socavon Victoria	181019
Canta Ranas	181020
Prosperidad	181162
Santa Bibiana	181163
C.E. Schuffler Poniente	181164
Julian Rivera	181165
El Carmen	181166
Animas	181167
Valenciana Y Oliva	181168
La Argentina	181169
Unif. Ampl. Del Salto	184675
Santo Nino	185869
Arcoiris	214597
Topia II	222533
Topia II-F1	222534
Topia II-F2	222535
Topia II-F3	222536
Topia II-F4	222537
Topia II-F5	222538
Topia II-F6	222539
Topia II-F7	222540
Topia II-F8	222541
Topia II-F9	222542
Topia II-F10	222543
Topia II-F11	222544
Topia II-F12	222545
Topia II-F13	222546
La Marquesa	Exp. 25/ 37407

GREAT PANTHER SILVER LTD.

TOPIA MINE
Durango State, Mexico

Property Tenures

Date Nov 2014 | Scale as shown | Figure 4.2

Figure 34: Topia Mine claim map
Source: Brown, 2015

Table 32: List of Topia Mine claims

Claim Name	Title Number	Area (ha)	Date of Record	Expiry Date
Unificacion Amp El Salto	184675	2.496	10/11/1989	9/11/2039
La Abundancia	163048	40	16/08/1978	15/08/2028
El Socorro	166904	30	25/07/1980	24/07/2030
Topia Uno	176292	220.3144	26/08/1985	25/08/2035
La Esperanza	177243	182.3215	17/03/1986	16/03/2036
Amp La Abundancia	178635	95	11/08/1986	10/08/2036
La Concha Y anexas	180781	13.9913	15/07/1987	14/07/2037
El Canguro	180782	64	15/07/1987	14/07/2037
Ampliacion Oliva	180784	22.7349	15/07/1987	14/07/2037
Don Rafael	180785	100.5081	15/07/1987	14/07/2037
Don Eduardo	180788	28.0084	15/07/1987	14/07/2037
Australia	180789	50	15/07/1987	14/07/2037
El Durangueño	180790	50	15/07/1987	14/07/2037
San Andres	180791	10	15/07/1987	14/07/2037
Nva Argentina Y Carrizo	180792	30	15/07/1987	14/07/2037
Amp El Carmen	180793	15.0711	15/07/1987	14/07/2037
La Dura Y Anexas	180794	23.7507	15/07/1987	14/07/2037
Occidental Este	180795	10	15/07/1987	14/07/2037
Saltan Ranas	180796	14	15/07/1987	14/07/2037
Zona Buena	180797	2.9347	15/07/1987	14/07/2037
Amp El Jarillal	180798	32.08	15/07/1987	14/07/2037
Don Enrique	180799	44.49	15/07/1987	14/07/2037
El Jarillal	180800	18.521	15/07/1987	14/07/2037
Union Del Pueblo	181012	6	14/08/1987	13/08/2037
Amp Las Animas	181013	4.8909	14/08/1987	13/08/2037
La Colorada	181014	3.4894	14/08/1987	13/08/2037
El Vasco	181015	36.7721	14/08/1987	13/08/2037
La Jicara	181016	51.6279	14/08/1987	13/08/2037
Argentina Norte	181017	14	14/08/1987	13/08/2037
Amp La Marquesa	181018	30.6947	14/08/1987	13/08/2037
Socavon Victorias	181019	7.1343	14/08/1987	13/08/2037
Canta Ranas	181020	18.8668	14/08/1987	13/08/2037
Prosperidad	181162	21.918	9/09/1987	8/09/2037
Santa Bibiana	181163	5	9/09/1987	8/09/2037
C.E. Schauffler Poniente	181164	6	9/09/1987	8/09/2037
Julian Rivera	181165	7.9629	9/09/1987	8/09/2037
El Carmen	181166	8.471	9/09/1987	8/09/2037
Animas	181167	8	9/09/1987	8/09/2037
Valencia Y Oliva	181168	11	9/09/1987	8/09/2037
La Argentina	181169	19.1912	9/09/1987	8/09/2037

Claim Name	Title Number	Area (ha)	Date of Record	Expiry Date
Santo Niño	185869	7.0224	14/12/1989	13/12/2039
La Abundancia Seis	188602	62.3293	29/11/1990	27/11/2040
Topia II	222533	4,826.2686	21/07/2004	20/07/2054
Topia II Fracc 1	222534	0.6584	21/07/2004	20/07/2054
Topia II Fracc 2	222535	2	21/07/2004	20/07/2054
Topia II Fracc 3	222536	0.0897	21/07/2004	20/07/2054
Topia II Fracc 4	222537	6.5249	21/07/2004	20/07/2054
Topia II Fracc 5	222538	0.0126	21/07/2004	20/07/2054
Topia II Fracc 6	222539	0.042	21/07/2004	20/07/2054
Topia II Fracc 7	222540	3.7804	21/07/2004	20/07/2054
Topia II Fracc 8	222541	2.4102	21/07/2004	20/07/2054
Topia II Fracc 9	222542	0.2703	21/07/2004	20/07/2054
Topia II Fracc 10	222543	0.1723	21/07/2004	20/07/2054
Topia II Fracc 11	222544	0.9657	21/07/2004	20/07/2054
Topia II Fracc 12	222545	0.4743	21/07/2004	20/07/2054
Topia II Fracc 13	222546	0.4585	21/07/2004	20/07/2054
Arco Iris	214597	100.442	2/10/2001	1/10/2051
La Cuñita	232175	216.8542	2/07/2008	1/07/2058
La Marquesa	245157	24.1228	8/11/2016	7/11/2066

Source: RB abogados, 2018

4.2.1 Royalties and Taxes

See Section 3.2.1.

4.3 Geology

4.3.1 Regional Geology

The Topia district lies within the Sierra Madre Occidental (SMO), a north-northwest-trending belt of Cainozoic-age rocks extending from the US border southwards to approximately 21° N latitude. The belt measures roughly 1,200 km long by 200 km to 300 km wide (see Figure 16). Rocks within the SMO comprise Eocene to Miocene age flows and tuffs of basaltic to rhyolitic composition with related intrusive bodies. The volcanism was associated with subduction of the Farallon Plate and resulted in accumulations of lava and tuffs in the order of one-kilometre thickness. Later Basin and Range extensional tectonism related to the opening of the Gulf of California has resulted in block faulting, uplift, and erosion. Strata within the belt occupy a broad antiform, longitudinally transected by regional scale faults.

4.3.2 Local Geology

The Topia area is underlain by a kilometre-thick package of Cretaceous and Tertiary andesite lavas and pyroclastic rocks which are, in turn, overlain by younger rhyolitic flows and pyroclastics (Figure 35). The andesitic rocks are described as dark purple-grey augite andesite tuffs, agglomerates, and flows, striking southeast and dipping at 25° to the south west. This sequence has been divided into three members, which are, from oldest to youngest, the Santa Ana, El Carmen and Los Hornos (Figure 35). Unconformably overlying these rocks is a 600 m thick carapace of flat-lying rhyolite flows and ignimbrites. These felsic rocks form high cliffs to the north of the town of Topia.

A granodiorite stock of Eocene age is exposed 5 km southwest of Topia. It is accompanied by a propylitic aureole extending outwards for a distance of 4 km, however, it is not considered to be related to the mineralisation in the region. A smaller quartz monzonite intrusive body, measuring 50 m by 100 m, is situated near the Animas vein. This body is hypothesised to be related to a larger, deeper intrusion that is responsible for the epithermal mineralisation.

The volcanic sequence is transected by numerous faults, some of which host the mineralised veins in the district. There are two sets of faults: one which strikes 320° to 340° and dips northeast, the other striking 50° to 70° and dipping steeply southeast to vertically (Figure 35). The northeast-trending faults are the principal host structures for precious and base metal mineralisation. The north-northwest-striking faults are observed to disrupt the vein-bearing structures and are sometimes host to post-ore diabase and rhyolite dykes. These dykes are thought to be feeders to the overlying rhyolitic units.

The mineral deposits in the Topia camp are hosted in steeply-dipping east-northeast-striking fault zones (Figure 35). These fault zones are typically narrow, ranging in width from cm- to decimetre-scale. The widest faults are in the Argentina system, where they are observed to be up to three metres wide and accompanied by gouge and intense clay alteration. They are broadly curvi-planar in shape both along strike and down dip, but more or less straight over short, stope-length distances.

Displacements across these structures are thought by mine geologists to be in the order of 50 m to 100 m, in a normal sense, with some rotational component. The faults branch and anastomose in a classic brittle fracture pattern commonly seen in narrow vein settings. Ore shoots pinch and swell along the trends, but the host structures themselves are observed to be very continuous. The main structures have been traced for as long as four kilometres.

The principal vein systems, from north to south, are the Argentina, Cantarranas / San Jorge / San Miguel, Madre, Don Benito / La Dura, El Ochenta, Animas, Recompensa / Oliva, Las Higueras, Oxi, Oxidada, San Gregorio, San Pablo, El Rosario and La Prieta (Figure 35). Great Panther is currently or has recently carried out exploration and development work or is mining on most of these structures.

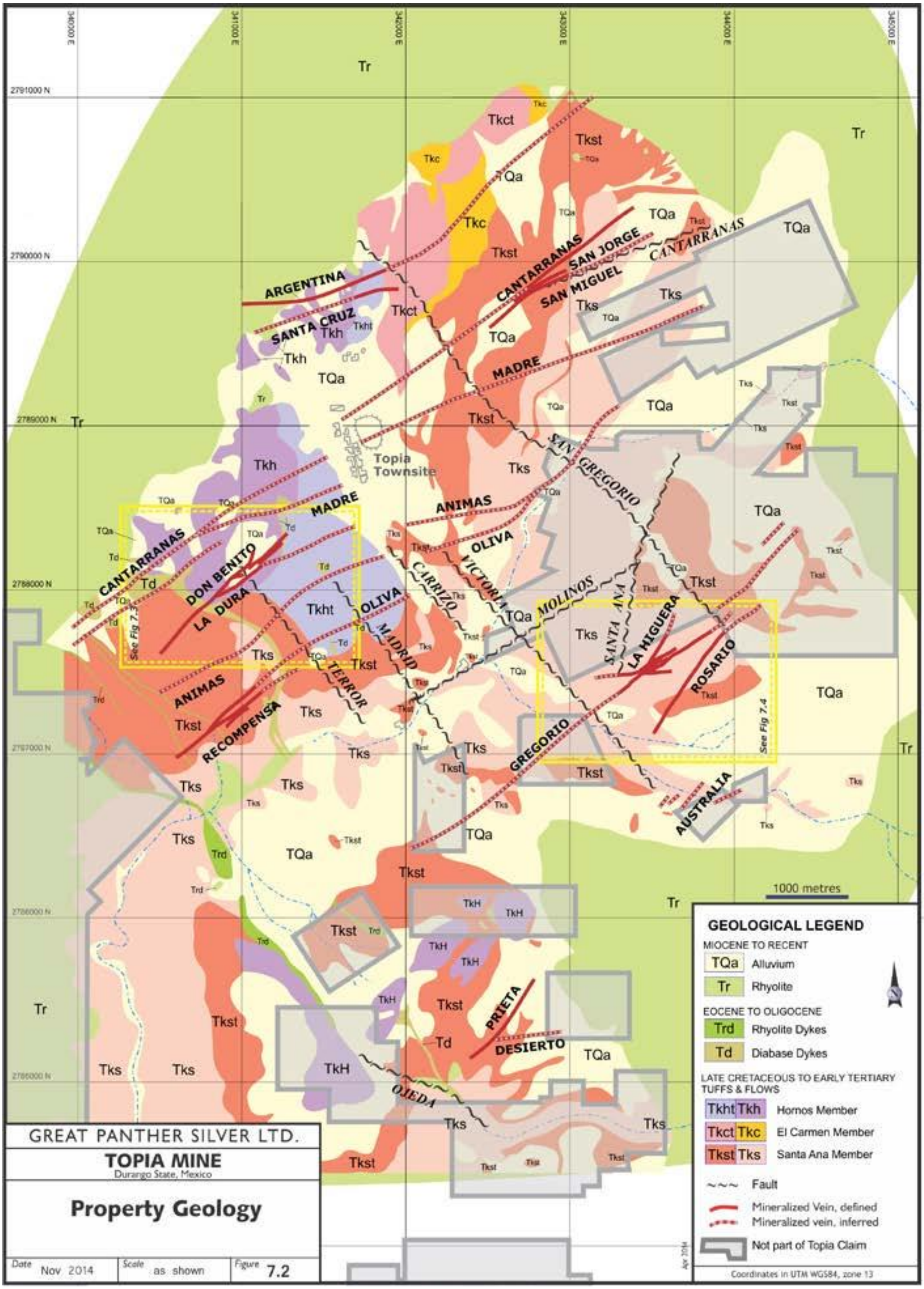


Figure 35: Topia Mine geology

Source: Brown, 2015

4.3.3 Topia Project Mineralisation

The mineral deposits at Topia are adularia-sericite-type, silver-rich, polymetallic epithermal veins. Silver-gold-lead-zinc mineralisation is found in fissure-filling veins along sub-parallel faults cutting andesitic flows, breccias, and pyroclastics.

Mineralisation within the veins consists mainly of massive galena, sphalerite, with lesser pyrite, arsenopyrite, and tetrahedrite in a gangue of quartz, barite, and calcite. The vein constituents often include minor adularia and sericite, and the wider fault zones contain significant proportions of clay as both gouge and alteration products. Ore minerals occur as cavity-filling masses, comprising millimetre-scaled crystals of galena and sphalerite. Some observations on metal zoning include, the lower parts of the mines are reported to contain slightly higher copper-gold content than at higher elevations; high silver grades are associated with higher proportions of base metals; the mines are located over an extreme range of elevations (1,000–1,800 masl) on the Property and that each has vertical limits of mineralisation from 100-200 m with the deeper seated and more southern mines tending to have more arsenopyrite and the more western mines having more pyrite.

The veins range in thickness from a few centimetres to two metres. They are very continuous along strike, with the main veins extending more than 4 km. The Madre vein has been mined for 3.5 km and the Cantarranas vein for 2.4 km. Many of the other veins have been mined intermittently over similar strike lengths. Vertically, the veins grade downward to barren coarse-grained quartz-rich filling and upwards to barren cherty quartz-calcite-barite vein filling. The main host rock is andesite of the Lower Volcanic Series, which is usually competent, making for generally good ground conditions within the mine. In wider sections, with greater clay content and/or zones of structural complexity, ground conditions are less favourable.

The QP's extensive experience and familiarity (Brown, 2018) with geological and mineralisation continuity and controls on mineralisation over the 13-plus years that Great Panther has been mining at Topia, has resulted in a success rate in the order of between 75-85% for hitting grade-bearing intersections when designing and planning drillholes. The mine site staff also have a similar longevity of experience and knowledge of the mine's mineralisation. Collectively, this forms the basis for the internal classification system that is used in the mine to categorise and plan short-term mining production.

Blocks which have not been formally classified in accordance with CIM criteria (Measured, Indicated and Inferred Mineral Resources), the "unclassified" blocks, have been categorised using this internal system for mine planning purposes. Production records over the life of mine have validated this approach, and the principles of this approach are discussed in section 3.7.1.

4.4 Exploration and Mining History

Mining in the region pre-dates European colonisation and was first reported in the Topia area in 1538. The first mineral concessions were granted at Topia in the early 1600's. The village was twice destroyed by attacks from indigenous tribes; in 1616 by the Tepahuanos and again in 1776 by the Cocoyames.

Production from Topia during the period spanning the latter portion of the 19th century until the Mexican Revolution in 1910 was reportedly between US$10 million and US$20 million. This is estimated to have been the equivalent of between 15 and 30 Moz silver plus gold, lead, and zinc.

Compania Minera Peñoles, S.A. (Peñoles) acquired the mines in the district in 1944 and completed the construction of a flotation plant in 1951. Peñoles operated at Topia from 1951 to 1990 when the operations were shut down due to low metal prices and labour difficulties. Mario Macias, then the mine manager for Peñoles, acquired the Topia property and formed Compania Minera de Canelas y Topia to carry on operations. Production for the period 1952 to 1999 totalled 17.6 Moz of silver and 18,500 oz of gold.

Great Panther exercised its option to acquire the Topia Mine in early 2005, recommencing operations in 2006. Great Panther to the end of 2017 have produced 6.04 Moz of Ag, 7,366 oz of Au, 11,895 t of Pb and 16,321 t of Zn. Detailed production for the Topia mine is presented in Section 4.7.1.

Great Panther has successfully been mining from Measured, Indicated, Inferred and unclassified material during its operating history. The Company has had a strong history of Mineral Resource replacement and growth year on year at Topia and regularly converting Inferred and unclassified material. Discussions with Great Panther's Qualified Person, Mr Robert Brown (R. Brown pers. comm, October 2018) has indicated that over the years, the accumulated knowledge of the control on mineralisation has allowed the Company to have a solid mining exploration drilling success rate of between 75 – 85 % in intersecting grade-bearing portions of the vein with exploration drill planning.

4.5 Exploration Potential

The veins at Topia have good strike continuity up to greater than 4 km. Recent underground and surface exploration has focused on testing multiple targets to expand on Mineral Resources, Figure 36 illustrates the 2018 drilling locations. In 2019 drilling will test for extensions to the El Rosario, San Gregorio, La Higuera, Recompensa, Olivia, Cantarannas and Argentina veins.

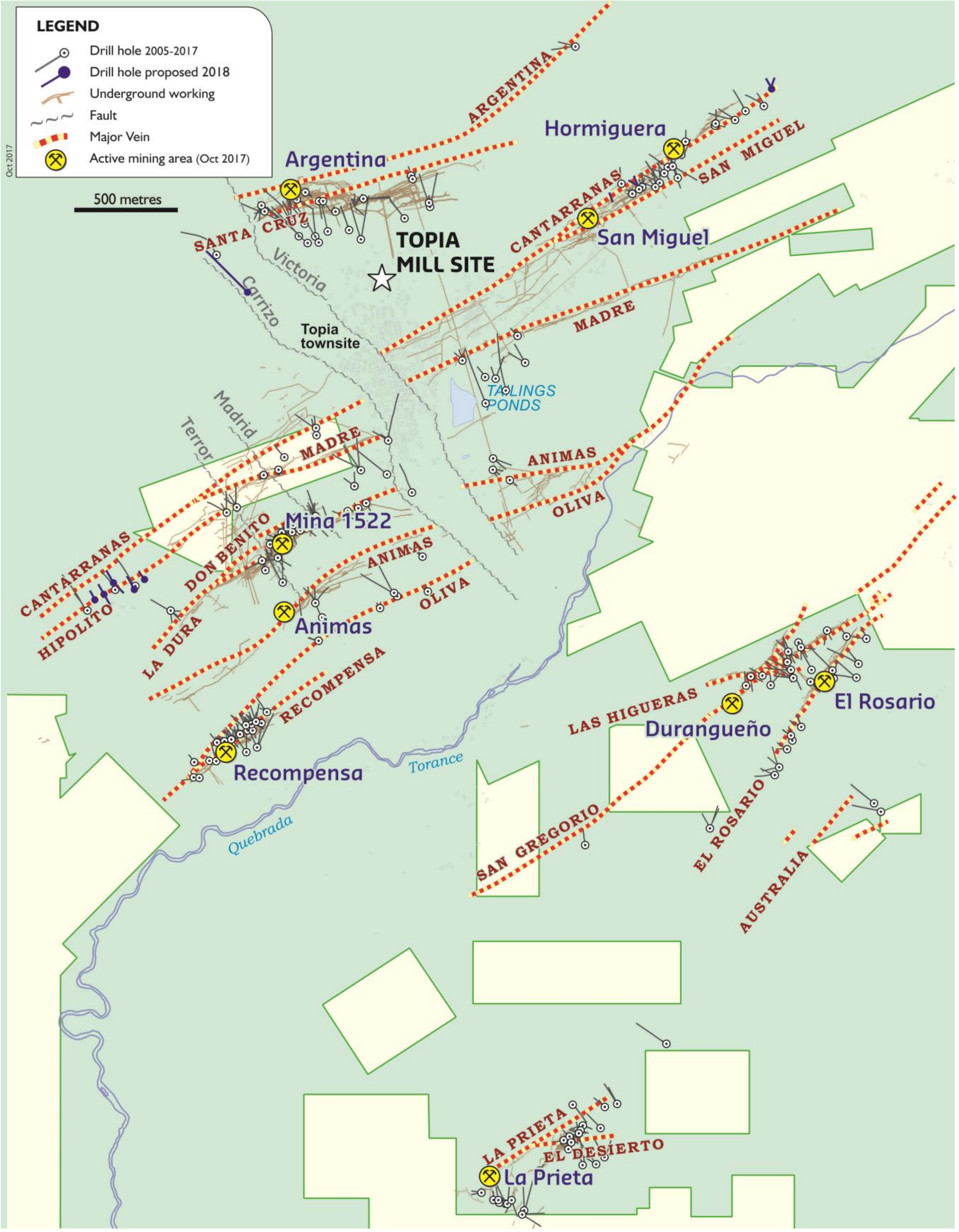


Figure 36: Proposed drilling for 2018, Topia

4.6 Mineral Resources

The Qualified Person (QP) who completed the most recent Topia Mineral Resource estimate , Robert F. Brown, has been a regular visitor to the Topia Mine from early 2005 in his role as VP Exploration for Great Panther. The most recent of these visits was from February 11th to 14th, 2015. The property visit comprised underground inspections of new development faces, active stopes, underground drill sites, underground core logs and core review, and a complete review of all assay level plans from all the active mines. The Argentina, El Rosario, La Prieta, and Durangueno Mines were visited, with the mine geologist. The QP had access to technical reports, production records, financial reports, land tenure documents, drawings, assays, and drilling data.

Deposit Geology

Mineralization at Topia is reported to occur within a zone spanning 100 m to 200 m in elevation, which is consistent with the epithermal model. MMR geologists have, in many instances, been able to define the lower limit of mineralisation, and this has been applied as a primary constraint to the Mineral Resource Estimate.

Mineralisation occurs in narrow, near-vertical fissure veins, and comprises lead and zinc sulphides with accessory pyrite, in a gangue of predominantly quartz, carbonates, and barite. Deposits are usually characterised by multiple veins in areas measuring 10 to 15 km² with individual veins generally less than 2 m in thickness but up to 3-4 km in length.

CSA Global Assessment

The controls to the mineralisation are understood at both the broad and local scale, through diamond drilling, chip sampling, mapping, and underground development, which sets an acceptable foundation for the Mineral Resource estimation.

Data collection techniques

Sampling comprised both diamond drill and channel samples. Of these, the channels were most important for estimation of Mineral Resources due primarily to the total volume of samples and their spacing. The drill samples were broadly spaced, too far apart to provide reliable grade estimates for the veins. They were, however, critical for locating and projecting the veins, particularly in faulted areas. Drill holes provided a reliable indication of the vein locations, but drifting and raising on veins were required to fully evaluate the quantity and grade of the Mineral Resources.

The channel sampling was conducted either across the back or at waist height across the drift face using a hammer and moil. The protocol for sample lengths was that they were to be no longer than two metres. Sample spacing was in the order of 1.5 to 2.5 metres in the more densely sampled areas.

The underground drilling from 2006 to 2014 has always focused on short term production-oriented issues in all the mining areas at Topia. Typically, these include interpretation of fault offsets, gaining a better understanding of multiple splays from the primary veins, and a better understanding of grade / width of veins before exploitation. Drill core were primarily NQ (48mm) sized from surface, and “A” (AQ, 27mm) sized core was drilled underground.

The channel samples were processed and assayed at the Topia Mine laboratory. Samples were dried, crushed in two stages, riffle split, and pulverized. A sample was taken from the pulp and weighed, while the rest was kept in storage.

Diamond drill core samples were marked by geologists on the core. Samples did not cross lithological limits and their lengths were constrained to within a minimum of 10 cm and a maximum of two metres. Mineralized structures and the material adjacent to them were always sampled. For sets of veins with less than five metres separation, the material between veins was sampled entirely. Samples were taken using a diamond saw to split the core. The samples were prepared at Topia laboratory; the sawn split core samples were dried, crushed in two stages, riffle split, and puck pulverized. QA/QC samples were inserted in the sample stream, consisting of one blank sample of unmineralized rhyolite, one pulp duplicate, and two certified standard material (CRM) samples of different grades.

Samples were analysed for gold and silver by atomic absorption (AA) with over-limits (10g/t Au and 300g/t Ag) by fire assay (FA) and gravimetric finish, or for base metals (lead, zinc, iron, and, where necessary, copper) by AA. A nominal 25g to 30g sub-sample was digested in aqua regia and assayed by atomic absorption spectroscopy (AA) for lead, zinc, and iron. Gold and silver were assayed with fire assay and an AA finish, while over-limits (300g/t silver and 10g/t gold) were re-assayed with a gravimetric finish.

439 density data results were collected. Dried core samples were used, with a minimum weight of 500g, selected by a geologist. A set of three samples were measured: one from the vein, one from hanging wall, and one from footwall. Great Panther personnel took density measurements of the core specimens using a water immersion method. Measurements were repeated for samples with calculated values outside expected ranges.

CSA Global Assessment

CSA Global considers that data collection techniques are largely consistent with industry standard practice and are fit for purpose. Sampling and analytical techniques are considered appropriate, and adequate QAQC data has been collected and analysed. Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

The approach adopted to geological interpretation and modelling at Topia is an iterative process of reviewing and validating a substantial body of detailed historical data, ranging from maps and assays dating from the mid-1800s to 1910 Spanish era, and the period between 1944 and 2004 when the project was controlled by Peñoles, and verifying and locating this data and then combining the contemporary data amassed by Great Panther in the form of underground and surface mapping, channel samples and diamond and grade control drilling data.

The hands-on nature of current day mining using this iterative process allows Great Panther to estimate the quantum of the historical mining with sufficient accuracy for mine planning purposes.

40 wireframes representing each of the veins contained within the 7 areas (Hormiguera, Argentina, Don Benito, El Rosario, Durangueno, La Prieta, and Recompensa) were generated for use in resource modelling. These wireframes were also used to code assay composites for estimation, and data was hard coded to each wireframe, only data 50% or greater within a specific wireframe was used to estimate grade for that wireframe. Three-dimensional (3D) underground workings current to 30 November 2014 were used to cut total mined solids from each of the 3D veins. These total mined solids were then used to code the model to allow for exclusion of mined material during final Mineral Resource reporting.

Of the 439 density measurements collected, 403 were within the limits of one of the 7 mineralized areas, an average density was calculated for each of these areas, and is detailed in Table 33.

Table 33: Average Assigned density by area – Topia Mine

Area	Code	Count	Average SG (t/m^3)
Hormiguera	100	38	2.56
Argentina	200	33	3.06
Don Benito	300	142	3.26
El Rosario	400	28	3.00
Durangueno	500	72	3.12
La Prieta	600	42	2.85
Recompensa	700	64	3.30

Source: Brown, 2015

CSA Global Assessment

The approach adopted to geological interpretation and modelling at Topia is an iterative process of reviewing a substantial body of detailed historical data, and integrating it with contemporary operational data. The hands-on nature of current day mining and the use of this iterative process, allows Great Panther to estimate the quantum of the historical mining with sufficient accuracy for mine planning purposes.

CSA Global considers that interpretation and modelling procedures, and the assignation of averaged density have been correctly implemented and do not represent a material risk to the ongoing development, mining, or value of the project.

Estimation of Mineral Resources

The resources were estimated from 7 area-specific block models. A set of 40 wireframes representing the mineralised zones (veins) served to constrain both the block models and data subsequently used in Inverse Distance Cubed (ID^3) gold, silver, lead, and zinc grade interpolations. Each block residing at least partly within one of 40 wireframes received a grade estimate.

An iterative process of model interpolation and reconciliation of resultant model with production records was used to determine the most appropriate area-specific high-grade caps (top-cuts). This process was repeated with various caps until an acceptable correlation between model and production grades were achieved (considering the provision for zero-grade dilution in order to reconcile tonnes). Table 34 summarises the final caps applied. All underground samples were capped, and diluted at 0 grade, to 0.3m (where sample width was less than 0.3m). Drill-hole samples were capped and then composited to the width of the mineralized intersection. All drill-hole composites were then adjusted to the true width of the vein and diluted at 0 grade to 0.3m where adjusted composite length was less than 0.3m

Table 34: High-grade caps by area – Topia Mine

Area	Ag_g/t	Au_g/t	Pb_%	Zn_%
Hormiguera	1,800	2	9.3	9.7
Argentina	3,100	2	20	15
Don Benito	1,600	4.5	15	15
El Rosario	3,600	1.7	16	16
Durangueno	1,580	0.8	9.7	11
La Prieta	1,500	7	7.5	7.5
Recompensa	2500	15	16.7	15

Source: Brown, 2015

Model block parent cells were 5m x 5m x 5m. Model variables included the percent of the wireframe occupying the block, the average distance of and number of holes/composites used in the estimate of grade for the block, the distance to the nearest hole, and the grade of the closest composite.

Variogram analysis was competed for each element (Ag, Au, Pb and Zn) within the plane of selected veins to characterise the spatial grade variances. Analysis was undertaken only for those veins for which enough data abundance permitted.

The relative nugget percentages (of total sill) for each element were found to be highly variable across the various veins with ranges of 1-59% for Ag, 27-74% for Au, 7-49% for Pb and 22-72% for Zn. Overall, lowest nugget values were found to be associated with lead and the highest with gold. The primary structure (approximately along-strike direction relative to vein orientation) of variograms ranged between 7-70 m for Ag, 20-74 m for Au, 7-23 m for Pb and 10–80 m for Zn across all zones. The significant differences in ranges across elements and veins was attributed in part to data clustering because of significantly greater data abundance in the horizontal channel data (and therefore direction of longest range) along underground workings. A more consistent approach to interpolation parameter selection was adopted applying the same search distances across all zones as opposed to vein and element-specific ranges from the variogram analysis results. This was the same approach applied in the 2013 round of estimation, the year before.

Grade interpolation for all 4 elements (Ag, Au, Pb and Zn) was executed as a succession of 2 passes, using the inverse distance cubed (ID^3) estimation. The report describes the use of spherical search radii, with the first pass at 50 m with a minimum of 1 and a maximum of 6 composites per block estimated, and a second pass of a 30 m radius, and a minimum of 2 and maximum of 6 composites. CSA Global have assumed that a transposition error occurred in the report, and the first and second passes have been reversed.

The estimate was validated by:

- visually in comparison to surrounding data values,
- comparing block model grades with actual production
- comparing block and sample means

CSA Global's review of the block model sections provided in the report indicates an imperfect but acceptable correlation between model and estimation data. As Great Panther has observed (Brown, 2015), the estimated block models require further fine-tuning, as more grade control channel sampling and production data is acquired through mining. Local variations in the estimated block model grades still exist.

CSA Global Assessment

Statistical and geostatistical analyses was completed on a vein by vein basis, and the estimation data was hard coded to only permit the data within a vein to be used for estimation of that vein. High-grade caps, or top cuts, were applied on an area basis, to prevent overestimation. The caps appear to lean towards being conservative, but Great Panther's approach has been validated by comparisons with production records, emphasizing the value of applying the iterative process.

Variography was completed, with high nugget values and variable ranges evident; this was not unexpected due to the clustered data. Variogram ranges were used to guide indicative search ranges nominated for ID^3 grade estimation approach. Block model parent cell sizes reflect the close spaced channel data, and the density assignations on the bases of areas is appropriate. The global estimate will be enough for long term mine planning purposes, and the Measured and Indicated Mineral Resource blocks should provide a reasonable indication of the short to medium term grade and tonnes.

Mining narrow vein deposits in an underground setting, where there are substantial historical workings presents challenges. Great Panther's staff and QP have sufficient experience and longevity of association with the project to employ the pragmatic, hands-on approach at the mine successfully.

CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice and does not represent a material risk to the ongoing development, mining, or global value of the project.

Mineral Resource Classification and Statement

Table 35 to Table 38 present the Mineral Resource estimates for Topia by classification, vein, and area.

Table 35: Measured Mineral Resources – Topia Mine

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
Hormiguera	San Jorge	101	5,300	744	0.42	2.13	3.52
	SJSM Int	102	1,200	752	0.47	2.13	3.38
	Cantarranas	103	11,700	806	0.48	1.52	3.03
	Cantarranas East	104	-	-	-	-	-
	Cantarranas West Splay	105	500	710	0.26	1.12	1.40
	San Miguel	106	3,400	772	0.23	2.63	4.18
	Cantarranas West Offset	107	1,000	950	0.33	3.06	1.40

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
	Sub Total Hormiguera		23,000	788	0.42	1.91	3.23
Argentina	Argentina Central	201	11,500	704	0.51	4.79	3.69
	Argentina East	202	23,700	717	0.90	7.35	3.45
	Santa Cruz	204	5,600	1021	0.93	6.62	2.55
	Argentina West	205	8,300	877	0.40	4.42	4.19
	Sub Total Argentina		49,200	775	0.73	6.17	3.53
Don Benito	Don Benito North	301	15,600	451	1.48	5.63	5.78
	Don Benito South	302	10,400	386	1.64	5.57	6.42
	Don Benito West	303	8,000	362	2.48	4.56	5.59
	Don Benito Intermediate	305	6,100	443	1.52	5.63	5.22
	La Dura Splay North	306	1,900	445	1.10	4.18	4.43
	La Dura West Splay South	307	600	393	2.72	2.17	2.48
	Sub Total Don Benito		42,700	416	1.71	5.30	5.71
El Rosario	El Rosario	401	14,400	746	0.15	3.56	4.43
	El Rosario FW	402	-	-	-	-	-
	El Rosario HW	403	-	-	-	-	-
	Sub Total El Rosario		14,400	746	0.15	3.56	4.43
Durangueno	San Gregorio	501	11,200	426	0.24	1.70	5.61
	Oxi	502	1,700	541	0.08	2.62	4.31
	Oxidada	503	1,400	557	0.29	2.53	8.61
	La Higuera Main	507	10,300	584	0.21	2.68	6.33
	San Pablo	508	500	545	0.18	1.89	4.55
	San Gregorio North Loop	509	800	385	0.12	1.49	6.14
	La Higuera North Loop	510	400	297	0.43	0.81	5.93
	Link	511	400	339	0.22	3.94	6.53
	Sub Total Durangueno		26,700	499	0.22	2.20	5.97
La Prieta	La Prieta 1	601	4,900	687	3.57	2.94	3.84
	La Prieta 2	602	1,900	473	3.64	3.22	3.64
	La Prieta 3	603	400	571	2.88	3.65	3.35
	La Prieta 4	604	700	731	3.73	1.95	3.21
	La Prieta 5	605	200	438	2.04	2.98	3.24
	La Prieta 6	606	1,700	636	2.15	3.13	3.28
	La Prieta 8	608	400	672	4.00	4.52	5.27
	La Prieta 9	609	1,000	679	3.16	2.90	3.26
	Sub Total La Prieta		11,200	637	3.30	3.02	3.64
Recompensa	Recompensa	702	8,600	243	8.16	3.88	4.38
	Recompensa HW	703	2,300	476	5.70	3.95	4.51
	Oliva	704	1,600	454	5.50	4.11	5.78
	Recompensa Link	705	500	242	4.60	3.49	4.42
	Sub Total Recompensa		13,200	311	7.24	3.91	4.58
	Total Measured		**180,400**	**606**	**1.44**	**4.26**	**4.52**

Source: Brown, RF, 2015
Notes apply for Table 35 to Table 38 :
CIM Definitions were followed for Mineral Resources.
Measured and Indicated Mineral Resources are reported at a cut-off Net Smelter Return (NSR) of US$180/t.
Area-Specific Bulk Densities as follows: Argentina 3.06t/m^3; Don Benito 3.26t/m^3; Durangueno 3.12t/m^3; El Rosario 3.00t/m^3; Hormiguera 2.56t/m^3; La Prieta 2.85t/m^3; Recompensa 3.30t/m^3.
NSR cut-offs in US$ include 1522 Mine $167/t, Argentina Mine $197/t, Durangueno Mine $153/t, Recompensa Mine $196/t, Hormiguera Mine $189/t, El Rosario Mine $173/t, and La Prieta $204/t.
Totals may not agree due to rounding.
A minimum mining width of 0.30 metres was used.
Mineral Resources are estimated using metal prices of: US$1,200/oz Au, US$17.00/oz Ag, US$0.90/lb Pb, and US$0.95/lb Zn.

Table 36: Indicated Mineral Resources – Topia Mine

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
Hormiguera	San Jorge	101	3,200	730	0.41	2.00	3.27
	SJSM Int	102	700	752	0.44	2.30	4.46
	Cantarranas	103	5,300	756	0.49	1.33	2.85
	Cantarranas East	104	-	-	-	-	-
	Cantarranas West Splay	105	500	751	0.20	1.08	1.31
	San Miguel	106	3,100	789	0.23	2.75	4.23
	Cantarranas West Offset	107	1,000	947	0.34	2.94	1.41
	Sub Total Hormiguera		13,700	777	0.39	1.98	3.20
Argentina	Argentina Central	201	8,700	681	0.47	4.74	3.76
	Argentina East	202	58,400	653	1.01	6.51	3.55
	Santa Cruz	204	20,400	851	0.83	5.81	2.61
	Argentina West	205	8,300	877	0.40	4.42	4.19
	Sub Total Argentina		95,900	717	0.87	6.01	3.42
Don Benito	Don Benito North	301	3,000	382	1.56	5.96	5.01
	Don Benito South	302	4,300	357	1.37	5.91	6.00
	Don Benito West	303	1,300	468	2.35	4.63	2.52
	Don Benito Intermediate	305	3,000	447	1.73	5.03	5.39
	La Dura Splay North	306	1,000	400	0.89	3.76	3.40
	La Dura West Splay South	307	300	285	2.24	2.23	3.98
	Sub Total Don Benito		12,800	400	1.59	5.38	5.07
El Rosario	El Rosario	401	10,700	554	0.09	2.66	3.83
	El Rosario FW	402	-	-	-	-	-
	El Rosario HW	403	-	-	-	-	-
	Sub Total El Rosario		10,700	554	0.09	2.66	3.83
Durangueno	San Gregorio	501	5,500	489	0.17	1.77	5.65
	Oxi	502	1,200	482	0.08	2.26	4.11
	Oxidada	503	1,000	520	0.29	1.96	7.49
	La Higuera Main	507	5,700	594	0.17	2.18	5.95
	San Pablo	508	800	476	0.14	1.51	3.58
	San Gregorio North Loop	509	600	370	0.13	1.23	5.69
	La Higuera North Loop	510	800	619	0.40	1.59	5.38
	Link	511	200	398	0.25	3.66	6.66
	Sub Total Durangueno		15,900	529	0.18	1.94	5.65
La Prieta	La Prieta 1	601	3,200	650	3.56	2.69	3.49
	La Prieta 2	602	1,200	453	3.62	2.57	3.09
	La Prieta 3	603	300	571	3.96	2.06	1.96
	La Prieta 4	604	400	724	2.59	2.53	2.51
	La Prieta 5	605	100	640	4.02	0.23	0.39
	La Prieta 6	606	1,400	628	1.94	2.96	3.09
	La Prieta 8	608	500	660	3.70	4.07	4.79

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
	La Prieta 9	609	900	724	3.16	2.99	3.21
	Sub Total La Prieta		8,000	626	3.21	2.77	3.26
Recompensa	Recompensa	702	4,600	243	6.37	3.59	4.15
	Recompensa HW	703	2,400	478	6.54	4.12	4.91
	Oliva	704	1,500	462	5.69	4.40	5.40
	Recompensa Link	705	300	199	5.07	3.16	3.17
	Sub Total Recompensa		8,900	343	6.24	3.86	4.54
	Total Indicated		166,000	644	1.17	4.75	3.82

Source: Brown, RF, 2015

Table 37: Measured plus Indicated Mineral Resources – Topia Mine

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
Hormiguera	San Jorge	101	8,400	739	0.42	2.08	3.43
	SJSM Int	102	1,900	752	0.46	2.19	3.76
	Cantarranas	103	17,000	791	0.48	1.46	2.97
	Cantarranas East	104	-	-	-	-	-
	Cantarranas West Splay	105	1,000	729	0.23	1.10	1.36
	San Miguel	106	6,500	780	0.23	2.69	4.20
	Cantarranas West Offset	107	2,000	949	0.33	3.00	1.40
	Sub Total Hormiguera		36,700	782	0.41	1.93	3.21
Argentina	Argentina Central	201	20,300	694	0.49	4.77	3.72
	Argentina East	202	82,200	672	0.98	6.75	3.52
	Santa Cruz	204	25,900	888	0.86	5.98	2.60
	Argentina West	205	16,700	877	0.40	4.42	4.19
	Sub Total Argentina		145,100	737	0.82	6.07	3.46
Don Benito	Don Benito North	301	18,600	440	1.49	5.68	5.65
	Don Benito South	302	14,700	377	1.56	5.67	6.30
	Don Benito West	303	9,400	378	2.46	4.57	5.15
	Don Benito Intermediate	305	9,100	445	1.58	5.43	5.28
	La Dura Splay North	306	2,800	430	1.03	4.03	4.08
	La Dura West Splay South	307	900	361	2.58	2.19	2.92
	Sub Total Don Benito		55,500	412	1.68	5.31	5.55
El Rosario	El Rosario	401	25,100	664	0.12	3.18	4.18
	El Rosario FW	402	-	-	-	-	-
	El Rosario HW	403	-	-	-	-	-
	Sub Total El Rosario		25,100	664	0.12	3.18	4.18
Durangueno	San Gregorio	501	16,700	447	0.22	1.72	5.62
	Oxi	502	3,000	516	0.08	2.47	4.22
	Oxidada	503	2,400	541	0.29	2.29	8.14
	La Higuera Main	507	16,000	587	0.19	2.50	6.19
	San Pablo	508	1,300	504	0.16	1.66	3.97
	San Gregorio North Loop	509	1,400	378	0.12	1.37	5.93

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
	La Higuera North Loop	510	1,200	518	0.41	1.35	5.55
	Link	511	600	355	0.23	3.86	6.56
	Sub Total Durangueno		42,600	510	0.20	2.10	5.85
La Prieta	La Prieta 1	601	8,100	672	3.57	2.84	3.70
	La Prieta 2	602	3,100	466	3.64	2.97	3.42
	La Prieta 3	603	700	571	3.32	3.00	2.78
	La Prieta 4	604	1,100	728	3.33	2.15	2.96
	La Prieta 5	605	300	520	2.85	1.85	2.08
	La Prieta 6	606	3,200	632	2.06	3.05	3.20
	La Prieta 8	608	800	665	3.83	4.26	5.00
	La Prieta 9	609	1,900	700	3.16	2.94	3.24
	Sub Total La Prieta		19,200	633	3.27	2.92	3.48
Recompensa	Recompensa	702	13,200	243	7.54	3.78	4.30
	Recompensa HW	703	4,800	477	6.12	4.04	4.71
	Oliva	704	3,200	458	5.60	4.25	5.60
	Recompensa Link	705	900	225	4.78	3.36	3.93
	Sub Total Recompensa		22,000	324	6.84	3.89	4.56
	Total Measured & Indicated	**346,200**		**624**	**1.31**	**4.50**	**4.19**

Source Brown, RF, 2015

Table 38: Inferred Mineral Resources – Topia Mine

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
Hormiguera	San Jorge	101	3,000	703	0.32	1.95	3.58
	SJSM Int	102	500	716	0.53	1.99	4.57
	Cantarranas	103	6,900	740	0.55	1.25	2.15
	Cantarranas East	104	-	-	-	-	-
	Cantarranas West Splay	105	400	776	0.15	1.06	1.39
	San Miguel	106	5,800	826	0.23	2.85	4.55
	Cantarranas West Offset	107	1,800	704	0.29	2.65	1.05
	Sub Total Hormiguera		18,300	758	0.38	2.03	3.09
Argentina	Argentina Central	201	11,600	1233	0.63	4.65	5.57
	Argentina East	202	42,000	492	1.32	6.83	3.47
	Santa Cruz	204	29,400	709	0.80	5.24	2.68
	Argentina West	205	45,800	614	0.56	2.68	3.71
	Sub Total Argentina		128,800	652	0.87	4.79	3.56
Don Benito	Don Benito North	301	600	408	1.97	7.28	5.57
	Don Benito South	302	4,900	472	1.76	5.69	4.96
	Don Benito West	303	500	178	2.58	3.48	2.21
	Don Benito Intermediate	305	4,200	572	2.19	6.98	5.99
	La Dura Splay North	306	600	337	0.70	2.70	2.42
	La Dura West Splay South	307	100	487	1.42	2.09	2.32
	Sub Total Don Benito		10,900	487	1.91	5.98	5.11
El Rosario	El Rosario	401	66,900	479	0.05	2.54	3.59

Area	Zone	Code	Tonnes	Ag g/t	Au g/t	Pb %	Zn %
	El Rosario FW	402	4,200	295	0.04	3.95	7.51
	El Rosario HW	403	6,700	499	0.55	2.71	6.05
	Sub Total El Rosario		77,900	471	0.09	2.63	4.01
Durangueno	San Gregorio	501	7,300	517	0.12	1.23	3.66
	Oxi	502	8,000	811	0.27	2.15	7.77
	Oxidada	503	900	323	0.19	1.40	6.71
	La Higuera Main	507	16,800	745	0.16	2.23	5.40
	San Pablo	508	4,700	900	0.16	2.39	3.87
	San Gregorio North Loop	509	600	345	0.10	1.49	5.22
	La Higuera North Loop	510	1,300	914	0.34	2.65	4.92
	Link	511	100	418	0.30	3.10	7.74
	Sub Total Durangueno		39,700	723	0.18	2.04	5.40
La Prieta	La Prieta 1	601	14,400	506	3.21	3.41	3.78
	La Prieta 2	602	21,900	663	1.94	1.53	2.74
	La Prieta 3	603	2,300	598	4.80	0.96	2.09
	La Prieta 4	604	1,100	552	2.39	2.02	2.07
	La Prieta 5	605	1,100	800	1.35	2.26	2.88
	La Prieta 6	606	1,400	636	2.03	2.58	3.08
	La Prieta 8	608	600	628	3.41	3.64	4.32
	La Prieta 9	609	1,600	670	3.14	3.02	3.34
	Sub Total La Prieta		44,500	608	2.56	2.25	3.08
Recompensa	Recompensa	702	11,400	413	5.17	2.81	4.73
	Recompensa HW	703	6,800	371	8.13	4.66	5.52
	Oliva	704	16,300	520	4.18	3.23	5.03
	Recompensa Link	705	2,800	159	6.68	3.35	3.03
	Sub Total Recompensa		37,200	433	5.39	3.37	4.87
	Total Inferred		**357,400**	**592**	**1.31**	**3.44**	**3.96**

Note (applies to Table 35 to Table 38) :
CIM Definitions were followed for Mineral Resources.
Measured and Indicated Mineral Resources are reported at a cut-off Net Smelter Return (NSR) of US$180/t.
Area-Specific Bulk Densities as follows: Argentina 3.06t/m³; Don Benito 3.26t/m³; Durangueno 3.12t/m³; El Rosario 3.00t/m³; Hormiguera 2.56t/m³; La Prieta 2.85t/m³; Recompensa 3.30t/m³.
NSR cut-offs in US$ include 1522 Mine $167/t, Argentina Mine $197/t, Durangueno Mine $153/t, Recompensa Mine $196/t, Hormiguera Mine $189/t, El Rosario Mine $173/t, and La Prieta $204/t.
Totals may not agree due to rounding.
A minimum mining width of 0.30 metres was used.
Mineral Resources are estimated using metal prices of: US$1,200/oz Au, US$17.00/oz Ag, US$0.90/lb Pb, and US$0.95/lb Zn.

Great Panther considered it reasonable (Brown, 2015) to assume that the continuity of the veins had been demonstrated sufficiently by the interpreted veins to support the classification of Mineral Resources. On the basis of the knowledge and familiarity of the QP and the geological team at Topia Mine, with the data and geological interpretation of the veins, groups of blocks generally falling within 10m of a composite were classified as Measured, and Indicated blocks were another 10m beyond these blocks. Any remaining blocks within the vein wireframes which were estimated, were classified as Inferred. Table 39 summarises the collated classification criteria.

Table 39: Classification criteria, Topia

Class	Criteria
Measured	<= 10m from data point
Indicated	<= 20m from data point
Inferred	Estimated within vein wireframes
(not part of the estimated or reported Mineral Resources)	
Unclassified (Exploration)	*At least one diamond drill hole*

4.7 Topia Mine Operations

4.7.1 Internal Mine Classification of Mineralised Material

The Topia mine's internal classification of mineralised material is the same as that used at GMC (see Section 3.7.1 for full description).

4.7.2 Topia Unclassified Material

At Topia like GMC, within their mine planning and scheduling Great Panther includes unclassified material. This material in Great Panther's opinion, does not meet the requirements of classification of Mineral Resources, however Great Panther considers with additional exploration this unclassified material will convert to Mineral Resources.

At the time of writing Great Panther were not able to provide a detailed breakdown of the unclassified material at Topia. Great Panther are presently working on a Mineral Resource update and better documenting the unclassified material.

The unclassified material that Great Panther had included in their Topia life-of-mine on a diluted basis is presented in Table 40.

Table 40: Topia unclassified material

Tonnes	Grade				Contained AgEq (Moz)
	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	
268,487	352.9	0.71	2.35%	2.35%	4.9

Source: GPR Template LT Model v6.xlsx

CSA Global, based on discussions with Great Panther, its site visits to the operations and its own technical assessment of the operations, endorse Great Panther's view that there has been a sufficient body of evidence based on the historical conversion rates of the deposits to assume that significant amounts (75% to 85%) of the unclassified material will convert to Mineral Resources with additional exploration as required.

Furthermore, CSA Global is of the opinion that the combined modern exploration data acquired by Great Panther and the older collected body of work dating back to the 1800s also lends confidence to this conclusion.

CSA Global has made the inference based on GMC, that approximately 74% of the unclassified material at Topia is well defined, but not defined enough to be classified as a Mineral Resource, with the balance less robust in its definition and confidence.

The current Australian public disclosure regime precludes the valuation of unclassified material by income methods, given the absence of a classification for tonnes/grades fails to provide reasonable grounds to support an income-based valuation.

However, in the case of GMC and Topia, CSA Global notes that most (approximately 74%) of the unclassified material has a robust internal classification system, based on well-established historical underground workings, geology, drilling, underground face sampling and mapping. In CSA Global's professional view, the well-defined unclassified material represents significant value within the GMC and Topia mine operations for the following reasons:

- Great Panther are aware of the existence of the mineralised material based on detailed historical information, and plan to mine this material using their current mining methods, equipment, and plant infrastructure.
- Great Panther have a documented history of successfully finding, proving, and mining this type of material.
- The location and grade of the material is known from the historical workings, but Great Panther is not able to accurately predict the degree of depletion from the historical workings prior to accessing and sampling the historic workings.
- The internal mine classifications, that do not directly correspond with the JORC Code classifications for public disclosure, are nonetheless systematic, repeatable, evidence-based, and demonstrably underpinning mine production and planning.

However, in CSA Global's professional opinion the unclassified material should not be included within the life-of-mine plan forming the basis of Deloitte's income-based DCF valuation and should be valued separately. There is not enough confidence in the unclassified material therefore there is not a reasonable basis for its inclusion in the DCF valuation.

CSA Global has elected to value the unclassified material based on the probability of successful conversion of this material to higher categories of mineralisation confidence. The probability of success is a valuer's call, based on the historical success rate exhibited by Great Panther's staff and the Qualified Person of between 75–85% (R Brown, pers. comm 2018) over the 13+ years that Great Panther have been mining at GMC and Topia.

4.7.3 Topia Mining History

The Topia mine production history on a calendar year basis from 2006 to 2017 is presented in Table 41 with a graph showing silver production and Mineral Resources year on year from 2009 to 2017 in Figure 37. Figure 37 shows that silver production has

Table 41: Topia Mine production history

Year	Tonnes Milled	Average Feed Grade				Production			
		Ag (g/t)	Au (g/t	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (t)	Zn (t)
2006	22,445	340	0.66	3.23	3.93	208,004	406	627	742
2007	33,605	300	0.71	2.44	3.04	279,441	643	735	847
2008	35,318	370	0.84	2.72	3.41	366,199	812	876	1,074
2009	30,045	504	0.50	3.12	4.00	437,079	403	871	1,057
2010	38,280	458	0.61	3.04	3.87	515,101	597	1,092	1,358
2011	46,968	400	0.41	2.13	3.05	535,882	500	941	1,314
2012	56,098	345	0.55	1.86	2.91	555,710	574	962	1,478
2013	62,063	351	0.57	1.93	2.94	631,236	651	1,115	1,673
2014	67,387	343	0.45	1.82	2.69	667,636	555	1,154	1,675
2015	65,387	356	0.48	1.94	2.99	677,967	614	1,198	1,850

2016	55,836	354	0.56	1.96	2.82	574,030	612	1,033	1,496
2017	53,745	376	0.89	2.58	3.57	595,721	999	1,291	1,757

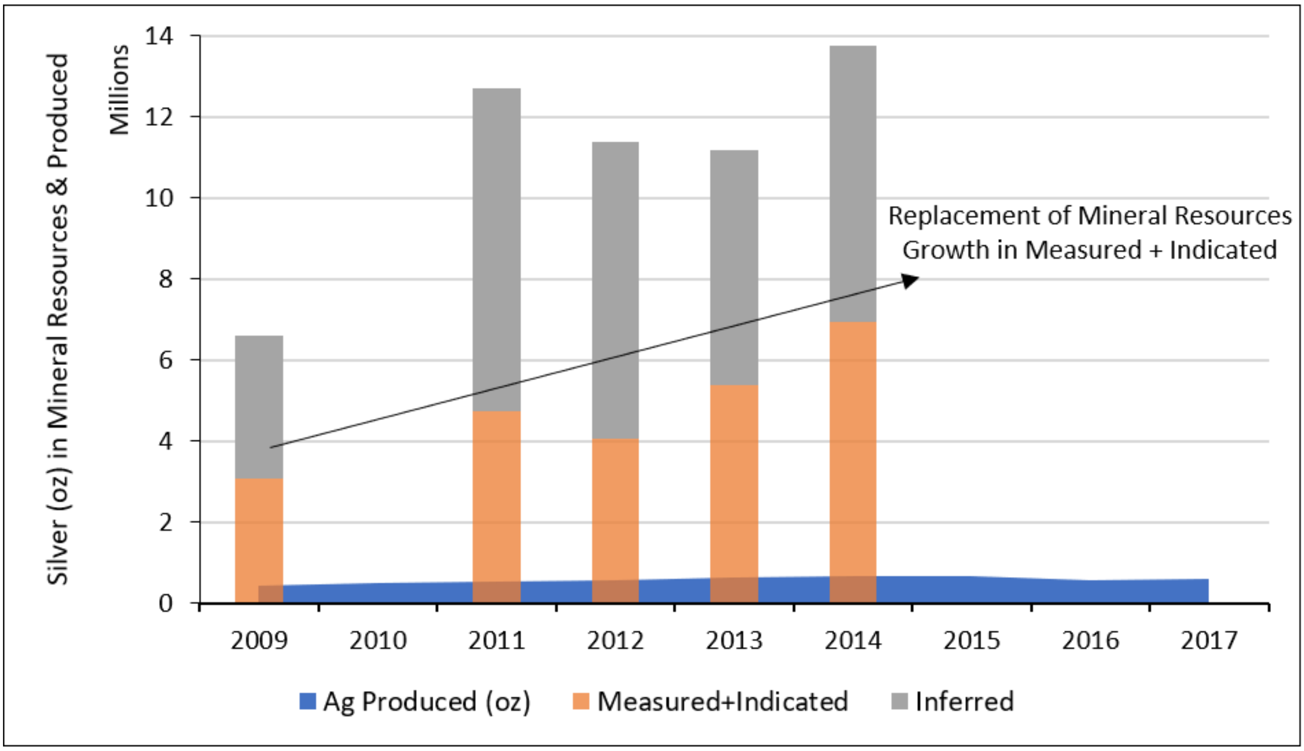


Figure 37: Topia silver production and reported Mineral Resources year on year
Source Data: Great Panther (2009, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018), Rennie (2011), Rennie and Ciuculescu (2013), Brown and Sprigg (2014), Brown (2015)

4.7.4 Topia Ore Reserves

Great Panther have not estimated Mineral Reserves (Canadian Reporting Standard equivalent to Ore Reserves in accordance with the JORC Code 2012) for the Topia mine. Great Panther decided to enter into production at the Topia Mine in 2005. Great Panther did not base this production decision on any feasibility study of Mineral Reserves demonstrating economic and technical viability of the mines. As a result, there may be increased uncertainty and risks of achieving any particular level of recovery of minerals from the mines at Topia or the costs of such recovery. As the Topia Mine does not have established reserves, Great Panther faces higher risks that anticipated rates of production and production costs will not be achieved.

4.7.5 Underground Mining

For the narrower veins at Topia, mining is conducted by conventional cut and fill stoping with resuing to selectively mine the ore and leave the waste for backfill. Drilling is performed with jackleg drills and ore is hand mucked in the stope and dropped down timber crib muck passes which are carried upwards as the stoping advances. Ore is hand sorted at the face so that only the higher-grade ore is removed from the stope. Access and ventilation are provided in timber crib man-ways adjacent to the muck passes. The level interval for the stopes is typically 40 m.

The use of ground support in the small tunnels and narrow stopes is infrequent as the small headings require little support.

From the muck passes the ore is pulled via manual chutes, loaded into small rail cars and hand trammed to a dump at the portal. At the surface ore dump the ore may again be hand sorted to remove waste material. Waste from the hand sorting or from excess development is generally dumped over the bank of the hillside at these smaller mines. Ore is then picked up by front end loader and loaded into highway-style 10 t to 20 t capacity dump trucks to be hauled to the mill.

Evidence gained from the site visit is included hereunder to augment the preceding information:

> *Topia uses cut-and-fill stoping with one jackleg drill and two miners per workplace. Contractors and miners' wages are ore grade dependent. Additional waste is sloped to provide sufficient fill as and when required. Advance is by breasting employing horizontal drill holes. Galena and sphalerite minerals are shovelled or hand-sorted onto a wheelbarrow. There are one or two hand-sorting steps after that, at ore transfer points. On mucking levels, small LHDs haul to small trucks for transport by adit or ramp, or, at some mines, the adit features rail haulage. At Animus; the contractor averages 12 t per day with a crew of 8 miners.*
>
> *Generally good ground is evident in the Topia workings, with no support observed at Animus or Mina 1522. At Argentina, no systemic support system is apparent; split sets, 2" expanded mesh, steel straps, some steel sets in various locations were observed. Argentina uses 5" welded wire mesh in some locations.*
>
> *Explosives usage comprises ANFO and NONELS, with stick "Gelignite" or packaged emulsion utilised as primers.*
>
> *Ramps and haul levels are developed by jacklegs using 8' steels, and mucked by 1.5 cubic yards LHDs to a re-muck bay. Monthly development rates of advance are low, and are dependent upon whether 1, 2, or 3 eight-hour shifts are in operation.*
>
> *Of the ten mines feeding the processing plant in 2018, the Argentina Mine, The Animus Mine (including the Barbie Mine), and -- briefly before blasting -- the 1522 Mine were visited. CSA also visited the plant, the tailings filtering plant, and the dry-stack tailings storage. Various views of the mines, and reserve classification were discussed with the Geology team. The term resources is not used. The terms Proven, Probable, and Inferred Reserves (undiluted and without mining losses) are employed in these mines; Mine Planning prepares mining schedules with dilution and losses taken into account.*

4.7.6 Processing

The process flow for the Topia plant consists of coarse ore being placed in one of six bins, which provides a means for segregation of ore types for batch processing or blending. Ore is passed through a grizzly to a 15" x 24" jaw crusher and then over a 6' x 12' vibratory screen. Oversize (>3/4 inch) from the screen is sent to a secondary cone crusher, and then conveyed to a 200 t capacity fine ore bin.

Segregation of sulphide particles is achieved by means of a grinding circuit comprising three ball mills and two 10" diameter cyclones. Fine ore is fed to one of either a 6' x 14' or 5' x 10' ball mill. When the larger unit is in use, the product is passed through the cyclones, with the oversize fed back into the ball mill. If the smaller mill is used, the oversize from the cyclones goes to a 4' x 8' ball mill which operates in closed circuit with the cyclones. Final grind size is 65% passing 74 µm.

The ore stream passes to a lead flotation circuit comprising primary and secondary rougher and cleaner flotation cells, followed by a similarly configured zinc circuit. Concentrates are dried to 10% moisture content by means of disc filters and shipped via trucks to the port of Manzanillo for sale to a concentrate buyer. Tails are piped to an impoundment facility located downhill, approximately 750 m from the mill.

The performance of the mill in terms of concentrate produced demonstrates that the gold, silver, lead, and zinc in the ores at Topia can be recovered with conventional processes. CSA Global is satisfied that the processing flowsheet is suitable to support inputs to the DCF model.

4.7.7 Topia Depleted Mineral Resources

CSA Global has estimated the Topia depleted Mineral Resources as at 30th September 2018 (Table 42). CSA Global have used the available information provided by Great Panther to deplete the most recent Mineral Resource dated 30th November 2014. Several assumptions have been used in estimating the depleted Mineral Resources, which include:

- Tonnes processed reflects tonnes mined, as detail of tonnes and grades mined were not available;
- The tonnes and grade processed are diluted by 70% (as per the Great Panther Template LT Model v6.xlsx life-of-mine model) so an undiluted estimate of tonnes can be made. The Mineral Resource is reported on an undiluted basis;
- The diluted tonnes have conservatively been assumed to have zero grade; and
- All depletion has been applied to the Measured and Indicated material, no guidance was available on the mining of Inferred or unclassified material from Topia.

CSA Global notes that Great Panther are currently undertaking a Mineral Resource update, however details were not available at the time of writing.

Table 42: Topia depleted Mineral Resources

Resource Category	Tonnes	Grade Ag (g/t)	Grade Au (g/t)	Grade Pb (%)	Grade Zn (%)	Ag (oz)	Au (oz)	Pb (t)	Zn (t)
Measured & Indicated	346,200	624	1.31	4.50%	4.19%	6,945,482	14,581	15,579	14,506
Estimated Mining Depletion Diluted	*234,935*	*359*	*0.66*	*2.31%*	*3.13%*	*2,707,889*	*4,997*	*5,423*	*7,355*
Estimated Mining Depletion Undiluted	*138,197*	*609*	*1.12*	*3.92%*	*5.32%*	*2,707,889*	*4,997*	*5,423*	*7,355*
Measured & Indicated Depleted	**208,003**	**634**	**1.43**	**4.88%**	**3.44%**	**4,237,593**	**9,584**	**10,156**	**7,151**
Inferred (unchanged)	357,400	592	1.31	3.44%	3.96%	6,802,476	15,053	12,295	14,153
Depleted Mineral Resource	**565,403**	**607**	**1.36**	**3.97%**	**3.77%**	**11,040,069**	**24,637**	**22,450**	**21,304**

4.8 Mining Technical Inputs

4.8.1 Capital Costs

Capital expenditure is grouped under three distinct areas:

- Exploration & Development
  - Mine development
  - Exploration development
  - Exploration drilling
- Sustaining Capital
  - Plant and equipment
  - Other
- Closure costs

Great Panther use similar activity based structures to estimate operating and capital expenditures for budgeting purposes at Topia as they do at GMC, see Table 22 in Section 3.8.

Similarly, estimates for sustaining Physical Assets identify specific items for the year ahead, and specific months in which to make the expenditure, Table 43. However, Great Panther, as for many businesses, delay expenditure in times of cash shortage or over budget operating expenditures.

The approach to capital estimation is judged to be reasonable, but is likely to be subjected to unplanned capital spending, as unexpected purchases arise during the course of any given production year, as observed in the documentation presented by Great Panther for the purposes of this work. For this reason, it is suggested that a contingency of say 10% be added to the capital budget – of both properties.

Table 43: Topia Sustaining Capital Budget 2018

Topia - Physical Assets - PPE Capex	**Actual**	**Actual**	**Actual**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**
	Jan-18	**Feb-18**	**Mar-18**	**Apr-18**	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**
Mining Equipment - SERGIO	**-**	**-**	**-**	**-**	**-**	**-**						
6 Perforadoras RNP (Roberto)	-	-	-	-	-	-						
Reparación de Motor Deutz 914 con Turbo p/scoop LH-203 (Victor)	-	-	-	-	-	-						
Reparacion de motor Deutz y transmisión para camion RDH 600-8 #4 (Victor)	-	-	-	-	-	504,531						
Gator para Geología (Nelson)	-	-	-	-	-	-						
Polaris rangercrew Diesel 4x4 hp:24 (Joel)	-	-	-	-	-	-						
1 camioneta Mtto(Mariano), 1 Planeación(Francisco)	-	-	-	-	-	-						
2 Camionetas reparto explosivo (Alonso)	-	-	-	-	-	600,000						
Camioneta 3 tons para transporte personal Mina San Miguel (Roberto)	-	-	-	-	-	-						
Milling Equipment - RENATO	**-**	**774,948**	**102,428**	**594,266**	**1,043,928**	**800,000**	**-**	**985,000**	**-**	**-**	**-**	**-**
Camión International 4300 210 Durastar	-	-	-	-	-	-	-	-	-	-	-	-
Mini Cargador Caterpillar Modelo 246D p/patio Concentrados	-	391,165	-	-	210,796	-	-	-	-	-	-	-
Bombas Cintrífugas p/socavon Victoria	-	-	-	-	-	-	-	-	-	-	-	-
Filtro nuevo de Discos	-	-	-	-	-	-	-	-	-	-	-	-
Celdas de Flotación	-	-	-	-	-	-	-	-	-	-	-	-
Instalación de celdas	-	-	-	-	-	-	-	-	-	-	-	-
1 Torno Mantenimiento	-	-	-	-	-	-	-	-	-	-	-	-
Corona para molino 6x14	-	-	-	-	-	-	-	985,000	-	-	-	-
Tanque para deposito de agua filtrado jales secos	-	383,783	102,428	191,122	392,206	-	-	-	-	-	-	-
Laboratorio: Mesas de Trabajo, Campana de Humos y Lavador de Gases Horizontal	-	-	-	403,145	-	800,000	-	-	-	-	-	-
Motor para molino 6 x 14	-	-	-	-	-	-	-	-	-	-	-	-
Sistema de Extracción Polvos Trituración y Laboratorio	-	-	-	-	440,926	-	-	-	-	-	-	-
Mine Development												
Argentina	-	-	-	-	-	-	-	-	-	-	-	-
Socavon Victoria	-	-	-	-	-	-	-	-	-	-	-	-
San Miguel	-	-	-	-	-	-	-	-	-	-	-	-
La Prieta	-	-	-	-	-	-	-	-	-	-	-	-
Durangueno	-	-	-	-	-	61,413	69,090	69,090	69,090	69,090	61,413	53,736
UG Exploration Drilling												
General	-	-	-	-	-	34,576	34,316	34,316	34,348	34,316	34,232	34,069
Plant and Equipment												
Buildings and construction	-	-	-	-	-	-	-	-	-	-	-	-
Mining Equipment	-	-	-	-	-	1,104,531	-	-	-	-	-	-
Milling Equipment	-	774,948	102,428	594,266	1,043,928	800,000	-	985,000	-	-	-	-
Tailings Dam & Projects	-	267,529	242,561	243,720	271,106	2,000,000	2,150,000	2,150,000	1,950,000	2,150,000	2,150,000	1,950,000
Maintenance Equipment												

4.8.2 Operating Costs

From actual operating expenditures reported in company presentations and the 2018 Master File Production Report, (an Excel based Budgeting tool), it can be seen that Topia mining costs have risen somewhat over the course of the current year and more significantly over the month of September 2018, Table 44 and Table 45.

Table 44: Topia – 2018 Master File Production Report – Actual Costs MXN $/t – January 2018 to May 2018

Process	Jan-18	Feb-18	Mar-18	Apr-1	May-18	Actual Ave.	Budget Ave.	Actual vs Budget
Mining	2,081	2,081	2,050	2,779	1,700	2,058	1,571	131%
Milling	460	460	478	571	536	536	593	90%
Admin	840	840	881	859	833	884	875	101%
MXN $/t	3,382	3,382	3,410	4,210	3,069	3,477	3,039	114%

Table 45: Topia Total Operating Expenditure (MXN $/t) – September 2018

GMC – Process	Actual	Budget	Actual vs Budget
Mining	1,925	1,554	124%
Milling	686	502	137%
Administrative	992	744	133%
MXN $ /t	3,602	2,779	130%

At Topia, mining costs are currently some 25% above budget, see Table 46.

Table 46: Topia Performance end September 2018 (2018 – 9 months actual + 3 month's forecast)

Factor	Actual	Budget	Comments
Production tonnes MMR tonnes Contractor tonnes	72,566 33,327 39,239	64,885 23,613 41,242	Additional MMR tonnes @ higher cost
Silver oz.	762,932	661,171	
Silver eq oz	1,403,208	1,320,724	Higher lead and zinc grades off-set lower silver grade + higher tonnes
Mine development m Operational m	46 6,284	210 3,318	Mainly La Prieta and Mina 1522 veins
Total Opex MXN/t Mining costs MXN/t	3,602 1,925	2,880 1,544	Unplanned mine development (and higher company labour costs)
Capex MXN 000s	1,303	1,942	Delayed tailings dam work and delay in replacing mine and plant equipment

However, Topia's production is higher than budget – but unplanned development and higher company labour costs off-set the advantage of increased output, also outlined in Table 46.

CSA Global Assessment

In its professional opinion CSA Global recommends that Topia's mining operating costs, arising from a revision of budget and corporate reporting presentations, in real 2018 terms be set as follows:

Topia mining costs MXN$2,040/t and total site costs of MXN$3,500/t (processing say MXN$600/t and G&A say MXN$860/t).

4.8.3 Metallurgical Inputs

The Topia mine was reported with the GMC mine in 3.8.3 above.

4.8.4 General and Administration

General and administration costs for the Topia properties are expected to amount to some MXN$71,000,000 for the calendar year 2018, Table 47.

Table 47 Topia Administration Costs – 2018 (5A7F)

Admin Costs	MXN$
Contabilidad	1,246,840
Commercial	10,889,348
IT	1,607,132
Gerencia	3,194,803
Administrativo	5,843,686
Derecho Minero Extraordinario 0.5%	1,381,103
VP Operations MX	3,234,279
Laboratorio	2,991,017
Ingenieria	3,803,646
Mantenimiento	5,233,473
Proyectos	1,749,699
Geologia	1,847,711
Almacen	2,309,311
Compras	936,594
Recursos Humanos	1,784,800
Servicios	9,560,834
Ambiental	2,383,482
Seguridad Industrial	8,609,299
Relaciones Comunitarias	2,148,306
Total Admin Costs	**70,755,363**

Month on month administration costs demonstrate relative stability – apart from some variance in January 2018 – and average, more or less MXN$600,000 per month

4.8.5 Closure Costs

Considering that the GMC closure cost of US$2.3 million is reasonable, the Topia mine site closure plan is likely to be subject to lower closure costs than the combined GMC and San Ignacio sites, taking into account that the:

1. dry-stack tailings will attract far less expenditure and monitoring costs than hydraulically deposited tailings;
2. various adits have almost no external infrastructure;

3. Topia plant is smaller than the GMC plant; and
4. office building could be sold, as it is in town.

On the other hand, Topia mine and mill produce a Pb concentrate, so perhaps a closure cost of US$1.5 million would be reasonable estimate.

4.8.6 Discussion

In CSA Global's professional opinion, based on its technical assessment of the Topia project, the inclusion of Inferred classified material within the life-of-mine is justified. CSA Global consider this reasonable for the following reasons:

- Long operating history, area has been actively mined for 400 years and by present company for 12 years (since 2006); during this time Great Panther has been mining directly from Inferred Resources and unclassified materials.
- Great Panther has a strong history of Mineral Resource replacement and growth year on year (see Figure 37);
- Great Panther has a history of regularly converting and mining Inferred and unclassified material;
- The mineralising veins have strong geological continuity and grade continuity which has been tested by closed spaced channel sampling in underground development and diamond drilling;
- The veins and structures hosting the mines have been mapped over several kilometres;
- The relatively high grade of the silver mineralisation provides greater abundance of metal. The greater abundance of silver, makes it easier to follow the mineralisation;
- Mineral Resource estimation conservatively applies top-cuts on input data, to moderate the influence of high-grade outliers in the sample population;
- Great Panther applies economic cut-offs and modifying factors to the Inferred classified material;
- CSA Global's site visit confirmed the above points.

Great Panther's strategic decision is that it is not a worthwhile investment to spend additional capital on drilling programs in order to further upgrade the Inferred Resources far ahead of mining, given their high level of confidence in the continuity of the mineralised vein established over a 10 year period of successful mining.

CSA Global Assessment

Refer to CSA Global's assessment for the GMC detailed in Section 3.8.6, which similarly applies to Topia.

5 Coricancha Project

The background information on the Coricancha Project has been taken from two NI43-101 reports by Golder Associates Inc (Turner *et al*., 2018 and Saint Don *et al*., 2018). The Saint Don *et al*. (2018) report forms part of a preliminary economic assessment report (PEA) prepared by Golder for Great Panther, and a summary published on the TSX in July 2018. Under the Australian reporting regime, a PEA is approximately equivalent to a Scoping Study, where generally speaking there is insufficient confidence in an estimate to declare Ore Reserves; and therefore, on a prima facie basis no reasonable basis for any economic forward-looking statements. CSA Global have relied on the technical information in the Saint Don *et al*. (2018) report, but have elected to only consider the economic analysis in the PEA as a tertiary cross check for our valuation opinion.

5.1 Location and Access

The Coricancha Project is in the central Andes of Perú in the District of San Mateo, Huarochirí Province, Department of Lima, as shown in Figure 38. It is located within the Rímac River Valley, in an area of significant topographical relief ranging from 2,990 masl to 4,500 masl.

The Coricancha Project plant and site office facilities are accessible year-round via a series of multilane paved roads. The mine processing plant and access to lower mine levels are located immediately adjacent to the Carretera Central (Central National Highway), approximately 90 km east of the city of Lima. The Central National Highway is the main route crossing the Andes Mountains to the east and connects Lima with La Oroya. It is the primary transportation route for goods, fuel, and mining and heavy materials up to the mines, and concentrates back to the coast.

Travel time by road from Lima to the concentrator and lower mine facilities is approximately three hours. The mine itself is accessed via a narrow, 25 km, gravel road, which begins in the town of San Mateo, 5 km to the east of the concentrator. Public bus service is available daily from San Mateo to Lima. The Ferrocarril Central del Perú (Peruvian Central Railway) transects the property with loading facilities at the crushing plant. The nearest international airport is in Lima.

The regional access and locations of on-site facilities are shown in Figure 38.

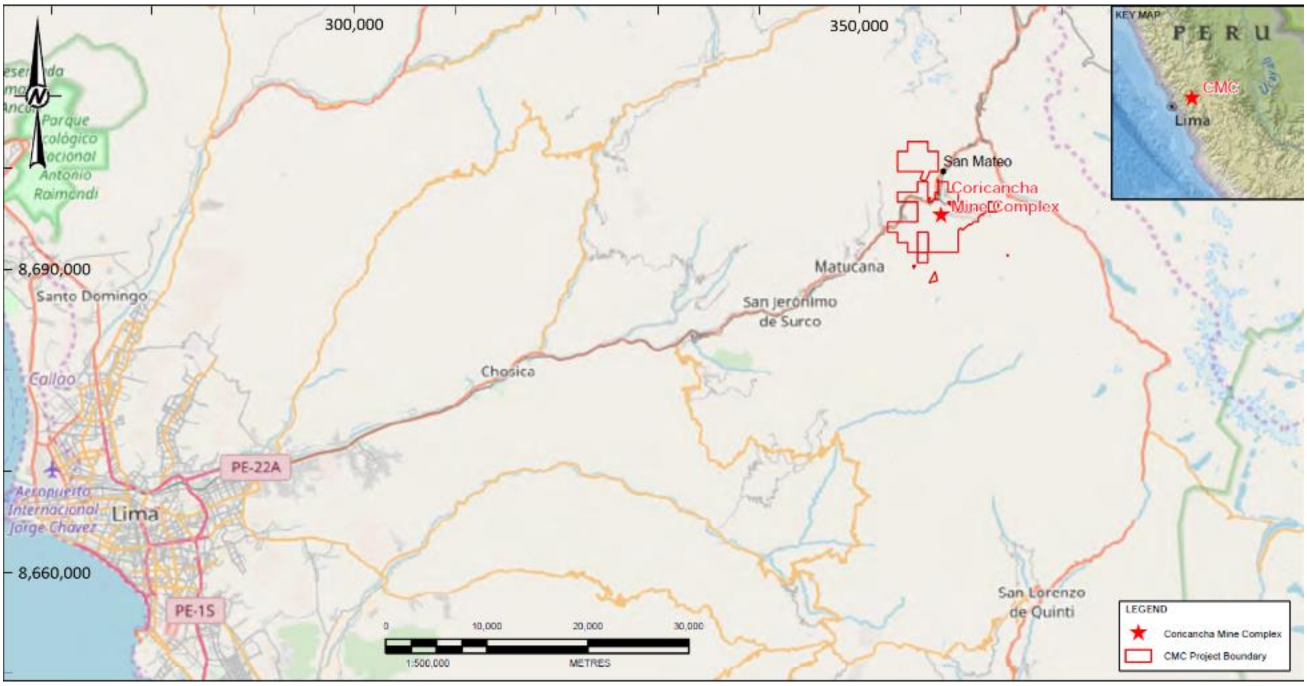


Figure 38: Coricancha Project location
Source: Modified after Turner et al., 2018.

5.2 Ownership and Tenure

The Coricancha Project includes 127 mining concessions, one mining transport concession, and one processing concession (See Table 48 and Figure 39). Great Panther has a 100% interest in all tenure which are held by Great Panther's Peruvian subsidiary Great Panther Coricancha S.A. All mining concessions are for metallic substances. Under Peruvian law, mining concessions do not have a term or time limit, being only subject to the compliance of mining obligations (for example payment of licence fees and penalty if applicable, reach minimum production or investment, start production before the end of 30 years counted from the following year in which the title was granted or since 2009 if the concessions were granted before that year, among others).

CSA Global have relied on a recent report by Miranda & Amado abogados, 5th October 2018, a Peruvian law firm based in Lima (Miranda & Amado, 2018) to verify tenure held by Great Panther's Peruvian subsidiary Great Panther Coricancha S.A. over the Coricancha mining project. The report outlines that under Peruvian mining law, mining concessions have no term or time limits, being only subject to compliance with mining obligations which include:

- Payment of license fees, and penalties if any;
- Achieving stated minimum production or investment;
- Commencing production within 30 years as counted from the year following the grant of title, or 2009 if granted prior to 2009

Miranda & Amado has also outlined on-going proceedings where the potential reclamation and relocation of Cancha No.1 and No. 2, and Triana tailings deposits are being discussed, please see section 5.2.2. Great Panther is also subject to two royalty agreements, details are provided in section 5.2.1.

CSA Global are satisfied that Great Panther has sufficient access and security of tenure on the Coricancha project, to allow a valuation in accordance with VALMIN requirements.

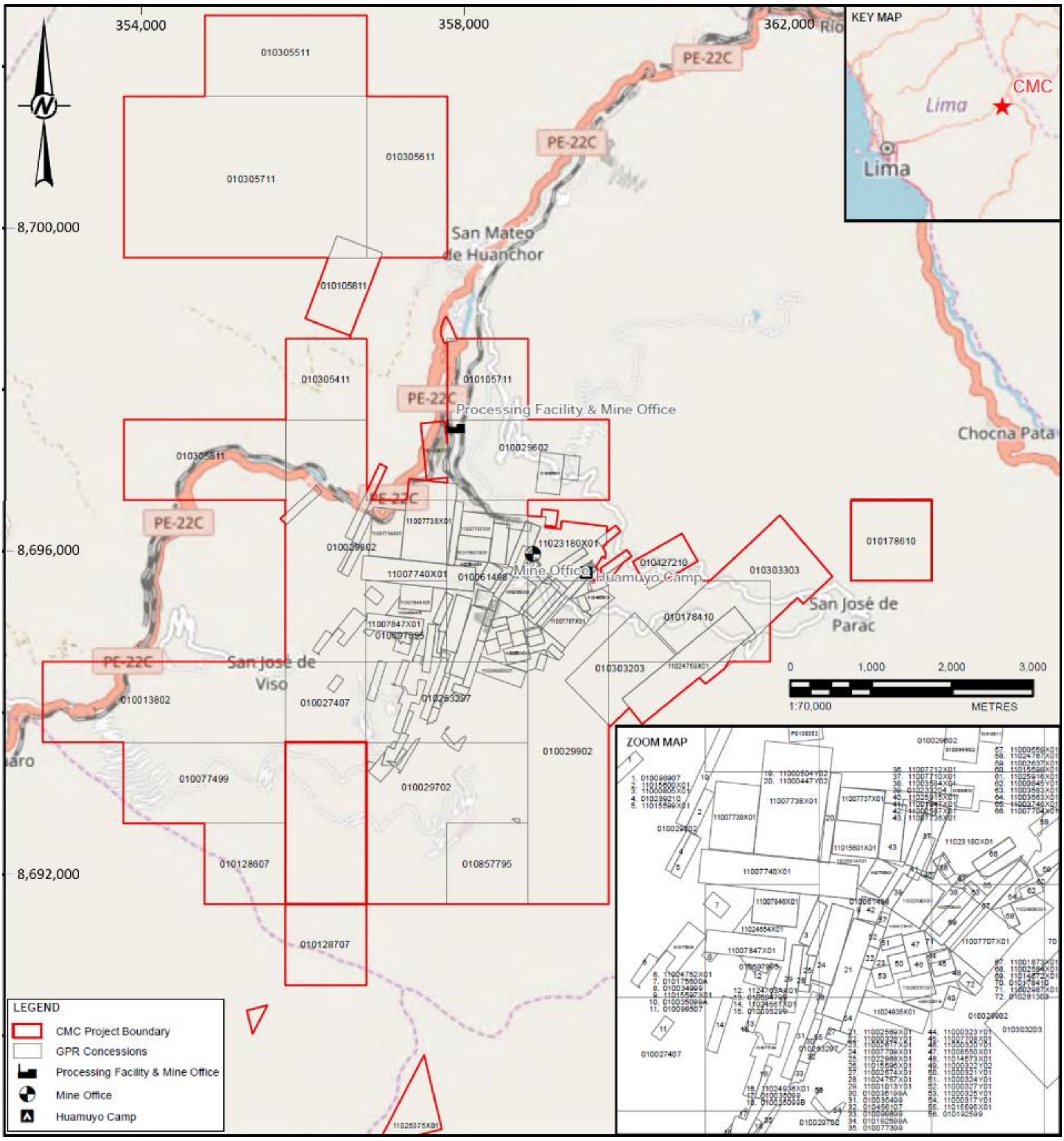


Figure 39: Coricancha Project tenure
Source: Modified after Turner et al., 2018.

