

Explanatory Statement

Centennial Mining Ltd ACN 149 308 921 (Subject to Deed of Company Arrangement) (‘Centennial’)

Application for Court approval for a transfer of your shares for nil consideration

This Explanatory Statement provides information to Centennial shareholders on the GRR DoCA entered into by Centennial, Maldon (a wholly owned subsidiary of Centennial) and the Deed Administrators of both Centennial and Maldon on 20 October 2020.

The GRR DoCA was entered into following creditor approval at meetings convened on 13 October 2020.

Completion of the GRR DoCA is conditional on (amongst other things), the Deed Administrators obtaining leave from the Supreme Court of Western Australia for the Deed Administrators to transfer all of the shares currently held in Centennial, to GRR, for no consideration.

A directions hearing relating to the Section 444GA Application has been listed for hearing at the Supreme Court of Western Australia commencing at 9.45am on 10 November 2020.

If you wish to appear at the Court hearing to make submissions and support or oppose the 444GA Application, you will need to do so by filing with the Court, and serving on the Deed Administrators and ASIC, a notice of appearance in the prescribed Court form indicating the grounds of opposition. We ask that you do this as soon as possible and note that you are required by the Court to do so by no later than 9 November 2020.

The final hearing for the 444GA Application has **not** yet been listed but information as to the 444GA Application will be available here < <https://kordamentha.com/creditors/centennial-mining-maldon-resources>>.

This is an important document. Shareholders (and their advisors and any other interested parties) should read this Explanatory Statement and accompanying the Expert Report in their entirety before making a decision regarding whether or not to take any action in respect of the Section 444GA Application. If you have any questions on the information in this document, you should consult your legal or other professional advisor.

1 Important information

1.1 Purpose of this Explanatory Statement

This document is an Explanatory Statement issued by Centennial in connection with the GRR DoCA and the Section 444GA Application.

If the Section 444GA Order is made and the GRR DoCA is effectuated, all of your shares in Centennial will be transferred to GRR as determined under the terms of the GRR DoCA for no consideration to current shareholders. You will not receive any money and you will cease to own your shares.

This Explanatory Statement has been provided to you by Centennial, to assist you to understand:

- the nature of the application which has been made, pursuant to the terms of the GRR DoCA, by the Deed Administrators of Centennial to the Supreme Court of Western Australia for approval to transfer all of the shares in Centennial to GRR pursuant to Section 444GA of the Corporations Act;
- the proposed restructure and its effect on you as a shareholder;
- the steps which you need to take if you wish to appear at the directions hearing on that application, which is scheduled for 10 November 2020 at 9.45am; and
- the information which is, and will be, available to assist you in deciding whether to appear at the directions hearing.



The Expert Report prepared by Deed Administrators, which contains a valuation of Centennial's shares, is attached to this document. **The opinion set out in the Expert Report is that the shares have nil value.**

1.2 Effect of the GRR DoCA on shareholders

If the GRR DoCA is effectuated, your shareholding will be entirely transferred to a new holder for nil consideration to you.

However, through implementation of the GRR DoCA, Centennial and its subsidiary, Maldon, will avoid liquidation and continue as a going concern, as a privately held limited company, post effectuation of the GRR DoCA.

Further information regarding the effect of the successful effectuation of the GRR DoCA on the Group is set out in section 3.4 below.

1.3 Status of this document

This document is not a prospectus or other disclosure document under Chapter 6D of the Corporations Act.

A copy of this Explanatory Statement (including Expert Report) has been given to ASIC for the purposes of obtaining the ASIC relief referred to in section 7.1 below. Neither ASIC nor any of its officers takes any responsibility for its contents.

1.4 Defined terms

Capitalised terms used in this Explanatory Statement have the meanings defined in the Glossary in section 8, unless the context otherwise requires or a term has been defined in the text of the Explanatory Statement. All time references in this Explanatory Statement are to Australian Western Standard Time (AWST).

2 Background

2.1 Key events since the Second Expert Report

The following major events have occurred since the Second Expert Report:

- The Gandel Decision was handed down by the Court on 15 May 2020, with the Court ruling that Gandel Metals holds security over the A1 Gold Mine. Oldfield Investments appealed the Gandel Decision on 3 July 2020 and a trial date of 2 October 2020 was set.
- The Secured Creditors advised on 11 September 2020 that they would not consent to releasing their security at effectuation of the Oldfield DoCA, meaning the conditions precedent to the Oldfield DoCA could not be met. They also requested that the creditors' meetings be convened, and a notice of creditors' meetings was subsequently circulated on 14 September 2020.
- On 17 September 2020, a DoCA term sheet proposing a variation to the Oldfield DoCA was provided to the Deed Administrators by GRR together with proof of funds.
- Oldfield Investments sought a court order on 18 September 2020 injuncting the Deed Administrators from:
 - Sending the Supplementary Report to creditors, and
 - Convening the Creditors' Meetings
- This hearing was adjourned to 21 September 2020, at which time Oldfield Investments agreed to orders that dismissed the injunction. Oldfield and GRR reached an agreement whereby GRR purchased Oldfield Investments' debt and the Langsung Debt,
- On 30 September 2020, Oldfield lodged a notice of discontinuance of appeal with the Court in respect of the Gandel Decision.
- Meetings of creditors was held on 13 October 2020 whereby the Group's creditors resolved that the companies entered into the GRR DoCA.
- The GRR DoCA was executed on 20 October 2020.

Further detail about the events during the Voluntary Administration/Deed Administration is provided at section 4 of the Expert Report.

The GRR DoCA will compromise and release all debts and liabilities as against the Group that existed as at the date the Group entered Voluntary Administration on 21 March 2019, save for claims of employees who will be continuing their employment with the Group. The GRR DoCa will also facilitate the transfer pursuant to section 444GA of the Act of all of the existing issued shares to GRR. Following effectuation of the GRR DOCA, the Group will emerge as a going concern, as a privately held limited company with only one shareholder, GRR.

The Voluntary Administrators and subsequently Deed Administrators determined it was in the best interests of the Group and its creditors to proceed with the GRR DoCA in order to undertake the necessary steps to facilitate ongoing limited mining operations and actions to work towards effectuation.

No other DoCA proposals were received.

2.2 Expert opinion

In our opinion, the Total Indebtedness under both a standalone and pooled basis materially exceeds the value of the Companies' assets on a standalone basis and pooled basis, Therefore, Centennial's shares have nil value in a liquidation scenario. This deficiency is shown on an individual basis as follows:

	Centennial			Maldon		
	Low	High	Preferred	Low	High	Preferred
Total Assets	6.71	10.30	8.56	7.97	8.82	8.40
Total Indebtedness	(17.55)	(17.35)	(17.35)	(25.04)	(25.89)	(25.89)
(Deficiency)	(10.84)	(7.05)	(8.79)	(17.07)	(17.07)	(17.49)

And a pooled basis as follows:

	Low	High	Preferred
Total Assets	14.68	19.12	16.96
Total Indebtedness	(26.85)	(27.50)	(27.50)
(Deficiency)	(12.17)	(8.38)	(10.54)

3 What is the GRR DoCA?

3.1 Overview

The GRR DoCA is an agreement contemplated by statute. The effect of the GRR DoCA is to compromise the claims of creditors of the Group that arose on or before the appointment of the Voluntary Administrators.

The GRR DoCA was entered into on 20 October 2020.

3.2 Terms of the GRR DoCA

The overview of the terms of the GRR DoCA is as follows:

- GRR will make cash of \$13.5 million available which will be used to pay Oldfield Investments, Secured Creditors, the Gandel Parties, priority creditors and unsecured creditors through a Creditors' Trust and the Deed Administrator for their trading costs and fees. **The Oldfield Investments debt (including the Langsung Debt) has now been paid by GRR from these funds**
- GRR will assume liabilities which will not be transferred to the Creditors Trust including employee entitlements for those employees who continue to be employed by the Group post effectuation of the GRR DoCA and Environmental Bonds
- The Deed Administrators must convene meetings of creditors by 31 October 2020 – **meetings held on 13 October 2020**
- The Deed Administrators applying to the Court for leave pursuant to section 444GA of the Act and applying to ASIC for relief from the prohibition in section 606 of the Act. These applications need to be successful in order for the GRR DOCA to complete.

- Creditors are to be dealt with in separate classes, in a creditors' trust, save for Bendan, Montlodge and the Gandel Parties, whose claims will be dealt with at effectuation of the GRR DoCA, and who will release any of their security interests against the Group;
- GRR will continue as a secured creditor for the full amount of its debt and continue to hold its security over the Companies until effectuation of the GRR DoCA, at which time the debt will be forgiven or converted into Centennial shares the completion of a transaction between GRR and an ASX listed entity, namely Kaiser Reef Limited, for the acquisition by Kaiser of a 100% equity interest in GRR (**Kaiser Transaction**).The Kaiser Transaction may be waived by GRR.
- The Gandel Parties, Bendan, Montlodge and Dale Rogers executing deeds of release with the Group, which will be held in escrow pending effectuation of the GRR DoCA
- The discontinuation of the appeal proceedings regarding Gandel Metals claim as a secured creditor – **appeal proceedings discontinued on 30 September 2020**
- Sunset date of 31 December 2020 or such later date as agreed between the Deed Administrators and GRR.

3.3 Conditions precedent and completion steps to the GRR DoCA

The DOCA will effectuate immediately after all the following conditions precedent have been satisfied or waived on or before the sunset date of 31 December 2020 or later date as agreed by GRR and the Deed Administrators:

- the Companies' creditors approve the DoCA at meetings of their creditors - **completed**
- the Deed Administrators applying to Court for leave pursuant to section 444GA of the Act and to ASIC for relief from the prohibitions in section 606 of the Act;
- the transfer of Centennial's shares to GRR cannot occur unless Court orders pursuant to section 444GA have been granted and ASIC provide the relief from the prohibition in section 606 of the Act
- GRR Making \$13.5 million available to the Deed Administrators, less any amounts already paid (which as at today's date is the amount paid to Oldfield to refinance the Oldfield Loan);
- payment of the Cash Contribution by the Deed Administrators into the Creditors' Trust, together with the other available property being transferred into Creditors' Trust, which includes debtors as at the date of effectuation and unsold gold / proceeds from the unsold gold produced on the last Wednesday prior to effectuation and any residual cash less the Deed Administrators' fees, remuneration and expenses;
- deeds of release being entered into with the Gandel Parties, Bendan, Montlodge and Dale Rogers, whereby those parties release all of their rights, title and claims they may have against the Group and the Deed Administrators and agree to release their security.
- payment of \$2.85 million being made to Gandel and Octagonal in full and final settlement of all their debts including the section 560 loan, unsecured loan, costs, secured loan to the Group and the Gandel Parties releasing their security over the Group;
- payment of \$1.14 million being made to Montlodge (and its related party) and payment of \$191,000 being made to Bendan in full and final settlement of all their debts including unsecured debt and their secured loan to the Group and Bendan and Montlodge (and its related party) releasing their security over the Group;
- the Deed Administrators will remove and appoint new directors to Centennial's board of directors as instructed by GRR.
- the completion of the Kaiser Transaction, which may be waived by GRR
- GRR doing all things necessary to release its security interest against the Group and doing all things necessary to release and remove any registrations against the Group in favour of Oldfield and Langsung
- GRR informing the Deed Administrators as to whether GRR will forgive the Oldfield and Langsung debt refinanced by GRR or convert that debt into Centennial's shares;
- the execution of a Creditors' Trust Deed and establishment of the Creditors' Trust
- the new directors being appointed (which conditions maybe waived by GRR).

3.4 Effect of the GRR DoCA

If effectuated, the GRR DoCA will:

- transfer all of the shares in Centennial to GRR;



- compromise and extinguish the claims of Secured Creditors, the Gandel Parties and Dale Rogers against the Group;
- release the securities granted in favour of the Secured Creditors over the Group;
- compromise and extinguish all of the claims that unsecured creditors may have against the Group in exchange for a potential right of distribution under a creditors' trust; and
- extinguish any claims of shareholders who may have a claim against Centennial in their capacity as shareholders.

3.5 No consideration is payable for the transfer of shares?

You will **not** receive any consideration for the transfer of your Centennial shares. If the Section 444GA Order is made, and ASIC grants relief from the prohibition in s606 of the Act, the Deed Administrators will transfer your shares to GRR on effectuation of the GRR DoCA, for no consideration and you will cease to hold any shares in Centennial.

3.6 What must the Court be satisfied of in making the Section 444GA Order?

The Court may only give leave for the transfer the shares in Centennial to GRR if it is satisfied that the transfer would not unfairly prejudice shareholders.

In this regard, Deed Administrators have prepared the Expert's Report to provide a valuation of Centennial's shares to assist the Court in determining whether the proposed transfer of all of the issued shares in Centennial as contemplated by the GRR DoCA will unfairly prejudice shareholders for the purpose of the Section 444GA Application.

The Courts have previously referred to the following propositions in determining whether to grant leave pursuant to s444GA:

- whether the transfer of shares for nil consideration unfairly prejudices the interests of members, which requires the court to consider the impact of a compulsory transfer where there may be some residual value in the company;
- the possibility of prejudice to a shareholder only arises if there is some residual value in the company;
- if the company has no residual value, the shares have no value and the members are unlikely to receive any distribution in liquidation, then it is difficult to see how members suffer prejudice; and
- whether a full and accurate description of the proposal (in this case the GRR DoCA) has been given to members and whether they have been given an opportunity to oppose the application;

To assist in preparing this report the Deed Administrators (on behalf of the Group) engaged RPM and Gordon Brothers to provide technical valuations of the Companies' mining tenements and specialised plant and equipment.

The Expert Report was also prepared for the purpose of applying to ASIC for technical relief from Chapter 6 requirements of the Act.

A full copy of the Expert Report is attached to this document. Shareholders (and their advisors and any other interested parties) should read the Expert Report carefully and in its entirety.

3.7 What is the Expert's conclusion?

Deed Administrators have concluded in the Expert Report that Centennial's shares have **nil value** as the Group's Total Indebtedness exceeds the value of the Group's remaining assets.

3.8 ASIC relief

Where a transfer under section 444GA will result in a person acquiring a relevant interest in shares in a company of more than 20%, relief from the prohibition in section 606 needs to be granted by ASIC. Accordingly, in conjunction with the Section 444GA Application, the Deed Administrators will also be making an application for relief from the prohibitions in section 606 of the Act.

The Section 606 application is required because:

- Centennial is unlisted with more than 50 members;
- GRR is seeking to obtain 100% of the shares in Centennial under the DOCA; and



- GRR's voting power in Centennial will increase from below 20% to more than 20%.

Pursuant to Section 655A of the Act, ASIC has the power to make exemptions from the prohibitions in section 606. of the Act.

The Deed Administrators will update shareholders appropriately in relation to the ASIC application as developments occur.

3.9 The requirements for ASIC relief

At the time of preparing this report, ASIC released an updated Regulatory Guide related to applications to ASIC for relief from the prohibitions in section 606 of the Act in circumstances of a share transfer pursuant to section 444GA. The new Regulatory Guide provides that ASIC will generally not accept an expert report prepared by administrators / deed administrators. However, given this Expert Report was in progress prior to the release of ASIC's updated Regulatory Guide, ASIC has said they will not insist on the Expert Report being prepared by a third party.

In order for ASIC to grant relief, it generally requires that:

- an expert report (in this case the report of the Deed Administrators and not an independent expert report) includes that the members have no residual equity in the company;
- members are provided with an explanatory statement at least 14 days before the final court hearing that:
 - explains the nature of the 444GA application (which is outlined above);
 - explains members' rights to object (outlined below at paragraph 6);
 - explains the requirements for ASIC relief (outlined here);
 - includes a copy or a link to the Expert Report (the Expert Report is attached); and
 - includes a copy of the originating process documents (attached).
- the court has granted leave pursuant to section 444GA of the Act.

In relation to the requirement to provide a copy of the originating process documents, the supporting affidavit has not been provided to members on the basis that an application to Court must be made to inspect that affidavit. Members may apply for access to the affidavit by applying to court pursuant to order 67B rule 11 of the *Rules of the Supreme Court 1971* (WA).

4 Effect of the GRR DoCA on the Group

4.1 Current Structure

Prior to the appointment of the Voluntary Administrators on 21 March 2019, Centennial was listed on the ASX and is a junior Victorian gold producer that is developing and producing from the A1 Gold Mine near Woods Point, Victoria. Centennial also owns, via a wholly owned subsidiary, Maldon Resources which is the proprietor of the gold processing plant located in Maldon, Victoria and, the Union Hill Mine near Maldon, Victoria whose operations are currently suspended.

Ore mined from the A1 Gold Mine is trucked to the Maldon Resources' processing facility at Porcupine Flat, near Maldon.

Centennial was delisted from the ASX on 29 August 2019 as the Deed Administrators determined that due to the then impending merger with AuStar under the terms of the DoCA at that time, the continuation of Centennial's listing added no value to Centennial under either the DoCA at that time or in a liquidation scenario.

4.2 Why is the GRR DoCA required?

The GRR DoCA is being progressed by the Deed Administrators because:

1. the creditors of the Group voted in favour of the GRR DoCA
2. It presents the only opportunity open to the Group to deal with its existing debt position, as none of the alternatives investigated by the directors (prior to the appointment of Voluntary Administrators) and the Voluntary Administrators (post their appointment over the Group) provided a solution which would return the Group to their usual operations and the Deed Administrators received no alternative proposals



3. If the GRR DoCA is effectuated, the Group will emerge as a going concern and as a privately held limited company
4. The DoCA Proponent has sufficient financial capacity to fund working capital and required capital expenditure to optimise the Group's operations
5. Effectuation of the GRR DoCA will minimise the risk that the Group will be unable to continue its mining operations.

The directors explored numerous avenues in the months prior to the appointment of the Voluntary Administrators to secure a future for the Group, however, the Group was unable to be successfully restructured, recapitalised, or sold. A summary of some of the key events in respect of the recapitalisation of the Group is outlined below.

- The \$2.5 million in Munderoo Notes were due to be repaid in June 2018. Given its cash flow position, Centennial was unable to fully fund the repayment of the notes at this time. After several short extensions, the Munderoo Notes became repayable in early August 2018. The Directors considered the appointment of an administrator at this time given the Group's financial position and inability to meet the quantum of the required payment.
- Ultimately, Centennial obtained a short-term loan in the amount of \$2,171,272 from Gandel Metals, a related party to Centennial's major shareholder, Octagonal Resources Pty Ltd, and the \$2.5 million in Munderoo Notes were repaid on 10 August 2018 through a combination of the Gandel Metals loan and internally generated funds of \$328,728.
- The Gandel Metals loan was repayable on 9 February 2019. By or before the repayment date, it appears that the parties intended to negotiate an agreement to convert the loan into a convertible note(s) which was to be part of a broader restructuring of the Group. As part of this process, Centennial announced a Rights Issue in September 2018.
- Centennial was unable to pursue the rights issue as it was unable to finalise its FY18 accounts on a going concern basis given the uncertainty surrounding its ability to raise the necessary equity capital.
- Given the Group's working capital deficiency, Gandel Metals advanced further funds for the payment of wages on 5 December 2018 in the amount of approximately \$350,000 on the same terms as the initial short-term loan. These funds were provided as a Section 560 loan which effectively provides Gandel Metals with the same priority as employee entitlements for this amount where the company was to enter into administration.
- After pursuing multiple recapitalisation proposals after this time, the Group was ultimately unsuccessful in achieving a sustainable recapitalisation of the business. On 11 February 2019, Gandel Metals provided Centennial with a two-week extension for the repayment of its loans.
- Subsequently, Gandel Metals withdrew its support for the Group and informed Centennial that it required the repayment of its loans. Shortly following this notification, and without any available means to meet repayment of the Gandel Metals' loans, the Group was placed into administration.

If the GRR DoCA is not effectuated, it is expected that the Group will be unable to continue operations and their assets will be liquidated. In this scenario, the Expert Report determined that the shares have nil value and hence there will be no return to shareholders.

4.3 Effect of the GRR DoCA on assets and liabilities of the Group

On effectuation of the GRR DoCA:

1. The GRR DoCA will be terminated.
2. There will be no effect on the assets of the Group. The Group will continue to own and operate all of the assets they currently have.
3. The debts of the Group and claims that creditors that existed prior to 21 March 2019 will be transferred to a Creditors' Trust, where the Deed Administrators (as trustees of the Creditors' Trust) will distribute the funds in the Creditors' Trust Deed in accordance with the terms of the Creditors' Trust, to the Participating Creditors, pending adjudication of their claims.
4. Employee entitlements for those employees who will continue with the Group post effectuation of the GRR DoCA will have their entitlements preserved;
5. the obligations owed by the Group in relation to the Environmental Bonds will also be preserved.

4.4 Intentions for the Group post effectuation of the GRR DoCA

As outlined above, upon effectuation of the GRR DoCA, GRR will hold 100% of the shares in Centennial, such that GRR will ultimately acquire Centennial and any subsidiaries. It is intended that as part of the GRR DoCA, 100% of the equity interest in GRR will be acquired by Kaiser Reef Limited, an ASX listed entity, although the acquisition of Kaiser Reef Limited is a condition which can be waived by GRR.



5 Advantages and disadvantages for shareholders

This section sets out the key advantages and disadvantages of the GRR DoCA for shareholders. Nevertheless, shareholders should read this Explanatory Statement in full.

5.1 Advantages of the GRR DoCA for shareholders

Tax consequences

This general information is for shareholders who are Australian resident taxpayers holding their shares on capital account, not as trading stock, and who are not subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997 (Cth)* for the purposes of calculating any gains or losses arising from financial arrangements. It does not take account of the circumstances of any individual shareholders. You should seek your own tax advice on the consequences for you of the GRR DoCA being effectuated.

The transfer of shares on effectuation of the GRR DoCA will give rise to a capital gains tax event for shareholders. The Australian shareholders who hold their shares on a capital account will incur a capital loss to the extent the reduced cost base of the shares being transferred exceeds the market value of the shares.

The reduced cost base in the shares includes:

1. the acquisition cost of the shares;
2. incidental acquisition costs incurred to acquire and hold the shares;
3. expenditure incurred to increase or preserve the value of the shares; and
4. capital expenditure incurred to establish, preserve or defend their title to the shares.

Given the transfer will occur by way of court order, and not a contract, the time of the CGT Event for shareholders will be when the Section 444GA Transfer takes effect upon the effectuation of the GRR DoCA.

Non-Australian resident shareholders should not get the benefit of the capital loss on the basis that their shares should not constitute taxable Australian property.

5.2 Disadvantages of the GRR DoCA for shareholders

You will no longer hold your shares in Centennial

As discussed throughout this statement, if approved, the Section 444GA Application will transfer all of the shares you hold in Centennial to GRR and you will receive no money.

Extinguishing claims against Centennial

Any claims you have against Centennial in your capacity as a shareholder will be extinguished. This will not affect any claims you may have against third parties.

6 Section 444GA Application – what you need to know

6.1 What is the status of the Section 444GA Application?

To effect the transfer of all the issued shares in Centennial from each current shareholder as contemplated by the GRR DoCA, an application is currently being made to the Supreme Court of Western Australia seeking leave under section 444GA of the Act to transfer those shares pursuant to the GRR DoCA.

The Supreme Court of Western Australia has listed the next directions hearing for 10 November 2020. Subsequent hearing dates will follow the directions hearing, resulting in the final hearing where orders on the Section 444GA Application are expected to be made. The Court is located at the David Malcolm Justice Centre, Level 11, 28 Barrack Street, Perth, Western Australia.



6.2 How can you participate in the Court hearing?

Pursuant to Section 444GA(2)(a) of the Act, members of Centennial have a right to be heard in the Section 444GA Application. You should seek independent legal, financial and taxation advice before making a decision on whether to take any action in relation to the Section 444GA Application.

If you wish to appear in Court to oppose the Section 444GA Application, you must file with the Court and serve on us a notice of appearance, in the prescribed form by 9 November 2020. However, the Court may decide to allow shareholders to be heard in the Section 444GA Application after this date. If you intend to be heard in the Section 444GA Application please contact our solicitors Lavan, 1 William Street, Perth, WA 6000 (attention: Joseph Abberton/Tegan Healey) or Joseph.Abberton@lavan.com.au/tegan.healey@lavan.com.au

6.3 What is the Expert Report's conclusion?

Deed Administrators have prepared the Experts Report to provide a valuation of Centennial's shares to assist the Court in determining whether the proposed transfer of all of the issued shares in Centennial as contemplated by the GRR DoCA will unfairly prejudice shareholders for the purpose of the Section 444GA Application. To assist in preparing this report the Deed Administrators (on behalf of the Group) engaged RPM and Gordon Brothers to provide technical valuations of the Group's mining tenements and specialised plant and equipment.

The Expert Report was also prepared for the purpose of applying to ASIC for technical relief from Chapter 6 requirements of the Act.

A full copy of the Expert Report is attached. The Deed Administrators have concluded in its report that Centennial's shares have nil value as the Group's Total Indebtedness exceeds the value of the Group's remaining assets.

6.4 What additional information is available to you?

To assist you in deciding whether to appear at the directions hearing or final Court hearing, and in addition to this Explanatory Statement and the attached Expert Report the Supplementary Report to Creditors dated 25 September 2020 is available on the Deed Administrators website at www.kordamentha.com/creditors/centennial-mining-maldon-resources in the Creditor Information section.

Alternatively, you can request copies of these documents from Deed Administrators and they can be emailed or posted to you. Please contact the Deed Administrators' team on +61 8 9220 9333 or Centennial@kordamentha.com if you would like copies of these documents.

6.5 What is the timetable for the Section 444GA Application?

The following is a summary of the key dates and activities relating to the Section 444GA Application.

Event	Date
Notification of the Section 444GA Application sent to all shareholders of Centennial	15 October 2020
Public announcement of Section 444GA Application published in The Australian, Herald Sun and The West Australian newspapers	19-20 October 2020
Deadline for shareholders to file an appearance with the Court	9 November 2020
Directions hearing	10 November 2020
Deed Administrators to issue notification to shareholders regarding the results of the directions hearing and confirmation of the date for the Final Hearing	10 days prior to the Final Hearing
Final hearing	TBC but not before 20 November 2020

The Deed Administrators will release an announcements on their website (www.kordamentha.com/creditors/centennial-mining-maldon-resources) setting out the orders made by the Court following the directions hearing to be held on 10 November 2020.

6.6 What if I do nothing?

If you take no action in respect of the Section 444GA Application, and the conditions to the GRR DoCA are satisfied, all of your shares held in Centennial will be automatically transferred under the Section 444GA Transfer to GRR and you will cease to own those shares. You will not receive any money, or other form of consideration, for your shares being transferred.

6.7 What will happen if the Section 444GA Order is not made?

If the Section 444GA Order is not made, then GRR as the DoCA proponent, may, within 21 days, appeal the Court's decision or may give written notice to the Deed Administrators that it wishes instead to enter into an alternate transaction involving the Group ('Alternate Transaction').

Should GRR elect not to appeal or put forward an Alternate Transaction or should an appeal fail, then if there are no other alternative transactions the GRR DoCA will terminate and the likely outcome of creditors' meetings will be that the Group will be placed into liquidation with the Deed Administrators becoming the Liquidators of the Group to complete the winding up process.

As outlined in the Expert Report there would be no return to shareholders in a winding up of the Group.

7 Additional information

7.1 Further information

If you have further questions, it is recommended that you:

1. Contact your stockbroker, bank manager, solicitor, accountant and/or other professional adviser
2. All reports/notifications issued (past and future) by the Deed Administrators relating to the Companies are available for download from www.kordamentha.com/creditors/centennial-mining-maldon-resources

8 Glossary

The following is a glossary of certain terms used in this Explanatory Statement.

Amended Varied DoCA	DoCA approved by the Companies' creditors on 15 November 2019 and executed on 20 November 2019
ASIC	Australian Securities and Investments Commission
Austar	Austar Gold Limited
Avior	Avior Consulting Pty Ltd
Companies	Centennial Mining Limited (Subject to Deed of Company Arrangement) (ACN 149 309 921) and Maldon Resources Pty Ltd (Subject to Deed of Company Arrangement) (ACN 090 458 665)
Centennial	Centennial Mining Limited (Subject to Deed of Company Arrangement) (ACN 149 309 921)
the Act	<i>Corporations Act 2001</i> (Cth)
Court	Supreme Court of Western Australia
Creditors' Meetings	Meetings of Companies creditors held on 13 October 2020
Creditors' Trust	the trust to be established by the Creditors' Trust Deed
Creditors' Trust Deed	the trust deed to be entered into between the Companies and the Deed Administrators substantially in the form of Annexure A of the GRR DoCA
Deed Administrators	Richard Tucker, John Bumbak and Leanne Chesser in their capacity from 21 March 2019 to 7 June 2019 as Voluntary Administrators and from 7 June 2019 to present as Deed Administrators of the Companies
DoCA Proponent	Golden River Resources Pty Ltd



Expert Report	Expert Report prepared by Deed Administrators, dated 6 November October 2020 which contains a valuation of Centennial shares
FEG	Fair Entitlement Guarantee Scheme, a Government initiative
First DoCA Proposal	The DoCA proposal received from Avior on 1 May 2019
Gandel	Gandel Metals Pty Ltd, Octagonal Resources Pty Ltd, Abbotsleigh Proprietary Limited, and Ian Gandel
Gandel Decision	Orders handed down by the Court on 22 May 2020 indicating that Squadron's security interest in Centennial had been subrogated to Gandel Metals
Gordon Brothers	Gordon Brothers Pty Ltd (ACN 616 884 274)
Group	Centennial and its fully owned subsidiary Maldon
GRR	Golden River Resources Pty Ltd (ACN 643 877 767)
GRR DoCA	the deed of company arrangement entered into between Centennial, Maldon, the Deed Administrators and GRR on 16 October 2020
Initial Appointment Date	21 March 2019
Langsung Debt	Secured debt owned by Langsung Pty Ltd atf Langsung Superannuation Fund acquired by Oldfield Lender on 24 June 2020
Maldon	Maldon Resources Pty Ltd (Subject to Deed of Company Arrangement) (ACN 090 458 665)
Mining Lending	Mining Lending Pty Ltd
Participating Creditors	Creditors participating in the Creditors Trust
RPM	RPM Advisory Services Pty Ltd (ACN 611 453 126)
Second Expert Report	Export report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 21 April 2020
Section 444GA Application	an application to the Court under Section 444GA of the Act for leave to be granted to the Deed Administrators to transfer all of the shares in Centennial to GRR
Section 444GA Order	an order of the Court granting the leave sought in the Section 444GA Application
Section 444GA Transfer	The transfer of shares granted by the Section 444GA Order will occur upon effectuation of the GRR DoCA
Secured Creditors	Bendan Superannuation Pty Ltd (ACN 154 889 531) in its own capacity and as trustee for the Crooks Superannuation Fund Montlodge Pty Ltd (ACN 073 559 958) in its own capacity and as trustee for the Stanley Family Trust Gandel Metals Pty Ltd (ACN 102 347 955)
Total Indebtedness	The total amount owed by the Companies in a liquidation scenario, calculated on a pooled and individual basis
Gandel Parties	means Gandel Metals Pty Ltd, Octagonal Resources Pty Ltd, Ian Gandel, and Abbotsleigh Proprietary Ltd
Oldfield	Viv Oldfield
Oldfield DoCA	the deed of company arrangement entered into between Centennial, Maldon, the Deed Administrators and the Oldfield DoCA Proponent on 28 February 2020
Oldfield Lender	means VC Oldfield Investments Pty Ltd ATF the Oldfield Family Trust No 3 (or its nominee)
Varied DoCA	The amended DoCA proposal received from Avior on 16 August 2019



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR 124 of 2020

IN THE MATTER OF CENTENNIAL MINING LTD (SUBJECT TO DEED OF
COMPANY ARRANGEMENT) (ACN 149 308 921)

RICHARD SCOTT TUCKER, JOHN ALLAN BUMBAK AND LEANNE KYLIE
CHESSEY AS DEED ADMINISTRATORS OF CENTENNIAL MINING LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921)

Plaintiffs

MINUTE OF PROPOSED ORDERS

Date of Document: 14 October 2020
Filed on behalf of: The Plaintiffs
Date of Filing: 14 October 2020

Prepared by:

Lavan
Level 18
1 William Street
PERTH WA 6000

Telephone No.: 08 9288 6000
Facsimile No.: 08 9288 6001
Reference: TEH:JGA: 1166784
Joseph Abberton

UPON APPLICATION by the Plaintiffs, IT IS ORDERED THAT:

- 1 The Plaintiffs, Mr Richard Tucker, Ms Leanne Chesser and Mr John Bumbak in their capacities as deed administrators of Centennial (**Deed Administrators**) are to:



- 1.1 advertise this proceeding by causing a notice substantially in the form of “Annexure A” to these minute of orders on the Deed Administrators’ firm’s website, by 16 October 2020;
- 1.2 advertise this proceeding by causing an advertisement substantially in the form of “Annexure B” to these minutes at least once between the date of these 16 October 2020 and 18 October 2020, in the following newspapers:
 - 1.2.1 The Australian;
 - 1.2.2 The West Australian;
 - 1.2.3 the Herald Sun; and
 - 1.2.4 any other newspaper the Deed Administrators consider appropriate.
- 1.3 send by post, a copy of the letter substantially in the form of “Annexure C” to these minutes to the shareholders of Centennial, by 16 October 2020.
- 2 Any shareholder of Centennial who intends to be heard in this proceeding file an appearance by 9 November 2020.
- 3 The Plaintiffs file an affidavit detailing the position with respect to any responses from any shareholder on or before 9am on 10 November 2020.
- 4 A directions hearing be listed for 10 November 2020 at 9.45am.
- 5 A final hearing be listed not before 20 November 2020 (**Final Hearing**).

6 The Deed Administrators are to advertise the Final Hearing date for this proceeding by taking the following steps on a date(s) not less than 10 days prior to the Final Hearing date, or any date to which the Final Hearing of this application is adjourned;

6.1 advertise this proceeding by causing a notice substantially in the form of “Annexure D” to these minutes on the Deed Administrator’s firm’s website; and

6.2 advertise this proceeding by causing an advertisement substantially in the form of “Annexure E” to these minutes, in the following newspapers:

6.2.1 The Australian;

6.2.2 The West Australian;

6.2.3 the Herald Sun; and

6.2.4 any other newspaper the Deed Administrators consider appropriate.

7 The Plaintiffs file an affidavit, including in respect of any responses from shareholders or ASIC, within 1 day before the Final Hearing.

8 Any application for access pursuant to Order 67B r11 of the *Rules of the Supreme Court 1971 (WA)* to inspect the affidavit of Richard Scott Tucker sworn 14 October 2020 and the annexures referred to therein:

8.1 be referred to the Court; and

8.2 not be determined until notice of the application is given to the deponent, by his solicitor, and the deponent has reasonable opportunity to be heard in opposition to the application for inspection.

9 The Plaintiffs have liberty to apply.

BY THE COURT

MASTER C SANDERSON

Annexure A

[To be issued on KM website]

Shareholder and option holder information

- 1 On 21 March 2019, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) were appointed as voluntary administrators to Centennial. Since this time, the creditors at a meeting convened on 17 May 2019 voted in favour of a resolution to recapitalise Centennial pursuant to the terms of a deed of company arrangement (**DOCA**). On 7 June 2019 that DOCA was entered into with Avior Consulting Pty Ltd.
- 2 The Deed Administrators received a number of variations to the DOCA from a number of interested parties since 17 May 2019 and entered into variations to the DOCA. The Deed Administrators received a variation proposal from Golden River Resources Pty Ltd in August 2020 (**GRR Proposal**). At a meeting of Centennial's creditors convened on 13 October 2020, the creditors resolved to enter into a varied DOCA on the terms set out in the GRR Proposal (**GRR DOCA**). The Deed Administrators are working towards effectuating the GRR DOCA.

Section 444GA application to Court

- 3 It is a condition of the GRR DOCA that the Deed Administrators obtain a Court order pursuant to section 444GA of the *Corporations Act 2001* (Cth) (**Act**). The section 444GA Court order will allow the Deed Administrators to transfer 100% of the shares in Centennial (**Shares**) to GRR (or its nominated ASX listed entity) pursuant to the terms of the GRR DOCA.
- 4 The Deed Administrators have applied to the Supreme Court of Western Australia for an order pursuant to section 444GA of the Act (the **444GA Orders**) and a directions hearing was held on [insert] 2020. The next directions hearing is scheduled for [##] on [insert] 2020. The section 444GA orders will **not** be made at this directions hearing.
- 5 Shareholders are entitled to be heard in relation to the application, including at the directions hearing on [insert] 2020. If you wish to be heard by the Court you must enter an appearance by [insert – 1 day before directions hearing] 2020.
- 6 The substantive hearing, at which the Court will determine whether to make the 444GA Orders, will be listed on a date to be determined.

- 7 If the Court makes the 444GA Orders, then 100% of the shares in Centennial will be automatically transferred for no consideration.
- 8 The application for the 444GA Orders is made on the basis that the Shares are of no value.
- 9 In order to determine the value of the Shares, the Deed Administrators will prepare a report setting out the likely return to shareholders and option holders if the Court refuses to make the 444GA Orders and Centennial is placed into liquidation (**Report**).

Next steps

- 10 The Deed Administrators will make the Report available to shareholders and an explanatory statement describing the section 444GA process.
- 11 It is expected that the Report and explanatory statement will be available for download from the following websites, from on or before [insert] 2020:
- 11.1 the Deed Administrator's website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 11.2 Centennial's website: <https://www.centennialmining.com/>
- 12 It is highly recommended that from [insert] 2020 onwards you regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

- 13 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].
- 14 Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for the Judge's attention. You can also instruct a barrister or lawyer to appear on your behalf at the hearings. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing to the Deed Administrators, by no later than **[insert] 2020**, by way of email to [insert].

15 If you do not enter an appearance by the deadline of **[insert] 2020**, the Court may determine that you are not entitled to be heard at any subsequent hearings.

Annexure B

Newspaper announcement -1

Centennial Mining Ltd (Subject to Deed of Company Arrangement) (ACN 149 309 921) (“Company”)

Court approval is being sought by the Deed Administrators to transfer the shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders given the financial circumstances of the company.

If you wish to be heard in relation to the section 444GA application, you must enter an appearance by [insert] 2020 at the Supreme Court of Western Australia.

The next directions hearing is scheduled for [##] on [insert] 2020.

For further information, please visit

<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>

Annexure C

[insert address]

October 2020

Centennial Mining Limited (Subject to Deed of Company Arrangement) (ACN 149 308 921) ('Centennial')

- 16 We are writing to you as a shareholder of Centennial.
- 17 Please read this letter as it contains **important information about the proposed transfer of all of the shares in Centennial, for no consideration.**
- 18 On 21 March 2019, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) were appointed as voluntary administrators to Centennial. Since this time, the creditors at a meeting convened on 17 May 2019 voted in favour of a resolution to recapitalise Centennial pursuant to the terms of a deed of company arrangement (**DOCA**). On 7 June 2019 that DOCA was entered into with Avior Consulting Pty Ltd.
- 19 The Deed Administrators received a number of variations to the DOCA from a number of interested parties since 17 May 2019 and entered into variations to the DOCA. The Deed Administrators received a variation proposal from Golden River Resources Pty Ltd in August 2020 (**GRR Proposal**). At a meeting of Centennial's creditors convened on 13 October 2020, the creditors resolved to enter into a varied DOCA on the terms set out in the GRR Proposal (**GRR DOCA**). The Deed Administrators are working towards effectuating the GRR DOCA.

Section 444GA application to Court

- 20 It is a condition of the GRR DOCA that the Deed Administrators obtain a Court order pursuant to section 444GA of the *Corporations Act 2001* (Cth) (**Act**). The section 444GA Court order will allow the Deed Administrators to transfer 100% of the shares in Centennial (**Shares**) to GRR (or its nominated ASX listed entity) pursuant to the terms of the GRR DOCA.
- 21 The Deed Administrators have applied to the Supreme Court of Western Australia for an order pursuant to section 444GA of the Act (the **444GA Orders**) and a directions hearing was held on [insert] 2020. The next directions hearing is scheduled for [##] on [insert] 2020. The section 444GA orders will **not** be made at this directions hearing.

- 22 Shareholders are entitled to be heard in relation to the application, including at the directions hearing on [insert] 2020. If you wish to be heard by the Court you must enter an appearance by [insert – 1 day before directions hearing] 2020.
- 23 The substantive hearing, at which the Court will determine whether to make the 444GA Orders, will be listed on a date to be determined.
- 24 If the Court makes the 444GA Orders, then 100% of the shares in Centennial will be automatically transferred for no consideration.
- 25 The application for the 444GA Orders is made on the basis that the Shares are of no value.
- 26 In order to determine the value of the Shares, the Deed Administrators will prepare a report setting out the likely return to shareholders and option holders if the Court refuses to make the 444GA Orders and Centennial is placed into liquidation (**Report**).

Next steps

- 27 The Deed Administrators will make the Report available to shareholders and an explanatory statement describing the section 444GA process.
- 28 It is expected that the Report and explanatory statement will be available for download from the following websites, from on or before [insert] 2020:
- 28.1 the Deed Administrator’s website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 28.2 Centennial’s website: <https://www.centennialmining.com/>
- 29 It is highly recommended that from [insert] 2020 onwards you regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

- 30 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].
- 31 Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for

the Judge's attention. You can also instruct a barrister or lawyer to appear on your behalf at the hearings. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing to the Deed Administrators, by no later than **[insert] 2020**, by way of email to [insert].

- 32 If you do not enter an appearance by the deadline of **[insert] 2020**, the Court may determine that you are not entitled to be heard at any subsequent hearings.

Annexure D

[To be issued on KM website]

Shareholder information

- 33 We, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) refer to the previous announcement dated [insert] 2020. Since that time the Deed Administrators attended a further directions hearing on [insert] 2020 at which ##.
- 34 The Deed Administrators advise that the final hearing is scheduled for [insert] 2020.
- 35 The Deed Administrator's report and explanatory statement describing the section 444GA process has been made available on the following websites:
- 35.1 the Deed Administrator's website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 35.2 Centennial's website: <https://www.centennialmining.com/>
- 36 It is highly recommended that you continue to regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the report and explanatory statement can also be emailed to you upon request, free of charge.
- 37 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].

Annexure E

Newspaper Advertisement – 2

Centennial Mining Ltd (Subject to Deed of Company Arrangement) (ACN 149 309 921) (“Company”)

Court approval is being sought by the Deed Administrators to transfer the shares in the Company and options to buy shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders or option holders given the financial circumstances of the company.

The final hearing has been scheduled for **[insert] 2020**.

For further information, please visit

<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>

IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR 124 of 2020

IN THE MATTER OF CENTENNIAL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921)

EX PARTE

**Richard Scott TUCKER as joint
and several administrator of
CENTENNIAL MINING LTD (SUBJECT
TO DEED OF COMPANY
ARRANGEMENT)
(ACN 149 308 921)**

First named First Plaintiff

-and-

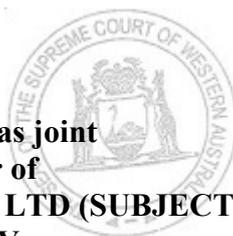
Second named First Plaintiff

**John Allan BUMBAK as joint and
several administrator of
CENTENNIAL MINING LTD (SUBJECT
TO DEED OF COMPANY
ARRANGEMENT)
(ACN 149 308 921)**

Third named First Plaintiff

-and-

**Leanne Kylie CHESSER as joint
and several administrator of
CENTENNIAL MINING LTD (SUBJECT
TO DEED OF COMPANY
ARRANGEMENT)
(ACN 149 308 921)**



ORIGINATING PROCESS PURSUANT TO CORPORATIONS LAW

Date of Document: 14/10/2020
Filed on Behalf of: The Plaintiffs
Date of Filing: 14/10/2020

Prepared By:

Folio 1
Page 1

FILED

14 OCT 2020

Via eLodgment
CENTRAL OFFICE
SUPREME COURT

Lavan
Level 18
1 William Street
PERTH WA 6000
Australia

Telephone: 9288 6889

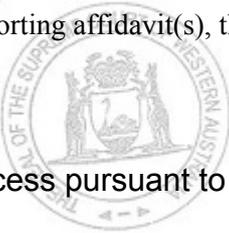
Facsimile: 9288 6001

A. DETAILS OF APPLICATION

This application is made under sections 444GA(1)(b) and 447A(1) of the Corporations Act 2001 (Cth) (Corporations Act) and section 90-15 of Schedule 2 of the Corporations Act (Schedule 2).

This is an application for orders for the compulsory transfer of all of the issued capital of Centennial Mining Ltd (Subject to Deed of Company Arrangement) (ACN 149 308 921) (Centennial) and ancillary orders as set out in paragraphs 1 to 4 below.

On the facts stated in the supporting affidavit(s), the plaintiff claims:

- 
- 1 Any application for access pursuant to Order 67B r11 of the *Rules of the Supreme Court 1971* (WA) to inspect the affidavit of Richard Scott Tucker sworn 14 October 2020 and the annexures referred to therein:
 - 1.1 be referred to the Court; and
 - 1.2 not be determined until notice of the application is given to the deponent, by his solicitor, and the deponent has reasonable opportunity to be heard in opposition to the application for inspection.
 - 2 Pursuant to section 444GA(1)(b) of the Corporations Act, an order that the Plaintiffs, Mr Richard Tucker, Ms Leanne Chesser and Mr

John Bumbak in their capacities as deed administrators of Centennial (**Deed Administrators**) have leave to transfer all of the issued shares held by each of the members in Centennial in accordance with the terms of the variation to the deed of company arrangement which the creditors of Centennial, in value and number, resolved to enter into at the meeting convened on 13 October 2020 (**GRR DOCA**);

- 3 Pursuant to section 447A(1) of the Corporations Act and section 90-15(1) of Schedule 2, an order that the Deed Administrators have leave to execute all necessary share transfer forms and other documents ancillary to the relevant share transfers and the entry of the name of the party receiving shares in Centennial in accordance with the terms of the GRR DOCA; and
- 4 That the Plaintiffs have liberty to apply.



JOSEPH GREGORY ABBERTON
LAVAN
Solicitors for the Plaintiffs

Date: 14/10/2020

Lavan

This application will be heard by a Master in Chambers at the Supreme Court of Western Australia in Perth.

B. NOTICE TO DEFENDANT(S) (IF ANY)

TO:

If you or your legal practitioner do not appear before the Court at the time shown above, the application may be dealt with, and an order made, in your absence. As soon after that time as the business of the Court will allow, any of the following may happen —

- (a) the application may be heard and final relief given;
- (b) directions may be given for the future conduct of the proceeding;
- (c) any interlocutory application may be heard.

Before appearing before the Court, you must file a notice of appearance, in the prescribed form, in the Registry and serve a copy of it on the plaintiff.

Note: Unless the Court otherwise orders, a defendant that is a corporation must be represented at a hearing by a legal practitioner. It may be represented at a hearing by a director of the corporation only if the Court grants leave.

C. APPLICATION FOR WINDING-UP ON GROUND OF INSOLVENCY

D. FILING

Date of filing: 14/10/2020



This originating process is filed by **Lavan** for the plaintiff.

E. SERVICE

The plaintiff's address for service is -

Lavan
Level 18
1 William Street
PERTH WA 6000
Australia

[Form 2 amended in Gazette 13 Feb 2009 p. 308.]



**SUPREME COURT
OF WESTERN AUSTRALIA**

ABN: 70 598 519 443
DAVID MALCOLM JUSTICE CENTRE
28 BARRACK STREET
PERTH WA 6000
TELEPHONE: 9421 5333
FACSIMILE: 9421 5353

**TUCKER & Ors
SUPREME COURT MATTER No. PER COR 124 of 2020**

This application has been listed for Thursday, 15 October 2020 at 09:45 AM at the Supreme Court, David Malcolm Justice Centre, 28 Barrack Street, PERTH.

All parties are required to attend the hearing date unless otherwise advised.

Issued by the Supreme Court of Western Australia
14 Oct 2020



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR 124 of 2020

IN THE MATTER OF CENTENNIAL MINING LTD (SUBJECT TO DEED OF
COMPANY ARRANGEMENT) (ACN 149 308 921)

RICHARD SCOTT TUCKER AND JOHN ALLAN BUMBAK AND LEANNE KYLIE
CHESSEY AS DEED ADMINISTRATORS OF CENTENNIAL MINING LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921)

Plaintiffs

CERTIFICATE OF URGENCY

Date of Document: 14 October 2020
Filed on behalf of: The Plaintiffs
Date of Filing: 14 October 2020

Lavan
Level 18
1 William Street
PERTH WA 6000

Telephone No.: 08 9288 6000
Facsimile No.: 08 9288 6001
Reference: TEH:JGA:1166784
Joseph Abberton

I certify that:

- 1 The originating process dated 14 October 2020 is of an urgent nature such that it is required to be considered as soon as possible by reason of the matters set out in the affidavit of Richard Scott Tucker sworn on 14 October 2020.



- 2 Centennial Mining Ltd (subject to deed of company arrangement) (ACN 149 308 921) (**Centennial**) has incurred substantial losses of approximately \$441,701 for the period 31 August 2020 to 18 October 2020 which is an average cash loss of \$63,100 per week, excluding legal fees and the Deed Administrators' fees. Delay in the hearing of the originating process may result in Centennial incurring further such losses.
- 3 It is a condition of the Deed of Company Arrangement proposal (**DOCA**) that the transaction contemplated by the DOCA complete on or before 31 December 2020.
- 4 All documents necessary for the Court to make programming orders are filed with this Certificate.
- 5 The plaintiffs ask the Court to urgently consider this application. The plaintiffs estimate that the length of a hearing will be 5-10 minutes.

DATED: 14 October 2020



Lavan

Solicitors for the Plaintiffs



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/124/2020

EX PARTE:

Richard Scott TUCKER as joint and several administrator of CENTENNIAL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921) -and-

First named First Plaintiff

John Allan BUMBAK as joint and several administrator of CENTENNIAL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921) -and-

Second named First Plaintiff

Leanne Kylie CHESSER as joint and several administrator of CENTENNIAL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 149 308 921)

Third named First Plaintiff

**ORDER OF MASTER SANDERSON
MADE 15 October 2020**

UPON THE APPLICATION of the plaintiffs by originating process filed 14 October 2020, AND UPON HEARING Mr P Edgar of counsel for the plaintiffs, IT IS ORDERED THAT:

1. The plaintiffs, Mr Richard Tucker, Ms Leanne Chesser and Mr John Bumbak in their capacities as deed administrators of Centennial (Deed Administrators) are to:
 - (i) advertise this proceeding by causing a notice substantially in the form of "Annexure A" to these orders on the Deed Administrators' firm's website, by 16 October 2020;
 - (ii) advertise this proceeding by causing an advertisement substantially in the form of "Annexure B" to these minutes at least once between the date of these 16 October 2020 and 19 October 2020, in the following newspapers:
 - (a) The Australian;
 - (b) The West Australian;
 - (c) the Herald Sun; and
 - (d) any other newspaper the Deed Administrators consider appropriate.
 - (iii) send by post, a copy of the letter substantially in the form of "Annexure C" to these minutes to the shareholders of Centennial, by 16 October 2020.
2. Any shareholder of Centennial who intends to be heard in this proceeding file an appearance by 9

November 2020.

3. The plaintiffs file an affidavit detailing the position with respect to any responses from any shareholder on or before 9am on 10 November 2020.
4. A directions hearing be listed for 10 November 2020 at 9.45am.
5. A final hearing be listed not before 20 November 2020 (Final Hearing).
6. The Deed Administrators are to advertise the Final Hearing date for this proceeding by taking the following steps on a date(s) not less than 10 days prior to the Final Hearing date, or any date to which the Final Hearing of this application is adjourned;
 - (i) advertise this proceeding by causing a notice substantially in the form of "Annexure D" to these minutes on the Deed Administrator's firm's website; and
 - (ii) advertise this proceeding by causing an advertisement substantially in the form of "Annexure E" to these minutes, in the following newspapers:
 - (a) The Australian;
 - (b) The West Australian;
 - (c) the Herald Sun; and
 - (d) any other newspaper the Deed Administrators consider appropriate.
7. The plaintiffs file an affidavit, including in respect of any responses from shareholders or ASIC, within 1 day before the Final Hearing.
8. Any application for access pursuant to Order 67B r11 of the Rules of the Supreme Court 1971 (WA) to inspect the affidavit of Richard Scott Tucker sworn 14 October 2020 and the annexures referred to therein:
 - (i) be referred to the Court; and
 - (ii) not be determined until notice of the application is given to the deponent, by his solicitor, and the deponent has reasonable opportunity to be heard in opposition to the application for inspection.
9. The plaintiffs have liberty to apply

BY THE COURT

MASTER C SANDERSON

Annexure A

[To be issued on KM website]

Shareholder and option holder information

- 1 On 21 March 2019, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) were appointed as voluntary administrators to Centennial. Since this time, the creditors at a meeting convened on 17 May 2019 voted in favour of a resolution to recapitalise Centennial pursuant to the terms of a deed of company arrangement (**DOCA**). On 7 June 2019 that DOCA was entered into with Avior Consulting Pty Ltd.
- 2 The Deed Administrators received a number of variations to the DOCA from a number of interested parties since 17 May 2019 and entered into variations to the DOCA. The Deed Administrators received a variation proposal from Golden River Resources Pty Ltd in August 2020 (**GRR Proposal**). At a meeting of Centennial's creditors convened on 13 October 2020, the creditors resolved to enter into a varied DOCA on the terms set out in the GRR Proposal (**GRR DOCA**). The Deed Administrators are working towards effectuating the GRR DOCA.

Section 444GA application to Court

- 3 It is a condition of the GRR DOCA that the Deed Administrators obtain a Court order pursuant to section 444GA of the *Corporations Act 2001* (Cth) (**Act**). The section 444GA Court order will allow the Deed Administrators to transfer 100% of the shares in Centennial (**Shares**) to GRR (or its nominated ASX listed entity) pursuant to the terms of the GRR DOCA.
- 4 The Deed Administrators have applied to the Supreme Court of Western Australia for an order pursuant to section 444GA of the Act (the **444GA Orders**) and a directions hearing was held on [insert] 2020. The next directions hearing is scheduled for [##] on [insert] 2020. The section 444GA orders will **not** be made at this directions hearing.
- 5 Shareholders are entitled to be heard in relation to the application, including at the directions hearing on [insert] 2020. If you wish to be heard by the Court you must enter an appearance by [insert – 1 day before directions hearing] 2020.
- 6 The substantive hearing, at which the Court will determine whether to make the 444GA Orders, will be listed on a date to be determined.

- 7 If the Court makes the 444GA Orders, then 100% of the shares in Centennial will be automatically transferred for no consideration.
- 8 The application for the 444GA Orders is made on the basis that the Shares are of no value.
- 9 In order to determine the value of the Shares, the Deed Administrators will prepare a report setting out the likely return to shareholders and option holders if the Court refuses to make the 444GA Orders and Centennial is placed into liquidation (**Report**).

Next steps

- 10 The Deed Administrators will make the Report available to shareholders and an explanatory statement describing the section 444GA process.
- 11 It is expected that the Report and explanatory statement will be available for download from the following websites, from on or before [insert] 2020:
- 11.1 the Deed Administrator's website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 11.2 Centennial's website: <https://www.centennialmining.com/>
- 12 It is highly recommended that from [insert] 2020 onwards you regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

- 13 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].
- 14 Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for the Judge's attention. You can also instruct a barrister or lawyer to appear on your behalf at the hearings. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing to the Deed Administrators, by no later than **[insert] 2020**, by way of email to [insert].

- 15 If you do not enter an appearance by the deadline of **[insert] 2020**, the Court may determine that you are not entitled to be heard at any subsequent hearings.

Annexure B

Newspaper announcement -1

Centennial Mining Ltd (Subject to Deed of Company Arrangement) (ACN 149 309 921) (“Company”)

Court approval is being sought by the Deed Administrators to transfer the shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders given the financial circumstances of the company.

If you wish to be heard in relation to the section 444GA application, you must enter an appearance by [insert] 2020 at the Supreme Court of Western Australia.

The next directions hearing is scheduled for [##] on [insert] 2020.

For further information, please visit

<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>

Annexure C

[insert address]

October 2020

Centennial Mining Limited (Subject to Deed of Company Arrangement) (ACN 149 308 921) ('Centennial')

- 16 We are writing to you as a shareholder of Centennial.
- 17 Please read this letter as it contains **important information about the proposed transfer of all of the shares in Centennial, for no consideration.**
- 18 On 21 March 2019, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) were appointed as voluntary administrators to Centennial. Since this time, the creditors at a meeting convened on 17 May 2019 voted in favour of a resolution to recapitalise Centennial pursuant to the terms of a deed of company arrangement (**DOCA**). On 7 June 2019 that DOCA was entered into with Avior Consulting Pty Ltd.
- 19 The Deed Administrators received a number of variations to the DOCA from a number of interested parties since 17 May 2019 and entered into variations to the DOCA. The Deed Administrators received a variation proposal from Golden River Resources Pty Ltd in August 2020 (**GRR Proposal**). At a meeting of Centennial's creditors convened on 13 October 2020, the creditors resolved to enter into a varied DOCA on the terms set out in the GRR Proposal (**GRR DOCA**). The Deed Administrators are working towards effectuating the GRR DOCA.

Section 444GA application to Court

- 20 It is a condition of the GRR DOCA that the Deed Administrators obtain a Court order pursuant to section 444GA of the *Corporations Act 2001* (Cth) (**Act**). The section 444GA Court order will allow the Deed Administrators to transfer 100% of the shares in Centennial (**Shares**) to GRR (or its nominated ASX listed entity) pursuant to the terms of the GRR DOCA.
- 21 The Deed Administrators have applied to the Supreme Court of Western Australia for an order pursuant to section 444GA of the Act (the **444GA Orders**) and a directions hearing was held on [insert] 2020. The next directions hearing is scheduled for [##] on [insert] 2020. The section 444GA orders will **not** be made at this directions hearing.

- 22 Shareholders are entitled to be heard in relation to the application, including at the directions hearing on [insert] 2020. If you wish to be heard by the Court you must enter an appearance by [insert – 1 day before directions hearing] 2020.
- 23 The substantive hearing, at which the Court will determine whether to make the 444GA Orders, will be listed on a date to be determined.
- 24 If the Court makes the 444GA Orders, then 100% of the shares in Centennial will be automatically transferred for no consideration.
- 25 The application for the 444GA Orders is made on the basis that the Shares are of no value.
- 26 In order to determine the value of the Shares, the Deed Administrators will prepare a report setting out the likely return to shareholders and option holders if the Court refuses to make the 444GA Orders and Centennial is placed into liquidation (**Report**).

Next steps

- 27 The Deed Administrators will make the Report available to shareholders and an explanatory statement describing the section 444GA process.
- 28 It is expected that the Report and explanatory statement will be available for download from the following websites, from on or before [insert] 2020:
- 28.1 the Deed Administrator’s website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 28.2 Centennial’s website: <https://www.centennialmining.com/>
- 29 It is highly recommended that from [insert] 2020 onwards you regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the Report and explanatory statement can also be emailed to you upon request, free of charge.

Your rights as shareholders

- 30 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].
- 31 Shareholders have the right to provide the Deed Administrators with their views on the hearing in relation to the 444GA Orders. Please do so in writing so the Deed Administrators can provide your views to the Court, for

the Judge's attention. You can also instruct a barrister or lawyer to appear on your behalf at the hearings. If you propose to take either of these steps, please provide a copy of your correspondence, or notice of your intention to appear at the hearing to the Deed Administrators, by no later than **[insert] 2020**, by way of email to [insert].

- 32 If you do not enter an appearance by the deadline of **[insert] 2020**, the Court may determine that you are not entitled to be heard at any subsequent hearings.

Annexure D

[To be issued on KM website]

Shareholder information

- 33 We, Mr Richard Tucker, Mr John Bumbak and Ms Leanne Chesser (the **Deed Administrators**) refer to the previous announcement dated [insert] 2020. Since that time the Deed Administrators attended a further directions hearing on [insert] 2020 at which ##.
- 34 The Deed Administrators advise that the final hearing is scheduled for [insert] 2020.
- 35 The Deed Administrator's report and explanatory statement describing the section 444GA process has been made available on the following websites:
- 35.1 the Deed Administrator's website:
<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>
- 35.2 Centennial's website: <https://www.centennialmining.com/>
- 36 It is highly recommended that you continue to regularly review these websites, as the Deed Administrators intend to upload additional relevant documents to them, including orders made by the Court. A copy of the report and explanatory statement can also be emailed to you upon request, free of charge.
- 37 If you have any concerns, objections or questions in relation to the section 444GA process, please contact the Deed Administrators as soon as possible by calling [insert] or by emailing [insert].

Annexure E

Newspaper Advertisement – 2

Centennial Mining Ltd (Subject to Deed of Company Arrangement) (ACN 149 309 921) (“Company”)

Court approval is being sought by the Deed Administrators to transfer the shares in the Company and options to buy shares in the Company under section 444GA of the *Corporations Act 2001* (Cth) for no consideration payable to shareholders or option holders given the financial circumstances of the company.

The final hearing has been scheduled for **[insert] 2020**.

For further information, please visit

<https://www.kordamentha.com/creditors/centennial-mining-maldon-resources>



Centennial Mining Limited

ACN 149 308 921

(Subject to Deed of Company Arrangement)

Experts' Report

6 November 2020

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Glossary

Terms	Meaning
\$	Australian Dollars
VA Report	Report sent to creditors on 10 May 2019 pursuant to section 75-225 of the Rules detailing the affairs of the Group and recommendation for the Group's Creditors to approve a deed of company arrangement
Administration	Voluntary Administration process which commenced on 21 March 2019
AIPAAP	All Present and After Acquired Property
Amended Varied DoCA	DoCA approved by the Group's creditors on 15 November 2019 and signed on 20 November 2019.
Approved DoCA	First DoCA, Varied DoCA, Amended Varied DoCA, Oldfield DoCA, GRR DoCA
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
ATO	Australian Taxation Office
Austar	Austar Gold Limited
Available Property	The trust fund to be held by the Trustees of the Creditors' Trust includes: <ul style="list-style-type: none"> • \$2.46 million Cash Contribution from GRR • any debtors owed to the Group at effectuation • any stock produced by the Group in the week prior to effectuation of the Creditors' Trust which is not yet sold • any residual cash held by the Group.
Avior	Avior Consulting Pty Ltd
Bendan	Bendan Superannuation Pty Ltd atf Crooks Superannuation Fund
Beneficiaries	Creditors that will receive a distribution in the Creditors' Trust
Board	The Board of Directors
Cash Contribution	\$2.46 million to be paid by GRR into the Creditors' Trust
Centennial	Centennial Mining Limited (Subject to Deed of Company Arrangement)
Chairperson	The Chairperson of the Meetings, being one of the Administrators
Company	Either Centennial or Maldon as appropriate
Companies	Maldon and Centennial
Contemplated Acquisition	Acquisition of the Group by AuStar through the Varied DoCA
Creditors' Meeting	Meeting of Group's creditors held 13 October 2020
Creditors' Trust	Creditors' Trust Deed for the Group
Deed Administrators	Current Deed Administrators of the DoCA, Varied DoCA, Amended Varied DoCA for the Group, being Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha
Deed Administrators' Opinion	The opinion made by the Deed Administrators as to whether the shares in Centennial hold any value after considering the value of the Group's assets and Total Indebtedness
DoCA	Deed of Company Arrangement
Expert Report	Export report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 6 November 2020
Explanatory Statement	The Explanatory Statement dated 6 November 2020 attached to the Expert Report
FEG	Fair Entitlements Guarantee Scheme, a Government initiative
First Expert Report	Export Report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 16 September 2019
First Meetings of Creditors	First Meetings of Creditors, held on 2 April 2019
First DoCA	The DoCA executed by the Deed Administrators and the DoCA Proponent on 7 June 2019, following creditor approval received at the meetings of creditors held on 17 May 2019
First DoCA Proposal	The DoCA proposal received from Avior received on 1 May 2019
FY	Financial Year
Gandel	Ian Gandel
Gandel Parties	Gandel Metals, Octagonal Resources, Abbotsleigh Proprietary Limited and Ian Gandel
Gandel Decision	Orders handed down by the Court on 22 May 2020 indicating that Squadron's security interest in Centennial had been subrogated to Gandel Metals or any and each of them as the context requires
Gandel Metals	Gandel Metals Pty Ltd
Gandel Proceedings	The proceedings in the Federal Court of Australia vid 688 of 2019

Gordon Brothers	Gordon Brothers Pty Ltd
Gordon Brothers First Appraisal Report	Valuation report in relation to the plant and equipment prepared by Gordon Brothers dated 15 April 2019
Gordon Brothers Second Appraisal Report	Valuation report in relation to the plant and equipment prepared by Gordon Brothers dated 27 March 2020
Gordon Brothers Third Appraisal Report	Valuation report in relation to the plant and equipment prepared by Gordon Brothers dated 2 October 2020
Group	Centennial and its fully owned subsidiary Maldon
GRR	Golden River Resources Pty Ltd ACN 643 877 767
GRR DoCA	Deed of company arrangement proposal received from GRR on 17 September 2020 and approved by the Group's creditors on 13 October 2020
Highlake Resources	Highlake Resources Pty Ltd
Kaiser	Kaiser Reef Limited ACN 635 910 271
Kaiser Transaction	The completion of a transaction between GRR and Kaiser for the acquisition by Kaiser of a 100% equity interest in GRR
KordaMentha	KordaMentha Pty Ltd ACN 100 169 391
Langsung Debt	Secured debt owned by Langsung Pty Ltd atf Langsung Superannuation Fund acquired by Oldfield Lender on 24 June 2020
Maldon	Maldon Resources Pty Ltd (Subject to Deed of Company Arrangement)
Mining Lending	Mining Lending Pty Ltd
Mining One	Mining One Pty Ltd
Montlodge	Montlodge Pty Ltd atf Stanley Family Trust
Octagonal Resources	Octagonal Resources Pty Ltd
Oldfield	Mr Viv Oldfield
Oldfield DoCA	Deed of company arrangement proposal received from Oldfield on 21 January 2020 and approved by the Group's creditors on 12 February 2020, as varied from time to time including by Court Order dated 12 March 2020.
Oldfield Investments	VC Oldfield Investments Pty Limited as trustee for the Oldfield Family Trust No 3, both a secured creditor of the Group by way of funding the Deed Administrators and proponent of the Oldfield DoCA
Participating Creditors	Creditors claiming in the Creditors' Trust
PPS	Personal Property Securities
PPSR	Personal Property Securities Register
Previous Expert Reports	Export report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 16 September 2019 and the expert report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 21 April 2020
Priority Creditors	Those creditors afforded priority from the distribution of circulating assets pursuant to section 556 of the Corporations Act
Proof of Debt or POD	Form 535 – Formal Proof of Debt or Claim (General Form)
Proxy Form	Appointment of Proxy Form
Regulations	Corporations Regulations 2001
Remuneration Report	Remuneration Reports included within the Administrators initial 439A report dated 10 May 2019 and subsequent supplementary reports dated 20 August 2019, 30 October 2019, 28 January 2020 and 25 September 2020
RPM	RPM Advisory Services Pty Ltd, being the Company engaged to provide services to the Deed Administrators regarding the provision of technical advisory services to compile an independent technical expert report and VALMIN code standard valuation of the Group's assets.
RPM Addendum	Addendum to the RPM Report dated 8 April 2020
RPM Initial Report	RPM report valuing the Group's mineral assets dated 12 September 2019
Meetings of Creditors	Meetings of Creditors held on 27 August 2019
the Act	Corporations Act 2001 (Commonwealth)
the Director/s	The Directors of Centennial and Maldon, Dale Rodgers and Anthony Gray
the Rules	Insolvency Practice Rules (Corporations) 2016
Section 560 Loan	The pre voluntary administration loans to the Group by Gandel to enable employee entitlements to be paid. This loan has a statutory priority pursuant to section 560 of the Act



Secured Creditors	Montlodge Bendan Langsung Gandel Metals
Second Expert Report	Expert report prepared by the Deed Administrators in relation to the value of Centennial's shares dated 21 April 2020
Supplementary Report	The supplementary report to creditors dated 21 September 2020
Total Indebtedness	The total amount owed by the Group in a liquidation scenario, calculated on a pooled and individual basis, as set out in section 8 of this report
Trustees	Proposed Trustees of the Creditors' Trust for the Group, being Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha
Explanatory Statement	Explanatory statement dated 6 November 2020 attached to this report
Updated Valuation Report	RPM valuation report dated 15 October 2020
Varied DoCA	The DoCA executed by the Deed Administrators and the DoCA Proponent on 27 September 2019, following creditor approval received at the meetings of creditors held on 27 August 2019
Varied DoCA Proposal	A proposal received from Avior on 16 August 2019 asking the Deed Administrators to vary the Initial DoCA
Voluntary Administrators	Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha who were appointed over the Group



1 Overview

1.1 Previous Expert Reports & section 444GA applications

On 17 September 2019, we released an explanatory statement and the First Expert Report with supporting valuations for the Varied DoCA approved by creditors at creditors' meetings held on 27 August 2019, subsequently updated to the Amended Varied DoCA.

On 21 November 2019, the Court granted leave pursuant to section s444GA of the Act for Centennial's shares to be transferred for nil consideration subject to effectuation of the Amended Varied DoCA.

However, on 22 January 2020 Mining Lending's debt was refinanced by Oldfield Investments and the Amended Varied DoCA could no longer be effectuated.

On 12 February 2020 the creditors of the Group voted in favour of entering into the Oldfield DoCA.

On 21 April 2020, we released a further explanatory statement, and the Second Expert Report with supporting valuations for the Oldfield DoCA.

In March 2020 the Deed Administrators applied to the Court for leave pursuant to section 444GA of the Act in relation to the terms of the Oldfield DoCA. At that time the Gandel Proceedings had been heard by the Federal Court of Australia but a decision had not yet been handed down. In circumstances where the decision of the Gandel Proceedings could have impacted the likelihood of the Oldfield DoCA completing, the Court was not minded to consider the 444GA application until after the Gandel Proceedings had been resolved. Further details of the Gandel Proceedings can be found in section 4.7.

On 20 September 2020, Oldfield Investments entered into an agreement with GRR for GRR to purchase its debt and the Langsung Debt. Subsequently, the Oldfield DoCA could no longer be effectuated.

On 13 October 2020, the creditors approved the GRR DoCA.

Therefore, given:

- it has been six months since the preparation of the Second Expert Report
- it has been 11 months since the conditional Court Orders were provided for the transfer of the shares in Centennial for nil consideration
- the trading losses incurred since the section 444GA Court Orders
- the refinancing of the Oldfield Investments' debt by GRR
- the variation of the Oldfield DoCA and the approval by creditors of the GRR DoCA; and
- the movement in the price of gold

we have prepared a standalone Expert Report. Any reference to Previous Expert Reports is for guidance only and to reconcile the differences between them and this Expert Report. In preparing this Expert Report a revised valuation was required for the Group's plant and equipment and the mineral assets to take into consideration the passage of time since the Second Expert Report. The original and revised valuations are both attached at Appendix L and M.

Unless otherwise stated in this Expert Report, any reference to the Group includes Maldon, a wholly owned subsidiary of Centennial.

1.2 Key events since the last 444GA Report

A detailed chronology of events since the appointment of Richard Tucker, John Bumbak and Leanne Chesser as Voluntary Administrators of the Group on 21 March 2019 is provided at section 4.

The following major events have occurred since the Second Expert Report:

- The Gandel Decision was handed down by the Court on 15 May 2020, with the Court ruling that Gandel Metals holds security over the A1 Mine. Oldfield Investments appealed the Gandel Decision on 3 July 2020 and a trial date of 2 October 2020 was set.
- The Secured Creditors advised on 11 September 2020 that they would not consent to releasing their security at effectuation of the Oldfield DoCA, meaning the conditions precedent to the Oldfield DoCA could not be met. They also



requested that creditors' meetings be convened, and a notice of creditors' meetings was subsequently circulated on 14 September 2020.

- On 17 September 2020, a DoCA term sheet proposing a variation to the Oldfield DoCA was provided to the Deed Administrators by GRR together with proof of funds.
- Oldfield Investments sought a court order on 18 September 2020 injuncting the Deed Administrators from:
 - Sending the Supplementary Report to creditors, and
 - Convening the Creditors Meetings,
- This hearing was adjourned to 21 September 2020, at which time Oldfield Investments agreed to orders that dismissed the injunction. Oldfield and GRR reached an agreement whereby GRR purchased Oldfield Investments' debt and the Langsung Debt which Oldfield had previously acquired.
- On 30 September 2020, Oldfield lodged a notice of discontinuance of appeal with the Court in respect of the Gandel Decision.
- Meetings of creditors were held on 13 October 2020 whereby the Group's creditors resolved that the Group enter into the GRR DoCA.
- The GRR DoCA was executed on 20 October 2020.

Further details about the events during the Voluntary Administration/Deed Administration periods is provided at section 4.

The Deed Administrators are currently working towards satisfying the conditions precedent to the GRR DoCA which is detailed further at section 5.

The GRR DoCA is being used to compromise and release all debts and liabilities as against the Group and to facilitate the transfer, pursuant to section 444GA of the Act, of all of Centennial's existing issued shares to GRR.

The background leading up to the appointment of the Voluntary Administrators is provided at Appendix B.

1.3 Scope of work

This Expert Report has been prepared for:

- The purposes of assisting the Court in determining whether the proposed transfer of Centennial's shares to GRR or its nominee will unfairly prejudice the interests of Centennial's shareholders for the purposes of the application being made under Section 444GA of the Act.
- Inclusion in the Explanatory Statement to be made available to shareholders of Centennial in relation to the GRR DoCA ahead of the application being made under Section 444GA of the Act, and
- For the purposes of applying to ASIC for technical relief from Chapter 6 of the Act.

The sole purpose of this report is to provide an assessment of the value of the Group and its assets when compared to the value of its total liabilities, therefore assessing the value of the existing issued shares in Centennial.

The proposed transfer of the Centennial shares to GRR is unlikely to unfairly prejudice the interests of Centennial's shareholders, in a scenario where Centennial's shares have no value. Pursuant to Section 444GA (3) of the Act, the Court will only approve the proposed transfer of Centennial's shares if it is satisfied that the proposed transfer will not 'unfairly prejudice the interest of members of the company'.

This Expert Report should not be used for any other purpose or by any other party.

1.4 Information

In the preparation of this Expert' Report, we utilised information in respect of the Group from a variety of sources, including the Group's books and records as well as public sources. A list of the information which was utilised in preparing the Expert Report is set out in Appendix C. The documents that we utilised to support our opinions in the Expert Report are identified throughout by way of a footnote or by reference to the information included in Appendix C.

Except as specifically detailed in this report, we have not conducted an audit of any information supplied to us. We have reviewed and made sufficient enquiries of the information made available to us and based on that review, believe that the information is reasonable for the scope of our work set out in Section 1.3 and that there are reasonable grounds for the values set out in Section 7 and 8.



A glossary of terms is set out at the beginning of the Expert Report.

1.5 Use of a technical expert

ASIC Regulatory Guides envisage the use of a technical expert (i.e. a *specialist*) if the independent expert does not possess the necessary expertise in assessing the value of certain assets. Accordingly, we have utilised two independent specialists to provide valuations for the Group's mining assets and its specialised mining plant and equipment.

1.5.1 RPM- mining tenements

RPM, a leading independent mining consultancy firm, was engaged to prepare an Updated Valuation Report assessing the current value of the Group's mining and exploration tenements. A copy of the Updated Valuation Report used to assist with this Expert Report together with the RPM Initial Report and RPM Addendum used to assist with the Prior Expert Reports is attached at Appendix L.

We have relied upon the Updated Valuation Report as the basis in forming our view on the value of the Group's mining and exploration tenements.

1.5.2 Gordon Brothers – mining plant and equipment

Gordon Brothers, a leading global, independent, asset advisory and investment firm, was engaged to prepare a third appraisal report assessing the value of the Group's gold processing plant and mobile mining equipment. A copy of the Gordon Brothers Third Appraisal Report together with Gordon Brothers First and Second Appraisal Reports is attached at Appendix M.

We have relied upon the Gordon Brothers Third Appraisal Report outputs as the basis in forming our view on the value of the Group's mining plant and equipment assets.

1.6 Limitations, restrictions and reliance

This Expert Report has been prepared, and may be relied on, solely for the purpose contemplated in Section 1.3 of this report. This report, or any part of it, may only be published or distributed:

- as an annexure to the Explanatory Statement to be provided to shareholders of Centennial and others (including ASIC) as part of the evidence in support of the application under Section 444GA of the Act
- for use in the proceedings before the Court relating to the application under Section 444GA of the Act
- in accordance with any law or by order of a court of competent jurisdiction.

The express written consent of the Deed Administrators and KordaMentha must be obtained prior to relying upon, publishing or distributing this report, or part of it, for any purpose other than that detailed above. Neither KordaMentha nor we accept responsibility to anyone if this report is used for some other purpose.

Our opinion is based on economic, market and other external conditions prevailing at the date of this report. Such conditions can change over relatively short periods of time and these changes can be material.

The information used in this report has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to the value of Centennial's shares and the Group's assets. Whilst we do not warrant that our enquiries have identified all of the matters that an audit, or due diligence and/or tax investigation might disclose, we believe that the information is reasonable for the scope of our work set out in Section 1.3 and that there are reasonable grounds for the value of Centennial's shares as described in Section 10 of this report.

Preparation of this report does not imply that we have, in any way, audited the accounts or records of the Group.

In forming our opinion, we have also assumed that:

- matters such as title, compliance with laws and regulations, and contracts in place are in good standing and will remain so, and that there are no material legal proceedings, other than those already disclosed
- the publicly available information relied upon by us in our analysis was accurate and not misleading
- the GRR DoCA will be implemented in accordance with its terms.



To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

This report should be read in the context of the full qualifications, limitations and consents set out in Appendix D of this report

1.7 Pre-existing relationship

We do not consider that our previous role as Voluntary Administrators or our current role as Deed Administrators impacts upon our ability to prepare this report.

Below is a summary of previous engagements relating to the Group.

Table 1 – Previous and existing engagements (including subsidiaries)

Company	Date	Engaging and invoiced party	Notes
Centennial Mining Limited	21 March 2019 to 7 June 2019	Appointment pursuant to Section 436A of the Act	Voluntary Administrators
Maldon Resources Pty Ltd	21 March 2019 to 7 June 2019	Appointment pursuant to Section 436A of the Act	Voluntary Administrators
Centennial Mining Limited	7 June 2019 to present	Appointed pursuant to the terms of the Approved DoCA	Deed Administrators (ongoing)
Maldon Resources Pty Ltd	7 June 2019 to present	Appointed pursuant to the terms of the Approved DoCA	Deed Administrators (ongoing)

We confirm that before our appointment as Voluntary Administrators we had no prior involvement with the Group, its directors or any related party which would have precluded us from accepting those appointments.

Importantly, as part of the engagements outlined above, no strategic advice was provided to the Group or any of their creditors or shareholders.

Our involvement as Deed Administrators means we have been able to prepare this Expert Report (and supporting analysis) with the benefit of an understanding of the operations, the financing arrangements of the Group and the consequences of the Group not entering into a restructuring transaction.

A summary of professional fees and disbursements incurred and paid by the Deed are as follows:

Table 2 – Professional fees and internal disbursement approvals

	Fees at standard rates	Fees at special rates	Fees approved	Fees paid	Fees to be paid	Est Fees to be written off
Notes	i	ii	iii	iv	v	vi
Centennial	\$3,378,713	\$2,922,937	\$2,782,547	\$2,013,769	\$250,000	\$659,168
Maldon	\$1,017,008	\$915,332	\$912,054	\$546,433	\$109,000	\$259,899
Total	\$4,395,720	\$3,838,268	\$3,694,601	\$2,560,201	\$359,000	\$919,067

Notes

- Standard professional fees incurred to 17 October 2020
- Special professional fees incurred to 17 October 2020 – c14.5% discount on fees at standard rates
- For period 21 March 2019 (Voluntary Administration) to effectuation of GRR DoCA. Includes \$350,000 of fees approved at the Creditors' Meetings for Centennial and Maldon
- Total professional fees paid to 17 October 2020
- Estimated additional professional fees to be paid subject to availability of cash after trading costs

- vi. We estimate the forecast professional fees to be written off to be \$919,067 which is subject to change depending on the availability of cash after trading costs and time incurred by the Deed Administrators and their staff between 17 October 2020 and effectuation of GRR DoCA

*Excludes future remuneration

1.8 Assistance by colleagues

In order to arrive at our opinions, we have selected colleagues to assist us. Our colleagues carried out the work that we decided they should perform. We have reviewed their work and original documents to the extent we considered necessary to form our opinions. The opinions expressed in this report are ours.

1.9 Statement regarding expert witness code

We are aware that this Expert Report will be tendered to the Court as part of the evidence in support of the application under Section 444GA of the Act, which is a condition of the GRR DoCA. As a consequence, we have read the *Expert Witness Code of Conduct* contained in Schedule 7 of the *Uniform Civil Procedure Rules 2005* (enclosed at Appendix N) and have prepared this report on the basis that we are bound by it.

We have complied with the requirements of both *APES 225 – Valuation Services* (enclosed at Appendix O, respectively), the professional code of practice of CPA Australia and Chartered Accountants Australia and New Zealand.

2 Expert opinion

In our opinion, the Total Indebtedness materially exceeds the value of the Group's assets on a standalone basis and pooled basis.

Therefore, Centennial's shares have nil value in a liquidation scenario. This deficiency is shown on an individual basis as follows:

Table 3 – Asset deficiency on an individual basis

	Reference	Centennial			Maldon		
		Low	High	Preferred	Low	High	Preferred
Total Assets	7.2	6.71	10.31	8.56	7.97	8.82	8.40
Total Indebtedness	8.2	(17.55)	(17.35)	(17.35)	(25.04)	(25.89)	(25.89)
(Deficiency)		(10.84)	(7.05)	(8.79)	(17.07)	(17.07)	(17.49)

And on a pooled basis as follows:

Table 4 – Asset deficiency on a pooled basis

	Reference	Low	High	Preferred
Total Assets	7.2	14.68	19.12	16.96
Total Indebtedness	8.2	(26.85)	(27.50)	(27.50)
(Deficiency)		(12.17)	(8.38)	(10.54)

Dated: 6 November 2020



Richard Tucker
Deed Administrator

Level 10
40 St Georges Terrace
Perth WA 6000



John Bumbak
Deed Administrator

Level 10
40 St Georges Terrace
Perth WA 6000



Leanne Chesser
Deed Administrator

Level 31
525 Collins Street
Melbourne Vic 3000

3 Strategy

3.1 Decision to trade on & trading costs

Following a review of the Group's operations, the Voluntary Administrators decided to continue to operate the Group on a limited mining basis. The decision to trade on a limited basis was to reduce the monthly funding requirement/cash burn and was benchmarked against a full operation and a care and maintenance scenario.

The limited mining scenario provided for the lowest funding requirement and allowed the assets to be preserved (in particular to keep the mine from flooding and to keep the mill active) versus the care and maintenance scenario. This resulted in a reduction in the Group's workforce and a reduction in mining operations. The decision to trade on a limited basis is continually being assessed.

Each time a DoCA has been approved by creditors, we have reconsidered whether the Group's operations should continue to trade. Each time we decided to trade the operations after consultation with the proponent, GRR, Oldfield Investments or Avior and the financier of the Voluntary Administrators/Deed Administrators' trading costs, being GRR, Oldfield Investments or Mining Lending.

A comparison of the care and maintenance trading forecast and limited trading scenario during our appointments is provided below.

Table 5 – Comparison of care and maintenance trading forecast versus limited trading scenario

\$ million	Care and Maintenance	Limited Trading						GRR DoCA Forecast	Total
	Liquidation Forecast	VA	DoCA	Varied DoCA	Amended Varied DoCA	Oldfield DoCA	Actual		
Start Date	22-Mar-19	21-Mar-19	7-Jun-19	27-Sep-19	20-Nov-19	22-Jan-20	22-Sep-20		
End Date	28-Jun-19	6-Jun-19	26-Sep-19	19-Nov-19	21-Jan-20	21-Sep-20	6-Dec-20		
No of weeks	14	11	16	8	9	35	12		
Opening Cash at bank	-	-	2.17	1.60	4.39	5.20	6.01	-	
Operating Receipts	-	4.55	8.11	9.65	6.15	11.29	6.32	46.07	
Operating Payments	(1.06)	(3.88)	(9.18)	(6.86)	(5.35)	(10.88)	(6.53)	(43.724)	
Operating Cash	(1.06)	0.67	(1.07)	2.79	0.80	0.41	(0.21)	2.33	
Funding received		1.50	0.50	-	-	0.40	-	2.40	
Closing balance	(1.06)	2.17	1.60	4.39	5.19	6.01	5.80	4.73	
Remuneration (inc GST)				(0.84)	(1.38)	(0.50)	(0.20)	(2.92)	
Legal fees (inc GST)				(0.59)	(0.52)	(0.16)	(0.20)	(1.15)	
Total net cash	(1.06)							0.66	

The above analysis shows that it was in creditors' interests to continue to trade the businesses to preserve the operations and allow a restructure of the Group.

If the care and maintenance strategy continued for longer than 14 weeks, then it would be expected to incur a further c.\$140k loss per week – i.e. requiring \$10.6 million of funding for the additional 76 weeks (pre Voluntary Administrators and Deed Administrators' fees and legal costs) from appointment to 6 December 2020.

3.2 Realisation/restructure strategy

After conducting a review of the options available and the limited funding options to preserve the assets for creditors, with the only entities willing to fund trading advising that they would withdraw their funding if their DoCA was not considered, the Voluntary Administrators formed the view that the best course of action for the Group in the limited time available was to pursue proposals for a DoCA. Accordingly, the Group and their businesses/assets were not formally offered for sale by way of an expression of interest campaign.

Notwithstanding this, the Voluntary Administrators did receive a number of inbound enquiries from parties who expressed interest in acquiring the Group's business or assets. Further, the Voluntary Administrators/Deed Administrators received

further interest from the public and general market feedback about the voluntary administrations over the course of the appointments. We engaged proactively with these interested parties.

Over 16 interested parties were provided with access to the dataroom since the Group went into Voluntary Administration. However all interested parties, excluding GRR, required an extensive due diligence period or did not have funding to complete a transaction, which would extend the trade on period of the operations and an increase in funding requirements to continue to trade the operations.

Other than GRR, and the former DoCA proponents no interested parties were willing to provide funding for trading costs, to allow a proper due diligence period, and given the DoCA proposals received from Avior, Oldfield and then GRR, it was not possible to pursue an extended formal sale campaign.

The Voluntary Administrators and now Deed Administrators commenced an expression of interest sale campaign for Centennial's 100% interest in Highlake Resources which holds the Pearl Croydon and Specimen Reef exploration tenements, which completed on 20 September 2019. These tenements were considered immaterial and surplus assets by the DoCA proponents. Further details of this sale process is provided at section 7.4.5.

The sale proceeds of \$0.50 million are currently held in an interest-bearing account.

4 Voluntary Administration and Deed Administration

The events leading up to the insolvency of the Group and our appointment as Voluntary Administrators is provided in Appendix B. Details surrounding our appointment as Voluntary Administrators and Deed Administrators of the subsequent DoCAs are provided below.

4.1 Appointment as Voluntary Administrators

On 21 March 2019, Richard Tucker, John Bumbak and Leanne Chesser were appointed as the joint and several voluntary administrators of the Group and assumed control of the Group's operations.

Upon their appointment, the Voluntary Administrators immediately reviewed the Group's operations in order to ascertain whether they should:

- continue to trade the Group on a business as usual basis
- modify the manner in which the Group's businesses operated, by undertaking a selective/limited mining program, or
- cease trading the Group's businesses, shutting down the mine and undertaking a care and maintenance program.

The result of the Voluntary Administrators' review was that the limited mining program over 14 weeks provided the lowest net funding requirement (as it allowed for revenue to be generated from gold sales) – (\$0.17 million surplus) when compared to the forecast trading loss on a care and maintenance basis over 14 weeks of a \$1.06 million trading loss and allowed the Group's assets to be preserved to maximise the value of its assets.

4.2 First DoCA

At meetings of creditors held on 17 May 2019, the Group's creditors resolved that Avior's First DoCA Proposal be accepted and the Group enter into a DoCA. The Voluntary Administrators became the Deed Administrators.

On 7 June 2019, the First DoCA was executed by the Deed Administrators and Avior. A detailed overview of the First DoCA is included in the Administrators' VA Report dated 10 May 2019, however, for reference, a high-level overview is as follows:

- New money of \$8.5 million would be raised via a capital raising with \$3.85 million of this being made available to the Creditors' Trust and \$4.65 million available for future working capital of the Group.
- Employee entitlements for continuing employees of the Group would be preserved in full and employee entitlements for employees whose employment had been terminated was expected to be paid in full.
- Creditors would be dealt with in separate classes.

4.3 Varied DoCA

On 8 July 2019 the Deed Administrators received correspondence from Avior advising that it was their opinion that the First DoCA could not be completed due to an inability to raise the capital under the terms of the First DoCA and as such a variation would be required. Avior required an alternate method to raise capital due to unforeseen external economic conditions, including but not limited to:

- An introduction of royalties on gold production charged by the Victorian State Government in January 2020.
- Various high-profile trading issues in the Australian gold sector.
- Introduction of a new DoCA contributor.
- Gandel Metals claiming to be a secured creditor of the Group, which was disputed by the Deed Administrators.

On 16 August 2019 a Varied DoCA Proposal was received from Avior. As a result of the material nature of the variations to the First DoCA, creditor approval was required. Accordingly, the Deed Administrators convened meetings of creditors on 27 August 2019 where the creditors resolved that Avior's Varied DoCA Proposal be accepted and the Group enter into the Varied DoCA. The Deed Administrators remained the Deed Administrators.

The Varied DoCA was executed on 27 September 2019 by the Deed Administrators and Avior.

An overview of the Varied DoCA is as follows:

- New money of \$5.65 million to be raised via capital raisings by Centennial (\$1.25 million) and Austar (\$4.4 million). \$3.65 million of this raising would be made available to the Creditors' Trust of which \$1.4 million would be paid to creditors

in full and final settlement of their claims and \$2.25 million made available for the Voluntary Administrators' and Deed Administrators' trading costs, fees/disbursements and legal costs. Austar would retain \$2.0 million of cash.

- Court approval under section 444GA of the Act would be required to transfer the shares from current Centennial shareholders to participating creditors as per the terms of the Varied DoCA.
- Prior to effectuation of the Varied DoCA, the Group and Austar would agree terms for a merger/acquisition transaction whereby the new Centennial shareholders (post the 444GA application and distribution from the Creditors' Trust) would receive Austar shares in consideration for their Centennial holding.
- Employee entitlements for continuing employees of the Group would be preserved in full and employee entitlements for employees whose employment had been terminated were expected to be paid in full.
- Creditors would be dealt with in separate classes.

4.4 Amended Varied DoCA

On 21 October 2019, the Deed Administrators received correspondence from Avior advising that it was their opinion that the Varied DoCA was required to be amended further due to:

- The reduction in gold revenue produced in the period 1 August 2019 to 23 September 2019.
- The requirement for the Deed Administrators to draw down Mining Lending's facility by a further \$0.50 million to allow the Deed Administrators to continue operations.
- Mining Lending's shareholding in Austar post the effectuation of the Amended Varied DoCA needing to be increased to take into consideration the additional lending.
- The Deed Administrators forming the view post the directions' hearing of 1 October 2019:
 - to terminate the Options held to acquire shares in Centennial
 - allow Option Holders to be admitted as a contingent creditor of Centennial and to vote at a meeting of creditors in relation to a resolution that the company enter the Amended Varied DoCA.
- Avior's decision to allow surplus cash to remain in the Group (after adjusting for legal fees relating to the merger and any costs incurred by the Deed Administrators).

In addition:

- The Deed Administrators formed a view post the directions' hearing of 25 October 2019 that creditors should be provided 10 clear business days' notice of the creditors' meetings in accordance with the Act.
- There was a subsequent unexpected increase in gold production in the period 1 October 2019 to 29 October 2019.

Avior consequently provided an Amended Varied DoCA proposal to the Deed Administrators on 28 October 2019.

The Amended Varied DoCA was approved at meetings of creditors held on 15 November 2019 and the Amended Varied DoCA was subsequently executed on 20 November 2019.

A further extension for the effectuation of the Amended Varied DoCA to 24 January 2020 was approved between Avior and the Deed Administrators on 12 December 2019, to allow for Austar to complete its capital raisings, as Austar raising up to \$4.4 million in capital was a condition precedent to the Amended Varied DoCA, and \$2.4 million of this capital was to be contributed to the Amended Varied DoCA.

On 11 January 2020, Mining Lending entered into an agreement to assign its debt to Austar.

The Deed Administrators consented to the assignment of the debt subject to a further DoCA being submitted and:

- receiving a bank guarantee/cash for \$0.3 million to fund trading costs and operations to the next creditors' meetings by 17 January 2020;
- further support being provided by Austar to fund trading costs and operations between the creditors' meetings and effectuation of any revised DoCA approved by creditors; and
- drawing of their remuneration approved by creditors and costs (including legal costs) from the cash generated by the Group's operations.

This assignment of debt to Austar did not complete due to:

- issues arising between Austar and Mining Lending in relation to the assignment of the debt;



- Austar not complying with the terms of the assignment, by failing to provide the bank guarantee/cash to fund the Deed Administrators' trading and operational costs by 17 January 2020 or at all.

For the reasons detailed above, the Amended Varied DoCA could no longer be effectuated.

4.5 Oldfield DoCA

4.5.1 Execution

On 21 January 2020, the Oldfield DoCA proposal was received from Oldfield Investments. One of the conditions precedent to the Oldfield DoCA proposal was the acceptance by the Deed Administrators of a loan agreement with Oldfield Investments to refinance the Mining Lending facility in full. The Deed Administrators entered into a loan agreement on 20 January 2020 with Oldfield Investments and Mining Lending's debt was refinanced in full on 22 January 2020 with Oldfield Investments becoming a secured creditor of the Group.

The Oldfield DoCA was approved by creditors at meetings held on 12 February 2020. However, on 26 February 2020 Gandel Metals re-enlivened the Gandel Proceedings, further details of which can be found at section 4.7, therefore Oldfield Investments agreed with Gandel that the DoCA would be amended by way of Court Order honouring Gandels section 560 Loans.

On 28 February 2020, the Oldfield DoCA was executed between the Group, Oldfield Investments and the Deed Administrators.

4.5.2 Overview

A detailed overview of the Oldfield DoCA is included in the Voluntary Administrators' Supplementary Report to Creditors dated 28 January 2020. A high-level overview of the provisions of the Oldfield DoCA are as follows:

- Three DoCA contributions being made into the Creditors' Trust as follows:
 - \$2.01 million on effectuation of the Oldfield DoCA. This contribution was increased to \$2.36 million after it was determined to honour the section 560 loans provided by Gandel to the Group.
 - \$0.94 million by 31 December 2021 subject to the Group's working capital position being above \$2.5 million at 30 June 2021 (i.e. conditional distribution)
 - \$0.94 million by 31 December 2022 subject to the Group's working capital position being above \$2.5 million at 30 June 2022 (i.e. conditional distribution)
- Secured Creditors (excluding Gandel Parties) being provided 10% of the issued shares in Centennial
- Oldfield Investments receiving 90% of the issued shares in Centennial pursuant to a section 444GA Court application and section 606 consent from ASIC.
- Gandel Metals being treated as an unsecured creditor
- Creditors being dealt with in separate classes.

4.5.3 Oldfield DoCA extensions

The Oldfield DoCA was extended three times from the original completion date of 31 March 2020.

The first extension was to 30 June 2020 to allow the Gandel Proceedings to be determined. The second to 30 September 2020 to allow the appeal to the Gandel Proceedings to be determined. The third extension to 31 December 2020 was to allow the appeal to the Gandel Decision to be heard and subsequent decision to be handed down.

4.5.4 Ability to complete

The Deed Administrators had concerns that the Oldfield DoCA would be unable to be effectuated due to a number of factors, including:

- Secured Creditors (excluding Gandel Parties) stated that they were not supportive of receiving equity in accordance with the Oldfield DoCA and would not release their security over Centennial at effectuation being a condition to the Oldfield DoCA.
- the Court decision in the Gandel Proceedings that Gandel Metals holds security over the A1 Mine (the Oldfield DoCA treated Gandel Metals as an unsecured creditor)

- both Oldfield and Gandel indicating they would appeal to the High Court if they were unsuccessful in relation to the Gandel Decision which would cause further delays and risks to the trading operations
- that the second distribution to creditors (whilst always contingent) would not proceed given the estimated timeline to complete the Oldfield DoCA given that the Gandel Proceedings were appealed
- Dale Rogers asserted that given he was terminated whilst the Group was subject to a deed of company arrangement, his redundancy and PILN was a cost of the Group and not captured by the Oldfield DoCA. If correct, this would require the Group to pay Dale Rogers an additional c. \$752,000. Mr Rogers threatened to issue a winding up notice against the Group post effectuation of the Oldfield DoCA, if he was not paid an agreed amount.

4.5.5 Injunction application

On 18 September 2020, we received an application from Oldfield's lawyers an injunction was filed by Oldfield Investments seeking that the Court urgently determine Oldfield Investment's application, providing notice of an urgent Court application to be held that same morning attempting to injunct the Deed Administrators from:

- sending the Supplementary Report to creditors
- convening the creditors meetings

Prior to the hearing Oldfield agreed to sell its debt to GRR.

4.5.6 Sale of Debt

Oldfield Investments, with the consent of the Deed Administrators, sold its debt and the Langsung Debt Oldfield Investments had acquired to GRR on 23 September 2020. The purchase of the Oldfield Investments' debt was a condition of the GRR DoCA – detailed further at section 5.

The terms of the sale of Oldfield Investments' debt are confidential. As a result of the debt trade, Oldfield Investments dismissed the injunction hearing and the appeal to the Gandel Proceedings.

4.6 Section 444GA Court Orders and ASIC consent

4.6.1 Section 444GA application – Amended Varied DoCA

On 3 September 2019, the Deed Administrators made an application to the Court pursuant to section 444GA of the Act which sought Court Orders to allow the Deed Administrators to transfer all the shares in Centennial for nil consideration to:

- certain participating creditors
- certain parties who were proposing to raise and contribute funds for the purpose of the Amended Varied DOCA
- the Deed Administrators (as trustees)

On 21 November 2019, Court Orders were granted providing the Administrators with leave to transfer the shares for nil considerations as documented in the Amended Varied DoCA subject to:

- ASIC providing relief pursuant to section 606 of the Act; and
- The conditions precedent to the Amended Varied DoCA being satisfied.

The Court also stipulated that any further amendments to the Amended Varied DoCA would need to be advised to the Court for the approval to remain in situ.

4.6.2 Section 444GA application – Oldfield DoCA

Following the approval of the Oldfield DoCA by creditors on 28 February 2020, the Deed Administrators made a further application to the Court pursuant to section 444GA of the Act which sought Court Orders to allow the Deed Administrators to transfer all the shares in Centennial for nil consideration to:

- 90% to Oldfield or his nominee
- 10% to the Secured Creditors

The application was no longer pressed by the Deed Administrators in circumstances where the Oldfield DoCA was varied by the GRR DoCA.



4.6.3 Section 606 ASIC relief – Amended Varied DoCA

On 19 November 2019, ASIC provided conditional relief from the prohibitions in section 606 of the Act, for more than 20% of the shares of Centennial to be allocated to a single party subject to (amongst other things):

- the Court providing section 444GA approval;
- the conditions precedent to the Amended Varied DoCA being met; and
- a formal request for relief being made once the first two conditions had been met

The above conditions were never satisfied because the Amended Varied DoCA was unable to complete.

The GRR DoCA is subject to ASIC providing relief pursuant to section 606 of the Act.

This Expert Report is part of the application to ASIC for this approval.

4.7 Gandel Proceedings

Gandel Metals commenced legal proceedings against Centennial to set aside the Oldfield DoCA alleging it prejudiced Gandel's position as it did not consider Gandel's:

1. statutory priority pursuant to section 560 of the Act, taking into consideration its pre voluntary administration loans to the Group to enable employee entitlements to be paid, and
2. security over Centennial.

Oldfield Investments agreed with Gandel that the Oldfield DoCA would take into consideration Gandel's statutory priority and amended Gandel's return accordingly. However, Gandel would still continue with the balance of the Gandel Proceedings specifically the question in relation to whether Gandel was a secured creditor.

The hearing in relation to whether Gandel held security over Centennial by way of subrogation from the repayment of the Squadron debt was heard on 12 March 2020.

The decision that Gandel holds security over the A1 Mine was handed down by the Court on 15 May 2020. Oldfield appealed this decision, and a trial date of 2 October 2020 was set.

However, one of the conditions of the acquisition of the debt held by GRR from Oldfield Investments was that the Gandel Proceedings be discontinued. On 30 September 2020, the Gandel Proceedings were discontinued by Oldfield.



5 Overview of the GRR DoCA

5.1 Golden River Resources Pty Ltd

GRR is a privately held SPV registered in Western Australia. GRR's major asset was \$13.5 million in cash raised through a convertible note from several investors.

On 17 September 2020, GRR submitted a terms sheet to the Deed Administrators proposing an amendment to the current Oldfield DoCA. An executed copy of the GRR DoCA can be found on our website.

An overview of the GRR DoCA approved at the creditors meetings held on 13 October 2020 is set out below.

5.2 Distribution of funds

5.2.1 Investment

GRR will make a total cash investment of \$13.5 million which will comprise a payment to:

Table 6 – distribution of funds

Payee	Classification	Amount (\$ million)
Oldfield Investments	Deed Administrators' Loan	Withheld (confidential)
Oldfield Investments	Langsung Debt	Withheld (confidential)
Gandel	Secured, Unsecured and Priority Debt	2.85
Montlodge and Related Parties	Secured and Unsecured Debt	1.14
Bendan and Related Parties	Secured and Unsecured Debt	0.19
Deed Administrators	Trading Costs, Fees and Expenses	TBA
Creditors' Trust	Cash contribution	2.46

Source: GRR DoCA

with any surplus being returned to the Group post effectuation.

5.2.2 Trust fund – Available Property

A creditors' trust will be established and the trust fund to be held by the Trustees of the Creditors' Trust will include the following assets:

- c. \$2.46 million cash contribution from GRR
- any debtors owed to the Group at effectuation
- any stock produced by the Group in the week prior to effectuation of the Creditors' Trust which is not yet sold
- any residual cash held by the Group less the Deed Administrators' remuneration and expenses.

5.2.3 Application of Creditors' Trust funds

The Available Property from the Creditors' Trust will be distributed as soon as reasonably practicable as follows:

Table 7 – Distribution of Available Property

Rank	Class	Payee	Details	\$ million
First		Deed Administrators	Trading costs, professional fees, legal costs and expenses	TBA
Second	Class A & B	Current and terminated employees	Outstanding employee entitlements pursuant to section 556(1)(a) of Act	0.90
Third	Class C	Dale Rogers	Amounts owed to him for his retrenchment and employee entitlements owing to Dale Rogers as an excluded employee	0.34
Fourth	Class D	Class D creditors	Unsecured creditors excluding class C, E & F	1.05
Fifth	Class E	Class E creditors	Unsecured creditors individually owed less than \$5,000 each	0.15
Sixth	Class F	ATO	Amounts owed to the ATO	0.019

Source: GRR term sheet

5.3 Conditions precedent

The GRR DoCA will effectuate immediately after all the following conditions precedent have been satisfied or waived on or before the sunset date of 31 December 2020 or later date as agreed by GRR and the Deed Administrators:

- the Companies' creditors approve the DoCA at a meeting of their creditors – **completed**;
- the Deed Administrators applying to Court for leave pursuant to section 444GA of the Act and to ASIC for relief from the prohibitions in section 606 of the Act;
- the transfer of Centennial's shares to GRR cannot occur unless Court orders pursuant to section 444GA have been granted and ASIC provide the relief from the prohibition in section 606 of the Act;
- GRR making \$13.5 million available to the Deed Administrators, less any amounts already paid (which as at today's date is the amount paid to Oldfield to refinance the Oldfield Loan);
- payment of the Cash Contribution by the Deed Administrators into the Creditors' Trust, together with the other available property being transferred into Creditors' Trust, which includes debtors as at the date of effectuation and unsold gold / proceeds from the unsold gold produced on the last Wednesday prior to effectuation and any residual cash less the Deed Administrators' fees, remuneration and expenses;
- deeds of release being entered into with the Gandel Parties, Bendan, Montlodge and Dale Rogers, whereby those parties release all of their rights, title and claims they may have against the Group and the Deed Administrators and agree to release their security;
- payment of \$2.85 million being made to Gandel Parties in full and final settlement of all their debts including the section 560 loan, unsecured loan, costs, secured loan to the Group and the Gandel Parties releasing their security over the Group;
- payment of \$1.14 million being made to Montlodge (and its related party) and payment of \$191,000 being made to Bendan in full and final settlement of all their debts including unsecured debt and their secured loan to the Group and Bendan and Montlodge (and its related party) releasing their security over the Group;
- the Deed Administrators will remove and appoint new directors to Centennial's board of directors as instructed by GRR;
- the completion of the Kaiser Transaction, which may be waived by GRR;
- GRR doing all things necessary to release its security interest against the Group and doing all things necessary to release and remove any registrations against the Group in favour of Oldfield and Langsung;
- GRR informing the Deed Administrators as to whether GRR will forgive the Oldfield and Langsung debt refinanced by GRR or convert that debt into Centennial's shares;
- the execution of a Creditors' Trust Deed and establishment of the Creditors' Trust

5.4 Assumed debt

GRR will assume the following liabilities of the Group which will not transfer to the Creditors' Trust and will not be discharged or forgiven at effectuation of the GRR DoCA:

- employee entitlements in relation to those employees whose employing will continue post effectuation of the GRR DoCA totalling c. \$0.6 million
- Environmental Bonds These bonds are cash backed and the cash will remain in the Group post effectuation.

5.5 Deed Administrators & Trustees

The current Deed Administrators will continue to be the Deed Administrators of the GRR DoCA.

The Deed Administrators will become the trustees of the Creditors' Trust following the execution of a creditors' trust deed.

The Deed Administrators will have recourse to the funds paid by GRR to the Deed Administrators for the purpose of their remuneration and expenses as well as to the assets of the Group.

The Trustees' fees and expenses will be capped at \$0.1 million which will be drawn from the Trust Fund.

5.6 Powers of the Deed Administrators

Deed Administrators have the statutory powers provided for in the *Corporations Regulations 2001* (CTh) and the usual powers to carry on the business of the Group and do all things necessary to effectuate the GRR DoCA.

5.7 Pooling

The GRR DoCA and the Creditors' Trust provide for the claims of unsecured creditors (excluding intercompany debts) of the Group being pooled and transferred to the Creditors' Trust once the GRR DoCA has effectuated. The impact of a pooling arrangement is that an unsecured creditor of Maldon will be treated the same as an unsecured creditor of Centennial.

Given the Group's intercompany debt position and estimated return in a liquidation of the Group, the Deed Administrators consider the single pooled Creditors' Trust to be appropriate. The proposed pooling arrangement will likely be more efficient and less costly as it simplifies the management of unsecured creditor claims and the distribution of dividends.

5.8 Upon effectuation

Upon the date of effectuation:

- the Group will be released from external administration
- the GRR DoCA will terminate
- the Creditors' Trust will be established for and on behalf of all creditors
- GRR will release its security over the Group and the debt will either be forgiven or converted into Centennial shares and GRR will do all things necessary to remove the security interests granted over the Group in favour of Oldfield Investments and Langsung
- Gandel, Montlodge and Bendan and related parties will be paid their allocated cash in exchange for release of their claims and security over the Group and its assets
- Dale Rogers will release his claim against the Group
- the Deed Administrators become the Trustees of the Creditor's Trust
- the Participating Creditors will become beneficiaries in the Creditors' Trust and will only have a right to prove their claim in the Creditors' Trust
- the Participating Creditors' claims against the Group will be released and forever extinguished

5.9 Return to creditors

5.9.1 Creditors' claims

Creditors' claims are to be dealt with under the GRR DoCA in the following classes of creditors.

Table 8 – GRR DoCA – creditor classes

Creditor Class	Who	Details
Class A & B	Current and terminated employees	Outstanding employee entitlements pursuant to section 556(1)(a) of Act
Class C	Dale Rogers	Amounts owed to him for his retrenchment and employee entitlements
Class D	Class D creditors	Unsecured creditors excluding class C, E & F
Class E	Class E creditors	Unsecured creditors individually owed less than \$5,000 each
Class F	ATO	Amounts owed to the ATO

Source: GRR term sheet

5.9.2 Return to creditors

Calculation of the return to creditors is provided in Appendix G. A summary of the return to creditors is provided below.

Table 9 – Calculation of c/\$ return for class of creditors

Date contribution crystallised	Cents in the dollar of claim Effectuation of DoCA
Estimated timing of payment to creditors	6 April 2021
Return to creditors	Cash – single payment
Payment outside of Creditors Trust	
Gandel inc section 560 Loans, costs, secured and unsecured loans	78.1
Bendan & Montlodge – Secured and unsecured debt	74.5
Payment as part of creditors' trust	
Class A – superannuation and wages	100.0
Class B – employee entitlements for terminated employees	100.0
Class C – Dale Rogers	18.9
Class D – All unsecured creditors, excluding class C, E, & F	19.9
Class E – creditors owed less than \$5k	89.4
Class F – ATO	7.3

Please note the GRR DoCA proposal was based on the February 2020 creditor amounts outstanding which includes the amounts outstanding as per the Groups records as at the date of Voluntary Administration and any subsequent claims received (which have not yet been adjudicated for dividend purposes).

We note the following about the above calculation:

- Calculation excludes employee entitlements for those employees continuing with the Group post effectuation.
- The outcomes for creditors have been based on the known claims in relation to trade creditors and employees. To the extent additional claims are crystallised, or existing claims change, the return to classes of creditors will change.

6 Key assets of the Group

Centennial is developing and producing gold from the A1 Gold Mine located near Woods Point, Victoria. Mining from the Union Hill Mine was suspended prior to the appointment of Voluntary Administrators. Ore mined from the A1 Gold Mine is trucked to the processing facility, which is owned by Maldon, at Porcupine Flat, near Maldon, Victoria. All gold produced is sold to the Perth Mint.

This section should be read in conjunction with the outlook of the gold industry provided at Appendix A.

6.1 A1 Gold Mine

After 6 years of mine decline development, gold production commenced at the A1 Gold Mine in March 2016. The mining method is predominantly mechanised long hole stoping of bulk mining resources supplemented by handheld air leg mining of high-grade narrow vein shear zones. Full scale production commenced in July 2017. Upon their appointment the Voluntary Administrators transitioned the mine to limited operations.

6.2 Porcupine Flat Mill

The Porcupine Flat Gold Processing Facility is located adjacent to the Maldon town site, 140 kilometres northwest of Melbourne in central Victoria. The 150,000tpa carbon in pulp plant was originally constructed and commissioned in 1989 by Triad Minerals to treat oxide material from the nearby Union Hill open cut mine.

In 2015, Centennial purchased the Porcupine Flat Gold Processing Facility from Octagonal Resources, to facilitate the processing of ore primarily from the A1 Gold Mine.

6.3 The Union Hill Mine

From 2016, Centennial focussed on getting its assets into production. Around mid-2017, Centennial looked to expand its mining operation at the Union Hill mine with the first batch of low-grade ore delivered from the mine to the Maldon processing facility in October 2017. Given the Group's lack of available capital resources, operations were suspended at the Union Hill mine prior to the appointment of the Voluntary Administrators.

6.4 Nuggety Reef Mine

The Nuggety Reef Mine is located North East of Melbourne in the State of Victoria. It is mining licence – MIN 5528 that has not been developed in the modern era but is the site of historic gold mining.

6.5 Maldon District Exploration

Maldon owns the Union Hill Mine and Maldon Processing Facility located in Maldon, Victoria. Highlake Resources, a wholly owned subsidiary of Centennial, owned the Pearl Croydon and Specimen Reef deposits in the surrounding Maldon District. The Deed Administrators sold the shares in Highlake Resources to support the ongoing funding requirement of the Group as the Pearl Croydon and Specimen Reef tenements were considered non-core.



Figure 1 – Location of Group Assets



6.6 Resources and reserves

The following statement of Mineral Resources and Ore Reserves conforms to the Australasian Code for Reporting Exploration, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition (other than the Eureka Mineral Resources, which are reported under the JORC Code 2004 Edition). All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Table 10 - Mineral Resources

Mineral Resources Estimate at 30 June 2018.

	Measured			Indicated			Inferred			Total		
	kt	g/t Au	koz	Kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
A1 Gold Mine	-	-	-	209	5.3	36	1,051	6.3	213	1,260	6.1	249
Pearl Croydon*	-	-	-	11	3.7	1	555	2.7	48	566	2.7	49
Tubal Cain*	-	-	-	-	-	-	932	4.1	123	932	4.1	123
Eureka #	-	-	-	-	-	-	153	9.9	49	153	9.9	49

Source: FY2018 Annual Report

*subsequently sold by the Deed Administrators.

this tenement was forfeited by the Group prior to the Voluntary Administrators' appointment.

Since June 2018, there has been a depletion of the above A1 Gold Mine Mineral Resources due to mining of the area. RPM's valuation considers this depletion.

Ore Reserves

The Group did not hold any Ore Reserves as at 30 June 2018.

During the appointment of the Voluntary Administrators and Deed Administrators, the A1 Gold Mine resources have been depleted along with other resources not disclosed in the Mineral Resources table.

In addition, there were further resources informally identified as part of the resource area known as the Queens Block. However, given the restrictions on funding and timing, a Mineral Resource Report was never conducted.

6.7 Competent person statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Michael McKeown who, at the time the above Mineral Resources information was compiled, was a Fellow of The Australasian Institute of Mining and Metallurgy and was not an employee of Centennial.

Mr McKeown at the time had sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 McKeown consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.

There have been no additional updates or amendments made to the Mineral Resources of the Group, since the public report titled "**A1 Gold Mine Updated Mineral Resource Estimate**", which was published on the ASX by Centennial on 7 November 2018.

6.8 Mining tenements, operating and exploration licences

At the date of our appointment, the Group and Highlake Resources held 6 mining licences. These tenements are summarised in the below table.

Table 11 – Group's tenement summary

License	Holder	Area (ha)	Original granted	Last granted	Expiry	Commitment \$	Bond \$	Annual Rent \$
MIN5294	Centennial	107.77	20/08/90	18/08/16	17/08/25	91,600	109,000	2,294
MIN5146	Maldon	706.10	17/12/96	18/12/16	17/12/36	608,685	714,000	14,807
MIN5528	Maldon	4.50	22/07/10	18/12/16	17/12/21	15,000	10,000	209
MIN5529	Maldon	4.95	07/02/13	07/02/13	06/02/23	14,000	-	209
MIN5465*	Highlake	92.00	17/10/12	17/10/17	16/10/37	82,800	10,000	2,085
MIN5563*	Highlake	260.00	24/01/14	24/01/14	23/01/24	234,000	-	5,422

Source: As per the records of the Group and confirmed by the Group's geologist.

During the deed administration process the Highlake tenements were realised. Further details of the realisation of the Highlake tenements are provided at section 7.4.5.

The Group's staff have maintained and preserved the tenements throughout the Group's insolvency. Expenditure as well as remittance of annual rent due to the Department of Jobs, Precincts and Regions are up to date.

6.9 Forfeiture applications against the Group's tenements

The Group is not aware of any actions taken against the Group's tenements that will adversely impact the effectuation of the GRR DoCA.

7 Valuation of the Company

7.1 Methodology

In order to assist the Court in determining whether the proposed transfer all of Centennial's issued shares held by its shareholders to GRR for no consideration, would unfairly prejudice the interests of Centennial's shareholders and to assist ASIC in its decision to grant relief from Chapter 6 of the Act, we have sought to determine whether, in our opinion, the value of the Centennial shares and the Group's assets exceeds the value of its Total Indebtedness, including the outstanding debt owing to the Secured Creditors and GRR.

We have considered the valuation methodologies outlined in ASIC RG 111 (*Contents of expert reports*) and are of the opinion, given the nature of Centennial's assets, the sum of the following valuation methodologies is most appropriate:

Table 12 – Methodology to value individual assets & technical experts appointed

Asset	Reference	Technical Expert	Primary Valuation Methodology	Cross Check Methodology
Tenements				
Min5294 – A1 Gold Mine	7.4.2	RPM Global	Mid point of adjacent valuation methods	Modified Discounted Cashflow and Market Comparable Methods
Min5146 – Union Mine Hill	7.4.3	RPM Global	Modified Discounted Cashflow Method	
Min5528 – Nuggety Reef	7.4.4	RPM Global	Mid point of adjacent valuation methods	Multiple of Exploration Expenditure and Discounted Cash Flow
Other Non Circulating Assets				
Proceeds from sale of shares in Highlake	7.4.5	Deed Administrators	Net realisable value/cash at bank	
Plant & Equipment	7.5.1	Gordon Brothers	Net realisable value on an auction basis	
Land and Buildings	7.5.3	Deed Administrators	Net realisable value on an auction basis	
Other Assets				
Preferences	7.5.5	Deed Administrators	Weighted Average Liquidators' average	
Cash at bank		Deed Administrators	Cash held at bank	
Inventory	7.5.2	Deed Administrators	Net realisable value	

For the avoidance of doubt, the valuation analysis is being conducted and concluded using a distressed sale basis valuation with the adoption of an appropriate discount rate (based on observed market data). The rationale for providing the valuation on a distressed sale basis is due to the fact that:

- the Group is subject to Deeds of Company Arrangement;
- the Group would enter liquidation, if the GRR DoCA fails;
- the restricted time period the Liquidators would have to sell the Group's assets;
- the adverse impact caused by the appointment of Voluntary Administrators, Deed Administrators and Liquidators on the value of the Group's assets;
- the Group has not incurred sufficient capital expenditure on its assets for the last three years;
- the limited financial resources the Liquidators would have to place the assets on care and maintenance and achieve a Group solution.

As the Group:

- is no longer a going concern, mining operations are materially curtailed (air leg mining only);
- requires significant capital expenditure spent on its Mineral Assets and the Maldon Mill;
- requires significant working capital funding to become a going concern (this funding is limited);
- has limited reserves and resources with sufficient certainty for an extended mine plan;

the criteria for establishing a traditional fair market value is unable to be fully satisfied, accordingly, an appropriate distressed asset discount was required to arrive at Centennial's valuation.

In determining the Deed Administrators' opinion, the following experts were appointed:

- RPM to prepare a Updated Valuation Report of the tenements (Mineral Assets) given the passage of time between the valuations and addendums used for the First and Second Expert Reports and this Expert Report. In preparing its Updated Valuation Report of the Mineral Assets, RPM has indicated that it should be read in conjunction with the RPM Initial Report and RPM Addendum which are attached at appendix L
- Gordon Brothers to prepare an updated valuation of plant and equipment. Gordon Brothers provided its updated valuation on a Fair Market Value in Continued Use and Forced Liquidation Value as at 25 September 2020. The Gordon Brothers' reports are attached at appendix M

For a more detailed discussion regarding the valuation methodologies selected please refer to Appendix H

Note, with regards to the engagement of RPM, the Deed Administrators considered instructing Mining One to undertake the mining technical report as they were familiar with the mining operations and had previously done work for management. However, we were advised by ASIC that given Mining One previously determined the reserves and resources, Mining One had a conflict to undertake the valuation for the Deed Administrators. Consequently, after a tender campaign the Deed Administrators instructed RPM to undertake the valuation. Note, Mining One's estimated valuation of the Group's assets under a liquidation scenario (which they prepared for the VA Report to creditors) dated 10 May 2019 was \$4.7million to \$7.2 million (including the Highlake Resources shares).

The Mining One valuation was undertaken for the purpose of completion of the 30 June 2018 audit only and to allow the Voluntary Administrators to assess the potential outcome for creditors in a liquidation scenario to benchmark the original DoCA.

7.2 Valuation conclusion

Set out below is a summary of the valuation range of the Group's assets based on an individual and pooled basis:

Table 13 –Valuation summary of Group assets

Valuation (\$ millions)	Pooled			Reference
	Low	High	Preferred	
Asset				
Centennial – Assets				
A1 Gold Mine	5.90	9.40	7.70	7.4.2
Highlake Resources share sale proceeds	0.50	0.51	0.51	7.4.5
Plant & Equipment	0.18	0.23	0.21	7.5.1
Preference Claims	0.13	0.16	0.14	7.5.6
Centennial Assets	6.71	10.31	8.56	
Maldon –Assets				
Union Hill Mine	1.70	1.70	1.70	7.4.3
Nuggety Reef	1.70	1.70	1.70	7.4.4
Plant & Equipment	0.29	0.34	0.32	7.5.1
Land & Buildings	Nil	0.20	0.10	7.3.2
Cash	3.47	3.47	3.47	
Inventory	0.75	1.05	0.90	
Preference Claims	0.06	0.36	0.21	7.5.6
Maldon Assets	7.97	8.82	8.40	

Pooled Valuation Range	14.68	19.13	16.96
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7.3 Reconciliation to Second Expert Report

A reconciliation of the value of the assets in the Second Expert Report and this Expert Report on a pooled basis is as follows:

Table 14 – reconciliation

\$ million	Notes	Low	High	Preferred
Second Expert Report		5.78	14.77	10.34
Expert Report		14.68	19.13	16.96
Difference		8.90	4.36	6.62
Change of value				
A1 Gold Mine	i	3.40	(1.10)	1.10
Union Hill Mine	i	0.32	0.32	0.32
Nuggetty Reef	i	1.40	1.40	1.40
Cash	ii	1.83	1.83	1.83
Inventory	ii	1.95	1.91	1.96

Notes

- i. These values have increased due to the increase in the gold price and increase in value of comparative mineral assets since the Second Expert Report
- ii. Whilst these values have increased since the last valuation so too have trading costs and Deed Administrators' remuneration and costs see section 8.2.2.

7.4 Mineral Assets

7.4.1 Valuation summary

A summary of the valuation approaches utilised by RPM in accordance with the Updated Valuation Report is as follows:

Table 15 – Mineral asset valuation summary

Licence	Methodology	Project Type	Value Lower \$m	Value Upper \$m	Value Preferred \$m
A1 Gold Mine	Mid Point DCF & Market Comparable	Pre-Development Project	5.90	9.40	7.70
Union Hill Mine	Discounted Cash Flow	Pre-Development Project	1.70	1.70	1.70
Nuggetty Reef	Mid point DCF & Multiple of Exploration Expenditure	Exploration Project	1.70	1.70	1.70
Total			9.30	12.80	11.10

Source: RPM Updated Valuation Report dated 15 October 2020

RPM adopted a 25% discount against the market value of the above mineral assets to take into consideration the diminution in value caused by the appointment of the Voluntary Administrators and then Deed Administrators – as discussed above. In our opinion this discount to market value appears appropriate to take into consideration the factors faced by a liquidator in a forced sale scenario.

Where possible, in accordance with the VALMIN Code 2015, Clause 8.3, RPM have attempted to value the mineral assets with different valuation methodologies to either assist calculate the value of the mineral asset or to cross check the value.

When providing details about the value of the mineral assets, we have only provided guidance from the RPM Updated Valuation Report and the updated information provided.

In its valuation, RPM adopted the gold price determined by the Group in its discounted cash flow, which takes into the risks of the mineral assets outlined below, rather than the consensus gold price. The Group advised the gold price used in its discounted cash flow took into consideration the following items adjusting for risk:

- foreign exchange risk (noting a 5 cent increase in the AUD against the USD from AU\$0.70 cents to AU\$0.75 is estimated to cause an 7% (AU\$180 per ounce) reduction in the gold price in Australian dollars), which is illustrated as follows:

- where US\$1 is equal to AU\$0.70 and assuming price of gold per ounce is US\$1,900 then price per an ounce is also AU\$2,714
- then assuming US\$1 is equal to AU\$0.75 and price of gold remains \$US1,900 per ounce then price per an ounce is AU\$2,533
- Centennial having no reported ore reserves for any of its mines or projects;
- depletion in the mineral resource which has not been documented or recorded as per industry standards to assess ore reserves;
- Increased design stoping costs;
- The forecast gold price reducing in the later half of 2020, 2021 and 2022 (as outlined in Appendix A);
- The period of time it would take for the mines to operate at full production tonnage (see RPM Report at Table 5-7 and 5-8 for production schedule);
- The fact that Centennial is in Deed Administration;
- The current limited working capital available to develop the mining assets;
- The risks faced with mining mineral assets consisting of high nugget gold caused by the uncertainty in grade estimates and general paucity of the reserve;
- The current economic and political risk, which is addressed in more detail in Appendix A.

The values are discussed further below:

7.4.2 Centennial – A1 Gold Mine

Discounted cash flow

A discounted cash flow was one of the methods adopted to determine the value of the A1 Gold Mine. RPM used a mid point basis to calculate the preferred value under the discounted cash flow model. A summary of which is as follows:

Table 16 – Discounted cash flow

\$ million	Low	High	Preferred/Medium
Fair value range	13.10	16.10	14.60
Distressed value range	9.80	12.10	11.00

Source: RPM Updated Valuation Report dated 15 October 2020

In determining the distressed value range a 25% discount was applied given the current distressed nature of the Group and its assets.

In determining the discounted cash flow value, RPM adopted the Group's life of mine forecast. RPM made the following adjustments to the forecast in determining the above values:

- Production tonnages discounted by a low of 0% and a high of 20% to take into consideration non- reserve material, and exploration results for the Queens Block
- Increased variable operating costs to reflect the impact of the production tonnages above
- Increased mining costs by 8% to account for the current low working capital and unit mining costs
- 71% of the derived DCF was apportioned to the A1 Mine
- the long term \$A forecast for the price of gold used in the DCF was conservative when compared to the bank consensus forecasts but was not adjusted by RPM due to the risk faced by the A1 Gold Mine
- discount rate of 12% continued to be applied and believed to be reasonable.

Market comparable transactions

RPM advised that prior to the Updated Valuation Report, it was thought that increases in the gold price in 2020 would have translated to a higher gold transaction multiple. However, after disregarding the Aeris Resources' acquisition of Cracow multiple there has not been a significant change in the transaction multiples since the Second Expert Report.

A listing of recent comparable transactions to the A1 Gold Mine is provided at Appendix B of the RPM Updated Valuation Report.

Applying RPM assumptions and methodology, a transaction multiple approach produced a valuation range of between \$1.9 million and \$6.6 million, with a preferred value of \$4.30 million, a \$1.1 million decrease since the last valuation.

A summary of RPM's transaction analysis for the A1 Gold Mine is shown below.

Table 17 – Summary of RPM's transaction analysis for the A1 Gold Mine

		Low	High	Preferred
Resources – Indicated*	<i>Koz</i>	40.95	40.95	40.95
Transaction multiple	<i>\$/oz</i>	28.9	56.6	42.7
Value of reserves (undiscounted)	<i>\$m</i>	1.18	2.32	1.75
Discounted value	<i>\$m</i>	0.89	1.74	1.31
Resources – Inferred*	<i>Koz</i>	225.4	225.4	225.4
Exploration multiple	<i>\$/oz</i>	5.90	28.9	17.4
Value of Resources (undiscounted)	<i>\$m</i>	1.33	6.51	3.92
Discounted value	<i>\$m</i>	1.00	4.89	2.94
Total discounted value	<i>\$m</i>	1.89	6.63	4.25

*The indicated and the inferred resources includes the resources in the Queens Block model

Valuation

In calculating the value of the A1 Gold Mine, RPM adopted the midpoint of the discounted cash flow model and comparison model to determine the value of the A1 Gold Mine as follows:

Table 18 – Mid Point of discounted cash flow and comparable methods on a distressed basis

(\$million)	Low	High	Preferred
Discounted Cash Flow Approach	9.80	12.10	11.0
Market Comparable Approach	1.90	6.60	4.30
Value Range	5.90	9.40	7.70

7.4.3 Maldon – Union Hill Mine

Multiples of exploration expenditure & market comparable methods

In valuing the Union Hill Mine, RPM did not adopt the:

- multiples of exploration expenditure method because the mine had previously been operational, and the method would undervalue the mine; or
- market comparable method because the resource estimate was historic and not JORC compliant, so any valuation would need to be significantly factored which would undervalue the mine.

Discounted Cash flow

Other than the adjustments outlined at section 7.4.2 – Discounted Cash Flow, and the adoption of an attributed portion of 10% to the Union Hill Mine – no other adjustments were made to the cash flow.

Table 19 – Fair value and distressed value ranges

Basis	Low	High	Preferred
Fair Value Range \$m	2.24	2.24	2.24
Distressed Value Range \$m	1.70	1.70	1.70

7.4.4 Maldon – Nuggety Reef

RPM again adopted the Multiples of Exploration and the Discounted Cash Flow Model to value the Nuggety Reef Tenement. The market comparable method was not adopted because the resource estimate is historic and not JORC compliant which would undervalue the asset.

Discounted cash flow forecast

Other than the adjustments outlined at section 7.4.2 – Discounted Cash Flow, and the adoption of an attributed portion of 19% to the Nuggety Reef – no other adjustments were made to the cash flow.

RPM used a mid point basis to calculate the preferred value under the discounted cash flow model. A summary is as follows:

Table 20 – Nuggety Reef discounted cash flow method and distressed value range

Basis	Low	High	Preferred
Fair Value Range \$m	4.30	4.30	4.30
Distressed Value Range \$m	3.20	3.20	3.20

Multiple exploration expense method

Over the last five years \$178,000 of exploration expenditure had been spent on Nuggety Reef which was escalated by 1.71% producing a value of \$185,130.

RPM continued to use a factor of 1 to determine the value under this method with a further 25% discount to take into consideration the implication a forced sale would have, producing a forced sale value of \$140,000.

Valuation

The mid point of the discounted cash flow method and multiple exploration expense method is as follows:

Table 21 – DCF and Distressed Value Ranges

Basis (\$ millions)	Low	High	Preferred
Multiples of Exploration Expenditure	0.14	0.14	0.14
Discounted Cash Flow	3.20	3.20	3.20
Discounted valuation range – mid point	1.70	1.70	1.70

7.4.5 Highlake Resources – Pearl Croydon & Specimen Reef – Sale

Centennial's 100% owned subsidiary, Highlake Resources, was offered for sale by way of an expression of interest campaign. Highlake Resources is the holder of the Pearl Croydon and Specimen Reef mining tenements in Victoria.

The only assets held by Highlake Resources were the Pearl Croydon and Specimen Reef Mineral Assets, and a \$20,000 cash Environmental Bond held with ANZ. Highlake Resources' only liability was the contingent liability for the Environmental Rectification to the Tenements which has been estimated at \$20,000.

Due to the short timeframe available to sell the shares in Highlake Resources, the Deed Administrators conducted an expedited, single stage sale process, from which an exclusivity agreement with a potential bidder was entered into. The sale completed on 20 September 2019.

Marketing

The marketing campaign commenced with an advertisement appearing on the MinesOnline platform on 6 May 2019 calling for expressions of interest in Highlake Resources. MinesOnline is an online platform connecting buyers and sellers of mining projects worldwide which has over 4,000 users from over 100 countries. MinesOnline exclusively markets mining sector assets and should accordingly be well positioned to attract interested parties in Highlake Resources and its tenements.

The Highlake Resources' advertisement was directly forwarded to MinesOnline's interested party database. In addition, it was forwarded to a number of industry participants and other parties that the Deed Administrators considered may be interested based on their discussions with the Directors, staff, customers and suppliers of the Group.

Interested parties

All parties who contacted the Voluntary Administrators or Deed Administrators expressing interest were given updates in relation to the sales process and on 6 May 2019, an online data room was made available.

Online data room

An online data room was created on 6 May 2019. This was essential due to the location of interested parties and the volume of documentation interested parties would need to review. The data room provided a secure central hub to store and display all pertinent information relating to the sale. In addition to providing due diligence information to interested parties, the data room also allowed us to track the number of interested parties utilising the data room to obtain due diligence information.

Sales Campaign

The campaign received interest from 15 parties and offers from 4 parties. In the Deed Administrators' opinion, the campaign was thorough in both advertising and length to test the market and obtain the best price available from the current market.

Offers Received

The sale campaign generated 4 offers which are summarised as follows:

Table 22 – Offers received for Highlake Resources Shares

	Wolf Gold P/L	Gold Miners Australia	Mining and Energy P/L	OreSort Solutions
Total Offer	\$0.50m	\$0.22m	\$0.50m	\$0.15m
Cash proceeds	<ul style="list-style-type: none"> \$20,000 non refundable deposit. \$0.48m at settlement. 	<ul style="list-style-type: none"> \$0.22m at settlement. 	<ul style="list-style-type: none"> \$0.4m at settlement \$0.10 m deferred. 	<ul style="list-style-type: none"> \$10,000 at settlement \$0.14m deferred.
Non Cash proceeds	N/A	N/A	N/A	\$0.14m deferred royalty.
Key terms/conditions	<ul style="list-style-type: none"> Subject to due diligence 14 day exclusivity 30 day lump sum cash payment once SSA is executed. 	<ul style="list-style-type: none"> Unconditional SPA Signed. 	<ul style="list-style-type: none"> Subject to due diligence Subject to a toll treating agreement with Porcupine Flats Subject to finance. 	<ul style="list-style-type: none"> Six month exclusivity Subject to due diligence Subject to test work Subject to capital raising.
Financing	Cash	NAB Overdraft	Private lenders	Private Lenders
Comments	<ul style="list-style-type: none"> Upfront cash consideration is greatest Revised up from \$0.42m 	<ul style="list-style-type: none"> Easiest Transaction to complete Revised up from \$0.17m 	<ul style="list-style-type: none"> Unable to offer milling arrangement. 	<ul style="list-style-type: none"> Due diligence too long Will not increase offer Unable to offer milling arrangement.

Source: Offers received

An exclusive due diligence arrangement was entered into with Wolf Gold. Wolf Gold completed the sale at \$0.5 million with settlement occurring on 20 September 2019.

7.5 Group's other remaining assets

In addition to the Group's mineral assets, the other remaining assets, as discussed in Section 6, comprise:

- Plant and Equipment located at A1 Gold Mine and the Maldon Processing Plant,
- Inventory located at the Maldon Processing Plant
- Cash at bank, and
- Land & Buildings located at 401 Bendigo-Maldon Road, Maldon, Victoria.

An asset-based valuation approach has been undertaken when valuing the above.

The resulting values are shown in the following table.

Table 23 – Valuation summary of remaining non-mineral assets

\$ 'million	Notes	Low	High	Preferred
Tangible assets				
Plant and equipment	7.5.1	0.47	0.57	0.53
Cash	7.5.2	3.47	3.47	3.47
Inventory	7.5.3	0.75	1.05	0.90

Land and buildings – Maldon, Vic	7.5.4	Nil	0.20	0.10
Total tangible assets		4.69	5.29	5.00
Other assets				
Preferences	7.5.5	0.19	0.52	0.35
Total other assets		0.19	0.52	0.35
Total value of non-mineral assets		4.88	5.81	5.35

7.5.1 Plant and equipment

A valuation of plant and equipment has been conducted by Gordon Brothers. We have been advised:

- Maldon's unencumbered plant and equipment has a going concern value of \$1.84 million and an auction value of \$0.39 million. In our low liquidation scenario we have adopted the liquidation value less \$0.10 million in selling costs and in our high liquidation scenario we have adopted the liquidation value less \$50,000 in selling costs.
- Centennial's plant and equipment has a going concern value of \$0.68 million and a liquidation value of \$0.28 million. In our low liquidation scenario, we have adopted the liquidation value less \$0.10 million in selling costs and in our high liquidation scenario we have adopted the liquidation value less \$50,000 in selling costs.

For the preferred value we have adopted the mid-point of both methods

Summarised as follows:

Table 24 – Valuation of plant & equipment

\$ million	Liquidation Value	Low	High	Preferred Value
Maldon	0.39	0.29	0.34	0.32
Centennial	0.28	0.18	0.23	0.21
Total	0.67	0.47	0.57	0.53

Source: Gordon Brothers Third Appraisal Report

7.5.2 Cash

As at 20 October 2020, the Deed Administrators held \$3.47 million of cash excluding the sale proceeds from the Highlake Resources shares.

7.5.3 Inventory

Based on the current estimated ore being mined and processed, we believe if the Group entered liquidation there would be:

- 7kg of gold generated through trading that is currently held at the Perth Mint which could be sold for \$0.45 million (Assuming a AUD gold price of \$2,600 per ounce and 94% purity), plus
- ore on the ROM of between 500 and 1,000 tonnes which could produce a 3.5kg – 7 kg gold bar with a value of \$0.30 – \$0.60 million. (Assuming an AUD gold price of \$2,600 per ounce, gold purity of 94% and a grade of 7- 10 grams a tonne of gold).

The above estimate relates to inventory that is currently or about to be mined, processed and sold, within the next two weeks from the date of the report. The price does not reflect (for the reasons listed at point 7.4) the forecast gold price used in the model.

The costs to realise these assets are included in the liquidation trading costs detailed in section 8.2.4 below.

7.5.4 Land and buildings – Maldon, Vic

We have conducted a high-level indicative valuation of the land which Maldon owns at 401 Bendigo-Maldon Road, Maldon VIC. This valuation indicates that the land would require significant remediation due to the tailings dam located on it. Given this, it is likely to be worth between nil and \$0.20 million.

7.5.5 Preference claims

Our investigations into the Group's' trade dealings and affairs have indicated that potential preference payments totalling \$1.3 million were possibly made. These comprise of:

- \$0.91 million of potential preference payments from Centennial
- \$0.43 million of potential preference payments from Maldon.

In our low liquidation scenario, we have assumed:

- \$0.13 million recovered for Centennial which is applying a risk weighting of 25% of total recoveries and costs of \$0.1 million
- \$57,500 recovered at Maldon which is applying a risk weighting of 25% of total recoveries and costs of \$50,000.

In our high liquidation scenario, we have assumed:

- \$0.36 million recovered at Centennial which is applying a risk weighting of 50% of total recoveries and costs of \$0.1 million
- \$0.17 million recovered at Maldon which is applying a risk weighting of 50% of total recoveries and costs of \$50,000.

We have assumed the mid point as the preferred value.

7.5.6 Investigations and other antecedent transactions

The Voluntary Administrators undertook preliminary investigations into the affairs of the Group, including:

- Preferential payments
- Uncommercial loans
- Uncommercial transactions,
- Under-priced sale of assets
- Insolvent trading,
- Breaches of Directors' duties.

Other than the preference payments referred to above, these preliminary investigations did not find any Antecedent Transaction or breaches of the Act which should be pursued in a liquidation scenario.

8 Total Indebtedness

Assuming the Group was placed into liquidation, the group's Total Indebtedness as at 16 October 2020 is provided below:

8.1 Secured debt profile

The alleged secured parties are owed \$5.18 million in relation to their lending to Centennial after taking into consideration interest accrued since the appointment of the Voluntary Administrators calculated as follows:

Table 25 – Balances due subject to securities

Secured Creditors	Principal \$m	Interest \$m	Fees \$m	Total \$m
Gandel	2.05	0.67	0.47*	3.19
Montlodge	1.10	0.32	0.02	1.44
Langsung (acquired by Oldfield)	0.20	0.06	0.06	0.32
Bendan	0.16	0.05	0.02	0.23
Total	3.51	1.10	0.57	5.18

**includes Gandel's legal fees which were ordered to be paid by the Court in relation to the Gandel Proceedings*

The Secured Creditors do not hold security over the assets of Maldon.

This amount does not take into consideration the amount owed to GRR, excluding the Langsung Debt, as it was a debt incurred by the Group during the Voluntary Administration and Deed Administration.

Centennial entered into the loans as part of the repayment of the Minderoo Notes and to provide additional working capital to the business.

8.2 Summary of Total Indebtedness

Set out below is a summary of creditor claims against the Group, being evidence of the Total Indebtedness of the Group in a liquidation scenario:

Table 26 – Summary of Total Indebtedness

	Value – lower			Value – upper			Preferred			Reference
	Maldon	Centennial	Pooled	Maldon	Centennial	Pooled	Maldon	Centennial	Pooled	
Secured creditors										
Secured loans (Including Gandel)	-	5.18	5.18	-	5.18	5.18	-	5.18	5.18	8.1
Funding provided to Voluntary and Deed Administrators for trading costs	3.80	2.20	6.00	4.50	1.50	6.00	4.50	1.50	6.00	8.2.1
Interest, costs and fees associated with new funding arrangement for liquidators	0.08	0.22	0.30	0.08	0.22	0.30	0.08	0.22	0.30	8.2.1
Total secured loans	3.88	7.60	11.48	4.58	6.90	11.48	4.58	6.90	11.48	
Liabilities related to assets subject to circulating security interest										
Voluntary and Deed Administrators' costs	0.20	0.40	0.60	0.20	0.40	0.60	0.20	0.40	0.60	8.2.3
Deed Administrators' trading costs	2.80		2.80	2.80		2.80	2.80		2.80	8.2.3
Liquidators' trading costs	-	-	-	0.15	0.50	0.65	0.15	0.50	0.65	8.2.4
Total liabilities related to assets subject to circulating security interests	3.00	0.40	3.40	3.15	0.90	4.05	3.15	0.90	4.05	
Liabilities related to assets after costs										
Deed Administrators' remuneration	0.30	0.50	0.80	0.30	0.50	0.80	0.30	0.50	0.80	8.2.5
Liquidators' disbursements	0.17	0.33	0.50	0.17	0.33	0.50	0.17	0.33	0.50	8.2.6
Liquidators' remuneration	0.16	0.26	0.42	0.16	0.26	0.42	0.16	0.26	0.42	8.2.7
Total liabilities relating to remuneration and disbursements	0.63	1.09	1.72	0.63	1.09	1.72	0.63	1.09	1.72	
Priority creditors										
Wages and superannuation	0.15	0.69	0.84	0.15	0.69	0.84	0.15	0.69	0.84	8.2.8
Annual leave and long service leave	0.11	0.35	0.46	0.11	0.35	0.46	0.11	0.35	0.46	8.2.8
Redundancy and pay in lieu of notice	0.20	1.08	1.28	0.20	1.08	1.28	0.20	1.08	1.28	8.2.8
Total priority claims	0.46	2.12	2.58	0.46	2.12	2.58	0.46	2.12	2.58	
Unsecured claims										
Unsecured claims	1.33	4.54	5.87	1.33	4.54	5.87	1.33	4.54	5.87	8.2.9
Related parties	15.74		-	15.74		-	15.74		-	8.3
Excluded claims	-	1.80	1.80	-	1.80	1.80	-	1.80	1.80	8.2.9
Total unsecured claims	17.07	6.34	7.67	17.07	6.34	7.67	17.07	6.34	7.67	
Total indebtedness	25.04	17.55	26.85	25.89	17.35	27.50	25.89	17.35	27.50	



8.2.1 Funding provided to Voluntary/Deed Administrators

This loan relates to funding provided post the appointment of the Voluntary Administrators to:

- undertake urgent capital works
- provide working capital
- fund trading losses
- fund transaction costs.

This loan was originally provided to the Voluntary Administrators by Avior at the commencement of the Voluntary Administration period and was then refinanced by Oldfield and then acquired by GRR.

The purchase price of the debt by GRR is confidential. However, we estimate the amount owed to be c. \$5.7 million to \$6.2 million and have assumed \$6.0 million in our analysis.

The GRR debt is secured over the Group and its assets. The debt has been allocated between Maldon and Centennial depending on the asset realisations in Maldon. We assumed that GRR would require its debt to be repaid in full from the realisation of Maldon's first from circulating (after employees) and non-circulating assets and then any deficiency would be claimed against Centennial.

We have also assumed there would be further financing costs of \$0.3 million if the Group entered liquidation due to the additional legal fees incurred and lending costs given the default on the facility.

8.2.2 Voluntary Administrators' and Deed Administrators costs

These include the Voluntary Administrators and Deed Administrators' legal costs of \$0.60 million split between Maldon and Centennial 33:67. These legal costs were and will be incurred for:

- Section 444GA Court application
- Section 606 ASIC relief request
- Advice on the Gandel Proceedings
- Advice on the GRR DoCA and creditors' trust
- Dealings with Oldfield

8.2.3 Trading costs

The Deed Administrators currently have \$2.80 million in outstanding trading costs to 16 October 2020 which include:

- Open purchase orders – fuel, consumables, repairs, tools, services, cleaning, equipment hire, consultants
- Mill lining
- Decline bypass
- Employee entitlements – superannuation, annual leave, wages and salaries
- Insurance including workers' compensation
- Gold royalties
- Ore haulage
- Leases
- Utilities
- Accruals

8.2.4 Liquidators' trading costs

If the GRR DOCA fails, in order to undertake a sale campaign in liquidation, the liquidators would incur substantial trade on liabilities in protecting and preserving assets. The costs which we have assumed to be incurred include:

- Maintaining a skeleton staff presence at the A1 Gold Mine and Maldon processing plant.



- Power costs of maintaining power to dewater the underground mine to preserve value.
- Accrued voluntary and deed administration liabilities.
- Final gold production

These trading costs would preserve the value of the assets, in particular the A1 Gold Mine whose value would deteriorate due to flooding and the maintenance of the Maldon mill.

We anticipate these trading costs would be \$0.65 million for a sale campaign lasting approximately 10 weeks. Should the sale campaign take longer, these estimates will be higher. These trading costs have been split 30:70 between Maldon and Centennial respectively.

8.2.5 Voluntary Administrators and Deed Administrators' remuneration

Pursuant to Section 556 of the Act, the Administrators' remuneration and expenses are paid in priority to employees' and unsecured creditors' claims. Details of our remuneration claims are included in our Remuneration Reports attached to our VA Report and Supplementary Reports. This total remuneration has been approved by creditors when the DOCA, Varied DOCA, Amended Varied DoCA, Oldfield DoCA and GRR DoCA's were approved.

This amount is an estimate only assuming the GRR DoCA is unable to effectuate and the Group goes into liquidation.

8.2.6 Liquidators' disbursements

We have assumed liquidators' disbursements would consist of legal costs totalling \$0.50 million dealing with:

- General liquidation issues
- Preference claims
- Investigations into the affairs of the Group
- Priority of security holders
- Litigation
- Sale of assets

8.2.7 Liquidators' remuneration

This remuneration is the estimated remuneration charged for the liquidators to undertake:

- Reduced trading of the A1 Gold Mine and Maldon mill.
- Sale and settlement of the Group's assets.
- Investigations into the affairs of the Group.
- Communications to shareholders.
- Recovery of antecedent transactions.
- Communication and negotiation with secured creditors.
- General file administration and attending to statutory requirements.
- Final gold production

8.2.8 Employee entitlements

Pursuant to Section 556 of the Act, employees receive a priority for payment of their entitlements in full, prior to any distribution to unsecured creditors.

The Group's records indicate that should the companies be liquidated; the employees would be owed:

Table 27 – Employee entitlements

Employee entitlements (\$'m)	Centennial	Maldon	Pooling
Wages and superannuation – Including s 560 Loans for wages	0.69	0.15	0.84
Leave entitlements	0.35	0.11	0.46

Employee entitlements (\$'m)	Centennial	Maldon	Pooling
Retrenchment & PILN entitlements	1.08	0.20	1.28
Total	2.12	0.46	2.58

Dale Rogers, a director of Centennial is owed approximately \$1.80 million for outstanding superannuation entitlements, leave entitlements and outstanding wages, PILN and redundancy. The Directors of Centennial, however, are classified as excluded employees and are only entitled to receive, as a priority, \$2,000 for outstanding wages including any superannuation entitlements and \$1,500 for outstanding leave entitlements. For the balance of their claims for outstanding employee entitlements, the Directors rank as unsecured creditors.

8.2.9 Ordinary unsecured creditors

The Group's records indicate that as at the date of the appointment of the Voluntary Administrators:

- Maldon owes \$1.33 million to unsecured creditors and an additional \$15.74 million to Centennial
- Centennial owes \$6.34 million to unsecured creditors, \$1.80 million of which is an excluded claim.

Note: Employee entitlements and unsecured creditor claims are subject to a verification/adjudication process.

8.3 Interaction between Centennial and Maldon

The table below lists the intercompany loans between Centennial and Maldon. Whilst the claims related to the intercompany loans have not been adjudicated, the Deed Administrators note that in a liquidation scenario where pooling was not undertaken, Centennial would have a claim as an unsecured creditor in the Maldon liquidation for the value of its loan.

In terms of the operations of the Group, Centennial was primarily responsible for the mining operations and Maldon was responsible for processing and the production of saleable gold. Centennial recognised all the revenue for the Group and paid costs on behalf of Maldon. These transactions were accounted for through intercompany loan accounts. There has been no transfer pricing of mining cost from Centennial to Maldon. No deed of cross guarantee exists in relation to the companies in the Group. At the date of the appointment of the Voluntary Administrators, the Group was registered as an income tax consolidated group for income tax purposes. Prior to their consolidate group taxation registration, we understand that the Group entered into a bare trust arrangement dealing with the provision of mined ore from Centennial to Maldon to resolve any income tax issues arising from the operations between the Companies.

Table 28 – Loan interactions between the Companies

\$ million	21 March 2019
Centennial	
Assets	
BAS Loan – Maldon Resources	(0.64)
Maldon Resources Creditors Loan Account	15.61
Maldon Resources Loan Account	0.13
Total	15.09
Maldon	
Liabilities	
A1 Gold Creditors Loan Account	15.55
A1 Gold Loan Account	0.13
BAS Loan – Centennial Mining	(0.66)
Total	15.02

Source: Management accounts as at appointment (21 March 2019). We note that whilst these amounts are materially consistent, they have not been reconciled and hence do not equate and also do not reconcile with the balance sheet amount of \$15.74 million which we have adopted to be conservative.

8.4 Increase in Total Indebtedness

A comparison of the Group's Total Indebtedness since the Second Expert Report is as follows:

Table 29 – reconciliation of Total Indebtedness

\$ million	Notes	Preferred		
		Centennial	Maldon	Pooled
Second Expert Report		17.58	20.04	21.88
Expert Report		17.35	25.89	27.50
Increase in total indebtedness		(0.23)	5.65	5.62
Broken down as follows:				
Secured creditors	i	3.18		3.18
Deed Administration funding	ii	(2.12)	2.70	0.72
Trading costs	iii		2.80	2.80
Deed Administration remuneration		0.14	0.06	0.20
Administration costs	iv	0.20	0.10	0.30
Ordinary unsecured creditors	v	(2.31)	0.09	(2.22)
Excluded priority claims	vi	0.70		0.70

Notes

- i. includes Gandel's secured debt which was previously classified as unsecured and accrued interest since the Second Expert Report
- ii. allocation of funding changed between entities and then increased to take into consideration accrued interest, additional lending and increased exit fee
- iii. increase in trade on costs
- iv. increased legal costs to consider GRR DoCA and repayment of Oldfield Investments
- v. decrease of unsecured debt is an estimate only based on communications with unsecured creditors and reallocation of Gandel's debt
- vi. increased due to termination of Dale Rogers for redundancy and PILN

9 Alternatives to the Recapitalisation

9.1 Liquidation

In our opinion as Deed Administrators, the only alternative to the GRR DoCA is liquidation of the Group because:

- If the GRR DoCA does not complete, the Group will be placed into liquidation.
- The structuring of the GRR DoCA in its executed form was to allow for the transition of relevant permits required to continue operating and developing the Group's assets. Through liquidation, this is more complicated and less certain, therefore less attractive to the DoCA Proponent and would likely result in reduced consideration being offered.
- Once in liquidation, the parties in a position to acquire the Group's assets are likely to be those already involved in the GRR DoCA, who would potentially reduce consideration offered for the Group's assets.
- If the structure of a potential transaction through liquidation was for an asset sale rather than an equity sale, as a result, creditors of the Group are likely to receive a lower return (as previously discussed).
- The Group has not received any other alternative proposals that are capable of being accepted immediately.
- There is no certainty that GRR, or any other third party, will continue to provide interim liquidity to fund the ongoing expenditure while a further sale process is conducted, and a transaction negotiated through a liquidation process.

9.2 Estimated outcome in liquidation

The possible return to creditors should the Group be placed into liquidation was estimated in Section 7.2 of the Supplementary Report.

The range of estimated returns and timeframes for distribution are summarised below, and detailed in Appendix K. The returns highlighted in red indicate returns under the GRR DoCA which are lower than the liquidation scenario and the returns highlighted in green indicate returns under the GRR DoCA which are higher than the liquidation scenario:

Table 30 – Summary of estimated returns under liquidation

	GRR DoCA	Liquidation					
		Pooled		Maldon		Centennial	
		Low	High	Low	High	Low	high
Return to creditors							
Amounts paid at effectuation							
Gandel – inc s 560 Loans, secured and unsecured debt	78.1	67.75*	100.0	100.0	100.0	67.75*	100.0
Bendan & Montlodge – and related parties inc secured and unsecured debt	74.5	67.75*	100.0	N/A	N/A	67.75*	100.0
Amounts paid through creditors trust							
Class A – superannuation & wages	100.0	Nil	100.0	100.0	100.0	Nil	100.0
Class B – employee entitlements for terminated employees	100.0	Nil	59.20*	100.0	100.0	Nil	50.38*
Class C – Dale Rogers	18.9	Nil	Nil	N/A	N/A	Nil	Nil
Class D – All unsecured creditors, excluding class C, E & F.	19.9	Nil	Nil	Nil	Nil	Nil	Nil
Class E – creditors owed less than \$5k	89.4	Nil	Nil	Nil	Nil	Nil	Nil
Class F – ATO	7.3	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured creditors average	41.5	Nil	Nil	Nil	Nil	Nil	Nil

*The estimated return to secured creditors and Class B creditors has increased when compared to the Supplementary Report due to the gold in circuit being extracted through the mill clean out which was greater than expected

Detailed workings of returns are set out in Appendix K

Table 31 – Key stakeholder outcomes under liquidation

Creditor	Outcome under a liquidation
Secured Creditors	<ul style="list-style-type: none"> • 67.75 cents to 100 cents in the dollar • Estimated realisation funds, net of realisation and liquidators' fees and costs, expected to be payable to the Secured Creditors in accordance with their Security. • Now includes the Gandel entities • GRR would be paid from the realisation of the Maldon assets first and then rank alongside the Secured Creditors from the assets of Centennial
Employees (Priority Unsecured Creditors)	<ul style="list-style-type: none"> • Maldon Employees paid 100 cents in the dollar in low and high liquidation scenario. • Centennial employees paid between nil and 100 cents in the dollar for superannuation and wages and nil and 36.4 cents in the dollar for all other employee entitlements in a low and high liquidation scenario • Pooled employees paid between nil and 100 cents in the dollar for superannuation and wages and nil and 47.70 cents in the dollar for all other employee entitlements in a low and high liquidation scenario
Trade/unsecured creditors	<ul style="list-style-type: none"> • Due to the quantum of secured debt (\$11.48 million – including GRR), priority creditors (\$2.58 million) and the limited recovery actions, unsecured creditors are highly likely to receive a nil distribution.

In summary, while the estimate we provided in the Supplementary Report (as summarised above) is considered the low end of the potential return in a liquidation scenario, we make the following comments:

- Priority Creditors are likely to receive a lesser distribution in liquidation than the distribution under the GRR DoCA.
- Unsecured creditors would likely receive no return in a liquidation,
- Shareholders will receive nil return in either the GRR DoCA or liquidation scenario.



10 Conclusion

Provided below is a comparison of the value of the Group's assets and the Group's Total Indebtedness on an individual and pooled basis, it has also been broken down under the priorities outlined in section 556 of the Act including:

- distressed value of its assets,
- Voluntary Administrators, Deed Administrators, and Liquidators' legal costs and professional fees and costs
- secured creditors,
- priority creditors, and
- unsecured creditors.

This analysis demonstrates the Group's Total Indebtedness under all scenarios materially exceeds the value of the Group and its remaining assets in the valuation scenarios that have been considered in the preparation of this Expert Report. Therefore, in our opinion, as there will be a significant shortfall to unsecured creditors, **Centennial's shares have nil value in a liquidation scenario on an individual and pooled basis.**

Table 32 – Individual basis asset deficiency in liquidation scenario

Details	Ref	Centennial			Maldon		
		Low	High	Preferred	Low	High	Preferred
Total Assets	7.2	6.71	10.30	8.56	7.97	8.82	8.40
GRR funding	8.2.1	(2.42)	(1.72)	(1.72)	(3.88)	(4.58)	(4.58)
Total Secured Creditor debt	8.1	(5.18)	(5.18)	(5.18)			
Amount available for Administration costs		(0.89)	3.40	1.66	4.09	4.24	3.82
Deed Administrators' trading costs	8.2.3				(2.80)	(2.80)	(2.80)
Deed Administrators' costs	8.2.2	(0.40)	(0.40)	(0.40)	(0.20)	(0.20)	(0.20)
Liquidators' trading costs	8.2.4		(0.50)	(0.50)		(0.15)	(0.15)
Amount available for remuneration		(1.29)	2.50	0.76	1.09	1.09	0.67
Deed Administrators' remuneration	8.2.5	(0.50)	(0.50)	(0.50)	(0.30)	(0.30)	(0.30)
Liquidators remuneration and disbursements	8.2.6 8.2.7	(0.59)	(0.59)	(0.59)	(0.33)	(0.33)	(0.33)
Amount available for priority creditors		(2.38)	1.41	(0.33)	0.46	0.46	0.04
Priority creditors	8.2.8	(2.12)	(2.12)	(2.12)	(0.46)	(0.46)	(0.46)
Amount available for unsecured creditors		(4.50)	(0.71)	(2.45)	-	-	(0.42)
Unsecured creditors	8.2.9	(6.34)	(6.34)	(6.34)	(17.07)	(17.07)	(17.07)
(Deficiency)		(10.84)	(7.05)	(8.79)	(17.07)	(17.07)	(17.49)

Table 33 – Net Assets on pooled basis in a liquidation scenario

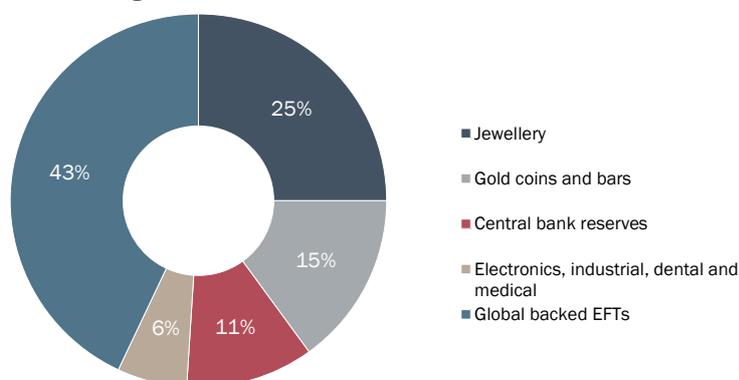
Details	Reference	Low	High	Preferred
Total assets	7.2	14.68	19.12	16.96
GRR funding	8.2.1	(6.30)	(6.30)	(6.30)
Total Secured Creditor debt	8.1	(5.18)	(5.18)	(5.18)
Amount available for admin fees & costs		3.20	7.64	5.48
Trading costs	8.2.3	(2.80)	(2.80)	(2.80)
Voluntary and Deed Administrators' remuneration	8.2.5	(0.80)	(0.80)	(0.80)
Voluntary and Deed Administrators' costs	8.2.2	(0.60)	(0.60)	(0.60)
Liquidators' trading costs	8.2.4	-	(0.65)	(0.65)
Liquidators' remuneration	8.2.6	(0.42)	(0.42)	(0.42)
Liquidators' disbursements	8.2.6	(0.50)	(0.50)	(0.50)
Amount available for priority creditors		(1.92)	1.87	(0.29)
Priority creditors	8.2.7	(2.58)	(2.58)	(2.58)
Amount available for unsecured creditors		(4.50)	(0.71)	(2.87)
Total unsecured creditors		(7.67)	(7.67)	(7.67)
(Deficiency)	8.2.9 & 8.3	(12.17)	(8.38)	(10.54)

Appendix A Industry overview¹

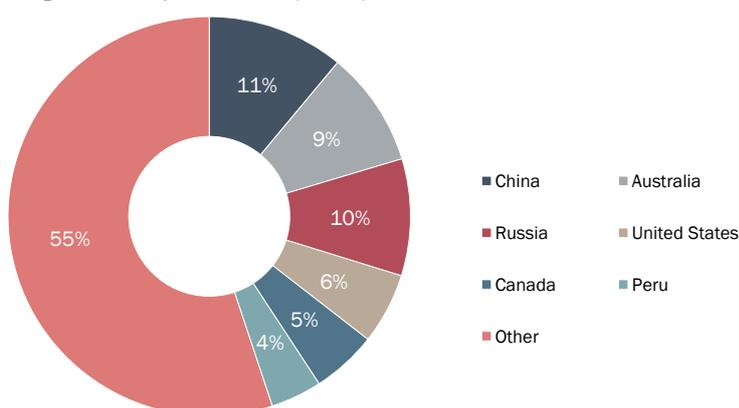
Gold market overview

Gold is a naturally occurring, lustrous, reddish yellow metallic element and occurs extensively in the earth’s crust often as nuggets or grains, in rocks, in veins, and in alluvial deposits. Gold-bearing ore is mined from both open-cut as well as underground mining operations and processed to produce gold dore bars. Gold dore bars are then refined by downstream gold refiners into pure gold. Since the gold standard was abandoned in 1971 and central banks started transacting in gold at market prices, a global market for gold as an asset in its own right has developed, as discussed by the International Monetary Fund in the paper “*The Structure and Operation of the World Gold Market*”. Today, global backed exchange traded funds account for about 43% of global gold use, 25% of refined golds is used in jewellery, with gold coins/bars and central bank reserves accounting for about 15% of global gold use. Other uses include electronics, industrial products, and medical products.

Global uses of gold



Global gold mine production (2019)



Sources: Department of Industry, Innovation and Science: Resources and Energy Economics Quarterly, September 2020; <https://www.gold.org>

¹ Source: IBISWorld reports, World Gold Council, Resource and Energy Economics Quarterly, June 2020

² Source: Metals Focus



Demand

Reflecting gold's varied global end uses, several factors influence the demand for gold, both in ingot form and in fabricated form. Price is a key determinant of the demand for certain areas of the gold industry, while other uses are affected by non-price factors. End-use as a consumable or investment will be dependent on price, while end-use as a safe-haven or store of wealth will be influenced by factors such as US interest rates and US dollar strength. Furthermore, as a counter-cyclical asset, economic uncertainty as well as financial and political turmoil generally lead to heightened demand for gold.

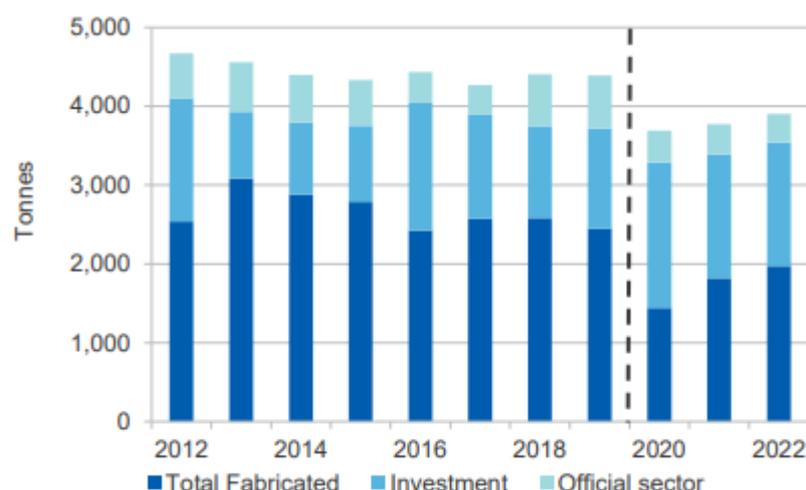
World gold demand decreased by 5.9 per cent year-on-year in the first-half of 2020, to 2,076 tonnes, led by a reduction in both jewellery consumption and central banks' purchases. The COVID-19 pandemic and higher gold prices adversely impacted global gold jewellery demand in the first half of 2020. Jewellery demand dropped by 46 per cent year-on-year, to 572 tonnes, led by a 53 per cent (or 182 tonnes) fall in consumption from China, the world's largest gold jewellery consuming nation. In India, the world's second largest gold jewellery consuming nation, jewellery demand fell by 60 per cent year-on-year in the first-half of 2020 and in the US and Europe, jewellery demand fell by 20 and 30 per cent year-on-year in the first half of 2020, to 42 and 19 tonnes, respectively.

Over this period, official sector gold buying fell by 40 per cent year-on-year to 233 tonnes. Russia's central bank, the world's largest gold buyer for the last 14 consecutive years, suspended gold buying on 1 April 2020, citing budgetary requirements to deal with the COVID-19 pandemic. Offsetting the fall in gold jewellery demand and official sector gold buying was a 517 per cent rise year-on-year in inflows into gold-backed exchange traded funds (ETFs) in the first half of 2020, which added 734 tonnes (or net inflows of US\$60 billion). The global COVID-19 pandemic, low interest rate environment and record gold prices have driven demand for gold backed ETFs.

World gold demand is forecast to fall by 16 per cent in 2020 to 3,693 tonnes, as the COVID-19 pandemic reduces incomes and deters gold jewellery consumption in many parts of the world. Gold is expected to continue to attract institutional investors.

World gold consumption is forecast to grow at an average annual rate of 2.8 per cent in 2021 and 2022, to 3,904 tonnes in 2022 (Graph 1 below), mainly driven by jewellery demand.

Graph 1 – World gold consumption (tonnes per annum)



Source: Department of Industry, Innovation and Science: Resources and Energy Economics Quarterly, September 2020

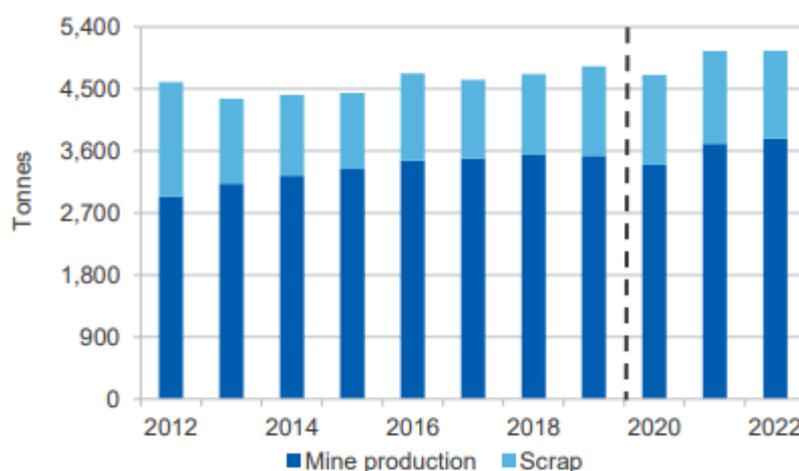
Supply

Mine production accounts for the about three-quarters of annual global gold supply. The balance, needed to meet the supply shortfall from newly mined gold, is made up from recycling already mined and processed gold. Mine production is relatively price inelastic and is slow to respond to movements in the gold price. Conversely, recycling as a source of gold supply can respond relatively quickly to movements in gold price and economic shocks.

World gold supply fell by 6.0 per cent year-on-year in the first half of 2020, to 2,192 tonnes, due to the decreased gold mine production and recycling. World gold mine production fell by 5.2 per cent year-on-year in the first half of 2020 to 1,604 tonnes., as strict COVID-19 containment measures affected gold output in some major gold producing countries. Production in China, the world's largest gold producer, decreased by 9 per cent year-on-year in the first six months of 2020, as COVID-19 containment measures affected mining activities in January and February 2020.

For 2020, world gold supply is estimated to fall by 1.3 per cent to 4,761 tonnes (Graph 2 below), reflecting the impacts of the COVID-19 pandemic on global gold production and recycling in the first-half of 2020. Despite some countries recently encountering a surge in COVID-19 cases, stronger gold mine production and recycling supply are expected in the second-half of 2020.

Graph 2 – World primary and secondary gold production (tonnes per annum)



Source: Department of Industry, Innovation and Science: Resources and Energy Economics, September 2020

Gold prices

Gold is generally priced in USD in international markets. The London Bullion Market Association, the only globally accepted bullion market accreditation, operates and publishes the LBMA Gold Price in USD twice daily, which serves as a benchmark price for gold producers, investors, consumers, and central banks worldwide².

Recent price trends³

A flight to gold occurred in 2016, due to unexpected market shocks such as the June 2016 Brexit vote and the 2016 US elections. However, once the results were finalised and investors adjusted their expectations accordingly, the price of gold deteriorated slightly as markets improved. A series of domestic and international tensions have once again placed upward pressure on gold as markets became more uncertain.

Factors such as the 'Black Monday' sell-off of Chinese equities in July 2017, the beginning of the China-United States Trade War in March 2018, and continuing Brexit uncertainty has led to higher gold prices through 2018 and 2019. The rising price of gold over the previous two years was particularly interesting, given the strong global economic growth experienced through this period, which normally tends to a declining gold price. This suggests that economic uncertainty is high and increasing.

This economic uncertainty has continued to drive the gold price, more recently due to the global reaction to the COVID-19 outbreak and its impacts on the world economy, particularly China. As at 19 October 2020 the gold price stands at US\$1,901 per ounce.

² <http://www.lbma.org.uk/lbma-gold-price>

³ S&P Capital IQ, Consensus Economics' Consensus Forecast reports, IBISWorld reports

⁵ LBMA (2020) Gold price PM; Department of Industry, Science, Energy and Resources (2020)

Graph 3 – Gold Price – current price trend (\$USD/oz, nominal)

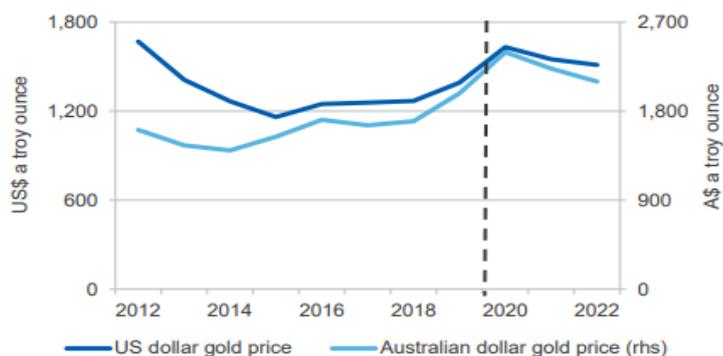


Source: <https://www.gold.org/goldhub/data/gold-prices>

Gold prices rose strongly in the first eight months of 2020, the London Bullion Market Association (LBMA) US dollar gold price is estimated to rise by 27 per cent year-on-year in the first nine months of 2020, to average US\$1,731 an ounce. The price reached a record high of US\$2,064 an ounce on 6 August 2020, benefitting from its status as a safe haven asset during the COVID-19 pandemic.

As the global economy recovers, the gold price is forecast to fall in 2021 and 2022; the price is expected to average US\$1,740 an ounce in 2021 and US\$1,620 an ounce in 2022 (Graph 4 below). The lower US dollar gold price, in combination with the higher Australian dollar, is expected to push the Australian dollar gold price lower over the outlook period, averaging A\$2,100 an ounce in 2022.

Graph 4 – Gold Price – 2 yr forecast (\$USD/oz, nominal)



Source: Department of Industry, Innovation and Science: Resources and Energy Economics, September 2020



Appendix B Company background and events leading to Administration

Company overview (at date of Administration)

Centennial (formerly ASX:CTL) was listed on the ASX from 19 June 2012 to 29 August 2019 and is a junior Victorian gold producer that is developing and producing from the A1 Gold Mine near Woods Point, Victoria. Centennial also owns, via a wholly owned subsidiary, Maldon Resources, the Union Hill Mine near Maldon, Victoria whose operations are currently suspended. Ore mined from the A1 Gold Mine is trucked to the Maldon Resources' processing facility at Porcupine Flat, near Maldon. Centennial also maintains a head office based in South Perth, Western Australia.

Centennial was originally incorporated on 14 February 2011 as A1 Consolidated on acquiring 100% ownership of the A1 Gold Project on 14 June 2012. The A1 Gold Mine is a long running underground gold mine in Victoria which operated almost continuously from 1865 to 1992 when it closed due to falling gold prices. It is located in the eastern highland of Victoria around 120 kilometres east of Melbourne. A1 Consolidated was admitted to the ASX on 19 June 2012 under the ticker AYC. Centennial was delisted from the ASX on 29 August 2019 as the Deed Administrators determined that due to the impending merger with AuStar under the terms of the Varied DOCA, the continuation of Centennials' listing added no value to Centennial under either the Varied DOCA or improved the return to creditors in a liquidation scenario.

On 29 December 2014, A1 Consolidated executed a Share Sale Agreement to acquire a 100% interest in three companies owned by Octagonal Resources for its now Maldon operations.

The acquisition was for a total consideration of \$5.1 million in scrip, options and a board position. This transaction provided A1 Consolidated with its current Maldon processing facility, the Union Hill Mine and exploration tenement packages in central Victoria.

Mr Dale Rogers was appointed to the board at this time and also elected Chairman of the board. Mr Anthony Gray (Octagonal Resources, Managing Director) joined the A1 Consolidated board as a non-executive director as part of the transaction. At the same time, Mr Dennis Wilkins joined the board as a non-executive director on an interim basis while the transaction with Octagonal Resources was completed. The other board members at that time, Ashok Parekh and Morrie Goods resigned with immediate effect.

On completion of the transaction with Octagonal Resources, A1 Consolidated owned and controlled the assets which make up the primary assets of the Group at the date of the Voluntary Administrators appointment including:

- A1 Gold mine
- Maldon processing facility
- Union Hill mine (operations are currently suspended)
- Other gold exploration tenement projects (Pearl Croydon and Specimen Reef).

Around mid-2015, A1 Consolidated raised \$2.5 million via the Minderoo Notes.

The funds were used to fast track development at the A1 Gold Mine and to satisfy the funding condition precedent for the Share Sale Agreement entered into with Octagonal Resources (which as a result completed in June 2015).

The Minderoo Notes were secured by a first ranking general security over all the assets of Centennial together with a first ranking mortgage over all the tenements of Centennial.

The Minderoo Notes also allowed for the appointment of Jamie Cullen as a non-executive director and Dr John Clout as a technical advisor to the board at this time. Around this time, Dennis Wilkins stepped down from his role as interim non-executive director but continued as company secretary.

Around August 2015, Centennial entered into the purchase of Walhalla gold tenements, Mining Licence MIN5487, from Orion Gold NL for \$0.85 million. The acquisition was subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act and the various terms of the sale agreement. There is dispute as to whether the sale was ever completed. Given environmental, amongst other, complications with the asset the Voluntary Administrators have disclaimed any interest in the assets.

A1 Consolidated shareholders voted to change the Company's name to Centennial at an annual general meeting on 25 November 2016. The directors recommended that change as a symbolic way to move forward given that Centennial had achieved production. Further, the name was chosen to not be specific to one location or commodity and reflected the

aspiration for the future of the operations. On 7 December 2016, the company's name changed to Centennial Mining Limited and the ASX ticker changed from AYC to CTL.

From 2016, Centennial focussed on moving its assets into production. After 6 years of mine decline development, gold production commenced at the A1 Gold Mine in March 2016 and full-scale production commenced in Q1FY17. Around mid-2017, Centennial looked to expand its mining operation at the Union Hill mine with the first batch of low-grade ore delivered from the mine to the Maldon processing facility in October 2017. Given the Group's lack of available capital resources, operations have been suspended at the Union Hill mine.

In mid-June 2018 Mr Jamie Cullen resigned from the board of Centennial leaving only two remaining directors on the board from this time.

Centennial continued to trade until March 2019 when the Voluntary Administrators were appointed to the Group, with the principal activities of the Group consisting of mining and production of precious metals (namely gold and silver) and associated minerals exploration in Australia.

At the time of the Voluntary Administrators' appointment, the Group consisted of the below structure.

Figure 8 – Company structure



Report on Company Activities and Property

The Directors provided a Report on Company Activities and Property to the Voluntary Administrators for both the Companies. A ROCAP provides information on the financial position of a company as at the date of appointment. For the purpose of providing a preliminary picture of the Group as at the date of the initial appointment of Voluntary Administrators on 29 March 2019, we have provided the below summaries along with additional comments from the Voluntary Administrators relating to same which were provided to creditors in the VA Report.

A summary of the ROCAP for Centennial is detailed below:

Table 34 – Centennial ROCAP

Report on Company Activities and Property - Centennial	Book or cost valuation	Estimated realisable value*	Notes
Cash at Bank	223,378	223,378	1
Stock	Unknown	Unknown	2
Plant and Equipment	1,299,773	Unknown	3
Total assets	Unknown	Unknown	
less Employment Entitlements	(1,746,040)	Unknown	4

Report on Company Activities and Property - Centennial	Book or cost valuation	Estimated realisable value*	Notes
less Short-Term Loans	(4,512,080)	Unknown	5 - 9
less Unsecured Creditors	(3,681,009)	Unknown	10 - 16
Estimated surplus/(deficiency) subject to the costs of the Administration	Unknown	Unknown	

* The estimated realisable values were nominated by the Directors.

Notes

- Cash at bank was swept from Centennial's pre appointment bank account to the Voluntary Administrators' bank account shortly after appointment and has been utilised to support ongoing mining operations.
- Stock relates to run of mine ('ROM') ore located at the mine and related to 308 tonnes of ore at grades ranging from 3.5 to 8.0 grams per tonne. The stock needed to be processed to be in a realisable form. Without taking into account any transfer or processing costs associated with the stock, and based on the grades provided, the Voluntary Administrators estimate that the 308 tonnes listed were realised for around \$95,000.
- Plant and equipment is reported at written down book value and relates to mining equipment, motor vehicles and office equipment. Some of the plant and equipment is subject to security interests (not available to employees or unsecured creditors). The expected realisable value for plant and equipment is likely to be significantly less than book value. Section 8.3.1 of this report provides further detail relating our current estimated value for Centennial's plant and equipment.
- Employee entitlements in the ROCAP are made up of the following:

Table 35 – Employee Entitlements Recorded in ROCAP

Entitlements	Estimated liability (\$ million)
Wages	1.00
Annual leave	0.36
Long service leave	-
Superannuation	0.39
Total estimated entitlements liability	1.75

The Voluntary Administrators noted the following:

- Outstanding wages relates solely to unpaid wages to a director. The Voluntary Administrators have paid all staff their outstanding wages for the two weeks prior to the appointment. Accordingly, outside of the director related wages, there should be no other unpaid wages.
- No amount for PILN or redundancy was included.
- The loan provided pursuant to Section 560 of the Act by Gandel Metals Pty Ltd for the payment of wages in the amount of \$348,900 is not included. It has been included in short term loans discussed below. Our preliminary view is that this amount will have the same priority as unpaid wages.
- The Voluntary Administrators preliminary employee entitlement calculations (excluding the Directors) identified outstanding entitlements under a liquidation scenario as follows:
 - annual leave and long-service leave as being \$0.4 million
 - advances for employee wages pursuant to Section 560 of the Act as being \$0.3 million
 - superannuation as being \$0.3 million
 - allowances as being \$0.1 million
 - PILN and redundancy as being \$1.1 million.

5. Short term loans in the ROCAP comprises the following:

Table 36 – Short Term Loans Recorded in ROCAP

Loan provider	Capital (\$'000)	Interest (\$'000)	Cash sign on (\$'000)
Gandel Metals Pty Ltd	2,171.30	203.60	-
Gandel Metals Pty Ltd – Section 560 loan	348.90	12.70	-
Montlodge Pty Ltd atf Stanley Family Trust	1,100.00	275.00	-
Langsung Pty Ltd atf Langsung Super Fund	200.00	13.10	40.00
Bendan Superannuation Pty Ltd atf Crooks Superannuation Fund	140.00	1.00	-
Bendan Australia Pty Ltd	25.00	35.00	5.00
Total Short Loans	3,985.20	540.40	45.00

6. The above table does not include the value of shares payable to the following parties for a sign on fee:
- Gandel Metals – \$434,254
 - Montlodge Pty Ltd – \$220,000
 - Bendan Superannuation Pty Ltd – \$28,000.
7. All of the parties who have provided short term loans have claimed to be secured over all, or substantially all, of Centennial's assets.
8. Gandel Metals has alleged that it holds equitable security by way of subrogation to the rights of Squadron Resources Pty Ltd (a former holder of the Minderoo Notes). The Voluntary Administrators' preliminary view is that Gandel Metals does not hold valid security over Centennial and accordingly ranks as an unsecured creditor for the amounts excluding the Section 560 loan which is discussed above.
9. Whilst not conceding the validity of their security, the Voluntary Administrators entered into deeds of forbearance with Montlodge Pty Ltd atf Stanley Family Trust, Langsung Pty Ltd atf Langsung Super Fund and Bendan Superannuation Pty Ltd atf Crooks Superannuation Fund on or around 11 April 2019 allowing these creditors, where deemed to have a valid security arrangement, to exercise their rights over all or substantially all of Centennial's assets. To date, none of these parties have taken any further enforcement action in respect of their alleged security.
10. Unsecured creditors include approximately \$0.35 million of related party debt comprised of the following:
- DW Corporate Pty Ltd – \$0.25 million (Company Secretary)
 - Octagonal Resources Pty Ltd – \$0.10 million (Director fees).
11. Loans from Gandel Metals (approximately \$2.5 million) are also related party transactions. As identified above, the Voluntary Administrators' preliminary view is that Gandel Metals does not hold valid security over Centennial in respect to these loans, however these amounts were not included in the unsecured creditors totals provided in the ROCAP.
12. Also excluded from the unsecured creditors total reported in the ROCAPs is approximately \$0.18 million in debt to the ATO. There were also no estimates provided in relation to leases for property, plant and equipment or any other miscellaneous leases.
13. No intercompany loan amounts are presented above. The Group's management accounts suggest that as at the date of appointment, Centennial was owed \$15.7 million by Maldon. Whilst this loan has no realisable value, it would allow Centennial to prove as an unsecured creditor in any liquidation of Maldon.
14. Included in the ROCAP was a schedule of accruals dated 3 April 2019 (the date the ROCAP was provided to us). The amounts included in these schedules were appropriately captured in other liability schedules, excluding:
- Sign on fees for Bendan Australia Pty Ltd – \$50,000.
 - Sign on fees for John Clout – \$50,000.
15. The ROCAP excluded any environmental rehabilitation liabilities which are understood to be approximately \$0.3 million.
16. In summary, the Voluntary Administrator's view is that Centennial's records indicate that \$7.95 million is owed to unsecured creditors, \$1.10 million which relate to excluded priority claims.

A summary of the ROCAP for Maldon Resources is detailed below:

Table 37 – Maldon ROCAP

Report on Company Activities and Property – Maldon	Book or cost valuation (\$)	Estimated realisable value (\$)	Notes
Cash at Bank	186	186	1
Stock	Unknown	Unknown	2
Property, plant and Equipment	6,447,592	Unknown	3
Total assets	Unknown	Unknown	
Less Employment Entitlements	(187,639)	Unknown	4
Less Short-Term Loans	-	Unknown	
Less Unsecured Creditors	(1,212,070)	Unknown	5-8
Estimated surplus/(deficiency) subject to the costs of the Administration	5,066,837	Unknown	

* The estimated realisable values were nominated by the Directors.

Notes

- Cash at bank was swept from Maldon's pre appointment bank account to the Voluntary Administrators bank account shortly after appointment and has been utilised to support ongoing mining operations.
- Stock relates to wet metric tonnes of processed ore on hand located at the Maldon processing facility. The ROCAP suggests that there was approximately 40wmt of gold ore at the Maldon processing facility upon the appointment of the Voluntary Administrators. On the basis of assumed grades provided by management, the Administrators estimated that the 40wmt listed resulted in realisations of around \$15,000. This value does not include gold in circuit. A gold pour was completed the day prior to appointment Voluntary Administrators, which was realised as part of the administration for \$0.31 million.
- Property, plant and equipment is reported at written down book value and relates to the Maldon processing facility. In particular, the total includes the plant site at Maldon (\$5,500,000), the tailings dam (\$552,871), processing plant and equipment (\$388,430), motor vehicles (\$373) and office equipment (\$5,918). Some of the assets are subject to security interests (not available to employees or unsecured creditors). The expected realisable value for the property, plant and equipment is likely to be significantly less than presented. The VA report provides further detail relating our estimated value for Maldon Resources' plant and equipment.
- Employee entitlements in the ROCAP are made up of the following:

Table 38 – Maldon ROCAP Employee Entitlements

Entitlements	Estimated liability (\$ million)
Wages	-
Annual leave	0.10
Long service leave	-
Superannuation	0.09
Total estimated entitlements liability	1.90

The Voluntary Administrators noted the following:

- The Voluntary Administrators paid all staff their outstanding wages for the two weeks prior to the appointment. Accordingly, there should be no unpaid wages at Maldon Resources.
 - No amount for PILN or redundancy has been included.
 - The Voluntary Administrators preliminary employee entitlement calculations (excluding the Directors) identified outstanding entitlements under a liquidation scenario as follows:
 - annual leave and long-service leave as being \$0.11 million
 - advances for employee wages pursuant to Section 560 of the Act as being \$0.07 million
 - superannuation as being \$0.08 million
 - PILN and redundancy as being \$0.20 million.
- Debts owed to related parties, including amounts related to the section 560 loan are not included in the unsecured creditors amount. The amount also excludes \$80k in debt which the Voluntary Administrators understand is owed to the ATO.

6. No intercompany loan amounts are presented above. The Group's management accounts suggest that as at the date of appointment, Maldon Resources owed \$15.7 million to Centennial. This loan would allow Centennial to prove as an unsecured creditor in any liquidation of Maldon Resources.
7. The ROCAP excluded any environmental rehabilitation liabilities which are understood to be approximately \$730k.
8. In summary, the Voluntary Administrators' view is that Maldon Resources' records indicate that \$1.24 million is owed to unsecured creditors and an additional 15.7 million to Centennial.

Historical financial performance

The Companies' full year financial statements were last prepared and audited for the year ended 30 June 2017. The Voluntary Administrators were provided the draft full year financial accounts for the year ended 30 June 2018 and the draft half year accounts ended 31 December 2018, however, these have not been finalised by the Companies' auditors as at the date the VA report.

Monthly management accounts were also prepared by the Companies and the latest such accounts were prepared as at 28 February 2018. The Voluntary Administrators were also provided with draft management accounts for the Companies as at 21 March 2019.

Management advised that the Companies traded as a single consolidated business. Accordingly, management reviewed and analysed the Companies' financial performance on a consolidated basis, with Centennial primarily responsible for the mining operations and Maldon Resources responsible for processing and the production of saleable gold. However, Centennial recognised all revenue on behalf of both Companies and also paid costs on behalf of Maldon Resources. These transactions were accounted for through intercompany loan accounts. Historically, there has been no transfer pricing of mining cost from Centennial to Maldon Resources.

Detailed in Appendix F is a summary of the comparative balance sheet and profit and loss statements of the Companies, extracted from the books and records, from FY15 to H1FY19. Below is some commentary pertaining to what the Companies' financial statements disclosed:

Analysis of the profit and loss statement has shown that the Companies have not made a profit since 2012.

- Considerable increases in expenses in FY18 following ramp-up, with the Companies being in development phase between FY15 and FY17. Full production commenced in July 2017.
- Revenue between FY15 to FY17 increased from c. \$24k to \$306k as the Companies developed the A1 Gold Mine (and to a lesser extent the Union Hill mine). Revenue increased materially to \$24.8 million in FY18 as the A1 Gold mine became fully operational.
- Mine operating expenses in FY18 were c. \$29.6 million resulting in a gross loss of \$4.5 million for the full year.
- Total non-mine expenses increased steadily each year from c. \$0.8 million in FY15 to c. \$4.2 million in FY18 (noting that the FY18 total of \$4.2 million includes an impairment charge of \$1.9 million, leaving ongoing non-mine expenses of \$2.3 million). This increase was largely a result of increases to finance costs, insurance and other expenses.
- The Companies achieved negative EBITDA each year between FY15 to FY18 and were also loss making at the EBITDA level for the half year to 31 December 2018.
- The Companies' trading losses were primarily due to grade and mined tonnes of ore being less than expected.
- Despite the material losses incurred each period up until 31 December 2018, the Companies were able to consistently raise equity and debt funding to support their development and trading activities over this period.

Analysis of the balance sheet shows the net asset position of the Companies deteriorated from \$29.8 million in FY15 to \$20.1 at H1FY19 largely due to sustained losses since FY15. These losses were funded by increases in short and long-term borrowings.

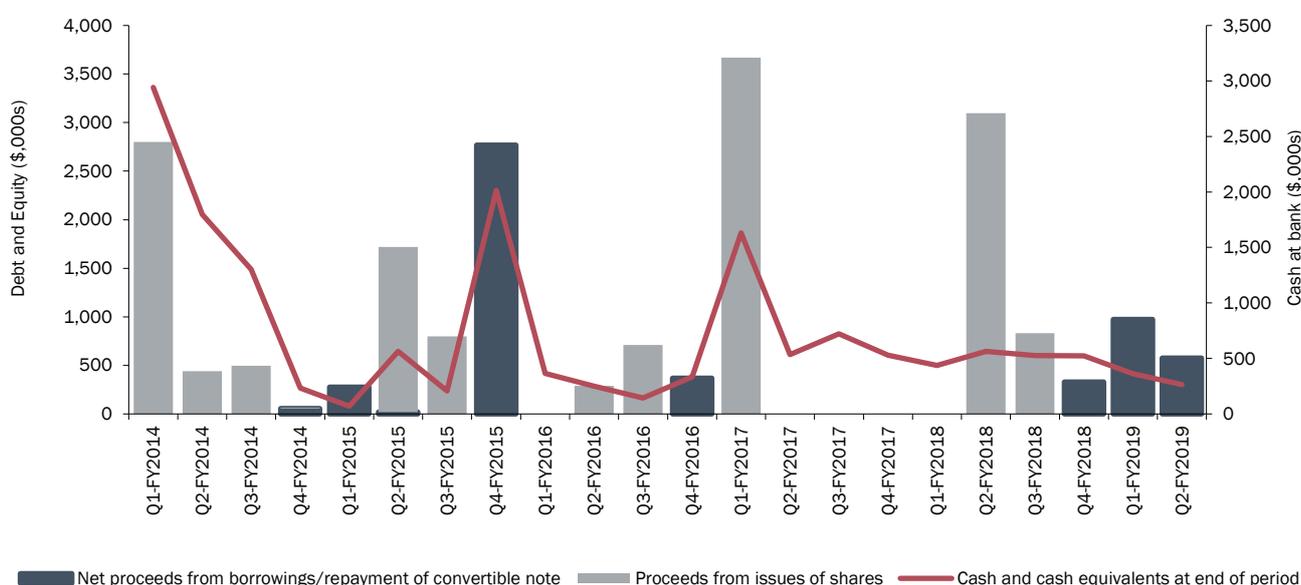
- Balance sheet movements indicate a reversal of growth in non-current assets due to the capitalisation of exploration, evaluation and development costs, that were impaired in FY18. This decrease in assets was increased by material changes in current and non-current borrowings as well as significant increase in payables.
- Increased borrowings relate primarily to the Minderoo Notes and the Gandel Metals loans. The Minderoo Notes totalling \$2.5 million in FY16 were classified as non-current liabilities. These became current in FY17 and remained current once replaced with the Gandel Metals' loan and additional short-term loans totalling \$1.5 million (the current borrowings increased to \$4.6 million at 31 December 2018).

- The working capital position deteriorated materially from \$1.1 million in FY15 to negative \$9.2 million in FY18. Unsurprisingly, both the working capital ratio and quick ratio declined materially from 1.83 to 0.12 and 1.75 to 0.03 respectively over the period.

Whilst the Companies were materially cash flow negative from an operations perspective from FY15 onward, they funded the business through various equity and debt capital raisings since FY14. A summary of the Companies' debt and equity fund raising since FY14 is as follows:

- \$3.7 million capital raise in FY14
- \$2.5 million capital raise in FY15
- \$2.5 million convertible note in FY15
- \$1 million capital raise in FY16
- \$3.7 million capital raise in FY17
- \$3.9 million capital raise in FY18
- \$1.8 million in borrowings (after using the Octagonal Resources' loan to repay the Convertible Note).

Figure 8 - Companies cash at bank and debt and equity raising



It is apparent from the Companies' financial statements that only a substantial capital injection and a material turnaround in trading activities (revenue generation and cost reduction) would have enabled the Companies to continue to operate as a going concern.

Background and events leading to Administration

The Directors of the Companies advised the Voluntary Administrators that the Companies' financial position that led to the appointment of the Voluntary Administrators can be attributed to:

- Inadequate mine plan, which lead to lower revenue than expected.
- Lack of working capital to resolve operational issues.
- Withdrawal of financial support from Centennial's major shareholder and creditor.

The Voluntary Administrators concurred with the Directors' opinion on the circumstances that lead to the Companies' administration and provided further detail in their report to creditors dated 10 May 2019 with respect to the Companies trading performance and the withdrawal of support of Centennial's major shareholder. A summary is provided below.

Trading performance below expectation and lack of working capital

In FY18 operating costs were in line with the Companies' expectations, however their operations produced both lower tonnes and lower gold grade mined than expected. This continued into FY19 and directly impacted the Companies' revenue base. During the eight months of FY19 leading up to the Voluntary Administrators' appointment, the Companies' revenue was insufficient to cover the cost base in all but one month. This was compounded by a lack of working capital which directly impacted the ability to retain key staff and maintain key stakeholder relationships. In particular, the lack of working capital negatively impacted supplier relationships and the Companies' ability to obtain appropriate credit terms from its major suppliers.

In addition, the Companies' lack of working capital reduced the level of drilling and assay testing undertaken by the Companies resulting in the Companies' inability to adequately develop a mine plan resulting in suboptimal mining results.

Recapitalisation initiatives

The Directors explored numerous avenues in the months prior to the appointment of Voluntary Administrators to secure a future for the Companies, however, the Companies were unable to be successfully restructured, recapitalised or sold. A brief summary of some of the key events in respect of the recapitalisation of the Companies is outlined below.

The \$2.5 million in Munderoo Notes were due to be repaid in June 2018. Given its cash flow position, Centennial was unable to fully fund the repayment of the notes at this time. After several short extensions, the Munderoo Notes became repayable in early August 2018. The Directors considered the appointment of an administrator at this time given its financial position and inability to meet the quantum of the required payment.

Ultimately, Centennial obtained a short-term loan in the amount of \$2,171,272 from Gandel Metals, a related party to Centennial's major shareholder, Octagonal Resources and the \$2.5 million in Munderoo Notes were repaid on 10 August 2018 through a combination of the Gandel Metals' loan and internally generated funds of \$328,728.

The Gandel Metals' loan was repayable on 9 February 2019. By or before the repayment date, it appears that the parties intended to negotiate an agreement to convert the loan into a convertible note(s) which was to be part of a broader restructuring of the Group. As part of this process, Centennial announced a Rights Issue in September 2018.

Centennial was unable to pursue the rights issue as it was unable to finalise its FY18 accounts on a going concern basis given the uncertainty surrounding its ability to raise the necessary equity capital.

Given Centennial's working capital deficiency, Gandel Metals advanced further funds for the payment of wages on 5 December 2018 in the amount of approximately \$350,000 on the same terms as the initial short-term loan. These funds were provided as a Section 560 loan which effectively provides Gandel Metals with the same priority as employee entitlements for this amount where the company was to enter into administration.

After pursuing multiple recapitalisation proposals after this time, Centennial was ultimately unsuccessful in achieving a sustainable recapitalisation of the business. On 11 February 2019, Gandel Metals provided Centennial with a two-week extension for the repayment of their loans.

Subsequently, Gandel Metals withdrew its financial support for the Group and informed Centennial that it required the repayment of its loans. Shortly following this notification, and without any available means to meet repayment of the Gandel Metals' loans, the Companies were placed into administration.



Appendix C Information list

The list of source documents used in preparing this report are set out below:

- RPM Report dated September 2019
- RPM Addendum dated March 2020
- RPM Updated Valuation dated October 2020
- VA Report
- Various supplementary reports produced by the Voluntary Administrators and Deed Administrators
- Various Company presentations released on the ASX
- S&P Capital IQ data
- Various audited financial reports lodged by the Company with the ASX
- Various unaudited financial reports prepared by the Company and either not yet signed off on by the auditors or not provided to the auditors.
- First DoCA
- Varied DoCA
- Amended Varied DoCA
- Oldfield DoCA
- GRR DoCA
- Minutes of creditors' meetings dated 13 October 2020
- Gordon Brothers appraisal report dated 25 September 2020
- Various offers documentation received by the Voluntary Administrators and Deed Administrators from interested parties
- Explanatory statement for the Court application
- Department of Industry, Innovation and Science: Resources and Energy Economics Quarterly, June 2020
- Various IBISWorld reports
- Materials published by the World Gold Council
- Materials published by Metals Focus
- Materials published by the London Bullion Market Association ('LBMA') through <http://www.lbma.org.uk/>
- Various Consensus Economics' Consensus Forecast reports
- Various ASIC Regulatory Guides.



Appendix D Statement of qualified person

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report we have relied upon and considered information believed, after due inquiry, to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld. We have evaluated the information provided to us by the Companies, its advisors, as well as other parties, through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Whilst we do not imply, and it should not be construed that, we have audited any of the information provided to us; we believe that the information provided to us is reasonable for us to address our scope set out in Section 1.3 and that there are reasonable grounds for the value of the Group's Mineral Assets and its remaining assets set out in Section 7.

The information relied upon in the preparation of this report is set out in Appendix C to this report.

We have the necessary experience and professional qualifications appropriate to prepare this report for the purpose set out in Section 1.3 (our curriculum vitae are set out in Appendix E). Other KordaMentha staff have been consulted in the preparation of this report where appropriate.

It is not intended that the report should be used for any other purpose other than that contemplated in Section 1.3 of this report.



Appendix E Deed Administrators' CV's

<p>Leanne Chesser <i>Partner</i></p>	<p>With over 25 years' experience in the restructuring industry, Leanne has worked on some of the largest formal engagements in Australian corporate history.</p> <p>Leanne's empathetic and inclusive approach to engagements together with her strong project management skills result in the best possible outcomes for all stakeholders.</p> <p>As one of the most technically proficient partners at KordaMentha, the company often calls on Leanne's skills to navigate the administration of complex corporate appointments</p>
<p>John Bumbak <i>Partner</i></p>	<p>John is an advocate of the role of the 'corporate doctor', always being on call to help in unusual and distressed situations.</p> <p>With over 20 years' experience in the industry, John employs an efficient approach because such circumstances often require it. Working side by side with stakeholders throughout the process, John swiftly pinpoints the key issues and then works up appropriate and sensible action plans to best resolve the current position.</p> <p>John's work with banks and businesses primarily in agriculture, equipment, hospitality, mining and mining services, brings the range of experience in advising and managing all shapes and sizes of business.</p>
<p>Richard Tucker <i>Partner</i></p>	<p>Richard's can-do attitude has enabled him to deliver successful outcomes in some of Australia's most complex, high-profile restructuring and insolvency appointments.</p> <p>His background as an M&A banker, coupled with 10 years' experience in restructuring and insolvency, allows him to adopt a holistic, transactional-focused approach to assessing the options and deciding upon the best possible pathway to achieve his clients' preferred outcome.</p> <p>Richard has worked on some of Australia's most complex and high-profile restructuring engagements. In 2018, he was jointly awarded the Turnaround Management Association of Australia's Restructuring Deal of the Year for the successful restructure of Paladin Energy and in 2014 received the same award for the restructure of mining giant Mirabela Nickel.</p>



Appendix F Historical financial performance and position

As detailed in the VA Report to creditors, below is a summary of the comparative balance sheets and profit and loss statements of the Companies, extracted from publicly available financial statements, for the period FY15 to H1FY19.

Table 39 – Statement of financial performance

\$,000s	FY15	FY16	FY17	FY18*	H1FY19*
Revenue					
Sale of fine metals	-	-	-	24,740	12,252
Other income	25	194	306	365	363
Total income	25	194	306	25,105	12,615
Cost of goods sold					
Mine operating expenses	(451)	(223)	(251)	(29,613)	(14,209)
Total cost of goods sold	(451)	(223)	(251)	(29,613)	(14,209)
Gross profit/(loss)	(427)	(29)	55	(4,509)	(1,594)
<i>Gross profit margin</i>	<i>(1,730%)</i>	<i>(0,015%)</i>	<i>18%</i>	<i>(18%)</i>	<i>(13%)</i>
Expenses	(790)	(1,407)	(2,115)	(4,197)	(2,163)
EBITDA	(1,217)	(1,436)	(2,060)	(8,706)	(3,757)

* Accounts are prepared but have not been audited

Table 40 – Statement of financial position

\$,000s	FY15	FY16	FY17	FY18*	H1FY19*
Current assets					
Cash and cash equivalents	2,013	335	528	521	267
Trade and other receivables	131	436	191	178	-
Inventories	103	908	1,100	1,375	1,332
Other current assets	166	298	277	304	99
Total current assets	2,413	1,977	2,095	2,378	1,698
Non-current assets					
Property, plant and equipment	8,254	7,365	7,287	7,667	7,054
Exploration, evaluation and development assets	22,019	28,520	30,041	27,531	26,131
Other non-current assets	1,007	997	977	1,002	878
Total non-current assets	31,279	36,882	38,304	36,200	34,063
Total Assets	33,693	38,859	40,400	38,579	35,761
Current Liabilities					
Trade and other payables	1,143	3,980	3,088	7,522	9,091
Borrowings	173	309	2,454	3,321	4,609
Provisions	-	35	559	789	600
Share Funds Received Pending Allotment	-	-	-	-	41
Current Liabilities	1,317	4,323	6,101	11,632	14,341
Non-current Liabilities					
Deferred tax liabilities	-	1,723	1,272	-	-
Borrowings	1,561	2,247	428	-	-
Provisions	1,051	1,233	1,264	1,187	1,284
Total non-current Liabilities	2,612	5,203	2,964	1,187	1,284
Total Liabilities	3,929	9,526	9,064	12,819	15,625
Net Assets	29,764	29,332	31,335	25,760	20,136

* Accounts are prepared but have not been audited

Appendix G GRR DOCA analysis

Overview

Under the GRR DoCA proposal, creditors are broken into separate classes.

Creditors are assigned a cash return depending on which class they sit within.

Further details of the specific returns are provided for earlier in this report.

The first and final distribution will be paid by GRR into the Creditors' Trust and will be distributed to creditors as documented earlier in this report.

The outcomes for creditors have been based on the known claims in relation to trade creditors and employees. To the extent additional claims are crystallised, or existing claims change, the return to classes of creditors will change.

Table 41 – Calculation of estimated returns to creditors under the Creditors' Trust

	First and Final Contribution		
	Claim	\$ Cash	Return c/ \$
Amounts paid at effectuation outside Creditors Trust			
Gandel & Octagonal – including section 560 Loans, secured loan and unsecured debt	3,648,000	(2,850,000)	78.1
Bendan & Montlodge – including secured and unsecured debt	1,787,000	(1,331,000)	74.5
Funds available for creditors' trust		2,459,000	
Employee entitlements (Class A and B)	846,638	(846,638)	100.0
Class C – Dale Rogers	1,800,000	(340,000)	18.9
Class D – Unsecured creditors except class C, E, & F	5,289,000	(1,050,000)	19.9
Class E – creditors owed individually less than \$5k	167,819	(150,000)	89.4
Class F – ATO	260,101	(19,000)	7.3
Surplus in creditors trust – estimate		(53,362)	

*Note: there has been an agreement with GRR in relation to the:

- Deed Administrators' remuneration
- Deed Administrators' legal costs
- Trustee of the Creditors' trust remuneration estimated at \$100,000
- Trading losses
- Assets outside the Creditors' Trust, including stock, cash and sale proceeds from gold inventory

Appendix H Valuation method

Valuation guidelines

The performance of a valuation service and preparation of valuation report, in accordance with APES 225, can take three engagement forms:

- **Calculation Engagement** is where the Member and the Client or Employer agree on the Valuation Approaches, Valuation Methods and Valuation Procedures the Member will employ. It does not usually include all of the Valuation Procedures required for a Valuation Engagement or a Limited Scope Valuation Engagement.
- **Limited Scope Valuation Engagement** is where the scope of work is limited or restricted. The scope of work is limited or restricted where the Member is not free, as the Member would be but for the limitation or restriction, to employ the Valuation Approaches, Valuation Methods and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time, and it is reasonable to expect that the effect of the limitation or restriction on the estimate of value is material.
- **Valuation Engagement** is where the Member is free to employ the Valuation Approaches, Valuation Methods and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.

It is also important to note that the price accepted for assets may vary materially from the fair market value because a buyer is particularly anxious (for example, strategic reasons for buying the asset) or a seller is particularly anxious (for example, under financial stress or subject to an insolvency proceeding/liquidation, as is the case with the Company).

We have undertaken a Valuation Engagement as we were free to adopt the Valuation Approaches, Valuation Methods and Valuation Procedures that we deemed appropriate in assessing the value of the Company and its remaining assets.

Valuation methodology

ASIC Regulatory Guide 111 outlines the appropriate methodologies which should be considered when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- The application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets.
- The DCF method.
- The amount that would be available for distribution to shareholders in an orderly realisation of assets (asset-based valuations).
- The quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

These valuation techniques are not mutually exclusive and can be applied in conjunction with each other.

Valuation method adopted

We have considered the valuation methodologies outlined in ASIC Regulatory Guide 111 and are of the opinion, given the nature of the Company's current situation, it is appropriate to use the recent genuine offers received method as our primary valuation method. Further detail on the valuation methodologies is set out below.

Capitalisation of maintainable earnings or cash flows

Earnings based valuations require consideration of the following factors:

- Estimation of future maintainable earnings having regard to historical and forecast operating results, the core long term profit potential and future economic conditions.
- Determination of an appropriate earnings multiple that reflects:



- risks inherent in the business and the industry in which the business operates
- general characteristics of the business being valued
- size of the business
- growth prospects of the business
- asset backing of the business
- time value of money.

Future maintainable earnings are often assessed by reference to past results on the basis they represent a reasonably accurate guide to future results. There may be reasons why past results are not indicative of future results. In such cases, future maintainable earnings must be assessed by obtaining an understanding of the entity's earnings generation capability, past events and expected future events and through the application of professional judgement. The future maintainable profits assessed should be the level of profit which (on average) the business can expect to maintain, in real terms, notwithstanding the vagaries of the economic cycle.

The earnings multiple must be consistent with the earnings period. Historical multiples must be applied to historical earnings and forecast multiples to forecast earnings.

The capitalisation of maintainable earnings method is particularly applicable to businesses with a track record of steady earnings, an expectation of continued steady earnings, regular capital expenditure requirements and an expected life in perpetuity.

Earnings-based methods are not appropriate where there is:

- a history of losses and/or current losses with an expectation of recovery
- rapidly declining profits in an industry with poor prospects
- lack of historical data or inadequate prospective financial information such as with start-up businesses
- lumpy capital expenditure requirements
- an asset with a finite life.

Control premium

Transactions for 100% ownership typically attract a control premium. The premium for control represents the difference between the value of 100% of the company (for example as evidenced by the price paid in a successful takeover) and the share price (prior to the bid being announced) which represents the market value of a small parcel of shares. It also reflects the value to an acquirer of the ability to control the operations of the business and gain unfettered access to the cash flows of the company.

Empirical studies show that take-over premiums have been in the range of 20% to 35% higher than the pre-bid share price. The percentage uplift depends on the industry in which the business operates and whether the pre-bid share price has already been affected by take-over speculation (and therefore already includes a take-over premium).

Capitalisation of maintainable earnings method conclusion

In our opinion the capitalisation of maintainable earnings methodology is not the most appropriate primary valuation methodology for assessing the value of the Group and its remaining assets as:

- Not all assets are operating or in the development stage of their life cycle. Certain assets on care and maintenance and other assets are in the exploration phase of their life cycle.
- The assets in the development state of their life cycle have not had adequate feasibility work performed to accurately determine the operational life of the assets.
- The assets will require significant development capital expenditure before they all begin to generate revenue.

DCF method

The DCF method is based on the generally accepted theory that the value of a business is the present value of its free future cash flows. This method involves:

- The forecasting of future cash flows over a sufficiently long period of time (including, if appropriate, a terminal value of the business being valued).



- The discounting of those cash flows at an appropriate risk adjusted discount rate representing an opportunity cost of capital which reflects the expected rate of return obtainable by investors from similar investments.

Future cash flows comprise of the cash amounts expected to be generated each year after paying all cash costs and cash outgoings.

The DCF method is generally accepted as the most theoretically robust valuation method. However, its use in practice is limited due to a number of factors including:

- lack of reliable financial information
- difficulties associated with forecasting future cash flows with the requisite level of certainty.

Due to these restrictions, the DCF method is commonly used to value projects with a finite life (such as mining projects), early stage businesses (such as technology companies) and projects/assets with lumpy or highly variable future cash flows (such as forestry and other biological assets)

Discount rate for DCF valuation

The discount rate increases as the level of assessed risk increases. Risk is generally measured as variability in return. The higher the discount rate, the lower the generated value. The discount rate generally has two components, a cost of equity and a cost of debt. The discount rate is determined by weighting these components using a calculation known as the weighted average cost of capital ('WACC').

An underlying assumption of a DCF analysis is that an entity's gearing ratio remains constant over time. Changes in the gearing ratio will change the cost of equity and consequently the discount rate.

There are a number of acceptable methods of assessing an appropriate required return on equity. The methods we would consider in a DCF valuation are:

- using an economic model such as the capital asset pricing model ('CAPM')
- building up a discount rate using the adjusted capital asset pricing build-up method
- estimating a rate having regard for similar businesses and professional judgment.

Each of these methods must have regard for the factors affecting the required return on equity. These include:

- operational risk of the industry and the financial asset being valued (company specific factors)
- financial risk (gearing)
- the risk free rate of return
- market risk
- country risk
- size
- liquidity or marketability.

In calculating value using the DCF methodology it is important to ensure that the discount rate determined is expressed in terms consistent with the expression of the cash flows being discounted. In particular:

- if cash flows are expressed on an after-tax basis the discount rate should also be expressed on an after-tax basis
- if cash flows are before debt servicing costs (un-gearred) the discount rate should reflect the sources of finance (debt and equity) generating those cash flows
- if cash flows are expressed in real terms the discount rate should also be expressed in real terms.

The basic discounting formula is:

$$c/(1+i)^n$$

where:

c = cash flow in each period

i = discount rate



n = number of periods the specific cash flow is being discounted

DCF method conclusion

In our opinion, the use of the DCF valuation methodology by RPM Global is an appropriate primary valuation methodology for assessing the value of certain Group assets which have defined resources and an identifiable finite life. We have based this opinion on the fact that the Group's development assets have forecast cash flows over a sufficiently long period of time and the financial model's assumptions were able to be adjusted to reflect the current state of the assets.

Asset-based valuations

Asset-based valuations involve the determination of the net realisable value of the assets used in the business on the basis of an assumed orderly realisation (notional liquidation). This value includes an allowance for reasonable costs of carrying out the sale of assets, the time value of money and the taxation consequences of asset sales. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially below their fair market values.

The sum of a company's individual assets is not usually the most appropriate measure of its value. Asset-based valuations are normally used as a secondary method of valuation and as a cross check on the reasonableness of the level of goodwill implied in an earnings-based or DCF valuation. Asset-based valuations may be appropriate as primary valuation methods in other specific circumstances. They are particularly applicable in a liquidation scenario (i.e. the company is not a going concern) or where the company acts as an investor, does not carry on trading operations but controls the business.

The orderly realisation of assets basis of valuation usually provides the lowest realistic valuation for a company or business. This method assumes that the shareholder or owner has the ability to liquidate the company, usually by virtue of being the controlling shareholder. The difference between the value of the company's net assets and the value obtained using a capitalisation of earnings or DCF methodology is attributable to the value of unrecorded intangible assets. By estimating asset values it is therefore possible to work out the implied intangible component of a valuation which can be assessed for reasonableness.

The notional realisation of assets basis of valuation is normally only applied to businesses which do not produce an annual cash flow, or where, because of the stage of establishment of the business or industry conditions, the outlook for a particular company's future earnings is either uncertain or the capitalised value of such earnings is less than the net realisable value of the assets employed.

The net realisable assets methodology is also used to value assets that are surplus to the core operating business.

In our opinion, due to the nature of the Group's remaining assets, the use of an asset-based valuation methodology is appropriate as either a primary or cross-check valuation methodology. We will use this methodology in conjunction with the recent genuine offers received methodology to form our opinion.

Market-based valuations

The market-based valuation approach proceeds from values at which shares are traded on the stock exchange, or where transactions are observed in the market place. The share market price may constitute the market value of shares where sufficient trading of the shares takes place. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

Market-based valuations provide an objective view of a company's current market value. While other methodologies seek to estimate values at which a hypothetical transaction in the subject shares would occur, market-based valuations proceed from values at which actual transactions have occurred. Despite the objectivity, market-based approaches are limited by the amount of information known by the market, which may likely be imperfect.

The Company is now delisted from the ASX and has not traded in an active market since June 2018. Accordingly, this methodology is not appropriate in this situation.

Recent genuine offers

Where a company has undertaken a detailed and extensive process to dispose of its assets, the final round binding bids are likely to be the market's perception of value.

The final round binding bids represent the amount a potential acquirer is willing to pay based at the immediate point in time and the information available to it.



As the Companies and their businesses (excluding the Highlake Resources shares owned by Centennial) were not formally offered for sale by way of an Expression of Interest Campaign, recent genuine offers are not an appropriate valuation methodology for assessing the value of the Companies and its assets.



Appendix I Group's tenements

The various tenements are set out below.

Table 42 – Group tenements

Tenement	Equity	Status	Company
Woods Point – Walhalla Goldfield (Victoria)			
MIN5294	100%	Granted	Centennial Mining Ltd
Maldon Goldfield (Victoria)			
MIN5146	100%	Granted	Maldon Resources Pty Ltd
MIN5528	100%	Granted	Maldon Resources Pty Ltd
MIN5529	100%	Granted	Maldon Resources Pty Ltd

Appendix J Forfeiture applications on tenements

There have been no forfeiture applications levied against the Companies during their insolvency.

Appendix K Liquidation scenario calculations

The below extract has been copied directly from the Deed Administrators' supplementary report dated 25 September 2020 and then amended to take into consideration adjustments post the date of the Supplementary Report, including:

- updated valuation of the Group's mining and exploration tenements
- value of current inventory
- gold produced from the clean out of the mill
- the increase in tenement values provided by the RPM Global valuation

Set out below is a summary of the potential returns available to creditors if the Companies were to be wound-up through liquidation.

Overview

We have prepared a liquidation analysis for the Group on a standalone basis and on a pooled basis. We have presented on this basis given we cannot determine whether pooling of assets and liabilities of both Companies should occur or not in a liquidation, given:

- There is no deed of cross guarantee in place which means the Companies' assets and liabilities would not normally be pooled in a liquidation. Under the no pooling outcome, only the assets of each company would be made available to the creditors of that company.
- While there is no deed of cross guarantee in place, the Companies operated on a consolidated basis with intercompany transactions between the two Companies not being settled with cash, which indicates pooling of assets and liabilities of the Companies should take place.