Table 48: Coricancha Mining Concessions

Concession	Code	Area (ha)	Concession	Code	Area (ha)	Concession	Code	Area (ha)
Alberto	11001873X01	10.0023	Cipriano	11003583X01	2	Huascar	010034799	2.7845
Animas	11000322Y02	1.9968	Cipriano Segundo	11003748X01	5.4934	Huascar Noveno	11024936X01	1.5745
Aruri	11007709X01	13.9999	Colquipallana	11008550X01	4	Huascar Quinta	11024561X01	5.0001
Aruri Catorce	11015596X01	2.1262	Colquipallana Dos	11008551X01	5.9999	Huascar Segundo	010035299	0.0325
Aruri Cinco	11007704X01	4.001	Constancia	11000326Y01	2	Huascar Septimo	11024752X01	2.6732
Aruri Cuatro	11007712X01	1.9999	Consuelo	11000317Y01	5.9998	Huascar Sexto	1124763AX01	2.7348
Aruri Diecinueve	11024767X01	2.9999	Coricancha 98	010061498	15.6922	Huayna Capac El Grande	11003569X01	18
Aruri Dieciocho	11024654X01	17.7188	Coripallana	0100354999	7.7115	Inti Huatana	11002574X01	2.0001
Aruri Dieciseis	11015598X01	1.5779	Cuernos Pampa	11022968X01	1.579	La Nikelifera	11000447Y02	8.0002
Aruri Diecisiete	11023180X01	57.7458	Cuernos Pampa Uno-A	11024757X01	2.2615	Larga Vista	11002584X01	2
Aruri Diez	11014572X01	4.4424	Demasia Coricancha	11002987X01	1.5347	Las Siete Estrellas	010175600	7.7764
Aruri Dos	11007710X01	12.0003	Demasia No 2	010077299	14.1457	Las Siete Estrellas A-1	010175600A	2.8156
Aruri Nueve	11007708X01	4	Esperada 95	010857795	33.2334	Mac Donald A-1	010035199A	3.1610
Aruri Ocho	11007707X01	19.9994	Esperanza	11000845Y01	1.9999	Mañuna	11002637X01	4.0005
Aruri Once	11014573X01	5.629	Esperanza Numero Cinco	11003584X01	7.1943	Nuevo San Isidro Labrodor 1	010013802	190.4068
Aruri Quince	11015597X01	10.896	Esperanza Segunda	1100356X01	3.5188	Nuevo Tamboraque 1	010029602	112.265
Aruri Seis	11007705X01	6	Esperanza Tercera	11024855X01	6.9678	Nuevo Tamboraque 2	010029902	89.9493
Aruri Siete	11007706X01	9.9999	Fortuna 97	010263297	82.423	Nuevo Tamboraque 3	010029702	92.9362
Aruri Trece	11015595X01	4.551	Gaucho	11002587X01	3.9941	Nuevo Tamboraque 4	010029802	207.3739
Aruri Veinte	11024759X01	71.9997	Gina	11025375X01	38.9747	Oyama	11000559X01	1.135
Aruri Veinticinco	01697995	27.1307	Gina – A2	1125375AX01	3.952	Pizarro	010077399	2.9286
Aruri Veinticuatro	11025916X01	0.1516	Herriot	010035099	0.4915	Precaucion	11002617X01	2.6525
Aruri Veintidos	11025914X01	4.5189	Herriot A-1	010035099A	4.5094	Probable	010281303	2
Aruri Veintitres	11025915X01	0.4932	Herriot A-3	010035099B	1.0352	Reserva	11000327Y01	1.9969

Concession	Code	Area (ha)	Concession	Code	Area (ha)	Concession	Code	Area (ha)
Aruri Veintiuno	11024935X01	11.9999	Hidalgo	010099899	1.8478	San Antonio	11001013Y01	5.9907
Catalina	11001947X01	4	Hidalguia	010192599	0.0957	San Antonio	1100321Y01	2.8223
Chaupichaca	11000504Y02	10.0001	Hidalguia – A	010192599A	2.4822	San Francisco	1100325Y01	2.8223
San Isidro Labrador De Huarochiri	010077499	100.5005	Visa Cinco	010034999	0.681	Juanita X	010303203	86.69
San Jose	11000323Y01	2	Wellington	11000805X01	3.9999	Mash 1	010178410	39.5309
Santa Rosa De Colquipallana	11000320Y01	2.8222	Yahuar-Huaccac	11002580X01	12	Mash 2A	010289210	1.9448
Tamboraque	11007736X01	9.9998	Muz	010233204	2.9216	Mash 6	010220110	6.11
Tamboraque Cinco	11007740X01	42.001	Sulu I	010028007	0.7195	Mash 3	010178610	7.273
Tamboraque Cuatro	11007739X01	24.0003	Explorador No 4A	010098507	2	Mash 07	010427210	27.95
Tamboraque Dos	11007737X01	11.8772	Renzo 2003	010027907	0.9745	Mash 08	010106011	6
Tamboraque Ocho A	11015601X01	11.9998	Bub	010027407	86.8873	Mash 10	010105811	66
Tamboraque Seis	11007846X01	11.9999	Demasia Angelito No 12	010098607	0.2797	Mash 11	010105711	100
Tamboraque Seis-A	11015599X01	4.0001	Uranmayo Cuatro	010095902	14.93	Mash 13	010305811	200
Tamboraque Siete	11007847X01	13.9997	Kabil 2007	010128607	85.3808	Mash 14	010305411	100
Tamboraque Siete-A	11015600X01	4.0001	Coricancha 2007	010098907	5.9887	Mash 15	010305711	600
Tamboraque Tres	11007738X01	59.9261	CMSJ 2007	010128707	18.3611	Mash 16	010305611	200
Taruga	11001325Y01	4.8529	Mac Donaald	010456107	0.0033	Mash 17	010305511	200
Triangulo	11001178Y01	4.2239	Uranmayo Seis	010096002	3.29	Tamboraque II	T0100053	1.93
Trinidad	11000324Y01	2.0002	Juanita IX	010303303	149.48	Concentradora Tamboraque	P0100053	27.9

Source: Miranda & Amado 2018 – Legal opinion on Coricancha tenure

5.2.1 *Agreements and Royalties*

By agreement named “Licence Agreement” entered into and between Biomin Technologies S.A. (Biomin) and Minera Lizandro Proaño S.A. (Proaño) dated February 5, 1995 (Biomin Agreement); Biomin granted to Proaño the right to use a specific technology identified as BIOX® Process at its Tamboraque mine for the purpose of:

(i) erecting and commissioning a BIOX® plant; and

(ii) treating Proaño material through the BIOX® facility.

Following this License Agreement, Proano transferred its licensing rights to Wiese Leasing, which were then transferred to Compania Minera San Juan (Peru) S/A (former name of Great Panther Coricancha S/A).

This agreement also allows processing of third party's material so long as Biomin gives prior consent as they want to be able to negotiate a different royalty for such cases.

Based on a legal review of the recorded data, the following royalties apply:

- Net Smelter Return (NSR) royalty of 1% in favour of Global Resource Fund. The royalty agreement was executed between Compañía Minera San Juan (Perú) S.A. (CMSJ) and GRF Perú SAC. by public deed dated September 28, 2009. Then, by public deed dated December 21, 2010, GRF Peru SAC assigned their contractual position in the royalty agreement in favour of Global Resource Fund.
- A royalty of one dollar per ounce of gold recovered using the BIOX® Process. License Agreement is owed to Biomin.

5.2.2 *Environmental commitments*

Saint Don et al outline the following environmental commitments at the Coricancha Project.

The current Closure Plan Amendment (2014) has assumed the total commitment of US$11.0 million of closure warranty on behalf of the Ministry of Energy and Mines including the handling of some remaining tailings. Of this US$11.0 million commitment, the previous owner has funded US$9.8 million while Great Panther has funded the remaining US$1.2 million. The mining closure plan for mining and processing components, including tailings storage Deposito 1 and 2, the Chinchan Tailings Storages Phase I and II, tailings removal & transfer, and waste rock dump closure schedule.

Five of the fourteen surface waste rock storage sites defined in the Coricancha 2010 mining closure plan have potential economic value and will be assessed as part of future studies to determine if the material can be processed. The remaining nine waste dumps are currently not considered to have potential for economic value. Nevertheless, the 1996 EIA (Estudio de Impacto Ambiental) declared that all waste rock from mine activities, would be stored in the underground mine upon final closure.

Other closure issues include the concentrator, roads, infrastructure, legacy waste dumps, mine openings, and mine water management. Some will require further definition and permitting updates, as the project progresses.

The Chinchan Tailings Storage areas have limited capacity. Great Panther has determined that there is a sufficient capacity of Chinchan North and South Tailings Storages to accommodate for the amount of tailings that may be required to be transferred from Deposito 1 and 2, including any future tailings generated from future mining/processing. There is currently no waste water discharge authorization for Chinchan Tailings Storage areas. Under the current practice, water collected at the site is transported to the Tamboraque facility for treatment and discharge. A new discharge authorisation can be obtained to discharge water at Chinchan if required, through the Water National Authority (approximately 3 to 6 months to get this authorisation).

Any surface exploration activities will require an Environmental Certificate (EC) issued from the state entity called SENACE (National Environmental Certification Service). Depending on the extent of work, either a Declaración de Impacto Ambiental (DIA), or an environmental impact assessment (EIA) will be required. A DIA could be approved in up to 4 months, if the permits is for 20 sites or less, while, an EIA can take up to 15 months.

New waste dump facilities may be required with an extended mining plan, and additional permitting will be necessary during the operations life. A mining study is in progress.

5.3 Geology

5.3.1 Regional Geology

The regional geology of the Viso-Aruri mining district consists of a package of andesitic volcanic rocks and local basal sedimentary units intruded by monzonite stocks (See Figure 40). The Jumasha Formation is found at the base of the Viso-Aruri volcanic sequence and is characterised by tightly folded beds of grey limestone. The limestone outcrops in the Rímac River valley, near the town of San Miguel de Viso.

The approximately 1,500 m thick Rímac Formation overlies the Jumasha limestones and comprises Tertiary-age andesitic volcanics and is characterised by alternating layers of massive and porphyritic, grey to greenish-grey purple andesite. The volcanic beds are approximately 10 to 40 m thick and are roughly sub-horizontal, dipping slightly to the southwest at 15°.

There are two occurrences of intrusive rocks in the area which are thought to have been the source of the polymetallic mineralisation, although this has not been confirmed. The first is a small, altered, intrusive stock that has been mapped near the village of Viso on the south side of the mountain (Coricancha is on the north side). The other occurrence is the northeast to north-northeast trending, sub vertical intrusive dykes cutting the volcanic rocks.

The area has been exposed to significant structural compression, which has produced a strong regional scale fracturing pattern and allowed the emplacement of the polymetallic mineralisation within quartz sulphide veins as fracture filling. Some of the identified features include the northwest-southeast Pariachaca-Matucana fault, the north-south and north-northeast trending San Pablo and Huamuyo faults, and the south-southwest mineralised fractures zones.

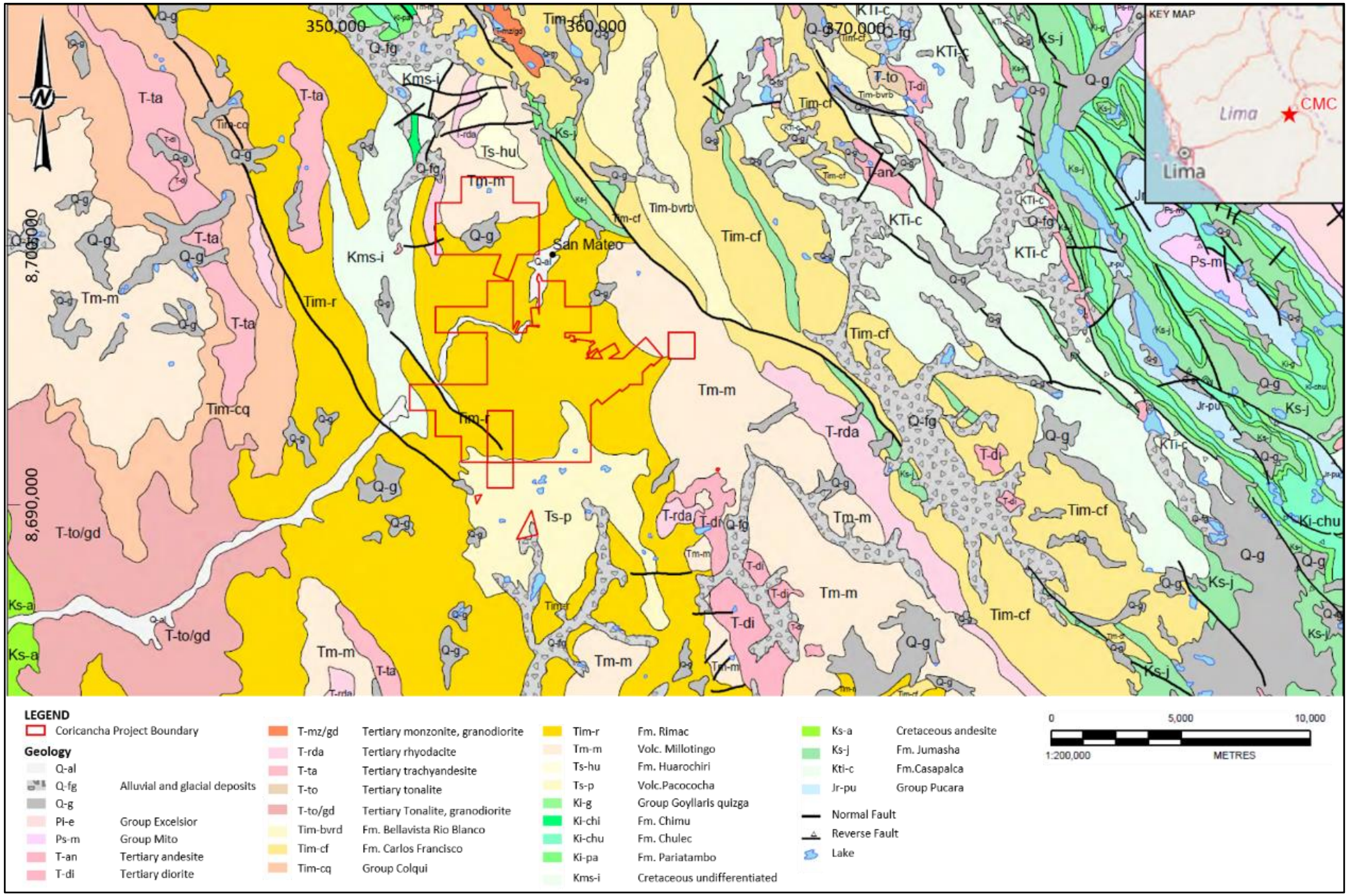


Figure 40: Coricancha regional geology
Source: Modified after Turner et al., 2018

5.3.2 Local Geology

The Coricancha property is almost entirely underlain by the Rímac Formation (Figure 41) andesitic volcanic rocks. The base of the sequence is composed of brecciated volcanic rocks overlain by andesitic flows, agglomerate, and tuff towards the top of the Cerro Huamanjune at approximately 4,500 masl elevation.

5.3.3 Coricancha Project Mineralisation

The Coricancha Project mineralisation is a polymetallic hydrothermal, brittle low sulphidation deposit hosted in the andesitic rocks of the Rímac Formation. The veins exhibit pinch-swell type behaviour typical of hydrothermal systems found within compressional and extensional structural environments. Vein widths reach upwards of 2.0 m and with a mean width of 0.6 m. The veins are known to split into two or more branches separated by waste rock materials.

Mineralisation at Coricancha is that of an anastomosed system where most of the secondary and tertiary veins branch off either from the main vein or the secondary veins. This has produced the necessary conduits to be filled by mineralised hydrothermal fluids. The overall system trends towards the northeast at approximately 15°, and the veins are primarily sub-vertical to steeply northwest dipping. It is thought that the anastomosed vein system is part of a larger tectonic shear zone with associated secondary and tertiary tensional veins.

The three main veins on the Coricancha property include the Wellington, Constancia and Animas veins, as shown in Figure 41. A plan map showing the surface traces of the Coricancha veins is illustrated in Figure 42. These veins define three structurally dislocated blocks from which a series of secondary and tertiary tensional veins splits off. The veins are extensive and are known to extend over 4 km along strike and more than 1.5 km down dip.

Typically, the veins show quartz-clay-pyrite argillic alteration, which extends up to 2.0 m into the footwall and hanging wall of the veins. The alteration does not contain any economic mineralisation of note.

The gold is refractory and associated primarily with arsenopyrite, with minor amounts associated with pyrite. Silver is primarily associated with galena, however minor amounts of argentiferous minerals pyrargyrite (Ag-Sb sulphide), freibergite (Ag bearing tetrahedrite), and proustite (Ag-As sulphide) have also been recorded. There is copper mineralisation included in the Coricancha hydrothermal system, however, the copper is mostly present as secondary minerals associated with the zinc mineralisation. The secondary copper minerals include chalcopyrite, covellite (Cu sulphide), tetrahedrite (Cu-Sb sulphide), and bornite (Cu-Pb-Sb sulphide).

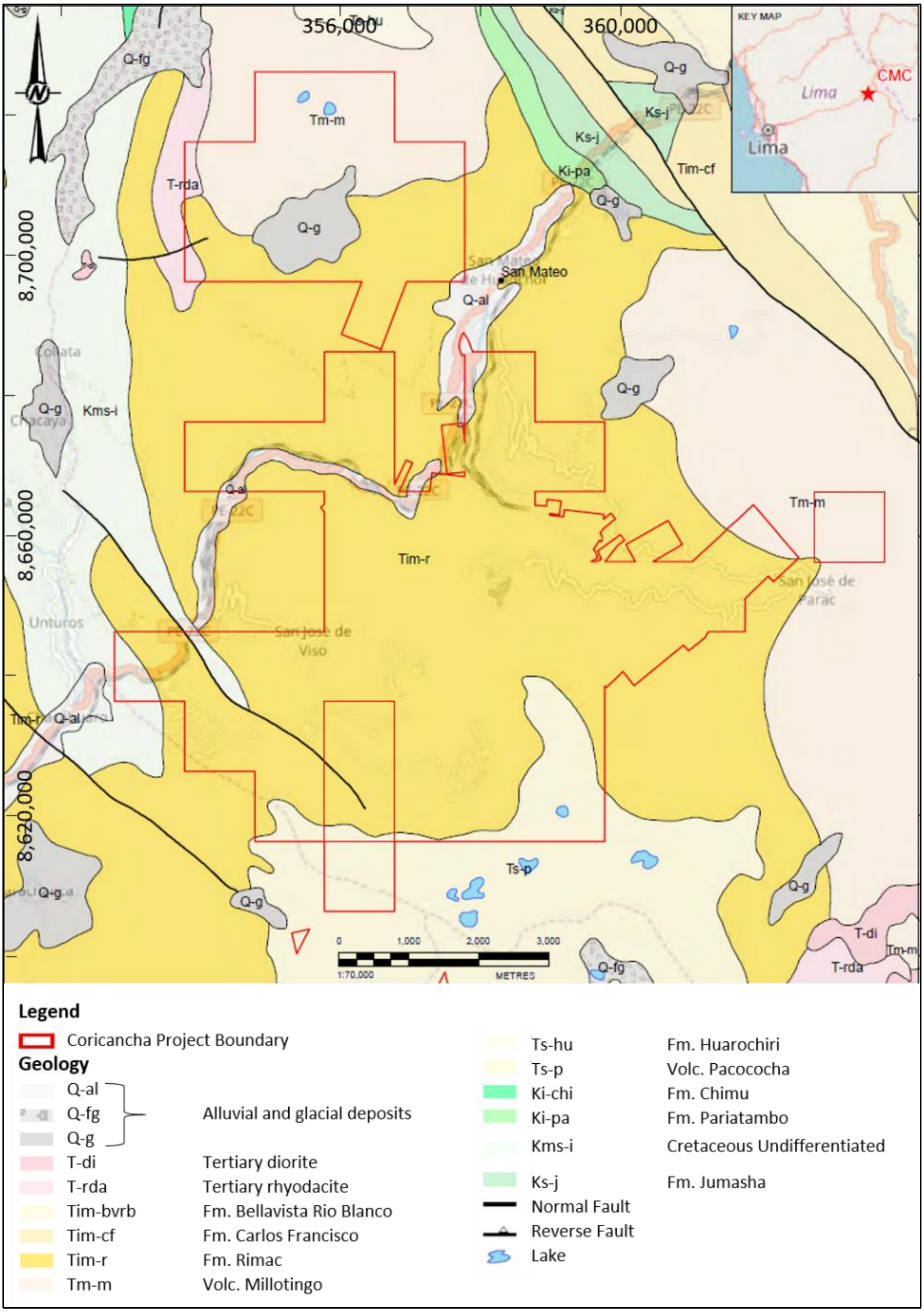


Figure 41: Coricanha project local geology
Source: Modified after Turner et al., 2018.

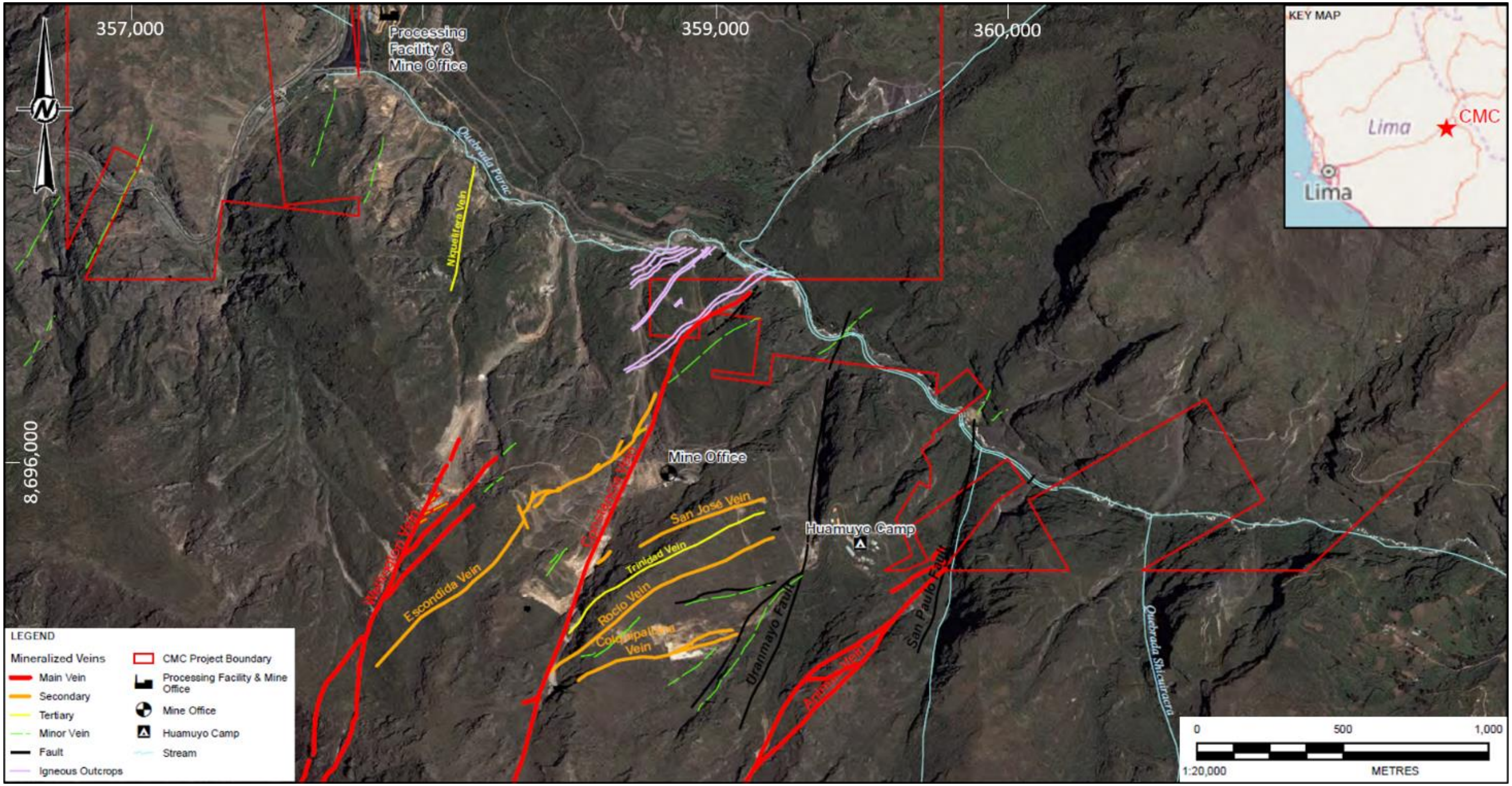


Figure 42: *Coricancha Project veins*
Source: Modified after Turner et al., 2018.

5.4 Exploration and Mining History

5.4.1 Mining History

The Coricancha Project has been exploited almost continuously since the 1800s. The historical Coricancha mine production for the 60 years prior to 1996 is reported to have ranged from 2,600 to 5,000 tpm.

In late 1995, Coricancha underwent a considerable expansion of operations from 200 tpd to 600 tpd and the installation of a modern BIOX® facility. The mine was shut down in September 2000 when Minera Lizandro Proaño was forced into bankruptcy.

At the beginning of 2001, Wiese Sudameris Leasing S.A took control of the assets and properties and entered into an agreement with Peruvian contractor Larizbeascoa & Zapata, S.A.C., to redesign the Coricancha operation.

The mine reopened in 2002 and was shut down in October 2002 by the government due to environmental problems related to the Mayoc tailings storage facility. In November 2002, the Coricancha mine and concentrator were shut down and put on care and maintenance. A water treatment plant constructed and commissioned to neutralise the mine water has been in continuous operation.

Gold Hawk Resources Inc. (Gold Hawk) acquired Coricancha in early 2007 and recommenced operations in June of 2007 at a production rate peaking as high as 10,000 tpm until suspending operations in May of 2008 due to ground movement observed on the natural hillside above the nearby tailings storage facility. Tetra Tech, Inc., prepared a technical report for Gold Hawk dated 30 March 2009 regarding the re-start of the Coricancha Mine in Peru that met the requirements of NI 43-101.

Nyrstar acquired an 85% majority interest in the Coricancha Mine in November 2009, recommencing operations in late 2010 following construction of a new tailings storage facility at the Chinchan location and the addition of a copper circuit.

Operations at the concentrator were temporarily reduced to 30% of capacity in the first half of 2011, due to an increased moisture compaction level required for the dry stack tailings at the newly commissioned Chinchan tailings facility resulting from heavy rainfall. During 2012, concentrator operations temporarily ceased due to concerns with Cancha 1 and 2 remediation plans. At the end of 2012, Nyrstar ceased mining ore from Coricancha's underground deposits but continued with the relocation of Cancha 1 and 2 to the Chinchan tailings storage facility. In August 2013, operations were halted due to the sustained lower precious metal prices and Coricancha was placed on care and maintenance.

5.4.2 Exploration History

Prior to Nyrstar's acquisition of Coricancha, exploration was primarily conducted by mining of veins, horizontal and vertical tunnels and raises, but no systematic formal exploration activities were completed. The first formal documented exploration program was conducted by Nyrstar in 2010 and consisted of field mapping, ground magnetic and induced polarisation (IP) surveys, and diamond drilling.

Nyrstar conducted a ground magnetometer survey in October 2010, which identified two significant anomalies, a smaller one associated with the Constancia vein to the southeast of the main fault and suggested a possible northern extension of the structure. The second was a larger northeast-southwest trending anomaly located to the northwest of the main fault and within the El Baron package.

IP resistivity and chargeability measurements were taken over four lines totalling 6.6 km in October and November 2010. The resistivity measurements identified several of the known mineralised structures including the Wellington, Constancia, and Escondida veins as well as the main fault zone. Chargeability measurements identified several sub-surface chargeability zones extending from 100 m to 300 m below surface to 600 m located to the west of the main fault zone.

Prior Nyrstar's acquisition of Coricancha, no systematic drilling was performed on-site. Historical drilling was completed, primarily as short holes, but unfortunately limited or no records exist related to this drilling (Saint Don, 2018).

Since 2010, several drilling programs have been completed with the primary focus of verifying the lateral and depth continuity of the main veins including, Wellington, Constancia and Colquipallana. Nyrstar conducted three independent drilling campaigns in 2010, 2011 and 2013. Great Panther drilling programs were completed in 2015 and 2016 in conjunction with Nyrstar. A total of 83 diamond drill holes, totalling 28,197 m of NQ sized core have been drilled within the Coricancha property boundaries, with 78 of the holes drilled at the main veins; Constancia, Wellington, Animas, Colquipallana and San Jose. Drill holes were either drilled from surface or underground depending on the target and accessibility.

5.5 Exploration Potential

Prior to Nyrstar (2010) no systematic exploration drilling was undertaken with exploration primarily conducted by mining veins by horizontal and vertical tunnels and raises. Very little exploration has been completed away from the historically mined veins. Largely the surrounding tenure is at an early 'greenfields' exploration stage, with little to none sub-surface exploration.

The major veins at Coricancha Constancia and Wellington are both open along strike and up and down dip. Additionally, multiple vein splays and the Animas vein are prospective brownfield targets.

5.6 Mineral Resources

The Mineral Resources for Coricancha are as per the NI 43-101 Technical report by Saint Don *et al*., (13 July 2018) of Golder Associates Inc. (Golder) in Canada. Golder report the Mineral Resource as having an effective date of December 20, 2017. Geological modelling and subsequent Mineral Resource estimation was performed by Great Panther under the supervision of the Golder Qualified Persons (QP) DA Saint Don, J Woods and R Turner, in accordance with the Golder internal modelling and Mineral Resource estimation guidelines, and in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition).

CSA Global conducted a high-level review of the Coricancha Mineral Resource estimate. The review of the deposit included a document review, and spot checks of the database, statistics, wireframes, and a review of the vein block models. Table 56 summarise the Coricancha estimates.

Deposit Geology

Please see section 5.3.3 for overview. The main veins are the Constancia, Wellington and Animas veins, and the remaining veins are the Coquilpallana, Rocio, Escondida, San Jose, Trinidad-Esparanza, Huayna Cápac, Santa Catalina, Niquelífera, Chaupichaca (see Figure 42).

The Constancia Vein was the main target of operations between 1906 and 2002. It has been mined from 11 levels (more than 840 m vertical extent), extending from level 3,980 to 3,140 masl. The vein outcrops at an elevation of 4,540 masl. Nyrstar completed drilling that confirmed a down dip extension of over 300 m below the lowest mine workings. This increased the known vertical extent of the Constancia Vein to 1,700 m. The vein has a strike extent of almost 4 km, of which 2.3 km are within the Coricancha Project. The Constancia vein strikes towards 200° southwest and dips from 75° to 80° northwest. Vein widths range from 0.10 m to 1.20 m wide with a mean width of 0.54 m. Mineralization typically consists of Qtz-AsPy-Py, followed by another band of sphalerite-galena-chalcopyrite. A long section of the Constancia Vein, showing mined out, and remaining interpreted, areas and Ag sample grade is shown in Figure 43.

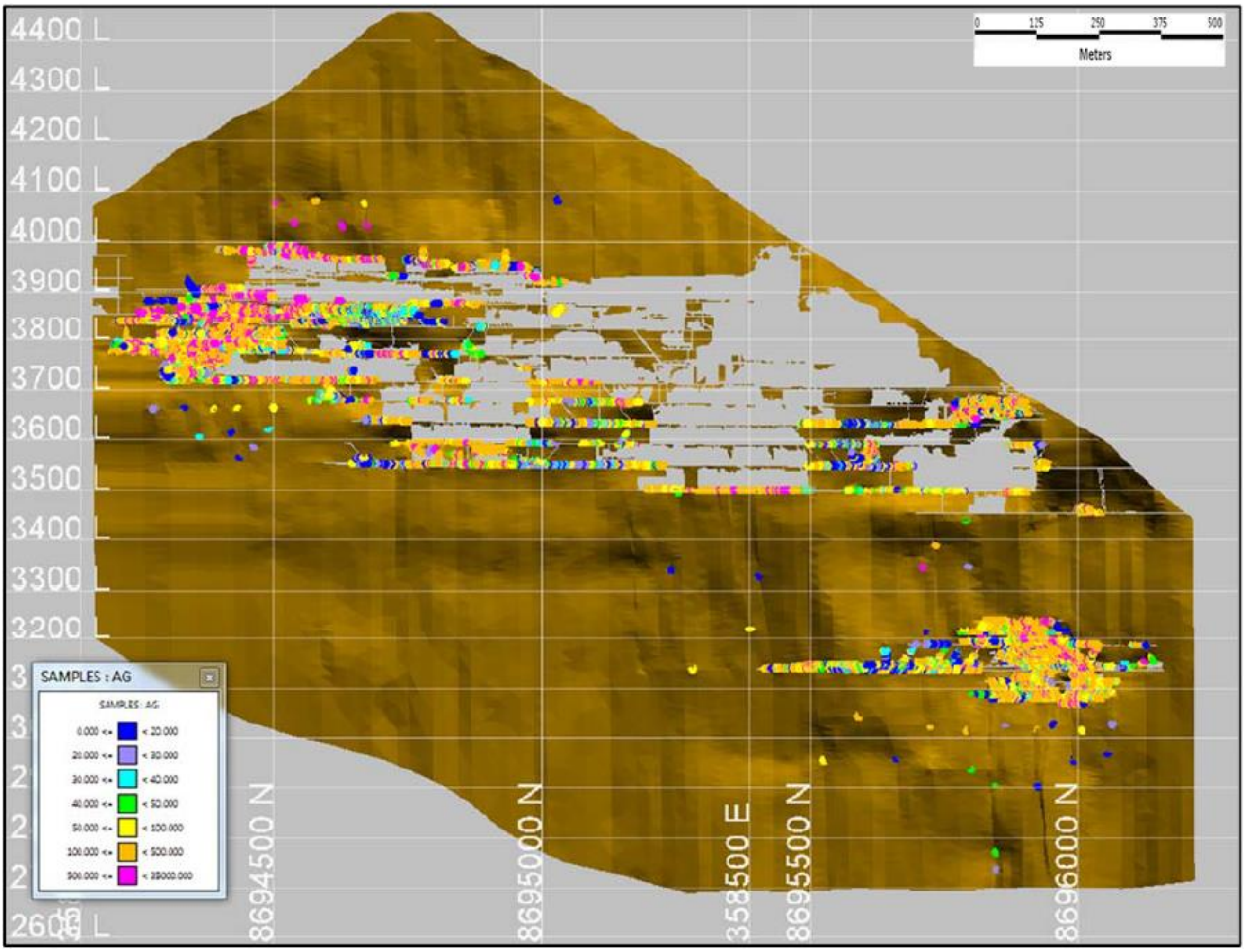


Figure 43: Constancia Vein Long Section
Source: Saint Don et al (2018)

The Wellington Vein was developed and mined from 1999 to 2002. It was mined over five levels, extending from level 3,900 to 3,700 (200 m vertical extent) and is open approximately 600 m along strike. The vein has been mapped over 2 km along strike at N20°E, of which 1.5 km are located within the Coricancha Project. Similar to the Constancia Vein, the Wellington Vein dips steeply to the NW. The widths are also similar, with a mean of 0.64 m. The vein commonly splits into two separate branches, which have been mapped up to 1.4 m wide with some local ore shoots of up to 3.0 m in width. The vein is typically associated with clay-silica-pyrite sericite alteration in both the hanging and footwall, as well as fault gouge. The Wellington Vein exhibits polymetallic mineralization consisting of Qtz fractures filled with sulphide bands of AsPy, Py, galena, sphalerite, tetrahedrite, and bornite. A long section of the Wellington Vein showing mined out areas and Ag sample grade is shown in Figure 44.

The Animas Vein extends for over 1 km and has a mapped vertical extent of approximately 300 m. The vein has a mean width of 0.65 m. It was the target of exploration during the 2015 and 2016 drilling program and returned results of 3.64 g/t Au and 417 g/t Ag over 0.41 m and 1.50 g/t Au and 107 g/t Ag over 1.20 m, with minor base metals. There has been no recorded production from the Animas Vein.

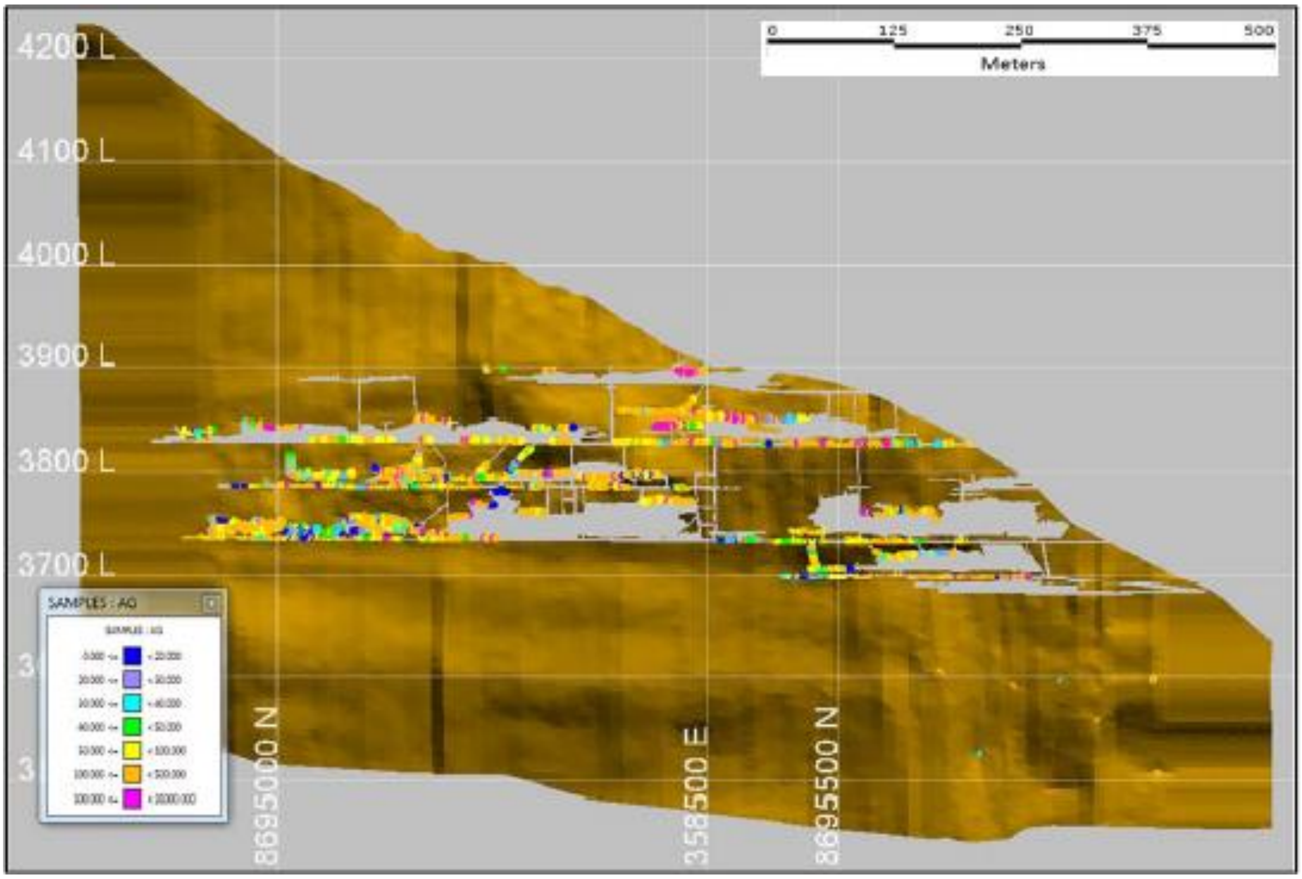


Figure 44: Wellington Vein Long Section
Source: Saint Don et al (2018)

Data collection techniques

Prior to 2010 and Nyrstar's acquisition of Coricancha, no systematic drilling was performed on-site. Historical drilling was completed, primarily as short holes, with very limited records relating to this drilling. The pre-2010 drilling was not included in the geological database or models due to the lack of information and inability to verify this data. Only drilling data from 2010 onwards was used in Mineral Resource estimation.

Since 2010, several drilling programs have been completed with the primary focus of verifying the lateral and depth continuity of the main veins including, Wellington, Constancia and Colquipallana. A summary of drilling is presented in Table 49, and Figure 45 illustrates the distribution of drill holes in the major veins. Of the total 83 drillholes drilled since 2010, 56 were drilled in Constancia, 13 in Wellington, two in Animas, five in Colquipallana, two in San Jose, and five in other areas.

Table 49: Summary of contemporary drilling (2010-2016), Coricancha

Company	Year	Num. drill holes	Metres
Nyrstar	2010	16	11,111
	2011	12	6,187
	2013	22	4,944
Nyrstar-Great Panther	2015-2016	33	5,955
Total		**82**	**28,197**

Source: Saint Don et al, 2018

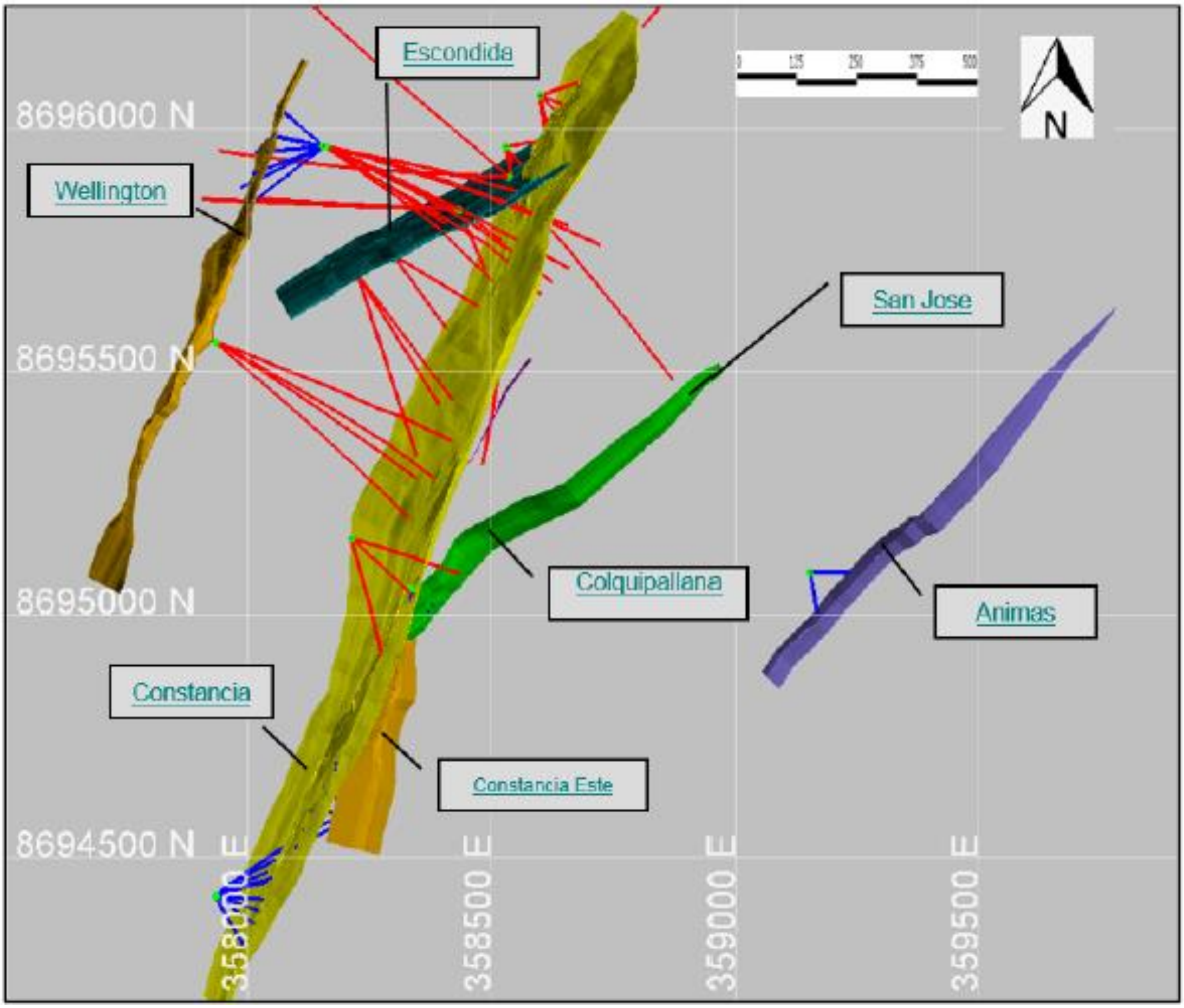


Figure 45: Distribution of Drill Holes at Coricancha
Source: Saint on et al, 2018. Note: Only holes drilled from 2010 onwards are shown, Nyrstar holes (red) Nyrstar & Great Panther (blue)

The same procedures were applied for all the drilling from 2010 onwards. Downhole directional surveys were completed as the hole was being drilled using a Reflex EZ-Shot tool at 75 m intervals and all surveyed using a total station transit and referenced to UTM coordinate system PSAD 56 Zone 18S. Drilling information was entered into a master Microsoft Excel™ database. Core logging geologists marked and labeled sample intervals on the core. Specific gravity measurements were taken using the Archimedes method. The core was then photographed prior to being sent to the core cutting room for physical sampling. The sampled core was bagged and sealed. A final photograph was taken after the sampling stage. Once the core had been logged and sampled, the completed core boxes were sealed and stacked crosswise for storage in the core storage areas. The drilling results confirm the existence of economic mineralization and reconcile with the extensive historical records of mining activities and production.

Table 50: Summary of sampling, Coricancha

Year	Sample type	Number of samples
Pre-2006	Underground channel samples	22,000
2006–2010	Underground channel samples	16,464
2010–2016	Underground channel samples	13,665
Total	**Underground channel samples**	**52,129**
2010 – 2016 (total)	Recent diamond drilling	1,663

Source: Saint Don et al, 2018

Prior to 2010, almost all samples were channel or grab samples from the underground workings, or surface outcrops. There were approximately 22,000 historical, pre-2006 samples, which were incorporated into the digital Coricancha Project database. Since 2006, a total of 30,129 channel and 1,663 drill core samples were analysed and also included in the assay database. However, only samples taken since 2010 by Nyrstar and Great Panther were used directly in geological modelling and Mineral Resource estimation for the current estimate.

Underground chip samples (channel) were collected for grade control and for previous Mineral Resource estimation purposes. The sample length was defined according to the lithological breaks and vein continuity. Samples were collected from a 5 centimetre (cm) deep by 20 cm wide channel cut perpendicular to the vein direction. The material was typically chipped out of the channel in small fragments and collected into a maximum 2 kg sample. Samples were collected every 10 m along the target vein.

Assaying was completed at ISO-9000 accredited laboratories run by ALS and SGS. Gold was analysed by fusion with 30 g fire assay with an atomic absorption spectrometry (AAS) finish; and gold and silver assays greater than 10 g/t Au were re-assayed by fire assay with a gravimetric finish. Other elements were analysed using mass spectrometry of inductively coupled plasma (ICP-MS), with high assays reanalysed using ICP-AES.

On average the QA/QC samples represented 6.25% of the total samples. No significant bias was evident.

370 density measurements were collected at Coricancha Project; of these, 39 were from the 2015-2016 drilling campaign. Density measurements were made internally at the mine site laboratory using the Archimedes method, using the whole NQ or HQ core. 20 of the 39 (2015-2016) samples were sent to SGS to verify the density determinations, and any differences were immaterial.

Table 51: Assigned averaged density by vein, Coricancha

Vein	Density (t/m^3)
Constancia	3.30
Wellington	3.20
Constancia Este	3.20
Escondida	3.20
San Jose	3.20
Colquipallana	2.90

CSA Global Assessment

CSA Global considers that data collection techniques are largely consistent with industry standard practice and are fit for purpose. Sampling and analytical techniques are considered appropriate, and adequate QAQC data has been collected and analysed. Based on the information supplied, CSA Global considers that the quality of the sampling and assaying does not pose a material risk.

Geological Interpretation and Modelling

Geological modelling and subsequent Mineral Resource estimation was performed by Great panther under the supervision of Golder, in accordance with Golder internal modelling and Mineral Resource estimation guidelines and in accordance with the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (May 2003 edition). CSA Global notes that while the Animas vein was modelled, Great Panther staff decided not to include the vein in the Mineral Resource estimate as there were no underground samples and only two drill holes located 100 m apart.

The estimation database contained data from 83 drill holes, totalling 28,197 m with 1,663 samples, and 13,664 channel samples. The assay file included sample data for Au, Ag, Cu, Pb, and Zn.

A digital terrain model (DTM) was created to using measured elevations and historical compilations of topographic surveys to represent the volumes extracted as part of mining activities, which were later subtracted from the corresponding vein wireframes, to produce the final wireframes used to flag mineralised blocks in the estimated Mineral Resource model.

The mineralised system at the Coricancha Project is interpreted to be an anastomosed system where most of the secondary and tertiary veins branch off the main vein, or the secondary veins. The highest-grade mineralization is usually restricted to the centre of each vein. Generally, the veins at Coricancha strike at approximately N30°E and dip sub-vertically. The six main target veins at Coricancha are the Wellington, Constancia, Escondida, Constancia Este, San Jose, and Colquipallana veins.

The 3D models of the veins were modelled and constructed based on the surveyed underground mining works. Due to local inconsistences between the location of the channel samples and the limits of the vein surveyed by topography, the edges of the wireframes were adjusted, and snapped to the ends of the channel samples and drill intercepts of the vein. The channel samples are restricted to the limits of the vein and as such, are the true vein thickness.

Estimation of Mineral Resources

Drill hole sample lengths ranged between 0.09 m to 3.4 m, with a mean of 0.92 m, and channels samples ranged between 0.05 m to 2.55 m with a mean of 0.49 m within the deposit. Drill hole intercepts and channel assays were composited across the individual vein intervals, to generate one composite for each interval. Compositing was restricted to data within the veins, and no blocks located outside the veins were included in the estimate.

The composites statistics were reviewed and summarised in Table 52.

Table 52: Composited vein statistics, Coricancha

Parameter	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)
Mean	6.28	235.39	2.26	3.2	0.42
Minimum	0.01	0.01	0.01	0.01	0.00
Maximum	110.10	9,519.01	52.27	37.07	14.99
Median	4.69	128.04	1.02	2.09	0.17
Mode	0.01	40.12	0.01	0.43	0.01
Standard Deviation	6.06	346.66	3.37	3.46	0.74
Sample Variance	36.69	120,170.35	11.34	11.96	0.54
Count	12,516	12,516	12,516	12,516	12,516

Source: Saint Don et al, 2018

High-grade caps were applied to the assay composites to limit the influence of anomalous high-grade results. Outlier values were defined by the grade distribution of the samples per vein, based on the log scale cumulative frequency by vein. Outlier values were defined by the grade distribution of the samples per vein. Table 53 summarises the values used for capping per variable and vein.

Table 53: High-grade cap by veins, Coricancha

Vein	Sample Type	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)
Constancia	Underground	22.0	1,150	11.0	15.0	3.0
	Drill Hole	13.0	1,100	4.5	12.5	3.0
Wellington	Underground	19.0	770	6.5	15.5	2.5
	Drill Hole	10.0	-	-	15.5	2.5
Escondida	Underground	7.2	700	3.00	13.0	7.6
Constancia-Este	Underground	22.0	1,850	25.0	13.5	1.6
Colquipallana	Underground	18.0	1,100	19.5	10.5	1.7

Source: Saint Don et al, 2018

Block dimensions for all the models were based on the selective mining unit and the geology of the veins and set to 2.5 m (X) x 5.0 m (Y) x 5.0 m (Z). A single, unique block model was prepared for each vein, and each of the corresponding wireframes restricted within the specific limits. Each block located at least partly within a wireframe was estimated, and percentages based on the portion of the block within the wireframe were recorded. The proportion of material inside the vein, including remnant unmined material, was flagged for estimation.

Variography was completed for each of the variables to examine their spatial continuity by vein, as summarised in CSA Global Assessment

Statistical and geostatistical analyses was completed on a vein by vein basis, and the estimation data was hard coded to only permit the data within a vein to be used for estimation of that vein. High-grade caps, or top cuts, were applied on an area basis, to prevent overestimation.

Variography was completed, with moderately high nugget values and variable ranges evident among the different veins; this was not unexpected due to the clustered data. Variogram ranges were used to guide indicative search ranges nominated for ID3 grade estimation approach. Block model parent cell sizes reflect the close spaced channel data and the selective mining blocks. The density assignations on the basis of vein averages is appropriate. The global estimate will be sufficient for long term mine planning purposes, and the Measured and Indicated Mineral Resource blocks should provide a reasonable indication of the short to medium term grade and tonnes.

CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice for narrow veined deposits and does not represent a material risk to the ongoing development, mining, or global value of the project.

Table 54. However, inverse distance cubed (ID^3) estimation was selected for grade estimation, as in Great Panther's view, it represented a better reflection of the combination of trends determined from the variography and sectional interpretations of geology and grade distributions. Grade interpolation was completed separately for each variable, in three-passes for each element in each model. Table 55 summarises the grade estimation parameters by vein and pass.

Density was assigned to model blocks by vein, as outlined in Table 51.

The resulting models were reviewed statistically and in 3D. The validations included visual and global statistical (block and samples) comparisons of estimated grades against composite grades. Visual validation included a review of cross-sections and plan level views, with estimation data. Global statistics for composites and blocks were compared, and the samples were declustered using nearest neighbour estimation.

CSA Global Assessment

Statistical and geostatistical analyses was completed on a vein by vein basis, and the estimation data was hard coded to only permit the data within a vein to be used for estimation of that vein. High-grade caps, or top cuts, were applied on an area basis, to prevent overestimation.

Variography was completed, with moderately high nugget values and variable ranges evident among the different veins; this was not unexpected due to the clustered data. Variogram ranges were used to guide indicative search ranges nominated for ID^3 grade estimation approach. Block model parent cell sizes reflect the close spaced channel data and the selective mining blocks. The density assignations on the basis of vein averages is appropriate. The global estimate will be sufficient for long term mine planning purposes, and the Measured and Indicated Mineral Resource blocks should provide a reasonable indication of the short to medium term grade and tonnes.

CSA Global considers that the way the Mineral Resource model was prepared represents acceptable practice for narrow veined deposits and does not represent a material risk to the ongoing development, mining, or global value of the project.

Table 54: Summary of variography by vein and element, Coricancha

Vein	Variable	Nugget	First Structure				Second Structure			
			Sill 1	Axi 1	Axi 2	Axi 3	Sill 2	Axi 1	Axi 2	Axi 3
Constancia	Au	0.37	0.07	15	10	-	0.08	35	20	-
	Ag	0.40	0.06	20	10	-	0.16	50	30	-
	Pb	0.48	0.03	20	10	-	0.15	60	40	-
	Zn	0.39	0.08	15	10	-	0.09	50	30	-
	Cu	0.43	0.07	15	10	-	0.35	60	40	-
Wellington	Au	0.30	20.00	20	10	5	5.00	70	50	25
	Ag	0.23	0.31	16	12	5	0.05	60	45	20
	Pb	0.35	0.20	15	10	5	0.03	60	40	15
	Zn	0.18	0.40	15	10	5	0.03	60	40	15
	Cu	0.15	0.39	20	10	5	0.13	80	40	15
Escondida	Au	0.37	0.09	7	5	-	0.03	20	15	-
	Ag	0.28	0.01	7	5	-	0.10	20	15	-
	Pb	0.34	0.09	7	5	-	0.10	30	15	-
	Zn	0.39	0.10	7	5	-	0.09	30	15	-
	Cu	0.30	0.14	5	5	-	0.28	30	20	-
Constancia Este	Au	0.33	0.21	10	8	-	0.22	40	30	-
	Ag	0.35	0.19	10	8	-	0.15	40	25	-
	Pb	0.40	0.26	10	7	-	0.07	40	30	-
	Zn	0.35	0.25	8	5	-	0.18	30	20	-
	Cu	0.29	0.23	10	8	-	0.07	40	20	-
San Jose	Au	0.33	0.13	10	5	-	0.15	30	20	-
	Ag	0.38	0.05	10	5	-	0.14	30	20	-
	Pb	0.40	0.05	10	5	-	0.07	40	20	-
	Zn	0.34	0.04	10	5	-	0.18	40	20	-
	Cu	0.41	0.07	10	5	-	0.90	30	20	-
Colquipallana	Au	0.14	0.41	5	3	-	0.87	25	10	-
	Ag	0.25	0.55	5	5	-	0.93	25	10	-
	Pb	0.28	0.30	20	10	-	0.16	40	20	-
	Zn	0.25	0.06	5	5	-	0.10	20	10	-
	Cu	0.18	0.08	10	5	-	0.14	40	20	-

Source: Saint Don et al, 2018

Table 55: Grade estimation parameters, by vein and pass, Coricancha

Vein	Variable	Pass	Axi 1	Axi 2	Axi 3	Min. Samples	Vein	Variable	Pass	Axi 1	Axi 2	Axi 3	Min. Samples
Constancia	Au	Pass 1	18	10	5	6	Escondida	Au	Pass 1	10	8	5	6
		Pass 2	35	20	10	4			Pass 2	20	15	10	4
		Pass 3	140	80	15	2			Pass 3	80	60	15	2
	Ag	Pass 1	25	15	5	6		Ag	Pass 1	10	8	5	6
		Pass 2	50	30	10	4			Pass 2	20	15	10	4
		Pass 3	200	120	15	2			Pass 3	80	60	15	2
	Pb	Pass 1	30	20	5	6		Pb	Pass 1	15	8	5	6
		Pass 2	60	40	10	4			Pass 2	30	15	10	4
		Pass 3	240	160	15	2			Pass 3	120	60	15	2
	Zn	Pass 1	25	15	5	6		Zn	Pass 1	15	8	5	6
		Pass 2	50	30	10	4			Pass 2	30	15	10	4
		Pass 3	200	120	15	2			Pass 3	120	60	15	2
	Cu	Pass 1	30	20	5	6		Cu	Pass 1	15	8	5	6
		Pass 2	60	40	10	4			Pass 2	30	20	10	4
		Pass 3	240	160	15	2			Pass 3	120	80	15	2
Wellington	Au	Pass 1	35	25	5	6	Constancia Este	Au	Pass 1	20	15	5	6
		Pass 2	70	50	10	4			Pass 2	40	30	10	4
		Pass 3	240	200	15	2			Pass 3	160	120	15	2
	Ag	Pass 1	30	25	5	6		Ag	Pass 1	20	18	5	6
		Pass 2	60	45	5	4			Pass 2	40	25	10	4
		Pass 3	240	180	5	2			Pass 3	160	100	15	2
	Pb	Pass 1	30	20	5	6		Pb	Pass 1	20	10	5	6
		Pass 2	60	40	5	4			Pass 2	40	30	10	4
		Pass 3	240	160	5	2			Pass 3	160	120	15	2
	Zn	Pass 1	30	20	5	6		Zn	Pass 1	15	10	5	6
		Pass 2	60	40	5	4			Pass 2	30	20	10	4
		Pass 3	240	160	5	2			Pass 3	120	80	15	2
	Cu	Pass 1	30	20	5	6		Cu	Pass 1	20	10	5	6
		Pass 2	60	40	5	4			Pass 2	40	20	10	4
		Pass 3	240	160	5	2			Pass 3	160	80	15	2
San Jose	Au	Pass 1	15	10	5	6	Colquipallana	Au	Pass 1				6
		Pass 2	30	20	10	4			Pass 2				4
		Pass 3	120	80	15	2			Pass 3				2
	Ag	Pass 1	10	10	5	6		Ag	Pass 1				6
		Pass 2	30	20	10	4			Pass 2				4
		Pass 3	120	80	15	2			Pass 3				2
	Pb	Pass 1	20	10	5	6		Pb	Pass 1				6
		Pass 2	40	20	10	4			Pass 2				4
		Pass 3	160	80	15	2			Pass 3				2
	Zn	Pass 1	20	10	5	6		Zn	Pass 1				6
		Pass 2	40	20	10	4			Pass 2				4
		Pass 3	160	80	15	2			Pass 3				2
	Cu	Pass 1	15	10	5	6		Cu	Pass 1				6
		Pass 2	30	20	10	4			Pass 2				4
		Pass 3	120	80	15	2			Pass 3				2

Source: Saint Don et al, 2018

Mineral Resource Classification and Statement

The Mineral Resource estimate has an effective date of 20th December 2017, and is presented in Table 56. Mineral Resources were categorized into Measured, Indicated, and Inferred Mineral Resources based on the distance of the block from the nearest sample point of observation (POI). Sample locations were primarily channel samples taken in underground workings or drill holes. Classification was reported as follows:

- Measured Mineral Resource: Less than 15 m from the nearest point of observation (POI).
- Indicated Mineral Resource: Between 15 and 30 m from the nearest POI.

- Inferred Mineral Resource: Between 30 and 60 m from the nearest POI, or within a wireframe derived exclusively from drill hole intersections.

Blocks that were greater than 60 m away from the nearest sample POI, or outside of the wireframe, were not classified. Manual corrections were applied to correct the generation of isolated nucleus of material ("spotted dog" artefacts were removed) and to correct areas with scarce continuity. Additionally, areas where geological confidence was lower than that reflected in the empirically derived classification received a reduced classification. Figure 46 illustrates an overview of the typical Mineral Resource classification, for the Constancia vein, showing mined out areas, underground development, and estimated blocks in the interpreted vein wireframe, in a long section view.

Net Smelter Return (NSR) was estimated for each block in the model and used as a cut-off value for breakeven material, and to establish a reasonable basis to conclude that there were reasonable prospects for economic extraction. The NSR was based on metal prices, plant recovery, smelter payables, and treatment, refining, and transportation charges. The Mineral Resources statement was derived from these costs.

CSA Global Assessment

The classification of the estimated Mineral Resources was based on an approach applying the distance from data points adopted as a proxy to collectively represent considerations of the quality of the input data, confidence in the interpretation, and sampling density. Sample locations were primarily channel samples taken in underground workings or drill holes. CSA Global considers the classified estimates to be fit for the purpose of supporting valuation of the projects.

Table 56: Summary of Coricancha Mineral Resources by Vein & Element

Vein	Class	Tonnes	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	AgEq (g/t)	AgEq oz (M)
Constancia	Measured	270,300	6.2	219	2.4	3.4	0.4	1,064	9.2
Wellington		92,300	6.1	184	1.7	4.0	0.5	1,028	3.1
Escondida		15,400	0.9	279	0.3	1.4	3.2	832	0.4
Constancia Este		16,300	6	143	2.0	2.2	0.1	836	0.4
San Jose		6,900	5.8	212	4.5	2.9	0.3	1,078	0.2
Colquipallana		2,900	3.4	220	3.7	5.3	0.2	995	0.1
Total Measured		**404,200**	**5.9**	**210**	**2.2**	**3.4**	**0.5**	**1,037**	**13.5**
Constancia	Indicated	218,500	6	188	2.1	3.1	0.3	968	6.8
Wellington		77,100	6	186	1.7	3.7	0.5	1,004	2.5
Escondida		21,400	1	238	0.2	1.1	2.8	733	0.5
Constancia Este		18,600	5.8	137	1.9	2.0	0.1	798	0.5
San Jose		7,700	5.7	217	4.8	2.9	0.3	1,084	0.3
Colquipallana		5,200	3.4	207	3.3	5.1	0.2	953	0.2
Total Indicated		**348,600**	**5.6**	**189**	**2.0**	**3.1**	**0.5**	**955**	**10.7**
Constancia	Measured + Indicated	488,900	6.1	205	2.2	3.3	0.4	1,021	16.1
Wellington		169,400	6	185	1.7	3.8	0.5	1,017	5.5
Escondida		36,800	1	255	0.3	1.2	3.0	775	0.9
Constancia Este		35,000	5.9	139	2.0	2.1	0.1	816	0.9
San Jose		14,600	5.7	215	4.6	2.9	0.3	1,081	0.5
Colquipallana		8,200	3.4	212	3.4	5.2	0.2	968	0.3
Total Measured + Indicated		**752,800**	**5.8**	**200**	**2.1**	**3.3**	**0.5**	**999**	**24.2**
Constancia	Inferred	532,400	5.3	215	1.7	3.3	0.4	950	16.3
Wellington		238,800	5.4	219	1.1	4.0	0.8	1,014	7.8
Escondida		96,900	2.2	208	0.3	2.2	1.9	751	2.3
Constancia Este		49,200	5.7	125	1.7	1.6	0.2	760	1.2
San Jose		14,200	5.7	213	4.3	2.8	0.3	1,049	0.5
Colquipallana		11,600	3.7	117	3.0	3.2	0.2	743	0.3
Total Inferred		**943,200**	**5**	**209**	**1.5**	**3.3**	**0.6**	**934**	**28.4**

Source: Great Panther Silver July 2018

Notes for Mineral Resource Estimates:

- Cut-offs are based on an estimated US$140 Net Smelter Return (NSR)/tonne.
- Metal prices used to calculate NSR: US$1,300 per ounce (oz) Au, US$17/oz Ag, US$1.15 per pound (lb) Pb, US$1.50/lb Zn, US$3.00/lb Cu.
- Block model grades converted to United States Dollar (US$) value using plant recoveries of 92.1% Ag, 80.2% Au, 77.3% Pb, 82.6% Zn, 52.7% Cu.
- Rock Density for Constancia: 3.3 tonnes per cubic metre (t/m^3), Wellington, Constancia East, Escondida, San Jose: 3.2 t/m^3, Colquipallana: 2.9 t/m^3.
- Totals may not agree due to rounding.
- Grades in metric units.
- All currencies US dollars.
- Ag equivalent ounces (eq oz) Million (M) is calculated from gpt data.
- AgEq g/t = Ag g/t + (Pb grade x ((Pb price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) +(Zn grade x ((Zn price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Cu grade x ((Cu price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Au grade x (Au price per oz/Ag price per oz)).

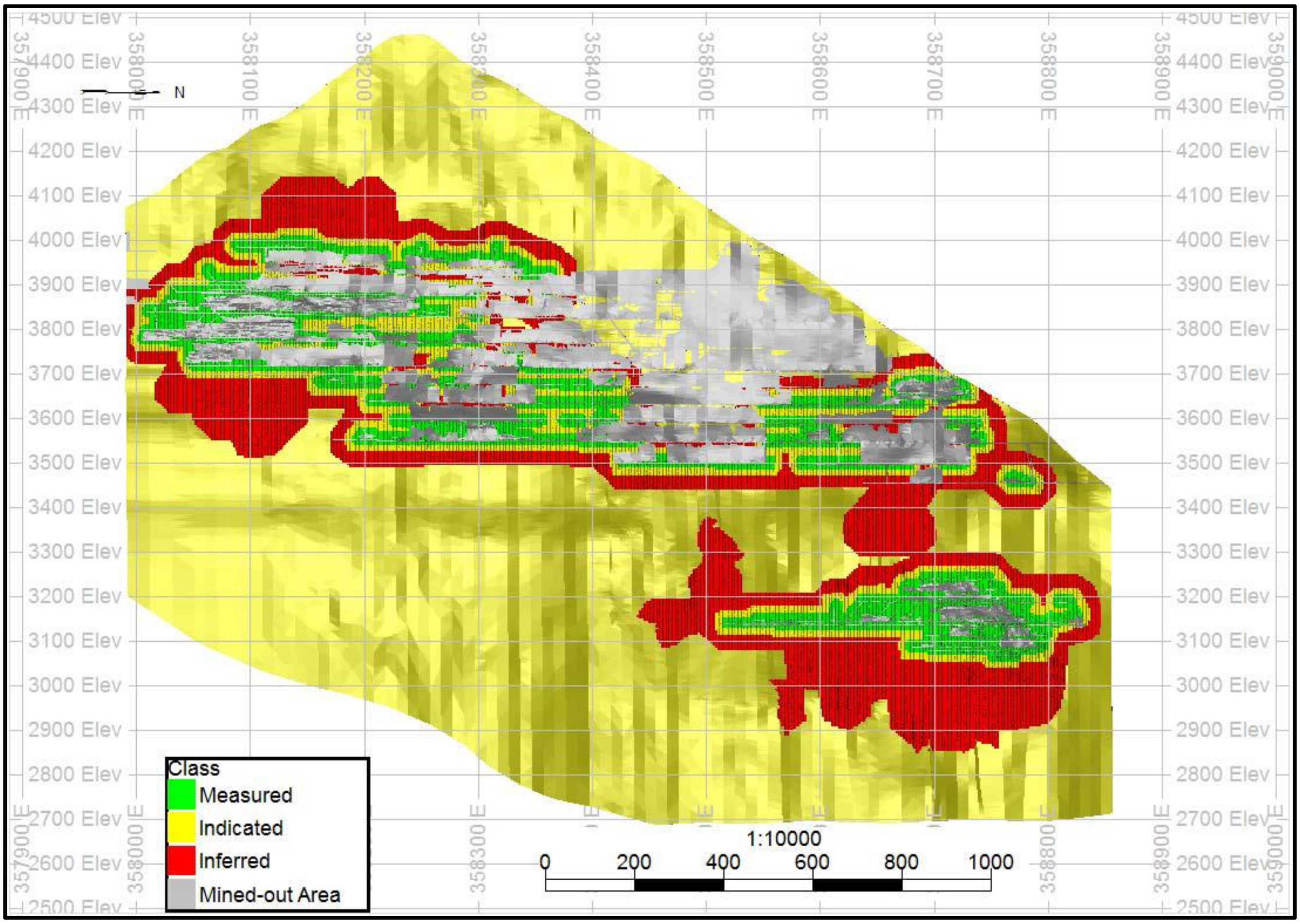


Figure 46: Typical example of classified Mineral Resources, Coricancha
Source: Saint Don et al., 2018. Constancia long section looking northwest

6 Great Panther Minor Projects

Great Panther has two non-core exploration projects. The Plomo Project located in Sonora, Mexico and the Argosy Project in the Red Lake Mining District in north-western Ontario, Canada. Brief descriptions of them have been provided below. Information on the Plomo and Argosy Projects was extracted from Cangold Limited (2015 and 2014).

6.1 Plomo Project

Great Panther acquired the Plomo Project when acquiring Cangold Limited in 2015. The Plomo Project is an early exploration project within the Altar desert of north-western Sonora, approximately 320 km northwest of Hermosillo, Sonora, Mexico and is easily accessible by paved highways and secondary gravel roads. The project comprises of two mineral concessions for an area of 4,279 ha (Table 57).

Table 57: Plomo Project tenements

Claim Name	Title Number	Area (ha)	Date of Record	Expiry Date
Plomo	2240309	4,202.0168	9/12/2005	8/12/2055
Plomo II	2245033	76.9981	25/05/2006	25/05/2056

In a regional context, gold mineralisation at the Plomo Project is believed to be related to the Mojave- Sonora Megashear (MSM). The MSM is a northwest-trending left-lateral, strike slip fault zone up to five kilometres wide and extending for hundreds of kilometres through northern Sonora, southern California, and Arizona, and is interpreted to transect the southwest corner of the Plomo Project area. Many of the gold mines and prospects in Sonora occur within or are adjacent to the boundary of this regionally extensive structure, including Mexico's largest gold mine, the La Herradura deposit, which lies 25 km to the west of Plomo. Other gold mines along the MSM include Noche Buena, La Choya, and El Chanate in the Caborca region of north-western Sonora, and Mesquite and Picacho in the Yuma area of south-western Arizona and south-eastern California. The targets at Plomo are low grade, high-tonnage fault-related gold deposits amenable to open pit mining and heap leaching, similar to the aforementioned mines. The relationship of gold mineralisation to flat-lying structures is typical of deposits within the MSM.

Cangold Limited undertook some wide spaced exploration drilling (10 holes) targeting potential gold bearing structures with limited success. Detailed mapping and rock sampling identified four new structures with the potential for gold mineralisation in north-westerly trending structures, which have not been followed up.

Great Panther have done the minimum to maintain the project in good standing.

6.2 Argosy Project

Great Panther acquired the Plomo Project when acquiring Cangold Limited in 2015. The Argosy project consists of 42 claims for an area of 844.2 ha and is located in the Red Lake Mining Division, north-western Ontario (see Table 98 in Appendix 4). CSA Global checked the Argosy Project claims within the Ontario Ministry of Energy, Northern Development and Mines' Mining Lands Administration System.

The Argosy Project is located within the northern part of the Archaean Birch-Confederation Lakes metavolcanic-metasedimentary belt. Most gold occurrences in the Birch-confederation Lakes belt are comprised of structurally-controlled quartz veins, many of which are also related to oxide-facies iron formations.

Between 1931 and 1952, the Argosy Mine produced 101,875 oz of gold and minor amounts of silver from 276,573 tons of ore at an average grade of 0.37 oz/ton (12.7 g/t) Au. The mine was only developed to a depth of

900 feet (270 m). Mining exploited a series of north striking, en echelon veins hosted largely within coarse-grained sediments located in a hinge zone marked by folded oxide iron formation and ferruginous siltstones.

The property lay dormant until 1974 and was only intermittently explored until Cangold Limited (and then joint venture partner, Wolfden Resources Inc.) conducted diamond drilling programs in 2002 to 2004. This work confirmed the extension of the gold mineralisation below the old workings as well as the continuity of parallel veins. Minimal exploration has happened after this drilling.

Great Panther have done the minimum to maintain the project in good standing.

7 Valuation

Valuation of Mineral Assets is not an exact science and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are several generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

7.1 Commodities Market

The gold and silver price history in US$/oz and A$/oz for the five years prior to 30 September 2018 is illustrated in Figure 47 and Figure 48 respectively. The variation in the gold and silver price within Figure 47 and Figure 48 over time in US$ and A$ terms, highlights the need to normalise transactions to account for variations in commodity prices and foreign exchange rates over time.

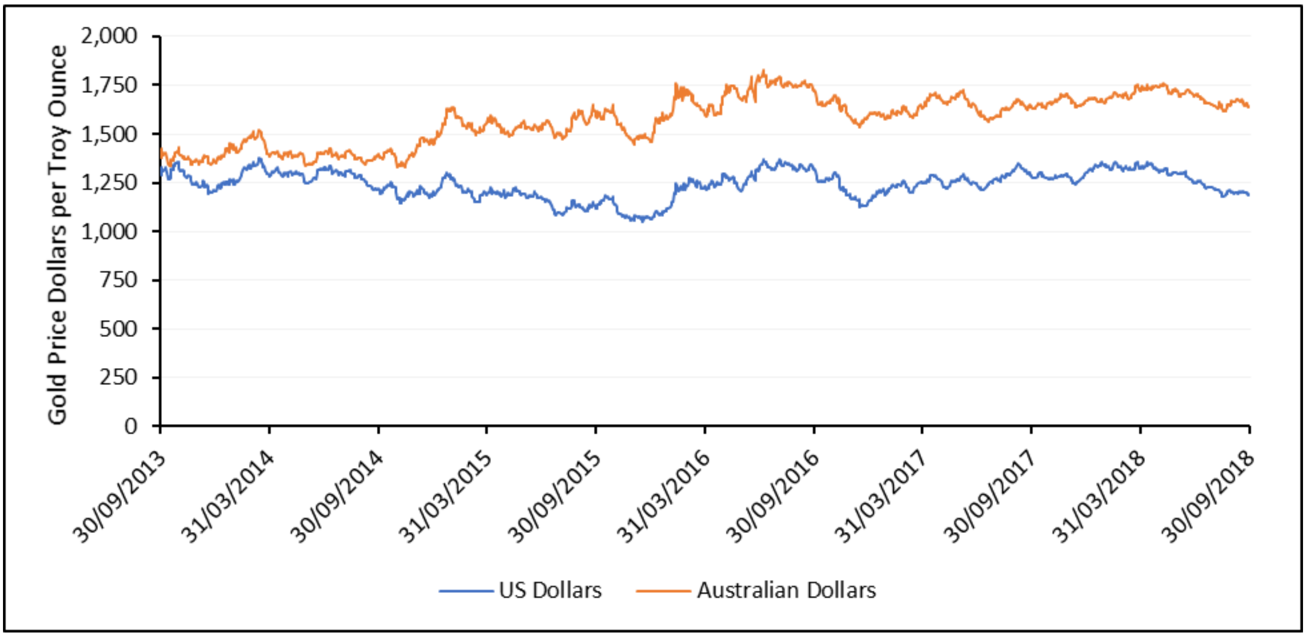


Figure 47: Five-year spot gold price in US$ and A$
Source Data: SNL.com

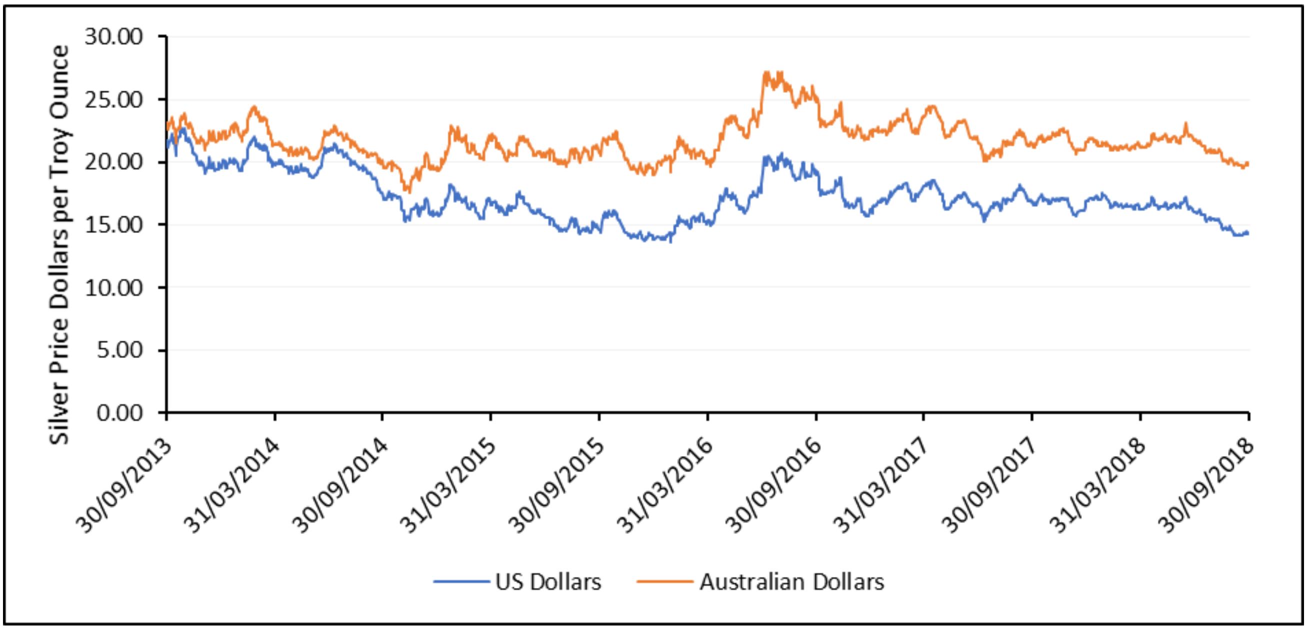


Figure 48: Five-year spot silver price in US$ and A$
Source Data: SNL.com

7.2 Previous Valuations

CSA Global is not aware, nor has been made aware of any previous publicly reported valuations over either the Tucano, Guanajuato Mine Complex, Topia, Coricancha, Plomo and Argosy Projects.

7.3 Valuation of Beadell's Mineral Assets

CSA Global was requested by Deloitte to provide the valuation of the Mineral Resources and exploration tenure for the following:

- Value the Mineral Resources and exploration tenure outside of the present Tucano life-of-mine schedule.

In CSA Global's opinion the Urucum underground Ore Reserves are not suitable for valuation by the DCF valuation method. The timing of revenue and costs in a DCF valuation is critical, due to the discounting effect of the discount rate in determining a present value. With Beadell not having a set timeline for the inclusion of the Urucum underground within its present life-of-mine plan, it is not possible to determine revenue and costs for the underground with any accuracy or confidence. To include the Urucum underground, would require creating a new mining and processing schedule for the life-of-mine plan, which would require considering different ore types and adjustments to feed grades to reflect the contribution the underground ore would make. CSA Global do not consider it appropriate for them to opine on the potential timing of the Urucum underground as Beadell are unsure of the potential timing themselves. Therefore, CSA Global has chosen to value the Urucum underground Ore Reserves by an alternative method, CSA Global does not consider there to be a reasonable basis for the income-based approach.

7.3.1 Comparative Transactions Brazil – Mineral Resources and Ore Reserves

CSA Global identified 13 transactions, 10 of which are from the last five years involving gold Mineral Resources in Brazil at a similar developmental stage to Beadell's deposits, considered to be comparative for valuation purposes. Transactions involving operating mines were excluded, as were transactions from companies in administration. These transactions are summarised and analysed in Table 91 of Appendix 2.

The normalised A$/oz values were calculated using the spot gold price as at 30 September 2018 being A$1,646.04/oz (US$1,191.49/oz). The use of a weighted average limits the influence of transactions involving small Mineral Resources but does increase the influence of transactions involving larger Mineral Resources. It is noted that the transaction involving Brio Gold Inc.'s deposits has affected the weighted average values.

CSA Global notes that the two highest value transactions – with implied values of A$45.93/oz and A$68.22/oz – are transactions involving higher confidence Mineral Resources; these two transactions also involve projects which also include Ore Reserves.

A summary of the implied values from the Mineral Resource transactions is presented in Table 58 and Figure 49. These transactions encompass a range of grade, metallurgical performance, and mining scenarios.

Table 58: Summary statistics of selected transactions of gold Mineral Resources in Brazil

Statistic	Implied value (A$/oz)		Normalised value (A$/oz)	
	All data	Less high confidence Mineral Resource	All data	Less high confidence Mineral Resource
Minimum	0.46	0.46	0.52	0.52
Maximum	68.22	16.79	68.02	22.69
Mean	14.91	7.24	15.79	8.39
Median	6.86	5.39	6.40	5.75
Weighted average	22.08	7.93	22.47	8.58

The two recent transactions for the higher confidence Mineral Resources, which also contained Ore Reserves, had normalised values per Ore Reserve gold ounce of A$121/oz and A$159/oz, the average of which is A$140/oz.

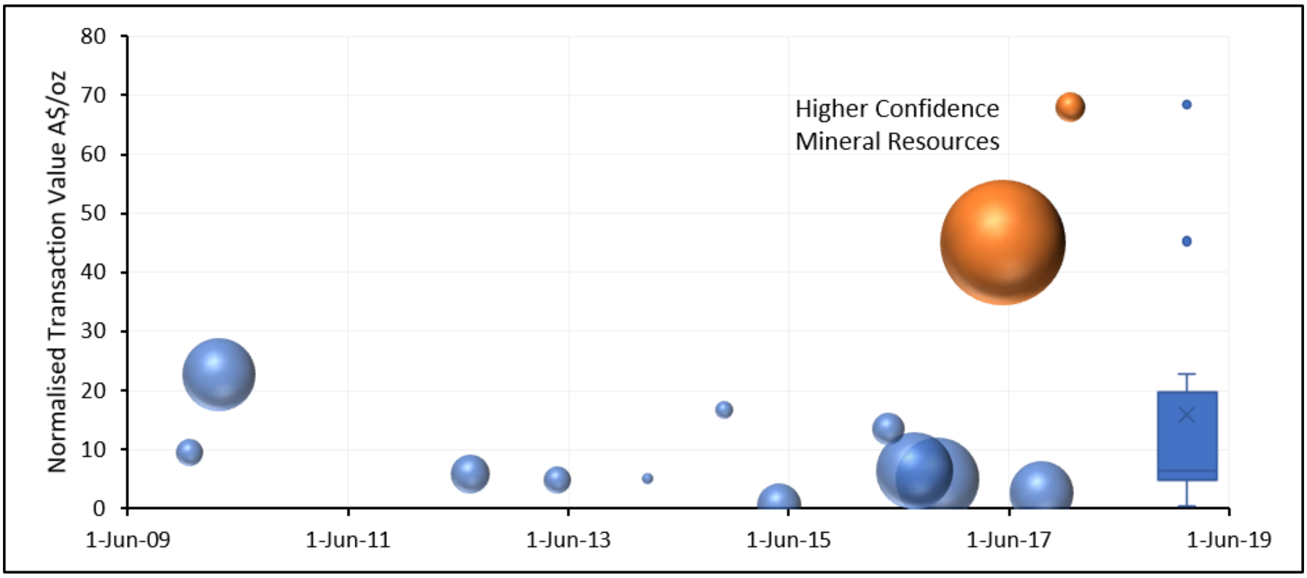


Figure 49: Comparison of selected gold Mineral Resource transactions
Note: Bubble size represents contained gold ounces. Box and whiskers plot shows normalised potential outliers (higher confidence Mineral Resources), range, interquartile range, and mean value.

Tucano Gold Mine Mineral Resources and Ore Reserves

CSA Global was requested by Deloitte to provide a valuation of the Mineral Resources outside of the present life-of-mine schedule and of the Urucum underground Ore Reserves. Beadell provided CSA Global with the Mineral Resources not included in the life-of-mine plan as at 30th September 2018. CSA Global considers the Tucano Mineral Resources outside of the life-of-mine to be Pre-Development Mineral Assets and the Tartaruga

Mineral Resource to be an Advanced Exploration Area Mineral Asset. For ease of interpretation CSA Global has separated the Urucum underground Mineral Resource from the other Mineral Resources outside of the life-of-mine plan due to it containing Ore Reserves.

CSA Global considered the value of the Tucano Mineral Resources in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions. CSA Global has differentiated between the different classified Mineral Resources in valuing the Tucano Gold Mine Mineral Resources outside the life-of-mine plan (Table 59). CSA Global has considered the royalties applicable to the Tucano Mineral Resources in deriving its value range and preferred values.

Table 59: Tucano valuation factors by Mineral Resource classification

Mineral Resource	Classification	Valuation factors (A$/oz)		
		Low	Preferred	High
Urucum Open Pit/Underground, Urucum East, Tap AB Open Pit/Underground, Tap C Open Pit and Duckhead, Marginal Ore Stockpiles	Measured	31.50	45.00	58.50
	Indicated	17.50	25.00	32.50
	Inferred	10.50	15.00	19.50
Tartaruga	Inferred	7.00	10.00	13.00

CSA Global in its professional judgement assigned a higher preferred value to the Measured classified Mineral Resources over the Indicated classified Mineral Resources over the Inferred classified Mineral Resources reflecting the greater geological confidence in the Measured classified material over the Indicated classified material over the Inferred classified material.

CSA Global has derived valuation ranges by applying a ±30% factor, as shown in Table 60. In its opinion, this provides a reliable value range for the Tucano Gold Mine Mineral Resources outside the life-of-mine plan. A range greater than 30% creates too broad a range, and a range less than 30% does not reflect the uncertainty of a pre-development area stage mineral asset.

CSA Global selected a preferred value of A$45.00/oz to apply to Measured classified Mineral Resources, which is based on the higher value Mineral Resource transactions, which are based on high geological confidence Mineral Resources in Figure 49, which also had accompanying Ore Reserves like Beadell's Mineral Resources.

CSA Global has selected a preferred value of A$25.00/oz to apply to the Indicated classified Mineral Resources based on the normalised weighted average of all the data (inclusive of the higher confidence Mineral Resources) in Table 58. This is to reflect the higher geological confidence in the Tucano Mineral Resources.

CSA Global has selected a preferred value of A$15.00/oz to apply to the Inferred classified Mineral Resources except the Tartaruga Mineral Resource, which have been valued separately. In its professional judgement, CSA Global has selected a value lower than the normalised weighted average.

Upon CSA Global's assessment of the Mineral Resources, in its professional judgement, CSA Global considers the Tap AB Underground Measured and Indicated classified Mineral Resources should be classified as Inferred. CSA Global has valued the Tap AB underground Mineral Resources based on this assessment, treating all material as Inferred.

The Tartaruga Inferred Mineral Resources have a lower value range and preferred value than the other Inferred Mineral Resources, due to the Tartaruga Mineral Resource being reported under the previous JORC Code (2004 Edition) and that the Mineral Resource is separated from the main Tucano Mineral Resources, located approximately 120 km to the northeast. The preferred value is in line with the normalised weighted average of the transactions excluding the high confidence Mineral Resource transactions (Table 58).

Application of these implied values provided valuation ranges and preferred values for the Tucano Mineral Resources outside of the life-of-mine plan but excluding the Urucum underground Ore Reserves in Table 60.

Table 60: Beadell Mineral Resources valuation outside of life-of-mine plan (excluding Urucum underground)

Deposit	Category	Gold (oz)	Equity (%)	Valuation (A$M)		
				Low	Preferred	High
Urucum Open Pit	Indicated	67,000	100	1.2	1.7	2.2
	Inferred	22,000	100	0.2	0.3	0.4
Urucum East Open Pit	Indicated	9,000	100	0.2	0.2	0.3
	Inferred	3,000	100	0.0	0.0	0.1
Tap AB Open Pit	Indicated	66,000	100	1.2	1.7	2.1
	Inferred	79,000	100	0.8	1.2	1.5
Tap C Open Pit	Indicated	69,000	100	1.4	1.7	2.1
	Inferred	47,000	100	0.6	0.7	0.8
Duckhead	Measured	21,000	100	0.7	0.9	1.2
	Indicated	27,000	100	0.5	0.7	0.9
	Inferred	18,000	100	0.2	0.3	0.4
Tap AB Underground	Inferred	452,000	100	4.7	6.8	8.8
Tartaruga	Inferred	337,000	100	2.4	3.4	4.4
Marginal Ore Stockpiles	Measured	21,000	100	0.7	0.9	1.2
Total	**All**	**1,238,000**	**100**	**14.4**	**20.5**	**26.7**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Urucum Underground Mineral Resource and Ore Reserve

CSA Global's analysis of the comparative transactions identified two comparative transactions that also had Ore Reserves, which based on the contained Ore Reserve gold ounces transacted for A$159/oz and A$119/oz respectively on a normalised basis. These values per Ore Reserve ounce of gold use the overall transaction value, hence include the gold ounces contained in the Mineral Resource outside of the Ore Reserves.

These two comparative transactions both contained a higher percentage of Measured and Indicated Mineral Resources (65% and 52%) compared to the Urucum underground Mineral Resource (39%). One transaction has a Mineral Resource with an average grade (6.42 g/t) more than twice that of the Urucum underground (2.66 g/t) Mineral Resource. The other transaction had a lower average grade (1.85 g/t) but contained seven times the number of contained gold ounces, for more than seven million ounces. CSA Global considers both these comparative transactions to be of higher quality than Urucum. Therefore, they are higher valued mineral assets on a dollar per ounce basis, in comparison to the Urucum underground.

Based solely on the Mineral Resources and using the values discussed above, CSA Global would value the Urucum underground in a range of A$13.8 million to A$25.6 million with a preferred value of A$19.7 million (Table 61).

Table 61: Urucum Underground – Mineral Resource valuation

Deposit	Category	Gold (oz)	Equity (%)	Valuation (A$ millions)		
				Low	Preferred	High
Urucum Underground	Measured	34,000	100	1.1	1.5	2.0
	Indicated	359,000	100	6.3	9.0	11.7
	Inferred	611,000	100	6.4	9.2	11.9
Total	**All**	**1,004,000**	**100**	**13.8**	**19.7**	**25.6**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

However, valuing the Urucum underground based only on the Mineral Resources would undervalue the asset, as it does not account for the Ore Reserves.

In CSA Global's professional opinion applying A$100/oz to the Urucum underground Ore Reserves is more appropriate in determining the overall value of the Urucum Mineral Resources. Valuing the Urucum Underground, using an Ore Reserve contained gold ounce value of A$100/oz, to the 345,000 oz of Ore Reserves, applying a range of ±20%, gives a value range as shown in Table 62.

Note this value range is inclusive of the gold ounces in Mineral Resources not included in the Ore Reserve. CSA Global considers a range greater than 20% creates too broad a range, and a range less than 20% does not reflect the uncertainty of the mineral asset. CSA Global has used a tighter range on the Ore Reserves compared to the Mineral Resources to reflect the greater understanding and confidence in the Ore Reserves compared to the Mineral Resources.

Table 62: Urucum Underground – Valuation based on Ore Reserves

Deposit	Category	Gold (oz)	Equity (%)	Valuation (A$ millions)		
				Low	Preferred	High
Urucum Underground	Probable	345,000	100	27.6	34.5	41.4

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

7.3.2 Comparative Transactions Brazil – Exploration Tenure

CSA Global considered the value of the Tucano Gold Mine exploration licences in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions of projects with exploration licences prospective for gold in Brazil mostly in the four years prior to the valuation date. These transactions are summarised in Table 92 of Appendix 2.

CSA Global identified 10 transactions of exploration projects prospective for gold in Brazil. Table 63 presents the summary statistics of all the transactions identified and a subset of eight transactions, after two transactions considered outliers were removed, showing the implied price in A$/km² at the time of the transaction and the normalised price per km² using the 30th September 2018 gold spot price of A$1,646.04/oz (US$1,191.49/oz).

The two transactions considered by CSA Global to be outliers were at an implied value of A$76,675/km² and A$156,013/km².

Table 63: Summary statistics of selected exploration projects in Brazil prospective for gold

Statistic	All transactions		Transaction subset (less outliers)	
	Implied (A$/km²)	Normalised (A$/km²)	Implied (A$/km²)	Normalised (A$/km²)
Number of transactions	10	10	8	8
Minimum	1,417	1,397	1,417	1,397
Maximum	156,013	158,073	13,276	13,159
Mean	28,391	29,170	6,403	6,872
Median	8,129	9,700	5,067	5,979
Weighted average	8,583	8,877	6,343	6,587

CSA Global has undertaken a high-level assessment of the Tucano Gold Mine exploration licences based on publicly available information and data supplied by Beadell. CSA Global in its professional judgement has selected ranges and preferred values based on the exploration stage and prospectivity of the tenure.

CSA Global has only valued the tenements that are currently granted and pending renewal being an area of 1,707.1 km², excluding the area of the mining concession hosting the Mineral Resources and Ore Reserves, which have been valued separately. CSA Global has not valued the tenements under application, due to the uncertainty as to whether Beadell will be granted the tenements, or Beadell may choose not to proceed with the application. A few of these tenements are part of a competitive tender process. Some applications are over the same area which a tenement renewal is pending.

CSA Global has grouped the exploration licences into four valuation groups based on their exploration stage and gold exploration potential (Table 64). The valuation ranges assigned to each group reflect the varying stage of exploration and the potential or lack thereof of the licences. The range of the normalised comparative transactions less outliers in Table 63 is approximately from A$1,400/km² to A$13,800/km², of note this range includes a 2017 transaction for 576 km² of Tucano Gold Mine tenements at A$13,759/km² on a normalised basis. CSA Global has used this transaction in guiding the valuation of the exploration licences in Group 4.

Based on CSA Global's professional judgement, the preferred implied values of A$2,000/km², A$5,000/km², A$9,000/km² and A$13,000/km² were selected for Groups 1 to 4 respectively for the Tucano exploration licences (Table 64). Following common industry practice, CSA Global has derived a valuation range by applying a ±30% factor, giving the ranges in Table 64. In CSA Global's opinion, this provides a reliable value range for the exploration licences of the Tucano Gold Mine. A range greater than 30% creates too broad a range in our opinion, and a range less than 30% does not reflect the uncertainty of an exploration area stage project.

Table 64: Tucano Gold Mine exploration licence valuation groups

Group	Exploration licences	Valuation factors (A$/km²)			Comment/Reasoning
		Low	Preferred	High	
1	858.017/04, 850.852/87, 854.262/93, 858.080/14, 858.001/16, 858.098/14, 858.054/04	1,400	2,000	2,600	Very early stage exploration, little known about the exploration potential.
2	858.002/16, 858.000/98, 858.263/96, 858.052/02, 858.077/09, 858.264/96, 858.015/12, 858.032/12,	3,500	5,000	6,500	Early stage exploration, with conceptual gold targets ready for testing.
3	850.858/87, 858.002/11	6,300	9,000	11,700	Early stage exploration, with moderate to good targets identified from exploration.
4	858.046/09, 858.044/09, 858.091/13, 858.078/09, 858.124/13, 858.010/10, 858.076/09, 858.022/14, 858.018/18, 858.019/18, 858.020/18, 858.007/18, 858.008/18, 858.082/18, 858.095/17, 852.336/94, 852.730/93	9,100	13,000	16,900	Very good exploration potential, exploration has defined gold prospects for follow-up exploration and drilling. First pass drilling has returned mineralised gold intersections.

Table 65 presents the valuation factors applied to the Tucano Gold Mine exploration licence valuation groups. The value of the exploration licences is in the range of A$9.6 million to A$17.8 million with a preferred value of A$13.7 million.

Table 65: Tucano Gold Mine exploration licences valuation

Group	Area (km²)	Beadell equity (%)	Value factors cost per km²			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
1	298.9	100	1,400	2,000	2,600	0.4	0.6	0.8
2	619.3	100	3,500	5,000	6,500	2.2	3.1	4.0
3	57.2	100	6,300	9,000	11,700	0.4	0.5	0.7
4	731.7	100	9,100	13,000	16,900	6.7	9.5	12.4
Total	**1,707.1**	**100**	-	-	-	**9.6**	**13.7**	**17.8**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

7.3.3 Yardstick Order of Magnitude Check – Tucano Gold Mine

CSA Global used the Yardstick method as an order of magnitude check on the Tucano Mineral Resources and Ore reserves valuation completed using comparative transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the spot prices for gold and silver as at 30th September 2018 of A$1,646.04/oz (US$1,191.49/oz) and A$19.76/oz (US$14.31/oz) respectively.

In addition, CSA Global utilised the following commonly applied Yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price.
- Probable Ore Reserves: 5% to 10% of spot price

The spot price for gold and silver as at 30th September 2018 used for the Yardstick order of magnitude check was consistent with that used for the evaluation of Comparative Transactions data so that the results could be compared.

As with the Comparative Transactions valuation of the Mineral Resources in Section 7.3.1. The Yardstick valuation has been done on the Mineral Resources outside of the life-of-mine schedule using the same depleted Mineral Resources as outlined in Section 7.3.1. Likewise, the Tap AB Underground Mineral Resource was valued based on all material classified as Inferred based on CSA Global's assessment of the Mineral Resource. CSA Global has treated the Urucum Underground Mineral Resources and Ore Reserves separately.

Check valuation of the Mineral Resources Outside of Life-of-mine Plan Excluding the Urucum Underground

A summary of the Yardstick order of magnitude check for the Tucano Gold Mine based on the Yardstick factors above resulted in the valuation ranges and preferred values for the Mineral Resources outside of the life-of-mine plan in Table 66. Table 96 in Appendix 3 contains the detailed breakdown for each individual Mineral Resource based on Beadell's attributable equity interest used in deriving Table 66.

Table 66: Summary Yardstick order of magnitude check of Mineral Resources outside of life-of-mine plan (excluding Urucum Underground)

Mineral Resource	Gold (oz)	Beadell equity (%)	Valuation (A$M)		
			Low	Preferred	High
Urucum Open Pit	89,000	100	1.3	1.9	2.6
Urucum East Open Pit	12,000	100	0.2	0.3	0.3
Tap AB Open Pit	145,000	100	1.7	2.6	3.5
Tap C Open Pit	116,000	100	1.5	2.3	3.0
Duckhead Open Pit	66,000	100	1.4	2.2	2.9
Tap AB Underground	452,000	100	3.7	5.6	7.4
Tartaruga	337,000	100	2.8	4.2	5.5
Marginal Ore Stockpiles	21,000	100	0.7	1.2	1.7
Total	**1,238,000**	**100**	**13.2**	**20.1**	**27.0**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Check of the Urucum Underground Mineral Resources and Ore Reserves valuation

A summary of the Yardstick order of magnitude check for the Urucum underground based on the Yardstick factors above resulted in the valuation ranges and preferred values for the Mineral Resources outside of the life-of-mine plan in Table 67. Table 97 in Appendix 3 contains the detailed breakdown for each individual Mineral Resource and Ore Reserve category based on Beadell's attributable equity interest used in deriving Table 67.

Table 67: Summary Yardstick order of magnitude check of the Urucum underground

Mineral Resource	Gold (oz)	Beadell equity (%)	Valuation (A$M)		
			Low	Preferred	High
Urucum Underground	1,004,000	100	34.2	51.3	68.4

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

The values derived by the yardstick represent a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

In this above table the values derived by the approach are somewhat higher than than from the comparative transactions approach. Importantly though they are of a similar order of magnitude of value, i.e tens of millions rather than hundreds of millions or just millions, which is the purpose the of cross check.

7.3.4 Beadell Valuation Summary

At Deloitte's request, CSA Global undertook an assessment of the technical inputs into the Tucano life-of-mine plan (see Section 2.8), so that Deloitte could undertake a DCF model valuation.

CSA Global has valued Beadell's Tucano Gold Mine based on the Mineral Resources and Ore Reserves outside of the life-of-mine plan, i.e. those not included in Deloitte's DCF valuation and the exploration potential of the surrounding exploration tenure, which contain early stage targets prospective for gold that warrant further exploration.

In forming an opinion on the market value of the Tucano Mineral Resources outside of the life-of-mine plan, excluding the Urucum underground, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method (Figure 50).

CSA Global has elected to use the valuation numbers derived by the Comparative Transaction valuation method to value Beadell's Mineral Resources excluding the Urucum underground outside of the life-of-mine plan. The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and the most robust methodology for providing an indication of market value in this case, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method.

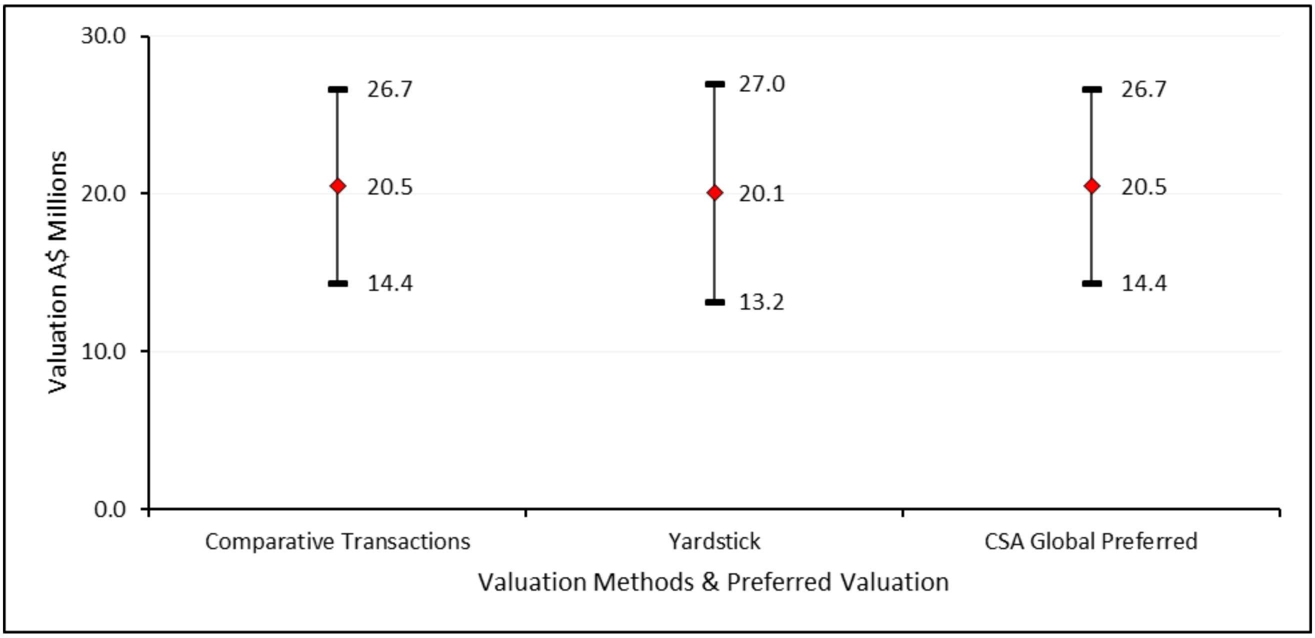


Figure 50: Mineral Resources outside of life-of-mine plan comparison of valuation techniques (excluding Urucum underground)

CSA Global's opinion on the Market Value of Beadell's Mineral Resources not in the life-of-mine plan excluding the Urucum underground, as at 30th September 2018, is that it lies within a range of A$14.4 million to A$26.7 million with a preferred value of A$20.5 million.

In forming an opinion on the market value of the Urucum underground Mineral Resources and Ore Reserves outside of the life-of-mine plan, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method Figure 51.

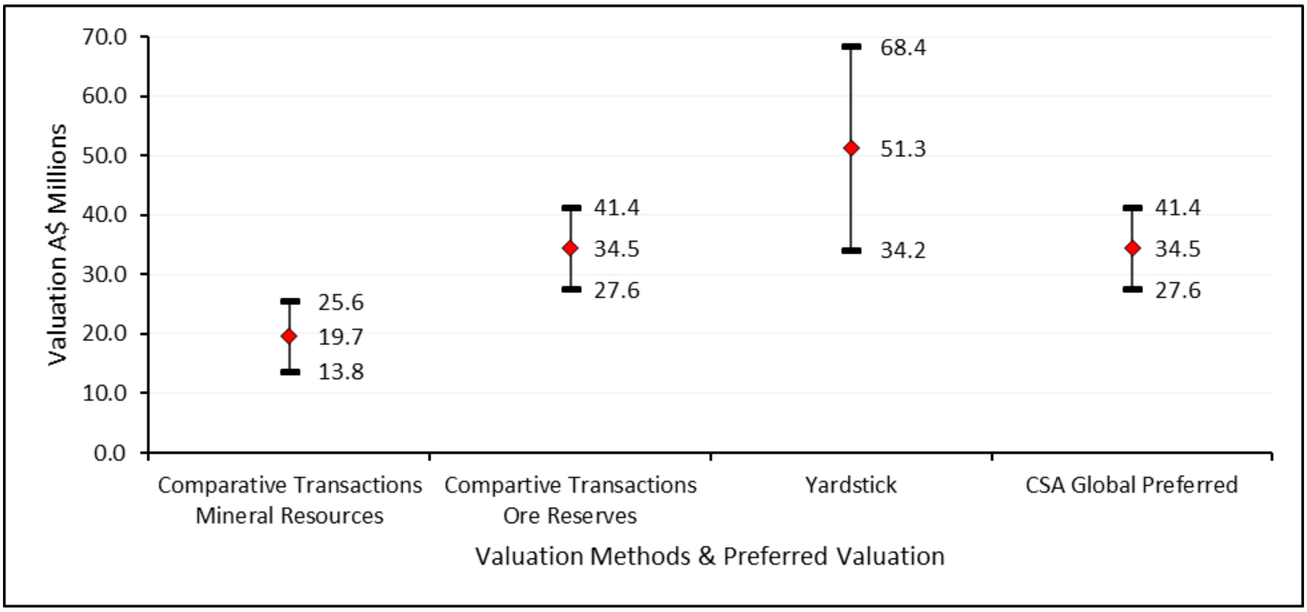


Figure 51: Urucum underground comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transaction valuation method of the Ore Reserves to value Beadell's Urucum underground Mineral Resources and Ore Reserves. CSA Global considers the valuation range derived based on Mineral Resources to be too low and undervalues the Urucum underground as it does not consider the Ore Reserves.

The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation of the Ore Reserves was reasonable, insofar as the values were of a similar order of magntitude (albeit somewhat higher). The Comparative Transactions valuation method is a primary valuation method and the most robust methodology for providing an indication of market value in this case, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method, and unable to take into account any specifics of the project being valued.

CSA Global's opinion on the Market Value of Beadell's Urucum underground Mineral Resources and Ore Reserves, as at 30th September 2018, is that it lies within a range of A$27.6 million to A$41.4 million with a preferred value of A$34.5 million.

CSA Global has chosen to rely on the one valuation method (Comparative Transactions) to value the Tucano Gold Mine Exploration licences. CSA Global considers this reasonable as it includes a market transaction dated 6th April 2017 for several of the exploration licences being valued as at 30th September 2018. This transaction provides a highly relevant guide to the value for some of the other exploration licences. The difficulty in obtaining the appropriate information from parties not associated with Beadell to undertake a valuation by a secondary method, made it not appropriate in CSA Global's professional judgement to attempt a valuation by a secondary method.

CSA Global's opinion on the Market Value of Beadell's Brazilian Mineral Assets not included in the life-of-mine plan (Table 68), as at 30th September 2018, is that it lies within a range of A$51.6 million to A$86.0 million, with a preferred value of A$68.8 million.

Table 68: Valuation of Beadell's Mineral Assets not in life-of-mine plan

Mineral Asset	Mineral Asset Stage	Beadell's equity %	Valuation (A$M)			Source Table in this report
			Low	Preferred	High	
Mineral Resources	Pre-development	100	14.4	20.5	26.7	Table 60
Urucum Underground	Pre-development	100	27.6	34.5	41.4	Table 62
Tucano Exploration Tenure	Advanced Exploration	100	9.6	13.7	17.8	Table 65
		Total	**51.6**	**68.7**	**85.9**	

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

7.4 Valuation of Great Panther's Mineral Assets

CSA Global was requested by Deloitte to provide the valuation of the Mineral Resources and exploration tenure for the following:

- Value of the Mineral Resources, unclassified material, and exploration tenure outside of the GMC and Topia mines;
- Value of the Mineral Resources and exploration tenure at the Coricancha Project; and
- Value the additional Great Panther Plomo and Argosy exploration projects.

7.4.1 Comparative Transactions Mexico and Peru – Mineral Resources

CSA Global identified 14 transactions, from the last five years involving silver ± gold ± lead ±zinc ± copper (Ag ± Au ± Pb ± Zn ± Cu) Mineral Resources in Mexico, Peru and Bolivia at a similar developmental stage to Great Panther's deposits, considered to be comparable for valuation purposes. Transactions involving operating mines were excluded, as were transactions from companies in administration. These transactions are summarised and analysed in Table 93 of Appendix 2.

Due to the comparative Mineral Resources all containing more than one commodity (Ag ± Au ± Pb ± Zn ± Cu), CSA Global has converted them to silver equivalent (AgEq). The AgEq has been calculated for each transaction using the commodity prices on the announced transaction date on the assumption that all commodities are recovered 100%. This is to ensure all transactions are considered equally.

The normalised A$/oz values were calculated using the spot silver price as at 30th September 2018 being A$19.76/oz (US$14.31/oz). The use of a weighted average limits the influence of transactions involving small Mineral Resources but does increase the influence of transactions involving larger Mineral Resources. It is noted that four transactions for Mineral Resources containing greater than 100 Moz of AgEq are all low value transactions. CSA Global has also analysed a subset of the data excluding these large AgEq Mineral Resources due to their mineral endowment being more than twice in comparison to any of the Mineral Resources being valued.

A summary of the implied values from the Mineral Resource transactions is presented in Table 69 and Figure 52. These transactions encompass a range of grade, metallurgical performance, and mining scenarios.

Table 69: Summary statistics of selected transactions of silver Mineral Resources

Statistic	Implied value (A$/oz)		Normalised value (A$/oz)	
	All data	Less Large Mineral Resources	All data	Less Large Mineral Resources
Minimum	0.005	0.01	0.004	0.01
Maximum	0.46	0.46	0.45	0.45
Median	0.10	0.14	0.09	0.12
Mean	0.14	0.17	0.12	0.16
Weighted average	0.06	0.18	0.06	0.15

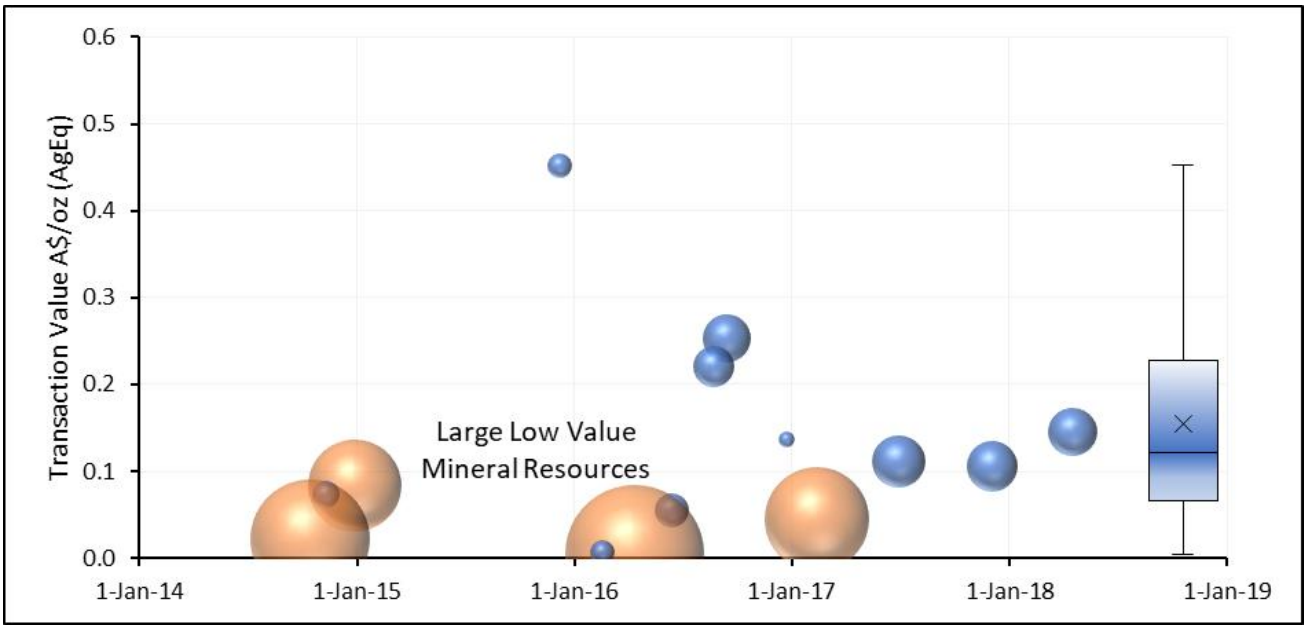


Figure 52: Comparison of selected silver Mineral Resource transactions
Note: Bubble size represents contained gold ounces. Box and whiskers plot (only of small Mineral Resources) shows normalised, range, interquartile range, and mean value.

GMC and Topia Mine Mineral Resources

All the Mineral Resources at GMC and Topia mines have been included in the life-of-mine plans. CSA Global has outlined its reasons why it considers this approach by Great Panther to be reasonable in Section 3.8.6.

El Horcon Mineral Resource

CSA Global considers the El Horcon Mineral Resource to be an advanced exploration area Mineral Asset. Presently the Mineral Resources are all classified as Inferred.

CSA Global has selected a preferred value of A$0.15/oz to apply to the Inferred classified Mineral Resources. The preferred value is based on the normalised weighted average, which is similar to the mean (A$0.16/oz) of the subset of transactions without the large mineral resources (Table 69).

CSA Global has derived valuation ranges by applying a ±30% factor to the preferred values. In its opinion, this provides a reliable value range for the Mineral Resources at El Horcon. A range greater than 30% creates too broad a range, and a range less than 30% does not reflect the uncertainty of an advanced exploration area stage mineral asset.

Application of these implied values resulted in the valuation ranges and preferred values for the El Horcon Mineral Resource as presented in Table 70.

Table 70: El Horcon – Comparative transactions valuation

Mineral Resource	Great Panther Equity	AgEq (Moz)	Valuation Factors AgEq A$/oz			Valuation A$ Millions		
			Low	Preferred	High	Low	Preferred	High
Inferred	100%	2.09	0.11	0.15	0.20	0.22	0.31	0.41

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Coricancha Project

The Coricancha Project has been on care and maintenance since 2013 and has a history of changing owners, who restart and then put the project on to care and maintenance (Section 5.4.1). CSA Global considers the Coricancha Project a pre-development project Mineral Asset, which is not appropriate to value using any income methods.

Great Panther was able to report the results of a Preliminary Economic Assessment (PEA) study undertaken by Golder in July 2018, on the TSX in Canada where Great Panther is listed. The Golder PEA included a DCF model, which reported an after tax NPV of US$16.6 million (A$22.9 million) at a discount rate of 7.5%. The PEA had an overall level of accuracy for the capital and operating cost estimates between a range of ±35% to ±50%. There were no Ore Reserves (or Mineral Reserves under Canadian reporting standards) defined, and the study included Inferred Mineral Resources within the economic assessment.

Under the Australian reporting regime, a PEA is approximately equivalent to a Scoping Study, where generally speaking there is insufficient confidence in modifying factors that can be applied to an estimate of Mineral Resources to be able to declare Ore Reserve; and therefore, on a prima facie basis no reasonable basis for any economic forward-looking statements, such as an NPV derived from DCF assessments.

The PEA which was published on the TSX by Great Panther in July 2018, would not be considered to have sufficient basis to support an NPV value from a DCF, due to level of accuracy of the study not being sufficient to define Ore Reserves.

CSA Global's review of the Coricancha Mineral Resource did not identify any material issues with the Mineral Resource estimate. On this basis, CSA Global in its professional judgement has assigned the highest preferred implied value to the Measured Mineral Resources, followed by the Indicated Mineral Resources, and the lowest preferred implied value to the Inferred Mineral Resource. This reflects the geological confidence of the classification criteria that have been applied.

CSA Global has selected a preferred implied value of A$0.40/oz to apply to the Measured classified Mineral Resources. This preferred implied value is at the high end of the range of comparative transactions reflecting the greater confidence in Measured classified Mineral Resources.

CSA Global has selected a preferred value of A$0.30/oz to apply to the Indicated classified Mineral Resources being in the middle of the preferred values selected by CSA Global for the Measured and Inferred classified Mineral Resources.

CSA Global has selected a preferred value of A$0.20/oz to apply to the Inferred classified Mineral Resources higher than the normalised weighted average of the subset of smaller Mineral Resources due to CSA Global's opinion on the quality of the Coricancha Mineral Resource estimate. CSA Global applied a higher value to the Inferred at Coricancha (A$0.20/oz) compared to El Horcon (A$0.15/oz), because the average AgEq grade of the Inferred at Coricancha (963 g/t AgEq) is more than twice that at El Horcon (401 g/t AgEq).

CSA Global has derived valuation ranges by applying a ±30% factor to the preferred values. In its opinion, this provides a reliable value range for the Mineral Resources of the Coricancha project. A range greater than 30% creates too broad a range, and a range less than 30% does not reflect the uncertainty of a pre-development or advanced exploration area stage mineral asset.

Application of these implied values resulted in the valuation ranges and preferred values for the Coricancha Project as presented in Table 71.

Table 71: Coricancha Project – Comparative transactions valuation

Mineral Resource	Great Panther Equity	AgEq (Moz)	Valuation Factors AgEq A$/oz			Valuation A$ Millions		
			Low	Preferred	High	Low	Preferred	High
Measured	100%	13.49	0.28	0.40	0.52	3.8	5.4	7.0
Indicated	100%	10.71	0.21	0.30	0.39	2.2	3.2	4.2
Inferred	100%	28.36	0.14	0.20	0.26	4.0	5.7	7.4
Total		**52.56**	-	-	-	**10.0**	**14.3**	**18.6**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

7.4.2 Comparative Transactions Mexico and Peru – Exploration Tenure

CSA Global considered the value of the Mexican and Peruvian tenure in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions of projects with tenure prospective for Ag ± Au ± Pb ± Zn ± Cu in Mexico, Peru and Columbia in the four years prior to the valuation date. These transactions are summarised in Table 94 of Appendix 2.

CSA Global identified 25 transactions of exploration projects prospective for Ag ± Au ± Pb ± Zn ± Cu in Mexico, Peru, and Columbia. Table 72 presents the summary statistics for the implied values from all the transactions identified and a subset of 21 transactions, after four transactions considered high outliers were removed, showing the implied price in A$/km² at the time of the transaction and the normalised price per km² using the 30th September 2018 gold spot price of A$1,646.04/oz (US$1,191.49/oz).

The four transactions considered by CSA Global to be outliers had implied values of A$346,790/km², A$401,982/km², A$711,775/km² and A$5,285,717/km².

Table 72: Summary statistics of selected exploration projects in Mexico, Peru, and Columbia

Statistic	All transactions		Transaction subset (less outliers)	
	Implied (A$/km²)	Normalised (A$/km²)	Implied (A$/km²)	Normalised (A$/km²)
Number of transactions	25	25	21	21
Minimum	1,181	910	1,181	910
Maximum	5,285,717	4,878,536	148,630	112,785
Median	63,102	52,807	40,044	36,401
Mean	308,696	278,508	46,244	40,805
Weighted average	46,347	40,994	29,907	26,297

CSA Global has undertaken a high-level assessment of the Mexican and Peruvian exploration licences based on publicly available information and data supplied by Great Panther. CSA Global in its professional judgement has selected ranges and preferred values based on the exploration stage and prospectivity of the tenure.

CSA Global has only valued the granted tenements, excluding the area of the mining concession hosting the Mineral Resources and/or mining operations, which have been valued separately.

CSA Global has applied a value of A$40,000/km² to concessions with average prospectivity based on the average normalised value in Table 72. CSA Global has applied a value of A$100,000/km² to concessions with high prospectivity based on the high end of the normalised value range in Table 72. Higher value concessions include concessions with known mineralised epithermal veins or contain historical workings. The normalised mean was chosen over the normalised weighted average, as the normalised weighted average was skewed lower by two transactions with areas in excess of 200 km², whereas the areas being valued are all less than 100 km². Following common industry practice, CSA Global has derived a valuation range by applying a ±30% factor, giving the ranges in Table 64. In CSA Global's opinion, this provides a reliable value range for the concessions in Mexico and Peru. A range greater than 30% creates too broad a range in our opinion, and a range less than 30% does not reflect the uncertainty of an exploration area stage project.

CSA Global have not valued the concessions associated with the Guanajuato and San Ignacio mines as they only cover areas of 6.80 km² and 3.98 km² respectively. The value of these components of the GMC have already been valued by other methods.

Topia Mine

The Topia Mine Project has an area of 66.86 km². The project contains Mineral Resources and active mining operations, which have been valued separately. The concessions containing the Mineral Resources and mining operations have been excluded. The remaining concessions comprise of both tenure with average exploration potential and high value exploration potential, due to projected extensions of the veins in the Mineral Resources. The valuation of the Topia Mine Project tenure is presented in Table 73.

Table 73: Topia Mine exploration tenure

Tenure	Area (km²)	Equity	Value factors cost per km²			Valuation (A$M)		
			Low	Preferred	Low	Low	Preferred	High
Average	48.27	100%	28,000	40,000	52,000	1.4	1.9	2.5
High Value	13.63	100%	70,000	100,000	130,000	1.0	1.4	1.8
Excluded	4.26	100%	-	-	-	-	-	-
Total	**66.16**	**100%**	**-**	**-**	**-**	**2.3**	**3.3**	**4.3**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

El Horcon Project

The El Horcon Project has an area of 79.09 km². The project contains a Mineral Resource, which has been valued separately. The concession that the Mineral Resource is situated on has been excluded. The El Horcon project contains both tenure of average exploration potential and high value exploration potential, due to the presence of known mineralised veins and historic workings. The valuation of the El Horcon project is presented in Table 74.

Table 74: El Horcon exploration tenure

Tenure	Area (km²)	Equity	Value factors cost per km²			Valuation (A$M)		
			Low	Preferred	Low	Low	Preferred	High
Average	57.08	100%	28,000	40,000	52,000	1.6	2.3	3.0
High Value	19.20	100%	70,000	100,000	130,000	1.3	1.9	2.5
Excluded	2.81	100%	-	-	-	-	-	-
Total	**79.09**	**100%**	**-**	**-**	**-**	**2.9**	**4.2**	**5.5**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Santa Rosa Project

The Santa Rosa project has an area of 15.44 km². It is a relatively early stage exploration project, with no Mineral Resources identified. CSA Global considers it to be of average exploration potential based on the exploration completed to date. The valuation of the Santa Rosa project is presented in Table 75.

Table 75: Santa Rosa exploration tenure valuation

Tenure	Area (km^2)	Equity	Value factors cost per km^2			Valuation (A$M)		
			Low	Preferred	Low	Low	Preferred	High
All	15.44	100%	28,000	40,000	52,000	0.4	0.6	0.8

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Coricancha Project

The Coricancha Project has an area of 37.30 km^2. The project contains Mineral Resources and historical mining operations that are presently on care and maintenance. Outside of the areas of the known veins the project has had very little exploration and is at an early exploration stage. CSA Global considers it to be of average exploration potential based on the exploration completed to date and its proximity to the mining activities. The valuation of the Coricancha Project is presented in Table 76.

Table 76: Coricancha exploration tenure valuation

Tenure	Area (km^2)	Equity	Value factors cost per km^2			Valuation (A$M)		
			Low	Preferred	Low	Low	Preferred	High
Average	28.04	100%	28,000	40,000	52,000	0.8	1.1	1.5
Excluded	9.26	100%	-	-	-	-	-	-
Total	**37.30**	**100%**	**-**	**-**	**-**	**0.8**	**1.1**	**1.5**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Plomo Project

The Plomo Project has an area of 42.79 km^2. The project does not contain any Mineral Resources and is at an early exploration stage. Work by previous explorers has shown that the project has potential for gold mineralisation. CSA Global considers the project to be an Exploration Area Mineral Asset of average exploration potential. The valuation of the Plomo Project is presented in Table 77.

Table 77: Plomo Project valuation

Tenure	Area (km^2)	Equity	Value factors cost per km^2			Valuation (A$M)		
			Low	Preferred	Low	Low	Preferred	High
Average	42.79	100%	28,000	40,000	52,000	1.2	1.7	2.7

7.4.3 Comparative Transactions Ontario, Canada – Exploration Tenure

CSA Global considered the value of the Argosy Project claims in terms of the valuation factors derived from its analysis of comparative market transactions of projects with claims prospective for gold in Ontario, Canada mostly in the last two years prior to the valuation date. These transactions are summarised in Table 95 of Appendix 2. CSA Global identified 12 transactions of exploration projects prospective for gold in Ontario, Canada.

Table 78 presents the summary statistics for the implied values of all the transactions identified and a subset of 11 transactions, after one transaction considered an outlier was removed, showing the implied price in A$/$km^2$ at the time of the transaction and the normalised price per km^2 using the 30th September 2018 gold spot price of A$1,646.04/oz (US$1,191.49/oz).

The one transaction considered by CSA Global to be an outlier had an implied value of A$222,257/$km^2$.

Table 78: Summary statistics of selected exploration projects in Ontario, Canada prospective for gold

Statistic	All transactions		Transaction subset	
	Implied (A$/km²)	Normalised (A$/km²)	Implied (A$/km²)	Normalised (A$/km²)
Number of transactions	12	12	11	11
Minimum	4,542	4,391	4,542	4,391
Maximum	222,257	218,129	81,384	79,611
Median	19,580	18,996	14,507	14,435
Mean	43,296	42,474	27,027	26,505
Weighted average	29,071	28,609	21,937	21,610

CSA Global has undertaken a high-level assessment of the Argosy Project based on publicly available information and data supplied by Great Panther. CSA Global considers the Argosy Project prospective for gold, but the project is at a relative early stage of exploration, with little modern exploration conducted since the historic production from the Argosy mine. In its professional judgement, CSA Global has selected ranges and preferred values based on the exploration stage and prospectivity of the tenure.

CSA Global selected a preferred implied value of A$26,500/km² based on the mean normalised value of the transaction subset in Table 78, to apply to the Argosy claims. CSA Global have derived a valuation range by applying a ±30% factor, giving the range of A$18,550/km² to A$34,450/km². In CSA Global's opinion, this provides a reliable value range for the claims of the Argosy Project. A range greater than 30% creates too broad a range in its opinion, and a range less than 30% does not reflect the uncertainty of an exploration area stage project.

The valuation of the Argosy Project is presented in Table 79.

Table 79: Argosy Project claims valuation

Claims	Area (km²)	Great Panther (%)	Value factors cost per km²			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
All	8.44	100	18,550	26,500	34,450	0.2	0.2	0.3

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

7.4.4 Geological Risk Method for Valuing Unclassified Tonnes at GMC and Topia

CSA Global considered the potential market value of the unclassified material at the GMC (Table 17) and Topia (Table 40) mines using the Geological Risk valuation methodology (as summarised in Appendix 1).

In the Geological Risk Valuation method the value of a project at a given stage of knowledge/development is assessed based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The current Australian public disclosure regime precludes the valuation of unclassified material by income methods, given the absence of a classification for tonnes/grades fails to provide reasonable grounds to support an income-based valuation.

However in the case of GMC and Topia, CSA Global notes that most (approximately 74%) of the unclassified material has a robust internal classification system, based on well-established historical underground workings, geology, drilling, underground face sampling and mapping (refer to Section 3.7.2 and Section 4.7.2). In CSA Global's professional view, the well-defined unclassified material represents significant value within the GMC and Topia mine operations for the following reasons:

- Great Panther are aware of the existence of the mineralised material based on detailed historical information, and plan to mine this material using their current mining methods, equipment, and plant infrastructure.
- Great Panther have a documented history of successfully finding, proving, and mining this type of material.
- The location and grade of the material is known from the historical workings, but Great Panther is not able to accurately predict the degree of depletion from the historical workings prior to accessing and sampling the historic workings.
- The internal mine classifications, that do not directly correspond with the JORC Code classifications for public disclosure, are nonetheless systematic, repeatable, evidence-based, and demonstrably underpinning mine production and planning.

CSA Global, based on discussions with Great Panther, its site visits to the operations and its own technical assessment of the operations, endorse Great Panther's view that there has been a sufficient body of evidence based on the historical conversion rates of the deposits to assume that significant amounts (75% to 85%) of the unclassified material will convert to Mineral Resources with additional exploration as required. Further, CSA Global is of the opinion that the combined modern exploration data acquired by Great Panther and the older collected body of work dating back to the 1800s also lends confidence to this conclusion.

CSA Global has elected to value the unclassified material on the basis of the probability of successful conversion of this material to resources reportable under the JORC Code categories of mineralisation confidence. The probability of success is a valuer's call, based on the historical success rate exhibited by Great Panther's staff and the QP of between 75-85% (R Brown, pers. comm 2018) over the 13+ years that Great Panther have ben mining at GMC and Topia.

In order to assess the potential value of the well-defined unclassified material at the GMC and Topia mines (refer to Section 3.7.2 and Section 4.7.2), Deloitte assisted CSA to extend the DCF Models to reflect scenario analysis inclusive of the well-defined unclassified material to assist with CSA's assessment of the conceptual value-add attributable to this material.

The tonnes of material mined in the conceptual DCF models was increased by the tonnage of well-defined unclassified material. The capital exploration and development costs of upgrading and accessing this material was considered, in addition to the standard mining and processing costs from the original (Deloitte) DCF model. These costs were approximated on a per tonne basis. The additional metal recovered and sold in the conceptual DCF model is based on the grade of the well-defined unclassified material, and the standard recoveries from the original DCF model.

This method was then extended further to consider the potential value of the less well-defined unclassified material at the GMC and Topia mines (approximately 26% of the total unclassified material). This was done by considering the likely cost of exploration and development to upgrade the less well-defined unclassified material to the same level of confidence as the well-defined unclassified material, as well as the probability of successfully doing so, before estimating a Target Value in a similar manner to that of the well-defined unclassified material. The additional costs of upgrading the less well-defined unclassified material to the same level of confidence as the well-defined classified material was approximated on a per ounce basis estimated from the average cost of converting the well-defined unclassified to mineral resources.

CSA Global considered a low case scenario based on a:

- 75% probability of conversion of well-defined unclassified material to mineral resources; and a
- 50% conversion rate of less well-defined unclassified material to well-defined unclassified material.

CSA Global's high case scenario is based on an:

- 85% probability of conversion of well-defined unclassified material to mineral resources; and a
- 70% conversion rate of less well-defined unclassified material to well-defined unclassified material.

Details are provided in Table 99 and Table 100 respectively (see Appendix 5). The preferred value in this case is the mid-point of the high and low case values.

A summary of the outcomes of the Geological Risk Method valuation of the unclassified material associated with the GMC and Topia mines is provided in Table 80.

Table 80: Summary of Geological Risk Method Valuations

Unclassified material	AgEq (Moz)	Current Stage#	Current Value (Low Case) A$ millions	Current Value (Preferred) A$ millions	Current Value (High Case) A$ millions
Well defined GMC	13.1	D	16.2	17.3	18.4
Less well-defined GMC	3.8	C	1.0	1.5	1.9
GMC Sub Total	**16.9**	**-**	**17.2**	**18.7**	**20.2**
Well-defined Topia	3.6	D	7.5	8.0	8.5
Less well-defined Topia	1.3	C	0.9	1.2	1.5
Topia Sub Total	**4.9**	**-**	**8.4**	**9.2**	**10.0**
Total	**21.8**	**-**	**25.6**	**27.9**	**30.2**

See Table 87 in Appendix 1 for description of Project Stage
Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

7.4.5 Yardstick Order of Magnitude Check

CSA Global used the Yardstick method as an order of magnitude check on the Tucano Mineral Resources valuation completed using comparative transactions. The Yardstick order of magnitude check is simplistic (in that it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with their preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the spot price for gold and silver as at 30th September 2018 of A$1,646.04/oz (US$1,191.49/oz) and A$19.76/oz (US$14.31/oz) respectively.

In addition, CSA Global utilised the following commonly used Yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price.
- Probable Ore Reserves: 5% to 10% of spot price

The spot price for gold and silver as at 30th September 2018 used for the Yardstick order of magnitude check was consistent with that used for the evaluation of Comparative Transactions data so that the results could be compared.

A Yardstick order of magnitude check was not undertaken on the Guanajuato, San Ignacio and Topia mines Mineral Resources as all Mineral Resources are included in Great Panther's life-of-mine.

El Horcon

A summary of the Yardstick order of magnitude check for the El Horcon Mineral Resource, based on the Yardstick factors above, is presented in Table 81. This method resulted in a check valuation range of A$0.2 million to A$0.4 million, with a preferred value of A$0.3 million.

Table 81: Summary of Yardstick order of magnitude check of the El Horcon Mineral Resources

Resource Category	AgEq (Moz)	Great Panther Equity (%)	Yardstick factors			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
Inferred	2.09	100	0.50%	0.75%	1.00%	0.19	0.28	0.37

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Coricancha Project

A summary of the Yardstick order of magnitude check for the Coricancha Project Mineral Resource, based on the Yardstick factors above, is presented in Table 82. This method resulted in a check valuation range of A$10.3 million to A$23.2 million, with a preferred value of A$16.7 million.

Table 82: Summary Yardstick order of magnitude check of the Coricancha Project Mineral Resources

Resource Category	AgEq (Moz)	Great Panther Equity (%)	Yardstick factors			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
Measured	13.49	100	2.00%	3.50%	5.00%	5.3	9.3	13.3
Indicated	10.71	100	1.00%	1.50%	2.00%	2.1	3.2	4.2
Inferred	28.36	100	0.50%	0.75%	1.00%	2.8	4.2	5.6
Total	**52.56**	**100**	**-**	**-**	**-**	**10.3**	**16.7**	**23.2**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

7.4.6 Great Panther Valuation Summary

At Deloitte's request, CSA Global undertook an assessment of the technical inputs into the GMC life-of-mine plan (see Section 3.8) and Topia life-of-mine plan (see Section 4.8) so that Deloitte could undertake a DCF model valuation.

CSA Global has valued Great Panther's Mineral Resources and exploration assets not included in Deloitte's DCF valuation.

El Horcon Project Valuation Summary

CSA Global considers the El Horcon Project an advanced exploration area Mineral Asset. In forming an opinion on the market value of the El Horcon Mineral Resources, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method (Figure 53).

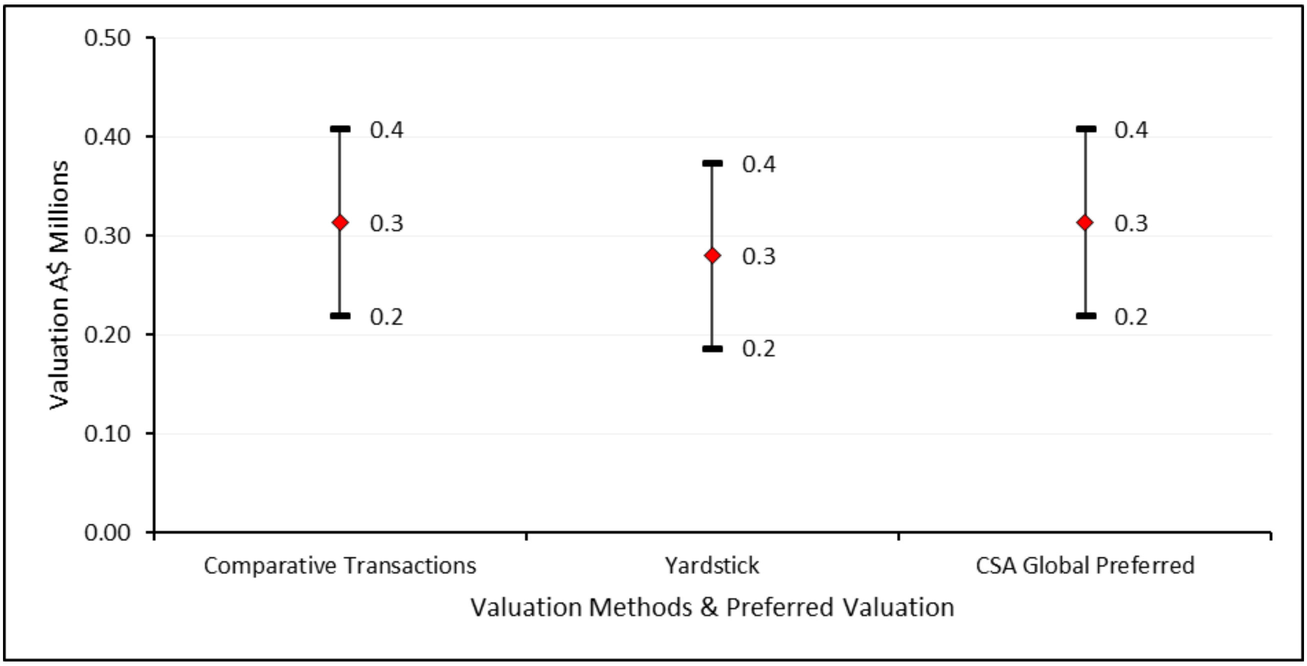


Figure 53: El Horcon Project – Comparison of valuation methods

CSA Global in its professional judgement has decided to use the value range of A$0.2 million to A$0.4 million with a preferred value of A$0.3 million, derived by the comparative transactions valuation method. The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and the most robust methodology for providing an indication of market value in this case, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method.

CSA Global's opinion on the Market Value of Great Panther's El Horcon Mineral Assets (Table 83), as at 30th September 2018, is that it lies within a range of A$3.2 million to A$5.9 million, with a preferred value of A$4.5 million.

Table 83: El Horcon Project Valuation

Mineral Asset	Great Panther's Equity (%)	Valuation (A$M)		
		Low	Preferred	High
Mineral Resources	100	0.2	0.3	0.4
Exploration Tenure	100	2.9	4.2	5.5
Total	**100**	**3.2**	**4.5**	**5.9**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Coricancha Project Valuation Summary

CSA Global considers the Coricancha Project a pre-development project Mineral Asset. Great Panther in July 2018 reported the results of a Preliminary Economic Assessment (PEA) study undertaken by Golder. The Golder PEA includes a DCF model, which reported an after tax NPV of US$16.6 million (A$22.9 million) at a discount rate of 7.5%. Golder states that the overall level of accuracy of the capital and operating cost estimates within the PEA study is ±35% to ±50%. The PEA study did not define any Ore Reserves (Mineral Reserves – under Canadian reporting standards) and included Inferred Mineral Resources within the economic assessment.

Under Australian reporting conditions, and in accordance with definitions in the JORC Code 2012, a PEA is approximately equivalent to a Scoping Study. Generally, a Scoping Study is of an insufficient level of confidence to support the declaration of Ore Reserves and does not provide a reasonable basis to support financial forward-looking information such as an NPV from a DCF. CSA Global regards the Golder "NPV" as potentially indicative of a possible value for the project in the future but cautions against any use of this value in any detailed financial modelling. We have applied the Golder "NPV" as a tertiary cross check, against our preferred value.

In forming an opinion on the market value of the Coricancha Project Mineral Resources, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method and shown the NPV value derived by Golder (Figure 54).

CSA Global has elected to use the valuation numbers derived by the Comparative Transaction valuation method to value Great Panther's Coricancha Project Mineral Resources. The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and the most robust methodology for providing an indication of market value in this case, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method.

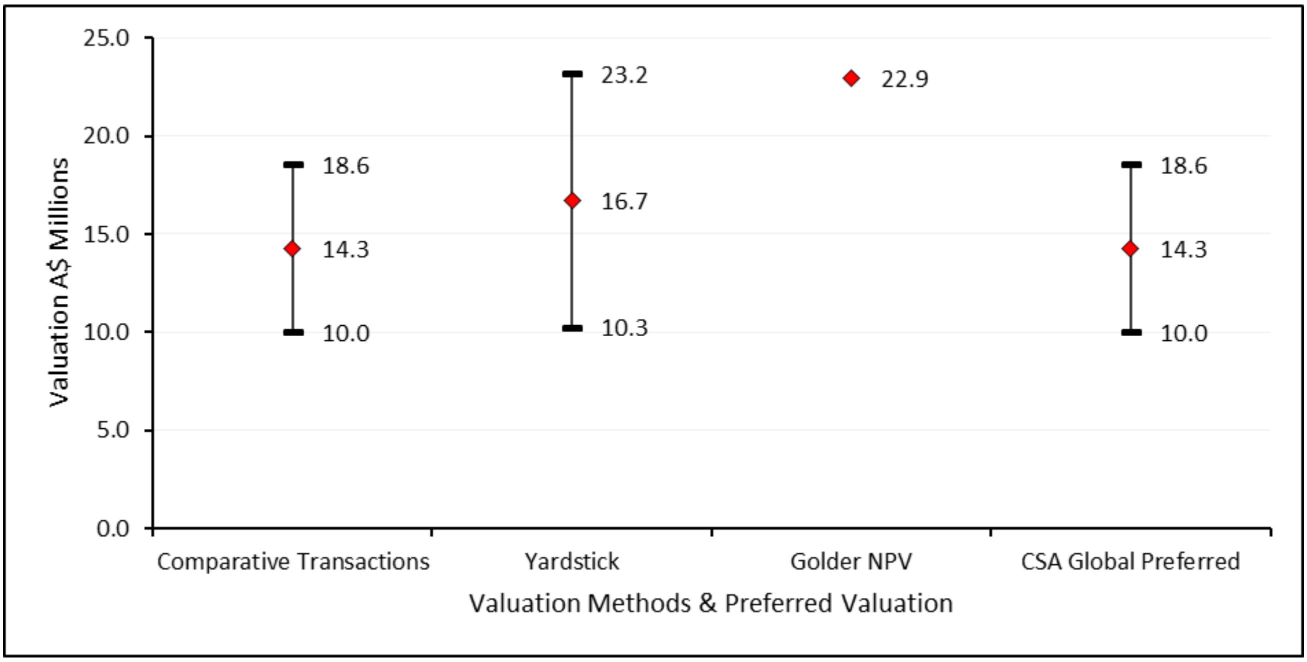


Figure 54: Coricancha Project – Comparison of valuation methods

CSA Global's opinion on the Market Value of Great Panther's Coricancha Project (Table 84), as at 30th September 2018, is that it lies within a range of A$10.8 million to A$20.0 million, with a preferred value of A$15.4 million.

Table 84: Coricancha Project valuation

Mineral Asset	Equity (%)	Valuation (A$M)		
		Low	Preferred	High
Mineral Resources	100	10.0	14.3	18.6
Surrounding Tenure	100	0.8	1.1	1.5
Total	**100**	**10.8**	**15.4**	**20.0**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

Great Panther Summary Valuation

CSA Global has chosen to rely on the one valuation method (Comparative Transactions) to value the Mexican and Peruvian exploration tenure. The difficulty in obtaining the appropriate information from parties not associated with Great Panther to undertake a valuation by a secondary method, made it inappropriate in CSA Global's professional judgement to attempt a valuation by a secondary method. CSA Global also chose to only rely on one valuation method in valuing the Argosy Project in Canada.

Summary valuations of Great Panther's Mineral Assets not included in the GMC and Topia LOMs (which have been valued separately by Deloitte) are presented in Table 85.

Table 85: Great Panther valuation – Mineral Assets not included in GMC and Topia LOMs

Mineral Asset	Mineral Asset Stage	Beadell's Equity %	Valuation (A$M)			Source Table in this report
			Low	Preferred	High	
GMC–Unclassified	Development Project	100	17.2	18.7	20.2	Table 80
GMC–El Horcon Project	Advanced Exploration Area	100	3.2	4.5	5.9	Table 83
GMC–Santa Rosa Project	Exploration Area	100	0.4	0.6	0.8	Table 75
Topia–Unclassified	Development Project	100	8.4	9.2	10.0	Table 80
Topia Project – Exploration Tenure	Exploration Area	100	2.3	3.3	4.3	Table 73
Coricancha Project	Pre-development Project	100	10.8	15.4	20.0	Table 84
Plomo Project	Exploration Area	100	1.2	1.7	2.7	Table 77
Argosy Project	Exploration Area	100	0.2	0.2	0.3	Table 79
		Total	**43.7**	**53.6**	**64.2**	

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

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9 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org.

agglomerate	Is a coarse accumulation of large blocks of volcanic material that contains at least 75% bombs.
amphibolite	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
andesite	Is an extrusive igneous, volcanic rock, of intermediate composition, with aphanitic to porphyritic texture.
Archaean	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
argillic	Argillic alteration is hydrothermal alteration of wall rock which introduces clay minerals including kaolinite, smectite and illite.
basalt	Is a mafic extrusive igneous rock formed from the rapid cooling of magnesium-rich and iron-rich lava
BIF	A typical banded iron formation consists of repeated, thin layers of silver to black iron oxides, either magnetite or hematite, alternating with bands of iron-poor shales and cherts, often red in colour, of similar thickness, and containing microbands (sub-millimetre) of iron oxides.
colluvium	Is a general name for loose, unconsolidated sediments that have been deposited at the base of hillslopes.
conglomerate	Is a coarse-grained clastic sedimentary rock that is composed of a substantial fraction of rounded to subangular gravel-size clasts, e.g., granules, pebbles, cobbles, and boulders, larger than 2 mm in diameter.
diorite	Is an intrusive igneous rock composed principally of the silicate minerals plagioclase feldspar (typically andesine), biotite, hornblende, and/or pyroxene.
dolerite	Is a mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic gabbro.
felsic	Refers to igneous rocks that are relatively rich in elements that form feldspar and quartz.
gabbro	A large group of dark, often phaneritic (coarse-grained), mafic intrusive igneous rocks chemically equivalent to basalt, being its coarse-grained analogue.
gneiss	Is a common and widely distributed type of high-grade metamorphic rock. Gneiss is formed by high-temperature and high-pressure metamorphic processes acting on formations composed of igneous or sedimentary rocks.
granite	A common type of felsic intrusive igneous rock that is granular and phaneritic in texture.
ignimbrite	Is a variety of hardened tuff. Ignimbrites are igneous rocks made up of crystal and rock fragments in a glass-shard groundmass, albeit the original texture of the groundmass might be obliterated due to high degrees of welding.
laterite	Is a soil and rock type rich in iron and aluminium and is commonly considered to have formed in hot and wet tropical areas.
limestone	Is a sedimentary rock, composed mainly of skeletal fragments of marine organisms such as coral, forams and molluscs. Its major materials are the minerals calcite and aragonite, which are different crystal forms of calcium carbonate.
mafic	An igneous rock that is rich in magnesium and iron.
monzonite	Is an igneous intrusive rock. It is composed of approximately equal amounts of plagioclase and alkali feldspar, with less than 5% quartz by weight.

pegmatite	Is a holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually larger than 2.5 cm in size.
phyllic	Phyllic alteration is a hydrothermal alteration zone in a permeable rock that has been affected by circulation of hydrothermal fluids. It is commonly seen in copper porphyry ore deposits in calc-alkaline rocks. Phyllic alteration is characterised by the assemblage of quartz + sericite + pyrite, and occurs at high temperatures and moderately acidic (low pH) conditions.
porphyritic	A texture where rock that has a distinct difference in the size of the crystals, with at least one group of crystals obviously larger than another group.
propylitic	Propylitic alteration is the chemical alteration of a rock, caused by iron and magnesium bearing hydrothermal fluids, altering biotite or amphibole within the rock groundmass.
Proterozoic	The Proterozoic extended from 2500 Ma to 541 Ma (million years ago).
resuing	A method of mining used for narrow veins, in which the rock wall adjacent to the vein is removed by separately from the ore by cutting or excavating in steps or layer by layer, allowing the ore to be extracted in a cleaner condition.
rhyolite	Is an igneous, volcanic rock, of felsic (silica-rich) composition (typically > 69% silica.
sandstone	Is a clastic sedimentary rock composed mainly of sand-sized (0.0625 to 2 mm) mineral particles or rock fragments.
schist	Is a medium-grade metamorphic rock with medium to large, flat, sheet-like grains in a preferred orientation.
sill	A tabular sheet intrusion that has intruded between older layers of sedimentary rock, beds of volcanic lava or tuff, or along the direction of foliation in metamorphic rock.
stoping	Stoping is the process of extracting the desired ore or other mineral from an underground mine, leaving behind an open space known as a stope.
tuff	Is a type of rock made of volcanic ash ejected from a vent during a volcanic eruption.
turbidite	Turbidites are sediments which are transported and deposited by density flow, not by tractional or frictional flow.

10 Abbreviations and Units of Measurement

µm	micro metres (microns)
3D	three-dimensional
A$	Australian dollars
Ag	Silver
AIG	Australian Institute of Geoscientists
AMC	AMC Mining Consultants Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Au	Gold
AusIMM	Australasian Institute of Mining and Metallurgy
Beadell Brasil	Beadell Brasil Ltda
Beadell	Beadell Resources Limited
BIF	banded iron formation
BP	BP Mineracao Ltda
Brazmin	Brazmin Ltda
BRL	Brazilian Reals
BRML	Beadell Resources Mineração Ltda
CIL	carbon in leach
cm	centimetre
CPI	Consumer Price Index
CSA Global	CSA Global Pty Ltd
DCF	discounted cash flow
DD	diamond drill hole
Deloitte	Deloitte Corporate Finance Pty Ltd
DTM	digital terrain model
g	gram
G&A	general and administration
GMC	Guanajuato Mine Complex
g/t	grams per tonne equivalent to ppm – parts per million
Ga	giga annum/billions of years
GPS	global positioning system
Great Panther	Great Panther Silver Limited
ha	hectares
IP	induced polarisation
IRR	internal rate of return
Keystone	Keystone Ltda
kg	kilogram
km	kilometres
km^2	square kilometres
LOM	life of mine

m	metre(s)
mm	millimetre(s)
M	million(s)
Ma	mega annum/millions of years
MACA	MACA Limited
masl	metres above sea level
MIK	multiple indicator kriging
MLAS	Mining Lands Administration System
mm	millimetres
MNDM	Ministry of Northern Development and Mines
Moz	millions of ounces
Mt	millions of tonnes
Mtpa	millions of tonnes per annum
MVR	Mineração Vale dos Reis Ltda
MW	Megawatts
NI 43-101	National Instrument 43-101
NPV	net present value
NQ	diamond core diameter of 47.6 mm
NSR	net smelter royalty
NYSE	New York Stock Exchange
OK	ordinary kriging
oz	troy ounce (31.1035 grams)
ppb	parts per billion
ppm	parts per million equivalent to g/t – grams per tonne
QAQC	quality assurance and quality control (for sampling and assaying)
QC	quality control (for sampling and assaying)
RAB	rotary air blast drill hole
RC	reverse circulation drill hole
ROM	run-of-mine
RQD	rock quality designation
SAG	semi-autogenous grinding
t	tonne(s)
t/m³	tonnes per cubic metre measure of bulk density
TCG	The Claims Group Inc.
tpa	tonnes per annum
tpd	tonnes per day
tpm	tonnes per month
TSX	Toronto Stock Exchange
TSZ	Tyrrell Shear Zone
U&M	Unienge & Modulo
US$	United States Dollars
Young	Timothy A. Young
Zamin	Zamin Amapá Mineração S.A.

Appendix 1: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and several approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global considers that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Background

Mineral Assets are defined in the VALMIN Code[6] as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as “The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm’s length”. The accounting criterion for a market valuation is that it is an assessment of “fair value”, which is defined in the accounting standards as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.” The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is “the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after considering those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm’s length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to “comparable transactions”. Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any “cash equivalent of some other consideration”. Whilst acknowledging these limitations, CSA Global identifies what it considers to be comparable transactions to be used in assessing the values to be attributed to Mineral Assets.

[6] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition.* Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

"Early-stage Exploration Projects" – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

"Advanced Exploration Projects" – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

"Pre-Development Projects" – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

"Development Projects" – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.

"Production Projects" – tenure holdings – particularly mines, wellfields, and processing plants–that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Cost; Geoscience Factor, Geological Risk, Market; or Income. The Market Value of Development and Production Projects are best assessed using the Market and Income approaches.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past *relevant and effective expenditure* through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 86 lists the PEM factors and criteria used in this Report.

Table 86: Prospectivity Enhancement Multiplier (PEM) factors

PEM range	Criteria
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5-1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3-1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (RAB, air-core, RCP) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5-3.0	A Mineral Resource has been estimated at Inferred JORC[7] category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

Geoscience Factor Method (GFM) seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Geoscientific Factors method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical, or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological, or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 90).

The Basic Acquisition Cost (BAC) is an important input to the Geoscientific Factors Method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially

[7] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn 1990, Goulevitch and Eupene 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparables are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparables implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is \$100/km² to \$2000/km², then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the *Geological Risk* Valuation method, as described by Lord et al. (2001), the value of a project at a given stage of knowledge/ development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table 87.

Table 87: Definition of Exploration Stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (Mapping and Geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource Delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a Project's target value.

A project's target value can be based on an expected NPV from a reasonably constrained DCF model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord *et al.* (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table 88, based on a detailed study of gold exploration programs in the Laverton area of Western Australia, where the greatest body of data was acquired over a variety of different settings for narrow vein and disseminated gold projects. In this report CSA Global used probabilities derived from Great Panther's mining and exploration history, rather than the generic probabilities in Table 88.

Table 88: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of Advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: Lord et al. (2001)

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated *in situ* resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist and may be valued by methods that employ the concept of an arbitrarily ascribed current *in situ* net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) Methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted *in situ* value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

Income

The Discounted Cash Flow (DCF) / net present value (NPV) method, as described by Lawrence (2000a), is particularly suitable for valuing mines (whether developing, operating, re-starting or expanding) and pre-development projects (including advanced exploration prospects in certain cases), as it recognises the time value of money. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day, and determining a net present value (NPV).

Key inputs to the financial model are the mineral resource or reserve base; suitably detailed capital and operating costs, including mining, processing, and labour costs; commodity price and foreign exchange forecasts; royalty and tax rates; and an appropriate discount rate.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where sufficient reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 89 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 89: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases,	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases,	No	No

Table 90: Geoscientific Factor Ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of Prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Recon (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50-60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Recon drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Res Def. drilling (early stages)	Several significant sub-economic targets; No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant 'size'; Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

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Appendix 2: Comparative Transactions

Table 91: Selected comparative transactions of gold Mineral Resources in Brazil

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A$M	Implied value A$/oz	Normalised value A$/oz
22-Dec-17	Coringa	Serabi Gold plc	Anfield Gold Corp	6.42	0.38	52	25.7	68.22	68.02
	Ore Reserves			6.50	0.16	-	25.7	159.32	158.86
18-Sep-17	CentroGold	Avanco Resources Ltd	Jaguar Mining Inc	1.80	1.86	64	5.0	2.69	2.70
11-May-17	Brio Gold Inc	Underwriters	Yamana Gold Inc	1.85	7.27	65	334.1	45.93	45.01
	Ore Reserves			1.41	2.75	-	334.1	121.45	119.01
7-Oct-16	Gurupi	Avanco Resources Ltd	Jaguar Mining Inc	1.10	3.14	96	15.7	5.01	4.96
21-Jul-16	Almas, Matupa, Tolda Fria	Northwestern Enterprises Ltd	Cyprus River Holdings Ltd	1.13	2.71	56	18.6	6.86	6.40
27-Apr-16	Cajueiro	Equitas Resources Corp	Alta Floresta Gold Ltd	0.80	0.47	46	6.4	13.50	13.49
30-Apr-15	Ernesto/Pau-a-Pique	Aura Minerals Inc	Serra da Borda Mineração e Metalurgia S.A.	3.44	0.86	70	0.4	0.46	0.52
31-Oct-14	Sau Vicente	Undisclosed Buyers	Aura Minerals Inc	0.81	0.13	95	1.8	13.33	16.60
18-Feb-14	Sertao	Orinoco Gold Ltd	Troy Resources Ltd and Amazônia Mineração Ltda	2.08	0.05	80	0.2	4.39	4.96
26-Apr-13	Boa Vista	Brazilian Gold Corp	D'Gold Mineral Ltda	1.23	0.34	0	1.4	4.15	4.79
11-Jul-12	Cachoeira	Brazil Resources Inc	Luna Gold Corp	1.16	0.67	67	3.6	5.39	5.75
31-Mar-10	Tucano	Beadell Resources Ltd	New Gold Inc.	1.73	2.47	51	41.5	16.79	22.69
23-Dec-09	Borborema	Crusader Resources Ltd	Private Interest	1.90	0.33	92	2.3	7.09	9.42

Notes: The two transactions highlighted in blue are based on the Ore Reserves for the transaction in the row above.

Table 92: Comparative transactions of exploration ground prospective for gold in Brazil

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Area (km²)	Transaction value (100%) A$K	Implied value A$/km²	Normalised value A$/km²
22-Aug-17	Campo Largo	Quinto Resources Inc	Mr Sabino Rodrigo de Freitas	Au	Joint Venture 15%	18	2,770	156,013	158,073
6-Apr-17	Tucano	Beadell Resources Ltd	Mineração Vale dos Reis Ltda	Au	Joint Venture 30%	576	7,647	13,276	13,159
7-Feb-17	Faina Goldfields	AngloGold Ashanti Ltd	Orinoco Gold Ltd	Au	Joint Venture 70%	200	15,335	76,675	78,648
5-Oct-16	Para Exploration Package	Centaurus Metals Ltd	Terrative Minerais SA	Au	Acquisition 100%	750	1,063	1,417	1,397
27-May-16	Aurizona	AngloGold Ashanti Ltd	Luna Gold Corp	Au	Joint Venture 70%	1,702	22,461	13,197	12,908
21-Jul-15	Faina Area	Orinoco Gold Ltd	Mineração Goias Velho	Au	Acquisition 80%	105	202	1,929	2,133
9-Oct-14	Exploration Licences	BBX Minerals Ltd	Raquel Correia da Silva	Au	Acquisition 100%	127	1,213	9,559	11,394
1-Sep-14	Eldorado Do Juma	Arnaldo Villar Da Silva	BBX Minerals Ltd	Au	Acquisition 75%	143	956	6,699	8,006
14-May-14	Juruena & Novo Astro	Crusader Resources Ltd	Lao Dourado Inc	Au	Acquisition 100%	447	764	1,709	2,026
15-Jun-10	Iriri	Golden Star Resources Ltd	Votorantim Metals	Au	Joint Venture 50%	3,400	11,677	3,434	3,952

Notes: Transactions highlighted in orange are considered outliers.

Table 93: Selected comparative transactions of silver Mineral Resources in Mexico, Peru, and Bolivia

Date	Country	Project	Buyer	Seller	Mineral Resource contained AgEq (Moz)	Measured & Indicated Resources (%)	Transaction value (100%) A$M	Implied value A$/oz	Normalised value A$/oz
18-Apr-18	Mexico	San Marcial	SSR mining Inc	Goldplay Exploration Ltd	32.42	55	5.17	0.16	0.14
4-Dec-17	Mexico	San Luis del Cordero	Orex Minerals Inc.	Exploraciones del Altiplano SA de CV	35.62	19	4.11	0.12	0.11
30-Jun-17	Mexico	Gavilanes	Marlin Gold Mining Ltd	Santacruz Silver Mining Ltd	37.66	15	4.55	0.12	0.11
13-Feb-17	Peru	Berenguela	Valor Resources Ltd	Silver Standard Resources Inc	151.73	72	8.18	0.05	0.05
23-Dec-16	Mexico	El Pinguico	Vangold Resources Ltd	Exploraciones Mineras Del Bajio SA de CV	2.95	0	0.45	0.15	0.14
14-Sep-16	Mexico	Veta Colorado, La Palmilla, San Patricio	Endeavour Silver Corp	Silver Standard Resources Inc	32.10	0	10.45	0.33	0.25
22-Aug-16	Mexico	Penasco Quemado, La Frazada, Pluton	BRS Ventures Ltd	First Mining Finance Corp	22.56	86	6.24	0.28	0.22
13-Jun-16	Peru	Huampar	Prism Resources Inc	Trevali Mining Corp	15.21	0	1.00	0.07	0.06
12-Apr-16	Mexico	San Diego	Golden Tag Resources Ltd	Golden Minerals Company	265.29	28	1.23	0.005	0.004
17-Feb-16	Mexico	Taviche	Aura Silver Resources Inc	Intrepid Mines Limited	7.60	0	0.06	0.01	0.01
7-Dec-15	Mexico	Uruchic	Fresnillo Plc	Golden Goliath Resources Ltd	7.79	0	3.55	0.46	0.45
29-Dec-14	Mexico	Nieves	Blackberry Ventures I, LLC	Quaterra Resources Inc	118.46	36	9.83	0.08	0.08
10-Nov-14	Mexico	Nuevo Milenio	Private Buyers	Agave Silver Corp	10.45	67	0.70	0.07	0.07
15-Oct-14	Bolivia	Pulacayo-Paca	Prophecy Coal Corp	Apogee Silver Ltd	197.59	43	4.20	0.02	0.02

Notes: The four transactions highlighted in yellow are the transactions of large silver Mineral Resources as displayed in Figure 52.

Table 94: Comparative transactions of exploration ground prospective for silver in Mexico, Peru, and Columbia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Area (km²)	Transaction value (100%) A$K	Implied value A$/km²	Normalised value A$/km²
28-Aug-18	Yoreme	Minaurum Gold Inc	Private Seller	Ag	Acquisition – 100%	4.0	29	7,362	7,260
9-Aug-18	Celaya	The Electrum Group LLC	Golden Minerals Company	Ag, Au	Acquisition – 100%	62.1	4,032	64,956	62,053
5-Jun-18	Alamos	Minaurum Gold Inc	Private Seller	Ag, Cu	Acquisition – 100%	4.7	491	105,201	97,635
30-May-18	Santa Ines Mine	Xiana Mining Inc	Compania Minera Santa Ines Y Morococha S.A.	Ag, Pb, Zn	Acquisition – 100%	3.1	16,439	5,285,717	4,878,536
16-May-18	Copalito	Kootenay Silver Inc	Private Seller	Ag, Au	Acquisition – 100%	37.0	1,088	29,398	27,120
17-Apr-18	Venaditas	Advance Gold Corp	Hot Spring Mining S.A. de C.V.	Ag, Zn	Acquisition – 100%	23.7	102	4,313	4,029
19-Mar-18	Sierra Rosario	Private Buyer	Starcore Intl Mines Ltd	Ag	Acquisition – 100%	9.8	117	11,958	11,306
19-Dec-17	San Carlos	Vangold Mining Corp	Exploraciones Mineras Del Bajio SA de CV	Ag	Acquisition – 100%	8.0	431	53,852	50,989
24-Oct-17	Mining Concession	Canuc Resources Corp	Minerales Y Carbones De Mexico S.A de C.V	Ag	Acquisition – 100%	1.5	128	84,698	77,253
18-Sep-17	Esquilache	Zinc One resources Inc	Nubian Resources Ltd	Ag, Pb, Zn	Acquisition – 100%	16.0	641	40,044	36,401
6-Jun-17	Calicanto	Endeavour Silver Corp	Arian Silver Corp	Ag, Au, Pb, Zn	Acquisition – 100%	0.8	534	711,775	609,109
6-Jun-17	Veta Grande	Endeavour Silver Corp	IMPACT Silver Corp	Ag, Au, Pb, Zn	Acquisition – 100%	1.7	667	401,982	344,000
31-May-17	7 Mining Claims	Vangold Mining Corp	Obras Mineras El Pinguico SA de CV	Ag, Au, Cu, Pb, Zn	Acquisition – 100%	28.0	632	22,571	19,405
29-May-17	Membrillo Vein	Impulsora Minera Santacruz S.A. de C.V.	Grupo México, S.A.B. de C.V.	Ag, Pb, Zn, Au	Acquisition – 100%	5.0	337	67,319	57,921
24-Feb-17	El Gachi	First Majestic Silver Corp	Santacruz Silver Mining Ltd	Ag	Acquisition – 100%	480.6	3,240	6,741	5,666
21-Feb-17	2 Mining Concessions	First Majestic Silver Corp	Private Seller	Ag	Acquisition – 100%	72.1	1,910	26,511	22,713
30-Sep-16	Del Toro Area	First Majestic Silver Corp	Private Seller	Ag	Acquisition – 100%	12.2	4,241	346,790	274,160

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Area (km²)	Transaction value (100%) A$K	Implied value A$/km²	Normalised value A$/km²
13-Sep-16	La Quintera	Minaurum Gold Inc	Private Seller	Ag	Acquisition – 100%	47.0	3,175	67,578	52,807
8-Sep-16	Ninobamba	Rio Silver Inc	Minera Niñobamba S.A	Ag	Acquisition – 100%	22.0	26	1,181	910
10-Aug-16	Santa Ana	CB Gold Inc	Condor Precious Metals Inc	Ag	Acquisition – 100%	6.7	994	148,630	112,785
14-Jul-16	Naranjillo	Fresnillo Plc	Plata Latina Minerals Corp	Ag	Acquisition – 100%	206.6	5,863	28,383	21,384
10-Dec-15	Salvador	Wild Acre Metals Limited	Teck Peru S.A	Ag	Acquisition – 100%	18.0	58	3,194	3,287
2-Nov-15	Veta Grande, Minillas	Santacruz Silver Mining Ltd	Investor Group	Ag, Au, Zn, Pb	Acquisition – 100%	11.0	700	63,662	59,052
15-Sep-15	Sandra Escobar	Orex Minerals Inc	Canasil Resources Inc	Ag, Au	Acquisition – 100%	81.0	5,709	70,475	69,589
19-May-15	Cerro Las Minitas	Electrum Global Holdings L.P.	Southern Silver Exploration Corp	Ag, Au	Acquisition – 100%	136.4	8,608	63,102	57,338

Notes: Transactions highlighted in orange have been considered outliers.