Under the:

- **No pooling outcome**, only the assets of each company would be made available to the creditors of that company.
- **Pooled outcome**, the assets of the Group would be available to creditors of the Group.

Should the Group be placed in liquidation, we will undertake further enquiries to determine whether it would be in the best interest of all creditors to seek a pooling order or determination.

The return to creditors in a liquidation has also been undertaken assuming a low and high scenario given the different scenarios which could be faced by a liquidator.

Low liquidation scenario

When taking into consideration the low liquidation scenario we have assumed that:

- There will be a default under GRR facility, and it will require its loan be repaid in full within seven days
- There will be no cash or funding available for the liquidator to fund the care and maintenance of the A1 Gold Mine, including its de-watering and tenement payments/rent
- The value of the A1 Gold Mine will deteriorate to the low value indicated in the RPM report and this value could deteriorate further
- Gandel's security over A1 Gold Mine is valid and enforceable
- Secured Creditors' security is valid and enforceable over Centennial only
- GRR holds priority security over the Maldon assets and will reduce as much of its debt as possible from Maldon asset realisations after Maldon's employees are paid in full
- The security priority between Gandel, Secured Creditors and GRR lenders rank pari passu in regards to Centennial's assets.

High liquidation scenario

When taking into consideration the high liquidation scenario we have assumed that:

- GRR will allow the liquidator to conduct an open sales campaign of the mineral assets over six to eight weeks.
- The liquidator will have limited funds to place the A1 Goldmine on care and maintenance or on a limited mining basis.



- Gandel's security over A1 Gold Mine is valid and enforceable
- Secured Creditors' security is valid and enforceable over Centennial only
- GRR holds priority security over the Maldon assets and will reduce as much of its debt as possible from Maldon asset realisations after Maldon's employees are paid in full
- The security priority between Gandel, Secured Creditors and GRR lenders rank pari passu in regards to Centennial's assets.

Whilst we have made this assumption as part of our liquidation high scenario, it is unclear whether this funding could be obtained and so it is theoretical only.

Estimated return to creditors in liquidation

Low liquidation

Under the low liquidation scenario, a summary of the return to creditors is as follows:

Table 43 – Summary of return to creditors in low liquidation scenario

Creditor	Cents in dollar		
	Pooled	Centennial	Maldon
Secured creditors – (including Gandel) (Exc GRR)	67.76	67.76	100.0
Priority creditors – (including Gandel's 560 Loan)	Nil	Nil	100.0
Unsecured creditors	Nil	Nil	Nil

Source: See liquidation analysis below

High liquidation

Under the high liquidation scenario, a summary of the return to creditors is as follows:

Table 44 – Summary of return to creditors in high liquidation scenario

Creditor	Cents in dollar		
	Pooled	Centennial	Maldon
Secured creditors	100.0	100.0	100.0
Priority creditors – wages and superannuation - (including Gandel's 560 Loan)	100.0	100.0	100.0
Priority creditors – employee entitlements	59.20	50.35	100.0
Unsecured creditors	Nil	Nil	Nil

Table 45 – Liquidation analysis

	\$ millions									Reference
	Value - Lower			Value - Upper			Preferred			
	Maldon	Centennial	Pooled	Maldon	Centennial	Pooled	Maldon	Centennial	Pooled	
Assets Subject to Non-Circulating Security Interest										
Tenements	3.40	6.40	9.80	3.40	9.91	13.31	3.40	8.21	11.61	7.4
Plant & Equipment	0.29	0.18	0.47	0.34	0.23	0.57	0.32	0.21	0.53	7.5.1
Land & Buildings	-	-	-	0.20	-	0.20	0.10	-	0.10	7.5.4
Total Assets Subject to Non-Circulating Security Interest	3.69	6.58	10.27	3.94	10.14	14.08	3.82	8.42	12.24	
Secured Creditors										
Secured Loans (Including Gandel)	-	5.18	5.18	-	5.18	5.18	-	5.18	5.18	8.1
Funding provided to Voluntary and Deed Administrators for Trading Costs	3.80	2.40	6.20	4.50	1.50	6.00	4.50	1.50	6.00	8.2.1
Interest, costs and fees associated with new funding arrangement for liquidators	0.08	0.22	0.30	0.08	0.22	0.30	0.08	0.22	0.30	8.2.1
Total Secured Loans	3.88	7.60	11.68	4.58	6.90	11.48	4.58	6.90	11.68	
Surplus of assets subject to non-circulating security interest	(0.19)	(1.02)	(1.21)	(0.64)	3.24	2.60	(0.77)	1.52	0.76	
Assets Subject to circulating security interest										
Cash	3.47	-	3.47	3.47	-	3.47	3.47	-	3.47	7.5.2
Stock	0.75	-	0.75	1.05	-	1.05	0.90	-	0.90	7.5.3
Preferences	0.06	0.13	0.19	0.36	0.16	0.52	0.21	0.14	0.35	7.5.5
Total Assets Subject to Circulating Security Interest	4.09	(0.89)	3.00	4.24	3.40	7.64	3.82	1.66	5.48	
Liabilities related to assets subject to circulating security interest										
Voluntary and Deed Administrators' Costs	0.20	0.40	0.60	0.20	0.40	0.60	0.20	0.40	0.60	8.2.2
Deed Administrators' trading costs	2.80	-	2.80	2.80	-	2.80	2.80	-	2.80	8.2.3
Liquidators' trading costs	-	-	-	0.15	0.50	0.65	0.15	0.50	0.65	8.2.3

Total Liabilities Related to assets subject to circulating security interests	3.00	0.40	3.40	3.15	0.90	4.05	3.15	0.90	4.05	
Surplus of assets subject to circulating assets after costs	1.09	(1.29)	(0.20)	1.09	2.50	3.59	0.67	0.76	1.43	
Liabilities related to assets after costs										
Deed Administrators' Remuneration	0.30	0.50	0.80	0.30	0.50	0.80	0.30	0.50	0.80	8.2.5
Liquidators' Disbursements	0.17	0.33	0.50	0.17	0.33	0.50	0.17	0.33	0.50	8.2.6
Liquidators' Remuneration	0.16	0.26	0.42	0.16	0.26	0.42	0.16	0.26	0.42	8.2.7
Total Liabilities relating to Remuneration and Disbursements	0.63	1.09	1.72	0.63	1.09	1.72	0.63	1.09	1.72	
Surplus on assets subject to circulating assets	0.46	(2.38)	(1.92)	0.46	1.41	1.87	0.04	(0.33)	(0.29)	
<i>Return to secured creditor (excludes Administration loan) cents in dollar</i>		67.75	67.75	-	100.00	100.00	-	100.00	100.00	
Priority Creditors										
Wages and superannuation	0.15	0.69	0.84	0.15	0.69	0.84	0.15	0.69	0.84	8.2.8
Annual leave and long service leave	0.11	0.35	0.46	0.11	0.35	0.46	0.11	0.35	0.46	8.2.8
Redundancy and pay in lieu of notice	0.20	1.08	1.28	0.20	1.08	1.28	0.20	1.08	1.28	8.2.8
Total Priority Claims	0.46	2.12	2.58	0.46	2.12	2.58	0.46	2.12	2.58	
Surplus available for unsecured creditors	-	(4.50)	(4.50)	-	(0.71)	(0.71)	(0.43)	(2.46)	(2.87)	
<i>Return to employees after wages, super, annual leave and long service leave (cents in the dollar)</i>	100.00			100.00	50.35	59.20	100.00	-	-	
Unsecured Claims										
Unsecured Claims	1.33	4.54	5.87	1.33	4.54	5.87	1.33	4.54	5.87	8.2.9
Related Parties	15.74		-	15.74		-	15.74		-	8.3
Excluded Claims		1.80	1.80		1.80	1.80		1.80	1.80	8.2.8
Total Unsecured Claims	17.07	6.34	7.67	17.07	6.34	7.67	17.07	6.34	7.67	

Total Surplus	(17.07)	(10.84)	(12.17)	(17.07)	(7.05)	(8.38)	(17.50)	(8.80)	(10.54)
<i>Dividend Cents in \$</i>									



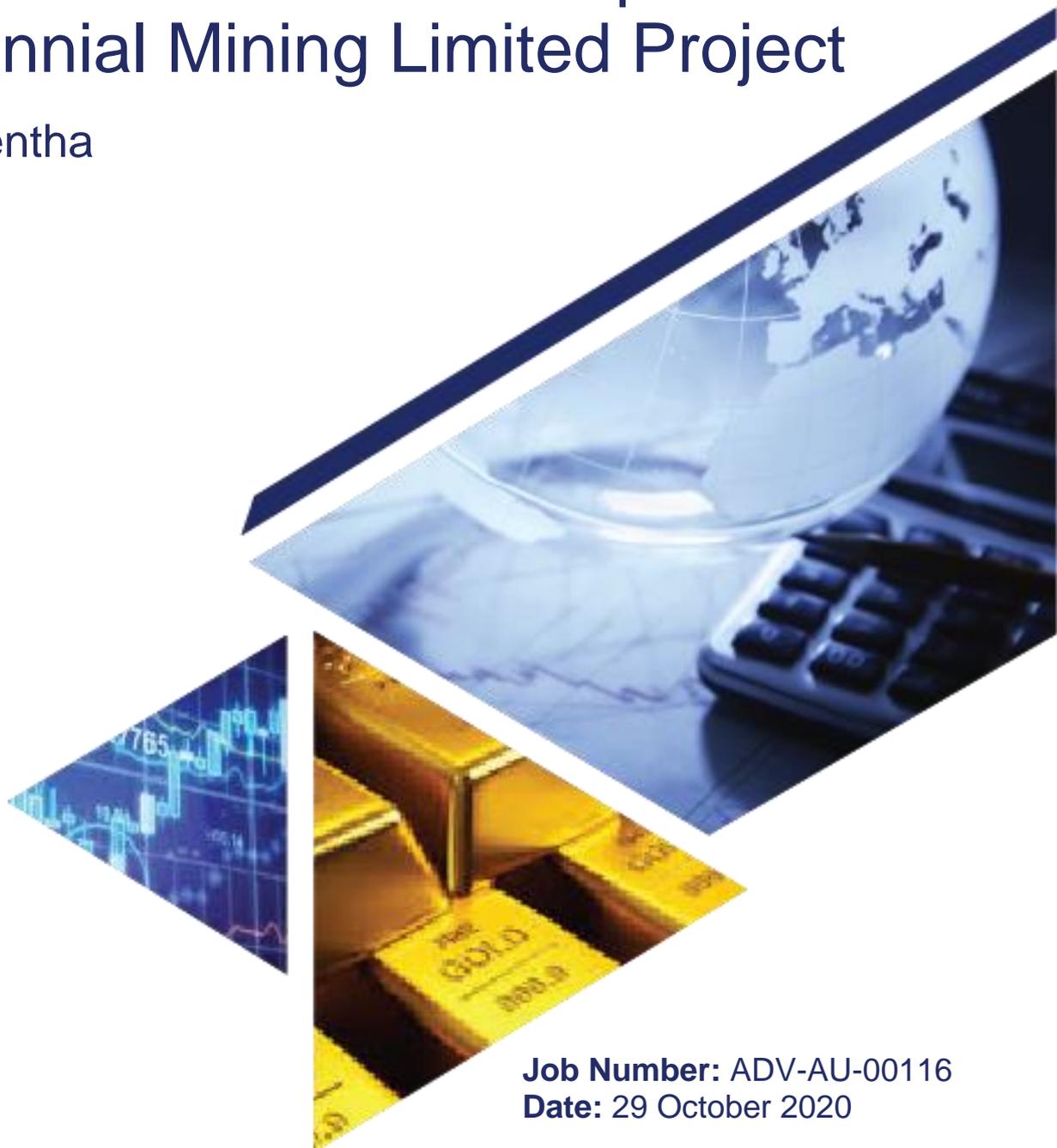
Appendix L RPM Valuation Reports



RPMGLOBAL

Independent Valuation Report – Centennial Mining Limited Project

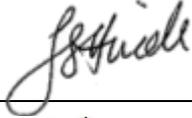
KordaMentha



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Executive Summary

RPM Advisory Services Pty Ltd (“RPM”) was engaged to provide Technical Advisory Services to KordaMentha (“KordaMentha” or the “Client”) regarding the compilation of an Independent Valuation Report (the “Valuation” or the “Report”) of the Centennial Mining Limited (“Centennial” or the “Company”) projects, located in Victoria, Australia (“the Projects”). The Valuation has been prepared in accordance with the Australian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code, 2015), the Corporations Act, ASIC Regulatory Guidelines and ASX Listing Rules. RPM understands that the purpose of the Valuation is to assist KordaMentha in their role as administrator of the Company.

An Independent Expert Technical Report and Valuation (“ITER”) was previously carried out by RPM personnel, including a site visit, in September 2019. This was followed by an update of the valuation in March 2020 using comparable transactions and multiples of exploration expenditure (“MEE”) as there had been no material change to the mining and hence the discounted cash flow (“DCF”) in the intervening period. RPM strongly recommends that readers of this Report also make themselves familiar with the RPM 2019 ITER.

The properties under review in the Valuation consist of the mining licences listed in **Table A**. The licences fall into distinct geographical areas; A1 Mine North East of Melbourne and the Maldon Project North West of Melbourne, see **Figure A**. Note the mining leases MIN5563 (Specimen Reef) and MIN5465 (Pearl Croyden) valued in the previous ITER have since been sold and do not form the part of the current valuation.

The A1 underground mine is currently in production with ore being trucked to the Porcupine Flat processing plant, which is located on MIN5146, Union Hill Mine. Valuation of the Processing Plant was specifically excluded from the work proposal.

Table A Centennial Current Granted Mining Licences

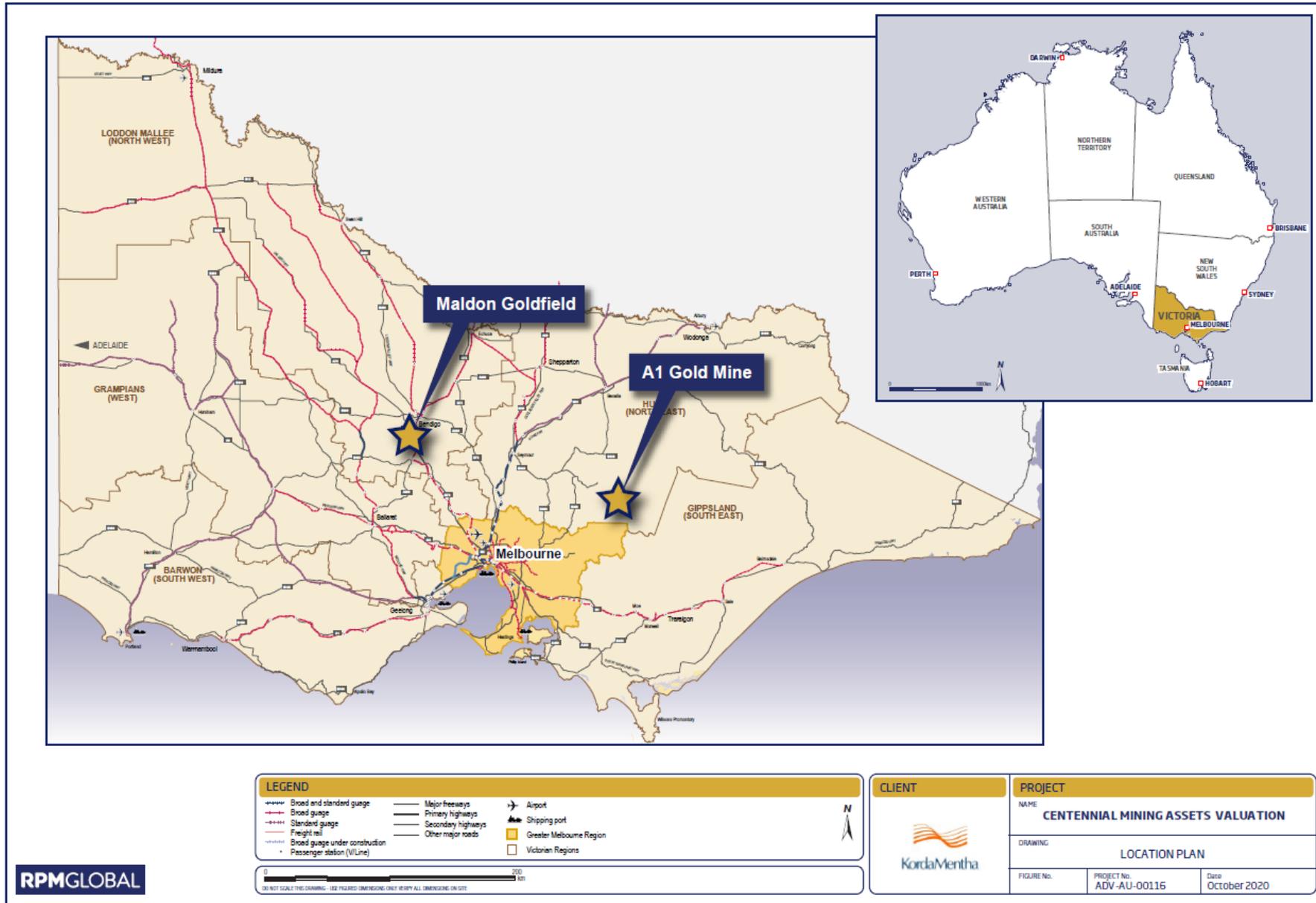
Area	Licence	Comment
A1 Mine	MIN5294	A1 Mine
Maldon Project	MIN5146	Union Hill Mine
	MIN5529	North of England
	MIN5528	Nuggety Mine

Note, this Valuation relies on previous technical work undertaken by RPM for the 2019 ITER. Due to an update in resource estimate for the Queens Block (1400-1260m RL) in June 2020 this resource estimate has been reviewed by RPM.

No site visit has been undertaken as part of preparation of the Valuation due to travel limitations imposed by COVID-19 and reliance is on the previous site visit by RPM in late August, 2019.

In addition to work undertaken to generate the Valuation, the Report relies largely on information provided by the Company, either directly from the sites and other offices, or from reports by other organizations whose work is the property of the Company or its subsidiaries. The Valuation is based on information made available to RPM as at October 14th 2020. The Company has not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the date of Assets inspections.

Figure A Location of Centennial Assets



Mineral Resources

A1 Mine

The A1 mine Mineral Resources (**Table B**) of 1.26Mt @ 6.13g/t Au for 249koz of Au have been reported in line with the recommendations of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code (2012 Edition) (“JORC 2012”). This is comprised of an estimate by Mining One consultants of the Queens Block (1,400-1,260m RL) with an estimate by CSA Global consultants in the sub-levels above and below this.

In June 2020 a new resource estimate was produced for the A1 mine’s Queens Block by Mining One using the multiple indicator kriging (“MIK”) approach. This June 2020 resource was not classified and hence does not in RPM’s opinion meet JORC 2012 guidelines as no Competent Person signed off JORC Mineral Resource statement was provided. RPM was unable to fully review this resource estimate as key parameters relating to MIK were unavailable, though based on some of the available data there were some issues with the estimation process. The new estimate is unclassified and is 365,360t @ 5.36g/t gold at a 2.5g/t gold cut-off.

For the purpose of the Valuation RPM has used the previous November 2018 Mineral Resource Statement as shown in **Table B** updated with the Queens Block estimate. These resources have been highly factored due to risk associated with these estimates and other risks as defined in the report.

Table B Mineral Resource Statement, 7th November 2018

A1 GOLD MINE MINERAL RESOURCES OCTOBER 1 st 2018					
MODEL	AREA	RESOURCE CLASS	TONNES (kt)	Au ppm	Au Koz
CSA (>3ppm Au)	Surface to 1400mRL	INDICATED	126	5.15	21
		INFERRED	225	6.88	50
		SUB TOTAL	351	6.26	71
M1 Oct 2018 Model (>2.5ppm Au)	1400mRL to 1260mRL	INDICATED	83	5.52	15
		INFERRED	176	5.31	30
		SUB TOTAL	259	5.38	45
CSA (>3ppm Au)	Below 1260mRL	INDICATED	-	-	-
		INFERRED	650	6.35	133
		SUB TOTAL	650	6.35	133
Combined Models	Global Resources	INDICATED	209	5.30	36
		INFERRED	1,051	6.29	213
		TOTAL	1,260	6.13	249

Note 1. The information in this report that relates to the A1 Gold Mine Mineral Resources from surface to the 1400mRL level and below the 1260mRL level is extracted from the summary report entitled ‘A1 Consolidated Gold, Mineral Resource Estimate’ prepared by CSA Global Pty Ltd included in the Company’s ASX announcement dated 12 May 2014 and is available to view on the Company’s website. Centennial Mining has developed this resource using the surveyed void shapes as mined since the Mineral Resource Estimate. The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The CSA resource estimate was reported using a 3 g/t Au cut-off.

Note 2. The MiningOne resource estimate has been reported between the 1260mRL and 1400mRL levels of the deposit. The MiningOne estimate is reported using a cut-off grade of 2.5 g/t Au that is based on the operational performance within the stoping activities completed since the CSA resource was originally estimated.

Note 3. Rounding may affect totals

Source: Centennial Mining Ltd, 2018

The current published Mineral Resource estimate quantity of 1.26 Mt at 6.23 g/t Au from 7th November 2018 has not been depleted up to date with the most current mining and development, whereas the new June 2020 estimate for the Queens Block has been depleted.

The 2019 review showed that there had been limited (three stopes) reconciliation undertaken between production and the Mineral Resource estimate. This showed issues with gold extracted being higher than predicted by the model, showing that the block models are poor local predictors due to lack of domaining causing smearing of grades and the nugget effect of the mineralisation. Centennial had completed localised models and these had contributed to the mine planning schedules. However, the localised block models lack documentation and their reliability could not be independently verified. Current mine schedules are based on historical production in addition of Mineral Resources (see below).

Maldon

The Maldon project area has two mines, Union Hill and Nuggetty Reef. Mineral resources exist on the Alliance South deposit which were estimated by Octagonal Resources Ltd (“Octagonal”) and reported under the recommended guidelines of the JORC Code 2004 (**Table C**). These mineral resources are classified as historical and do not meet JORC (2012) guidelines due to the use of sludge samples and the potential for smearing of grades. These resources have been reported but no new estimate has been carried out in accordance with JORC Code (2012).

Table C Maldon Gold JORC 2004 resources 31 October, 2009

Mine	Location	Category	Tonnes '000	Au g/t	Au oz '000
Alliance South	West Zone	Inferred	287	12.0	110
	East Zone	Inferred	186	12.0	72
		Total	473	12.0	182

Octagonal, reported according to JORC 2004.

In the 2019 review RPM opined that the Union Hill targets are reasonable and though unquantified by Centennial they have the potential to contain material amounts of mineralisation at grade that could potentially be mined.

Mining and Mine Schedules

The deposit at A1 is mined predominantly by using conventional and globally recognised mechanised long hole stoping of the bulk mineable resources, supplemented by handheld airleg mining of high grade narrow vein shear zones and heavily driven by local geology. The nuggetty nature of the gold has meant that typical global practices of mine design and scheduling is not conducted. Since administration (March 2019) mining has been essentially by handheld methods and predominantly outside of existing Mineral Resources.

The current mine schedule is based on estimating a tonnes per vertical metre (“tpvm”) from an area of previous mining and applying these tonnages to sub-levels within the mine so as to make up 80% of the global Mineral Resource. Grades applied are diluted Mineral Resource grades based on 15% for mechanised mining, 25% for ore development and 9.0 g/t Au for airleg mining, based on an average of +10g/t Au recovered during the period of airleg mining from March 2019 to July 2020. 96% of the mine schedule uses Inferred material.

A similar method has been applied to determine the mine schedule for the Maldon mines, though the scheduled tonnages are hardcoded and difficult to substantiate. The scheduled tonnages are similar to the total historical resource contrary to Centennials quote that circa 50% of the resource was to be scheduled. Grades used are the historical resources grades which are significantly factored down by circa 30%. The 2019 review showed only production from the Union Hill mine at Maldon, but the current mine schedule has significant production from the Nuggetty Reef mine.

This method of scheduling is not in line with the recommended guidelines of JORC 2012 and is considered a material risk by RPM. This is not to suggest that the mine schedule cannot be achieved, merely that the assumptions and logic cannot be validated with the current data available.

A significant tonnage (circa 400kt) of toll treatment ore had been scheduled to fill the Porcupine Flat plant, once the new A1 gravity and flotation plant is in production. RPM has not been provided with any off-take contracts to support the source of this additional ore.

The mining mobile plant appears to be at the limit of its economic life and some capital has been forecasted for upgrades and new purchases. The current mining mobile plant is a risk to mine productivity and continuity of ore supply.

Processing

Como Engineering (“Como”) completed a scoping level study (+/- 30% accuracy) for a new 250ktpa gravity and flotation plant for the A1 mine site. The A1 ore is to be processed through the plant which will recover coarse gold and a sulphide concentrate which is to be further processed through the Porcupine Flat carbon in leach (“CIL”) plant at Maldon.

The Como scoping study testwork for the new gravity and flotation plant produced recovery of 87.7% at 100% passing 250um. The financial model uses 88% gravity recovery of gold with an additional 11.4% recovery giving a total recovery to concentrate of >99%. Leaching of the concentrate gave recoveries of 94.2%.

The A1 ore uses an 88% recovery in the gravity plant, but the concentrate (circa 5% of the ore feed tonnage) does not appear to be put through the Porcupine Flat CIL plant according to the financial model, though concentrate transport costs are included. RPM has not corrected this in the financial model, but this represents potential upside to the economics.

The Porcupine Flat plant will continue to process A1 ore until the new A1 plant is in production, where it will then treat increased production from the Maldon mines and toll treat ore. There is no evidence for the source of the toll treatment ore which is designed to bring the plant up to capacity.

Gold recoveries for the Porcupine Flat plant in the financial model are 95% for ore grades above 7.0g/t Au and 91.5% for ore grades below 7.0g/t Au. The 91.5% recovery is in place for almost all of the LOM. This is slightly lower than the 91.75% recovery used for most of the LOM in the 2019 financial model. There is no supporting data for these recoveries and the 2019 review noted that Union Hill ores may become harder which may negatively impact the recovery.

Operating and Capital Costs

The average A1 mining operating cost is A\$ 148 per dry metric tonne (“dmt”) of ore reflecting the high mining cost associated with selective mining. This is lower than the 2019 cost (A\$ 165/dmt) but reflects the increased proportion of mechanised production.

The average Maldon mining operating cost is A\$ 142/dmt of ore reflecting the high mining cost associated with selective mining, however, this is significantly lower than the 2019 cost (A\$ 246/dmt). Planned mine production at Maldon has increased significantly from 270kt in 2019 to the current schedule which shows 417kt. The increased production would account for some reduction in unit cost, but RPM has factored operating costs to account for this possible underestimation.

The 2019 review commented on the low mining capital cost. The A1 mine shows an increase of 83% in mining capital cost compared to the 2019 financial model, which is lower than the increase in production (47%). RPM deems this to cover a likely previous underestimate of mining capital cost.

Capital development costs for the A1 mine show only a 9% increase on the 2019 financial model, which is significantly less than the increase in the capital development ore and waste tonnes of 34%.

A1 mining sustaining capital cost is A\$ 1.4 M over the LOM, with A\$ 25k allocated per month. This seems inadequate as noted in the 2019 review, especially with aging equipment.

Capital expenditure in the 2019 review was nil at the Maldon mines, but it is currently A\$ 1.1 M. There has been an increase of 60% in the Maldon mining tonnes and waste and the new capital expenditure estimate appears reasonable.

The gravity and flotation plant proposed for the A1 mine is estimated to cost A\$ 16.9 M with an accuracy of +/- 30%. This figure has been used in the model but RPM believes it may be underestimated. Como’s operating cost estimates are deemed to be reasonable by RPM.

The current financial model shows the Porcupine Flat processing plant has reduced capital cost when compared to the 2019 model (A\$ 2.1 M to A\$ 1.6 M, 30%) though higher production (2.1 Mt LOM vs 1.9 Mt LOM) due to increased production at the Maldon mines. Due to plant age RPM believes this is inadequate.

Similar processing costs are used in the current financial model for the Porcupine Flat plant compared to the 2019 model, with total cost increases essentially due to the increase in tonnes processed.

At a high level of review the G&A costs seem to be acceptable.

For the 2019 review insufficient information was made available for a detailed evaluation of the infrastructure. Based on site personnel the infrastructure in place is sufficient to support current operations and this is assumed for the current review.

Valuation

RPM completed an Independent Valuation of Centennial's Assets comprising the A1 Gold Mine and the Maldon projects in accordance with the VALMIN Code.

As recommended by the VALMIN Code, RPM used a number of valuation approaches to determine individual and an overall value for Centennial's assets. In accordance with recommendation by VALMIN in relation to the suitability of certain valuation approaches as a function of the maturity of projects, RPM used the Income approach (discounted cash flow) to ascribe a value to the A1, Union Hill and Nuggetty Reef mines.

The Comparable Transactions method was used to value the A1 mine as it had Mineral Resources which met JORC 2012 guidelines. The MIN5146 (Union Hill Mine) and MIN5528 (Nuggetty Reef Mine) do not have JORC resources, only historical resources and would need to be discounted strongly which RPM believes would undervalue the mines.

The A1 mine (MIN5294) and Union Hill mine (MIN5146) have previously been operational and RPM believes that the multiples of exploration expenditure ("MEE") method would undervalue these two assets. Since MIN5529 (North of England) is contained within MIN5146 (Union Hill Mine) and has had negligible expenditure this was not valued separately using this method. The MIN5528 (Nuggetty Reef Mine) was valued by MEE.

DCF Valuation

The key contributor of value in Centennial's asset portfolio is the A1 Mine. RPM was provided with a seven year cash flow model (referred to in this document as the "Current Centennial Financial Model" or "CCFM") developed internally by Centennial. RPM was informed that this model represents the Life-of-Mine ("LOM") plan for the A1 and Union Hill mines.

RPM based the discounted cash flow ("DCF") approach on the CCFM to which a number of modifications were made to incorporate RPM's views on input assumptions and low confidence in geology and Mineral Resources, Mining and Mineable Quantities, Mine Scheduling, Metallurgy and Ore Processing, Operating and Capital Costs. Modifications to the CCFM resulted in an RPM Revised Financial Model.

Key Modifications to the CCFM

One of the key risks and uncertainties in the CCFM is related to the fact that the scheduled production quantities are not reported in line with the recommended guidelines of JORC 2012 and are based on historic production and the global resources with a significant Inferred and historical resource component (94%). Further, there are no mining or technical feasibility studies to support the mining or processing assumptions used in the CFM. All assumptions are based on historical performance. Unfortunately, although the A1 Mine has been operational over many years, during the last few years the operations have been running at an operational loss and therefore the confidence in the historical performance as a basis for the future is low.

RPM has used factors to compensate for this risk in the financial model. The key adjustments are:

- A1 March 2019 to September 2020 production and planned development tonnages pro-rated based on target tonnages were removed from the available Mineral Resource to be allocated to mineable quantities.
- Planned A1 mine airleg production pro-rated based on target tonnages to each sub-level and removed from the Mineral Resource to be allocated to mineable quantities.

- The Centennial 80% factor was used to reduce the A1 Mineral Resource to be allocated to mineable quantities.
- Due to tonnage scheduled being greater than available A1 Mineral Resources for some sub-levels, these were adjusted down by 25% to 40%.
- Almost all of the Maldon historic resource was made available for mine scheduling contrary to Centennial stating that on circa 50% would be used. This was factored by 40%.
- Toll treatment tonnes used to fill the Porcupine Flat plant to capacity once the A1 gravity and flotation plant was in production were removed from the financial model as no documentation was provided by the Company to confirm the source of this ore.
- A1 mine capital development costs were increased by 25% to cover the significant increase in development.
- Operating costs for both mines were increased by 8% to cover low mining unit costs.
- The residual value of the new A1 gravity and flotation plant (estimated at 40% of initial capital cost (i.e. A\$ 6.8 M)) was added to the last month of the financial model to cover dismantling, disposal and rehabilitation.
- A sustaining capital cost for the A1 gravity and flotation plant of 1% of the initial capital cost was pro-rated to each month and added to the financial model.
- The capital raising of A\$ 17 M was removed from the financial model as it was treated as a positive capital flow and replaced with the capital cost of the A1 gravity and flotation plant at appropriate points based on construction, commissioning and ramp up timing.
- The Porcupine Flat plant is old and an increase in throughput by 30% was not accompanied by a comparable increase in sustaining capital. An increase of 30% of sustaining capital was applied to the Porcupine Flat model to this.

Centennial gold prices in the financial model are conservative when compared to Bank Consensus price forecasts, but these were retained by RPM. The prices used in the current financial model (**Table D**) are higher than those used in the 2019 financial model (A\$ 2,000/oz).

Table D Centennial and Consensus Gold Prices (A\$/oz)

Source	FY20 Q1&Q2	FY20 Q3&Q4	FY21	FY22	FY23	FY24	FY25	FY26
Centennial	2,400	2,300	2,150	2,150	2,150	2,150	2,150	2,150
Consensus*	2,718	2,770	2,640	2,505	2,324	2,169	2,056	2,056

*Note: Energy & Metals Forecast September 2020 and FX AUD:USD of 0.71

To cover the numerous risks identified by RPM, reduction factors of 40% (Maldon) and 80-100% (A1) were applied to the operating costs in the financial model. The 80% and 100% applied to the A1 mine was used to represent the low and high range respectively for the Valuation.

A discount rate of 12% was retained as this is a normal rate for this type of project.

Supporting Valuation Methods

As recommended by the VALMIN Code, RPM also used two alternative valuation methods on assets depending on their development maturity.

The Comparable Transactions approach was used based on ranges derived from recent comparable gold transactions. This was used as an alternative valuation approach applied to the A1 asset (MIN5294). The valuation was applied to the JORC 2012 Mineral Resources and the updated resource estimate for the Queens Block to allow a relevant comparison with the DCF valuation which incorporated the Queens Block estimate.

The third approach, MEE, based on historic exploration expenditure and prospectivity, was applied to the Nuggetty Reef mine asset (MIN5528).

Summary

RPM notes that given the distressed nature of Centennial's assets and therefore the likelihood of a discount expected on the value by any prospective buyer of the assets, an additional discount has similarly been applied to derived values. A value of 25% was used in the 2019 Valuation and this factor has been retained for the current Valuation. Note, the Valuation does not account for any secured creditors for which RPM is not aware.

Table E presents a summary of the valuation completed by RPM for the above-mentioned assets as at the valuation date (15 October 2020).

The overall value range of between **A\$ 9.3 M** and **A\$ 12.8 M** with a preferred value of **A\$ 11.1 M** was cross checked against previous transactions and valuations by Mining One and Optiro and in RPM's opinion, given the information reviewed, risks considered and distressed nature of the company, is a reasonable valuation of Centennial's assets. This is an increase on RPM's valuation in September 2019 which had a range of between A\$ 3.8 M and A\$ 10.2 M with a preferred value of A\$ 7.0 M.

The increased valuation is believed to be a reflection of increased production, increased life of mine, benefits of the new A1 plant and increased gold price.

Table E Centennial Assets - Valuation Summary as at 15 October 2020

Licence/lease area	Value (lower)	Value (upper)	Value (preferred)
MIN5294 (A1 Gold Mine)			
Modified DCF	A\$ 9.8 M	A\$ 12.1 M	A\$ 11.0 M
Market Comparable	A\$ 1.9 M	A\$ 6.6 M	A\$ 4.3 M
Value Range	A\$ 5.9 M	A\$ 9.4 M	A\$ 7.7 M
MIN5146 (Union Hill Mine)			
Modified DCF	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
Value Range	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
MIN5528 (Nuggetty Reef)			
Modified DCF	A\$ 3.2 M	A\$ 3.2 M	A\$ 3.2 M
Multiples of Exploration Expenditure	A\$ 0.14 M	A\$ 0.14 M	A\$ 0.14 M
Value Range	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
Overall Valuation Range	A\$ 9.3 M	A\$ 12.8 M	A\$ 11.1 M

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1. Introduction

RPM Advisory Services Pty Ltd (“RPM”) was engaged to provide services to KordaMentha (“KordaMentha” or the “Client”) regarding the provision of Technical Advisory Services to compile an Independent VALMIN code standard valuation (“Valuation”) of the Centennial Mining Limited (“Centennial” or the “Company”) assets, located in Victoria, Australia (“the Assets”). RPM understands that the purpose of the Valuation is to assist KordaMentha in their role as administrator of the Company.

An Independent Expert Technical Report and Valuation¹ (“ITER” or “2019 review”) was previously carried out by RPM personnel, including a site visit, in September 2019. This was followed by an update of the Valuation² for KordaMentha in March 2020 using comparable transactions and multiples of exploration expenditure (“MEE”) as there had been no material change to the mining and hence the discounted cash flow (“DCF”) in the intervening period.

1.1 Purpose of the Report

RPM was commissioned by KordaMentha to complete an Independent Valuation of a selection of gold assets owned by Centennial.

1.2 Relevant Assets

The Relevant Assets for the purposes of review are:

- MIN5294 A1 mine;
- MIN5146 Union Hill mine;
- MIN5529 North of England, and
- MIN5528 Nuggetty Reef mine.

The Assets are located North East and North West of Melbourne in the State of Victoria, Australia. The A1 mine is an operating underground gold operation. The Union Hill mine is an underground mine which is on care and maintenance. The other assets are Mining Licences that have not been developed in the modern era but are the sites of historic gold mining.

1.3 Scope of Work

The Review scope of work (“SOW”) involves the following:

- Initiation including a kick-off meeting;
- Data Collection;
- Technical Review of the Queens Block resource estimate, and
- Technical Valuation.

1.3.1 Technical Review

The Technical Review will involve:

- Reliance on the 2019 ITER and Valuation, particularly for technical review;
- A desktop review of the pertinent data as provided by KordaMentha which will guide and impact the valuation;
- A review of the updated estimate for the Queens Block at the A1 mine;

¹ ADV-AU-00027_KordaMentha - Centennial_ITER Valuation_FINAL v01.pdf

² ADV-AU-00027_Centennial_2nd_Addendum Letter.pdf

- A review of the updated financial model which includes a new mine schedule, and
- RPM upon completion of its review will adjust any of the key input parameters to reflect its own opinion ahead of undertaking the Technical Valuation.

1.3.2 Technical Valuation

The technical valuation will be conducted using at least two appropriate valuation methods to be agreed by RPM after appraisal of information in the data room. These methods might include a Market Approach (e.g. Comparable Transaction) and a Discount Cash Flow Model (“DCF”) for the A1 mine if the appropriate data is available. Additional valuation methods acceptable by VALMIN will be considered if applicable. Below is the scope of the work for the Valuation task:

- A DCF Model may be used to determine the Net Present Value of an asset only if suitable information is available. If a DCF method is deemed suitable, RPM will use the Consensus price or a price agreed with the Client to determine the appropriate commodity price and forecast. (Any available cash flow models or mining schedules for the asset would be as provided by the Client), including:
 - Life of mine production schedule.
 - Operating cost of mining equipment.
 - Operating cost of fixed plant items.
 - Capital costs of both mining equipment and fixed plant.
 - On-site labour for the entire operation.
 - Pricing assumptions.
- A Market Approach (Comparable Transactions) may be used to determine a valuation range and preferred value by looking at comparable companies and transactions in the sector. RPM will access a transaction database to obtain the relevant financial transactions and market information.
- Other methods such as Multiples of Exploration Expenditure, including a Prospectivity Enhancement Multiplier (“PEM”), could be considered if applicable. The use of this approach requires access to data related to historical exploration expenditure on the assets; and
- Report the outcomes of the Valuation.

The Valuation Date is the 15th of October, 2020.

1.4 Site Inspections

A site inspection was carried out by Mr. Robert Dennis, a CP for the style of mineralisation present as considered by the JORC code. Mr. Dennis visited all of the assets between the period 26th and 29th August 2019. All asset locations were inspected during the course of the site visit.

No site visit was undertaken as part of preparation of this October 2020 Report due to travel limitations imposed during the COVID-19 pandemic and reliance is placed on the August site visit by RPM.

1.5 Capability and Independence

This Review report was prepared on behalf of KordaMentha by RPM. RPM operates as an independent technical consultant providing Mineral Resource evaluation, mining and processing engineering as well as mine technical valuation services to the resources and financial services industry. RPM believes its independence has not been compromised in undertaking this Review.

RPM has agreed to be paid professional fees by KordaMentha for the preparation of this report.

1.6 Information Sources

The contents of this Review have been created using data and information provided by Centennial and KordaMentha, from discussions with Centennial personnel or in meetings as well as published

announcements made to the Australian Stock Exchange (“ASX”) by Centennial and predecessor companies. All documents considered are listed in **Appendix B** of this report. In RPM’s opinion, the information provided was of variable quality. Where necessary RPM supplied opinions based on its experience and reasonable mining industry norms to address the requirements of the Valuation.

Information generated by third parties, consultants or contractors to Centennial has not been independently validated by RPM.

RPM accepts no liability for the accuracy or completeness of data and information provided to it by Centennial and KordaMentha, or any third parties, even if that data and information has been incorporated into or relied upon in creating this Review. The Review has been produced by RPM using information that was available to RPM up to the 14th of October 2020.

1.7 Information about this Document

This Review has been prepared by or on behalf of RPM solely for KordaMentha and the members of Centennial in relation to the administration of Centennial. All copyright and other intellectual property rights in this Review are owned by and the property of RPM.

To the fullest extent permitted under law, use of or reliance on this Review by any third parties is at their sole risk and RPM will not be liable for any liability, loss or damage suffered by a third party relying on this report regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise unless and to the extent that RPM has consented to such reliance or use. For the avoidance of doubt, KordaMentha and the members of Centennial are not third parties.

RPM makes no warranty, express or implied in respect of this Review, particularly with regard to any commercial investment decision made on the basis of this Review. This Review has been prepared without taking into account the objectives, financial situation or needs of any individual, entity or organization.

Definitions and glossary of terms is included in **Appendix C**.

1.8 Inherent Mining Risks

Mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can identify the known risks and take measures to manage and mitigate those risks, there is still the possibility for unexpected and unpredictable events to occur. It is not possible therefore to totally remove all risks or state with certainty that an event that may have a material impact on the operation of a mine will not occur.

It is therefore not possible to state with certainty, forward-looking production and economic targets, as they are dependent on numerous factors that are beyond the control of RPM and cannot be fully anticipated by RPM. These factors include but are not limited to, site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalize 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 could also substantially alter the performance of any mining operation.

1.9 Study Team

The Study Team comprised professionals from RPM’s Australian (Brisbane) and USA (Denver) offices.

1.1.1 Team Responsibilities

As part of the Team, members who have worked to compile this report include the following:

- Mr. Esteban Acuña – Esteban was responsible for review of the Queens Block resource estimate.
- Dr. Andrew Newell – Andrew was responsible for review of the processing operating and capital cost.

- Mr. Steve Hinde – Steve was responsible for the review of the financial model and the VALMIN Valuation included in the report and the overall report.
- Mr. Philippe Baudry – Philippe was responsible for a peer review of the report.

1.9.1 Technical and VALMIN Valuation Responsibility

The technical information in this report, and the information in this report that relates to the VALMIN Valuation of Centennial’s assets, is based on information compiled and reviewed by Mr. Steve Hinde, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geologists. Mr. Hinde is a full time employee of RPM.

Mr. Hinde has sufficient experience that is relevant to the style of mineralization and types of mineral deposits under consideration, and to the activity they are undertaking, to qualify as Competent Persons (as defined in the 2012 Edition of the JORC Code).

Mr. Hinde has more than 40 years’ experience in the mining industry and has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” or “Specialist” under the definitions provided in the VALMIN Code. Mr. Hinde has completed numerous mineral property valuations globally and is classified as a mineral property valuator under the VALMIN Code.

Mr. Hinde has no interest whatsoever in the mining Assets reviewed and will gain no reward for the provision of this review. RPM will receive a professional fee for the preparation of this statement.



.....
Steve Hinde BSc (Geology, Hons), Master Mineral & Energy Economics, MAusIMM, MAIG

2. Location and Tenure

The mineral licence assets of Centennial have been subject to various sales, lapses and applications. In 2019 RPM undertook a tenure review and determined that the current granted mining licences include those listed in **Table 2-1**. Note that the mining leases MIN5563 (Specimen Reef) and MIN5465 (Pearl Croyden) valued in the previous ITER have since been sold and do not form the part of the current valuation.

The assets under valuation are located in northeast and northwest Victoria (**Figure 2-1**).

Table 2-1 Centennial Current Granted Mining Licences

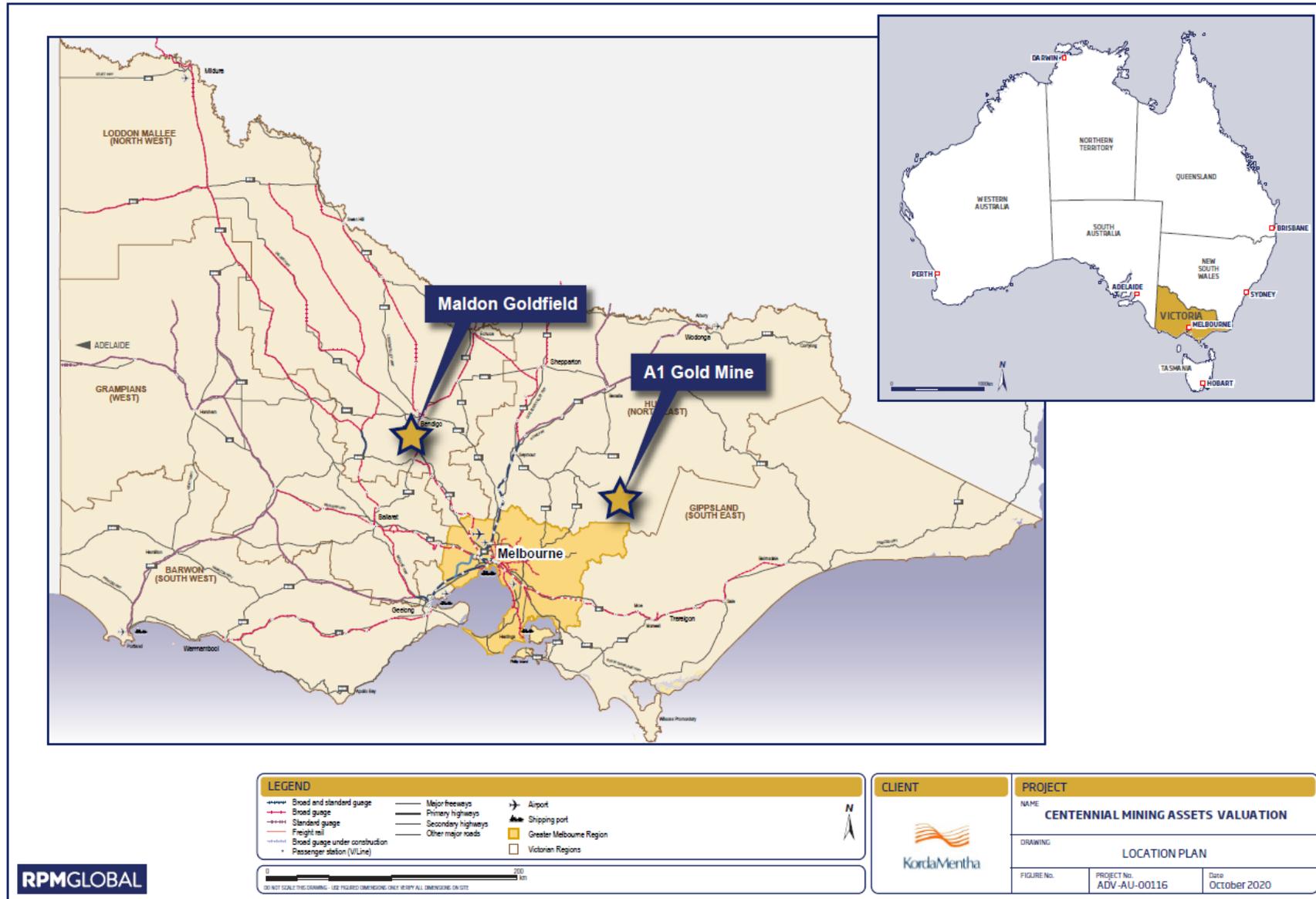
Area	Licence	Comment
A1 Mine	MIN5294	A1 Mine
Maldon Project	MIN5146	Union Hill Mine
	MIN5529	North of England
	MIN5528	Nuggety Reef Mine

RPM's 2019 review determined that the current mining licences granted to Centennial and its subsidiaries were currently valid and appeared to be in good standing (refer to **Table 2-2**).

Table 2-2 Centennial Tenement Details (2018)

License	Area (ha)	Original Granted	Last Granted	Expiry	Commitment (AUD)	Bond (AUD)	Rent (AUD)
MIN5294	107.77	22/08/1990	18/08/2016	17/08/2025	91,600	109,000	2,294
MIN5146	706.1	17/12/1996	18/12/2016	17/12/2036	608,685	714,000	14,807
MIN5528	4.5	22/07/2010	18/12/2016	17/12/2021	15,000	10,000	209
MIN5529	4.95	07/02/2013	7/02/2013	6/02/2023	14,000	-	209
Total					729,285	833,000	17,519

Figure 2-1 Location of Centennial Mining's Assets



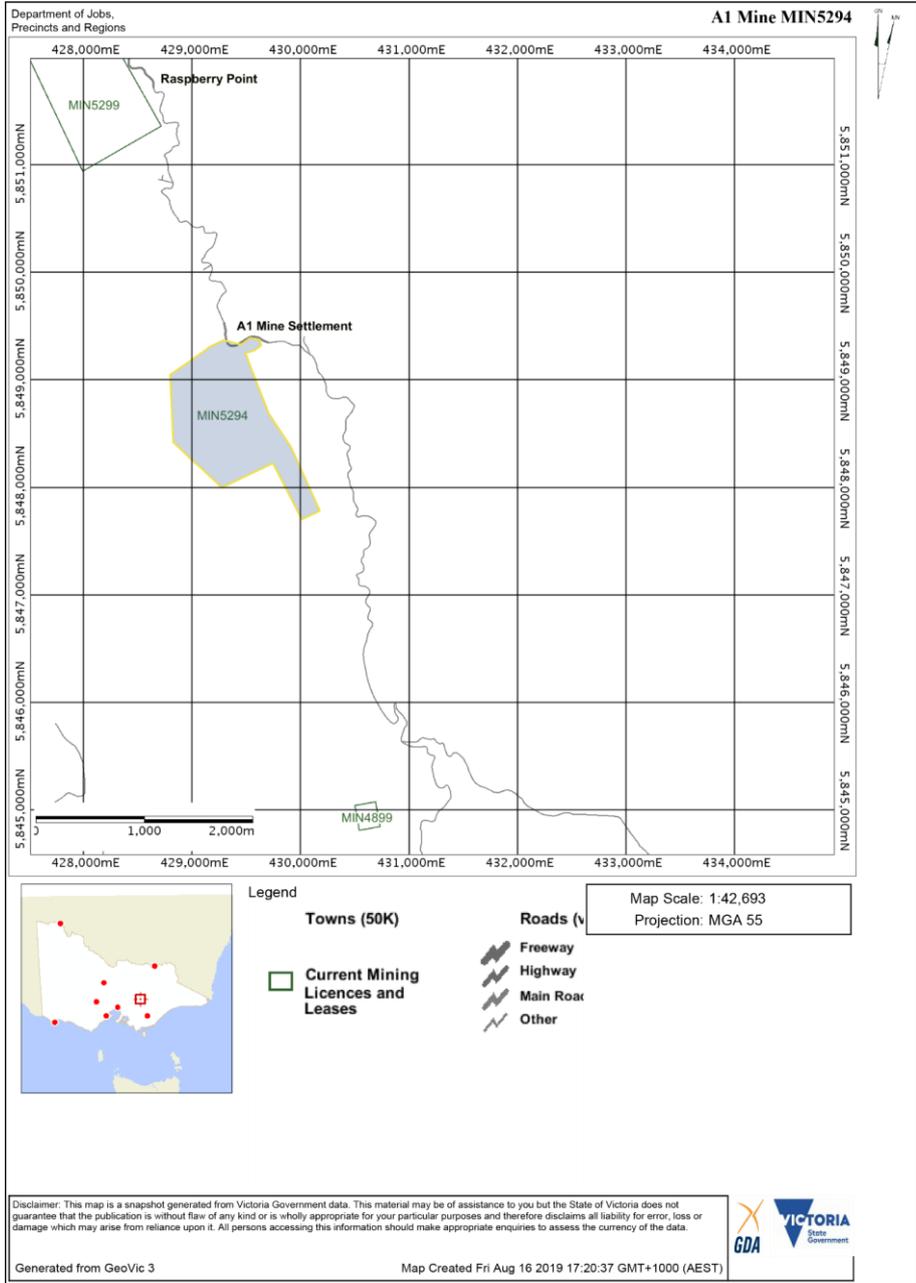
3. A1 Mine

3.1 Introduction

The A1 mine area consists of a single mining licence, MIN5294, refer to **Figure 3-1**. The licence is the site of the A1 mine, which was the main focus of Centennial’s development prior to administration. The A1 ore is trucked to the Porcupine Flat processing plant at the Maldon project in western Victoria.

For further details see 2019 review report.

Figure 3-1 Location of A1 Mining Licence



3.2 Geology and Mineralisation

The A1 gold deposit is located in the Woods Point-Walhalla goldfield of Central Victoria. The deposit occurs in tightly folded Devonian sedimentary rocks which are part of the Woods Point – Walhalla Synclinorium

and have been intruded by a swarm of dioritic dykes. The dyke at A1 is the location of the majority of mineralisation where it appears to have become fractured during structural deformation and the joint planes and breccia areas developed at the intersection of joints have become the location of high grade gold mineralisation.

The A1 gold bearing mineralisation occurs in three principal styles, specifically, reefs consisting of brecciated quartz-rich zones and laminated quartz-infilled zones in shears, quartz-rich brecciated diorite, and strongly carbonate altered and sericitised diorite dyke with minimal quartz veining. The gold mineralisation ranges from low grade haloes in altered dyke to high grade gold reefs. The gold is not refractory and processing recoveries for A1 ore in the Porcupine Flat processing plant average around ~90%.

For further detail on the geology and mineralisation see the 2019 review report.

3.3 Resource Supporting Data

The 2019 review showed that RPM was of the opinion that the drilling, logging, sampling and assaying procedures were likely to produce reasonable determination upon which to base the Resource. The greatest issue was/is the high nugget-effect of the mineralisation which will result in local imprecision of the samples and consequently the estimates upon which they are based.

3.4 Estimation and Resource Verification

There were a number of issues recognised by RPM in the 2019 review and for details that report should be referenced. In essence, however, the previous review by RPM showed there was/is considerable risk to the future financial model from the basing of the mining schedule on non-JORC and poorly documented local block models. RPM also recommended that due to the skewed distribution a strategy of using a non-linear estimation method rather than a linear estimate would be more likely to produce a better local estimate.

3.4.1 Reasonable Prospects for Eventual Economic Extraction

The 2019 review stated that actual recoveries achieved over the past 12 months of the A1 mineralisation at the gold processing plant at Porcupine Flat showed that reasonable prospects for eventual economic extraction was a reasonable assumption.

In addition, over 130 years of extraction has shown that the ore mined was not refractory and there were no significant metallurgical constraints. Traditionally 80-85% of the gold was coarse free milling product recovered in a gravity circuit. A further 10-15% of the gold was recovered in a sulphide concentrate which was very amenable to standard CIL/CIP recovery.

The new Centennial financial model shows that Company intends to construct a new gravity and flotation plant at the A1 mine site to recover coarse gold, and also a gold-bearing sulphide concentrate for transport to the Porcupine Flat plant for recovery by CIL.

3.4.2 Mineral Resource Estimate

In 2013, CSA Global Pty Ltd (“CSA Global”) consultants compiled a Mineral Resource estimate for the A1 Gold Mine’s 1400 Stockworks zone³, to be reported between the 1000 mRL and 1500 mRL. In 2018, Mining One Pty Ltd (“Mining One”) was engaged to complete a Mineral Resource estimate for area between the 1400 mRL and 1260 mRL levels of the A1 Gold Mine using recent and updated drilling and geological information⁴. This represented the area of the mine beneath the 8352 stope, which was the first large stope to be mined in the A1.

Thus, the reported Mineral Resource has been estimated using two models: one created by CSA Global Pty Ltd and reported in 2014, and the new model created by Mining One. The CSA model sits above and

³ A1 Gold Mine MRE Compliant with JORC 2012.pdf

⁴ A1 Gold Mine Mineral Resource 7_11_2018.pdf

below the Mining One model and the estimate is listed accordingly in **Table 3-1** and shown graphically in **Figure 3-2** and **Figure 3-3**.

Table 3-1 Mineral Resource statement, 7th November 2018

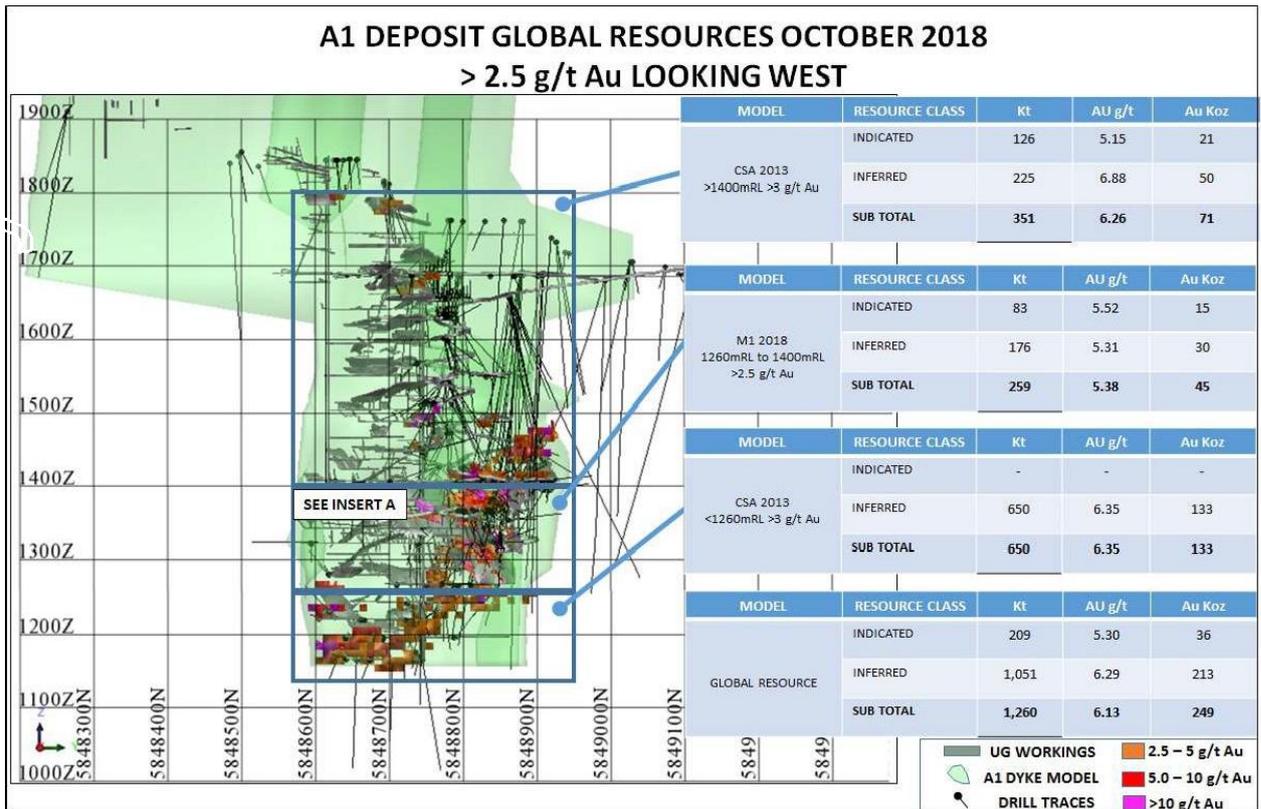
A1 GOLD MINE MINERAL RESOURCES OCTOBER 1st 2018					
MODEL	AREA	RESOURCE CLASS	TONNES	Au ppm	Au Koz
CSA (>3ppm Au)	Surface to 1400mRL	INDICATED	126,060	5.15	21
		INFERRED	225,236	6.88	50
		SUB TOTAL	351,296	6.26	71
M1 Oct 2018 Model (>2.5ppm Au)	1400mRL to 1260mRL	INDICATED	82,542	5.52	15
		INFERRED	176,292	5.31	30
		SUB TOTAL	258,834	5.38	45
CSA (>3ppm Au)	Below 1260mRL	INDICATED	-	-	-
		INFERRED	649,947	6.35	133
		SUB TOTAL	649,947	6.35	133
Combined Models	Global Resources	INDICATED	208,602	5.30	36
		INFERRED	1,051,475	6.29	213
		TOTAL	1,260,077	6.13	249

Note 1. The information in this report that relates to the A1 Gold Mine Mineral Resources from surface to the 1400mRL level and below the 1260mRL level is extracted from the summary report entitled 'A1 Consolidated Gold, Mineral Resource Estimate' prepared by CSA Global Pty Ltd included in the Company's ASX announcement dated 12 May 2014 and is available to view on the Company's website. Centennial Mining has developed this resource using the surveyed void shapes as mined since the Mineral Resource Estimate. The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The CSA resource estimate was reported using a 3 g/t Au cut-off.

Note 2. The MiningOne resource estimate has been reported between the 1260mRL and 1400mRL levels of the deposit. The MiningOne estimate is reported using a cut-off grade of 2.5 g/t Au that is based on the operational performance within the stoping activities completed since the CSA resource was originally estimated.

Source: A1 Gold Mine Mineral Resource 7_11_2018.pdf ⁴

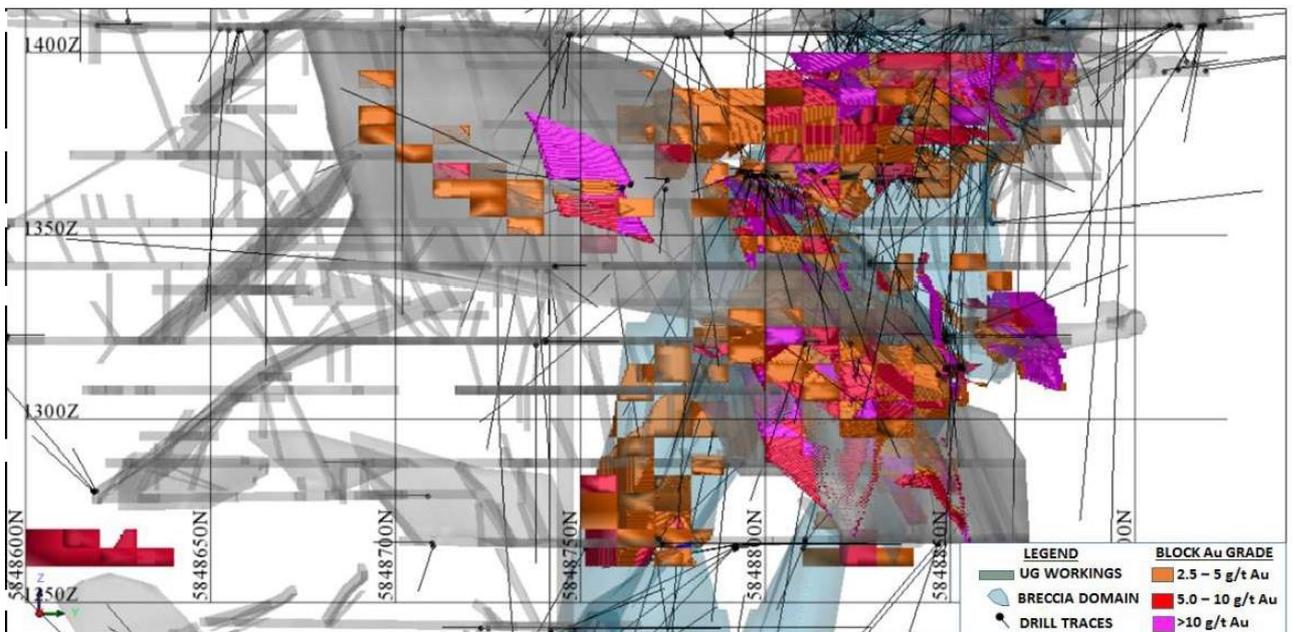
Figure 3-2 Long Section Showing Historic Workings of A1 Mine



Note: Current mine decline, and location of Mineral Resource Estimate areas.

Source: A1 Gold Mine Mineral Resource 7_11_2018⁴

Figure 3-3 A1 Mine Long Section Showing 1400-1260mRL and Mining One Resource Model



Note: Coloured by gold grade (looking west); resource at 2.5g/t cut-off.

Source: A1 Gold Mine Mineral Resource 7_11_2018⁴

In June 2020 Mining One carried out a new resource estimate for the Administrator for the Queens Block which represented the area between the 1260-1400m RL's. This was not intended to be a JORC resource

and so no Mineral Resource Statement was produced. This new estimate was carried out using a non-linear method, multiple indicator kriging (“MIK”), and replaced the October 2018 CSA Global resource estimate in the mine schedule for those RL’s in the new Centennial financial model.

RPM Review of the Queens Block

RPM was provided with a block model and some data used for the MIK estimate. However, RPM were not provided the MIK parameters and MIK outcomes which would allow to RPM generate an opinion of the resource estimation. The following information was not available:

- Indicator variogram models were provided and these are properly fitted, however, there was no information on how the nugget effect was defined.
- Minimum and maximum number of composites used in the estimation of each indicator;
- Search ellipsoid size used to select the composites, and
- Outcomes of the MIK such as:
 - E-type;
 - Probability of each threshold, and
 - Grade and probability of the economic cut-off

In addition, there were some issues with the resource estimate:

- MIK was chosen to reduce the undue influence of the extreme high grades or outliers. Notwithstanding this, some of the highest grades were excluded prior to generating the conditional statistics. RPM opines that the high grade exclusion is unnecessary since the indicator method reduces all the values above the threshold to 1 (or 0 according the rule).
- Mining One indicated that a change of support model was not used to transform the point based estimate to a block estimate. In the opinion of RPM, this step is critical in the MIK algorithm and the lack of it can produce undue influence of the high grade point proportion in the grade calculation.

In summary, the MIK method should be a better estimate for the deposit due to the high variability of the gold grades. However, the MIK resource estimate for the Queens Block could not be reviewed and verified. There is a risk that the estimate overstates the high grades.

3.4.3 Conclusions and Recommendations

The following conclusions and recommendations from the 2019 review are retained here as they outline the issues facing the Asset with regard to the mineral resource estimate.

RPM views the following as material risks to the project:

- The most significant challenge at the A1 Mine is the complexity of this style of deposit and varied controls and orientations of mineralisation. This style of mineralisation has a high inherent level of risk associated with the prediction of grades and tonnages.
- The lack of domaining used for the CSA estimate will likely result in excessive smoothing, which will cause high-grade vein style mineralisation to be overestimated and lower-grade breccia style mineralisation to be underestimated.
- A short-scale range of 17 m was noted during variography. This suggests that there is little confidence in estimated grades where drill hole spacing exceeds this distance.
- The estimation methodology used for the Mining One estimate, inverse distance weighting squared (“IDW²”) is inappropriate for this style of deposit. It is likely that IDW² will result in the global overestimation of gold grades and poor spatial continuity of grades in the block model;
- The Inferred portion of the CSA estimate may overestimate grade due to strong influence from historic drilling which only sampled higher grade zones.

- The portion of Mineral Resource tabulation sourced from the 2013 CSA estimate has not been depleted for mining. The portion sourced from the 2018 Mining One estimate has not been depleted for recent underground development.

RPM views the following as areas of concern:

- The nugget effect used for the CSA estimate may be too low. The effect of raising the nugget effect may result in a smoother grade estimate, resulting in lower grade above the mean grade.
- Search ellipse orientations were selected to mirror the high-grade vein orientations. This will result in less representative grade estimates outside the high-grade veins.

RPM makes the following recommendations:

- RPM recommends Ordinary Kriging (“OK”) be used for grade estimation, as a minimum standard, with appropriate domaining, upper cut and search ranges applied. Further benefits will likely be gained by using non-linear techniques such as MIK.
- Detailed domaining investigations will produce a more representative grade estimate, allowing for better prediction of local tonnes and grade on a time scale relevant to mining operations.
- Estimation of exploration potential or unclassified material using less restrictive search parameters may aid in target identification and assessment.
- More detailed validation of the Mining One block model, such as swath plots, is recommended to be undertaken.

In addition to the above comments, RPM makes further comments based on the current review of the Queens Block resource estimate undertaken by Mining One (June 2020).

- The MIK resource for the Queens Block was estimated without consideration of some key parameters, particularly change of support, and may overestimate the high grade.

3.5 Resource Reconciliation

The 2019 review showed that Centennial reported no formal reconciliations of tonnage and grade of production against tonnage and grade in Mineral Resource block models. Monthly report reconciliations are for stockpile sampling versus plant information.

Mining One completed partial reconciliations between production and block models for the 8352 stope and the 1320 Level development. While historic and in restricted areas, these reconciliations give some indication of the mined performance against block model. The reconciliations indicate that the block models used to estimate the Mineral Resource under-estimated the tonnage of ore and amount of gold available. The reconciliation for the 8352 Stope indicated that the block model under-estimated the tonnage and contained gold by about 25% to 30% at similar grade. For the development to date on the 1320 Level the reconciliation indicated that the block model under-estimated the tonnage and contained gold by about 90%.

RPM was of the opinion that the observed differences were caused by smoothing, lack of drill information and inaccurate domaining allowing the influence of distal low grade assays to impact on local estimates. RPM was of the opinion that because of local estimation issues the two reconciled issues were insufficient to verify the global usability of the Resource block models.

3.6 A1 Mine Exploration Targets

The 2019 review identified that the Magenta Zone exploration target on the A1 licence was reported in accordance with the JORC Code (2012), and is the down dip extension of the mined mineralisation. This target totals 300-500kt @ 3.8-5.6g/t.

Additional targets were believed to exist due to lack of exploration in the southern part of the A1 mine and down plunge below the Magenta Zone.

For details refer to the 2019 report.

3.7 Mining

Details of mining aspects of the A1 mine are discussed in the 2019 review. In summary, decline development commenced in 2010 and production commenced in March 2016. The mining method is predominantly mechanised long hole stoping of bulk mining resources supplemented by handheld airleg mining of high grade narrow vein shear zones.

Mining since March 2019 has been solely by handheld methods and predominantly outside the existing Mineral Resource.

3.7.1 Mine Design

As for the 2019 review there are no mine designs completed for the A1 Mine and available for review. The lack of a detailed mine design and a mine schedule based on it substantially elevates the risk of achieving the forecast outcomes.

3.7.2 Cut-off Grade

As in the 2019 review a mining cut-off grade (“COG”) has not been used and no designs have been prepared and quantities have only been estimated using the Resource COG. Two Resource COG’s have been used in different areas as they were done during two different periods by two different consultants.

The CSA resource estimate was reported using a 3.0 g/t Au cut-off. The Mining One resource estimate has been reported between the 1260mRL to1400mRL and is reported using a cut-off grade of 2.5 g/t Au.

3.7.3 Mining Recovery and Dilution

A mining recovery of 95% and mine dilution of 5% was applied in the 2019 life of mine (“LOM”) model. Mining recovery and dilution has not been used in the current financial model⁵, instead Centennial quotes that the mineable quantities are determined to be 80% of the total resource. Grades are quoted as being:

- A 15% reduction from the resource model for mechanised mining to allow for mining dilution;
- A 25% reduction from resource model for ore development, and
- 9.0 g/t Au for airleg mining based on an average of +10g/t Au recovered during the period of airleg mining from March 2019 to July 2020.

3.7.4 Mineable Quantities

The 2019 review and Valuation used a financial model⁶ with a mine schedule based on mineable quantities derived from historical production rates and grades and the existing Mineral Resource. The method was recognised as not meeting JORC standards to estimate Ore Reserves, but reflected the challenge of chasing nuggetty gold that would otherwise require significant drilling/test work to prove up the confidence required. While historical production is not an indication of future production and available metal, it does lend weight to the possibility that the available resource is cost effective to be mined.

There was no reliable reconciliation available that showed the direct correlation of the resource to planned to actual mined. The reconciliations available were limited and while showing more tonnage and gold than predicted were judged by RPM to be too localised to draw reliable inferences.

The current life of mine model uses a similar approach, but has an updated mine schedule based on updated mineable quantities. From past production from the 1400-1320m RL a 3,105 tonnes per vertical metre (“tpvm”) figure was derived for mechanised stoping and 845 tpvm for airleg mining. The airleg tpvm tonnage figure was applied to the 1320-1100m RL. The mechanised stoping tpvm figure was not utilised, instead a 2,811 tpvm figure derived from the new Mining One non-JORC resource estimate for the 1400-1260m RL was applied to the several sub-level zones from 1400-1100m RL. The tonnages derived were termed “target tonnages” and were used to determine the mine schedule. However, these target tonnages

⁵ CTL LOM Forecast V1.0 - 11'20 to 6'27 Ramp Up Final 7'20.xls

⁶ CTL 5 yr Forecast - June 2019 to June 2024 V1.7c OctJ & UH & Gravity V1 RPM Global.xls

did not account for the development ore tonnages defined in the mine schedule, nor the past airleg production from the 1400-1280m RL. This was rectified in the mine schedule (see Valuation section of this report).

The 2019 review showed that only 3% of the total LOM was Indicated category material, otherwise all mining was to be carried out in Inferred material, therefore these minable quantities do not have the confidence levels required for Proved or Probable Ore Reserves. Due to the new resource estimate for the Queens Block (1400-1260m RL) not being classified it was difficult to determine the proportion of Indicated Resource in the current LOM schedule. However, apportioning the new resource estimate based on the ratio of the classification of the previous resource estimate, RPM determined that 4.3% of the resource in the mine schedule is in the Indicated category.

Providing the metal is in the ground and located in the prescribed areas over the life of the mine, the total mineable quantities should be achievable with diligent mine planning and supervision by management.

As for the 2019 review the current schedule is also entirely in Excel and the figures manually entered (or linked to other spreadsheets that have not been provided) which indicates:

- The integrity / source of the data cannot be validated;
- No visual review of the schedule can be undertaken to ensure a logical sequence, and
- The appropriateness of the scheduling rates cannot be ascertained.

This does not mean the schedule cannot be achieved, merely the assumptions and logic cannot be validated and this in itself, adds further risk to the valuation model.

3.7.5 Geotechnical

The 2019 review determined that the Ground Control Management Plan (GCMP) was appropriate for a deposit for this nature and it is assumed that it has been followed.

3.8 Operating and Capital Costs

3.8.1 Mining Costs

The average mining operating cost used in the 2019 financial model of A\$ 165/dry metric tonne (“dmt”) is relatively high when compared to peers but reflects the high mining cost associated with selective mining. The current financial model mining operating cost is A\$ 148/t ore which reflects the increased proportion of mechanised production.

The 2019 review commented on the low mining capital cost. The A1 mine shows an increase of 83% in mining capital cost compared to the 2019 financial model, which is lower than the increase in production (47%). RPM deems this to cover a likely previous underestimate of mining capital cost.

Capital development costs for the A1 mine show only a 9% increase on the 2019 financial model, which is significantly less than the increase in the capital development ore and waste tonnes of 34%. RPM has applied an increase of 25% to cover this likely underestimate.

Diamond drilling capital expenditure is A\$ 2 M which equates to 86 drill holes for LOM or approximately 1.4 drill holes per month or A\$ 1.3/t ore, which RPM deems reasonable.

Mining sustaining capital cost is A\$ 1.4 M over the LOM, with A\$ 25k allocated per month. This seems inadequate as noted in the 2019 review, especially with aging equipment.

3.8.2 Process Cost

Centennial plans to construct a gravity plant at the A1 mine to recover coarse gold and a gold-bearing sulphide concentrate to be treated at the Porcupine Flat process plant by CIL.

Since the 2019 review a scoping study was carried out by Como Engineering⁷, completed in October 2019, for a new gravity and flotation plant study at the A1 mine site. Como's estimate of operating expenditure is in a different format to that used by Centennial in the financial model, however, RPM believes the Centennial unit costs are approximately correct.

A high level estimate by RPM for the proposed A1 gravity and flotation plant for the 2019 review was quoted at A\$ 15 M. Como quotes capital and owners costs of A\$ 16.9 M with an accuracy of +/- 30%. Although this estimate has been carried out by consultants RPM currently believes the capital cost may be underestimated. However, this figure has been retained, but RPM flags the possible underestimation.

3.8.3 G&A Operating Cost

At a high level of review the G&A costs seem to be acceptable.

3.9 Infrastructure

For the 2019 review insufficient information was made available for a detailed evaluation of the infrastructure. The report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations and this is assumed for the current review. For details see the 2019 review.

3.10 Metallurgy

3.10.1 Metallurgy

The Como scoping study testwork for the new gravity and flotation plant produced recovery of 87.7% at 100% passing 250um. The financial model uses 88% gravity recovery of gold and does not include the opportunity to improve this to 99% by flotation of the gravity tail. This may represent potential upside.

3.11 Environmental

For environmental refer to the 2019 review.

⁷ 3533. 02 A1 mine Scoping Study Report Rev C for issue

4. Maldon Area

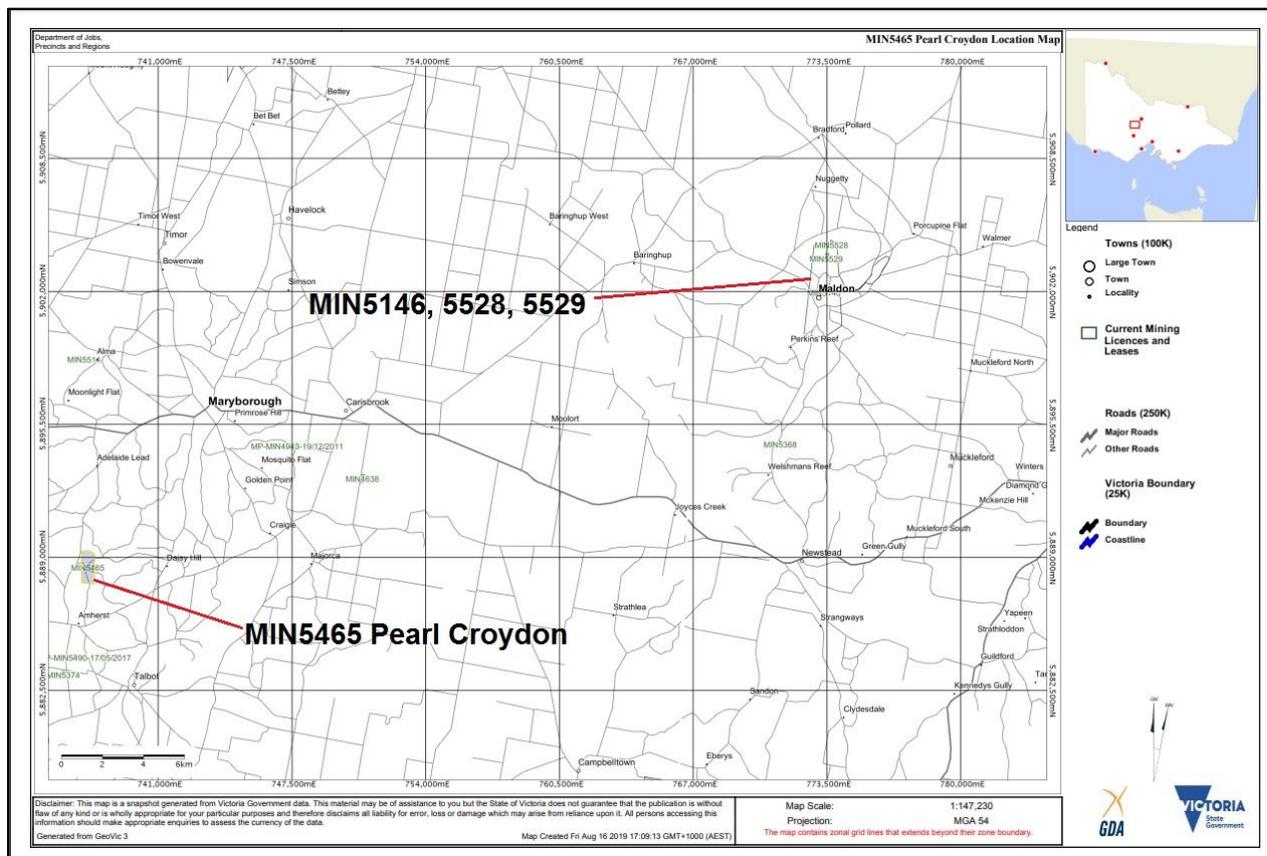
4.1 Introduction

Centennial has tenure over the following licences in the Maldon Area:

- MIN5146 Union Hill mine;
- MIN5529 North of England, and
- MIN5528 Nuggetty Reef mine;

The licences are located in and around the Maldon area, see **Figure 4-1**. The large MIN5146 encloses MIN5529 and MIN5528 forms a small northerly extension covering the Nuggetty Reef.

Figure 4-1 Location of Maldon Tenements, MIN5146, MIN5528 and MIN5529



Note: MIN5465 Pearl Croydon was sold and does not form part of this Valuation.

4.2 MIN5146 Union Hill Mine, MIN5529 North of England and MIN5528 Nuggetty Mine

For details on the geology, mineralisation, mining, processing and environmental please refer to the 2019 review.

4.2.1 Mineral Resources

As commented on in the 2019 review the use of sludge sampling is not suitable for reporting under JORC guidelines due to potential smearing of grades.

As also noted in the 2019 review a Mineral Resource estimate for Alliance South was reported under the JORC Code 2004 by Octagonal in 2009 (**Table 4-1**) and in subsequent annual reports by that company. Since then there has been no Mineral Resource Report in accordance with JORC Code 2012.

Table 4-1 Maldon Gold Resources 31 October, 2009

Mine	Location	Category	Tonnes '000	Au g/t	Au oz '000
Alliance South	West Zone	Inferred	287	12.0	110
	East Zone	Inferred	186	12.0	72
		Total	473	12.0	182

Octagonal, reported according to JORC 2004.

In the 2019 review RPM opined that the Union Hill targets are reasonable and though unquantified by Centennial they have the potential to contain material amounts of mineralisation at grade that could potentially be mined.

4.2.2 Capital and Operating Costs

1.1.1.1 Mining Costs

The average Maldon mining operating cost is A\$ 142/dmt of ore reflecting the high mining cost associated with selective mining, however, this is significantly lower than the 2019 cost (A\$ 246/dmt). Planned mine production at Maldon has increased significantly from 270kt in 2019 to the current schedule which shows 417kt. The increased production would account for some reduction in unit cost, but RPM has factored operating costs to account for this possible underestimation.

Capital expenditure in the 2019 review was nil at the Maldon mines, but it is currently A\$ 1.1 M. There has been an increase of 60% in the Maldon mining tonnes and waste and the new capital expenditure estimate appears reasonable.

1.1.1.2 Processing Costs

Similar processing costs are used in the current financial model compared to the 2019 model, with total cost increases essentially due to the increase in tonnes processed.

The current financial model shows the Porcupine Flat processing plant has reduced capital cost when compared to the 2019 model (A\$ 2.1 M to A\$ 1.6 M, 30%) though higher production (2.1 Mt LOM vs 1.9 Mt LOM) due to increased production at the Maldon mines. Due to plant age RPM believes this is inadequate and has increased the capital expenditure by 30%.

4.2.3 Infrastructure

The 2019 review stated there was insufficient information for a detailed infrastructure evaluation and the report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations.

For information on access roads, logistics, power, water and accommodation refer to the 2019 review.

4.2.4 Metallurgy

For more detailed information on the metallurgy and processing please refer to the 2019 review.

Gold recoveries for the Porcupine Flat plant in the financial model are 95% for ore grades above 7.0g/t Au and 91.5% for ore grades below 7.0g/t Au. The 91.5% recovery is in place for almost all of the LOM. This is slightly lower than the 91.75% recovery used for most of the LOM in the 2019 financial model. There is no supporting data for these recoveries and the 2019 review noted no testwork had been conducted on future ore types and for Union Hill ores, in particular, are likely to be much harder than current ores.

4.2.5 Environmental

For information on environmental please refer to the 2019 review.

5. Centennial Mining Valuation

5.1 Background

RPM understands that KordaMentha was appointed as administrators of Centennial and Maldon Resources on 21st of March 2019 pursuant to Section 436A of the Corporations Act 2001. KordaMentha commissioned RPM to prepare an Independent Valuation for the assets of Centennial Mining, and the purpose of the 2019 Valuation was to assist KordaMentha in their role as administrators of the Company. The Valuation date was as at 3rd September 2019 (“Valuation Date”).

An updated Independent Valuation was requested by KordaMentha in February, 2020. There were no material changes to the mining operations, and hence the discounted cash flow valuation side of the Valuation, however, an updated comparable transactions Valuation was performed due to the belief that transactions had significantly increased in value due to the increased gold price. This Valuation Date was 26 March, 2020.

KordaMentha commissioned a new Independent Valuation 23 September 2020. This included a new Valuation for the mining as a new resource was estimated for the Queens Block at A1 mine, a new gravity and flotation plant was proposed for the A1 mine and a new mine schedule as part of a new financial model was prepared. This Valuation Date is the 15th of October, 2020.

RPM understands that at the Valuation Date the assets under review were being mined under the management of the Administrators.

RPM understands that Centennial has Mineral Resources which meet JORC 2012 guidelines (Indicated and Inferred) for the A1 Gold Mine and has a historical mineral resource at the Maldon project for the Nuggetty Reef and Union Hill mines. Furthermore, Centennial also has no reported Ore Reserves for any of its mines or projects.

The tenements agreed with KordaMentha to be reviewed and valued are summarised in **Table 5-1** below.

Table 5-1 Centennial Current Granted Mining Licences

Area	Licence	Ownership	Project
A1 Gold Mine	MIN5294	100% Centennial Mining Ltd	A1 Mine
Maldon Project	MIN5146	100% Maldon Resources Pty Ltd	Union Hill Mine
	MIN5528	100% Maldon Resources Pty Ltd	Nuggetty Reef Mine
	MIN5529	100% Maldon Resources Pty Ltd	North of England

In conjunction with this Valuation, KordaMentha requested RPM conduct a high level review of the technical changes to the project, the findings of which are captured in the previous sections of this report.

This Valuation was prepared in accordance with:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“The VALMIN Code”);
- ASX Listing Rules (Chapter 5) and Relevant Guidance Notes;
- Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 and 112 in relation to the “Content of expert reports” and the “Independence of Experts” respectively; and
- Accounting Professional & Ethical Standards Valuation Services Guide 225 (“APES 225”).

This Valuation complies with the definition of a *Valuation Engagement* as defined by APES 225.

5.2 Valuation Approach

In conducting this Valuation, consideration was given to the guidelines provided in the VALMIN Code 2015 regarding the selection of suitable valuation methodologies.

There are various recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, as well as the quality, quantity and type of information available in relation to any particular asset.

The VALMIN Code, which is binding upon “Experts” and “Specialists” involved in the public reporting of valuation of mineral assets and mineral securities, defines the types of mineral assets, based on level of development or maturity under the following categories:

- **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 Pre-Feasibility Study;
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Various recognised valuation techniques are designed to provide the most accurate estimate of the asset value in each of these categories of project maturity. In some instances, a particular mineral property or project may include assets that logically fall under more than one of these categories.

Three widely accepted Valuation Approaches are:

- **Market-based** - based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market. Valuation Methods include but are not limited to comparable sales transactions and joint venture terms.
- **Income-based** - based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed. Valuation Methods include but are not limited to discounted cashflow and multiples of earnings.
- **Cost-based** - based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

In terms of applying the appropriate valuation approach to the applicable project type, the following guidance is provided by the VALMIN Code (2015) (refer to **Table 5-2**).

Table 5-2 Valuation approaches per project type

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In the case of Pre-development, Development and Operating Mines, where Measured, Indicated and Inferred Resources have been estimated and Ore Reserves have been defined, valuations can be derived by compiling a discounted cash flow (“DCF”) model and determining the net present value (“NPV”).

Where Mineral Resources are limited to the Inferred category, and the application of mining parameters to determine their economic viability has not been undertaken or is considered inappropriate, their value cannot be demonstrated using the DCF/NPV approach.

A similar situation may apply where economic viability cannot be demonstrated with high confidence for a resource assigned to a higher confidence category (Indicated or Measured). In these instances, it is frequently appropriate to adopt the **in-situ resource (or "Yardstick") method** of valuation for such assets.

This technique involves application of a heavily discounted valuation of the total in situ metal contained within the resource. This usually equates to a range of 0.5% to 5% of the relevant commodity price as at the valuation date, but more commonly lies within the range 0.4% to 3% (Lawrence, 2012). The lower factor usually applied to lower confidence Mineral Resource classification such as Inferred Resources and the higher factor to higher confidence classifications such as “Indicated” and “Measured”. The factor may vary substantially in response to a range of additional factors including total resource tonnes, sovereign risk, physiography, infrastructure and the proximity of a suitable processing facility (Roscoe, 2012). A range of in situ metal value discount factors derived from analysis of comparable transactions can provide metrics in which a “market factor” has been incorporated.

Exploration Areas are commonly valued using a geoscientific rating method, the most common of which are based on **Multiples of Exploration Expenditure and the Kilburn method**.

The Multiple of Exploration Expenditure (“MEE”) method is considered an appropriate valuation technique where useful previous and committed future exploration expenditure is confidently known or can be reasonably estimated. This method involves assigning a premium or discount to the relevant effective Expenditure Base (“EB”), represented by past (and sometimes future committed) expenditure, through application of a Prospectivity Enhancement Multiplier (“PEM”). The typical “range of reason” comprises PEMs between 0 and 5, while “usual” values would be between 0.5 and 3 (refer to **Table 5-3**). This PEM factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The Kilburn method and MEE method determine a technical value to which a further “market factor” may or may not be applied. This factor can be considered as a potential modifying factor, reflecting the current state of the market for similar projects required to derive a “Fair Market Value”. The valuation of Exploration Areas is dependent, to a large extent, on the informed, professional opinion of the valuator.

Table 5-3 MEE Method - Typical Prospectivity Enhancement Multipliers

Category	Technical Valuation	Applicable PEM Range
1	Limited potential for mineralisation of economic significance and/or prospectivity has been downgraded by exploration carried out prior to valuation date.	0.5 – 0.9
2	Exploration data (historical and/or current) consists of predrilling surveys with results sufficiently encouraging to warrant further exploration.	1.0 – 1.4
3	One or more prospects defined by geology, geochemistry and/or geophysics to the extent they present drill targets having likely economic potential.	1.5 – 1.9
4	One or more targets with significantly mineralised drill hole intersections within a clearly prospective geological context.	2.0 – 2.4
5	Exploration well advanced and infill drilling warranted in order to define or up-grade to the stage that mineral resources can be estimated.	2.5 – 2.9
6	Indicated resources have been defined but a pre-feasibility study has not recently been completed.	3.0

Source: Adamson, McIntyre & Sorrentino, 2014

Where sale transactions relating to mineral assets are comparable in terms of location, timing and commodity, and where the terms of the sale are suitably “arm’s length” in accordance with the VALMIN Code, such transactions are commonly used as a means of, or a guide to valuation. Study of these “**Comparable Transactions**” may also be used to generate a range of metrics for use in a Yardstick valuation (as noted above). An appropriate range of Yardstick in situ metal value factors may be more confidently determined by analysis of comparable transactions involving assets of similar geological and geographical character. The value ascribed from Comparable Transactions or the application of a transaction derived metric require no further market adjustment as market forces are inherently captured in the method.

Where companies can be identified within the same industry and of the same size as the target company, the **Enterprise Value (EV)** can be used as a proxy for value. A company’s EV is a measure of its total value, often used as a more comprehensive alternative to equity market capitalisation. EV includes in its calculation the market capitalisation (derived from the number of shares and the share price) of a company and also short-term and long-term debt as well as any cash on the company’s balance sheet. Enterprise value is a popular metric used to value a company for a potential takeover. The EV divided by the underlying Resource and Reserve tonnages can provide a useful metric for benchmarking.

Where a joint venture agreement has been negotiated as an “arm’s length” transaction, the **Joint Venture Terms** valuation method may be applied. In a typical staged earn-in agreement, the value assigned to each of the various stages can be combined to reflect the total, 100% equity value. Staged payments or contributions to exploration over a number of years are typically discounted to arrive at an NPV for the transaction. A probability range is also usually applied to each earn-in stage to reflect the degree of confidence that the full expenditure specified to completion of any stage will occur and, consequently, each equity position achieved.

Note that the Valuation derived by RPM is based the principles defined by VALMIN for coming up with a **Market Value (or “Fair” 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.”

Following on from this, it should be noted that given that Centennial has been placed under administration and review since March 2019 following ongoing financial distress, and given that it is still under this condition at the time of the valuation means that the criteria for a Fair Market Value would not be satisfied. If Centennial’s assets are sold under the conditions pending the administration period, potential buyers considering their offers for acquisition would likely expect a significant discount be applied to any Fair Value resulting in a “**Distressed Value**”.

In the valuation sections to follow, RPM will be using the guidelines discussed above as the basis for assigning suitable methods for valuing the various assets depending on their maturity and available information.

A range and preferred value was provided for the overall Centennial assets being valued.

5.3 Centennial Mining’s assets

5.3.1 Ownership Changes and Key Developments

The A1 Gold Mine, which forms the backbone of Centennial Mining’s revenue-generating assets, is a long running underground gold mine in the eastern highlands of Victoria around 120 kilometres east of Melbourne. The mine operated almost continuously from 1865 up to 1992 when it closed due to falling gold prices and the site was rehabilitated in 1999. It is the second biggest gold producing mine in the area having historically produced more than 620,000 oz of gold up to 1992. Key ownership changes and developments related to the projects are summarised below:

- 2008 – Gaffney’s Creek Gold Mine Pty Ltd acquired the mining leases over the A1 Gold Mine (these leases have since been consolidated into the current mining lease MIN5294).
- December 2009 – Decline at A1 Gold Mine commenced by Heron Resources Ltd as part of Heron’s work under an option to acquire the A1 mine from Gaffney’s Creek Gold Mine Pty Ltd.
- February 2011 – A1 Consolidated Gold in agreement with Heron Resources Ltd purchased A1 Gold Mine from Gaffney’s Creek Gold Mine Pty Ltd.
- December 2014 – A1 Consolidated Gold executed a Share Sale Agreement to acquire 100% of three companies owned by Octagonal Resources for its Maldon operations.
- June 2015 – A1 Consolidated Gold completed the purchase of the Maldon gold operations of Octagonal Resources Ltd (including Porcupine Flat processing plant).
- March 2016 – production from A1 Gold Mine commenced with gold ore processed in Porcupine Flat plant.
- December 2016 – A1 Consolidated Limited name changed to Centennial Mining Limited.
- 22 March 2019 – Centennial Mining entered in to Voluntary Administration.

It is RPM’s understanding that at the time of writing Centennial is under administration by KordaMentha.

5.3.2 Mining Licences and Tenements

RPM completed a high level tenure review in 2019 review and determined that the mining licences granted to Centennial and its subsidiaries were currently valid and appeared to be in good standing (**Table 5-4**). This still appears to be the case.

Table 5-4 Centennial tenement details (2018)

Licence	Area (ha)	Original Granted	Last Granted	Expiry
MIN5294	107.77	22/08/1990	18/08/2016	17/08/2025
MIN5146	706.1	17/12/1996	18/12/2016	17/12/2036
MIN5528	4.5	22/07/2010	18/12/2016	17/12/2021
MIN5529	4.95	07/02/2013	7/02/2013	6/02/2023

5.3.3 Mineral Resources and Ore Reserves

Centennial’s Mineral Resources meeting JORC Code 2012 guidelines are summarised in **Table 5-5**.

Table 5-5 Mineral Resource Estimate as at 30 June 2018

Area	Indicated			Inferred			Total		
	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
A1 Gold Mine									
Surface to 1400m RL	126,060	5.15	21	225,236	6.88	50	351,296	6.26	71
1400-1260m RL	82,542	5.52	15	176,292	5.31	30	258,834	5.38	45
1260-1100m RL	-	-	-	649,947	6.35	133	649,947	6.35	133
Total	209	5.3	36	1,051	6.3	213	1,260	6.1	249

Source: Centennial Mining FY2018 Annual Report

A resource update exercise requested by KordaMentha was undertaken by Mining One consultants in June 2020 for the Queens Block which forms the portion between the 1400 – 1260m RL at the A1 gold mine. This resource estimate was not intended to meet JORC guidelines and was unclassified, with a total of 365,360t @ 5.36g/t Au for 63k oz.

As noted in the 2019 review a mineral resource estimate for the Alliance South deposit at Maldon on the Union Hill and Nuggetty Reef mines was reported under the JORC Code 2004 by Octagonal in 2009 (Table 5-6) and in subsequent annual reports by that company. Since then there has been no mineral resource Report in accordance with JORC Code 2012.

Table 5-6 Maldon Gold Resources 31 October, 2009

Mine	Location	Category	Tonnes '000	Au g/t	Au oz '000
Alliance South	West Zone	Inferred	287	12.0	110
	East Zone	Inferred	186	12.0	72
		Total	473	12.0	182

Octagonal, reported according to JORC 2004.

Centennial also has not reported Ore Reserves for any of its mines or projects.

5.4 Previous Valuations of Centennial's assets

The following notes on previous valuations was taken from the 2019 review.

5.4.1 Mining One Valuation

In the first quarter of 2019 Centennial (via the appointed Administrators) engaged Mining One Pty Ltd ("Mining One") to prepare an Independent Technical Expert's Report and Valuation of the company's minerals assets (A1 and Maldon projects).

Mining One, after reviewing the input assumptions to the cash flow model, came up with a DCF-based value range for the A1 and Union Hill mines ranging between **A\$ 36 M** and **A\$ 46 M** at a discount rate of 12%.

Mining One also valued the Pearl Croydon project (now sold) using market comparable transactions based on the January 2014 Mineral Resources and arrived at a preferred value of **A\$ 1.3M**. Due to a lack of official Mineral Resources at the Nuggetty Reef project, no value was ascribed to this asset.

Mining One also completed a "Distressed Sale Valuation" upon request from the Administrators as part of the same report. For the distressed valuation Mining One used a market comparable transaction approach on all the assets with JORC Mineral Resources which resulted in Union Hill and Nuggetty Reef not being valued. The derived value ranges for A1 and Pearl Croydon were **A\$ 4.8 M** to **A\$ 7.2 M** (preferred **A\$ 6.5 M**) and **A\$ 0.4 M** to **A\$ 0.6 M** (preferred **A\$ 0.5 M**) respectively.

5.4.2 Optiro Valuation

During June 2019, Optiro Pty Ltd (“Optiro”) was requested by HLB Mann Judd (“HLB”) to review the DCF based valuation model developed by Mining One and other associated documentation to determine if the valuation is considered reasonable.

Optiro reviewed the assumptions behind the Mining Inventory (including Mine Design, Geological Confidence, Cut-off Grade, Dilution and Recovery), Mining Schedule and Costs.

In their report (*CENTENNIAL MINING VALUATION REVIEW, 25 June 2019*), Optiro concludes that despite the fact that there were no fatal flaws in the valuation model, there are a number of technical aspects that introduce risks and uncertainties. They concluded further that, based on the uncertainties and poor historical operating performance, it is likely that either gold grades may be lower than anticipated and/or dilution may be higher than anticipated. Both of these scenarios would lead to a reduction in value due to either lower revenues or increased costs.

Optiro reported that the appropriate valuation range for the A1 and Union Hill mineral assets is the distressed asset valuation derived by Mining One (**A\$ 6.5 M**) and a potential upside case (developed by Optiro) incorporating 5% reduced revenue and 10% increased cost would lead to a valuation of around **A\$ 23.0 M**.

5.4.3 RPM Valuations

RPM carried out an Independent Technical Expert Review and Valuation in September 2019 which included a site visit. The review was requested by KordaMentha who were appointed as administrators of Centennial and Maldon Resources on 21st of March 2019. RPM’s valuation in September 2019 was a range of between **A\$ 3.8 M** and **A\$ 10.2 M** with a preferred value of **A\$ 7.0 M**.

RPM carried out an updated Independent Valuation in March, 2020. There were no material changes to the mining operations, and hence the discounted cash flow valuation side of the Valuation, however, an updated comparable transactions Valuation was performed due to the belief that transactions had significantly increased in value due to the increased gold price. RPM’s valuation in September 2020 was a range of between **A\$ 4.2 M** and **A\$ 12.2 M** with a preferred value of **A\$ 8.3 M**.

5.4.4 Previous Transactions

The following notes on previous transactions was taken from the 2019 review.

1.1.1.3 Drummond Gold considers acquisition of Maldon Project from Alliance Resources

During December 2009 to March 2010 Drummond Gold Ltd (“Drummond”) considered the merits of acquiring the Maldon Project from Alliance Resources. Under the agreement Alliance would receive 88.4 million ordinary shares (based on a share price of 6.1 cents) in Drummond for the sale of Maldon translating in a proposed transaction value of **A\$ 5.3 M**. Subsequent to their due diligence and considering financing options, Drummond announced in March 2010 that they have decided not to proceed with the acquisition.

1.1.1.4 Octagonal Resources Acquires Maldon Project from Alliance Resources

During November 2010 Alliance Resources (“Alliance”) announced the sale of its share in the Maldon Project to Octagonal Resources Limited (“Octagonal”). The value of the transaction was **A\$ 5.3 M**.

As part of the due diligence for the transaction Alliance obtained a Valuation and Independent Expert Report by Interfinancial Corporate Finance Limited (“Interfinancial”). Interfinancial derived a total enterprise value for Maldon Resources between **A\$ 4.8 M** and **A\$ 10.9 M** with a preferred value of **A\$ 8.2 M** with the large range reflecting the considerable uncertainty associated with the valuation.

1.1.1.5 A1 Consolidated Acquires Maldon Project from Octagon Resources Ltd

During December 2014 A1 Consolidated announced that it had acquired 100% of various assets in the Maldon area from Octagon Resources Ltd. The Maldon gold operations included Maldon Mill, Union Hill Mine, Central Victorian tenement package and Union Hill underground mine. The transaction value was **A\$ 6.11 M**.

5.5 Current Valuation of Centennial Mining Assets

5.5.1 DCF Based Valuation (including A1, Union Hill and Nuggetty Reef mines)

Background

The VALMIN Code (2015), defines various types of mineral assets, based on their level of development or maturity under the categories set out in **Section 5.2**. It states that a minimum of a pre-feasibility study supporting the economic viability of the project is required for a project to be defined as a “Development Project”. From this perspective, in the absence of such a study, Centennial’s A1 mine, Union Hill and Nuggetty mines could both be classified as a “Pre-development Project”. On the other hand, since these mines have been operational previously, this makes the classification problematic. **Table 5-2** indicates that with respect to the appropriateness of the Income Approach (“DCF”) as a suitable valuation method for this type of project maturity, that it can be used in “some cases”. In RPM’s opinion the DCF method can be used in the case of Centennial as long as provision is made to take account of the high risk and low confidence in the scheduled tonnages as well as any adjustments to other assumptions (e.g. recoveries, operating and capital expenditure, etc.).

The VALMIN Code states with respect to the use of the Income Approach (i.e. DCF Model) that “All Ore Reserves and Mineral Resources must be considered in a Technical Assessment or Valuation. When the Reasonable Grounds Requirement has been met for a Valuation, it is generally acceptable to use **all Proved and Probable Ore Reserves** in the Income Approach. It may **sometimes be appropriate to include other classifications**, but these must, subject to the Reasonableness Test:

- a) Meet the minimum reporting requirements of the ASX Listing Rules and guidance, the ASIC Regulatory Guidelines and guidance, and the JORC Code;
- b) Not include Exploration Targets that have not been converted to Production Targets;
- c) Be scheduled for extraction behind Proved and Probable Ore Reserves, where practical to do so;
- d) Include a statement by the Specialist that confirms the appropriateness of the Modifying Factors along with a description of their level of certainty relative to those of a Feasibility Study or Pre-Feasibility Study; and
- e) Be discounted in a manner that is commensurate with the increased uncertainty.

With respect to the VALMIN requirements and the Reasonableness Test itemised above, in RPM’s opinion the production tonnages scheduled by Centennial in their 7 year cash flow falls short as follows:

- In terms of the appropriate use of Proved and Probable Ore Reserves as the basis of the Income Approach this is clearly not the case in Centennial’s model as no Ore Reserves exist;
- In terms of meeting minimum reporting requirements of ASX, ASIC and JORC (point a), only some of the scheduled production can be classified as official JORC 2012 Mineral Resources;
- In terms of point b), the production schedule does include Exploration Targets which have not been converted to Production Targets;
- In terms of point c), non-Ore Reserve material (i.e. Inferred Resources and unclassified material) are not scheduled for extraction after Ore Reserves since none exist

It is therefore RPM’s opinion that in compliance with point e), the suitable discounts and modifications be done on the production tonnages in the schedule to reflect the high level of risk and uncertainty.

Centennial Financial Model

RPM was provided with a seven (7) year cash flow model “*CTL LOM Forecast V1.0 - 11’20 to 6’27 Ramp Up Final 7’20.xls*” (referred to in the rest of this discussion as the “Current Centennial Financial Model” or “CCFM”) developed internally by Centennial and informed that this is the model representing the Life-of-Mine (“LOM”) plan for the A1, Union Hill and Nuggetty Reef mines.

Mineable Quantities

As stated earlier, from a JORC and VALMIN point of view, it is appropriate for financial and cash flow models to be based on JORC Ore Reserves supported by proper mining or pre-feasibility studies.

RPM notes in **Section 3.7.4** that the schedule is entirely excel-based with no mine design or mining scheduling software used, and that figures are manually entered (or linked to other spreadsheets not provided). This means that:

- The integrity/source of the data cannot be validated;
- No visual review of the schedule can be undertaken to ensure a logical sequence, and
- The appropriateness of the scheduling rates cannot be ascertained.

RPM notes that although this does not mean the schedule cannot be achieved, it does prevent the validation of logic and assumptions which in itself, adds further risk into the valuation model.

RPM notes that mineable quantities provided have been estimated from interpretations of historic mining and localised modelling by Centennial. This method does not follow the appropriate JORC 2012 procedures and quality assurances. Rather, it reflects the “hit or miss” challenge of chasing nuggetty gold that would otherwise require significant drilling/test work to prove up to the confidence required. While historical production is not an indication of future production and available metal it does lend weight to the fact that cost effective mining were possible historically.

Although some reconciliation data was provided, there was no reliable reconciliation available that shows the direct correlation of the resource to planned and actual mined. The reconciliations available were limited and while showing more tonnage and gold than predicted, were judged by RPM to be too localised to draw reliable inferences.

Table 5-7 and **Table 5-8** provide a summary of the forecast production tonnages for the A1 Mine and Maldon mines respectively in the CCFM. The CCFM also contained toll treatment ore for the Porcupine Flat plant at Maldon to make up capacity in the plant once the new A1 plant commenced. This comprised 31,105t (FY22), 68,001t (FY23), 78,150t (FY24) 122,477t (FY25) and 144,000t (FY26) for a total of 443,732t of toll treatment ore.

The basis on which the A1 production schedule tonnages are derived is discussed in **Sections 3.7.3** and **3.7.4**. RPM adjusted this production schedule as follows.