Table 95: Comparative transactions of exploration ground prospective for gold in Ontario, Canada

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Area (km²)	Transaction value (100%) A$K	Implied value A$/km²	Normalised value A$/km²
21-Mar-18	Rockstar	Manitou Gold Inc	Argo Gold Inc	Au	Acquisition 100%	28.2	694	24,652	24,631
05-Mar-18	Currie	Prosper Gold Corp	Private Vendor	Au	Acquisition 100%	20.0	170	8,513	8,612
7-Feb-18	Central Canada	Falcon Gold Corp	Private Vendor	Au	Acquisition 100%	3.9	202	51,723	52,834
2-Feb-18	Thundercloud	Dynasty Gold Corp	Teck Resources Ltd	Au	Acquisition 100%	22.5	5,001	222,257	228,078
17-Jan-18	Mallard & Heenan	Vancamp Exploration Ltd	Private Vendor	Au	Acquisition 100%	41.1	325	7,921	8,146
3-Jan-18	Goodfish Kirana	War Eagle Mining Company Inc	Champagne Resources Ltd	Au	Acquisition 100%	33.0	2,682	81,384	83,242
11-Dec-17	West Porcupine	GFG Resources Inc	Probe Metals Inc	Au	Acquisition 100%	245.0	3,554	14,507	15,093
11-Dec-17	Swayze	GFG Resources Inc	Osisko Mining Inc	Au	Acquisition 50%	120.0	609	5,077	5,283
14-Nov-17	Hemlo North Limb	Kings of The North Corp	Canadian Orebodies Inc.	Au	Acquisition 100%	70.1	4,029	57,495	58,918
4-Oct-17	Clay-Powell	International Bethlehem Mining Corp	Rainy Mountain Royalty Corp	Au	Acquisition 100%	31.0	951	30,637	32,374
13-Jun-17	Dog Lake	RT Minerals Corp	Private Vendor	Au	Acquisition 100%	11.1	121	10,841	11,131

Notes: Transactions highlighted in orange have been considered outliers.

Appendix 3: Detailed Yardstick Valuation

Table 96: Tucano Gold Mine – detailed Yardstick valuation

Mineral Resource	Classification	Ounces	Equity (%)	Yardstick factors			Valuation (A$M)		
				Low	Preferred	High	Low	Preferred	High
Urucum Open Pit	Indicated	67,100	100	1.00%	1.50%	2.00%	1.10	1.66	2.21
	Inferred	22,000	100	0.50%	0.75%	1.00%	0.18	0.27	0.36
	Subtotal	**89,100**					**1.29**	**1.93**	**2.57**
Urucum East Open Pit	Indicated	9,070	100	1.00%	1.50%	2.00%	0.15	0.22	0.30
	Inferred	3,000	100	0.50%	0.75%	1.00%	0.02	0.04	0.05
	Subtotal	**12,070**					**0.17**	**0.26**	**0.35**
Tap AB Open Pit	Indicated	66,000	100	1.00%	1.50%	2.00%	1.09	1.63	2.17
	Inferred	79,000	100	0.50%	0.75%	1.00%	0.65	0.98	1.30
	Subtotal	**144,000**					**1.78**	**2.67**	**3.56**
Tap C Open Pit	Indicated	69,040	100	1.00%	1.50%	2.00%	1.14	1.70	2.27
	Inferred	46,990	100	0.50%	0.75%	1.00%	0.39	0.58	0.77
	Subtotal	**116,030**					**1.52**	**2.28**	**3.05**
Duckhead Open Pit	Measured	20,590	100	2.00%	3.50%	5.00%	0.85	1.27	1.69
	Indicated	27,000	100	1.00%	1.50%	2.00%	0.44	0.67	0.89
	Inferred	18,200	100	0.50%	0.75%	1.00%	0.15	0.22	0.30
	Subtotal	**65,790**					**1.44**	**2.16**	**2.88**
Tap AB Underground	Inferred	452,000	100	0.50%	0.75%	1.00%	3.72	5.58	7.44
	Subtotal	**452,000**					**3.72**	**5.58**	**7.44**
Tartaruga	Inferred	337,000	100	0.50%	0.75%	1.00%	2.77	4.16	5.55
	Subtotal	**337,000**					**2.77**	**4.16**	**5.55**
Marginal Ore Stockpiles	Measured	21,000	100	2.00%	3.50%	5.00%	0.69	1.21	1.73
	Subtotal	**21,000**					**0.69**	**1.21**	**1.73**
TOTAL	**All**	**1,238,000**	**100**				**13.2**	**20.1**	**27.0**

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

Table 97: Urucum Underground – detailed Yardstick valuation

Mineral Resource	Classification	Ounces	Equity (%)	Yardstick factors			Valuation (A$M)		
				Low	Preferred	High	Low	Preferred	High
Urucum Underground	Ore Reserves	345,000	100	5.00%	7.50%	10.00%	28.4	42.6	56.8
	Indicated	48,000	100	1.00%	1.50%	2.00%	0.8	1.2	1.6
	Inferred	611,000	100	0.50%	0.75%	1.00%	5.0	7.5	10.1
TOTAL	**All**	**1,004,000**	**100**				**34.2**	**51.3**	**68.4**

Appendix 4: Argosy Claims

Table 98: Argosy Project claims

Claim Number	Area (ha)	Grant Date	Expiry Date	Holder
110991	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
144911	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
152659	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
167334	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
167335	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
173503	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
175013	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
186423	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
191427	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
193090	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
193091	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
197312	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
203574	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
205277	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
209726	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
241707	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
241708	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
244481	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
252499	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
261228	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
261229	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
261230	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
264534	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
264535	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
264536	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
264537	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
264538	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
268516	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
271273	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
271274	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
286740	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
286741	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
301154	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
307446	20.1	10/04/2018	22/08/2020	Cangold Limited 100%
309032	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
315729	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
318496	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
332714	20.1	10/04/2018	31/07/2019	Cangold Limited 100%

Claim Number	Area (ha)	Grant Date	Expiry Date	Holder
332715	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
332716	20.1	10/04/2018	31/07/2019	Cangold Limited 100%
336656	20.1	10/04/2018	8/01/2020	Cangold Limited 100%
336657	20.1	10/04/2018	8/01/2020	Cangold Limited 100%

Source: Ontario Ministry of Energy, Northern Development and Mines' Mining Lands Administration System – extracted 26 October 2018

Appendix 5: Geological Risk Valuation

Table 99: Geological Risk Valuation – Low Case

Material class	Target	Current Stage	Target AgEq (Moz)	Stage E	Stage D		Stage C			Current Value (A$ millions)
				Target Value (A$ millions)	Probability Stage D to E	Value (A$ millions)	Cost Stage C to D (A$ millions)	Probability Stage C to D	Value (A$ millions)	
Well defined	GMC	D	13.3	21.6	0.75	16.2	-	-	-	16.2
	Topia	D	6.1	10.0	0.75	7.5	-	-	-	7.5
Less well defined	GMC	C	3.8	6.3	0.75	4.7	2.6	0.5	1.0	1.0
	Topia	C	2.2	3.6	0.75	2.7	0.9	0.5	0.9	0.9

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.
The costs for Stage D are incorporated in the assessment of the Target Value

Table 100: Geological Risk Valuation – High Case

Material class	Target	Current Stage	Target AgEq (Moz)	Stage E	Stage D		Stage C			Current Value (A$ millions)
				Target Value (A$ millions)	Probability Stage D to E	Value (A$ millions)	Cost Stage C to D (A$ millions)	Probability Stage C to D	Value (A$ millions)	
Well defined	GMC	D	13.3	21.6	0.85	18.4	-	-	-	18.4
	Topia	D	6.1	10.0	0.85	8.5	-	-	-	8.5
Less well defined	GMC	C	3.8	6.3	0.85	5.3	2.6	0.7	1.9	1.9
	Topia	C	2.2	3.6	0.85	3.1	0.9	0.7	1.5	1.5

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.
The costs for Stage D are incorporated in the assessment of the Target Value

Australia • Canada • Indonesia • Russia
Singapore • South Africa • United Kingdom

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Annexure B

Scheme of Arrangement

Annexure B

Scheme of Arrangement

HERBERT
SMITH
FREEHILLS

Scheme of arrangement

Beadell Resources Limited

Scheme Shareholders

QV1 Building 250 St Georges Terrace Perth WA 6000 Australia
GPO Box U1942 Perth WA 6845 Australia

T +61 8 9211 7777 **F** +61 8 9211 7878
herbertsmithfreehills.com DX 104 Perth

Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Beadell Resources Limited ACN 125 222 291 of Level 2, 16 Ord Street, West Perth, Western Australia

(**Beadell**)

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

(a) Beadell is a public company limited by shares, registered in Western Australia, Australia, and has been admitted to the official list of the ASX. Beadell Shares are quoted for trading on the ASX.

(b) As at [*insert date*], [*insert number*] Beadell Shares were on issue.

(c) Great Panther is a corporation incorporated under the Business Corporations Act (British Columbia) and is a reporting issuer in certain the provinces of Canada. The Great Panther Shares are listed and posted for trading on the TSX and NYSE (American).

(d) If this Scheme becomes Effective:

    (1) Great Panther must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

(2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Great Panther and Beadell will enter the name of Great Panther in the Share Register in respect of the Scheme Shares.

(e) Beadell and Great Panther have agreed, by executing the Implementation Deed, to implement this Scheme.

(f) This Scheme attributes actions to Great Panther but does not itself impose an obligation on it to perform those actions. Great Panther has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;

(b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;

(c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Great Panther and Beadell;

(d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Great Panther and Beadell having been satisfied or waived; and

(e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Beadell and Great Panther agree in writing).

3.2 Certificate

(a) Beadell and Great Panther will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Beadell and Great Panther otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Beadell must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Great Panther, without the need for any further act by any Scheme Shareholder (other than acts performed by Beadell as attorney and agent for Scheme Shareholders under clause 8.5), by:

(1) Beadell delivering to Great Panther a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Beadell, for registration; and

(2) Great Panther duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Beadell for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Beadell must enter, or procure the entry of, the name of Great Panther in the Share Register in respect of all the Scheme Shares transferred to Great Panther in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

Great Panther must, subject to clauses 5.2, 5.3, 5.4, 5.6 and 5.8:

(a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Great Panther Register in respect of those New Great Panther Shares; and

(b) procure that on or before the date that is 10 Business Days after the Implementation Date, a share certificate, direct registration system advice or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Great Panther Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

(a) the New Great Panther Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Beadell, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and

(c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Beadell, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

(a) Great Panther will be under no obligation to issue any New Great Panther Shares under this Scheme to any Ineligible Foreign Shareholder and instead:

(1) subject to clauses 5.6 and 5.8, Great Panther must, on or before the Implementation Date, issue the New Great Panther Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;

(2) Great Panther must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Great Panther sells or procures the sale of all the New Great Panther Shares issued to the Sale Agent and remits to Beadell the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);

(3) promptly after receiving the Proceeds in respect of the sale of all of the New Great Panther Shares referred to in clause 5.3(a)(1), Beadell must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

A = (B ÷ C) x D

where

B = the number of New Great Panther Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Great Panther Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).

(b) The Ineligible Foreign Shareholders acknowledge that none of Great Panther, Beadell or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Great Panther Shares described in clause 5.3(a).

(c) Beadell must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Beadell, and despite any election referred to in clause 5.3(c)(1) or authority referred to in clause 5.3(c)(2) made or given by the Scheme Shareholder):

(1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Beadell Registry to receive dividend payments from Beadell by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

(2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Beadell; or

(3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).

(d) If Beadell receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Beadell is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Beadell must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.

(e) Each Ineligible Foreign Shareholder appoints Beadell as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.

(f) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder’s right to Scheme Consideration.

(g) Where the issue of New Great Panther Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:

(1) Great Panther will issue the maximum possible number of New Great Panther Shares to the Scheme Shareholder without giving rise to such a breach; and

(2) any further New Great Panther Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 5.3, as if a reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person’s

New Great Panther Shares in that clause were limited to the New Great Panther Shares issued to the Sale Agent under this clause.

5.4 Small Shareholders

Each Small Shareholder may elect to either:

(a) be issued its entitlement to New Great Panther Shares in accordance with clause 5.1; or

(b) have all, but not some, of the New Great Panther Shares to which it is entitled issued to the Sale Agent, in which case:

(1) subject to clauses 5.6 and 5.8, Great Panther must, on or before the Implementation Date, issue the New Great Panther Shares which would otherwise be required to be issued to the Small Shareholders under this Scheme to the Sale Agent;

(2) Great Panther must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Great Panther sells or procures the sale of all the New Great Panther Shares issued to the Sale Agent and remits to Beadell the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);

(3) promptly after receiving the Proceeds in respect of the sale of all of the New Great Panther Shares referred to in clause 5.4(b)(1), Beadell must pay, or procure the payment, to each Small Shareholder, of the amount ‘A’ calculated in accordance with the following formula and rounded down to the nearest cent:

A = (B ÷ C) x D

where

B = the number of New Great Panther Shares that would otherwise have been issued to that Small Shareholder had it not been a Small Shareholder and which were issued to the Sale Agent;

C = the total number of New Great Panther Shares which would otherwise have been issued to all Small Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.4(b)(2)).

(c) The Small Shareholders acknowledge that none of Great Panther, Beadell or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Great Panther Shares described in clause 5.4(b).

(d) Beadell must make, or procure the making of, payments to Small Shareholders under clause 5.4(b) by either (in the absolute discretion of Beadell, and despite any election referred to in clause 5.4(d)(1) or authority referred to in clause 5.4(d)(2) made or given by the Scheme Shareholder):

(1) if a Small Shareholder has, before 5:00pm (AWST) on the Scheme Record Date, made a valid election in accordance with the requirements of the Beadell Registry to receive dividend payments from Beadell by electronic funds transfer to a bank account nominated by the Small Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

(2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Small Shareholder by an appropriate authority from the Small Shareholder to Beadell; or

(3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Small Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Small Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).

(e) If Beadell receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to a Small Shareholder, Beadell is entitled to withhold the relevant amount before making the payment to the Small Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.4(b)(3)). Beadell must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Small Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Small Shareholder.

(f) Each Small Shareholder appoints Beadell as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Small Shareholders under the Corporations Act or any other applicable law.

(g) Payment of the amount calculated in accordance with clause 5.4(b) to a Small Shareholder in accordance with this clause 5.4 satisfies in full the Small Shareholder’s right to Scheme Consideration.

5.5 Election by Small Shareholders

(a) A Small Shareholder may make the election (**Election**) contemplated by clause 5.4 by completing the Election Form, such Election being subject to the terms of this Scheme.

(b) Subject to clause 5.5(e), for an Election to be valid:

(1) the Small Shareholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and

(2) the Election Form must be received by the Beadell Registry before 5.00pm (AWST) on the Scheme Record Date at the address specified in the Scheme Booklet and on the Election Form.

(c) An Election made by a Small Shareholder pursuant to clause 5.5(a), whether valid or not, will be irrevocable unless Great Panther in its absolute discretion agrees to the revocation of the Election.

(d) If:

(1) a valid Election is not made by a Small Shareholder; or

(2) no Election is made by a Small Shareholder,

then that Scheme Shareholder will be deemed to have elected to receive New Great Panther Shares as Scheme Consideration.

(e) In the manner considered appropriate by Beadell and Great Panther (acting reasonably including after consultation with the Beadell Registry), a Scheme Shareholder who holds one or more parcels of Beadell Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections for all of their Scheme Shares in relation to each of those parcels of Scheme Shares.

(f) Subject to clauses 5.5(g) and 5.5(h), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 5.5(b).

(g) Beadell will determine, in its sole discretion but after consultation with Great Panther, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. Beadell is not required to communicate with any Scheme Shareholder prior to making this determination. The determination of Beadell will be final and binding on the Small Shareholder making the Election.

(h) Notwithstanding clause 5.5(b), Beadell may, in its sole discretion but after consultation with Great Panther, at any time and without further communication to the Small Shareholder, deem any Election Form it receives from a Small Shareholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

5.6 Fractional entitlements and splitting

(a) Where the calculation of the number of New Great Panther Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Great Panther Share, the fractional entitlement will be rounded down to the nearest whole number of New Great Panther Shares.

(b) If Great Panther is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Beadell Shares which results in a fractional entitlement to New Great Panther Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder’s entitlement to the Scheme Consideration, Great Panther may direct Beadell to give notice to those Scheme Shareholders:

(1) setting out the names and Registered Addresses of all of them;

(2) stating that opinion; and

(3) attributing to one of them specifically identified in the notice the Beadell Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Beadell Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Beadell Shares.

5.7 Unclaimed monies

(a) Beadell may cancel a cheque issued under this clause 5 if the cheque:

(1) is returned to Beadell; or

(2) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Beadell (or the Beadell Registry), Beadell must reissue a cheque that was previously cancelled under this clause 5.7.

(c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 6 of the *Unclaimed Money Act 1990* (WA)).

5.8 Orders of a court or Government Agency

If written notice is given to Beadell (or the Beadell Registry) or Great Panther (or the Great Panther Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Beadell in accordance with this clause 5, then Beadell shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(b) prevents Beadell from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Beadell shall be entitled to (as applicable):

(1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; and/or

(2) direct Great Panther not to issue, or to issue to a trustee or nominee, such number of New Great Panther Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.9 Status of New Great Panther Shares

Subject to this Scheme becoming Effective, Great Panther must:

(a) issue the New Great Panther Shares required to be issued by it under this Scheme on terms such that each such New Great Panther Share will rank equally in all respects with each existing Great Panther Share;

(b) ensure that each such New Great Panther Share is duly and validly issued in accordance with all applicable laws and Great Panther's constating documents, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Great Panther's constating documents); and

(c) use all reasonable endeavours to ensure that such New Great Panther Shares are, from the fifth Business Day following the Implementation Date (or such later date as TSX or NYSE (American) (as applicable) requires), quoted for trading on the TSX and the NYSE (American) on an ordinary settlement basis.

6 Dealings in Beadell Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Beadell Shares or other alterations to the Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Beadell Shares before the Scheme Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Beadell must not accept for registration, nor recognise for any purpose (except a transfer to Great Panther pursuant to this Scheme and any subsequent transfer by Great Panther or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

(a) Beadell must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Beadell to register a transfer that would result in a Beadell Shareholder holding a parcel of Beadell Shares that is less than a ‘marketable parcel’ (for the purposes of this clause 6.2(a) ‘marketable parcel’ has the meaning given in the Operating Rules).

(b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Beadell shall be entitled to disregard any such disposal.

(c) For the purpose of determining entitlements to the Scheme Consideration, Beadell must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for Beadell Shares (other than statements of holding in favour of Great Panther or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Great Panther or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Beadell Shares relating to that entry.

(e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Beadell will ensure that details of the names, Registered Addresses and holdings of Beadell Shares for each Scheme Shareholder as shown in the Share Register are available to Great Panther in the form Great Panther reasonably requires.

7 Quotation of Beadell Shares

(a) Beadell must apply to ASX to suspend trading on the ASX in Beadell Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Great Panther, Beadell must apply:

(1) for termination of the official quotation of Beadell Shares on the ASX; and

(2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Beadell may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Great Panther has consented; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which Beadell has consented to.

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

(1) agrees to the transfer of their Beadell Shares together with all rights and entitlements attaching to those Beadell Shares in accordance with this Scheme;

(2) agrees to the variation, cancellation or modification of the rights attached to their Beadell Shares constituted by or resulting from this Scheme;

(3) agrees to, on the direction of Great Panther, destroy any holding statements or share certificates relating to their Beadell Shares;

(4) agrees to become a member of Great Panther and to be bound by the terms of the constitution of Great Panther;

(5) who holds their Beadell Shares in a CHESS Holding agrees to the conversion of those Beadell Shares to an Issuer Sponsored Holding and irrevocably authorises Beadell to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;

(6) acknowledges and agrees that this Scheme binds Beadell and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting); and

(7) that is an Ineligible Foreign Shareholder or a Small Shareholder agrees and acknowledges that the payment of an amount in accordance with clause 5.3 constitutes the satisfaction in full of its entitlement under this Scheme.

(b) Each Scheme Shareholder is taken to have warranted to Beadell and Great Panther on the Implementation Date, and appointed and authorised Beadell as its attorney and agent to warrant to Great Panther on the Implementation Date, all their Beadell Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Beadell Shares to Great Panther together with any rights and entitlements attaching to those shares. Beadell undertakes that it will provide such warranty to Great Panther as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Great Panther will, at the time of transfer of them to Great Panther vest in Great Panther free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, Great Panther will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Beadell of Great Panther in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until Beadell registers Great Panther as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

(a) is deemed to have appointed Great Panther as attorney and agent (and directed Great Panther in each such capacity) to appoint any director, officer, secretary or agent nominated by Great Panther as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

(b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Great Panther Sub reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Great Panther and any director, officer, secretary or agent nominated by Great Panther under clause 8.4(a) may act in the best interests of Great Panther as the intended registered holder of the Scheme Shares.

8.5 Authority given to Beadell

Each Scheme Shareholder, without the need for any further act:

(a) on the Effective Date, irrevocably appoints Beadell and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Great Panther, and Beadell undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Great Panther on behalf of and as agent and attorney for each Scheme Shareholder; and

(b) on the Implementation Date, irrevocably appoints Beadell and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Beadell accepts each such appointment. Beadell as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

This Scheme binds Beadell and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Beadell.

9 General

9.1 Stamp duty

Great Panther will:

(a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Beadell doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Beadell or otherwise.

9.3 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Beadell, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Beadell's registered office or at the office of the Beadell Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Beadell Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

(a) This Scheme is governed by the laws in force in Western Australia.

(b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Beadell must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Beadell, Great Panther nor any director, officer, secretary or employee of Beadell shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Beadell	Beadell Resources Limited ABN 125 222 291 of Level 2, 16 Ord Street, West Perth, Western Australia.
Beadell Registry	Computershare Investor Services Pty Limited.
Beadell Share	a fully paid ordinary share in the capital of Beadell.
Beadell Shareholder	each person who is registered as the holder of a Beadell Share in the Share Register.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia or Vancouver, British Columbia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	the meaning given in the Settlement Rules.
Corporations Act	the *Corporations Act 2001* (Cth).
Court	the Federal Court of Australia (Western Australia registry), or such

Term	Meaning
	other court of competent jurisdiction under the Corporations Act agreed to in writing by Great Panther and Beadell.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Great Panther covenants in favour of the Scheme Shareholders to perform the obligations attributed to Great Panther under this Scheme.
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
Election Form	the election form provided with the Scheme Booklet under which Small Shareholders may make an Election in respect of all of their Beadell Shares.
End Date	the date 6 months after the date of this deed, or such other date as agreed in writing by Beadell and Great Panther.
Excluded Shareholder	any Beadell Shareholder who is a member of the Great Panther Group or any Beadell Shareholder who holds any Beadell Shares on behalf of, or for the benefit of, any member of the Great Panther Group and does not hold Beadell Shares on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Great Panther	Great Panther Silver Limited of 1330 – 200 Granville Street, Vancouver, British Columbia, Canada.
Great Panther Group	Great Panther and each of its Subsidiaries, and a reference to a **Great Panther Group Member** or a **member of the Great Panther Group** is to Great Panther or any of its Subsidiaries.

Term	Meaning
Great Panther Register	the register of shareholders maintained by Great Panther or its agent.
Great Panther Registry	Computershare Trust Company of Canada.
Great Panther Share	a common share in the capital of Great Panther.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Beadell and Great Panther.
Implementation Deed	the scheme implementation deed dated [*insert date*] between Beadell and Great Panther relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, Canada or the United States and such other jurisdictions to be agreed, unless Great Panther, in consultation with Beadell, determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Great Panther Shares when this Scheme becomes Effective.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
New Great Panther Share	a fully paid common share in the capital of Great Panther to be issued to Scheme Shareholders under this Scheme.
NYSE (American)	the NYSE American securities exchange, or the operator of it, as the context requires.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Beadell Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Sale Agent	the person appointed by Beadell and Great Panther to sell the New Great Panther Shares that are to be issued under clauses 5.3(a)(1)

Term	Meaning
	and 5.4(b) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Beadell and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Beadell and Great Panther.
Scheme Booklet	the scheme booklet published by Beadell and dated [*insert date*].
Scheme Consideration	for each Beadell Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of [*insert number*] New Great Panther Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Beadell Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm (Sydney time) on the fifth Business Day after the Effective Date or such other date as agreed in writing by Beadell and Great Panther.
Scheme Shares	all Beadell Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Beadell Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Great Panther as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.

Term	Meaning
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Small Shareholder	a Scheme Shareholder who holds 10,000 Scheme Shares or less at the Scheme Record Date.
Share Register	the register of members of Beadell maintained by Beadell or the Beadell Registry in accordance with the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
TSX	the Toronto Stock Exchange or the operator of it, as the context requires.

2 Interpretation

In this Scheme:

(a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;

(b) the singular includes the plural and the plural includes the singular;

(c) words of any gender include all genders;

(d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

(e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;

(f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;

(g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);

(h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;

(i) a reference to '$', 'A$' or 'dollar' is to Australian currency;

(j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth;

(k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;

(l) a reference to a party to a document includes that party's successors and permitted assignees;

(m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;

(n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

(o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:

(1) which ceases to exist; or

(2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

(s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

Attachment 1

Deed Poll

[Attached]

Annexure C

Deed Poll

Annexure C

Deed Poll

HERBERT SMITH FREEHILLS

Deed

Scheme deed poll

Great Panther Silver Limited

QV1 Building 250 St Georges Terrace Perth WA 6000 Australia
GPO Box U1942 Perth WA 6845 Australia

T +61 8 9211 7777 **F** +61 8 9211 7878
herbertsmithfreehills.com DX 104 Perth

Scheme deed poll

Date ▸ [***insert date***]

This deed poll is made

By	**Great Panther Silver Limited** of 1330 – 200 Granville Street, Vancouver, British Columbia, Canada (**Great Panther**)
in favour of	each person registered as a holder of fully paid ordinary shares in Beadell in the Share Register as at the Scheme Record Date (other than the Excluded Shareholders).
Recitals	1 Beadell and Great Panther entered into the Implementation Deed. 2 In the Implementation Deed, Great Panther agreed to make this deed poll. 3 Great Panther is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	**Meaning**
Beadell	Beadell Resources Limited ACN 125 222 291 of Level 2, 16 Ord Street, West Perth, Western Australia.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Term	Meaning
Implementation Deed	the scheme implementation deed entered into between Beadell and Great Panther dated [*insert date*].
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Beadell and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Great Panther and Beadell.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Great Panther acknowledges that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Beadell and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Great Panther.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Great Panther under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Great Panther (if any have come into force or effect) under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

(a) the Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date,

unless Great Panther and Beadell otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

(a) Great Panther is released from its obligations to further perform this deed poll except those obligations under clause 7.1; and

(b) each Scheme Shareholder retains the rights they have against Great Panther in respect of any breach of this deed poll which occurred before this deed poll was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Great Panther undertakes in favour of each Scheme Shareholder to:

(a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

(b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme and the Implementation Deed.

3.2 Shares to rank equally

Great Panther covenants in favour of each Scheme Shareholder that the New Great Panther Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

(a) rank equally with all existing Great Panther Shares; and

(b) be issued and fully paid and free from any mortgage, charge, lien, encumbrance, duty or other security interest (except for any lien arising under the constating documents of Great Panther).

4 Warranties

Great Panther represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

(a) it is a corporation validly existing under the laws of the province of British Columbia, Canada;

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and

(e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) Great Panther has fully performed their obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

(a) in writing and in English and signed by or on behalf of the sending party; and

(b) addressed to Great Panther in accordance with the details set out below (or any alternative details nominated by Great Panther by Notice).

Attention	Jim Bannantine
Address	1330 – 200 Granville Street, Vancouver, British Columbia, Canada
Fax no	(604) 608-1768
Email address	jbannantine@greatpanther.com

6.2 How Notice must be given and when Notice is received

(a) A Notice must be given by one of the methods set out in the table below.

(b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.
By email to the nominated email address	The earliest to occur of: • the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email; • the time that the email is first opened or read by the intended recipient (or an employee or officer of the intended recipient); and • four hours after the time the email was sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that four-hour period, an automated message that the email has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Great Panther:

(a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under or in connection with the Scheme and this deed poll; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

(a) This deed poll is governed by the law in force in Western Australia.

(b) Great Panther irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Great Panther irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

(a) A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy.

(b) Great Panther may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

(c) No Scheme Shareholder may rely on words or conduct of Great Panther as a waiver of any right unless the waiver is in writing and signed by Great Panther, as appropriate.

(d) The meanings of the terms used in this clause 7.3 are set out below.

Term	**Meaning**
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

(a) if before the First Court Date, the variation is agreed to by Beadell; or

(b) if on or after the First Court Date, the variation is agreed to by Beadell and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Great Panther will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Great Panther and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.6 Assignment

(a) The rights created by this deed poll are personal to Great Panther and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Great Panther.

(b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Further action

Great Panther must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Attachment 1

Scheme

[Attached]

Signing page

Executed as a deed poll

Signed sealed and delivered by **Great Panther Silver Limited** in the presence of

Seal

sign here ►	Authorised signatory	*sign here* ►	Witness
print name		*print name*	

Annexure D

Notice of Scheme Meeting

Annexure D

Notice of Scheme Meeting

Beadell Resources Ltd ACN 152 222 291

Notice of meeting

Notice is hereby given, that by an order of the Supreme Court of Western Australia made on 21 December 2018, pursuant to section 411(1) of the Corporations Act 2001 (Cth), a meeting of shareholders of Beadell Resources Ltd (**Beadell**) (other than Excluded Shareholders) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 12 February 2019 at 10:00am (AWST).

Business of meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a Scheme of Arrangement (with or without amendment or any alterations or conditions required by the Court to which Beadell and Great Panther agreement) proposed to be made between Beadell and Beadell ordinary shareholders (other than Excluded Shareholders).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, to pass (with or without amendment) the following resolution (**Resolution**):

'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Beadell Resources Limited and the holders of its ordinary shares (other than certain excluded shareholders), as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of Western Australia to which Beadell Resources Limited and Great Panther Silver Limited agree.'

Chairman

The Court has directed that Mr Craig Readhead is to act as chairperson of the meeting (and that, if Mr Craig Readhead is unable or unwilling to attend, Nicole Adshead-Bell is to act as chairperson of the meeting) and has directed the chairperson to report the result of the Resolution to the Court.

Dated 21 December 2019

By order of the Court and the Beadell Board *sign here* ► ______________________________

Company Secretary

print name Greg Barrett

Explanatory notes

1 General

This notice of meeting relates to the Scheme and should be read in conjunction with the Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Resolution.

A copy of the Scheme is set out in Annexure B of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in Section 18 of the Scheme Booklet, unless the context otherwise requires.

2 Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Beadell Shareholders (other than Excluded Shareholders) present and voting (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Resolution (either in person or by proxy, attorney or, in the case of corporate Beadell Shareholders, body corporate representative).

3 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Resolution is agreed to by the requisite majorities and the other Conditions Precedent to the Scheme (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Beadell intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

4 Entitlement to vote

The time for determining eligibility to vote at the Scheme Meeting is 10:00am (AWST) on 10 February 2019. Only those Beadell Shareholders (other than Excluded Shareholders) entered on the Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate Beadell Shareholder, by a body corporate representative. The remaining comments in these explanatory notes are addressed to Beadell Shareholders entitled to attend and vote at the meeting.

5 How to vote

Voting will be conducted by poll.

If you are a Beadell Shareholder entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the proxy form that accompanied this Scheme Booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

6 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

7 Jointly held securities

If you hold Beadell Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Register will be counted.

See also the comments in paragraph 8.2 below regarding the appointment of a proxy by persons who jointly hold Beadell Shares.

8 Voting

8.1 Voting in person

To vote in person, you must attend the meeting.

Eligible Beadell Shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

8.2 Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Beadell Shareholder. Each proxy will have the right to vote on the poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form. You must deliver the signed and completed proxy form to the Beadell Registry by 10:00am (AWST) on 10 February 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(a) online:

at www.investorvote.com.au

(b) by post in the provided reply paid envelope to the Beadell Registry:

Computershare Investor Services Pty Limited of GPO Box 1282 Melbourne, Victoria, Australia 3000

(c) by fax to the Beadell Registry on:

1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Proxy forms received after this time will be invalid.

If a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been noted by the Beadell Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Beadell Registry before the start of the meeting (or, if the meeting is adjourned or postponed, before the resumption of the meeting in relation to the resumed part of the meeting) in any of the three ways above.

If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Share Registry. Replacement proxy forms can also be obtained from the Share Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Beadell Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the proxy form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote ‘for’ or ‘against’, or abstain from voting on, the Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairman of the meeting intends to vote all valid undirected proxies which nominate the chairman in favour of the Resolution, in the absence of a Superior Proposal.

Proxies of eligible Beadell Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

8.3 Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Beadell Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Beadell), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged at the registration desk on the day of the meeting or with the Beadell Registry before 10:00am (AWST) on 10 February 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(a) by post in the provided reply paid envelope to the Beadell Registry:

Computershare Investor Services Pty Limited of GPO Box 1282 Melbourne, Victoria, Australia 3000

(b) by fax to the Beadell Registry on:

1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Attorneys of eligible Beadell Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

8.4 Voting by corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Beadell will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Beadell Registry by calling 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia). The certificate of appointment may set out restrictions on the representative's powers.

The certificate should be lodged at the registration desk on the day of the meeting or with the Beadell Registry before 10:00am (AWST) on 12 February 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(1) by post in the provided reply paid envelope to the Beadell Registry:

Computershare Investor Services Pty Limited of GPO Box 1282 Melbourne, Victoria, Australia 3000

(2) by fax to the Beadell Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Beadell Registry.

Body corporate representatives of eligible Beadell Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

9 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from Beadell's website (https://beadellresources.com.au/investor-centre/) or by contacting the Company Secretary of Beadell or the Beadell Registry.

Annexure E

Comparison of Australian and Canadian laws and summary of rights attaching to New Great Panther Shares

Annexure E

Comparison of Australian and Canadian laws and summary of rights attaching to New Great Panther Shares

1 Meetings of shareholders

1.1 Notice of meetings

(a) Beadell

As Beadell Shares are admitted to the official list of ASX, notice of a general meeting of Beadell must be given at least 28 days before the date of the meeting. Beadell is required to give notice to the ASX, Beadell Shareholders, each Beadell Director, each alternate Beadell director and its auditors.

The quorum for a meeting under the Beadell constitution is 2 Beadell Shareholders. However, if within 30 minutes after the time for a meeting a quorum is not present, the meeting:

(1) if called by, or upon the requisition of, Beadell Shareholders, is dissolved; and

(2) in any other case, stands adjourned to the same day in the next week at the same time and place or such other day, time and place as the directors appoint by notice to the Beadell Shareholders.

(b) Great Panther

The BCBCA requires that at least 21 days' notice and not more than 60 days' notice be given for all meetings. In addition, as a 'reporting issuer' under Canadian securities legislation, Great Panther must make an advance notice filing, giving notice of the meeting and record date to all depositaries, the applicable securities regulatory authority and TSX prior to the record date (subject to the fulfilment of certain conditions). Under the BCBCA, the record date for determining who the shareholders are for the purposes of receiving notice of a meeting must not be less than 21 days nor more than 60 days prior to the date for the meeting, and the record date for determining which shareholder may vote at the meeting must not be more than 60 days prior to the date for the meeting. Under applicable securities laws, the record date for notice must not be less than 30 days or more than 60 days in advance of the meeting date, subject to certain exceptions.

Under the BCBCA, Great Panther is required to give notice only to registered shareholders entitled to attend the meeting as well as its directors and auditors. Under applicable Canadian securities laws, Great Panther is also required to give notice to certain beneficial shareholders.

Under the BCBCA, notice of an annual general meeting must specify the date, time and place of the meeting but need not include a description of the purpose or purposes for which the meeting is called. Notice of a meeting at which special business is to be transacted must include the text of any special or exceptional resolution to be submitted at the meeting, and, under Great

Panther's articles, the notice of meeting must state the general nature of that special business and, if the special business includes considering, approving, ratifying, adopting or authorising any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state how a copy of the document:

(1) will be available for inspection by shareholders at the Great Panther's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and

(2) may provide that the document is available by request from Great Panther or accessible electronically or on a website as determined by the directors.

At an annual general meeting, all business is special business except for the following:

(1) business relating to the conduct of or voting at the meeting;

(2) consideration of any financial statements of Great Panther presented at the meeting;

(3) consideration of any reports of the directors or auditor;

(4) the setting or changing of the number of directors;

(5) the election or appointment of directors;

(6) the appointment of an auditor;

(7) the setting of the remuneration of an auditor;

(8) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(9) any other business which, under Great Panther's articles or the BCBCA, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

At a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting. Management proxy circulars, in the required form, are required to be provided under applicable Canadian securities laws for any solicitation of proxies by management.

Great Panther's articles provide that if a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting, and no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Great Panther's articles provide that, subject to the special rights and restrictions attached to the shares of any class or series of shares, the presence of two persons present in person or represented by proxy, who are shareholders, will constitute a quorum for that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

1.2 Voting requirements and entitlements

(a) Beadell

Unless the Corporations Act or Beadell's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Beadell if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote.

The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

(1) the change of name of the company;

(2) a selective reduction of capital or selective share buy-back;

(3) the giving by the company of financial assistance in connection with the acquisition of shares in the company;

(4) the conversion of the company from one type or form to another; and

(5) a decision to wind up the company voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal Beadell's constitution.

Beadell's constitution also stipulates certain matters to be resolved by special resolution, including the variation of class rights attaching to shares and the exercise of certain powers by a liquidator on a winding up.

Each Beadell Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Beadell Shareholder present in person, or by proxy, attorney or representative, has one vote. If a poll is held, the holders of Beadell Shares present in person or by their proxy, attorney or representative will have one vote for every Beadell Share held at the record date for the meeting.

Beadell Shareholders are entitled to be present and vote at any general meeting in respect of any Beadell Shares upon which all calls due to Beadell have been paid. A member holding Beadell Shares in respect of which moneys are due and payable to Beadell and which have not been paid is not entitled to attend or vote at general meetings of Beadell in respect of those Beadell Shares.

Beadell's constitution provides that a poll may be demanded by the chairman of the general meeting, at least 5 Beadell Shareholders entitled to vote on the resolution, or Beadell Shareholders holding at least 5% of the votes that may be cast on the resolution on a poll.

A proxy's appointment must be signed and sent to Beadell so that it is received at least 48 hours before a meeting.

(b) Great Panther

Unless the BCBCA requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Great Panther's articles provide that a special resolution must be passed by a majority of not less than two-thirds of the votes cast by shareholders entitled to vote.

Under the BCBCA, in general, ordinary resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company. The BCBCA requires certain matters to be approved by special resolution, including, among other matters:

(1) amendment to the company's articles, in certain circumstances;

(2) amalgamation with another arm's length company;

(3) continuance under the laws of another jurisdiction; and

(4) the sale, lease or disposition otherwise of all or substantially all of the company's undertaking other than in the ordinary course of business.

The BCBCA provides that, unless a company's articles provide otherwise, each share of a company entitles the holder to one vote at a meeting of shareholders. Except in certain circumstances, a vote may be held on a show of hands. On a show of hands, each holder of Great Panther Shares present in person or by proxy and entitled to vote has one vote. If a ballot is called, each holder of Great Panther Shares present in person or by proxy will have one vote for each Great Panther Share held. Great Panther's articles provide that a ballot may be demanded by the chair of a meeting or any shareholder or proxyholder entitled to vote at the meeting. The BCBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the articles that affect the rights of such holders, whether or not such shares carry the right to vote.

Applicable securities laws allow the Great Panther Board to specify in a notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or an adjournment of the meeting, before which time proxies to be used at the meeting must be deposited with the company or its agent, unless the chairman of the meeting elects to exercise his/her discretion to accept proxies received subsequently.

1.3 Shareholders' rights to bring resolution before a meeting

(a) Beadell

Beadell Shareholders holding at least 5% of the votes that may be cast at a general meeting or at least 100 Beadell Shareholders who are entitled to vote at the meeting may, by written notice to Beadell, propose a resolution for consideration at the next general meeting occurring more than 2 months after the date of the notice.

(b) Great Panther

Under the BCBCA, a proposal may be made by certain registered or beneficial holders of shares entitled to be voted at an annual meeting of shareholders. To be eligible to submit such a proposal, a shareholder must be the registered or beneficial holder of, or have the support of the registered or beneficial holders of:

(1) at least 1% of the total number of outstanding voting shares of the company; or

(2) voting shares whose fair market value is at least C$2,000.

Such registered or beneficial holder(s) must have held such shares for an uninterrupted period of at least 2 years immediately prior to the date of the signing of the proposal and such shareholder shall not have, within 2 years before the date of the signing of the proposal, failed to present, in person or by proxy, at an annual general meeting, an earlier proposal submitted by such shareholder in response to which the company complied with its obligations under the BCBCA. A proposal under the BCBCA must include the name and address of the person submitting the proposal, the names and addresses of the person's supporters, and the number of shares of the company carrying the right to vote at annual general meetings that are owned by such person(s).

If the proposal is submitted at least 3 months before the anniversary date of the previous annual meeting and the proposal meets other specified requirements, then the company shall either set out the proposal, including the names and mailing addresses of the submitting person and supporters, in the proxy circular of the company, or attach the proposal thereto. In addition, if provided by the person submitting the proposal, the company shall include in or attach to the proxy circular a statement in support of the proposal by the person and the name and address of such person.

If the submitter is a qualified shareholder at the time of the annual general meeting to which its proposal relates, the company must allow the submitter to present the proposal, in person or by proxy, at such meeting. If 2 or more proposals received by the company in relation to the same annual general meeting are substantially the same, the company only needs to comply with such requirements in relation to the first proposal received and not any others. The company may also refuse to process a proposal in certain other circumstances including when the directors have called an annual general meeting to be held after the date the proposal is received and have sent a notice of meeting, when substantially the same proposal was submitted to shareholders in a notice of meeting or an information circular relating to an annual general meeting of shareholders held within 5 years preceding the receipt of the request and the proposal did not obtain the prescribed level of support, or when a proposal deals with matters beyond the company's power to implement.

If a company refuses to process a proposal, the company shall notify the person making such proposal in writing within 21 days after its receipt of the proposal of its decision in relation to the proposal and the reasons therefore. In any such event, the person submitting the proposal may make application to a court for a review of the company's decision and a court may restrain the holding of the annual general meeting and make any further order it considers appropriate. In addition, a company may apply to a court for an order permitting the company to refrain from processing the proposal and the court may make such order as it considers appropriate.

2 Directors

2.1 Directors' management of the business of the company

(a) Beadell

Under Beadell's constitution, the business of Beadell is to be managed by or under the direction of the Beadell Directors. The Beadell Directors may exercise all the powers of Beadell except any powers that the Corporations Act, the

Listing Rules or Beadell's constitution requires Beadell to exercise in a general meeting.

(b) Great Panther

The BCBCA provides that the directors of a corporation shall manage, or supervise the management of, the business and affairs of the corporation. Subject to the articles, the directors may appoint officers of the corporation and may specify their duties.

Great Panther's articles provide that the directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

2.2 Number and election of directors

(a) Beadell

Under Beadell's constitution, Beadell must have no less than 3 nor, until otherwise determined at a general meeting, more than 10 directors. Under the Corporations Act, 2 directors must ordinarily be resident in Australia. At each annual general meeting, one-third of directors (or the number nearest to but not exceeding one-third), other than the managing director, must retire from office but no director, other than the managing director, may retain office for more than 3 years without submitting himself or herself for re-election. The director or directors to retire are those who have been longest in office since their election and, as between those who became directors on the same day, as determined by lot unless they otherwise agree. A retiring director is eligible for re-election. Up to one director appointed to the office of managing director may be exempt from retirement by rotation. Casual vacancies between annual general meetings may be filled by the Beadell Board, and the Beadell Board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed 10 directors.

(b) Great Panther

The BCBCA and Great Panther's articles set a minimum of 3 directors so long as Great Panther is a public company. The BCBCA does not contain residency requirements for directors. Great Panther's articles provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected must be the number then in office unless the directors or shareholders determine otherwise. Casual vacancies between annual meetings may be filled by the Great Panther Board, and the Great Panther Board has the power to appoint as additional directors up to one-third of the number of directors elected at the previous annual meeting.

2.3 Removal of directors

(a) Beadell

Beadell Shareholders may remove a director before their period of office ends by passing a resolution to do so at a general meeting, and if thought fit, appoint another person in place of that director. The resolution must be passed by a majority of the votes cast by Beadell Shareholders present and voting.

Beadell Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

(b) Great Panther

The BCBCA provides that the shareholders of a company may, by special resolution, remove any director or directors from office.

The Great Panther Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office, unless the director is convicted of an indictable offence or if the director ceases to be qualified to act as a director of a company and does not promptly resign as required by Great Panther's articles.

3 Amendments to constituent documents

(a) Beadell

Any amendment to the Beadell constitution must be approved by a special resolution passed by Beadell Shareholders present and voting on the resolution.

(b) Great Panther

Great Panther's constituent documents consist of its notice of articles and articles. Under the BCBCA, the notice of articles are the base constituent document of a company and set out details including the company's name, the mailing and delivery address of the registered and records offices of the company, the classes and number of shares the company is authorised to issue (and, where applicable, the rights, privileges, restrictions and conditions attaching to each class or series of shares), and the full name of, and prescribed address for, each of the directors. Subject to the BCBCA, the articles regulate the business and affairs of the company and provide for matters including meetings, elections of the board of directors and appointment of officers, filling of vacancies, notices, types and duties of officers, committees and other routine conduct.

In accordance with the BCBCA, any amendment to Great Panther's articles must be approved by the type of resolution specified by the BCBCA and/or Great Panther's articles, in the particular circumstances. Pursuant to Great Panther's articles, most alterations to the articles may be made by ordinary resolution and in some cases by directors' resolution, depending on the specific type of alteration. A shareholder entitled to vote at an annual meeting of shareholders and who has been a registered owner or beneficial owner of one or more such shares for an uninterrupted period of at least 2 years before the date of signing of the proposal may also make a proposal by way of written notice setting out a matter that the submitter wishes to have considered at the next annual general meeting in accordance with the procedure described above.

4 Issue of new shares

(a) Beadell

Subject to specified exceptions (for pro rata issues, etc), the Listing Rules apply to restrict Beadell from issuing, or agreeing to issue, more ordinary shares than the number calculated as follows in any 12 month period unless Beadell has shareholder approval:

15% of the total of:

(1) the number of fully paid ordinary shares on issue 12 months before the date of the issue or agreement; plus

(2) the number of fully paid ordinary shares issued in the 12 months under a specified exception; plus

(3) the number of partly paid ordinary shares that became fully paid in the 12 months; plus

(4) the number of fully paid ordinary shares issued in the 12 months with shareholder approval; less

(5) the number of fully paid ordinary shares cancelled in the 12 months,

less the number of ordinary shares issued or agreed to be issued in the 12 months before the date of issue or agreement to issue, but not under a specified exception or with shareholder approval.

In addition, Beadell (as an 'eligible entity' for the purposes of the Listing Rules with a market capitalisation of less than A$300 million) may seek approval from its ordinary shareholders by special resolution passed at an annual general meeting to potentially issue an additional 10%, subject to certain conditions.

Subject to certain exceptions, Listing Rules 10.11 and 10.14 require the approval of Beadell Shareholders by ordinary resolution in order for Beadell to issue shares or options to directors.

Under the Beadell constitution, Beadell directors may issue shares on terms determined by the directors at such times as they think fit. This power is, however, subject to the Corporations Act, the Listing Rules, and any special rights previously conferred on the holders of any existing shares or class of shares.

(b) Great Panther

According to Great Panther's articles, Great Panther is authorised to issue an unlimited number of common shares and an unlimited number of preferred shares. Subject to the BCBCA, shares may be issued for such consideration as the directors may determine.

Shares issued by a BCBCA regulated company are non- assessable and may only be issued if consideration for such shares is fully paid.

As Great Panther is listed on TSX, Great Panther will be subject to the rules of TSX in relation to the issue of securities. Below is an overview of the various TSX rules in relation to the issue of securities (section references relate to the TSX Company Manual, which can be viewed in its entirety at the following link: http://tmx.complinet.com/en/tsx_manual.html).

Under the TSX Company Manual, Great Panther requires the approval of the TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders of Great Panther in the transaction, whether the transaction materially affects control of Great Panther, Great Panther's corporate governance practices, the size of the transaction relative to the liquidity of Great Panther and whether a court or administrative body has considered the interests of the Great Panther Shareholders.

The TSX will generally require shareholder approval of any transaction that materially affects control of Great Panther or provides consideration to insiders of Great Panther that represents 10% or more of Great Panther's market capitalization (subject to certain conditions) during any six month period, and has not been negotiated at arm's length. For distributions of listed securities in reliance on a prospectus exemption (known as private placements), the TSX may require shareholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities of Great Panther to be issued represents more than 25% of the number outstanding (on a non-diluted basis), Great Panther Shareholder approval is required, while if the price is at or above market, Great Panther Shareholder approval is generally not required regardless of the number of securities being issued. If the issuance is to be less than or equal to 25% of the number of securities outstanding, shareholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above C$2.00 each or 20% where the securities are trading between C$0.51 and C$2.00 each).

TSX-listed issuers must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer on a non-diluted basis, whether the target being acquired is a private company or a reporting issuer.

In private placements to insiders of Great Panther and acquisitions involving issuances of listed securities to insiders of Great Panther, the TSX will require Great Panther Shareholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if insiders of Great Panther will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities or options, rights or other entitlements to listed securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the insiders of Great Panther may not vote their securities.

The TSX also requires shareholder approval of securities- based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury. The TSX prescribes specific disclosure requirements for the materials provided to Great Panther Shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices for any stock options granted under a security based compensation arrangement may not be lower than market price of the securities at the time the stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval.

5 Variation of class rights

(a) Beadell

Under the Beadell constitution, rights attaching to a class of shares may only be varied or cancelled with the approval of a special resolution of Beadell Shareholders and either:

(1) by special resolution passed at a meeting of the shareholders holding shares in the class; or

(2) with the written consent of shareholders with at least 75% of the votes in the class.

(b) Great Panther

The BCBCA and Great Panther's articles provide that rights attaching to a class of shares may only be varied by an amendment to the articles approved by ordinary or special resolution, depending on the circumstances.

6 Protection of minority shareholders/oppression remedy

(a) Beadell

Under the Corporations Act, any Beadell Shareholder can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.

A statutory derivative action may also be instituted by an Beadell Shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:

(1) it is probable that Beadell will not itself bring the proceedings or properly take responsibility for them or for the steps in them;

(2) the applicant is acting in good faith;

(3) it is in the bests interests of Beadell that the applicant be granted leave;

(4) if the applicant is applying for leave to bring proceedings,

(5) there is a serious question to be tried; and

(6) either at least 14 days before making the application, the applicant gave written notice to Beadell of the intention to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.

(7) In addition to the above, a shareholder may be able to bring a claim against Beadell based on the general laws of contract, tort or other laws applicable in Australia.

(b) Great Panther

Canadian securities laws provide certain procedural protections for securityholders, including minority approval rights, valuation requirements and enhanced disclosure requirements, for certain non-arm's length transactions such as issuer bids, insider bids, related party transactions and business combinations.

The BCBCA provides that on the application of one or more Great Panther shareholders who, in aggregate, hold at least 20% of the issued shares of Great Panther, may apply to the Supreme Court of British Columbia for an order to appoint an inspector to conduct an investigation of Great Panther, and to determine the manner and extent of the investigation. Under the BCBCA, a company may also, by special resolution, appoint an inspector to investigate the affairs and management of the company, and to report in the manner and to the persons the resolution directs.

For the court to make such an order of investigation, among other requirements, it must appear to the court that there are reasonable grounds for believing that: (a) the affairs of the company are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more shareholders, within the meaning of the BCBCA, including the applicant; (b) the business of the company is being or has been carried on with intent to defraud any person; (c) the company was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or (d) persons concerned with the formation, business or affairs of the company have, in connection with it, acted fraudulently or dishonestly.

In addition, a shareholder (which, for the purposes of the relevant section of the BCBCA, includes shareholders and any other persons whom the court considers to be appropriate persons to make an application under the relevant section of the BCBCA) who applies to the court for an order on the grounds that:

(1) the affairs of Great Panther are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or

(2) some act of Great Panther has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

This remedy is known as the 'oppression remedy'. The powers of the court under the BCBCA in making an order are broad – it may make any order it considers appropriate, including, but not limited to, an order directing or prohibiting any act, removing any director, varying and setting aside a transaction, or directing that a company be liquidated and dissolved.

Representative shareholder actions or derivative actions are also available under the BCBCA to 'complainants' (which includes shareholders and directors of the company, and any other person whom the court considers appropriate to bring a derivative action). The statutory provisions of the BCBCA allow complainants to prosecute a legal proceeding in the name and on behalf of the company: (a) to enforce a right, duty or obligation owed to the company that could be enforced by the company itself, or (b) to obtain damages for any such breach of said right, duty or obligation. The BCBCA also allows complainants to defend a legal proceeding brought against the company.

To bring a derivative action or defend a legal proceeding brought against a company under the BCBCA, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave, on terms it considers appropriate, if:

(1) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;

(2) notice of the application for leave has been given to the company and to any other person the court may order;

(3) the complainant is acting in good faith; and

(4) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The court has broad powers to direct the conduct of any such legal proceeding. No legal proceeding prosecuted or defended under the derivative actions provisions of the BCBCA may be discontinued, settled or dismissed without the approval of the court.

In addition to the above, a shareholder may be able to bring a claim against Great Panther based on the general laws of contract, tort or other laws applicable in Canada.

The BCBCA provides that shareholders, whether or not the shareholders' shares carry the right to vote, are entitled to exercise dissent rights and demand payment for the fair value of their shares, provided that they comply strictly with the requirements in the BCBCA. Dissent rights exist when there is a vote upon matters such as:

(1) altering the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(2) adopting an amalgamation agreement;

(3) approving an amalgamation into a foreign jurisdiction;

(4) approving an arrangement, the terms of which arrangement permit dissent;

(5) authorising or ratifying the sale, lease or other disposition of all or substantially all of the company's undertaking;

(6) authorising the continuation of the company into a jurisdiction other than British Columbia;

(7) any other resolution, if dissent is authorised by the resolution; or

(8) any court order permitting dissent.

However, a shareholder is not entitled to dissent in certain circumstances as provided in the BCBCA, including if the court determines that the dissenter is not entitled to dissent.

7 Source and payment of dividends

(a) Beadell

Under the Beadell constitution, Beadell may pay dividends as the Directors resolve as appropriate. In addition, under the Corporations Act, Beadell must not pay a dividend unless:

(1) Beadell's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(2) the payment of the dividend is fair and reasonable to the Beadell Shareholders as a whole; and

(3) the payment of the dividend does not materially prejudice Beadell's ability to pay its creditors.

Under the Beadell constitution, the Beadell directors may determine that a dividend is payable and fix the amount, whether the dividend is franked (including the franking percentage and franking class), the time for determining entitlements to the dividend, the time for payment and the method of payment. Dividends may be subject to withholding taxes.

(b) Great Panther

The BCBCA provides that a company may pay a dividend by issuing fully paid shares or warrants or (subject to the following sentence) in property, including in money. A company may declare or pay a dividend in property, including in money, unless there are reasonable grounds for believing that the company is insolvent, or the payment of the dividend would render the company insolvent. 'Insolvent' under the BCBCA means, in relation to a company, unable to pay its debts as they become due in the ordinary course of business. Dividends may be subject to withholding taxes.

8 Remuneration of directors and officers

(a) Beadell

Under the Listing Rules, the maximum amount to be paid to directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting.

Legislation gives shareholders of listed companies (such as Beadell Shareholders) the right to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of the company.

Where the resolution that the remuneration report be adopted receives a 'no' vote of 25% or more of the votes cast for two consecutive years, a resolution must be put to shareholders that:

(1) another meeting be held within 90 days (the **Spill Meeting**);

(2) all of the company's directors (excluding any managing directors) who were directors when the directors resolved that the directors' report be considered at the later of the two annual general meetings will cease to hold office immediately before the end of the Spill Meeting; and

(3) resolutions be put to the vote at the Spill Meeting to appoint new directors (which may include the re-appointment of some or all of the directors who will cease to hold office at the end of the Spill Meeting).

(b) Great Panther

Under Great Panther's articles, the directors may fix the remuneration of the directors, officers and employees of Great Panther. Under applicable Canadian securities laws, a statement of executive compensation in a prescribed form is required to be included in the management proxy circular in connection with a Great Panther meeting: (a) that is an annual general meeting; (b) at which the company's directors are to be elected; or (c) at which the company's shareholders will be asked to vote on a matter relating to executive compensation.

9 Retirement benefits

(a) Beadell

Formerly, the Corporations Act allowed a company to pay benefits to directors and officers on their retirement or termination of up to 7 times the director's or officer's total annual remuneration. Benefits above that limit could only be paid on shareholder approval.

Under reforms effected by the *Corporations Amendment (Improving Accountability on Termination Payments) Act* 2009 (Cth) (**Corporations Amendment Act**), retirement or termination benefits that can be paid to company directors, senior executives and key management personnel without shareholder approval have been significantly reduced. The threshold above which shareholder approval is required is the equivalent of one year's base salary. The Corporations Amendment Act provides a mechanism for calculating that threshold, including by averaging salary over the past 3 years.

The changes affect only benefits under contracts of employment that are executed on or after the commencement date of the Corporations Amendment Act (24 November 2009), or where a contract is varied or extended on or after that date.

In addition, the Listing Rules provide that Beadell must ensure that no officer of the company may be entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of Beadell. Further, Beadell Shareholder approval is required if the value of the termination benefits that may become payable to all officers together exceeds 5% in aggregate of Beadell equity interests.

(b) Great Panther

Great Panther is not subject to any restrictions on the quantum of retirement benefits that it may pay to its directors and officers.

10 Fiduciary duties of directors and officers

(a) Beadell

Under Australian law, the directors and officers of Beadell are subject to duties to:

(1) act in good faith in the interests of Beadell;

(2) act for a proper purpose;

(3) not fetter their discretion (in the case of directors only);

(4) exercise care, skill and diligence;

(5) avoid conflicts of interest;

(6) not use their position to their advantage or the advantage of somebody else;

(7) not misappropriate company property; and

(8) otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Beadell's constitution.

(b) Great Panther

In accordance with the BCBCA, applicable Canadian securities laws and Canadian common law, every director and officer of Great Panther, in exercising their powers and discharging their duties, must:

(1) act honestly and in good faith with a view to the best interests of Great Panther (commonly referred to as the 'duty of loyalty');

(2) act for a proper purpose;

(3) not fetter their discretion;

(4) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care').

(5) avoid conflicts of interest;

(6) not use their position to their advantage;

(7) not misappropriate company property; and

(8) otherwise act in accordance with the BCBCA, and, subject to the provisions of the BCBCA, Great Panther's articles.

11 Release from liability and indemnification of directors and officers

(a) Beadell

Beadell cannot:

(1) exempt an officer from liability to it incurred in his capacity as an officer;

(2) indemnify an officer against a liability owed to it or a related body corporate; or

(3) indemnify an officer against the cost of legal proceedings, including where such proceedings result in them being found to have a liability to it or a related body corporate.

However, Beadell may indemnify an officer against a liability owed to someone other than Beadell or a Related Body Corporate (and also the cost of any related legal proceedings), provided the liability does not arise out of conduct involving a lack of good faith or the liability is not a penalty or compensation order made under the Corporations Act. For the purposes of these provisions, an 'officer' includes a director, secretary or senior manager of Beadell.

The Beadell constitution contains a provision indemnifying every Beadell director and secretary against any liability incurred by the relevant person as an officer of Beadell or a subsidiary of Beadell, and against legal costs incurred by the relevant person in defending any action relating to such liability.

(b) Great Panther

Great Panther's articles require Great Panther to indemnify its directors and officers, and former directors and officers, and alternate directors, and their respective heirs and personal or other legal representatives, to the greatest extent permitted by the BCBCA. The BCBCA allows a company to indemnify an eligible party (directors, officers and former directors and officers) against all judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a proceeding in which an eligible party, by reason of being or having been a director or officer of the company or holding or having held an equivalent position, is or may be joined as a party, or is or may be liable for any expenses related to such proceedings or fines.

Great Panther's articles and the BCBCA also provide that Great Panther must pay the expenses reasonably and actually incurred by an eligible party after the final disposition of a proceeding. Great Panther may not indemnify any eligible party described above unless the eligible party:

(1) acted honestly and in good faith with a view to the best interests of Great Panther or, as the case may be, to the best interests of the associated entity for which he or she acted as a director or officer or in a similar capacity; and

(2) in the case of an eligible proceeding other than a civil proceeding, the individual had reasonable grounds for believing that his or her conduct in respect of which the proceeding was brought was lawful.

Furthermore, under the BCBCA, a director or officer or former director or officer that meets the 2 conditions above and is, after final disposition of a proceeding, wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding, is entitled to mandatory payment from Great Panther in respect of all expenses reasonably incurred by the eligible party in respect of that proceeding provided the eligible party has not been reimbursed for those expenses.

The BCBCA and Great Panther's articles also authorise Great Panther to purchase and maintain liability insurance for the benefit of the eligible parties described against any liability incurred by an eligible party in his or her capacity as director or officer, or equivalent position, of Great Panther or an associated corporation.

12 Transactions involving directors, officers or other related parties

(a) Beadell

The Corporations Act prohibits a public company such as Beadell from giving a related party a financial benefit unless it:

(1) obtains the approval of shareholders and gives the benefit within 15 months after approval; or

(2) the financial benefit is exempt.

A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The Listing Rules prohibit a listed company such as Beadell from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the company, unless it obtains the approval of shareholders. The related parties include a director, a person who has or has had in the prior 6 month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.

The Listing Rules also prohibit a listed company such as Beadell from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement or under a dividend or distribution plan.

(b) Great Panther

Great Panther is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), which imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions. A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

(1) purchases or acquires an asset from a related party for valuable consideration;

(2) sells, transfers or disposes of an asset to a related party;

(3) leases property to or from a related party;

(4) acquires a related party or combines with a related party through an amalgamation, arrangement or otherwise, whether alone or with joint actors;

(5) issues a security to, or subscribes for a security of, a related party;

(6) becomes subject to a liability of a related party or provides or materially amends the terms of a guarantee or collateral security for a debt or liability of a related party; or

(7) borrows money from or lends money to a related party, or releases, cancels, forgives or materially amends the terms of an outstanding debt or liability owed by or to a related party. Unless a specific

exemption is available, MI 61-101 requires a formal valuation of assets or securities involved in a related party transaction. The valuation must be prepared by an appropriately qualified independent valuator and no more than 120 days before the earlier of the date that a disclosure document for the transaction is first sent to securityholders (if applicable) and the date that a disclosure document is filed with the relevant securities regulatory authorities. The valuation must contain certain required content and provide sufficient disclosure to allow the securityholders to understand the principal judgments and underlying reasoning of the valuator so as to form a reasoned judgment of the valuation.

Minority approval of a related party transaction is also required under MI 61-101, unless a specific exemption is available. Minority approval for these purposes consists of the approval of the proposed transaction by a majority of the votes cast by holders of each class of affected securities at a meeting of security holders of that class called to consider the transaction, excluding the votes attached to the securities of the issuer held or controlled, directly or indirectly, by the issuer, any interested party, their respective directors or senior officers, and any related parties or joint actors of such persons. If minority approval is required, it must be obtained from the holders of every class of affected securities of the issuer, in each case voting separately as a class. There are additional specific rules in MI 61-101 regarding obtaining minority approval, including the determination of the excluded votes and the disclosure required to be sent to securityholders.

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under applicable securities laws and in an information circular that is being sent to securityholders to obtain minority approval in respect of a related party transaction.

13 Directors' declarations of interest

(a) Beadell

The Corporations Act generally requires an Beadell director who has a material personal interest in a matter that relates to the affairs of Beadell to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of any act in which the director has an interest.

Beadell directors, when entering into transactions with Beadell, are subject to the common law and statutory duties to avoid conflicts of interest.

(b) Great Panther

The BCBCA requires directors and senior officers to disclose to Great Panther the nature and extent of any interest that they may have in a material contract or transaction, whether made or proposed, with Great Panther, if the director or senior officer:

(1) has a material interest in the contract or transaction; or

(2) is director or officer of, or has a material interest in, a party who has a material interest in the contract or transaction. Except as provided in the BCBCA, no director having such a disclosable interest may vote on any resolution to approve such contract or transaction. The BCBCA provides that a director or senior officer does not hold a disclosable interest in a contract or transaction merely because the contract or transaction, among other things:

- relates primarily to his or her remuneration as a director or senior officer in that person's capacity as director officer, employee or agent of the company or an affiliate of the company;
- relates to an indemnity or insurance under the BCBCA; or
- has been or will be made with or for the benefit of a corporation that is affiliated with the company and the director or senior officer is also a director or senior officer of that corporation or an affiliate of that corporation.

Subject to the BCBCA, a director or senior officer of a company is liable to account to the company for any profit that accrues to the director or senior officer under or as a result of a contract or transaction in which the director or senior officer holds a disclosable interest. A director who has a disclosable interest in a contract or transaction and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Under the BCBCA, a director or senior officer is not accountable to the company or its shareholders for any profit realised from the contract or transaction in, among others, any of the following circumstances:

(1) the contract or transaction is approved by the directors in accordance with the BCBCA, after the nature and extent of the disclosable interest has been disclosed to the directors;

(2) the contract or transaction is approved by a special resolution in accordance with the BCBCA, after the nature and extent of the disclosable interest has been disclosed to the shareholders entitled to vote on that resolution;

(3) whether or not the contract or transaction is approved in accordance with certain sections of the BCBCA:

- the company entered into the contract or transaction before the director or senior officer became a director or senior officer of the company,
- the disclosable interest is disclosed to the directors or the shareholders, and
- the director or senior officer does not participate in, and, in the case of a director, does not vote as a director on, any decision or resolution touching on the contract or transaction.

Even if the above conditions are not met, a contract or transaction is not invalid merely because: (a) a director or senior officer of the company has an interest, direct or indirect, in the contract or transaction; (b) a director or senior officer has not disclosed such interest; or (c) the directors or shareholders of the company have not approved the contract or transaction in which the director or senior officer has an interest. Furthermore, even if the director or senior officer takes no steps to properly disclose his or her interest in the contract or transaction, the director or senior officer may still be relieved of the obligation to account for profits by the court if, on application, the court finds that the transaction was fair and reasonable to the company.

14 Takeovers

14.1 Takeover requirements

(a) Beadell

Australian law places restrictions on a person acquiring relevant interests in the voting shares of a public company such as Beadell where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Generally, such acquisitions cannot be made unless the person does not acquire more than 3% of the voting shares in the company in the 6 month period before the acquisition, the acquisition is made with shareholder approval or the acquisition is made under a scheme of arrangement or takeover bid in accordance with Australian law. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.

(b) Great Panther

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target company is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all securityholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for securityholders whose address in the books of the company is in Canada.

Takeover bids must treat all securityholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

For the protection of target securityholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA. If the acquirer obtained 90% of the outstanding securities owned by shareholders during the bid, other than shares already held at the date of the offer by the acquirer or its affiliate, then the acquirer may, within 5 months after making the offer, send written notice to any offeree who did not accept the offer, that the acquirer wants to acquire the shares of the offeree shareholder that were not involved in the bid. The acquirer must acquire all of the shares of that offeree for the same price and on the same terms contained in the bid, unless the court orders otherwise on an application made by the offeree shareholder. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to 5 persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

14.2 Takeover defence mechanisms

(a) Beadell

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.

(b) Great Panther

The Canadian securities regulatory authorities (**CSA**) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of Canadian securities legislation to be the protection of the bona fide interests of the shareholders of the target company. Because certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

(1) the issuance of or granting of an option on securities representing a significant percentage of the outstanding securities of the target company, including the introduction of a shareholders' rights plan;

(2) the sale, acquisition, optioning, or agreement to sell or acquire assets of a material amount; and

(3) the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

15 Disclosure of substantial shareholdings

(a) Beadell

Under the Corporations Act, if a person acquires a 'substantial holding' in a company included in the official list of ASX, that person will be required to publicly disclose certain prescribed information relating to the acquisition, including the person's name, address, details of the relevant interest and the name of each associate who has a relevant interest in the voting shares.

A person who already has a substantial holding must make a subsequent public disclosure if they cease to have a substantial holding or if there is a change of at least 1% in their holding. The information must be given to ASX and also to the relevant company.

A person will have a substantial holding if they, alone or together with their associates, have a relevant interest in 5% or more of the total number of votes attached to voting shares in the company.

(b) Great Panther

The rules under applicable Canadian securities laws regarding early warning of acquisitions of securities are contained in National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues and Multilateral Instrument 62-104 -Take-Over Bids and Issuer Bids*. Under these two instruments, if a person or any person acting jointly or in concert acquires beneficial ownership of, control or direction over, voting or equity securities of any class of a reporting issuer or securities convertible into voting or equity securities of any class of Great Panther that, together with the person's existing holdings, would constitute 10% or more of the outstanding securities of that class, such person is required to disseminate a news release containing certain prescribed information and file a report of the acquisition on

SEDAR within 2 business days of the trade. In addition, each additional acquisition of 2% or more of the outstanding securities of the class acquired will require the person to disseminate a further news release and file another acquisition report on SEDAR.

Furthermore, certain reporting insiders, including directors, the chief executive officer, chief financial officer and chief operating officer, and significant shareholders (i.e. a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of Great Panther carrying more than 10% of the voting rights attached to all of Great Panther's outstanding voting securities) (**Insiders**) are required to file an Insider report under National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*. Insider reports set out the number of Great Panther Shares, as well as ownership positions in any other securities of Great Panther (this includes the grant of options or other convertible securities to such persons or the exercise by them of such options or convertible securities) that the Insider owns or exercises control or direction over. Insider reports are publicly disclosed on SEDI (www.sedi.ca) and must be filed within 10 days of a person becoming an Insider and within 5 days of a change of that person's holdings in Great Panther.

16 Right to inspect register of shareholders

(a) Beadell

The register of shareholders of an Australian company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Beadell for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), Beadell must give that person the copy within 7 days of the date on which Beadell receives such payment.

Under the Beadell constitution, the directors, or Beadell by a resolution passed at a general meeting, may authorise a Beadell Shareholder to inspect the books of Beadell. A Beadell Shareholder, other than a Beadell director, does not have the right to inspect any document of Beadell, other than the minute books for the meetings of its shareholders and for resolutions of shareholders passed without meetings, except as provided by law or authorised by the directors or by Beadell in general meeting.

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

(b) Great Panther

Under the BCBCA, directors and shareholders may, without charge, inspect certain records of the company. Former shareholders and directors may also inspect certain records, free of charge, but only those records pertaining to the times that they were shareholders or directors.

Public companies must allow all persons to inspect certain records of the company free of charge. Under the BCBCA, any persons wishing to examine the central securities register of Great Panther must first make a request to

Great Panther, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the BCBCA.

As permitted by the BCBCA, Great Panther's articles prohibit shareholders from inspecting or obtaining any accounting records of the company, unless the directors determine otherwise, or unless otherwise determined by ordinary resolution.

17 Winding-up

(a) Beadell

Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Beadell constitution provides that on winding-up, the liquidator may, with the sanction of a special resolution, distribute among Beadell Shareholders, the whole or any part of the assets of Beadell as the liquidator thinks fit.

(b) Great Panther

A company will cease to exist if it is voluntarily dissolved, if it is liquidated or if its certificate of incorporation is cancelled by the relevant official under the BCBCA. The principal distinction between dissolution and liquidation is the identity of the person or persons who carry out the steps required to terminate a company's existence. A dissolution is handled by the existing managers of the company, whereas liquidation is generally managed by another person appointed solely for that purpose.

Liquidation and dissolution may be proposed by a director or a shareholder entitled to vote at an annual meeting (i.e. voluntary liquidation) or by the court on the application of a shareholder, creditor or other person authorised under the legislation (i.e. involuntary or compulsory liquidation). A liquidation may begin as a voluntary, shareholder driven proceeding, but then be continued under court supervision upon the application of any interested person.

The Registrar under the BCBCA may also dissolve a company under certain circumstances, such as failure to comply with an order of the Registrar. In all cases, the company must be neither insolvent nor bankrupt to have its existence terminated under the BCBCA. Liquidation of a company may also take place completely outside the framework of the BCBCA. A company may also be liquidated under the provisions of the Bankruptcy and Insolvency Act 1985 (Canada), either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the Companies' Creditors

Arrangement Act 1985 (Canada). Finally, a company may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.

Voluntary liquidation under the BCBCA may be initiated or proposed by the directors or shareholders, but must be sanctioned by a special resolution of the shareholders. A company must settle its debts, obligations or liabilities prior to dissolution.

Dissolution or liquidation by the court under the BCBCA may be commenced by application of the company, a shareholder, a director, or any other person (including a creditor of the company) whom the court considers an appropriate person to make such an application. The court may order the company be liquidated or dissolved if the court is satisfied that there has been conduct that is oppressive or unfairly prejudicial to the interests of shareholders, creditors, directors or officers or that it is just and equitable that company should be liquidated and dissolved. A liquidator may be appointed by the court.

Annexure F

Great Panther Financial Statements for the Period ended 30 Sep 2018 and MD&A

Annexure F

Great Panther Financial Statements for the Period ended 30 September 2018 and Management's Discussion and Analysis (**MD&A**) related thereto

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2018 and 2017

Expressed in US Dollars

(Unaudited)

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of US dollars - Unaudited)

	September 30, 2018	December 31, 2017
		(note 3)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 35,343	$ 36,797
Short-term deposits	22,593	20,091
Trade and other receivables	8,928	14,780
Inventories (note 4(a))	5,200	5,294
Reimbursement rights (note 5)	4,113	4,446
Other current assets	731	401
	76,908	81,809
Restricted cash	1,234	1,234
Inventories – non-current (note 4(b))	1,547	1,580
Reimbursement rights (note 5)	6,507	6,588
Mineral properties, plant and equipment	13,660	14,966
Exploration and evaluation assets	15,347	15,633
Deferred tax assets	69	70
	$ 115,272	$ 121,880
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade payables and accrued liabilities	$ 9,687	$ 11,313
Derivative liabilities (note 6)	–	85
Reclamation and remediation provision – current	2,201	4,446
	11,888	15,844
Reclamation and remediation provision	25,263	22,965
Deferred tax liabilities	1,928	1,930
	39,079	40,739
Shareholders' equity:		
Share capital	130,872	130,201
Reserves	19,847	18,962
Deficit	(74,526)	(68,022)
	76,193	81,141
	$ 115,272	$ 121,880

See accompanying notes to the condensed interim consolidated financial statements.

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Expressed in thousands of US dollars - Unaudited)

For the three and nine months ended September 30, 2018 and 2017 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Revenue (notes 3(a) and 9)	$11,691	$18,260	$ 45,787	$ 46,362
Cost of sales:				
Production costs	11,024	12,092	35,784	29,330
Amortization and depletion	446	1,244	2,659	2,782
Share-based compensation	164	118	365	316
	11,634	13,454	38,808	32,428
Mine operating earnings	57	4,806	6,979	13,934
General and administrative expenses:				
Administrative expenses	1,152	2,289	3,883	5,262
Amortization and depletion	27	17	79	52
Share-based compensation	200	179	774	707
	1,379	2,485	4,736	6,021
Exploration, evaluation, and development expenses:				
Exploration and evaluation expenses (note 13)	2,993	1,878	7,760	4,520
Mine development costs	378	753	1,559	2,398
Share-based compensation	(30)	21	(35)	37
	3,341	2,652	9,284	6,955
Finance and other income:				
Interest income	341	180	1,079	603
Finance costs	-	(115)	(19)	(153)
Accretion expense	(27)	(355)	(646)	(396)
Foreign exchange gain	750	100	599	2,560
Other income	48	240	76	259
	1,112	50	1,089	2,873
Income (loss) before income taxes	(3,551)	(281)	(5,952)	3,831
Income tax expense	91	385	552	623
Net income (loss) for the period	$ (3,642)	$ (666)	$ (6,504)	$ 3,208
Earnings (loss) per share – basic and diluted (note 8(c))	$ (0.02)	$ (0.00)	$ (0.04)	$ 0.02

See accompanying notes to the condensed interim consolidated financial statements.

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Expressed in thousands of US dollars - Unaudited)

For the three and nine months ended September 30, 2018 and 2017 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net income (loss) for the period	$ (3,642)	$ (666)	$ (6,504)	$ 3,208
Other comprehensive income (loss) ("OCI"), net of tax:				
Foreign currency translation	77	(3)	66	46
Change in fair value of financial assets designated as fair value through OCI (net of tax)	–	(3)	–	(4)
	77	(6)	66	42
Total comprehensive income (loss) for the period	$ (3,565)	$ (672)	$ (6,438)	$ 3,250

See accompanying notes to the condensed interim consolidated financial statements.

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in thousands of US dollars)

For the nine months ended September 30, 2018 and 2017 (Unaudited)

	Share capital		Reserves					
	Number of common shares (000's)	Amount	Share based payments	Foreign currency translation	Fair value	Total reserves	Retained earnings (deficit)	Total share-holder's equity
Balance, January 1, 2017	166,938	$ 128,485	$ 15,086	$ 3,204	$ (175)	$ 18,115	$ (69,312)	$ 77,288
Share options exercised	1,363	1,652	(492)	–	–	(492)	–	1,160
Share-based compensation	–	–	1,060	–	–	1,060	–	1,060
Comprehensive income (loss)	–	–	–	46	(4)	42	3,208	3,250
Balance, September 30, 2017	168,301	$ 130,137	$ 15,654	$ 3,250	$ (179)	$ 18,725	$ (66,104)	$ 82,758
Balance, January 1, 2018	168,383	$ 130,201	$ 15,950	$ 3,193	$ (181)	$ 18,962	$ (68,022)	$ 81,141
Share options exercised	590	464	(118)	–	–	(118)	–	346
Restricted and deferred share units settled	161	207	(167)	–	–	(167)	–	40
Share-based compensation	–	–	1,104	–	–	1,104	–	1,104
Comprehensive loss	–	–	–	66	–	66	(6,504)	(6,438)
Balance, September 30, 2018	169,134	$ 130,872	$ 16,769	$ 3,259	$ (181)	$ 19,847	$ (74,526)	$ 76,193

See accompanying notes to the condensed interim consolidated financial statements.

GREAT PANTHER SILVER LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of US dollars)

For the three and nine months ended September 30, 2018 and 2017 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Cash flows from operating activities:				
Net income (loss) for the period	$ (3,642)	$ (666)	$ (6,504)	$ 3,208
Items not involving cash:				
Amortization and depletion	473	1,261	2,738	2,834
Unrealized foreign exchange loss (gain)	120	1,340	52	(152)
Income tax expense	91	385	552	623
Share-based compensation	334	318	1,104	1,060
Other non-cash items (note 12)	(185)	68	(383)	(276)
Interest received	299	184	916	538
Interest paid	–	(96)	(38)	(135)
Income taxes paid	(17)	(369)	(1,382)	(1,949)
	(2,527)	2,425	(2,945)	5,751
Changes in non-cash working capital:				
Trade and other receivables	1,781	(4,349)	6,225	(4,798)
Inventories	(1,073)	1,421	22	(563)
Other current assets	50	(61)	(330)	(111)
Trade payables and accrued liabilities	598	59	(770)	1,374
Net cash provided by (used in) operating activities	(1,171)	(505)	2,202	1,653
Cash flows from investing activities:				
Additions to mineral properties, plant and equipment	(696)	(1,069)	(1,467)	(3,925)
Cash received upon acquisition of Coricancha	–	–	–	105
Proceeds from (investments in) short-term deposits	317	(3,111)	(2,502)	(4,973)
Other	–	184	–	186
Net cash used in investing activities	(379)	(3,996)	(3,969)	(8,607)
Cash flows from financing activities:				
Proceeds from exercise of share options	4	302	346	1,160
Net cash from financing activities	4	302	346	1,160
Effect of foreign currency translation on cash and cash equivalents	37	(494)	(33)	(352)
Decrease in cash and cash equivalents	(1,509)	(4,693)	(1,454)	(6,146)
Cash and cash equivalents, beginning of period	36,852	40,189	36,797	41,642
Cash and cash equivalents, end of period	$35,343	$35,496	$35,343	$35,496

Supplemental cash flow information (note 12).

See accompanying notes to the condensed interim consolidated financial statements.

1. Nature of operations

Great Panther Silver Limited (the "Company" or "Great Panther") is a primary silver mining and exploration company listed on the Toronto Stock Exchange trading under the symbol GPR, and on the NYSE American trading under the symbol GPL. The Company's wholly-owned mining operations in Mexico are the Topia Mine ("Topia"), and the Guanajuato Mine Complex ("GMC") which comprises the Company's Guanajuato Mine, the San Ignacio Mine ("San Ignacio"), and the Cata processing plant. The Topia Mine is located in the Sierra Madre Mountains in the state of Durango in northwestern Mexico, and produces concentrates containing silver, gold, lead and zinc. The GMC produces silver and gold concentrate and is located in central Mexico approximately 30 kilometres from the Guanajuato International Airport.

In June 2017, Great Panther acquired the Coricancha Mine Complex ("Coricancha"), a gold-silver-copper-lead-zinc mine and 600 tonnes per day processing facility, located in the central Andes of Peru, approximately 90 kilometres east of Lima, and has been on care and maintenance since August 2013. The Company filed a positive Preliminary Economic Assessment on Coricancha in July 2018, and is advancing towards a decision to restart the mine with the initiation of a Bulk Sample Program. Following a successful outcome, the Company expects to be able to make a decision in early 2019 regarding the restart of Coricancha.

On September 23, 2018, the Company announced the signing of a scheme implementation deed (the "Implementation Deed") pursuant to which the Company has agreed to acquire all of the issued ordinary shares of Beadell Resources Limited ("Beadell"), a gold mining company listed on the Australian Securities Exchange and which operates the 100% owned Tucano Gold Mine ("Tucano") in Amapá state, northern Brazil. In addition to closing conditions, the transaction is subject to shareholder, regulatory and court approvals or orders. Note 10(a) provides additional details of the proposed transaction.

The Company also owns several exploration properties: the El Horcón, Santa Rosa, and Plomo projects in Mexico; and the Argosy project in Canada. The El Horcón project is located 100 kilometres by road northwest of Guanajuato, Santa Rosa is located 15 kilometres northeast of Guanajuato, and the Plomo property is located in Sonora, Mexico. The Argosy property is located in the Red Lake Mining District in northwestern Ontario, Canada.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended December 31, 2017 ("last annual financial statements"). The accounting policies and critical estimates applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the last annual financial statements, except for the new judgements and accounting standards adopted on January 1, 2018 as described in note 3 (a) and (b) below. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on October 30, 2018.

(a) Use of judgments and estimates

In preparing these interim consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2017, except for new judgements associated with (i) the determination of the point in time in which the Company transfers control of the metal concentrates to the customers for revenue recognition (note 3(a)), and (ii) the possible outcome of the modification of the Coricancha legacy tailings remediation plan (note 10(b)(ii)).

(b) Accounting standards issued but not yet adopted

(i) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases ("IFRS 16"), which replaces IAS 17 Leases. For lessees applying IFRS 16, a single recognition and measurement model for leases will apply, with recognition as assets and liabilities required for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. This standard is required to be adopted either retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of this new standard on its financial statements. The Company's initial assessment is that IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed, which will also result in an increase in amortization and depletion expense and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in the consolidated statements of cash flows. The Company has not yet determined whether such adjustments will be material.

3. Accounting standards issued and adopted on January 1, 2018

(a) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued a new IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount or timing of revenue recognized.

The Company adopted IFRS 15 on January 1, 2018, and applied this standard using the cumulative effect method. Under this method, the cumulative effect of applying IFRS 15 was recognized as of January 1, 2018 in opening retained earnings. The comparative information was not restated and continues to be reported under the old standard, IAS 18. The Company determined that the cumulative effect of applying IFRS 15 as of January 1, 2018 was $nil, as the point in time for the initial recognition of revenue of the Company's then-effective contracts with customers remained the same upon adoption of IFRS 15. Therefore, the Company did not change the recognition of revenue for any incomplete contracts with customers outstanding as at January 1, 2018.

The Company enters into contracts with customers for the sale of metal concentrates, typically of a one year duration.