Table 5-7 A1 Mine Production Schedule for FY20 to FY27 (tonnes)

Source	Total	FY20	FY21	FY22	FY23	FY24	FY26	FY27
A1 Mine								
<i>Above 1320</i>	57,000	28,500	25,000	3,510	-	-	-	-
<i>1320 to 1280</i>	25,000	2,000	23,000	-	-	-	-	-
<i>1280 to 1240</i>	106,446	-	47,000	58,500	946	-	-	-
<i>1240 to 1200</i>	191,424	-	5,000	34,500	50,000	36,000	36,000	29,924
<i>1200 to 1110</i>	433,000	-	-	-	86,000	120,000	116,000	111,000
Total A1 Long Hole ROM	812,880	30,500	100,000	96,510	136,946	156,000	152,000	140,924
Total A1 High grade ROM (Handheld)	182,000	18,200	27,300	27,300	27,300	27,300	27,300	27,300
Total A1 Development Ore ROM	113,308	14,152	19,201	18,354	21,355	18,697	18,524	3,024
Total A1 Mine ROM	1,108,188	62,852	146,501	142,164	185,601	201,997	197,824	171,248

Table 5-8 Maldon Production Schedule for FY20 to FY27 (tonnes)

Source	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Union Hill Mine								
<i>Upper levels (above 1060)</i>	20,000	1,000	10,500	8,500	-	-	-	-
<i>1060 – 1040 levels</i>	40,000	-	9,000	25,500	5,500	-	-	-
<i>1040 – 900 levels</i>	80,000	-	-	-	52,000	28,000	-	-
Total Union Hill ROM	140,00	1,000	19,500	34,000	57,500	28,000	-	-
Nuggetty Mine								
<i>Handheld (estimate)</i>	27,000	-	-	3,000	6,000	6,000	6,000	6,000
<i>Alliance South & Eaglehawk Other</i>	150,000	-	-	12,000	36,000	36,000	36,000	30,000
Union Hill and Nuggetty Development	86,708	5,312	15,523	17,287	12,499	20,563	15,523	-
Total Maldon ROM	403,708	6,312	35,023	66,287	111,999	90,563	57,523	36,000

A1 Mine

Centennial used the JORC 2018 Mineral Resources for generating the mineable quantities supplemented by the June 2020 Queens Block resource estimate. This was accepted by RPM, but adjusted as necessary as discussed in the following sections.

RPM defined the Mineral Resources by the sub-level RL's incorporated in the financial model. Centennial estimated that 21.47% of airleg production from the 1320-1100m RL for the period September 2019 to September 2020 fell within the resource model. This factor was applied to the production from the same sub-levels for the period September 2018 to September 2020. The resulting tonnages were subtracted from the Mineral Resource. In addition, the development ore tonnages (adjusted for dilution by 25% (RPM assumption)) were subtracted from all sub-levels based on pro rata target tonnages. The airleg production schedule within the financial model was pro-rated to each sub-level and also removed from the Mineral Resource.

This provided the available Mineral Resources which could be applied to the mineable quantities. RPM applied the 80% factor, as defined by Centennial, to the Mineral Resource to determine tonnages available for mineable quantities. It became clear that Centennial target tonnages and tonnage scheduled were greater than available resources for the 1280-1240m RL, 1240-1200m RL and 1200-1100m RL, by 24%, 41% and 32% respectively (**Table 5-9**), and therefore RPM adjusted the mine schedule tonnages down by 25%, 40% and 30% respectively so as not to exceed the Mineral Resources for these levels.

The grades used in the current mine schedule are diluted resource grades as defined by Centennial and these are deemed reasonable by RPM.

Maldon Mines

In the CCFM Centennial quotes that the mineable quantities used for the Maldon mines are based on historical performance and modelling undertaken in 2017. They quote that circa 50% of the inventory is based on a Mining One valuation written in 2009 and considers the JORC 2004 resource of 473kt @ 12.0g/t Au (**Table 5-6**). Centennial quote that the grade assigned to the mining inventory at Union Hill is circa 30% of that used in the valuation mentioned above. As this resource does not meet JORC guidelines it was considered by Centennial to be classified as an inferred level of resource which is the reason Centennial assumed the above adjustment factors.

The CCFM shows estimations of mineable quantities for the Southern and Northern Union Hill mine based on historical production, but there is no indication as how these estimates are used in the financial model.

There is no resource data specifically for the Nuggetty mine, however, this would be part of the Maldon resource.

Despite the indication by Centennial that the mineable quantities are based on circa 50% of the Maldon resource, the CCFM contains over 400kt of scheduled tonnes, which is close to the existing resource figure.

Due to the fact that the resource was considered by Centennial to be classified as an inferred resource under JORC 2004 and the uncertainty of the source of the scheduled tonnes, the 2019 valuation by RPM factored the tonnes by 40%. RPM has used the same 40% factor for the current valuation.

Tonnages in the financial model identified as toll treatment ores appear to fill the capacity of the Porcupine Flat plant when the A1 plant commences production and these have been removed from the financial model. There is no evidence of any source for this toll treatment ore, Centennial has no control over its supply, and there is no guarantee that it will be supplied.

Capital and Operating Cost

With respect to mining related Operating Cost and Capital Expenditure provide for in Centennial's cash flow model RPM notes the following:

A1 Mine

Capital development costs for the A1 mine show only a 9% increase on the 2019 financial model, which is significantly less than the increase in the capital development ore and waste tonnes of 34%. RPM has applied an increase of 25% to cover this likely underestimate.

The average A1 mining operating costs used are A\$ 148/t, which is lower than the 2019 financial model (\$A 167/t) due to increased ore production. A\$ 148/t is relatively high when compared to peers but reflects the high mining cost associated with highly selective mining as well as potentially the use of aged equipment.

A1 Gravity Plant

Information in the CCFM states:

“The full capital cost of a gravity plant with a float circuit at A1 Mine is assumed to be funded but is built into the forecast. The gravity plant is expected to be commissioned in yr 3.”

The financial model has a capital raising of A\$ 17 M, with the raising spread as: A\$ 2 M November 2020, A\$ 5 M January 2022, A\$ 5 M April 2022 and A\$ 5 M August 2022. The capital raising should be treated as a capital cost in the financial model as it is being raised for the gravity and flotation plant, however, this capital expenditure is counted as cash flow in and not as an expenditure. RPM modified the financial model to reflect the Como Engineers gravity and flotation plant cost estimate of A\$ 16.9 M as a capital cost and removed the A\$ 2 M cash inflow from the model as it is already accounted for as capital expenditure. This results in capital expenditure in the financial model as A\$ 0 M November 2020, A\$ 5.7 M January 2022, A\$ 5.7 M April 2022 and A\$ 5.7 M August 2022.

There is no allowance for rehabilitation for the A1 gravity and flotation plant or tailings storage facility (“TSF”) in the financial model. RPM used a 40% factor of the initial cost to determine a residual value (A\$ 6.8 M) for the plant and incorporated this in the last month of the financial model to cover, dismantling, disposal and rehabilitation of the process plant and TSF.

The construction and commissioning period of the plant is ten months and ramp up in production is four months, which RPM deems acceptable. The capital expenditure timing matches the construction, commissioning and ramp up timing.

There is no sustaining capital cost for the new gravity and flotation plant. As this is a new plant and the mine has a short LOM RPM recommends using 1% of the capital cost and this has been added to the financial model.

The Como gravity and flotation plant study estimate of operating cost is in a different format to that used by Centennial in the financial model, however, RPM believes the Centennial unit costs are acceptable.

Maldon Mine

Capital expenditure at the Union Hill mine in the 2019 review was zero, but the current financial model has LOM capital as A\$ 1.1 M. This has been accepted by RPM.

The Union Hill and Nuggetty Reef mining unit costs are lower when compared to the 2019 financial model (A\$ 246/t to A\$142/t) due to the increase in production and the increase in proportion of mechanised production.

Maldon Plant

The current financial model shows the Porcupine Flat processing plant has reduced capital cost when compared to the 2019 model (A\$ 2.1 M to A\$ 1.6 M, i.e. 30%) though higher production (2.1 Mt LOM vs 1.9 Mt LOM) due to increased mine production at the Maldon mines. Due to plant age, identified in the 2019 site visit, RPM believes this is inadequate and has increased the capital expenditure by 30%.

The increase in total operating costs for the Porcupine Flat plant relate to the increased tonnages processed.

Table 5-9 Resource to Mineable Quantities Conversion – A1 Mine

Sub-level (m RL)	Mining Type	Resource (t)	Airleg Prodn (t)	Devt Plan (t) ¹	Devt Plan – undiluted (t) ²	AirLeg Est (t) ³	AirLeg Est - Undiluted (t) ⁴	Available Resource (t) ⁵	Available Inventory (t) ⁶	Tonnes In Model (t)	Undiluted Tonnes in Model (t) ⁷
1320-1100	Airleg	0	0	19,074	14,305	0	0	0	0	182,000	163,800
>1400	Mechanised	351,296	0	7,696	5,772	0	0	345,524	276,419	0	0
1400-1320	Mechanised	208,777	0	11,538	8,654	0	0	189,584	151,667	57,010	48,459
1320-1280	Mechanised	104,389	10,539	11,538	8,654	33,798	30,418	54,777	43,822	25,000	21,250
1280-1240	Mechanised	133,438	10,539	23,077	17,308	33,798	30,418	85,712	68,570	106,446	90,479
1240-1200	Mechanised	162,487	0	17,308	12,981	33,798	30,418	119,088	95,270	191,424	162,710
1200-1160	Mechanised	162,487	0	11,538	8,654	33,798	30,418	123,415	98,732	0	0
1160-1100	Mechanised	243,730	0	11,538	8,654	50,697	45,627	189,449	151,560	433,000	368,050
Total		1,366,603	21,079	113,308	84,981	185,887	167,299	1,107,550	886,845	994,880	854,748
									Planned Development	113,308	84,981
									Total	1,108,188	939,729

Notes:

¹ Planned development ore tonnes apportioned pro-rata by Centennial Target Tonnes by sub-level.

² Development ore tonnes diluted by RPM assumed 25%.

³ Airleg planned production tonnes apportioned by height of sub-level.

⁴ Airleg dilution 15% (Centennial)

⁵ Resource less historical airleg production less undiluted development ore tonnes and planned airleg tonnes.

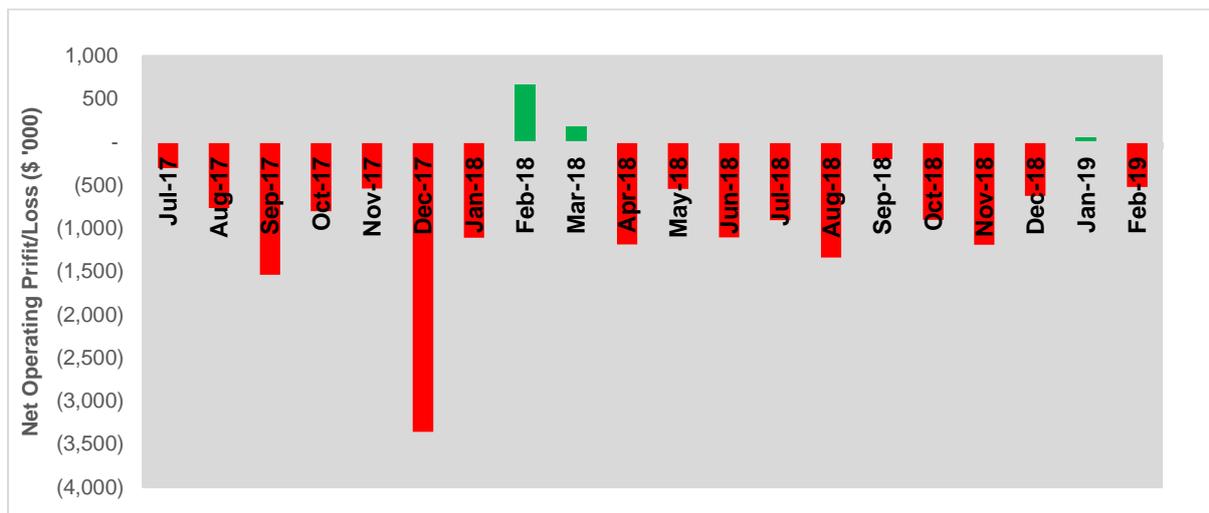
⁶ 80% of available resource.

⁷ Diluted tonnes in LOM based on Centennial dilutant factors.

RPM Comments on Historic Financial Performance

Since the company has been in administration (March 2019) mining has been restricted to handheld mining and would not reflect normal operating conditions, nor the current LOM plan. However, in 2019 RPM reviewed operating performance figures from Centennial over the previous two years and noted that the company was running at an operating loss for most of the time (**Figure 5-1**). This brings into question the robustness of historical performance as the basis for the forward-looking assumptions used in the 5 year cash flow model.

Figure 5-1 Net Operating Profit & Loss – July 2017 to February 2019



In the light of the discussion above, RPM recommends applying the following additional modifications to the CCFM in order to incorporate the suitable level of uncertainty, lack of confidence and risk. These are similar to those adjustments made in 2019, with some modifications. The derived model will be referred to as RPM's Revised Financial Model⁸.

- In order to accommodate the high risks and low confidence in production forecast based on non-reserve material and exploration results for the A1 mine and no 2012 JORC Resources for the Maldon mines, RPM proposes that the production tonnages be discounted by a low of 0% to a high of 20% for A1 Mine and by 60% for Union Hill mine and Nuggetty Reef mine development. Note, the 2019 valuation employed a discount low of 20% and high of 40% for the A1 mine, but as RPM has this time factored the mineral resources by 80%, 0% and 20% modifications are used.
- RPM adjusted the variable operating costs for A1 mine, Union Hill accordingly to reflect the impact of the risk discounted tonnages proposed above.
- In addition to the adjustment for tonnages, RPM increased the mining cost for A1 Mine and Union Hill by 8% to account for lower than expected working capital and unit mining costs.
- For the 2019 review Valuation the derived DCF value was apportioned according to adjusted gold ounces attributable to each mine. The current valuation apportioned the DCF value by **A1 Mine (71%), Union Mine (10%) and the Nuggetty Mine ore (19%)**.
- RPM reviewed the forecast A\$ gold prices used in the Centennial financial model and compared them to the Consensus forecast and found them to be reasonable, if not generally conservative. To account for the significant risks associated with the project, particularly the lack of Ore Reserves and high proportion of Inferred Mineral Resources, and the application of historical production to the mine schedule instead of mine and stope designs, RPM opted to retain the Centennial forecast gold prices and therefore these values have not been updated in the financial model.

⁸ CTL LOM Forecast V1.0 - 11'20 to 6'27 Ramp Up Final 7'20_SH_v01.xls

- RPM notes that with respect to the forward looking gold price assumption above, this is one of the key reasons why the forward looking profitability in the CCFM (in 2019 based on a flat A\$ 2,000/oz) shows improved economic viability compared with the previous two-three years (**Figure 5-1**) where actual prices were around levels of A\$ 1,600 to 1,800/oz.
- In RPM's opinion the proposed discount rate of 12% used in the Centennial Financial Model is reasonable for this type of project and risk profile and was therefore using in RPM's Revised Financial Model.
- In RPM's opinion, as discussed in **Section 5.2**, given the distressed nature of Centennial's assets and therefore the likelihood of a discount expected on the value by any prospective buyer of the assets, a **further 25% discount** is applied to derive a Distressed Value (as it was in 2019).

Table 5-10 summarises the values obtained for the A1 mine, Union Hill and Nuggetty Reef mines using RPM's Revised Financial Model and discounts.

Table 5-10 Value of A1, Union Hill and Nuggetty using Modified DCF Method

Valuation	Portion of total ounces (%)	Confidence factor (%)	Fair Value range AUDM	Distressed Value range AUDM
A1 Mine	71%	60%-80% [#]	13.1-16.1 (14.6)	9.8-12.1 (11.0)
Union Hill Mine	10%	40%	2.24	1.67
Nuggetty Mine development	19%	40%	4.30	3.2
Total			18.4 – 22.7 (20.6)	13.8 – 17.0 (15.4)

Note: # 20% of this factor is taken up by allowing only 80% of Mineral Resource to be available for the mine schedule.

In RPM's opinion, the recommended value for MIN5294 (A1 mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is between **A\$ 9.8 M and A\$ 12.1 M** with a preferred value of **A\$ 11.0 M**.

In RPM's opinion, the recommended value for MIN5146 (Union Hill mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is **A\$ 1.67 M**.

In RPM's opinion, the recommended value for MIN5528 (Nuggetty Reef mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is **A\$ 3.2 M**.

5.5.2 Comparable Market Transaction Based Valuation

The VALMIN Code encourages the use of more than one methodology when valuing mineral assets. RPM conducted a valuation based on recent (2017-2020) comparable gold asset transactions in arriving at an alternative valuation for the A1 Mine for which Mineral Resources have been defined. Resources for Maldon are historical and do not meet JORC guidelines and would need to be significantly factored, and compared to the DCF method of valuation it is believed this method would undervalue the Maldon mines. All companies considered had at least Inferred Mineral Resources but also includes companies with Ore Reserves. RPM made use of public data obtained from the S&P Global Market Intelligence data base. The database provides current updates on a range companies, commodities, transaction and various other types of industry information.

Prior to the current review it was thought that increases in the gold price in 2020 would have translated to higher gold transaction multiples. Ignoring the obvious outlier of the transaction multiple from Aeris Resources Ltd's purchase of the Cracow operations there has not been a significant change in transaction multiples (**Figure 5-2**). Ignoring the Cracow transaction (A\$ 209/oz) and the Central Norseman transaction (4.3 Moz) **Figure 5-3** shows that the transaction multiples fall generally within the A\$ 5 to A\$ 50/oz region.

These gold transactions were reviewed and a unit value range from a low of A\$ 5.9 to a high of A\$ 56.6 per ounce of contained gold was determined. The Mean value of the range was A\$ 28.9/oz. Given the lower confidence in Inferred Resources, unit values to lower end of the derived range was applied for those resources, whereas unit values to the upper end of the range were applied to Indicated Resources. The derived ranges were applied to gold ounces in the Mineral Resources to determine indicative values for A1 Mine.

Given the distressed nature of the assets as discussed in previous sections, in RPM’s opinion, potential buyers considering Centennial’s assets would expect a discount to be applied to the market value arrived at by considering comparable transactions. A review of market comparable transactions related to projects acquired out of liquidation indicates a discount of at least 25% over values arrived at under the definition of Market Valuation. RPM therefore applied an additional discount to the derived values to take account of the distressed nature of the assets (**Table 5-11**).

Figure 5-2 Transaction Multiples History – August 2017 to August 2020

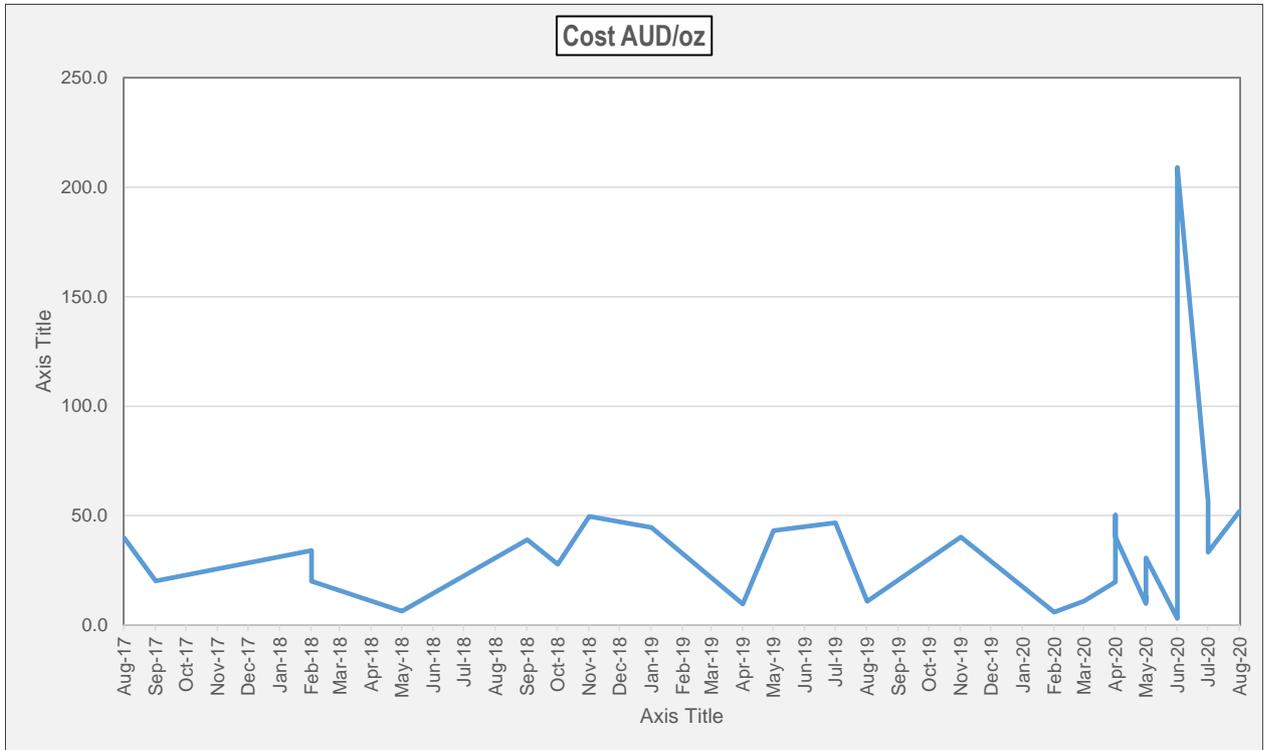


Figure 5-3 Transaction Multiples by Transaction Ounces – August 2017 to August 2020

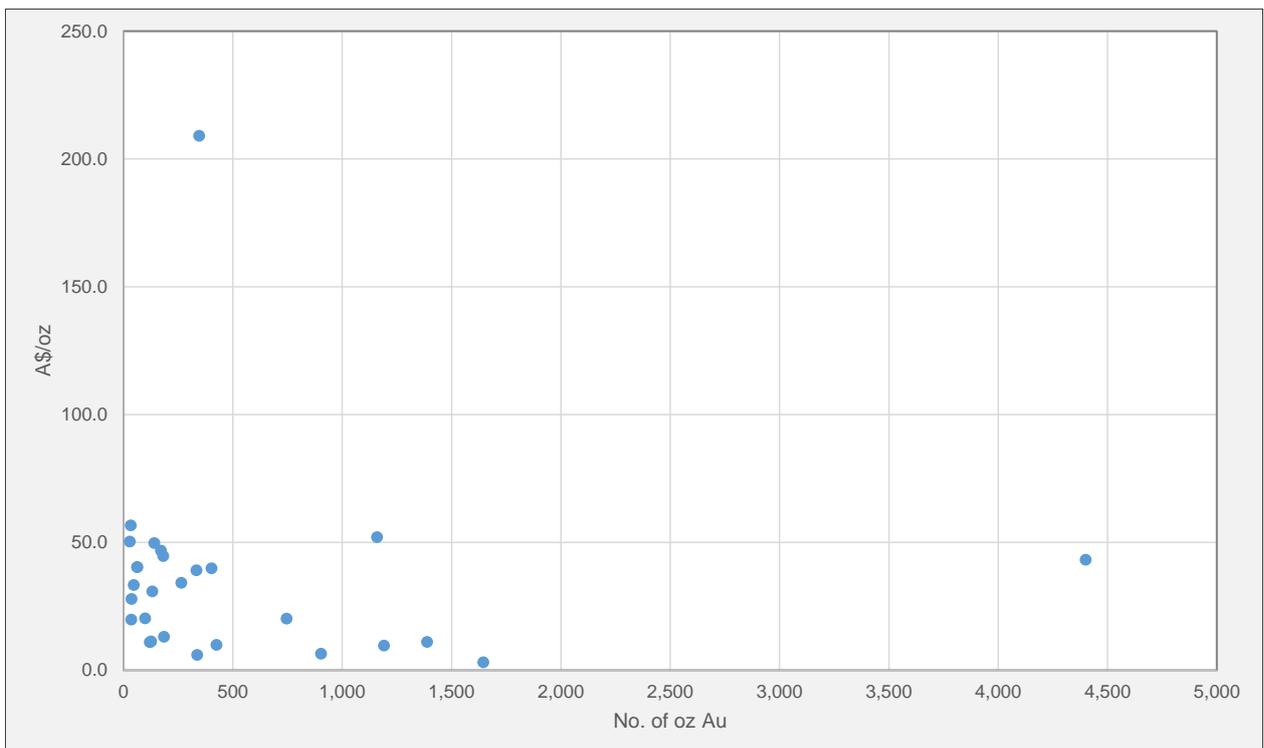


Table 5-11 Value of A1 Mine Using Market Comparable Transactions

Valuation	Mineral Resource (ounces)	Transaction multiple (AUD/ounce)	Derived value A\$	Distressed value A\$
Indicated Resources				
Low end of range	40,951	28.9	1,183,484	887,613
High end of range	40,951	56.6	2,316,598	1,737,449
Preferred Value	40,951	42.7	1,750,041	1,312,531
Inferred Resources				
Low end of range	225,396	5.9	1,329,836	997,377
High end of range	225,396	28.9	6,513,944	4,885,458
Preferred Value	225,396	17.4	3,921,890	2,941,428
Total Preferred Value			5,671,931	4,253,949

The valuation was applied to the JORC 2012 Mineral Resources and the updated resource estimate for the Queens Block to allow a relevant comparison with the DCF valuation which incorporated the Queens Block estimate.

Based on the unit values arrived at by considering comparable transactions, as well as considering the distressed nature of the company discussed above, RPM arrived at a value range between **A\$ 1.9 M and A\$ 6.6 M** with a preferred value of **A\$ 4.3 M**.

5.5.3 Multiples of Exploration Expenditure Based Valuation

As indicated in **Table 5-2** the Multiples of Exploration Expenditure (“MEE”) method is considered an appropriate valuation technique for exploration or pre-development projects. In the case of Centennial’s assets, the A1 mine (MIN5294) and Union Hill mine (MIN5146) have previously been operational and RPM believes that this method would undervalue these two assets. Since MIN5529 (North of England) is contained within MIN5146 (Union Hill Mine) and has had negligible expenditure this will not be valued separately using this method. MIN5528 (Nuggetty Reef Mine) will be valued by MEE.

Centennial provided RPM with exploration expenditures obtained from the Resources Rights Allocation Management (“RRAM”) system for the projects considered in the valuation.

Table 5-12 is a summary of relevant exploration expenditure by Centennial on various assets over the last 5 years.

Table 5-12 MIN5528 (Nuggetty) Exploration Expenditure (FY16 to FY20)

Period	FY16	FY17	FY18	FY19	FY20	Total
Expenditure	0	61,835	99,047	6,805	10,684	178,371

Based on the information provided to RPM the total exploration expenditure on Nuggetty Reef over the last five years was approximately A\$ 178,000, which, when escalated (1.71% escalation) produced a value of A\$ 185,130.

The additional expenditure since the last valuation was minimal at A\$ 17k and limited effective exploration was undertaken so the 2019 review Prospectivity Enhancement Multiplier (“PEM”) value of 1.0 was used. RPM did, however, consider the distressed nature of the assets as discussed in previous sections and therefore used the 25% discount on the PEM to arrive at the factor of 0.75 which was applied to the project. This resulted in a distressed value of **A\$ 139k**.

5.6 Valuation Summary

RPM used a number of valuation approaches to determine a value for Centennial's assets.

Table 5-13 presents a summary of the valuation completed by RPM for the above-mentioned assets as at the valuation date (15 October 2020).

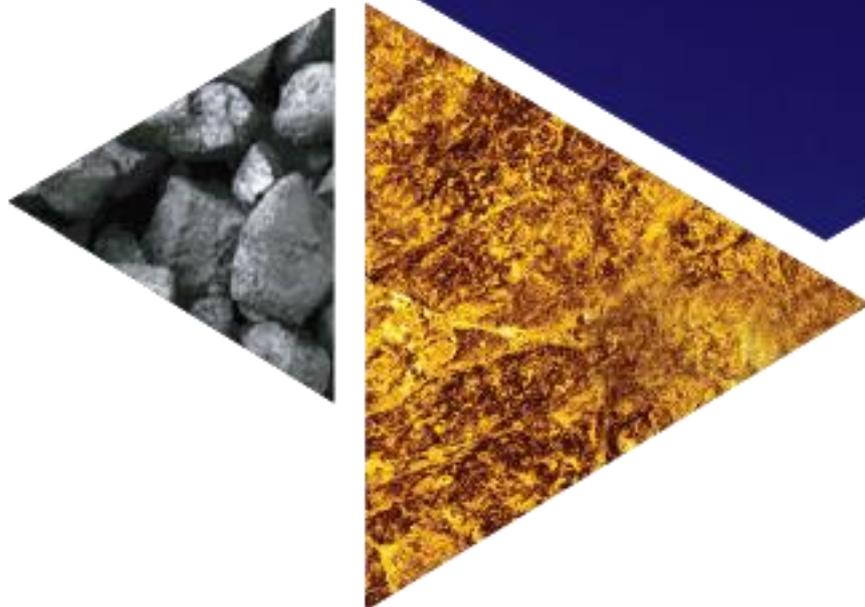
Table 5-13 Valuation Summary as at 15 October 2020

Licence/lease area	Value (lower)	Value (upper)	Value (preferred)
MIN5294 (A1 Gold Mine)			
Modified DCF	A\$ 9.8 M	A\$ 12.1 M	A\$ 11.0 M
Market Comparable	A\$ 1.9 M	A\$ 6.6 M	A\$ 4.3 M
Value Range	A\$ 5.9 M	A\$ 9.4 M	A\$ 7.7 M
MIN5146 (Union Hill Mine)			
Modified DCF	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
Value Range	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
MIN5528 (Nuggetty Reef)			
Modified DCF	A\$ 3.2 M	A\$ 3.2 M	A\$ 3.2 M
Multiples of Exploration Expenditure	A\$ 0.14 M	A\$ 0.14 M	A\$ 0.14 M
Value Range	A\$ 1.7 M	A\$ 1.7 M	A\$ 1.7 M
Overall Valuation Range	A\$ 9.3 M	A\$ 12.8 M	A\$ 11.1 M

The overall value range of between **A\$ 9.3 M** and **A\$ 12.8 M** with a preferred value of **A\$ 11.1 M** was cross checked against previous transactions and valuations by Mining One and Optiro and in RPM's opinion, given the information reviewed, risks considered and distressed nature of the company, is a reasonable valuation of Centennial's assets. This is an increase on RPM's valuation in September 2019 which had a range of between A\$ 3.8 M and A\$ 10.2 M with a preferred value of A\$ 7.0 M.

The new valuation is a reflection of increased production, increased life of mine and increased gold price.

Appendix A. Comparable Market Transactions

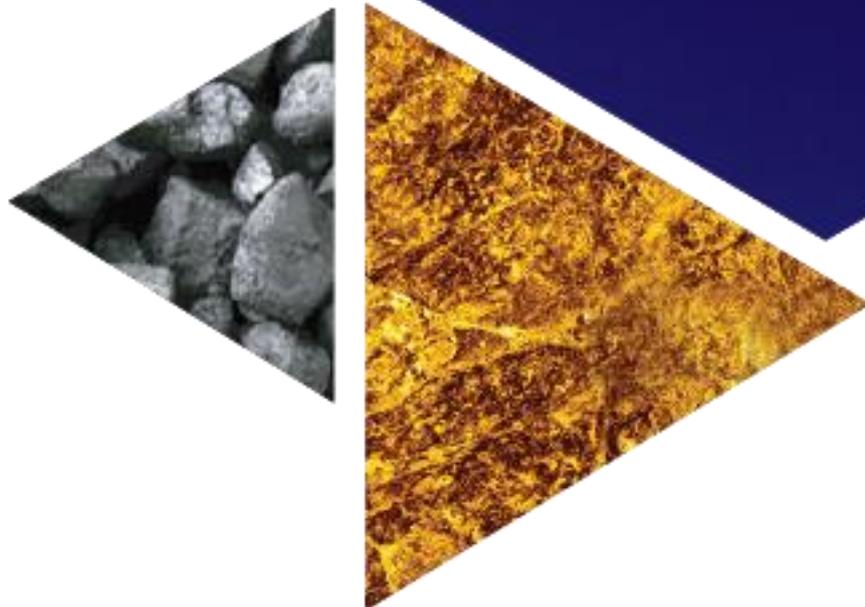


Date	Project	Buyer	Seller	Payment (AUD M)	Resources (k oz)	Cost AUD/oz
Aug-20	Millennium Minerals Ltd	Novo Resources Corporation	IMC Pan Asia Alliance P/L	60.3	1,159	52.0
Jul-20	Paris project	Torque Metals Ltd	Austral Pacific P/L	1.9	33	56.6
Jul-20	Munda Gold project	Widgie Gold Pty Ltd	Estrella Resources Ltd	1.5	46	33.2
Jun-20	Mt Olympus project	Kalamazoo Resources Ltd	Northern Star Resources Ltd	5.0	1,646	3.0 [#]
Jun-20	Cracow mine	Aeris Resources Ltd	Evolution Mining Ltd	72.0	346	209.0 [#]
May-20	Fingals and Rowe's Find projects	Black Cat Syndicate Ltd	Silver Lake Resources Ltd	4.0	425	9.8
May-20	Cables and Mission deposits	Darlot Mining Company P/L	Private investor- A. G. Paterson	2.4	185	13.0
May-20	Challenger Mines P/L	3D Resources Ltd	International Base Metals Ltd	1.4	126	11.2
May-20	Spargos Reward project	Karora Resources Inc.	Corona Resources Ltd	4.0	131	30.7
Apr-20	Albury Heath project	Big Bell Gold Operations P/L	Cervantes Corporation Ltd	0.7	35	19.7
Apr-20	Radio project	Nu-Fortune Gold Ltd	Resources & Energy Group Ltd	1.5	28	50.2
Apr-20	Mining Lease M37/54	Darlot Mining Company P/L	Terrain Minerals Ltd	2.5	62	40.3
Mar-20	Horizon Gold Ltd	Investor group	Panoramic Resources Ltd	3.4	1,388	11.0
Feb-20	Beaconsfield project	NQ Minerals Plc	Not disclosed	2.0	337	5.9
Nov-19	Great Western project	Red 5 Ltd	Terrain Minerals Ltd	2.5	62	40.3
Aug-19	Western Queen project	Rumble Resources Ltd.	Ramelius Resources Ltd	1.3	120	10.9
Jul-19	Menzies & Goongarrie projects	Kingwest Resources Ltd	Horizon Minerals Ltd	8.0	171	46.7
May-19	Central Norseman project	Pantoro Ltd	Norseman Gold Plc	95.0	4,400	43.2 [#]
Apr-19	Youanmi project		Venus Metals Corporation Ltd	8.0	1,191	9.6
Jan-19	Wilcherry project	Rox Resources Ltd	Tyranna Resources Ltd	1.5	181	44.6
Nov-18	Snake Well project	Alliance Resources Ltd	Kalamazoo Resources Ltd	7.0	141	49.6
Oct-18	Penny West project	Adaman Resources P/L	Patina Resources Pty Ltd & Plateaux Resources P/L	1.0	36	27.8
Sep-18	Marda Gold Project	Spectrum Metal Ltd	Black Oak Minerals Ltd	13.0	334	39.0
May-18	Youanmi project	Ramelius Resources Ltd	Oz Youanmi Gold Pty Ltd	5.8	904	6.4
Feb-18	Polar Bear Project	Venus Metals Corp. Ltd				
Feb-18	Indee Gold Project	Westgold Resources Ltd	S2 Resources Ltd	9.0	264	34.1
Sep-17	Red October Gold Project	De Grey Mining Ltd	Indee Gold Pty Ltd	15.0	746	20.1
Aug-17	King of the Hills mine	Matsa Resources Ltd	Saracen Mineral Holdings Ltd	2.0	99	20.2
		Red 5 Limited	Saracen Mineral Holdings Ltd	16.0	402	39.8

Note: [#]Cracow and Mt Olympus outliers omitted and Norseman due to very large mineral resource.

Appendix B.

Files Considered for the Valuation



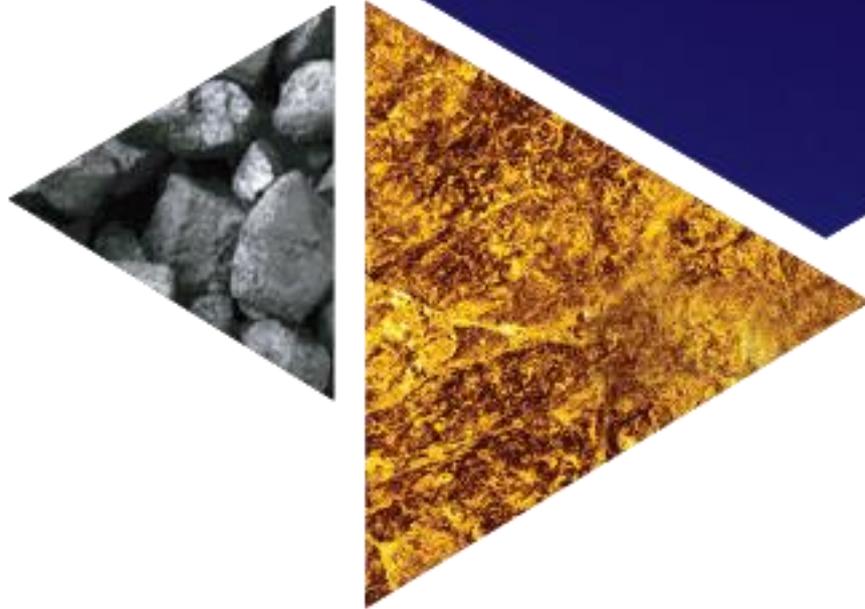
Documents listed in order of footnotes.

1. ADV-AU-00027_KordaMentha - Centennial_ITER Valuation_FINAL v01.pdf
2. ADV-AU-00027_Centennial_2nd_Addendum Letter.pdf
3. A1 Gold Mine MRE Compliant with JORC 2012.pdf
4. A1 Gold Mine Mineral Resource 7_11_2018.pdf
5. CTL LOM Forecast V1.0 - 11'20 to 6'27 Ramp Up Final 7'20.xls
6. CTL 5 yr Forecast - June 2019 to June 2024 V1.7c OctJ & UH & Gravity V1 RPM Global.xls
7. 3533. 02 A1 mine Scoping Study Report Rev C for issue.pdf
8. CTL LOM Forecast V1.0 - 11'20 to 6'27 Ramp Up Final 7'20_SH_v01.xls

Non-Footer documents

1. MIN5528_Expenditure_2017_18.pdf
2. MIN5528_Expenditure_2018_19.pdf
3. MIN5528_Expenditure_Report_2019_2020.pdf
4. Reporting_a1_0620_bm_dep_1260 to1400 and It 1260_with sections.xls
5. Metbal Monthly Summary Aug 2020.doc
6. Metbal Monthly Summary June 2020.doc
7. Resource Depletion Review.xls
8. Resource Depletion ReviewOct2020.xls

Appendix C. Glossary of Terms



Definitions and Glossary

For the purpose of this report, the following terms have, where appropriate, the following meanings:

“%”	Percent
Au	Gold
“A\$”	Australian Dollar, the lawful currency of Australia
“CAPM”	Capital asset pricing model
“Centennial” or “Company”	Centennial Mining Limited, the company under the administration of KordaMentha
“CCFM”	Current Centennial Financial Model
“COG”	Cut-off grade
“Comparables”	Comparable listed companies
“Competent Person”	RPMGlobal’s Competent Person or “CP”
“CSA”	CSA Global a geological and mining consultancy
“DCF”	Discounted cash flow
“dmt”	Dry metric tonne
“Effective Date”	Also referred to as “Valuation Date”
“FY”	Financial year ended/ ending 30 th June
“g/t”	Grams per tonne
“G&A”	General and administration costs
“GCMP”	Ground Control Management Plan
“IDW ² ”	Inverse Distance Weighted to the factor of two squared mineral resource block model estimation method
“Indicated Mineral Resource”	Part of a Mineral Resource (as defined herein) 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 economic viability of the deposit
“Inferred Mineral Resource”	Part of a Mineral Resource (as defined herein) for which quantity, grade, (or quality), densities, shape and physical characteristics 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 on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
“ITER”	an Independent Technical Expert Report and VALMIN code standard valuation
“JORC Code”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Australasian Joint Ore Reserves Committee, as amended from time to time
“KordaMenta” or “Client”	KordaMenta is the Administrator for Centennial and the entity for which the ITER has been compiled
“LHOS”	Long hole open stope
“LOM”	Life of Mine
“Management”	Management of the Company

“Market Value”	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.
“Measured Mineral Resources”	Part of a Mineral Resource (as defined herein) 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
“Mineable quantities”	Part of a Mineral Resource which could be considered for mining and incorporating in the mine schedule
“Mine schedule”	mineable quantities allocated to a schedule for mining
“MIK”	Median Indicator Kriging resource block model estimation method
“Mineral Assets”	Mineral assets or the equivalent as defined in the VALMIN Code
“Mt”	Million tonnes
“OK”	Ordinary kriging mineral resource block model estimation method
“oz”	Troy ounce
“p.a.”	Per annum
“Probable Reserve”	Economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.
“Proved Reserve”	Economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the modifying factors.
“QAQC”	Quality Assurance and Quality Control – related to measures to ensure sampling and assaying is adequate
“Reserves”	Economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors.
“Resources”	Concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
“Report Date”	15 th October 2020
“RL”	Relative level, vertical position in a mine.
“ROM”	Run-of-mine
“RPM”	RPM Advisory Services Pty Ltd
“Target tonnage”	The sum of the available ore tonnages which could be scheduled based on the estimation of tonnes per vertical metre from historical production.
“Technical Value”	Technical Value is an assessment of a mineral asset’s future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a practitioner, excluding any premium or discount to account for market considerations.

“tpa”	Tonnes per annum
“tpm”	Metric tonnes per month
“VALMIN Code”	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports (2015 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time
“Valuation Date”	15 th October 2020
“WACC”	Weighted Average Cost of Capital



– END OF REPORT –

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Reference: RPM/2020/0027

Level 2, 295 Ann Street
Brisbane QLD 4000
Australia

20 March 2020

Phone: +61 7 3100 7200
Fax: +61 7 3100 7297

KordaMentha
Level 101, 100 St Georges Terrace
Perth WA 6000 Australia

Attention: Jared Palandri

Dear Jared

Re: Second Addendum to Centennial Mining JER Valuation dated 12th September 2019 ("RPM Valuation") and Addendum Letter dated 12th November 2019

RPM Advisory Services Pty Ltd ("RPM") was requested by KordaMentha ("KM" or "the Client") to undertake an update to the Valuation of Centennial Mining Limited's ("Centennial" or "the Company") mining assets, as carried out by RPM in September 2019 and provide the Valuation in the form of an addendum letter if this was suitable.

For this request RPM considered the following information since the September 2019 Valuation:

- Centennial's #1 mine production including comparing this to the resource block model and updated survey
- Prior and additional comparable market transactions and
- Prior and additional exploration expenditure.

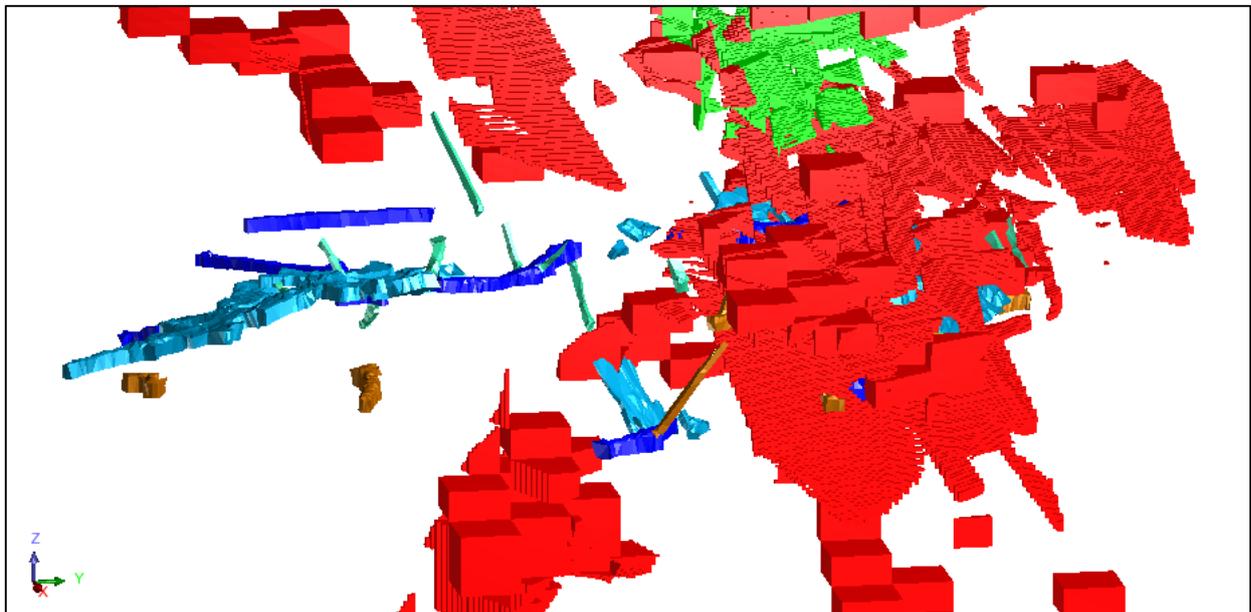
This addendum is intended to be read in conjunction with the RPM Valuation and first Addendum Letter as it relies on information, definitions and assumptions relating to the Valuation.

A1 Union Mill and Suggetty Mines

Production from the #1 mine from September 2019 to February 2020 inclusive was 11,370 tonnes ("t") at a gold grade of 13.00g/t for 910 ounces ("oz") (based on mill recovered grade). Centennial stated that only 130 (1,082.3 t) of this production was from the current Mineral Resource block model (ref: Annexure 1). A review by RPM of the updated development and staking showed that possibly up to 38% of the recent production could have been sourced from the Mineral Resource block model with the majority south of the Mineral Resource block model (Figure 1).

Total forecast production from Centennial's Financial Plan for the same period was 42,065 t at an average gold grade of 5.83g/t for 788,000 ounces which included development, hand held and long hole staking. Since September 2019 actual production was from development and hand held staking only which was forecast at 2,005 t at a gold grade of 0.37g/t for 932,000 ounces. The forecast ounces produced for this period closely matches the actual ounces produced, however, the actual tonnage mined is less than half that forecast and the grade is more than double that forecast, reflecting the selective nature of the recent development and hand held mining. This production was likely at higher cost than long hole staking, although no cost data was provided. Based on the different estimate of the proportion of the Mineral Resource block model mined (see above) the gold ounces produced from the resource blocks is estimated at 39,000 (Centennial) and 18,800 (RPM).

Figure 1 A1 Mine Development and Stopping against Mineral Resource Model



Isometric view looking approximately west northwest. Mineral Resource blocks at 3.0g/t Au cut-off, green (Indicated Mineral Resource) and red (Inferred Mineral Resources). Recent development and stopping in various colours.

Actual mined tonnage as a proportion of the total forecast tonnage in the Financial Plan during this period is estimated at 3.5% (Centennial) and 10.3% (RP). Actual produced ounces as a proportion of the total forecast ounces in the Financial Plan during this period is estimated at 8.1% (Centennial) and 23.7% (RP).

The proportion of tonnage and gold ounces mined during this period as a proportion of the overall tonnage and gold ounces forecast in Centennial's Financial Model is less than 1% and 2% respectively. As the overall proportion of tonnage and gold ounces mined from the Financial Model is small it is RPM's opinion that the previous valuation using the DCF method will not materially change.

A flat forward gold price of US\$2,000/oz was used in Centennial's Financial Model and retained in RPM's modified Financial Model in the September 2019 valuation. The mean consensus gold price from S&P Global is forecast to decline from US\$1,527/oz in 2020 to US\$1,320/oz in 2021 in US terms and at an exchange rate of US\$/US\$ 0.73 this forecast equates to US\$2,092/oz in 2020 to US\$1,915/oz in 2021. This forecast notwithstanding the current market volatility and impact on exchange rates and commodity prices suggests to RPM that the gold price assumption used in the Financial Model will not change.

RP previously applied a number of modifications to the Financial Model in its September 2019 valuation to account for uncertainty, lack of confidence and risk. These modifications are summarised as follows:

- The #1 mine production tonnes were discounted by a low of 20% and a high of 40% and the Union Mill mine and Nuggetty mine development by 40% due to the inclusion of non-reserve material and the absence of a 2012 JORC Code Mineral Resource for Union Mill.
- Adjusted variable operating costs for #1 mine and Union Mill to reflect the impact of the risk discounted tonnages.
- An increased mining cost by 8% for #1 mine and Union Mill to account for lower than expected working capital and unit mining costs.
- An additional US\$12 m to the capital expenditure related to the #1 processing plant.

Based on the respective proportions of adjusted ounces attributable to #1 mine (87%), Union Mill mine (10%) and the Nuggetty mine development ore (3%) the derived DCF value was apportioned accordingly to derive values for these assets.

□ further 25% discount applied to reflect the distressed state of Centennial and the likelihood of the discount effected by a prospective buyer of the assets.

□ based on the new information provided RPM is of the opinion that the September 2019 □□□ valuation will not materially change. □ table 1 summarises RPM's previous □□□ valuation.

□ table 1 □ RP □ Modified DC □ valuation of A1 □ Union Hill and Nuggetty Mines □ as at September 2019 □□

□ valuation	Portion of □ total □ ounces □□	Confidence □ factor □□	Fair □ value □ AUD □□		Distressed □ value □ AUD □□	
			Range	Preferred	Range	Preferred
□1 □ine	87□	□0.80□	5.15 □15.57	10.3□	3.8□ □11.□8	7.77
Union Hill □ine	10□	□0□	1.8□	1.8□	1.38	1.38
Nuggetty □ine □evelopment	3□	□0□	0.53	0.53	0.□	0.□
□ total			7.52 □17.□4	12.7	5.64 □13.46	□55

Comparative Market Transactions

RPM completed a review of the previously used comparable market transactions and conducted a search for new transactions involving strategically located gold resource projects including those with access to processing infrastructure. The comparable transactions identified for this valuation update are summarised in □ table 2. The search returned transaction multiples ranging from □□ 5.9□ to □□ 39.□□ with a mean of □□ 29.2□ which were applied to the □1 □ine Mineral Resource ounces.

□ table 2 Comparative Market Transactions as at February 2020

Date	Project	Buyer	Seller	Cash Equivalent Payment □ AUD □□	Resources □□	Transaction Multiple □ AUD □□
Feb 20	Leaconsfield Project	Northern Minerals Plc	Not disclosed	2.0	337	5.9
Nov 19	Great Western Project	Red 5 Ltd	Terrain Minerals Ltd	2.5	2	0.3
Aug 19	Western Queen Project	Rumble Resources Ltd.	Ramelius Resources Ltd	1.3	120	10.9
Jul 19	Genesis □□□□□□□□□□ Projects	Kingwest Resources Ltd	Orion Minerals Ltd	8.0	171	7
May 19	Central Norseman Project	Pantoro Ltd	Norseman Gold Plc	95.0	300	3.2
Apr 19	Gouanmi Project	Roan Resources Ltd	Genesis Metals Corporation Ltd	8.0	191	9
Jan 19	Wilcherry Project	Alliance Resources Ltd	Cyranna Resources Ltd	1.5	181	1
Nov 18	Snake Well Project	Madaman Resources Pty Ltd	Malama Resources Ltd	7.0	11	9
Oct 18	Penny West Project	Spectrum Metal Ltd	Patina Resources Pty Ltd □ Plateau Resources Pty Ltd	1.0	3	27.8
Sept 18	Arda Gold Project	Ramelius Resources Ltd	MacOa Minerals Ltd	13.0	33	39.0
May 18	Gouanmi Project	Genesis Metals Corp Ltd	OroGouanmi Gold Pty Ltd	5.8	90	1
Feb 18	Polar Bear Project	Westgold Resources Ltd	S2 Resources Ltd	9.0	2	3.1
Feb 18	Indee Gold Project	Grey Mining Ltd	Indee Gold Pty Ltd	15.0	7	20.1
Sept 17	Red October Project	Atsa Resources Ltd	Saracen Mineral Holdings Ltd	2.0	99	20.2
Aug 17	King of the Hills Project	Red 5 Ltd	Saracen Mineral Holdings Ltd	1.0	2	39.8

Source: S&P Global Market Intelligence and Company Announcements

In recognition of the vastly improved □□ gold price and current strong market demand for narrow high grade gold lode deposits in Victoria driven by the ongoing success of Virland and the Gold at Costerville and nearby exploration companies the implied ounce multiples were applied to all Mineral Resource categories with the lowest transaction multiple representing the lower range value the highest transaction multiple

representing the upper range value and the mean transaction multiple representing RPM's preferred value. No additional escalation factor was applied as the market transactions identified were reasonably close to the valuation date and therefore representative of prevailing market conditions.

Based on the implied transaction multiples and a further 25% discount to reflect the distressed state of Centennial the #1 mine returned a value range of **AUD 111 to AUD 27** with a preferred value of **AUD 545** (table 3).

Table 3: RPM Comparable Market Transaction Valuation of A1 Mine

	Mineral Resource (t)			Transaction Multiple (AUD/t)	Derived Value (AUD)	Distressed Value (AUD)
	Indicated	Inferred	Total			
#1 Mine	3000	213000	216000			
Low end of range				5.9	1.8	1.11
High end of range				9.0	12.3	9.27
Preferred Value				2.2	727	545

Multiples of Exploration Expenditure

The multiples of exploration expenditure ("PEM") method is founded on the assumption that the intrinsic value of an exploration tenement is based on its exploration potential. This includes the amount of expenditure that has been meaningfully used in the past to define a target or resource and the future costs in advancing the exploration to a pre-feasibility stage. One method is to apply a Prospectivity Enhancement Multiplier ("PEM") to the exploration expenditure usually limited to the past five years with no future expenditure which is based on the overall attractiveness of the exploration area for progressing to reserve status.

The PEM's considered by RPM are based on factors noted in Lawrence (Lawrence & J 2007. Valuation Methodology for Iron Ore Mineral Properties — Thoughts of an Old Valuer. In Iron Ore Conference. Australia 22 August 2007: 15-18. 2011) as outlined in table 4.

Table 4: Prospectivity Enhancement Multipliers after Lawrence 2007

0	No further exploration is justified. The tenement should be relinquished.
0 - 0.5	Exploration has significantly downgraded the tenement's prospectivity. The tenement remains at the grass roots stage in spite of considerable past and current exploration expenditure. Further exploration is not justified and a JV based upon a future royalty, or disposal (by sale or relinquishment) are the best options.
0.5 - 1.0	Past and recent exploration has maintained (rather than enhanced) or slightly downgraded the prospectivity of the tenement. Further field exploration is not justified without deposit model and geological reassessment. A non-contributory JV would be the best alternative.
1.0 - 1.3	Further exploration is justified, based on previous exploration results and the potential prospectivity of the deposit, which is based upon the geological model adopted. Recent exploration has maintained or slightly enhanced (but not downgraded) the prospectivity of the tenement. Contributory JVs should be considered.
1.3 - 1.5	The available data has considerably increased the prospectivity of the tenement by identifying and defining geochemical or geophysical anomalies and other exploration targets. Further exploration is justified. Contributory JVs could still be considered, but it may be worth taking it to the next stage alone, if the results are so encouraging.
1.5 - 2.0	Recent exploration has enhanced the prospectivity of the tenement. The results from the target area(s) due to past expenditure have identified some drill target(s); and reconnaissance drilling has found some interesting intersections of mineralisation. Further exploration is definitely justified to evaluate the target area(s). The PEM rises with the number of targets now involved and economic interest of any intersections.
2.0 - 2.5	Exploration has defined a target(s) with some drill intersections of economic interest and infill drilling is justified to attempt to define a Resource. Continue exploration alone or negotiate a very favourable JV deal.
2.5 - 3.0	A small Resource is very likely to be defined by the current drilling with potential for extension down dip or along strike by further infill drilling and other exploration. Evaluation does not yet include a prefeasibility study. Any JV should include being free-carried to the bankable feasibility study stage.
3.0 - 5.0	A Resource of variable significance has been defined with economic features (indicated by prefeasibility study) that make early conversion to Reserves probable. Additional Resources are also likely to be found by more drilling. Consider preparation of a feasibility study before selling any equity.

RPM's previous valuation assessment by MEE was based on expenditure incurred for the five financial years (from 2015-2019) with a further 25% discount applied due to the distressed state of Centennial. RPM notes that since the September 2019 valuation there has been no additional exploration expenditure reported on any of Centennial's tenements (ref: Annexure 2), however in recognition of the vastly improved UG gold price and current strong market demand for narrow high grade gold lode deposits in Victoria driven by the ongoing success by Ireland and the gold and nearby exploration companies RPM reviewed the previous exploration expenditure and applied PEM's.

The previous technical review identified potential for improvement by future exploration effort as summarised below.

Nuggetty Reef

The previous technical review did not fully consider the exploration potential of the Nuggetty Reef tenement (N5528) due to no technical information being provided. Accordingly a P of 1.0 was applied.

RPM's revised valuation following the application of PEM's and a 25% discount to reflect the distressed state of Centennial and an escalation rate of 1.71% (the average annual inflation rate from 2015-2019) is summarised in table 5.

Table 5 RPM Multiples of Exploration Expenditure Valuation for Nuggetty Reef

Property	Nuggetty Reef
Expenditure (AU\$)	10,882
P (range)	1.0 (1.0)
Preferred Value (AUD)	124,000
Lower Value (AU\$)	12,000
Upper Value (AU\$)	12,000

Summary of Updated Valuation

RPM's revised Valuation opinion is summarised in table 6.

Table 6 RPM Valuation Summary as at 25th March 2020

Licence/Lease Area	Lower Value (AUD)	Upper Value (AUD)	Preferred Value (AUD)
524 A1 Gold Mine			
Modified C	3.8	11.8	7.77
Market Comparable	1.11	9.27	5.5
Value Range	2.5	10.5	6.6
5146 Union Mill Mine			
Modified C	1.38	1.38	1.38
Value Range	1.3	1.3	1.3
552 Nuggetty Reef			
Modified C	0.0	0.0	0.0
Multiples of Exploration Expenditure	0.12	0.12	0.12
Value Range	0.3	0.3	0.3
Overall Valuation Range	4.2	12.2	3

It should be noted that the September 2019 valuation specifically excluded the processing plant from the work proposal and it is not considered in this addendum. In addition the September 2019 valuation included the Pearl Croydon (IN505) and Secimen Reef (IN553) tenements whereas these assets were sold prior to this second addendum and are not considered here.

The #1 gold mine and Nuggetty Reef valuations represent averages of the valuation methods considered due to the uncertainties and risks previously noted in the financial model.

In RPM's opinion Centennial's mineral assets have a preferred value of **AUD \$3 in the range of AUD 4.2 to AUD 12.2 as at 25th March 2020**. By comparison RPM's September 2019 valuation was in the range of \$U 3.8 to \$U 10.2 with a preferred value of \$U 7.0.

It should be noted there may be some impact on future transactions and valuations in response to COVID-19 and that the timing and longevity of this impact is also unknown. RPM recommends that readers of this report consider the impact of COVID-19 on business transactions and valuations.

RPM consents to the public disclosure of this addendum titled "Second Addendum to Centennial Mining ITER & Valuation" dated 26 March 2020, in connection with KordaMentha's expert's report provided RPM's deliverables are released in their entirety without amendment. Should you wish to provide an extract or summary of the information in RPM's deliverables, please provide us with a copy of that release to enable RPM to provide its consent to the accuracy, completeness, form and content in which those extracts appear. Please also note for the sake of clarity that the limitations or exclusions contained within RPM's deliverables do not apply to the extent such disclaimers are prohibited by ASIC R111 for the provision of an expert report provided to a security holder.

Yours Sincerely



Steve Kinde
Specialist under the ASIC IN Code
RPM Advisory Services Pty Ltd



Philip Retter
Specialist under the ASIC IN Code
associate to RPM Advisory Services Pty Ltd

Annexures

Annexure 1



From: Shawn Panton [mailto:Shawn.Panton@centennialmining.com]

Sent: Monday, 16 March 2020 2:22 PM

To: Gideon Janssen <Gideon.Janssen@centennialmining.com>

Cc: Peter Crooks <Peter.Crooks@centennialmining.com>; Jared Palandri <jpalandri@kordamentha.com>

Subject: RE: Centennial - updated information for valuation

Hi Gideon

A1 Production September 2019 to February 2020:

11,374.4 wet tonnes @ 13.46 g/t Au.

This includes **1,482.3** wet tonnes from the block model resource area (equivalent to 13% of production since September). The spreadsheet 'A1 Block Area Review' highlights in yellow the monthly headings which are from the resource area.

This includes 1320-830, 1320-810 and 1320-9. The vast majority of ore has come from southern developments on the 1320 Level and from the 1310 and 1300 Levels which are outside of the resource area.

The attached spread sheets are the production figures since we went into Administration. This may be a useful reference.

If you have any further questions please do not hesitate to get in touch with me.

Kind regards,

Shawn.

From: Gideon Janssen

Sent: Saturday, 14 March 2020 11:34 AM

To: Shawn Panton

Cc: Peter Crooks

Subject: RE: Centennial - updated information for valuation

Hi Shawn

Monday will be okay, thank you. Enjoy your weekend

Regards

Gideon

From: Shawn Panton <Shawn.Panton@centennialmining.com>

Sent: Saturday, 14 March 2020 04:11

To: Gideon Janssen <Gideon.Janssen@centennialmining.com>
Cc: Peter Crooks <Peter.Crooks@centennialmining.com>
Subject: Re: Centennial - updated information for valuation

Hi Gideon

I can provide all the information requested by RPM. Will Monday be ok if I don't have access to Vulcan at home.

Kind regards

Shawn.

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From: Gideon Janssen <Gideon.Janssen@centennialmining.com>
Sent: Friday, March 13, 2020 11:03:05 PM
To: Shawn Panton <Shawn.Panton@centennialmining.com>
Cc: Peter Crooks <Peter.Crooks@centennialmining.com>
Subject: Fwd: Centennial - updated information for valuation

Hi Shawn

Are you able to provide the information requested below, with the limited information provided?

Regards

Gideon

Begin forwarded message:

From: Jared Palandri <jpalandri@kordamentha.com>
Date: 13 March 2020 at 16:00:40 AWST
To: Gideon Janssen <Gideon.Janssen@centennialmining.com>
Cc: Caitlyn Kelly <CKelly@kordamentha.com>, Richard Tucker <rtucker@kordamentha.com>
Subject: Centennial - updated information for valuation

Gideon

Further to our conversation we are going to apply to the Court again pursuant to section 100 of the Corporations Act to have Centennials shares transferred to David Oldfield or his nominee.

As part of this Court application we require an updated mine valuation from RPM.

RPM advised us they believe they can complete this by way of addendum to the last valuation (this is good in terms of time and costs).

RPM have requested the following information in relation to the ore that had been mined from the #1 mine since the last valuation being 1 September 2019:

- How much ore was mined
- The quality of the ore mined
- Where the ore was mined from (was it in a block area)

If you could work with Sean (onsite geologist on this information it would be appreciated)

If you could please provide this information to me as soon as possible so we can get the addendum under way.

If you have any queries please call me.

Regards

David Palandri Director

KordaMentha

08 9220 9390

Level 10 St Georges Terrace Perth WA 6000 Australia

Website LinkedIn Twitter



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Annexure 2

Shawn Panton Ecology Manager email dated 23/3/2020

From: Shawn Panton [mailto:Shawn.Panton@centennialmining.com]

Sent: Tuesday, 24 March 2020 3:12 PM

To: Steve Hinde <shinde@rpmglobal.com>

Subject: [EXTERNAL]RE: Request for information

Hi Steve

Other than general administration expenditure which is factored in at the end of the financial year there has been no expenditure on the other tenements other than Union Hill which MIN5146. For my time I would estimate around \$5k.

Kind regards,

Shawn.

From: Steve Hinde [mailto:shinde@rpmglobal.com]

Sent: Tuesday, 24 March 2020 2:21 PM

To: Shawn Panton

Subject: RE: Request for information

Thanks Shawn

Do you know if there has been any expenditure on the other two?

Regards,

Steve Hinde

Executive Consultant

RPMGlobal

m. +61 448 173 009 | t. +61 7 3100 7257 | f. +61 7 3100 7297 | e. shinde@rpmglobal.com
Level 2, 295 Ann St, Brisbane QLD Australia 4000
www.rpmglobal.com



From: Shawn Panton [<mailto:Shawn.Panton@centennialmining.com>]
Sent: Monday, 23 March 2020 4:38 PM
To: Steve Hinde <shinde@rpmglobal.com>
Subject: [EXTERNAL]RE: Request for information

Hi Steve

There has been no further expenditure on Nuggetty this financial year since we were in contact with Bob.

Kind regards,

Shawn.

From: Steve Hinde [<mailto:shinde@rpmglobal.com>]
Sent: Monday, 23 March 2020 2:47 PM
To: Shawn Panton
Cc: Peter Crooks; Jared Palandri; Naomi Read
Subject: RE: Request for information

Hi Shawn

I don't know if there has been any additional expenditure on the Nuggetty Reef, Pearl Croydon and Specimen Reef project areas since the information provided to Bob Dennis last year. Figure below is what I have. If there has been additional expenditure, could you please let me know what it is and the years?

Centennial Exploration Expenditure (FY15 to FY19)

Period	Nuggetty Reef	Pearl Croydon	Specimen Reef
FY15	0	13,757	0
FY16	0	0	0
FY17	61,835	9,135	69,000 ²¹
FY18	99,047	129,176	3,684
FY19	-	61,746 ²²	-
Total	160,882	213,814	72,684

Regards,

Steve Hinde
Executive Consultant
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From: Shawn Panton [<mailto:Shawn.Panton@centennialmining.com>]
Sent: Wednesday, 18 March 2020 1:36 PM
To: Steve Hinde <shinde@rpmglobal.com>
Cc: Peter Crooks <Peter.Crooks@centennialmining.com>; Jared Palandri <jpalandri@kordamentha.com>; Naomi Read <nread@kordamentha.com>; Simon Askey-Doran <saskeydor@rpmglobal.com>; Elsa Gallina <EGallina@rpmglobal.com>
Subject: [EXTERNAL]RE: Request for information

Hi Steve

Please find attached the survey files which shows the development carried out at the A1 Mine from between September and February as requested.

Kind regards,

Shawn.

From: Steve Hinde [<mailto:shinde@rpmglobal.com>]
Sent: Tuesday, 17 March 2020 4:48 PM
To: Shawn Panton
Cc: Peter Crooks; Jared Palandri; Naomi Read; Simon Askey-Doran; Elsa Gallina
Subject: Request for information

Hi Shawn

Good talking with you today, thanks for your feedback.

Could I please request some information?

Could you please send me the survey files (dxf, dtm and str) which shows the development carried out from September 2019 to February 2020.

Regards,

Steve Hinde
Executive Consultant
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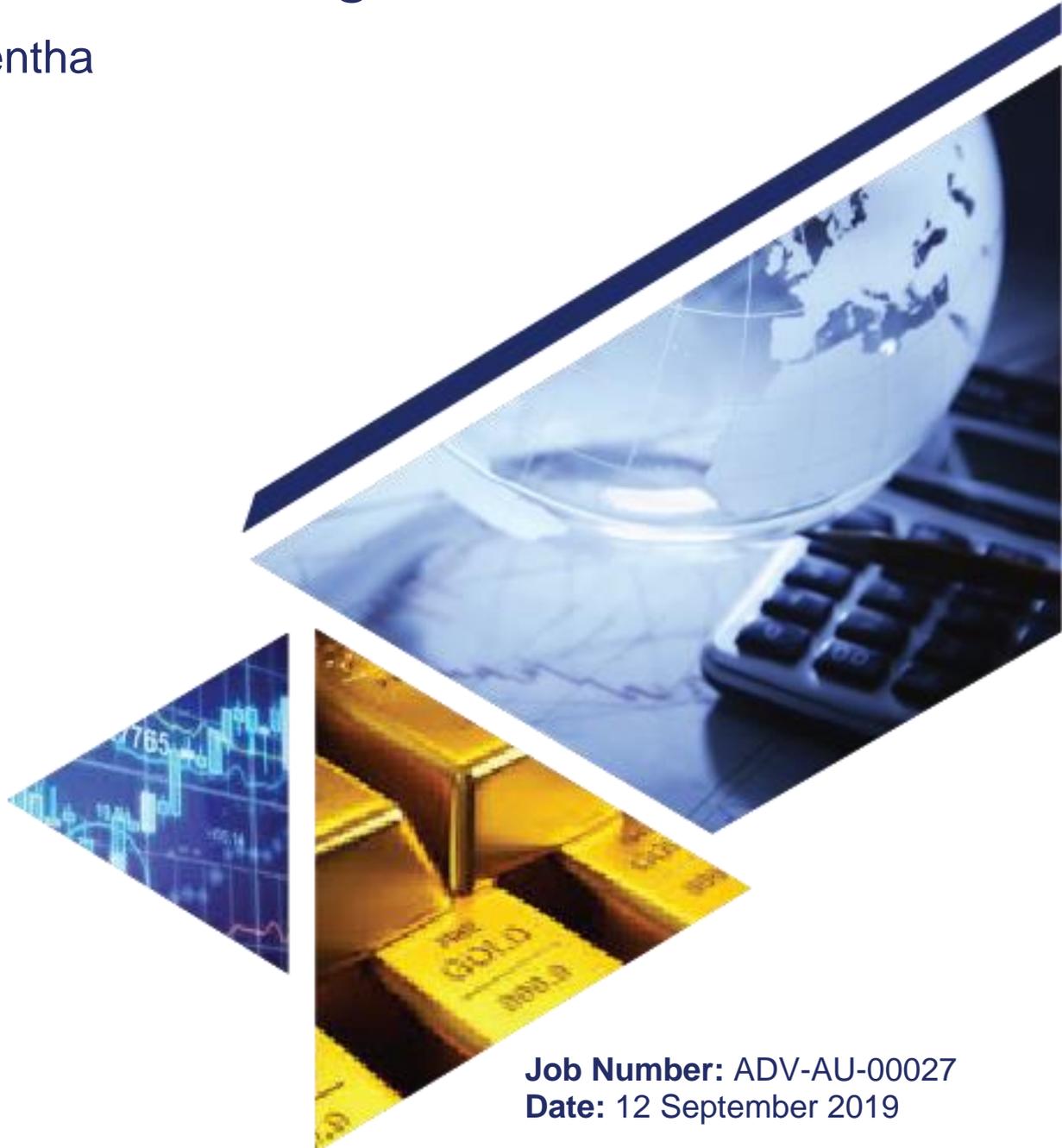
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Centennial Mining ITER & Valuation

KordaMentha



Job Number: ADV-AU-00027

Date: 12 September 2019

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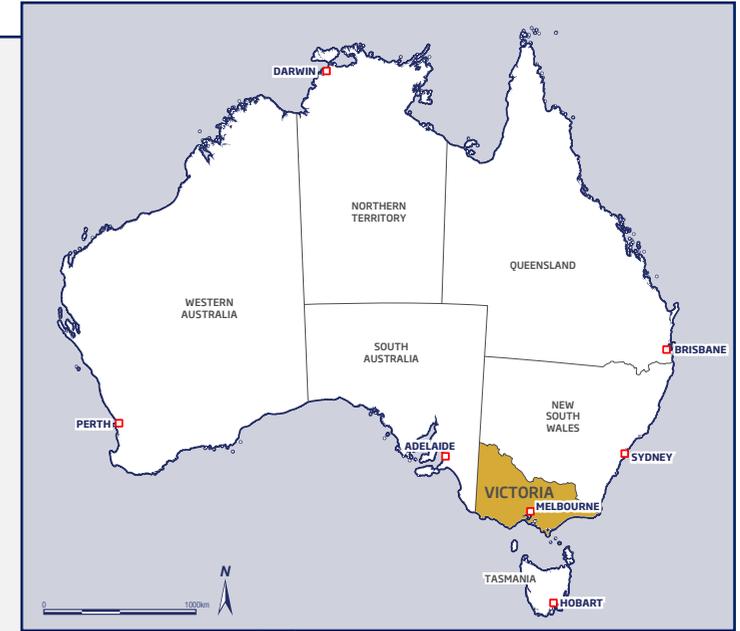
Executive Summary

RPM Advisory Services Pty Ltd (“RPM”) was engaged to provide services to KordaMentha (“KordaMentha” or the “Client”) regarding the provision of Technical Advisory Services to compile an Independent Technical Expert Report and VALMIN code standard valuation (“ITER”) of the Centennial Mining Limited (“Centennial” or the “Company”) projects, located in Victoria, Australia (“the Projects”). RPM understands that the purpose of the ITER is to assist KordaMentha in their role as administrator of the Company.

The properties under review in the ITER consist of the mining licences listed in **Table A**. The licences fall into distinct geographical areas; A1 Mine: North East of Melbourne and the Maldon Project, North West of Melbourne, see **Figure A**. The A1 underground mine is currently in production with ore being trucked to the Porcupine Flat processing plant, which is located on MIN5146, Union Hill Mine. Valuation of the Processing Plant was specifically excluded from the work proposal.

Table A Centennial Current Granted Mining Licences

Area	Licence	Comment
A1 Mine	MIN5294	
Maldon Project	MIN5146	Union Hill Mine
	MIN5529	North of England
	MIN5528	Nuggety Mine
	MIN5465	Pearl Croydon
	MIN5563	Specimen Reef



LEGEND		
	Broad and standard gauge	
	Broad gauge	
	Standard gauge	
	Freight rail	
	Broad gauge under construction	
	Passenger station (V/Line)	
	Major freeways	
	Primary highways	
	Secondary highways	
	Other major roads	
	Airport	
	Shipping port	
	Greater Melbourne Region	
	Victorian Regions	



CLIENT

PROJECT		
NAME		
INDEPENDENT TECHNICAL EXPERT REPORT AND VALUATION OF THE CENTENNIAL MINING LIMITED ASSETS, VICTORIA		
DRAWING		
LOCATION PLAN		
FIGURE No.	PROJECT No.	Date
2-1	ADV-AU-00027	September 2019

A1 Mine

Geology

The geology of the A1 mine is well understood. Mineralisation is hosted in and immediately adjacent to a variably, highly altered, dyke. High grade gold is located in quartz veins in a few preferred orientations and in quartz matrix breccia preferentially located at the intersections of vein structures. Where alteration is more extreme, gold grades are higher.

Geologic work, sampling and assaying supporting the Resource estimates is generally of a high standard but there is a rapid drop off in drill spacing away from areas reached by the current generation of mine development, which impacts on the confidence in the Resource estimate.

Resource

The Resource estimates underlying published Resources consist of estimates completed using ordinary kriging (OK) by CSA Global and a more recent estimate by MiningOne using Inverse Distance weighted Squared (IDW²). These are linear estimation methods. RPM considers that non-linear estimation methods might give more appropriate estimates for the highly skewed grade distributions at the mine and that the CSA Global estimate, which uses a better but possibly not the optimum estimation method, is hampered by lack of detailed domaining. All estimates are hampered by use of single orientation searches in a multiple orientation mineralised environment. The current published Resource estimate quantity of 1.26 Mt at 6.23 g/t Au from 7th November 2018 has not been depleted up to date with the most current development.

Reconciliations of two areas indicate more gold extracted than predicted by the geologic models but the considerable differences highlight that the block models are poor local predictors. Centennial have completed localised models and these have contributed to the mine planning schedules. However, the localised block models lack documentation and their reliability can't be independently verified.

Exploration Potential

An exploration target has been publicly reported for parts of the Magenta Zone in the A1 mine but RPM considers that there is substantial exploration potential in addition to the exploration target zones released publically by Centennial.

Mining

A1 is mined predominantly by using conventional and globally recognised mechanised long hole stoping of the bulk minable resources, supplemented by hand held air leg mining of high grade narrow vein shear zones. Over the proposed five year mine life 607kt at 5.9 g/t at an average rate of 10kt per month will be mined. The mining of the nuggetty resource is heavily driven by local geology. This has meant that typical global practices of mine design and scheduling is not conducted. 97% of forecasted mining levels is in Inferred material that is based on interpreted historic mining and localised drilling. This method is not in line with the recommended guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC 2012") edition ("JORC 2012") and is considered a material risk by RPM. This is not to suggest that the mine schedule cannot be achieved, merely that the assumptions and logic cannot be validated with the current data available. The mining mobile plant appears to be at the limit of its economic life and limited capital has been forecasted for upgrades. The current mining mobile plant is a risk to mine productivity and continuity of ore supply.

Mining Costs

The average mining operating costs used in the economic model of AUD165/t are relatively high when compared to peers but this reflects the high mining cost associated with highly selective mining. The sustaining capital cost allowances for additional machinery (truck, bogger and jumbo) appear low. There is no further allowance for rebuilds or further replacements. It is unlikely that these machines, or the existing machines without some form of additional capital investment will continue to operate efficiently for the scheduled mining period.

Processing Operating Costs

For the proposed A1 processing plant, process operating costs are estimated at AUD27/dmt. Additional treatment of the concentrates would be required at the Porcupine Flats operation, lifting the overall estimated processing operating cost to AUD35/dmt.

Processing Capital and Sustaining Costs

In the absence of data including project description, engineering, metallurgy and costings, RPM has estimated that the A1 processing plant and associated infrastructure, including the tailings storage facility would cost AUD15 million (including a 20% contingency), depending upon the nature of equipment selection (second hand, Chinese, etc.) and the build and installation quality.

Depending upon the size of the tailings storage facility, noting some material would be used as backfill, either a lift or a new tailings storage would be required at some point in the future, say three years out.

An allowance of AUD500,000 is recommended; recurring every three years.

Sustaining costs are estimated at AUD2.50/dmt.

G&A Operating Costs

No data has been provided, however it is recommended that AUD10/dmt is adopted.

Infrastructure

Insufficient information was made available for an evaluation and the report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations. Although RPM's observations during the site visit support this view, it is possible that potential risks were not identified.

Metallurgy

Gold recovery for A1 ores in the proposed processing plant to be sited at A1 is estimated at 91.8%, assuming further treatment of the concentrates at the Porcupine Flats operation.

While some scoping testwork has been conducted on A1 ores, the samples were not representative of future ores and a final flowsheet has not been settled upon nor tested.

Nonetheless, a study is underway to estimate capital costs for a 200,000 tpa operation, although the design basis deserves closer scrutiny.

Maldon Project

MIN5146 Union Hill Mine, MIN5529, North of England and MIN5528 Nuggety Mine

Geology

The Union Hill Mine, North of England, Nuggety Mine group of tenements cover a north-south, steeply dipping set of quartz reefs developed in strongly hornfelsed sediment within the thermal metamorphic halo of the Harcourt granite. Ore grade mineralisation is developed in a range of orientations with many of the ore shoots having a shallow south dipping orientation. Gold shoots are also developed in vertical to steeply dipping orientations.

Locally the mineralisation can be complex with experience at the Union Hill mine showing that large quartz structures are not necessarily high gold grade and can dilute high grade from adjacent en-echelon style quartz vein mineralisation.

While the diamond drilling has been collected by three different companies over a considerable period of time, similar sample sizes, sampling and assay methods lend a uniformity to the data and suitability for Resource prediction. However, the sludge drilling is not suitable for supporting JORC Resource estimates, because of

the smearing and potential for biased sampling, owing to partitioning of gold into different fractions during movement down the borehole and in the collection procedures.

Resource

No Mineral Resources have been estimated in accordance with the JORC Code for the Union Hill Mine or the other tenements in the group. This is because of the inclusion of sludge drilling in the data informing the block model which can contain biased samples.

Exploration Potential

Centennial has detailed untested, possible extensions, supporting eleven Union Hill exploration targets in a public announcement but only the locations, rather than range of quantities and grades as required under JORC are given. RPM is in agreement with the potential presented. The targets are possible extensions of known mineralisation, which have not yet been explored by drilling or development.

Mining

No mining studies have been completed on the Maldon Project presumably as the geological confidence is considered low. As such, no technical documents were available for the mining review.

Processing Operating Costs

Historical processing operating costs have more than AUD40/dmt and dependent throughput.

Based on Centennial forecasts, the processing operating cost will peak at AUD55.48/dmt in FY20 and thereafter at AUD31.09/dmt.

Processing Capital and Sustaining Costs

Based on historical data, it is recommended that a sustaining cost of AUD2.50/dmt be applied with a recurring capital spend AUD500,000 every two years for the Tailings Storage Facility.

G&A Operating Costs

Based on Centennial forecasts, the G&A operating cost will peak at AUD19.44/dmt in FY20 and thereafter be AUD10.19/dmt.

Infrastructure

The Union Hill mine is relatively close to the Porcupine Flat processing plant, which is on the same tenement. The relatively large town of Maldon is nearby and the district is well served by power and road infrastructure. Dewatering of the Union Hill mine provides ample water for the processing operation.

Metallurgy

Gold recovery, based on current ore types, is 88% for Union Hill ore treated in the Porcupine Flats operation. For A1 ores treated in the Porcupine Flats operation, the gold recovery is a function of feed grade, namely:

$$\text{Gold Recovery} = -0.0837 \times (\text{Gold Feed Grade})^2 - 2.0104 \times (\text{Gold Feed Grade}) + 84.8.$$

No testwork has been conducted on future ore types and for Union Hill ores, in particular, are likely to be much harder than current ores.

MIN5465 Pearl Croydon

Geology

The Pearl Croydon gold deposit is hosted by metamorphosed and folded Ordovician sedimentary rocks; siltstones, shales and sandstones. The mineralisation is in and around quartz reefs developed in steeply dipping fault structures identified by surface geological mapping of exposures in historical workings:

Resource

Two small separate Resource estimates have been developed for MIN5465 at Pearl Croydon, London Hill and Mullocky. Total Resource is less than 50,000 ounces. The Resources were reported according to JORC 2012 and are assumed on that basis to be of a suitable standard but no details of the estimate were supplied for the review.

Exploration Potential

Based on the extent and relatively shallow depth of drilling, RPM considers it likely that additional Resource would be discovered at Pearl Croydon if additional exploration were to be undertaken.

Mining

Mining possibilities at Pearl Croydon project were not considered in the ITER as it is a small size, is considered to have a low geological confidence and no mining studies have been completed for review.

Processing

It is too early to speculate on likely processing route, throughput rate and thus operating cost.

Infrastructure

The Pearl Croydon prospect is in a forest area but is a short distance to paved public roads and power infrastructure.

Metallurgy

No information is available for this prospect, such as mineralogical reports or testwork results.

MIN5563 Specimen Reef

Geology

The mineralisation at Specimen Reef consists of two parallel quartz steeply dipping North South striking reefs (Specimen Reef and Doctor's Reef) and other lesser reefs that can be traced over greater than 1,000 metres strike length. The Specimen Reef dips steeply both to the east and west and is characterised by a strongly developed stringer zone up to 7 metres wide, with massive veins greater than 0.5 metres wide.

Resource

No Resource has been estimated for the prospect but a large RC drill program at sufficiently close spacing for Resource estimation has been completed.

Exploration Potential

RPM walked the length of the reef and noted historic workings extending significantly beyond the extent of the drilled length, verifying additional potential along strike in both directions. The reef also appears to be open at depth.

Mining

Mining of the Specimen Reef project was not considered in the ITER as there is insufficient technical information including no Resource estimate or mining studies.

Processing

It is too early to speculate on likely processing route, throughput rate and thus operating cost.

Infrastructure

The Specimen Reef prospect is in a forest area but is a relatively short distance to paved public roads and power infrastructure.

Metallurgy

No information is available for this prospect, such as mineralogical reports or testwork results.

Risks

Geology

The key geologic risks lie with the block models, which have been shown to have poor local estimate reliability from two reconciliations at A1. Even though both showed more gold mined than in the block models they highlight the local estimate uncertainty. This uncertainty is the driver for Centennial's adoption of the higher risk, proportion of global Resource by level methodology, rather than a design basis for mine production scheduling.

Other block models have no documentation and it is not possible to evaluate their reliability but in the case of the Allied south model at Union Hill it has been identified that likely sample bias from sludge holes precludes a JORC classification

Mining

No mine designs have been completed at A1. The mine schedule does not use modern 3D practices based on mine designs. While this does not preclude the schedule being achieved, it does mean the assumptions and logic cannot be validated and therefore introduces risk. The minable quantities used in the mine schedule are not JORC compliant and are based on interpreted historic mining and localised drilling.

The production rates are in line with historic capacities and if managed well are achievable. However without a mine schedule developed using modern 3D mining techniques, it is a risk whether the sequencing is achievable in a given period. The current equipment types are suitable however they are at their economic lifespan limits.

Similarly no designs are used for scheduling from Union Hill and in this case no JORC Resources are declared.

Metallurgy

A primary assumption is that future ore types would behave similarly to current ore types in the processing plant. Traditionally, this issue is addressed by testing representative samples based on the mine schedule, which has not been done in this case.

Of concern is the Union Hill and A1 ores, the former possibly getting harder with depth, while in the case of the latter, a current processing plant study is progressing on limited scoping testwork data, based on non-representative samples.

Infrastructure

Insufficient information was made available for an evaluation of infrastructure and the report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations. Although RPM's observations during the site visit support this view, it is possible that potential risks were not identified.

Opportunities

Geology

The currently announced Mineral Resource estimate block models have been unreliable predictors of tonnage and grade on a scale relevant to mining operations. RPM suggests opportunity exists to improve the Mineral Resource estimate so that the block models provide more than just a global prediction of tonnage and grade.

Estimation techniques such as Ordinary Kriging or MLK, detailed domain investigations and estimation search parameters appropriately chosen to mirror local grade trends are expected to improve estimates.

Estimation of exploration potential or unclassified material using less restrictive search parameters may aid in target identification and assessment.

Mining

Once a verified Mineral Resource is established, generating mine designs and associated mine schedules based on the block models will de-risk the project.

Metallurgy

A number of opportunities exist, principally for the Porcupine Processing Plant:

- The primary opportunity would be to operate at full capacity, presumably 200,000tpa, at which the unit processing costs would decrease significantly;
- This opportunity assumes that there are no process bottlenecks. To verify and improve this the operation would benefit from a process audit to identify the efficacy of equipment and processes, e.g. improved classification of mill discharge;
- In order to better understand and optimise the operation, routine laboratory testing should be conducted, such as quantifying grind size, carbon regeneration efficiency, dissolved oxygen levels, bottle roll on the tailings, stripping efficiency, cyanide concentration and pH levels, etcetera, and
- A thickener on the tailings would be beneficial for water recovery and reagent savings.

Valuation

RPM completed the Independent Technical Expert Review (“ITER”) discussed above in support of an Independent Valuation of Centennial’s mining licences comprising the A1 Gold Mine and the Maldon projects. This Valuation was prepared in accordance with the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“The VALMIN Code”). The ITER considered key documents and information related to the projects and provided opinions focussed on geology and Mineral Resources, Mining and Ore Reserves, Metallurgy and Ore Processing, Infrastructure and Environmental.

The key contributors of value in Centennial’s portfolio are the A1 Mine and the Union Hill Mine. RPM was provided with a five year cash flow model (referred to in this document as the “Centennial Financial Model”) developed internally by Centennial. RPM was informed that this model represents the Life-of-Mine (“LOM”) plan for the A1 and Union Hill mines.

As recommended by the VALMIN Code, RPM used a number of valuation approaches to determine individual and an overall value for Centennial’s assets.

In accordance with recommendation by VALMIN in relation to the suitability of certain valuation approaches as a function of the maturity of projects, RPM used the Income approach (discounted cash flow) to ascribe a value to the A1 and Union Hill Mines. RPM based the discounted cash flow “DCF” approach on the Centennial Financial Model to which a number of modifications were made to incorporate RPM’s views on input assumptions and low confidence in some of the assumptions.

One of the key risks and uncertainties in the Centennial Financial Model (“CFM”) is related to the fact that the scheduled production quantities are not reported in line with the recommended guidelines of the JORC Code and are based on interpreted historic mining and localised drilling; material which is categorised at a lower Resource confidence or with no classification at all. Further, there are no mining or technical feasibility studies to support the mining or processing assumptions used in the CFM. All assumptions are based on historical performance. Unfortunately, although the A1 Mine has been operational over many years, during the last two years the operations have been running at an operational loss and therefore the confidence in the historical performance as a basis for the future is low.

RPM notes that with respect to the forecast gold price assumptions, this is one of the key reasons why the forward looking profitability in the CFM (based on AUD2,000/oz) shows improved economic viability compared with the historical previous two years here actual prices were around levels of AUD1,600 to 1,800/oz.

As recommended by the VALMIN Code, RPM also used two alternative valuation methods on assets depending on their development maturity. The Market Comparable approach was used based on ranges derived from recent comparable gold transactions. This was used as an alternative valuation approach applied to the two assets for which JORC resources have been defined (i.e. A1 Mine and Pearl Croydon). The third approach, based on historic exploration expenditure and prospectivity, was applied on the assets for which neither a DCF cash flow nor JORC resources were available.

RPM notes that given the distressed nature of Centennial's assets and therefore the likelihood of a discount expected on the value by any prospective buyer of the assets, an additional discount has similarly been applied to derived values.

Table B presents a summary of the valuation completed by RPM for the above-mentioned assets as at the valuation date (3 September 2019).

Table B Centennial Assets - Valuation Summary as at 3 September 2019

Licence/lease area	Value (lower)	Value (upper)	Value (preferred)
MIN5294 (A1 Gold Mine)			
Modified DCF	AUD3.86 M	AUD11.68 M	AUD7.77 M
Market Comparable	AUD0.56 M	AUD4.4 M	AUD2.5 M
Value Range	AUD2.0 M	AUD8.0 M	AUD5.0 M
MIN5146 (Union Hill Mine)			
Modified DCF	AUD1.38 M	AUD1.38 M	AUD1.38 M
Value Range	AUD1.38 M	AUD1.38 M	AUD1.38 M
MIN5528 (Nuggetty Reef)			
Modified DCF	AUD0.4 M	AUD0.4 M	AUD0.4 M
Multiples of Exploration Expenditure	AUD0.121 M	AUD0.121 M	AUD0.121 M
Value Range	AUD0.25 M	AUD0.25 M	AUD0.25 M
MIN5465 (Pearl Croydon)			
Market Comparable	AUD0.025 M	AUD0.73 M	AUD0.38 M
Multiples of Exploration Expenditure	AUD0.160 M	AUD0.160 M	AUD0.160 M
Value Range	AUD0.1 M	AUD0.5 M	AUD0.3 M
MIN5563 (Specimen Reef)			
Multiples of Exploration Expenditure	AUD0.05 M	AUD0.05 M	AUD0.05 M
Value Range	AUD0.05 M	AUD0.05 M	AUD0.05 M
Overall Valuation Range	AUD3.8 M	AUD10.2 M	AUD7.0 M

As a further cross check, the overall value range of between AUD3.8 M and AUD10.2 M with a preferred value of AUD7.0 M was compared with recent previous transactions and valuations by MiningOne and Optiro and in RPM's opinion, given the information reviewed, risks considered and distressed nature of the company, is a reasonable valuation of Centennial's assets.

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1. Introduction

RPM Advisory Services Pty Ltd is a wholly owned subsidiary of RPMGlobal Holding Limited, a publically listed company on the Australian Stock Exchange (ASX code RUL) and was engaged to compile an Independent Technical Expert Report and Valuation (“ITER”) for the assets of Centennial Mining Limited (“Centennial” or the “Company”) and its subsidiaries (Maldon Resources Pty Ltd and Highlake Resources Pty Ltd), all located in Victoria, Australia (“the Projects”). RPM understands that the purpose of the ITER is to assist KordaMentha in their role as administrator of the Company.

1.1 Purpose of the Report

RPM Advisory Services Pty Ltd (RPM) was commissioned by KordaMentha (“KordaMentha” or the “Client”) to complete an Independent Technical Expert Report and Valuation (hereafter referred to as the “ITER”) of a selection of gold assets (hereafter referred to as the “Assets”) owned by Centennial Mining Limited (“Centennial”).

It is understood that the purpose of the Independent Technical Expert Report is to assist the valuer and KordaMentha in their role as administrator of the Company and produce a report that will:

- Identify potential technical fatal flaws in the Assets; and
- Identify information material to the valuation.

This report will support and document the Valmin valuation.

1.2 Relevant Assets

The Relevant Assets (or “Assets”) for the purposes of review are:

- MIN5294 A1
- MIN5146 Union Hill Mine
- MIN5529 North of England
- MIN5528 Nuggety Mine
- MIN5465 Pearl Croydon
- MIN5563 Specimen Reef

The Assets are located North East and North West of Melbourne in the State of Victoria, Australia. The A1 mine is an operating underground gold operation. The Union Hill mine is an underground mine which is on care and maintenance. The other assets are Mining Licences that have not been developed in the modern era but are the sites of historic gold mining.

1.3 Scope of Work

The Review scope of work (“SOW”) involves the following:

- Initiation including a kick-off meeting;
- Data Collection;
- Site Visit;
- Technical Review; and
- Technical Valuation.

1.3.1 Technical Review

The Technical Review will involve:

- A desktop review of the pertinent data as provided in the Project's data room will guide and impact the valuation;
- A review of geologic data, QAQC data, mineralisation wireframes and two block models, one for A1 and one for Pearl Croyden;
- A review of the resource statements including supplied information supporting the statements but excluding any block models apart from those for A1 and Pearl Croyden;
- A review of the exploration possibilities peripheral to the developed zones in the A1 area and the Waldon Project area;
- Review of metallurgical testing and results;
- A review of mine planning including mining strategy, mine plan layouts, mining method, operating schedules, workforce and management, productivity assumptions, operating cost assumptions, capital cost assumptions, construction schedule, and mining risks;
- Review and commenting on the reasonableness of the Client's budget models (and the assumptions made on project capital, sustaining capital, operating cost, and ex-mine costs such as transport, port, royalties, and head office). Where material issues are identified, recommend reasonable alternatives;
- Review of licence permitting including tenure of the licence area and current status of the licence;
- Review of off-site services required to support operational activities such as electricity, water and roads;
- Review of environmental and other associated approvals which may impact on the valuation including rehabilitation bonds and other such liabilities;
- Review and reporting on technical risks associated with future operations; and
- RPM upon completion of its review will adjust any of the key input parameters to reflect its own opinion ahead of undertaking the Technical Valuation.

1.3.2 Technical Valuation

The technical valuation will be conducted using at least two appropriate valuation methods to be agreed by RPM after appraisal of information in the data room. These might include a Market Approach (e.g. Transaction Comparable) and a Discount Cash Flow Model (DCF) for the A1 mine if the appropriate data is available. Additional valuation methods acceptable by Valmin will be considered if applicable. Below is the scope of the work for the Valuation task:

- A Market Approach (Comparable Transactions) may be used to determine a valuation range and preferred value by looking at comparable companies and transactions in the sector. RPM will access a transaction database to obtain the relevant financial transactions and market information.
- A Discounted Cash Flow ("DCF") Model may be used to determine the Net Present Value of asset only if suitable information is available. If a DCF method is deemed suitable, RPM will use the consensus price or a price agreed with the Client to determine the appropriate commodity price and forecast. (Any available cash flow models or mining schedules for the asset would be as provided by the client), including.
 - Life of mine production schedule.
 - Operating cost of mining equipment.
 - Operating cost of fixed plant items.
 - Capital costs of both mining equipment and fixed plant.
 - On-site labour for the entire operation.
 - Pricing assumptions.
 - Sensitivities to analyse the impact of changes in operating cost, capital costs and product pricing assumptions.
- Other methods such as Multiples of Exploration Expenditure including a Prospectivity Enhancement Multiplier could be considered if applicable. The use of this approach requires access to data related to historical exploration expenditure on the assets; and
- Report the outcomes of the valuation.

1.4 Site Inspections

Site inspections were carried out by Mr Robert Dennis, a CP for the style of mineralisation present as considered by the JORC code. Mr Dennis visited all of the assets between the period 26th and 29th August 2019. All asset location were inspected during the course of the site visit.

1.5 Capability and Independence

This Review report was prepared on behalf of KordaMentha by RPM. RPM operates as an independent technical consultant providing Mineral Resource evaluation, mining and processing engineering as well as mine technical valuation services to the resources and financial services industry. RPM believes its' independence has not been compromised in undertaking this Review.

RPM has agreed to be paid professional fees by KordaMentha for the preparation of this report.

1.6 Information Sources

The contents of this Review have been created using data and information provided by Centennial and KordaMentha, from discussions with Centennial personnel on site or in meetings as well as published announcements made to the Australian Stock Exchange ("ASX") by Centennial and predecessor companies. All documents considered are listed in Appendix A and B of this report. In RPM's opinion, the information provided was of variable quality. Where necessary RPM supplied opinions based on its experience and reasonable mining industry norms to address the requirements of the ITER.

Information generated by third parties, consultants or contractors to Centennial has not been independently validated by RPM.

RPM accepts no liability for the accuracy or completeness of data and information provided to it by Centennial and KordaMentha, or any third parties, even if that data and information has been incorporated into or relied upon in creating this Review. The Review has been produced by RPM using information that was available to RPM up to the 3rd of September 2019.

1.7 Information about this Document

This Review has been prepared by or on behalf of RPM solely for KordaMentha. All copyright and other intellectual property rights in this Review are owned by and the property of RPM.

To the fullest extent permitted under law, use of or reliance on this Review by any third parties is at their sole risk and RPM will not be liable for any liability, loss or damage suffered by a third party relying on this report regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise.

RPM makes no warranty, express or implied in respect of this Review, particularly with regard to any commercial investment decision made on the basis of this Review. This Review has been prepared without taking into account the objectives, financial situation or needs of any individual, entity or organization.

Definitions and glossary of terms is included in **Appendix C**.

1.8 Inherent Mining Risks

Mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can identify the known risks and take measures to manage and mitigate those risks, there is still the possibility for unexpected and unpredictable events to occur. It is not possible therefore to totally remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

It is therefore not possible to state with certainty, forward-looking production and economic targets, as they are dependent on numerous factors that are beyond the control of RPM and cannot be fully anticipated by RPM. These factors include but are not limited to, site-specific mining and geological conditions, the

capabilities of management and employees, availability of funding to properly operate and capitalize 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 could also substantially alter the performance of any mining operation.

1.9 Study Team

The Study Team comprised professionals from RPM's Australian offices and associates of RPM.

The Technical Engineering View been reported taking into account the recommended guidelines of the JORC Code and the Valuation has been reported by a competent person under the VALMIN code.

1.9.1 Team Responsibilities

As part of the Team, members who have worked to compile this report include the following:

Mr. Robert Dennis– Robert managed the project, conducted the site visit and was responsible for review of the geological and sampling information in the report.

Ms. Hollie Fursey – Hollie was responsible for detailed review of the block models reviewed for this Report.

Mr. Andrew Newell – Andrew was responsible for metallurgical and process reviews in the report.

Mr Lionel Varnfield – Lionel was responsible for the infrastructure sections of the report.

Mr. Joe McDiarmid – Joe was responsible for the review of the underground mining design and scheduling.

Ms. Behia Yanez– Behia was responsibility for the review of the environmental aspects of the Assets.

Mr. Francois Grobler – Francois was responsibility for VALMIN valuation included in the report.

1.9.2 ITER Responsibility

The information in this report that relates to the Mineral Resources of the Assets is based on information compiled and reviewed by or under the direction of Mr. Robert Dennis, who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of RPM.

Mr Dennis has sufficient experience that is relevant to the style of mineralization and types of mineral deposits under consideration, and to the activity he is undertaking, to qualify him as a Competent Person (as defined in the 2012 Edition of the JORC Code). He has more than fifteen years of experience in the mining industry and has visited the mine sites.

Mr Dennis has no interest whatsoever in the mining Assets reviewed and will gain no reward for the provision of this review. RPM will receive a professional fee for the preparation of this statement.



.....
Robert Dennis BSc (Geology) (Hons) MAusIMM MAIG

1.9.3 VALMIN Valuation

The information in this report that relates to the VALMIN valuation of Centennial’s assets is based on information compiled and reviewed by Mr. Francois Grobler, who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of RPM.

Mr. Grobler has more than 25 years’ experience in the mining industry and has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” or “Specialist” under the definitions provided in the VALMIN Code. Mr Grobler has completed numerous mineral property valuations globally and is a qualified mineral property valuator under the VALMIN Code.

Mr Grobler has no interest whatsoever in the assets reviewed and will gain no reward for the provision of this Independent Valuation. RPM will receive a professional fee for the preparation of this statement.



.....
Francois Grobler PhD, MSc Eng (Mineral Economics), BSc Hons (Geology) MAusIMM MAIMVA

2. Location and Tenure

The mineral and exploration licence assets of Centennial have been subject to various sales, lapses and applications. RPM undertook an initial tenure review and determined that the current granted mining licences include those listed in **Table 2-1**.

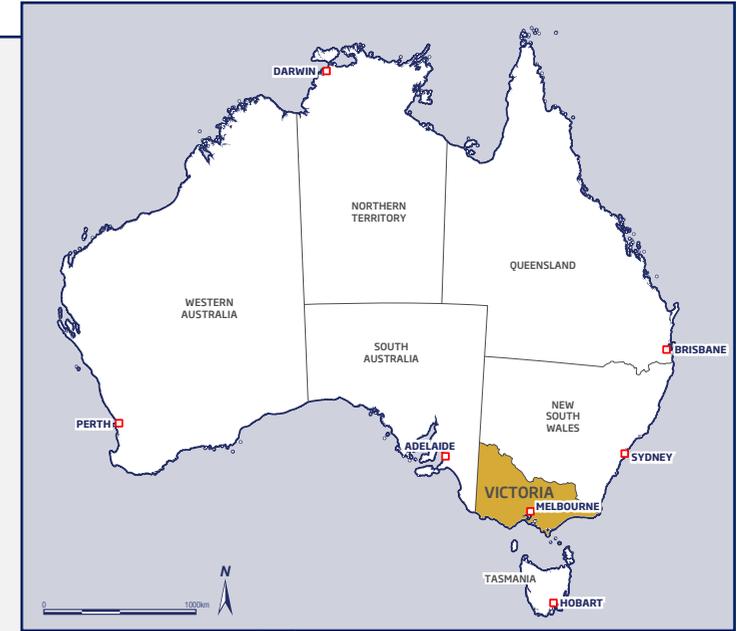
Table 2-1 Centennial Current Granted Mining Licences

Area	Licence	Comment
A1 Mine	MIN5294	
Maldon Project	MIN5146	Union Hill Mine
	MIN5529	North of England
	MIN5528	Nuggety Mine
	MIN5465	Pearl Croydon
	MIN5563	Specimen Reef

An exploration licence application EL7029 was found under the name of Centennial Mining Limited. However, as Centennial is currently under administration RPM opinion is that this cannot form part of the value. After discussion with KordaMentha it was agreed that RPM will focus this review on the mining licences listed in **Table 2-1**.

The locations of the assets are shown in

Figure 2-1. Walhalla does not belong to Centennial currently.



LEGEND		
----- Broad and standard gauge	----- Major freeways	✈ Airport
----- Broad gauge	----- Primary highways	🚢 Shipping port
----- Standard gauge	----- Secondary highways	🟡 Greater Melbourne Region
----- Freight rail	----- Other major roads	🇻🇮 Victorian Regions
----- Broad gauge under construction		
• Passenger station (V/Line)		



CLIENT

PROJECT		
NAME INDEPENDENT TECHNICAL EXPERT REPORT AND VALUATION OF THE CENTENNIAL MINING LIMITED ASSETS, VICTORIA		
DRAWING LOCATION PLAN		
FIGURE No. 2-1	PROJECT No. ADV-AU-00027	Date September 2019

RPM undertook an initial tenure review and determined that the current mining licences granted to Centennial and its subsidiaries are currently valid and appear to be in good standing (refer to **Table 2-2**).

Table 2-2 Centennial tenement details (2018)

License	Area (ha)	Original Granted	Last Granted	Expiry	Commitment	Bond	Rent
MIN5294	107.77	22/08/1990	18/08/2016	17/08/2025	AUD91,600	AUD109,000	AUD2,294
MIN5146	706.1	17/12/1996	18/12/2016	17/12/2036	AUD608,685	AUD714,000	AUD14,807
MIN5528	4.5	22/07/2010	18/12/2016	17/12/2021	AUD15,000	AUD10,000	AUD209
MIN5529	4.95	07/02/2013	7/02/2013	6/02/2023	AUD14,000	-	AUD209
MIN5465	92	17/10/2012	17/10/2017	16/10/2037	AUD82,800	AUD10,000	AUD2,085
MIN5563	260	24/01/2014	24/01/2014	23/01/2024	AUD234,000	-	AUD5,422
Total					AUD1,075,035	AUD843,000	AUD25,734

3. A1 Mine Area

3.1 Introduction

The A1 area consists of a single mining licence, MIN5294, refer to **Figure 3-1**. The licence is the site of the A1 mine, which was the main focus of Centennial's development prior to administration.

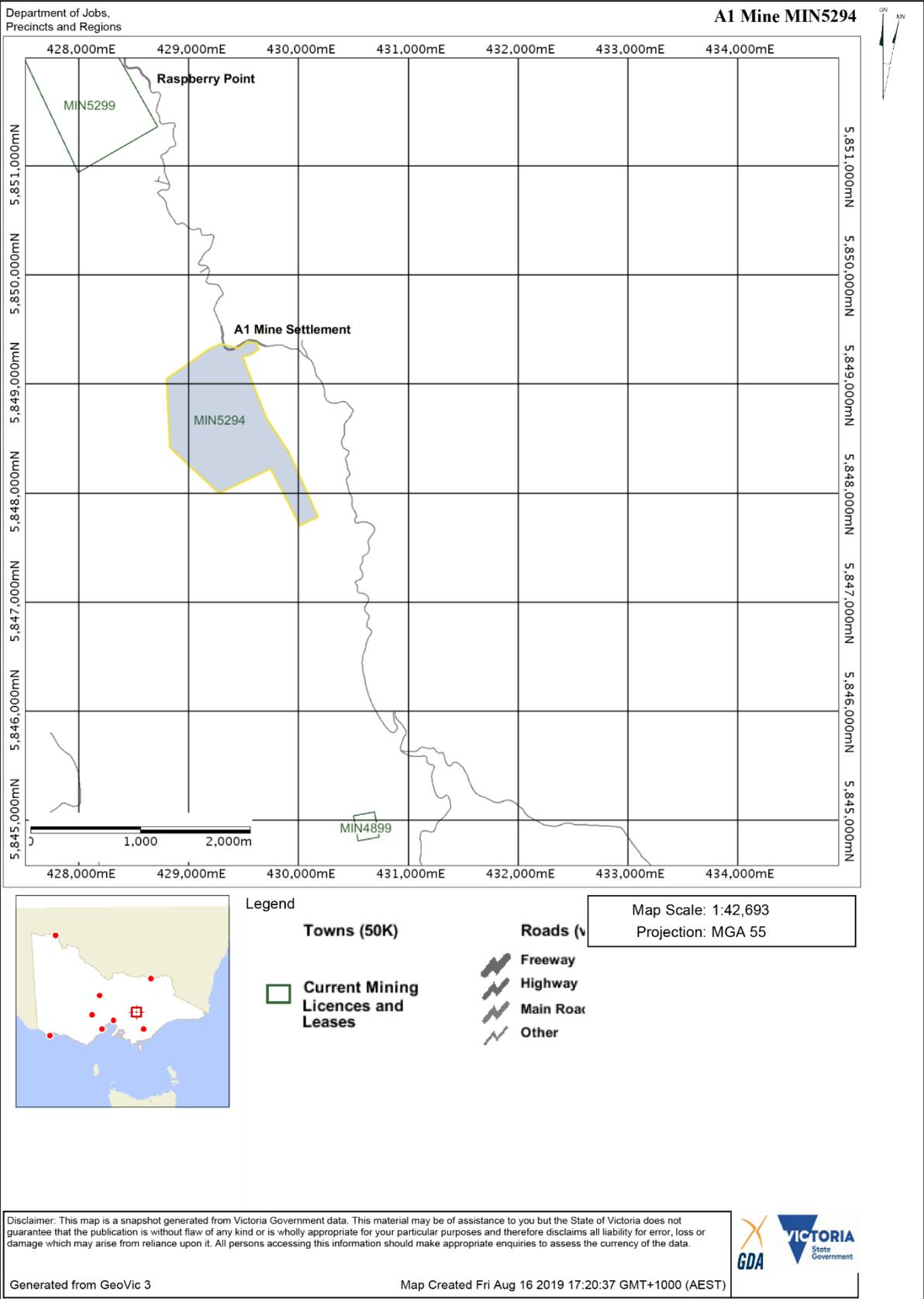
The project has a very long mining history with the first recorded mining by the A1 Gold Mining Company in 1862. From then until 1992, production of more than 620,000 ounces of gold was reported.