As a result of the adoption of IFRS 15, the Company has changed its accounting policy for revenue recognition as detailed below.

Upon adoption of IFRS 15, the Company recognizes revenue from contracts with customers for the sale of metal concentrates at the point in time when it transfers control of the concentrates over to the customer, which occurs upon delivery, typically at a third party warehouse designated by the customer. Revenue is measured based on the market metal prices expected at time of settlement and estimates of the mineral content (by way of weights and assays), both of which are subject to adjustment until the final settlement date. At the end of each reporting period, the amounts receivable are marked to market using the most up-to-date market prices for the settlement. These variations between the sales price recorded at the initial recognition date and the actual final sales price recorded at the settlement date are caused by changes in market prices. The settlement receivable is recorded at fair value each period until final settlement occurs, with changes in fair value recorded as a component of revenue.

An adjustment is also made when the final mineral content is known, which is recognized in revenue. Revenue is also recorded net of treatment and refining charges of the counterparties under the terms of the relevant sales agreements.

In the comparative period prior to the adoption of IFRS 15, the Company recognized revenue from sale of concentrates when it was probable that the economic benefits associated with the transaction would flow to the Company, the risks and rewards of ownership were transferred to the customer, and the amount of revenue could be reliably measured.

The adoption of IFRS 15 did not have a material effect on the financial statements at the date of adoption.

(b) IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments ("IFRS 9") which replaces IAS 39 Financial Instruments: Recognition and Measurement, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. New disclosure requirements are also required. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company adopted this standard effective January 1, 2018. IFRS 9 allows for an exemption from restating prior periods in respect of the standard's classification and measurement requirements. The Company has chosen to apply this exemption upon initial adoption, although it was determined that the adoption of IFRS 9 had no impact on the comparative period's financial statements.

Upon the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments as detailed below:

(i) Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The adoption of IFRS 9 has no quantitative impact on the Company's financial instruments as at January 1, 2018. However, it has an impact on the classification of the Company's financial instruments compared to the old standard IAS 39 as follows:

	Original classification IAS 39	**New classification IFRS 9**
Financial Assets:		
Cash and cash equivalents	Loans and receivables	Amortized cost
Short-term deposits	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	FVOCI
Trade accounts receivable	Loans and receivables	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Derivative assets	FVTPL	FVTPL
Restricted cash	Loans and receivables	Amortized cost
Financial Liabilities:		
Trade and other payables	Other liabilities	Amortized cost
Derivative liabilities	FVTPL	FVTPL

(ii) Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Expressed in thousands of US dollars, except share data)

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss model. On adoption of the expected credit loss model there was no material adjustment.

4. Inventories

(a) Inventories – current

	September 30, 2018	December 31, 2017
Concentrate	$ 2,111	$ 2,179
Ore stockpiles	491	715
Materials and supplies	2,594	2,396
Silver bullion	4	4
	$ 5,200	$ 5,294

During the three and nine months ended September 30, 2018, the amount of inventory recognized as cost of sales was $11,022 and $34,500, respectively (three and nine months ended September 30, 2017 – $12,083 and $28,715, respectively), which includes production costs and amortization and depletion directly attributable to the inventory production process.

The amount of write-down of inventories to net realizable value for the nine months ended September 30, 2018 was $135 (2017 - $nil).

(b) Inventories – non-current

Non-current inventories consist of materials and supplies at Coricancha.

(Expressed in thousands of US dollars, except share data)

5. Reimbursement rights

	September 30, 2018	December 31, 2017
Legacy tailings reclamation and remediation	$ 8,708	$ 8,904
Legal claims	1,528	1,507
Fines and sanctions	384	623
	10,620	11,034
Less: current portion	(4,113)	(4,446)
Reimbursement rights – non-current portion	$ 6,507	$ 6,588

Pursuant to the acquisition of Coricancha, Nyrstar agreed to:

- pay for the cost of movement and reclamation of certain legacy tailings facilities should the regulatory authorities require these to be moved, up to a maximum of $20,000; and
- pay for all fines or sanctions that arise before or after closing resulting from activities or ownership of Coricancha prior to June 30, 2017, up to a maximum of $4,000.

6. Derivative instruments

A significant portion of the Company's capital, exploration, operating and administrative expenditures are incurred in Mexican pesos ("MXN"), while revenues from the sale of concentrates are denominated in United States dollars ("USD"). The fluctuation of the USD in relation to the MXN, consequently, impacts the reported financial performance of the Company. To manage the Company's exposure to changes in the MXN exchange rate, the Company may enter into forward contracts to purchase MXN in exchange for USD at various rates and maturity dates.

As at September 30, 2018, there were no outstanding forward contracts for the purchase of MXN in exchange for USD (December 31, 2017 – MXN 110 million of forward contracts outstanding for which the fair value resulted in a liability of $85).

7. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following sets up the methods and assumptions used to estimate the fair value of Level 2 and Level 3 financial instruments.

(Expressed in thousands of US dollars, except share data)

Financial asset or liability	Methods and assumptions used to estimate fair value
Trade receivables	Trade receivables arising from the sales of metal concentrates are subject to provisional pricing, and the final proceeds to be received are adjusted at the end of quotational period. These are marked to market at each reporting date based on a quoted forward price. The Company's trade receivables are valued using quoted market prices on the London Metal Exchange ("LME").
Derivative instruments	The Company's derivative assets and derivative liabilities are comprised primarily of forward exchange contracts. The fair value of the Company's forward exchange contracts is determined using forward exchange rates at each reporting date.

During the three and nine months ended September 30, 2018 and 2017, there were no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy. The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. Fair value information for financial assets and financial liabilities not measured at fair value is not presented if the carrying amount is a reasonable approximation of fair value.

The Company's financial instruments include cash and cash equivalents, short-term deposits, marketable securities, trade and other receivables, restricted cash, trade and other payables and derivative instruments. The carrying values of cash and cash equivalents, short-term deposits, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of the items.

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts.

The Company's financial instruments as at September 30, 2018 were:

	Amortized cost	Fair value hierarchy
Financial Assets:		
Cash and cash equivalents	$ 35,343	n/a
Short-term deposits	22,593	n/a
Trade accounts receivables	2,035	Level 2
Other receivables	593	n/a
Restricted cash	1,234	n/a
Financial Liabilities:		
Trade and other payables	$ 6,963	n/a

(Expressed in thousands of US dollars, except share data)

8. Share capital

(a) Share options

	Nine months ended September 30, 2018			Nine months ended September 30, 2017		
	Options (000's)		Weighted average exercise price	Options (000's)		Weighted average exercise price
Outstanding, January 1	8,237	C$	1.22	9,049	C$	1.18
Granted	1,810		1.59	1,101		1.63
Forfeited/Expired	(769)		1.71	(430)		1.70
Exercised	(590)		0.76	(1,363)		1.10
Outstanding, September 30	8,688	C$	1.29	8,357	C$	1.22
Exercisable, September 30	5,766	C$	1.10	4,270	C$	1.05

Range of exercise prices	Options outstanding (000's)	Weighted average remaining contractual life (years)	Options exercisable (000's)		Weighted average exercise price
C$0.65 to C$0.71	3,324	1.90	3,112	C$	0.67
C$0.86	250	1.10	250		0.86
C$1.31	1,160	0.74	1,160		1.31
C$1.57 to C$1.60	1,667	4.62	44		1.57
C$1.63	778	3.69	265		1.63
C$2.00	8	0.31	8		2.00
C$2.16 to C$2.19	1,501	2.88	927		2.18
	8,688	2.57	5,766	C$	1.10

During the three and nine months ended September 30, 2018, the Company recorded share-based compensation expense relating to share options of $215 and $520, respectively (three and nine months ended September 30, 2017 – $251 and $862, respectively).

The weighted average fair value of options granted during the nine months ended September 30, 2018 was $0.66 (nine months ended September 30, 2017 – $0.69). The grant date fair value of share options granted was determined using a Black-Scholes option pricing model using the following weighted average assumptions:

	2018	2017
Risk-free interest rate	1.95%	0.79%
Expected life (years)	2.89	2.63
Annualized volatility	62%	68%
Forfeiture rate	14%	13%

The annualized volatility assumption is based on the historical volatility of the Company's common share price on the Toronto Stock Exchange. The risk-free interest rate assumption is based on government bonds with a remaining term equal to the expected life of the options.

(Expressed in thousands of US dollars, except share data)

(b) Restricted share units ("RSUs") and deferred share units ("DSUs")

The following table summarizes information about the RSUs outstanding at September 30, 2018 and 2017:

	Nine months ended September 30, 2018			Nine months ended September 30, 2017		
	Number of units		Weighted average grant date fair value ($/unit)	Number of units		Weighted average grant date fair value ($/unit)
Balance at January 1	476,600	C$	1.61	–	C$	–
Granted	585,200		1.59	483,000		1.61
Settled	(140,799)		1.61	–		–
Cancelled	(90,034)		1.62	(6,400)		1.65
Outstanding at September 30	830,967	C$	1.60	476,600	C$	1.61

The following table summarizes information about the DSUs outstanding at September 30, 2018 and 2017:

	Nine months ended September 30, 2018			Nine months ended September 30, 2017		
	Number of units		Weighted average grant date fair value ($/unit)	Number of units		Weighted average grant date fair value ($/unit)
Balance at January 1	89,200	C$	1.59	–	C$	–
Granted	183,000		1.59	89,200		1.59
Settled	(20,800)		1.62	–		–
Outstanding at September 30	251,400	C$	1.59	89,200	C$	1.59

During the three and nine months ended September 30, 2018, the Company recorded share-based compensation expense relating to RSUs and DSUs of $119 and $584, respectively (three and nine months ended September 30, 2017 – $67 and $198, respectively).

(c) Earnings (loss) per share

	Three months ended September 30				Nine months ended September 30			
		2018		2017		2018		2017
Income (loss) attributable to equity owners	$	(3,642)	$	(666)	$	(6,504)	$	3,208
Basic weighted average number of shares outstanding (000's)		169,089		167,999		168,795		167,831
Effect of dilutive equity instruments		–		–		–		2,864
Diluted weighted average number of shares outstanding (000's)		169,089		167,999		168,795		170,695
Earnings (loss) per share – basic and diluted	$	(0.02)	$	(0.00)	$	(0.04)	$	0.02

Anti-dilutive share purchase options have not been included in the diluted earnings per share calculation.

(Expressed in thousands of US dollars, except share data)

9. Revenue

The Company recognizes revenue from the sale of metal concentrates when the customer obtains control of the concentrates, which occurs upon delivery at the customer's designated warehouse. The amount of revenue recorded upon initial recognition is based on the forward metal prices at that time and the estimated metal content. The payment terms are based on the individual customer contracts. For provisional payments, terms are typically 15 days from the date of provisional invoice, and for final payments, terms are typically 5 business days after the final weights, assays and prices are known and invoiced. Adjustments related to changes in metal prices and metal content up to the final settlement are recorded in revenue.

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Silver	$ 5,991	$ 9,190	$ 21,732	$ 24,527
Gold	4,369	7,770	19,733	20,054
Lead	1,047	957	3,032	1,654
Zinc	1,192	1,362	3,488	2,387
Smelting and refining charges	(465)	(1,298)	(1,651)	(2,925)
Revenue from contracts with customers	$ 12,134	$ 17,981	$ 46,334	$ 45,697
Changes in fair value from provisional pricing	(443)	279	(547)	665
Total revenue	$ 11,691	$ 18,260	$ 45,787	$ 46,362

The amount of revenue recognized in the three and nine months ended September 30, 2018 from performance obligations satisfied (or partially satisfied) in the previous year ended December 31, 2017, due to the current period settlement of metal concentrate revenue recognized in prior periods was $nil and $362, respectively. At September 30, 2018, the Company had $3,180 in revenue subject to provisional pricing.

10. Commitments and contingencies

(a) Commitments

As at September 30, 2018, the Company had the following commitments:

	Total	1 year	2-3 years	4-5 years	Thereafter
Operating lease payments	$ 1,321	$ 300	$ 598	$ 423	$ –
Drilling services	494	494	–	–	–
Equipment purchases	436	436	–	–	–
Reclamation and remediation (undiscounted)	39,508	2,306	6,995	12,152	18,055
Total commitments	$ 41,759	$ 3,536	$ 7,593	$ 12,575	$ 18,055

(b) Proposed acquisition

On September 23, 2018, the Company announced that it has entered into an Implementation Deed with Beadell, pursuant to which it has agreed to acquire all of the issued ordinary shares of Beadell by means of a Beadell scheme of arrangement ("Scheme") under the Australian Corporations Act 2001. Upon completion of the transaction, existing Beadell and Great Panther shareholders are expected to own approximately 38% and

62%, respectively, of the combined company. The Company anticipates the transaction will be completed in early 2019.

Pursuant to the Implementation Deed and Scheme:

- Beadell shareholders will receive 0.0619 of the Company's common shares for each Beadell ordinary share held (the "Exchange Ratio").
- Additional common shares of the Company may be issued in connection with Beadell's options and performance rights. Beadell options and performance rights must (unless the requirement is waived) have been vested and exercised in exchange for Beadell ordinary shares or have been terminated.
- Under concurrent arrangements, each Beadell warrant holder will receive a number of Company share purchase warrants equal to the number of their Beadell warrants multiplied by the Exchange Ratio at a price adjusted in accordance with the Exchange Ratio, and otherwise on the same terms and conditions as the original warrant.
- Completion of the transaction is subject to customary conditions for a transaction of this nature and receipt of applicable regulatory, shareholder, third-party and other creditor approvals and consents on terms satisfactory to the Company as may be required to effect and complete the transaction.
- The Implementation Deed includes customary deal protection provisions, including conditions precedent in favour of the Company in relation to obtaining consent with Beadell's largest creditor, no solicitation of alternative transactions by Beadell, a right in favour of the Company to match any potential superior proposals and reimbursement fees in the amount of $1,594 (A$2.2 million) payable by Beadell or the Company, as the case may be, in certain events.
- The Scheme requires approval by at least 75% of the number of votes cast, and 50% of the number of Beadell shareholders present and voting, at the meeting of Beadell shareholders and is also subject to Australian Court approvals.
- The Scheme also requires approval by the TSX and a simple majority of the Company's shareholders present in person or by proxy at a special meeting of shareholders in accordance with TSX policies.

(c) Contingencies

(i) GMC

Tailings storage

In February 2016, the Mexican national water authority, Comisión Nacional del Agua ("CONAGUA"), required that the Company make formal applications for permits associated with the occupation and construction of the tailings storage facility ("TSF") at the GMC. The Company filed its applications, and the authorities conducted an inspection of the TSF and requested further technical information, which the Company submitted in December 2017. This information is currently under review by CONAGUA.

Additional water use permits

Since the February 2016 correspondence with CONAGUA, the Company has also determined through its own undertakings, that additional CONAGUA permits may be needed in connection with water discharge and water use at the GMC TSF and at its San Ignacio Mine. The Company is assessing technical options and is confirming if additional water use permits are required. The Company believes that it will be able to address or mitigate the need for any necessary water discharge and use permits without any impact to its operations, but cannot provide complete assurance that there is no risk in this regard.

Amendment to EIS related to expansion of existing tailings dam

In July 2017, the Company submitted to the Mexican environmental permitting authority, Secretaría del Medio Ambiente y Recursos Naturales ("SEMARNAT"), an amendment to the Environmental Impact Statement ("EIS") requesting an expansion of the existing tailings dam, and subsequently provided further information to the SEMARNAT as requested. This is under review by the regulator, and if approved, will satisfy a requirement by CONAGUA for the processing of permits noted above.

The Company believes its current tailings footprint can be maintained and can support operations at the GMC until at least 2021. Based on its meetings and other communication with CONAGUA, the Company believes that it will be able to obtain all the above noted permits, with no suspension of operations at the GMC. However, the Company cannot assure that the tailings permits will be obtained or renewed on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the issuance of permits on unfavourable terms or the expiry, revocation or failure by the Company to comply with the terms of any such permits, if obtained, could limit the ability of the Company to expand the tailings facility and could adversely affect the Company's ability to continue operating at the GMC. In either case, the Company's results of operations could be adversely affected.

Wastewater discharge at San Ignacio

In June 2016, the Company filed a request for authorization to discharge wastewater in San Ignacio. The authority conducted a technical visit in November 2016. In April 2018, the authority requested additional information, which the Company promptly submitted. As of the date of this document, the resolution is pending. The Company is also preparing requests for similar permits for other areas of the Company's operation.

(ii) Coricancha

Coricancha has been on care and maintenance since August 2013 and was operated by a number of previous companies before that date. It is subject to oversight by the Organismo de Evaluación y Fiscalización Ambiental ("OEFA"), the Peruvian public agency responsible for environmental assessment and inspection, and by the Organismo Supervisor de la Inversión en Energía y Minería ("OSINERGMIN"), which is the Peruvian regulatory body with oversight responsibility over energy and mining companies.

Fines and sanctions

Nyrstar N.V. ("Nyrstar"), the previous owner of Coricancha, has agreed to reimburse the Company for all fines or sanctions that resulted from activities or ownership of Coricancha prior to June 30, 2017, up to a maximum of $4,000. Accordingly, a reimbursement right in the amount of $1,528 has been recorded in respect of the following fines or sanctions:

- $1,351 for fines and sanctions which may be levied by OSINERGMIN. In addition, there are open administrative and judicial proceedings by OSINERGMIN, the outcomes of which are not yet readily determinable.
- $177 for fines and sanctions to be levied by OEFA. In addition, there are open administrative and judicial proceedings by OEFA, the outcomes of which are not yet readily determinable.

The Company has accrued for and recorded a further reimbursement right of $384 for certain civil lawsuits filed by individuals and former suppliers.

Legacy tailings facilities

The Company has undertaken the reclamation of certain legacy tailings facilities at Coricancha under a remediation plan approved by the Ministry of Energy and Mines (the "MEM"), the relevant regulatory body. In addition, as part of the purchase of Coricancha completed in June 2017, the Company has an agreement with Nyrstar for the reimbursement of the cost of these reclamation activities. The Company is seeking approval of a modification to the remediation plan from MEM in accordance with the recommendations of an independent consultant to preserve the stability of nearby areas. The Company has changed the scheduling of the reclamation work, pending a decision from the MEM regarding the proposal to modify the approved remediation plan. Concurrently, the Company has undertaken various legal measures to protect itself from any pending or future fines, penalties, regulatory action or charges from government authorities which may be initiated as a result of the change in timing of reclamation under the approved plan. Although the Company has all necessary permits to restart Coricancha, if this matter is not resolved favorably, it may impact the Company's stated plans and objectives for Coricancha.

(Expressed in thousands of US dollars, except share data)

(iii) Topia

Reviews by the regulatory authorities dating back to 2015, coupled with permitting work undertaken by the Company in connection with the expansion of the Topia TSF, have led to a broader review by the Mexican environmental compliance authority, la Procuraduría Federal de Protección al Ambiente ("PROFEPA"), and by the Company of all of Topia operations' permitting status and environmental compliance (including the historical tailings dating back to periods prior to Great Panther's ownership) and a clarification of land titles. Devised as a cooperative management strategy, the Topia Mine has been accepted into a voluntary environmental audit program supported by PROFEPA. The audit commenced during the second quarter of 2017. The Company is working on a compliance program authorized by PROFEPA to address the audit findings and has until January 2020 to complete this. This compliance program includes remediation, and technical reviews as defined by the audit. Progress updates will be submitted to PROFEPA for further review. The Company anticipates that it will be able to achieve full compliance; however, the Company cannot provide complete assurance that upon completion of the compliance program further reviews will not lead to future suspensions of operations.

11. Related party transactions

(a) Compensation of key management personnel

Key management personnel includes the Company's Directors, President and Chief Executive Officer, Chief Financial Officer, and vice presidents. The amounts owing to key management personnel are included in trade and other payables. The Company is committed to making severance payments amounting to approximately $1,833 to certain officers and management in the event of a change in control of the Company.

Compensation to key management personnel consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Salaries and benefits	$ 334	$ 1,221	$ 1,616	$ 2,169
Directors' fees	108	76	301	227
Share based compensation	238	169	815	529
	$ 680	$ 1,466	$ 2,732	$ 2,925

Directors fees during the three and nine months ended September 30, 2018 include $29 and $68, respectively, for ad-hoc committee fees (three and nine months ended September 30, 2017 – $6 and $17, respectively).

(Expressed in thousands of US dollars, except share data)

12. Supplemental cash flow information

(a) Other non-cash items

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Accretion	$ 27	$ 355	$ 646	$ 396
Change in reclamation and remediation provision	129	(6)	(4)	(5)
Interest income	(341)	(180)	(1,079)	(603)
Interest expense	–	115	19	153
Loss (gain) on disposal of fixed assets	–	(216)	35	(217)
	$ (185)	$ 68	$ (383)	$ (276)

(b) Non-cash investing and financing activities

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Change in reclamation and remediation included within mineral properties and plant and equipment, and exploration and evaluation assets	$ (347)	$ (42)	$ (393)	$ 42
Change in trade payables related to mineral properties, plant and equipment	–	(102)	–	(35)

13. Operating segments

The Company's operations are all within the mining sector, consisting of two operating segments both of which are located in Mexico, plus one segment associated with Coricancha, one Exploration segment and one Corporate segment. Due to diversities in geography and production processes, the Company operates the GMC and the Topia Mine separately, with separate budgeting and evaluation of results of operations and exploration activities. The Coricancha segment contains the net assets associated with Coricancha and the cost of its exploration, evaluation and development activities are separately budgeted and reported. The Corporate segment provides financial, human resources and technical support to the two mining operations and Coricancha. The GMC operation produces silver and gold in concentrate, and the Topia operation produces silver, gold, lead and zinc in concentrate, for refining off site. The Exploration segment includes the Company's exploration and evaluation assets at Santa Rosa, El Horcón, Plomo and Argosy.

(Expressed in thousands of US dollars, except share data)

	Operations					
	GMC	Topia	Coricancha	Exploration	Corporate	Total
Three months ended September 30, 2018						
Revenue	$ 6,791	$ 4,900	$ –	$ –	$ –	$ 11,691
Exploration and evaluation expenses	176	78	1,810	104	825	2,993
Income (loss) before income taxes	(1,220)	728	(1,699)	(1,094)	(266)	(3,551)
Net income (loss)	(1,184)	739	(1,699)	(1,094)	(404)	(3,642)
Additions to non-current assets	330	184	(296)	–	–	218
Nine months ended September 30, 2018						
Revenue	$ 30,916	$ 14,871	$ –	$ –	$ –	$ 45,787
Exploration and evaluation expenses	1,299	168	4,571	215	1,507	7,760
Income (loss) before income taxes	1,036	3,240	(4,399)	(2,148)	(3,681)	(5,952)
Net income (loss)	857	3,151	(4,399)	(2,148)	(3,965)	(6,504)
Additions to non-current assets	743	588	(289)	–	–	1,042
As at September 30, 2018						
Total assets	$ 8,062	$ 13,184	$ 27,437	$ 2,438	$ 64,151	$ 115,272
Total liabilities	$ 5,804	$ 2,391	$ 26,963	$ –	$ 3,921	$ 39,079

(Expressed in thousands of US dollars, except share data)

	Operations					
	GMC	Topia	Coricancha	Exploration	Corporate	Total
Three months ended September 30, 2017						
Revenue	$ 13,248	$ 5,012	$ –	$ –	$ –	$18,260
Exploration and evaluation expenses	167	(86)	1,481	202	114	1,878
Income (loss) before income taxes	3,117	827	(1,172)	(616)	(2,437)	(281)
Net income (loss)	2,939	731	(1,172)	(616)	(2,548)	(666)
Additions to non-current assets	589	198	49	–	–	836
Nine months ended September 30, 2017						
Revenue	$ 36,983	$ 9,379	$ –	$ –	$ –	$46,362
Exploration and evaluation expenses	1,120	501	1,974	354	571	4,520
Income (loss) before income taxes	8,784	1,256	(1,172)	(1,394)	(3,643)	3,831
Net income (loss)	8,473	1,280	(1,172)	(1,394)	(3,979)	3,208
Additions to non-current assets	1,634	2,131	26,462	–	–	30,227
As at September 30, 2017						
Total assets	$ 16,582	$ 14,817	$ 27,419	$ 2,461	$ 60,739	$122,018
Total liabilities	$ 5,692	$ 2,328	$ 27,006	$ 216	$ 4,018	$39,260

GREAT PANTHER SILVER LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Great Panther Silver Limited ("Great Panther" or the "Company") for the three and nine-month periods ended September 30, 2018 and the notes related thereto, which are prepared in accordance with IAS 34 *Interim Financial Reporting* of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as well as the annual audited consolidated financial statements for the year ended December 31, 2017, which are in accordance with IFRS, the related annual MD&A, and the annual Form 40-F/Annual Information Form ("AIF") on file with the US Securities and Exchange Commission ("SEC") and Canadian provincial securities regulatory authorities.

All information in this MD&A is current as at October 30, 2018, unless otherwise indicated. All dollar amounts are expressed in US dollars ("USD"), unless otherwise noted.

This MD&A contains forward-looking statements and should be read in conjunction with the *Cautionary Statement on Forward-Looking Statements* section at the end of this MD&A.

This MD&A contains references to non-GAAP measures. Refer to the section entitled *Non-GAAP Measures* for explanations of these measures and reconciliations to the Company's reported financial results.

Some tables and summaries contained in this MD&A may not sum exactly, due to rounding.

PROFILE

Great Panther Silver Limited is a primary silver mining and exploration company listed on the Toronto Stock Exchange trading under the symbol GPR, and on the NYSE American trading under the symbol GPL. The Company's wholly-owned mining operations in Mexico are the Topia Mine ("Topia"), and the Guanajuato Mine Complex ("GMC") which comprises the Company's Guanajuato Mine, the San Ignacio Mine ("San Ignacio"), and the Cata processing plant. The GMC produces silver and gold concentrate and is located in central Mexico approximately 30 kilometres from the Guanajuato International Airport. The Topia Mine is located in the Sierra Madre Mountains in the state of Durango in northwestern Mexico, and produces concentrates containing silver, gold, lead and zinc.

In June 2017, the Company acquired the Coricancha Mine Complex ("Coricancha"), a gold-silver-copper-lead-zinc mine and 600 tonnes per day processing facility. Coricancha is located in the central Andes of Peru, approximately 90 kilometres east of Lima, and has been on care and maintenance since August 2013. The Company filed a positive Preliminary Economic Assessment ("PEA") on Coricancha in July 2018, and is advancing towards a decision to restart the mine with the initiation of a Bulk Sample Program (the "Bulk Sample Program" or "BSP"), as defined below.

On September 23, 2018, the Company announced it has signed an agreement to acquire Beadell Resources Limited ("Beadell"), a gold mining company listed on the Australian Securities Exchange. Beadell operates the 100% owned Tucano Gold Mine ("Tucano") in Amapá state, northern Brazil. Tucano is part of an approximate 2,500 square kilometre land package which is highly prospective and located in the under-explored 'Birimian age' greenstone terrane. Beadell has a pipeline of high potential in-mine and near-mine resource growth opportunities, including multiple in-mine lease discoveries. The Company anticipates the acquisition will be completed in early 2019.

The closing of the Beadell transaction will create a new emerging intermediate and growth-oriented precious metals producer focused on the Americas with a strong balance sheet, excellent geographic diversity across three leading mining jurisdictions, and a diverse asset portfolio including three producing mines, an advanced stage project, and significant exploration potential.

The Company also owns several exploration properties: the El Horcón, Santa Rosa, and Plomo projects in Mexico; and the Argosy project in Canada. The El Horcón project is located 100 kilometres by road northwest of Guanajuato, Santa Rosa is located 15 kilometres northeast of Guanajuato, and the Plomo property is located in Sonora, Mexico. The Argosy property is located in the Red Lake Mining District in northwestern Ontario, Canada.

Additional information on the Company, including its AIF, can be found on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.shtml or on the Company's website at www.greatpanther.com.

SIGNIFICANT EVENTS

Acquisition of Beadell

On September 23, 2018, the Company announced that it had entered into a scheme implementation deed (the "Implementation Deed") with Beadell, pursuant to which it will acquire all of the issued ordinary shares of Beadell by means of a Beadell scheme of arrangement ("Scheme") under the Australian Corporations Act 2001.

Pursuant to the Implementation Deed and Scheme:

- Beadell shareholders will receive 0.0619 of the Company's common shares for each Beadell share held (the "Exchange Ratio"). Upon completion of the transaction, Beadell shareholders are expected to own approximately 103.6 million of the Company's common shares or approximately 38% of the pro-forma the Company's outstanding common shares, exclusive of shares that may be issued in connection with Beadell's options and performance rights. In order to be exchanged, Beadell options and performance rights must (unless the requirement is waived) have been vested and exercised in exchange for Beadell Shares, or otherwise terminate.
- Under concurrent arrangements, each Beadell warrant holder will receive a number of Company share purchase warrants equal to the number of their Beadell warrants multiplied by the Exchange Ratio at a price adjusted in accordance with the Exchange Ratio, and otherwise on the same terms and conditions as the original warrant.
- The Implementation Deed includes customary deal protection provisions, including no solicitation of alternative transactions by Beadell, a right in favour of Great Panther to match any potential superior proposals and reimbursement fees payable by Beadell or Great Panther, as the case may be, in certain events.
- Completion of the transaction is subject to customary conditions for a transaction of this nature and receipt of applicable regulatory, shareholder and third-party and other creditor approvals and consents on terms satisfactory to Great Panther as may be required to effect and complete the transaction.
- The Scheme requires approval by at least 75% of the number of votes cast, and 50% of the number of Beadell shareholders present and voting, at the meeting of Beadell shareholders, and it is also subject to Australian Court approvals.
- The Scheme also requires approval by the TSX and a simple majority of the Company's shareholders present in person or by proxy at a special meeting of shareholders in accordance with TSX policies.

Beadell's board of directors have unanimously recommended that Beadell shareholders vote in favour of the Scheme in the absence of a superior proposal (as defined in the Implementation Deed) and subject to the independent expert opining that the Scheme is in the best interests of shareholders. The Company anticipates the acquisition will be completed in early 2019.

Beadell's senior secured lenders in Brazil (Santander and ITAU) have consented to the transaction and the support of several key Beadell shareholders in respect of the transaction has been obtained (to the maximum allowed under the Australian law).

Coricancha update

At Coricancha, during the three month period ended September 30, 2018, the Company continued to progress the Bulk Sample Program. To date, 160 metres of waste development and 210 metres of mineralized development has been advanced, representing 61% of the total development projected, which is ahead of schedule. The development has reached mineralization at the Constancia vein with 1,600 tonnes of ore accumulated on stockpiles to be processed in the concentrator early next year, representing 27% of the total mineralized material projected.

Further, the BSP has advanced in the following key areas:

- Successful test of the crusher, ball mill and flotation have been completed;
- Refurbishment of the concentrator and surface facilities are well advanced;
- Surface roads and underground mine rehabilitation has been initiated;
- Key personnel are in place to execute on the BSP and also support a transition to full scale mining, should the Company make a decision to restart the mine.

GMC

During the quarter, the Company also undertook a restructuring at GMC to reduce mining from less economic areas of the mine in order to lower costs and mitigate the impact of lower metal prices. Despite this, the Company is increasing its 2018 production guidance for an improvement in the gold to silver ratio and an increase in output from more economic areas of the mine (and those with higher geological confidence) that will make up for areas which have been removed from the mine plan. In addition, the Company has undertaken other cost reduction measures which will largely be realized in subsequent periods.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	Q3 2018	Q3 2017	Change	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change
OPERATING RESULTS						
Tonnes milled	92,920	94,080	-1%	284,958	275,313	4%
Silver equivalent ounces (“Ag eq oz”) produced [1]	1,023,128	1,080,483	-5%	3,219,182	2,912,959	11%
Silver ounces produced	448,840	532,803	-16%	1,419,712	1,468,467	-3%
Gold ounces produced	4,737	5,848	-19%	16,060	16,570	-3%
Payable silver ounces	402,150	552,218	-27%	1,358,418	1,421,624	-4%
Ag eq oz sold [1]	847,317	1,082,451	-22%	2,983,077	2,755,492	8%
Cost per tonne milled [2]	$ 128	$ 116	10%	$ 123	$ 103	19%
Cash cost [2]	$ 12.79	$ 5.82	120%	$ 8.45	$ 5.21	62%
Cash cost per Ag eq oz [2]	$ 13.56	$ 12.37	10%	$ 12.55	$ 11.71	7%
All-in Sustaining Cost ("AISC") [2]	$ 19.74	$ 13.75	44%	$ 15.48	$ 15.60	-1%
AISC per Ag eq oz [2]	$ 16.86	$ 16.42	3%	$ 15.75	$ 17.06	-8%

(in thousands, except per ounce, per share, and exchange rate figures)	Q3 2018	Q3 2017	Change	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change
FINANCIAL RESULTS						
Revenue	$ 11,691	$ 18,260	-36%	$ 45,787	$ 46,362	-1%
Mine operating earnings before non-cash items [2]	$ 667	$ 6,168	-89%	$ 10,003	$ 17,032	-41%
Mine operating earnings	$ 57	$ 4,806	-99%	$ 6,979	$ 13,934	-50%
Net income (loss)	$ (3,642)	$ (666)	-447%	$ (6,504)	$ 3,208	-303%
Adjusted EBITDA [2]	$ (3,679)	$ 1,482	-348%	$ (3,128)	$ 5,105	-161%
Operating cash flow before changes in non-cash net working capital	$ (2,527)	$ 2,425	-204%	$ (2,945)	$ 5,751	-151%
Cash and short-term deposits at end of period	$ 57,936	$ 55,489	4%	$ 57,936	$ 55,489	4%
Net working capital at end of period	$ 65,020	$ 63,627	2%	$ 65,020	$ 63,627	2%
Average realized silver price per oz [3]	$ 14.45	$ 16.99	-15%	$ 15.81	$ 17.19	-8%
Average realized gold price per oz [3]	$ 1,186	$ 1,317	-10%	$ 1,286	$ 1,290	0%
Earnings (loss) per share – basic and diluted	$ (0.02)	$ (0.00)	-200%	$ (0.04)	$ 0.02	-300%
MXN/USD	18.99	17.82	7%	19.04	18.92	1%

[1] Silver equivalent ounces are referred to throughout this document. For 2018, Ag eq oz are calculated using a 80:1 Ag:Au ratio and ratios of 1:0.0636 and 1:0.0818 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations. The ratios are reflective of average metal prices for 2018, and they were applied retroactively effective January 1, 2018. As a result, the metrics in silver equivalent ounces for the first and second quarter of 2018 have been restated. Comparatively Ag eq oz for 2017 are calculated using a 70:1 Ag:Au ratio and ratios of 1:0.0559 and 1:0.0676 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations. The ratios are reflective of average metal prices for 2017.

[2] The Company has included the non-GAAP performance measures cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC, AISC per Ag eq oz, mine operating earnings before non-cash items, cost of sales before non-cash items and adjusted EBITDA throughout this document. The computation of cash cost per Ag eq oz reflects actual realized prices for the by-products.

[3] Average realized silver and gold prices are prior to smelting and refining charges.

OPERATIONS

Consolidated operations

	Q3 2018	Q3 2017	Change	% Change	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change	% Change
Tonnes mined [1]	92,997	87,974	5,023	6%	284,585	272,610	11,975	4%
Tonnes milled	92,920	94,080	(1,160)	-1%	284,958	275,313	9,645	4%
Production								
Silver (ounces)	448,840	532,803	(83,963)	-16%	1,419,712	1,468,467	(48,755)	-3%
Gold (ounces)	4,737	5,848	(1,111)	-19%	16,060	16,570	(510)	-3%
Lead (tonnes)	572	442	130	29%	1,484	850	634	75%
Zinc (tonnes)	639	562	77	14%	1,700	1,206	494	41%
Ag eq oz	1,023,128	1,080,483	(57,355)	-5%	3,219,182	2,912,959	306,223	11%
Sales								
Payable silver ounces	402,150	552,218	(150,068)	-27%	1,358,418	1,421,624	(63,206)	-4%
Ag eq oz sold	847,317	1,082,451	(235,134)	-22%	2,983,077	2,755,492	227,585	8%
Cost metrics								
Cost per tonne milled [2]	$ 128	$ 116	$ 12	10%	$ 123	$ 103	$ 20	19%
Cash cost [2]	$ 12.79	$ 5.82	$ 6.97	120%	$ 8.45	$ 5.21	$ 3.24	62%
Cash cost per Ag eq oz [2]	$ 13.56	$ 12.37	$ 1.19	10%	$ 12.55	$ 11.71	$ 0.84	7%
AISC [2]	$ 19.74	$ 13.75	$ 5.99	44%	$ 15.48	$ 15.60	$ (0.12)	-1%
AISC per Ag eq oz [2]	$ 16.86	$ 16.42	$ 0.44	3%	$ 15.75	$ 17.06	$ (1.31)	-8%

The following discusses the change in results for the third quarter of 2018 compared to the third quarter of 2017 unless otherwise noted.

Tonnes milled – Decreased due to the higher proportion of ore processed from the San Ignacio Mine, which has harder ores which consequently reduced processing capacity.

Production – Silver equivalent ounces produced decreased primarily due to lower silver and gold grades at both GMC and Topia, lower throughput and metal recoveries at GMC and lower gold recovery at Topia. These factors were partly offset by higher throughput and higher lead and zinc grades at Topia, and the revision in the Ag eq oz conversion ratios due primarily to the higher gold to silver price ratio.

Cost per tonne milled – Increased due primarily to higher production costs, as described in the section *Results of Operations*, and lower mill throughput which contributed to higher costs on a per-tonne basis. These factors were partly offset by a weakening of the Mexican peso ("MXN") to the USD.

Cash cost

The lower production of silver and gold from GMC resulted from variability of the resource which, in turn, resulted in lower grades and the mining of narrower than planned vein widths. To a lesser extent, production also declined from steps taken to reduce mining from less economic areas of the mine in order to lower costs and mitigate the

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1 Excludes purchased ore.

2 The Company has included the non-GAAP performance measures cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC, AISC per Ag eq oz, mine operating earnings before non-cash items, cost of sales before non-cash items and adjusted EBITDA throughout this document. Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's financial results reported in accordance with IFRS. As these are not standardized measures, they may not be directly comparable to similarly titled measures used by others.

impact of lower metal prices. These restructuring steps included personnel reductions and other measures to lower operating costs and overheads; however, the impact of these measures will largely be realized after the third quarter.

Cash cost increased primarily due to an increase in unit costs at GMC for the factors noted in the above paragraph as well as a decrease in by-product credits (lower gold sales volume and reduced silver payable ounces driven by lower grades and a concentrate shipment which could not be shipped until just after the end of quarter cut-off as noted in the Results of Operations section of this MD&A). The lower gold by-product production and sales increased cash cost by $3.48 per oz and lower by-product metal prices accounted for a further $2.06 per oz increase. Higher MXN denominated production costs and lower payable silver volumes also increased cash cost by $0.74 per oz and $3.51 per oz, respectively. These factors were partly offset by lower smelting and refining charges ($1.51 per oz effect) and weakening of the MXN to the USD, which had the effect of decreasing production costs in USD terms by $1.31 per oz.

Cash cost per Ag eq oz

Increased primarily due to the decrease in sales volumes ($3.27 per Ag eq oz effect) and the increase in MXN denominated production costs ($0.38 per Ag eq oz effect). These factors were partly offset by lower smelting and refining charges ($0.77 per Ag eq oz effect), the Ag eq oz conversion ratio revisions ($1.02 per Ag eq oz effect), and a weakening of the MXN to the USD ($0.67 per Ag eq oz effect).

All-in sustaining cost

Increased primarily due to the increase in cash cost discussed above ($6.97 per oz effect), as well as a decrease in payable silver ounces which had the effect of further increasing AISC by $2.96 per oz. These were partly offset by lower general and administrative ("G&A") expenses ($2.79 per oz effect), and lower sustaining exploration, evaluation and development ("EE&D") expenses and capital expenditures (together, a $1.15 per oz effect).

AISC per Ag eq oz

Increased primarily due to the increase in cash cost per Ag eq oz ($2.21 per Ag eq oz effect) as described above and lower sales volumes ($1.51 per Ag eq oz effect). These factors were partly offset by lower G&A expenses ($1.42 per Ag eq oz effect), lower sustaining EE&D expenses and capital expenditures (together, $0.59 per Ag eq oz effect) and the Ag eq oz conversion ratio revisions ($1.27 per Ag eq oz effect).

Guanajuato Mine Complex

	Q3 2018	Q3 2017	Change	% Change	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change	% Change
Tonnes mined	73,939	75,251	(1,312)	-2%	229,070	235,947	(6,877)	-3%
Tonnes milled	74,303	76,076	(1,773)	-2%	230,236	239,068	(8,832)	-4%
Production								
Silver (ounces)	260,836	341,636	(80,800)	-24%	842,352	1,054,761	(212,409)	-20%
Gold (ounces)	4,414	5,471	(1,057)	-19%	15,240	15,895	(655)	-4%
Silver equivalent ounces	613,938	724,630	(110,692)	-15%	2,061,540	2,167,425	(105,885)	-5%
Sales								
Payable silver ounces	213,858	369,663	(155,805)	-42%	832,855	1,063,627	(230,772)	-22%
Ag eq oz sold	485,952	769,485	(283,533)	-37%	2,010,281	2,160,840	(150,559)	-7%
Average ore grades								
Silver (g/t)	124	155	(31)	-20%	129	154	(25)	-16%
Gold (g/t)	2.12	2.54	(0.42)	-17%	2.34	2.38	(0.04)	-2%
Metal recoveries								
Silver	87.8%	89.8%	-2.0%	-2%	88.1%	89.4%	-1.3%	-1%
Gold	87.1%	88.1%	-1.0%	–1%	87.8%	86.8%	1%	1%
Cost metrics								
Cost per tonne milled[1]	$ 114	$ 96	$ 18	19%	$ 109	$ 90	$ 19	21%
Cash cost[1]	$ 17.21	$ 3.75	$ 13.46	359%	$ 9.56	$ 3.89	$ 5.67	146%
Cash cost per Ag eq oz[1]	$ 15.87	$ 11.58	$ 4.29	37%	$ 13.38	$ 11.28	$ 2.10	19%
AISC[1]	$ 21.68	$ 7.90	$ 13.78	174%	$ 14.01	$ 8.78	$ 5.23	60%
AISC per Ag eq oz[1]	$ 17.84	$ 13.57	$ 4.27	31%	$ 15.23	$ 13.68	$ 1.55	11%

The following discusses the change in results for the third quarter of 2018 compared to the third quarter of 2017 unless otherwise noted.

Tonnes milled

Decreased largely due to a higher proportion of production sourced from the San Ignacio mine, which has harder ores, consequently reducing processing capacity.

Production

Decreased due to lower average silver and gold grades, lower mill throughput and lower silver and gold recoveries. This was partly offset by the revision in the Ag eq oz conversion ratios.

Cost per tonne milled

Increased primarily due to higher production costs ($22/tonne effect) and decreased mill throughput ($2/tonne effect). These factors were partly offset by a weakening of the MXN to the USD ($6/tonne effect).

[1] Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's financial results reported in accordance with IFRS.

Cash cost

Increased by $13.46 per oz primarily due to lower gold by-product credits ($7.31 per oz effect), lower payable silver volumes, which had the impact of increasing cash cost on a per-unit basis by $7.37 per oz (refer to the discussion of Cash Cost in the consolidated results section for more details) and higher MXN production costs ($0.81 per oz effect). These factors were partly offset by a weakening of the MXN to the USD, which had the effect of decreasing production costs in USD terms by $1.32 per oz and lower smelting and refining charges ($0.71 per oz effect).

Cash cost per Ag eq oz

Increased by $4.29 per Ag eq oz primarily due to lower Ag eq oz sold ($6.06 per Ag eq oz effect) and higher MXN production costs ($0.39 per Ag eq oz effect). These were partly offset by a weakening of the MXN to the USD ($0.63 per Ag eq oz effect), lower smelting and refining charges ($0.34 per Ag eq oz effect) and the Ag eq oz conversion ratio revisions ($1.19 per Ag eq oz effect).

All-in sustaining cost

Increased primarily due to the increase in cash cost ($13.46 per oz effect) as described above. The lower number of payable silver ounces also increased AISC on a per ounce basis ($3.02 per oz effect). These factors were partly offset by lower sustaining EE&D expenses ($1.76 per oz effect) and lower capital expenditures ($0.94 per oz effect).

AISC per Ag eq oz

Increased primarily due to the increase in cash cost per Ag eq oz ($5.48 per Ag eq oz effect) as described above and lower Ag eq oz sales volume ($1.40 per Ag eq oz effect). These factors were partly offset by lower sustaining EE&D expenses ($0.83 per oz effect), lower capital expenditures ($0.44 per Ag eq oz effect) and the Ag eq oz conversion ratio revisions ($1.34 per Ag eq oz effect).

Development

Metres of development	**Three months ended September 30**		**Nine months ended September 30**	
	2018	2017	2018	2017
Guanajuato mine	273	91	2,116	245
San Ignacio mine	660	964	1,973	3,323
Total metres of development	933	1,055	4,089	3,568

For the three months ended September 30, 2018, mine and exploration development at GMC decreased compared to the same period in 2017 primarily due to shift in focus at San Ignacio mine from development to production to compensate for the lower production at the Guanajuato mine.

The increase in mine and exploration development at GMC for the nine months ended September 30, 2018 was in order to access lower elevation ore bodies at the Guanajuato Mine during the first six months of the year.

Metres of exploration drilling	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Guanajuato mine	1,059	1,649	2,828	4,322
San Ignacio mine	427	3,351	7,085	13,347
Total metres of exploration drilling	1,486	5,000	9,913	17,669

During the current quarter, management conducted a review of year to date drilling results at the Guanajuato mine that have been below expectations. As a result of this review, drilling was reduced to focus on positive drill holes in areas of higher confidence.

Development and drilling costs for GMC are expensed.

Permitting

Tailings storage

In February 2016, the Mexican national water authority, Comisión Nacional del Agua ("CONAGUA"), required that the Company make formal applications for permits associated with the occupation and construction of the tailings storage facility ("TSF") at GMC. The Company filed its applications, and the authorities conducted an inspection of the TSF and requested further technical information, which the Company submitted in December 2017. This information is currently under review by CONAGUA.

Additional water use permits

Since the February 2016 correspondence with CONAGUA, the Company has also determined, through its own undertakings, that additional CONAGUA permits may be needed in connection with water discharge and water use at the GMC TSF and at San Ignacio. The Company is assessing technical options and is confirming if additional water use permits are required. The Company believes that it will be able to address or mitigate the need for any necessary water discharge and use permits without any impact to its operations, but cannot provide complete assurance that there is no risk in this regard.

Amendment to EIS related to expansion of existing tailings dam

In July 2017, the Company submitted to the Mexican environmental permitting authority, Secretaría del Medio Ambiente y Recursos Naturales ("SEMARNAT"), an amendment to the Environmental Impact Statement ("EIS") requesting an expansion of the existing tailings dam, and subsequently provided further information to the SEMARNAT as requested. This is under review by the regulator, and if approved, will satisfy a requirement by CONAGUA for the processing of permits noted above.

The Company believes its current tailings footprint can be maintained and can support operations at GMC until at least 2021. Based on its meetings and other communication with the authorities, the Company believes that it will be able to obtain all the above noted permits, with no suspension of operations at GMC. However, the Company cannot assure that the tailings permits will be obtained or renewed on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the issuance of permits on unfavourable terms or the expiry, revocation or failure by the Company to comply with the terms of any such permits, if obtained, could limit the ability of the Company to expand the tailings facility and could adversely affect the Company's ability to continue operating at GMC. In either case, the Company's results of operations could be adversely affected.

Wastewater discharge at San Ignacio

In June 2016, the Company filed a request for authorization to discharge wastewater in San Ignacio. The authority conducted a technical visit in November 2016. In April 2018, the authority requested additional information, which the Company promptly submitted. As of the date of this document, the resolution is pending. The Company is also preparing requests for similar permits for other areas of the Company's operation.

Topia Mine

	Q3 2018	Q3 2017	Change	% Change	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change	% Change
Tonnes mined	19,058	12,723	6,335	50%	55,515	36,663	18,852	nm[1]
Tonnes milled	18,617	18,004	613	3%	54,722	36,245	18,477	nm[1]
Production								
Silver (ounces)	188,004	191,167	(3,163)	-2%	577,360	413,706	163,654	nm[1]
Gold (ounces)	323	377	(54)	-14%	820	674	146	nm[1]
Lead (tonnes)	572	442	130	29%	1,484	850	634	nm[1]
Zinc (tonnes)	639	562	77	14%	1,700	1,206	494	nm[1]
Silver equivalent ounces	409,190	355,853	53,337	15%	1,157,642	745,534	412,108	nm[1]
Sales								
Payable silver ounces	188,292	182,555	5,737	3%	525,563	357,997	167,566	nm[1]
Ag eq oz sold	361,365	312,966	48,399	15%	972,796	594,653	378,143	nm[1]
Average ore grades								
Silver (g/t)	334	362	(28)	-8%	351	388	(37)	nm[1]
Gold (g/t)	0.90	0.97	(0.07)	-7%	0.78	0.85	(0.07	nm[1]
Lead (%)	3.24	2.63	0.61	23%	2.87	2.53	0.34	nm[1]
Zinc (%)	3.64	3.33	0.31	9%	3.31	3.53	(0.22)	nm[1]
Metal recoveries								
Silver	94.0%	91.1%	2.9%	3%	93.5%	91.6%	1.9%	nm[1]
Gold	59.6%	67.1%	-7.5%	-11%	59.9%	67.8%	-7.9%	nm[1]
Lead	94.8%	93.5%	1.3%	1%	94.6%	92.6%	2.0%	nm[1]
Zinc	94.3%	93.8%	0.5%	1%	93.8%	94.4%	-0.6%	nm[1]
Cost metrics								
Cost per tonne milled[2]	$ 184	$ 199	$ (15)	-8%	$ 181	$ 188	$ (7)	nm[1]
Cash cost[2]	$ 7.77	$ 10.01	$ (2.24)	-22%	$ 6.68	$ 9.13	$ (2.45)	nm[1]
Cash cost per Ag eq oz[2]	$ 10.46	$ 14.31	$ (3.85)	-27%	$ 10.82	$ 13.26	$ (2.44)	nm[1]
AISC[2]	$ 9.73	$ 10.71	$ (0.98)	-9%	$ 8.28	$ 16.58	$ (8.30)	nm[1]
AISC per Ag eq oz[2]	$ 11.48	$ 14.72	$ (3.24)	-22%	$ 11.69	$ 17.75	$ (6.06)	nm[1]

The following discusses the change in results for the third quarter of 2018 compared to the third quarter of 2017, unless otherwise noted.

Tonnes milled

Increase is the result of a combination of additional mill feed as a result of mining areas with wider veins, as well as higher mill availability due to improved operational efficiencies.

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[1] Milling operations at Topia were suspended for the duration of the first quarter of 2017. Tonnes milled and metal produced were incidental and related to the testing of plant upgrades. As a result, cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC and ASIC per Ag eq oz are not meaningful ("nm").

[2] Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's financial results reported in accordance with IFRS.

Production

Increased largely due to higher lead and zinc grades, higher mill throughput, and higher silver, lead and zinc recoveries. These factors were partly offset by lower silver and gold grades, lower gold recoveries, and the change in the Ag eq oz conversion ratios.

Cost per tonne milled

Decreased primarily due to higher mill throughput ($7/tonne effect) and the weakening of the MXN to the USD ($13/tonne effect). These factors were partly offset by higher production costs ($5/tonne effect).

Cash cost

Decreased primarily due to lower smelting and refining charges ($3.05 per oz effect), higher payable silver ounces ($0.30 per oz effect) and a weakening of the MXN to the USD, which had the effect of decreasing production costs in USD terms by $1.26 per oz. These factors were partly offset by lower by-product credits ($1.79 per oz effect) and higher MXN production costs ($0.58 per oz effect).

Cash cost per Ag eq oz

Decreased primarily due to lower smelting and refining charges ($1.70 per Ag eq oz effect), higher Ag eq oz sold ($0.97 per Ag eq oz effect), weakening of the MXN to the USD ($0.71 per Ag eq oz effect) and the Ag eq oz conversion ratio revisions ($0.79 per Ag eq oz effect). This was partly offset by an increase in MXN production costs ($0.32 per Ag eq oz effect).

All-in sustaining cost

Decreased primarily due to the decrease in cash cost ($2.24 per oz effect) as described above and higher payable silver ounces ($0.02 per oz effect). These factors were partly offset by higher sustaining EE&D expenses ($0.85 per oz effect) and higher capital expenditures ($0.43 per oz effect).

AISC per Ag eq oz

Decreased primarily due to the decrease in cash cost per Ag eq oz ($3.06 per Ag eq oz effect) as described above, higher sales volumes ($0.03 per Ag eq oz effect) and the Ag eq oz conversion ratio revisions ($0.87 per Ag eq oz effect). These factors were partly offset by higher sustaining EE&D expenses ($0.48 per oz effect) and higher capital expenditures ($0.24 per Ag eq oz effect).

Development

Metres of development	Three months ended September 30		Nine months ended September 30	
	2018	**2017**	**2018**	**2017**
Total metres of development	1,415	1,265	3,840	3,626

The increase in metres of development in the third quarter of 2018 compared to the third quarter of 2017 is consistent with the higher production tonnages.

The majority of the development was carried out at the Argentina, 15-22, San Miguel, El Rosario, La Prieta and Recompensa mines. The Company expenses all operational development at Topia to production costs.

Metres of exploration drilling	Three months ended September 30		Nine months ended September 30	
	2018	**2017**	**2018**	**2017**
Total metres of exploration drilling	–	–	–	2,484

The Company expenses all exploration drilling at Topia to EE&D expenses.

No exploration drilling has been undertaken in the period as Topia's current remaining life of mine does not necessitate drilling.

TSF Permitting Status

On December 18, 2017, the Company announced that SEMARNAT, the Mexican environmental authority, had granted all permits for the construction and operation of the new Phase II TSF. Construction of the Phase II TSF is currently underway and the Company will continue to utilize the Phase I TSF until the completion of Phase II TSF construction activities.

Reviews by the regulatory authorities dating back to 2015, coupled with permitting work undertaken by the Company in connection with the expansion of the Topia TSF, have led to a broader review by the Mexican environmental compliance authority, la Procuraduría Federal de Protección al Ambiente ("PROFEPA") and by the Company of the permitting status for all of Topia operations, environmental compliance (including the historical tailings dating back to periods prior to Great Panther's ownership) and a clarification of land titles. Devised as a cooperative management strategy, the Topia Mine was accepted into a voluntary environmental audit program supported by PROFEPA which commenced during the second quarter of 2017. The Company is working on a compliance program authorized by PROFEPA to address the audit findings and has until January 2020 to complete this. This compliance program includes remediation, and technical reviews as defined by the audit. Progress updates will be submitted to PROFEPA for further review. The Company anticipates that it will be able to achieve full compliance; however, the Company cannot provide complete assurance that upon completion of the compliance program further reviews will not lead to future suspensions of operations.

ADVANCED PROJECTS

Coricancha

The Company announced an updated Mineral Resource Estimate for Coricancha in December 2017. In May 2018, the Company released the results of a PEA which confirmed the potential for three million Ag eq oz of annual production. The Company is now advancing the project by commencing a Bulk Sample Program which commenced in July 2018. The Company expects to be able to make a decision in early 2019 regarding the restart of Coricancha. Subsequent development and capital investments necessary to restart Coricancha are expected to occur within a year after successful completion of the Bulk Sample Program. The Company does not currently plan to complete a feasibility study in connection with any production decision due to (i) the existing processing plant facility, (ii) the low initial capital costs to re-establish underground workings, and (iii) the Company's knowledge of the mine and resource base.

The National Instrument 43-101 Technical Report ("NI 43-101") for the PEA was issued on July 13, 2018, and is available on SEDAR and EDGAR.

Legacy Tailings

The Company has undertaken the reclamation of certain legacy tailings facilities at Coricancha under a remediation plan approved by the Ministry of Energy and Mines (the "MEM"), the relevant regulatory body. In addition, as part of the purchase of Coricancha, the Company has an agreement with the previous owner for the reimbursement of costs to execute reclamation activities up to an agreed maximum. The Company is also seeking approval of a modification to the remediation plan from MEM in accordance with the recommendations of an independent consultant to preserve the stability of nearby areas. The Company has changed the scheduling of the reclamation work, pending a decision from the MEM regarding the proposal to modify the approved remediation plan.

Concurrently, the Company has undertaken various legal measures to protect itself from any pending or future fines, penalties, regulatory action or charges from government authorities which may be initiated as a result of the change in timing of reclamation under the approved plan. The Company believes this matter can be resolved favorably but cannot provide any assurance. Although the Company has all necessary permits to restart Coricancha, if this matter is not resolved favourably, it may impact the Company's stated plans and objectives for Coricancha.

SUMMARY OF SELECTED QUARTERLY INFORMATION

(000's, except per-share amounts)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Revenue	$ 11,691	$ 17,077	$ 17,019	$ 17,384	$ 18,260	$ 15,731	$ 12,371	$ 12,515
Production costs	11,024	12,967	11,794	12,422	12,092	10,313	6,926	8,039
Mine operating earnings before non-cash items[1]	667	4,110	5,225	4,962	6,168	5,418	5,445	4,476
Amortization and share-based compensation	610	1,207	1,206	1,207	1,362	953	783	2,065
Mine operating earnings	57	2,903	4,019	3,755	4,806	4,465	4,662	2,411
EE&D	3,341	2,617	3,326	2,568	2,652	2,348	1,955	1,286
Finance and other income (expense)	1,112	(912)	889	(459)	50	827	1,996	(695)
Net income (loss) for the period	(3,642)	(2,765)	(97)	(1,918)	(666)	833	3,040	(1,498)
Basic and diluted earnings (loss) per share	(0.02)	(0.02)	(0.00)	(0.01)	(0.00)	0.00	0.02	(0.01)
Adjusted EBITDA[1]	(3,679)	137	415	904	1,482	1,489	2,134	1,376

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Tonnes mined	92,997	97,094	94,494	97,407	87,974	92,578	92,058	98,867
Tonnes milled[2]	92,920	95,169	96,869	98,396	94,080	98,576	82,656	92,869
Custom milling (tonnes)	–	–	–	–	–	–	–	1,202
Total tonnes milled	92,920	95,169	96,869	98,396	94,080	98,576	82,656	94,071
Production								
Silver (ounces)	448,840	479,809	491,063	514,218	532,803	569,229	366,435	460,571
Gold (ounces)	4,737	5,492	5,831	5,931	5,848	5,543	5,178	5,206
Lead (tonnes)	572	480	433	441	442	405	3	213
Zinc (tonnes)	639	528	533	551	562	638	6	315
Ag eq oz	1,023,128	1,081,784	1,114,270	1,065,773	1,080,483	1,102,290	730,185	883,772
Sales								
Payable silver ounces	402,150	479,942	476,325	516,078	552,218	524,411	344,995	488,428
Ag eq oz sold	847,317	1,090,684	1,045,076	1,038,023	1,082,451	992,058	680,984	883,348
Cost metrics								
Cost per tonne milled[1]	$ 128	$ 121	$ 121	$ 116	$ 116	$ 103	$ 88	$ 86
Cash cost[1]	$ 12.79	$ 7.84	$ 5.39	$ 7.25	$ 5.82	$ 5.67	$ 3.54	$ 5.83
Cash cost per Ag eq oz[1]	$ 13.56	$ 12.43	$ 11.85	$ 13.18	$ 12.37	$ 11.47	$ 10.99	$ 10.48
AISC[1]	$ 19.74	$ 15.04	$ 12.33	$ 14.72	$ 13.75	$ 14.93	$ 19.55	$ 16.44
AISC per Ag eq oz[1]	$ 16.86	$ 15.60	$ 15.01	$ 16.89	$ 16.42	$ 16.37	$ 19.10	$ 16.35

[1] The Company has included the non-GAAP performance measures cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC, AISC per Ag eq oz, mine operating earnings before non-cash items, cost of sales before non-cash items and adjusted EBITDA throughout this document. Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's reported financial results in accordance with IFRS. As these are not standardized measures, they may not be directly comparable to similarly titled measures used by others.

[2] Excludes purchased ore.

Trends in revenue over the last eight quarters

Revenue varies based on the quantity of metal sold, metal prices and terms of sales agreements. The climate in Mexico allows mining and exploration activities to be conducted throughout the year.

Metal production for the last eight quarters has consistently been in approximately the 0.9 – 1.1 million Ag eq oz range with the exception of the fourth quarter of 2016 and the first quarter of 2017, which were impacted by the planned suspension of processing at Topia to allow for upgrades to the processing facility. Topia resumed production in the second quarter of 2017. Outside of this factor, the trend in revenue has mainly been impacted by the fluctuation in prices for silver and gold.

Trends in net (loss) income over the last eight quarters

The trends in production costs are due primarily to the costs of mining operations. Mining costs have increased in more recent quarters as a result of higher variability in mineral resources at GMC. Further, there were rate increases in both 2017 and 2018 for mining contractors. Plant costs at Topia increased slightly due to the operation of the new dry tails filter press. On-site administrative costs were fairly steady, with additional costs being incurred for security and safety.

Mine operating earnings are a function of revenue, production costs, depreciation at the operating mines, and share based compensation of operations personnel.

To mitigate its foreign exchange risk, the Company from time to time enters into forward contracts for the purchase of Mexican pesos. Such contracts lead to volatility in foreign exchange gains and losses, as these contracts are marked to market every reporting period. The first and third quarters of 2018 and the first and second quarters of 2017 reflected significant foreign exchange gains, while the second quarter of 2018 and the fourth quarter of 2017 reflected significant foreign exchange losses, mainly due to these MXN forward contracts. Foreign exchange gains or losses are included in finance and other income. Foreign exchange gains and losses also arise from the translation of foreign currency denominated transactions and balances into the functional currencies of the Company and its subsidiaries.

Since the second quarter of 2017, the Company's exploration, evaluation and development expenditures increased due to the addition of Coricancha care and maintenance and project expenditures after its acquisition in June 2017. The Company also expenses exploration and drilling costs at its operating mines.

G&A expenditures were fairly consistent over the last eight quarters with the exception of non-recurring G&A charges related to management changes in the third quarter of 2017.

RESULTS OF OPERATIONS

Three months ended September 30, 2018

Revenue

	Q3 2018			Q3 2017			% Change
	GMC	Topia	Total	GMC	Topia	Total	
Sales quantities							
Payable silver (ounces)	213,858	188,292	402,150	369,663	182,555	552,218	-27%
Gold (ounces)	3,401	222	3,623	5,712	226	5,938	-39%
Lead (tonnes)	–	501	501	–	403	403	24%
Zinc (tonnes)	–	472	472	–	436	436	8%
Silver equivalent ounces	485,952	361,365	847,317	769,485	312,966	1,082,451	-22%
Revenue (000's)							
Silver revenue	$ 3,083	$ 2,728	$ 5,811	$ 6,308	$ 3,075	$ 9,383	-38%
Gold revenue	4,031	265	4,296	7,525	293	7,818	-45%
Lead revenue	–	944	944	–	985	985	-4%
Zinc revenue	–	1,105	1,105	–	1,372	1,372	-19%
Smelting and refining charges	(323)	(142)	(465)	(585)	(713)	(1,298)	-64%
Total revenue	$ 6,791	$ 4,900	$ 11,691	$ 13,248	$ 5,012	$ 18,260	-36%
Average realized metal prices and FX rates							
Silver (per ounce)			$ 14.45			$ 16.99	-15%
Gold (per ounce)			$ 1,186			$ 1,317	-10%
Lead (per pound)			$ 0.86			$ 1.11	-23%
Zinc (per pound)			$ 1.06			$ 1.43	-26%
USD/CAD			1.309			1.253	4%
USD/MXN			18.987			17.822	7%

Revenue decreased by $6.6 million or 36% compared to the third quarter of 2017. This was primarily attributable to a decrease in metal sales volumes ($5.2 million effect) and a decrease in realized metal prices ($2.2 million effect). The decrease in metal sales is attributed to a concentrate shipment of approximately 90,000 Ag eq oz that could not be shipped until just after the end of quarter cut-off for revenue recognition, and lower production of silver and gold. These factors were partly offset by a $0.8 million decrease in smelting and refining charges (which are netted against revenue) due to more favourable revenue contract terms with customers for 2018. The Company's average realized silver price for the third quarter of 2018 was $14.45/oz compared to $16.99/oz during the third quarter of 2017, and the average realized gold price for the third quarter of 2018 was $1,186/oz compared to $1,317/oz during the third quarter of 2017.

(000's)		Q3 2018		Q3 2017	Change	% Change
Revenue	$	11,691	$	18,260	$ (6,569)	-36%
Production costs		11,024	$	12,092	(1,068)	-9%
Mine operating earnings before non-cash items[1]	$	667	$	6,168	$ (5,501)	-89%
Amortization and depletion		446	$	1,244	(798)	-64%
Share-based compensation		164	$	118	46	39%
Mine operating earnings		57	$	4,806	(4,749)	-99%
Mine operating earnings before non-cash items (% of revenue)		6%		34%		
Mine operating earnings (% of revenue)		0%		26%		
G&A expenses	$	1,379	$	2,485	$ (1,106)	-45%
EE&D expenses	$	3,341	$	2,652	$ 689	26%
Finance and other expense (income)	$	(1,112)	$	(50)	$ (1,062)	2,124%
Tax expense	$	91	$	385	$ (294)	-76%
Net income (loss)	$	(3,642)	$	(666)	$ (2,976)	-447%
Adjusted EBITDA[1]	$	(3,679)	$	1,482	$ (5,161)	-348%

Production Costs

Decreased $1.1 million or 9% mainly due to a decrease in metal sales volume ($2.6 million effect) and a weakening of the MXN to the USD which had the impact of decreasing production costs in USD terms ($0.6 million effect). These factors were partly offset by an increase in MXN denominated costs as a result of mining narrower veins at GMC (which requires more waste material to be mined), along with minor rate increases for mining contractors (together a $2.1 million effect). During the third quarter of 2018, the Company undertook a restructuring at GMC to reduce costs and mitigate the impact of lower metal prices. Refer to the Operations section of this MD&A for a further discussion of the restructuring and the *Outlook* section for discussion of anticipated reduction in cash cost for the remainder of 2018.

Mine Operating Earnings

Mine operating earnings before non-cash items decreased by $5.5 million as the $6.6 million decrease in revenue exceeded the $1.1 million decrease in production costs.

Amortization and depletion decreased by $0.8 million mainly due to an increase in the estimated useful life of GMC based on the mineral resource estimate update announced earlier in the year.

General and administrative expenses

G&A expenses were 45% lower compared to the same period in 2017 mainly due to non-recurring expenses incurred in the comparative period related to strategic changes and initiatives to position the Company for future growth and development. These included expenses related to CEO succession, other management changes and implementation of long-term incentive programs.

Exploration, evaluation and development expenses

Increased $0.7 million or 26% compared to the same period in 2017, mainly due to $0.7 million higher corporate development expenditures for the evaluation and negotiation of acquisition opportunities mainly related to the recently announced agreement to acquire Beadell, and a $0.2 million increase in Topia exploration expenses. Coricancha related project expenses in EE&D also increased to $1.7 million in the third quarter of 2018 (compared to $1.5 million in the third quarter of 2017) as the Company ramped up project costs associated with its Bulk Sample

[1] The Company has included the non-GAAP performance measures, cost of sales before non-cash items and mine operating earnings before non-cash items, and adjusted EBITDA throughout this document. Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's financial results reported in accordance with IFRS. As these are not standardized measures, they may not be directly comparable to similarly titled measures used by others.

Program. The Company will continue to expense project costs and ongoing care and maintenance associated with Coricancha until such time a formal decision is made to restart the mine. These were partly offset by a $0.4 million decrease in exploration drilling expenditures at GMC.

The cost of undertaking the closure plan (and any approved amendments) for the Coricancha legacy tailings are subject to an agreement with the prior owner of Coricancha to reimburse the Company for these costs (refer to discussion under ADVANCED PROJECTS / Legacy Tailings in this MD&A for further information). The Company has previously received full reimbursement of costs incurred. Furthermore, all permits are in place to restart Coricancha and the status of a decision from the MEM to modify the closure plan does not affect the permitting of the mine.

Finance and other income (expense)

These primarily include interest income or expense and foreign exchange gains and losses. During the third quarter of 2018, the Company recorded a foreign exchange gain of $0.8 million due to the strengthening of the MXN to the USD compared to the second quarter of 2018 while a foreign exchange gain of $0.1 million was recorded in the third quarter of 2017. The foreign exchange gains and losses recorded in both periods were primarily a result of forward contracts to purchase MXN to fund operating expenditures in Mexico, and to a lesser extent, the translation of foreign currency denominated balances into USD. The Company also recorded an adjustment to reduce accretion expense in the amount of $0.3 million related to the Coricancha reclamation and remediation provision and reimbursement rights associated with the legacy tailings.

Adjusted EBITDA

Decrease largely reflects a $5.5 million decrease in mine operating earnings before non-cash items, and a $0.6 million increase in EE&D expenses before non-cash items (such as non-cash share based compensation and changes in estimates of reclamation provisions) and a $0.2 million decrease in other income. These factors were partly offset by a $1.1 million decrease in G&A expenses before non-cash items.

Nine months ended September 30, 2018

Revenue

	Nine months ended September 30, 2018			Nine months ended September 30, 2017			% Change
	GMC	Topia	Total	GMC	Topia	Total	
Sales quantities							
Payable silver (ounces)	832,855	525,563	1,358,418	1,063,627	357,997	1,421,624	-4%
Gold (ounces)	14,718	579	15,297	15,674	380	16,054	-5%
Lead (tonnes)	–	1,320	1,320	–	714	714	85%
Zinc (tonnes)	–	1,197	1,197	–	819	819	46%
Silver equivalent ounces	2,010,281	972,796	2,983,077	2,160,839	594,653	2,755,492	8%
Revenue (000's)							
Silver revenue	$ 13,227	$ 8,252	$ 21,479	$ 18,420	$ 6,024	$ 24,444	-12%
Gold revenue	18,943	733	19,676	20,226	486	20,712	-5%
Lead revenue	–	2,935	2,935	–	1,707	1,707	72%
Zinc revenue	–	3,348	3,348	–	2,424	2,424	38%
Smelting and refining charges	(1,254)	(397)	(1,651)	(1,663)	(1,262)	(2,925)	-44%
Total revenue	$ 30,916	$ 14,871	$ 45,787	$ 36,983	$ 9,379	$ 46,362	-1%
Average realized metal prices and FX rates							
Silver (per ounce)			$ 15.81			$ 17.19	-8%
Gold (per ounce)			$ 1,286			$ 1,290	0%
Lead (per pound)			$ 1.01			$ 1.08	-6%
Zinc (per pound)			$ 1.27			$ 1.34	-5%
USD/CAD			1.288			1.308	-2%
USD/MXN			19.042			18.917	1%

Revenue decreased by $0.6 million or 1% primarily attributable to a decrease in metal prices ($2.4 million effect). This was partly offset by an increase in metal sales volumes ($0.5 million effect) as there were negligible metal sales for Topia during the first quarter of 2017 due to the suspension of milling operations for plant upgrades. Revenue also benefited from lower smelting and refining charges, which are netted against revenue, due to more favourable revenue contract terms with customers for 2018 ($1.3 million effect). The Company's average realized silver price for the first nine months of 2018 was $15.81/oz compared to $17.19/oz during the comparable period in 2017 and the average realized gold price for the first nine months of 2018 was $1,286/oz compared to $1,290/oz during the comparable period in 2017.

(000's)	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Change	% Change
Revenue	$ 45,787	$ 46,362	$ (575)	-1%
Production costs	35,784	$ 29,330	6,454	22%
Mine operating earnings before non-cash items[1]	$ 10,003	$ 17,032	$ (7,029)	-41%
Amortization and depletion	2,659	$ 2,782	(123)	-4%
Share-based compensation	365	$ 316	49	16%
Mine operating earnings	6,979	$ 13,934	(6,955)	-50%
Mine operating earnings before non-cash items (% of revenue)	22%	37%		
Mine operating earnings (% of revenue)	15%	30%		
G&A expenses	$ 4,736	$ 6,021	$ (1,285)	-21%
EE&D expenses	$ 9,284	$ 6,955	$ 2,329	33%
Finance and other expense (income)	$ (1,089)	$ (2,873)	$ 1,784	-62%
Tax expense	$ 552	$ 623	$ (71)	-11%
Net income (loss)	$ (6,504)	$ 3,208	$ (9,712)	-303%
Adjusted EBITDA[1]	$ (3,128)	$ 5,105	$ (8,233)	-161%

Production costs

The 22% increase was predominantly attributable to higher MXN denominated mining costs as a result of mining narrower veins at the GMC (which requires more waste material to be mined), along with minor rate increases for mining contractors (together a $6.5 million effect) and a 1% increase in metal sales volumes ($0.2 million effect) as a result of the additional production from Topia. These factors were partly offset by a weakening of the MXN to the USD which had the impact of decreasing production costs in USD terms ($0.2 million effect).

Mine operating earnings

Mine operating earnings before non-cash items decreased by $7.0 million as revenue decreased by $0.6 million and production costs increased by $6.4 million.

Amortization and depletion decreased mainly due to the increase in the estimated useful life of GMC based on the mineral resource estimate update announced earlier in the year.

General and administrative expenses

Decreased 21% compared to the same period in 2017 due to non-recurring expenses incurred in the comparative period related to strategic changes and initiatives to position the Company for future growth and development. These included expenses related to CEO succession, other management changes, and implementation of long-term incentive programs.

Exploration, evaluation and development expenses

Increased $2.3 million or 33% compared to the same period in 2017. As Coricancha was acquired on June 28, 2017, there were only $2.0 million Coricancha related project expenses in EE&D in the first nine months of 2017, compared to $4.6 million of the project and care and maintenance expenditures in the first nine months of 2018. EE&D expenditures for the first nine months of 2018 also included $0.9 million of additional corporate development costs due to a higher level of activity associated with the evaluation of potential acquisitions including the Beadell

[1] The Company has included the non-GAAP performance measures, cost of sales before non-cash items and mine operating earnings before non-cash items, throughout this document. Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's financial results reported in accordance with IFRS. As these are not standardized measures, they may not be directly comparable to similarly titled measures used by others.

acquisition. These factors were partly offset by a $1.0 million decrease in EE&D expenses from exploration expenses at Topia and San Ignacio, and a $0.1 million decrease in exploration expenses at Santa Rosa.

Finance and other income (expense)

These were $1.1 million compared to $2.9 million in the first nine months of 2017. During the first nine months of 2018, the Company recorded a foreign exchange gain of $0.6 million, compared to a foreign exchange gain of $2.6 million in the same period in 2017, due to a strengthening of the MXN to the USD during both periods. The foreign exchange gains recorded in both periods were primarily a result of forward contracts to purchase MXN to fund operating expenditures in Mexico, and to a lesser extent, the translation of foreign currency denominated balances into USD. The decrease was partly offset by an adjustment to reduce accretion expense in the amount of $0.3 million related to the Coricancha reclamation and remediation provision and reimbursement rights associated with the legacy tailings.

Adjusted EBITDA

The decrease in adjusted EBITDA was primarily due to a $7.0 million decrease in mine operating earnings before non-cash items, a $2.4 million increase in EE&D expenses (net of changes in non-cash share-based compensation and changes in reclamation provisions), and a $0.2 million decrease in other income. These factors were partly offset by a $1.4 million decrease in G&A expenses before non-cash items.

OUTLOOK

Despite the restructuring at GMC late in the third quarter to reduce mining from less economic areas of the mine in order to mitigate the impact of lower metal prices, the Company is increasing its 2018 production guidance for an improvement in the gold to silver ratio (refer to footnote below) and an increase in output from more economic areas of the mine (and those with higher geological confidence) that will partly make up for areas which have been removed from the mine plan. In addition, the Company has undertaken other cost reduction measures which will largely be realized in subsequent periods.

Although the Company expects a decline in cash cost in the fourth quarter from levels in the third quarter, lower by-product metal prices will continue to have a significant negative effect on cash cost. As noted, lower gold prices had $2.3 million impact on cash cost in the third quarter of 2018.

As a result, cash cost and AISC are expected to be above the previously issued guidance range for 2018 (but lower than the actuals for the nine months ended September 30, 2018).

Production and cash cost guidance	Nine months ended September 30, 2018	Revised FY 2018 Guidance	Previous FY 2018 Guidance	FY 2017 Actual
Total silver equivalent ounces produced	[1] 3,219,182	[1] 4,100,000 – 4,200,000	[2] 4,000,000 – 4,100,000	[3] 3,978,731
Cash cost [4]	$ 8.45	$ 7.20 – $ 8.20	$ 5.00 – $ 6.50	$ 5.76
AISC [4]	$ 15.48	$ 14.50 – 15.50	$ 12.50 – 14.50	$ 15.07

It is cautioned that cash cost and AISC are very sensitive to the MXN foreign exchange rate and metal prices through the computation of by-product credits.

The Company's previously issued guidance for capital expenditures and EE&D expenses for the year ended December 31, 2018 is shown in the table below. The Company now expects to be below guidance on both measures.

Capex and EE&D expense guidance

(in millions)	Nine months ended September 30, 2018	Revised FY 2018 Guidance	Previous FY 2018 Guidance	FY 2017 Actual
Capital expenditures, excluding acquisition cost and capital expenditures associated with Coricancha	$ 1.4	$ 2.0 – $ 2.5	$ 2.5 – $ 3.5	$ 4.4
EE&D – operating mines (excluding Coricancha)	$ 3.0	$ 4.0 – $ 4.5	$ 5.0 – $ 6.0	$ 5.2

The focus for the remainder of 2018 for the Company's Mexican operations will be on achieving production efficiencies at Guanajuato and San Ignacio, and increasing the proportion of ore from San Ignacio as the Guanajuato Mine is optimized for profitability in a low metal price environment.

The Company will continue advancing the Coricancha Mine Complex in Peru to set a platform for production growth in 2019 and 2020.

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[1] For the nine months ended September 30, 2018 and the Revised FY 2018 Guidance, Ag eq oz are calculated using a 80:1 Ag:Au ratio and ratios of 1:0.0636 and 1:0.0818 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations.

[2] For the Previous FY 2018 Guidance, Ag eq oz are calculated using a 70:1 Ag:Au ratio and ratios of 1:0.0559 and 1:0.0676 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations.

[3] For the FY 2017 Actual, Ag eq oz are calculated using a 70:1 Ag:Au ratio and ratios of 1:0.0559 and 1:0.0676 for the price/ounce of silver to lead and zinc price/pound, respectively, and applied to the relevant metal content of the concentrates produced, expected to be produced, or sold from operations.

[4] Cash cost and AISC are non-GAAP measures. Refer to the *Non-GAAP Measures* section of this MD&A for an explanation of these measures and reconciliation to the Company's reported financial results in accordance with IFRS. As these are not standardized measures, they may not be directly comparable to similarly titled measures used by others.

The BSP at Coricancha continues to advance on schedule following the announcement in May 2018 of the positive PEA which confirmed the potential for three million Ag eq oz of annual production. The Company expects to be able to make a decision in early 2019 on whether to commence the restart of Coricancha.

The agreement to acquire Beadell announced in September 2018 is subject to customary closing conditions, including shareholder votes for both Beadell and Great Panther, Australian court approval and TSX approval for Beadell and Great Panther, respectively, with the transaction expected to be completed in early 2019. Details of the transaction can be found in the September 23, 2018 press release and presentation which is available on the respective company websites. To date, the support of several key Beadell shareholders in respect of the transaction has been obtained as well as consents from Beadell's senior lenders in Brazil.

Based on current cash flow forecasts, the Company expects its cash and net working capital will be sufficient to fund the closing and integration of the acquisition of Beadell, fund Beadell's capital and debt service needs, and fund the restart of Coricancha should the Company make a positive decision to restart the mine.

LIQUIDITY AND CAPITAL RESOURCES

Net working capital including cash and cash equivalents

(000's)	September 30, 2018	December 31, 2017	Change
Cash and cash equivalents	$ 35,343	$ 36,797	$ (1,454)
Short-term deposits	$ 22,593	$ 20,091	$ 2,502
Net working capital	$ 65,020	$ 65,965	$ (945)

Cash and short-term deposits increased by $1.0 million in the first nine months of 2018 primarily due to $2.2 million of cash generated by operating activities and $0.3 million in proceeds from the exercise of stock options. These factors were partly offset by $1.5 million in additions to plant and equipment.

Net working capital was $65.0 million as at September 30, 2018, a decrease of $0.9 million from the start of the year. The decrease was predominantly due to cash outflows from operating activities (before changes in non-cash working capital) of $2.9 million, capital expenditures of $1.5 million, income taxes paid of $0.5 million, and an adjustment of $0.2 million of receivables for Coricancha from Nyrstar as a result of a change in estimate of the reclamation and remediation provision for the legacy tailings. These factors were partly offset by the reclassification of $2.2 million of current portion of reclamation and remediation provision at Coricancha to long term as the reclamation work on the legacy tailings originally scheduled to commence in 2018 has been deferred to 2019 and 2020 (the Company has an agreement with the previous owner of Coricancha for the reimbursement of costs to execute the reclamation activities up to an agreed maximum). A Peruvian VAT refund of $1.2 million, foreign exchange gains of $0.6 million, and a $0.3 million of stock option exercise proceeds also contributed to this partial offset.

Operating activities

For the three months ended September 30, 2018, cash outflows from operating activities amounted to $1.2 million, compared to $0.5 million for the third quarter of 2017. The $0.7 million increase in cash outflows used in operating activities was primarily due to a decrease in mine operating earnings before non-cash items of $5.5 million, a decrease in realized foreign exchange gains of $0.6 million and an increase in EE&D cash expenses of $0.6 million. These factors were partly offset by a net increase in cash generated from non-cash net working capital of $4.3 million, a decrease in G&A cash expenses of $1.1 million, a decrease in income taxes paid of $0.4 million, and a net increase in interest received of $0.2 million.

For the nine months ended September 30, 2018, cash flow provided by operating activities amounted to $2.2 million, compared to $1.7 million for the nine months ended September 30, 2017. The $0.5 million increase was primarily due to the net impact of changes in non-cash net working capital items of $9.2 million, a decrease in G&A cash expenses of $1.4 million, a net increase in interest received of $0.5 million, and a decrease in income taxes paid of $0.6 million. These factors were partly offset by a reduction in mine operating earnings before non-cash items of

$7.0 million, an increase in EE&D cash expenses of $2.4 million and a $1.8 million decrease in realized foreign exchange gains.

Investing activities

The Company invests in short term deposits and similar instruments as part of its routine cash management procedures. As these instruments are acquired or mature at various times and periods, cash flows provided by or used in investing activities vary significantly from quarter to quarter.

Excluding movements in short terms deposits, for the quarter ended September 30, 2018, the Company acquired $0.7 million in plant and equipment primarily related to plant upgrades at both GMC and Topia. During the comparative period in 2017, the Company acquired $1.1 million of plant and equipment which was partly offset by $0.2 million in proceeds from the disposal of plant and equipment.

Similarly, for the nine months ended September 30, 2018, the Company acquired $1.5 million in plant and equipment primarily related to plant upgrades and a new tailings handling facility at Topia. During the comparative period in 2017, the Company acquired $3.9 million in plant and equipment which was partly offset by $0.2 million in proceeds from the disposal of plant and equipment.

Financing activities

Cash flows provided by financing activities was minimal during the third quarter of 2018 compared to $0.3 million from the exercise of stock options in the comparative period in 2017.

For the nine months ended September 30, 2018, the Company generated $0.3 million cash from the exercise of stock options, compared to $1.2 million from the exercise of stock options for the nine months ended September 30, 2017.

Trends in liquidity and capital resources

The Company anticipates that cash flows generated from mining activities, along with its current cash and other net working capital, will be sufficient to fund the Company's operations without requiring any additional capital to meet its planned initiatives (including plans for Coricancha and the closing and integration of the Beadell acquisition), and to fund investment and exploration, evaluation, and development activities for the foreseeable future. However, this is highly dependent on metal prices and the ability of the Company to maintain cost and grade controls at its operations, and is subject to the Company's plans and strategy. The Company has stated its objective to grow by acquisition, and accordingly, will continue to evaluate opportunities to execute and complete additional acquisitions, and these may require additional capital.

The Company's operating cash flows are very sensitive to the prices of silver and gold, and foreign exchange rate fluctuations, as well as fluctuations in ore grades. Consequently, any cash flow outlook the Company provides may vary significantly. Spending and capital investment plans may also be adjusted in response to changes in operating cash flow expectations. An increase in average silver and gold prices from current levels may result in an increase in planned expenditures and, conversely, weaker average silver prices and gold prices could result in a reduction of planned expenditures.

The Company has no debt, other than trade and other payables.

The Company does not enter into any long-term hedging arrangements in respect of its metal production.

Contractual Obligations

(000's)		Total		1 year		2-3 years		4-5 years		Thereafter
Operating lease payments	$	1,321	$	300	$	598	$	423	$	–
Drilling services		494		494		–		–		–
Equipment purchases		436		436		–		–		–
Reclamation and remediation (undiscounted)		39,508		2,306		6,995		12,152		18,055
Total	$	41,759	$	3,536	$	7,593	$	12,575	$	18,055

Under the terms of the acquisition agreement for Coricancha (the "Acquisition Agreement"), Nyrstar N.V. (the "Vendor") agreed to indemnify the Company for up to $20.0 million on account of certain reclamation and remediation expenses incurred in connection with Coricancha, including certain reclamation and remediation obligations noted in the table above. As at September 30, 2018, the Company's financial statements reflected a reimbursement right in the amount of $8.7 million due from the Vendor in respect of these reclamation and remediation obligations. Since closing the acquisition on June 30, 2017, the Company has received $1.8 million in reimbursements from the Vendor in respect of reclamation and remediation costs incurred by the Company at Coricancha.

Under the Acquisition Agreement, the Vendor also agreed to indemnify the Company for up to $4.0 million in respect of legal claims and fines and sanctions that the Company may be required to pay in connection with Coricancha. As at September 30, 2018, the Company had recorded a reimbursement right in the amount of $1.9 million recoverable from the Vendor in respect of certain fines and sanctions, and legal claims.

Off-Balance sheet arrangements

Other than as disclosed, the Company had no material off-balance sheet arrangements as at the date of this MD&A, that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

The Company had no material transactions with related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are based on historical experience and other factors considered to be reasonable, and are reviewed on an ongoing basis. Actual results may differ from these estimates.

See Critical Accounting Estimates in the Company's 2017 annual MD&A as well as note 4 of the 2017 annual audited financial statements for a detailed discussion of the areas in which critical accounting estimates are made and where actual results may differ from the estimates under different assumptions and conditions and may materially affect financial results of its statement of financial position reported in future periods.

Significant new judgments during the three and nine month periods ended September 30, 2018 are those associated with (i) the determination of the point in time in which the Company transfers control of its metal concentrates to the customer, which affects both the amount and the timing of revenue recognized by the Company, and (ii) the possible outcome of the modification of the Coricancha legacy tailings remediation plan, which affects the reclamation and remediation costs for Coricancha.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CHANGES IN ACCOUNTING POLICIES

The Company adopted two new accounting standards effective January 1, 2018: "IFRS 15 – Revenue from Contracts with Customers" and "IFRS 9 – Financial Instruments". See note 3 of the condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2018 for the significant impacts from the adoption of these two standards.

NEW ACCOUNTING STANDARDS

A new accounting standard applicable to the Company, IFRS 16 Leases, has an effective date of January 1, 2019. The new standard specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a very low value.

It is not possible at this time for the Company to make reasonable quantitative estimates of the effects of adopting this standard, however management has developed an implementation plan to determine the impacts on the consolidated financial statements in advance of the required adoption date. To date, the Company's staff have completed training, built a database of existing agreements which may contain leases as defined in the new standard and commenced the review and analysis of these contracts in accordance with the new standard.

FINANCIAL INSTRUMENTS

(000's)	Fair value[1]	Basis of measurement	Associated risks
Cash and cash equivalents	$ 35,343	Amortized cost	Credit, currency, interest rate
Short-term deposits	$ 22,593	Amortized cost	Credit, interest rate
Trade accounts receivables	$ 2,035	Amortized cost	Credit, commodity price
Other receivables	$ 593	Amortized cost	Credit, currency
Restricted cash	$ 1,234	Amortized cost	Credit, currency, interest rate
Trade and other payables	$ 6,963	Amortized cost	Currency, liquidity

The Company is exposed in varying degrees to certain risks from financial instruments. Management's close involvement in the operations allows for the identification of financial risks and variances from expectations. A discussion of the types of financial risks the Company is exposed to, and how such risks are managed by the Company, is provided in note 19 of the audited consolidated financial statements for the year ended December 31, 2017.

SECURITIES OUTSTANDING

As of the date of this MD&A, the Company had 169,165,007 common shares issued and outstanding. There were 8,653,830 options, 800,967 restricted share units and 251,400 deferred share units outstanding.

NON-GAAP MEASURES

The Company has included certain non-GAAP performance measures throughout this MD&A, including cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC, AISC per Ag eq oz, mine operating earnings before non-

[1] As at September 30, 2018.

cash items, EBITDA and adjusted EBITDA each as defined in this section. The Company employs these measures internally to measure its operating and financial performance and to assist in business decision making. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and other stakeholders also use these non-GAAP measures as information to evaluate the Company's operating and financial performance. As there are no standardized methods of calculating these non-GAAP measures, the Company's methods may differ from those used by others and, therefore, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA and Adjusted EBITDA

EBITDA provides an indication of the Company's continuing capacity to generate income from operations before taking into account the Company's financing decisions and costs of amortizing capital assets. Accordingly, EBITDA comprises net income (loss) excluding interest expense, interest income, amortization and depletion, and income taxes.

Adjusted EBITDA adjusts EBITDA to exclude share-based compensation expense, foreign exchange gains and losses, impairment charges, changes in reclamation estimates recorded in EE&D, and non-recurring items. Under IFRS, entities must reflect within compensation expense the cost of share-based compensation. In the Company's circumstances, share-based compensation can involve significant amounts that will not be settled in cash but are settled by the issuance of shares in exchange. The Company discloses adjusted EBITDA to aid in understanding the results of the Company.

(000's)	Q3 2018	Q3 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Income (loss) for the period	$ (3,642)	$ (666)	$ (6,504)	$ 3,208
Income tax expense	91	385	552	623
Interest income	(341)	(180)	(1,079)	(603)
Finance costs	27	470	665	549
Amortization of mineral properties, plant and equipment	473	1,261	2,738	2,834
EBITDA	$ (3,392)	$ 1,270	$ (3,628)	$ 6,611
Foreign exchange gain	(750)	(100)	(599)	(2,560)
Share-based compensation	334	318	1,104	1,060
Changes in reclamation estimates recorded in EE&D	129	(6)	(5)	(6)
Adjusted EBITDA	$ (3,679)	$ 1,482	$ (3,128)	$ 5,105

Mine operating earnings before non-cash items

Mine operating earnings before non-cash items provides a measure of the Company's mine operating earnings on a cash basis. This measure is provided to better assess the cash generation ability of the Company's operations, before G&A expenses, EE&D expenses, share-based compensation, and amortization. A reconciliation of mine operating earnings is provided in the *Results of Operations* section.

Cost per tonne milled

The Company uses cost per tonne milled to manage and evaluate operating performance at each of its mines. Cost per tonne milled is calculated based on total production costs on a sales basis, adjusted for changes in inventory, to arrive at total production costs that relate to metal production during the period. These total production costs are then divided by the number of tonnes milled during the period.

Management believes that the Company's ability to control cost per tonne milled is one of its key performance indicators of its operations. The Company believes this measure provides investors and analysts with useful information about its underlying cost of operations and how management controls those costs.

The following table reconciles cost per tonne milled to production costs, a component of cost of sales, for the three months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Production costs (sales basis)	$ 7,388	$ 8,327	$ 3,635	$ 3,765	$ 11,023	$ 12,092
Change in concentrate inventory	1,167	(690)	(23)	22	1,144	(668)
Selling costs	(72)	(358)	(180)	(196)	(252)	(554)
Production costs (production basis)	$ 8,483	$ 7,279	$ 3,432	$ 3,591	$ 11,915	$ 10,870
Tonnes milled	74,303	76,076	18,617	18,004	92,920	94,080
Cost per tonne milled	$ 114	$ 96	$ 184	$ 199	$ 128	$ 116

The following table reconciles cost per tonne milled to production costs, a component of cost of sales, for the nine months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Production costs (sales basis)	$ 25,653	$ 22,706	$ 10,131	$ 6,624	$ 35,784	$ 29,330
Change in concentrate inventory	(232)	(197)	230	545	(2)	348
Selling costs	(230)	(1,010)	(460)	(363)	(690)	(1,373)
Production costs (production basis)	$ 25,191	$ 21,499	$ 9,901	$ 6,806	$ 35,092	$ 28,305
Tonnes milled	230,236	239,068	54,722	36,245	284,958	275,313
Cost per tonne milled	$ 109	$ 90	$ 181	$ 188	$ 123	$ 103

Cash cost

The Company uses cash cost to manage and evaluate operating performance at each of its mines. It is a widely-reported measure in the silver mining industry as a benchmark for performance, but does not have a standardized meaning. Cash cost is calculated based on the total cash operating costs with the deduction of revenues attributable to sales of by-product metals net of the respective smelting and refining charges. By-products consist of gold at GMC, and gold, lead and zinc at Topia.

Management believes that the Company's ability to control cash cost is one of the key performance indicators for its operations. Having low cash cost facilitates profitability, even during times of declining commodity prices, provides more flexibility in responding to changing market conditions. In addition, a profitable operation results in the generation of positive cash flows, which then improve the Company's financial condition. The Company believes this measure provides investors and analysts with useful information about the Company's underlying cash cost of operations and the impact of by-product revenue on the Company's cost structure, and consequently, it is a relevant metric to use to understand the Company's operating profitability and its ability to generate positive cash flow.

The Company's primary business is silver production and its future development and current operations focus on maximizing returns from silver production, and other metal production is associated with the silver production process. Accordingly, gold, zinc and lead produced from operations are considered as by-products. As a result, the Company's non-GAAP cost performance measures are disclosed on a per payable silver ounce basis. When deriving the production costs associated with an ounce of silver, the Company includes by-product credits from gold, zinc and lead sales that are associated with the silver production process, thereby allowing management and other stakeholders to assess the net costs of silver production.

Cash cost and the associated by-product credits are computed based on sales during the period as opposed to a production basis. As such, the amount of the by-product credit may not directly correlate to the production reported for the period. Similarly, the cost per tonne milled during the period may not directly correlate to the cash cost and cash cost per Ag eq oz reported for the same period due to differences between production and sales volumes. Furthermore, the determination of cash cost per Ag eq oz differs from the determination of cash cost.

The following table reconciles cash cost to production costs for the three months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Production costs	$ 7,388	$ 8,327	$ 3,635	$ 3,765	$ 11,023	$ 12,092
Smelting and refining charges	323	585	142	713	465	1,298
Cash operating costs	$ 7,711	$ 8,912	$ 3,777	$ 4,478	$ 11,488	$ 13,390
Gross by-product revenue						
Gold by-product revenue	(4,031)	(7,525)	(265)	(293)	(4,296)	(7,818)
Lead by-product revenue	–	–	(944)	(985)	(944)	(985)
Zinc by-product revenue	–	–	(1,105)	(1,373)	(1,105)	(1,373)
Cash operating costs, net of by-product revenue	$ 3,680	$ 1,387	$ 1,463	$ 1,827	$ 5,143	$ 3,214
Payable silver ounces sold	213,858	369,663	188,292	182,555	402,150	552,218
Cash cost	$ 17.21	$ 3.75	$ 7.77	$ 10.01	$ 12.79	$ 5.82

The following table reconciles cash cost to production costs for the nine months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Production costs	$ 25,653	$ 22,706	$ 10,131	$ 6,624	$ 35,784	$ 29,330
Smelting and refining charges	1,254	1,662	397	1,262	1,651	2,924
Cash operating costs	$ 26,907	$ 24,368	$ 10,528	7,886	$ 37,435	$ 32,254
Gross by-product revenue						
Gold by-product revenue	(18,943)	(20,226)	(733)	(486)	(19,676)	(20,712)
Lead by-product revenue	–	–	(2,935)	(1,706)	(2,935)	(1,706)
Zinc by-product revenue	–	–	(3,349)	(2,424)	(3,349)	(2,424)
Cash operating costs, net of by-product revenue	$ 7,964	$ 4,142	$ 3,511	$ 3,270	$ 11,475	$ 7,412
Payable silver ounces sold	832,855	1,063,627	525,563	357,997	1,358,418	1,421,624
Cash cost	$ 9.56	$ 3.89	$ 6.68	$ 9.13	$ 8.45	$ 5.21

Cash cost per Ag eq oz

Cash cost per Ag eq oz is calculated based on the total cash operating costs divided by silver equivalent ounces sold. The cash cost per Ag eq oz calculation does not deduct revenues attributable to sales of by-product metals from the costs associated with metal production process, thereby allowing management and other stakeholders to assess the total costs associated with all metal production. Management believes that cash cost per Ag eq oz provides investors and analysts with useful information about its underlying cash cost of operations as it is not influenced by fluctuations in metal prices.

The following table reconciles cash cost per Ag eq oz to production costs for the three months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Q3 2018	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**
Production costs	$ 7,388	$ 8,327	$ 3,635	$ 3,765	$ 11,023	$ 12,092
Smelting and refining charges	323	585	142	713	465	1,298
Cash operating costs	$ 7,711	$ 8,912	$ 3,777	$ 4,478	$ 11,488	$ 13,390
Silver equivalent ounces sold	485,952	769,485	361,365	312,966	847,317	1,082,451
Cash cost per Ag eq oz	$ 15.87	$ 11.58	$ 10.46	$ 14.31	$ 13.56	$ 12.37

The following table reconciles cash cost per Ag eq oz to production costs for the nine months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Consolidated	
	Sep 30, 2018	**Sep 30, 2017**	**Sep 30, 2018**	**Sep 30, 2017**	**Sep 30, 2018**	**Sep 30, 2017**
Production costs	$ 25,653	$ 22,706	$ 10,131	$ 6,624	$ 35,784	$ 29,330
Smelting and refining charges	1,254	1,662	397	1,262	1,651	2,924
Cash operating costs	$ 26,907	$ 24,368	$ 10,528	$ 7,886	$ 37,435	$ 32,254
Silver equivalent ounces sold	2,010,281	2,160,839	972,796	594,653	2,983,077	2,755,492
Cash cost per Ag eq oz	$ 13.38	$ 11.28	$ 10.82	$ 13.26	$ 12.55	$ 11.71

All-in sustaining cost (AISC)

AISC has been calculated based on World Gold Council ("WGC") guidance released in 2013. The WGC is not a regulatory organization and does not have the authority to develop accounting standards for disclosure requirements. The Company believes that the disclosure of this measure provides a broader measure of the cost of producing an ounce of silver at its operations as this measure includes sustaining capital and EE&D expenditures, G&A costs, and other costs not commonly included in the cost of production and therefore not included in cash cost.

AISC starts with cash cost net of by-product revenues and adds G&A expenditures inclusive of share-based compensation, accretion of reclamation provisions, sustaining EE&D expenses, and sustaining capital expenditures. Sustaining expenditures are those costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of productive output. Excluded are non-sustaining capital expenditures, which result in a material increase in the life of assets, materially increase resources or reserves, productive capacity, or future earning potential, or which result in significant improvements in recovery or grade. Management believes that AISC represents the total sustainable costs of producing silver from current operations, and provides additional information of the Company's operational performance and ability to generate cash flows.

Expenses incurred in respect of Coricancha, El Horcón, Santa Rosa, and other exploration projects were considered non-sustaining.

The following table reconciles cash operating costs, net of by-product revenue, to AISC for the three months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Corporate		Consolidated	
	Q3 2018	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**
Cash operating costs, net of by-product revenue [1]	$ 3,680	$ 1,387	$ 1,464	$1,827	$ –	$ –	$ 5,144	$ 3,214
G&A costs	–	–	–	–	1,152	2,289	1,152	2,289
Share-based compensation	–	–	–	–	334	318	334	318
Accretion	14	22	13	17	–	–	27	39
Sustaining EE&D costs	554	920	78	(87)	(16)	114	616	947
Sustaining capital expenditures	389	590	278	198	–	–	667	788
All-in sustaining costs	$ 4,637	$ 2,919	$ 1,833	$ 1,955	$ 1,470	$ 2,721	$ 7,940	$ 7,595
Payable silver ounces sold	213,858	369,663	188,292	182,555	n/a	n/a	402,150	552,218
AISC	$ 21.68	$ 7.90	$ 9.73	$ 10.71	n/a	n/a	$ 19.74	$ 13.75

The following table reconciles cash operating costs, net of by-product revenue, to AISC for the nine months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Corporate		Consolidated	
	Sep 30, 2018	**Sep 30, 2017**	**Sep 30, 2018**	**Sep 30, 2017**	**Sep 30, 2018**	**Sep 30, 2017**	**Sep 30, 2018**	**Sep 30, 2017**
Cash operating costs, net of by-product revenue [1]	$ 7,965	$ 4,143	$ 3,512	$3,270	$ –	$ –	$ 11,477	$ 7,413
G&A costs	–	–	–	–	3,883	5,262	3,883	5,262
Share-based compensation	–	–	–	–	1,104	1,060	1,104	1,060
Accretion	50	46	34	35	–	–	84	81
Sustaining EE&D costs	2,859	3,518	168	501	19	572	3,046	4,591
Sustaining capital expenditures	797	1,634	640	2,131	–	–	1,437	3,765
All-in sustaining costs	$ 11,671	$ 9,341	$ 4,354	$ 5,937	$ 5,006	$ 6,894	$ 21,031	$ 22,172
Payable silver ounces sold	832,855	1,063,627	525,563	357,997	n/a	n/a	1,358,418	1,421,624
AISC	$ 14.01	$ 8.78	$ 8.28	$ 16.58	n/a	n/a	$ 15.48	$ 15.60

AISC per Ag eq oz

AISC per Ag eq oz starts with operating cash cost and adds G&A expenditures inclusive of share-based compensation, accretion of reclamation provisions, sustaining EE&D expenses, and sustaining capital expenditures. The Company believes that the disclosure of this measure provides a broader measure of the cost of all metal production at its operations, as measured by silver equivalent ounces, as the cost metric includes sustaining capital and EE&D expenditures, G&A costs, and other costs not commonly included in the cost of production and therefore not included in cash cost per Ag eq oz.

[1] Cash operating costs net of by-product revenue are reconciled to the Company's financial statements in the cash cost table.

The following table reconciles cash operating costs, net of by-product revenue, to AISC per Ag eq oz for the three months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Corporate		Consolidated	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Cash operating costs	$7,710	$ 8,912	$3,778	$ 4,478	$ –	$ –	$11,488	$ 13,390
G&A costs	–	–	–	–	1,152	2,289	1,152	2,289
Share-based compensation	–	–	–	–	334	318	334	318
Accretion	14	22	13	17	–	–	27	39
Sustaining EE&D costs	554	920	78	(87)	(16)	114	616	947
Sustaining capital expenditures	389	590	278	198	–	–	667	788
All-in sustaining costs	$ 8,667	$ 10,444	$ 4,147	$ 4,606	$ 1,470	$ 2,721	$ 14,284	$ 17,771
Silver equivalent ounces sold	485,952	769,485	361,365	312,966	n/a	n/a	847,317	1,082,451
AISC per Ag eq oz	$ 17.84	$ 13.57	$ 11.48	$ 14.72	n/a	n/a	$ 16.86	$ 16.42

The following table reconciles cash operating costs, net of by-product revenue, to AISC for the nine months ended September 30, 2018 and 2017:

(000's, unless otherwise noted)	GMC		Topia		Corporate		Consolidated	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Cash operating costs	$26,907	$ 24,369	$10,528	$ 7,886	$ –	$ –	$37,435	$ 32,255
G&A costs	–	–	–	–	3,883	5,262	3,883	5,262
Share-based compensation	–	–	–	–	1,104	1,060	1,104	1,060
Accretion	50	46	34	35	–	–	84	81
Sustaining EE&D costs	2,859	3,518	168	501	19	572	3,046	4,591
Sustaining capital expenditures	797	1,634	640	2,131	–	–	1,437	3,765
All-in sustaining costs	$ 30,613	$ 29,567	$ 11,370	$ 10,553	$ 5,006	$ 6,894	$ 46,989	$ 47,014
Silver equivalent ounces sold	2,010,281	2,160,839	972,796	594,653	n/a	n/a	2,983,077	2,755,492
AISC per Ag eq oz	$ 15.23	$ 13.68	$ 11.69	$ 17.75	n/a	n/a	$ 15.75	$ 17.06

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining internal controls over financial reporting to provide reasonable assurance in respect of the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. During the three months ended September 30, 2018, the Company determined that a material weakness in internal control over financial reporting existed as a result of misstatements identified by the Company's auditors during their interim review of the September 30, 2018 interim financial statements. The misstatements were corrected in the September 30, 2018 interim financial statements and there is no material effect on previously issued financial statements. The control weakness related to the ineffective operation of control activities designed to identify material errors in the application of IFRS for changes in the reclamation and remediation provision and reimbursement rights. As at the date of this MD&A , the Company has taken steps to remediate this matter, including implementing enhanced review activities over the application of IFRS in these areas as part of the financial close process. Successful remediation requires further assessment and evidence of effectiveness at the next period end. Other than described above, there have been no changes that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial preparation and presentation.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's management is also responsible for the design and effectiveness of disclosure controls and procedures that are designed to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, are made known to the Company's certifying officers. There have been no changes that occurred during the three months ended September 30, 2018 that have materially affected, or are reasonably likely to affect the Company's disclosure controls and procedures.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain of the statements and information in this document constitute "forward-looking statements" within the meaning of the United States "Private Securities Litigation Reform Act" of 1995 and "forward-looking information" within Canadian securities laws (collectively, "forward-looking statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the words "anticipates", "believes", "expects", "may", "likely", "plans", "intends", "expects", "may", "forecast", "project", "budgets", "potential", and "outlook", or similar words, or statements that certain events or conditions "may", "might", "could", "can", "would", or "will" occur. Forward-looking statements reflect the Company's current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors, which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

In particular, this MD&A includes forward-looking statements, principally under the section titled "Outlook", but also elsewhere in this document relating to estimates, forecasts, and statements as to management's expectations, opinions and assumptions with respect to the future production of silver, gold, lead and zinc; profit, operating costs and cash flows; grade improvements; sales volumes and selling prices of products; capital and exploration expenditures, plans, timing, progress, and expectations for the development of the Company's mines and projects; the timing of production and the cash and total costs of production; sensitivity of earnings to changes in commodity prices and exchange rates; the impact of foreign currency exchange rates; expenditures to increase or determine reserves and resources; sufficiency of available capital resources; title to claims; expansion and acquisition plans; and the future plans and expectations for the Company's properties and operations. Examples of specific information in this MD&A that may constitute forward-looking statements are:

- Expectation that the acquisition of Beadell will be completed in early 2019;
- The compilation and submission of technical information to CONAGUA, and CONAGUA's review of such information is expected to continue;
- Expectations that the current tailings footprint at GMC can be maintained and can support operations at GMC until at least 2021;
- Expectations that permits associated with the use and expansion of the TSF at GMC will be granted in due course and in favourable terms, with no suspension of GMC operations;
- Expectations that permits associated with the use of the TSF at Topia will continue to be granted in due course, with no suspension of Topia operations;
- Expectations regarding the completion of the Phase II TSF at Topia;
- Expectations that any potential gaps in existing compliance associated with the ongoing environmental review of Topia's operations will be capable of being addressed through a mitigation plan;

- The expectation that pending proposals for modification of the approved closure plan for Coricancha will conclude with the approval of the authorities, which will also resolve any related fines or penalties;
- Guidance provided in the "Outlook" section of this MD&A, such as silver production, cash cost, AISC, capital expenditures, and EE&D expenditures;
- The Company's plans for Coricancha, including further evaluations of the current mine and processing infrastructure, mine rehabilitation and development in preparation for underground drilling and environmental studies and the results of the planned technical, economic and environmental studies;
- Expectations regarding the outcome of Coricancha's Bulk Sample Program;
- Expectations that the Company is anticipating to be able to make a decision in early 2019 to commence the restart of Coricancha;
- Expectations regarding the costs to restart Coricancha;
- Expectations regarding the reclamation process at Coricancha;
- Expectations that cash flows from operations along with current net working capital will be sufficient to fund capital investment and development programs for the foreseeable future;
- Expectations regarding access to additional capital to fund additional expansion or development plans, or to undertake an acquisition; and
- Expectations in respect of permitting and development activities.

These forward-looking statements are necessarily based on a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies, as described below. These assumptions made by the Company in preparing the forward looking information contained in this MD&A, which may prove to be incorrect, include, but are not limited to, general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of, silver, gold, lead and zinc; expected Canadian dollar, MXN, Peruvian soles and USD exchange rates; the timing of the receipt of regulatory and governmental approvals for development projects and other operations; costs of production, and production and productivity levels; estimated future capital expenditures and cash flows; the continuing availability of water and power resources for operations; the accuracy of the interpretation and assumptions used in calculating reserve and resource estimates (including with respect to size, grade and recoverability); the accuracy of the information included or implied in the various independently produced and published technical reports; the geological, operational and price assumptions on which these technical reports are based; conditions in the financial markets; the ability to attract and retain skilled staff; the ability to procure equipment and operating supplies and that there are no material unanticipated variations in the cost of energy or supplies; the ability to secure contracts for the sale of the Company's products (metals concentrates); the execution and outcome of current or future exploration activities; that current financial resources will be sufficient for planned activities and to complete further exploration programs; the possibility of project delays and cost overruns, or unanticipated excessive operating costs and expenses; the Company's ability to maintain adequate internal control over financial reporting, and disclosure controls and procedures; the ability of contractors to perform their contractual obligations; operations not being disrupted by issues such as mechanical failures, labour or social disturbances, illegal occupations and adverse weather conditions; that financial resources will be sufficient to fund new acquisitions, if any.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, changes in commodity prices; changes in foreign currency exchange rates; acts of foreign governments; political risk and social unrest; uncertainties related to title to the Company's mineral properties and the surface rights thereon, including the Company's ability to acquire, or economically acquire, the surface rights to certain of the Company's exploration and development projects; unanticipated operational difficulties due to adverse weather conditions; failure of plant or mine equipment and unanticipated events related to health, safety, and environmental matters; failure of counterparties to perform their contractual obligations; delays in obtaining necessary permits for extension of operations; an unfavourable decision by the MEM with respect to the proposed modification to the Coricancha reclamation plan; adverse results of the technical, economic and environmental studies to be completed for Coricancha; inability to maintain or obtain permits for operations; deterioration of general economic conditions, and other risks described herein or in the Company's most recent Form 40-F/AIF.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this MD&A. The Company will update forward-looking statements and information if and when, and to the extent required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Further information can be found in the section entitled "Description of the Business – Risk Factors" in the most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities. Readers are advised to carefully review and consider the risk factors identified in the Form 40-F/AIF for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. It is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in the Form 40-F/AIF.

CAUTIONARY NOTE TO U.S. INVESTORS

This MD&A has been prepared in accordance with Canada securities regulations, which differs from the securities regulations of the United States. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are used in accordance with Canadian NI 43-101, however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all the mineral deposits in these categories will ever be converted into reserves. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of Inferred Mineral Resources cannot form the basis of feasibility or other advanced economic studies. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable.

Annexure G

Great Panther Annual Information Form

BEADELL

ASX:BDR

Annexure G

Great Panther Annual Information Form

GREAT PANTHER SILVER LIMITED

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2017

MARCH 23, 2018

CONTENTS

1. PRELIMINARY NOTES

1.A. DATE OF INFORMATION

Unless otherwise identified, all information contained in this Annual Information Form ("AIF") is as at December 31, 2017.

1.B. NOMENCLATURE

In this AIF, unless the context otherwise dictates, "Great Panther" or the "Company" refers to Great Panther Silver Limited, and its subsidiaries, Minera Mexicana el Rosario SA de CV ("MMR"), Metálicos de Durango SA de CV ("MDU"), Minera de Villa Seca SA de CV ("MVS"), Great Panther Coricancha SA, Coboro Minerales de Mexico SA de CV ("Coboro"), Cangold Limited ("Cangold"), Great Panther Silver Peru SAC ("GP Peru"), Great Panther Finance Canada Limited and GP Finance International sàrl.

1.C. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements and information in this AIF constitute "forward-looking information" within the meaning of Canadian securities laws. Forward-looking statements are often, but not always, identified by the words "anticipates", "believes", "expects", "may", "likely", "plans" and similar words. Forward-looking statements reflect the Company's current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

In particular, this AIF includes forward-looking statements as noted throughout the document. These relate to estimates, forecasts, and statements as to management's expectations with respect to the future production of silver, gold, lead and zinc; profit, operating costs and cash flow; grade improvements, sales volume and selling prices of products; capital and exploration expenditures, plans, timing, progress and expectations for the development of the Company's mines and projects; progress in the development of mineral properties; the timing of production and the cash and total costs of production; sensitivity of earnings to changes in commodity prices and exchange rates; the impact of foreign currency exchange rates; the impact of taxes and royalties; expenditures to increase or determine reserves and resources; sufficiency of available capital resources; expansions and acquisition plans; and the future plans and expectations for the Company's properties and operations.

These forward-looking statements are necessarily based on a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions made by the Company in preparing the forward looking information contained in this AIF, which may prove to be incorrect, include, but are not limited to, general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of silver, gold, lead and zinc; expectations regarding recoveries from Nyrstar in relation to its Coricancha indemnification obligations, expected exchange rates; expected taxes and royalties; the likelihood or timing of the receipt of necessary regulatory and governmental approvals; costs of production and production and productivity levels; estimated future capital expenditures and cash flows; the continuing availability of water and power resources for operations; the accuracy of the interpretation and assumptions and the method or methods used in calculating reserve and resource estimates (including with respect to size, grade and recoverability); the accuracy of the information included or implied in the various published technical reports; the geological, operational and price assumptions on which these technical reports are based; conditions in the financial markets; the ability to attract and retain skilled staff; the ability to procure equipment and operating supplies and that there are no material unanticipated variations in the cost of energy or supplies; the ability to secure contracts for the sale of the Company's products (metals concentrates); the execution and outcome of current or future exploration activities; the ability to obtain adequate financing for planned activities and to complete further exploration programs; the possibility of project delays and cost overruns, or unanticipated excessive operating cost and expenses, the Company's ability to maintain adequate internal control over financial reporting, and disclosure controls and procedures; the ability of contractors to perform their contractual obligations; and operations not being disrupted by issues such as mechanical failures, labour disturbances, illegal occupations or mining, seismic events, and adverse weather conditions.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, changes in commodity prices; changes in foreign currency exchange rates; acts of foreign governments; political risk; labour or social unrest; uncertainties related to title to the Company's mineral properties and the surface rights thereon, including the Company's ability to acquire, or economically acquire, the surface rights to certain of the Company's exploration and development projects; unanticipated operational difficulties due to adverse weather conditions, failure of plant or mine equipment and unanticipated events related to health, safety, and environmental matters; failure of counterparties to perform their contractual obligations; uncertainty of mineral resource estimates, and deterioration of general economic conditions.

Readers are advised to carefully review and consider the risk factors identified in this AIF under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this AIF.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this AIF. The Company will update forward-looking statements and information if and when, and to the extent, required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements and information contained herein are expressly qualified by this cautionary statement.

1.D. FINANCIAL INFORMATION

The Company prepares its consolidated financial statements in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). IFRS differs in some respects from US GAAP, and thus the Company's financial statements may not be comparable to financial statements of US companies.

The Company's financial statements are presented in United States dollars (the reporting currency). Financial and operating information presented in this AIF is presented in US dollars unless otherwise noted.

1.E. TECHNICAL INFORMATION

The technical information in this AIF relating to the Company's mineral projects has been reviewed and approved by Matthew C. Wunder, P. Geo., a "Qualified Person" under National Instrument 43-101.

1.F. CAUTIONARY NOTES TO U.S. INVESTORS REGARDING RESOURCE AND RESERVE ESTIMATES

Certain terms contained in this AIF have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "Mineral Reserve", "Proven Mineral Reserve" and "Probable Mineral Reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Exchange Act of 1934, as amended. Under SEC Industry Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Under SEC Industry Guide 7, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF and the documents incorporated by reference herein contain descriptions of the Company's mineral deposits that may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

1.G. GLOSSARY OF TERMS AND UNITS OF MEASURE

The following glossary, which is not exhaustive, should be used only as an adjunct to a thorough reading of the entire document of which it forms a part.

AAS	Atomic absorption spectroscopy.
adit	A horizontal or close-to-horizontal tunnel, man-made for mining purposes.
AISC	All in sustaining cost, a widely reported non-GAAP measure in the silver industry.
Ag	Silver.
Ag eq oz	Silver equivalent ounces, reflecting the equivalent values of silver and all other products produced by the Company, relative to the prevailing silver price.

andesite	A fine-grained brown, green or greyish intermediate volcanic rock.
Au	Gold.
breccia	A course-grained rock, composed of angular, broken rock fragments held together by a mineral cement or a fine-grained matrix.
cash cost	Cash cost per payable silver ounce, a widely reported non-GAAP measure in the silver industry.
cfm	Cubic feet per minute.
CIM	Canadian Institute of Mining, Metallurgy and Petroleum.
CONAGUA	Comisión Nacional del Agua, or National Water Commission, in Mexico responsible for managing and preserving national waters and their inherent good in order to achieve sustainable use.
Cu	Copper.
cut and fill	A mining method which removes ore in horizontal slices and the remaining void is filled with waste rock before proceeding to mine the next slice of ore.
EIA	Environmental Impact Assessment.
eq.	Equivalent values or quantities of products, expressed relative to the prevailing silver and co-product prices.
epithermal	Hydrothermal deposits formed at low temperature and pressure.
feasibility study	A detailed study of a deposit in which geological, engineering, operating, economic and other relevant factors are engineered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
felsic	An igneous rock having abundant light-coloured materials.
GDLR Project	The advanced stage Guadalupe de Los Reyes gold and silver project located in the Sierra Madre Mountains in Sinaloa State, Mexico.
g/t	Grams per metric tonne.
gpm	Gallons per minute.
hectare, or ha	A metric unit of land measure equal to 10,000 square metres or 2.471 acres.
hydrothermal	Relating to hot fluids circulating in the earth's crust.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, collectively.

Indicated Mineral Resource	As defined by the CIM Definition Standards on Mineral Resources and Reserves ("CIM Definition Standards"), an Indicated Mineral Resource is part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	As defined by the CIM Definition Standards, an Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes.
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
LHD	Load-haul-dump loader.
LOM	Life of Mine.
masl	Metres above sea level.
Measured Mineral Resource	As defined by the CIM Definition Standards, a Measured Mineral Resource is part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on a detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes that are spaced closely enough to confirm both geological and grade continuity.
mineral	An inorganic substance usually having a definite chemical composition and, if formed under favourable conditions, having a certain characteristic atomic structure which is expressed in its crystalline form and other physical properties.
Mineral Resource	As defined by the CIM Definition Standards, a Mineral Resource is a concentration or occurrence of natural, solid, inorganic, or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Mineral Reserve	As defined by the CIM Definition Standards, a Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
mineral claim	The portion of mining ground held under law by a claimant.
mineralization	Implication that the rocks contain metallic minerals and that these could be related to ore.
M&I	Measured and Indicated.
NSR	Net smelter return.
OEFA	The Environmental Evaluation and Oversight Agency, in Peru.
ore	That part of a mineral deposit which could be economically and legally extracted.
oz	Troy ounces.
Pb	Lead
Preliminary Feasibility Study, or PFS	A comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.
Probable Mineral Reserve	As defined by the CIM Definition Standards, a Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances a Measured, Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
PROFEPA	Procuraduría Federal de Protección al Ambiente, or Federal Agency of Environmental Protection, creates and enforces the Federal environmental laws of Mexico, with the aim of sustainable development. It has no relationship with the SEMARNAT, and maintains its own technical and operational autonomy.
Proven Mineral Reserve	As defined by the CIM Definition Standards, a Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

psi	Pounds per square inch.
QA/QC	Quality Assurance/Quality Control.
quartz	A common rock forming mineral consisting of silicon and oxygen.
resuing	A method of stoping wherein the wall rock on one side of the vein is removed before the ore is broken. Employed on narrow veins, and yields cleaner ore than when wall and ore are broken together.
rhyolite	A fine-grained volcanic (extrusive) rock of granitic composition.
SEC	United States Securities and Exchange Commission.
SEDAR	System for Electronic Document Analysis and Retrieval, a mandatory document filing and retrieval system for Canadian public companies.
SEMARNAT	Secretaría de Medio Ambiente y Recursos Naturales, or Ministry of Environment and Natural Resources, the Mexican federal agency responsible for environmental protection, including permitting of surface work and some mining programs.
stockwork	A metalliferous deposit characterized by the impregnation of the mass of rock with many small veins or nests irregularly grouped.
stoping	The extraction of ore or other minerals by creating underground openings through the application of drill and blast techniques.
TSF	Tailings storage facility.
tonne	A metric tonne, equal to 1,000 kilograms and approximately 2,205 lbs.
tpd	Metric tonnes per day.
t/m³	Metric tonnes per cubic metre.
US GAAP	United States generally accepted accounting principles.
vein	A zone or belt of mineralized rock lying within boundaries clearly distinguished from neighbouring rock. A mineralized zone has, more or less, a regular development in length, width and depth to give it a tabular form and is commonly inclined at a considerable angle to the horizontal. The term "lode" is commonly used synonymously for vein.
Zn	Zinc.

2. CORPORATE STRUCTURE

2.A. NAME, ADDRESS AND INCORPORATION

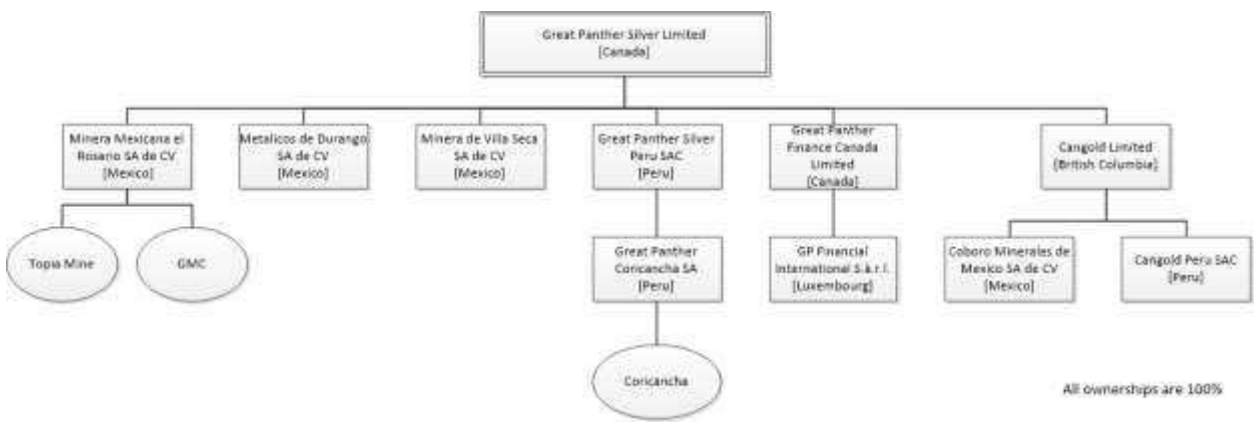
Great Panther Silver Limited was originally incorporated under the Company Act (British Columbia) in 1965 under the name “Lodestar Mines Ltd.”. On June 18, 1980, the Company’s common shares were listed on the TSX Venture Exchange. On March 22, 1996, the Company was continued under the Business Corporation Act (Yukon). On July 9, 2004, the Company was continued to British Columbia under the Business Corporations Act (British Columbia). On November 14, 2006, the Company’s common shares began trading on the TSX under the symbol “GPR”. On February 8, 2011, the Company’s common shares were listed on the NYSE American under the trading symbol “GPL”, while the Company retained its listing on the TSX in Canada.

The articles of the Company were amended on June 28, 2012, to provide for and facilitate the electronic delivery and receipt of notices, statements, reports or other records to shareholders.

Great Panther’s principal and registered offices are located at 1330 – 200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada. The Company’s telephone number is 604-608-1766, its facsimile number is 604-608-1768, and the Company’s website can be found at www.greatpanther.com.

2.B. INTERCORPORATE RELATIONSHIPS

The following companies are the subsidiaries of the Company, each of which is 100% beneficially owned, directly or indirectly, by the Company.



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.A. GENERAL

Great Panther Silver Limited is a primary silver mining and precious metals producer and exploration company listed on the Toronto Stock Exchange (“TSX”) trading under the symbol GPR, and on the NYSE American trading under the symbol GPL. The Company’s wholly-owned mining operations in Mexico are the Topia Mine (“Topia”), and the Guanajuato Mine Complex (“GMC”) which comprises the Company’s Guanajuato Mine, the San Ignacio Mine (“San Ignacio”), and the Cata processing plant.

The GMC produces silver and gold concentrate and is located in central Mexico, approximately 380 kilometres north-west of Mexico City, and approximately 30 kilometres from the Guanajuato International Airport. The Topia Mine is located in the Sierra Madre Mountains in the state of Durango in northwestern Mexico and produces concentrates containing silver, gold, lead and zinc at its own processing facility.

The method of production at Topia and the GMC consists of conventional mining incorporating cut and fill and resue methods. Extracted ore is trucked to on-site conventional processing plants which consist of zinc and lead-silver flotation circuits at Topia Mine, and a pyrite-silver-gold flotation circuit at the GMC.

On June 30, 2017, the Company acquired a 100% interest in the Coricancha Mine Complex ("Coricancha"), by acquiring all the common shares of Nyrstar Coricancha SA. Coricancha is a gold-silver-copper-lead-zinc mine, located in the Peruvian province of Huarochirí, approximately 90 kilometres east of Lima, and has been on care and maintenance since August 2013.

The Company’s exploration properties include the El Horcón, Santa Rosa and Plomo projects in Mexico; and the Argosy project in Canada. El Horcón is located 100 kilometres by road northwest of Guanajuato city, Santa Rosa is located approximately 15 kilometres northeast of Guanajuato city, and the Plomo property is located in the state of Sonora, Mexico. The Argosy property is in the Red Lake Mining District in northwestern Ontario, Canada. The Company has not undertaken any significant exploration programs on El Horcón, Santa Rosa, Plomo and Argosy in the last three years, and none of these properties is considered material.

The GMC, Topia, El Horcón and Santa Rosa are held by MMR, a wholly-owned subsidiary acquired in February 2004. In 2005, the Company incorporated MDU and MVS which are responsible for the day-to-day affairs and operations of Topia and the GMC, respectively, through service agreements with MMR.

Argosy is held by Cangold, and Plomo is held by Coboro.

The Company continues to evaluate additional mining opportunities in the Americas.

3.B. THREE-YEAR HISTORY

3.B.1 Year ended December 31, 2017

Overall metal production for 2017 was 3,978,731 Ag eq oz, a 2% increase over the prior year despite a slight decrease in tonnes milled. This was due to an increase in production from the higher grade Topia Mine, which benefited from higher throughput and increase in ore grades.

There were no fatalities at any of the Company’s operations during 2017. The Company introduced and implemented additional safety measures during 2017, including the SafeStart program, with the objective of further educating workers and their families about the importance of operating a safe work environment.

A total of 12,002 metres of development were completed at the GMC during 2017. At Topia, underground development totaled 5,167 metres, with the majority carried out at the Argentina, 15-22, San Miguel and Recompensa mines.

The Company completed 22,207 metres of exploration drilling at the GMC during 2017, a significant increase over 15,685 metres in 2016. The Company undertakes ongoing exploration of the GMC with the objective of replacing mined resources and expanding the mineral resource base. On January 25, 2018, the Company provided an update to the Mineral Resource at the GMC which reported an increase in Measured and Indicated Mineral Resources of 91%. During 2017, exploration at San Ignacio consisted of both surface and underground drilling which totaled 17,885 metres. This drilling resulted in the extension and continued delineation of the Melladito and Nombre de Dios zones at the San Ignacio Mine, and a significant increase in Measured and Indicated Mineral Resources. Underground drilling at the Guanajuato Mine totaled 4,322 metres, and was focused on the Cata, Los Pozos, Guanajuatito, San Cayetano, Santa Margarita and Valenciana mining areas.

The Company completed 2,485 metres of surface exploration drilling at Topia during 2017, while no such drilling was completed in 2016.

In June 2017, the Company successfully completed the commissioning phase of the refurbished processing plant at Topia and the plant was operating at planned capacity. Milling operations had been suspended from early December 2016 until early April 2017 to facilitate the construction of a tailings filtration plant, and completion of plant upgrades. In December 2017, SEMARNAT granted the Company all permits for the construction and operation of the new Phase II TSF at its Topia Mine. The Company is utilizing the existing Phase I TSF during the construction of Phase II.

On June 30, 2017, the Company completed the acquisition of Coricancha from subsidiaries of Nyrstar NV (see "Significant Acquisitions" below).

On August 14, 2017, the Company announced the results of the exploration drilling program conducted at Coricancha which focussed on three main veins – Wellington, Constancia and Colquipallana, in addition to a new exploration target, the Animas vein.

On August 16, 2017, James Bannantine was appointed President and Chief Executive Officer and Director of the Company, succeeding Robert Archer. Mr. Archer remains on the Board of Directors.

On December 20, 2017, the Company completed an updated Mineral Resource Estimate for Coricancha. The Measured and Indicated tonnes and grades in the updated Mineral Resource Estimate compare well with those from the historical resource estimate of 2012. The Company is completing feasibility studies and is evaluating opportunities to reduce costs and project risk. The Company expects to complete additional technical studies for Coricancha in the second quarter of 2018.

The Company compiled supplemental information requested by CONAGUA during its inspections conducted during 2016 and submitted it in December 2017. The Company awaits the results of the review by CONAGUA (see further information see "Infrastructure, Permitting and Compliance Activities" in section 5.A).

3.B.2 Year ended December 31, 2016

Overall metal production for 2016 was 3,884,960 Ag eq oz, representing a decrease of 7% over the prior year. The decrease in production reflected 15% lower throughput at Topia due to three temporary shutdowns in operations, as well as lower ore grades and recoveries at the GMC.

A total of 9,540 metres of development were completed at the GMC during 2016, with the majority focused on the San Ignacio Mine. At Topia, mine development totaled 7,118 metres and was focused on the Argentina, 15-22, La Prieta and El Rosario mines.

The Company's drill program during 2016 totaled 15,685 metres for the GMC compared to 17,680 metres in 2015. Drilling at the Guanajuato Mine totaled 7,200 metres and was focused on the Guanajuatito and Valenciana mines. At San Ignacio, total drilling amounted to 8,458 metres for the year.

There was no exploration drilling conducted at Topia during 2016 as the mine had sufficient mineral resources to support mining for several years at current production levels.

The Company experienced one fatality at its Topia Mine and two fatalities at the GMC in 2016. The Company considers health and safety of its workers, and others in the communities in which it operates, to be a top priority. The Company completed extensive investigations into each event and routinely undertakes safety training and updates and makes improvements to safety procedures and practices to minimize injuries and provide a safe work environment.

On January 14, 2016, the Company reported a theft of explosives from one of the mines at the GMC. The Company voluntarily suspended the use of all explosives material at the GMC to facilitate ongoing investigations by regulatory authorities, and to enhance security. On February 16, 2016, the regulatory authorities concluded their formal investigation. Operations at the GMC were intermittently halted over the investigation period and fully resumed on February 16, 2016.

In February 2016, CONAGUA required that the Company make formal applications for permits associated with the occupation and construction of the TSF at the GMC. After the Company filed the applications, CONAGUA carried out an inspection of the TSF and requested further technical information.

On February 24, 2016, the Company terminated an option to purchase the Guadalupe de Los Reyes Project in Sinaloa, Mexico, after conducting an evaluation of the project, which included a surface diamond drill program.

On April 21, 2016, the Company entered into an At-the-Market Offering (the “ATM Offering”) agreement under which the Company had the discretion to sell common shares up to a maximum in gross sales proceeds of $10.0 million, until December 31, 2016. The Company issued 3,498,627 common shares under the ATM Offering for aggregate gross proceeds of $5.7 million.

On May 11, 2016, the Company elected to terminate an option agreement to acquire a 100% interest in Coricancha; however, it continued with the evaluation of the project.

On July 12, 2016, the Company closed an equity bought deal offering that was announced on July 6, 2016. Upon closing, the Company sold 18,687,500 Units at a price of $1.60 per Unit for gross proceeds of $29.9 million. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitled the holder to purchase one share at the exercise price of $2.25 per share for a period of 18 months after the closing of the offering. The Company paid a cash commission to the underwriters equal to 6% of the gross proceeds of the offering. The intended use of net proceeds from this offering, along with the net proceeds from the aforementioned ATM Offering, was to fund operating, development and exploration expenditures at the Company’s mining operations and projects, for possible future acquisitions, and for general corporate and working capital purposes. To the date of this AIF, the net proceeds of the ATM Offering and the bought deal offering have not been used and have been placed in short-term bank guaranteed deposits or other similarly secure deposits. Since completing the offerings and to the date of this AIF, the Company has funded all operating, general working capital and investment needs from operating cash-flow. The Company continues to seek out other precious metal mining acquisition opportunities in the Americas.

On October 31, 2016, the Company filed a short form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except for Quebec, and a corresponding registration statement on Form F-10 with the SEC. Subject to the subsequent preparation and filing of a prospectus supplement, these filings allow Great Panther to make offerings of common shares, warrants, subscription receipts, units, or any combination thereof, having an aggregate offering price of up to C$80.0 million in Canada and the United States over a 25-month period. Great Panther filed this base shelf prospectus with the intention of maintaining financial flexibility, and the maximum amount that could potentially be offered under the base shelf prospectus does not reflect an estimate of future financing requirements. At this time, there are no foreseeable financing requirements associated with the Company’s existing operating and development plans, however, the execution of the Company’s growth strategy may warrant further financing.

In early December 2016, the Company temporarily halted processing at the Topia Mine in order to facilitate certain plant upgrades and a transition to a new TSF under construction. Mine operations continued during the plant shutdown and all ore was stockpiled to be processed upon resumption of processing activities towards the end of the first quarter of 2017. Further details regarding the new TSF is included in the Topia Development section.

On December 19, 2016, the Company entered into an agreement to acquire a 100% interest in Coricancha.

3.B.3 Year ended December 31, 2015

Overall metal production for 2015 was a record 4,159,121 Ag eq oz, representing an increase of 30% over the prior year. The increase reflected the continued ramp-up in production at the San Ignacio Mine since commercial production commenced in June 2014, and higher ore grades at all operations.

The safety performance in 2015 improved over the prior years in terms of incident and severity rates. There were no fatalities. Improvements in the safety program centered on improving organizational safety policies and practices.

Mine development at the GMC during 2015 was focused on San Ignacio, with additional development at the Cata, Los Pozos, Santa Margarita and Guanajuatito zones. Development at San Ignacio concentrated on infrastructure work including the maintenance facilities on the surface, preparation of loading bays, pumping stations and developing access levels to stopes. At Topia, mine development was focused on the Argentina, 15-22, La Prieta and El Rosario mines.

The goal of the Company's exploration program for the GMC during 2015 was to expand the Mineral Resource base, and on February 25, 2016, the Company provided an update to the Mineral Resource at the GMC. Drilling at the Guanajuato Mine in 2015 totaled 13,024 metres, and was focused on the Valenciana, Cata and Los Pozos zones. At San Ignacio, total drilling amounted to 4,657 metres for the year and consisted of underground drilling to better define the Mineral Resource in the Intermediate and Melladito zones, and a surface drill program to define the southern extension of the Mineral Resource in the Melladito, Melladito Splay, Melladito 2 and Melladito 3 zones.

There was no exploration drilling conducted at Topia during 2015 as the mine had sufficient mineral resources to support an 11-year mine life at average annual production levels. The Company provided an update to the Mineral Resource at Topia on July 9, 2015, based on the results of prior years' drill programs. Measured Mineral Resources were estimated at 6,006,000 Ag eq oz, Indicated Mineral Resources were estimated at 5,574,000 Ag eq oz, and Inferred Mineral Resources were estimated at 11,050,000 Ag eq oz. In light of the updated Mineral Resource Estimate, management changed its estimate of the useful life of Topia to 11 years (as at July 1, 2015), an increase from the previous estimate of 6.5 years. The full technical report is available under the Company's profile on SEDAR located at www.sedar.com.

On May 27, 2015, the Company completed the acquisition of all of the 42,780,600 common shares of Cangold issued and outstanding to third parties, in exchange for 2,138,898 common shares of Great Panther and derecognition of $1,349,000 loaned by the Company to Cangold and its subsidiary, Coboro.

A surface drill program at the GDLR Project commenced in mid-August and was completed in early December with a total of 5,514 metres drilled. The objectives of this drill program were to test the continuity of the mineralized structures and associated gold-silver mineralization with fill-in holes, and to expand the mineralized zones with select step-outs. The remainder of 2015 was spent interpreting and 3D-modelling the results of the 2015 drill program, in conjunction with the historic drilling results, for use in a 'high-level' economic evaluation. Based on the results of the economic evaluation the Company terminated the option agreement for the GDLR Project on February 24, 2016.

During the year, the Company fully secured mineral property titles for all of its 7,909 hectares related to El Horcón. Three of the Company's mineral property title claims were previously cancelled due to an administrative oversight on the part of the government agency which manages mineral property titles in Mexico. All titles have been restored. No drilling was conducted at El Horcón during 2015.

Great Panther announced in May 2015 that it had entered into a two-year option agreement with Nyrstar which gave the Company the right to acquire 100% of the shares of Coricancha.

3.C. SIGNIFICANT ACQUISITIONS

Coricancha is located in the Peruvian province of Huarochirí in the central Andes of Peru, approximately 90 kilometres by paved highway east of the city of Lima. Coricancha is a polymetallic mine that includes a

600 tonne per day flotation and gold BIOX® bio-leach plant along with supporting mining infrastructure. Coricancha has been on care and maintenance since August 2013 when it was closed due to falling commodity prices. The Coricancha property comprises more than 3,700 hectares in the prolific Central Polymetallic Belt and production at the mine dates back to 1906. Gold-silver-lead-zinc-copper mineralization (approximately 80% gold-silver by value) occurs as massive sulphide veins that have been mined underground by cut and fill methods.

The Company's Peruvian subsidiary, Great Panther Silver Peru SAC ("GP Peru"), completed the acquisition (the "Acquisition") of all of the issued and outstanding shares of Nyrstar Coricancha SA from Nyrstar International B.V. and Nyrstar Netherlands (Holdings) B.V., as sellers (together "Nyrstar") on June 30, 2017 (the "Completion"). Nyrstar Coricancha SA was the 100% owner of the Coricancha gold-silver-lead-zinc-copper mine and mill complex in Peru at Completion.

The Acquisition was completed pursuant to a Share Purchase Agreement (the "SPA") originally dated December 19, 2016, among the Company, GP Peru, Nyrstar and Nyrstar Coricancha SA (the "Original SPA"). The SPA was amended and restated on June 9, 2017 (the "Amended and Restated SPA") and further amended by agreement dated June 28, 2017 (the "Second Amendment Agreement").

The legal name of Nyrstar Coricancha SA was changed to Great Panther Coricancha SA subsequent to the Acquisition. In the foregoing Nyrstar Coricancha SA is also referred to as Great Panther Coricancha SA.

3.C.1 The SPA

The parties entered into the Amended and Restated SPA on June 9, 2017 in order to incorporate certain amendments to facilitate the reorganization of Nyrstar's investments in Peru in connection with its planned divestitures. The amendments in the Amended and Restated SPA did not materially impact the terms of the Acquisition under the Original SPA. The parties entered into the Second Amendment Agreement effective June 28, 2017 in order to defer payment of the initial US$0.1 million portion of the Purchase Price (the "Completion Price") from the closing date to a date no later than five business days following the receipt of a final cost certificate from the Peruvian tax authority ("SUNAT") that related to the cost base of Nyrstar's shares in Great Panther Coricancha SA (the "Cost Certificate"). The Second Amendment Agreement also included corresponding agreements relating to certain tax matters.

A copy of the Original SPA was filed on SEDAR on January 13, 2017. A copy of each of the Amended and Restated Share Purchase Agreement and the Second Amendment Agreement were filed on SEDAR on July 10, 2017. Readers are advised to refer to the filed agreements for a complete description of the terms of the Acquisition. The forms of the Mine Closure Agreement, Earn-Out Agreement and Nyrstar Parent Guarantee, each as discussed below, are each included as exhibits to the Original SPA and Amended and Restated SPA. The summary of material terms of each of the agreements provided in this AIF is qualified by reference to the entirety of the SPA.

Capitalized terms used in the discussion below that are not defined have the meaning prescribed to them in the SPA and related exhibits.

3.C.2 Closing of the Acquisition

The Acquisition was completed by Nyrstar transferring all of the issued and outstanding shares of Nyrstar Coricancha SA to GP Peru. Concurrently, the following agreements were executed in accordance with the SPA and came into effect on Completion:

- An earn-out agreement between the Company, GP Peru, Nyrstar and Nyrstar Coricancha SA, in the form attached to the SPA (the "Earn-Out Agreement");
- A mine closure agreement between Nyrstar and Nyrstar Coricancha SA, in the form attached to the SPA (the "Mine Closure Agreement"); and
- A guarantee of Nyrstar NV, the ultimate parent of Nyrstar, in favour of GP Peru and the Company, in the form attached to the SPA (the "Nyrstar Parent Guarantee").

Nyrstar and the Company also executed a transition services agreement on closing in order to facilitate the transition of management and ownership of Nyrstar Coricancha SA to the Company and GP Peru. The transition services agreement was in effect for several months following Completion.

3.C.2.a Acquisition Consideration

Under the terms of the SPA, GP Peru acquired Nyrstar Coricancha SA from Nyrstar for a purchase price (the "Purchase Price") comprised of:

- the Completion Price of US$0.1 million, which was paid subsequent to Completion in September 2017; and
- up to US$10.0 million in earn-out consideration to be paid under the Earn-Out Agreement, as described further below.

3.C.3 Earn-Out Agreement

Under the Earn-Out Agreement, Great Panther Coricancha SA will pay Earn-Out Consideration to Nyrstar that will equal 15% of the free cash flow generated by Coricancha during the five-year period after which Coricancha is cumulative free cash flow positive from Completion, to a maximum of US$10.0 million. Specific material terms of the Earn-Out Agreement include the following:

- the Earn-Out Consideration will be determined as being equal to 15% of the Free Cash Flow of the Company during the Earn-Out Period, calculated and paid at the end of each relevant fiscal year of the Company during the Earn-Out Period;
- Free Cash Flow will be determined as the net income or loss of Coricancha, with adjustment for certain amounts specified in the Earn-Out Agreement related to depreciation and amortization, non-cash expenses and losses, deferred income tax and sustaining capital expenditures, each as determined in accordance with IFRS;
- the Earn-Out Period will begin on the Trigger Date and will expire on the earlier of
    - the date that is five years from the Trigger Date; and
    - the date on which the Cumulative Free Cash Flow generated from Coricancha since the Trigger Date has equaled an amount such that the Earn-Out Consideration to be paid by the Company to Nyrstar under the Earn-Out Agreement will equal US$10.0 million;
- the Trigger Date will be the date on which the aggregate cumulative Free Cash Flow generated by Coricancha from the Date of Commencement of Commercial Production has equaled or exceeded the amount of the Start-Up Expenditures, as defined in the Earn-Out Agreement, incurred by the Company from the date of Completion of the Acquisition to the Date of Commencement of Commercial Production; and
- the Date of Commencement of Commercial Production will be the date after Completion which is the first day of the first three month period (whether calendar months or otherwise) during which period the average rate of production at Coricancha is at least 400 tonnes per day (with production calculated on the basis of mined material processed through the plant).

The Company will guarantee to Nyrstar the payment by Great Panther Coricancha SA of the Earn-Out Consideration under the Earn-Out Agreement. To date, no consideration has been paid under the terms of the Earn-Out Agreement.

3.C.4 Reclamation Agreements

The SPA includes agreements between the Company, GP Peru, Great Panther Coricancha SA and Nyrstar regarding legacy environmental matters relating to Coricancha. These agreements became effective on Completion and are set out in clause 6 of the SPA and relate to the reclamation of tailings facilities at Coricancha and the funding of the corresponding reclamation costs. These terms include the following material provisions:

- GP Peru will cause Great Panther Coricancha SA to reclaim the Cancha 1 and Cancha 2 tailings facilities (being part of Coricancha), in accordance with the mine closure plan approved by the Peru Ministry of Mines (the “Coricancha Mine Closure Plan”);
- GP Peru will cause Great Panther Coricancha SA to reclaim the Triana tailings facility (being part of Coricancha), in accordance with the mine tailings abandonment plan approved by the Peru Ministry of Mines (the “Triana Tailings Abandonment Plan”);
- Nyrstar will fund the payment of the Reclamation Costs associated with undertaking the reclamation work required to complete the Coricancha Mine Closure Plan and the Triana Tailings Abandonment Plan, to a maximum of US$20 million; and
- Nyrstar will advance funds to Great Panther Coricancha SA to fund the Reclamation Costs on a quarterly basis in accordance with agreed upon mechanics set forth in the SPA.

In addition, Nyrstar has agreed to settle all outstanding fines or sanctions relating to Coricancha, to a maximum of US$4.0 million (subject to certain exclusions to which the cap will not apply).

To date, the Company has completed some of the reclamation work under the Coricancha Mine Closure Plan and the Triana Tailings Abandonment Plan, and Nyrstar has funded these works in accordance with the SPA.

3.C.5 Mine Closure Agreement

The Mine Closure Agreement relates to the mine closure bond required to be maintained by Great Panther Coricancha SA for Coricancha (the “Mine Closure Bond”) in order to comply with the mine closure bond requirements imposed by the Ministerio de Energia y Minas of Peru (the “Peru Ministry of Mines”). Under the Mine Closure Agreement, Nyrstar has agreed to maintain the required Mine Closure Bond up to an amount of US$9.7 million for a three year period following Completion (the “Mine Closure Period”). During this Mine Closure Period, Great Panther Coricancha SA will be responsible for any portion of the Mine Closure Bond required by the Peru Ministry of Mines that is in excess of this US$9.7 million amount. In accordance with these obligations, Nyrstar is responsible, at its expense, for providing security for the initial US$9.7 million amount of the Mine Closure Bond and Great Panther Coricancha SA is responsible, at its expense, for providing security for any excess amount.

In the event that Great Panther Coricancha SA makes a final, irrevocable decision to permanently close Coricancha during the Mine Closure Period, the following will apply:

- Nyrstar will pay to Great Panther Coricancha SA the amount of US$9.7 million in full and final release of its obligations under the Mine Closure Bond (the “Closing Contribution”);
- Great Panther Coricancha SA will take all steps necessary to establish a new Mine Closure Bond in the amount of US$9.7 million;
- Nyrstar will terminate its original Mine Closure Bond in the amount of US$9.7 million;
- Great Panther Coricancha SA will proceed with the mine closure plan for Coricancha using the Closing Contribution paid to Coricancha by Nyrstar;
- if the costs of closing Coricancha are less than the Closing Contribution paid by Nyrstar, Great Panther Coricancha SA will return to Nyrstar the difference; and
- if the costs of closing Coricancha are greater than the Closing Contribution paid by Nyrstar, Coricancha will be responsible for any excess closure costs.

In the event that Great Panther Coricancha SA does not make a final, irrevocable decision to permanently close Coricancha during the Mine Closure Bond Period, Great Panther Coricancha SA will make arrangements for the release of the obligations of Nyrstar under its portion of the Mine Closure Bond, which arrangements will be in effect upon expiry of the Mine Closure Bond Period, and Nyrstar will then have no further responsibility or liability in connection with the Mine Closure Bond.

In December 2017, the Mine Closure Bond requirement was increased by $1.2 million. This additional amount was funded by Great Panther Coricancha SA at that time in accordance with the Mine Closure Agreement.

3.C.6 Parent Company Guarantee of Nyrstar NV

Under the Nyrstar Parent Guarantee, Nyrstar NV has guaranteed to the Company, GP Peru and Great Panther Coricancha SA, as beneficiaries, the punctual payment and performance by Nyrstar of the obligations of Nyrstar under:

- Clause 2 of the Mine Closure Agreement relating to the obligations of Nyrstar to post the Mine Closure Bond and advance the Closure Contribution, in each case to a maximum of US$9.7 million;
- Clause 5(h) of the SPA relating to tax indemnification matters; and
- Clause 6 of the SPA relating to the obligations of Nyrstar to fund the Reclamation Costs for Coricancha.

The obligations of Nyrstar NV are limited to the following maximum guaranteed amounts:

- US$9.7 million with respect to the guaranteed obligations under clause 2 of the Mine Closure Agreement; and
- US$20.0 million with respect to the guaranteed obligations under clause 6 of the SPA relating to Reclamation Costs.

The guaranteed obligations with respect to the tax indemnification under clause 5(h) of the SPA will not be subject to the foregoing maximum guaranteed amounts and will be subject to the indemnification provisions of the SPA with respect to these obligations.

3.C.7 Further information

The information contained in this AIF is presented in summarized form and reference should be made to the full text of the Form 51-102F4 "Business Acquisition Report" dated September 12, 2017 and related Material Change Report filed on July 10, 2017, each of which is available for review under the Company's profile on SEDAR located at www.sedar.com.

4. DESCRIPTION OF THE BUSINESS

4.A. PRINCIPAL MARKETS

While Great Panther is primarily a silver producer, it mines ore which it processes in its plants to produce concentrates which contain silver, gold, lead and zinc. These concentrates are then sold to metal traders or directly to smelters and refiners which extract the metals from the concentrates (see "Product Marketing, Sales and Distribution"). In 2017, silver accounted for 49% of the Company's revenues and gold accounted for 41%. The remaining 10% of the Company's revenues are from the production of lead and zinc at Topia.

Silver and gold are precious metals traded as commodities primarily on the London Bullion Market Association (the "LBMA") and Comex in New York (the "CME"). The LBMA is an international trade association, representing the London market for gold and silver bullion which has a global client base. This includes the majority of the gold-holding central banks, private sector investors, mining companies, producers, refiners and fabricators. The on-going work of the LBMA covers a number of areas, among them refining standards, trading documentation and the development of good trading practices. The maintenance of the "Good Delivery List", including the accreditation of new refiners and the regular retesting of listed refiners, is the most important core activity of the LBMA.

The LBMA silver price auction is operated by CME and administered by Thomson Reuters. The price is set daily in US dollars per ounce at 12:00 noon London time and is displayed on the LBMA's website with a 15-minute delay. The LBMA gold price auction takes place twice daily by ICE Benchmark Administration at 10:30 and 15:00 London time with the price set in US dollars per ounce. The price is displayed on the LBMA'S website with a 30-minute delay. Reference prices for both silver and gold are also available in British Pounds and in Euros.

The silver and gold business is cyclical as smelting and refining charges rise and fall depending upon the demand for, and supply of, silver-gold concentrates in the market. In addition, the market prices of silver and gold have historically fluctuated widely, and are affected by numerous global factors beyond the control of the Company and the mining industry in general. A decline in such market prices may have an adverse effect on revenues from the sale of silver and gold.

In 2016, total physical silver demand accounted for 1,027.8 million ounces per the Silver Institute, World Silver Survey 2017, and comprised the following end market categories: industrial use (55%), coins and bars (20%), silver jewelry (20%) and silverware (5%). Approximately 42% of the industrial use is for electrical and electronic components and 14% is accounted for by use in the manufacturing of photovoltaics (solar cells). Silver has a number of key and, in some cases, unique properties such as durability, malleability, ductility, reflectivity, electrical conductivity. It also has antibacterial properties, and all these properties make it valuable in numerous industrial applications. Applications include: circuit boards, electrical wiring, superconductors, brazing and soldering, mirror and window coatings, electroplating, chemical catalysts, pharmaceuticals, filtration systems, solar panels, batteries, televisions, household appliances, clothing and automobile components. The unique properties of silver also make it difficult to substitute the element in its industrial applications.

Gold demand comprises four primary categories: jewelry, investment, central banks and other financial institutions; and technology. Jewelry has always been a dominant source of demand for gold and accounts for approximately half of world gold demand. Investment in gold by institutional and private investors accounts for around one third of global demand and is made up of direct ownership of bars and coins, or indirect ownership via Exchange-Traded Funds and similar products. Gold is also one of the few assets that is universally permitted by the investment guidelines of the world’s central banks due, in part, to the gold market being deep and liquid. Around nine per cent of the world demand for gold is for technical applications. The electronics industry accounts for the majority of this, where gold’s conductivity and resistance to corrosion make it the material of choice for manufacturers of high-specification components. In addition, the metal’s excellent biocompatibility means that it continues to be used in dentistry. Beyond electronics and dentistry, gold is used across a variety of high-technology industries, in complex and difficult environments, including the space industry and in fuel cells. Gold’s catalytic properties are also beginning to create demand both within the automotive sector, as the metal has now been proven to be a commercially viable alternative to other materials in catalytic converters, and within the chemical industry.

4.B. PRODUCT MARKETING, SALES AND DISTRIBUTION

The Company produces metallic concentrates which contain silver, gold, lead and zinc. The principal customers for the concentrates are smelters in Mexico, Asia and Europe, and international traders. For the year ended December 31, 2017, three customers accounted for all of the Company’s revenues.

There is a global market for metallic concentrates and the Company continues to identify and evaluate new buyers for its concentrates through an active marketing process. Great Panther’s head office in Vancouver provides sales and marketing services to its Mexican operations in respect of the sale of concentrates produced by its operations. This generally involves an annual competitive tendering process and marketing and relationship development throughout the year. The tendering process culminates in the Company’s Mexican subsidiary entering into contracts with metal traders or smelting and refining companies for generally a one-year term. The tendering process enables the Company to review and renegotiate the terms of its contracts annually to ensure that it receives the most competitive pricing and terms possible. The Company also seeks not to be completely dependent on any single smelter, refiner or trader for the purchase of its concentrates at any given time.

The smelters and international traders pay the Company for metal contained in the Company’s concentrates, less charges associated with refining and smelting. Revenues reported by the Company are net of these charges. The pricing for the contained metals in the concentrate is typically the average of all the daily quoted market prices within a specific month or other agreed period of time.

During 2017, the Company delivered its concentrates by truck and by ship. In 2018, as a result of changes in contract terms, the Company delivers its concentrates by truck to customers' warehouses. As concentrates can vary in terms of grade and quality from shipment to shipment, the sales are subject to a final settlement process to adjust for any variances. After the physical transfer of the metal concentrate, the Company has the right to request advances based on the provisional value of shipments calculated at spot prices for the contained metals. Such advances are typically 90% to 95% of the provisional value, and are typically payable from 8 to 75 days subsequent to delivery, depending on the specific contract. A final payment or adjustment is made on the date of final settlement, once all information regarding concentrate content is known. The credit period for sales can range from two to four months depending on timing of final settlements.

Revenue Figures

	Year ended December 31, 2017			**Year ended December 31, 2016**		
(in thousands)	GMC	Topia	**Total**	GMC	Topia	Total
Silver revenue	$24,129	$ 9,016	**$33,145**	$25,287	$ 9,188	$34,475
Gold revenue	27,432	755	**28,187**	26,749	521	27,270
Lead revenue	-	2,741	**2,741**	-	1,808	1,808
Zinc revenue	-	3,853	**3,853**	-	2,318	2,318
Ore processing revenue and other	-	-	**-**	-	410	410
Smelting and refining charges	(2,195)	(1,985)	**(4,180)**	(2,955)	(2,323)	(5,278)
Impact of change in functional currency	-	-	**-**	750	128	878
Total revenue	**$49,366**	**$14,380**	**$63,746**	**$49,831**	**$12,050**	**$61,881**

4.C. SEASONALITY

Even though revenue will vary based on the quantity of metal production, metal prices and terms of sales agreements, the Company's business is not considered to be seasonal.

The climate in Mexico allows exploration, mining and milling operations to be carried out year-round. Therefore, revenue and cost of sales generally do not exhibit variations due to seasonality. The exceptions are periods of excessive drought which may limit or defer processing of ore and/or concentrate. The dry season in Mexico generally extends from October through April. The Company has not experienced a suspension of mining and processing activities due to drought in any of the last three fiscal years.

The climate in Peru also allows exploration and mining activities to be carried out year-round. There is a rainy season from January to March that has in the past caused flooding and disruptions to operations in the area where Coricancha is located.

4.D. SPECIALIZED SKILL AND KNOWLEDGE

The Company's business requires specialized skills and knowledge in the areas of geology, mining, metallurgy, social and environmental studies, permitting, claim management and finance. The Company has a number of employees with extensive experience in mining, engineering, finance, geology, exploration and development, including, but not limited to, James Bannantine, President & Chief Executive Officer and director; Ali Soltani, Chief Operating Officer; Jim Zadra, Chief Financial Officer & Corporate Secretary; and Matthew Wunder, VP Exploration.

4.E. COMPETITIVE CONDITIONS

The Company's business is to mine and process ore and sell precious metal and base metal concentrates. Prices for its products are determined by world markets over which it has no influence or control. The Company also competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral interests, as well as for the recruitment and retention of qualified employees.

4.F. DOING BUSINESS IN MEXICO AND PERU

4.F.1 Mining in Mexico

The mining industry in Mexico is controlled by the Secretaría de Economía – Dirección General de Minas which is located in, and administered from, Mexico City. Mining concessions in Mexico may only be obtained by Mexican nationals or Mexican companies incorporated under Mexican laws. The construction of processing plants requires further governmental approval.

In Mexico, surface land rights are distinct from the mining concessions.

The holder of a mining concession is granted the exclusive right to explore and develop a designated area. Mining concessions are granted for 50 years from the date of their registration with the Public Registry of Mining to the concession holder as a matter of law, if all regulations have been complied with. During the final five years of this period, the concession holder may apply for one additional 50-year period, which is automatically granted provided all other concession terms have been complied with. Mining rights in Mexico can be transferred by their private holders with no restrictions or requirements other than to register the transaction with the Public Registry of Mining.

In accordance with the Federal Duties Law (“LFD”), the holder of a mining concession is obligated to pay biannual duties in January and July of each year based upon the number of hectares covered by the concession area.

Concessionaires must perform work each year that must begin within ninety days of the concession being granted. Concessionaires must file proof of the work performed each May. Non-compliance with these requirements is cause for cancellation only after the Ministry of Mines communicates in writing to the concessionaire of any such default, granting the concessionaire a specified time frame in which to remedy the default.

If a concession holder does not carry out exploration and exploitation activities for two continuous years within the first 11 years of its concession title, it will be required to pay an additional charge equal to 50% of the two-year concession duty. The concession duty increases to 100% for continued inactivity after the 12th year. Payment of the additional concession duty is due 30 days after the end of the two-year period.

In Mexico, there are no limitations on the total amount of mining concessions or on the amount of land that may be held by an individual or a company. Excessive accumulation of concessions is regulated indirectly through the duties levied on the property and the production and exploration requirements as outlined above.

Mexican mining law requires the payment of a discovery premium related to National Mineral Reserves, Concessions in Marine Zones, and Allotments to the Council of Mineral Resources.

Environmental protection regulations in Mexico require permits for mine operations, for operating a processing plant, for the discharge and/or deposition, and for changes to grandfathered projects. There are four government departments that deal with and regulate such affairs.

On January 1, 2014, the corporate tax rate was increased from 28% to 30%.

Mining companies are subject to a special mining duty of 7.5% on profits derived from the sale of minerals, and an extraordinary mining duty of 0.5% on the gross value of sales of gold, silver and platinum.

4.F.2 Mining in Peru

In Peru, the General Mining Law allows mining companies to obtain clear and secure title to mining concessions. Surface land rights are distinct from mining concessions. The government retains ownership of all subsurface land and mineral resources, but the titleholder of the concessions retains ownership of extracted mineral resources. Peruvian law requires that all operators of mines in Peru are required to have an agreement with the owners of the land surface above the mining rights or to establish an easement upon such surface for mining purposes. Mining concessions allow for both exploration and for exploitation.

Mining rights in Peru can be transferred by their private holders with no restrictions or requirements other than to register the transaction with the Public Mining Register. The sale of mineral products is also unrestricted, so there is no obligation to satisfy the internal market before exporting products.

Recently, Peru enacted a new regime of environmental laws whereby the Ministry of Energy and Mines and the Environmental Ministry have issued regulations mandating environmental standards for the mining industry. Under these standards, new mining development and production requires mining companies to file and obtain approval for an Environmental Impact Assessment, which incorporates technical, environmental and social matters, before being authorized to commence operations.

The Environmental Evaluation and Oversight Agency ("OEFA") monitors environmental compliance. OEFA has the authority to carry out audits and levy fines on companies if they fail to comply with prescribed environmental standards. The following permits are generally needed for a project: Certificate for the Inexistence of Archaeological Remains ("CIRA"); Environmental Impact Assessment; Mine Closure Plan; Establishment of a Financial Guarantee for Closure; Beneficiation Concession; Mining Transportation Concession; Permanent Power Concession; Water Usage Permits; Easements and Rights-of-way; District and Provincial Municipality Licenses and Construction and Operation Permits.

Companies incorporated in Peru are subject to income tax on their worldwide taxable income, while foreign companies that are located in Peru and non-resident entities are taxed on income from Peruvian sources only. The corporate income tax was reduced from 30% in 2014 to 28% in 2015 and 2016, and to 27% for 2017 and 2018. The rate will decrease to 26% in 2019 and thereafter, as part of a broader initiative to reinvigorate Peru's economy. In general terms, mining companies in Peru are subject to the general corporate income tax regime. If the taxpayer has elected to sign a Stability Agreement, an additional 2% premium is applied on the regular corporate income tax rate. The Company has not signed a Stability Agreement. Also, 50% of income tax paid by a mine to the Central Government is remitted as "Canon" by the Central Government back to the regional and local authorities of the area where the mine is located.

In Peru, a dividend tax rate of 8.0% is imposed on distributions of profits to non-residents and domiciled individuals by resident companies and by branches, permanent establishments and agencies of foreign companies. The rate will increase to 9.3% in 2019.

Peru has a royalty referred to as the "Modified Mining Royalty" that applies to operating income at marginal rates ranging from 1% to 12%, and is payable quarterly. Operating income is defined as revenues from the sale of mineral resources, less cost of goods sold, less operating expenses, based on Peruvian statutory reporting regulations, with minor adjustments for interest and exploration expenditures.

Under the Modified Mining Royalty regime, an "operating income" to "mining operating revenue" measure (operating profit margin) is calculated each quarter and the royalty rate increases with the increase in operating margin. Although the Modified Mining Royalty is based on operating income, a company must pay at least 1% of sales, regardless of its profitability.

In addition, a Special Mining Tax ("SMT") is a tax imposed in parallel with the Modified Mining Royalty. The SMT is applied on operating mining income based on a progressive scale, with marginal rates ranging from 2.0% to 8.4%. The SMT is also payable on a quarterly basis.

4.G. ENVIRONMENTAL PROTECTION

The Company has taken a proactive approach to managing environmental risk. It is participating in a voluntary environmental audit of its GMC and Topia operations. The outcomes of these audits are multi-year environmental programs, working in cooperation with PROFEPA to ensure compliance with regulations governing the protection of the environment in Mexico.

As at December 31, 2017, the Company had recorded a provision of $27 million on its Statement of Financial Position for the estimated present cost of reclamation and remediation expenditures associated with the future closure of its mineral properties, and plant and equipment, at the GMC, Topia and Coricancha. The estimated expenditures are to commence near the end of each mine's useful life.

For additional discussion of environmental considerations, please refer to sections entitled “Infrastructure, Permitting and Compliance” in sections 5 and 6 of this AIF.

4.H. EMPLOYEES

The following table sets out the Company’s employees at December 31, 2017, 2016 and 2015, by legal entity.

Company	2017	2016	2015
Great Panther Silver Limited	21	23	22
Metálicos de Durango SA de CV	182	142	147
Minera de Villa Seca SA de CV	163	160	161
Great Panther Coricancha SA	40	N/A	N/A
GP Finance International sàrl	1	1	1
TOTAL	407	326	331

Minera Mexicana el Rosario SA de CV, Coboro Minerales de Mexico SA de CV, Great Panther Silver Peru SAC, Cangold Limited and Great Panther Finance Canada Limited do not have any employees. The increase in employees at MDU resulted from the employment of personnel for operations previously conducted by a contractor.

4.I. COMMUNITY ENGAGEMENT AND SUSTAINABLE DEVELOPMENT

Great Panther is committed to sustainable development and believes that sharing the value created by the Company's activities contributes to the social and economic development of its host communities. The Company prioritizes social investment initiatives that contribute to improving the quality of life of the communities surrounding its operations, as well as promoting sustainable development.

The Company’s approach to sustainable development is planned to ensure that programs are designed as catalysts for mutual and lasting socio-economic benefits. These initiatives are based on active participation with host communities and aimed to contribute to healthy and sustainable societies. Great Panther believes that a two-way engagement will build trust and foster genuine collaboration with local stakeholders, and consequently relies on respectful, open and frequent communication with the members of its communities.

Stakeholder engagement and social investment programs implemented by the Company include partnerships with local governments and civil society organizations focused in three main areas: socio-economic development, public health and safety, and natural and cultural heritage. Great Panther will prioritize social investment that continues to make positive impacts beyond its participation.

5. MINING PROPERTIES

Great Panther has two active material mining properties: the GMC and Topia. The Company holds a 100% interest in the properties through its wholly-owned Mexican subsidiary, MMR.

5.A. GUANAJUATO MINE COMPLEX

5.A.1 Guanajuato Mine Complex ("GMC")

On October 25, 2005, the Company signed a formal purchase agreement with the Sociedad Cooperativa Minero Metalúrgica Santa Fe de Guanajuato (the "Cooperative") to purchase 100% of the ownership rights in a group of producing and non-producing silver-gold mines in the Guanajuato Mining District. The total purchase price was $7.3 million, which included 1,107 hectares in two main properties (the Guanajuato and San Ignacio claims), the 1,000 tpd Cata processing plant, workshops and administration facilities, complete mining infrastructure, mining equipment, and certain surface rights. The final payment under this purchase agreement was made in November 2006.

In May 2006, the Company purchased 3.88 hectares of real estate adjacent to the plant at the GMC for a total of $0.7 million from the Cooperative. The decision to buy the extra land was made in order to facilitate any future expansion of the plant facilities and to buffer the plant site from any possible development nearby.

On December 27, 2007, the Company purchased an additional 0.28 hectares of land immediately adjacent to the plant and below the tailings dam at the GMC from the Cooperative for a total of $0.3 million. The land was primarily purchased to buffer the area from any possible development.

In August 2012, the Company signed a definitive agreement for the purchase of a 100% interest in certain surface rights to a total of 19.4 hectares at the San Ignacio Mine, for the construction of a mine portal and ancillary surface facilities.