Initially, mining at the A1 was by hand and, later, air-leg mining on a small scale from levels accessed by conventional vertical shafts. Eventually the historical A1 mine was extended to a depth of 705 m below the surface outcrop. The principal production shaft was the Main shaft which hoisted to the Main adit level at ~1685 mRL from which the ore was trammed to the surface.

The leases have now been consolidated into the current mining lease MIN 5294. Key events of the recent mining history include:

- In December 2009, the current A1 decline was commenced by Heron Resources Limited under an option to purchase A1 from Gaffney's Creek Gold Mine Pty Ltd;
- Commencement of the A1 decline from just above Main adit level and extension to a vertical depth of 565 m below the surface outcrop. The decline accesses to approximately 140 m vertically above the base of the Main shaft;
- A1 Consolidated Gold Limited, with the agreement of Heron Resources, purchased A1 in February 2011;
- A1 Consolidated Gold completed the purchase of the Maldon gold operations from Octagonal Resources Limited ("Octagonal") in June 2015. This included the Porcupine Flat processing plant which provided the Company with a suitable plant to treat gold ore from the A1 mine;
- Modern production commenced at the A1 mine using traditional air-leg and modern trackless mining methods and processing commenced at the Porcupine Flat plant in March 2016;
- The first long hole stope at the A1 was blasted in October 2016 and produced approximately 150,000 tonnes of ore at 5.5 g/t Au;
- Consolidated Gold Limited changed its name to Centennial Mining Limited In December 2016;
- Owner-operated mining was undertaken by Centennial from the end of January 2017, when the Pybar Mining Services Pty Ltd mining contract was been completed, and
- Drilling has continued to the current time but the last published Resource update was from 9th November 2017.

Figure 3-1 Location of A1 Mining Licence



3.2 Geology

The A1 gold deposit is located in the Woods Point-Walhalla goldfield of Central Victoria. The deposit occurs in tightly folded Devonian sedimentary rocks which are part of the Woods point – Walhalla synclinorium. The sedimentary rocks have been intruded by a swarm of dioritic dykes. The diorite has a composition intermediate between granite and gabbro. The sedimentary rocks immediately adjacent to the dykes have been metamorphosed and are referred to locally as meta-sedimentary rocks.

The dyke is a curved, near vertical body, at the location of A1 and is the location of the majority of mineralisation. The dyke appears to have become fractured during structural deformation and the joint planes and breccia areas developed at the intersection of joints have become the location of high grade gold mineralisation.

3.3 Mineralisation

The gold at A1 occurs in a steeply dipping diorite bulge to the south and also in a smaller dyke to the north. The dykes are cut by a series of reverse faults. The A1 gold bearing mineralisation occurs in three principal styles:

- Reefs consisting of;
 - Brecciated quartz rich zones in shears: mostly east and sometimes west dipping reefs, 10 cm to several metres thick, 30 m to 150 m in strike length and 30 m to 70 m dip extent; and
 - Laminated quartz infilled zones in shears: north-east/south-west striking shear zones, similar in dimensions to the brecciated quartz rich shear zone reefs.
- Quartz rich brecciated diorite with branching quartz veins (See **Figure 3-2**) consisting of zones of quartz-ankerite-muscovite-sulphide alteration around breccia veins, with branching quartz veins and stringers;
- Altered dyke consisting of strongly carbonate altered and sericitised diorite with minimal quartz veining (See **Figure 3-3**). These are steeply to vertically plunging zones, one of which, known as the Magenta Zone (See **Figure 3-14**) is currently interpreted to be up to ~30m in horizontal thickness and to extend ~170 m vertically, and ~100 m along strike.

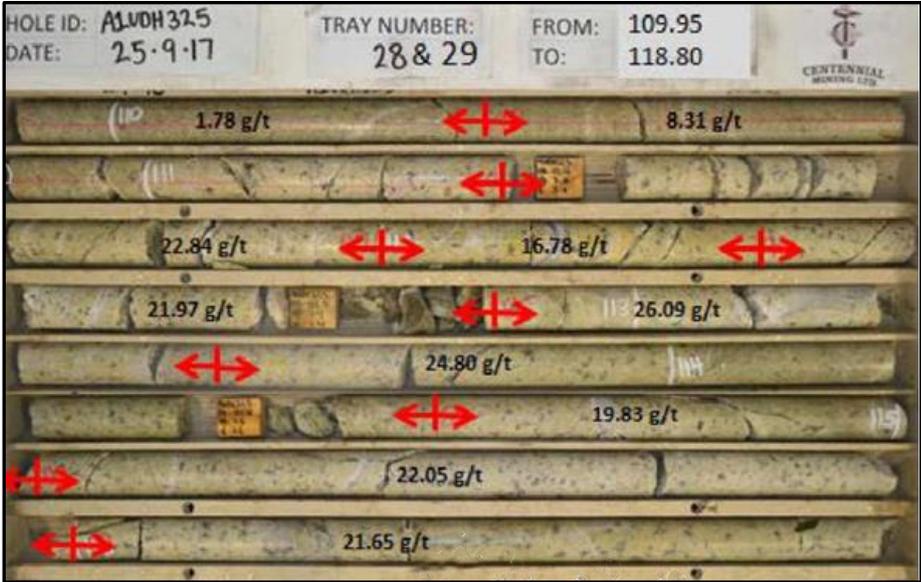
The gold mineralisation ranges from low grade haloes in altered dyke to high grade gold reefs. The gold is not refractory and processing recoveries for A1 ore in the Porcupine Flat processing plant average around ~90%.

Figure 3-2 Quartz rich brecciated diorite reef (grey-green) with branching quartz veins



Note: Photo dimensions approx. 3m x 2m

Figure 3-3 Altered Dyke High Grade Mineralisation



Note: The length of the core tray (left to right) is one metre; gold grades are shown for each metre of drill core. The rock is carbonate altered and sericitised diorite with minimal quartz veining.

3.4 Resource Supporting Data

3.4.1 Drilling

All primary sampling is from diamond drilling. Apart from several holes drilled by Heron in 2009 all holes are more recent and were completed by Centennial.

Diamond drilling was completed by 3 separate drilling contractors:

- Star West Drilling contractors using an LM75 drill rig. The core diameter drilled was HQ (63.5mm), with the core was orientated using a Reflex ACT II orientation tool;
- Deepcore Drilling contractors using an LM90 rig with NQ2 (50.6mm) core diameter drilled. The core was orientated using a Reflex ACT II orientation tool; and
- HMR with an LM30 Bobcat rig, drilling with NQ2 (50.6mm) conventional. Core was orientated with a Reflex ACT II orientation tool.

The company has a well-equipped facility at A1 for the ongoing logging and sampling of diamond core, see **Figure 3-4**. RQD and recovery data are recorded in the geology logs for all drilling being reported. Core loss was recorded by drillers on run sheets and core blocks placed in core trays. Where the ground was broken, shorter runs were used to maximize core recoveries. Areas of potentially poor ground were communicated to the geologists and recorded in drilling plods. Because mineralisation at the A1 Gold Mine is predominately hosted in competent quartz and dyke structures, sample recoveries were general high. No significant sample loss was been correlated with a corresponding increase in Au grade.

Figure 3-4 Centennial A1 Core Logging and Sampling Facility



Drill hole spacing's are generally in the order of a 20m x 20m up to 50m x 50m for the Inferred areas of the Resource and down to less than 10m x10m for the Indicated Resources. There is good correlation between sections on the larger structures, with some of the narrow reefs not as continuous across some sections.

RPM Comment

RPM is of the opinion that the density of drilling data is adequate to allow for a relatively reliable Resource estimate in and around the areas of current mining activity. The geological coverage decreases rapidly outside of the immediate mining development. The southern area of the mine, in particular has limited coverage.

3.4.2 Survey

- All holes are labelled during the drilling process, and most holes have been picked up by licensed surveyors, Adrian Cummins and Associates, more recently by mine surveyors.
- Holes are labelled by drillers upon completion of the hole.
- Down hole surveys were taken at 15m, and every 30m after this with a reflex single shot camera.
- Grid used is MGA_GDA94.
- The topography and as built control is of a high standard and consists of a DTM surface

3.4.3 Sampling

All core was half cored using an Almonte diamond core saw. Core samples from Centennial were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75µm.

Insertion of QAQC blanks and standards was routinely carried out. Random and select insertion is applied, i.e. blanks are inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC program which was reported monthly and subject to a monthly QAQC review.

Additionally 147 pulp sample rejects from the Heron L7 drilling programme (2010-2011) were collected by Snowdon's in May 2012 and submitted to the Gekko Laboratory in Wendouree, Ballarat. The pulps were screen fired in their entirety. Statistical analysis showed that 55% of the samples pairs lie within the ±10% of expected value. In a perfect scenario, 90% of the assays should be within the 10% range. However, this is rarely achieved in coarse gold nuggety systems such as the A1 Mine where pulps are split prior to assay. The results confirm the presence of coarse visible gold at A1 (already well known) and indicate inherent variability will be present in assay data sets unless large assay charge size sizes have been applied (e.g. assay via Leachwell). The QQ plot indicated that the duplicate data is biased around +10% to +25% above the original data. This may be a factor of original pulp splitting and coarse gold segregated into the reject split. Coarse gold dictates a larger sample size and the sample size of 50g charge is considered appropriate for this style of deposit. RPM notes that even larger sizes presents other issues for the fire assay techniques, such as incomplete sample melting within reasonable times.

3.4.4 Assaying

The sample preparation and assay method of 50g Fire Assay is an acceptable compromise for this style of deposit and can be considered a total assay. Industry standards are followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 15 samples both randomly and select positions, such as blanks inserted after samples containing visible gold. QAQC results (Both Centennial and internal laboratory QAQC) are reviewed by Centennial geological staff upon receipt of the assay results. No issues were raised with the data being reported.

The assay results for L7-0010A intervals from 285 to 300m RL were checked by ¼ core sampling and assay by independent laboratory Bureau Veritas (Canning Vale). These returned a weighted mean assay value of 9.16 git over the 15 m interval compared with 7.09 git mean from the origin Gekko assays.

All field data was entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry. Data is stored on a server at the A1 Mine with daily backups. Backed up data is also stored offsite.

Significant intersections were reviewed by geological staff upon receipt, to ensure the intersections matched the logging data, with the checks including verification of QAQC results.

3.4.5 Density

Density determinations were made for the 2013 CSA Mineral Resource estimate from measured specific gravities of 17 samples of diamond drill core which were determined during metallurgical test work in 2012. Dry specific gravities ranged from 2.70 tonnes/m³ to 2.79 tonnes/m³.

The bulk density used for the MiningOne block model estimate was the same as that used previously, that is, 2.7 tonnes/m³ which is a reasonable estimate given the host rock petrology and mineralisation style.

RPM Comment

RPM is of the opinion that the drilling, logging, sampling and assaying procedures are likely to produce reasonable determination upon which to base the Resource. The greatest issue is the high nugget-effect of the mineralisation which will result in local imprecision of the samples and consequently the estimates upon which they are based.

RPM is concerned about the small number of samples measured for bulk density and recommends a significant density measurement campaign suitable distributed through the mineralisation.

3.5 Estimation and Resource Verification

3.5.1 Approach

Information was sourced from the following documents:

- CSA, 2013. Mineral Resource Report A1 Consolidated Gold Ltd. 1400 Stockwork Zone. A1 Gold Mine, Woods Point, Victoria, Australia. Report dated 10 April 2013;
- A1 Consolidated Gold, 2014. A1 Gold Mine MRE Compliant with JORC (2012). ASX Release dated 12th May 2014;
- Centennial Mining Ltd, 2018. A1 Gold Mine Updated Mineral Resource Estimate. ASX Release dated 7th Nov 2018;
- MiningOne Consultants, 2019. Valuation of the Mineral Assets of Centennial Mining Limited (Administrators Appointed). Report dated 9th May 2019, and
- Optiro, 2019. Centennial Mining Valuation Review. Internal memorandum compiled for Centennial Mining limited (Administrators Appointed), dated 25th June 2019.
- RPM reviewed and has made comment on the above documentation herein. Due to the high level nature of this review, no independent verifications of data or block models were completed by RPM beyond reporting of the block models to confirm the Mineral Resource tabulation.
- RPM's review was focussed on the MiningOne and CSA Global A1 Resource block models which underpin the published Resource. Centennial supplied stope level block models for Folly's North, Victory Area, Queens and Magenta. These were supplied either as block model files only ore with some associated wireframes and in no cases was there any estimation documentation. Because of the lack of documentation they were not assessed in this review but subsequently RPM has been informed that recent schedules feeding into the financial model considered the data contained in these models.

RPM Comment

There is considerable risk to the future financial model from the basing of the mining schedule on non-JORC and poorly documented local block models.

3.5.2 Capping

CSA 2013 Estimate (>1400mRL & <1260mRL)

Statistical analysis demonstrated the coefficient of variation (CV) rapidly diminishing through the higher top cuts then gradually easing. The 150 g/t top cut is approximately at the 99.9th percentile of the data distribution, whilst the 50 g/t top cut is approximately the 99.5th percentile. The 20 g/t top cut approximates the 99th percentile. The 50 g/t top cut was selected and applied to the composited data. This resulted in 38 out of 7,684 composited samples within the dyke domain being cut back to 50 g/t. The cut mean grade of the dyke mineralisation is 1.28 g/t, compared to an uncut mean grade of 2.19 g/t.

Table 3-1 displays the variable top cuts for Au composited data, within the diorite dyke domain.

Table 3-1 Top cut analysis completed for CSA 2013 estimate (Source: CSA, 2013)

Au Top Cut	Number of Samples	Au Mean (cut data)	Number samples cut	Maximum Au	St Dev	CV
Uncut		2.26		2,568	41.7	18.4
1,000		1.89	2	1,000	20.8	11
200		1.58	4	200	8.76	5.5
150	7,684	1.55	8	150	8.2	5.3
100		1.47	22	100	6.9	4.7
50		1.28	38	50	4.5	3.5
20		1.08	77	20	2.7	2.5

MiningOne Consultants (2015) completed an audit on the 2013 CSA Mineral Resource estimate, and viewed the top cutting rationale as “a matter of judgement and, given the other factors influencing the resource estimate, is unlikely to have a material effect on the estimate”.

MiningOne 2019 Estimate (1400mRL to 1260mRL)

Outlying samples grades greater than 75 g/t Au were cut to 75 g/t Au based on breaks in the Au grade sample distribution and this matched practice in a previous resource estimate. RPM notes the 2013 CSA Mineral Resource used a top cut of 50 g/t Au so there is some ambiguity as to which previous resource estimate is being referenced here.

RPM Comment

RPM views the rationale behind the selection of both the 50 g/t Au and 75 g/t Au top cut to be appropriate, particularly when considering the investigations presented by CSA (2013). Whilst it would be preferable to have similar parameters used for the two grade estimates that cover the deposit, the differing top cuts is unlikely to have a material effect on the estimate.

CSA (2013) recommends additional investigations into top-cutting alternatives, such as using a tight sample search ellipse when estimating high grades and using an alternative estimation method such as MIK (CSA, 2013). RPM notes these do not appear to be commented on or investigated during the later MiningOne (2018) estimate.

RPM agrees with CSA’s comments about restricting search range but notes that even with cuts to low values of 20 g/t CV would only be reduced to 2.5 which is greater than optimal. RPM is of the opinion that for such a skewed distribution a strategy of using a non-linear estimation method rather than cut then linear estimate would be more likely to produce a better local estimate.

3.5.3 Domains

CSA 2013 Estimate (>1400mRL & <1260mRL)

CSA constructed a geological model of the diorite dyke, using Leapfrog software to model the dyke from the geological logs of the diamond drill holes. The Leapfrog model was imported into Datamine, where it was edited to construct a 3D wireframe solid. The model was then compared into Datamine, where it was edited to construct a 3D wireframe solid. The model was then compared to previous geological interpretations and validated. The model was reviewed by A1 Consolidated Gold geologists before use in the Mineral Resource estimate.

The dyke model encapsulates the dyke geological domain, and extends a short distance into the wall rock to capture quartz veining which has extended out of the dyke, refer to **Figure 3-5**. This is a recorded feature of the mineralisation at A1, where the mineralised quartz veins do extend a short distance into the sedimentary wall rock, albeit with declining gold grades. Therefore the diorite dyke is not strictly a geological model of the dyke, but rather an envelope capturing the quartz veining. CSA recommended that future Mineral Resource estimates build a geological model of the dyke only, so that drill hole samples located within the sediments can be statistically assessed and compared to the dyke hosted mineralisation. CSA do not believe this has had any significant impact upon the reported tonnes and grade with the current model, but recommend it with a view to having a resource model with stronger geological and geostatistical foundations.

Figure 3-5 Centennial A1 Gold Mineralisation Developed in Meta-sediment on the margin of Dyke



Note: Dyke material is brown coloured, Metasediment containing quartz veining is grey

CSA also discuss an alternative modelling strategy involving individual gold grade envelopes around individual veins or stockwork zones. CSA believes this strategy would be more appropriate at the grade control stage of resource estimation, because the current drill hole data is too limited to provide enough geological information to support individual vein models. In addition, the proposed bulk mining method rather than selective method validates the use of the selected modelling strategy.

Further to this, an audit of the CSA Mineral Resource by MiningOne Consultants (2015) resulted in the recommendation that domaining be reviewed to take into account current geological interpretation which models the different styles of mineralisation separately. Such a geological interpretation would help to constrain:

- high grades to high grade zones (quartz reefs);
- lower grades to lower grade zones (stockwork mineralisation), and
- background grades to a background grade model.

MiningOne 2018 Estimate (1400mRL to 1260mRL)

The MiningOne model is based on 3D geological domains contained within the overall modelled A1 Dyke intrusion. Estimation was constrained by wireframes representing three domains:

1. High grade quartz vein style mineralisation,
2. Highly altered breccia zones within the dyke, and
3. Weakly altered dyke domains.

The geological continuity of the mineralisation is controlled by the extent of the host dioritic dyke, the location, thickness and extent of the host reef breccias, and the intensity of gold bearing mineralisation within the reef structures. Grade continuity is relatively high within the reefs.

There is a moderate to high degree of confidence in the geological model within the areas of the deposit that have been recently mined. The confidence comes from the geological knowledge of the mineralisation in dyke and high grade zones seen within the underground development between the 1400mRL and 1260mRL levels of the mine. The data used for the geological interpretation came from the underground exposures and the results of all previous available drilling data from both recent and earlier diamond drilling programs. Given the current geological understanding and the ongoing mining experience within this style of mineralisation alternative interpretations of the mineralisation are unlikely to result in material differences to the global Mineral Resource estimate.

RPM Comment

RPM considers the domaining rationale used for the MiningOne estimate to be appropriate – domains have a geological basis and have been defined using observations from mining exposures and drill hole data. However, no documentation was available to RPM to view the geostatistical basis of this domaining (e.g. domain sample statistics, histograms etc), to confirm the degree of success this domaining had in segregating different grade populations and to assess if stationarity was achieved in the resulting domains.

RPM notes that no domaining was used for the CSA estimate beyond limiting the estimate to an overall envelope slightly wider than the host dyke. Thus it is likely that because of the lack of wireframing smoothing will result in the high-grade quartz vein style mineralisation being underestimated and the lower-grade breccia zones being overestimated. For this reason, previous mining reconciliations of the high grade airleg stopes to this CSA model could be expected to show an over-recovery of gold ounces.

RPM views the biggest challenge at the A1 Mine is the complexity of this style of deposit and varied controls and orientations of mineralisation. This style of mineralisation has a high inherent level of risk associated in the prediction of grades and tonnages, which is additionally challenging as both longhole stoping of breccia mineralisation and handheld mining (air-legging) of high-grade zones are under consideration. If the domaining is not successful or even adequate, smearing of grades from high-grade zones to low-grade zones (and vice versa) could be expected to result in the higher-grade quartz vein style zones being underestimated compared to actual, and the lower-grade breccia zones being overestimated compared to actual. This could be expected to result in the airleg stopes over-performing during mining and the longhole stopes potentially underperforming if they lacked high grade sub-domains.

3.5.4 Directional Statistics

CSA 2013 Estimate (>1400mRL & <1260mRL)

The variogram model parameters for gold are presented in **Table 3-2**. A principal direction was modelled plunging 20° to 200°, reflecting the shallow dipping orientation of the quartz veins. CSA recommend further work to refine the best geological direction which should control the variogram models. A relatively low nugget effect was modelled, with the population variance rapidly approaching the sill within the first range. Therefore 86% of the population variance occurs within a 17m distance from any one sample, in a direction towards 110°. This implies that samples located more than this distance will have a much lower weight applied to them during grade interpolation, compared to samples close to the block centre.

Table 3-2 Variogram parameters (Normal Scores, sill) (Source: CSA 2013)

Domain	Direction	Nugget C ₀	Sill C ₁	Ranges A ₁	Sill C ₂	Ranges A ₂
Diorite Dyke	1	0.25	0.58	17	0.14	80
	2			10		55
	3			7		36

MiningOne Consultants (2015) completed a review of the variogram parameters used by CSA which confirmed variogram model ranges, but noted a significantly higher nugget effect (37% vs 28% in the CSA model).

MiningOne 2018 Estimate (1400mRL to 1260mRL)

The MiningOne Mineral Resource estimated used the Inverse Distance Weighting methodology, and thus no variography investigations were conducted.

RPM Comment

Regarding the CSA variography, RPM finds the following points pertinent:

- *CSA has recommended further variogram analysis to follow their work to test for other directions of grade continuity;*
- *RPM notes that the variogram orientations used by CSA will optimise estimation in the high-grade quartz domain, potentially to the detriment of the surrounding breccia material and weakly altered dyke. This is a follow-on issue from the lack of domaining in the CSA estimate discussed in **Section 3.5.3 Domains**;*
- *RPM views the nugget effect modelled by CSA (28% of the sill) to be lower than expected from this style of deposit. The higher nugget (37% of the sill) modelled by MiningOne Consultants (2015) using the same data is closer to what would be expected from this style of deposit. If a higher nugget were used for grade estimation, less reliability and weighting will be placed on nearby samples during grade estimation, resulting in a smoother estimate. As the mean of the estimated blocks in the CSA estimate (1.52 g/t Au) is lower than the cut-off grade used for the Mineral Resource tabulation (3.0 g/t Au), a smoother estimate would likely result in less tonnage in actuality compared to Resource above the grade cut-off, and*
- *RPM notes this variography analysis shows that beyond a 17m distance from any drill hole sample, confidence in grades is low. RPM again emphasises that this style of mineralisation is complex and has a high inherent level of risk associated in the prediction of grades and tonnages.*

3.5.5 Density Data & Estimation

CSA 2013 Estimate (>1400mRL & <1260mRL)

The A1 mine has a long history of accepted density measurements, and the historical value used on site is 2.70 t/m³.

CSA coded a density value of 2.73 t/m³ to all blocks in the block model. This density figure was previously determined from metallurgical testwork discussed in the previous Mineral Resource estimate completed by Snowden Group in 2012. The testwork selected 17 quarter core samples from the 1400 stockworks zone. Specific gravities were measured in the Gekko laboratory in Ballarat in accordance with Gekko Industries procedure 365. The value determined for the 1400 stockworks zone was 2.73t/m³, which is in agreement with the historic value of 2.70 t/m³.

Further bulk density testwork was completed by A1 Consolidated that covers all lithologies and different mineralisation zones at the A1 Gold Mine. Results were not available for CSA's Mineral Resource estimate, however they state the results were as expected and will not result in an increase or decrease in tonnes.

MiningOne Consultants (2015) audit deem that the style of the mineralisation this is a reasonable density to use.

Mining One 2018 Estimate (1400mRL to 1260mRL)

The bulk density used for the MiningOne block model estimate was 2.7 t/m³, which they state to be the same as that used previously and is a reasonable estimate given the host rock petrology and mineralisation style.

The previous test work completed on 17 density samples yielded dry specific gravities ranged from 2.70 tonnes/m³ to 2.79 t/m³.

RPM Comment

RPM notes the MiningOne estimate appears to use the historic density value of 2.7 t/m³, and does not appear to consider density test work completed since 2012.

RPM notes the tonnage difference resulting from using a global density value of 2.7 t/m³ or 2.73 t/m³ is in the vicinity of 1% which is immaterial to the estimate.

3.5.6 Estimation Methodology

CSA 2013 Estimate (>1400mRL & <1260mRL)

Gold grade was estimated using ordinary kriging (OK) and inverse distance weighting to the power of 2 (IDW²) using Datamine Studio (V3.20.6420). The IDW² estimate for the mineralisation domains mirrored the OK estimate, using the same sample selection criteria.

No by-products have been estimated, and are not expected based on assay results and previous processing data. However, historical production produced low quantities of silver which helped offset refining costs. No deleterious elements were modelled in this mineral resource estimate. Over 130 years of production history has not yielded any deleterious or penalty elements in concentrations that would be considered as impacting on the modelling.

MiningOne 2018 Estimate (1400mRL to 1260mRL)

Gold grades in the reefs were estimated by inverse distance, which was deemed an appropriate technique for the A1 Mine reef style mineralisation. The software package used for statistics and grade estimation was Surpac version 6.6.

No assumptions have been made about the recovery of by-products. No grades were estimated for deleterious elements or other non-grade variables of economic significance.

The blocks representing the parts of the domain mined out via historical stoping were flagged and omitted from the Mineral Resource estimate.

RPM Comment

RPM views the Ordinary Kriging estimation methodology used to estimate the CSA block model to be more in line with industry standard practice but is potentially an estimate which does not adequately model the much skewed distribution of the nuggetty gold deposit.

RPM views IDW² to be an inferior estimation methodology, particularly for the estimation of complex and nuggetty gold deposits. It is likely that IDW will result in the overestimation of gold grades and the spatial continuity of grades will not be adequately represented in the block model.

RPM recommends that, as a minimum standard, Ordinary Kriging be used for grade estimation at the A1 Mine, with appropriate application of domaining, grade cutting and search ranges. RPM also recommends that deposits containing strongly positively skewed grade distributions such as at A1 Mine are likely to benefit from non-linear estimation techniques such as Multiple Indicator Kriging (MIK).

3.5.7 Block Model and Interpolation Parameters

CSA 2013 Estimate (>1400mRL & <1260mRL)

A block model was constructed encompassing the diorite dyke, and extending to surface and to a depth of 900mRL. Parent block sizes were based upon approximately half the typical drill spacing (10mE, 10mW, 10mRL), focusing on the better drilled regions. Sub blocks were used to ensure the block model honoured the mineralisation zone geometrics (1mE, 1mW, 1mRL). A discretion matrix of 3 x 3 x 3 was used.

A minimum of 8 and a maximum of 30 samples were used in any one block estimate. A maximum of 3 composited samples per drill hole were used in any one block estimate. Search ellipse directions and radii were based upon variogram models, with radii approximating the short ranges. A search ellipse with radii of 20m x 20m x 5m was used. These parameters were selected using results from sensitivity analysis involving 13 grade estimation runs with changes to search ellipse orientation and radii, maximum number of samples, and replacing absent (null) sample values with values ranging from 0.01 g/t to 0.3 g/t.

An audit completed by MiningOne Consultants (2015) compared the un-depleted block model volume with the volume of the diorite dyke wireframe, and noted a difference of less than 1%.

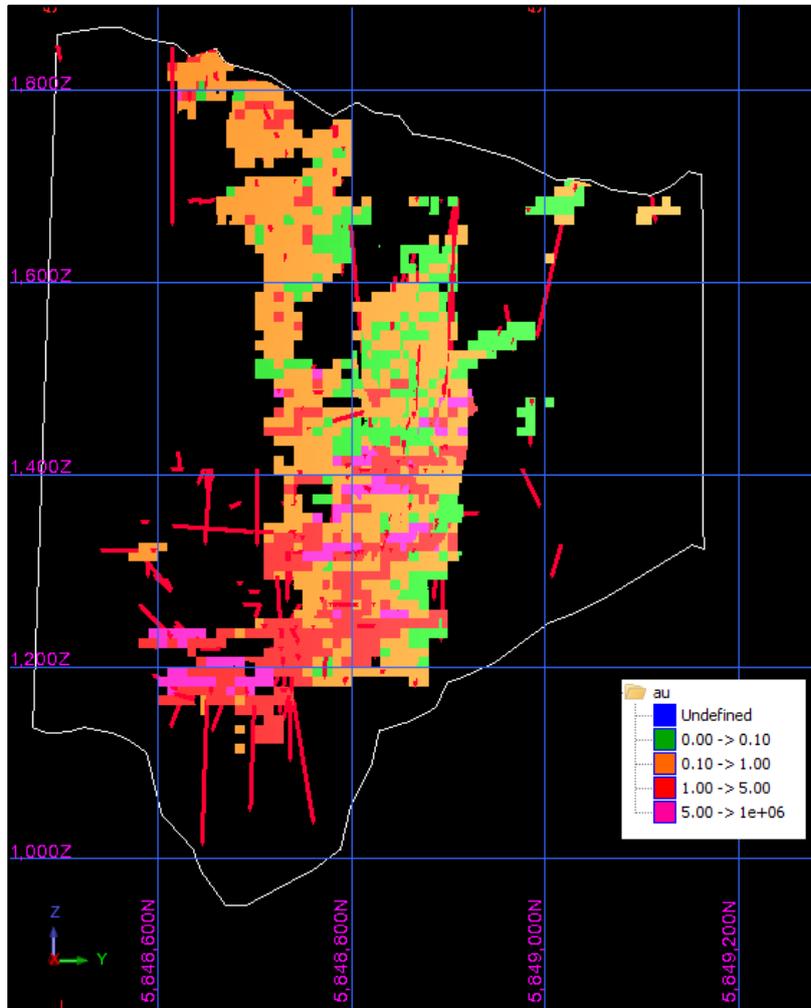
This audit by MiningOne Consultants (2015) also noted concerns with the search ellipse used by CSA for grade estimation. The estimation process did not result in the interpolation of Au grades into all blocks representing the extended diorite host rock. The extended diorite wireframe contains 44 million tonnes of material but the CSA resource estimate only included 10.5 million tonnes of material, that is Au grades were only estimated for about a quarter of the blocks in the block model. There is only one reason why this should be so: drill hole samples in the extended diorite are too widely spaced to allow for reliable grade interpolation into all the blocks. The maximum search radius used for grade interpolation was 30m which suggests that CSA determined that drill hole samples were too widely spaced to allow for reliable grade interpolation into all the blocks.

MiningOne Consultants (2015) continue to note concerns with this search ellipse radius, “The search ellipsoid was the primary control on which blocks in the block model were informed, that is, **the search ellipsoid was the primary constraint on grade estimation** [...] If the orientation and dimensions of the search ellipsoid are changed, the estimated grades and spatial distribution of block grades will change. [...]” The direct results of the use of the sample search strategy and the incomplete historical sample database included:

- trouser-legging of informed blocks around drill holes because of the short search radii;

- a spotted dog model because of short search radii, and
- failure to estimate grades using samples from historical drill holes because of the short search radii combined with the high minimum number of samples required for estimation to proceed.
- **Figure 3-6** shows the above effects in the estimated blocks.

Figure 3-6 A1 Mine Longsection view of all informed blocks.



The blocks are coloured by estimated Au grade; drill hole intersections inside the diorite dyke are the red traces, the boundary of the extended diorite dyke is shown as a white line. (Source: MiningOne Consultants, 2015)

MiningOne 2018 Estimate (1400mRL to 1260mRL)

The block model was created with a parent block size of 10m N X 10m E X 5m vertically with sub-celling allowed to 1.25m N X 1.25m E by 0.625m vertically to achieve reasonable three dimensional modelling of the domain. Au grade estimates were made at the parent block size. The parent block size along the strike direction was about half the drill section spacing.

Search radii and orientations were based on the correlation between sample pairs and the need to ensure that high grade samples were not smeared too far through the into the lower grade halo material. Search directions were based on the geological understanding of the domain orientation.

Grades were estimated in three passes: the first pass used a search ellipsoid with dimensions and directions based on a 10m search radius; the second pass used a search ellipsoid with the same directions as the first pass but with a search radius of 25m. The third estimation pass was run using a search radius of 100m. The search ellipses used for the estimation passes are summarised as:

- High Grade Vein - 317 azimuth, -30 dip, 0 plunge
- Breccia Domains - 317 azimuth, -90 dip, 0 plunge
- Dyke Domains - 317 azimuth, -90 dip, 0 plunge

RPM Comment

In both the CSA and MiningOne (high-grade vein domain) estimates, search ellipse orientations were selected to mirror the high-grade vein orientations. RPM notes that when viewing stope depletion solids, the orientation of the high grade veins appears to have been variable throughout the A1 Mine, although the veins could easily be grouped into similar orientations in some areas. Due to the un-domained nature of the CSA grade estimation, it is likely there are areas of the model where the global search ellipse applied is not optimal considering the local orientation of the high-grade veins. Additionally, this global search ellipse is likely to not be optimal for the lower-grade breccia and dyke domains used the MiningOne 2018 estimate. Search ellipse orientations that are not optimal will result in a poor local grade estimate.

RPM concurs with MiningOne Consultants (2015) statements that the search parameters used in the 2013 CSA model are restrictive. Blocks will only be estimated where 8 samples could be sourced from at least 3 drill holes within a 20m search radius. Considering variogram ranges and the complexity of this style of mineralisation, this may be appropriate for Indicated and Inferred Mineral Resources, but it allows little scope for unclassified material or exploration potential to be assessed.

Following on from this, RPM notes that both the 2018 MiningOne and 2013 CSA block models do not contain estimated blocks outside of the Indicated and Inferred Mineral Resource i.e. there is no unclassified material or exploration potential in these models.

RPM reiterates that the Inferred portion of the CSA Mineral Resource may overestimate grade due to strong influence from historic drilling which only had visually mineralised intervals sampled.

3.5.8 Block Model Validation

CSA 2013 Estimate (>1400mRL & <1260mRL)

The following block model validation was completed by CSA and deemed to be satisfactory:

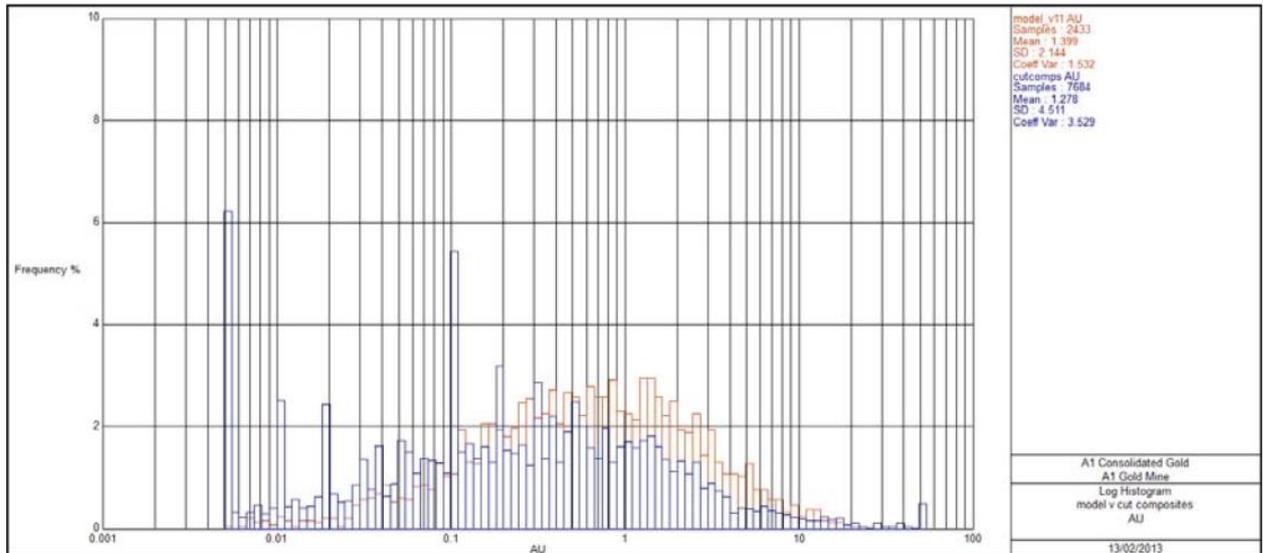
- An IDW estimate for mineralised domains using the same sample selection criteria, which mirrored the OK estimate;
- A visual comparison of block model grades and local composite grades;
- Global comparisons of block model and de-clustered composite mean grades (refer to **Table 3-3**).
- Histograms comparing block model and composite grade distributions (refer to **Figure 3-7**).
- Swath plot comparisons of block model and composites grades by northing and bench slices (refer to **Figure 3-8** and **Figure 3-9**);

Table 3-3 Comparison of Declustered Au Data versus Block Model Mean Au (g/t)

Decluster Grid	Declustered Mean Au g/t	Global Mean Au g/t
Clustered	1.28	1.52
10x10x10	1.64	
20x20x10	1.47	
30x30x15	1.38	

Source: CSA, 2013

Figure 3-7 Log histogram, model Au Kriged block grades versus cut composited Au grades



Source: CSA, 2013

Figure 3-8 Swath Plot by RL slices.

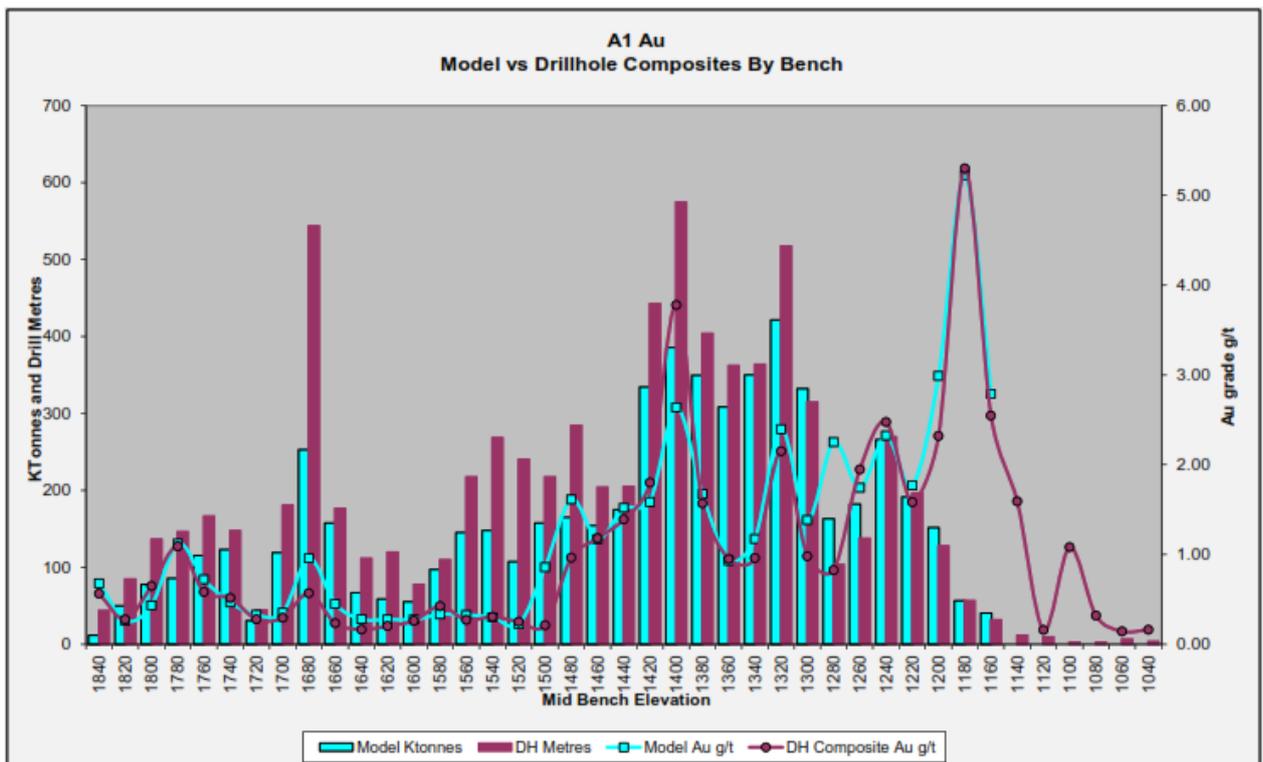
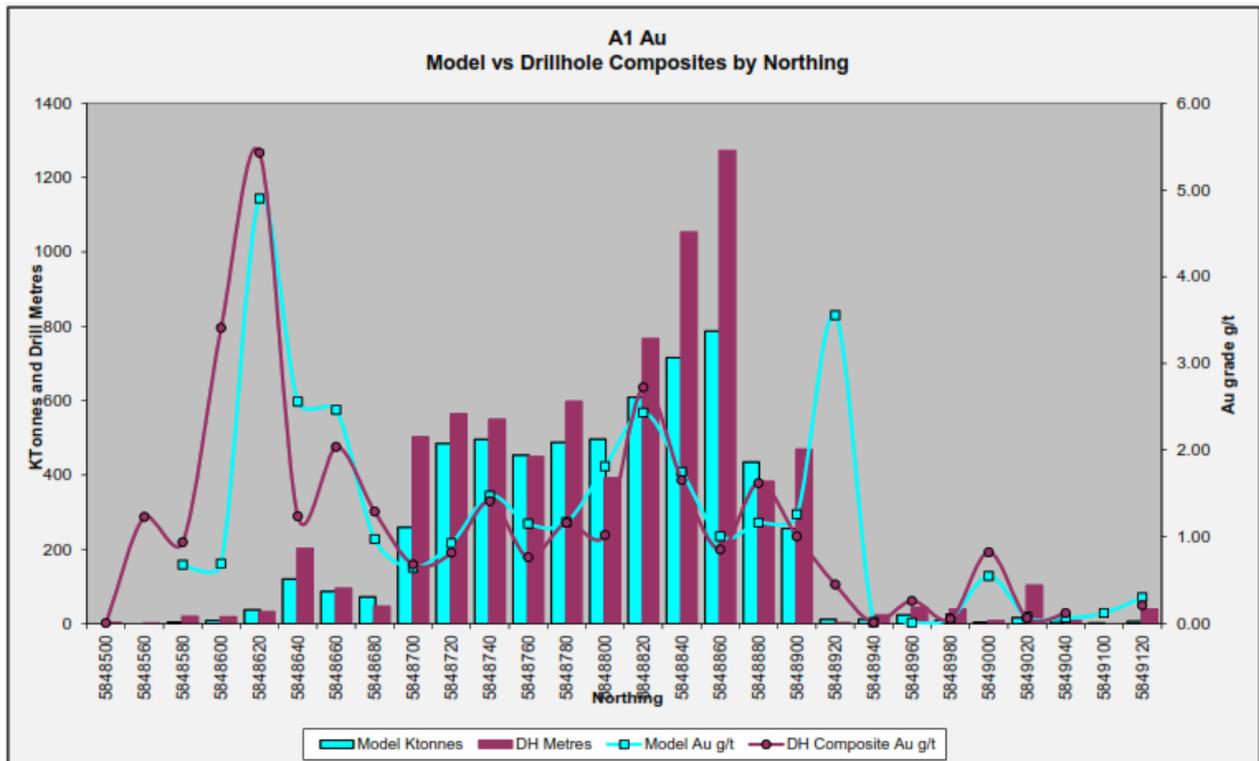


Figure 3-9 Swath Plot by Northing slices.



MiningOne 2018 Estimate (1400mRL to 1260mRL)

Validations of Au grade estimates were made by comparing average global grades estimated by inverse distance with average Au global grades based on the averages of composited grades. Visual checks of estimated block grades against grades in nearby drill hole samples did not reveal any anomalies.

RPM Comment

RPM views the block model validation completed by CSA (2013) to have sufficiently verified the grade estimate.

RPM considers the information provided insufficient to make comment on the block model validation performed on the MiningOne 2019 block model. RPM has not been supplied with the MiningOne 2018 resource report. A visual validation and global mean grade validation is noted to have been completed by MiningOne, but RPM recommends additional block model validation (e.g. swath plots) to adequately assess the estimation performance.

3.5.9 Resource Classification and Results

CSA 2013 Estimate (>1400mRL & <1260mRL)

The CSA Mineral Resource classification has been based on the quality of the data collected, density of the data, grade estimation quality and geological and mineralisation model.

CSA notes the following details as influencing Mineral Resource classification:

- The historical database (pre 2009) represents a risk of over-estimation due to some QAQC procedural documentation not being available, and hence was initially classified by CSA as Inferred to represent

this risk. The zone with an Indicated classification is focused on an area with a higher concentration of recent drilling (post 2009);

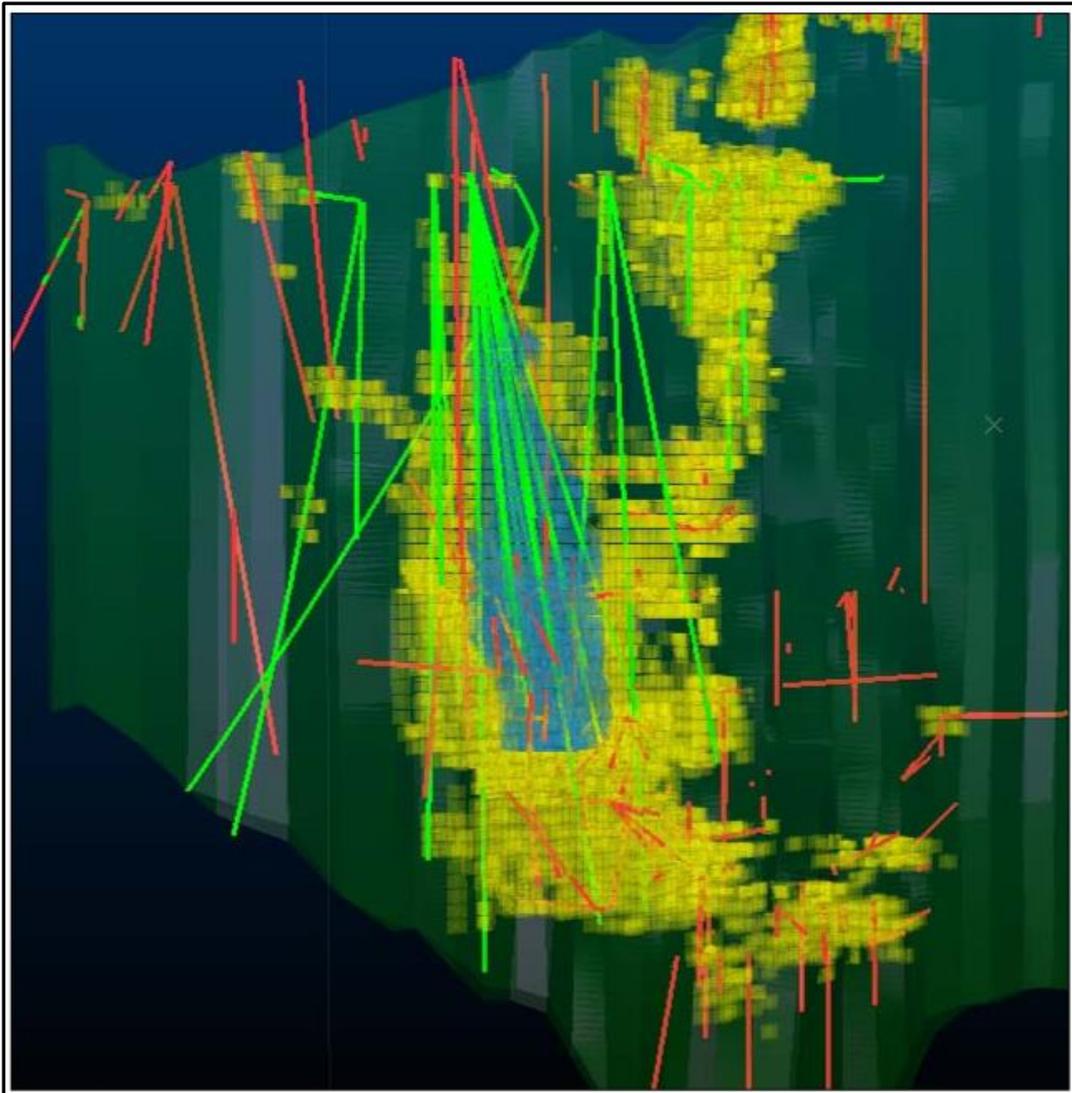
- Notice has been taken of the long period of technical and management involvement of two of the directors of A1 with the mine, who have both attested to the quality of drill hole information and the operational history of the mine, and
- Independent drilling by Heron since 2009, has validated the historical drill hole intercepts, mineralisation outlines, grade and geological continuity and therefore we can now reasonably accept the QAQC procedures of the pre-2009 drilling was of an acceptable standard to use the drill data in assignment of Indicated and Measured Categorisation of the Mineral Resource estimate.

The model has been classified as Indicated and Inferred according to JORC reporting criteria (2012 edition). The following classifications were applied:

- The Indicated classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, a record of QAQC assessments, and a reasonable dataset supporting the density used in the resource model. Notice is taken of the long period of technical and management involvement of the two directors of A1 with the mine, who have both attested to the quality of drill hole information and the operational history of the mine, and
- The Indicated Mineral Resource is centred on a region dominated by recent diamond drilling, with a set of assayed sample data representing the gold distribution through that region of the dyke domain. Other regions of the Mineral Resource are not well populated with recent drilling, and more importantly, tend to have stronger sample support from the historical drilling which lack sample assay grades through the lower grade regions of the dyke. These regions represent a risk of an over-estimate Mineral Resource, and were classified as Inferred to represent this risk.

Figure 3-10 graphically depicts the Mineral Resource classification.

Figure 3-10 Mineral Resource Classification



Note: Blue Blocks are Indicated, Yellow are Inferred. Historical Holes (Red), Recent Holes (Green). Dyke Envelope shown. Blocks AU>0.01g/t. (Source: CSA, 2013)

MiningOne 2018 Estimate (1400mRL to 1260mRL)

The 1400 mRL to 1260 mRL Mineral Resource has been classified as a combination of Indicated and Inferred Resource categories. The Indicated category is based on the geological confidence provided by close spaced (10m x 10m or less in places) grade control sludge drilling and actual mining activities. The Indicated blocks were coded using 3D wireframes that were constructed using drill spacing and overall geological confidence in the continuity of the mineralisation. The Inferred classification is based on the fact that further infill drilling is required to provide additional verification of the modelled domain extents and orientations however sufficient confidence exists for these areas to be included within the stated Resources.

The average classification criteria is summarised in **Table 3-4**.

Table 3-4 Classification criteria used for 2018 MiningOne estimate

Resource Class	Ave Distance to Composites	Minimum Composites
Indicated	<20m	>10
Inferred	<50m	>2

Source: Centennial Mining Ltd, 2018

The block models and resource estimates (i.e. the local estimates of tonnes and grade) are suitable for planning and scheduling of short to long-term production over periods such as monthly or quarterly.

RPM Comment

RPM views the rationale used to classify the 2013 CSA estimate to be sound.

The 2018 MiningOne model uses a combination of data spacing and overall geological confidence in the continuity of the mineralisation. RPM notes data quality has not been documented. Specifically, there is no comment on the use of historic (pre 2009) drill holes and sludge holes as a consideration when classifying Mineral Resources and these data types may not support the assigned classification.

3.5.10 Reasonable Prospects for Eventual Economic Extraction

Mining One 2018 Estimate (1400mRL to 1260mRL)

The Mineral Resource estimate is relatively insensitive to cut-off grade over the likely range of cut-off grades that might sensibly be applied, that is, over a range of cut-off grades from 0 to 5 g/t Au. The Mineral Resource has been quoted at a 3 g/t cut-off grade for the CSA model component (above 1400mRL and below 1260mRL) and 2.5 g/t Au for the updated model used between the 1260mRL and 1400mRL as this represents MiningOne's view of potential economic cut-off for this style of mineralisation within the A1 Deposit.

Based on mining and treatment of ore by the Company from other parts of the A1 Gold Mine, no particular metallurgical assumptions were made beyond the general assumption that gold could be recovered in A1's gold processing plant at Porcupine Flat near Maldon, which includes a coarse gold gravity circuit and a conventional CIP circuit for the gravity tail. This is a reasonable assumption given the nature and tenor of the gold mineralisation and actual recoveries achieved over the past 12 months.

CSA 2013 Estimate (>1400mRL & <1260mRL)

A Mineral Resource cut-off grade of 3.0 g/t Au was used. This was selected by calculating the cost of production, being the combination of mining, haulage and processing costs. The justification was that if the material had to be extracted from the mine and disposed of in the waste stockpile, then any material grading 3.0 g/t Au or greater should be sent to the processing mill for recovery of costs.

Mining of the Mineral Resource will be entirely by underground methods with development to be carried out by twin and single boom jumbos with minor airleg development. Stopping methods to be employed include, but not limited to a combination of room and pillar and long hole stopping based on the nature and geometry of the resource being mined. Allowances have been made for mining dilution, mining losses (pillar requirements and ground support), and this has been varied principally on the stope dip angle and width.

Over 130 years of extraction has shown that the ore mined was not refractory and there were no significant metallurgical constraints. Traditionally 80-85% of the gold was coarse free milling product recovered in a gravity circuit. A further 10-15% of the gold was recovered in a sulphide concentrate which was very amenable to standard CIL/CIP recovery.

In 2012, Snowdens collected approximately 140 kg of quartered HQ drill core from holes geologically representative of the 1400 stockworks zone. This material was composited into three metallurgical samples. The purpose of the testwork was to determine the amenability of the three samples to gravity recovery, followed by leaching and flotation of the gravity tails samples. The testwork showed that the stockwork ore is suited to a combined gravity and flotation recovery circuit to maximize overall gold recovery (refer to **Table 3-5**).

Table 3-5 Results of Metallurgical Testwork Completed by Snowdens (2012)

Parameters/results	Metallurgical Samples		
	A1_MET #1	A1_MET #2	A1_MET #3
Primary drill core sources	L70023 & L70023W1	L70010A	L7006 & L7008
Drill core composite assay grade (g/t Au)	13.4	14.8	5.7
Composite sample mass (kg)	34.5	39.4	66.2
Composite head grade (g/t Au)	3.0	3.7	4.6
Single stage GRG gold recovery (% Au)	47.7	59.5	27.5
Leach recovery tests (% Au)	75	82	80
GRG tails flotation recovery (% Au)	88	94	97
Composite gold recovery (GRG+Float)	93	97	98
Mass yields	7.4	6.5	10.5

Source: A1 Consolidated Gold, 2014

At the time of the estimate, it was not planned to process ore at the A1 Gold Mine site, given the availability of gold plants in Victoria with surplus capacity. AYC had entered into an agreement with Castlemaine Goldfields to toll treat ore at their processing plant at Ballarat for three years. Although the A1 Mine site has been licenced for processing of ore, it is AYC's long term objective to establish a processing plant near Mansfield where there would be unlimited access to a skill local workforce and infrastructure.

RPM Comment

Optiro (2019) notes that back calculations of the average cost per tonne in the evaluation model (AUD195/t) suggest the cut-off grade should be closer to 3.5 g/t gold. RPM notes this is higher than both the 3.0 g/t Au and 2.5 g/t Au cut-off grades used for the 2013 CSA and 2018 MiningOne Mineral Resource estimates.

3.5.11 Mineral Resource Estimate

In 2013, CSA compiled a Mineral Resource estimate for the A1 Gold Mine 1400 Stockworks zone, to be reported between the 1000 mRL and 1500 mRL. In 2018, MiningOne was engaged to complete a Mineral Resource estimate for area between the 1400 mRL and 1260 mRL levels of the A1 Gold Mine using recent and updated drilling and geological information. This represented the area of the mine beneath the 8352 stope, which was the first large stope to be mined in the A1.

Thus, the reported Mineral Resource has been estimated using two models: one created by CSA Global Pty Ltd and reported in 2014, and the new model created by MiningOne. The CSA model sits above and below the MiningOne model and the estimate is listed accordingly in **Table 3-6** and shown graphically in **Figure 3-11** and **Figure 3-12**.

Table 3-6 Mineral Resource statement, 7th November 2018

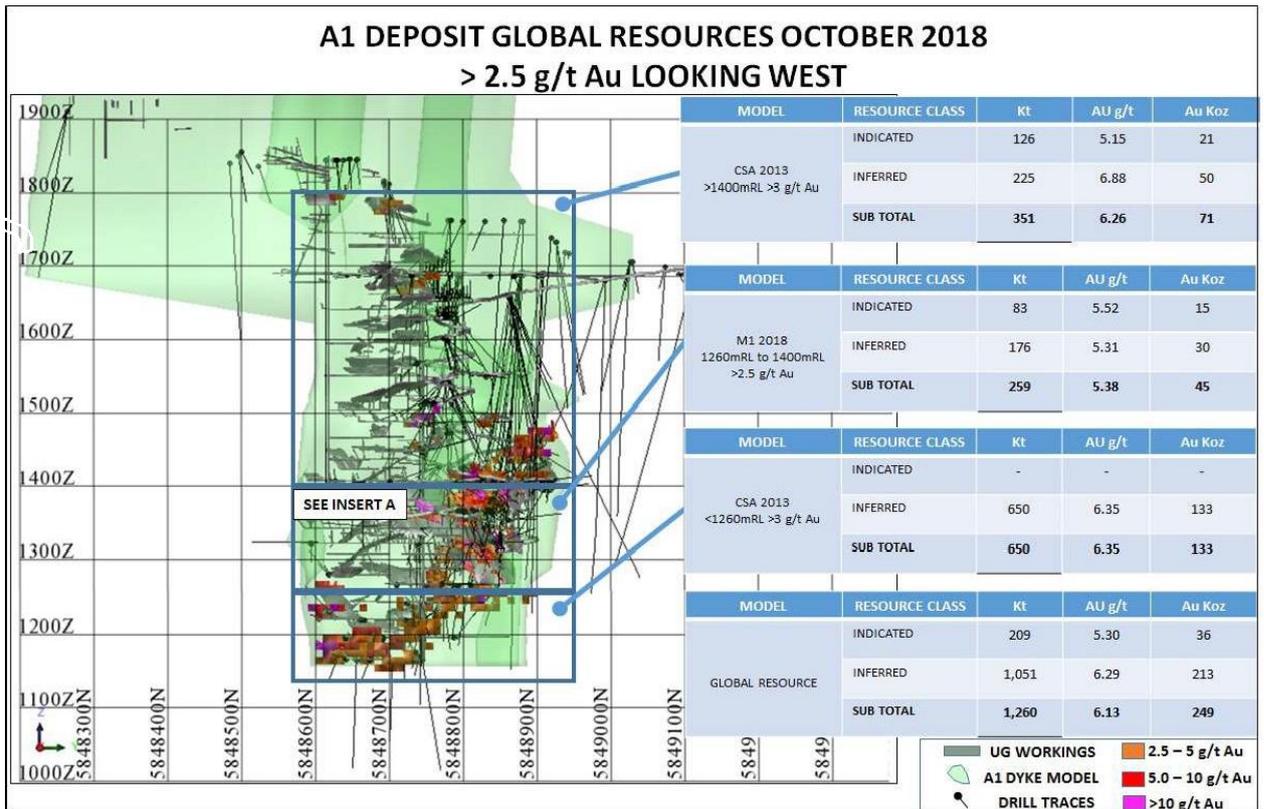
A1 GOLD MINE MINERAL RESOURCES OCTOBER 1st 2018					
MODEL	AREA	RESOURCE CLASS	TONNES	Au ppm	Au Koz
CSA (>3ppm Au)	Surface to 1400mRL	INDICATED	126,060	5.15	21
		INFERRED	225,236	6.88	50
		SUB TOTAL	351,296	6.26	71
M1 Oct 2018 Model (>2.5ppm Au)	1400mRL to 1260mRL	INDICATED	82,542	5.52	15
		INFERRED	176,292	5.31	30
		SUB TOTAL	258,834	5.38	45
CSA (>3ppm Au)	Below 1260mRL	INDICATED	-	-	-
		INFERRED	649,947	6.35	133
		SUB TOTAL	649,947	6.35	133
Combined Models	Global Resources	INDICATED	208,602	5.30	36
		INFERRED	1,051,475	6.29	213
		TOTAL	1,260,077	6.13	249

Note 1. The information in this report that relates to the A1 Gold Mine Mineral Resources from surface to the 1400mRL level and below the 1260mRL level is extracted from the summary report entitled 'A1 Consolidated Gold, Mineral Resource Estimate' prepared by CSA Global Pty Ltd included in the Company's ASX announcement dated 12 May 2014 and is available to view on the Company's website. Centennial Mining has developed this resource using the surveyed void shapes as mined since the Mineral Resource Estimate. The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The CSA resource estimate was reported using a 3 g/t Au cut-off.

Note 2. The MiningOne resource estimate has been reported between the 1260mRL and 1400mRL levels of the deposit. The MiningOne estimate is reported using a cut-off grade of 2.5 g/t Au that is based on the operational performance within the stoping activities completed since the CSA resource was originally estimated.

Source: Centennial Mining Ltd, 2018)

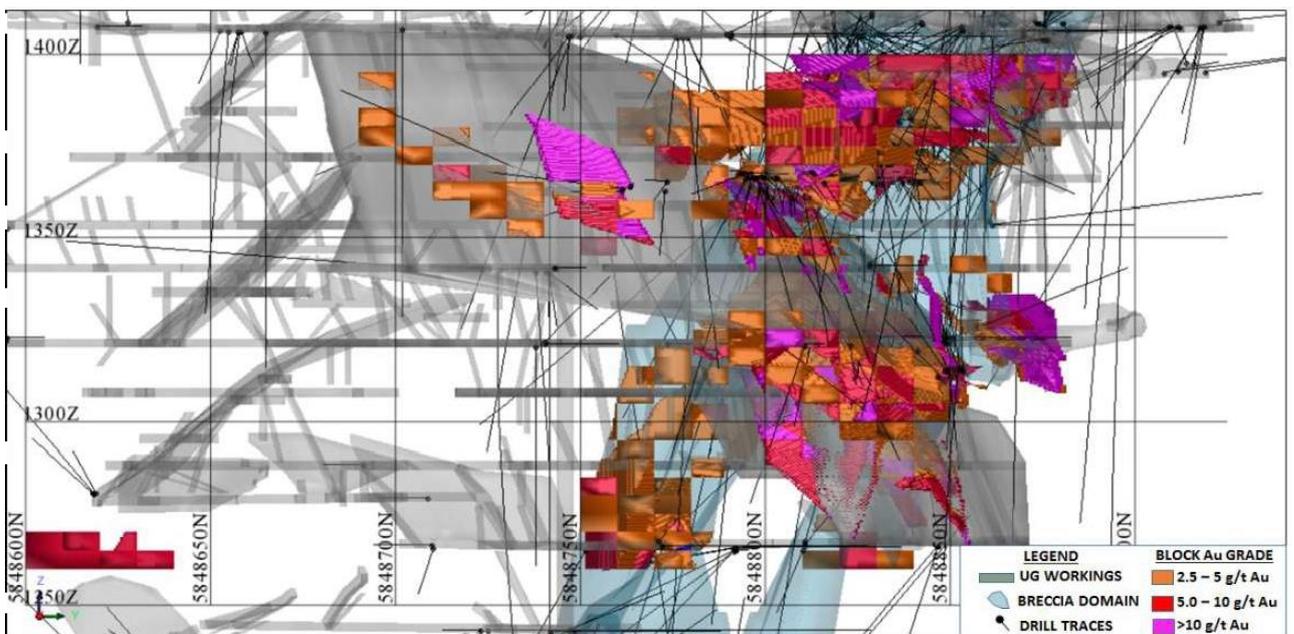
Figure 3-11 Long Section of A1 Gold Deposit with historic mine workings



Note: Current mine decline, and location of Mineral Resource Estimate areas (refer to **Figure 3-6** for Insert A).

Source: Centennial Mining Ltd, 2018

Figure 3-12 Long Section showing the 1400mRL to 1260mRL area of the A1 Gold Mine with MiningOne resource model (>2.5 g/t Au)



Note: coloured by gold grade (looking west)

Source: Centennial Mining Ltd, 2018

RPM Comment

RPM reproduced the Mineral Resource tabulations in MiningOne (2018) with only minor variations (**Table 3-7**), however RPM notes the following issues with the Mineral Resource tabulation:

- The portions of tabulation sourced from the 2013 CSA block model (i.e. Surface to 1400mRL and below 1260mRL) have not been depleted for mining;
- The portion of tabulation sourced from the 2018 MiningOne block (i.e. 1260mLR to 1400mRL) has been depleted for stoping, but not for underground development, and
- The entire 2013 CSA block model has been used for the MiningOne (2018) tabulation, however CSA (2013) used an upper RL limitation of 1500 mRL for their JORC Compliant Mineral Resource announced in 2014. It is unknown if CSA intended for the portion of their block model above 1500 mRL to be used for JORC Compliant public reporting. This represents approximately 9,300oz Au located between 1500 mRL and the surface.

Table 3-7 RPM Reproduction (left) of the Mineral Resource Tabulation reported in MiningOne (2018) (right).

RPM Reproduction using a1_Oct18_model.bmf & a1_113md.dm						A1 GOLD MINE - MINERAL RESOURCES - OCTOBER 1 st 2018					
MODEL	AREA	RESOURCE CLASS	TONNES	Au ppm	AuKoz	MODEL	AREA	RESOURCE CLASS	TONNES	Au ppm	AuKoz
CSA (> 3ppm Au)	Surface to 1400mRL	INDICATED	126,060	5.15	21	CSA (> 3ppm Au)	Surface to 1400mRL	INDICATED	126,060	5.15	21
		INFERRED	225,236	6.88	50			INFERRED	225,236	6.88	50
		SUB TOTAL	351,296	6.26	71			SUB TOTAL	351,296	6.26	71
M1 Oct 2018 Model (>2.5 ppm Au)	1400mRL to 1260mRL	INDICATED	82,542	5.52	15	M1 Oct 2018 Model (>2.5 ppm Au)	1400mRL to 1260mRL	INDICATED	82,542	5.52	15
		INFERRED	176,233	5.31	30			INFERRED	176,292	5.31	30
		SUB TOTAL	258,775	5.38	45			SUB TOTAL	258,834	5.38	45
CSA (> 3ppm Au)	Below 1260mRL	INDICATED	-	-	-	CSA (> 3ppm Au)	Below 1260mRL	INDICATED	-	-	-
		INFERRED	649,947	6.35	133			INFERRED	649,947	6.35	133
		SUB TOTAL	649,947	6.35	133			SUB TOTAL	649,947	6.35	133
Combined Models	Global Resources	INDICATED	208,602	5.2	36	Combined Models	Global Resources	INDICATED	208,602	5.3	36
		INFERRED	1,051,416	6.29	213			INFERRED	1,051,475	6.29	213
		SUB TOTAL	1,260,018	6.12	248			SUB TOTAL	1,260,077	6.13	249

3.5.12 Conclusions and Recommendations

RPM views the following as material risks to the project:

- Most significant challenge at the A1 Mine is the complexity of this style of deposit and varied controls and orientations of mineralisation. This style of mineralisation has a high inherent level of risk associated in the prediction of grades and tonnages;
- The lack of domaining used for the CSA estimate will likely result in excessive smoothing, which will cause high-grade vein style mineralisation to be overestimated and lower-grade breccia style mineralisation to be underestimated;
- A short-scale range of 17m was noted during variography. This suggests that there is little confidence in estimated grades where drill hole spacing exceeds this distance;
- The estimation methodology used for the MiningOne estimate (IDW²) is inappropriate for this style of deposit. It is likely that IDW² will result in the global overestimation of gold grades and poor spatial continuity of grades in the block model;
- The Inferred portion of the CSA estimate may overestimate grade due to strong influence from historic drilling which only sampled higher grade zones, and
- The portion of Mineral Resource tabulation sourced from the 2013 CSA estimate has not been depleted for mining. The portion sourced from the 2018 MiningOne estimate has not been depleted for recent underground development.

RPM views the following as areas of concern:

- The nugget effect used for the CSA estimate may be too low. The effect of raising the nugget effect may result in a smoother grade estimate, resulting in lower grade above the mean grade, and
- Search ellipse orientations were selected to mirror the high-grade vein orientations. This will result in less representative grade estimates outside the high-grade veins.

RPM makes the following recommendations:

- RPM recommends Ordinary Kriging be used for grade estimation, as a minimum standard, with appropriate domaining, upper cut and search ranges applied. Further benefits will likely be gained by using non-linear techniques such as MIK;
- Detailed domaining investigations will produce a more representative grade estimate, allowing for better prediction of local tonnes and grade on a time scale relevant to mining operations;
- Estimation of exploration potential or unclassified material using less restrictive search parameters may aid in target identification and assessment, and
- More detailed validation of the MiningOne block model, such as swath plots, is recommended to be undertaken.

3.6 Resource Reconciliation

Centennial has reported no formal reconciliations of tonnage and grade of production against tonnage and grade in Mineral Resource block models. Monthly report reconciliations are for stockpile sampling versus plant information. During the course of the review Centennial staff attempted to validate recent "as mined" wireframes but found that the task was too time consuming relative to the study deadline because of the large amount of survey information that was not properly validated. Updated reconciliation to model was not possible in the timeframe of this report.

MiningOne completed partial reconciliations between production and block models for the 8352 stope and the 1320 Level development. While historic and in restricted areas these reconciliations give some indication of the mined performance against block model. The reconciliations indicate that the block models used to estimate the Mineral Resource under-estimated the tonnage of ore and amount of gold available.

For the 8352 Stope, production estimated from Centennial's Quarterly Reports has been reported by Centennial as ~115,000 tonnes of ore at ~5.5 g/t Au. The current Mineral Resource block model inside the volume of ground of the 8352 Stope using the current Mineral Resource cut-off grade of 2.5 g/t Au was 80,000t at 5.9 g/t Au, refer to **Table 3-8**. The reconciliation indicates that the block model under-estimated the tonnage and contained gold by about 25% to 30% at similar grade.

For the development to date on the 1320 Level, illustrated in **Figure 3-13**, Centennial staff have estimated production from weighbridge records of ore trucked from the A1 Mine to the Porcupine Flat processing plant and records of underground sampling, as ~30,000 tonnes at 4.3 g/t Au. In comparison the current block model using the survey of the 1320 Level at a 2.5 g/t Au cut-off grade reports 3,000t at 3.9 g/t Au, refer to **Table 3-9**. The reconciliation indicates that the block model has under-estimated the tonnage and contained gold by about 90%.

The reconciliation for the 8352 Stope is better than for the 1320 Level, due to the greater density of data. This is because the 8352 Stope was drilled on a much closer spacing than the area of the 1320 Level. The infill drilling pattern of the 8352 Stope used an 8 metre by 8 metre spacing in most areas. The better reconciliation for the area with the closer spaced drilling is to be expected because a fuller distribution of values were able to be modelled from the close spaced data.

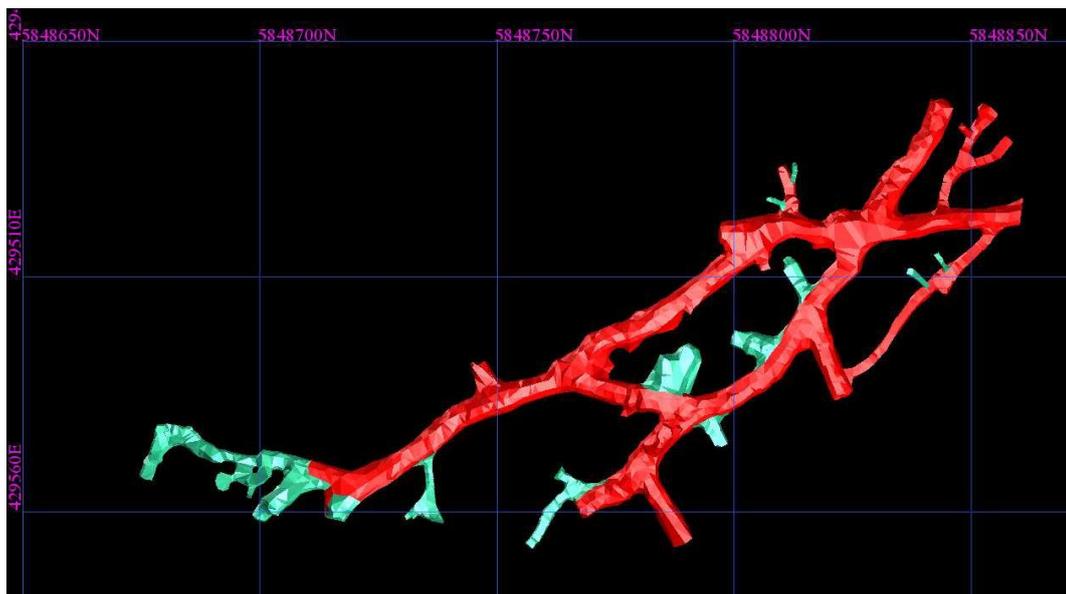
Table 3-8 8352 Stope Reconciliation

Estimate	Cut-off Grade g/t Au	Tonnage	Grade	Contained Au ounces
Production	2.5	~115,000	5.5	20,300
Block Model	2.5	80,000	5.9	15,200

Table 3-9 1320 Level Reconciliation

Estimate	Cut-off Grade g/t Au	Tonnage	Grade	Contained Au ounces
Production	2.5	30,000	4.3	4,100
Block Model	2.5	3,000	3.9	400

Figure 3-13 Plan View of the 1320 Level in the A1 Mine



Source: MiningOne, May 2019

RPM Comment

RPM is of the opinion that the observed differences are caused by the smoothing described in **Section 3.5.3** of this report.

While onsite RPM visually examined the block model grades in comparison to the 1320 level development. It was apparent that very low grade blocks have been interpolated into where the development is located. RPM is of the opinion that in this region the drill information was insufficient and the domaining was not accurate allowing the influence of distal low grade assays to impact on the local estimate.

RPM is of the opinion that because of local estimation issues the two reconciled issues are insufficient to verify the global usability of the Resource block models.

3.7 A1 Mine Exploration Targets

The exploration target on the A1 licence is the magenta Zone, which is the down dip extension of the mined mineralisation. On 10 October 2017, Centennial reported four Exploration Targets for the A1 deposit, refer to **Table 3-10**. The Exploration Targets were reported in accordance with the JORC Code 2012 and consist of a range of tonnages and grades. The Exploration Targets occur immediately below the 8352 stope and the largest Target includes four smaller but more tightly defined targets (refer to **Figure 3-14**).

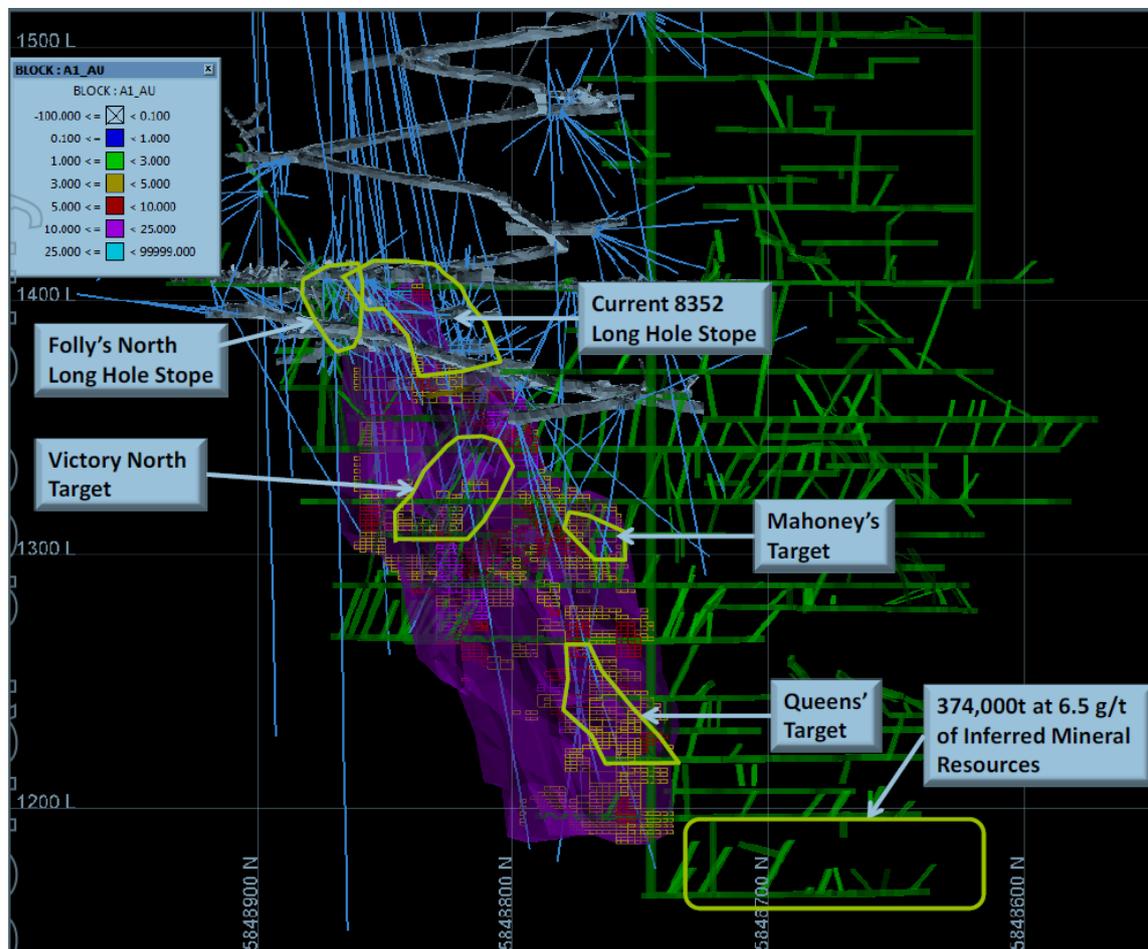
The Exploration Targets were estimated based on interpretations of the results of historical and recent mining, mapping of geological exposures, mine sampling, and diamond drilling. The work done by the Company to derive the estimation of these Exploration Targets and the method used by the Company for estimation of the Exploration Targets were appropriate and the Exploration Targets are reasonable.

Table 3-10 Exploration Targets in the A1 Mine

Target Name		Tonnage Range (t)	Grade Range (g/t Au)
Magenta Zone	Victory North	50,000 – 70,000	3.5 – 5.0
	Mahoney's	20,000 – 25,000	3.5 – 4.5
	Queen's	60,000 – 70,000	6 - 7
	Whole of Zone	300,000 – 500,000	3.8 – 5.6

Source: Magenta Zone Exploration Targets Identified and Exciting Drill Results, CTL ASX announcement 10/10/2017

Figure 3-14 Location of Magenta Target and other detailed Exploration Targets; Mined stopes, Resource block model blocks,



Source: Centennial 9th November 2017 announcement

RPM Comment

RPM is of the opinion that the exploration targets published in the Magenta Zone are valid targets with adequate support from intercepts, historic interpretations of ore structures and learnings about the significance of alteration of the dyke rock, which is the feature defining the Magenta Zone.

RPM is also of the opinion that there is a high likelihood of additional exploration targets existing in the southern part of the A1 mine, which has not at this date been adequately probed by drill holes. This is because of the lack of suitable sites from which to base drilling.

The also remains some potential for additional targets down plunge below the magenta zone. However, RPM notes that vertical holes drilled from the 1300 level appear to decrease in grade at the approximate level of the bottom of the Magenta Zone. This does not preclude continuation to depth laterally from the location of the holes but it is regarded as discouraging as the same holes were significantly mineralised in their upper parts.

Additional drilling is recommended to test both the Southern part of the A1 mine and laterally below the Magenta zone.

3.8 Mining

The A1 asset is the only project reviewed for the purposes of mining as all other assets are considered to have both low geological confidence and/or have no mining technical studies support a review.

The A1 Mine is the second largest gold producer in the Woods Point-Walhalla Goldfield, having historically produced more than 620,000 oz. from 1861 up to 1992. The A1 Gold Mine has been developed from the discovery outcrop down to greater than 700 metres in depth. The lowest mine level is the 23 level, at 521 metres below the No. 7 'adit level', being the current main decline access to the underground workings, see **Figure 3-15**.

After 6 years of mine decline development, gold production commenced at the A1 Gold Mine in March 2016. Full scale production commenced in September 2016. The mining method is predominantly mechanised long hole stoping of bulk mining resources supplemented by hand held air leg mining of high grade narrow vein shear zones, see **Figure 3-16**.

Figure 3-15 Mine layout

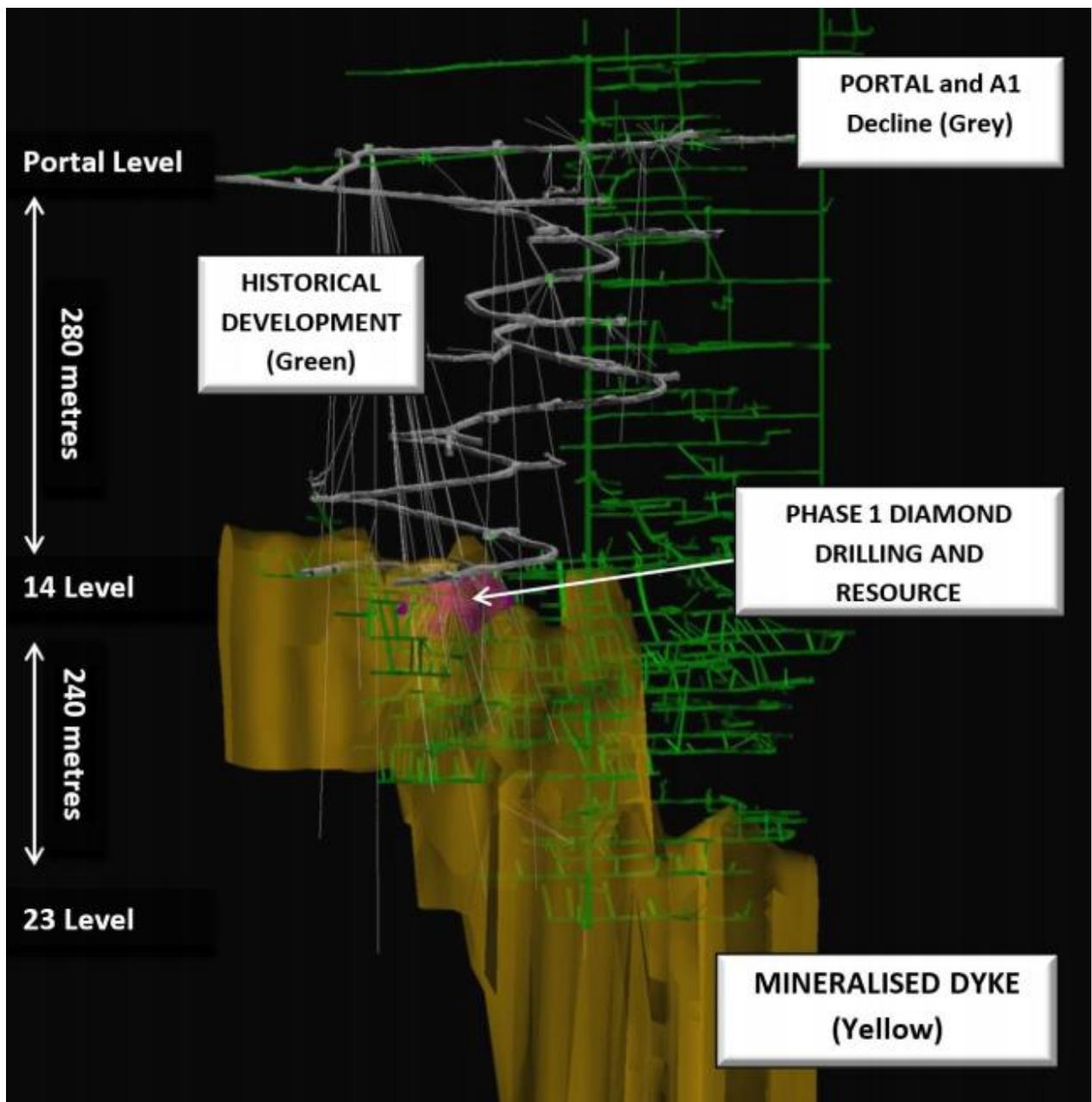


Figure 3-16 Airleg active level



3.8.1 Mineable Quantities

The mineable quantities provided have been estimated from interpreted historic mining and localised geological modelling by the Chief Operating Officer. This method is not a JORC 2012 compliant way to estimate Ore Reserves but reflects the challenge of chasing nuggetty gold that would otherwise require significant drilling/test work to prove up the confidence required. While historical production is not an indication of future production and available metal, it does lend weight to the possibility that the available resource is cost effective to be mined.

There was no reliable reconciliation available that shows the direct correlation of the resource to planned to actual mined. The reconciliations available were limited and while showing more tonnage and gold than predicted were judged by RPM to be too localised to draw reliable inferences, refer to **Section 3.6**. RPM would recommend that monthly, quarterly and annual reconciliations against Resource are carried out showing the resource to planned and actual mined as a minimum to ensure the correct application of modifying factors.

The average mining ore rates are as follows:

- Long hole open stoping (LHOS): 6,700 tpm;
- Handheld: 2,260 tpm, and
- Ore Development: 1,165 tpm
- The production rates are in line with historic capacities and if managed well are achievable.
- Only 3% of the total LOM is proposed in Indicated material, otherwise all mining is carried out in Inferred material, therefore these minable quantities do not have the confidence levels required for Proved or Probable Ore Reserves. Of the currently forecast 5 year plan, the Indicated Resource is produced, within the first 7 months.
- The mineable quantities could not be validated spatially but only globally because of the lack of valid mine designs. The Resource to Reserve conversion is 46%, which is low when compared to peers, but

appropriate for such low resource confidence levels and lack of resource to mined reconciliation using The current high level planning technics has deemed that approx. 600k of the Resource is not practical to mine, with additional mining studies it is possible to improve this conversion rate. (refer to **Table 3-11**)

Table 3-11 Resource to Mineable Quantities Conversion

A1 LOM	Mine Plan	Resource	Difference
Tonnes	606,531	1,260,019	48%
Grade	5.86	6.1	96%
Oz	114,234	248,094	46%

Providing the metal is in the ground and located in the prescribed areas over the life of the mine, the total mineable quantities should be achievable with diligent mine planning and supervision by management.

The fact that the schedule is entirely in excel and the figures manually entered (or linked to other spreadsheets that have not been provided) indicates:

- The integrity / source of the data cannot be validated;
- No visual review of the schedule can be undertaken to ensure a logical sequence; and
- The appropriateness of the scheduling rates cannot be ascertained.

This does not mean the schedule cannot be achieved, merely the assumptions and logic cannot be validated and this in itself, adds further risk to the valuation model.

3.8.2 Mine Design

There are no mine designs completed for the A1 Mine and available for review. These are typically used in modern mining practices to quantify the mineable quantities and underpin the mine schedules. When compared to other operations, the lack of a detailed mine design and mine schedule substantially elevates the risk of achieving the forecast outcomes.

Once a reliable Resource block model has been estimated, RPM would recommend that a mine design/mine schedule be completed.

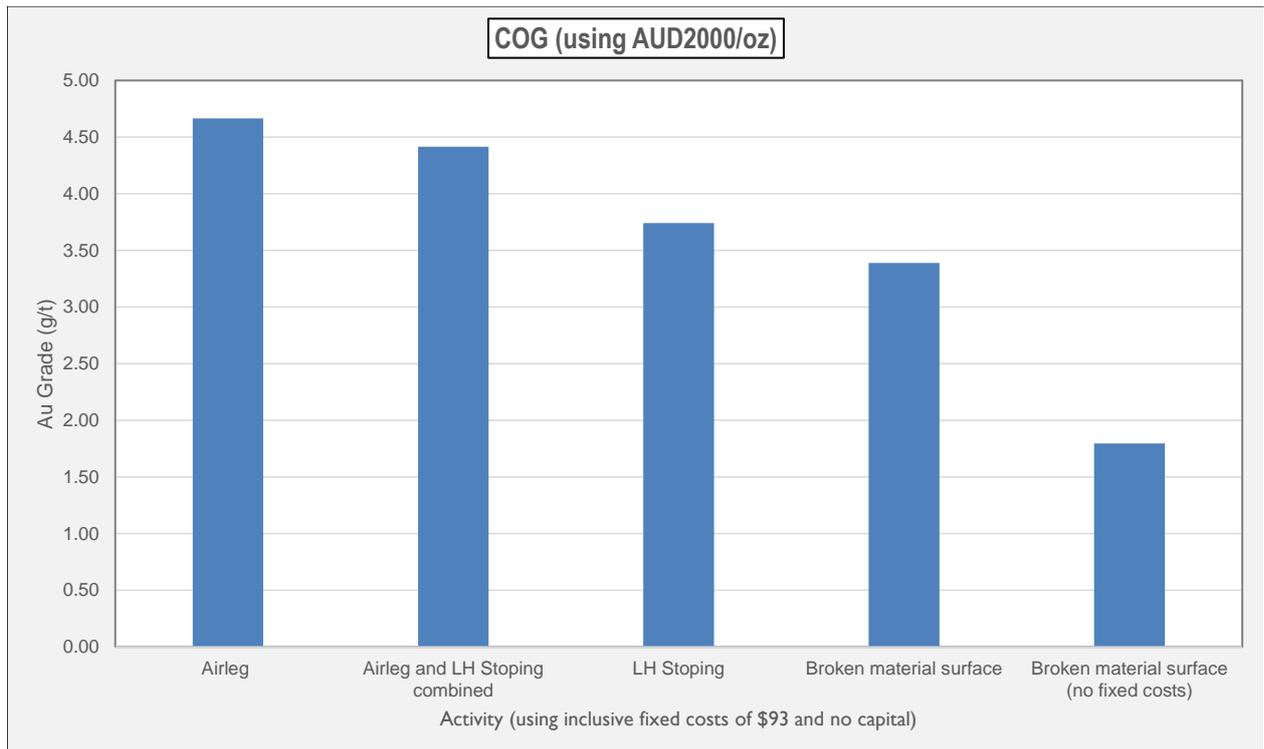
3.8.3 Cut-off Grade

A mining cut-off grade (COG) has not been used as is typically for a mining operation. Industry-accepted mining practice uses a COG to develop the underground mine design. No designs have been prepared and quantities have only been estimated using the Resource COG. Two Resource COG's have been used in different areas as they were done during two different periods by two different consultants.

The CSA resource estimate was reported using a 3 g/t Au cut-off. The MiningOne resource estimate has been reported between the 1260mRL to 1400mRL and is reported using a cut-off grade of 2.5 g/t.

Operationally the following COG's (adjusted by RPM to AUD2,000) are used to identify the mined ore as shown in **Figure 3-17**.

Figure 3-17 Operational COG



Source: First Principle Costs.xlsx adjusted to AUD2,000/oz

3.8.4 Mining Recovery and Dilution

Mining recovery and dilution has also not been calculated. A mining recovery of 95% was applied which is reasonable.

Mine dilution has been estimated at 5%. This seems low compared with many other similar operations when considering planned and unplanned dilution. A formal production reconciliation would ascertain the current impact of dilution and the performance of the Mineral Resource.

3.8.5 Mine Ventilation

No ventilation data was provided for review but it is assumed that being an operating mine for several years the current ventilation facilities are sufficient (refer to **Figure 3-18**).

Table 3-12 A1 Mine Mobile Equipment

Category	Item	No. of Units
Jumbo Drills	Tamrock Powerclass 205-40	1
	Tamrock Minimatic	1
Long Hole Drills	Stope long-hole drilling is undertaken by a contractor	-
Shotcrete Machine	Shotcrete machine	1
	Caterpillar R2800	1
	Caterpillar R1700	1
	Caterpillar R1700 tele-remote	1
	Elphinstone R1700	1
	Caterpillar 12b integrated tool carrier	1
Loaders	Volvo L90F surface wheel loader	1
	Toro 45 tonne payload articulated	2
Trucks	Bell 25 to ne payload articulated	2
Light Vehicles	Including ambulance	16

Figure 3-19 Volvo L90F surface wheel loader



Figure 3-20 Toro 45 tonne payload articulated



Figure 3-21 Toro 45 tonne payload articulated



Figure 3-22 R1700 LHD



Figure 3-23 Union Hill Mobil Plant



3.9 Operating and Capital Costs

3.9.1 Mining Costs

The average mining operating costs used in the economic model of AUD165/dmt are relatively high when compared to peers but they reflect the high mining cost associated with selective mining (refer to **Figure 3-24**). The mining operating costs appear reasonable and in line with average actual costs of AUD193/dmt from July 2018 until February 2019

Figure 3-24 Bench mark operation mining costs



With respect to mining capital costs:

- The sustaining capital cost allowances for additional machinery (truck, bogger and jumbo) appear low. There is no further allowance for rebuilds or further replacements. It is unlikely that these machines, or the existing machines will be able to operate efficiently without some form of additional capital investment.
- The AUD50,000 per month general capital allowance may be insufficient for all ongoing underground capital as this would have to cover the electrical, ventilation and pumping infrastructure for the remainder of the life of the mine.

3.9.2 Process Operating Cost

The future A1 located proposed processing is designed to have a capacity of 200,000 tpa and consist of crushing, milling, gravity and flotation circuit as well as dewatering circuits.

An estimate of AUD26.83/tonne operating cost has been made however no supporting documentation was provided. The main operating cost was power, which was estimated to be AUD15.00/t based on power supplied by a diesel generator.

RPM Comment

The processing parameters such as grind size and ore hardness were not presented nor was any supporting study. Consequently, it cannot be confirmed whether the AUD26.83/t captures all of the operating costs.

Moreover, with additional treatment of both concentrates at the Porcupine Flats processing operation, the overall processing cost is estimated to be AUD35/dmt.

3.9.3 G&A Operating Cost

In the absence of any data, a value of AUD10/dmt has been estimated.

3.9.4 Process Sustaining Capital Cost

No information was provided concerning sustaining capital costs.

RPM Comments

It is recommended that AUD2.50/t be used.

3.9.5 Processing Capital Cost

No information was provided concerning the likely capital costs of the 200,000 tpa processing plant.

Figure 3-25 presents the proposed flowsheet while Figure 3-26 shows the general layout.

Figure 3-25 Proposed A1 Processing Plant

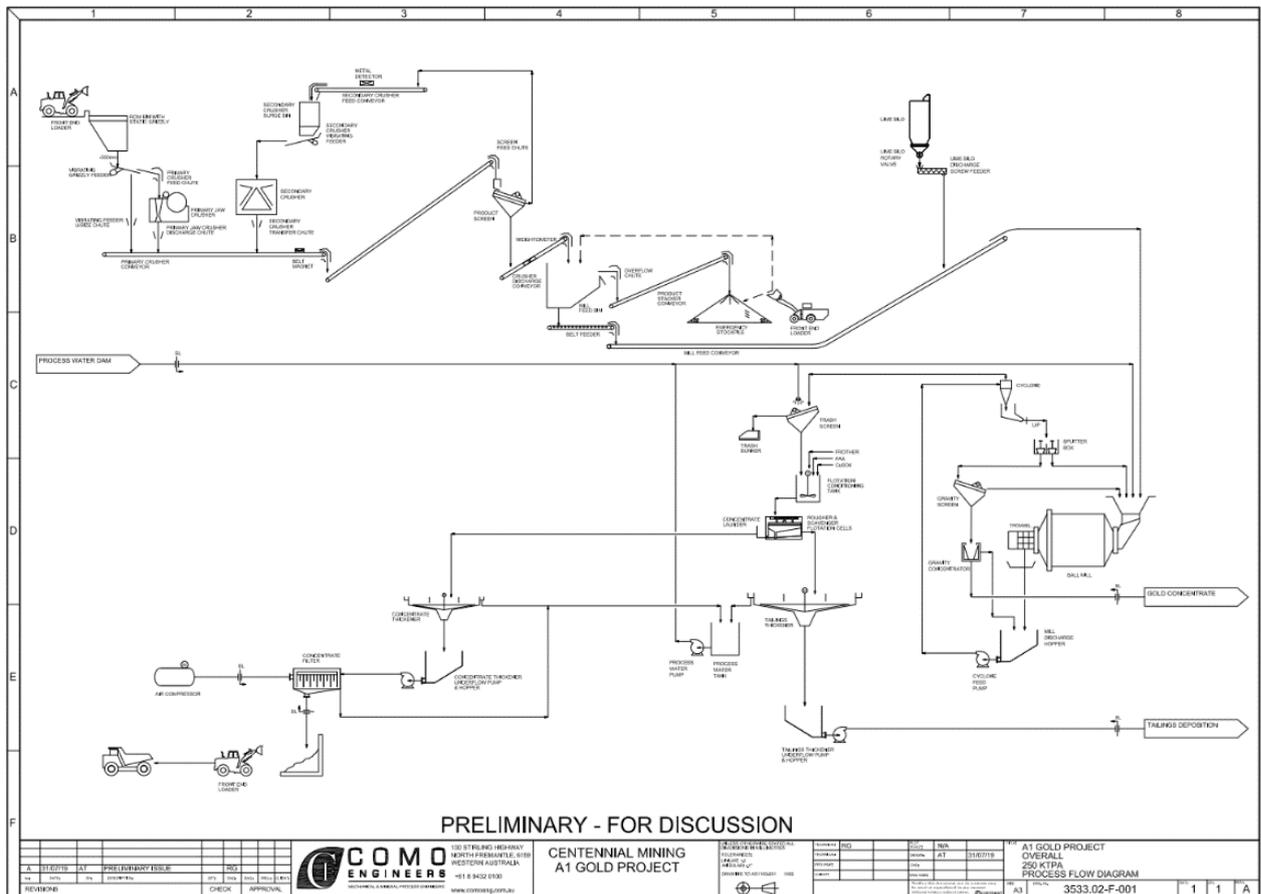
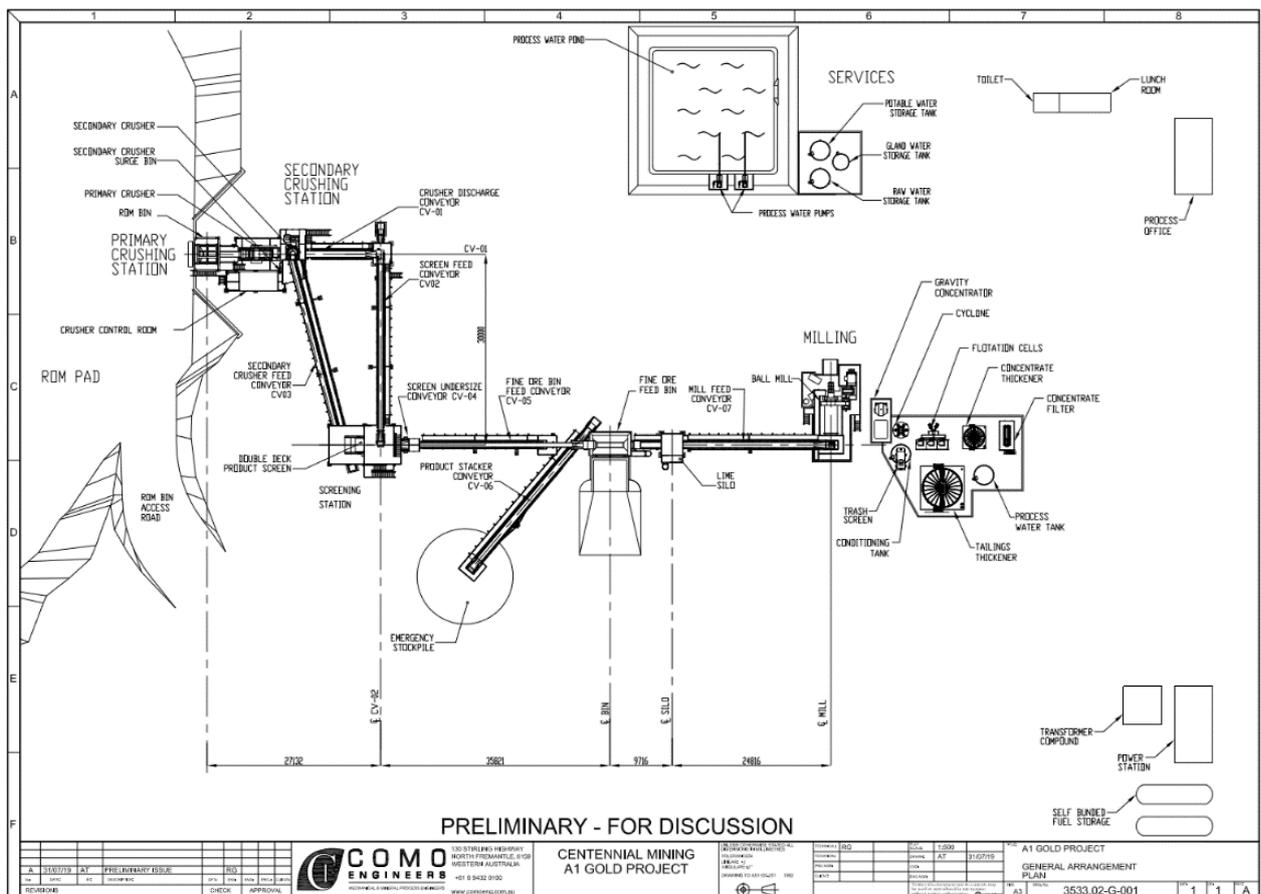


Figure 3-26 Proposed A1 Processing Plant Layout



RPM Comments

At a very high level, this processing plant and the associated infrastructure is estimated to cost at least AUD15 million (including a 20% contingency), depending upon whether new or second hand equipment is used and the amount of Chinese sourced equipment.

The construction schedule, which would include equipment delivery times, would be based on modules and probably take nine months to construct, from the completion of final design.

An allowance of AUD500,000 should be made for the Tailings Storage Facility, every three years, whether for a lift or a new facility.

Although it appears that some of the flotation tailings would be used for back-fill, the amount of tailings remaining for storage is not known.

While the estimate may be open to change, a supporting study is required to clarify the situation.

3.10 Infrastructure

Insufficient information was made available for a detailed evaluation of the infrastructure. The report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations.

Access Road and Logistics

The mine site access is accessible from Melbourne which is approximately 190 km away via good quality public road with the last section good quality council maintained gravel with intermitted bitumen sections.

Contractual arrangements are to support mine transport requirements and to transport product from the mine site to Porcupine Flat Processing plant, approximately 330 km away. Similarly the route is good quality bitumen with the first approximately 36 km from site good quality gravel road that is council maintained.

No inclement weather related transport constraints were reported by site.

Power

Based on site feedback, power supply is available from a power utility with sufficient capacity to meet site requirements. Historical power supply reliability is reported to be good with mostly planned outages.

Water

Based on site feedback, water is supplied from mine dewatering. The water supply is of sufficient quality and volume to support operations. Excess water from dewatering is discharged to the creek.

Accommodation

Based on site feedback, sufficient accommodation is available in surrounding woodlands and small towns with the Company renting houses locally.

3.11 Metallurgy

3.11.1 Review Basis

For a valuation, as inputs to the Financial Model for example, the primary requirements of this metallurgical review are to identify:

- Metallurgical performance of ore types that would be treated in the current processing plant
 - Historical processing data based on the mine schedule, noting feed grade-recovery effects and blending
- Metallurgical performance of ore types that would be treated in a proposed future processing plant
 - Testwork data, assuming representative samples, based on mine schedule, noting feed grade-recovery effects and blending
- Processing and G&A operating costs
 - Current processing plant, based on historical data and any supporting data that indicates differences due to changes in mineralogical or operational conditions
 - Future or proposed processing plant, based on supported estimates using testwork data and studies
- Processing sustaining costs
 - Current processing plant, based on historical data and proposed equipment purchases or replacement
 - Future or proposed processing plant, based on supported estimates from studies
- Processing capital costs
 - Current processing plant, based on proposed expansions
 - Future or proposed processing plant, based on study estimates

Data for the review was based on information in the dataroom. Information was limited to an operational snapshot of the performance of Union Hill and A1 ores in the existing processing plant and some operating cost data.

Where the quality of information was mostly insufficient or lacking, RPM has made estimates where required for valuation purposes based on experience and comparative data.

3.11.2 Metallurgy

It is proposed to build a processing plant at the A1 site to produce gravity and flotation concentrates, which would presumably be further treated at the Porcupine Flat operation.

Testwork has been conducted on A1 ores at both Gekko and ALS testwork facilities and is as summarised in **Table 3-13**.

Table 3-13 A1 Ore Testwork

Testwork Facility	Date	Stream	Gold Assay (g/t)	Gold Recovery (%)
Gekko	August 2012	Feed	2.56-4.54	100
		Leach (whole ore)	-	75-82
		Gravity Concentrate	272-513	28-48
		Flotation Concentrate (GRG tails)	Various	93-98
ALS	June-July 2019	Feed	17.9	100
		Gravity Concentrate	15.7	87.9-88.3
		Flotation Concentrate	46.2-36.9	11.2-11.4
		Feed	9.6	100
		Flotation Concentrate	244	98.6
		Concentrate Leach	-	94.2

RPM Comment

Future treatment of A1 ores is planned to be based on a combination of gravity and flotation to yield high recoveries. Additional treatment of the flotation concentrate would be required to recover the contained gold, which would lower the overall recovery of the gold associated with the product.

The most recent testwork by ALS does not appear to be based on representative samples that reflect the likely feed grades that would be presented to the future processing plant. The meaningfulness of these results are thus questionable, particularly the gravity results (reportedly producing a concentrate with a reduced volume that has a grade lower than the feed grade).

Based on the testwork results, the gravity concentrate grades are too low to direct smelt. Presumably in practice, a much higher grade gravity concentrate would be produced by reprocessing at Maldon.

Considerably more testwork needs to be conducted on representative ore samples based on the mine schedule to provide more confidence in the likely metallurgy as well as the flowsheet selection and the adoption of suitable design criteria.

Final flowsheet and processing conditions do not appear to have been settled upon and conclusive testwork, reflecting the selected flowsheet and optimum processing conditions, has not been undertaken on representative samples to establish the feed grade/recovery relationship.

The recovery of gold from A1 ores has historically been dependent on feed grade and the relationship needs to be established for future ores based on the mine schedule.

One financial model document estimates a fixed gold recovery of 91.8%, which is acceptable in the absence of conclusive testwork and a meaningful mine schedule.

3.12 Environmental

3.12.1 Approvals

There were no digital copies available of work plans or work plan variations for MIN5294 for review so information for this tenement has not been considered for this review. Some hard copy plan variations were found onsite but the final plan, filed with the department, was also in hard copy and could not be scanned in time for the review.

3.12.2 Bonds

According to information provided, the current bond is AUD5,500. Following an assessment conducted in September 2011, it has been recommended to increase the bond by AUD103,500 to a total of AUD109,000 with the next review to be have been conducted in September 2015. Information provided does not indicate whether this review has taken place.

As per the requirements of the *Mineral Resources Sustainable Development Act (1990)*:

- The holder of a mining licence must rehabilitate land of in accordance with the rehabilitation plan approved by the Department Head
- The Minister (for Resources) may require an authority holder to undertaken an assessment of the authority holder's rehabilitation liability (rehabilitation liability assessment) for the purpose of determining the amount of a rehabilitation bond or reviewing the amount of a rehabilitation bond entered into or to be entered into by the authority holder.
- A licensee must enter into a rehabilitation bond for an amount determined by the Minister.
- The Minister many at any time after a rehabilitation bond has been entered into require the authority holder to enter into a further rehabilitation bond if it is determined by the Minister that the amount of bond already entered into is insufficient.
- The authority holder must rehabilitate land as per the requirements of the Act (S78).
- If the land has not been rehabilitated adequately then the Minister may take any necessary action to rehabilitate land including requiring that the authority holder enter into a further bond.