5.A.2 Current Technical Report

The information on the GMC in this section of the AIF is based on the technical report entitled "NI 43-101 Mineral Resource Update Technical Report on the Guanajuato Mine Complex, Guanajuato Mine and San Ignacio Mine, Guanajuato State, Mexico", dated February 28, 2018, (the "GMC Technical Report"), prepared by Matthew C. Wunder, P.Geo., a "Qualified Person" under NI 43-101. The effective date of the GMC Technical Report is August 31, 2017. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The information below is presented in summarized form and reference should be made to the full text of the GMC Technical Report which is available for review under the Company's profile on SEDAR located at www.sedar.com. The GMC Technical Report includes limited information on the El Horcón and Santa Rosa properties as the current Technical Report provides an update on the Mineral Resource Estimates for the Guanajuato and San Ignacio mines. For detailed information on the El Horcón and Santa Rosa properties refer to the Technical Report entitled "NI 43-101 Technical Report on the Guanajuato Mine Complex Claims and Mineral Resource Estimations for the Guanajuato Mine, San Ignacio Mine, and El Horcón and Santa Rosa Projects", dated February 25, 2017.

The GMC includes both the Guanajuato Mine and the San Ignacio Mine. Where applicable, discrete information for each of the properties has been disclosed below.

Mineral feed from both the Guanajuato Mine and San Ignacio Mine is blended and processed at the Cata processing plant which is located at the Guanajuato Mine.

5.A.3 Property Description, Location, and Access

Central Mexico has a dry climate with an annual precipitation of about 600 millimetres per year generally falling between June and October. The annual mean temperature is 25°C, but winters can be cool with lows approaching 0°C. Exploration and mining work can be conducted year-round, uninterrupted by weather.

The GMC is located on the Central Plateau of Mexico in the Sierra Guanajuato. The terrain is moderately rugged, with elevations on the property ranging from 1,600 masl to 2,200 masl. Hillsides are deeply incised by drainage and slopes are moderately to extremely steep. Vegetation consists of grasses, small trees, shrubs, and cacti. Larger trees grow in the valley bottoms where there is more water.

Guanajuato Mine –

The property is accessible via city streets. Guanajuato has a population of approximately 180,000 and is located within 50 kilometres, by road, of an international airport at León, Mexico. The mine is easily accessible from major population centres in central Mexico via a system of modern roads.

San Ignacio Mine –

The mine is located approximately 8 km northwest of the city of Guanajuato, in Guanajuato State, Mexico, and approximately 380 km by road northwest of Mexico City. Access to the property is provided via a 35-minute drive from the outskirts of the city of Guanajuato (approximately 22 km), mostly by paved road through the towns of Santa Ana and Cristo del Rey.

The Company has negotiated surface rights sufficient for mining operations.

The area where the Guanajuato Mine and the San Ignacio Mine are located is characterized by rolling hills with small-incised drainages, which generally provide windows through thin soil cover to good bedrock exposures.

5.A.3.a Guanajuato Mine

The Guanajuato Mine is an underground silver-gold mine situated along the north-eastern side of the city of Guanajuato, in Guanajuato State, Mexico. The mine consists of a number of mineralization zones along an approximately 4.2-kilometre strike length, which is being mined from two operating shafts and two ramps. The location of the Guanajuato Mine falls within the second largest (historically) producing silver district in Mexico and the deposits on the Veta Madre trend, the principal host structure, have been mined since the 16th century.

Claim boundaries have been legally surveyed. The 19 mineral claims comprise 680 hectares in a contiguous claim block and expire between 2024 and 2057. The tailings disposal area and the waste rock dump are contained within the property boundaries in areas where the Company holds surface rights at Guanajuato Mine. There are no known environmental liabilities associated with the mineral claims, other than the previously-mentioned provision recognized on the Company's Statement of Financial Position for the estimated present value of future reclamation and remediation. This value comprises the provision associated with the Cata plant, TSF area and related infrastructure of the GMC, as well as the provision for the Guanajuato Mine.

5.A.3.b San Ignacio Mine

The San Ignacio Mine lies within La Luz mining camp of the Guanajuato Mining District, located in the southern part of the Mesa Central physiographic province. The Mesa Central is an elevated plateau located in central Mexico. The mineralization on the property consists of epithermal silver-gold veins.

Surface rights owned by the Company are limited to blocks of ground around the old San Ignacio shaft and an additional acquired block over the present underground development (new roads, mine rock dumps, and surface infrastructure). The nine mineral claims comprise 398 hectares and expire between 2031 and 2041. The Company has acquired surface rights sufficient for mining operations. There are no known environmental liabilities associated with the mineral claims, other than the previously referenced provision recognized on the Company's Statement of Financial Position for the estimated present value of future reclamation and remediation associated with the future retirement of the San Ignacio Mine.

5.A.4 History

Exploration in the Guanajuato area dates back to 1548 when silver mineralization was first discovered in the La Luz area by Spanish colonists. Two years later an outcrop of the Veta Madre was found near the current site of the Rayas Mine. Mining took place on a relatively small scale until the early 1700s when the application of explosives for tunneling resulted in a significant increase in productive capacity. In the latter portion of the 18th century, Antonio Obregón y Alcocer financed the discovery and development of the Valenciana Mine. This mine became one of the premier silver mines in the world, at the time accounting for a third of global annual silver production. The Spanish controlled mining in the district until 1816 when mining ceased and all production facilities were destroyed during the Mexican War of Independence. The Valenciana Mine was reopened in 1868 with British capital. The British interests ran the mines for ten years but did not enjoy much success, losing a considerable amount of money. Operations at that time were hampered by a lack of rail facilities and the necessity of hauling heavy equipment from the coast by mule. Mining production declined during the early 1900s due to low prices. At that time, American interests acquired and reopened many of the mines. Old ore dumps and tailings were reprocessed to extract gold and silver; however, the onset of the Civil War in 1910 severely curtailed mining activity in the country, resulting in a decades-long slump in production.

By the mid-1930s, demands for higher pay and better working conditions resulted in the mines being turned over to the newly-formed Cooperative in 1939. The Cooperative operated several mines in the district throughout the latter half of the 20th century and into the early 2000s.

The Company acquired the GMC from the Cooperative in 2005. At the time of the purchase, the operation suffered from lack of investment and working capital, and had not run at full capacity since 1991. The Company resumed production in 2006 and the mine has operated continuously since that time.

5.A.5 Geological Setting and Mineralization

The GMC is in the Guanajuato Mining District, which is located in the southern part of the Mesa Central physiographic province. The Mesa Central is an elevated plateau of Cenozoic volcanic and volcanoclastic rocks located in central Mexico. It is bounded to the north and east by the Sierra Madre Oriental, to the west by the Sierra Madre Occidental, and to the south by the Trans-Mexican Volcanic Belt.

Rocks within the Mesa Central consist of a Paleocene to Pliocene sequence of dacite-rhyolite, andesite, and basalt, with related intrusive bodies and intercalated local basin fill deposits of coarse sandstones and conglomerates. This Cenozoic volcanic-sedimentary sequence overlies a package of deformed and weakly metamorphosed Mesozoic submarine mafic volcanic and turbidite rocks.

Within the Mesa Central, the GMC is located in the Sierra de Guanajuato, a northwest-trending anticlinal structure approximately 100 km long and 20 km wide. The strata within the belt are transected by northwest, north, east-to-west, and northeast-trending regional scale faults. It is predominantly the northwest-trending structures, however, which control the position of mineralization. Normal fault movement along northeast-trending faults resulted in the downward displacement of certain blocks and the preservation of strata that was eroded in other areas. The northeast faults are therefore important locators of mineral camps within the belt.

Cretaceous volcanic rocks of La Luz Basalt underlie San Ignacio. These rocks are part of a volcanic-sedimentary complex that has various tectonic interpretations, but in general preserves a tectonic history probably related to northeastward tectonic thrust emplacement. By contrast, much of the area to the south-east (e.g., in and around Guanajuato Mine) is underlain by a series of Tertiary volcanic rocks that lie unconformably on La Luz Basalt. The lower Guanajuato conglomerate is widespread and is of mid-Eocene to early Oligocene. Later, volcanic rocks were deposited unconformably on the Guanajuato conglomerate in a caldera setting at the intersection of regional northeast and northwest trending mid-Oligocene extensional fracture systems.

Three main northwest-trending precious metal-bearing vein systems occur in the district: the Sierra, Veta Madre, and La Luz systems.

5.A.5.a Guanajuato Mine

At the Guanajuato Mine, mineralization occurs within fault zones along the Veta Madre vein system as discontinuous shoots and tabular bodies. It is apparent from mine plans that stopes can be in the order of 700 m long and extend for 400 m vertically. Zone thickness ranges from centimetre-scale to tens of metres. A series of mineralizing events is thought to have taken place during the Oligocene, a period of intense felsic volcanic activity in the area, and comprised three stages termed pre-ore, ore, and post-ore. Pre-ore mineralization consists of trace silver and gold with accessory quartz and adularia. Ore mineralization comprises an early silver-rich phase associated with adularia, as well as a later low-silver variant, which is typified by calcite and quartz. The post-ore mineralization is also precious metal-poor, with accessory calcite, dolomite, and fluorite.

The primary economic components are silver and gold, with silver the more important of the two. Base metals do not normally occur in economic concentrations. Average silver grades of the ore are typically in the 100 g/t Ag to 500 g/t Ag range but locally can be over 1,000 g/t Ag. Gold grades are generally in the 0.5 g/t Au to 2 g/t Au range, with the exception of the Santa Margarita vein where average grades are in the range of 5 g/t Au to 7 g/t Au. Within the mine, drill core and channel samples are not normally analysed for base metals so average grades for Cu, Pb or Zn have not been obtained.

Mineralization at Guanajuato is closely associated with the structural history. The “Veta Madre” quartz-adularia vein/breccia system is closely associated with the Madre fault and an associated diorite dyke (thickness varying from discontinuous lenses at Guanajuatito to a 50 – 100 m thick body in the Cata, Los Pozos, and Santa Margarita areas), oriented 325 degree azimuth with a 45 degree southwest dip. The Veta Madre forms along the dyke contacts, and in the Esperanza Formation, the footwall rocks to the Madre fault. At the Guanajuatito zone the main mineralization occurs just into the deformed siltstone and shale of the Esperanza Formation. Four zones were modeled at Guanajuatito, with the Veta Madre and the closely associated footwall ("FW") zone being dominant below the 80 level. At the Cata zone, Veta Madre mineralization occurs along the base of the diorite dyke with the Esperanza Formation, and as seven separately modelled zones within the diorite. A number of these zones are shallow dipping structural splays. The Los Pozos and Los Pozos SE zones are vein stockwork to breccia systems (Veta Madre) at the base of the diorite dyke and into the Esperanza Formation. The Santa Margarita zones form a complex structural set of four bodies within the diorite dyke and at its upper contact with the Guanajuato Formation conglomerates or basal andesite. These are above the Veta Madre breccia which is at the diorite contact with the footwall Esperanza Formation, but in this area is barren. The San Cayetano zone occurs deep in the Veta Madre south of the Rayas shaft, and tends to be narrow and often in the upper portion of the Veta Madre. The Promontorio zone occurs in the hanging-wall Guanajuato Formation conglomerates immediately above the Veta Madre structure at the contact of the Guanajuato Formation and the diorite dyke. At Valenciana there are parallel mineralized structures (Veta Madre) at the Esperanza Formation – diorite contact and into the Esperanza Formation.

The best mineralization is often found related to bends in the Veta Madre orientation such as at San Vicente in the Rayas area, and at Cata and Santa Margarita. These structural bends may be due to changes in rock type competencies, and varying thickness of the diorite dyke.

The vertical extent of the deposits at Guanajuato spans over 700 m (2,200 m to 1,500 m elevations and open to depth). Mineralization occurring above 2,100 m elevation was termed “upper ore”, between 2,100 m and 1,700 m “lower ore”, and below the 1,700 m elevation “deep ore”. Fluid inclusion microscope work from over 850 samples gathered through the mine and in deep drilling from the Santa Margarita area, indicated boiling zones from the 2,100 m to 1500 m (deepest drilling at the GMC) elevations. Structural observations of up to eight stages of crosscutting brecciation, and the variable range of Ag:Au ratios indicate that the mineralization along the Veta Madre is associated with multi-phase structural activity and fluid flow.

5.A.5.b San Ignacio Mine

San Ignacio is underlain by a monotonous package of basalt and andesite volcanic rocks belonging to the lower Cretaceous La Luz andesite. The basalt generally has subtle to well-developed pillow structures that are locally flattened. In a few localities, inter-pillow hyaloclastite is present and is characterized by a fine breccia composed of devitrified glass shards in a fine groundmass. Primary layering and tops-up indicators are generally difficult to determine from the small outcrops typical of the property, but the San Ignacio stratigraphy is not overturned.

The San Ignacio Mine contains structures of the La Luz vein system consisting of numerous mineralized fractures in a northwesterly-trending orientation and extending for a known strike length of approximately eight kilometres. Historically productive veins on the property include the Veta Melladito and Veta Plateros. Other veins identified in the recent Great Panther drilling are the Melladito, Melladito Step, Melladito Splay, Intermediate, Intermediate 2, Nombre de Dios 1, Nombre de Dios 2 and Melladito HW veins. Mineralization is contained within tabular veins, vein stockworks, and breccias. The eight veins with structural continuity inferred from surface mapping and diamond drilling from surface, and now extensive underground development, have been defined up to 1,050 m along strike and 150 m down dip. Six of the veins are very steeply dipping and two are shallowly dipping and are likely off-shoots of the other veins. The veins are accompanied by hydrothermal alteration, consisting of argillic, phyllic, silicic, and propylitic facies.

The primary economic components are silver and gold with approximately equal contributions of each. Economic mineralization consists of fine-grained disseminations of acanthite and pyrargyrite (silver minerals), electrum (gold-silver mineral), with accessory pyrite, and very minor sphalerite and chalcopyrite. Mineral textures in this zone are typically fracture filling, drusy, and colloform masses.

Average silver grades of the eight veins range from 24 g/t to 159 g/t Ag, while average gold grades range from 1.43 g/t to 3.75 g/t Au.

5.A.5.c Deposit Types

The mineral deposits in the Guanajuato area are classic fissure-hosted low-sulphidation epithermal gold-silver-bearing quartz veins and stockwork. Economic mineralization consists of fine-grained disseminations of acanthite, electrum, aguilarite, and naumannite with accessory pyrite, and relatively minor sphalerite, galena, and chalcopyrite. Gangue minerals include quartz, calcite, adularia, and sericite. The veins are accompanied by hydrothermal alteration consisting of argillic, phyllic, silicic, and propylitic facies. Mineral textures in this zone are typically fracture-filling, drusy, and coliform masses.

Epithermal systems form near surface, usually in association with hot springs, and at depths in the order of several hundred's metres below the paleosurface. Hydrothermal processes are driven by remnant heat from volcanic activity, which in the case of Guanajuato occurred in the middle to late Tertiary. Circulating thermal waters, rising up through fissures, eventually reach the “boiling level” where the hydrostatic pressure is low enough to allow boiling to occur. This can impart a limit to the vertical extent of the mineralization as the boiling and deposition of minerals is confined to a relatively narrow band of thermal and hydrostatic conditions. In many cases, however, repeated healing and reopening of host structures can occur, which causes cyclical vertical movement of the boiling zone, resulting in mineralization that spans a much broader range of elevations. This appears to have occurred at the Guanajuato Mine.

Epithermal type precious metal deposits in the La Luz vein system and specifically in the San Ignacio Mine area are strongly vertically controlled and pinch to centimetre scale at surface, associated with weak shear zones, minor argillic alteration, and weakly anomalous precious metal values. The mineralized vertical interval typically is 100 metres to 150 metres; however, it can range from 50 metres to well beyond 250 metres.

5.A.6 Exploration

5.A.6.a Guanajuato Mine

Exploration work conducted by the Company has consisted of diamond drilling, primarily from underground, and underground development including mapping and sampling.

Exploration drilling is being carried out with the use of three underground drills, two drills under contract and one drill in-house. The drilling with the in-house rig is focused on immediate development and mining areas, specifically at Guanajuatito, Cata and San Ignacio. The two larger contract drills are focused on upgrading the definition of the mineral resources, as well as targeting new areas of the mine defined through historical data compilation. Upgrading of mineral resources is being done at Guanajuatito, Cata, Valenciana and Promontorio.

5.A.6.b San Ignacio Mine

Great Panther has conducted geological and structural mapping, including sampling of outcrops and from exposures in historical underground workings. Subsequently, the Company completed underground development, geological mapping, sampling and selective mining.

Great Panther completed detailed surface mapping and outcrop rock chip sampling, including mapping and sampling all accessible underground workings pre-2014. Further detailed geological structural mapping was completed in 2015 and was ongoing through 2017, along with upgrading of mineral resources at San Ignacio.

5.A.7 Drilling

5.A.7.a Guanajuato Mine

Diamond drilling at Guanajuato is conducted under two general modes of operation: one by the exploration staff (exploration drilling) and the other by the mine staff (production and local expansion drilling). Production drilling is predominantly concerned with definition and extension of the known zones, to guide development and mining and is generally carried out to provide additional confirmation of vein location and geometry as the veins tend to regularly pinch and swell.

Exploration drilling is conducted further from the active mining area with the goal of expanding the mineral resource base. Drilling results from both programs along with underground drift samples are used in the estimation of mineral resources.

Exploration drilling, under the control of the mine and exploration staff, is ongoing at Guanajuatito, Cata, Valenciana, Promontorio and San Ignacio. The programs are configured to explore down-dip extensions of the mineralised zones at approximately 25 to 50 metre drill hole spacing.

The management, monitoring, surveying, and logging of the current 2010 to 2017 series of UGG prefix exploration holes and production drill holes is carried out under the supervision of the mine geological staff.

Up to mid-2016 all sample and geological data were entered into a DataShed© database via the LogChief software. Employees at the GMC now capture geological data via Microsoft Access that loads data directly into Microsoft SQL. The contents of the SQL databases are copied daily to a master SQL database at the Company's head office located in Vancouver, and a backup is made every evening.

Assay data files are sent directly from the SGS Group laboratory located at the Cata processing plant (the “SGS-GTO laboratory”) into a specific site on the Cata server. Database management personnel take the assays from this site and merge them with sampling information in the SQL database.

5.A.7.b San Ignacio Mine

Great Panther has completed 292 diamond drill holes at the San Ignacio property to date. Drilling commenced in October 2010 and the last hole completed and logged into the database was completed on

August 31, 2017. From the total, 215 holes were drilled from surface and 77 from underground. Drill holes were typically oriented to intersect the veins at a high angle.

In 2017, seven veins were delineated in the northern portion of the property. Data compilation and modeling incorporated results from 208 drill holes, development and underground mapping-sampling programs to define these veins. The veins are located between grid line 100N and 1150N and are continuous along strike for up to 950 metres and 350 metres down dip. Four of the veins are very steeply dipping to the northeast and are considered the main structural orientation of the mineralizing system. The other three veins dip shallowly to the southwest and are considered tensional structures related to the steeper veins.

South of line 100N there are historical workings, and 57 drill holes have been completed in this area. This area is not the subject of the current GMC Technical Report. Also, west of the main mining area, 17 drill holes have been completed which are not the subject of the GMC Technical Report.

Overall, the core recovery was considered very good with recovery percentages averaging 96.5% for surface drilling and 96.8% for underground drilling. There are no factors related to drilling or sampling that could materially influence the accuracy and reliability of the results.

Procedures related to sample and geological data integrity are consistent with those described for the Guanajuato Mine.

5.A.8 Sample Preparation, Analyses and Security

5.A.8.a Guanajuato Mine

The drill core samples were prepared by technicians working under the direction of the mine and exploration geologists. The exploration diamond drill core is of HQ and NQ diameter while the production holes drilled prior to July 2011 generally have an AQ diameter. During July 2011, a BQ diameter rig (Diamec) was added to the production drilling capacity.

Internal QAQC is conducted at the SGS-GTO laboratory and analytical methods used are industry standard. The laboratory is equipped to perform Aqua Regia digestion, fire assay, gravimetry, and AAS. The laboratory is ISO/IEC 17025 certified.

Both the Geology Department core shed and the SGS-GTO laboratory are located within the Cata Facility which is fenced and guarded around the clock. The site security is of a reasonable standard, consistent with common practical industry standards.

5.A.8.b San Ignacio Mine

All sampling and analytical work was conducted by employees, contractors, or designates of Great Panther.

Sample preparation prior to dispatch to the analytical laboratories consisted of splitting the sample in half by cutting the core using a rock saw. Quality control measures included the insertion of quarter-core duplicates, standard reference materials, and blanks into the sample stream.

Chain of custody was established upon sample collection with the use of unique sample ID, documentation of samples per shipment to the lab, and sign-off forms for receipt of samples by the laboratory.

Prior to dispatch, the samples were stored within the core storage and logging facility located at the Company’s Cata processing plant site.

Most of the analytical work was completed by the SGS-GTO laboratory and the quality control measures and data verification procedures are consistent with those described for the Guanajuato Mine.

5.A.9 Mineral Resource Estimates

5.A.9.a Guanajuato Mine

The Guanajuato Mine Mineral Resource Estimate has an effective date of August 31, 2017 and updates the previous resource estimate to reflect depletion due to mining and resource definition resulting from successful exploration activities.

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other factors that could materially affect these Mineral Resource estimates.

Class	Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
MEASURED	Cata	37,030	355	422,167	1.61	1,912	468	557,142
	Los Pozos	48,817	217	341,243	1.11	1,738	296	463,972
	Guanajuatito	33,962	256	279,592	1.22	1,329	342	373,403
	Santa Margarita	11,443	128	47,170	2.61	960	312	114,933
	Valenciana	7,084	155	35,225	1.51	343	261	59,455
	San Cayetano	24,958	102	82,198	1.96	1,569	241	192,980
	Promontorio	7,683	154	37,973	1.69	417	273	67,396
Total Measured		**170,978**	**227**	**1,245,568**	**1.50**	**8,268**	**333**	**1,829,281**
INDICATED	Cata	5,784	355	66,022	1.33	248	449	83,536
	Los Pozos	18,455	207	202,223	1.05	952	281	166,710
	Guanajuatito	10,313	224	74,230	1.17	389	307	101,705
	Santa Margarita	2,947	191	18,091	1.60	151	304	28,781
	Valenciana	–	–	–	–	–	–	–
	San Cayetano	5,347	101	17,302	1.64	282	217	37,225
	Promontorio	1,083	163	5,663	1.86	65	294	10,233
Total Indicated		**43,929**	**215**	**383,530**	**1.25**	**2,088**	**303**	**428,190**
MEASURED & INDICATED	Cata	42,814	355	488,189	1.57	2,160	465	640,678
	Los Pozos	67,272	214	543,466	1.09	2,691	292	630,682
	Guanajuatito	44,275	249	353,822	1.21	1,718	334	475,109
	Santa Margarita	14,390	141	65,260	2.40	1,111	311	143,714

Class	Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
	Valenciana	7,084	155	35,225	1.51	343	261	59,455
	San Cayetano	30,305	102	99,500	1.90	1,851	236	230,205
	Promontorio	8,766	155	43,637	1.71	481	275	77,629
Total M & I		**214,907**	**224**	**1,629,098**	**1.45**	**10,356**	**327**	**2,257,472**
INFERRED	Cata	1,432	255	11,738	0.98	45	324	14,909
	Los Pozos	29,181	182	170,806	1.11	1,038	260	244,106
	Guanajuatito	7,368	194	45,869	0.97	230	262	62,096
	Santa Margarita	11,686	333	124,969	1.64	617	448	168,498
	Valenciana	94,415	102	310,598	2.46	7,463	276	837,410
	San Cayetano	13,518	57	24,830	2.23	971	215	93,356
	Promontorio	1,247	152	6,106	1.71	69	273	10,960
Total Inferred		**158,846**	**136**	**694,917**	**2.04**	**10,432**	**280**	**1,431,334**

Notes

1. Cut-offs are based on the marginal operating costs per mining area, being $76/tonne for Cata, $70/tonne for Santa Margarita/San Cayetano, $68/tonne for Los Pozos, $93/tonne for Guanajuatito, and $80/tonne for Valenciana/Promontorio.
2. Block model grades converted to US$ value using plant recoveries of 87% Ag, 86.8% Au, and net smelter terms negotiated for pyrite concentrates.
3. Rock Density for all veins is 2.68t/m^3.
4. Totals may not agree due to rounding.
5. Grades in metric units
6. Contained silver and gold in troy ounces.
7. Minimum true width 1.0 m.
8. Metal Prices: $17.00/oz silver and $1,300/oz gold.
9. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.

5.A.9.b San Ignacio Mine

The Mineral Resource Estimate at San Ignacio has an effective date of August 31, 2017 and updates the previous resource estimate to reflect depletion due to mining and resource definition resulting from successful exploration activities.

Updated drilling and interpretation of zones in 2017 has resulted the addition of Nombre de Dios 1.5 and Nombre de Dios 2S zones and the elimination of the Melladito Step and Melladito HW zones.

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other factors that could materially affect these Mineral Resource estimates.

Class	Domain	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
MEASURED	Melladito	338,492	117	1,276,330	3.18	34,638	342	3,721,772
	Melladito BO	115,669	82	303,101	3.09	11,488	300	1,114,185
	Intermediate	109,602	168	592,341	2.76	9,717	363	1,278,345
	Intermediate 2	84,276	210	568,356	3.73	10,106	473	1,281,862
	Nombre De Dios	50,357	149	241,493	2.93	4,737	356	575,917
	Nombre De Dios 1.5	35,791	142	163,178	2.23	2,565	299	344,260
	Nombre De Dios 2S	67,280	236	510,648	2.99	6,473	447	967,615
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Measured		**801,468**	**142**	**3,655,447**	**3.09**	**79,724**	**360**	**9,283,955**
INDICATED	Melladito	61,872	92	183,285	3.02	6,016	306	607,997
	Melladito BO	22,777	76	55,346	3.61	2,644	330	242,012
	Intermediate	23,605	191	145,223	2.57	1,950	373	282,901
	Intermediate 2	23,652	167	127,220	1.72	1,308	289	219,582
	Nombre De Dios	18,584	128	76,323	2.49	1,490	304	181,530
	Nombre De Dios 1.5	12,146	129	50,330	1.49	582	234	91,406
	Nombre De Dios 2S	34,314	219	241,078	2.72	3,001	411	452,939
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Indicated		**196,949**	**139**	**878,805**	**2.68**	**16,991**	**328**	**2,078,368**
MEASU RED & INDICA	Melladito	400,364	113	1,459,615	3.16	40,654	336	4,329,769
	Melladito BO	138,446	81	358,447	3.18	14,132	305	1,356,197

Class	Domain	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Ag eq (g/t)	Ag eq (oz)
	Intermediate	133,207	172	737,564	2.72	11,667	365	1,561,246
	Intermediate 2	107,928	200	695,576	3.29	11,415	433	1,501,444
	Nombre De Dios	68,940	143	317,816	2.81	6,227	342	757,447
	Nombre De Dios 1.5	47,937	139	213,507	2.04	3,147	283	435,666
	Nombre De Dios 2S	101,595	230	751,726	2.90	9,473	435	1,420,554
	Nombre De Dios 2	-	-	-	-	-	-	-
Total Measured & Indicated		**998,417**	**141**	**4,534,252**	**3.01**	**96,715**	**354**	**11,362,323**
INFERRED	Melladito	99,307	58	185,811	2.85	9,113	260	829,192
	Melladito BO	22,661	75	54,731	3.67	2,670	334	243,259
	Intermediate	33,026	150	158,787	2.30	2,442	312	331,164
	Intermediate 2	35,560	166	189,987	2.37	2,712	334	381,456
	Nombre De Dios	164,263	128	674,972	2.01	10,592	269	1,422,743
	Nombre De Dios 1.5	66,406	132	280,965	1.79	3,819	258	550,583
	Nombre De Dios 2S	47,197	171	260,061	2.23	3,389	329	499,294
	Nombre De Dios 2	105,010	175	589,906	3.01	10,175	388	1,308,281
Total Inferred		**573,431**	**130**	**2,395,220**	**2.44**	**44,911**	**302**	**5,565,972**

Notes

1. Cut-offs are based on the marginal operating costs per mining area being US$71/tonne for San Ignacio.
2. Block model grades converted to US$ values using plant recoveries of 84% Ag, 84% Au, and net smelter terms negotiated for pyrite concentrates.
3. Rock density for Intermediate 2.64 t/m³, Intermediate 2 – 2.66 t/m³, Melladito 2.63 t/m³, Melladito BO 2.65 t/m³, Nombre de Dios 2.64 t/m³, Nombre de Dios 1.5 2.63 t/m³, Nombre de Dios 2 & Nombre de Dios 2S 2.62 t/m³.
4. Totals may not agree due to rounding.
5. Grades in metric units.

6. Contained silver and gold in troy ounces.
7. Minimum true width 1.0 m.
8. Metal Prices: $17.00/oz silver and $1,300/oz gold.
9. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.

The Mineral Resource Estimates for Guanajuato and San Ignacio were completed using MicroMine 3D geological software, and the inverse distance cubed estimation technique was utilized in the estimation of grade to each of the blocks in the block models. An NSR calculator was used to convert block grades into NSR (US$/tonne) values (considering mill recoveries, smelter terms, and designated metal prices).

5.A.10 Mineral Reserve Estimates

There are no Mineral Reserve estimates for the GMC. Mineral Resources are not Mineral Reserves, and do not have demonstrated economic viability.

5.A.11 Mining Operations

5.A.11.a Guanajuato

Guanajuato consists of a series of interconnected, previously independent, mines including Promontorio, Santa Margarita, Rayas, Los Pozos, Cata, Valenciana and Guanajuatito.

Mining at Guanajuato predominantly consists of cut and fill stoping, with some pillar recovery in historic workings, and a few zones where ore extensions are discovered and mined over a period of a few months. Mining is generally more selective using jacklegs. However, where possible, mechanized cut and fill is utilized.

Two main shafts serve access to the active mine areas, while several other old shafts provide ventilation support. The Rayas shaft is used for transportation of personnel and supplies, while the Cata shaft, located just above the processing plant is used to transport the ore for milling. Two ramps, San Vicente and Guanajuatito, provide the access at each end of the mine network, including for mobile equipment.

Rock integrity at Guanajuato is considered very favorable, but occasionally back support, in form of rock bolting, and occasionally wire mesh, is required.

Mining is conducted by contractors, primarily sourced from nearby communities, utilizing equipment owned by the Company and the contractors. Mine contractors and equipment are alternated frequently between the mines, including San Ignacio, to accommodate the mining sequencing.

5.A.11.b San Ignacio Mine

Mining at San Ignacio started in the third quarter of 2013 and commercial production was declared in the second quarter of 2014.

The mining method is standard cut and fill with waste provided by the development. Jacklegs are used in stopes for vertical to 70 degree production holes, and if necessary the hanging wall can be blasted for at least a 2.0 metre wide stope. Forced air ventilation uses electric fans, and sump pumps operate at 50-60 gpm removing mine water. The two air compressors are electrical with 1,000 cfm and 100 psi. The mine's electric power is supplied by the Mexican national grid.

Mineralized rock is trucked to the GMC processing plant using conventional 20 tonne trucks.

5.A.12 Recovery Methods

Mineral feed from both the Guanajuato Mine and San Ignacio Mine is blended and processed at the GMC processing plant at the Guanajuato Mine.

The three-stage crushing plant is designed to produce ball mill feed that is less than 3/8 inch in size. Run-of-mine ore is passed through a grizzly, into the 1,000 tonne coarse ore bin. Oversize is broken manually or with a backhoe-mounted rock-hammer. The coarse ore is minus 18 inch material. From the bin the ore is taken by an apron feeder and over a vibrating grizzly to the Pettibone (24 inches by 36 inches) primary jaw crusher. The jaw crusher is set to four inches. There is also a second 500 tonne capacity coarse ore bin that feeds a separate, smaller crusher so that materials can be kept separate if desired.

The flotation section was greatly improved with the installation of five fully automated Outotec cells in 2012 which replaced the old sections of rougher cells. The flotation products of these cells are sent, according to their quality, to cleaning cells or recirculated with scavenger products and cleaner tails for regrinding. After the cleaning step, the concentrate is sent to the concentrate thickener section and filtered to remove excess water, leaving finally an average moisture content of 11%. Concentrate is transported by tractor trucks to the point of sale according to existing contracts.

In addition, a small mill for regrinding was installed in April 2012. The middling products (i.e. cleaning cell tails together with the scavenger products) are reground to liberate the valuable sulfides before being recirculated to the head of the flotation circuit.

Over the last eight years, other improvements made include (i) installation of a new electrical substation, (ii) total change of electrical cables, (iii) new tailings pumping system to the tailings dam (fully instrumented), and (iv) the implementation of a single pump station to replace the old system with five pumping stations to reduce electrical consumption.

5.A.13 Infrastructure, Permitting and Compliance Activities

The GMC operations are serviced by offices housing the site senior management, technical, laboratory, warehousing, finance, and other administrative services, and are located adjacent to the Cata plant. The mine offices are located at San Vicente and San Ignacio. A separate office for the Company's Mexican exploration team is located near the collar of the Rayas shaft.

The GMC operations enjoys proximity to urban development, including power and road infrastructure. Medical facilities are available at a short distance.

In 2016, the Company entered a voluntary environmental audit program in cooperation with PROFEPA, the compliance arm of the SEMARNAT environmental authority. Following the audit, and identification of improvement areas, a mitigation plan was devised to resolve all outstanding improvements over the next few years. This voluntary program was chosen as a proactive measure to correct any deficiencies during which the Company would enjoy a cooperative relationship with the authority, while limiting its exposure to any new citations and penalties.

In a February 2016 meeting, the Mexican national water authority, CONAGUA, required that the Company make formal applications for permits associated with the occupation and construction of the TSF at the GMC. Following the meeting, the Company filed its applications and CONAGUA carried out an inspection of the TSF and requested further technical information which the Company submitted. In December 2017, the Company also filed with the Mexican environmental permitting authority, SEMARNAT, an amendment to the environmental impact statement reflecting the proposed normal TSF construction activities. This is under review by the regulator, and once approved, will satisfy a requirement by CONAGUA for the processing of its permits. The Company believes its current tailings footprint can be maintained and can support operations at the GMC until at least 2020. The Company also believes, based on its meetings and other communication with CONAGUA, that it will be able to obtain all the above noted permits as required, with no suspension of the GMC operations. While the Company is confident that it will obtain the tailings permits, the Company cannot provide complete assurance that it will complete the review process with CONAGUA without any actions that may suspend its operations. The Company cannot assure that the tailings permits will be obtained or renewed on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the issuance of permits on unfavourable terms or the expiry, revocation or failure by the Company to comply with the terms of any such permits, if obtained, could limit the ability of the Company to expand the tailings facility and could adversely affect the Company's ability to continue operating at the GMC. In either case, the Company's results of operations could be adversely affected.

Since the February 2016 meeting with CONAGUA, the Company has also discovered through its own undertakings that additional CONAGUA permits may be needed in connection with water discharge and water use at the GMC TSF and at San Ignacio. The Company is assessing technical options and whether it requires an additional water use permit. The Company believes that it will be able to address or mitigate the need for any necessary water discharge and use permits without any impact to its operations, but the Company cannot provide complete assurance that there is no risk in this regard.

5.A.14 Operating Costs

Operating costs at the GMC were as follows:

	2017					2016				
	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Cost per tonne milled	$ 92	$ 99	$ 96	$ 91	$ 83	$ 78	$ 77	$ 76	$ 76	$ 83
Cash cost	$ 4.32	$ 5.65	$ 3.75	$ 5.44	$ 2.48	$ 0.85	$ 4.27	$ 0.15	$ (1.19)	$ 0.61
Cash cost per Ag eq oz	$ 11.58	$ 12.49	$ 11.58	$ 11.78	$ 10.41	$ 9.48	$ 9.51	$ 10.05	$ 8.97	$ 9.56
AISC	$ 9.17	$ 10.38	$ 7.90	$ 10.89	$ 7.59	$ 5.20	$ 10.88	$ 5.58	$ 2.22	$ 2.72
AISC per Ag eq oz	$ 13.94	$ 14.69	$ 13.57	$ 14.46	$ 13.00	$ 11.66	$ 12.98	$ 12.62	$ 10.62	$ 10.66

Cost per tonne milled, cash cost, cash costs per Ag eq oz, AISC, and AISC per Ag eq oz are non-GAAP measures. Reconciliations of these measures to the figures presented in the Company's audited financial statements are presented in the "Non-GAAP Measures" section of the Company's Management Discussion and Analysis for the years ended December 31, 2017 and 2016.

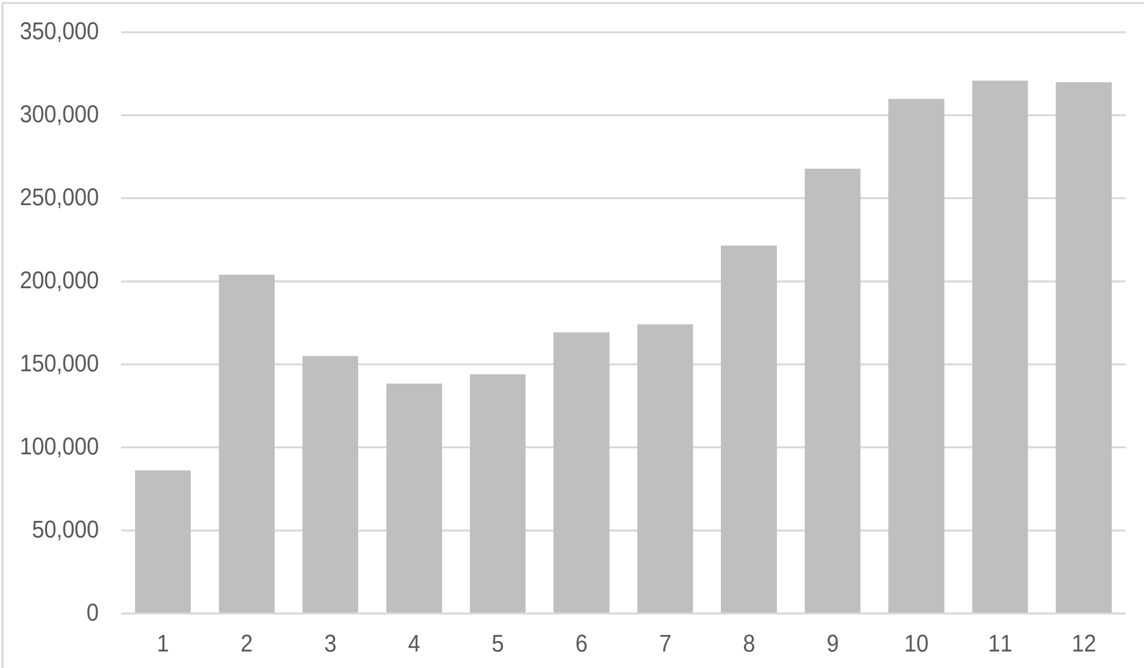
5.A.15 Production, Exploration and Development

5.A.15.a Production

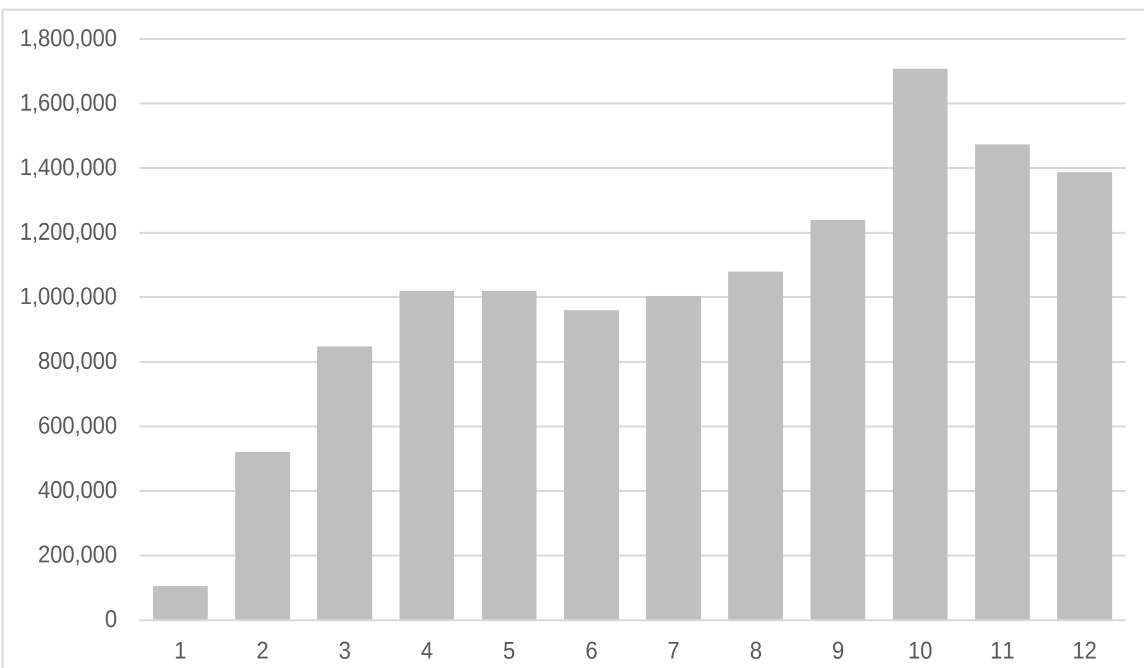
Overall production at the GMC for 2018 is planned to remain at similar levels to 2017.

The Company has established a LOM estimate for the GMC assets of approximately four years (at December 31, 2017) in connection with the GMC Technical Report, dated February 28, 2018. This LOM estimate does not include additional resources which may be discovered through ongoing exploration drilling. The Company re-evaluates its LOM estimate on an annual basis. The timing and amount of reclamation and remediation is subject to future changes in the LOM estimate. For example, the addition of resources through ongoing exploration drilling could extend the LOM estimate.

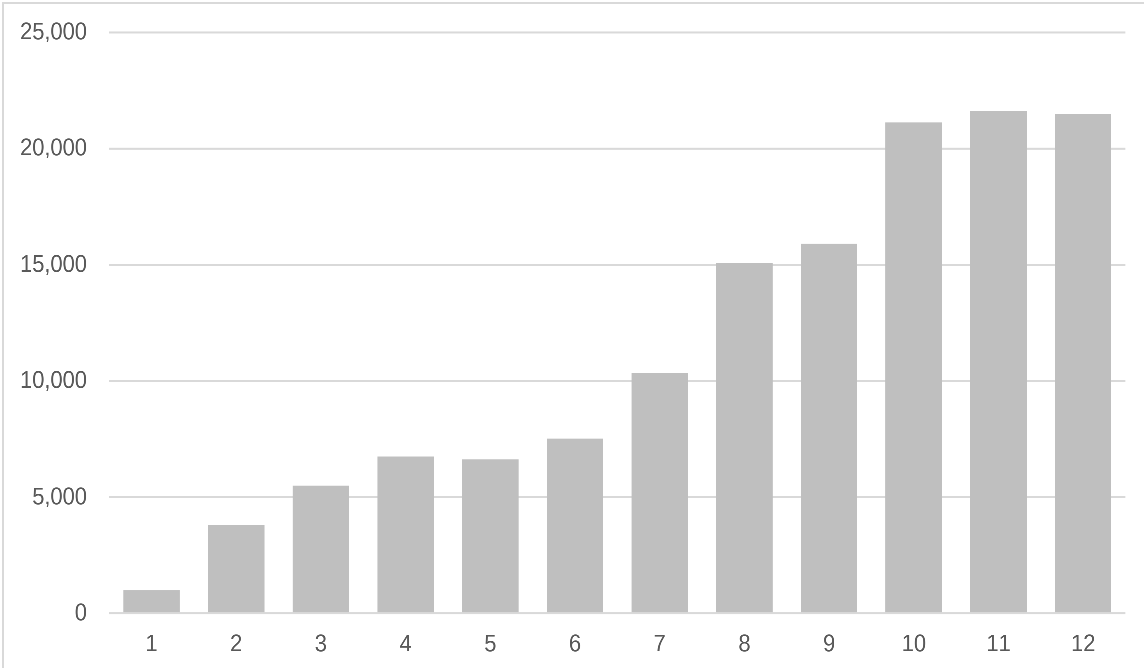
Tonnes milled – GMC



Silver Ounce Production – GMC



Gold Ounce Production – GMC



5.A.15.b Exploration and Development

For 2018, 23,000 metres of core drilling are planned at the GMC of which 14,000 metres are planned for the Guanajuato Mine. The focus of the drilling will be on increasing Mineral Resources in the areas of Cata, Los Pozos, Guanajuatito, San Cayetano, Santa Margarita and Valenciana. At San Ignacio, plans for 2018 include 4,000 metres of surface exploration drilling designed to test the down dip extension of the main productive structures and along the Nombre de Dios structure, and 5,000 metres of underground delineation drilling to upgrade and expand resources in these areas.

For 2018, 11,000 metres of underground development are planned for the GMC, of which 6,000 metres are planned for San Ignacio.

5.B. TOPIA

5.B.1 Topia

Effective February 18, 2004, the Company entered into an option agreement, which granted it the right and option, for a term of one year, to purchase 100% of the ownership rights in and to all the fixed assets, machinery, equipment (including the mill, buildings, offices, houses and quarters for the workers) and Topia Mining Concessions located in the Municipality of Topia, state of Durango, Mexico from Compañía Minera de Canelas y Topia, as optionor, by making cash payments totalling $1.7 million. The Company completed the cash payments on exercise of the option in February 2005. In addition to the payments to the optionor, the Company agreed to assume debt encumbering the property totalling $0.8 million upon signing of the purchase agreement. The debt owing was secured by Topia's assets. The balance of the debt was repayable out of production from concentrate sales as a 10% NSR royalty. After the debt was repaid, there was no further royalty. The remaining debt balance was fully paid and there are no outstanding conditions to retain title to the property.

The Company has mineral rights covering the operating mines and associated properties. The Company has surface rights for the land on which the plant sits and agreements for the properties covering the operating mines and tailings facilities.

5.B.2 Current Technical Report

The information on Topia in this section of the AIF is based on the technical report entitled “NI 43-101 Report on the Topia Mine Mineral Resource Estimates, as of November 30th, 2014” prepared by Robert F. Brown, P.Eng., a “Qualified Person” under NI 43-101, dated July 6, 2015 (in this section, the “Topia Technical Report”). Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The information below is presented in summarized form and reference should be made to the full text of the Topia Technical Report which is available for review on SEDAR located at www.sedar.com.

5.B.3 Project Description, Location and Access

Great Panther holds a 100% interest in Topia through its wholly owned Mexican subsidiary, MMR.

Topia is situated in the Sierra Madre in the state of Durango, Mexico. Ground access is provided via 350 kilometres of paved and gravel road, travelling north from the city of Durango, via Highway 23 to Santiago Papasquiaro, and then west to Topia. Total travel time by road is approximately eight hours. Small aircraft flights from Culiacán and Durango service the town of Topia daily.

The climate is generally dry for most of the year, with a wet season from June to September, during which time 200 millimetres to 500 millimetres of rain may fall. The annual mean temperature is 17°C, but winters can be cool with frosts and light snow, particularly at higher elevations. Exploration and mining work can be conducted year-round.

Topia is situated around the town of Topia, Durango State, Mexico, approximately 235 kilometres northwest of the city of Durango and 100 kilometres northeast of Culiacán, Sinaloa. The property encompasses 53 contiguous concessions that total approximately 6,686 hectares. The Topia mill and office complex is located at approximately 25° 12' 54" N latitude and 106° 34' 20" W longitude.

The Topia area lies within the Sierra Madre Occidental, in a remote region of rugged terrain. Hillsides are quite steep with elevations ranging from 600 masl up to over 2,000 masl.

Vegetation consists of thickly inter-grown bush, comprising mesquite, prickly pear, nopal and agave, giving way to pine and oak forest at higher elevations.

Land use in the area is predominantly mining, forestry and agriculture.

5.B.4 History

Mining in the region predates European colonization and was first reported in the Topia area in 1538. The first mineral concessions were granted at Topia in the early 1600s.

Production from Topia during the period spanning the latter portion of the 19th century until the Mexican Revolution in 1910 was reportedly between $10 million and $20 million. This is estimated to have been the equivalent of between 15 million and 30 million ounces of silver.

Compañía Minera Peñoles SA (“Peñoles”) acquired the mines in the district in 1944 and completed the construction of a flotation plant in 1951. Peñoles operated at Topia from 1951 to 1990 when the operations were sold to Compañía Minera de Canelas y Topia which carried on operations privately until 1999 when the mine was shut down due to low metal prices. Production for the period 1952 to 1999 totalled 17.6 million ounces of silver and 18,500 ounces of gold.

The Company acquired Topia in 2004. During the second half of 2005, Great Panther refurbished and recommissioned the mill and gradually increased the throughput at the plant. At the end of 2005, the mine was put back into production, after having been on care and maintenance for the prior six years. Since 2005, the Company has undertaken the rehabilitation of many of the mines in order to re-access the Argentina, La Dura, Don Benito, El Rosario, San Gregorio, San Miguel, San Jorge, La Prieta, Cantarranas, Animas, Oliva, Las Higueras, San Pablo, Oxi, Oxidada and Recompensa veins and resample parts of the veins as part of a due diligence on sampling carried out by Peñoles. This resampling, combined with the sampling carried out by Peñoles, forms a partial basis for the current Mineral Resource estimate.

Since 2006, underground exploration and production channel samples have been collected by Great Panther from all stopes and development drifts. This work included much new development along the San Gregorio, El Rosario, Cantarranas, Don Benito, Las Higueras, San Pablo, Oxi, Oxidada, La Prieta and Recompensa veins. Exploration diamond drilling programs have targeted the various vein structures.

5.B.5 Geological Setting, Mineralization and Deposit Types

The Topia district lies within the Sierra Madre Occidental ("SMO"), a north-northwest-trending belt of Cenozoic-age rocks extending from the US border southwards to approximately 21°N latitude. The belt measures roughly 1,200 km long by 200 km to 300 km wide. Rocks within the SMO comprise Eocene to Miocene age flows and tuffs of basaltic to rhyolitic composition with related intrusive bodies. The property is underlain by a kilometre-thick package of Cretaceous and Tertiary andesite lavas and pyroclastic rocks which are, in turn, overlain by younger rhyolitic flows and pyroclastics. The volcanic sequence is transected by numerous faults, some of which host the mineralized veins in the district. There are two sets of faults: one striking 320° to 340° and dipping northeast and the other striking 50° to 70° and dipping steeply southeast to vertically. The northeast-trending faults are the principal host structures for precious and base metal mineralization.

The mineral deposits at Topia are adularia-sericite-type, silver-rich, polymetallic epithermal veins. Silver-gold-lead-zinc mineralization is found in fissure-filling veins along sub-parallel faults. Mineralization within the veins consists mainly of massive galena, sphalerite, and tetrahedrite in a gangue of quartz, barite, and calcite. The vein constituents often include adularia and sericite, and the wider fault zones contain significant proportions of clay as both gouge and alteration products.

Ore minerals occur as cavity-filling masses, comprising millimetre-scaled crystals of galena and sphalerite. No definitive metal zoning has been discerned, but the lower parts of the mines are reported to contain higher gold content than at higher elevations.

The veins range in thickness from a few centimetres to three metres. They are very continuous along strike, with the main veins extending more than four kilometres. The Madre vein has been mined for 3.5 kilometres and the Cantarranas vein for 2.4 kilometres. Many of the other veins have been mined intermittently over similar strike lengths. Vertically, the veins grade downward to barren coarse-grained quartz-rich filling and upwards to barren cherty quartz-calcite-barite vein filling. The main host rock is andesite of the Lower Volcanic Series, which is usually competent, making for generally good ground conditions within the mine. In wider sections, with greater clay content and/or zones of structural complexity, ground conditions are less favourable.

5.B.6 Exploration

Exploration work carried out at Topia by Great Panther has comprised diamond drilling, chip sampling, mapping, and underground development. The underground drilling from 2006 to 2014 was focused on short term production and local expansion of the mineralized veins in all mining areas at Topia. Typically, these include interpretation of fault offsets, gaining a better understanding of multiple splays from the primary veins, and a better understanding of grade/width of veins before exploitation.

5.B.7 Drilling

Great Panther has been diamond drilling at Topia since 2004. Drill programs were planned and supervised by personnel employed by the Company, its subsidiaries, and/or contractors. The surface drilling programs conducted from 2004 to 2012 and in 2017 were carried out under contract. Underground drill programs were carried out by Topia drillers. Core logging and collar surveys were carried out by Great Panther personnel. All surface holes are NQ-size, although some surface holes were collared as HQ (6.35 cm diameter) and reduced to NQ. Underground drill holes are A core size.

Logs, sample intervals, and surveys were entered into a Microsoft SQL database using a proprietary logger. The database is managed and validated by Great Panther mine staff, with the assistance of exploration personnel based in Vancouver.

The core logging and sampling is carried out within a fenced compound at the mill site. Access to the core is restricted to Great Panther employees or contractors. The core shack and sampling facility are adequately equipped and reasonably secure. Core recovery in those sections reviewed by the Qualified Person appeared to be good, and the sampling looked to have been done correctly.

5.B.8 Sampling, Analysis and Data Verification

Sampling comprises both diamond drill and channel samples. Drill holes provide a reliable indication of the vein locations but drifting and raising on vein was required to fully evaluate the quantity and grade of the Mineral Resources.

The channel sampling was conducted either across the back or at waist height across the drift face using a hammer and moil. The protocol for sample lengths was that they were to be no longer than two metres. Sample spacing was in the order of 1.5 metres to 2.5 metres in the more densely sampled areas. The veins tend to be very steeply dipping to vertical, and so these samples are reasonably close to representing the true width of the structure.

The channel samples were processed and assayed at the Topia laboratory. Samples were dried, crushed in two stages, riffle split and pulverized. A sample was taken from the pulp and weighed, while the rest was kept in storage. Samples were analyzed for gold and silver by fire assay and gravimetric finish, or for base metals by atomic absorption.

Diamond drill core samples were marked on the core by geologists. Samples did not cross lithological limits and their lengths were constrained to within a minimum of 10cm and a maximum of two metres. Mineralized structures and the material adjacent to them were always sampled. For sets of veins with less than five metres separation, the material between veins was sampled entirely. Samples were taken using a diamond saw to split the core. The samples were prepared at the Topia laboratory.

The total database encompasses three components: diamond drilling, production channel sampling, and the historical development channel sampling completed by the former owner, Peñoles. All three datasets were variably used in the modeling of the various veins and vein splays. Peñoles data in certain mines were minimal.

In the opinion of the Qualified Person at the time, the sampling at Topia was conducted in an appropriate fashion using techniques that are commonly used in the industry. The samples were properly located and oriented and were representative of the mineralization. Assaying is being conducted using conventional methods, in facilities that are properly configured and managed. Performance of the laboratory is being monitored by both internal QA/QC protocols and comparison with an external laboratory.

All phases of the sampling, transport and assaying were carried out under the supervision of Great Panther authorized personnel or authorized contractors. The Topia lab and core handling facility are enclosed within the mill compound, which was constantly supervised and reasonably secure. The sample preparation, analysis, and security procedures at Topia were adequate and consistent with common industry standards.

5.B.9 Mineral Resource Estimates

An updated estimate of Mineral Resources has been completed for Topia with an effective date of November 30, 2014 (refer to the corresponding Topia Technical Report dated July 6, 2015 filed on SEDAR on August 18, 2015).

		Grade			
Classification	**Tonnes**	**Ag (g/t)**	**Au (g/t)**	**Pb (%)**	**Zn (%)**
Measured	180,400	606	1.44	4.26	4.52
Indicated	165,800	644	1.17	4.75	3.82
Total Measured and Indicated and Average Grades	**346,200**	**624**	**1.31**	**4.50**	**4.19**
Inferred	357,400	592	1.31	3.44	3.96

Notes:

1. CIM Definitions were followed for Mineral Resources.
2. Measured and Indicated Mineral Resources are reported at a cut-off Net Smelter Return (NSR) of $180/t
3. Area-Specific Bulk Densities as follows: Argentina – 3.06 t/m3; Don Benito – 3.26 t/m3; Durangueno – 3.12 t/m3; El Rosario – 3.00 t/m3; Hormiguera – 2.56 t/m3; La Prieta – 2.85 t/m3; Recompensa – 3.30 t/m3.
4. NSR cut-offs include 15-22 Mine $167/t; Argentina Mine $197/t; Durangueno Mine $153/t; Recompensa Mine $196/t; Hormiguera Mine $189/t; El Rosario Mine $173/t; and La Prieta $153/t.
5. Totals may not agree due to rounding.
6. A minimum mining width of 0.30 metres was used.
7. Mineral Resources are estimated using metal prices of: $1,200/oz Au, $17.00/oz Ag, $0.90/lb Pb, and $0.95/lb Zn.
8. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

The resources were estimated from seven area-specific block models. A set of 40 wireframes representing the mineralized zones (veins) served to constrain both the block models and data subsequently used in Inverse Distance Cubed (ID3) gold, silver, lead and zinc grade interpolations. Each block residing at least partly within one of the 40 wireframes received a grade estimate.

5.B.10 Mineral Reserve Estimates

There are no Mineral Reserve estimates for Topia.

5.B.11 Mining Operations

Topia consists of several mines, which comprise Argentina, 15-22, San Miguel, 9 North, Animas, Recompensa, Hormiguera, El Rosario, La Prieta and Durangueno.

Mining at Topia generally consists of development along very narrow veins. Mining is selective using jacklegs, however, where possible, mechanized cut and fill is deployed. All mines are accessed via ramps, although internal passes are constructed to access the upper and lower ore zones. Rock integrity at the mines at Topia is considered very favorable, but on rare occasions back support, in the form of rock bolting, and occasionally wire mesh, is required.

Mining is conducted by contractors and inhouse miners sourced from nearby communities and outside cities, and utilizes equipment owned mostly by the Company. Mine contractors and equipment are alternated frequently between the mines to accommodate the variations in production plans.

For the narrower veins at Topia, mining is conducted by conventional cut and fill stoping with resuing to selectively mine the ore separate from the wall rocks to minimize dilution. Drilling is performed with jackleg drills and ore is hand mucked in the stope and dropped down timber crib muck passes which are developed upwards as the stoping advances. Ore is hand sorted at the face so that only the higher-grade ore is removed from the stope. Worker access and ventilation is provided in timber crib man-ways adjacent to the muck passes. The level interval for the stopes is typically 40 m.

The use of ground support in the small tunnels and narrow stopes is infrequent as the small headings require little support.

From the muck passes the ore is pulled via manual chutes, loaded into small rail cars and hand trammed to a stockpile at the portal. At the surface ore stockpile, the ore may again be hand sorted to remove waste material. Ore is then picked up by front end loader and loaded into highway-style 10 ton to 20 ton capacity dump trucks to be hauled to the mill.

Along the Argentina and Don Benito veins, in the Argentina and 15-22 Mines respectively, there are significant areas with vein widths of 0.5 to one metre. In these wider areas, mechanized cut and fill mining is applied with resuing to control ore dilution with waste. Equipment used includes small 2 cubic yard LHDs for development and 1 cubic yard and 0.5 cubic yard LHDs for mucking in the stopes. Development access is provided via decline. Ground support consists of rock bolts and mesh as required.

Sublevels are 40 metres apart in the mechanized cut and fill areas. Waste is generated from material beside the vein which is blasted separately from the ore and then left as fill, or from the development in the mine.

Lifts in the cut and fill stope are taken with horizontal holes (breasting) as the use of uppers drilling (to increase productivity and production) generated a ragged back in the stope and led to problems with ground support.

Ore is hauled from the stopes by LHD and then loaded into a truck for haulage to the mill.

5.B.12 Processing and Recovery Operations

The mill employs conventional crushing, grinding, and flotation to produce lead and zinc sulfide concentrates. The operation normally runs seven days a week, 24 hours per day, with a weekly maintenance shift. The conventional wet tailings handling system was transitioned to dry stack by construction of a filtration facility that commenced operations in 2017.

5.B.13 Infrastructure, Permitting and Compliance Activities

Topia is a relatively small town of approximately 3,500 people. However, a good portion of the population has worked in mining and there is a good local source of labour. The town is serviced by road, chartered air service, power grid, telephone, and a high-speed microwave communication system. There are restaurants, hostels, and medical services; however there are no banks or automated banking machines. Great Panther uses a microwave point-to-point service for telephone and internet, and also maintains fixed telephone lines for redundancy. Water is available from numerous springs, streams and adits.

The surface and underground infrastructure at Topia includes the following:

- Extensive underground workings;
- Multiple adits from surface as well as raises, drifts, cross-cuts, sub-levels and ramps;
- Mine ventilation, dewatering and compressed air facilities;
- Conventional and mechanized underground mining equipment;
- Mine, geology, processing and administrative offices;
- A flotation concentrator with surface ore bins, crushing facilities, grinding mills, flotation cells and concentrate dewatering circuit;
- A tailings filtration and storage facility; and
- Connection to the national grid for the supply of electric power.

There are no known environmental liabilities associated with the mineral claims, other than the previously referenced provision recognized on the Company's Statement of Financial Position for the estimated present value of future reclamation and remediation associated with the future retirement of Topia.

All permits are in place for Topia, the latest being the permit issued by SEMARNAT in December 2017 for use of the Phase II TSF for deposition of filtered tailings. On December 18, 2017, the Company announced that SEMARNAT, the Mexican environmental authority, had granted all permits for the construction and operation of the new Phase II TSF. Construction of the Phase II TSF is currently underway and the Company will continue to utilize the Phase I TSF until completion of the Phase II TSF.

Reviews by the regulatory authorities dating back to 2015, coupled with permitting work undertaken by the Company in connection with the expansion of the Topia TSF, have led to a broader review by PROFEPA (the Mexican environmental compliance authority) and the Company of all the Topia operations' permitting status and environmental compliance, including the historical tailings dating back to the period prior to Great Panther's ownership, and clarification of land titles. Devised as a cooperative management strategy, Topia has been accepted into a voluntary environmental audit program supported by PROFEPA. The audit commenced during the second quarter of 2017 and work on any mitigation measures that may arise from the audit will extend beyond 2017. The Company anticipates that it will be able to address any potential gaps in existing compliance through a mitigation plan; however, the Company cannot provide complete assurance that these reviews will not lead to a future suspension of operations. If the environmental or technical reviews identify any non-compliance of the existing facility, there is no assurance that Mexican regulatory authorities will agree to any mitigation plan proposed by the Company.

5.B.14 Operating Costs

Operating costs at Topia were as follows:

	2017					2016				
	FY	Q4	Q3	Q2	Q1[1]	FY	Q4	Q3	Q2	Q1
Cost per tonne milled	$ 190	$ 194	$ 199	$ 157	nm	$ 143	$ 146	$ 144	$ 136	$ 148
Cash cost	$ 9.53	$ 10.35	$ 10.01	$ 6.15	nm	$ 11.43	$ 10.19	$ 13.25	$ 10.35	$ 12.32
Cash cost per Ag eq oz	$ 13.79	$ 14.82	$ 14.31	$ 10.70	nm	$ 13.62	$ 13.83	$ 15.27	$ 12.59	$ 13.27
AISC	$ 14.98	$ 11.70	$ 10.71	$ 10.78	nm	$ 15.31	$ 18.56	$ 19.52	$ 11.49	$ 13.34
AISC per Ag eq oz	$ 17.01	$ 15.59	$ 14.72	$ 13.58	nm	$ 16.24	$ 19.25	$ 19.54	$ 13.38	$ 13.97

Cost per tonne milled, cash cost, cash costs per Ag eq oz, AISC, and AISC per Ag eq oz are non-GAAP measures. Reconciliations of these measures to the figures presented in the Company's audited financial statements are presented in the "Non-GAAP Measures" section of the Company's Management Discussion and Analysis for the years ended December 31, 2017 and 2016.

5.B.15 Production, Exploration and Development

5.B.15.a Production

The Company has established a LOM estimate for Topia of 8.5 years as at December 31, 2017 for the purposes of depleting the current mineral inventory. This LOM estimate does not take into account any additional resources which may be discovered through recent and future exploration drilling. The Company re-evaluates its LOM estimate on an annual basis. The Company will commence reclamation and remediation at Topia shortly before the end of its mine life and carries a provision of $1.5 million to cover these costs. The provision is based on a closure cost estimate discounted to present value. If no further resources are defined, reclamation and remediation at Topia is anticipated to commence in 2024 and continue through to 2047. However, the timing and amount of reclamation and remediation is subject to future changes in the LOM estimate. For example, the addition of resources through recent and future exploration drilling could extend the LOM estimate.

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[1] Milling operations at Topia were suspended for the duration of the first quarter of 2017. Tonnes milled and metal produced were incidental and related to the testing of plant upgrades. Consequently, cost per tonne milled, cash cost, cash cost per Ag eq oz, AISC and ASIC per Ag eq oz, are not meaningful ("nm") for this period.

During 2016 and 2017, 0.9 million Ag eq oz and 1.1 million Ag eq oz, respectively, were produced at Topia. For 2018, the Company anticipates production at Topia to be at approximately the same level as in 2017.

Production figures – Topia Mine

Year	Tonnage (Tonnes)[1]	Silver (Oz)	Gold (Oz)	Lead (Tonnes)	Zinc (Tonnes)
2006	22,445	208,004	406	627	742
2007	33,605	279,441	643	735	847
2008	35,318	366,199	812	876	1,074
2009	30,045	437,079	403	871	1,057
2010	38,281	515,101	597	1,092	1,358
2011	46,968	535,881	500	941	1,315
2012	56,098	555,710	573	962	1,477
2013	62,063	631,235	651	1,116	1,673
2014	67,387	667,636	555	1,154	1,675
2015	65,387	677,967	614	1,198	1,850
2016	55,836	574,031	612	1,033	1,496
2017	53,745	595,721	999	1,291	1,757
Total	**567,178**	**6,044,005**	**7,365**	**11,897**	**16,321**

5.B.15.b Exploration and Development

At Topia, the Company has not planned for any surface drilling in 2018. Development plans for Topia during 2018 are limited to ongoing underground mine development in the normal course of operations.

1 Includes purchased ore tonnes milled. Excludes custom milled tonnes.

6. ADVANCED-STAGE PROJECTS

6.A. CORICANCHA MINE COMPLEX ("CORICANCHA")

6.A.1 Acquisition of Coricancha Mine Complex

Please refer to "Significant Acquisitions" in section 3 for information on the acquisition of Coricancha during 2017.

6.A.2 Current Technical Report

The information on Coricancha in this section of the AIF is based on the technical report entitled "Resource Update Technical Report on the Coricancha Mine Complex, Huarochirí Province, Lima Region, Perú", dated February 2, 2018. The Mineral Resource update was submitted by Golder Associates Inc. as Report Assembler of the work prepared by or under the supervision of the following "Qualified Persons" named as authors: Ronald Turner, MAusIMM CP(Geo); Daniel Saint Don, P.Eng.; and Jeffrey Woods, P.E. The effective date of the report is December 20, 2017.

6.A.3 Project Description, Location and Access

Coricancha is located in the central Andes of Perú in the District of San Mateo, Huarochirí Province, Department of Lima. The project has been on care and maintenance since August 2013.

The mill and main site office are located adjacent to the Central Highway, 90km east of the city of Lima, next to the Rímac River in an area known as Tamboraque, and adjacent to the confluence of the Rímac River and its tributary, the Aruri River. The plant is located at 3,000 masl, and the mine is located between 3,140 masl and 3,980 masl.

The project includes 127 mining concessions, 1 mining transport concession, and 1 processing concession. All mining concessions are for metallic substances.

By agreement entered into with Biomin Technologies SA ("Biomin", now owned by Outotec) dated February 5, 1995, Coricancha was granted the right to use BIOX® technology. There are no other agreements or encumbrances known that would affect the current project.

A 1% NSR royalty in favour of Global Resource Fund is payable on production from most of the mining licences, and a royalty of $1/ounce exists for gold processed using BIOX® technology.

Legacy Tailings are stored at Cancha 1 and 2[1] at the Coricancha site – Tamboraque), and at Chinchan Tailings Storage – Phase I.

The property is subject to the following environmental liabilities:

- Coricancha has an approved mining closure plan for mining and processing components, including tailings storage areas Cancha 1 and 2. The closure plan was updated three times to (i) include Chinchan Tailing Storages Phase I and II, (ii) modify the tailings removal of Cancha 1 and 2 and transfer to Chinchan Tailings Storage, and (iii) modify the waste rock dump closure schedule. Coricancha, in the third Closure Plan Amendment (2014), has assumed a total commitment of $10.9 million of closure warranty on behalf of the Ministry of Mines and Energy. A process is underway to modify the closure plan as it relates to the handling of some of the remaining tailings. Of this $10.9 million commitment, the previous owner (Nyrstar) has funded $9.7 million while the Company has funded the remaining $1.2 million.
- Coricancha has declared 14 surface waste rock storage sites in its 2010 mining closure plan. Five of them have been reported to have potential economic value and will be assessed as part of future studies to determine if the material will be processed at Coricancha. In addition, there are nine waste dumps that do not have potential for economic value. Nevertheless, the 1996 EIA declared

[1] Cancha 1 and 2 may also have been referred to as Deposito 1 and 2 in past disclosures regarding Coricancha by other owners.

that all waste rock from mine activities would be stored in the underground mine upon final closure. The Company is reviewing alternate solutions to address this issue.
- Other closure liabilities including the plant, roads, infrastructure, legacy waste dumps and tailings storage, mine openings, and mine water management exist. Some of these require further definition and permitting updates.

The estimated present value of reclamation and remediation costs associated with the future retirement of Coricancha is recognized as a provision on the Company's Statement of Financial Position. This value comprises the provision associated with the mine, the plant, and tailings storage facilities of Coricancha.

A number of permits are in place. The following permits would be necessary if the Company decides to advance Coricancha into production:

- The Chinchan Tailing Storage areas have limited capacity. The Company must develop a balance between the actual allowed and available capacity of Chinchan North and South Tailing Storages and the amount of tailings that must be transferred from Cancha 1 and 2, including any future tailings generated from future mining/processing.
- Any exploration activities require an Environmental Certificate ("EC"). The Company can request a Declaracion Impacto Ambiental ("DIA") or Estudio Impacto Ambiental semi detailed ("EIA-sd") depending on the extent of work and the potential environmental impact. A DIA could be approved in seven working days, if the permits are for 20 sites or less and if no archeological site is encountered, while an EIA-sd can take an additional 55 working days.
- A future mining plan would likely require new waste dump facilities, which themselves would need to be permitted some time during the life of the operations. These details are presently under study.

6.A.4 History

Coricancha is part of the Viso-Aruri mining district located in the San Mateo District, Department of Lima, Province of Huarochirí, in the central Andes of Peru. Coricancha has been exploited almost continuously since the colonial times. The historical Coricancha mine production for the 60 years prior to 1996 is reported to have ranged from 2,600 to 5,000 tpm.

In late 1995, Coricancha underwent a considerable expansion of operations from 200 tpd to 600 tpd and the installation of a modern BIOX® plant. After completion of the expansion in 1997, the reported monthly production increased slightly over historic levels, but was not sustainable. The mine was shut down in September 2000 as the owner of Coricancha for the past 45 years, Minera Lizandro Proaño, was forced into bankruptcy due to low metal prices, labour shortages, and operational difficulties in the mine and concentrator.

At the beginning of 2001, Wiese Sudameris Leasing SA, a Peruvian bank which was the major secured creditor, took control of the assets and properties from the bankrupt Minera Lizandro Proaño. Later that year, it entered into an agreement with Peruvian contractor Larizbeascoa & Zapata SAC, to redesign the Coricancha operation.

After the mine reopened in 2002, the monthly production tonnage increased dramatically to 12,500 tpm. The monthly production then decreased to just over 8,000 tpm during the seven months of operation before being shut down in October 2002 by the government due to environmental issues associated with the Mayoc tailings storage facility. In November 2002, the Coricancha mine and mill were shut down and put on care and maintenance. A water treatment plant to neutralize the mine water has been in continuous operation.

Gold Hawk Resources Inc. ("Gold Hawk") acquired Coricancha in early 2007 and commenced development work, then restarted operations in June of 2007 at a production rate of 600 tpd until operations were suspended again in May of 2008 due to ground movement observed on the natural hillside above the nearby TSF.

Nyrstar acquired Coricancha in November 2009, and recommenced operations in late 2010 following construction of a new TSF at the Chinchan location and the addition of a copper circuit. Operations at the mill were temporarily reduced to 30% of capacity in the first half of 2011, due to an increased moisture level and compaction problem at the newly commissioned Chinchan TSF resulting from heavy rainfall. During

2012, milling operations temporarily ceased due to concerns about the storage and planned movement of legacy tailings to the new Chinchan facility. At the end of 2012, as part of cost cutting measures, Nyrstar ceased mining ore from Coricancha's underground deposits and focused on treating historical tailings before moving the waste material to the tailings pond. In August 2013, operations were halted due to the sustained lower precious metal prices, and Coricancha was placed on care and maintenance.

Exploration by the previous owners was very limited and focused on underground drifting and raising on vein structures. A limited, short-hole diamond drilling program was conducted in 2002.

The first formal documented exploration program was conducted by Nyrstar in 2010 and consisted of field mapping, ground magnetic and induced polarization surveys and diamond drilling.

There have been seven independent Mineral Resource and Mineral Reserve estimates prepared for the Coricancha property since 1995. Previous resource estimates (2007, 2009, 2011, and 2013) were prepared using industry standard best practices for exploration and Mineral Resource estimation (i.e., CIM 2003 and CIM 2014) and reported in accordance with internationally recognized guidelines for disclosure of Mineral Resources and Mineral Reserves (i.e. NI 43-101, or JORC). All previous estimates are considered as historical.

6.A.5 Geological Setting, Mineralization and Deposit Types

The regional geology of the Viso-Aruri mining district comprises a package of andesitic volcanic rocks and local basal sedimentary units intruded by monzonite stocks. The Jumasha Formation is found at the base of the Viso-Aruri volcanic sequence and is characterized by tightly folded beds of grey limestone. The limestone outcrops in the Rímac River valley, near the town of San Miguel de Viso.

The approximately 1,500 m thick Rímac Formation overlies the Jumasha limestones and consists of Tertiary-age andesitic volcanics, characterized by alternating layers of massive and porphyritic, grey to greenish-grey-purple andesite. The volcanic beds are approximately 10 m to 40 m thick and are roughly sub-horizontal, dipping slightly to the SW at 15°.

There are two occurrences of intrusive rocks in the area which are thought to have been the source of the polymetallic mineralization, although this has not been confirmed. The first is a small, altered, intrusive stock that has been mapped near the village of Viso on the south side of the mountain (Coricancha is on the north side). The other occurrence consists of the NE-NNE trending, sub-vertical intrusive dikes cutting the volcanic rocks.

The area has been exposed to tremendous structural compression, which has produced a strong regional scale fracturing pattern and allowed the emplacement of the polymetallic mineralization within quartz (Qtz) sulphide veins as fracture filling. Some of the identified features include the NW-SE Pariachaca-Matucana fault, the NS and NNE trending San Pablo and Huamuyo faults, and the NNE-SSE mineralized fracture zones.

The Coricancha property is almost entirely underlain by the Rímac Formation andesitic volcanics. The base of the sequence consists of brecciated volcanics overlain by andesitic flows, agglomerate and tuff towards the top of the Cerro Huamanjune at approximately 4,500 masl elevation.

Mineralization at Coricancha is that of an anastomosing polymetallic quartz vein system where most of the secondary and tertiary veins branch off either from the main vein or the secondary veins, respectively. The overall system trends towards the NE at approximately 15°, and the veins are primarily sub-vertical to steeply NW dipping. It is thought that the anastomosed vein system is part of a larger tectonic shear zone with associated secondary and tertiary tensional veins.

The three main veins on the Coricancha property include the Wellington, Constancia, and Animas veins. These veins define three structurally dislocated blocks from which a series of secondary and tertiary tensional veins split off. The veins are extensive and are known to extend over 4 km along strike and more than 1.5 km down dip.

Typically, the veins show Qtz-clay-pyrite argillic alteration, which extends up to 2.0 m into the footwall and hanging wall of the veins. The alteration does not contain any significant economic mineralization of note.

Coricancha is a polymetallic hydrothermal, brittle low sulphidation deposit hosted in the andesitic rocks of the Rímac Formation. The veins exhibit pinch-swell type behavior typical of hydrothermal systems found within compressional and extensional structural environments. Vein widths reach upwards of 2.0 m, with a mean width of approximately 0.6 m. The veins are known to split into two or more branches separated by waste rock materials.

The mineralization observed at Coricancha typically comprises the following: Pyrite (iron sulphide); Sphalerite (Zn sulphide); Galena (Pb sulphide); Chalcopyrite (Cu-Fe sulphide); Arsenopyrite (Fe-arsenic sulphide); Tennatite (Cu-As sulfosalt); Tetrahedrite (Cu-Fe-Zn-Ag antimony sulfosalt); Native Au; Native Ag; and Quartz.

6.A.6 Exploration

Prior to Nyrstar's acquisition of Coricancha, exploration was primarily conducted by mining of veins, horizontal tunnels and vertical raises, but no systematic formal exploration activities were completed. The first formal documented exploration program was conducted by Nyrstar in 2010 and consisted of field mapping, ground magnetic and induced polarization (IP) surveys and diamond drilling.

6.A.7 Drilling

Prior to 2010 and Nyrstar's acquisition of Coricancha, no systematic drilling was performed on-site. However, some historical drilling was completed, primarily as short holes. Unfortunately, limited or no records exist related to this drilling. None of the pre-2010 drilling has been included in the geological database or geological model due to the lack of information and inability to confirm this data.

Since 2010, several drilling programs have been completed with the primary focus of verifying the lateral and depth continuity of the main veins including, Wellington, Constancia, Animas and Colquipallana. Nyrstar conducted three independent drilling campaigns in 2010, 2011 and 2013. Drilling programs were also completed in 2015 and 2016 in conjunction with Great Panther. From 2010 to 2016, a total of 83 diamond drill holes, totaling 28,197 m of NQ sized core (47.6 millimetre core diameter) have been drilled within the Coricancha property boundaries. Drill holes were either drilled from surface or underground depending on the target and accessibility.

The results of the drilling programs at Coricancha verify the continuity of the vein system, both laterally and at-depth. The mineralization is shown to extend beyond the previously known limits and has opened up the targets both along strike and at depth.

6.A.8 Sampling, Analysis and Data Verification

The Coricancha core facility is a secure (gated and guarded) facility, with staff and security onsite. The core logging area was arranged to provide areas for logging, core splitting and sampling. Core is stored on covered core racks whilst awaiting logging and sampling; once sampled, the remaining unsampled core was carefully reorganized in the core box and the lids were returned to the boxes before they were transported to the secure core storage facility.

Drill core sampling is conducted in such a manner to ensure that all mineralized intervals are captured and sent to the lab for analysis. Sample intervals are defined such that they do not cross lithological boundaries, with a minimum sample length of 0.35 m and a maximum sample length of 1.5 m.

Core cutting and sample packaging was performed by the Company's core technicians under the supervision of its geologists. The sealed plastic sample bags were placed in large neoprene rice bags, sealed using zip ties, and labelled clearly to identify the final shipping destination. The full rice bags were stored in a secured and closed room within the core logging facility until a shipment batch was ready for transport. Only designated personnel have access to the storage room. Only employees of the geology area are involved with the sample preparation and sample delivery at the laboratory.

Nyrstar and Great Panther implemented a comprehensive analytical QA/QC program for the drilling and sampling programs, which included the insertion of blind certified reference material (CRM) standards, duplicates and blanks to evaluate analytical precision, accuracy and potential contamination during the sample preparation and analytical process.

Underground chip samples (channel) are collected for grade control and for Mineral Resource estimation purposes. The sample length is defined according to the lithological breaks and vein continuity. Samples are collected from a 5 centimetre (cm) deep by 20 cm wide channel cut perpendicular to the vein direction. The material is typically chipped out of the channel in small fragments and collected into a maximum 2 kilogram (kg) sample. To ensure representative grade continuity, samples are collected at a distance interval of every 10 m along the target vein.

Each 2 kg sample is sealed in a plastic sample bag with a sample tag and the number recorded in indelible ink on the outside of the bag. Sample bags are placed in rice bags and sealed with zip ties. QA/QC samples were inserted at prescribed intervals into the sample sequence and included with the sample shipment.

For both core and channel samples, a sample shipment form is prepared for each sample batch prior to shipping to SGS, detailing the included sample numbers per batch. At the laboratory, the sample list is verified against the received samples to confirm the shipment.

During the 2010 and 2011 drilling programs, Nyrstar sent samples to ALS and to SGS del Perú SA (SGS) in Callao (Lima). As of 2013, all samples were sent to the SGS laboratory in Lima. The SGS laboratory is internationally accredited to ISO/IEC 17025 standard.

The data from drilling, logging and surface/underground sampling programs were reviewed and interpreted independently by Great Panther's senior geologist and by the Golder Qualified Person. Drill hole lithology and assay data was used to confirm the target intercepts and to reconcile against the surface and underground sampling.

It is the Qualified Person's opinion that the Nyrstar and Great Panther drilling, core logging and sampling programs were carried out according to appropriate professional methodologies and procedures, including those presented in the CIM Exploration Best Practice Guidelines (August 2000 edition).

6.A.9 Mineral Resource and Mineral Reserve Estimates

The Mineral Resource Estimate for Coricancha has an effective date of December 20, 2017.

Measured								
Mine	Tonnes	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag eq g/t	Aq eq oz (million)
Constancia	270,336	6.2	219	2.36	3.44	0.43	1,064	9.24
Wellington	92,328	6.1	184	1.69	3.95	0.51	1,028	3.05
Escondida	15,362	0.9	279	0.28	1.35	3.20	832	0.41
Constancia East	16,315	6.0	143	1.97	2.16	0.11	836	0.44
San Jose	6,922	5.8	212	4.49	2.94	0.30	1,078	0.24
Colquipallana	2,944	3.4	220	3.67	5.26	0.21	995	0.09
Total Measured	404,205	5.9	210	2.16	3.43	0.54	1,037	13.49

Indicated								
Mine	Tonnes	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag eq g/t	Aq eq oz (million)
Constancia	218,545	6.0	188	2.09	3.08	0.34	968	6.80
Wellington	77,080	6.0	186	1.68	3.66	0.52	1,004	2.49
Escondida	21,406	1.0	238	0.24	1.08	2.84	733	0.50
Constancia East	18,636	5.8	137	1.93	1.95	0.11	798	0.48
San Jose	7,673	5.7	217	4.76	2.93	0.30	1,084	0.27
Colquipallana	5,215	3.4	207	3.31	5.14	0.19	953	0.16
Total Indicated	348,554	5.6	189	1.95	3.05	0.52	955	10.71

Inferred								
Mine	Tonnes	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag eq g/t	Aq eq oz (million)
Constancia	532,422	5.3	215	1.71	3.29	0.40	950	16.25
Wellington	238,811	5.4	219	1.06	3.95	0.78	1,014	7.78
Escondida	96,926	2.2	208	0.26	2.24	1.90	751	2.34
Constancia East	49,234	5.7	125	1.66	1.57	0.21	760	1.20
San Jose	14,174	5.7	213	4.34	2.78	0.28	1,049	0.48
Colquipallana	11,592	3.7	117	2.98	3.15	0.15	743	0.28
Total Inferred	943,160	5.0	209	1.45	3.25	0.64	934	28.36

Notes:

1. Cut-offs are based on an estimated \$140 Net Smelter Return (NSR) \$/tonne.
2. Metal prices used to calculate NSR: \$1,300 per ounce (oz) Au, \$17.00/oz Ag, \$1.15 per pound (lb) Pb, \$1.50/lb Zn, \$3.00/lb Cu
3. Block model grades converted to United States Dollar (US\$) value using plant recoveries of 92.1% Ag, 80.2% Au, 77.3% Pb, 82.6% Zn, 52.7% Cu.
4. Rock Density for Constancia: 3.3 tonnes per cubic metre (t/m³), Wellington, Constancia East, Escondida, San Jose: 3.2 t/m³, Colquipallana: 2.9 t/m³.
5. Totals may not agree due to rounding.
6. Grades in metric units.
7. All currencies US dollars.
8. Ag equivalent ounces (eq oz) million (M) is calculated from gpt data
9. AgEq g/t = Ag g/t + (Pb grade x ((Pb price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) +(Zn grade x ((Zn price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Cu grade x ((Cu price per lb/Ag price per oz) x 0.0685714 lbs per Troy Ounce x 10000 g per %)) + (Au grade x (Au price per oz/Ag price per oz)).