Therefore, a potential risk to consider in this case is that:

- The current bond entered may be insufficient, and
- A further rehabilitation liability assessment may be required at any time which may result in an increase to the existing bond.

3.12.3 Other Liabilities

An inspection of the premises was conducted by the Environment Protection Authority (EPA) on 31st October 2018 with representatives from the Mining Regulator (Earth Resources Regulation, the Department of Jobs, Precincts and Regions, who has also previously visited the site due to similar concerns) to discuss pathways application, alleged pollution into Raspberry Creek and to obtain water samples from the discharge point into Raspberry Creek. Centennial Mining advised of the intention to install a gravity circuit process onsite.

At this stage the EPA requested the site representative to issue a letter in writing to the EPA and ERR outlining a plan of intentions for the premises including timeframes for potential pathways applications within

3 months. The primary concern for the Mining regulator was that surface and mine discharge water filtering through waste rock storage piles was contributing to the leaching of contaminants offsite. ERR at this stage was awaiting results from the EPA's testing of water samples and a plan for management of the issues from the company.

Based on the information provided for this review, there is no further information to suggest whether this action has been closed and whether there is still a risk of contamination and the quality of the water sample.

3.12.4 Technical Risks Future Operations

No digital copies of approvals documents, which normally outline risks associated with proposed operations, were available for the purpose of this review.

4. Maldon Area

4.1 Introduction

Centennial has tenure over the following licences in the Maldon Area:

- MIN5146 Union Hill Mine;
- MIN5529 North of England;
- MIN5528 Nuggety Mine;
- MIN5465 Pearl Croydon; and
- MIN5563 Specimen Reef,

The licences are located in and around the Maldon area, see **Figure 4-1** and **Figure 4-2**. The large MIN5146 encloses MIN5529 and MIN5528 forms a small northerly extension covering the Nuggety Reef. MIN5465 and MIN5563 are on separate structures well to the west.

Figure 4-1 Location of Maldon Tenements, MIN5146, MIN5528, MIN5529 and MIN5465

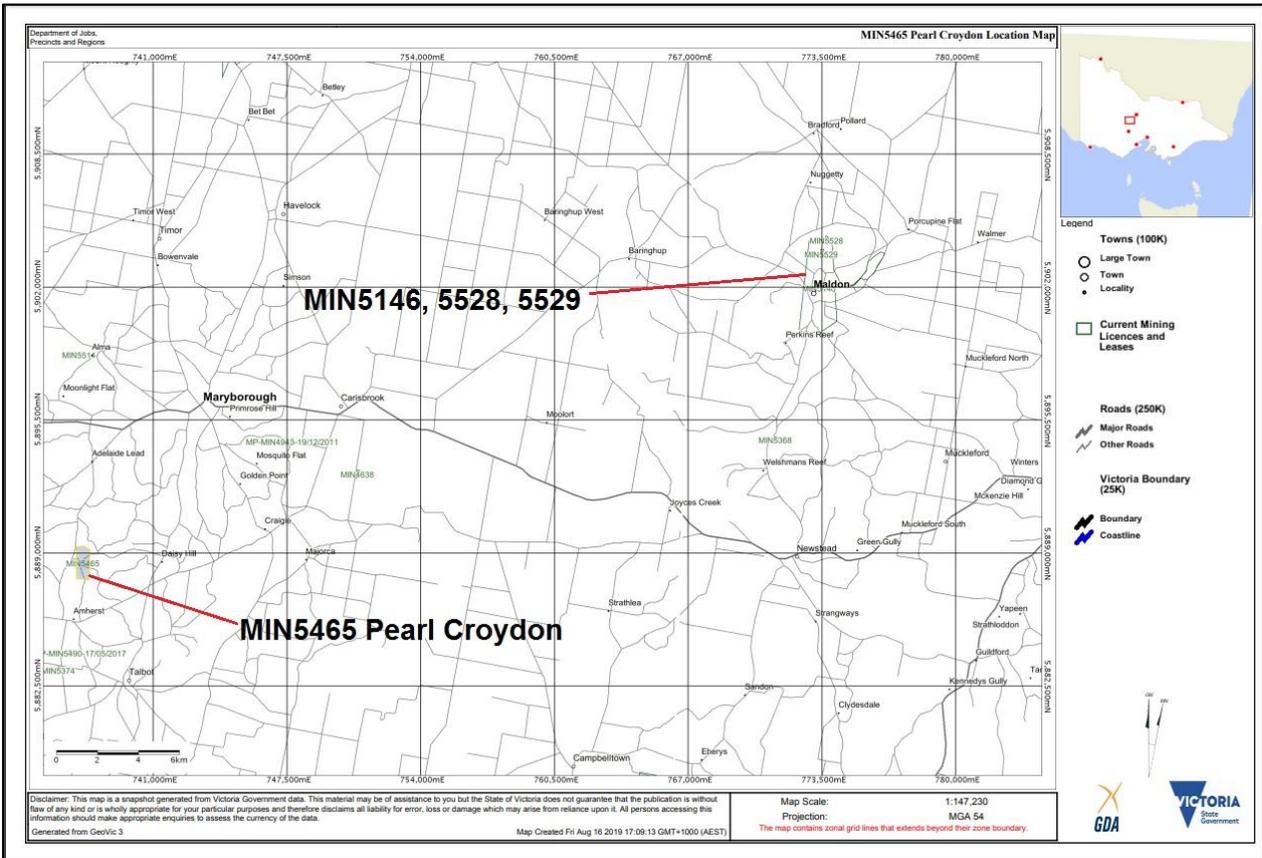
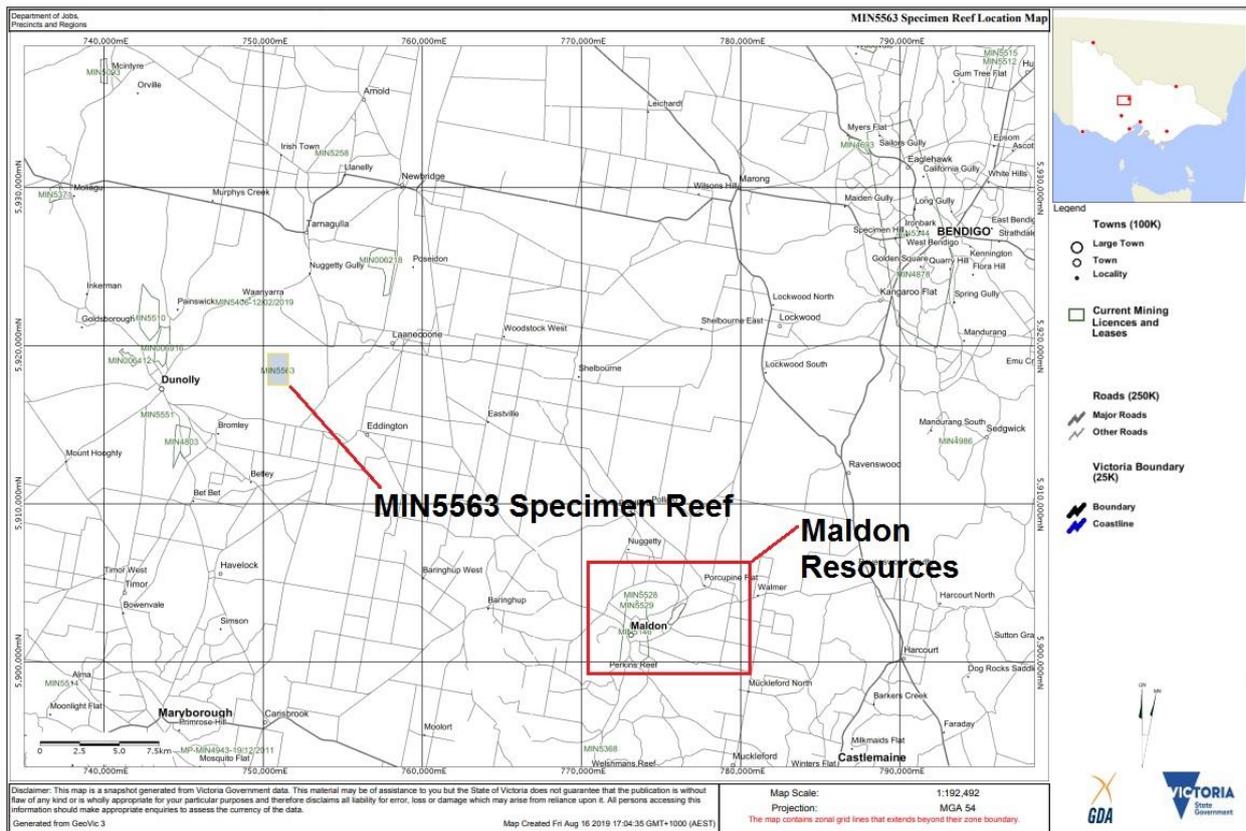


Figure 4-2 Location of Maldon Tenements, MIN5563

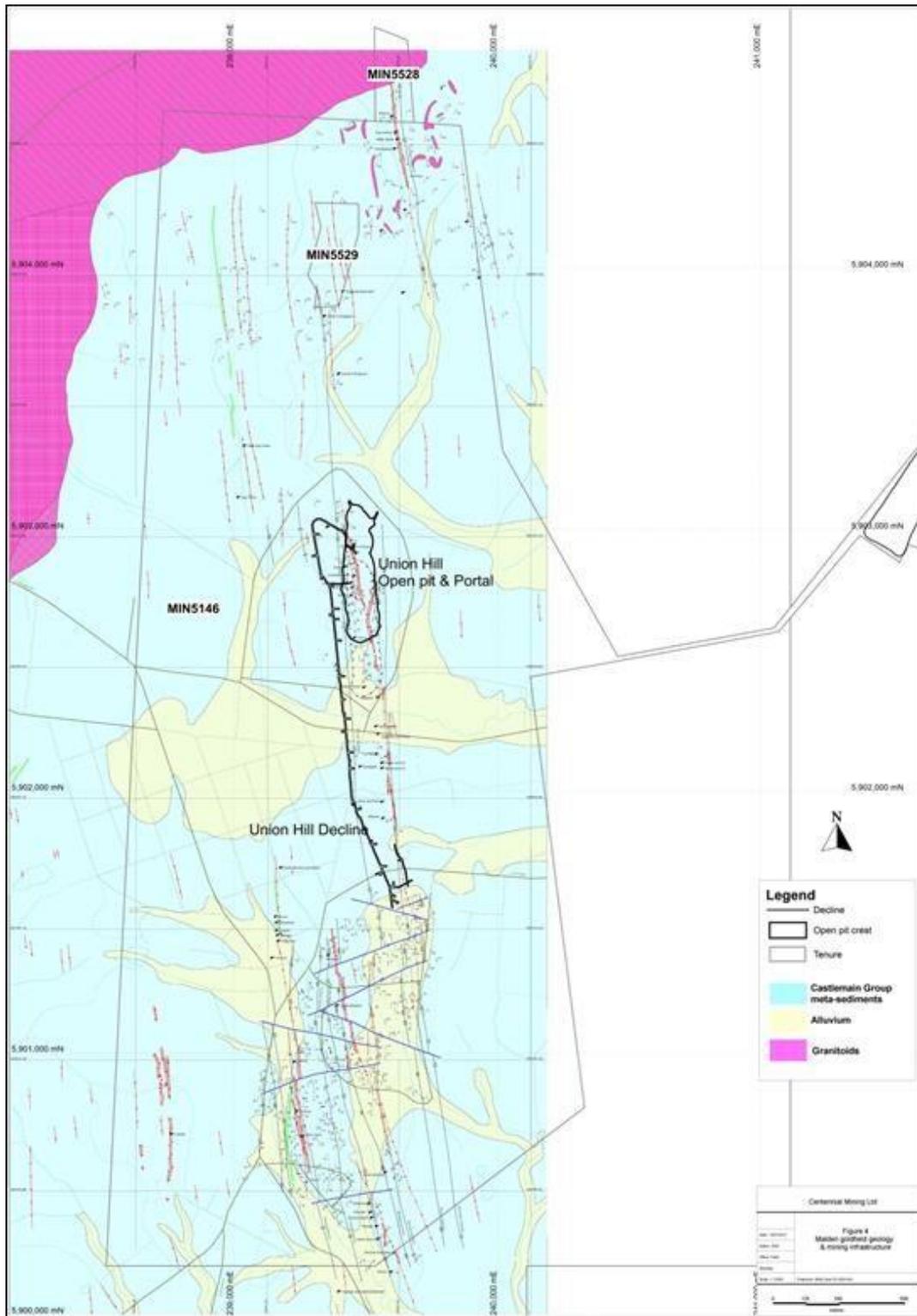


4.2 MIN5146 Union Hill Mine, MIN5529 North of England and MIN5528 Nuggety Mine

4.2.1 Geology

The Maldon gold deposits occur in folded metasedimentary rocks referred to locally as hornfels developed adjacent to the extensive Harcourt Granodiorite. Most of the Maldon goldfield lies in the contact metamorphic aureole of the Devonian Harcourt granite. (See Figure 4-3)

Figure 4-3 Geology of the Maldon Gold field



Source: Centennial

4.2.2 Mineralisation

The granite contact with the enclosing metasedimentary rocks appears to have focussed hydrothermal mineralising fluids into faults and shears where the gold bearing reefs were formed. The fault related reefs are typically 0.5 m to 3 m thick and contain massive quartz, laminated quartz, brecciated host rock in a quartz matrix, and stylolitic quartz (quartz in very thin stringers), see **Figure 4-4**. Most of the gold in the

Maldon deposits occurs in the stylolitic quartz, which carries sulphide minerals, gold bearing telluride and gold.

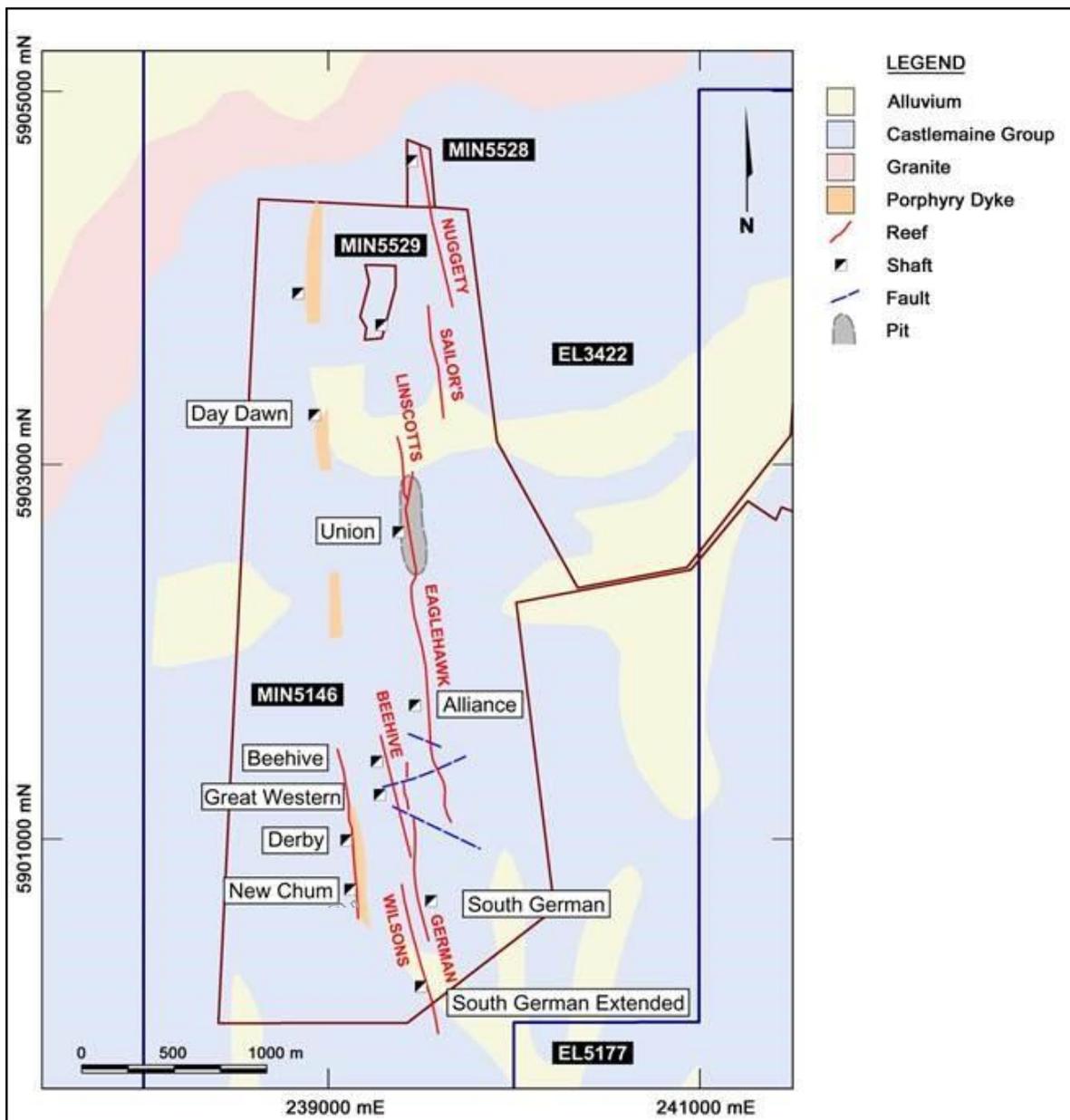
The Union Hill mine is part of the Eagle Hawk-Linscott's reef system, see **Figure 4-5**. The reef extends north-south over a strike length of more than two kilometres and is steeply dipping. The reef can be separated into eastern and western reefs that are interpreted to be fault separated. They are almost juxtaposed in the current mining area but the eastern reef is laminar and predictable as can be seen in **Figure 4-4** but has low gold grade, whereas the western reef is far more irregularly mineralised as en-echelon quartz veins. This regularity caused grade prediction issues during earlier mining phases because the low grade, prominent eastern reef was often taken and diluted the ore.

Figure 4-4 Mineralisation from the Union Hill Mine, Mining Lease MIN 5146



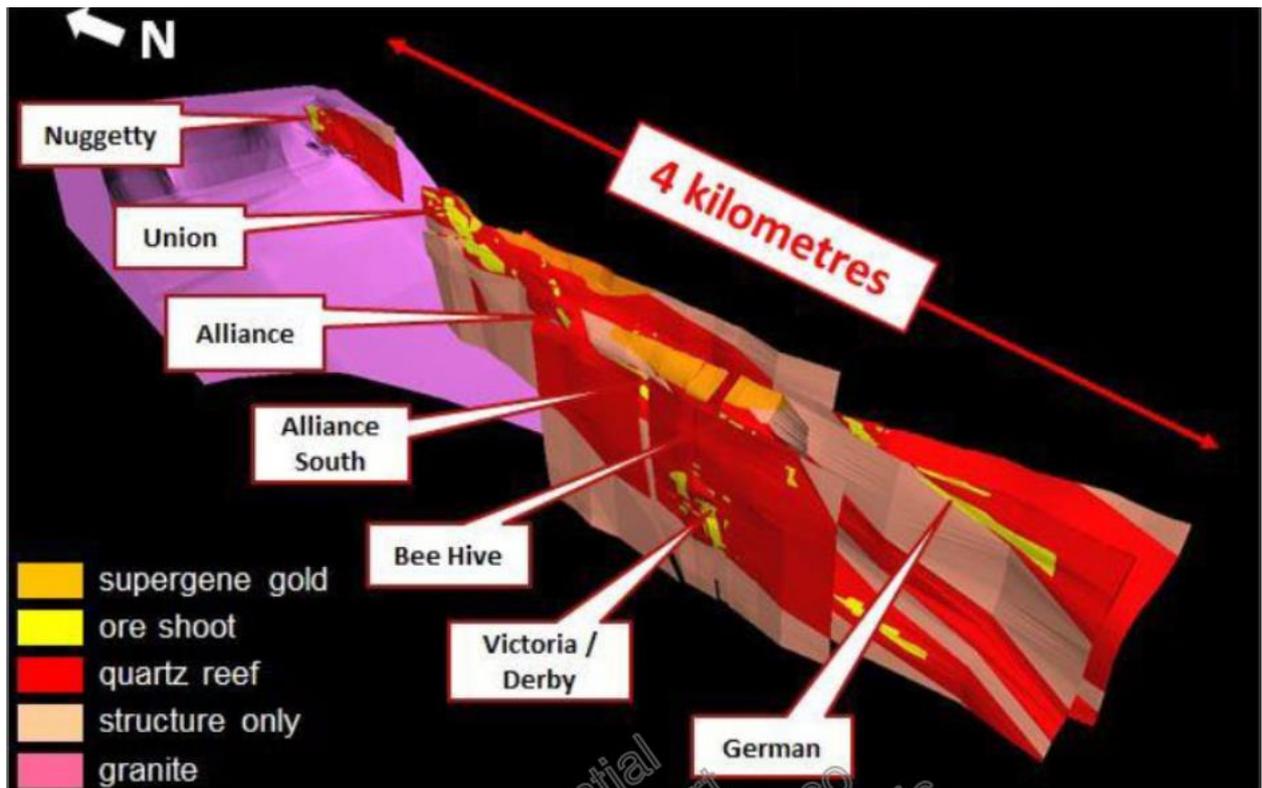
In the Union Hill mine, the Eaglehawk reef is not continuously mineralised but is mineralised in parts known locally as shoots. A shoot known as the Alliance South deposit is the shoot most recently mined in the Union Hill underground mine. The Alliance South deposit dips vertically and the top of the deposit is ~90 m vertically below the surface. It has been defined over a strike length of ~330 m, a down dip length of up to 280 m and ranges in horizontal width up to ~10 m. The Alliance South deposit consists of an Eastern and a Western reef, each about 3 m to 4 m in width and separated by about 3 m to 5 m of waste rock. The gold bearing parts of the deposit have been interpreted as occurring in three panels: the North, Central and South panels (See **Figure 4-6**).

Figure 4-5 Geology and Reefs on the Maldon Mining Lease MIN 5146



Source: MiningOne, Valuation of the Mineral Assets of Centennial Mining Limited, 9th May 2019

Figure 4-6 Location of the Alliance South Deposit on the Reef



RPM Comment

The geology and mineralisation of the Union Mine is simple and well understood and as such presents little difficulty in terms of definition and mining geometries.

4.2.3 Resource Supporting Data

The drilling database consists of data collected by a number of companies using two different drilling methods, diamond and sludge drilling. The Alliance South deposit was tested using diamond drilling by Triad Minerals NL (Triad) prior to 2004 with 27 holes. Alliance Resources limited drilled an additional 59 holes in 2004 to 2005. Octagonal Resources completed a further 17 holes in 2011. Sludge drilling was completed by Octagonal in 2013 and 2014 and Centennial 2015 to present, totalling 343 holes.

Diamond drill core size was generally HQ (about 63 mm in diameter) with some NQ2 (about 50 mm in diameter). Core was not oriented. Sludge holes were drilled from underground development tunnels and were generally less than 10 m in length.

Sludge drilling is an open-hole drilling technique that uses a percussion drill and, consequently, down hole contamination or smearing of grade is likely occur. Samples of approximately 3 kg were collected over between 0.9 m and 1.75 m down hole intervals. Sludge drilling samples were pulverised to produce a 40 g sub-sample to be analysed by fire assay. This is an appropriate method for grade control sampling, however, fire assay using a small sub-sample is not ideal for the style of gold mineralisation being sampled.

Diamond drill holes and sludge holes were drilled perpendicular to the strike of the shoot, generally at high angles to its dip.

Diamond drill core was sampled by sawing longitudinally into half core samples, honouring the intervals of observed rock types. Most samples were between 0.5 m and 1.0 m in length. For the Alliance diamond drilling core samples, the whole half core was pulverised and a 400 g or 1,000 g charge was submitted for assay by a Bulk Leach Extractable Gold (BLEG) method with residue analysed by fire assay. For Octagonal

diamond drill core samples, the whole half core crushed, split, and pulverized to produce 1,000 g or 2,000 g charge used for assay using the BLEG technique with residue analysed by fire assay.

Assays of diamond drill core in the Alliance South shoot were generally made using a BLEG method using a 400 g to 2 kg charge with Atomic Adsorption Spectroscopy (AAS) finish. The BLEG technique is a partial cyanide leach. The non-cyanide soluble residue left after leaching was analysed using a fire assay technique.

RPM Comment

The diamond drilling has been collected by three different companies over a considerable period of time but similar sample sizes, sampling and assay methods lend a uniformity to the data and suitability for Resource prediction. The BLEG cyanide leach sampling method was adopted for gold determination and is arguably a better method to apply for coarse gold situations because of the large sample size being determined.

In RPM's opinion the sludge drilling is not suitable for supporting JORC Resource estimates because of the smearing and potential for biased sampling owing to partitioning of gold into different fractions during movement down the borehole and in the collection procedures.

4.2.4 Resource

A Mineral Resource estimate for Alliance South was reported under the JORC Code 2004 by Octagonal in 2009 and in subsequent annual reports by that company. Since then there has been no Mineral Resource Report in accordance with JORC Code 2012.

In 2017 an updated geological interpretation of the Alliance South was used to create a wireframe and block model of the Alliance South deposit. Gold grades were estimated for blocks in the block model using gold assays of intersections of diamond drill and sludge holes by geology staff from the MiningOne Melbourne office. However, this new estimate was not considered adequate for reporting as a Mineral Resource estimate mainly because of the use of sludge sample holes to support the estimate.

4.2.5 Exploration Potential

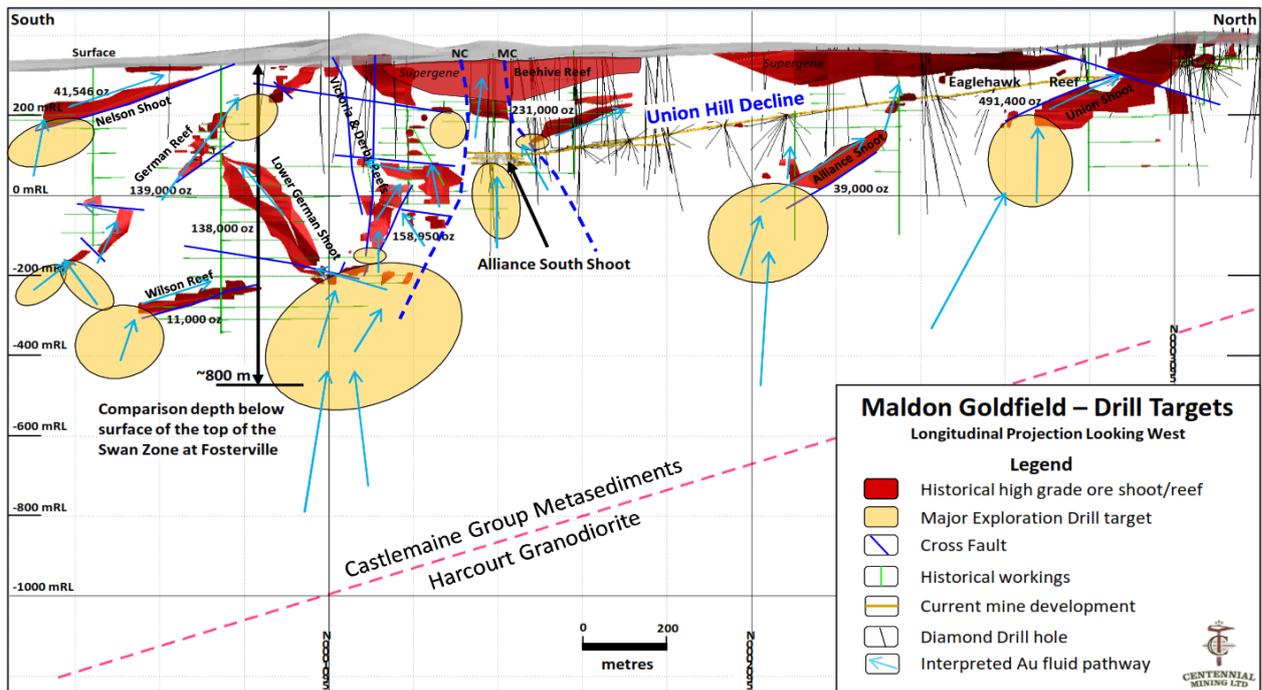
The developed part of the Union hill mine is a relatively small part of the total strike length of potentially mineralised ground within the mining licences. RPM is of the opinion that it is likely that significantly more mineralisation could be located with a sustained exploration effort.

Figure 4-7 is a west dipping long section of the Union Hill line of reef which is shown in plan in **Figure 4-5**. The figure shows that many of the mineralised shoots have a shallow south dipping plunge and that the potential extensions of the mineralisation have not been tested by down dip drilling. There are also near vertical to steeply dipping structures in the historic mining and these comprise the remainder of the untested areas. The untested possible extensions give rise to the eleven Union Hill exploration targets depicted in **Figure 4-7**.

RPM Comment

RPM is of the opinion that the Proposed Union Hill targets are reasonable and though unquantified by Centennial they have the potential to contain material amounts of mineralisation at grade that could potentially be mined.

Figure 4-7 Location of Exploration Target Areas at Union Hill



Source: Centennial, RIU Explorers Conference Presentation Feb 2018

4.2.6 Mining

Very limited information on Union Hill mining was supplied by Centennial. The underground mine is accessed via the Union Hill decline whose portal is shown in **Figure 4-8**. The portal provides access into the most recently active mining area at Alliance South.

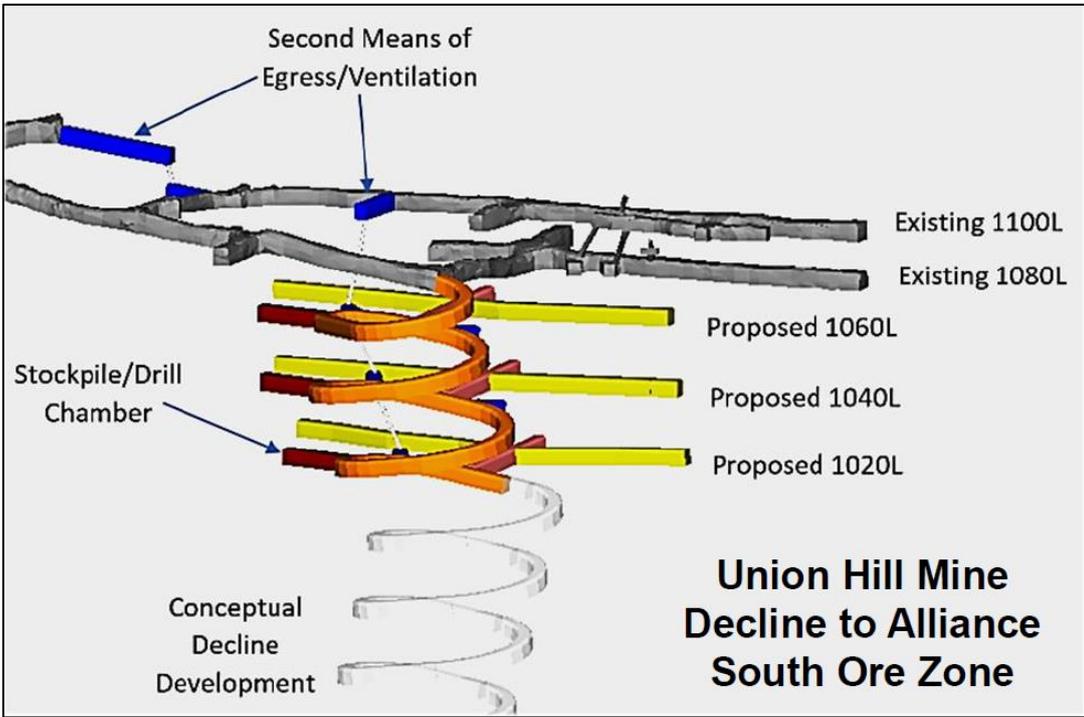
The mine is dewatered with some of the pumped water being used at the Maldon Processing plant. It is quite a wet mine and excess water is discharged. A small amount of ore remains accessible for immediate extraction but additional ore will require extension of the conceptual decline descending off the existing 1080L decline, see **Figure 4-9**.

Very minimal, partly cannibalised, mining equipment remains at Union Hill.

Figure 4-8 Portal for the Union Hill decline in background and Support Buildings in the foreground



Figure 4-9 Plans for Union Hill South Ore Zone Development



Source: Centennial, RIU Explorers Conference Presentation Feb 2018

4.2.7 Capital and Operating Costs

4.2.7.1 Mining Costs

No operating or development costs were documented for the Union Hill operation.

As a small scale open cut operation, mining costs would be expected to be around AUD10/dmt of ore mined.

4.2.7.2 Processing Costs

Operating Cost

The historical cost of operating the Porcupine Flats Processing Plant is dependent upon the plant throughput which has been proven to be variable. **Table 4-1** shows that processing costs have been typically above AUD40/dmt with G&A costs typically around AUD16/dmt.

Table 4-1 Process and G&A Operating Costs

Cost Centre	Unit	Documented Reports			Forecast February 2019		
		FY18	YTD19 (July 18- Feb19)	FY19 (Annualised)	FY19	FY20	FY21
Process							
Annual Operating Cost	AUD/a	5,801,297	3,454,498	4,605,997	5,225,172	5,223,955	5,214,871
Unit Cost	AUD/dmt	44.75	40.53	40.53	45.97	55.48	31.09
Processed tonnes	t/a	129,624	85,242	113,656	-	94,157	167,752
G&A							
Annual Operating Cost	AUD/a	2,078,958	2,928,338	3,904,451	1,830,133	1,830,133	1,830,133
Unit Cost	AUD/dmt	16.04	34.35	34.35	16.10	19.44	10.91

RPM Comment

Unit process and G&A operating costs, due to a high fixed cost components, are strongly dependent on the processing plant throughput.

It is recommended that the figures forecast in February 2019 by Centennial be used, that is for processing, a cost of AUD55.48/dmt in FY20 and AUD31.09/t thereafter.

For the G&A operating cost, a similar approach is recommended, namely AUD19.44/dmt in FY20 and AUD10.91/dmt thereafter.

Sustaining Capital and Capital Cost

No information was provided in terms of likely major equipment replacement or upgrades.

It was noted that nearly AUD700,000 was spent in FY18, however the nature of the spend was not provided (refer to **Table 4-2**). This is basically reflects sustaining capital cost expenditure, and it is noted that the Tailings Storage Facility lift costs have not been captured in this figure.

Table 4-2 Capital Spend

AUD	
FY18	YTD19 (July 18-Feb19)
693,929	0

RPM Comment

The processing facility is old and well worn; it is likely that equipment replacement or upgrade would be required and it is recommended that a sustaining capital cost of AUD2.50/dmt be used.

It is noted that recently completed lift on the Tailings Storage Facility cost of AUD500,000, which will last 18-24 months.

In two years' time, a similar expenditure will be required.

4.2.8 Infrastructure

Insufficient information was made available for a detailed infrastructure evaluation and the report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations.

Access Road and Logistics

Mine site access is good with access from the small town of Maldon via good quality public bitumen road, with the last few hundred metres gravel road, to the mine site. Maldon is approximately 145 km from the Port city of Melbourne via the M79 Calder Freeway with sufficient goods and services available to support the mine operations.

No inclement weather related transport constraints were reported by site.

Based on site feedback, contractual arrangements are in place to meet mine transport requirements. No further details were available.

Power

Based on site feedback, power supply is available from a power utility with sufficient capacity to meet site requirements. Historical power supply reliability is reported to be good with mostly planned outages.

Water

Based on site feedback, water is supplied from mine dewatering. The water supply is of sufficient quality and volume to support operations. Excess water from dewatering is discharged to the creek.

Accommodation

Based on site feedback, sufficient accommodation is available in town with the Company renting houses locally.

4.2.9 Metallurgy

4.2.8.1 Review Basis

For a valuation, as inputs to the Financial Model for example, the primary requirements of this metallurgical review are to identify:

- Metallurgical performance of ore types that would be treated in the current processing plant
 - Historical processing data based on the mine schedule, noting feed grade-recovery effects and blending
- Metallurgical performance of ore types that would be treated in a proposed future processing plant
 - Testwork data, assuming representative samples, based on mine schedule, noting feed grade-recovery effects and blending

- Processing and G&A operating costs
 - Current processing plant, based on historical data and any supporting data that indicates differences due to changes in mineralogical or operational conditions
 - Future or proposed processing plant, based on supported estimates using testwork data and studies
- Processing sustaining costs
 - Current processing plant, based on historical data and proposed equipment purchases or replacement
 - Future or proposed processing plant, based on supported estimates from studies
- Processing capital costs
 - Current processing plant, based on proposed expansions
 - Construction schedule and commissioning ramp-up period
 - Future or proposed processing plant, based on study estimates
 - Construction schedule and commissioning ramp-up period

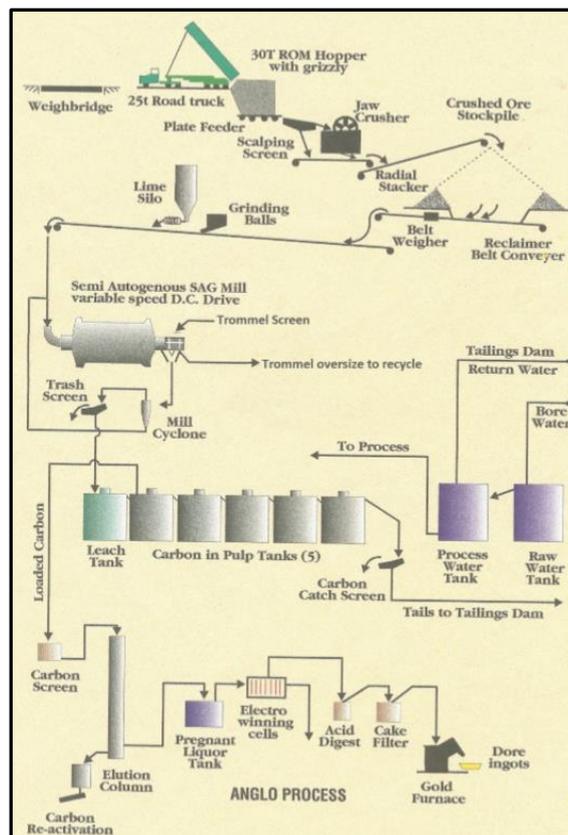
Data for the review was based on information in the dataroom. Information was limited to an operational snapshot of the performance of Union Hill and A1 ores in the existing processing plant and some operating cost data.

Where the quality of information was either insufficient or lacking, RPM has made an estimate based on experience and comparative data.

4.2.8.3 Processing Overview

A processing plant is located at Porcupine Flats, Maldon, and treats ore from the A1 and Union Hill mines. The flowsheet is presented in **Figure 4-10** and shows a conventional gold processing flowsheet with a gravity circuit.

Figure 4-10 Porcupine Flats Processing Plant Flowsheet



The flowsheet does not show the gravity circuit (refer to **Figure 4-11**), the process handling of the gravity concentrate (presumably directly smelted) nor any cyanide detoxification of the leaching tailings (presumably practised).

Figure 4-11 Primary Crusher and Stockpile



Figure 4-12 Milling Circuit



Figure 4-13 Gravity Circuit



Figure 4-14 Leaching Tanks



Figure 4-15 Stripping Column



Figure 4-16 Carbon Regeneration Kiln



The operation has a number of tailings storage facilities of which one is active (TSF5). It is reported that a 2m lift has been successfully conducted over the last 18 months which offered at least 18 months capacity at presumably the processing design capacity (200,000m³).

It is not clear what the available capacity and life of TSF5 would be, noting the processing plant is forecast to operate at around 160,000tpa

4.2.8.4 Metallurgy

A1

Treatment in the Porcupine Plant has indicated high gold recoveries, typically above 90%, that are feed grade dependant (refer to **Table 4-3**).

Table 4-3 Recent A1 Gold Metallurgy

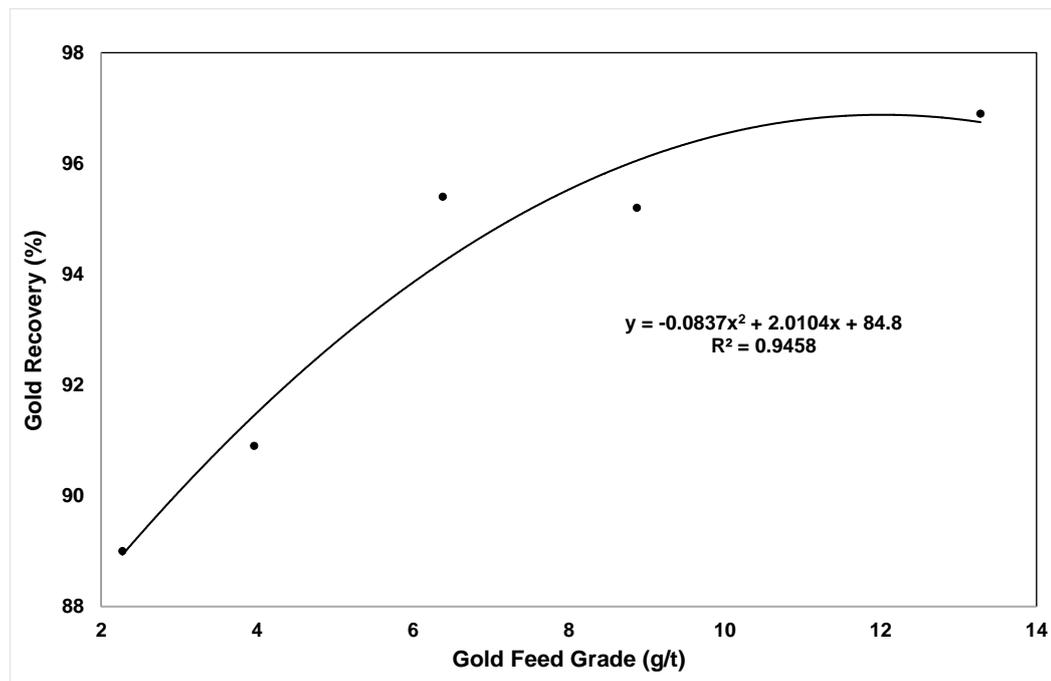
Measure	Unit	2019				
		February	March	April	May	June
Head Grade	g/t	2.27	3.96	6.4	13.3	8.87
Gold Recovery	%	89.0	90.9	95	96.9	95.2

RPM Comment

As shown in **Figure 4-17**, the gold recovery is a function of feed grade:

$$\text{Gold Recovery} = -0.0837x(\text{Gold Feed Grade})^2 - 2.0104x(\text{Gold Feed Grade}) + 84.8$$

Figure 4-17 A1 Feed Grade-Recovery Relationship



Union Hill

Union Hill ores have ranged between 2.26 g/t and 2.74 g/t with gold recoveries of 87.8-88.6% (refer to **Table 4-4**).

Table 4-4 Historical Metallurgy

Measure	Unit	FY18	FY19
Feed Grade	g/t	2.74	87.8
Gold Recovery	%	2.26	88.6

RPM Comment

Future treatment of Union Hill ores in the Porcupine Plant would be expected to yield 88% gold recovery on average feed grade.

4.2.10 Environmental

Approvals

Two approvals documents have been reviewed for the purpose of this report including:

- 2013 Exploration Work Plan for Pearl Croydon (proposed work program at the time occurred in an area with no endangered or threatened species and in an area of significant historic disturbance and no areas of cultural heritage sensitivity or sites of significance lie within the work area). Rehabilitation measures included capping upon completion until the collar is cut and sealed then covered, the original land surface backfilled and contour ripped to reflect the pre drilling surface and replanting of grasses and other species to be undertaken.
- 2013 Work Plan Variation (Mining), approved on 29 January 2014. The Work Plan proposed open pit mining from the London Hill and Pig and Whistle open pits, both located in the Maryborough State Forest. The end land use concept proposed is to partially backfill open pits with waste material and

rehabilitate the ground to its pre mining state in line with statutory requirements. A revegetation program is proposed should natural revegetation from adjacent areas be unsuccessful.

Bonds

In August 2014, the bond was reduced by AUD300,000 from AUD310,000 to AUD10,000 with a further bond review update recommended for August 2015.

As per the requirements of the *Mineral Resources Sustainable Development Act (1990)*:

- The holder of a mining licence must rehabilitate land of in accordance with the rehabilitation plan approved by the Department Head
- The Minister (for Resources) may require an authority holder to undertaken an assessment of the authority holder's rehabilitation liability (rehabilitation liability assessment) for the purpose of determining the amount of a rehabilitation bond or reviewing the amount of a rehabilitation bond entered into or to be entered into by the authority holder.
- A licensee must enter into a rehabilitation bond for an amount determined by the Minister.
- The Minister may at any time after a rehabilitation bond has been entered into require the authority holder to enter into a further rehabilitation bond if it is determined by the Minister that the amount of bond already entered into is insufficient.
- The authority holder must rehabilitate land as per the requirements of the Act (S78).
- If the land has not been rehabilitated adequately then the Minister may take any necessary action to rehabilitate land including requiring that the authority holder enter into a further bond.

Other Liabilities

Work Plan Conditions from the (17 September 2013) Work Plan Variation includes offset requirements for the removal of habitat hectares of Box Ironbark Ecological Vegetation of medium conservation significance and requirements for revegetation and landform stabilisation to ensure continued public access to this area of State Forest. Should rehabilitation and offset activities be unsuccessful or only partially successful once implemented, this will be an additional financial cost and will also require management and oversight to ensure compliance with condition requirements.

Technical Risks Future Operations

The 2013 Work Plan lists key environmental issues for the (proposed) Pearl Croydon operations as:

- Loss of native vegetation due to clearing and earthworks
- Potential risk for minor season erosion and downstream sedimentation, with creeks having been disturbed by historical alluvial mining operations
- Other operational environmental risks such as spread of weeds and soil contamination from hydrocarbon discharge.
- Given the location of the proposed operation in the Maryborough State Forest, there may be potential issues beyond those raised by the statutory referral agencies (e.g. raised by the Maryborough Field Naturalists Club, McCallums Creek Landcare Group)

4.3 MIN5465 Pearl Croydon

Pearl Croydon is located at Amherst about 40km southwest of the Union Mine, see **Figure 4-1**. In 2015, Centennial (then known as A1 Consolidated Gold Limited) acquired the Pearl Croydon deposit as part of the purchase of the Maldon assets of Octagonal Resources Limited. The Pearl Croydon deposit is located on Mining Licence MIN5465.

Historically, the Pearl Croydon quartz reefs were worked by open pit and underground mining methods.

4.3.1 Geology and Mineralisation

The Pearl Croydon gold deposit is hosted by metamorphosed and folded Ordovician sedimentary rocks; siltstones, shales and sandstones. The mineralisation is in and around quartz reefs developed in steeply dipping fault structures.

The Pearl Croydon line of reef consists of a series of generally westerly dipping reef segments identified by surface geological mapping of exposures in historical workings: Pearl Croydon North West (Laura), Pearl Croydon North Central (New Gull, Pig and Whistle), Pearl Croydon North East (Pig and Whistle South), London Hill, London Hill Hangingwall, Mullocky West and Mullocky East. Historic workings are shown in **Figure 4-18**.

Figure 4-18 Historic Pearl Croydon Workings



Economically significant sulphide and gold mineralisation is associated with laminated, stylolitic - brittle fractured and brecciated quartz. Complex but narrow alteration halos exist around reef structures.

The reefs have been interpreted as occurring in laterally and vertically continuous shear zones which persist along strike for hundreds to thousands of metres and down dip in excess of 100 m. The thickness of individual reefs is variable along strike and ranges between 2 m and 5 m width along strike.

RPM Comment

The geology of the Pearl Croydon area appears to be more complex than the Union Hill geology because of segmentation of the reef structures. This may result in difficulties in geologic interpretation and in mining. Selective mining methods are likely to be required.

4.3.2 Resource Estimates

Two small separate Resource estimates have been developed for MIN5465 as presented in **Table 4-5** and **Table 4-6**. RPM observed three of the drill hole collars that support the Pearl Croydon Resource in the field, see **Figure 4-19**.

Table 4-5 Pearl Croydon Mineral Resource

Pearl Croydon Mineral Resource Updated to 2 October 2017							
Cut-off grade = 0.6 g/t Au							
Deposit	Indicated		Inferred		Total		
	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Contained Gold (Oz)
Pearl Croydon North			455,526	2.5	455,526	2.5	36,463
London Hill	11,000	3.7	62,000	2.4	73,000	2.6	6,000
Mullocky			37,905	5.2	37,905	5.2	6,278
Total	11,000	3.7	555,431	5.2	566,431	2.7	48,741

Source: MiningOne, Valuation of the Mineral Assets of Centennial Mining Limited, 9th May 2019

Table 4-6 London Hill Mineral Resource

London Hill Mineral Resource as at 2 October 2017							
Cut-off grade = 0.6 g/t Au							
Deposit	Indicated		Inferred		Total		
	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Contained Gold (Oz)
Oxide	7,000	3.6	57,000	2.3	65,000	2.5	5,000
Transition	3,000	4	5,000	3	8,000	3.4	1,000
Fresh							
Total	11,000	3.7	62,000	2.4	73,000	2.6	6,000

Source: MiningOne, Valuation of the Mineral Assets of Centennial Mining Limited, 9th May 2019

Figure 4-19 Drill Collar for Resource Drilling at the Historic Pearl Croydon Workings



RPM Comment

The Resources were reported according to JORC 2012 and are assumed on that basis to be of a suitable standard to be included for valuation purposes.

4.3.3 Exploration Potential

Based on the extent and relatively shallow depth of drilling RPM has the opinion that additional Resource would be discovered at Pearl Croyden if additional exploration was undertaken. RPM recommends detailed review of existing information and testing of geophysics such as magnetics and IP to facilitate the definition of an exploration program for the asset.

4.3.4 Environmental

Approvals

Two approvals documents have been reviewed for the purpose of this report including:

- 2013 Exploration Work Plan for Pearl Croydon (proposed work program at the time occurred in an area with no endangered or threatened species and in an area of significant historic disturbance and no areas of cultural heritage sensitivity or sites of significance lie within the work area). Rehabilitation measures included capping upon completion until the collar is cut and sealed then covered, the original land surface backfilled and contour ripped to reflect the pre drilling surface and replanting of grasses and other species to be undertaken. RPM note that this has not been completed and there is a small cost required to complete this work in the future.
- 2013 Work Plan Variation (Mining), approved on 29 January 2014. The Work Plan proposed open pit mining from the London Hill and Pig and Whistle open pits, both located in the Maryborough State Forest. The end land use concept proposed is to partially backfill open pits with waste material and rehabilitate the ground to its pre mining state in line with statutory requirements. A revegetation program is proposed should natural revegetation from adjacent areas be unsuccessful.

Bonds

In August 2014, the bond was reduced by AUD300,000 from AUD310,000 to AUD10,000 with a further bond review update recommended for August 2015.

As per the requirements of the *Mineral Resources Sustainable Development Act (1990)*:

- The holder of a mining licence must rehabilitate land of in accordance with the rehabilitation plan approved by the Department Head
- The Minister (for Resources) may require an authority holder to undertaken an assessment of the authority holder's rehabilitation liability (rehabilitation liability assessment) for the purpose of determining the amount of a rehabilitation bond or reviewing the amount of a rehabilitation bond entered into or to be entered into by the authority holder.
- A licensee must enter into a rehabilitation bond for an amount determined by the Minister.
- The Minister may at any time after a rehabilitation bond has been entered into require the authority holder to enter into a further rehabilitation bond if it is determined by the Minister that the amount of bond already entered into is insufficient.
- The authority holder must rehabilitate land as per the requirements of the Act (S78).
- If the land has not been rehabilitated adequately then the Minister may take any necessary action to rehabilitate land including requiring that the authority holder enter into a further bond.

Other Liabilities

Work Plan Conditions from the (17 September 2013) Work Plan Variation includes offset requirements for the removal of habitat hectares of Box Ironbark Ecological Vegetation of medium conservation significance and requirements for revegetation and landform stabilisation to ensure continued public access to this area of State Forest. Should rehabilitation and offset activities be unsuccessful or only partially successful once

implemented, this will be an additional financial cost and will also require management and oversight to ensure compliance with condition requirements.

RPM notes that exploration drill hole rehabilitation has not been completed as required by the approval of the work plan and this is a small outstanding liability.

Technical Risks Future Operations

The 2013 Work Plan lists key environmental issues for the (proposed) Pearl Croydon operations as:

- Loss of native vegetation due to clearing and earthworks
- Potential risk for minor season erosion and downstream sedimentation, with creeks having been disturbed by historical alluvial mining operations
- Other operational environmental risks such as spread of weeds and soil contamination from hydrocarbon discharge.
- Given the location of the proposed operation in the Maryborough State Forest, there may be potential issues beyond those raised by the statutory referral agencies (e.g. raised by the Maryborough Field Naturalists Club, McCallums Creek Landcare Group)

4.4 MIN5563 Specimen Reef

Specimen Reef is located 30 kilometres to the north-west of Union Hill, see **Figure 4-2**.

4.4.1 Geology

In the mineral licence area two parallel quartz reefs (Specimen Reef and Doctor's Reef) and other lesser reefs that can be traced over greater than 1,000 metres strike length, see **Figure 4-22**. Both reefs strike north-south and occur as discrete medium to wide quartz veins with associated stock work stringer vein zone envelopes. The Specimen Reef dips steeply both to the east and west, see **Figure 4-20**. The reef is characterised by a strongly developed stringer zone up to 7 metres wide with massive veins greater than 0.5 metres wide.

Figure 4-20 Steeply Dipping Quartz Veins at Specimen Reef



4.4.2 Exploration and Results

In July 2011 Octagonal completed a 14 hole RC drilling program (SRRC01 to SRRC14), totalling 573 metres, to test for near surface gold mineralisation. This was extended by 33 drill holes in March 2012. The programs were quite successful in identify near surface medium grade mineralisation. Significant intercepts include:

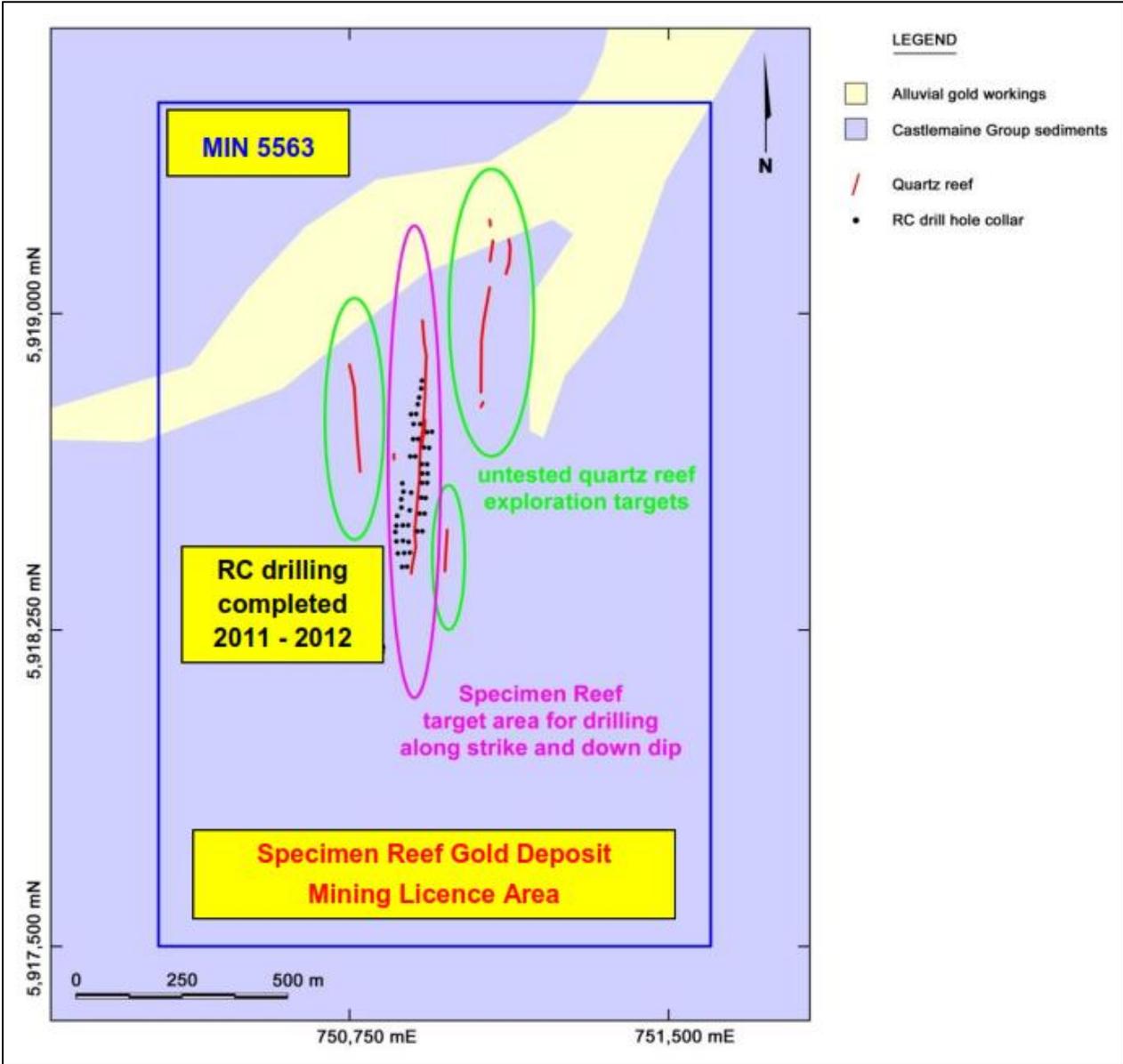
- 1 metre grading 13.0 g/t Au from 31 metres in SRRC20;
- 1 metre grading 12.3 g/t Au from 54 metres in SRRC27;
- 4 metres grading 5.1 g/t Au from 22 metres in SRRC29;
- 2 metres grading 10.3 g/t Au from 49 metres in SRRC30;
- 2 metres grading 8.6 g/t Au from 73 metres in SRRC31;
- 5 metres grading 3.9 g/t Au from 48 metres in SRRC37;
- 3 metres grading 5.4 g/t Au from 29 metres in SRRC42; and
- 5 metres grading 2.2 g/t Au from 18 metres in SRRC47.

The distribution of the drill results are shown in the long section in **Figure 4-23**. RPM observed many of the drill collars from these programs in the field, see **Figure 3-13** for an example. The white cuttings are quartz and clay alteration from the drilling.

Figure 4-21 Drill Program Collar at Specimen Reef

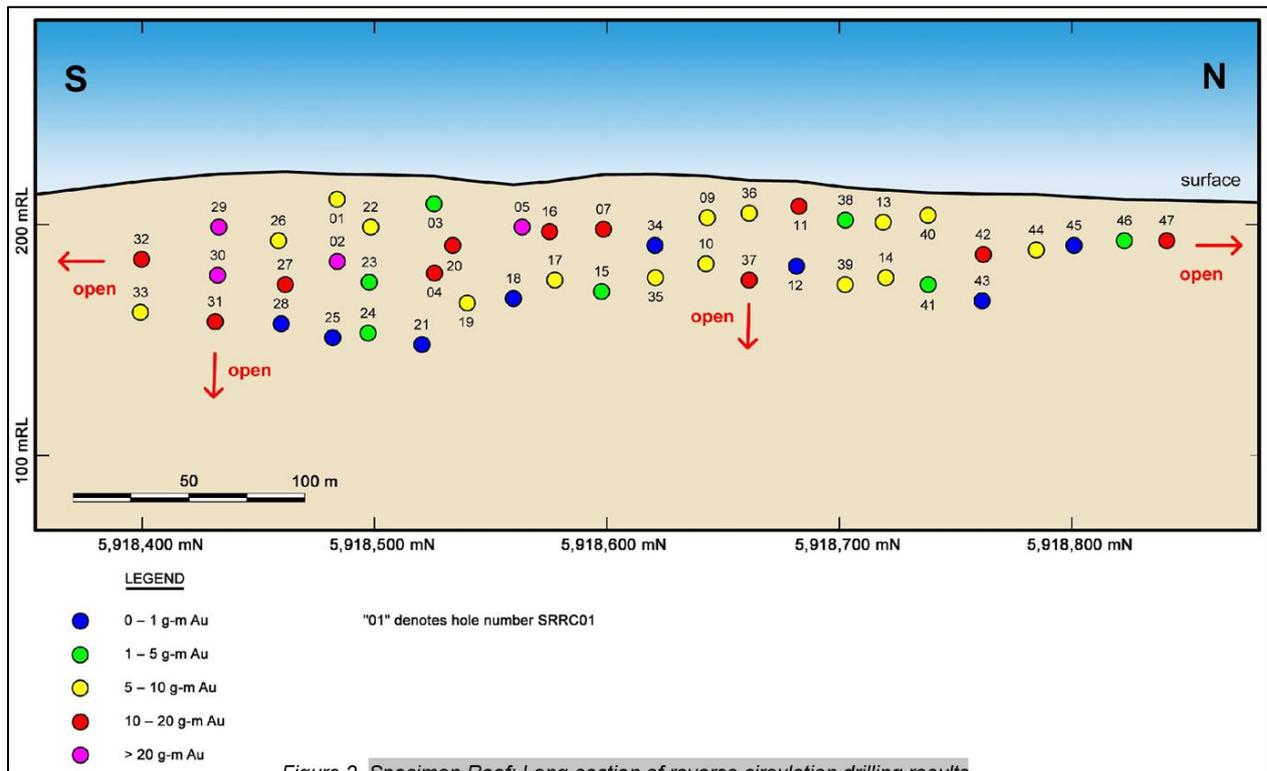


Figure 4-22 Geologic Plan of the Specimen Reef including Drill Hole Locations



Source: Octagonal Resources, Specimen Reef Mining Licence Granted in Central Victoria, 5th February 2014

Figure 4-23 Specimen Reef long-section of reverse circulation drilling results



Source: Octagonal Resources, Specimen Reef Mining Licence Granted in Central Victoria, 13th March 2013

4.4.3 Exploration Potential

There is significant exploration potential in the licence as illustrated in **Figure 4-23**. RPM walked the length of the reef and noted historic workings extending significantly beyond the extent of the drilled length verifying additional potential along strike in both directions. The reef also appears to be open at depth.

4.4.4 Environmental

Approvals

Two approvals documents have been reviewed for this report, the July 2014 (Draft) Exploration Work Plan and the April 2014 (Draft) Mining Work Plan. It should be noted that there are no approved work plans for this tenement and the information presented below is in draft form.

For the Exploration Work Plan, an ecological assessment was undertaken which found no endangered or threatened species and included calculation of vegetation offsets for proposed open pit and dump areas. No areas of cultural heritage sensitivity or sites of significance lie within the work area. Rehabilitation measures included capping upon completion until the collar is cut and sealed then covered, the original land surface backfilled and contour ripped to reflect the pre drilling surface and replanting of grasses and other species to be undertaken.

The Mining Work Plan proposes to commence open pit mining at its Specimen Reef Project, with gold being extracted from several open pit sources. The end land use concept proposed is to partially backfill open pits with waste material and rehabilitate the ground to its pre mining state in line with statutory requirements. A revegetation program is proposed should natural revegetation from adjacent areas be unsuccessful.

Bonds

There is no bond held for this tenement as there is no approved work plan in place.

Other Liabilities

A site visit was conducted by Earth Resources Regulation and was completed by 22 June 2016, however no further information was provided for the review so it is unknown whether any risks or liabilities were identified.

The Ecological Assessment conducted for the purpose of developing the draft exploration and mining work plan includes the calculation of habitat hectares and native vegetation offsets which will be sourced from 3rd parties, as discussed with (at the time DEPI) Department of Environment, Land, Water and Planning representatives. This will represent a cost and management commitment to the company going forward.

Technical Risks Future Operations

Risks may be associated with potential environmental impacts.

The (Draft) Exploration Work Plan identified impacts including:

- Clearance or pruning of trees and saplings to access drill holes and operate exploration machinery
- The risk of uncovering undocumented archaeological/historical sites
- The potential to introduce and spread weeds and plant pathogens
- Potential for soil contamination from hydrocarbon discharge
- Noise and dust

The (Draft) Mining Work Plan identified impacts including:

- Loss of native vegetation due to clearing and earthworks
- Potential for minor seasonal erosion and downstream sedimentation due to the positioning of proposed waste dumps in existing ephemeral creek lines
- Potential to introduce and spread weeds and plant disease
- Potential for soil contamination from hydrocarbon discharge

RPM notes that the drill sites and collars from the earlier drilling have not been rehabilitated. This results in a small ongoing liability for Centennial.

5. Risks

Table 5-1 presents a tabular summary of RPM's findings and conclusions for the Centennial Mining Projects relative to the completeness of the project and the potential impact of each information component provided to RPM. This table is intended to provide insight into the risk associated with the continued operational strategies at each Project.

The format is intentionally brief to provide a rapid overview of the project status after implementation of the mitigation plan. Definitions of the terms used in this table are as follows:

Component identifies the information topic reviewed by RPM.

- **Completeness** expresses RPM's opinion of the coverage of the topic by the Client and the Project group compared to the efforts of others on similar projects.
 - **High Completeness** indicates that the information provided to RPM meets or exceeds the norm of similar projects.
 - **Medium Completeness** indicates that refinements might be made with additional effort; however, such refinements may not produce significant changes.
 - **Low Completeness** indicates that the data provided by the Client is somewhat less than the norm of similar projects. This level combined with a high impact potential suggests that additional analysis and engineering are required. Combined with a low impact potential it suggests that it is probably acceptable for valuation but may require additional information for adequate reporting.
- **Impact Potential** identifies the degree of sensitivity reflected in project economics by the category. This allows rapid identification of areas that require substantial scrutiny versus those areas less likely to affect overall project performance.
 - **High Impact** categories, such as Reserves and recovery, have a high impact on cash flow. Relatively small variations in these areas could significantly alter the return on investment.
 - **Medium Impact** categories, such as tailings, processing and power generation, can undergo minor to possibly medium variations without significantly affecting the overall project. Substantial variations, depending upon their nature, may significantly affect the overall project.
 - **Low Impact** categories, such as the majority of the infrastructure, can undergo medium to substantial variation without significantly affecting the overall project.
- **RPM Risk Assessment** – RPM Risk Assessment combines Completeness and Impact Potential in a subjective measure of the likelihood that the category poses any significant chance of adversely affecting the overall project.
 - **Low Risk** indicates one or more of the following combinations:
 - High Completeness with High, Medium or Low Impact. This indicates that the item is critical to the success of the project and that Centennial Mining have performed adequate analysis and engineering to assure anticipated performance.
 - Medium or Low Completeness with Low Impact. These are typically items which do not require a substantial amount of advance analysis and engineering and whose costs are known to a sufficient level to assure that estimates are not exceeded, regardless of the final design.
 - **Medium Risk** is applied to a category where additional work is required to adequately define, analyze or engineer an item to assure that future detail development work does not uncover unanticipated problems that could substantially affect the overall project. In RPM's opinion, additional information or engineering on these components will likely be required. Medium risk indicates one of the following combinations:
 - Low Completeness with Medium Impact.
 - Medium Completeness with High or Medium Impact.
 - **High Risk** is applied to a category where additional work is required and where presently unknown and/or unforeseen problems have a high probability of negatively affecting the overall project. High risk indicates one of the following combinations:
 - Low Completeness with High Impact.

- High Impact with Aggressive Assumptions.

Table 5-1 Centennial Mining Projects - Risk Assessment Summary

Component	Completeness	Impact Potential	RPM Risk Assessment	Remarks
MINING				
Mine Plans and Production Schedules	Low	High	High	No mine designs have been completed. The mine schedule does not use modern 3D practices based on mine designs. While the schedule may be achieved, the assumptions and logic cannot be validated adding considerable risk to the schedule.
Mineable Quantities	Low	High	High	The mineable quantities used in the mine schedule are not JORC compliant and are extrapolated from historic mining outcomes and localised geological modelling
Mine Design	Low	High	High	No mine designs have been completed.
Ore availability and production	Medium	Medium	Medium	The production rates are in line with historic capacities and if managed well are achievable however without a mine schedule developed using modern 3D mining techniques there is a risk of the sequencing not being achieved in a given period.
Quantity of mining equipment planned	Medium	Medium	Low	The current equipment types are suitable however could be at the end of their economic life.
Capability of Mining Group	Medium	Low	Low	General mining staff levels appear to be appropriate but additional technical support is required.
GEOLOGY & RESOURCE MODEL				
Supporting Data	Medium	High	Low	The supporting data is of good quality apart from less than typical density information. Data spacing is close near current development but becomes much wider than needed for good estimation away from developed areas.
Geological Model	High	Medium	Low	The geological and mineralisation model is well defined and is based on the results of many years of mining.
QA/QC	Medium	Medium	Low	Appropriate QAQC measures have been applied to verify the quality of the supporting assays.
Block Model	Medium	High	High	The accuracy of the A1 block model and the estimates of resources is limited by the distribution of the underlying data. The distribution of the data is restricted to the mine openings and drilling is limited beyond the mine openings. Reconciliations in two areas have indicated the poor local estimation of the block models. Other block models are not of JORC standard and for a large part lack documentation.
Resources	Medium	Medium	Medium	RPM feels the resources stated by Centennial for A1 are reasonable but there are numerous issues that could materially impact the local estimate. Given the exploration potential, the impact should be moderated if exploration is successful.

Component	Completeness	Impact Potential	RPM Risk Assessment	Remarks
				Non JORC Resources are published for other assets.
Exploration Potential	Medium	Medium	Low	Centennial has completed very little exploration beyond drilling to extend existing ore bodies from current development at A1. They have numerous exploration targets that are ready to be tested at A1, Union Hill, Pearl Croyden and Specimen reef. This adds upside to the Projects and decreases the risks from the identified block model issues.
METALLURGY				
Gold Recovery (Porcupine Flats Operation)	High	Moderate	Medium	High gold recoveries achieved for both current Union Hill and A1 ore types
Future Ores (Porcupine Flats Operation)	Low	High	High	It is assumed that future ores would behave similarly to current ore types; Union Hill ores are the major concern, with the ores potentially getting harder with depth. Previously a pre-robbing problem was encountered with Union Hill ores.
Flowsheet Development and Design Criteria (A1 Proposed Operation)	Low	Medium	Medium	Testwork to date limited, scoping in nature and on unrepresentative samples. More detailed testwork on representative samples based on the mine schedule required to settle on a flowsheet and optimum processing conditions
Plant Design and Study (A1 Proposed)	Medium	High	High	An engineering study is progressing on limited scoping testwork data based on non-representative samples.
Gold Recovery (A1 Proposed Operation)	Low	Medium	Medium	Likely to be high (>90%), however needs to be established on representative samples for the selected flowsheet and processing conditions
INFRASTRUCTURE				
Infrastructure Documentation	Low	Low	Low	Insufficient documentation was available for review. Findings were based on feedback from site personnel and the site visit potentially resulting in risks not being identified. However considering the relative simplicity and historical performance RPM considers the risk low.
Power Supply	Medium	Low	Low	Implementation of Victoria State Government renewable energy targets could potentially impact future power reliability and prices.
Water Supply	Low	Low	Low	As water is supplied from mine dewatering and no water and make up balance was available review, there is a low potential risk of insufficient future water supply.
Emergency Power Generation	Low	Low	Low	From site feedback no emergency power supply is available, potentially impacting operations during unplanned outages.
CAPITAL COSTS				
Mining CAPEX	Low	Medium	Medium	Current infrastructure is in place and continued sustaining capital is appropriate

Component	Completeness	Impact Potential	RPM Risk Assessment	Remarks
Processing CAPEX (Proposed A1 Processing Plant)	Low	High	High	Unknown cost; flowsheet and equipment sizing and selection is not supported by studies or meaningful testwork.
Infrastructure CAPEX	High	Low	Low	RPM does not see any significant issues with regard to the current infrastructure requirements supporting future operation activities.
OPERATING COSTS				
Mine Operating Cost	Medium	Medium	Medium	The costs are based on previous actuals and benchmark well with similar local operations.
Processing Operating Costs (Porcupine Flats)	Moderate	High	High	Details of processing costs are not fully known. They are highly dependent upon processing throughput which is constrained by poor feed supply.
Processing Operating Costs (A1)	Low	Moderate	Moderate	Limited supporting information provided; concentrate treatment costs not addressed.
ENVIRONMENTAL & SOCIAL				
Permits and Authorizations	Medium	Medium	Medium	It should be noted that two of the tenements do not have approved work plans in place and that requirements of work plans have changed recently.
Air Quality Management	High	Medium	Low	Appropriate controls for dust should be in place as per the requirements of current or any future approved work plans and relevant licenses,
Water Management	High	Low	Low	Surface and groundwater quality monitoring to take place as appropriate throughout operations and managed to minimize erosion, surface water and groundwater (where relevant) contamination.
Mine Waste Management	High	Medium	Low	All usable spoil should be used for rehabilitation of disturbed sites and to batter slopes. All non-usable wastes are to be removed from site with waste minimization strategies to be periodically reviewed.
Community Relations	Medium	Medium	Medium	Potential issues with the community may exist given the nature of some of the proposed exploration and mining areas in State Forest. Community engagement should continue in line with any approved Community Engagement Management Plans. RPM notes some required rehabilitation has not been completed after exploration drill programs and this may impact negatively on community relations.
Mine Closure	Medium	High	High	Closure is currently managed through the Rehabilitation Plan component of approved work plans. It should be noted that Victorian legislative requirements on closure have evolved significantly in 2019 with additional requirements as outlined in the

Component	Completeness	Impact Potential	RPM Risk Assessment	Remarks
				Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019 as to information required in Work Plans and Rehabilitation Plans,, which could add significant cost.

6. Opportunities

6.1 Geology

RPM suggests that the following opportunities exist:

- The currently announced Mineral Resource estimates have been unreliable predictors of tonnage and grade on a scale relevant to mining operations. RPM suggests opportunity exists to improve the Mineral Resource estimate so that it provides more than just a global prediction of tonnage and grade. Estimation techniques such as Ordinary Kriging or MIK, detailed domain investigations and estimation search parameters appropriately chosen to mirror local grade trends are expected to improve estimates.
- Estimation of exploration potential or unclassified material using less restrictive search parameters may aid in target identification and assessment.

6.2 Mining

- Once a cohesive Mineral Resource is established generating mine designs and associated mine schedules will de-risk the project.

6.3 Infrastructure

- Site reported emergency power generation is not current available on site. It will be beneficial to conduct a review to determine the emergency power load required and procure suitable emergency power generation.

6.4 Metallurgical

A number of opportunities exist, principally for the Porcupine Flats Processing Plant:

- The primary opportunity would be to operate at full capacity, presumably 200,000tpa
 - Unit processing costs would decrease significantly
- A thickener on the tailings would be beneficial for water recovery and reagent savings.

6.5 Environmental

There may be opportunities to reduce environmental risk and liability by considering the requirements of the recently updated *Preparation of Work Plans and Work Plan Variations* and the *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019*, particularly with respect to:

- Risk Management Plans
- Rehabilitation and Closure; and
- Consideration of any environmental impacts and risks not previously identified or changes to proposed operations, which may in turn prompt a review of the rehabilitation liability assessment and in turn potentially result in an increase in the rehabilitation bond.
- Further recommendations are explored in **Section 8.5**.

6.6 Costs

Mining Costs

- No mining cost opportunities have been identified.

Processing and G&A Costs

- Without more operating cost data with a detailed breakdown, RPM is unable to identify any opportunities for cost reduction.

7. Conclusions

7.1 Geology

7.1.1 A1 Mine

RPM views the following as material risks to the project:

- RPM views the biggest challenge at the A1 Mine to be the complexity of this style of deposit and the varied controls and orientations of mineralisation. This style of mineralisation has a high inherent level of risk associated in the prediction of grades and tonnages;
- The lack of domaining used for the CSA estimate will likely result in excessive smoothing, which will cause high-grade vein style mineralisation to be underestimated and lower-grade breccia style mineralisation to be underestimated;
- A short-scale range of 17m was noted during variography. This suggests that there is little confidence in estimated grades where drill hole spacing exceeds this distance;
- The estimation methodology used for the MiningOne estimate (IDW²) is inappropriate for this style of deposit. It is likely that IDW² will result in the global overestimation of gold grades and poor spatial continuity of grades in the block model;
- The Inferred portion of the CSA estimate may overestimate for grade due to strong influence from historic drilling which only sampled higher grade zones;
- The portion of Mineral Resource tabulation sourced from the 2013 CSA estimate has not been depleted for mining. The portion sourced from the 2018 MiningOne estimate has not been depleted for recent underground development, and
- Reconciliation has shown a major disconnect between the production and block model predictions at two reconciled locations; the 8352 Stope and the 1320 Level development. While in both areas less gold was predicted than was mined, the result indicates the local estimate is incorrect and raises risk for output predictions and mine schedules.

RPM views the following as areas of concern:

- The nugget effect used for the CSA estimate may be too low. The effect of raising the nugget effect may result in a smoother grade estimate, with less tonnage above the cut-off grade;
- Search ellipse orientations were selected to mirror the high-grade vein orientations. This will result in less representative grade estimates outside the high-grade veins, and
- There is a limited density database which should be increased to improve the confidence in the applied densities and local applicability of the density information.

RPM is of the opinion that the following areas of geologic work are of a good standard and supportive of future successful mining at the mine:

- The geology and mineralisation styles are well understood and this understanding can be applied to produce better estimates of the Resource;
- The spacing of data is sufficient close to current workings and such spacing if spread wider through the mine would result in better local estimates for planning and scheduling purposes;
- RPM is of the opinion that the drilling, logging, sampling and assaying procedures are likely to produce reasonable determination upon which to base the Resource;

7.2 Mining

- A1 is mined using conventional and globally recognised mechanised long hole stoping, supplemented by hand held air leg mining of high grade narrow vein shear zones.
- The mining of the nuggetty resource is heavily driven by local geology, consequently global practices of using mine designs and associated schedules is not conducted.
- 97% of forecasted mining is in Inferred material that is based on interpreted historic mining and localised drilling which is not JORC 2012 compliant and when compared to peers is a material risk. This does not mean the mine schedule cannot be achieved, merely the assumptions and logic cannot be validated.
- The mining mobile plant appears to be at the extent of its economic life and limited capital has been forecasted. The current mining mobile plant is a risk to mine productivity continuity and capital expenditure.

7.3 Infrastructure

- Insufficient information was made available for an evaluation and the report relies on information provided by site personnel and the site visit. Based on site personnel the infrastructure in place is sufficient to support current operations. Although RPM's observations during the site visit support this view, it is possible that potential risks were not identified.
- Victoria State Government renewable energy policies could have a potentially have an impact on power supply reliability and prices.

7.4 Metallurgical

- The Porcupine Flats operation employs a conventional processing flowsheet with a low utilisation, mainly due to limited feed supply,
- High gold recoveries are achieved from the treatment of Union Hill (88%) and A1 (>90% - feed grade dependent) ores.
- There is insufficient monitoring of the process and conditions, including routine laboratory tests.
- There is insufficient knowledge about future ore types and subsequent suitability of current equipment and process conditions.
- There is insufficient testwork on representative samples to support the selection of an appropriate flowsheet and allow the engineering design and equipment selection of future A1 site based processing plant, therefore;
 - Additional testwork is required on the plant products, and also
 - It was noted on the site layout that no allowance had been made for an air compressor and blower.

7.5 Environmental

Key environmental risks associated with proposed operations overall include:

- Impacts on native vegetation through clearing and introduction of weeds and plant disease
- The risk of uncovering undocumented archaeological/historical sites
- Potential for soil contamination from hydrocarbon discharge
- Noise and dust from operations
- Potential for minor seasonal erosion and downstream sedimentation.
- Additional risks including geotechnical and landform stability, which should be explored further through a risk assessment process

There may be opportunities to reduce environmental risk and liability by considering the requirements of the recently updated *Preparation of Work Plans and Work Plan Variations* and the *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019*, particularly with respect to:

- Risk Management Plans and identification of risks not identified in previous approvals
- Rehabilitation and Closure

7.6 Costs

Mining Costs

- The average mining operating costs used in the economic model of AUD165/t are relatively high when compared to peers but this reflects the high mining cost associated with highly selective mining.
- The sustaining capital cost allowances for additional machinery (truck, bogger and jumbo) appear low. There is no further allowance for rebuilds or further replacements. It is unlikely that these machines, or the existing machines without some form of additional capital investment will continue to operate efficiently for the scheduled mining period

Processing and G&A Costs (Porcupine Flats)

- Unit processing and G&A operating costs are high due to low throughputs.
- Current processing operating costs are AUD41/dmt and expected to peak at AUD55/dmt in FY20 before decreasing to AUD31/dmt with increased feed supply.
- Current G&A costs are AUD34/dmt, decreasing to AUD19/dmt in FY20 and eventually AUD11/dmt.
- There is insufficient detail as well as quantity of records to support the cost assumptions.
- Sustaining capital costs are not formally identified in the supplied data adding risk to the confidence of sustaining capital costs.

Processing and G&A Costs (A1 Proposed Plant)

- Processing plant and infrastructure capital costs were not documented.
- Operating cost does not include additional treatment of the concentrates, which increases the likely cost to AUD35/dmt.
- Sustaining capital cost were not identified.
- Other capital expenditure was not documented (e.g. recurring expenses such as Tailings Storage Facility).

8. Recommendations

8.1 Geology

8.1.1 A1 Mine

RPM makes the following recommendations:

- RPM recommends Ordinary Kriging be used for grade estimation, as a minimum standard, with appropriate domaining, upper cut and search ranges applied. Further benefits will likely be gained by using non-linear techniques such as MIK;
- Detailed domaining investigations and application of historic information of reef locations is likely to produce a more representative grade estimate, allowing for better prediction of local tonnes and grade on a time scale relevant to mining operations;
- Estimation of exploration potential or unclassified material using less restrictive search parameters may aid in target identification and assessment;
- More detailed validation of the MiningOne block model, such as swath plots, is recommended to be undertaken, and
- Additional density determination should be undertaken to improve the number and coverage of density samples.

8.2 Mining

- Carry out detailed resource to mine planned, mine planned to actual mined reconciliations to understand the current modifying factors and quantify the issues with the practical mining limits.
- Once a more cohesive resource blockmodel is complete de-risk the mining by creating mine designs and associated mine schedules.

8.3 Infrastructure

- The transport of ore is a high cost part of the Project and implementation of local processing, as planned by Centennial, should be prioritised for implementation.

8.4 Metallurgical

8.4.1 Porcupine Flats Processing Plant

- Better record keeping, identification of process operating conditions, including stage recoveries and reagent consumptions is recommended.
- The operation would benefit from a process audit to identify the efficacy of equipment and processes as well as any process bottlenecks, such as
 - Improved classification of mill discharge
- Routine laboratory testing should be conducted in order to better understand and optimise the operation, this
 - Would include quantifying grind size, carbon regeneration efficiency, dissolved oxygen levels, bottle roll on the tailings, stripping efficiency, cyanide concentration and pH levels, etcetera.
- Conduct testwork on future ore types, from both A1 and Union Hill, including milling properties

8.4.2 A1 Proposed Processing Plant

- Conduct more testwork on representative samples (based on the mine schedule) to identify the preferred flowsheet and optimum process conditions as a basis for design.

- Conduct testwork on the flowsheet products intermediate to the production of doré, because on current information;
 - Gravity concentrate grade is too low grade to direct smelt,
 - The gold recovery from these products needs to be identified as well as the process conditions, and there is a
 - Need to confirm that the Porcupine Flats Processing Plant is capable of receiving and successfully treating these concentrates.

8.5 Environmental

Several environmental risks have been captured in approved and draft work plans reviewed as part of this report. Key recommendations to ensure sound environmental management and reduction of risk and liability for any future operations going forward may include:

- Ongoing monitoring of rehabilitated and revegetated areas during the life of the operation to ensure success in line with Stakeholders and Parks Victoria requirements;
- Ensuring stability of all landforms, areas of extraction and restricting public access where required;
- Baseline data collection of surface and groundwater quality and ongoing monitoring of surface and groundwater quality where appropriate during operations;
- Ensuring noise, waste, hydrocarbons, dust, cyanide, tailings, air emissions are managed in line with approved work plans, permits and licences and environmental management plans
- Developing geotechnical risk assessments where appropriate and development of Ground Control Management Plans with consideration to any findings from recent geotechnical inspection reports where available;
- Review of all offset requirements;
- Review of all recommendations and outstanding actions from site visits, inspections and audits conducted by Earth Resources Regulation (Department of Jobs, Precincts and Regions) and the Environment Protection Authority (EPA Victoria);
- Ongoing stakeholder engagement in line with approved Community Engagement Plans and Environment Review Committee where appropriate; and
- Review requirements of recently updated Preparation of Work Plans and Work Plan Variations Guideline and Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019 particularly with respect to:
 - Rehabilitation and closure
 - Risk Management Plans
 - Consideration of any environmental impacts and risks not previously identified or changes to proposed operations which may in turn prompt a review of the rehabilitation liability assessment and in turn potentially result in an increase in the rehabilitation bond.

8.6 Costs

Mining Costs

- The sustaining capital cost allowances for additional machinery (truck, bogger and jumbo) appear low. There is no further allowance for rebuilds or further replacements. It is unlikely that these machines, or the existing machines without some form of additional capital investment will continue to operate efficiently for the scheduled mining period

Processing Costs

- For the existing processing operation in terms of both processing and G&A operating costs, more detail needs to be captured and recorded to better understand the nature of cost expenditures and the opportunities for improvement.
- Sustaining costs need to be determined based on detailed breakdowns such as the AUD700,000 expenditure incurred in FY18.
- In terms of capital expenditures, this information needs to be formally captured in the P&L, e.g. the Tailings Storage Facility lift (~AUD500,000 over the last 18 months).
- Better reporting of the process operating costs in terms of operating, sustaining and capital expenditure is recommended.

9. Centennial Mining Valuation

9.1 Background

KordaMentha commissioned RPM to prepare an Independent Valuation for the assets of Centennial Mining. RPM understands that KordaMentha was appointed as administrators of Centennial and Maldon Resources on 21st of March 2019 pursuant to Section 436A of the Corporations Act 2001 and that the purpose of the Valuation is to assist KordaMentha in their role as administrators of the Company. The Valuation date is as at 3rd September 2019 (“Valuation Date”).

The information in this report that relates to the VALMIN valuation of Centennial’s assets is based on information compiled and reviewed by Mr. Francois Grobler, who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of RPM.

Mr. Grobler has more than 25 years’ experience in the mining industry and has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” or “Specialist” under the definitions provided in the VALMIN Code. Mr Grobler has completed numerous mineral property valuations globally and is a qualified mineral property valuator under the VALMIN Code.

Mr Grobler has no interest whatsoever in the assets reviewed and will gain no reward for the provision of this Independent Valuation. RPM will receive a professional fee for the preparation of this statement.

RPM understands that at the Valuation Date the assets under review were on care and maintenance or at an early stage of project development.

RPM understands that Centennial has JORC 2012 compliant Mineral Resources (Indicated and Inferred) for the A1 Gold Mine and Pearl Croydon project as well as additional unclassified targets for the A1 and Nuggetty Reef Mines but has no reported Mineral Resources for the Union Hill Mine. Furthermore, Centennial also has no reported Ore Reserves for any of its mines or projects.

The tenements agreed with KordaMentha to be reviewed and valued are summarised in **Table 9-1** below.

Table 9-1 Centennial Current Granted Mining Licences

Area	Licence	Ownership	Project
A1 Gold Mine	MIN5294	100% Centennial Mining Ltd	
Maldon Project	MIN5146	100% Maldon Resources Pty Ltd	Union Hill Mine
	MIN5528	100% Maldon Resources Pty Ltd	Nuggetty Reef Mine
	MIN5529	100% Maldon Resources Pty Ltd	North of England
	MIN5465	100% Highlake Resources Pty Ltd	Pearl Croydon
	MIN5563	100% Highlake Resources Pty Ltd	Specimen Reef

In conjunction with this Valuation, KordaMentha requested RPM to conduct a high level ITER, the findings of which are captured in the previous sections of this report. The ITER provides the technical review and assurance on which the Valuation is based.

This Valuation was prepared in accordance with:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“The VALMIN Code”);
- ASX Listing Rules (Chapter 5) and Relevant Guidance Notes;
- Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 and 112 in relation to the “Content of expert reports” and the “Independence of Experts” respectively; and
- Accounting Professional & Ethical Standards Valuation Services Guide 225 (“APES 225”).

This Valuation complies with the definition of a *Valuation Engagement* as defined by APES 225.

9.2 Valuation Approach

In conducting this Valuation, consideration was given to the guidelines provided in the VALMIN Code 2015 regarding the selection of suitable valuation methodologies.

There are various recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, as well as the quality, quantity and type of information available in relation to any particular asset.

The VALMIN Code, which is binding upon “Experts” and “Specialists” involved in the public reporting of valuation of mineral assets and mineral securities, defines the types of mineral assets, based on level of development or maturity under the following categories¹:

- **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 Pre-Feasibility Study;
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Various recognised valuation techniques are designed to provide the most accurate estimate of the asset value in each of these categories of project maturity. In some instances, a particular mineral property or project may include assets that logically fall under more than one of these categories.

Three widely accepted Valuation Approaches² are:

- **Market-based** - based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market. Valuation Methods include but are not limited to comparable sales transactions and joint venture terms.
- **Income-based** - based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed. Valuation Methods include but are not limited to discounted cashflow and multiples of earnings.
- **Cost-based** - based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

¹ VALMIN Code 2015, Clause 14 Definitions, p.38, 39

² VALMIN Code 2015, Clause 8.2, p. 28, 29

In terms of applying the appropriate valuation approach to the applicable project type, the following guidance³ is provided (refer to **Table 9-2**).

Table 9-2 Valuation approaches per project type

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In the case of Pre-development, Development and Operating Mines, where Measured, Indicated and Inferred Resources have been estimated and Ore Reserves have been defined, valuations can be derived by compiling a discounted cash flow (DCF) model and determining the net present value (NPV).

Where Mineral Resources are limited to the Inferred category, and the application of mining parameters to determine their economic viability has not been undertaken or is considered inappropriate, their value cannot be demonstrated using the DCF/NPV approach.

A similar situation may apply where economic viability cannot be demonstrated with high confidence for a resource assigned to a higher confidence category (Indicated or Measured). In these instances, it is frequently appropriate to adopt the **in-situ resource (or "Yardstick") method** of valuation for such assets.

This technique involves application of a heavily discounted valuation of the total in situ metal contained within the resource. This usually equates to a range of 0.5% to 5% of the relevant commodity price as at the valuation date, but more commonly lies within the range 0.4% to 3% (Lawrence, 2012). The lower factor usually applied to lower confidence Mineral Resource classification such as Inferred Resources and the higher factor to higher confidence classifications such as "Indicated" and "Measured". The factor may vary substantially in response to a range of additional factors including total resource tonnes, sovereign risk, physiography, infrastructure and the proximity of a suitable processing facility (Roscoe, 2012). A range of in situ metal value discount factors derived from analysis of comparable transactions can provide metrics in which a "market factor" has been incorporated.

Exploration Areas are commonly valued using a geoscientific rating method, the most common of which are based on **Multiples of Exploration Expenditure and the Kilburn method**.

The Multiple of Exploration Expenditure (MEE) method is considered an appropriate valuation technique where useful previous and committed future exploration expenditure is confidently known or can be reasonably estimated. This method involves assigning a premium or discount to the relevant effective Expenditure Base (EB), represented by past (and sometimes future committed) expenditure, through application of a Prospectivity Enhancement Multiplier (PEM). The typical "range of reason" comprises PEMs between 0 and 5, while "usual" values would be between 0.5 and 3 (refer to **Table 9-3**). This PEM factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The Kilburn method and MEE method determine a technical value to which a further "market factor" may or may not be applied. This factor can be considered as a potential modifying factor, reflecting the current state of the market for similar projects required to derive a "Fair Market Value". The valuation of Exploration Areas is dependent, to a large extent, on the informed, professional opinion of the valuator.

³ VALMIN Code 2015, Clause 8.3, Table 1, p.29

Table 9-3 MEE Method - Typical Prospectivity Enhancement Multipliers

Category	Technical Valuation	Applicable PEM Range
1	Limited potential for mineralisation of economic significance and/or prospectivity has been downgraded by exploration carried out prior to valuation date.	0.5 – 0.9
2	Exploration data (historical and/or current) consists of predrilling surveys with results sufficiently encouraging to warrant further exploration.	1.0 – 1.4
3	One or more prospects defined by geology, geochemistry and/or geophysics to the extent they present drill targets having likely economic potential.	1.5 – 1.9
4	One or more targets with significantly mineralised drill hole intersections within a clearly prospective geological context.	2.0 – 2.4
5	Exploration well advanced and infill drilling warranted in order to define or up-grade to the stage that mineral resources can be estimated.	2.5 – 2.9
6	Indicated resources have been defined but a pre-feasibility study has not recently been completed.	3.0

Source: Adamson, McIntyre & Sorrentino, 2014

Where sale transactions relating to mineral assets are comparable in terms of location, timing and commodity, and where the terms of the sale are suitably “arm’s length” in accordance with the VALMIN Code, such transactions are commonly used as a means of, or a guide to valuation. Study of these “**Comparable Transactions**” may also be used to generate a range of metrics for use in a Yardstick valuation. An appropriate range of Yardstick in situ metal value factors may be more confidently determined by analysis of comparable transactions involving assets of similar geological and geographical character. The value ascribed from Comparable Transactions or the application of a transaction derived metric require no further market adjustment as market forces are inherently captured in the method.

Where companies can be identified within the same industry and of the same size as the target company, the **Enterprise Value (EV)** can be used as a proxy for value. A company’s EV is a measure of its total value, often used as a more comprehensive alternative to equity market capitalisation. EV includes in its calculation the market capitalisation (derived from the number of shares and the share price) of a company but also short-term and long-term debt as well as any cash on the company’s balance sheet. Enterprise value is a popular metric used to value a company for a potential takeover. The EV divided by the underlying Resource and Reserve tonnages can provide a useful metric for benchmarking.

Where a joint venture agreement has been negotiated as an “arm’s length” transaction, the **Joint Venture Terms valuation method** may be applied. In a typical staged earn-in agreement, the value assigned to each of the various stages can be combined to reflect the total, 100% equity value. Staged payments or contributions to exploration over a number of years are typically discounted to arrive at an NPV for the transaction. A probability range is also usually applied to each earn-in stage to reflect the degree of confidence that the full expenditure specified to completion of any stage will occur and, consequently, each equity position achieved.

Note that the Valuation derived by RPM is based the principles defined by VALMIN⁴ for coming up with a **Market Value (or “Fair” 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.”

Following on from this, it should be noted that given that Centennial has been placed under administration and review since March 2019 following ongoing financial distress, and given that it is still under this condition at the time of the valuation means that the criteria for a Fair Market Value would not be satisfied. If Centennial’s assets are sold under the conditions pending the administration period, potential buyers

⁴ VALMIN Code 2015, Clause 8.1

considering their offers for acquisition would likely expect a significant discount be applied to any Fair Value resulting in a “**Distressed Value**”.

In the valuation sections to follow, RPM will be using the guidelines discussed above as the basis for assigning suitable methods for valuing the various assets depending on their maturity and available information.

9.3 Centennial Mining’s assets

9.3.1 Ownership Changes and Key Developments

The A1 Gold Mine, which forms the backbone of Centennial Mining’s revenue-generating assets, is a long running underground gold mine in the eastern highland of Victoria around 120 kilometres east of Melbourne. The mine operated almost continuously from 1865 up to 1992 when it closed due to falling gold prices and the site was rehabilitated in 1999. It is the second biggest gold producing mine in the area having historically produced more than 620,000 oz of gold up to 1992.⁵ Key ownership changes and developments related to the projects are summarised below:

- 2008 – Gaffney’s Creek Gold Mine Pty Ltd acquired the mining leases over the A1 Gold Mine (these leases have since been consolidated into the current mining lease MIN5294)
- December 2009 – Decline at A1 Gold Mine commenced by Heron Resources Ltd as part of Heron’s work under and option to acquire the A1 mine from Gaffney’s Creek Gold Mine Pty Ltd.
- February 2011 – A1 Consolidated Gold in agreement with Heron Resources Ltd purchased A1 Gold Mine from Gaffney’s Creek Gold Mine Pty Ltd.
- December 2014 – A1 Consolidated Gold executed a Share Sale Agreement to acquire 100% of three companies owned by Octagonal Resources for it now Maldon operations.
- June 2015 – A1 Consolidated Gold completed the purchase of the Maldon gold operations of Octagonal Resources Ltd (including Porcupine Flat processing plant).
- March 2016 – production from A1 Gold Mine commenced with gold ore processed in Porcupine Flat plant.
- December 2016 – A1 Consolidated Limited name changed to Centennial Mining Limited
- 22 March 2019 – Centennial Mining entered in to Voluntary Administration.

It is RPM’s understanding that at the time of writing Centennial is under administration by KordaMentha.

9.3.2 Mining Licences and Tenements

RPM completed a high level tenure review and determined that the mining licences granted to Centennial and its subsidiaries are currently valid and appears to be in good standing (**Table 9-4**).

Table 9-4 Centennial tenement details (2018)

Licence	Area (ha)	Original Granted	Last Granted	Expiry
MIN5294	107.77	22/08/1990	18/08/2016	17/08/2025
MIN5146	706.1	17/12/1996	18/12/2016	17/12/2036
MIN5528	4.5	22/07/2010	18/12/2016	17/12/2021
MIN5529	4.95	07/02/2013	7/02/2013	6/02/2023
MIN5465	92	17/10/2012	17/10/2017	16/10/2037
MIN5563	260	24/01/2014	24/01/2014	23/01/2024
Total				

⁵ <https://www.mining-technology.com/projects/a1-gold-project-victoria/>

9.3.3 Mineral Resources and Ore Reserves

Centennial's Mineral Resources complying with the JORC Code 2012 are summarised in **Table 9-5**.

Table 9-5 Mineral Resource Estimate as at 30 June 2018

Area	Indicated			Inferred			Total		
	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
A1 Gold Mine	209	5.3	36	1,051	6.3	213	1,260	6.1	249
Pearl Croydon	11	3.7	1	566	2.7	49	566	2.7	49

Source: Centennial Mining FY2018 Annual Report

In addition to the table above, Centennial has defined Exploration Targets for the A1 and Nuggetty Reef Mines but has no reported Mineral Resources or Exploration Targets for the Union Hill Mine. Centennial also has no reported Ore Reserves for any of its mines or projects.

9.4 Valuation of Centennial's assets

9.4.1 Previous Valuations

9.4.1.1 MiningOne Valuation

In the first quarter of 2019 Centennial (via the appointed Administrators) engaged MiningOne Pty Ltd ("MiningOne") to prepare an Independent Technical Expert's Report and Valuation of the company's minerals assets (A1 and Maldon projects).

MiningOne, after reviewing the input assumptions to the cash flow model, came up with a DCF-based value range for the A1 and Union Hill mines ranging between **AUD36 M** and **AUD46 M** at a discount rate of 12%.

MiningOne also valued the Pearl Croydon project using market comparable transactions based on the January 2014 Mineral Resources and arrived at a preferred value of **AUD1.3M**. Due to a lack of official Mineral Resources at the Nuggetty Reef project, no value was ascribed to this asset.

MiningOne also completed a "Distressed Sale Valuation" upon request from the Administrators as part of the same report. For the distressed valuation MiningOne used a market comparable transaction approach on all the assets with JORC Mineral Resources which resulted in Union Hill and Nuggetty Reef not being valued. The derived value ranges for A1 and Pearl Croydon were **AUD4.8 M** to **AUD7.2 M** (preferred **AUD6.5 M**) and **AUD0.4 M** to **AUD0.6 M** (preferred **AUD0.5 M**) respectively.

9.4.1.2 Optiro Valuation

During June 2019, Optiro Pty Ltd ("Optiro") was requested by HLB Mann Judd ("HLB") to review the DCF based valuation model developed by MiningOne and other associated documentation to determine if the valuation is considered reasonable.

Optiro reviewed the assumptions behind the Mining Inventory (including Mine Design, Geological Confidence, Cut-off Grade, Dilution and Recovery), Mining Schedule and Costs.

In their report⁶, Optiro concludes that despite the fact that there were no fatal flaws in the valuation model, there are a number of technical aspects that introduce risks and uncertainties. They concluded further that, based on the uncertainties and poor historical operating performance, it is likely that either gold grades may

⁶ CENTENNIAL MINING VALUATION REVIEW, 25 June 2019

be lower than anticipated and/or dilution may be higher than anticipated. Both of these scenarios would lead to a reduction in value due to either lower revenues or increased costs.

Optiro reported that the appropriate valuation range for the A1 and Union Hill mineral assets is the distressed asset valuation derived by MiningOne (**AUD6.5 M**) and a potential upside case (developed by Optiro) incorporating 5% reduced revenue and 10% increased cost would lead to a valuation of around **AUD23.0 M**.

9.4.2 Previous Transactions

9.4.2.1 Drummond Gold considers acquisition of Maldon Project from Alliance Resources

During December 2009 to March 2010 Drummond Gold Ltd (“Drummond”) considered the merits of acquiring the Maldon Project from Alliance Resources. Under the agreement Alliance would receive 88.4 million ordinary shares⁷ (based on a share price of 6.1 cents) in Drummond for the sale of Maldon translating in a proposed transaction value of **AUD5.3 M**. Subsequent to their due diligence and considering financing options, Drummond announced in March 2010 that they have decided not to proceed with the acquisition.

9.4.2.2 Octagonal Resources acquires Maldon Project from Alliance Resources

During November 2010 Alliance Resources (“Alliance”) announced the sale of its share in the Maldon Project to Octagonal Resources Limited (“Octagonal”). The value of the transaction was **AUD5.3 M**.

As part of the due diligence for the transaction Alliance obtained a Valuation and Independent Expert Report by Interfinancial Corporate Finance Limited (“Interfinancial”). Interfinancial derived a total enterprise value for Maldon Resources between **AUD4.8 M** and **AUD10.9 M** with a preferred value of **AUD8.2 M** with the large range reflecting the considerable uncertainty associated with the valuation.

9.4.2.3 A1 Consolidated acquires Maldon Project from Octagon Resources Ltd

During December 2014 A1 Consolidated announced that it had acquired 100% of various assets in the Maldon area from Octagon Resources Ltd. The Maldon gold operations included Maldon Mill, Union Hill Mine, Central Victorian tenement package and Union Hill underground mine. The transaction value was **AUD6.11 M**.

9.4.3 DCF Based Valuation (including A1 and Union Hill mines)

RPM was provided with a 5 year cash flow model⁸ (referred to in the rest of this discussion as the “Centennial Financial Model” or “CFM”) developed internally by Centennial and informed that this is the model representing the Life-of-Mine (“LOM”) plan for the A1 and Union Hill mines. Centennial indicated⁹ that the schedule containing production from A1 Mine, Union Hill, and the gravity plant at A1 through Years 4 and 5, is the most appropriate model reflecting what Centennial will be embarking on subject to funding.

Table 9-6 and **Table 9-7** provide a summary of the forecast production tonnages contained in the A1 Mine and Union Hill Mine respectively in the Centennial Financial Model.

⁷ <https://www.proactiveinvestors.com.au/companies/news/148175/alliance-gold-sells-maldon-gold-to-focus-on-four-mile-uranium-2902.html>

⁸ Spreadsheet: *CTL 5 yr Forecast V1.7c OctJ & UH & Gravity.xlsx*

⁹ Personal communication (e-mail) with Peter Crooks (19 August 2019)

Table 9-6 A1 Mine Production Schedule for FY19 to FY23 (tonnes '000)

Source	Total	FY19	FY20	FY21	FY22	FY23
A1 Mine						
<i>Above 1300</i>	16,500	16,500	0	0	0	0
<i>1300 to 1280</i>	24,300	15,000	9,300	0	0	0
<i>1280 to 1240</i>	114,613	7,000	58,700	48,400	513	0
<i>1240 to 1200</i>	125,500	0	16,500	36,500	36,500	36,000
<i>1200 to 1130</i>	120,000	0	0	5,000	53,000	62,000
Total A1 Long Hole ROM	400,913	38,500	84,500	89,900	90,013	98,000
Total A1 High grade ROM (Handheld)	135,742	26,542	27,300	27,300	27,300	27,300
Total A1 Development Ore ROM	69,876	23,583	13,841	13,202	13,202	6,048
Total A1 Mine ROM	606,531	88,625	125,641	130,402	130,515	131,348

Table 9-7 Maldon Production Schedule for FY19 to FY23 (tonnes '000)

Source	Total	FY19	FY20	FY21	FY22	FY23
Union Hill Mine						
<i>Upper levels (above 1060)</i>	20,000	1,500	18,500			
<i>1060 – 1040 levels</i>	20,000	-	11,500	8,500		
<i>1040 – 900 levels</i>	80,000	-	-	21,500	30,000	28,500
Total Union Hill ROM	120,000	1,500	30,000	30,000	30,000	28,500
Union Hill and Nuggetty Development	34,543	4,032	12,110	6,324	6,324	5,751
Total Maldon ROM	154,543	5,532	42,110	36,324	36,324	34,251

RPM understands from communications with Centennial¹⁰ that the Centennial Financial Model and underlying schedule was based on the following assumptions:

- Grades and tonnes were derived from geological drilling, modelling of ore blocks, after having been reviewed internally as a “reasonable person test” based on three years of performance and reconciliation.
- Grades and tonnages publically announced and meeting JORC 2012 reporting were “scaled down to allow for mining dilution and ore loss.”
- For the A1 schedule, local block models for Queen’s block, Victory North, and Mahoneys are used for comparison against forecast tonnes. Furthermore these “local” geological block models are used to generate the grades at the different mining horizons / elevations referred to within the “mining physicals” tab. The local block models have all been released to market within announcements through 2017 and 2018.
- For Union Hill, forecasted production tonnes and grades are based on actual performance during 2017 and 2018 compared against the block model and previously published information.
- Forecasted operating costs were based on:
 - detailed historical costs.
 - first principle cost build-up which has been verified against historical costs.
 - costs from other businesses (benchmarking) to confirm estimates.

¹⁰ Personal communication (e-mail) with Peter Crooks (28 August 2019)

- Labour costs are based on actuals with an inflation factor for some professional roles.
- Development and production rates are based on actuals over the past three years.
- Processing costs are based on actuals over several years.

The Centennial Financial Model shows an NPV of AUD50M at a discount rate of 12%.

RPM was also notified¹¹ that the model provided although similar, is not the same as the one reviewed by MiningOne (the model reviewed by MiningOne did not include the gravity circuit).

RPM comments on DCF assumptions related to project stage

The VALMIN Code, defines various types of mineral assets, based on their level of development or maturity under the categories set out in **Section 9.2**. It states that a minimum of a pre-feasibility study supporting the economic viability of the project is required for a project to be defined as a “Development Project”. From this perspective, in the absence of such a study, Centennial’s A1 Mine and Union Hill Mine could both be classified as a “Pre-development Project”. On the other hand, since these mines have been operational previously, this makes the classification problematic. **Table 9-2** indicates that with respect to the appropriateness of the Income Approach (DCF) as a suitable valuation method for this type of project maturity, that it can be used in “some cases”. In RPM’s opinion the DCF method can be used in the case of Centennial as long as provision is made to take account of the high risk and low confidence in the scheduled tonnages as well as any adjustments to other assumptions (e.g. recoveries, opex, capex etc.)

RPM comments on DCF assumptions related to geology and JORC Mineral Resources

In **Section 3.5.3** RPM comments that the biggest challenge at the A1 Mine is the **complexity of this style of deposit and varied controls and orientations of mineralisation**. This style of mineralisation has a high inherent level of risk associated in the prediction of grades and tonnages, which is additionally challenging as both long hole stoping of breccia mineralisation and handheld mining (air legging) of high-grade zones are under consideration. If the domaining is not successful or even adequate, smearing of grades from high-grade zones to low-grade zones (and vice versa) could be expected to result in the higher-grade quartz vein style zones being underestimated, and the lower-grade breccia zones being overestimated. This could be expected to result in the air leg stopes over-performing during mining and the long hole stopes underperforming.

- As stated in **Section 3.5.1** of this report there is considerable risk in the fact that the forward-looking financial model for A1 Mine is based on a “mining schedule” that relies on non-JORC Resources and poorly documented local block models.

RPM concluded in **Section 3.6** that because of local estimation issues, the reconciliation completed by Centennial is insufficient to verify the global usability of the Resource block models. This further reduces the confidence in the interaction between mining and the published A1 Mineral Resource. Centennial stated that the schedule was based upon local stope models to an extent, however these are non-documented models and not stated to conform to JORC standards and as such add an element of risk to the schedule supporting the DCF model.

In terms of the Union Hill Mine, RPM states in **Section 4.2.4** that despite that fact that in 2017 an updated geological interpretation was done by MiningOne of Alliance South (part of the Union Hill Mine) using gold assays of intersections of diamond drill and sludge holes, this new estimate was not considered adequate for reporting as a Mineral Resource estimate mainly because of the use of sludge sample holes to support the estimate.

The VALMIN Code states¹² with respect to the use of the Income Approach (i.e. DCF Model) that “All Ore Reserves and Mineral Resources must be considered in a Technical Assessment or Valuation. When the

¹¹ Personal communication (e-mail) with Peter Crooks (28 August 2019)

¹² VALMIN Code 2015, Clause 8.5

Reasonable Grounds Requirement has been met for a Valuation, it is generally acceptable to use **all Proved and Probable Ore Reserves** in the Income Approach. It may **sometimes be appropriate to include other classifications**, but these must, subject to the Reasonableness Test:

- a) meet the minimum reporting requirements of the ASX Listing Rules and guidance, the ASIC Regulatory Guidelines and guidance, and the JORC Code;
- b) not include Exploration Targets that have not been converted to Production Targets;
- c) be scheduled for extraction behind Proved and Probable Ore Reserves, where practical to do so;
- d) include a statement by the Specialist that confirms the appropriateness of the Modifying Factors along with a description of their level of certainty relative to those of a Feasibility Study or Pre-Feasibility Study; and
- e) be discounted in a manner that is commensurate with the increased uncertainty.

With respect to the VALMIN requirements and the Reasonableness Test itemised above, in RPM's opinion the production tonnages scheduled by Centennial in their 5 year cash flow falls short as follows:

- In terms of the appropriate use of Proved and Probable Ore Reserves as the basis of the Income Approach this is clearly not the case in Centennial's model as no Ore Reserves exist;
- In terms of meeting minimum reporting requirements of ASX, ASIC and JORC (point a), only a small portion of the scheduled production can be classified as official JORC 2012 Mineral Resources;
- In terms of point b, the production schedule does include Exploration Targets which have not been converted to Production Targets;
- In terms of point c, non-Ore Reserve material (i.e. Inferred Resources and unclassified material) are not scheduled for extraction after Ore Reserves since none exist

It is therefore RPM's opinion that in compliance with point e, the suitable discounts and modifications be done on the production tonnages in the schedule to reflect the high level of risk and uncertainty.

RPM comments on DCF assumptions related to mining and JORC Ore Reserves

RPM notes MiningOne's comment¹³ from their 2018 A1 Mine Resource Statement that:

*"Beyond the general assumption that mining would take place underground using decline access and trackless haulage **the only particular mining assumption that was made** for the resource estimate was a 5 metre minimum mining width, reflected in the block width. The minimum mining width was assumed based on the size of the mechanised mining equipment currently in use at the mine.*

*Based on mining and treatment of ore by the Company from other parts of the A1 Gold Mine, **no particular metallurgical assumptions were made beyond the general assumption that gold could be recovered in A1's gold processing plant at Porcupine Flat near Maldon, which includes a coarse gold gravity circuit and a conventional CIP circuit for the gravity tail.** Given the nature and tenor of the gold mineralisation and actual recoveries achieved over the past 12 months this is a reasonable assumption."*

As stated earlier, from a JORC and VALMIN point of view, it is appropriate for financial and cash flow models to be based on JORC Ore Reserves supported by proper mining or pre-feasibility studies.

RPM notes in **Section 3.8.1** that the schedule is entirely excel-based with no mine design or mining scheduling software used, and that figures are manually entered (or linked to other spreadsheets not provided). This means that:

¹³ ASX Release – 7th November 2018 A1 Gold Mine Updated Mineral Resource Estimate

- the integrity/source of the data cannot be validated;
- no visual review of the schedule can be undertaken to ensure a logical sequence; and
- the appropriateness of the scheduling rates cannot be ascertained.

RPM notes that although this does not mean the schedule cannot be achieved, it does prevent the validation of logic and assumptions which in itself, adds further risk into the valuation model.

RPM notes that mineable quantities provided have been estimated from interpretations of historic mining and localised modelling by Centennial. This method does not follow the appropriate JORC 2012 procedures and quality assurances. Rather, it reflects the “hit or miss” challenge of chasing nuggetty gold that would otherwise require significant drilling/test work to prove up to the confidence required. While historical production is not an indication of future production and available metal it does lend weight to the fact that cost effective mining were possible historically.

Although some reconciliation data was provided, there was no reliable reconciliation available that shows the direct correlation of the resource to planned and actual mined. The reconciliations available were limited and while showing more tonnage and gold than predicted, were judged by RPM to be too localised to draw reliable inferences.

With respect to mining related Operating Cost and Capital Expenditure provide for in Centennial's cash flow model RPM notes the following:

- the average mining operating costs used of AUD165/t are relatively high when compared to peers but reflect the high mining cost associated with highly selective mining as well as potentially the use of aged equipment;
- the proposed mining operating costs in the cash flow model appear slightly lower but generally reasonable and in line with Centennial's average costs of AUD193/t from Jul 2018 until Feb 2019;
- the sustaining capital cost allowances for additional machinery (truck, bogger and jumbo) is low. There is no further allowance made in the cash flow for rebuilds or further replacements which is unlikely for the existing fleet which is approaching the end of its productive operational life.
- the AUD50,000 per month general working capital allowance may be insufficient for all ongoing underground expenditure as this would have to cover the electrical, ventilation and pumping infrastructure for the remainder of the life of the mine.

RPM comments on DCF assumptions related to processing and metallurgy

In **Section 3.11** RPM provides comments on the metallurgical and processing assumptions used in Centennial's cash flow model.

Centennial proposes in the cash flow model that future treatment of ores from the A1 Mine would be based on a combination of gravity and flotation to yield high recoveries. Additional treatment of the flotation concentrate would be required to recover the contained gold, which lower the overall recovery of the gold associated with the product. RPM's review of the available information indicated that a final flowsheet and processing conditions does not appear to have been settled upon and conclusive test work, reflecting the selected flowsheet and optimum processing conditions, has not been undertaken on representative samples to establish the feed grade-recovery relationship.

Centennial total capex related to the A1 plant is AUD2.8 M. In absence of supporting data, it is RPMs opinion that the proposed processing plant and the associated infrastructure is estimated to cost at least AUD15 M (including a 20% contingency), depending upon whether new or second hand equipment is used and the amount of Chinese sourced equipment.

In RPM's opinion the construction schedule, which would include equipment delivery times, would be based on modules and probably take nine months, from the completion of final design whereas the Centennial models shows a ramp up over six months.

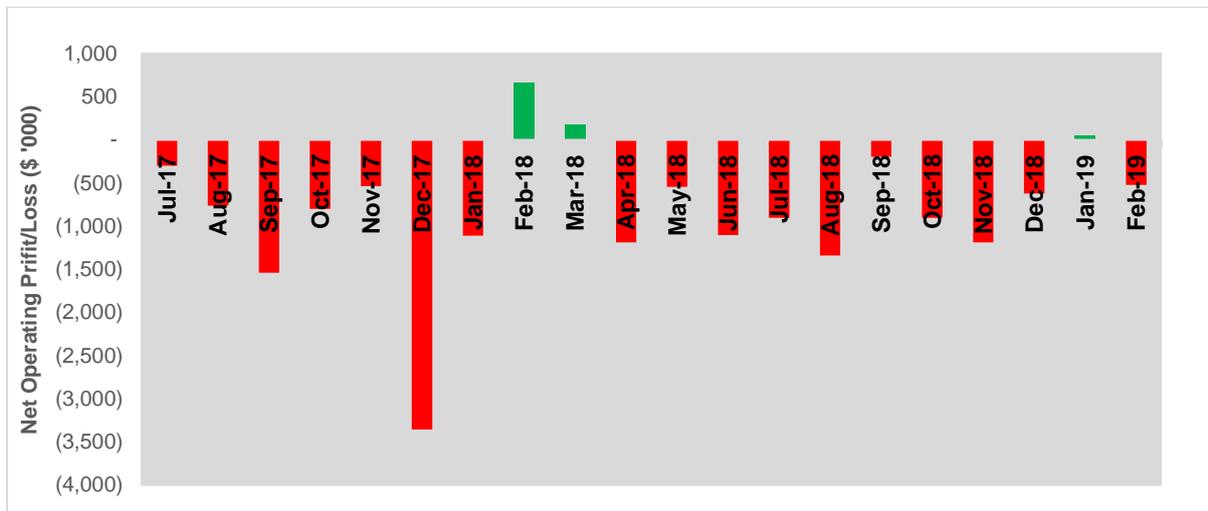
The recovery of gold from A1 ores has historically been dependent on feed grade and therefore this needs to be established for future ores based on the mine schedule. Centennial proposes a fixed gold recovery of

91.8% in the cash flow model which in RPM's opinion is acceptable in the absence of conclusive test work and a meaningful mine schedule.

RPM comments on historic financial performance

RPM reviewed operating performance figures^{14 15} from Centennial over the last two years and notes that the company has been running at an operating loss for most of the time (refer to **Figure 9-1**).

Figure 9-1 Net Operating Profit & Loss – July 2017 to February 2019



This brings into question the robustness of historical performance as the basis for the forward-looking assumptions used in the 5 year cash flow model.

In the light of the discussion above, RPM recommends applying the following modifications to the Centennial Financial Model in order to incorporate the suitable level of uncertainty, lack of confidence and risk. The derived model will be referred to as RPM's Revised Financial Model.

- In order to accommodate the high risks and low confidence in production forecast based on non-reserve material and exploration results for the A1 mine and no 2012 JORC Resources for Union Hill, RPM proposes that the production tonnages be **discounted by a low of 20% to a high of 40% for A1 Mine and by 60% for Union Hill Mine and Nuggetty Mine development.**
- RPM adjusted the **variable operating costs** for A1 mine, Union Hill accordingly to reflect the impact of the risk discounted tonnages proposed above.
- In addition to the adjustment for tonnages, RPM increased the mining cost for A1 Mine and Union Hill by 8% to account for lower than expected **working capital and unit mining costs.**
- RPM added an additional **AUD12 M to the capital expenditure** related to the A1 processing plant as discussed in the section above.
- RPM did not assume any additional capital expenditure for new mining equipment given the relatively short remaining life of the mine.

In addition to the changes proposed above, RPM reviewed and retained the following assumptions:

¹⁴ 2018.12 Centennial Month End Report - Jun 18

¹⁵ 2019.08 Centennial Month End Report - Feb 19 180309

- Based on the respective portions of adjusted ounces attributable to **A1 Mine (87%), Union Mine (10%) and the Nuggetty Mine development ore (3%)**, the derived DCF value was apportioned accordingly to derive values for these components.
- RPM obtained forecast gold prices from Consensus Forecast and compared the proposed values over the 5 year window of the Centennial Financial Model. The comparison showed that there is not a material difference between the rates proposed by the Consensus Forecast and the flat AUD2000/oz proposed in the Centennial Financial Model and therefore these values have not been updated.
- RPM notes that with respect to the forward looking gold price assumption above, this is one of the key reasons why the forward looking profitability in the Centennial Financial Model (based on AUD2000/oz) shows improved economic viability compared with the previous two years (**Figure 9-1**) where actual prices were around levels of AUD1600 to 1800/oz¹⁶.
- In RPM's opinion and also in considering industry peer reviewed articles¹⁷ the proposed discount rate of 12% used in the Centennial Financial Model is reasonable for this type of project and risk profile and was therefore using in RPM's Revised Financial Model.
- In RPM's opinion, as discussed in **Section 9.2**, given the distressed nature of Centennial's assets and therefore the likelihood of a discount expected on the value by any prospective buyer of the assets, a **further 25% discount** should be applied to derive a Distressed Value.

Table 9-8 summarises the values obtained for the A1 Mine and Union Hill Mine using RPM's Revised Financial Model and discounts.

Table 9-8 Value of A1 and Union Hill using modified CDF method

Valuation	Portion of total ounces (%)	Confidence factor (%)	Fair Value range AUDM	Distressed Value range AUDM
A1 Mine	87%	60%-80%	5.15-15.57 (10.36)	3.86-11.68 (7.77)
Union Hill Mine	10%	40%	1.84	1.38
Nuggetty Mine development	3%	40%	0.53	0.4
Total			7.52 – 17.94 (12.7)	5.64 – 13.46 (9.55)

In RPM's opinion, the recommended value for MIN5294 (A1 Mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is between **AUD3.86 M and AUD11.68 M** with a preferred value of **AUD7.77 M**.

In RPM's opinion, the recommended value for MIN5146 (Union Hill Mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is **AUD1.38 M**.

In RPM's opinion, the recommended value for MIN5528 (Nuggetty Mine) based on the risk adjusted DCF approach and considering the distressed nature of the company discussed above is **AUD0.4 M**.

9.4.4 Comparable Market Transaction Based Valuation (including A1 and Pearl Croydon)

The VALMIN Code¹⁸ encourages the use of more than one methodology when valuing mineral assets. RPM conducted a valuation based on recent (2018/19) comparable gold asset transactions in arriving at an alternative valuation for the A1 Mine and Pearl Croydon, for which Mineral Resources have been defined. All companies considered had at least Inferred Minerals Resources but also include companies with Ore Reserves. RPM made use of public data obtained from S&P Global Market Intelligence data base. The database provides current updates on a range companies, commodities, transaction and various other types of industry information.

¹⁶ <https://goldprice.org/gold-price-australia.html>

¹⁷ Discounted cash flow analysis: Methodology and discount rates, Smith 2002

¹⁸ VALMIN Code 2015, Clause 8.3

Recent gold transactions were reviewed and a unit value range from a low of AUD0.3 to a high of AUD52.4 per ounce of contained gold was determined. The Mean value of the range was AUD18.9 per ounce. Given the lower confidence in Inferred resources, unit values to lower end of the derived range was applied for those resources, whereas unit values to the upper end of the range were applied to Indicated resources. The derived ranges were applied to gold ounces in the Mineral Resources to determine indicative values for A1 Mine and Pearl Croydon.

Given the distressed nature of the assets as discussed in previous sections, in RPM's option, potential buyers considering Centennial's assets would expect a discount to be applied to the market value arrived at by considering comparable transactions. A review of market comparable transactions related to projects acquired out of liquidation indicates a discount of at least 25% over values arrived at under the definition of Market Valuation. RPM therefore applied an additional discount to the derived values to take account of the distressed nature of the assets (refer to **Table 9-9** and **Table 9-10**).

Table 9-9 Value of A1 Mine Using Market Comparable Transactions

Valuation	Mineral Resource (ounces)	Transaction multiple (AUD/ounce)	Derived value AUD	Distressed value AUD
Indicated Resources				
Low end of range	36,000	18.90	680,400	510,300
High end of range	36,000	52.38	1,885,714	1,414,286
Preferred Value	36,000	35.64	1,283,057	962,293
Inferred Resources				
Low end of range	213,000	0.30	63,900	47,925
High end of range	213,000	18.90	4,025,700	3,019,275
Preferred Value	213,000	9.60	2,044,800	1,533,600
Total Preferred Value			3,327,857	2,495,893

Based on the unit values arrived at by considering comparable transactions, applied to the JORC 2012 Inferred and Indicated Resources for the A1 Mine as well as considering the distressed nature of the company discussed above, RPM arrived at a value range between **AUD0.56 M** and **AUD4.4M** with a preferred value of **AUD2.5 M**.

Table 9-10 Value of Pearl Croydon Using Market Comparable Transactions

Valuation	Mineral Resource (ounces)	Transaction multiple (AUD/ounce)	Derived value AUD	Distressed value AUD
Indicated Resources				
Low end of range	1,000	18.90	18,900	14,175
High end of range	1,000	52.38	52,381	39,286
Preferred Value	1,000	35.64	35,640	26,730
Inferred Resources				
Low end of range	49,000	0.30	14,700	11,025
High end of range	49,000	18.90	926,100	694,575
Preferred Value	49,000	9.60	470,400	352,800
Total Preferred Value			506,040	379,530

Based on the unit values arrived at by considering comparable transactions, applied to the JORC 2012 Inferred and Indicated Resources for Pearl Croydon as well as considering the distressed nature of the company discussed above, RPM arrived at a value range between **AUD0.025 M** and **AUD0.73 M** with a preferred value of **AUD0.38 M**.

9.4.5 Multiples of Exploration Expenditure

As indicated in **Table 9-2** the Multiple of Exploration Expenditure (MEE) method is considered an appropriate valuation technique for exploration or pre-development projects. In the case of Centennial's assets, no JORC Mineral Resources have been defined for MIN5146 (Union Hill Mine), MIN5528 (Nuggetty Reef Mine), MIN5529 (North of England) and MIN5563 (Specimen Reef). However, since the A1 Mine and Union Hill Mine has previously been operational, RPM believes that this method would undervalue these two assets. Since MIN5529 (North of England) is contained within MIN5146 (Union Hill Mine) and has had negligible expenditure this will not be valued separately using this method.

Centennial provided RPM with exploration expenditures obtained from the Resources Rights Allocation Management ("RRAM")¹⁹ system for the projects considered in the valuation.

Table 9-11 is a summary of exploration expenditure by Centennial on various assets over the last 5-6 years.

Table 9-11 Centennial Exploration Expenditure (FY15 to FY19)²⁰

Period	Nuggetty Reef	Pearl Croydon	Specimen Reef
FY15	0	13,757	0
FY16	0	0	0
FY17	61,835	9,135	69,000 ²¹
FY18	99,047	129,176	3,684
FY19	-	61,746 ²²	-
Total	160,882	213,814	72,684

In RPM's opinion, the projects on which the MEE approach is appropriate are MIN5465 (Pearl Croydon), MIN5528 (Nuggetty Reef Mine) and MIN5563 (Specimen Reef).

Pearl Croydon

- Centennial provided RPM with an internal memo²³ from Octagonal Resources for MIN5465 (Pearl Croydon) which mentions that the last phase of drilling by Octagonal was 2004 and the last model estimate was in 2010.
- Centennial confirmed that there were limited sampling in 2017 for ore characterisation / metallurgical testing at Pearl Croydon.
- Based on the information provided to RPM the total exploration expenditure on Pearl Croydon over the last five years was approximately **AUD214,000**.

Nuggetty Reef

- Based on the information provided to RPM the total exploration expenditure on Nuggetty Reef over the last five years was approximately **AUD161,000**.

¹⁹ Online mineral licensing application, communication and management tool provided by Victorian State Government

²⁰ 2018-01-17 Expenditure-hrs - 2017-18 FY _Rearranged

²¹ MIN5563_Expenditure Report_2017LGR-014651 _ RRAM

²² MIN5465_Expenditure_LGR-016605 _ RRAM

²³ #5 100809 - Memo - Pearl Croydon Resource Estimate

Specimen Reef

- Based on the information provided to RPM the total exploration expenditure on Specimen Reef over the last five years was approximately **AUD73,000**.

RPM requested geological and exploration information in order to assess the potential improvement or prospectivity based on exploration expenditures but the available information was insufficient to arrive at a conclusive indicator for Prospectivity Enhancement Multiplier (“PEM”). RPM did however consider the distressed nature of the assets as discussed in previous sections and therefore used the 25% discount on the PEM to arrive at the factor of 0.75 which was applied to the three projects.

Table 9-12 provides a summary of values for the selected project areas based on the MEE approach.

Table 9-12 Valuation of relevant Centennial assets using MEE

Item	Nuggetty Reef	Pearl Croydon	Specimen Reef
Expenditure Base (EB)	160,882	213,814	72,684
Prospectivity Enhancement Multiplier (PEM)	0.75	0.75	0.75
Preferred Value	120,662	160,361	54,513

9.5 Valuation Summary

RPM used a number of valuation approaches to determine a value for Centennial’s assets.

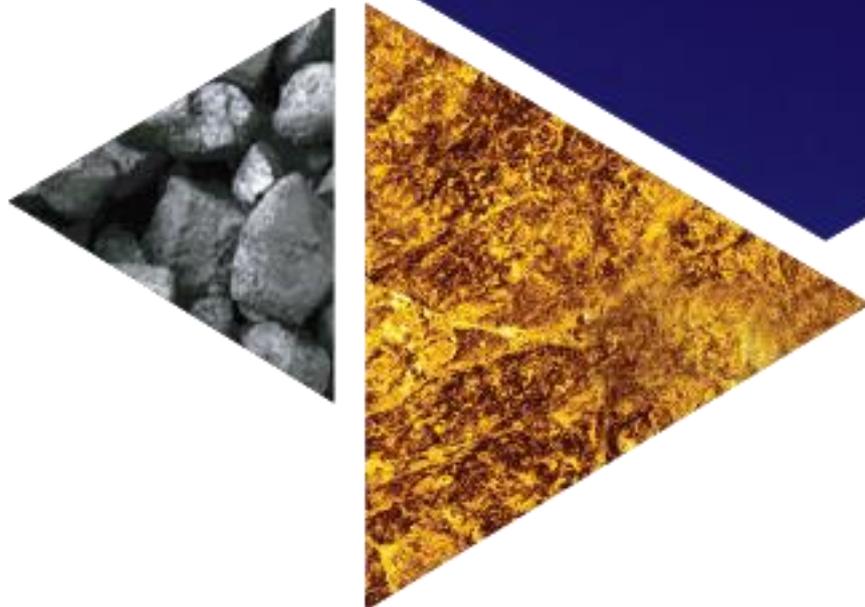
Table 9-13 presents a summary of the valuation completed by RPM for the above-mentioned assets as at the valuation date (3 September 2019).

Table 9-13 Valuation Summary as at 3 September 2019

Licence/lease area	Value (lower)	Value (upper)	Value (preferred)
MIN5294 (A1 Gold Mine)			
Modified DCF	AUD3.86 M	AUD11.68 M	AUD7.77 M
Market Comparable	AUD0.56 M	AUD4.4 M	AUD2.5 M
Value Range	AUD2.0 M	AUD8.0 M	AUD5.0 M
MIN5146 (Union Hill Mine)			
Modified DCF	AUD1.38 M	AUD1.38 M	AUD1.38 M
Value Range	AUD1.38 M	AUD1.38 M	AUD1.38 M
MIN5528 (Nuggetty Reef)			
Modified DCF	AUD0.4 M	AUD0.4 M	AUD0.4 M
Multiples of Exploration Expenditure	AUD0.121 M	AUD0.121 M	AUD0.121 M
Value Range	AUD0.25 M	AUD0.25 M	AUD0.25 M
MIN5465 (Pearl Croydon)			
Market Comparable	AUD0.025 M	AUD0.73 M	AUD0.38 M
Multiples of Exploration Expenditure	AUD0.160 M	AUD0.160 M	AUD0.160 M
Value Range	AUD0.1 M	AUD0.5 M	AUD0.3 M
MIN5563 (Specimen Reef)			
Multiples of Exploration Expenditure	AUD0.05 M	AUD0.05 M	AUD0.05 M
Value Range	AUD0.05 M	AUD0.05 M	AUD0.05 M
Overall Valuation Range	AUD3.8 M	AUD10.2 M	AUD7.0 M

The overall value range of between AUD3.8 M and AUD10.2 M with a preferred value of AUD7.0 M was cross checked against previous transactions and valuations by MiningOne and Optiro and in RPM's opinion, given the information reviewed, risks considered and distressed nature of the company, is a reasonable valuation of Centennial's assets.

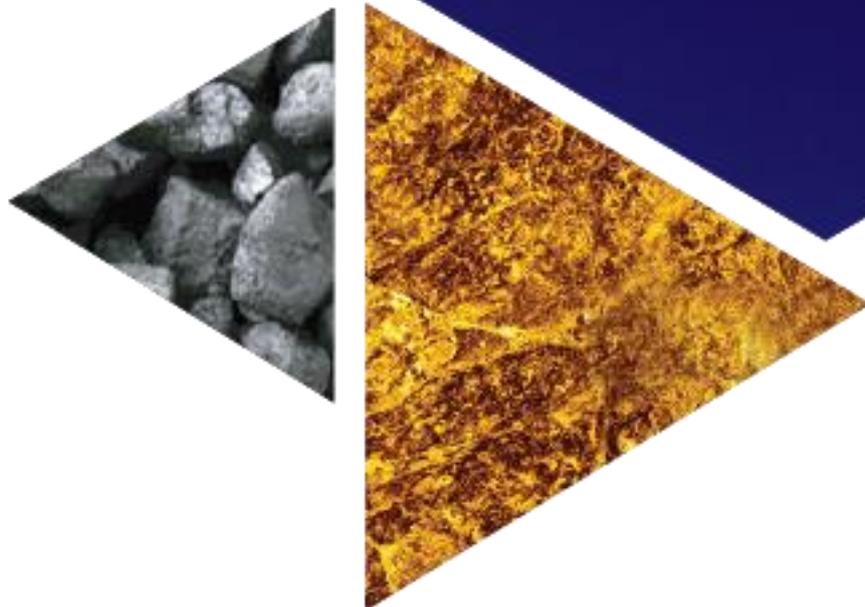
Appendix A. Comparable Market Transactions



Date	Project	Buyer	Seller	Payment	Resources	Cost AUD/oz
Jun-19	Spargos Reward project	Corona Minerals Pty Ltd	Mithril Resources Ltd	50,000	18,900	2.6
May-19	Central Norseman project	Pantoro Ltd	Norseman Gold Plc Westgold Resources Ltd	51,500,000	1,745,500	29.5
May-19	Higginsville gold operations	RNC Minerals	Torian Resources Ltd	56,780,000	1,924,000	29.5
May-19	Bardoc project	Bardoc Gold Ltd	Tyranna Resources Ltd	150,000	549,000	0.3
Jan-19	Wilcherry project	Alliance Resources Ltd	GME Resources Ltd	1,500,000	33,648	44.6
Dec-18	Devon mine and surrounding projects	Matsa Resources Ltd Adaman Resources Pty Ltd	Kalamazoo Resources Ltd	100,000	45,500	2.2
Nov-18	Snake Well project	Matsa Resources Ltd	Anova Metals Ltd	7,000,000	140,900	49.7
Nov-18	Zelica project	Matsa Resources Ltd	Saracen Mineral Holdings Ltd	150,000	30,000	5.0
Oct-18	Jungle Well project	PVW Resources NL	Patina Resources Pty Ltd	10,000	17,000	0.6
Oct-18	Penny West project	Zebra Minerals Pty Ltd	Ramelius Resources Ltd	914,000	36,000	25.4
Aug-18	Western Queen project Menzies and Goongarrie projects	Rumble Resources Ltd.	Horizon Minerals Ltd	1,100,000	21,000	52.4
Jul-18	Kookynie and Yundamindra project	Kingwest Resources Ltd	Nex Metals Explorations Ltd	7,600,000	195,210	38.9
May-18		Metalicity Ltd	Venus Metals Corp. Ltd	5,000,000	392,739	12.7
Apr-18	OYG Joint venture	Rox Resources Ltd		5,750,000	833,420	6.9

Appendix B.

Files Considered for the ITER and Valuation



Supplied Centennial Mining Limited Data

2-Sep-19

[#03 DGO Maldon Valuation 2009.pdf](#)

[3533.02 A1 Mine Ore Float testing.msg](#)

[3533.02-F-001 RA.pdf](#)

[3533.02-G-001 RA.pdf](#)

[AllianceSouthResourceEstimate_February2007_02112009.pdf](#)

[Copy of 2017-18 Daily Report - 30 Jun 18.xlsx](#)

[Copy of Metbal Monthly Summary 2019 - 21 Mar 19.1.xlsx](#)

[Diagram of all dams from 1998.pdf](#)

[FW Catalyst info and tails dam comments.msg](#)

[mill flowchart.pdf](#)

[RE A19899 A1 Mine Ore Gravity Testwork - Results Update.msg](#)

[RE Catalyst info and tails dam comments.msg](#)

[Tails dam 4 conceptual drawing.pdf](#)

[Tails dam management plan 2016 future options.docx](#)

[Tails dam work for Maldon.msg](#)

[Trevor Clarke tails dam options 2011.pdf.txt](#)

2013 CSA

Block Models

[a1_113md.dm](#)

[CSA_1.zip](#)

[Min_zone_exptr.dm](#)

[Min_zone_resptr.dm](#)

[Model_header.docx](#)

CSA Resource Data Set

CPR letter

[A1_CSA_Letter_20130131.pdf](#)

CSA Model 2013

[a1_113md.dm](#)

[a1_113md.zip](#)

[assay.c.dm](#)

[cutcmp.dm](#)

[e3pt.dm](#)

[e3tr.dm](#)

[ind1_pt.dm](#)

[ind1_tr.dm](#)

[indicatedpt.dm](#)

[indicatedtr.dm](#)

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[indicated_1500level_downtr.dm](#)

[indicated_below_1500RL.dxf](#)

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[inferred_outlinetr.dm](#)

[inferred.dxf](#)

[inferredpt.dm](#)

[inferredtr.dm](#)

[inferred_below_1500RI.dxf](#)

[MRE.zip](#)

[resrep.xlsx](#)

[v12.pdf](#)

Data recieved on site visit

2009 Handover Sign-off to Heron

[2012-06-20 Data relating to A1 Gold Project.docx](#)

[A1 Mine Surface to 14 Level Modelling - GAA Report 27601.pdf](#)

[Copy of DRILLING INTERCEPTS.xlsx](#)

[DrillLogs-Status FINAL 2009-12-08.xlsx](#)

2012 Templates and RLs

[2010 A1 Mine ELEVATIONS 20091109.xlsx](#)

[A1 Mine ROCK CODES 2010-05-10.pdf](#)

[Stockwork Level Plans.pptx](#)

2012-06 Handover to Snowdens

[2012-06-20 Data relating to A1 Gold Project.docx](#)

2012-08_Gekko Tests

[120715 A1 Check Samples List.csv](#)

[120715 A1 Check Samples List.xls](#)

[T0928-A1Consolidated-GRGFlotLeachTestwork-120523.pdf](#)

[T0928-A1Consolidated-TestworkReport-120831.pdf](#)

2012-08_XS

[N105_1.JPG](#)

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[S90_B.JPG](#)

[S90_T.JPG](#)

2012-09 Snowden Draft Report

[02_BM_Pre-reportDelivery.zip](#)

[120630_3570_A1GOLD_MR_Summary_AG_Au.pdf](#)

[120908_DRAFT_03570_A1C_Resource_Est_R.pdf](#)

[Appendix_03570_Due_Diligence_Analysis.pdf](#)

[Appendix_General_Stats_plots.pdf](#)

[Appendix_global_distributions.pdf](#)

[Appendix_Moving_window_\(swath\)_Plots.pdf](#)

[Appendix_Variograms_Part1.pdf](#)

Database

[All_2009_Drilling.xlsx](#)

[Drilling.zip](#)

Location Images

JPG

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Tenements

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[A1_Mine_Tenements_MGA94_55S.shx](#)

Tiff

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[A1_Mine05_MGA94_51S.tfw](#)
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pictures of ore and core

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[DSC_0710 - Copy.JPG](#)
[SERVER-NI03RCCS5420.pdf](#)
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[2010_Mining_Geology_Conference_-_Perth.pdf](#)
[A1_GT_Summary_2012.docx](#)
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[A1_GT_Summary.doc](#)
[Appendix_03570_Due_Diligence_Analysis.pdf](#)
[Appendix_General_Stats_plots.pdf](#)
[Appendix_global_distributions.pdf](#)
[Appendix_Moving_window_\(swath\)_Plots.pdf](#)
[Appendix_Variograms_Part1.pdf](#)
[T0928-A1Consolidated-TestworkReport-120831.pdf](#)

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[A1_Mine_ROCK_CODES_2010-05-10.pdf](#)
[A1_sections_with_interp_160113.pdf](#)

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Datamine Voids

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CSA into Vulcan

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Drilling Data

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[1300_DDH_SURVEY2.csv](#)

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[drill_dhdb_survey.csv](#)

[drill_dhdb_veins.csv](#)

[CTL DDH Table of Results December 2018-May 2019.docx](#)

Drilling Planning Files

[1320-800S DDH VNOB1.xlsx](#)

[1320-800s vnob1 ddh.dxf](#)

[Victory North Ore Block 1 DDH ReviewV3.docx](#)

Simplified forecast cash flow

[CTL 5 yr Forecast - June 2019 to June 2024.xlsx](#)

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Mining One valuation

[Mining One valuation.pdf](#)

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Other

[5114v1 - TSF5 Design Report..pdf](#)

[Centennial Month End Report - May 18 \(1\).xlsx](#)

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[Met data 2017.xlsx](#)

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Pearl Croydon

MIN5465 Pearl Croydon

Exploration

Final

[2017-06-09 Online Summary.pdf](#)

[Biodiversity assessment report - 2017-08-07.pdf](#)

[PCD Letter for Work Plan.pdf](#)

[Pearl Croydon Bond Refund Notice.pdf](#)

[Request for Consent Expl on MIN.pdf](#)

[Appendix 2.pdf](#)

[Appendix 3.pdf](#)

[EWP5465_01 and Appendix 1.pdf](#)

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[Figure 2.pdf](#)

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[Figure 7.pdf](#)

[Figure 8.pdf](#)

[Figure 9.pdf](#)

[Location notes.xlsx](#)

[Notice to DSDBI.pdf](#)

[Notification of Exploration Phase 2.pdf](#)

[Proposed RC Collars.pdf](#)

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[s14-6 Consent request.pdf](#)

Mining

Conditions

[Inline.pdf](#)

[MIN5465 MPV & conditions registered 04022014.pdf](#)

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Final

[130729 - Letter - DSDBI RE Pearl Croydon Work Plan.pdf](#)

[Appendix 1.pdf](#)

[Appendix 2.pdf](#)

[Pages 1 to 41.pdf](#)

[Pearl Croydon Work Plan Sept 2013 Amended.pdf](#)

[Traffic Management Plan.pdf](#)

[130729 - Letter - DSDBI RE Pearl Croydon Work Plan.docx](#)

[140122 - Planning Permit - Pearl Croydon.pdf](#)

[140404 - Work Authority - MIN5465.pdf](#)

[A3 Layout.pdf](#)

[Capture.JPG](#)

[Extract pages from Pearl Croydon Work Plan August 2013 Final 130729.pdf](#)

[Figure 1 Regional Location Plan.pdf](#)

[Figure 17.pdf](#)

[Figure 2 land Use.pdf](#)

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[Figure 6.wor](#)

[Figure 7 Transport Amended.pdf](#)

[Figure 8.pdf](#)

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[J Mearns.pdf](#)

[K Boyle.pdf](#)

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[letter to applicant advising of objections.pdf](#)

[London Hill Back-Filled Profile.jpg](#)

[London Hill Site Layout w section.pdf](#)

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[M & S DeHaan.pdf](#)

[Meeting point.pdf](#)

[mill flowchart.pdf](#)
[Mining and infrastructure.docx](#)
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[Noonan & Sutherland for Chris & Julie Respite Farm.pdf](#)
[Pearl Croydon Advert - published scan.pdf](#)
[Pearl croydon Work Plan Appendices 3 4 and 5.pdf](#)
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[Pig & Whistle Back-Filled Profile.jpg](#)
[Planning Zones.pdf](#)
[Rehab - LH Waste Profile.JPG](#)
[Rehab - London Hill Dump Profile Final.JPG](#)
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[Rehabilitated London Hill Waste Stockpile Plan AA'.pdf](#)
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[Report for Octagonal Resources Pearl Croydon 7 May 2013.pdf](#)
[S Jozsa.pdf](#)
[Site Meeting 030713.docx](#)
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[Traffic Management Plan.jpg](#)
[V1 Ecological Assessment Pearl Croydon Open cut mine Maryborough .pdf](#)
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[A4 Landscape Map Report-1067745937384636756.pdf](#)
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[J Mearns.pdf](#)
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[L & V Boyle.pdf](#)
[letter to applicant advising of objections.pdf](#)
[M & S DeHaan.pdf](#)
[MIN5465 RENEWAL LETTER & FEE SHEET.docx](#)
[Noonan & Sutherland for Chris & Julie Respite Farm.pdf](#)
[S Jozsa.pdf](#)
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[Work Plan variation 2017-09-05.pdf](#)
[Workplan Approval.pdf](#)
Queens and Magenta Block Models
Magenta
Block_Model
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Wireframes

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Schedules and Financial Models

[CTL 5 yr Forecast - June 2019 to June 2024 V1.7c OctJ & UH & Gravity V1 RPM Global.xlsx](#)

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Site Supplied

Exploration Costs

Metallurgy

[Ball mill options 2018-12-12.xlsx](#)

[T0928-A1Consolidated-TestworkReport-120831.pdf](#)

Reconciliation

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[A1 Production Files.zip](#)

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[BOX PM CHECKLIST.xlsx](#)

[Copy of 2018-01-17 Expenditure-hrs - 2017-18 FY Rearranged.xlsx](#)

Updated forecast models

[CTL 5 yr Forecast - June 2019 to June 2024 V1.7c OctJ & UH & Gravity V1 RPM Global.xlsx](#)

[CTL 5 yr Forecast - June 2019 to June 2024 V1.7c OctJ no UH V2 RPM Global.xlsx](#)

Victory North Block Model

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Expanded Victory North Block Model

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Wireframes

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[Centennial ITR and Valuation Review - update.pdf](#)

KordaMenta

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[Resoruces CM.JPG](#)

Tenement Maps

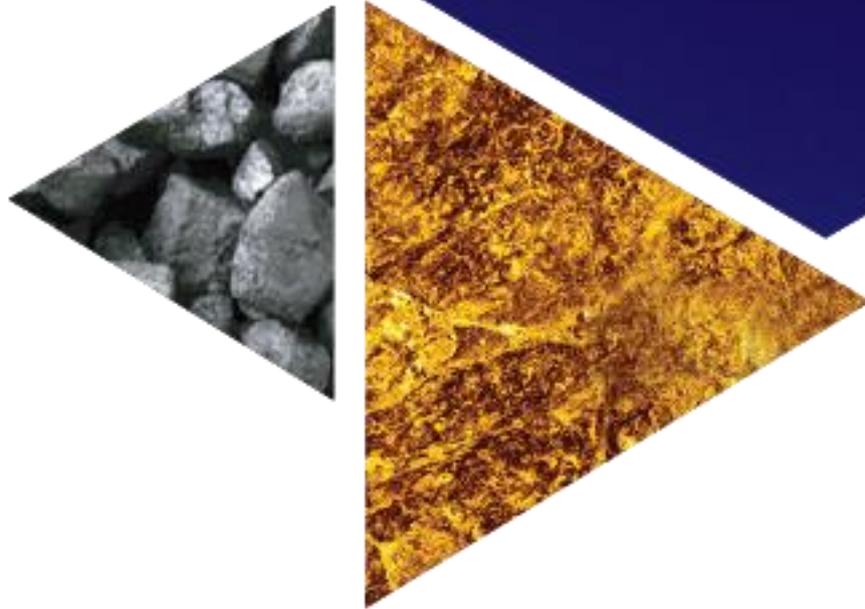
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[A1Mine_MIN5294.png](#)
[EL007829 Mao.png](#)
[Maldon Reesources Tenements.pdf](#)
[Maldon Resources Highlake Resources Tenements a.jpg](#)
[Maldon Resources Highlake Resources Tenements b.jpg](#)
[Re Centennial Mining Tenement Holdings.msg](#)
[Tnement Search Results.png](#)
[EXTERNALIntralinks profile change confirmation.msg](#)

Public Domain Centennial Mining Limited Data

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22 March 2019 appointment of administrators.pdf
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RIU_Explorers Conference Feb 2018_ Resoruce Statements included.pdf
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Appendix C. Glossary of Terms



Definitions and Glossary

For the purpose of this report, the following terms have, where appropriate, the following meanings:

“%”	Percent
Au	Gold
“AUD”	Australian Dollar, the lawful currency of Australia
“CAPM”	Capital asset pricing model
“Centennial” or “Company”	Centennial Mining Limited, the company under the administration of KordaMentha
“CFM”	Centennial Financial Model
“COG”	Cut-off grade
“Comparables”	Comparable listed companies
“Competent Person”	RPMGlobal’s Competent Person or “CP”
“CSA”	CSA Global an geologic and mining consultancy
“DCF”	Discounted cash flow
“dmt”	Dry metric tonne
“Effective Date”	Also referred to as “Valuation Date”
“EPA”	Environment Protection Authority
“FCFF”	Free cash flow to firm
“FY”	Financial year ended/ ending 30 th June
“G&A”	General and administration costs
“GCMP”	Ground Control Management Plan
“IDW ² ”	Inverse Distance Weighted to the factor of two squared mineral resource block model estimation method
“Indicated Mineral Resource”	Part of a mineral Resource (as defined herein) 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 economic viability of the deposit
“ITER”	an Independent Technical Expert Report and VALMIN code standard valuation
“JORC Code”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Australasian Joint Ore Reserves Committee, as amended from time to time
“KordaMenta” or “Client”	KordaMenta is the Administrator for Centennial and the entity for which the ITER has been compiled
“LHOS”	Long hole open stope
“LOM”	Life of Mine
“Management”	Management of the Company
“Market Value”	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.

“Measured Mineral Resources”	Part of a mineral Resource (as defined herein) 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
“MIK”	Median Indicator Kriging resource block model estimation method
“Mineral Assets”	Mineral assets or the equivalent as defined in the VALMIN Code
“Mt”	Million tonnes
“OK”	Ordinary kriging mineral resource block model estimation method
“oz”	Troy ounce
“p.a.”	Per annum
“Probable Reserve”	Economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.
“Proved Reserve”	Economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the modifying factors.
“QAQC”	Quality Assurance and Quality Control – related to measures to ensure sampling and assaying is adequate
“Reserves”	Economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors.
“Resources”	Concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
“Report Date”	12 th September 2019
“ROM”	Run-of-mine
“RPM”	RPM Advisory Services Pty Ltd
“Technical Value”	Technical Value is an assessment of a mineral asset’s future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a practitioner, excluding any premium or discount to account for market considerations.
“tpa”	Tonnes per annum
“tpm”	Metric tonnes per month
“VALMIN Code”	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports (2015 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time
“Valuation Date”	3 rd September 2019
“WACC”	Weighted Average Cost of Capital



– END OF REPORT –

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Appendix M Gordon Brothers Valuation Reports



Centennial Mining Limited

Appraisal Report

INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS
| BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

Summary of Report

Asset Description: Gold Processing Plant & Mobile Mining Equipment

Located At: A1 Gold Mine, Union Hill Gold Mine, Maldon Processing Facility - Victoria

Effective Date of Valuation: 25th September 2020

Report Date: 2nd October 2020

Inspection Date of Valuation: N/A – Sight Unseen valuation

Period of Currency: 3 Months

Definition of Value: Fair Market Value in Continued Use & Forced Liquidation Value

Purpose of Report: To assist the Administrators in their duties as per the Corporations Act

Client: Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)*.

Intended User(s): KordaMentha and other Intended Users

2nd October 2020

Mr. Jared Palandri
KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000

Dear Jared,

Re: Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)

As per your email instructions dated 22nd September 2020 and engagement confirmation on 23rd September 2020, Gordon Brothers have undertaken a sight unseen valuation of the plant and equipment located at the A1 Mine, Union Hill Mine, and Maldon Processing Plant Facility. Gordon Brothers have previously undertaken valuations on behalf of Administrators in April 2019 as well as March 2020.

Subject to the matters set out below and at the request of the Administrators, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the assets on the basis of Fair Market Value in Continued Use and Forced Liquidation Value and determine it as follows at:

Fair Market Value in Continued Use	\$2,524,050
Forced Liquidation Value	\$670,030

All values and amounts displayed throughout this report are in Australian Dollars and are exclusive of GST.

The values and comments contained within this letter should be read with the accompanying report.

We confirm that Gordon Brothers carries professional indemnity insurance to a level substantially in excess of \$10,000,000 and that the valuation is covered by the insurance.

Gordon Brothers have not previously undertaken any valuation assignments other than those mentioned above on behalf of Centennial Mining Limited, its Creditors or Advisors in relation to this matter. Gordon Brothers are acting as external advisors.

Yours sincerely

For and on behalf of Gordon Brothers Pty. Ltd.



Ben Gibson
Director



Nelson Kennedy
Associate

I. USPAP COMPLIANCE

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

However, it should be noted that USPAP rules and conduct do not and cannot supplant local laws and regulations. Departures from USPAP standards are known as “jurisdictional exceptions” and when such exceptions occur, they will be clearly stated in this report.

This report is defined as an appraisal report. USPAP stipulates that such reports must contain the following information as a minimum.

1. State the identity of the client and any intended users.
2. State the intended use (purpose) of the appraisal.
3. Summarize information sufficient to identify the property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.
4. State the property interest appraised.
5. State the type and definition of value and cite the source of definition.
6. State the effective date of the appraisal and the date of the report.
7. Summarize the scope of work used to develop the appraisal.
8. Summarize the information analysed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusion; exclusion of the sales approach, cost approach or income approach must be explained.
9. State as appropriate to the class of the property involved, the use of the property existing as of the date of value and the use of the property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion.
10. Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions and state that their use might have affected the assignment results.
11. Include a signed certification in accordance with standard rule 8-3.
12. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice as of 2015. A review has been made to be sure that nothing is misleading in order to meet standard 8-1(a) which states “clearly and accurately set forth the appraisal in a manner that will not be misleading.” It conforms with standard 8-1(b) which states “contain sufficient information to enable the intended users of the appraisal to understand the report properly”. It also conforms with standard 8-1(c) which states “clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.”
13. Due to the above we consider the report to be understandable to any reader or user of this report.
14. The format appears to be consistent with that provided in the ASA report writing course and it has been checked for spelling and grammar.

II. EXECUTIVE SUMMARY



**Company: Centennial Mining Limited
(Administrators Appointed) & Maldon
Resources Pty Ltd (Administrators
Appointed)**
**Address: C/- KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000**
Key Contact: Jared Palandri

Please see below value breakdown per section:

Section No.	Section	FLV	FMVICU
1	A1 Mine	\$ 280,150	\$ 683,400
2	Union Hill Mine	\$ 95,550	\$ 223,400
3	Maldon Processing Plant	\$ 294,330	\$ 1,617,250
Totals:		\$ 670,030	\$ 2,524,050

Collateral Snapshot

Centennial Mining Limited (ASX:CTL) "the Company" is a Victorian gold producer. The Company operates the A1 Mine, located south of Mansfield, and the Union Hill Mine, located near Maldon. The Company extracts and hauls all ore material to a processing plant located at Porcupine flat, also in Maldon. The Company operates a small fleet of mobile underground mining equipment including Loaders, Dump Trucks, Drills, and Light Vehicles. The processing plant was constructed in 1989 and has a design throughput of 150,000t/pa. Both mines and the processing plant are operating at vastly reduced capacity while the Administration and restructuring process is ongoing.

III. Scope of Work

Client/Company

A valuation of the subject assets ("Assets") as summarised herein and on the attached excel catalogue was requested by Jared Palandri of KordaMentha ("the Client) in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon resources Pty Ltd (Administrators Appointed)* ("the Company"). The intended use of this valuation report ("Report") is to provide Forced Liquidation Value (FLV) and Fair Market Value In Continued Use (FMVICU) as of the effective date.

Purpose of Valuation

This report has been prepared under instructions from the Client in order to assist them in their duties as Administrators as per the *Corporations Act 2001*. The Client has requested a revaluation be completed for the balance of Company equipment for a new section 444GA application as part of the proposed Deed of Company Arrangement (DOCA). The Client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Documents provided

For this assignment, we have relied on our own asset schedules created from the previous sighted assignments in forming the basis of the equipment to be included in the report. In addition to this, we have been supplied with the following supplementary documents from the Client and Company. These include;

- “Cap ex 25 March 2020 to 8 September 2020.xls”
- “Copy of Forecast Capex Major Opex Expense requirements July 2020.xls”
- “200806-Valuation Asset Schedules MV MP-PC Comments.xls”
- Information supplied in email
- Photos provided by the Company

Through conversation with the Client, we have been advised that considerable works had been completed to the acid circuit of the processing facility since our last site inspection in March 2020. Works included a new elution column, heater and exchanges, acid storage tank, as well as upgrades to the existing gas and support pipelines. The document “Cap ex 25 March 2020 to 8 September 2020.xls” has been utilised as the predominant source of information when assessing and qualifying replacement costs for these upgrades. The document included; date expense incurred, suppliers, nature of payment, and brief description. We have qualified the supplied information with a Company representative in order to attribute built up costs to the works completed on the acid circuit. The cost for the elution column itself was not included in this document, however we have confirmed this via email with the client. Labour costs incurred by the Company naturally were not included in this document, however we have approximated a labour cost through conversation with the Company which we have utilised for the purposes of estimating a realistic replacement cost. It should be noted that not all costs included in this CapEx report directly relate to new items purchased and installed at the plant or mines and that some costs refer to general maintenance items, or consumables purchased in the normal course of business.

The “Copy of Forecast Capex Major Opex Expense requirements July 2020.xls” document has been supplied by the Company and is the same format as the hard copy A3 “Capital and Non-Routine OpEx Expenditure Forecast” document provided at our last inspection. We note that we have relied on this document and relevant conversations with the plant manager when reconciling consummated costs (from the CapEx doc) with the projects completed however note that the cost estimates in this document have not been relied on as they remain as estimates only. The “200806-Valuation Asset Schedules MV MP-PC Comments.xls” document is a copy of our previous valuation asset schedules with comments from the Company regarding the eligibility and location of mobile plant. We have relied on the comments in this document and have excluded any items listed as “dead” or “Not CTL property” from our report. A number of photos of the components of the new acid circuit have also been provided by the Company via email.

Please note that amounts spent related to repairs and maintenance do not necessarily correlate to an increase in value of an individual asset, these would be deemed routine maintenance and expected of any potential purchaser. Furthermore, this is assessed on an asset by asset basis and any major repairs or overhauls that result in an increase in value will be noted in the asset schedules.

Appraisal Development

We have been provided with instructions from the Client by way of email. An engagement letter has been provided and returned which included; the scope of work to be completed, the valuation parameters required, and relevant contacts. Through discussions with the Client and noting current interstate travel restrictions, a sight-unseen valuation method was adopted as the best course of action.

We have utilised our previous valuation asset schedules as the predominant listing of equipment to be sighted. We have confirmed important asset identifying information such as Year/Make/Model, updated hours or odometer readings for qualifying equipment, and identifying information such as VIN/Serial numbers as well general commentary regarding the condition of each item has also been confirmed and updated where necessary.

We note through conversation with the A1 maintenance staff that the majority of mobile equipment remains in a similar condition as previously inspected and no costs have been incurred for major upgrades or overhauls. No information has been supplied regarding current hour or odometer readings for mobile equipment, and as such we have estimated current usage readings based off a monthly average incurred between the 2019 and March 2020 valuations. This methodology has been agreed with the Client and we note for the purposes of this report this approach is suitable.

We have utilised the information provided in the "Documents Provided" section above when reaching estimates of value for the processing plant. We have included upgrades to the acid circuit and have included consumables purchased but not yet installed (mill liners). We are advised the existing plant remains in largely the same condition as previously inspected. As such, we have applied an appropriate depreciation factor to account for the equipment's usage over the period as well as a marginal consideration for physical deterioration noting that the plant has not 'ticked over' another year of life as observed from the 2019 to March 2020 valuations.

For Forced Liquidation Values (FLV) we have predominantly utilised the market approach. Given the asset classes and nature of use, particularly the mobile equipment and generic industrial equipment, liquidation values will not experience as greater fluctuations in realisable values as do FMVICU values.

It is pertinent to note that numerous items in this report will have no observable change in either (or both) of the FLV and FMVICU values since our previous valuation (6 months ago). Whilst all of this equipment has not 'ticked over' another calendar year of life as was evident from the 2019 to 2020 valuations, we have included a slight adjustment for physical deterioration for some equipment, predominantly mobile and processing plant, used in the mines production process. Smaller items such as tooling, attachments, and workshop items are unlikely to have changed in estimated value.

Effective Date

This valuation is effective as of 25th September 2020.

Eligible Assets

The entirety of eligible assets included in this report have been ascertained through communication with the Client and operational staff and referenced back to our previous asset schedules. We note we have appraised the assets on the basis they are free and clear of an liens or encumbrances unless otherwise stated and note we have not attempted to verify the ownership of any assets on the national Personal Properties Securities Register (PPSR).

The following have not been included within the scope of our work unless otherwise stated and listed:

1. Real Estate, land and permanent buildings;
2. Services including office air conditioning, lighting, wiring, piping, heating, fire services, floor, window and wall coverings to fixed buildings;
3. Rented and leased items;
4. Stock and packaging materials;
5. Computer software and licenses;
6. Advertising literature, stock of stationery and similar materials;
7. Goodwill
8. Intellectual property;
9. Uniforms and personal belongings

Assets Not Sighted

We note that values provided for unsighted assets should be relied on as indicative values only. Furthermore, we have relied on assumptions that the equipment is in working order and maintained in line with industry standards and have not attempted to verify the existence of any unsighted asset.

IV. DEFINITIONS

Definitions of Value

As discussed, the assets have been valued on the basis of Forced Liquidation Value and Fair Market Value in Continued Use. They are defined as:

Forced Liquidation Value (FLV)

“An opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.”

Fair Market Value in Continued Use (FMVICU)

“An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.”

Valuation definitions have been sourced from The American Society of Appraisers “Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets”, Third Edition.

The report should not be used for any other purpose. If it is considered for any other use then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches include the Cost Approach, Sales Comparison Approach, and Income Approach to value. This report utilises the **cost approach** when reaching estimates of value for the installed processing plant, and have utilised the **sales comparison approach** for mobile and lower value equipment. The income approach, while considered, has not been utilised.

These approaches to value are defined as follows:

Cost approach

The Cost Approach is a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence. Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterized as “negative external forces,” which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

Where relevant market comparable sales could not be found we have utilised the cost approach. New costs have been determined in consultation with equipment dealers and useful lives calculated according to our past experience and information provided by dealers and original equipment manufacturers.

Sales comparison approach

The Sales Comparison Approach is a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable. Marketability of each item is also a determinant of value.

Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

In arriving at our values, we have relied upon a combination of research sources including:

- Experienced asset specialists within Gordon Brothers;
- Recent sale results - sourced through either archived results and available platforms such as Asset Intel, external auction houses, brokers and dealers;
- Currently advertised for sale prices from websites such as Machinery Trader, Construction Sales, Machines4U, Mining Graveyard, Nelsons, A.M King, among others.
- Conversations with external industry experts including dealers, brokers and auction houses.

Income approach

The Income Approach is a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year’s income expectancy or an annual average of several years’ income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate. The Income Approach is not typically applied when estimating liquidation values of inventory, although it can be a factor when rental inventories are being considered.

VI. VALUATION COMMENTARY

A1 Mine:

The A1 underground mine is located approximately 3.5 hours north-east Melbourne by car in the Woods Point-Walhalla Goldfield region under mining license MIN 5294. Access to the mine is made difficult by a single lane gravel road on the ascending portion up the mountain to the mine. The mine contains demountable offices and crib rooms, a workshop, laydown area, 'graveyard' area, and underground mine sections. Ore is currently mined using explosives targeting specific gold veins. The ore is the loaded onto underground dump trucks and hauled to the surface where it is deposited on the ground and stored ready to be loaded onto trucks. The ore is then loaded onto a 3rd party contractor tipper truck where it is transported to the Maldon Processing facility. This trip takes approximately 4 hours one way.

Union Hill Mine

The union hill mine is located approximately 2 hours north west of Melbourne by car in the Maldon town site. The Company operates mining license MIN5146 which contains the Union Hill mine and assorted producing reefs within the Maldon goldfields region. The mine originated as an open cut mine to remove bedrock before recommencing an underground decline to access the Alliance South Shoot. The mine contains demountable offices, crib room, and toilets, as well as workshop areas and a laydown yard. When in operation, ore is transported from this location to the Maldon Processing Plant. We have been advised the mine has not been operating for some time and is unlikely to be reopened in the near future.

Maldon Processing Plant

The processing plant is considered a small processing plant with a capacity of 150,000t/pa. The mine presents in original condition as constructed in 1987. Minor replacements have been made to certain electrical control components of the crushing circuit, however the majority of the plant has not been refurbished. With this in mind, we estimate the remaining useful life of the plant to be a revolving 1-2 years should prevailing market factors remain positive, and ongoing maintenance and repair work is completed. We note that the age of the plant has exceeded its useful life by definition (20-30 years) and is likely fully depreciated using standard accounting methods.

The process flow of the plant is described below;

- 1) Crushing and Screening: Ore is currently transported from the A1 mine and deposited into a 30m³ ROM bin. Ore is fed via a hydraulic plate feeder to the screen and primary crusher. A single toggle jaw crusher crushes the ore to size where it is deposited onto Conveyor 1 and subsequent radial stacker (Conveyor 2).
- 2) Mill Feed: The radial stacker deposits crushed ore onto the ground where it is manually loaded into a drawdown slot over conveyor 3 by a front-end loader. The ore is the conveyed to the mill feed conveyor (CV4) where it is mixed with lime and fed to the mill feed chute. This section contains a lime silo as well as ball addition hopper.
- 3) Milling: The ore is milled by a single Semi-Autogenous Grinding (SAG) ball mill. This mill is rubber lined to prevent noise disturbance to surrounding residential areas. It should be noted there is inherent difficulty associated with sourcing parts for a mill of this age, in particular the electric/DC converter. We have not been made aware of any upgrades or replacements to the mill PLC's (Programmable Logic Controllers) as recommended in the Como Engineering report.
- 4) Leaching/Absorption: The mill discharges a slurry through a series of screens and trommels to a dual head cyclone. We understand oversized material were previously redirected to the Johnson gravity circuit however this has not been in operation for quite some time. The cyclones feed an initial vibrating trash screen to remove any undesirable particles. Following this, the slurry is fed to Leach tank 1, and subsequent Absorption tanks 2-6. Each tank is fitted with a single stage impeller and each absorption tank is fitted with carbon screens and air lift

pump. Once the slurry has reached its final stages of absorption, it is pumped to the elution column via vibrating elution carbon screen.

- 5) Elution: The elution process takes approximately 5.5 hours to complete and is automatically controlled by a PLC. Once the process is complete, stripped carbon is either sent back to the last absorption tank or to the carbon regeneration kiln. The regeneration kiln is LPG powered and is in original condition.
- 6) Extraction: Once the elution process is complete, the gold solution is transferred to the gold room into the electrowinning tank and consequently to the electrowinning cells. Extracted gold is removed from the electrowinning cells into the gold furnace where the final product is made.
- 7) Reagents: Cyanide is supplied in 1T bulk bags where it is deposited and mixed in an underground tank. This is stored in a large cyanide tank and deposited through associated pumps. Similarly, there is a smaller hydrochloric storage tank and pumps adjacent to the gold room.
- 8) Water Storage & Tailings: Process water is sourced from a combination of run off, mine dewatering, and recovery from the tailings dam. Water is stored in two large steel tanks and pumped via PVC piping. Tailings are pumped from the mine to the tailings dam 5 where it is indicated that it has sufficient capacity for a further 2-3 years at 150,000t/pa production rate.
- 9) Site Services: Services such as compressed air is fed via two auxiliary air compressors as noted in the asset schedules. Power is supplied by the state electricity grid and transformed via transformers. The site has appropriate office amenities and contains a small workshop for parts storage and mobile equipment repairs.

It should be reiterated that the processing facility largely remains in original condition. There is evidence of patchwork or minimum-requirement repair work being undertaken to bring the mine to an operating standard. The estimated cost of repairs as per the Como Engineering report.

VII. ASSET ANALYSIS

The fleet of mobile equipment generally consists of Tier 1 and Tier 2 equipment. Caterpillar/Elphinstone comprise the majority of underground loaders, Sandvik/Tamrock comprise the majority of the underground dump truck and drill fleet, these brands are perceived well in the market for their reliability and function. Ancillary mobile equipment such as the wheel loaders are tier 1 Volvo and Caterpillar branded and the light vehicle fleet is predominantly Toyota branded.

In general, the fleet of mobile equipment is at 'end-of-life' ages (11-20+ years). The youngest piece of underground equipment is eleven years old (2008) with the oldest constructed in 1980 and approaching 40 years old. The majority of the light vehicle fleet is approximately 10 years old with approximately three working vehicles being over 20 years old.

It should be noted that the condition of equipment across the board as previously inspected is considered poor or below average with no observable or advised changes in individual asset conditions. In general, underground mining equipment experiences harsher working environments and expedited rates of deterioration. It is evident from our previous inspections that there has been a clear lack of maintenance undertaken on the already aging fleet, most likely due to budget constraints. This is also particularly evident in the light vehicle fleet. We have not been provided with any official maintenance record or schedule detailing servicing/repairs completed on any machine or vehicle. Repairs have been completed on an 'as needed' basis and strictly on the power components only (i.e. no cosmetic work).

The Maldon Processing Plant Facility “Plant” was constructed in 1989 and is predominantly in original condition. Periodical maintenance has been completed on the plant where absolutely necessary given the constraints of the maintenance budget over the last few years. We note that some repair work at the behest of WorkSafe has been completed since our previous inspection and included additional steel support structures and upgrades to the cyanide storage facility, as well as other general repairs. We note that as with most WorkSafe mandates, these do not typically improve the operating function of the equipment and are purely designed to make the work environment safer.

VIII. SALE ASSUMPTIONS

In the event the Company assets are required to be sold by the Administrators, we recommend the following two-part sale strategy.

- 1) Sale in-situ: Sale of all assets at their current locations to potentially an incoming operator or competitor on a going concern basis. Should a buyer not be found on a going concern basis, a ‘sale in one line’ for all assets should be undertaken.
- 2) Online auction (In-situ): Should the Company and its associated assets not be able to be sold as a whole, the assets should be marketed and sold via a Major Event Online Auction. It should be noted that given the remote location of the A1 Mine and the processing facility, buyers will factor in decommissioning and transport costs into their final bid prices. Please note there is likely to be costs borne by Administrators associated with the decommissioning and removal of underground assets in preparation for a public sale. We would not recommend relocating mobile assets to a metropolitan storage facility as transport costs are likely to outweigh any potential return to Administrators. A detailed sale proposal can be prepared under separate cover if required.
- 3) Special Note – COVID19: We note the ongoing global and domestic effects of the COVID-19 pandemic. The Australian Government has since placed restrictions on domestic and international travel which would likely impact any potential purchasers’ ability to inspect the assets prior to submitting a qualifying offer or online bid. It is therefore possible that potential purchasers will factor in further discounts in order to account for the increased risk of purchasing ‘sight unseen’.

IX. MARKET AND INDUSTRY ANALYSIS

COVID-19 Update

The evolving coronavirus (“the Virus”) that is responsible for causing outbreaks of the coronavirus disease named COVID-19 has been having a material impact on World economies. This impact is creating uncertainties in regards to economic trends, consumer sentiment, marketability of assets, and commodity prices. Since the presence of the Virus was made widely apparent to the world in early 2020, commodity prices in a number of markets including but not limited to metals prices, agricultural products, and food products have been impacted. In addition, concerns about the Virus’ spread have resulted in international and interstate travel bans being put in place.

As a result of these occurrences, Gordon Brothers has seen the following general types of impacts that are affecting asset values: (1) supply chain impacts with delayed delivery of goods from manufacturers and distributors; (2) fluctuations in the market price of goods due to evolving market conditions; (3) reduced demand in the market of used equipment that requires in-person inspections by buyers; and (4) reduced retail foot traffic in areas materially affected by COVID-19 outbreaks. The current appraisal of the Company’s assets considers current market conditions as of the Effective Date, and has not taken into account hypothetical future market conditions that may occur due to the potential future spread of the Virus and COVID-19. This issue will be important for the Client to monitor on a going

forward basis given its wide-ranging implications for many industries and the supply chains associated with them.

As a result of social distancing being practiced throughout the country and a reduction in discretionary spending, revenue for all “non-essential” retailers (excluding grocery and pharmacy) will be impacted; however, it remains to be seen just how much. Accordingly, we advise our reported values could well be significantly negatively impacted by ongoing and/or further Government measures and restrictions, a potentially reduced buyer pool and market uncertainty in the foreseeable future.

Observations

As at 1 October 2020 the current gold price is \$1,897.68USD/oz. This is a significant increase from the \$1624.95 USD/oz as at the effective date of the previous report in March 2020, from one year ago at \$1,471.05 USD/oz, and represents approximately 28% growth over the year. This has largely been due to volatile global market conditions and the recent impact of the COVID-19 pandemic.
(Source: Perthmint.com)



Smaller gold mine operators such as Centennial Mining Limited have received the positive flow on effects of volatile global market conditions and COVID-19. Precious metals, and gold in particular, continue to remain a steadfast investment option as investors seek to move funds out of riskier equities. Many of the commodity industry operators continue to mine and produce resources at increased levels than even before the pandemic, particularly if the jurisdiction of the mine has contained the outbreak. As many countries seek to increase manufacturing and infrastructure spend in an attempt to stimulate or protect the economy from severe economic depression, mining and resources industries along with precious metal prices are expected to continue to grow. Positive growth in gold prices has seen many smaller operators in Australia revive shelved mining projects, expand exploration programs, or attain funding for new projects resulting in an increased demand for mining and underground equipment. However as discussed previously, it should be reiterated that this increase in demand is unlikely to have a measurable positive impact on the realisable values of the Company’s plant and equipment given their relative age, condition, and location. Whilst equipment supply remains relatively tight, the cost of transporting and improving equipment up to a better operational standard will still likely outweigh any continued increase in demand for used equipment.

It should be noted that the future growth or decline of the gold market is speculative and the duration of the Corona virus pandemic is unclear. Should the gold price fall this may have a material impact on estimated remaining life of the A1 mine and Maldon processing facilities.

X. OTHER CONSIDERATIONS

Excluded Items

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

Goods and Services Tax (“GST”)

The values provided in this report are exclusive of GST.

Currency Exchange Rates

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

Currency versions have been factored in some instances, see below currency exchange rates as at the date of this report:

- USD to AUD: \$1.39

Leased and third-party property

Ownership categorisation and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

Validity period of valuation

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party’s reliance on this report after the three-month validity period.

XI. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

General limiting conditions

- 1) All facts and data set forth in this report are true and correct to the best of the valuer’s knowledge.
- 2) The determined values are exclusive of Goods and Services Tax.
- 3) The fee for this valuation report is not contingent upon the values reported.
- 4) Gordon Brothers consents to the public disclosure of its reports in connection with the expert’s report in this matter, which is prepared to inform (and may be relied on by) third parties in making decisions in connection with the s444GA application.
- 5) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of **Gordon Brothers**.

- 6) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 7) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 8) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 9) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct.
- 10) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 11) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use sound, accepted methodologies as is the case in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.
- 12) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.
- 13) Each item in the valuation has been individually assessed with regard to a total package at an orderly liquidation sale. The values shown are not intended for the piecemeal selling of separate items. In the event that any item included in this valuation is separately sold or is withdrawn from sale or is to be sold either at a time different to the other items or from a different location then a re-valuation of the remaining items will be necessary.
- 14) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 15) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 16) The subject equipment may or may not conform to local WHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.

- 17) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation.
- 18) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 19) The valuation concept used in this report is one accepted by the client.
- 20) Nothing in this report constitutes as financial advice prepared for the Client.

Extraordinary Assumptions specific to this assignment

- We have assumed unless advised otherwise, that all assets are in operational condition.
- All information provided to us verbally and in writing is true and correct.
- That there are readily available ore deposits in the remaining underground mines to last at least two years of production.
- The estimated cost of labour as discussed with the Company is accurate and true.
- That consummated amounts relating to new costs of equipment installed in the processing plant are accurate and true.
- Estimated usage metrics relating to mobile equipment such as hour and odometer readings have been calculated utilising a monthly average identified from the 2019 valuation to the March 2020 valuation dates.

Hypothetical Assumptions specific to this assignment

No hypothetical assumptions were made.

XII. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- The engagement of **Gordon Brothers** in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the Company or its shareholders or advisors, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The use of this report is subject to the definitions contained within the Uniform Standards of Professional Appraisal Practice (“USPAP”) as defined by the Appraisal Standards Board of The Appraisal Foundation.



Ben Gibson
Director
BComm



Nelson Kennedy
Associate

Appendices

Appendix A. Glossary

Source - *“Valuing Machinery and Equipment: “The Fundamentals of Appraising Machinery and Technical Assets”, The American Society of Appraisers, Third Edition,*

Excellent (E) This term describes those items that are in near-new condition and have had very little use.

Extraordinary Assumption is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions (USPAP page U-3)

Fair (F) This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

Fair Market Value is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Fair Market Value in Continued Use with Assumed Earnings is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

Fair Market Value in Continued Use with an Earnings Analysis is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

Fair Market Value - Removed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

Forced Liquidation Value is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

Good (G) This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

Hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

Insurable Value Depreciated The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

Liquidation Value in place is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

New (N) This term describes new items that have not been used before

Orderly Liquidation Value An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

Poor (P) This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Replacement cost new Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

Reproduction cost new Is the cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

Salvage Value (S) Is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

Scrap Value (X) An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

Very Good (VG) This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

Appendix B. Valuer Credentials & Memberships

Project Team

Ben Gibson

Ben Gibson is responsible for the leadership and oversight of Gordon Brothers' Perth office. Ben has over 23 years of experience in the valuation and auction industry, managing large scale asset valuation and sale projects on behalf of banks, insolvency practitioners and large corporations across many industries.

Prior to joining Gordon Brothers, Ben served as the Executive Director, Restructuring and Finance for Tiger Asset Group, where he was responsible for the Restructuring & Finance service line on a national basis. Before his tenure at Tiger, he was the General Manager for the Western Australian operations of Graysonline, one of Australia's leading industrial equipment e-commerce participants. Ben has experience across a wide range of industry sectors including Mining, Agriculture, Transport, Construction, Earthmoving, Manufacturing, Engineering, and Consumer Retail Products.

Throughout his career, Ben has personally managed over 3,000 valuation and asset disposition projects, both in Australia and internationally. Ben has a Bachelor of Commerce degree from the University of Wollongong, a Diploma of Auctioneering from the Western College of Auctioneering USA, and is a Candidate Member, American Society of Appraisers.

Nelson Kennedy

Nelson is an associate for Gordon Brothers' Perth office. Prior to joining Gordon Brothers, Nelson served as a Project Manager & Valuer for Tiger Asset Group, where he completed complex projects for numerous banking, insolvency and private clients across WA and Australia, attaining experience in asset valuation and disposition of industrial plant and equipment and commercial goods.

Before his tenure at Tiger, he was Project Manager of large-scale auctions for the Western Australian operations of Graysonline, one of Australia's leading e-commerce participants. Nelson has experience across a wide range of industry sectors including transport, automotive, marine, construction & civil, manufacturing, engineering, mobile plant, medical, warehousing, office furniture and IT.

Appendix C. Asset Listing & Valuation

Please see attached excel spreadsheet titled "Valuation Asset Schedules_CML_September2020_Final" for asset listing and attributed values.



Centennial Mining Limited

Inspection Dates: 17th - 20th March 2020

Section No.	Section	Forced Liquidation Value	Fair Market Value in Continued Use
1	A1 Mine	\$ 280,150	\$ 683,400
2	Union Hill Mine	\$ 95,550	\$ 223,400
3	Maldon Processing Plant	\$ 294,330	\$ 1,617,250
Totals:		\$ 670,030	\$ 2,524,050

*All values contained herein are GST Exclusive

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	1	Excavator	1	Yes			Caterpillar	225LC	51U06221					Advised Third party property	\$	-
1	2	Excavator	1	Yes			Caterpillar	325BL	8RR00306					Advised Third party property	\$	-
1	3	Grader	1	Yes		1990	Mitsubishi	MG100	1G000036		87779C	Reads: 696 Estimated: 19421 more accurate		Average Condition	\$	8,000
1	4	Underground Loader	1	Yes		2008	Caterpillar	R1700G	CATR1700JBKZ00270					Note: Advised not CTL property (Sept 2020)	\$	-
1	5	Underground Drill	1	Yes										Advised Third party property Data plate unsighted	\$	-
1	6	Firefighting Trailer	1	Yes		2011	Victorian Trailers	Box Trailer		6APBXR18RC002051	U27872			Complete with: Honda 9.0HP Diesel motor, 550L Poly Tank, 1000L IBC, Custom platform, Hose reels	\$	500
1	7	Box Trailer	1	Yes		2018	U-Beut			649V550000113501	Y51085			7T ATM	\$	500
1	8	Underground Loader	1	Yes	UL16							5,174		Note: OOS tag reads "No brakes, Not to be used", No data plate sighted, 6 Cylinder engine, Standard bucket, Tyres: Poor, Note: Advised third party property	\$	-
1	9	Rescue Vehicle	1	Yes	UP04	1989	Mitsubishi	Canter 4WD		8F6G4G1DK002010	N/A		73,268	Manual, Crew cab "No 4WD", Fitted with toolbox chassis, Tow ball	\$	500
1	10	Cement Truck	1	Yes		1993	Hino	FC3W		JHDFC3WEKXX10055			Est 331,000	4x2, Manual, Fitted with Concrete agitator body Note: Appears disused for some time	\$	500
1	11	Winch	1	Yes		2008	Nobles		NM18351					Hydraulic winch WLL: 6.3T Condition: Unknown, Appears disused	\$	150
1	12	Charge up basket	1	Yes										Steel frame man cage Complete with: Fluids hopper to suit IT loader	\$	250
1	13	Underground Dump Truck	1	Yes		2006	Tamrock	Toro T45+	T6051312			Unknown		Computer faulty Note: Appears disused, OOS tag reads "Coolant leak, Do not use" Tyres: Poor, Damage to cab, no repairs evident	\$	5,000
1	14	Loader Bucket	1	Yes					9DE8662-456					Approx 1.5m x 2m x 1.6m	\$	2,500
1	15	Fork Tynes	1	Yes										To suit IT loader	\$	100
1	16	GP Bucket	1	Yes										To suit IT loader	\$	150
1	17	Ventilation Fans	2	Yes					1471174					3x Avics: 250m Fans 1475 RPM, 1000v, 55Kw 3x Toshiba 0200L	\$	200
1	18	Contingency for Spare Equipment	1	Yes										Includes: Low value or OOS Equipment, Tyres: IBC's, generic industrial spares	\$	200
1	19	Transportable Office Building	1	Yes										Approx 12m x 6m Complete with: Split A/C, Batten lighting, Partitioned interior, Approx 6x desks with computer stations, Printer, Kitchen equipment	\$	2,500
1	20	Transportable Mess Hall	1	Yes										Approx 12m x 3.5m (APB), Partitioned into hall and office, Split A/C and general services, Kitchen equipment, Female W/C	\$	1,500
1	21	Transportable Toilet/Changeroom	1	Yes										Approx 3.5 x 12m Includes 3x Showers, 2x Toilets, Dual change room with lockers	\$	1,000
1	22	Store Room	1	Yes										Approx 4m x 2m Complete with: batten lighting, Services	\$	500
1	23	Comms Rack	1	Yes										Includes: Motorola DR3000 (S/n: 521052) TACT TA-4800 Mine com 02-00144 Head end combiner (S/n: 25202) Powerbox power supply (S/n: 21053)	\$	1,000
1	24	Oxygen Booster	1	Yes			Masterline	7000A-2 MDM-4						Self contained closed circuit breathing apparatus	\$	3,000
1	25	Breathing Apparatus	1	Yes		2009	Drager	BG4						5x Units (1x OOS)	\$	15,000
1	26	Contingency for Ropes and Rescue Equipment	1	Yes										Includes: Harnesses, Ropes etc	\$	350
1	27	Laundry	1	Yes										Includes: 3x Euromaid DE 6Kg Dryer 1x Panasonic 9.5Kg EcoNav Washer 1x Speedqueen 806168 Washing Machine 1x Speedqueen D516542 Dryer	\$	1,500
1	28	Transportable Office	1	Yes										Approx 8m x 3m Mcgreger portables Complete with: Usual services, Split A/C, 4x desks with workstations	\$	1,000
1	29	Printer	1	Yes			HP Design Jet	T770						Wide Format Printer	\$	150
1	30	Emissions Tester	1	Yes			Testo	Flue Gas Tester						Requires Calibration	\$	100
1	31	Light Vehicle	1	Yes	LV1	2009	Mitsubishi	Pajero	JMFLNV98W9/000128		XF5961		Est 325,000	Manual, Condition: Poor	\$	2,000
1	32	Light Vehicle	1	Yes	LV2	2009	Mitsubishi	Pajero	JMFLNV98W9/000237		XF5962		Est 295,000	Manual, Condition: Poor	\$	2,500
1	33	Light Vehicle	1	Yes	LV5	1995	Toyota	Landcruiser 4WD	JT731FJ7508531801		WH2612		Est 305,000	Single cab chassis, Steel tray, Condition: Poor	\$	1,500
1	34	Explosives LV	1	Yes	LV0545	Est 1990's	Toyota	Landcruiser		No Vin Plate	N/A		Est 295,000	No battery, Note: Very poor condition, No 4WD, Cab damage	\$	500
1	35	Light Vehicle	1	Yes	LV0543	2009	Mitsubishi	Triton 4x4		MMAENK84D008067	XM1994		Est 230,000	Manual, Steel tray, Note: Fuel tank Fixed Condition: Poor Fitted with: Diesel fuel dispenser (Data plate damaged)	\$	1,500
1	36	Underground Drill	1	Yes	J80046	2000	Tamrock	205D Powerclass	L009257			Est 4750 7000/5900		Dual drill boom, 2x HP545 power pack (55Kw), Fire suppression, Tyres: Average Condition: Average	\$	25,000
1	37	Underground Drill	1	Yes		1998	Atlas Copco	104				Est. 1550 1800 5600		Single boom drill, Fitted with: 55K ABB Electric power pack, Fire suppression, Tyres: Poor, 6 Cyl Diesel engine, Condition: Poor Note: No data plate sighted	\$	5,000
1	38	Wheel Loader	1	Yes		2008	Volvo	L90F	L90FV25547				Est 21,000	Tyres: Average, Cabinet: Poor, Windscreens cracked, Fitted with: Fork tyres, Quick hitch mount	\$	18,000
1	39	IT Loader	1	Yes			Caterpillar	IT12B	18709411				12286 (Suspect older)	Note: OOS, Heavy hydraulic oil leaks present, no brakes	\$	2,500
1	40	Diesel Generator/Welder	1	Yes			MPM	8/270KAI	2034693					Unknown	\$	1,000
1	41	Transformer	1	Yes		2012	Tyree		6050-1922-B					3-Phase, Distribution transformer 1000 Kva On skid Complete with: MCC cabinet	\$	10,000
1	42	Shipping Container	1	Yes										3x 20ft Containers Used for parts storage	\$	1,500
1	43	Contingency for Tools and Spare Parts	1	Yes										Approx 2x Containers worth of spare machine parts and OOS equipment	\$	1,000
Workshop																

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU		
1	44	High Pressure Washer	1	Yes			Spitwater	SW110	11082902					Diesel power Hatz diesel motor	\$	350	\$	700
1	45	Water Pump (Overhead Sprinklers)	1	Yes										Complete with: Centrifugal pump G6A6 Fire fighting pumpset	\$	250	\$	600
1	46	Generator	1	Yes			Kohler	KD66				Approx 565		Powered by John Cleere 4 Cylinder turbo diesel engine Kohler Dec100 Generator Condition: Good	\$	4,000	\$	12,000
1	47	Air Compressor	1	Yes			Atlas Copco	GA508	AR751345			Est 38,000			\$	1,500	\$	2,800
1	48	Oil/Water Separator	1	Yes			ISS	V20P3P	4853M8					Pump-D532	\$	250	\$	500
1	49	Pedestal Grinder	1	Yes			Makita	G8801							\$	100	\$	250
1	50	Pedestal Drill	1	Yes			Sumone	SP5203A						16mm Chuck	\$	150	\$	400
1	51	Hydraulic Jacks	1	Yes										3x LV Jacks 1x AL80 truck Jack	\$	450	\$	1,000
1	52	Rod Heater	1	Yes			Jeffrey	DC30	16DK00842					Electric	\$	100	\$	250
1	53	Hydraulic Press	1	Yes			K Tools International							40T Capacity	\$	500	\$	1,500
1	54	Benching and Tooling	1	Yes										2x 3 Door metal workbenches Complete with: Assortment of handtools	\$	500	\$	1,500
1	55	Welder and Wirefeeder	1	Yes			WIA	356 Weldmatic	C1332A1110035					WIA W64 Wirefeeder	\$	1,500	\$	2,250
1	56	Contingency for Handtools and Equipment	1	Yes										Large quantity of tools and bits including: Sockets, Drill bits, Grinding equipment, Welding equipment etc	\$	1,000	\$	2,250
1	57	Power Pack	1	Yes										1000v Jump starter power pack for workshop Advised likely Re commissioned	\$	500	\$	1,800
1	58	Recommissioned Power Packs	1	No										1000v Jump starter packs PN's: JPS-03, JS-01, PS-04, DB-604, FS-06	\$	500	\$	2,500
1	59	Bench, Cabinet and Contents	1	Yes										1x Large custom steel workbench 2x Parts rack complete with workshop consumables, 1x Kool portable extractor fan	\$	150	\$	400
1	60	Oven	1	Yes			Essa	Im3 Industrial oven	218560					415v	\$	2,000	\$	3,250
1	61	Contingency for PPE	1	Yes										Includes 3x Shelves of assorted PPE including: Gumboots, Filters, Hardhats, Goggles, Gloves etc	\$	500	\$	1,200
1	62	Battery Charging Station	1	Yes			Mine Arc	Hyperion						Note: 3x Bays OOS	\$	200	\$	500
1	63	Water Tanks	1	Yes										2x Tankmaster 25,000L Poly Dewatering tanks, Complete with: Pump and Filter	\$	2,500	\$	8,000
1	64	Container	1	Yes										3x 20ft Sea Containers	\$	1,800	\$	3,500
1	65	Contents of Containers	1	Yes										Contingency includes: Tamps, Couplings, Fittings and Consumables	\$	250	\$	600
1	66	Drill Bits	1	Yes										Note: Advised drill bits are on consignment and not Company owned.	\$	-	\$	-
1	67	Fuel Tank	1	Yes		2010	Australian Fuelling Systems	Tint 12000	7351					5FL: 11,900L Complete with: Fill-rite fuel meter and pump	\$	5,000	\$	10,000
1	68	Compressor	1	Yes		1994	Atlas Copco	GA110	AIF018753			20,000 +		110Kw, 7.5 Bar	\$	2,000	\$	4,500
1	69	Compressor	1	Yes		1994	Atlas Copco	GA110	AIF018752			20,000 +		110Kw, 7.5 Bar	\$	2,000	\$	4,500
1	70	Underground Dump Truck	1	Yes	DT41	2006	Tamrock	Toro T45+	T6051288			8,302	Est 8500	Articulated tyres: Good, Fire suppression, ROPS/POPS, Condition: Average	\$	25,000	\$	40,000
1	71	Underground Loader	1	Yes			Elphinstone	R1500	R1500-113			8,201		Note: Advised not CTL property (Sept 2020)	\$	-	\$	-
1	72	Light Vehicle	1	Yes		2008	Mitsubishi	Triton 4x4		MMMATNKB8090002142	1KL40V		Est 240,000	Dual Cab, Condition: Average	\$	1,500	\$	2,800
1	73	Light Vehicle	1	Yes			Toyota	Landcruiser 4x4	JT731P17508540031		18W9CP		343312 (Odo Broken)	Condition: Poor, Single cab chassis	\$	1,500	\$	3,250
1	74	Light Vehicle	1	Yes	LV0544 LV4	1996	Toyota	Landcruiser 80 Series	JT711P18008024883				489,027	Note: Asset has been scrapped	\$	-	\$	-
1	75	Light Vehicle	1	Yes		2002	Toyota	Landcruiser 100 Series Wagon	JTEC801J401008042		TF0000		Est 300,000	Manual, 4x4, Turbo diesel, Condition: Poor	\$	2,500	\$	4,800
1	76	Light Vehicle	1	Yes	LV547	1998	Toyota	Landcruiser 4WD	JT731P1750850691		n/a			Single cab chassis, Steel tray, Condition: Poor	\$	1,500	\$	2,800
1	77	Explosive magazine	1	Yes						REMU0510230				20T Container	\$	5,000	\$	12,000
Underground																		
1	78	Shotcrete Machine		Yes		2010	Normet Spraymec	6050wp	100003572					Powered by a Mercedes Benz Engine, No data plate sighted, Tyres: Average, Condition: Poor, Fire suppression	\$	7,000	\$	17,000
1	79	Mono Pump Station	1	Yes										Powered by a 45Kw Electric motor, Large challenge steel hopper Complete with: PS02 1000v mon pump starter box	\$	4,000	\$	10,000
1	80	Jumbo Pump Starter	1	Yes		JPS-04								20 Person capacity Complete with: Motion sensor, Digital gas monitor, A/C, Radio	\$	500	\$	2,000
1	81	Refuge Chamber	1	Yes			Mine Arc		MA1207					Steel frame Fitted with: 2013 Dixon 690Kpa, Pressurised hopper, Constructed as IT attachment Powered by a 30Kw Electric motor Contains 2x Franklin electric, EP54400 Submersible pumps, 1x Spare	\$	30,000	\$	45,000
1	82	Charge Up Basket	1	Yes			OMW								\$	250	\$	650
1	83	Mono Pump Station	1	Yes											\$	2,000	\$	8,000
1	84	Underground Loader	1	Yes	LD05	2004	Elphinstone	R1700	4L200127					Note: Advised not CTL property (Sept 2020)	\$	-	\$	-
1	85	Pump Starter	3	No										3 x 1000v to 240v 3.6KW bore pump starters	\$	1,500	\$	5,500
1	86	Pump Starter	2	No										2 x 1000V 45KW mono pump starters	\$	1,000	\$	3,500
1	87	Fan Starter	2	No										2 x 1000V Twin 55KW fan starters	\$	1,000	\$	3,500
1	88	Fan Starter	1	No										1 x 1000V Twin fan starter 30KW	\$	500	\$	1,000
1	89	Fan Starter	1	No										1 x 1000V Single fan starter 30KW	\$	500	\$	1,000
1	90	Exhaust Fan	1	Yes		1996	Purminco	GAL12-550/550	586-B					Twin Primary Fan, 55KW Elec motors	\$	500	\$	1,800
1	91	Exhaust Fan	1	No										1000V Single primary fan 45KW	\$	250	\$	600
1	92	Exhaust Fan	1	No										1000V Single primary fan 55KW	\$	300	\$	800
1	93	Exhaust Fan	1	No										1000V Twin decline fan 30KW	\$	250	\$	500
1	94	Exhaust Fan	2	Yes										22 Kw Single Production Fan, details unknown	\$	500	\$	1,000
1	95	Distribution Board	1	No	DB01									2 x 125amp circuit breakers	\$	200	\$	500
1	96	Distribution Board	1	No	DB02									1 x 125amp 1 x 160amp circuit breaker	\$	200	\$	500
1	97	Distribution Board	1	No	DB03									5 x 250amp circuit breakers and main isolator	\$	500	\$	2,200
1	98	Distribution Board	1	No	DB04									2 x 160amp circuit breakers	\$	200	\$	500
1	99	Distribution Board	1	No	DB05									1 x 125amp circuit breaker	\$	100	\$	300
1	100	Distribution Board	1	No	DB06									1 x 125amp 1 x 200amp circuit breaker	\$	200	\$	500
1	101	Distribution Board	1	No	DB07									1 x 125amp 1 x 200amp circuit breaker	\$	200	\$	500
1	102	Distribution Board	1	No	DB08									1000v, 3x 250amp circuit breakers	\$	300	\$	800
1	103	Combination Jumbo Pump Starter	2	No										No details provided	\$	250	\$	1,500
1	104	Jumbo Starter	2	No											\$	600	\$	2,000
1	105	Scapper Box	1	No											\$	500	\$	1,000
1	106	Power Box	2	No										2 x 1000V to 240V light power boxes	\$	200	\$	500
Additional Equipment																		
1	107	Scapper Winch	1	Yes										Dual Hydraulic Winch, Appears Disused	\$	250	\$	500



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	108	Submersible Pumps	1	Yes			Flygt							Approx 5x Industrial Pumps, on pallet. Note: All tagged out	\$ 100	\$ 100
1	109	Charge Up Kettle	1	Yes										Details Unknown, appears disused	\$ 100	\$ 250
1	110	Generator	1	Yes		2010	AEG		420001950					6000W	\$ 100	\$ 250
1	111	Contingency For assorted Construction Consumables	1	Yes										Includes large quantity of shotcreting mesh, combi plates, and associated fasteners as according to supplied capex information.	\$ 30,000	\$ 150,000
1	112	Jaws of Life	1	Yes			Hurst	5000	42437					C/W Hydraulic Cutter	\$ 3,000	\$ 4,750
1	113	Light Vehicle	1	Yes		2000	Toyota	Landcruiser Wagon		JT17PJA507018108			Est 365,000	Condition poor, 4x4, Mine Spec	\$ 2,500	\$ 4,500
1	114	Light Vehicle	1	Yes		2001	Toyota	Landcruiser 100 Series		JTECB09J203002331	YS417		Est 375,000	Condition Average: Mine Spec	\$ 2,500	\$ 4,250
1	115	Dome Shelter	1	Yes										2x Dome shelters in crates, unassembled. Details unknown	\$ 250	\$ 450
1	116	Tyres	1	Yes										Contingency for assorted spare 4x4 tyres	\$ 250	\$ 800
1	117	High Pressure Cleaner	1	Yes		2019	Lavor	Hyper TR2021LP	862309532349-2019/23-003						\$ 4,000	\$ 5,800
1	118	Air Compressor	1	Yes			Peerless	P13						Dual Piston Electric, cond: Good	\$ 250	\$ 550
1	119	Oxy/Acetylene trolley	1	Yes											\$ 150	\$ 250
Total: Section 1															\$ 280,150	\$ 683,400

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
		Underground														
2	1	Jumbo Starter	3	Yes										1000v	\$ 1,500	\$ 5,000
2	2	Pump Starter	9	Yes										1000v	\$ 4,500	\$ 15,000
2	3	Electrical/Distribution Boxes	4	Yes										1000v	\$ 400	\$ 2,000
2	4	Exhaust Fans		Yes											\$ 1,500	\$ 4,250
2	5	Mono Pump Station 1	1	Yes										2x Large Steel Hoppers Powered by a Teco 55Kw electric motor Condition: Poor 2x 1000v Pump starter boxes. 1x 1000v Electrical distribution box	\$ 4,000	\$ 9,500
2	6	Submersible Pump	1	Yes										Details Unknown	\$ 500	\$ 1,500
2	7	Refuge Chamber	1	Yes			Australian Mining							Evacuation systems, Approx 10 person External battery pack powers, 12v Recirculation unit, A/C unit	\$ 8,000	\$ 18,000
2	8	Water Tank	1	Yes										Poly, 9000L	\$ 400	\$ 1,500
2	9	Mono Pump Station 2	1	Yes										2x Large Steel Hoppers Powered by a 2x 75kw electric motor 2x 1000v Starter boxes	\$ 7,000	\$ 17,500
2	10	Explosive Magazine	1	Yes			CIMC		REMU0510815					20FT Container	\$ 5,000	\$ 15,000
2	11	Det Magazine	1	Yes										Approx 1.5m x 1m x 1.5m vents, On Skids, Double lock	\$ 500	\$ 1,000
2	12	Explosive Magazine	1	Yes			CIMC		REMU000107					10FT Container Complete with Shelving	\$ 2,500	\$ 5,500
2	13	Exhaust Fan	1	Yes										90kw, 2-Stage, 1000v Box	\$ 3,000	\$ 9,000
2	14	Exhaust Fan	1	Yes										Approx 50kw motor, Skid mounted in tunnel, Complete with: Fan starter box	\$ 1,500	\$ 4,500
		Mine														
2	15	Offsite Transformer	1	Yes		1978	Wilson Transformers		61,708					1000v, 200Kva	\$ 500	\$ 4,500
2	16	External Transformer	1	Yes			Galaxy Transformer		983					Explosion proof, Complete with 20FT Sea container including MCC Approx 11x Rows of 180 core sample trays	\$ 1,500	\$ 6,500
2	17	Core Rack	1	Yes											\$ 500	\$ 800
2	18	Contingency for Office Furniture	1	Yes										Includes: Desks, Shelving, Drawing cabinet, HD Designjet wide format printer, Filing cabinets	\$ 200	\$ 450
2	19	Server Rack	1	Yes										Includes: 2x Kenwood TKR-751 FM Repeaters VDV Radio System Distribution network VDV TX/RX Splitter combiner VDV Line Splitter combiner VDV AC-DC Converter VDV Power supply Tmark 500 Series power supply	\$ 1,500	\$ 2,250
2	20	Light Vehicle	1	Yes	LV3	2001	Nissan	Patrol Wagon		INITESY61UMABD9A	YHR319		324,182	Condition: Average Note: Turbo not working	\$ 2,500	\$ 3,800
2	21	Shed	1	Yes										Steel sheeting, Contains pallet of cement	\$ 150	\$ 500
2	22	Transformer	1	Yes										Details unknown, 415v, Complete with switchboards	\$ 500	\$ 1,800
2	23	Light Vehicle	1	Yes	LV8	1987	Toyota	Landcruiser					405,169	Remains decommissioned	\$ 500	\$ 500
2	24	Underground Loader	1	Yes		1980	Eimco	918	918/0428			19021 Showing		Advised starts	\$ 2,000	\$ 4,500
2	25	Underground Loader	1	Yes		1998	Elphinstone	R1500	R1500-209			2,163		Note: Advised not CTL property (Sept 2020)	\$ -	\$ -
2	26	Underground Loader	1	Yes		2004	Elphinstone	R1700	R1700-129				16865 Showing	No data plate Note: Advised not CTL property (Sept 2020)	\$ -	\$ -
2	27	Underground Loader	1	Yes			Elphinstone	R2800					3,324	Note: Parked up over 4 years, Advised undesirable machine Note: Exhaust Removed, non-runner	\$ 2,000	\$ 5,000
2	28	Underground Dump Truck	1	Yes			Wagner	MT426	D807P0311				2,564	Note: RHS cylinder OOS, Engine overheating, Note: Heavy Hydraulic oil leak. Condition unknown.	\$ 5,000	\$ 15,000
2	29	Wheel Loader	1	Yes			Volvo	L90 IT	N/A				33,876	Condition: Poor Chassis rusted, Seals OK, Fitted with: Fork tyres	\$ 5,000	\$ 12,500
2	30	Underground Drill	1	Yes			Tamrock	Jumbo H205	Unknown					2x 45Kw Electric power packs, 2x Drill head Note: Used for spare parts, Currently OOS, further parts cannibalisation evident	\$ 2,000	\$ 4,500
2	31	Containers	1	Yes										2x 20 Ft Sea Containers Complete with Steel canopy	\$ 1,000	\$ 2,500
2	32	Light Vehicle	1	Yes			Toyota	Landcruiser					370,222	Note: OOS, No brakes, Condition: Poor	\$ 500	\$ 500
2	33	Wheel Loader	1	Yes		Est 1986	Caterpillar	936	45801196			5,410		Note: Previously sighted at Processing Plant, repairs completed	\$ 15,000	\$ 22,500
2	34	Underground Loader	1	No			Elphinstone	R1500	R1500-110			Advised 10,000+		Note: Advised not CTL property (Sept 2020)	\$ -	\$ -
		Workshop/Offices														
2	35	Lathe	1	Yes			Macson		63-182					Bed length, Approx 2m	\$ 500	\$ 1,000
2	36	Drill Press	1	Yes			Corona	450/198M	85431/64/42						\$ 350	\$ 550
2	37	Compressor	1	Yes			Power Force				Sighted at Processing Plant			Single piston electric, No data plate	\$ 200	\$ 300
2	38	Sea Containers	1	Yes										2x 20Ft Sea containers, Fitted to overhead canopy	\$ 2,000	\$ 2,500
2	39	Contingency for Equipment Pertaining to Small Workshop	1	Yes										Includes: Vehicle jack, Steel bench, Dangerous goods cabinet, Pedestal grinder, Assortment of fasteners, Oxy/acetylene trolley, 2x OOS starter packs	\$ 1,000	\$ 1,500
2	40	Sea Containers	1	Yes										2x 20 Ft Used in small workshop	\$ 2,000	\$ 2,500



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
2	41	Transportable Building		Yes										Approx 20 Ft x 10Ft 2x Partioned Offices, A/c Units, Lighting	\$ 800	\$ 2,000
2	42	Transportable Changeroon	1	Yes										20Ft, Contains A/c, Lighting, Benches	\$ 1,200	\$ 2,500
2	43	Transportable Bathroom/Laundry	1	Yes										20Ft Complete with: 2x Showers, 2x Toilets, Hot water boiler, Washer, Dryer	\$ 1,200	\$ 2,500
2	44	Transportable Crib Room	1	Yes										Complete with: Kitcheneete, Appliances, A/c, Lighting	\$ 1,200	\$ 2,500
2	45	Transportable Toilet Block	1	Yes										Approx 10ft x 10ft Complete with: Toilet, Shower, 50L Hot water boiler	\$ 500	\$ 1,200
2	46	OOS Equipment	1	Yes										Including: Hilux Chassis, Tamrock Toro 45 Chassis	\$ 500	\$ 500
2	47	Water Tank	1	Yes										Steel, Approx 20,000L Note: Crack in side wall repaired.	\$ 450	\$ 1,500
2	48	Water Tank	1	Yes										Corrugated steel, Approx 50,000L	\$ 3,000	\$ 5,000
Total: Section 2															\$ 95,550	\$ 223,400

Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU			
		Processing Plant																	
3	1	Rom Bin	1										Approx 60T capacity Approx 30m ³	Como Engineering Report					
3	2	Hydraulic Plate Feeder	1		1987	Coomo FHM	1240RPF	2274					Powered by 15Kw electric motor Approx 1.2m x 4.35m, C/W VSD Approx 1.5m x 1m x 2.5m	Como Engineering Report					
3	3	Control Room	1										Includes CP-1 crushing MCC, A/c unit						
3	4	Screen	1		1987	Coomo FHM	CM 13/25	2274					Size 1.2 x 2.5m						
3	5	Jaw Crusher	1			Goodwin Barsby	42" x 30"						Powered by a 110kw electric motor, single toggle, Rated 150T/ph (120 - 160Tph capacity)	Monograph 27 - Page 232					
3	6	Conveyer	1	CV1									Approx 10m length Powered by 7.5Kw Motor, 750mm Width Includes dump hood, Rollers, Water sprayers, E Stops	Monograph 27 - Page 304 + 305					
3	7	Radial Stacker	1	CV2	1987			47056628					Powered by a Teco 11Kw electric motor, Approx 28.95m length, 8.3m lift, 600mm belt width	Monograph 27 - Page 304 + 305					
3	8	Motor Control Centre 1	1			Voltrek Constructions							Cabinet approx 2.5m x 0.5m x 2m Switches and Fuses for crushing circuit						
															Sub-Total	\$	25,000	\$	261,000
3	9	Underground Feed Bin	1										Steel Construction						
3	10	Underground Reclaim Conveyer	1	CV3									Approx 29m, 6m Lft, 600mm belt width ASD 20 VSD control, Currently set at 15T/hr, Complete with SRO technology weight scale, Powered by a 7.5Kw Teco motor, Flender gearbox Complete with transfer chute	Monograph 27 - Page 304 + 305					
3	11	Sump Pump	1			SKW							Note: Advised new pump purchased in June, description states "OPDMRMA CALPEDA GXRM9 5/STEEL AUTO SUB. PUMP"	Supplied					
3	12	Lime Silo	1										Variable speed screw feeder Approx 40T capacity 2x Vibrator, Est: 1-2Kw Electric motor	Como Engineering Report 2015					
3	13	Steel Ball Addition Hopper	1										Steel Construction						
3	14	Mill Feed Conveyer	1	CV4									Approx 30m, 35T/ph capacity, 7.5kw electric motor, 600mm belt width.	Monograph 27 - Page 304 + 305					
3	15	Spare Lime Chute	1										Approx 3m x 0.5m x 2m Steel						
															Sub-Total	\$	15,000	\$	181,000
3	16	Processing Plant MCC Room	1	MCC2									Complete with electrical cabinets for processing plant Mill drive						
3	17	Mill Feed Shoot	1										Steel construction hopper Approx 3.35m(d) x 3.96m (l) Interior rubber lined 600Kw DC motor	Como Engineering Report 2015					
3	19	Slurry Pump	1										Approx 5Kw 30Kw Electric motor						
3	20	Gravity Feed Pump	1										Advised full mill liner repairs remain to be completed, liners supplied in laydown area and listed below.						
															Sub-Total	\$	50,000	\$	312,000
3	21	Gravity Drum	1		2013	Johnson	180,000 t/a						Powered by 0.75 Kw Teco motor Approx 8m length Complete with: Knelson concentrator (7.5 inch), Standard switch gear, Approx 8x5 transportable building Mounted on a 40ft Tri-axle flat top trailer (VIN: 6T9T2SV2901000001, Rego: 884555)		\$	20,000	\$	40,000	
3	22	Air Compressor 2	1			Ingersoll Rand	HP123 19						3 Phase, Tri-piston	Online Data	\$	1,500	\$	5,000	
3	23	Air Compressor 1	1		2007	Atlas Copco	GA22FF	WUXS80291		Est: More than 20,000			Complete with: Vertical air receiver	Online Data	\$	2,000	\$	5,000	
3	24	Air Lift Blower	1		2008	Becker	KDT 3.80								\$	100	\$	500	
3	25	Sump Pump	1			MTW Equipment		903009					5.5 Kw						
3	26	Carbon Regeneration Kiln	1										Complete with: Feed hopper 2x 0.55 Kw Electric motors LPG Kiln approx 2m length, 2x Product bins	Como Engineering Report					
3	27	Cyanide Mixing Tank	1										Complete with: Feed chute, Agitator (1.1Kw motor), 14.5m ³ tank, 2x Dosing pumps 0.37Kw	Como Engineering Report					
3	28	Sump Pump	1			Terra Titan							Approx 5Kw Electric motor	Como Engineering Report					
3	29	Tailings Pump	1										Powered by a Marathon 45IMD 45Kw Electric motor	Como Engineering Report					
															Sub-Total	\$	33,700	\$	96,000
3	30	Cyclone	1			Linatex							2x 375mm diameter, Carbon Steel construction w/ rubber lining, Includes 1x Standby Unit	Como Engineering Report					
3	31	Trash Screen	1			Malco							Dual vibrating trash screen, Approx 0.9m x 1.5m, 0.65mm Aperture deck	Como Engineering Report					
3	32	Pre-Leach Tank	1										Approx 140m ³ Complete with: Noyes Internal Agitator (powered by a 15Kw electric motor)	Como Engineering Report					

Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU
3	33	AbsorptionTank 1	1										Approx 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	34	Absorption Tank 2	1										Approx 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	35	AbsorptionTank 3	1										Approx 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	36	Absorption Tank 4	1										Approx 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	37	Absorption Tank 5	1										Approx 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	38	Gantry Crane	1										Approx 10m height x 20m rail length Complete with: PWB Anchor IT Electric hook block			
3	39	Pressure Cleaner	1			Karcher									\$ 150	\$ 750
3	40	Control Room	1										Approx 5m x 2m Building, C/W MMC Cabinet Controls. Note: Many PLC's outdated and no parts available. Includes 2x Minichem PH meters, eeneric furniture.			
3	41	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
3	42	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
Sub-Total															\$ 30,000	\$ 412,000
3	43	Elution Carbon Screen	1			Sweco							No data plate	Como Engineering Report		
3	44	Elution Column	1										New Elution Column installed July 2020	Como Engineering Report		
3	45	Acid Storage Tank	1										New Acid tank supplied and installed July 2020	Como Engineering Report		
Sub-Total															\$ 65,000	\$ 163,000
Gold Room																
3	46	Heat Exchangers	1										2x Ocal Fallwal exchangers, Plate unreadable	Como Engineering Report		
3	47	Elution Pump	1										Approx 0.55Kw motor Plate unreadable			
3	48	Heater	1			AIRA	FTB500									
3	49	Cyanide Tank	1										Poly construction Approx 2000L			
3	50	Water Tank	1										Poly construction Approx 1000L			
3	51	Water Pump	1										0.55Kw Motor			
3	52	Cyanide Pump	1										0.55Kw Motor			
3	53	Gold Room MCC	1										To suit electrowinning and Elution circuits			
3	54	Electrowinning Tank	1										Steel construction Approx 7500L Complete with: 0.55Kw Electric motor			
3	55	Electrowinning Cells	1			Allglass							Data plate unreadable Complete with: 9x Cells			
3	56	Electrifier	1			Electropower	AGA-R-10/800	3466-01								
3	57	Gold Furnace	1										LPG powered Steel construction			
3	58	Gold Press	1										Pastic construction Complete with: 0.75 Kw motor			
3	59	Gemini Table	1										Dual combination lock Approx 1m x 0.6m x 1.9m			
3	60	Safe	1												\$ 10,000	\$ 31,000
Sub-Total															\$ 10,000	\$ 31,000
Tailings Dam 5																
3	61	Submersible Pump	1										8/20 Kw On custom pontoon			
Process Water Dam																
3	62	Submersible Pumps	2			Note: 1x pump not working at previous inspection							8/20 Kw			
3	63	Runoff Pond Pump	1			Godwin Pumps							Powered by a brook Crompton 3-Phase electric motor approx 20-30 Kw Single piston actuator No plate identified		\$ 5,000	\$ 14,000
Sub-Total															\$ 10,000	\$ 22,500
Workshop																
3	64	Light Vehicle	1	LV6	2003	Toyota	Hilux 145 Ser		MR031LNG907613345	1M29KB		Est. 268,000	Advised Decommissioned		\$ 500	\$ 500
3	65	Backhoe Loader	1		Est 2004	Caterpillar	428D		CAT0428DLDSX00223		Est 12,500		Quik hitch, Hydraulic loader bucket		\$ 25,000	\$ 42,500
3	66	Light Vehicle	1	LV207	2008	Mitsubishi	Triton KA/KB		MMBJNKB808D077520	1KP1MV		Est 175,000	Dual cab utility, Manual, 4x4, Condition: Poor.		\$ 2,500	\$ 4,000
3	67	Hydraulic Press	1										Retrofitted with Enepac Manual jack Absore 10T		\$ 500	\$ 1,250
3	68	Dangerous Goods Cabinet	1										250L Capacity		\$ 250	\$ 600
3	69	Compressor	1			Bauer	Screw Compressor				21950		Appears disused		\$ 200	\$ 450
3	70	Bench Grinders	1										2x Pedestal Grinders		\$ 150	\$ 350



Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU	
3	71	Storeroom	1										Approx 2x 4m custom steel shelf storeroom Includes assorted workshop consumables, Welding equipment, Hand tools, Power tools		\$ 200	\$ 600	
3	72	Welder	1			Jetwelder	350						Appears disused		\$ 50	\$ 150	
3	73	Plasma Cutter	1			WIA	Weldarc 180								\$ 100	\$ 250	
3	74	Plasma Cutter	1			Bossweld	Plascut x50								\$ 150	\$ 500	
3	75	Steel Workbench	1										Approx 2m x 1m x 1m		\$ 80	\$ 200	
3	76	Welder & Wirefeeder	1										1x Weldwell Steadymig 375350Amp Welder 1x Miller Millermatic Wirefeeder		\$ 500	\$ 1,500	
3	77	Drill Press	1		1987	Sharp	SE-330BF	72695					16mm Capacity 1x BOC Mig275R		\$ 100	\$ 350	
3	78	Welder & Wirefeeder	1					RI161248086 RI170104542					1x BOC Smootharc Advance Wirefeeder		\$ 1,200	\$ 3,000	
3	79	Steel Workbench & Vice	1										Approx 2m x 1m x 1m Complete with: Heavy duty vice		\$ 100	\$ 250	
3	80	Wet/Dry Vacuum	1			Kernick									\$ 20	\$ 100	
3	81	Cabinet	1										Double door steel cabinet Contents include assorted workshop sundries		\$ 50	\$ 150	
3	82	Bench & Contents	1										Approx 2m x 1m x 1m Steel Assorted workshop sundries and parts included		\$ 200	\$ 500	
3	83	Steel Workbench	1										Approx 1.5m x 0.5m x 1m		\$ 100	\$ 250	
3	84	Oxy/Acetylene Trolley	1										Heavy duty Complete with: Gauges/regulators		\$ 80	\$ 200	
3	85	Parts Washer	1										Generic, Electric		\$ 50	\$ 200	
3	86	Heater	1			Lavor	Pro HK070R-L								\$ 100	\$ 300	
3	87	Cold Saw	1			Makita	LW1400								\$ 50	\$ 250	
3	88	High Pressure Cleaner	1			BAR	Km Classic 3.10								\$ 100	\$ 250	
3	89	Contingency for Workshop Equipment	1										Includes: Assorted industrial items not individually listed, I.e; Handtools, Consumables, Fasteners etc.		\$ 1,000	\$ 5,000	
3	90	Office Furniture and Equipment	1										Contingency for generic office furniture and IT Equipmet pertaining to 9x Workstations		\$ 1,000	\$ 3,500	
3	91	10x Generic Lockers													\$ 50	\$ 250	
3	92	Kitchen	1										Contingency for furniture and equipment pertaining to kitchen		\$ 250	\$ 750	
3	93	Firefighter Facility	1										ADT alarm, Ampac Fire finder unit		\$ 450	\$ 1,500	
3	94	IT Equipment	1										Server Rack includes: 2x Clipsal Titanium CPSe Switches 1x HP Procurve 1810 G-24 Switch 8x Security Cameras 1x HP Proliant ML330 G6 Server 1x APL Smart UPS 1500 UPS		\$ 250	\$ 1,200	
		Laydown Area															
3	95	Diesel Tank	1										Approx 2000L On stand. With meter and nozzle		\$ 250	\$ 650	
3	96	Forklift	1	No	1997	Toyota	42-6FG25	12739			12586				\$ 500	\$ 1,800	
3	97	Sea Containers	1										2x 20ft containers 1x 40ft container		\$ 3,000	\$ 5,000	
3	98	Crusher Box Trailer	1										Not in use		\$ 100	\$ 200	
3	99	Contingency for Disused Lab Equipment	1										Complete with: Zhejiang Jaw Crusher, Labtechnics vibrator, Gemini table Note: Equipment appears disused for some time		\$ 1,000	\$ 3,000	
3	100	Weigh Bridge	1										Approx 10m x 3m Steel and cement construction Complete with: Gate room and scales		\$ 2,500	\$ 18,000	
3	101	Diesel Tank	1			Equipco	Steel Tank						Approx 2.5m x 2m x 1.5m Complete with: Nozzle and flow meter		\$ 2,500	\$ 5,500	
															Sub-Total	\$ 45,180	\$ 104,950
		Additional Equipment															
3	102	Welder	1			Cigweld	Transmig 175i	W1133909133- W1005176					C/W head and trolley.		\$ 450	\$ 800	
3	103	Mill Liners	1			*Mill liners - rubber heads etc.*							Note: Advised that mill liner work is yet to be completed and parts remain in laydown area.		\$ 10,000	\$ 33,000	
															Sub-Total	\$ 10,450	\$ 33,800
															Total	\$ 294,330	\$ 1,617,250

Centennial Mining Limited

Appraisal Report

INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS
| BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

Summary of Report

Asset Description: Gold Processing Plant & Mobile Mining Equipment

Located At: A1 Gold Mine, Union Hill Gold Mine, Maldon Processing Facility - Victoria

Effective Date of Valuation: 20th March 2020

Report Date: 27 March 2020

Inspection Date of Valuation: 17th – 20th March 2020

Period of Currency: 3 Months

Definition of Value: Fair Market Value in Continued Use & Forced Liquidation Value

Purpose of Report: To assist the Administrators in their duties as per the Corporations Act

Client: Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)*.