The Mineral Resource Estimate was completed using MicroMine 3D geological software, and the inverse distance cubed estimation technique was utilized in the estimation of grade to each of the blocks in the block models.

The Company's QA/QC program includes the regular insertion of blanks, duplicates, and standards into the sample shipments; diligent monitoring of assay results; and necessary remedial actions. Sample assaying was completed at the independent SGS-Lima lab in Lima, Peru. The gold was analyzed by fusion with 30 g fire assay and atomic absorption spectroscopy (AAS) finish, with the resulting values reported in parts per million (code FAA313). The remaining 52 elements were analyzed by mass spectrometry of inductively coupled plasma (ICPMS) and the resulting values were reported in parts per million (code IMC12B). Any gold results that exceeded the limit of detection were re-analyzed by fire assay with a gravimetric finish (code FAG303). Any silver results that exceeded the limit of detection (>10g/t) were re-analyzed by fire assay with a gravimetric finish (code FAG313). Any other metals that exceeded the limit of detection were re-analyzed by ICP-AAS (code AAS11B).

6.A.10 Mining Operations

Historical mining methods at Coricancha include cut and fill, shrinkage stoping and variations of resue mining techniques. The latter method is highly selective and applied to maximize grade and minimize dilution in narrow vein mines. Mining methods will be the subject of future studies and will consider similar narrow vein methods of extraction.

6.A.11 Processing and Recovery Operations

The current mineral processing flow sheet at Coricancha includes base metal sulfide flotation for the production of Pb, Zn and Cu concentrates. Also, differential flotation is used to separate the Au bearing arsenopyrite (AsPy) from pyrite (Py) with subsequent processing by BIOX® and carbon-in-leach (CIL) cyanidation for the recovery of Au and Ag. The most recent series of metallurgical test work was completed in 2009 by SGS Lakefield. The goal of the testing program was to optimize the process flow sheet, grind size and reagent scheme. Implementation of the SGS recommendations was completed before restarting plant operations in 2010. Operating data show that the changes were successful in improving the metal recovery, improving base metal concentrate grades and increasing Au production.

Review of the most recent Coricancha operating data indicate that the metallurgical performance of the processing plant is very stable with metal recoveries and concentrate grades being very consistent. Owing to the presence of AsPy, arsenic (As) is present as a deleterious element in most of the flotation products.

The front end of the plant is a base metal polymetallic sulfide concentrator producing Pb, Cu, and Zn concentrates. The process plant was expanded to include production of an AsPy concentrate, which is treated via BIOX® to recover refractory Au via CIL technology. The original plant was designed and commissioned in 1999 to process 600 tonnes per day (tpd) of ore primarily from the Wellington and Constancia Veins. Operations have been intermittent since then and are currently under care and maintenance status. There are no major modifications or additions required to put the plant back into production.

The final tailings consist of the AsPy/Py flotation tailings, Py concentrate, neutralized BIOX® liquor sludge, CIL residue, and mine dewatering neutralization sludge. These are thickened using the tailings thickeners with the addition of flocculant before final dewatering in the tailings plate and frame filters. The tailings filter cake is shipped to the Chinchan TSF.

6.A.12 Infrastructure, Permitting and Compliance Activities

Coricancha is located next to the Central Highway, 90 km east of the city of Lima, adjacent to the Rímac River in an area known as Tamboraque. The mine area is situated near the confluence of the Rímac River and its tributary, the Aruri River. The project infrastructure covers the area of the mining concessions and has the following facilities:

- Crushing and grinding plant.
- Flotation and bio-oxidation plant.
- Access road to the mine.
- Historical TSF.
- Electrical power supply for the plant and mine along with power systems including transformers and electrical distribution cables from historical mining activities.
- Water and compressed air reticulation systems that are generally intact.
- Utility water is available for the mine and plant.
- Communications Systems (internet based).
- Mine Rail Haulage System.
- Camp and kitchen facilities for staff and hourly personnel are located near the mine office complex at a location named Huamuyo. The process plant/main office complex has staff housing and meal facilities located on the hillside just above the main office complex.
- Medical Facilities/Mine Rescue Team – A medical clinic is located in the town of San Mateo, 5 km from the main office/process plant. A hospital is located in Matucana, about 17 km from the mine's main office. First aid rooms are located at the mine office and at the main office/process plant. Mine rescue equipment is on site at the mine office.

Future plans will consider the use of the existing facilities as well as the need for additional infrastructure.

Coricancha has environmental permits and operation licenses such as an environmental impact assessment ("EIA"), water supply licenses, mining effluents discharge authorization, certificate of inexistence of archaeological remains, and operation and concession licenses.

A recent environmental monitoring review identified some deficiencies which are being addressed.

Cancha 1 and 2 Tailings storage area represent the most important environmental and social risk for Coricancha. This is due to their location (130 m from Rímac River and 50 m above) and the fact that the Rímac River is Lima's water source. To manage that risk, following ground instability in 2008 above the tailings site, the Ministry of Energy and Mines ("MEM") ordered the tailings removed and transferred from

Cancha 1 and 2 to Chinchan Tailings Storage (Phase I and II). To date, the Company has removed a significant portion of the tailings. The Company is seeking approval of a modification to the remediation plan from MEM in accordance with the recommendations of an independent consultant to leave the remainder of the tailings in place to preserve the stability of the hillside. The Company has requested a change of the scheduling of the reclamation work, pending a decision from MEM regarding the proposal to modify the approved remediation plan. Concurrently, the Company has undertaken various legal measures to protect itself from any pending or future fines, penalties, regulatory action or charges from government authorities which may be initiated as a result of the change in timing of the reclamation under the approved plan. The Company believes this matter can be resolved favorably but cannot provide any assurance. If it is not resolved favorably, it may result in fines and impact the Company's stated plans and objectives for Coricancha.

Other historical tailings storage locations in the area include Triana (which is approximately 5 m above the Rímac River) and Mayoc (which is approximately 1.3 km from Coricancha). The Triana site has been closed and is guarded with a new upgraded concrete retaining wall, and the deposit itself may require resurfacing work in the future. Mayoc tailings were removed from the area and the site is currently under rehabilitation and remediation.

The location of tailings in the vicinity of the primary waterways and water sources, the regional seismic and atmospheric conditions, and the related past environmental, legal, and social issues, combine to form the most significant risk to the project and its future development, and which is continually under review for assessment and control.

7. PRIMARY EXPLORATION PROPERTIES

The Company has two primary exploration projects in Mexico, El Horcón and Santa Rosa. Given the proximity to the GMC, mineralization from both these projects could conceptually be trucked to and processed at the Cata processing plant. Considering that El Horcón and Santa Rosa could in future form part of the GMC operations, the information for these properties (as disclosed in this section of the AIF) is contained in the GMC Technical Report entitled "NI 43-101 Technical Report on the Guanajuato Mine Complex Claims and Mineral Resource Estimations for the Guanajuato Mine, San Ignacio Mine, and El Horcón and Santa Rosa Projects", dated February 25, 2017. The effective date of the information related to the El Horcón and Santa Rosa Projects in that Technical Report is August 31, 2016.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The information below is presented in summarized form and reference should be made to the full text of the GMC Technical Report which is available for review under the Company's profile on SEDAR located at www.sedar.com.

Where applicable, discrete information for each of the properties has been disclosed below:

Both primary exploration projects are located in central Mexico. Central Mexico has a dry climate with an annual precipitation of about 600 millimetres per year generally falling between June and October. The annual mean temperature is 25°C, but winters can be cool with lows approaching 0°C. Exploration and mining work can be conducted year-round, uninterrupted by weather.

The terrain on which the El Horcón and Santa Rosa properties are located is moderately rugged, with elevations on the mineral claims ranging from 1,600 masl to 2,400 masl. Hillsides are deeply incised by drainage and slopes are moderately to extremely steep.

Vegetation consists of grasses, small trees, shrubs, and cacti. Larger trees grow in the valley bottoms where there is more water.

7.A.1 El Horcón Project

Property Description and Location

The El Horcón Project is situated north of the city of Leon (Guanajuato State), in the state of Jalisco, Mexico, approximately 470 km northwest of Mexico City. The claim group is located at approximately 21° 22' N latitude and 101° 45' W longitude (NAD 27 UTM 220,000 m E & 2,365,000 m N). The 17 claims expire between 2051 and 2056. There are no known environmental liabilities associated with the mineral claims.

On December 6, 2017, the Company filed an application to reduce the land holdings in the area; specifically to cancel the Horcón 4 Fraccion 1 concession. After dropping the Horcón 4 Fraccion 1 concession, the Company retains 15 contiguous claims and one isolated claim, totalling 3,520.72 hectares. The official resolution related to this application is pending.

The principal metals of interest are gold, silver, lead, and zinc. Mineralization occurs along structures, the largest of which is the Veta Madre with a strike length of 5 km.

History

The earliest known exploitation of veins on the El Horcón Project area was conducted by the Jesuits, during the Spanish reign, from the late 1500's to their expulsion from Mexico in 1767. No production records are available, and various shallow southwest dipping veins were mined all to the immediate northeast of Great Panther's drilling. Minor amounts of exploitation have been conducted, both by drifting along the veins and by stoping, on the Diamantillo and San Guillermo veins (including but not limited to the El Horcón, La Luz and Diamantillo underground access tunnels).

In 1932, a mining engineer Charles E. Pouliot, completed a mining study and evaluation of pillars, fill and remaining portions of the Diamantillo, San Guillermo and veins exploited by the Jesuits. It is not known if exploitation ensued. During the latter part of the 20th century, several bulk samples were shipped to various mills for metallurgical evaluation of the sulfide rich veins.

A number of academic geological studies were completed in the late 20th century by the Mexican Geological Survey. In 2004 and 2005, Mauricio Hochschild Mexico ("MHM") conducted significant geological, structural, and geochemical studies on the veins of the Comanja area, followed by drilling of 12 core holes totalling 3,570 m. In 2008 and 2009, Exmin Resources Inc. ("Exmin") conducted further geological and geochemical studies, including underground mapping and sampling, and core drilling (5 holes totaling 1,052 m) in an effort to move the project to exploitation, without success.

The Company purchased 100% of the El Horcón Project in 2012, which included most of the exploited veins mentioned above, except for certain internal claims covering portions of the veins.

Geological Setting and Mineralization

The El Horcón Project area is underlain by Mesozoic marine sediments and predominantly mafic submarine lava flows, of the La Luz and Esperanza Formations; these are weakly metamorphosed and intensely deformed. This basal sequence is cut by a variety of intrusive bodies ranging in composition from pyroxenite to granite with tonalitic and dioritic intrusive being the most volumetrically significant.

Cenozoic volcanic and volcanogenic sediments unconformably overlie the Mesozoic basement rocks. In the area, the oldest Cenozoic unit is the Paleocene Comanja granite. This was followed by the Eocene extrusion of andesite which was sporadically deposited and contemporaneous with the deposition of the Guanajuato conglomerate in localized grabens. The Guanajuato conglomerate underlies an unconformity beneath a sequence of felsic to mafic volcanic rocks that consists of Oligocene ignimbrites, lava flows and domes.

Within the El Horcón Project area quartz-dominated veins follow fractures and faults and are hosted within the Comanja granite, as well as the surrounding Mesozoic meta-volcanic and meta-sedimentary rocks.

The vein system at El Horcón is a quartz-chalcedony-dominated, structurally-controlled, epithermal system hosted by Paleocene Comanja granitic rocks and Mesozoic low-grade metamorphic metasedimentary / metavolcanic basement and consists of three principal vein sets that formed in faults and extension fractures.

- NW-striking, SW-dipping veins with dips generally ranging from 45°-70°+,
- NW-striking, SW-dipping low-dip veins (20°-30°), and
- NE-striking generally steep transverse veins.

Gangue minerals associated with the quartz veining include minor fluorite, hematite, chlorite, calcite, and pyrite, while minerals of economic interest include galena (lead), sphalerite (zinc), and minor chalcopyrite (copper). Petrographic work by MHM indicates that silver is present as acanthite. This undated (likely 2005) MHM report (un-acknowledged author) also indicated four stages of Phase 1, and three stages of Phase 2 vein mineralization. Phase 1 includes base metal and precious metal introduction into the vein structures (gold minerals unknown), while Phase 2 stages include calcite and further barren quartz. Beside silicified cataclastic quartz breccia (sealed fault structures), the quartz-chalcedony shows typical epithermal coliform textures.

The primary vein structures on the El Horcón Project include the Diamantillo, San Guillermo, El Ratones, Madre, Crucero, Del Alto, and Alaska veins. Based upon assay results from the channel samples across the surface expressions of these veins, vein widths, and underground exposures by Exmin, MHM, and the Company, it was decided to focus the initial core drill-hole program on the Diamantillo and San Guillermo veins. The narrow Natividad and Diamantillo HW veins were found both from drill site preparation and core drilling. The veins extend in a NW-SE orientation for approximately 7 km in strike and across approximately 2.5 km in width.

Exploration

Exploration work conducted by the Company has consisted of an initial thorough re-evaluation of the project by geological mapping, vein re-sampling both on surface and of all accessible underground openings in 2012-2013 (1,623 samples), followed by a surface core diamond drilling program of 24 drill holes totalling 2,160 metres (1,177 samples). In 2017, a mapping and sampling surface campaign was competed (185 samples). The mapping is intended to define alteration and geochemical anomalies along such contact.

Drilling

Diamond drilling at El Horcón was conducted by the Company's exploration staff. The exploration drilling was conducted on 50-100 m spaced sections, with one to three holes drilled per section, as well as at approximately 50 m spacing vertically between holes. The Company's 2013 drilling was focused from surface to approximately 100 m below surface along a strike length of 650 metres.

The Company's Phase 1 drill-holes completed from mid-April to mid-June 2013 are prefixed by EH13 and include holes 1-24. Only the relevant MHM drilling was used in the Mineral Resource estimation (no records for the Exmin drilling). The drill contractor for the Company was G4 Drilling based in Hermosillo, Sonora.

The management, monitoring, surveying, and logging of the 2013 series "EH13" prefix exploration holes was carried out under the supervision of the Company's exploration geological staff.

Procedures related to sample and geological data integrity are consistent with those described for the Guanajuato Mine.

Sample Preparation, Analyses and Security

The drill core samples were prepared by technicians working under the direction of the Exploration Department geologists. The exploration diamond drill core is of HQ diameter.

All of the analytical work was completed by the SGS GTO laboratory and the quality control measures and data verification procedures are consistent with those described for the Guanajuato Mine.

Mineral Resource Estimates

Mineral Resources were estimated from four area-specific block models. A set of wireframes representing the mineralized zones served to constrain both the block models and data subsequently used in Inverse Distance Cubed (ID3) Au, Ag, Pb, and Zn grade interpolation. The effective date of the estimate is August 31, 2016.

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other factors that could materially affect the Mineral Resource estimates detailed in this report.

Vein	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Au (oz)	Pb (%)	Zn (%)	Ag eq (g/t)	Ag eq (oz)
Diamantillo	109,649	89	313,468	3.04	10,705	3.11	4.62	398	1,403,358
Diamantillo HW	4,781	54	8,269	4.59	706	2.65	0.47	459	70,518
Natividad	6,038	136	26,347	3.03	587	1.74	0.13	403	78,139
San Guillermo	41,672	37	50,011	4.44	5,943	1.75	2.53	404	540,899
Total Inferred	**162,140**	**76**	**398,094**	**3.44**	**17,942**	**2.69**	**3.79**	**401**	**2,092,913**

Notes:

1. $110/tonne NSR Cut-off.
2. Silver equivalent was calculated using a 70 to 1 ratio of silver to gold value.

3. Rock Density for all veins for Diamantillo is 2.77 t/m³, San Guillermo 2.78 t/m³, Diamantillo HW is 2.62 t/m³, Natividad 2.57 t/m³.
4. Totals may not agree due to rounding.
5. Grades in metric units.
6. Contained silver and gold in troy ounces.
7. Minimum true width 1.5 m.
8. Metal Prices: $18.00/oz silver, $1,300/oz gold and $0.80/lb lead.
9. Ag eq (g/t) and Ag eq (oz) use only Au, Ag and Pb values.

Mineral Reserve Estimates

There is no Mineral Reserve estimate for the El Horcón Project.

Mining Operations

The mining method considered when estimating the Mineral Resource is standard cut and fill with waste provided by the development.

Infrastructure, Permitting and Compliance Activities

The El Horcón Project is situated along the eastern side of the Sierra Guanajuato mountain range and is accessible via a rough access road 10 km north of Comanja, Jalisco. Comanja is a small village and has a population of approximately 500 people and is located within 40 km, by road, of an international airport at León, Mexico.

In 2017, the Environmental Assessment Manifest and Change of Land Use applications were approved by SEMARNAT. These authorizations allow the future exploration and exploitation on the property.

Exploration and Development

During July and August of 2016, a program of detailed surface geological mapping (1:500 scale) was continued, along with rock sampling of prospective veins approximately one kilometre southeast along the trends of the Diamantillo / Madre veins. Vein swarms and stockwork were noted with generally weakly anomalous gold, silver, lead, zinc and copper values.

During 2017 work included finalizing the details on the SEMARNAT application regarding exploration and exploitation permits and a work program that included additional surface mapping and sampling to prioritize targets for possible follow-up drilling.

7.A.2 Santa Rosa Project

In 2011, the Company purchased a 100% interest in the Santa Rosa silver-gold property in Guanajuato State, Mexico, for total consideration of $1.5 million in cash.

Property Description and Location

The Santa Rosa Project includes a cluster of non-contiguous mineral claims to the northeast of Guanajuato. Most cover segments of historically known veins within the Sierra vein system, as well as two claims located further north staked more from a regional conceptual nature.

The nine mineral claims comprise an area of 20,438 hectares and expire between 2040 and 2064. There are no known environmental liabilities associated with the mineral claims.

The southern claims of the Santa Rosa Project are situated along the eastern side of the Sierra Guanajuato mountain range, northeast of Guanajuato, Guanajuato. The more northerly claims in the Santa Rosa Project are located nearer the town of San Felipe, an 80 km drive north of Guanajuato.

History

The core of the Santa Rosa Project claims covers vein exposures along the Sierra vein system, along the eastern flank of the central Veta Madre vein. Minor amounts of pitting, short adits, and shallow vertical shafts have been completed with a minor amount of vein exploitation. No records are available as to these activities. The Company completed due diligence sampling during 2011 and purchased the Santa Rosa claims during the same year. The Cañada de la Virgen claim was part of the Cooperative claim block (Guanajuato Mine) purchased by the Company in 2005. The Prometida, Las Monjas, Romeo y Julieta and Jardin de Oro mineral claims were staked by the Company in 2012 as part of a regional geological evaluation. In 2016, the Prometida, Las Monjas, Romeo y Julieta claims were cancelled due to their limited economic potential.

Geological Setting and Mineralization

The stratigraphy of the area presents to the Company basement rocks of the older units including Mesozoic age La Luz and La Esperanza Formations. These formations consist of meta-sedimentary sequences, including shale, andesite and felsic dykes deformed and folded by regional metamorphism. Upper volcanic package rocks in concordant contact include a sequence of the lithic tuff, ignimbrites, and also in some places rhyolite dykes and jasperoids. The area generally presents a strong NW structural orientation, with normal faults and a dextral component.

In the second phase of exploration (July 2014), detailed mapping was completed in the Cañada de la Virgen claim and in the Virgin vein development tunnel. The Virgin vein structure with minor quartz is oriented around 320-330° with a dip of 35-45°NE, and an average width of 0.50 m. The vein, inside the tunnel, occurs at the contact of a diorite dike. On surface, there are two separate structures enveloping a quartz stockwork hosted in the meta-sedimentary rocks. The tunnel is 60 m long and there are several inclined shafts where mineralization has been extracted. The average grade of samples is 457 g/t Ag eq. The wall-rock of the Virgin vein, which outcrops for 400 m, shows propylitic alteration along its length. Host rocks include lithic tuffs, ignimbrites, and associated dykes.

Another structure identified during the mapping extends for more than 600 m and is exposed in the Salaverna North tunnel. It is a structure of 0.40 m width, with strong silicification and hosted in the meta-sedimentary package. The structure, when it reaches the upper rhyolite volcanic rocks becomes a stockwork with hematite, limonite, clays, and fine disseminated pyrite.

Exploration

In the first stage of the Company's exploration (2012) on the Cañada de la Virgen claim, a total of 168 rock samples from surface, and 537 core samples from the five diamond drill holes were collected.

During the second stage of the Company's exploration (2014), a total of 140 samples were taken from surface and underground.

Drilling

During 2012, five core holes (HQ) were completed on the Santa Rosa Project, specifically on the Cañada de la Virgen claim. In 2017, a second drilling program comprising five core holes (HQ) was completed on the Cañada de la Virgen area. No results of economic significance were encountered in either program.

Sample Preparation, Analyses and Security

The drill core samples were prepared by technicians working under the direction of the Exploration Department geologists. The exploration diamond drill core from Santa Rosa was of HQ diameter.

All the analytical work was completed by the SGS GTO laboratory and the quality control measures and data verification procedures are consistent with those described for the Guanajuato Mine.

Mineral Resource Estimates

There is no Mineral Resource estimate for the Santa Rosa Project.

Mineral Reserve Estimates

There is no Mineral Reserve estimate for the Santa Rosa Project.

Mining Operations

The Santa Rosa Project is exploration in nature and no mining methods have been defined.

Infrastructure, Permitting and Compliance Activities

The southern claims of the Santa Rosa Project are accessible via road access 20 km northeast of Guanajuato, Guanajuato. The city of Guanajuato is serviced by an international airport located on the outskirts of Silao, a 30-minute drive on a toll road from Guanajuato. The more northerly claims in the Santa Rosa Project are located nearer the town of San Felipe, an 80 km drive north of Guanajuato by paved road.

Access to local resources is provided within the city of Guanajuato and the town of San Felipe.

Exploration and Development

A work program consisting of 960 m of surface man-portable rig core drilling and associated trail building was completed in 2017. No significant results were returned from this drilling.

The Company plans to execute a mapping and prospecting program during 2018.

7.A.3 Cangold and Coboro

In 2015, the Company completed the acquisition of Cangold and its wholly-owned subsidiary, Coboro, for total consideration of C$3.1 million (approximately half of which was represented by shares of the Company issued for shares of Cangold). As a result, the Company acquired an option to purchase up to a 100% interest in the GDLR Project. The Company also acquired 100% interests in the Plomo property located in Sonora, Mexico, and the Argosy property located in the Red Lake Mining District in northwestern Ontario. Neither the Plomo property or the Argosy property is considered material to the Company at this time.

In February 2016, the Company terminated the option agreement for the GDLR Project after conducting an evaluation of the project. The Company maintains the Plomo and Argosy projects in good standing, but does not have any significant exploration plans for these projects at this time.

8. RISK FACTORS

The operations of the Company are characterized by a number of risks inherent to the nature of the mining industry and to the nature of the Company's business in particular. The following risk factors, as well as other risks discussed in this AIF, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks and uncertainties are not the only ones faced by the Company. Additional risks and uncertainties not presently known to management or that management currently consider immaterial may also impair the Company's business operations. If any of these events actually occur, the Company's business, prospects, financial condition, cash flows and operating results could be materially harmed. Before deciding to invest in securities of the Company, investors should carefully consider such risks and uncertainties.

Metals and Mineral Prices Are Subject to Dramatic and Unpredictable Fluctuations

The market prices of precious metals and other minerals are volatile and cannot be controlled. If the prices of precious metals and other minerals drop significantly, the economic prospects of the Company's operating mines and projects could be significantly reduced or rendered uneconomic. There is no assurance that even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

The Company has not entered into any hedging arrangements for any of its silver or gold production, but has from time to time sought arrangements to price silver and gold content of its production in advance of contractual pricing periods which can be two to three months from the time of shipment. The Company may enter into similar arrangements in the future.

Current Global Financial Conditions

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability. These had a profound impact on the global economy. Many industries, including the mining sector, were impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the ability of the Company to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations and planned growth could be adversely impacted and the trading price of the securities of the Company may be adversely affected.

Inaccuracies in Production and Cost Estimates

The Company prepares estimates of future production and future production costs for specific operations. No assurance can be given that these estimates will be achieved. Production and cost estimates are based on, among other things, the following: the accuracy of Mineral Resource estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of mineralization, equipment and mechanical availability, labour, and the accuracy of estimated rates and costs of mining and processing. Actual production and costs may vary from estimates for a variety of reasons, including actual mineralization mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to the Mineral Resources, such as the need for sequential development of mineralized zones and the processing of new or different grades of mineralization; and the risks and hazards associated with mining described below under "Mining and Mineral Exploration Have Substantial Operational Risks". In addition, there can be no assurance that silver recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: variability in grade or dilution, metallurgy, labour costs, costs of supplies and services (such as, fuel and power), general inflationary pressures and currency exchange rates. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Uncertainty Regarding Resource Estimates

Only mineral resources have been determined for certain of the Company's properties, and no estimate of reserves on any property has been completed. Resource estimates are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. In making determinations about whether to advance any projects to development, the Company must rely upon estimated calculations as to the mineral resources and grades of mineralization on its properties. Until mineralized zones are mined and processed, mineral resources and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. The Company cannot assure that:

- Resource or other mineralization estimates will be accurate; or
- Mineralization can be mined or processed profitably.

Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of a mine or a project and its return on capital. The Company's resource estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for silver, gold, zinc and lead may render portions of the Company's mineralization uneconomic and result in reduced reported mineral resources.

Any material reductions in estimates of mineral resources, or of the Company's ability to extract such Mineral Resources, could have a material adverse effect on the Company's results of operations or financial condition. The Company cannot assure that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

Production Decisions Made without Identified Mineral Reserves

There are no current estimates of Mineral Reserves for any of the Company's mines or projects. The Company made decisions to enter into production at Topia, the Guanajuato Mine and San Ignacio without having completed final feasibility studies. Accordingly, the Company did not base its production decisions on any feasibility studies of mineral reserves demonstrating economic and technical viability of the mines. As a result, there may be increased uncertainty and risks of achieving any particular level of recovery of minerals from the Company's mines or the costs of such recovery. As the Company's mines do not have established reserves, the Company faces higher risks that anticipated rates of production and production costs will be achieved, each of which risks could have a material adverse impact on the Company's ability to continue to generate anticipated revenues and cash flows to fund operations from and ultimately achieve or maintain profitable operations.

Sufficiency of Current Capital and Ability to Obtain Financing

The further exploitation, development and exploration of mineral properties in which the Company holds interests or which the Company acquires may depend upon its ability to obtain financing through equity financing and/or debt financing, to enter into joint venture arrangements or to obtain other means of financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile precious metals markets may make it difficult or impossible for the Company to obtain financing on favourable terms, or at all.

As at December 31, 2017, the Company had approximately $57 million of cash and short-term deposits and during 2017 the Company generated positive cash flow from operating activities. While the Company considers that it has sufficient capital to support its current operating requirements based on its current capital resources and cash flows from ongoing operations, there is a risk that a decline in commodity prices or other factors may result such that the Company will be unable to continue generating sufficient cash flows to sustain operations. In addition, the Company has stated plans to grow through acquisitions and is also evaluating the restart of Coricancha. These objectives may require additional capital and, while the Company believes its current capital resources are sufficient to return Coricancha to production, the Company is still completing its engineering studies for this purpose and therefore actual expenditures are uncertain. There is no assurance that the Company will be able to obtain additional capital when required. Failure to obtain additional financing on a timely basis may cause the Company to postpone acquisitions, expansion, development and exploration plans, or even to suspend operations.

Mining and Mineral Exploration Have Substantial Operational Risks

Mining and mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include but are not limited to:

- major or catastrophic equipment failures;
- mine failures and slope failures;
- failure of tailings facilities;
- ground fall and cave-ins;
- deleterious elements materializing in the mined resources;
- environmental hazards;
- industrial accidents and explosions;
- encountering unusual or unexpected geological formations;
- labour shortages or strikes;
- civil disobedience and protests; and
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes.

These occurrences could result in environmental damage and liabilities, work stoppages and delayed production, increased production costs, damage to, or destruction of, mineral properties or production facilities, personal injury or death, asset write-downs, monetary losses, loss of or suspension of permits as a result of regulatory action, reputational damage and other liabilities. The nature of these risks is such that liabilities could exceed policy limits of the Company's insurance coverage, in which case the Company could incur significant costs that could prevent profitable operations.

Political Risk and Government Regulations

The Company's mining, exploration and development activities are focused in Mexico and Peru, and are subject to national and local laws and regulations governing prospects, taxes, labour standards, occupational health, land use, environmental protection, mine safety and others which currently or in the future may have a substantial adverse impact on the Company. To comply with applicable laws, the Company may be required to make significant capital or operating expenditures. Existing and possible future environmental legislation, regulation and action could cause additional expense, capital expenditures, restriction and delays in the activities of the Company, the extent of which cannot be reasonably predicted. Violators may be required to compensate those suffering loss or damage by reason of the Company's mining activities and may be fined if convicted of an offence under such legislation.

Mining and exploration activities in the countries where the Company operates may be affected in varying degrees by political instabilities and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the Company's control and may adversely affect the business. Operations may also be affected to varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. The status of Mexico and Peru as developing countries may make it more difficult for the Company to obtain any required financing for projects. The effect of all these factors cannot be accurately predicted. Notwithstanding the progress achieved in improving Mexican and Peruvian political institutions and in revitalizing their economies, the present administrations or any successor governments may not be able to sustain the progress achieved.

The Company does not carry political risk insurance.

Risks Associated with Obtaining and Complying with Tailings and Other Permits

The Company's operations are subject to obtaining and maintaining permits (including environmental permits) from appropriate governmental authorities. There is no assurance that necessary permits will be obtained or that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, or additional permits for any possible future changes to operations, or additional permits associated with new legislation. Additionally, it is possible that previously issued permits may become suspended for a variety of reasons, including through government or court action. There can be no assurance that the Company will continue to hold or obtain, if required to, all permits necessary to develop or continue operating at any particular property.

The Company has been advised by CONAGUA, the Mexican federal agency responsible for water administration, that the Company is required to make applications for permits associated with the occupation and construction of the tailings facility at the GMC. Subsequently, the Company filed its applications and CONAGUA officials carried out an inspection of the TSF and requested further technical information, which the Company submitted in December 2017. The duration and success of efforts to obtain the tailings permits are contingent upon many variables not within the Company's control. The Company cannot assure that the tailings permits will be obtained or renewable on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the expiry, revocation or failure by the Company to comply with the terms of any such permits, if obtained, would adversely affect the Company's ability to continue operating the TSF at the GMC, could result in a halt of mining operations at the GMC, or to expand the TSF, each of which could adversely affect the Company's results of operations.

The Company has also determined that it may require additional water use and discharge permits for its operations at the GMC, particularly during of periods of excessive drought. The Company continues to evaluate whether such permits are necessary. If such permits prove necessary, there can be no assurance that the Company will be able to obtain such permits, which could adversely affect the Company's operations.

Risks Associated with Topia Tailings Expansion

Topia requires expansion beyond the present capacity of the Phase I TSF. In December 2017, SEMARNAT granted the Company all permits for the construction and operation of the Phase II TSF at Topia. The Company is utilizing the existing Phase I TSF during the construction of Phase II TSF. There is a risk that the Phase I TSF reaches its capacity prior to completion of the Phase II TSF and could result in a halt of processing operations at Topia, which could adversely affect the Company's results of operations.

Furthermore, the planned capacity of the Phase II TSF is not sufficient to handle the processing of Topia's current M&I Resources, which will necessitate one or more further expansions, which are presently under evaluation. There are risks associated with future expansions including, but not limited to, identifying and procuring suitable sites, and obtaining the necessary permits for construction and operation.

Reviews by the regulatory authorities, coupled with the permitting work undertaken by the Company in connection with the expansion of the Topia TSF, have led to a broader review by PROFEPA (the Mexican environmental compliance authority) of all Topia operations' permitting status and environmental compliance, including the historical tailings dating back to the period prior to Great Panther's ownership. The Company is participating in a voluntary environmental audit of its Topia operations. The outcomes of this audit are multi-year environmental programs, and the Company is working in cooperation with PROFEPA to ensure compliance with regulations. However, the Company cannot provide complete assurance that the PROFEPA review will not lead to a continued or future suspension of operations.

Further, if the environmental or technical reviews identify any non-compliance of the existing facility, there is no assurance that Mexican regulatory authorities will agree to any mitigation plan proposed by the Company.

Factors Beyond the Company's Control

There are a number of factors beyond the Company's control. These factors include, but are not limited to, changes in government regulation, political changes, high levels of volatility in metal prices, availability of markets, availability of adequate transportation and smelting facilities, availability of capital, environmental and social factors, acts of Nature, catastrophic risks, and amendments to existing taxes and royalties. These factors and their effects cannot be accurately predicted.

Environmental and Health and Safety Risks

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. There is no assurance that environmental regulations will not change in a manner that could have an adverse effect on the Company's financial condition, liquidity or results of operations, and a breach of any such regulation may result in the imposition of fines and penalties.

Environmental legislation is constantly expanding and evolving in ways that impose stricter standards and more rigorous enforcement, with higher fines and more severe penalties for non-compliance, and increased scrutiny of proposed projects. There is an increased level of responsibility for companies, and trends towards criminal liability for officers and directors for violations of environmental laws, whether inadvertent or not. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Company's operations.

Exploration activities and/or the pursuit of commercial production of the Company's mineral claims may be subject to an environmental review process under environmental assessment legislation. Compliance with an environmental review process may be costly and may delay commercial production. Furthermore, there is the possibility that the Company would not be able to proceed with commercial production upon completion of the environmental review process if government authorities do not approve the proposed mine, or if the costs of compliance with government regulation adversely affect the commercial viability of the proposed mine.

The development and operation of a mine involves significant risks to personnel from accidents or catastrophes such as fires, explosions or collapses. These risks could result in damage or destruction of mineral properties, production facilities, casualties, personal injury, environmental damage, mining delays, increased production costs, monetary losses and legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies within the mining industry. The Company may be materially adversely affected if it incurs losses related to any significant events that are not covered by its insurance policies.

The Company has safety programs in place and continues to pursue further improvements on an ongoing basis. Safety meetings with employees and contractors are held on a regular basis to reinforce standards and practices. However, there is no assurance that safety incidents will not be experienced in the future, or that operations might not be materially affected by their occurrence. Further, a safety incident could have an adverse effect on the Company's financial condition, liquidity or results of operations, and may result in the imposition of fines and penalties.

Risks Which Cannot Be Insured

The Company maintains appropriate insurance for liability and property damage; however, the Company may be subject to liability for hazards that cannot be insured against, which if such liabilities arise, could impact profitability and result in a decline in the value of the Company's securities. The Company's operations may involve the use of dangerous and hazardous substances; however, extensive measures are taken to prevent discharges of pollutants in the ground water and the environment. Although the

Company will maintain appropriate insurance for liability and property damage in connection with its business, the Company may become subject to liability for hazards that cannot be insured against or which the Company may elect not to insure itself against due to high premium costs or other reasons. In the course of mining and exploration of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Risk of Secure Title of Property Interest

There can be no assurance that title to any property interest acquired by the Company or any of its subsidiaries is secured. Although the Company has taken reasonable precautions to ensure that legal title to its properties is properly documented, there can be no assurance that its property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

In the jurisdictions in which the Company operates, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions in such jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

Unauthorized Mining

The mining industry in Mexico is subject to incursions by illegal miners or “lupios” who gain unauthorized access to mines to steal ore mainly by manual mining methods. The Company has experienced such incursions including an incident in the first quarter of 2014 which resulted in both a significant financial loss to the Company and a material impact to the Company’s operations. In addition to the risk of losses and disruptions, these illegal miners pose a safety and security risk. The Company has taken security measures at its sites to address this issue and ensure the safety and security of its employees, contractors and assets. These incursions and illegal mining activities can potentially compromise underground structures, equipment and operations, which may lead to production stoppages and impact the Company’s ability to meet production goals.

Commercialization Risk of Development and Exploration Stage Properties and Ability to Acquire Additional Commercially Mineable Mineral Rights

The Company’s primary mineral properties, Topia and the GMC (excluding San Ignacio), have been in the production stage for more than ten years under the ownership of the Company, and have generated positive cash flow from operating activities. However, the commercial viability of these mines was not established by a feasibility study or preliminary economic assessment. Similarly, San Ignacio commenced production in 2014 and has generated positive cash flow from operating activities; however, the commercial viability of this mine was not established by a feasibility study or preliminary economic assessment. Coricancha is a past producing mine that is currently on care and maintenance. There is no assurance that the Company’s evaluation efforts will be sufficient to bring Coricancha into production.

Mineral exploration and development involve a high degree of risk. There is no assurance that commercially viable quantities of ore will be discovered at Coricancha, or the Company’s other exploration projects, or that its exploration or development projects will be brought into commercial production.

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as mineable. Estimates of reserves, resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, social dynamics in local communities, negotiations with land owners, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Material changes in commodity prices, mineral resources, grades, dilution or recovery rates, or other project parameters may affect the economic viability of any project. The Company's future growth and productivity will depend, in part, on the ability to identify and acquire additional commercially mineable mineral rights, and on the costs and results of continued exploration and potential development programs. Mineral exploration and development is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish mineral resources through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore;
- evaluate the economic feasibility; and
- construct, renovate, expand or modify mining and processing facilities.

In addition, if potentially economic mineralization is discovered, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that the Company will successfully acquire additional commercially mineable properties.

Development projects usually have no operating history upon which to base estimates of future cash flow. Estimates of Proven and Probable Reserves, Measured and Indicated Resources, and Inferred Resources are, to a large extent, based upon detailed geological and engineering analysis. Further, Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. At this time, none of the Company's properties have defined Mineral Reserves. Due to the uncertainty of Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will ever be upgraded to either Measured or Indicated Resources or to Proven or Probable Mineral Reserves.

Because mines have limited lives, the Company must continually replace and expand its mineral resources as production continues. The life-of-mine estimates for the Company's mines may not be correct. The ability of the Company to maintain or increase its annual production of metals and the Company's future growth and productivity will be dependent in significant part on its ability to identify and acquire additional commercially mineable mineral rights, to bring new mines into production, to expand mineral resources at existing mines, and on the costs and results of continued exploration and potential development programs. The inability to identify Mineral Resources in quantities sufficient to bring a mineral property into production may result in the write down of the value of the mineral property.

Risks Associated with the Coricancha Acquisition

The Company completed the acquisition of Coricancha on June 30, 2017. The Company's decision to acquire Coricancha was subject to a number of assumptions, including anticipated exploration results, the expected cost and timing of restarting operations, anticipated processing and production rates that may be achieved at Coricancha upon reactivation, the working capital position of Coricancha at closing, the ultimate cost of reclaiming legacy tailings facilities, potential increases to the Coricancha resource base, the anticipated cost of the mine closure bond, the indemnification obligations of Nyrstar under the Share Purchase Agreement and current environmental conditions and liabilities at Coricancha. While Nyrstar, as the former owner of Coricancha, has agreed to indemnify the Company with respect to certain reclamation costs, these indemnification obligations are capped. While the Company presently believes the ultimate reclamation costs will be less than amount of the indemnity cap, there is no assurance that this will be the case. In addition, there may be disagreements between the Company and Nyrstar as to the amount of Nyrstar's indemnification obligations under the Share Purchase Agreement.

If any of these assumptions prove incorrect, the Company may not be able to achieve profitable operations at Coricancha. The acquisition of Coricancha is subject to a number of risks that may result in a materially adverse impact on the Company, including potential political risks involving the Company's operations in a foreign jurisdiction, technical and operational difficulties that may be encountered with reactivation of Coricancha, uncertainty of production and cost estimates and the potential for unexpected costs and expenses, uncertainty in mineral resource estimation, physical risks inherent in mining operations, currency fluctuations, fluctuations in the price of silver, gold and base metals, completion of economic evaluations, changes in project parameters as plans continue to be refined, permitting risks, the inability or failure to obtain adequate financing on a timely basis, unanticipated increases in the cost of the tailings reclamation, increased mine closure costs and related bond requirements, and the other risks and uncertainties described elsewhere in this AIF, any of which could have a material adverse impact on the Company and its results of operations.

In addition, although the Company intends to conduct further evaluation at Coricancha before determining whether to place the mine into production, the Company may not conduct a preliminary feasibility study or feasibility study in connection with its decision. Mineral properties that are placed into production without the benefit of a feasibility study have historically had a higher risk of failure. There is no assurance the Company will achieve any particular level of production at Coricancha or that operations there will be profitable.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities or inputs consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, and reagents fluctuate and affect the costs of production at the Company's operations. These fluctuations can be unpredictable, are beyond the control of the Company, can occur over short periods of time and may have a materially adverse impact on operating costs or the timing and costs of various projects.

Fluctuation in Foreign Currency Exchange Rates

The Company maintains bank accounts in Canadian, US, Mexican and Peruvian currencies. The Company earns revenue in US dollars while its costs are incurred in local currencies such the Canadian dollar, Mexican peso, and Peruvian sol. An appreciation of these local currencies against the US dollar will increase operating and capital expenditures as reported in US dollars. A decrease of these local currencies against the US dollar will result in a loss to the Company to the extent that the Company holds funds in such currencies.

The Company has, from time to time, used hedging instruments to manage its foreign exchange risk. Such instruments can be subject to material gains and losses.

Dependence on Key Personnel

The Company's success and viability depends, in large part, on its ability to attract and maintain qualified key management personnel. Competition for such personnel is intense and may impact the ability to attract and retain such personnel. The Company's growth and viability has depended, and will continue to depend, on the efforts of key personnel. The loss of any key personnel may have a material adverse effect on the Company, its business and its financial position. The Company has employment contracts with these employees but does not have key-man life insurance. The Company provides these employees with long-term incentive compensation which generally vests over several years and is designed to retain these employees and align their interests with those of the Company's shareholders.

Conflicts of Interest of Directors and Officers

Certain of the Company's directors and officers may continue to be involved in a wide range of business activities through their direct and indirect participation in corporations, partnerships or joint arrangements, some of which are in the same business as the Company. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. The directors and officers of the Company are required by law and the Company's Code of Business Conduct and Ethics to act in the best interests of the Company. They may have the same obligations to the other companies and entities for which they act as directors or officers. The discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to these other companies and entities and, in certain circumstances, this could expose the Company to liability to those companies and entities. Similarly, the discharge by the directors and officers of their obligations to these other companies and entities could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Concentration of Customers

The Company sells refined concentrates containing silver, gold, lead and zinc to metals traders and smelters. During the year ended December 31, 2017, three customers accounted for all of the Company's revenues. The Company believes that a limited number of customers will continue to represent a significant portion of its total revenue. The Company does not consider itself economically dependent upon any single customer or combination of customers due to the existence of other potential metals traders or smelters capable of purchasing the Company's supply. However, the Company could be subject to limited smelter availability and capacity, it could face the risk of a potential interruption of business from a third party beyond its control, or it may not be able to maintain its current significant customers or secure significant new customers on similar terms, any of which may have a material adverse effect on the Company's business, financial condition, operating results and cash flows.

Risks Associated with Transportation and Storage of Concentrate

The concentrates produced by the Company have significant value and are loaded onto road vehicles for transport to smelters in Mexico or to sea ports for export to smelters in foreign markets, such as Europe and Asia, where the metals are extracted. The geographic location of the Company's operating mines in Mexico and trucking routes taken through the country to the smelters and ports for delivery, give rise to risks including concentrate theft, road blocks and terrorist attacks, losses caused by adverse weather conditions, delays in delivery of shipments, and environmental liabilities in the event of an accident or spill.

Theft of Concentrate

The Company may have significant concentrate inventories at its facilities or on consignment at other warehouses awaiting shipment. The Company has experienced theft of concentrates in the past and has taken additional steps to secure its concentrate, whether in storage or in transit. The Company has insurance coverage; however, recovery of the full market value may not always be possible. Despite risk mitigation measures, there remains a continued risk that theft of concentrate may have a material impact on the Company's financial results.

Illegal Activity in the Countries in which the Company Operates Could Have an Adverse Effect on Operations

The Company's primary mineral exploration and exploitation activities are conducted in Mexico and Peru and are exposed to various levels of political, economic and other risks and uncertainties. These risks include but are not limited to, hostage taking, murder, illegal mining, high rates of inflation, corruption of government officials, blackmail, extortion and other illegal activity. Corruption of foreign officials could affect or delay required permits, service levels by foreign officials, and protection by police and other government services.

Mexico continues to undergo sometimes violent internal struggles between the government and organized crime with drug cartel relations and other unlawful activities. The number of kidnappings, violence and threats of violence throughout Mexico is of particular concern and appears to be on the rise. While the Company takes measures to protect both personnel and property, there is no guarantee that such measures will provide an adequate level of protection for the Company or its personnel. The occurrence of illegal activity against the Company or its personnel cannot be accurately predicted and could have an adverse effect on the Company's operations.

In January 2016, a small amount of explosives was stolen from the GMC. While the Company has taken additional security measures, there is no assurance that theft of explosives will not occur again. Explosives are highly regulated, and any theft or loss of explosives may be subject to investigation by Mexican regulatory authorities. The Mexican regulatory authorities may elect at their discretion to exercise administrative action during or after the investigation. Administrative action could include fines and possibly suspension of the Company's explosives permit during the investigation period or longer, which would negatively impact the Company's operations.

Compliance with Anti-Corruption Laws

The Company's operations are governed by, and involve interaction with, many levels of government in Mexico and Peru. The Company is subject to various anti-corruption laws and regulations such as the Canadian Corruption of Foreign Public Officials Act and the United States' Foreign Corrupt Practices Act, each of which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In addition, the Extractive Sector Transparency Measures Act recently introduced by the Canadian government contributes to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. The GMC and Topia properties are located in Mexico and the Coricancha project is located in Peru. According to Transparency International, Mexico and Peru are each perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable anti-corruption laws and regulations could expose the Company and its senior management to civil or criminal penalties or other sanctions, which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, reputation, financial condition and results of operations. Although the Company has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Company, its employees or third-party agents will comply with such laws.

Acquisition Strategy

As part of Great Panther's business strategy, the Company has made acquisitions in the past and continues to seek new acquisition opportunities in the Americas. The opportunities sought by the Company include operating mines, as well as exploration and development opportunities, with a primary focus on silver and/or gold. As a result, the Company may from time to time acquire additional mineral properties or the securities of issuers which hold mineral properties. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company, and may fail to assess the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates, or to achieve identified and anticipated operating and financial synergies, and may incur unanticipated costs, diversion of management attention from existing businesses, the potential loss of the Company's key employees or of those of the acquired business. Acquisitions may also lead to the issuance of a large number of the Company's common shares, which would result in dilution to existing shareholders. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company. Acquisitions may involve a number of special risks, circumstances or legal liabilities. These and other risks related to acquiring and operating acquired properties and companies could have a material adverse effect on the Company's results of operations and financial condition. Further, to acquire properties and companies, the Company may be required to use available cash, incur debt, issue additional securities, enter into off-take, royalty agreements or metal streaming agreements, or a combination of any one or more of these. This could affect the Company's future flexibility and ability to raise capital, to operate, explore and develop its properties and could dilute existing shareholders and decrease the price of the common shares of the Company. There may be no right for the Company's shareholders to evaluate the merits or risks of any future acquisition undertaken by the Company, except as required by applicable laws and regulations.

Community Relations and Social License to Operate

The Company's relationship with the communities in which it operates is important to ensure the future success of its existing operations and the construction and development of its projects. While the Company believes its relationships with the communities in which it operates are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Volatility of Share Price

Trading prices of Great Panther's shares may fluctuate in response to a number of factors, many of which are beyond the control of the Company. In addition, the stock market in general, and the market for precious metals producers in particular has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These broad market and industry factors may adversely affect the market price of the Company's shares, regardless of operating performance.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has been known to be initiated. Such litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources.

Substantial Decommissioning and Reclamation Costs

The Company reviews and reassesses its reclamation obligations at each of its mines based on updated mine life estimates, rehabilitation and closure plans. As at December 31, 2017, the Company had recorded a provision in the amount of $27 million for the estimated present value of future reclamation and remediation costs associated with the expected retirement of its mineral properties, plants, and equipment.

The costs of performing the decommissioning and reclamation must be funded by the Company's operations. These costs can be significant and are subject to change. The Company cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Officers and Directors Are Indemnified Against All Costs, Charges and Expenses Incurred by Them

The Company's articles contain provisions limiting the liability of its officers and directors for all acts, receipts, neglects or defaults of themselves and all the other officers or directors for any other loss, damage or expense incurred by the Company which happen in the execution of the duties of such officers or directors, as do indemnification agreements between the directors and officers and the Company. Such limitations on liability may reduce the likelihood of derivative litigation against the Company's officers and directors and may discourage or deter shareholders from suing the officers and directors based upon breaches of their duties to the Company, though such an action, if successful, might otherwise benefit the Company and its shareholders.

Enforcement of Legal Actions or Suits

It may be difficult to enforce suits against the Company or its directors and officers. The Company is organized and governed under the laws of under the Business Corporations Act of British Columbia, Canada and is headquartered in this jurisdiction. Primarily all the Company's directors and officers are residents of Canada, and all of the Company's assets are located outside of the United States. Consequently, it may be difficult for United States investors to realize in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. There is substantial doubt whether an original action could be brought successfully in Canada against any of such persons predicated solely upon such civil liabilities.

Dilution of Shareholders' Interests as a Result of Issuance of Incentive Stock Options, Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") to Employees, Directors, Officers and Consultants

The Company has granted, and in the future may grant, to directors, officers, insiders, employees, and consultants, options to purchase common shares as non-cash incentives to those persons. Such options have been, and may in future be, granted at exercise prices equal to market prices, or at prices as allowable under the policies of the TSX. The issuance of additional shares will cause existing shareholders to experience dilution of their ownership interests. As at December 31, 2017, there are outstanding share options exercisable into 8,237,181 common shares which, if exercised, would represent approximately 5% of the Company's issued and outstanding shares.

The Company has also granted, and in the future may grant, to directors, officers, insiders, and employees, RSUs and DSUs as incentive awards for service to those persons. Upon settlement, these awards entitle the recipient to receive common shares, a cash equivalent, or combination thereof. The choice of settlement method is at the Company's sole discretion. As at December 31, 2017, there are RSUs and DSUs outstanding which could result in the issuance of up to 565,800 common shares. If exercised, these would represent approximately 0.3% of the Company's issued and outstanding shares.

If all these incentive awards are exercised and issued, such issuance will cause a reduction in the proportionate ownership and voting power of all other shareholders. The dilution may result in a decline in the market price of the Company's shares.

Dilution of Shareholders' Interests as a Result of Issuances of Additional Shares

Depending on the Company's exploration, development and capital investment plans, acquisition activities, and operating and working capital requirements, the Company may issue additional common shares as a means of raising capital. In the event that the Company is required to issue additional shares or decides to enter into joint venture arrangements with other parties in order to raise financing through the sale of equity securities, investors' interests in the Company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold.

Trading of the Company's Shares May Be Restricted by the SEC's "Penny Stock" Regulations Which May Limit a Stockholder's Ability to Buy and Sell the Shares

The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The Company's securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors" (as defined). The penny stock rules require a broker-dealer to provide very specific disclosure to a customer who wishes to purchase a penny stock, prior to the purchase. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade the Company's securities.

The Company Does Not Expect to Declare or Pay Any Dividends

The Company has not declared or paid any dividends on its common stock since inception, and does not anticipate paying any such dividends for the foreseeable future.

Credit and Counterparty Risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. The Company's credit risk relates primarily to cash and cash equivalents, trade receivables in the ordinary course of business, and value added tax refunds primarily due from the Mexico taxation authorities, and other receivables. The Company sells and receives payment upon delivery of its concentrates primarily through international organizations. These are generally large and established organizations with good credit ratings. Payments of receivables are scheduled, routine and received within the specific terms of the contract. If a customer or counterparty does not meet its contractual obligations, or if they become insolvent, the Company may incur losses for products already shipped and be forced to sell greater volumes of concentrate than intended in the spot market, or there may be no market for the concentrates, and the Company's future operating results may be materially adversely impacted as a result.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans. As at December 31, 2017, the Company had net working capital (current assets in excess of current liabilities) of approximately $66 million, including approximately $57 million in cash and short term deposits, and no long-term debt. The Company believes it has sufficient net working capital to meet operating requirements as they arise for at least the next twelve months, but there can be no assurance that a sudden significant decrease in silver prices, or unforeseen liability, or other matter affecting the operations of the business might arise which will have a material impact on the Company's sufficiency of cash reserves to meet operating requirements. In addition, a large acquisition or significant change in capital plans could significantly change the cash and working capital required by the Company.

Internal Control over Financial Reporting

The Company documented and tested its internal control procedures during its most recent fiscal year in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management and an independent assessment by the Company's independent auditors of the effectiveness of the Company's internal control over financial reporting. For the year ended December 31, 2017, the Company qualified as an "emerging growth company" under the United States Securities Exchange Act of 1934 and therefore is eligible to forego the requirements for independent assessment of its internal control procedures under SOX. Notwithstanding, the Company has undergone an independent assessment of its internal control procedures under SOX for the year ended December 31, 2017 by its independent auditors, but to the extent it retains its "emerging growth company" status, may not do so in future periods.

The Company may fail to achieve and maintain the adequacy of its internal controls over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that its internal controls over financial reporting are effective. The Company's failure to maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by the securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgment. The challenges involved in implementing appropriate internal controls over financial reporting will likely increase with the Company's plans for ongoing development of its business and this will require that the Company continues to improve its internal controls over financial reporting. Although the Company intends to devote substantial time and incur costs, as necessary, to ensure ongoing compliance, the Company cannot be certain that it will be successful in complying with SOX.

Climate Change

Extreme weather events (for example, prolonged drought, or the increased frequency and intensity of storms) have the potential to disrupt the Company's operations and the transportation routes that the Company uses. The Company's ability to conduct mining operations depends upon access to the volumes of water that are necessary to operate its mines and processing facilities. Changes in weather patterns and extreme weather events, either due to normal variances in weather or due to global climate change, could adversely impact the Company's ability to secure the necessary volumes of water to operate its facilities.

The Coricancha mine has in the past experienced damage from flooding during periods of excessive rain. Increased precipitation, either due to normal variances in weather or due to global climate change, could result in flooding that may adversely impact mining operations and could damage the Company's facilities, plant and operating equipment.

Accordingly, extreme weather events and climate change may increase the costs of operations and may disrupt operating activities, either of which would adversely impact the profitability of the Company.

9. DIVIDENDS

Holders of the Company's common shares are entitled to receive such dividends as may be declared from time to time by the board of directors, in its discretion, out of funds legally available for that purpose. The Company intends to retain future earnings, if any, for use in the operation and expansion of its business and does not intend to pay any cash dividends in the foreseeable future.

10. DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of common shares without par value, an unlimited number of Class A preferred shares without par value issuable in series, and an unlimited number of Class B preferred shares without par value issuable in series. As at December 31, 2017, the issued share capital consisted of 168,382,288 common shares. No Class A preferred shares or Class B preferred shares were issued or outstanding.

Common Shares

Subject to the rights of the holders of the Class A preferred shares and the Class B preferred shares of the Company, holders of common shares of the Company are entitled to dividends if, as and when declared by the directors. Holders of common shares of the Company are entitled to one vote per common share at meetings of shareholders except at meetings at which only holders of a specified class of shares are entitled to vote. Upon liquidation, dissolution or winding-up of the Company, subject to the rights of holders of the Class A preferred shares and the Class B preferred shares, holders of common shares of the Company are to share rateably in the remaining assets of the Company as are distributable to holders of common shares. The common shares are not subject to redemption or retraction rights, rights regarding purchase for cancellation or surrender, or any exchange or conversion rights.

Class A Preferred Shares

Class A preferred shares may be issued from time to time in one or more series, and the directors may fix from time to time before such issue the number of Class A preferred shares of each series and the designation, rights and privileges attached thereto including any voting rights, dividend rights, redemption, purchase or conversion rights, sinking fund or other provisions. The Class A preferred shares rank in priority over common shares and any other shares ranking by their terms junior to the Class A preferred shares as to dividends and return of capital upon liquidation, dissolution or winding up of the Company or any other return of capital or distribution of the assets of the Company.

Class B Preferred Shares

Class B preferred shares may be issued from time to time in one or more series, and the directors may fix from time to time before such issue the number of Class B preferred shares of each series and the designation, rights and privileges attached thereto including any voting rights, dividend rights, redemption, purchase or conversion rights, sinking fund or other provisions. The Class B preferred shares rank in priority over common shares and any other shares ranking by their terms junior to the Class B preferred shares as to dividends and return of capital upon liquidation, dissolution or winding up of the Company or any other return of capital or distribution of the assets of the Company.

11. MARKET FOR SECURITIES

11.A. TRADING PRICE AND VOLUME

The Company's common shares trade on the TSX and the NYSE American, trading under the symbols "GPR" and "GPL", respectively.

The following table sets forth the price ranges in Canadian dollars and trading volume of the common shares of the Company as reported by the TSX for the periods indicated:

Period	High	Low	Volume
	C$	C$	
January 2017	2.55	2.17	7,177,753
February 2017	2.95	2.31	5,605,323
March 2017	2.63	2.08	5,467,800
April 2017	2.30	1.58	4,077,688
May 2017	1.88	1.56	3,977,224
June 2017	1.70	1.48	2,819,856
July 2017	1.67	1.48	1,885,312
August 2017	1.78	1.58	2,209,492
September 2017	1.80	1.50	1,970,333
October 2017	1.64	1.44	1,688,124
November 2017	1.60	1.44	1,567,793
December 2017	1.74	1.39	2,083,781

The following table sets forth the price ranges in US dollars and trading volume of the common shares of the Company as reported by the NYSE American for the periods indicated:

Period	High	Low	Volume
	$	$	
January 2017	1.94	1.61	34,273,930
February 2017	2.28	1.78	35,914,360
March 2017	1.97	1.56	44,835,680
April 2017	1.71	1.16	25,965,940
May 2017	1.38	1.15	30,883,940
June 2017	1.29	1.11	47,298,660
July 2017	1.32	1.15	17,938,740
August 2017	1.43	1.25	15,347,790
September 2017	1.46	1.21	14,155,130
October 2017	1.31	1.12	10,517,530
November 2017	1.24	1.13	9,467,680
December 2017	1.35	1.06	16,025,950

12. ESCROWED SECURITIES

As at December 31, 2017, there were no escrowed securities or securities subject to contractual restriction on transfer.

13. DIRECTORS AND OFFICERS

13.A. NAMES, OCCUPATIONS AND SECURITY HOLDINGS

At the date of this AIF, the directors and executive officers of the Company are as follows:

Name, Residence	Office Held with the Company and Principal Occupation or Employment for the Past Five Years[1]	Director Since
R.W. (BOB) GARNETT, CPA, CA, ICD.D British Columbia, Canada	Board Chair and Director of the Company. Commissioner, Financial Institutions Commission May 2012 to present; Director of Media Valet Inc. (formerly VRX Worldwide Inc.) since 2009; President of Sagebrush Golf and Sporting Club September 2012 to 2015 and CFO 2006 to 2012.	May 2011
JAMES M. BANNANTINE, PE, MBA British Columbia, Canada	President and Chief Executive Officer of the Company since August 2017; President and Chief Executive Officer of Aura Minerals Inc. from October 2011 to January 2017.	August 2017
ROBERT A. ARCHER, P.Geo. British Columbia, Canada	Chief Executive Officer of the Company from 2004 to August 2017; President of the Company from 2004 to 2012, and from May 2013 to August 2017; Non-Executive Director of Altair Resources Inc. (formerly named Altair Ventures Incorporated) from 2006 to 2014; President & Chief Executive Officer of Cangold Limited from 2003 to 2015. Director of Cangold from 2001 to 2015; Director of Newrange Gold Corp. since March, 2018; Director of Prize Mining Corporation since March 2018.	April 2004

[1] The information as to principal occupation has been furnished by the respective individuals.

Name, Residence	Office Held with the Company and Principal Occupation or Employment for the Past Five Years[1]	Director Since
JOHN JENNINGS, MBA, CFA British Columbia, Canada	Director of the Company. Practice Lead, Director and Executive Search with WATSON Advisors Inc. since October 2017. Senior Client Partner, Korn Ferry International from 2012 to May 2017.	June 2012
W. JAMES MULLIN British Columbia, Canada	Director of the Company. Retired Professional Engineer in the province of British Columbia. Served as Senior Vice President of North American Operations for Newmont Mining Corporation until his retirement in 2001. During the five years prior to the date of this AIF, he has acted as an independent consultant in the mining industry, and owned and operated a mid-sized cattle ranch.	August 2013
ELISE REES, FCPA, FCA, ICD.D British Columbia, Canada	Director of the Company. Director of Enmax Corporation since September 2015; EasyPark Parking Corporation of Vancouver since 2013; Westland Insurance since 2016; and the Greater Vancouver Board of Trade since 2015. Market Leader and Managing Partner (TAS) BC at Ernst & Young LLP from 1998 to June 2016.	April 2017
JIM A. ZADRA, CPA, CA British Columbia, Canada	Chief Financial Officer and Corporate Secretary of the Company since July 2012.	N/A
ALI SOLTANI, MSc Texas, USA	Chief Operating Officer of the Company since September 2014. Served as Vice President Technical Services and other senior roles for Newmont Mining from January 1989 to December 2010. Retired from January 2011 to September 2014.	N/A

Name, Residence	Office Held with the Company and Principal Occupation or Employment for the Past Five Years[1]	Director Since
MATTHEW C. WUNDER, P.Geo. Ontario, Canada	Vice President, Exploration of the Company since May 2017. Served as Vice President, Exploration for Sierra Metals Inc. from April 2015 to August 2016. Owner and President of MCW Consulting Inc., a private mining consultancy, since 2013.	N/A

On February 22, 2018, the Company announced the passing of Mr. Ken Major, a director of the Company.

Name, Residence	Office Held with the Company and Principal Occupation or Employment for the Past Five Years	Director Since
KENNETH W. MAJOR, P.Eng. British Columbia, Canada	Director of the Company. Director of Cangold Limited from December 2011 to May 2015; Independent mineral processing consultant for precious and base metals mining, KWM Consulting Inc. from 2006.	March 2011

The Board of Directors of the Company has four standing committees. The members of each committee are as follows:

Audit Committee	Elise Rees (Chair) R.W. (Bob) Garnett John Jennings
Human Resources and Compensation Committee	John Jennings (Chair) R.W. (Bob) Garnett James Mullin
Nominating and Corporate Governance Committee	James Mullin (Chair) Kenneth Major (until February 22, 2018) John Jennings
Safety, Health and Environment Committee	Kenneth Major (Chair, until February 22, 2018) R.W. (Bob) Garnett James Mullin (Chair, as of February 23, 2018) Robert A. Archer

Each of the directors is elected to hold office until the next annual meeting of the Company or until a successor is duly elected or appointed. The next annual meeting of the Company is expected to be held in June 2018.

As of March 23, 2018, the directors and executive officers as a group beneficially own, directly or indirectly, or exercise control or direction over 1,888,427 common shares representing 1.1% of the common shares outstanding before giving effect to the exercise of options to purchase common shares held by such directors and executive officers. The statement as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

13.B. CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of the Company is, or within the 10 years prior to the date of this AIF has been, a director, chief executive officer or chief financial officer of any company (including the Company), that, (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer of chief financial officer; or (ii) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer of chief financial officer.

No director or executive officer of the Company, nor a shareholder holding a sufficient number of common shares of the Company to materially affect the control of the Company (i) is, at the date of this AIF or has been within the ten years before the date of the AIF, a director, or executive officer of any company (including the Company), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or comprise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

No director or executive officer of the Company, nor a shareholder holding a sufficient number of common shares of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by the court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.C. CONFLICTS OF INTEREST

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company (or a subsidiary of the Company) and any director or officer of the Company (or a subsidiary of the Company), except that certain of the directors and officers serve as directors, officers or members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company relies upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts have been disclosed by such directors and officers in accordance with the Business Corporations Act (British Columbia) and they have governed themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

14. AUDIT COMMITTEE INFORMATION

14.A. AUDIT COMMITTEE CHARTER

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with policies and laws.

The Audit Committee's charter sets out its mandate and responsibilities, and is attached as Schedule A to this AIF.

14.B. MEMBERS OF THE AUDIT COMMITTEE

The members of the Company's audit committee are Elise Rees, Bob Garnett and John Jennings. Each of these three individuals are independent and financially literate within the meaning of National Instrument 52-110 "Audit Committees". The relevant education and experience of each Audit Committee member are outlined below:

Elise Rees, FCPA, FCA, ICD.D (Audit Committee Chair)

Ms. Rees is an experienced director, having served on the boards of a number of profit and not-for profit organizations, including as board chair, treasurer, and audit and finance committee chair. Ms. Rees retired in June 2016 after a 35-year career in professional accountancy. She spent eighteen years as a partner with Ernst & Young, LLP. She has a breadth of experience in a large variety of industries with specific focus on mining, infrastructure, transportation, technology, real estate, retail and distribution. Ms. Rees has a B.A. (Hons) from the University of Strathclyde, Scotland and is a graduate of the ICD-Rotman Directors Education Program with the designation of ICD.D.

R.W. (Bob) Garnett, CPA, CA, ICD.D

Mr. Garnett is a Chartered Professional Accountant in the Province of British Columbia (1973) and obtained a Bachelor of Arts (Commerce) from Simon Fraser University in 1972. In 2007, he completed the Certified Directors Program with the Institute of Corporate Directors. In 2012, he was appointed a Commissioner of the Financial Institutions Commission by the Lieutenant Governor in Council on the recommendation of the Minister of Finance of the Province of British Columbia which appointment has been extended to 2018. The Financial Institutions Commission is an agency of the provincial government, which administers nine statutes providing regulatory rules for the protection of the public in the province of British Columbia. Mr. Garnett also currently serves on the board of Media Valet Inc., a Vancouver based company that provides cloud based digital asset management software to many of the world's leading brands. Mr. Garnett is also chair of the Audit Committee of Media Valet Inc. Mr. Garnett served as President of a world ranked golf facility located near Merritt, British Columbia from 2012 to 2015.

John Jennings, CFA

Mr. Jennings is Practice Lead, Director and Executive Search with WATSON Advisors Inc., a leading boutique focused on corporate governance and recruiting board directors and executive talent. Previously, he was a Senior Client Partner with Korn Ferry International, a global organizational and people advisory firm and the world's largest provider of executive search. Prior to that, his roles included executive leadership in real estate and in investment banking in Canada and the UK. He earned a Master in Business Administration degree from London Business School, and a Bachelor of Science degree in Chemistry from Western University. He also holds the designation of Chartered Financial Analyst.

14.C. PRE-APPROVAL POLICY

The Audit Committee has adopted specific policies for the engagement of non-audit services to be provided to the Company by the external auditor.

Annually, the Audit Committee pre-approves a budget for specified non-audit services within which limits the Company may contract the services of the Company's external auditor.

14.D. EXTERNAL AUDITOR SERVICE FEES

The following table sets out the aggregate fees billed to the Company by its external auditor, KPMG LLP, in each of the last two fiscal years:

Category	Year ended December 31, 2017[1]	Year ended December 31, 2016[1]
Audit Fees	C$ 380,700	C$ 440,500
Audit-Related Fees	Nil	Nil
Tax Fees	C$ 20,500	C$ 16,500
All Other Fees	Nil	Nil

"Audit Fees" include fees billed by the Company's auditor related to the audits of the Company's consolidated financial statements and internal control over financial reporting, and the reviews of the Company's interim financial statements.

"Tax Fees" include fees for the preparation of the Company's corporation income tax returns and related tax filings.

15. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the financial year ended December 31, 2017, the Company was not and is not currently a party to, nor is any of its property the subject of, any legal proceedings for which the outcome is expected by management to have a material adverse effect on the Company, nor, to the Company's knowledge, is the Company to be a party to any contemplated legal proceedings, the outcome of which could have a material adverse effect on the Company.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2017, or any other penalties or sanctions imposed by a court or regulatory body against the Company that would

[1] Fees billed for audit services are presented based on the fiscal period to which the audit services relate. Audit-related, Tax and Other fees are presented based on the period during which the services were rendered.

likely be considered important to a reasonable investor making an investment decision in the Company, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2017.

16. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as stated elsewhere in this AIF and in the consolidated financial statements for the year ended December 31, 2017, to the best of the Company's knowledge, none of the Company's directors, executive officers or any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of any class or series of voting securities of the Company, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to affect the Company.

17. TRANSFER AGENTS AND REGISTRARS

The transfer of the Company's common shares is managed by Computershare Investor Services. The register of transfers for the common shares of the Company is located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada, V6C 3B9.

18. MATERIAL CONTRACTS

During the year ended December 31, 2017, the Company entered into a share purchase agreement to acquire 100% of the common shares of a Peruvian entity which owns Coricancha. In addition, the Company entered into related earn-out, mine closure and guarantee agreements with Nyrstar on June 30, 2017 upon the completion of the acquisition of Coricancha. The terms of the agreements are described in the above section entitled "General Development of the Business".

The Company is not at present party to any other material contracts, other than material contracts entered into in the ordinary course of business and upon which the Company's business is not substantially dependent.

19. INTERESTS OF EXPERTS

The following is a list of the persons or companies named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 «Continuous Disclosure Obligations» by the Company during, or relating to, Company's most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

KPMG LLP

KPMG LLP is the external auditor of the Company and reported on the Company's audited financial statements for the years ended December 31, 2017 and 2016 filed on SEDAR.

Matthew C. Wunder

Matthew C. Wunder authored the February 28, 2018 NI 43-101 technical report entitled “NI 43-101 Mineral Resource Update Technical Report on the Guanajuato Mine Complex, Guanajuato Mine and San Ignacio Mine, Guanajuato State, Mexico”, dated February 28, 2018, and supervised the preparation of certain technical information set forth herein relating to the Company’s mineral properties. Mr. Wunder has been the VP Exploration of the Company since May 2017.

Golder Associates Inc.

The information on Coricancha in this section of the AIF is based on the technical report entitled “Resource Update Technical Report on the Coricancha Mine Complex, Huarochirí Province, Lima Region, Perú”, dated February 2, 2018. The Mineral Resource update was submitted by Golder Associates Inc. as Report Assembler of the work prepared by or under the supervision of the following “Qualified Persons” named as authors: Ronald Turner, MAusIMM CP(Geo); Daniel Saint Don, P.Eng.; and Jeffrey Woods, P.E.

Robert F. Brown, P. Eng.

Robert F. Brown authored the July 6, 2015 technical report under NI 43-101 on the Topia Mine Mineral Resource Estimates and the NI 43-101 Technical Report entitled “NI 43-101 Technical Report on the Guanajuato Mine Complex Claims and Mineral Resource Estimations for the Guanajuato Mine, San Ignacio Mine, and El Horcón and Santa Rosa Projects”, dated February 25, 2017. Robert Brown was the VP Exploration of the Company until December 31, 2016.

To the Company’s knowledge, each of the aforementioned firms or persons did not hold more than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports. None of the aforementioned firms or persons received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports.

Based on information provided by the relevant persons, none of the aforementioned firms or persons, nor any directors, officers or employees of such firms are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company’s auditors, KPMG LLP, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia and within the meaning of the United States Securities Exchange Act of 1934 and the applicable rules and regulations thereunder adopted by the US Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

20. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company’s information circular for its most recent annual general meeting.

Additional financial information is provided in the Company’s audited financial statements and MD&A for the year ended December 31, 2017 which may be obtained upon request from Great Panther’s head office, or may be viewed on the Company’s website (www.greatpanther.com) or on the SEDAR website (www.sedar.com).

GREAT PANTHER SILVER LIMITED (the "Company")
CHARTER OF THE AUDIT COMMITTEE

Article 1. Mandate

The mandate of the Audit Committee (the "Committee") of the board of directors (the "Board") of the Company is to:

(a) assist the Board in fulfilling its oversight responsibilities in respect of:

(i) the quality and integrity of the Company's financial statements, financial reporting processes and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;

(ii) the independence and qualifications of the Company's external auditors;

(iii) the Audit Committee shall require the rotation of the audit partner every five years as required under Section 203 of the Sarbanes-Oxley Act of 2002 and require that the External Auditor provide a plan for the orderly transition of audit engagement team members;

(iv) the review of the periodic audits performed by the Company's external auditors and the Company's internal accounting department; and

(v) the development and implementation of policies and processes in respect of corporate governance matters;

(b) provide and establish open channels of communication between the Company's management, internal accounting department, external auditor and directors;

(c) prepare all filings and disclosure documents required to be prepared by the Committee and/or the Board pursuant to all applicable federal, provincial and state securities legislation and the rules and regulations of all securities commissions having jurisdiction over the Company;

(d) review and confirm the adequacy of procedures for the review of all public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures; and

(e) establish procedures for:

(i) the receipt, retention and treatment of complaints or concerns received by the Company regarding accounting, internal accounting controls or auditing matters, including, but not limited to, concerns about questionable accounting or auditing practices; and

(ii) the confidential, anonymous submission by employees of the Company of such complaints or concerns.

The Committee will primarily fulfil its mandate by performing the duties set out in Article 7 hereof.

The Board and management of the Company will ensure that the Committee has adequate funding to fulfil its mandate.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company's financial statements are complete

Last reviewed by the Audit Committee on October 29, 2017

and accurate or are in accordance with generally accepted accounting principles, accounting standards or applicable laws and regulations. This is the responsibility of Company's management, internal accounting department and external auditors. Because the primary function of the Committee is oversight, the Committee will be entitled to rely on the expertise, skills and knowledge of the Company's management, internal accounting department, external auditors and other external advisors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change or in any way limit the responsibilities and duties of Company's management, internal accounting department or external auditors.

Article 2. Composition

The Committee will be comprised of members of the Board, the number of which will be determined from time to time by resolution of the Board. The composition of the Committee will be determined by the Board such that the membership and independence requirements set out in the rules and regulations, in effect from time to time, of any securities commissions (including, but not limited to, the Securities and Exchange Commission and the British Columbia Securities Commission) and any exchanges upon which the Company's securities are listed (including, but not limited to, the Toronto Stock Exchange and the NYSE American) are satisfied (the said securities commissions and exchanges are hereinafter collectively referred to as the "Regulators").

Article 3. Term of Office

The members of the Committee will be appointed or re-appointed by the Board on an annual basis. Each member of the Committee will continue to be a member thereof until such member's successor is appointed, or until such member resigns or is removed by the Board. The Board may remove or replace any member of the Committee at any time. However, a member of the Committee will automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to meet the requirements established, from time to time, by any Regulators. Vacancies on the Committee will be filled by the Board.

Article 4. Committee Chair

The Board, or if it fails to do so, the members of the Committee, will appoint a chair from the members of the Committee. If the chair of the Committee is not present at any meeting of the Committee, an acting chair for the meeting will be chosen by majority vote of the Committee from among the members present. In the case of a deadlock in respect of any matter or vote, the chair will refer the matter to the Board for resolution. The Committee may appoint a secretary who need not be a member of the Board or Committee.

Article 5. Meetings

The time and place of meetings of the Committee and the procedures at such meetings will be determined, from time to time, by the members thereof, provided that:

(a) a quorum for meetings will be two members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of meeting;

(b) the Committee may meet as often as it deems necessary, but will not meet less than once annually;

(c) notice of the time and place of every meeting will be given in writing and delivered in pursuing or by facsimile or other means of electronic transmission to each member of the Committee at least 72 hours prior to the time of such meeting; and

Last reviewed by the Audit Committee on October 29, 2017

(d) the Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee will make regular reports of its meetings to the Board, directly or through its chair, accompanied by any recommendations to the Board approved by the Committee.

Article 6. Authority

The Committee will have the authority to:

(a) retain (at the Company's expense) its own legal counsel, accountants and other consultants that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities;

(b) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities;

(c) take whatever actions it deems appropriate, in its sole discretion, to foster an internal culture within the Company that results in the development and maintenance of a superior level of financial reporting standards, sound business risk practices and ethical behaviour; and

(d) request that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee (including, but not limited to, the Company's legal counsel and the external auditors) meet with the Committee and any of its advisors and respond to their inquiries.

Article 7. Specific Duties

In fulfilling its mandate, the Committee will, among other things:

(a) (i) select the external auditors, based upon criteria developed by the Committee; (ii) approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the external auditors; (iii) oversee the services provided by the external auditors for the purpose of preparing or issuing an audit report or related work; and (iv) review the performance of the external auditors, including, but not limited to, the partner of the external auditors in charge of the audit, and, in its discretion, approve any proposed discharge of the external auditors when circumstances warrant, and appoint any new external auditors. Notwithstanding any other provision of this Charter, the external auditor will be ultimately accountable to the Board and the Committee, as representatives of the shareholders of the Company, and those representatives will have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditor (or to nominate the external auditor to be proposed for shareholder approval);

(b) periodically review and discuss with the external auditors all significant relationships that the external auditors have with the Company to determine the independence of the external auditors. Without limiting the generality of the foregoing, the Committee will ensure that it receives, on an annual basis, a formal written statement from the external auditors that sets out all relationships between the external auditor and the Company, and receives an opinion on the financial statements consistent with all professional standards that are applicable to the external auditors (including, but not limited to, those established by any securities legislation and regulations, the Canadian Institute of Chartered Professional Accountants – Chartered Accountants, Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) and the American Institute of Certified Public Accountants, and those set out in the International Financial Reporting Standards as issued by the International Accounting Standards Board);

(c) evaluate, in consultation with the Company's management, internal accounting department and external auditors, the effectiveness of the Company's processes for assessing significant risks or exposures and the steps taken by management to monitor, control and minimize such risks; and obtain, annually, a letter from the external auditors as to the adequacy of such controls;

(d) consider, in consultation with the Company's external auditors and internal accounting department, the audit scope and plan of the external auditors and the internal accounting department;

(e) coordinate with the Company's external auditors the conduct of any audits to ensure completeness of coverage and the effective use of audit resources;

(f) assist in the resolution of disagreements between the Company's management and the external auditors regarding the preparation of financial statements; and in consultation with the external auditors, review any significant disagreement between management and the external auditors in connection with the preparation of the financial statements, including management's responses thereto;

(g) after the completion of the annual audit, review separately with each of the Company's management, external auditors and internal accounting department the following:

    (i) the Company's annual financial statements and related footnotes;

    (ii) the external auditors' audit of the financial statements and their report thereon;

    (iii) any significant changes required in the external auditors' audit plan;

    (iv) any significant difficulties encountered during the course of the audit, including, but not limited to, any restrictions on the scope of work or access to required information;

    (v) the Company's guidelines and policies governing the process of risk assessment and risk management; and

(h) other matters related to the conduct of the audit that must be communicated to the Committee in accordance with the standards of any regulatory body (including, but not limited to, securities legislation and regulations, the Canadian Institute of Chartered Professional Accountants, International Financial Reporting Standards as issued by the International Accounting Standards Board, Canadian generally accepted auditing standards, the United States Public Company Accounting Oversight Board, and the American Institute of Certified Public Accountants);

(i) consider and review with the Company's external auditors (without the involvement of the Company's management and internal accounting department):

    (i) the adequacy of the Company's internal controls and disclosure controls, including, but not limited to, the adequacy of computerized information systems and security;

    (ii) the truthfulness and accuracy of the Company's financial statements; and

    (iii) any related significant findings and recommendations of the external auditors and internal accounting department, together with management's responses thereto;

(j) consider and review with the Company's management and internal accounting department:

    (i) significant findings during the year and management's responses thereto;

    (ii) any changes required in the planned scope of their audit plan;

    (iii) the internal accounting department's budget and staffing; and

    (iv) the internal auditor department's compliance with the appropriate internal auditing standards;

(k) establish systems for the regular reporting to the Committee by each of the Company's management, external auditors and internal accounting department of any significant judgments made by management in the preparation of the financial statements and the opinions of each as to appropriateness of such judgments;

(l) review (for compliance with the information set out in the Company's financial statements and in consultation with the Company's management, external auditors and internal accounting department, as applicable) all filings made with Regulators and government agencies, and other published documents that contain the Company's financial statements before such filings are made or documents published (including, but not limited to: (i) any certification, report, opinion or review rendered by the external auditors; (ii) any press release announcing earnings (especially those that use the terms "pro forma", "adjusted information" and "not prepared in compliance with generally accepted accounting principles"); and (iii) all financial information and earnings guidance intended to be provided to analysts, the public or to rating agencies);

(m) prepare and include in the Company's annual proxy statement or other filings made with Regulators any report from the Committee or other disclosures required by all applicable federal, provincial and state securities legislation and the rules and regulations of Regulators having jurisdiction over the Company;

(n) review with the Company's management: (i) the adequacy of the Company's insurance and fidelity bond coverage, reported contingent liabilities and management's assessment of contingency planning; (ii) management's plans in respect of any changes in accounting practices or policies and the financial impact of such changes; (iii) any major areas in that, in management's opinion, have or may have a significant effect upon the financial statements of the Company; and (iv) any litigation or claim (including, but not limited to, tax assessments) that could have a material effect upon the financial position or operating results of the Company;

(o) at least annually, review with the Company's legal counsel and accountants all legal, tax or regulatory matters that may have a material impact on the Company's financial statements, operations and compliance with applicable laws and regulations;

(p) review and update periodically a Code of Ethics and Business Conduct for the directors, officers and employees of the Company; and review management's monitoring of compliance with the Code of Ethics and Business Conduct;

(q) review and update periodically the procedures for the receipt, retention and treatment of complaints and concerns by employees received by the Company regarding accounting, internal accounting controls or auditing matters, including, but not limited to, concerns regarding questionable accounting or auditing practices;

(r) consider possible conflicts of interest between the Company's directors and officers and the Company; and approve for such parties, in advance, all related party transactions;

(s) review policies and procedures in respect of the expense accounts of the Company's directors and officers, including, but not limited to, the use of corporate assets;

(t) review annually and update this Charter and recommend any proposed changes to the Board for approval, in accordance with the requirements of all applicable federal, provincial and state securities legislation and the rules and regulations of Regulators having jurisdiction over the Company; and

(u) perform such other functions, consistent with this Charter, the Company's constating documents and governing laws, as the Committee deems necessary or appropriate.

Last reviewed by the Audit Committee on October 29, 2017

Last presented by the Audit Committee for review and approval to, and so approved by, the Board of Directors on October 29, 2017 (prior dates being November 3, 2015 and October 1, 2014).

Corporate Directory

Beadell Resources Ltd

Level 2
16 Ord Street
West Perth WA 6005
Australia

Australian legal adviser

Herbert Smith Freehills
Level 36, QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia

Beadell Share Registry

Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
Adelaide SA 5000