Intended User(s): KordaMentha and other Intended Users

27/03/2020

Mr. Jared Palandri
KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000

Dear Jared,

Re: Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)

As per your email instructions dated 13th March 2020, Gordon Brothers have undertaken an inspection of the plant and equipment of A1 Mine, Union Hill Mine, and Maldon Processing Plant Facility and thank you for your instructions to undertake a valuation of the same. Gordon Brothers have previously undertaken a valuation on behalf of Administrators in April 2019.

Subject to the matters set out below and at the request of the Administrators, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the assets on the basis of Fair Market Value in Continued Use and Forced Liquidation Value and determine it as follows at:

Fair Market Value in Continued Use	\$2,444,900
Forced Liquidation Value	\$663,380

All values and amounts displayed throughout this report are in Australian Dollars and are exclusive of GST.

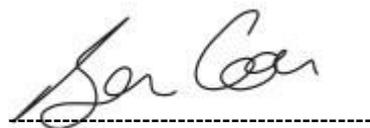
The values and comments contained within this letter should be read with the accompanying report.

We confirm that Gordon Brothers carries professional indemnity insurance to a level substantially in excess of \$10,000,000 and that the valuation is covered by the insurance.

Gordon Brothers have not previously undertaken any valuation assignments other than those mentioned above on behalf of Centennial Mining Limited, its Creditors or Advisors in relation to this matter. Gordon Brothers are acting as external advisors.

Yours sincerely

For and on behalf of Gordon Brothers Pty. Ltd.



Ben Gibson
Director



Nelson Kennedy
Associate

I. USPAP COMPLIANCE

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

However, it should be noted that USPAP rules and conduct do not and cannot supplant local laws and regulations. Departures from USPAP standards are known as “jurisdictional exceptions” and when such exceptions occur, they will be clearly stated in this report.

This report is defined as an appraisal report. USPAP stipulates that such reports must contain the following information as a minimum.

1. State the identity of the client and any intended users.
2. State the intended use (purpose) of the appraisal.
3. Summarize information sufficient to identify the property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.
4. State the property interest appraised.
5. State the type and definition of value and cite the source of definition.
6. State the effective date of the appraisal and the date of the report.
7. Summarize the scope of work used to develop the appraisal.
8. Summarize the information analysed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusion; exclusion of the sales approach, cost approach or income approach must be explained.
9. State as appropriate to the class of the property involved, the use of the property existing as of the date of value and the use of the property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion.
10. Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions and state that their use might have affected the assignment results.
11. Include a signed certification in accordance with standard rule 8-3.
12. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice as of 2015. A review has been made to be sure that nothing is misleading in order to meet standard 8-1(a) which states “clearly and accurately set forth the appraisal in a manner that will not be misleading.” It conforms with standard 8-1(b) which states “contain sufficient information to enable the intended users of the appraisal to understand the report properly”. It also conforms with standard 8-1(c) which states “clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.”
13. Due to the above we consider the report to be understandable to any reader or user of this report.
14. The format appears to be consistent with that provided in the ASA report writing course and it has been checked for spelling and grammar.

II. EXECUTIVE SUMMARY



Company: Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)
Address: C/- KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000
Key Contact: Jared Palandri

Please see below value breakdown per section:

Section No.	Section	FLV	FMVICU
1	A1 Mine	\$ 323,400	\$ 668,750
2	Union Hill Mine	\$ 116,650	\$ 269,400
3	Maldon Processing Plant	\$ 223,330	\$ 1,506,750
Totals:		\$ 663,380	\$ 2,444,900

Collateral Snapshot

Centennial Mining Limited (ASX:CTL) “the Company” is a Victorian gold producer. The Company operates the A1 Mine, located south of Mansfield, and the Union Hill Mine, located near Maldon. The Company extracts and hauls all ore material to a processing plant located at Porcupine flat, also in Maldon. The Company operates a small fleet of mobile underground mining equipment including Loaders, Dump Trucks, Drills, and Light Vehicles. The processing plant was constructed in 1989 and has a design throughput of 150,000t/pa. Both mines and the processing plant are operating at vastly reduced capacity as the Administration and restructuring process is ongoing.

III. Scope of Work

Client/Company

A valuation of the subject assets (“Assets”) as summarised herein and on the attached excel catalogue was requested by Jared Palandri of KordaMentha (“the Client”) in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon resources Pty Ltd (Administrators Appointed)* (“the Company”). The intended use of this valuation report (“Report”) is to provide Forced Liquidation Value (FLV) and Fair Market Value In Continued Use (FMVICU) as of the effective date.

Purpose of Valuation

This report has been prepared under instructions from the Client in order to assist them in their duties as Administrators as per the *Corporations Act 2001*. The Client has requested a revaluation be completed for the balance of Company equipment as part of the Deed of Company Arrangement (DOCA) proposed. The Client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Documents provided

For this assignment, we have relied on the previous documents and information supplied to us for the April 2019 valuation as well as our own asset schedules created from the previous sighted assignment.

Through conversations with operational staff at the Maldon processing facility, we were supplied with an A3 printout of the Company's "Capital and Non-Routine OpEx Expenditure Forecast". The document outlined estimated costs and estimated amounts already spent on works conducted at the facility regarding machinery and the tailings dam. We note the Company expressed that this document and the pricing contained within were estimates only and that actual costs, both estimated and quoted remained, inconclusive. We have requested further clarification on amounts spent across all Centennial sites since our previous site visit from the Administrator. The Client has subsequently provided us with a document titled ' All R + P from April 2019.xls' which we have utilised as a guide as to consummated amounts spent on the plant for upgrades and maintenance. Please **note that amounts spent related to repairs and maintenance do not necessarily correlate to an increase in value of an individual asset, these would be deemed routine maintenance and expected of any potential purchaser. Furthermore, this is assessed on an asset by asset basis and any major repairs or overhauls that result in an increase in value will be noted in the asset schedules.**

Appraisal Development

We have been provided with instructions from the Client by way of email. Our instructions included the scope of work to be completed, the valuation parameters required, and relevant contacts. Through further discussion with the Client and Company we ascertained site locations and relevant timeframes required to complete inspections. **Gordon Brothers** representative, Nelson Kennedy, completed physical site inspections on 17th – 20th March 2020. Inspections were completed at the following locations;

- A1 Mine: Mansfield-Woods Point Rd, Gaffneys Creek
- Union Hill Mine: 2A Lowther St, Maldon.
- Maldon Processing Plant: 401 Bendigo-Maldon Road, Maldon

We have utilised our previous valuation asset schedules as the predominant listing of equipment to be sighted. We have confirmed important asset identifying information such as Year/Make/Model, updated hours or odometer readings for qualifying equipment, and identifying information such as VIN/Serial numbers as well general commentary regarding the condition of each item has also been confirmed and updated where necessary

It is clear that a portion of mobile equipment has remained 'parked up' since our last physical site inspection. We are advised that the loaders at the Union Hill mine have been started up periodically to maintain a suitable operating condition, however, we understand that no preventative or ongoing maintenance has been completed. There was evidence of 'parts cannibalisation' on item 2-27 where the exhaust has been removed. Furthermore, heavy oil leaks were sighted on items 2-28 and 1-39 which also had an out of service tag reading "no brakes".

Inspections on the processing plant were completed with the assistance of Company staff. The plant was not operating at the time of inspection and remains largely in the same condition as previously inspected. We note that some repair work is at the behest of WorkSafe and is required to be completed in a certain timeframe. This included additional steel support structures and upgrades to the cyanide storage facility, as well as other general repairs. We note that as with most WorkSafe mandates, these do not typically improve the operating function of the equipment and are purely designed to make the work environment safer. Notwithstanding this, repairs in the form of patchwork to the tanks, changing

the liner to the primary crusher, and a reversal and overhaul to the mill pinion are said to have been completed.

In addition, the Company has advised that the plant will have a new Glycol Heater and Elution Column installed into the gold recovery circuit. We note that this CapEx was not completed at the time of inspection and therefore has not been considered for the purposes of this report. This work is expected to be completed by the end of April 2020 along with upgrades to the existing Elution circuit gas lines.

Fair Market Value In Continued Use (FMVICU) values have been estimated by applying an appropriate diminishing depreciation factor to their perceived remaining useful life and the age of the asset. We have predominantly utilised this method for fixed assets. This accounts for the equipment's usage over the period as well as a marginal consideration for physical deterioration. We have taken into consideration any upgrades to specific assets that may increase its remaining useful life when reaching our estimates of value.

For Forced Liquidation Values (FLV) we have predominantly utilised the market approach. Given the asset classes and nature of use, particularly the mobile equipment and generic industrial equipment, liquidation values will not experience as greater fluctuations in realisable values as do FMVICU values. The mobile equipment contained within the report was all sighted with minimal increases in hour/odometer readings due to lower utilisation and smaller distances required to travel. As such usage depreciation is minimal, and the notion that they are a year older would likely have marginal effect on any potential purchaser's offer.

Effective Date

This valuation is effective as of the date of **Gordon Brothers** final site inspection on 20th March 2020.

Updated Equipment in Asset Schedules

For the purposes of the assignment we have utilised the same layout of asset schedules as per the original valuation. Updated information has been input with a brown text colour. This includes updated usage metrics as well as any commentary surrounding specific asset condition.

Eligible Assets

The entirety of eligible assets included in this report have been ascertained through verbal communication with operation staff onsite. Due to the lack of formal asset register, we have relied heavily on this information. We note the exclusion of a number of assets that were sighted at the A1 mine. These include 2x excavators, an underground loader, and a drill. We have been advised these are not owned by the company and are on lease/hire agreements or property of contractors working onsite. We have not assigned estimates of values to this equipment.

A small number of additional items have also been sighted that were not present during our initial inspection. This includes 2x light vehicles, a high-pressure washer, tyres, and general industrial equipment. This equipment is listed in each tab under the "Additional Equipment" heading.

We note we have appraised the assets on the basis they are free and clear of an liens or encumbrances unless otherwise stated and note we have not attempted to verify the ownership of any assets on the national Personal Properties Securities Register (PPSR).

The following have not been included within the scope of our work unless otherwise stated and listed:

1. Real Estate, land and buildings;
2. Services including office air conditioning, lighting, wiring, piping, heating, fire services, floor, window and wall coverings;
3. Rented and leased items;
4. Stock and packaging materials;
5. Computer software and licenses;
6. Advertising literature, stock of stationery and similar materials;
7. Goodwill
8. Intellectual property;
9. Uniforms and personal belongings

Assets Not Sighted

A small contingency of equipment has not been personally sighted by **Gordon Brothers**. This is denoted in the asset schedules of the report and is in respect to the Toyota Forklift (3-96), and a small contingency of underground equipment such as distribution boxes and starters. During the previous inspection a small number of decommissioned starter boxes were sighted in the A1 workshop. We have been advised these have been recommissioned and are currently working, as is typical of this type of equipment. We have valued these as working and have relied on the advice provided by the Company. We note that and values provided for unsighted assets should be relied on as indicative values only. Furthermore, we have relied on assumptions that the equipment is in working order and maintained in line with industry standards and have not attempted to verify the existence of any unsighted asset. As such, no liability will be accepted by **Gordon Brothers** for any reliance placed on values for any asset that has not been personally inspected.

IV. DEFINITIONS

Definitions of Value

As discussed, the assets have been valued on the basis of Forced Liquidation Value and Fair Market Value in Continued Use. They are defined as:

Forced Liquidation Value (FLV)

“An opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.”

Fair Market Value in Continued Use (FMVICU)

“An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.”

Valuation definitions have been sourced from The American Society of Appraisers “Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets”, Third Edition.

The report should not be used for any other purpose. If it is considered for any other use then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches include the Cost Approach, Sales Comparison Approach, and Income Approach to value. This report utilises the **cost approach** when reaching estimates of value for the installed processing plant, and have utilised the **sales comparison approach** for mobile and lower value equipment. The income approach, while considered, has not been utilised.

These approaches to value are defined as follows:

Cost approach

The Cost Approach is a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence. Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterized as “negative external forces,” which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

Where relevant market comparable sales could not be found we have utilised the cost approach. New costs have been determined in consultation with equipment dealers and useful lives calculated according to our past experience and information provided by dealers and original equipment manufacturers. We note, the majority of assets contained in this report we were able to source pertinent secondary market data. More commentary on this in the valuation methodology heading.

Sales comparison approach

The Sales Comparison Approach is a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable. Marketability of each item is also a determinant of value.

Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

In arriving at our values, we have relied upon a combination of research sources including:

- Experienced asset specialists within Gordon Brothers;
- Recent sale results - sourced through either archived results and available platforms such as Asset Intel, external auction houses, brokers and dealers;
- Currently advertised for sale prices from websites such as Machinery Trader, Construction Sales, Machines4U, Mining Graveyard, Nelsons, A.M King, among others.
- Conversations with external industry experts including dealers, brokers and auction houses.

Income approach

The Income Approach is a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate. The Income Approach is not typically applied when estimating liquidation values of inventory, although it can be a factor when rental inventories are being considered.

VI. VALUATION COMMENTARY

A1 Mine:

The A1 underground mine is located approximately 3.5 hours north-east Melbourne by car in the Woods Point-Walhalla Goldfield region under mining license MIN 5294. Access to the mine is made difficult by a single lane gravel road on the ascending portion up the mountain to the mine. The mine contains demountable offices and crib rooms, a workshop, laydown area, 'graveyard' area, and underground mine sections. Ore is currently mined using explosives targeting specific gold veins. The ore is loaded onto underground dump trucks and hauled to the surface where it is deposited on the ground and stored ready to be loaded onto trucks. The ore is then loaded onto a 3rd party contractor tipper truck where it is transported to the Maldon Processing facility. This trip takes approximately 4 hours one way.

Union Hill Mine

The union hill mine is located approximately 2 hours north west of Melbourne by car in the Maldon town site. The Company operates mining license MIN5146 which contains the Union Hill mine and assorted producing reefs within the Maldon goldfields region. The mine originated as an open cut mine to remove bedrock before recommencing an underground decline to access the Alliance South Shoot. The mine contains demountable offices, crib room, and toilets, as well as workshop areas and a laydown yard. When in operation, ore is transported from this location to the Maldon Processing Plant. We have been advised the mine has not been operating for some time and is unlikely to be reopened in the near future.

Maldon Processing Plant

The processing plant is considered a small processing plant with a capacity of 150,000t/pa. The mine presents in original condition as constructed in 1987. Minor replacements have been made to certain electrical control components of the crushing circuit, however the majority of the plant has not been refurbished. With this in mind, we estimate the remaining useful life of the plant to be 1-2 years should gold prices remain high. This would not be without constant maintenance and repair work being undertaken as the plant ages and deteriorates further. We note that the age of the plant has exceeded its useful life by definition (20-30 years) and is likely fully depreciated using standard accounting methods.

The process flow of the plant is described below;

- 1) Crushing and Screening: Ore is currently transported from the A1 mine and deposited into a 30m³ ROM bin. Ore is fed via a hydraulic plate feeder to the screen and primary crusher. A single toggle jaw crusher crushes the ore to size where it is deposited onto Conveyor 1 and subsequent radial stacker (Conveyor 2).
- 2) Mill Feed: The radial stacker deposits crushed ore onto the ground where it is manually loaded into a drawdown slot over conveyor 3 by a front-end loader. The ore is conveyed to the mill feed conveyor (CV4) where it is mixed with lime and fed to the mill feed chute. This section contains a lime silo as well as ball addition hopper.

- 3) Milling: The ore is milled by a single Semi-Autogenous Grinding (SAG) ball mill. This mill is rubber lined to prevent noise disturbance to surrounding residential areas. It should be noted there is inherent difficulty associated with sourcing parts for a mill of this age, in particular the electric/DC converter. We have not been made aware of any upgrades or replacements to the mill PLC's (Programmable Logic Controllers) as recommended in the Como Engineering report.
- 4) Leaching/Absorption: The mill discharges a slurry through a series of screens and trommels to a dual head cyclone. We understand oversized material was previously redirected to the Johnson gravity circuit however this has not been in operation for quite some time. The cyclones feed an initial vibrating trash screen to remove any undesirable particles. Following this, the slurry is fed to Leach tank 1, and subsequent Absorption tanks 2-6. Each tank is fitted with a single stage impeller and each absorption tank is fitted with carbon screens and air lift pump. Once the slurry has reached its final stages of absorption, it is pumped to the elution column via vibrating elution carbon screen.
- 5) Elution: The elution process takes approximately 5.5 hours to complete and is automatically controlled by a PLC. Once the process is complete, stripped carbon is either sent back to the last absorption tank or to the carbon regeneration kiln. The regeneration kiln is LPG powered and is in original condition.
- 6) Extraction: Once the elution process is complete, the gold solution is transferred to the gold room into the electrowinning tank and consequently to the electrowinning cells. Extracted gold is removed from the electrowinning cells into the gold furnace where the final product is made.
- 7) Reagents: Cyanide is supplied in 1T bulk bags where it is deposited and mixed in an underground tank. This is stored in a large cyanide tank and deposited through associated pumps. Similarly, there is a smaller hydrochloric storage tank and pumps adjacent to the gold room.
- 8) Water Storage & Tailings: Process water is sourced from a combination of run off, mine dewatering, and recovery from the tailings dam. Water is stored in two large steel tanks and pumped via PVC piping. Tailings are pumped from the mine to the tailings dam 5 where it is indicated that it has sufficient capacity for a further 2-3 years at 150,000t/pa production rate.
- 9) Site Services: Services such as compressed air is fed via two auxiliary air compressors as noted in the asset schedules. Power is supplied by the state electricity grid and transformed via transformers. The site has appropriate office amenities and contains a small workshop for parts storage and mobile equipment repairs.

It should be reiterated that the processing facility largely remains in original condition. There is evidence of patchwork or minimum-requirement repair work being undertaken to bring the mine to an operating standard. The estimated cost of repairs as per the Como Engineering report.

VII. ASSET ANALYSIS

The fleet of mobile equipment generally consists of Tier 1 and Tier 2 equipment. Caterpillar/Elphinstone comprise the majority of underground loaders, Sandvik/Tamrock comprise the majority of the underground dump truck and drill fleet, these brands are perceived well in the market for their reliability and function. Ancillary mobile equipment such as the wheel loaders are tier 1 Volvo and Caterpillar branded and the light vehicle fleet is predominantly Toyota branded.

In general, the fleet of mobile equipment is at 'end-of-life' ages (11-20+ years). The youngest piece of underground equipment is eleven years old (2008) with the oldest constructed in 1980 and approaching 40 years old. The majority of the light vehicle fleet is approximately 10 years old with approximately three working vehicles being over 20 years old.

It should be noted that the condition of equipment across the board as inspected is considered poor or below average. In general underground mining equipment experiences harsher working environments and expedited rates of deterioration. It is evident from our inspections that there has been a clear lack of maintenance undertaken on the already aging fleet, most likely due to budget constraints. This is also particularly evident in the light vehicle fleet. We have not been provided with any official maintenance record or schedule detailing servicing/repairs completed on any machine or vehicle. Repairs have been completed on an 'as needed' basis and strictly on the power components only (i.e. no cosmetic work). There are a number of machines currently 'tagged out' indicating essential repairs are required prior to the asset reaching a suitable operating condition. The backhoe loader, previously tagged out by Administrators due to safety concerns, has since been fixed and is operating. Our estimates of value consider this factor.

The Maldon Processing Plant Facility "Plant" was constructed in 1989 and is predominantly in original condition. Periodical maintenance has been completed on the plant where absolutely necessary given the constraints of the maintenance budget over the last few years. The plant was not operating at the time of inspection and remains largely in the same condition as previously inspected. We note that some repair work is at the behest of WorkSafe and is required to be completed in a certain timeframe. This included additional steel support structures and upgrades to the cyanide storage facility, as well as other general repairs. We note that as with most WorkSafe mandates, these do not typically improve the operating function of the equipment and are purely designed to make the work environment safer. Notwithstanding this, repairs in the form of patchwork to the tanks, changing the liner to the primary crusher, and a reversal and overhaul to the mill pinion are said to have been completed.

VIII. SALE ASSUMPTIONS

In the event the Company assets are required to be sold by the Administrators, we recommend the following two-part sale strategy.

- 1) Sale in-situ: Sale of all assets at their current locations to potentially an incoming operator or competitor on a going concern basis. Should a buyer not be found on a going concern basis, a 'sale in one line' for all assets should be undertaken.
- 2) Online auction (In-situ): Should the Company and its associated assets not be able to be sold as a whole, the assets should be marketed and sold via a Major Event Online Auction. It should be noted that given the remote location of the A1 Mine and the processing facility, buyers will factor in decommissioning and transport costs into their final bid prices. Please note there is likely to be costs borne by Administrators associated with the decommissioning and removal of underground assets in preparation for a public sale. We would not recommend relocating mobile assets to a metropolitan storage facility as transport costs are likely to outweigh any potential return to Administrators. A detailed sale proposal can be prepared under separate cover if required.
- 3) Special Note – COVID19: We note the ongoing global and domestic effects of the COVID-19 pandemic. The Australian Government has since placed restrictions on domestic and international travel which would likely impact any potential purchasers' ability to inspect the assets prior to submitting a qualifying offer or online bid. It is therefore possible that potential purchasers will factor in further discounts in order to account for the increased risk of purchasing 'sight unseen'.

IX. MARKET AND INDUSTRY ANALYSIS

COVID-19 Update

The evolving coronavirus (“the Virus”) that is responsible for causing outbreaks of the coronavirus disease named COVID-19 has been having a material impact on World economies. This impact is creating uncertainties in regards to economic trends, consumer sentiment, marketability of assets, and commodity prices. Since the presence of the Virus was made widely apparent to the world in early 2020, commodity prices in a number of markets including but not limited to metals prices, agricultural products, and food products have been impacted. In addition, concerns about the Virus’ spread have resulted in international and interstate travel bans being put in place.

As a result of these occurrences, Gordon Brothers has seen the following general types of impacts that are affecting asset values: (1) supply chain impacts with delayed delivery of goods from manufacturers and distributors; (2) fluctuations in the market price of goods due to evolving market conditions; (3) reduced demand in the market of used equipment that requires in-person inspections by buyers; and (4) reduced retail foot traffic in areas materially affected by COVID-19 outbreaks. The current appraisal of the Company’s assets considers current market conditions as of the Effective Date, and has not taken into account hypothetical future market conditions that may occur due to the potential future spread of the Virus and COVID-19. This issue will be important for the Client to monitor on a going forward basis given its wide-ranging implications for many industries and the supply chains associated with them.

As a result of social distancing being practiced throughout the country and a reduction in discretionary spending, revenue for all “non-essential” retailers (excluding grocery and pharmacy) will be impacted; however, it remains to be seen just how much. Accordingly, we advise our reported values could well be significantly negatively impacted by ongoing and/or further Government measures and restrictions, a potentially reduced buyer pool and market uncertainty in the foreseeable future.

Observations

At the report date the current gold price is \$1624.95 USD/oz. This is a significant increase from the 15 April 2019 price of \$1287.46 USD/oz and represents approximately 21% growth over the year. This has largely been due to volatile global market conditions and the recent impact of the COVID-19 pandemic. (Source: *Perthmint.com*)



As the global health crisis ensues it is evidently having a severe impact on many diverse sectors throughout the economy. The resources industry however remains relatively steadfast, with precious metals in particular being used as a safe haven for investors as equities and cash diminish in value. This is likely to have a positive impact on gold producers throughout the country and abroad as mining operations become viable and profit margins increase. This is particularly prevalent for smaller operations such as Centennial which typically mines a lower grade of ore and is more expensive to mine than larger open cut operations. Notwithstanding this, the increase in gold spot price is unlikely to have a positive impact on the realisable values of the Company’s plant and equipment given their relative age, condition, and availability of newer & better similar equipment in the market. It should be noted that the future growth or decline of the gold market is speculative and the duration of the Corona virus pandemic is unclear. Should the gold price fall this may have a material impact on estimated remaining life of the A1 mine and Maldon processing facilities.

X. OTHER CONSIDERATIONS

Excluded Items

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

Goods and Services Tax (“GST”)

The values provided in this report are exclusive of GST.

Currency Exchange Rates

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

Currency versions have been factored in some instances, see below currency exchange rates as at the date of this report:

- USD to AUD: \$1.69

Leased and third-party property

Ownership categorisation and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

Validity period of valuation

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party’s reliance on this report after the three-month validity period.

XI. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

General limiting conditions

- 1) All facts and data set forth in this report are true and correct to the best of the valuer's knowledge.
- 2) The determined values are exclusive of Goods and Services Tax.
- 3) The fee for this valuation report is not contingent upon the values reported.
- 4) Gordon Brothers consents to the public disclosure of its reports in connection with the expert's report in this matter, which is prepared to inform (and may be relied on by) third parties in making decisions in connection with the s444GA application.
- 5) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of **Gordon Brothers**.
- 6) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 7) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 8) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 9) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party. – I think this will need to be removed. Can keep the first sentence.
- 10) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 11) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use sound, accepted methodologies as is the case in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.
- 12) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the

appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.

- 13) Each item in the valuation has been individually assessed with regard to a total package at an orderly liquidation sale. The values shown are not intended for the piecemeal selling of separate items. In the event that any item included in this valuation is separately sold or is withdrawn from sale or is to be sold either at a time different to the other items or from a different location then a re-valuation of the remaining items will be necessary.
- 14) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 15) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 16) The subject equipment may or may not conform to local WHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
- 17) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation. The compliers of this report and signatories of the certification, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation not withstanding any act or omission, representation, negligence, default or lack of care by any person.
- 18) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 19) The valuation concept used in this report is one accepted by the client.
- 20) Nothing in this report constitutes as financial advice prepared for the Client.

Extraordinary Assumptions specific to this assignment

- We have assumed unless advised otherwise, or an out of service tag is on the asset, that all assets are in operational condition.
- All information provided to us verbally and in writing before, during and post our inspection is true and correct.
- That there are readily available ore deposits in the remaining underground mines to last at least two years of production.

Hypothetical Assumptions specific to this assignment

No hypothetical assumptions were made.

XII. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- The engagement of **Gordon Brothers** in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the Company or its shareholders or advisors, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The use of this report is subject to the definitions contained within the Uniform Standards of Professional Appraisal Practice (“USPAP”) as defined by the Appraisal Standards Board of The Appraisal Foundation.



Ben Gibson
Director
BComm



Nelson Kennedy
Associate

Appendices

Appendix A. Glossary

Source - "Valuing Machinery and Equipment: *The Fundamentals of Appraising Machinery and Technical Assets*", *The American Society of Appraisers, Third Edition*,

Excellent (E) This term describes those items that are in near-new condition and have had very little use.

Extraordinary Assumption is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions (USPAP page U-3)

Fair (F) This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

Fair Market Value is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Fair Market Value in Continued Use with Assumed Earnings is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

Fair Market Value in Continued Use with an Earnings Analysis is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

Fair Market Value - Removed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

Forced Liquidation Value is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

Good (G) This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

Hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

Insurable Value Depreciated The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

Liquidation Value in place is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

New (N) This term describes new items that have not been used before

Orderly Liquidation Value An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

Poor (P) This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Replacement cost new Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

Reproduction cost new Is the cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

Salvage Value (S) Is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

Scrap Value (X) An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

Very Good (VG) This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

Appendix B. Valuer Credentials & Memberships

Project Team

Ben Gibson

Ben Gibson is responsible for the leadership and oversight of Gordon Brothers' Perth office. Ben has over 23 years of experience in the valuation and auction industry, managing large scale asset valuation and sale projects on behalf of banks, insolvency practitioners and large corporations across many industries.

Prior to joining Gordon Brothers, Ben served as the Executive Director, Restructuring and Finance for Tiger Asset Group, where he was responsible for the Restructuring & Finance service line on a national basis. Before his tenure at Tiger, he was the General Manager for the Western Australian operations of Graysonline, one of Australia's leading industrial equipment e-commerce participants. Ben has experience across a wide range of industry sectors including Mining, Agriculture, Transport, Construction, Earthmoving, Manufacturing, Engineering, and Consumer Retail Products.

Throughout his career, Ben has personally managed over 3,000 valuation and asset disposition projects, both in Australia and internationally. Ben has a Bachelor of Commerce degree from the University of Wollongong, a Diploma of Auctioneering from the Western College of Auctioneering USA, and is a Candidate Member, American Society of Appraisers.

Nelson Kennedy

Nelson is an associate for Gordon Brothers' Perth office. Prior to joining Gordon Brothers, Nelson served as a Project Manager & Valuer for Tiger Asset Group, where he completed complex projects for numerous banking, insolvency and private clients across WA and Australia, attaining experience in asset valuation and disposition of industrial plant and equipment and commercial goods.

Before his tenure at Tiger, he was Project Manager of large-scale auctions for the Western Australian operations of Graysonline, one of Australia's leading e-commerce participants. Nelson has experience across a wide range of industry sectors including transport, automotive, marine, construction & civil, manufacturing, engineering, mobile plant, medical, warehousing, office furniture and IT.

Appendix C. Asset Listing & Valuation

Please see attached excel spreadsheet titled "Valuation Asset Schedules_CML_March2020_Final" for asset listing and attributed values.



Centennial Mining Limited

Inspection Dates: 17th - 20th March 2020

Section No.	Section	FLV	FMVICU
1	A1 Mine	\$ 323,400	\$ 668,750
2	Union Hill Mine	\$ 116,650	\$ 269,400
3	Maldon Processing Plant	\$ 223,330	\$ 1,506,750
Totals:		\$ 663,380	\$ 2,444,900

*All values contained herein are GST Exclusive

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU		
1	1	Excavator	1	Yes			Caterpillar	225LC	51U06221					Advised Third party property	\$	-	\$	
1	2	Excavator	1	Yes			Caterpillar	325BL	8RR00306					Advised Third party property	\$	-	\$	
1	3	Grader	1	Yes		1990	Mitsubishi	MG100	1G000036		87779C	Reads: 696 Estimated: 19421 more accurate		Average Condition	\$	8,000	\$	15,000
1	4	Underground Loader	1	Yes		2008	Caterpillar	R1700G	CATR1700J8X200270			42,600		Tyres: Poor Condition: Poor	\$	15,000	\$	25,000
1	5	Underground Drill	1	Yes										Advised Third party property Data plate unsighted	\$	-	\$	
1	6	Firefighting Trailer	1	Yes		2011	Victorian Trailers	Box Trailer		6APBXTLRBRC002051	U27872			Complete with: Honda 9.0HP Diesel motor, 550L Poly tank, 1000L IBC, Custom platform. Noise reels	\$	500	\$	1,200
1	7	Box Trailer	1	Yes		2018	U-Beut			649V5500000113501	Y51985			21 ATM	\$	500	\$	1,500
1	8	Underground Loader	1	Yes	UL16							5,174		Note: OOS tag reads "No brakes, Not to be used", No data plate sighted, 6 Cylinder engine, Standard bucket, Tyres: Poor, Note: Advised third party property	\$	-	\$	
1	9	Rescue Vehicle	1	Yes	UP04		Mitsubishi	Canter 4WD		6F6G4G11DKA020210	N/A		73,268	Manual, Crew cab "No 4WD", Fitted with toolbox chassis, Tow ball	\$	500	\$	2,000
1	10	Cement Truck	1	Yes		1993	Hino	FC3W		JHDFC3WEXXXX10055			330,333	4x2, Manual, Fitted with: Concrete agitator body Note: Appears disused for some time	\$	1,000	\$	3,000
1	11	Winch	1	Yes		2008	Nobles		NM18351					Hydraulic winch WLL: 6.3T Condition: Unknown, Appears disused	\$	150	\$	500
1	12	Charge up basket	1	Yes										Steel frame man cage Complete with: Fluids hopper to suit IT loader	\$	250	\$	650
1	13	Underground Dump Truck	1	Yes		2006	Tamrock	Toro T45+	T6051312			Unknown		Computer faulty Note: Appears disused, OOS tag reads "Coolant leak, Do not use" Tyres: Poor, Damage to cab, no repairs evident	\$	5,000	\$	15,000
1	14	Loader Bucket	1	Yes					9DE8662-456					Approx 1.5m x 2m x 1.6m To suit IT loader	\$	2,500	\$	5,000
1	15	Fork Tynes	1	Yes										To suit IT loader	\$	100	\$	250
1	16	GP Bucket	1	Yes										To suit IT loader	\$	150	\$	500
1	17	Ventilation Fans	2	Yes					1471174					1x Avlec 250m Fans 1475 RPM, 1000v, 55kw 1x Toshiba D2000	\$	200	\$	500
1	18	Contingency for Spare Equipment	1	Yes										Includes: Low value or OOS Equipment, Tyres: IBC's, generic industrial spares	\$	200	\$	600
1	19	Transportable Office Building	1	Yes										Approx 12m x 6m Complete with: Split A/C, Batten lighting, Partitioned interior, Approx 6x desks with computer stations, Printer, Kitchen equipment	\$	2,500	\$	13,000
1	20	Transportable Mess Hall	1	Yes										Approx 12m x 3.5m (APB), Partitioned into hall and office, Split A/C and general services, Kitchen equipment, Female W/C	\$	1,500	\$	7,000
1	21	Transportable Toilet/Changeroom	1	Yes										Approx 3.5 x 12m Includes 3x Showers, 2x Toilets, Dual change room with lockers	\$	1,000	\$	4,500
1	22	Store Room	1	Yes										Approx 4m x 2m Complete with: batten lighting, Services	\$	500	\$	2,250
1	23	Comms Rack	1	Yes										Includes: Motorola DR3000 (S/n: 521052) TACT TA-4800 Mine com 02-00144 Head end combiner (S/n: 25202) Powerbox power supply (S/n: 21053)	\$	1,000	\$	2,500
1	24	Oxygen Booster	1	Yes			Masterline	7000A-2 MDM-4						Self contained closed circuit breathing apparatus	\$	3,000	\$	5,000
1	25	Breathing Apparatus	1	Yes		2009	Drager	BG4						5x Units (1x OOS)	\$	15,000	\$	25,000
1	26	Contingency for Ropes and Rescue Equipment	1	Yes										Includes: Harnesses, Ropes etc	\$	350	\$	750
1	27	Laundry	1	Yes										Includes: 1x Euromaid DE 6kg Dryer 1x Panasonic 9.5kg Econavi Washer 1x Speedqueen 806168 Washing Machine 1x Speedqueen D516542 Dryer	\$	2,000	\$	3,500
1	28	Transportable Office	1	Yes										Approx 8m x 3m Mcgregor portables Complete with: Usual services, Split A/C, 4x Desks with workstations	\$	1,000	\$	4,000
1	29	Printer	1	Yes			HP Design Jet	T770						Wide Format Printer	\$	150	\$	450
1	30	Emissions Tester	1	Yes			Testo	Flue Gas Tester						Requires Calibration	\$	100	\$	250
1	31	Light Vehicle	1	Yes	LV1	2009	Mitsubishi	Pajero	JMFLNV98W91000128		XF5961		328,112	Manual, Condition: Poor	\$	2,000	\$	5,000
1	32	Light Vehicle	1	Yes	LV2	2009	Mitsubishi	Pajero	JMFLNV98W91000237		XF5962		287,540	Manual, Condition: Poor	\$	2,500	\$	5,500
1	33	Light Vehicle	1	Yes	LVS	1995	Toyota	Landcruiser 4WD	J7731F17508531801		WH2612		299,651	Single cab chassis, Steel tray, Condition: Poor	\$	1,500	\$	4,500
1	34	Explosives LV	1	Yes	LV0545	Est 1990's	Toyota	Landcruiser		No Vin Plate	N/A		289,835	No battery Note: Very poor condition, No 4WD, Cab damage	\$	500	\$	1,500
1	35	Light Vehicle	1	Yes	LV0543	2009	Mitsubishi	Triton 4x4		MMAENK840A0008067	XMJ994		228,901	Manual, Steel tray, Note: Fuel tank fixed Condition: Poor Fitted with: Diesel fuel dispenser (Data plate damaged)	\$	1,500	\$	3,500
1	36	Underground Drill	1	Yes	J80046	2000	Tamrock	205D Powerclass	L009257			Engine: 4639 Showing Percussion Hours: 6812/5732		Dual drill boom, 2x HPS45 power pack (55kw), Fire suppression, Tyres: Average Condition: Average	\$	30,000	\$	50,000
1	37	Underground Drill	1	Yes		1998	Atlas Copco	104				1508 1742 5512		Single boom drill, Fitted with: 55K ABB Electric power pack, Fire suppression, Tyres: Poor, 6 Cyl Diesel engine, Condition: Poor Note: No data plate sighted	\$	5,000	\$	13,000
1	38	Wheel Loader	1	Yes		2008	Volvo	L90F	L90FV25547			20,697		Tyres: Average, Cabinet: Poor, Windscreen cracked, Fitted with: Fork tyres, Quick hitch mount	\$	18,000	\$	32,000
1	39	IT Loader	1	Yes			Caterpillar	IT12B	1KFD0411			12286 (Suspect older)		Note: OOS, Heavy hydraulic oil leaks present, no brakes	\$	2,500	\$	5,000
1	40	Diesel Generator/Welder	1	Yes			MPM	8/270KA	2034693					Unknown	\$	1,000	\$	2,500
1	41	Transformer	1	Yes		2012	Tyree		6050-1922-B					3-Phase, Distribution transformer 1000 Kva On skid	\$	15,000	\$	40,000
1	42	Shipping Container	1	Yes										Complete with: MCC cabinet 3x 20FT Containers Used for parts storage	\$	1,500	\$	3,500

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	43	Contingency for Tools and Spare Parts	1	Yes										Approx 2x Containers worth of spare machine parts and OOS equipment	\$ 1,000	\$ 2,500
		<u>Workshop</u>														
1	44	High Pressure Washer	1	Yes			Spitwater	SW110	11082902					Diesel power	\$ 350	\$ 800
1	45	Water Pump (Overhead Sprinklers)	1	Yes										Hatz diesel motor Complete with: Centrifugal pump GAAM Fire fighting outpost	\$ 250	\$ 650
1	46	Generator	1	Yes			Kohler	KD66				Approx 565		Powered by John Cleere 4 Cylinder turbo diesel engine Kohler Dc100 Generator Condition: Good	\$ 4,000	\$ 13,000
1	47	Air Compressor	1	Yes			Atlas Copco	GA508	ARP751345			36,677			\$ 1,500	\$ 3,000
1	48	Oil/Water Separator	1	Yes			ISS	V20P3P	4953M8					Pump/D532	\$ 250	\$ 500
1	49	Pedestal Grinder	1	Yes			Makita	GB801							\$ 100	\$ 250
1	50	Pedestal Drill	1	Yes			Sumone	SPS203A						16mm Chuck	\$ 150	\$ 400
1	51	Hydraulic Jacks	1	Yes										3x LV Jacks 1x AL80 truck jack	\$ 450	\$ 1,000
1	52	Rod Heater	1	Yes			Jeffre	DC30	16DK000842					Electric	\$ 100	\$ 250
1	53	Hydraulic Press	1	Yes			K Tools International							40T Capacity	\$ 500	\$ 1,500
1	54	Benching and Tooling	1	Yes										2x 3 Door metal workbenches Complete with: Assortment of handtools	\$ 500	\$ 1,500
1	55	Welder and Wirefeeder	1	Yes			WIA	356 Weldmatic	C1332A1110035					WIA W64 Wirefeeder	\$ 1,500	\$ 2,500
1	56	Contingency for Handtools and Equipment	1	Yes										Large quantity of tools and bits including: Sockets, Drill bits, Grinding equipment, Welding equipment etc	\$ 1,000	\$ 2,500
1	57	Power Pack	1	Yes										1000v Jump starter power pack for workshop	\$ 500	\$ 2,000
1	58	Recommissioned Power Packs	1	No										Advised likely to be recommissioned 1000v Jump starter packs PN's: JPS-03, JS-01, PS-04, DB-604, FS-06	\$ 500	\$ 2,500
1	59	Bench, Cabinet and Contents	1	Yes										1x Large custom steel workbench 2x Parts rack complete with workshop consumables, 1x Kool portable extractor fan	\$ 150	\$ 400
1	60	Oven	1	Yes			Essa	1m3 Industrial oven	218560					415v	\$ 2,000	\$ 3,500
1	61	Contingency for PPE	1	Yes										Includes 3x Shelves of assorted PPE including: Gumboots, Filters, Hardhats, Goggles, Gloves etc	\$ 500	\$ 1,200
1	62	Battery Charging Station	1	Yes			Mine Arc	Hyperion						Note: 3x Bays OOS	\$ 200	\$ 500
1	63	Water Tanks	1	Yes										2x Tankmaster 25,000L Poly Dewatering tanks, Complete with: Pump and Filter	\$ 2,500	\$ 9,000
1	64	Container	1	Yes										3x 20FT Sea Containers	\$ 1,800	\$ 3,500
1	65	Contents of Containers	1	Yes										Contingency includes: Tarps, Couplings, Fittings and Consumables	\$ 250	\$ 600
1	66	Drill Bits	1	Yes										Note: Advised drill bits are on consignment and not Company owned.	\$ -	\$ -
1	67	Fuel Tank	1	Yes	2010		Australian Fuelling Systems	Tint 12000	7351					SFL: 11,900L Complete with: Fill-rite fuel meter and pump	\$ 5,000	\$ 10,000
1	68	Compressor	1	Yes	1994		Atlas Copco	GA110	AIF018753			20,000 +		110Kw, 7.5 Bar	\$ 2,000	\$ 4,500
1	69	Compressor	1	Yes	1994		Atlas Copco	GA110	AIF018752			20,000 +		110Kw, 7.5 Bar	\$ 2,000	\$ 4,500
1	70	Underground Dump Truck	1	Yes	DT41	2006	Tamrock	Toro T45+	T6051288			8,302		Articulated Tyres: Good, Fire suppression, ROPS/FOPS, Condition: Average	\$ 30,000	\$ 45,000
1	71	Underground Loader	1	Yes			Elphinstone	R1500	R1500-113			8,201		Condition: Average, Tyres: Average-Poor, Fire suppression, Mine spec, 6 Cylinder Turbo diesel engine	\$ 10,000	\$ 18,000
1	72	Light Vehicle	1	Yes		2008	Mitsubishi	Triton 4x4		MMATNK8090002142	1KL40V		237,001	Dual Cab, Condition: Average	\$ 1,500	\$ 3,000
1	73	Light Vehicle	1	Yes			Toyota	Landcruiser 4x4		J7731P17508540031	1B9W9CP		343312 (Odo Broken)	Condition: Poor, Single cab chassis	\$ 1,500	\$ 3,500
1	74	Light Vehicle	1	Yes	LV05-44 LV4	1996	Toyota	Landcruiser 80 Series		J7711P18008024883			489,027	Note: Asset has been scrapped	\$ -	\$ -
1	75	Light Vehicle	1	Yes		2002	Toyota	Landcruiser 100 Series Wagon		JTEC801J401008042	TP0000		297,975	Manual, 4x4, Turbo diesel, Condition: Poor	\$ 2,500	\$ 5,000
1	76	Light Vehicle	1	Yes	LV547	1998	Toyota	Landcruiser 4WD		J7731P17508550691	n/a			Single cab chassis, Steel tray, Condition: Poor	\$ 1,500	\$ 3,000
1	77	Explosive magazine	1	Yes										REMU0510230 20ft Container	\$ 5,000	\$ 12,000
		<u>Underground</u>														
1	78	Shotcrete Machine		Yes		2010	Normet Spraymec	6050wp	100003572					Powered by a Mercedes Benz Engine, No data plate sighted, Tyres: Average, Condition: Poor, Fire suppression	\$ 7,000	\$ 18,000
1	79	Mono Pump Station	1	Yes										Powered by a 45kw Electric motor, Large challenge steel hopper Complete with: PS02 1000v mon pump starter box	\$ 4,000	\$ 10,000
1	80	Jumbo Pump Starter	1	Yes	JPS-04										\$ 500	\$ 2,000
1	81	Refuge Chamber	1	Yes			Mine Arc		MA1207					20 Person capacity Complete with: Motion sensor, Digital gas monitor, A/C, Radio	\$ 30,000	\$ 50,000
1	82	Charge Up Basket	1	Yes			OMW							Steel frame Fitted with: 2013 Dhon 690Kpa, Pressurised hopper, Constructed as IT attachment	\$ 250	\$ 650
1	83	Mono Pump Station	1	Yes										Powered by a 30kw Electric motor Contains 2x Franklin electric, EPS400 Submersible pumps, 1x Spare	\$ 2,000	\$ 8,000
1	84	Underground Loader	1	Yes	LD05	2004	Elphinstone	R1700	4LZ00127			2085 Showing, advised likely 20,000+		Sighted in workshop, advised undergoing general maintenance	\$ 30,000	\$ 50,000
1	85	Pump Starter	3	No										3 x 1000v to 240v 3.6kW bore pump starters	\$ 1,500	\$ 5,500
1	86	Pump Starter	2	No										2 x 1000v 45KW mono pump starters	\$ 1,000	\$ 3,500
1	87	Fan Starter	2	No										2 x 1000V Twin 55KW fan starters	\$ 1,000	\$ 3,500
1	88	Fan Starter	1	No										1 x 1000V Twin fan starter 30KW	\$ 500	\$ 1,000
1	89	Fan Starter	1	No										1 x 1000V Single fan starter 30KW	\$ 500	\$ 1,000
1	90	Exhaust Fan	1	Yes		1996	Pumminco	GALL2-550/550	586-B					Twin Primary Fan, 55KW Elec motors	\$ 500	\$ 1,800
1	91	Exhaust Fan	1	No										1000V Single primary fan 45KW	\$ 250	\$ 600
1	92	Exhaust Fan	1	No										1000V Single primary fan 55KW	\$ 300	\$ 800
1	93	Exhaust Fan	1	No										1000V Twin decline fan 30KW	\$ 250	\$ 500
1	94	Exhaust Fan	2	Yes										22 Kw Single Production Fan, details unknown	\$ 500	\$ 1,000
1	95	Distribution Board	1	No	DB01									2 x 125amp circuit breakers	\$ 200	\$ 500
1	96	Distribution Board	1	No	DB02									1 x 125amp 1 x 160amp circuit breaker	\$ 200	\$ 500
1	97	Distribution Board	1	No	DB03									5 x 250amp circuit breakers and main isolator	\$ 500	\$ 2,000
1	98	Distribution Board	1	No	DB04									2 x 150amp circuit breakers	\$ 200	\$ 500
1	99	Distribution Board	1	No	DB05									1 x 125amp circuit breaker	\$ 100	\$ 300
1	100	Distribution Board	1	No	DB06									1 x 125amp 1 x 200amp circuit breaker	\$ 200	\$ 500
1	101	Distribution Board	1	No	DB07									1 x 125amp 1 x 200amp circuit breaker	\$ 200	\$ 500
1	102	Distribution Board	1	No	DB08									1000v, 3x 250amp circuit breakers	\$ 300	\$ 800



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	103	Combination Jumbo Pump Starter	2	No										No Details provided	\$ 250	\$ 1,500
1	104	Jumbo Starter	2	No											\$ 600	\$ 2,000
1	105	Scapper Box	1	No											\$ 500	\$ 1,000
1	106	Power Box	2	No										2 x 1000V to 240V light power boxes	\$ 200	\$ 500
		Additional Equipment														
1	107	Scapper Winch	1	Yes										Dual Hydraulic Winch, Appears Disused	\$ 250	\$ 500
1	108	Submersible Pumps	1	Yes			Flygt							Approx 5x Industrial Pumps, on pallet. Note: All tagged out	\$ 100	\$ 100
1	109	Charge Up Kettle	1	Yes										Details Unknown, appears disused	\$ 100	\$ 250
1	110	Generator	1	Yes		2010	AEG		420001950					5000W		
1	111	Contingency For assorted Construction Consumables	1	Yes										Note: Includes large quantity of steel mesh sheeting, fastener bolts, eye locks, 10x bags of GUR, 10x bags of Sand used for concrete, cable wire etc. Items consumed daily for ongoing structural support of mine tunnels	\$ 2,500	\$ 10,000
1	112	Jaws of Life	1	Yes			Hurst	5000	42437					C/W Hydraulic Clater	\$ 3,000	\$ 5,000
1	113	Light Vehicle	1	Yes		2000	Toyota	Landcruiser Wagon		JT17PJAS07016108			358,575	Condition poor, 4x4, Mine Spec	\$ 2,500	\$ 5,000
1	114	Light Vehicle	1	Yes		2001	Toyota	Landcruiser 100 Series		JTEC8091203002331		Y55417	371,799	Condition Average: Mine Spec	\$ 2,500	\$ 4,500
1	115	Dome Shelter	1	Yes										2x Dome shelters in crates, unassembled. Details unknown	\$ 250	\$ 450
1	116	Tyres	1	Yes										Contingency for assorted spare 4x4 tyres	\$ 250	\$ 800
1	117	High Pressure Cleaner	1	Yes		2019	Lavor	Hyper TR2021LP	862309532349-2019/23-003						\$ 4,000	\$ 6,000
1	118	Air Compressor	1	Yes			Peerless	P13						Dual Piston Electric, cond: Good	\$ 250	\$ 550
1	119	Oxy/Acetylene trolley	1	Yes												
Total: Section 1															\$ 323,400.00	\$ 668,750.00

Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
		Underground														
2	1	Jumbo Starter	3	Yes										1000v	\$ 1,500	\$ 5,000
2	2	Pump Starter	9	Yes										1000v	\$ 4,500	\$ 15,000
2	3	Electrical/Distribution Boxes	4	Yes										1000v	\$ 400	\$ 2,000
2	4	Exhaust Fans		Yes											\$ 1,500	\$ 4,500
2	5	Mono Pump Station 1	1	Yes										2x Large Steel Hoppers Powered by a Teco 55kw electric motor Condition: Poor 2x 1000v Pump starter boxes. 1x 1000v Electrical distribution box	\$ 4,500	\$ 10,000
2	6	Submersible Pump	1	Yes										Details Unknown	\$ 500	\$ 2,000
2	7	Refuge Chamber	1	Yes			Australian Mining							Evacuation systems, Approx 10 person External battery pack powers, 12v Recirculation unit, A/C unit	\$ 8,000	\$ 20,000
2	8	Water Tank	1	Yes										Poly, 9000L	\$ 400	\$ 1,500
2	9	Mono Pump Station 2	1	Yes										2x Large Steel Hoppers Powered by a 2x 75kw electric motor 2x 1000v Starter boxes	\$ 7,000	\$ 18,000
2	10	Explosive Magazine	1	Yes			CIMC		REMU0510815					20FT Container	\$ 5,000	\$ 15,000
2	11	Det Magazine	1	Yes										Approx 1.5m x 1m x 1.5m vents, On Skids, Double lock	\$ 500	\$ 1,000
2	12	Explosive Magazine	1	Yes			CIMC		REMU0000107					10FT Container	\$ 2,500	\$ 5,500
2	13	Exhaust Fan	1	Yes										Complete with Shelving 90kw, 2-stage, 1000v box	\$ 3,000	\$ 9,500
2	14	Exhaust Fan	1	Yes										Approx 50kw motor, Skid mounted in tunnel, Complete with: Fan starter box	\$ 1,500	\$ 5,000
		Mine														
2	15	Offsite Transformer	1	Yes		1978	Wilson Transformers		61,708					1000v, 200kva	\$ 500	\$ 4,500
2	16	External Transformer	1	Yes			Galaxy Transformer		983					Explosion proof, Complete with: 20FT Sea container including MCC	\$ 1,500	\$ 7,000
2	17	Core Rack	1	Yes										Approx 11x Rows of 180 core sample trays	\$ 500	\$ 800
2	18	Contingency for Office Furniture	1	Yes										Includes: Desks, Shelving, Drawing cabinet, HD Designjet wide format printer, Filing cabinets	\$ 200	\$ 450
2	19	Server Rack	1	Yes										Includes: 2x Kenwood TKR-751 FM Repeaters VDV Radio System Distribution network VDV TX/RX Splitter combiner VDV Line Splitter combiner VDV AC-DC Converter VDV Power supply Tmark 500 Series power supply	\$ 1,500	\$ 2,500
2	20	Light Vehicle	1	Yes	LV3	2001	Nissan	Patrol Wagon		INITESY61UMABD9A	YHR319		324,182	Condition: Average Note: Turbo not working	\$ 2,500	\$ 4,000
2	21	Shed	1	Yes										Steel sheeting, Contains pallet of cement	\$ 150	\$ 500
2	22	Transformer	1	Yes										Details unknown, 415v, Complete with switchboards	\$ 500	\$ 1,800
2	23	Light Vehicle	1	Yes	LV6	1987	Toyota	Landcruiser					405,169	Remains decommissioned	\$ 500	\$ 500
2	24	Underground Loader	1	Yes		1980	Eimco	918	918/0428			19021 Showing		Advised starts	\$ 2,000	\$ 4,500
2	25	Underground Loader	1	Yes		1998	Elphinstone	R1500	R1500-209			2,163		(Advised full rebuild approx 5 years ago) Advised owned by Mr Blake Stanley, please confirm	\$ 15,000	\$ 25,000
2	26	Underground Loader	1	Yes		2004	Elphinstone	R1700	R1700-129				16865 Showing	Note: advised articulation worn No data plate	\$ 5,000	\$ 12,500
2	27	Underground Loader	1	Yes			Elphinstone	R2800					3,324	Note: Parked up over 4 years, Advised undesirable machine Note: Exhaust Removed, non-runner	\$ 2,000	\$ 5,000
2	28	Underground Dump Truck	1	Yes			Wagner	MT426	DB07P0311				2,564	Note: RHS cylinder OOS, Engine overheating, Note: Heavy Hydraulic oil leak, Condition unknown.	\$ 5,000	\$ 15,000
2	29	Wheel Loader	1	Yes			Volvo	L90 IT	N/A			33,876		Condition: Poor Chassis rusted, Seals OK, Fitted with: Fork tyres	\$ 5,000	\$ 12,500
2	30	Underground Drill	1	Yes			Tamrock	Jumbo H205	Unknown					2x 45kw Electric power packs, 2x Drill head Note: Used for spare parts, Currently OOS, further parts cannibalisation evident	\$ 2,500	\$ 4,500
2	31	Containers	1	Yes										2x 20 Ft Sea Containers Complete with Steel canopy	\$ 1,000	\$ 2,500
2	32	Light Vehicle	1	Yes			Toyota	Landcruiser					370,222	Note: OOS, No brakes, Condition: Poor	\$ 500	\$ 500
2	33	Wheel Loader	1	Yes		Est 1986	Caterpillar	936	45801196			5,410		Note: Sighted at Processing Plant, repairs completed	\$ 15,000	\$ 25,000
2	34	Underground Loader	1	No			Elphinstone	R1500	R1500-110					Advised 10,000+ Un sighted, Advised at A1 Mine however not sighted at that location. Not sighted in 2019 Valuation.		
		Workshop/Offices														
2	35	Lathe	1	Yes			Macson		63-182					Bed length, Approx 2m	\$ 500	\$ 1,200
2	36	Drill Press	1	Yes			Corona	450/198M	85431/64/42						\$ 400	\$ 600
2	37	Compressor	1	Yes			Power Force							Sighted at Processing Plant	\$ 250	\$ 350
2	38	Sea Containers	1	Yes										2x 20FT Sea containers, Fitted to overhead canopy	\$ 2,000	\$ 2,500
2	39	Contingency for Equipment Pertaining to Small Workshop	1	Yes										Includes: Vehicle jack, Steel bench, Dangerous goods cabinet, Pedestal grinder, Assortment of fasteners, Oxy/acetylene trolley, 2x OOS starter packs	\$ 1,000	\$ 1,500
2	40	Sea Containers	1	Yes										2x 20 Ft Used in small workshop Approx 20 Ft x 10 Ft	\$ 2,000	\$ 2,500
2	41	Transportable Building		Yes										2x Partitioned Offices, A/C Units, Lighting	\$ 800	\$ 2,000



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
2	42	Transportable Changeroom	1	Yes										20ft, Contains A/c, Lighting, Benches	\$ 1,200	\$ 2,500
2	43	Transportable Bathroom/Laundry	1	Yes										20ft Complete with: 2x Showers, 2x Toilets, Hot water boiler, Washer, Dryer	\$ 1,200	\$ 2,500
2	44	Transportable Crib Room	1	Yes										Complete with: Kitcheneete, Appliances, A/c, Lighting	\$ 1,200	\$ 2,500
2	45	Transportable Toilet Block	1	Yes										Approx 10ft x 10ft Complete with: Toilet, Shower, 50L Hot water boiler	\$ 500	\$ 1,200
2	46	OOS Equipment	1	Yes										Including: Hilux Chassis, Tamrock Toro 45 Chassis	\$ 500	\$ 500
2	47	Water Tank	1	Yes										Steel, Approx 20,000L Note: Crack in side wall repaired	\$ 450	\$ 1,500
2	48	Water Tank	1	Yes										Corrugated steel, Approx 50,000L	\$ 3,000	\$ 5,000
Total: Section 2															\$ 116,650.00	\$ 269,400.00

Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU			
Processing Plant																			
3	1	Rom Bin	1										Approx 60T capacity Approx 30m ³	Como Engineering Report					
3	2	Hydraulic Plate Feeder	1		1987	Coomo FHM	1240RPF	2274					Powered by 15Kw electric motor Approx 1.2m x 4.35m, 67W VSD	Como Engineering Report					
3	3	Control Room	1										Approx 1.5m x 1m x 2.5m Includes CP-1 crushing MCC, A/c unit						
3	4	Screen	1		1987	Coomo FHM	CM 13/25	2274					Size 1.2 x 2.5m						
3	5	Jaw Crusher	1			Goodwin Barsby	42" x 30"						Powered by a 110kw electric motor, single toggle, Rated 150T/ph (120 - 160tph capacity)	Monograph 27 - Page 232					
3	6	Conveyer	1	CV1									Approx 10m length Powered by 7.5kw Motor, 750mm Width Includes dump hood, Rollers, Water sprayers, E Stops	Monograph 27 - Page 304 + 305					
3	7	Radial Stacker	1	CV2	1987			47056628					Powered by a Teco 11kw electric motor, Approx 28.95m length, 8.3m lift, 600mm belt width	Monograph 27 - Page 304 + 305					
3	8	Motor Control Centre 1	1			Voltrek Constructions							Cabinet approx 2.5m x 0.5m x 2m Switches and Fuses for crushing circuit						
															Sub-Total	\$	25,000	\$	275,000
3	9	Underground Feed Bin	1										Steel Construction						
3	10	Underground Reclaim Conveyor	1	CV3									Approx 29m, 6m lift, 600mm belt width ASD 20 VSD control, Currently set at 15T/hr, Complete with: SKD Technology weight scale, Powered by a 7.5kw Teco motor, Flender gearbox Complete with transfer chute Details Unknown	Monograph 27 - Page 304 + 305					
3	11	Sump Pump	1			SKW							Variable speed screw feeder Approx 40T capacity 2x Vibrator, Est: 1.2Kw Electric motor	Como Engineering Report 2015					
3	12	Lime Silo	1										Steel Construction						
3	13	Steel Ball Addition Hopper	1										Approx 30m, 35tph capacity, 7.5kw electric motor, 600mm belt width.	Monograph 27 - Page 304 + 305					
3	14	Mill Feed Conveyer	1	CV4									Approx 3m x 0.5m x 2m Steel						
3	15	Spare Lime Chute	1												Sub-Total	\$	15,000	\$	191,000
3	16	Processing Plant MCC Room	1	MCC2									Complete with electrical cabinets for processing plant						
3	17	Mill Feed Shoot	1										Mill drive Steel construction hopper						
3	18	SAG Ball Mill	1			Allis Chalmers							Approx 3.35m(d) x 3.96m (l) Interior rubber lined 600Kw DC motor	Como Engineering Report 2015					
3	19	Slurry Pump	1										Approx 5kw						
3	20	Gravity Feed Pump	1										30kw Electric motor Advised full mill liner repairs yet to be completed						
															Sub-Total	\$	50,000	\$	329,000
3	21	Gravity Drum	1		2013	Johnson	180,000 t/a						Powered by 0.75 Kw Teco motor Approx 8m length Complete with: Knelson concentrator (7.5 inch), Standard switch gear, Approx 8x5 transportable building Mounted on a 40ft tri-axle flat top trailer (VIN: 6T9T25V29010000001, Rego: 884555) Has not been used since previous visit		\$	20,000	\$	40,000	
3	22	Air Compressor 2	1			Ingersoll Rand	HP123 19						3 Phase, Tri-piston	Online Data	\$	1,500	\$	5,000	
3	23	Air Compressor 1	1		2007	Atlas Copco	GA22FF	WUX580291		Est: More than 20,000			Complete with: Vertical air receiver	Online Data	\$	2,000	\$	5,000	
3	24	Air Lift Blower	1		2008	Becker	KDT 3.80								\$	100	\$	500	
3	25	Sump Pump	1			MTW Equipment		903009					5.5 Kw						
3	26	Carbon Regeneration Kiln	1										Complete with: Feed hopper 2x 0.55 Kw Electric motors LPG Kiln approx 2m length, 2x Product bins	Como Engineering Report					
3	27	Cyanide Mixing Tank	1										Complete with: Feed chute, Agitator (1.1kw motor), 14.5m ³ tank, 2x Dosing pumps 0.37kw	Como Engineering Report					
3	28	Sump Pump	1			Terra Titan							Approx 5kw Electric motor	Como Engineering Report					
3	29	Tailings Pump	1										Powered by a Marathon 45MD 45Kw Electric motor	Como Engineering Report					
															Sub-Total	\$	33,700	\$	101,000
3	30	Cyclone	1			Linatex							2x 375mm diameter, Carbon Steel construction w/ rubber lining, Includes 1x Standby Unit	Como Engineering Report					
3	31	Trash Screen	1			Malco							Dual vibrating trash screen, Approx 0.9m x 1.5m, 0.65mm Aperture deck	Como Engineering Report					
3	32	Pre-Leach Tank	1										Approx 140m ³ Complete with: Noyes Internal Agitator (powered by a 15kw electric motor)	Como Engineering Report					
3	33	Absorption Tank 1	1										Approx 140m ³ Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m ² Carbon screens, Airlift pump	Como Engineering Report					

Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU
3	34	Absorption Tank 2	1			Note: Agitator removed for repairs at time of inspection							Approx. 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	35	Absorption Tank 3	1										Approx. 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	36	Absorption Tank 4	1										Approx. 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	37	Absorption Tank 5	1										Approx. 140m3 Complete with: Agitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	38	Gantry Crane	1										Approx. 10m height x 20m rail length Complete with: PWB Anchor IT Electric hook block			
3	39	Pressure Cleaner	1			Karcher									\$ 150	\$ 750
3	40	Control Room	1										Approx 5m x 2m Building. C/W MMC Cabinet Controls. Note: Many PLC's outdated and no parts available. Includes 2x Minichem PH meters, generic furniture.			
3	41	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
3	42	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
														Sub-Total	\$ 30,000	\$ 435,000
3	43	Elution Carbon Screen	1			Sweco							Not data plate	Como Engineering Report		
3	44	Elution Column	1										Approx 7m height, 500kg Capacity, Includes piping Advised redundant, new asset yet to be installed	Como Engineering Report		
3	45	Acid Storage Tank	1										Approx 2,000L Complete with: Pump motor	Como Engineering Report		
														Sub-Total	\$ 1,000	\$ 2,500
		Gold Room														
3	46	Heat Exchangers	1										2x 0cal Fall/wal exchangers, Plate unreadable	Como Engineering Report		
3	47	Elution Pump	1										Approx 0.55kw motor Plate unreadable			
3	48	Heater	1			AIRA	FTB500									
3	49	Cyanide Tank	1										Poly construction Approx 2000L			
3	50	Water Tank	1										Poly construction Approx 1000L			
3	51	Water Pump	1										0.55kw Motor			
3	52	Cyanide Pump	1										0.55kw Motor			
3	53	Gold Room MCC	1										To suit electrowinning and Elution circuits			
3	54	Electrowinning Tank	1										Steel construction Approx 7500L Complete with: 0.55Kw Electric motor			
3	55	Electrowinning Cells	1			Aitglass							Data plate unreadable Complete with: 9x Cells			
3	56	Electrifier	1			Electropower	AGA-R-10/800	3466-01								
3	57	Gold Furnace	1										LPG powered			
3	58	Gold Press	1										Steel construction Plastic construction			
3	59	Gemini Table	1										Complete with: 0.75 Kw motor			
3	60	Safe	1										Dual combination lock Approx 1m x 0.6m x 1.9m			
														Sub-Total	\$ 10,000	\$ 33,000
		Tailings Dam 5														
3	61	Submersible Pump	1										8/20 Kw On custom pontoon			
3	62	Process Water Dam Submersible Pumps	2			Note: 1x pump not working							8/20 Kw			
3	63	Runoff Pond Pump	1			Godwin Pumps							Powered by a brook Crompton 3-Phase electric motor approx 20-30 kw Single piston actuator No plate identified	\$ 5,000	\$ 14,000	
														Sub-Total	\$ 10,000	\$ 25,000
		Workshop														
3	64	Light Vehicle	1	LV6	2003	Toyota	Hilux 145 Ser		MR03ILNG907613345	1M29K8		266399	4x4, Manual, Steel tray, Condition: Average	\$ 1,500	\$ 3,500	
3	65	Backhoe Loader	1		Est 2004	Caterpillar	428D		CAT0428DLDLSX00223		12145		Quik hitch, Hydraulic loader bucket Note: Previous faults rectified. Machine currently operational.	\$ 27,000	\$ 45,000	
3	66	Light Vehicle	1	LV207	2008	Mitsubishi	Triton KA/KB		MMBJNK808D077520	1K1PMV		174415	Dual cab utility, Manual, 4x4, Condition: Poor. Previous faults rectified however appears issue with gearbox	\$ 2,500	\$ 4,500	
3	67	Hydraulic Press	1										Retrofitted with Enepac Manual jack Approx 10T	\$ 500	\$ 1,500	
3	68	Dangerous Goods Cabinet	1										250L Capacity	\$ 250	\$ 600	
3	69	Compressor	1			Bauer	Screw Compressor				21950		Appears disused	\$ 200	\$ 500	
3	70	Bench Grinders	1										2x Pedestal Grinders	\$ 150	\$ 350	

Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU
3	71	Storeroom	1										Approx 2x 4m custom steel shelf store room Includes assorted workshop consumables, Welding equipment, Hand tools, Power tools Appears disused		\$ 200	\$ 600
3	72	Welder	1			Jetwelder	350								\$ 50	\$ 150
3	73	Plasma Cutter	1			WIA	Weldarc 180								\$ 100	\$ 250
3	74	Plasma Cutter	1			Boss weld	Plascut x50								\$ 150	\$ 500
3	75	Steel Workbench	1										Approx 2m x 1m x 1m		\$ 80	\$ 200
3	76	Welder & Wirefeeder	1										1x Weldwell Steady Mig 375350Amp Welder 1x Miller Millermatic Wirefeeder		\$ 500	\$ 1,500
3	77	Drill Press	1		1987	Sharp	SE-330BF	72695					16mm Capacity		\$ 100	\$ 350
3	78	Welder & Wirefeeder	1					RI161248086 RI170104542					1x BOC Mig275R 1x BOC Smootharc Advance Wirefeeder		\$ 1,200	\$ 3,500
3	79	Steel Workbench & Vice	1										Approx 2m x 1m x 1m Complete with: Heavy duty vice		\$ 100	\$ 250
3	80	Wet/Dry Vacuum	1			Kerrick									\$ 20	\$ 100
3	81	Cabinet	1										Double door steel cabinet Contents include assorted workshop sundries		\$ 50	\$ 150
3	82	Bench & Contents	1										Approx 2m x 1m x 1m Steel Assorted workshop sundries and parts included		\$ 200	\$ 500
3	83	Steel Workbench	1										Approx 1.5m x 0.5m x 1m		\$ 100	\$ 250
3	84	Oxy/Acetylene Trolley	1										Heavy duty Complete with: Gauges/regulators		\$ 80	\$ 200
3	85	Parts Washer	1										Generic, Electric		\$ 50	\$ 200
3	86	Heater	1			Lavor	Pro HK070R-L								\$ 100	\$ 300
3	87	Cold Saw	1			Makita	LW1400								\$ 50	\$ 200
3	88	High Pressure Cleaner	1			BAR	Km Classic 3.10								\$ 100	\$ 250
3	89	Contingency for Workshop Equipment	1										Includes: Assorted industrial items not individually listed, i.e. Handtools, Consumables, Fasteners etc		\$ 1,000	\$ 5,000
3	90	Office Furniture and Equipment	1										Contingency for generic office furniture and IT Equipment pertaining to 9x Workstations		\$ 1,000	\$ 3,500
3	91	10x Generic Lockers	1												\$ 50	\$ 250
3	92	Kitchen	1										Contingency for furniture and equipment pertaining to kitchen		\$ 250	\$ 750
3	93	Firefighter Facility	1										ADT alarm, Ampac Fire finder unit		\$ 450	\$ 1,500
3	94	IT Equipment	1										Server Rack includes: 2x Clipsal titanium CP5e Switches 1x HP Procurve 1810 G-24 Switch 8x Security Cameras 1x HP Proliant ML330 G5 Server 1x APL Smart UPS 1500 UPS		\$ 250	\$ 1,200
		Laydown Area														
3	95	Diesel Tank	1										Approx 2000L On stand. With meter and nozzle		\$ 250	\$ 650
3	96	Forklift	1	No	1997	Toyota	42-6FG25	12739			12586		Note: Advised sent offsite for repairs. Location unknown.		\$ 500	\$ 2,000
3	97	Sea Containers	1										2x 20ft containers 1x 40ft container		\$ 3,000	\$ 5,000
3	98	Crusher Box Trailer	1										Not in use		\$ 100	\$ 200
3	99	Contingency for Disused Lab Equipment	1										Complete with: Zhejiang Jaw Crusher, Labtechnics vibrator, Gemini table Note: Equipment appears disused for some time		\$ 1,000	\$ 3,000
3	100	Weigh Bridge	1										Advised recently serviced and new monitor installed. Approx 10m x 3m Steel and cement construction Complete with: Gate room and scales		\$ 2,500	\$ 20,000
3	101	Diesel Tank	1			Equipco Steel Tank							Approx 2.5m x 2m x 1.5m Complete with: Nozzle and flow meter		\$ 2,500	\$ 6,000
														Sub-Total	\$ 48,180	\$ 114,450
		Additional Equipment														
3	102	Welder	1			Cigweld	Transmig 175i	W1133909133- W1005176					C/W head and trolley.		\$ 450	\$ 800
														Sub-Total	\$ 450	\$ 800
														Total	\$ 223,330	\$ 1,506,750

Centennial Mining Limited

Appraisal Report

INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS
| BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

Summary of Report

Asset Description: Gold Processing Plant & Mobile Mining Equipment

Located At: A1 Gold Mine, Union Hill Gold Mine, Maldon Processing Facility - Victoria

Effective Date of Valuation: 5th April 2019

Report Date: 15th April 2019

Inspection Date of Valuation: 3rd – 5th April 2019

Period of Currency: 3 Months

Definition of Value: Fair Market Value in Continued Use & Forced Liquidation Value

Purpose of Report: To assist the Administrators in their duties as per the Corporations Act

Client: Richard Tucker, John Bumbak and Leanne Chesser of KordaMentha in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd (Administrators Appointed)*.

Intended User: KordaMentha

18/04/2019

Mr. Richard Tucker
KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000

Dear Richard,

**Re: Centennial Mining Limited (Administrators Appointed) & Maldon Resources Pty Ltd
(Administrators Appointed)**

As per your email instructions dated 26th March 2019, Gordon Brothers have undertaken an inspection of the plant and equipment of A1 Mine, Union Hill Mine, and Maldon Processing Plant Facility and thank you for your instructions to undertake a valuation of the same.

Subject to the matters set out below and at the request of the Administrators, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the assets on the basis of Fair Market Value in Continued Use and Forced Liquidation Value and determine it as follows at:

Fair Market Value in Continued Use	\$2,636,450
Forced Liquidation Value	\$756,280

All values and amounts displayed throughout this report are in Australian Dollars and are exclusive of GST.

The values and comments contained within this letter should be read with the accompanying report.

We confirm that Gordon Brothers carries professional indemnity insurance to a level substantially in excess of \$10,000,000 and that the valuation is covered by the insurance.

Gordon Brothers have not previously undertaken any valuation assignments on behalf of Centennial Mining Limited, its Creditors or Advisors in relation to this matter. Gordon Brothers are acting as external advisors.

Yours sincerely

For and on behalf of Gordon Brothers Pty. Ltd.



Ben Gibson
Director



Nelson Kennedy
Associate

I. USPAP COMPLIANCE

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

However, it should be noted that USPAP rules and conduct do not and cannot supplant local laws and regulations. Departures from USPAP standards are known as “jurisdictional exceptions” and when such exceptions occur, they will be clearly stated in this report.

This report is defined as an appraisal report. USPAP stipulates that such reports must contain the following information as a minimum.

1. State the identity of the client and any intended users.
2. State the intended use (purpose) of the appraisal.
3. Summarize information sufficient to identify the property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.
4. State the property interest appraised.
5. State the type and definition of value and cite the source of definition.
6. State the effective date of the appraisal and the date of the report.
7. Summarize the scope of work used to develop the appraisal.
8. Summarize the information analysed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusion; exclusion of the sales approach, cost approach or income approach must be explained.
9. State as appropriate to the class of the property involved, the use of the property existing as of the date of value and the use of the property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion.
10. Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions and state that their use might have affected the assignment results.
11. Include a signed certification in accordance with standard rule 8-3.
12. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice as of 2015. A review has been made to be sure that nothing is misleading in order to meet standard 8-1(a) which states “clearly and accurately set forth the appraisal in a manner that will not be misleading.” It conforms with standard 8-1(b) which states “contain sufficient information to enable the intended users of the appraisal to understand the report properly”. It also conforms with standard 8-1(c) which states “clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.”
13. Due to the above we consider the report to be understandable to any reader or user of this report.
14. The format appears to be consistent with that provided in the ASA report writing course and it has been checked for spelling and grammar.

II. EXECUTIVE SUMMARY



**Company: Centennial Mining Limited
(Administrators Appointed) & Maldon
Resources Pty Ltd (Administrators
Appointed)**
Address: C/- KordaMentha
Level 10/40 St Georges Terrace
Perth, WA, 6000
**Key Contact: Richard Tucker, Ben
Carruthers**

Please see below value breakdown per section:

Section No.	Section	FLV	FMVICU
1	A1 Mine	\$ 352,550	\$ 735,000
2	Union Hill Mine	\$ 141,050	\$ 297,950
3	Maldon Processing Plant	\$ 262,680	\$ 1,603,500
Totals:		\$ 756,280	\$ 2,636,450

Collateral Snapshot

Centennial Mining Limited (ASX:CTL) “the Company” is a Victorian gold producer. The Company operates the A1 Mine, located south of Mansfield, and the Union Hill Mine, located near Maldon. The Company extracts and hauls all ore material to a processing plant located at Porcupine flat, also in Maldon. The Company operates a small fleet of mobile underground mining equipment including Loaders, Dump Trucks, Drills, and Light Vehicles. The processing plant was constructed in 1987 and has a design throughput of 150,000t/pa. Both mines and the processing plant are operating at vastly reduced capacity while the Administrators undertake their due diligence.

III. Scope of Work

Client/Company

A valuation of the subject assets (“Assets”) as summarised herein and on the attached excel catalogue was requested by Richard Tucker of KordaMentha (“the Client”) in the matter of *Centennial Mining Limited (Administrators Appointed) & Maldon resources Pty Ltd (Administrators Appointed)* (“the Company”). The intended use of this valuation report (“Report”) is to provide Forced Liquidation Value (FLV) and Fair Market Value In Continued Use (FMVICU) as of the effective date.

Purpose of Valuation

This report has been prepared under instructions from the Client in order to assist them in their duties as Administrators as per the *Corporations Act 2001*. The client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Documents provided

We have been provided with a number of documents from the Company. These include;

- “Depreciation 18.19 - Centennial Mining March 2019.xls”
- “Depreciation 18.19 - Maldon Resources.xls”
- “Como Report Diligence Report Porcupine Flat Gold Plant Rev E dec 2014.pdf”
- “Como valuation report.pdf”

It should be noted that we have not been provided with any listing or fleet asset register by the Company and is our understanding that a list of this nature does not exist. Whilst we have attempted to include all assets owned by the Company in our valuation asset schedules, this information has been attained through verbal communication with operating staff onsite and has not been reconciled with an official register. We have relied on the associated depreciation schedules for cost/descriptive information only and have not attempted to reconcile these schedules with our valuation asset schedules. Should the Administrators gain knowledge of any asset owned by the company that is not included in the report, **Gordon Brothers** should be notified and an amendment to the attached asset schedules can be issued.

Similarly, we have utilised the information contained in the Como Engineering due diligence (Dec 2014) and valuation report (April 2015) predominantly for descriptive purposes and to confirm the process flow of the plant.

Appraisal Development

We have been provided with instructions from the Client by way of email. Our instructions included the scope of work to be completed, the valuation parameters required, and relevant contacts. Through further discussion with the Client and Company we ascertained site locations and relevant timeframes required to complete inspections. **Gordon Brothers** representative, Nelson Kennedy, completed physical site inspections on 3 – 5 April 2019. Inspections were completed at the following locations;

- A1 Mine: Mansfield-Woods Point Rd, Gaffneys Creek
- Union Hill Mine: 2A Lowther St, Maldon.
- Maldon Processing Plant: 401 Bendigo-Maldon Road, Maldon

During physical site inspections, important asset identifying information has been gathered and recorded. This included; Year/Make/Model/Hours, Identifying information such as VIN/Serial numbers, and general commentary regarding the condition of each item. A number of items did not have data plates or information plates physically attached to the asset during our inspection. Identifying information has been gathered to the best of the valuer's discretion at the time of inspection however we have relied on information provided by the Company where this was not possible.

Given the relative age and condition of the mobile equipment, we have relied on conversations with operational and maintenance staff when ascertaining asset conditions. It is evident that many major mobile assets such as the loaders and dump trucks have been 'parked up' for some time. This is assumed as a result of decreased production across the mines and processing facility and as a result it is evident that preventative or ongoing maintenance has been minimised or in some cases non-existent.

Inspections on the processing plant were completed with the assistance of Company staff. Given the nature of inspecting an operating processing plant, general descriptions regarding physical dimensions of equipment and any identifying information was recorded where possible. Much of the equipment did not retain physical data plates. We have been provided with two (2) reports completed by Como Engineers and have relied heavily on these for descriptive information. This includes; belt widths, conveyor lengths, SAG mill information, Tank capacities and sizing, etc.

Effective Date

This valuation is effective as of the date of **Gordon Brothers** final site inspection on 5th April 2019.

Eligible Assets

The entirety of eligible assets included in this report have been ascertained through verbal communication with operation staff onsite. Due to the lack of formal asset register, we have relied heavily on this information. We note the exclusion of a number of assets that were sighted at the A1 mine. These include 2x excavators, an underground loader, and a drill. We have been advised these are not owned by the company and are on lease/hire agreements or property of contractors working onsite. We have not assigned estimates of values to this equipment.

We note we have appraised the assets on the basis they are free and clear of an liens or encumbrances unless otherwise stated and note we have not attempted to verify the ownership of any assets on the national Personal Properties Securities Register (PPSR).

The following have not been included within the scope of our work unless otherwise stated and listed:

1. Real Estate, land and buildings;
2. Services including office air conditioning, lighting, wiring, piping, heating, fire services, floor, window and wall coverings;
3. Rented and leased items;
4. Stock and packaging materials;
5. Computer software and licenses;
6. Advertising literature, stock of stationery and similar materials;
7. Goodwill
8. Intellectual property;
9. Uniforms and personal belongings

Assets Not Sighted

A small contingency of underground equipment has not been personally sighted by **Gordon Brothers**. This is denoted in the asset schedules of the report and relates to 1x underground loader and some underground electrical equipment. We have relied on information supplied by the Company when reaching estimates of value for this equipment. We note that and values provided for unsighted assets should be relied on as indicative values only. Furthermore, we have relied on assumptions that the equipment is in working order and maintained in line with industry standards and have not attempted to verify the existence of any unsighted asset. As such, no liability will be accepted by **Gordon Brothers** for any reliance placed on values for any asset that has not been personally inspected.

IV. DEFINITIONS

Definitions of Value

As discussed, the assets have been valued on the basis of Forced Liquidation Value and Fair Market Value in Continued Use. They are defined as:

Forced Liquidation Value (FLV)

“An opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.”

Fair Market Value in Continued Use (FMVICU)

“An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.”

Valuation definitions have been sourced from *The American Society of Appraisers “Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets”, Third Edition.*

The report should not be used for any other purpose. If it is considered for any other use then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches include the Cost Approach, Sales Comparison Approach, and Income Approach to value. This report utilises the **cost approach** when reaching estimates of value for the installed processing plant, and have utilised the **sales comparison approach** for mobile and lower value equipment. The income approach, while considered, has not been utilised.

These approaches to value are defined as follows:

Cost approach

The Cost Approach is a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence. Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterized as “negative external forces,” which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

Where relevant market comparable sales could not be found we have utilised the cost approach. New costs have been determined in consultation with equipment dealers and useful lives calculated according to our past experience and information provided by dealers and original equipment manufacturers. We note, the majority of assets contained in this report we were able to source pertinent secondary market data. More commentary on this in the valuation methodology heading.

Sales comparison approach

The Sales Comparison Approach is a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable. Marketability of each item is also a determinant of value.

Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

In arriving at our values, we have relied upon a combination of research sources including:

- Experienced asset specialists within Gordon Brothers;
- Recent sale results - sourced through either archived results and available platforms such as Asset Intel, external auction houses, brokers and dealers;
- Currently advertised for sale prices from websites such as Machinery Trader, Construction Sales, Machines4U, Mining Graveyard, Nelsons, A.M King, among others.
- Conversations with external industry experts including dealers, brokers and auction houses.

Income approach

The Income Approach is a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate. The Income Approach is not typically applied when estimating liquidation values of inventory, although it can be a factor when rental inventories are being considered.

V. VALUATION APPROACH

In reaching our estimates of value we have utilised a number of resources including;

- **Cost estimation data sourced in industry handbooks.** This data has predominantly been relied on for the processing plant and estimation of replacement costs. As indicated in the asset schedules, we have relied on this information for the crushing circuit and conveyors in combination with data sourced in the Como Engineering report.
- **Como Engineering Report:** We have similarly relied on this report to attain replacement costs of some of the more specialised pieces of equipment such as the regeneration kiln and elution circuit.
- **Publicly available data:** This includes consummated sales data for similar equipment both nationally and internationally. This data has predominantly been sourced for the mobile mining equipment where larger sample sizes of data can be analysed. Similarly, we have utilised current online advertisements of similar machinery. It should be noted this information does not represent consummated sales data and is often inflated by sellers attempting to maximise on favourable market conditions. We have considered this when reaching our estimates of value.
- **Conversations with equipment dealers and OEMs:** We have sourced replacement cost information from the original equipment manufacturer or dealer for certain assets. Conversations with industry participants are also crucial in understanding prevailing market conditions and general influences within the sector.

VI. VALUATION COMMENTARY

A1 Mine:

The A1 underground mine is located approximately 3.5 hours north-east Melbourne by car in the Woods Point-Walhalla Goldfield region under mining license MIN 5294. Access to the mine is made difficult by a single lane gravel road on the ascending portion up the mountain to the mine. The mine contains demountable offices and crib rooms, a workshop, laydown area, 'graveyard' area, and underground mine sections. Ore is currently manually mined underground targeting specific gold veins and is generally quite a laborious process. The ore is then loaded onto underground dump trucks and hauled to the surface where it is deposited on the ground and stored ready to be loaded onto trucks. The ore is then loaded onto a 3rd party contractor tipper truck where it is transported to the Maldon Processing facility. This trip takes approximately 4 hours one way.

Union Hill Mine

The union hill mine is located approximately 2 hours north west of Melbourne by car in the Maldon town site. The Company operates mining license MIN5146 which contains the Union Hill mine and assorted producing reefs within the Maldon goldfields region. The mine originated as an open cut mine to remove bedrock before recommencing an underground decline to access the Alliance South Shoot. The mine contains demountable offices, crib room, and toilets, as well as workshop areas and a laydown yard. When in operation, ore is transported from this location to the Maldon Processing Plant. We have been advised the mine has not been operating for some time.

Maldon Processing Plant

The processing plant is considered a small processing plant with a capacity of 150,000t/pa. The mine presents in original condition as constructed in 1987. Minor replacements have been made to certain electrical control components of the crushing circuit, however the majority of the plant has not been refurbished. With this in mind, we estimate the remaining useful life of the plant to be 1-2 years, or 10%. We note that the age of the plant has exceeded its useful life by definition (20-30 years) and is likely fully depreciated using standard accounting methods.

The process flow of the plant is described below;

- 1) Crushing and Screening: Ore is currently transported from the A1 mine and deposited into a 30m³ ROM bin. Ore is fed via a hydraulic plate feeder to the screen and primary crusher. A single toggle jaw crusher crushes the ore to size where it is deposited onto Conveyor 1 and subsequent radial stacker (Conveyor 2).
- 2) Mill Feed: The radial stacker deposits crushed ore onto the ground where it is manually loaded into a drawdown slot over conveyor 3 by a front-end loader. The ore is then conveyed to the mill feed conveyor (CV4) where it is mixed with lime and fed to the mill feed chute. This section contains a lime silo as well as ball addition hopper.
- 3) Milling: The ore is milled by a single Semi-Autogenous Grinding (SAG) ball mill. This mill is rubber lined to prevent noise disturbance to surrounding residential areas. It should be noted there is inherent difficulty associated with sourcing parts for a mill of this age, in particular the electric/DC converter. We have not been made aware of any upgrades or replacements to the mill PLC's (Programmable Logic Controllers) as recommended in the Como Engineering report.
- 4) Leaching/Absorption: The mill discharges a slurry through a series of screens and trommels to a dual head cyclone. We understand oversized material was previously redirected to the Johnson gravity circuit however this has not been in operation for quite some time. The cyclones feed an initial vibrating trash screen to remove any undesirable particles. Following this, the slurry is fed to Leach tank 1, and subsequent Absorption tanks 2-6. Each tank is fitted with a single stage impeller and each absorption tank is fitted with carbon screens and air lift

pump. Once the slurry has reached its final stages of absorption, it is pumped to the elution column via vibrating elution carbon screen.

- 5) Elution: The elution process takes approximately 5.5 hours to complete and is automatically controlled by a PLC. Once the process is complete, stripped carbon is either sent back to the last absorption tank or to the carbon regeneration kiln. The regeneration kiln is LPG powered and is in original condition.
- 6) Extraction: Once the elution process is complete, the gold solution is transferred to the gold room into the electrowinning tank and consequently to the electrowinning cells. Extracted gold is removed from the electrowinning cells into the gold furnace where the final product is made.
- 7) Reagents: Cyanide is supplied in 1T bulk bags where it is deposited and mixed in an underground tank. This is stored in a large cyanide tank and deposited through associated pumps. Similarly, there is a smaller hydrochloric storage tank and pumps adjacent to the gold room.
- 8) Water Storage & Tailings: Process water is sourced from a combination of run off, mine dewatering, and recovery from the tailings dam. Water is stored in two large steel tanks and pumped via PVC piping. Tailing are pumped from the mine to the tailings dam 5 where it is indicated that it has sufficient capacity for a further 2-3 years at 150,000t/pa production rate.
- 9) Site Services: Services such as compressed air is fed via two auxiliary air compressors as noted in the asset schedules. Power is supplied by the state electricity grid and transformed via transformers. The site has appropriate office amenities and contains a small workshop for parts storage and mobile equipment repairs.

It should be reiterated that the processing facility largely remains in original condition. There is evidence of patchwork or minimum-requirement repair work being undertaken to bring the mine to an operating standard. The estimated cost of repairs as per the Como Engineering report

VII. ASSET ANALYSIS

The fleet of mobile equipment generally consists of Tier 1 and Tier 2 equipment. Caterpillar/Elphinstone comprise the majority of underground loaders, Sandvik/Tamrock comprise the majority of the underground dump truck and drill fleet, these brands are perceived well in the market for their reliability and function. Ancillary mobile equipment such as the wheel loaders are tier 1 Volvo and Caterpillar branded and the light vehicle fleet is predominantly Toyota branded.

In general, the fleet of mobile equipment is at 'end-of-life' ages (11-20+ years). The youngest piece of underground equipment is eleven years old (2008) with the oldest constructed in 1980 and approaching 40 years old. The majority of the light vehicle fleet is approximately 10 years old with approximately three working vehicles being over 20 years old.

It should be noted that the condition of equipment across the board as inspected is considered poor or below average. In general underground mining equipment experiences harsher working environments and expedited rates of deterioration. It is evident from our inspections that there has been a clear lack of maintenance undertaken on the already aging fleet, most likely due to budget constraints. This is also particularly evident in the light vehicle fleet. We have not been provided with any official maintenance record or schedule detailing servicing/repairs completed on any machine or vehicle. Repairs have been completed on an 'as needed' basis and strictly on the power components only (ie no cosmetic work). There are a number of machines currently 'tagged out' indicating essential repairs are required prior to the asset reaching a suitable operating condition. Two machines have also been tagged out by Administrators as a result of safety concerns.

The Maldon Processing Plant Facility “Plant” was constructed in 1987 and is predominantly in original condition. Periodical maintenance has been completed on the plant where absolutely necessary given the constraints of the maintenance budget over the last few years. A due diligence report undertaken by Como Engineers in 2014 outlined a schedule of recommended repairs to be completed both prior to operation and after re-starting the plant. These repairs totalled approximately \$1.3M and depicted progressive repairs/replacement of components to the ball mill and Leach/Absorption tanks. In conversations with operating staff we note that these recommended repairs have not been completed..

Given the relative age of the processing plant, the majority of the equipment appears to be close to the end of its useful life. For the purposes of the report and valuation analysis, if the equipment appears old but still functional, we have assigned a remaining two-year useful life (10%) to it.

VIII. SALE ASSUMPTIONS

In the event the Company assets are required to be sold by the Administrators, we recommend the following two-part sale strategy.

- 1) Sale in-situ: Sale of all assets at their current locations to potentially an incoming operator or competitor on a going concern basis. Should a buyer not be found on a going concern basis, a ‘sale in one line’ for all assets should be undertaken.
- 2) Online auction (In-situ): Should the Company and its associated assets not be able to be sold as a whole, the assets should be marketed and sold via a Major Event Online Auction. It should be noted that given the remote location of the A1 Mine and the processing facility, buyers will factor in decommissioning and transport costs into their final bid prices. Please note there is likely to be costs borne by Administrators associated with the decommissioning and removal of underground assets in preparation for a public sale. We would not recommend relocating mobile assets to a metropolitan storage facility as transport costs are likely to outweigh any potential return to Administrators. A detailed sale proposal can be prepared under separate cover if required.

IX. MARKET AND INDUSTRY ANALYSIS

Observations

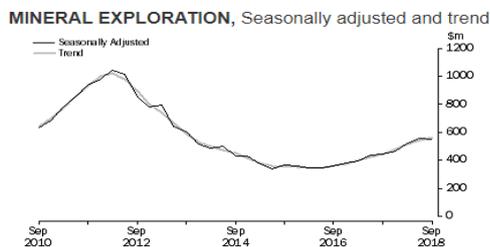
The Centennial mines have gold reserves, with gold a readily mined and traded commodity in Australia. China leads global gold production, with Australia being the second largest producer in 2017. Other countries to round of the top 5 gold producing countries are Russia, the United States and Canada.

The mining sector in Australia is enjoying positive trading conditions with renewed confidence surrounding the sector after the mining downturn in 2014/15 which saw dramatic price reductions across a broad range of commodities. Of particular importance to the Australian mining sector was the falls in iron ore, coal and gold prices. While the gold price is inherently volatile, the end of Australia's mining boom saw prices fall to near \$1,000 USD/oz. Early in 2016 the price began to skyrocket, recovering to \$1350 USD/oz by mid-2016. Since then, the price has seen constant movement but maintained a price range of \$1125 to \$1350 USD/oz. Currently the price resides around \$1255 USD/oz.

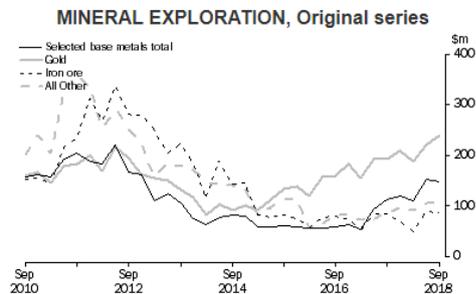
The dramatic fall in the AUD against the USD from parity earlier this decade has had an impact on Australia's gold producers. The lower AUD has resulted in higher margins for Australia's gold producers and profits have flowed into exploration.

The 2017-2018 gold market in Australia produced near record highs, totalling 310 tonnes produced. This is second only to the 1997-1998 record year for gold production in the country. While Boddington and the Kalgoorlie Super Pit vie for gold production supremacy, there are a raft of small and medium gold mines across the Western Australian gold fields, New South Wales and other locations across the country.

Key Australian Bureau of Statistics metrics continue to improve in 2018, highlighted by their September mining data release. Exploration, often considered a barometer of confidence in the mining sector has been on a steady incline since 2016 as the below graph shows.



*Graph sourced from ABS website



*Graph sourced from ABS website

While mineral exploration differs by commodity, the overall trend as highlighted above is positive. See above graph highlighting the variation of mineral exploration spends. The graph reflects a significant uplift in base metals total and gold exploration, while iron ore has faced a more modest, albeit consistent rise.

Ultimately, as the production of essential resources including gold increases, increase in demand for mining machinery also increases.

X. OTHER CONSIDERATIONS

Excluded Items

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

Goods and Services Tax (“GST”)

The values provided in this report are exclusive of GST.

Currency Exchange Rates

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

Currency versions have been factored in some instances, see below currency exchange rates as at the date of this report:

- USD to AUD: \$1.39
- Euro to AUD: \$1.57

Leased and third-party property

Ownership categorisation and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

Validity period of valuation

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party’s reliance on this report after the three-month validity period.

XI. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

General limiting conditions

- 1) All facts and data set forth in this report are true and correct to the best of the valuer's knowledge.
- 2) The determined values are exclusive of Goods and Services Tax.
- 3) The fee for this valuation report is not contingent upon the values reported.
- 4) The valuation is made solely for the use of the Client and intended users to whom it is addressed. No responsibility to any third part is, or will be, accepted for any part of the valuation.
- 5) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of **Gordon Brothers**.
- 6) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 7) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 8) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 9) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party. – I think this will need to be removed. Can keep the first sentence.
- 10) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 11) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use sound, accepted methodologies as is the case in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.
- 12) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable

(dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.

- 13) Each item in the valuation has been individually assessed with regard to a total package at an orderly liquidation sale. The values shown are not intended for the piecemeal selling of separate items. In the event that any item included in this valuation is separately sold or is withdrawn from sale or is to be sold either at a time different to the other items or from a different location then a re-valuation of the remaining items will be necessary.
- 14) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 15) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 16) The subject equipment may or may not conform to local WHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
- 17) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation. The compliers of this report and signatories of the certification, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation notwithstanding any act or omission, representation, negligence, default or lack of care by any person.
- 18) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 19) The valuation concept used in this report is one accepted by the client.
- 20) Nothing in this report constitutes as financial advice prepared for the Client.

Extraordinary Assumptions specific to this assignment

- We have assumed unless advised otherwise, or an out of service tag is on the asset, that all assets are in operational condition.
- All information provided to us verbally and in writing before, during and post our inspection is true and correct.
- That there are readily available ore deposits in the remaining underground mines to last at least two years of production.

Hypothetical Assumptions specific to this assignment

No hypothetical assumptions were made.

XII. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- The engagement of **Gordon Brothers** in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the Company or its shareholders or advisors, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The use of this report is subject to the definitions contained within the Uniform Standards of Professional Appraisal Practice ("USPAP") as defined by the Appraisal Standards Board of The Appraisal Foundation.



Ben Gibson
Director
BComm



Nelson Kennedy
Associate

Appendices

Appendix A. Glossary

Source - "Valuing Machinery and Equipment: *The Fundamentals of Appraising Machinery and Technical Assets*", *The American Society of Appraisers, Third Edition*,

Excellent (E) This term describes those items that are in near-new condition and have had very little use.

Extraordinary Assumption is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions (USPAP page U-3)

Fair (F) This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

Fair Market Value is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Fair Market Value in Continued Use with Assumed Earnings is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

Fair Market Value in Continued Use with an Earnings Analysis is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

Fair Market Value - Removed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

Forced Liquidation Value is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

Good (G) This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

Hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

Insurable Value Depreciated The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

Liquidation Value in place is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

New (N) This term describes new items that have not been used before

Orderly Liquidation Value An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

Poor (P) This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Replacement cost new Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

Reproduction cost new Is the cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

Salvage Value (S) Is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

Scrap Value (X) An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

Very Good (VG) This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

Appendix B. Valuer Credentials & Memberships

Project Team

Ben Gibson

Ben Gibson is responsible for the leadership and oversight of Gordon Brothers' Perth office. Ben has over 23 years of experience in the valuation and auction industry, managing large scale asset valuation and sale projects on behalf of banks, insolvency practitioners and large corporations across many industries.

Prior to joining Gordon Brothers, Ben served as the Executive Director, Restructuring and Finance for Tiger Asset Group, where he was responsible for the Restructuring & Finance service line on a national basis. Before his tenure at Tiger, he was the General Manager for the Western Australian operations of Graysonline, one of Australia's leading industrial equipment e-commerce participants. Ben has experience across a wide range of industry sectors including Mining, Agriculture, Transport, Construction, Earthmoving, Manufacturing, Engineering, and Consumer Retail Products.

Throughout his career, Ben has personally managed over 3,000 valuation and asset disposition projects, both in Australia and internationally. Ben has a Bachelor of Commerce degree from the University of Wollongong, a Diploma of Auctioneering from the Western College of Auctioneering USA, and is a Candidate Member, American Society of Appraisers.

Luke Santostefano

Luke is responsible for the delivery of asset advisory, valuation and asset disposition programs for clients across Australia. Luke also focuses on the identification and diligence of asset-based opportunities in the Australian market. Luke has over 5 years of asset disposition and valuation experience and has developed a deep understanding of the Australian equipment market.

Prior to joining Gordon Brothers, Luke was most recently employed by GraysOnline in the role of Valuations Manager – Major Projects where he conducted large and complex valuation matters across a range of sectors. Sectors include manufacturing, transport, mining, civil construction, agriculture, forestry and automotive. Luke holds a Bachelor of Business (Property) from the University of South Australia and is currently an accredited member of the American Society of Appraisers.

Nelson Kennedy

Nelson is an associate for Gordon Brothers' Perth office. Prior to joining Gordon Brothers, Nelson served as a Project Manager & Valuer for Tiger Asset Group, where he completed complex projects for numerous banking, insolvency and private clients across WA and Australia, attaining experience in asset valuation and disposition of industrial plant and equipment and commercial goods.

Before his tenure at Tiger, he was Project Manager of large-scale auctions for the Western Australian operations of Graysonline, one of Australia's leading e-commerce participants. Nelson has experience across a wide range of industry sectors including transport, automotive, marine, construction & civil, manufacturing, engineering, mobile plant, medical, warehousing, office furniture and IT.

Appendix C. Asset Listing & Valuation

Please see attached excel spreadsheet titled "Valuation Asset Schedules_CML_Final" for asset listing and attributed values.



Centennial Mining Limited

Inspection Dates: 3rd - 5th April, 2019

Section No.	Section	FLV	FMVICU
1	A1 Mine	\$ 352,550	\$ 735,000
2	Union Hill Mine	\$ 141,050	\$ 297,950
3	Maldon Processing Plant	\$ 262,680	\$ 1,603,500
Totals:		\$ 756,280	\$ 2,636,450

*All values contained herein are GST Exclusive



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU	
1	1	Excavator	1	Yes			Caterpillar	225LC	51U06221					Advised Third party property	\$ -	\$ -	
1	2	Excavator	1	Yes			Caterpillar	325BL	8RR00306					Advised Third party property	\$ -	\$ -	
1	3	Grader	1	Yes		1990	Mitsubishii	MG100	1G000036		87779C	Reads: 696 Estimated: 19421 more accurate		Average Condition	\$ 12,000	\$ 20,000	
1	4	Underground Loader	1	Yes		2008	Caterpillar Elphinstone	R1700G	CATR1700J8X200270			42,501		Tyres: Poor Condition: Poor	\$ 20,000	\$ 30,000	
1	5	Underground Drill	1	Yes										Advised Third party property Data plate unsighted	\$ -	\$ -	
1	6	Firefighting Trailer	1	Yes		2011	Victorian Trailers	Box Trailer		6APBXTRLRBC002051	U27872			Complete with: Honda 9.0HP Diesel motor, 550L Poly tank, 1000L IBC, Custom platform, Hose reels	\$ 500	\$ 1,200	
1	7	Box Trailer	1	Yes		2018	U-Beut			649V5500000113501	Y51985			7T ATM	\$ 500	\$ 1,500	
1	8	Underground Loader	1	Yes	UL16							5,174		Note: OOS tag reads "No brakes, Not to be used", No data plate sighted, 6 Cylinder engine, Standard bucket, Tyres: Poor, Note: Advised third party property	\$ -	\$ -	
1	9	Rescue Vehicle	1	Yes	UP04	1989	Mitsubishi	Canter 4WD		6F6G4G11DKA020210	N/A		73,268	Manual, Crew cab "No 4WD", Fitted with toolbox chassis, Tow ball	\$ 1,000	\$ 2,500	
1	10	Cement Truck	1	Yes		1993	Hino	FC3W		JHDFC3WEKXXX10055			330,189	4x2, Manual, Fitted with: Concrete agitator body Note: Appears disused for some time	\$ 1,500	\$ 3,500	
1	11	Winch	1	Yes		2008	Nobles		NM18351					Hydraulic winch WLL: 6.3T Condition: Unknown, Appears disused	\$ 150	\$ 500	
1	12	Charge up basket	1	Yes										Steel frame man cage Complete with: Fluids hopper to suit IT loader	\$ 250	\$ 650	
1	13	Underground Dump Truck	1	Yes		2006	Tamrock	Toro T45+	T6051312			Unknown		Computer faulty Note: Appears disused, OOS tag reads "Coolant leak, Do not use" Tyres: Poor, Damage to cab, Currently used as rubbish bin	\$ 10,000	\$ 18,000	
1	14	Loader Bucket	1	Yes					9DE8662-456					Approx 1.5m x 2m x 1.6m	\$ 2,500	\$ 5,000	
1	15	Fork Tynes	1	Yes										To suit IT loader	\$ 100	\$ 250	
1	16	GP Bucket	1	Yes										To suit IT loader	\$ 150	\$ 500	
1	17	Ventilation Fans	2	Yes					1471174 1471171					Avlec 250m Fans 1475 RPM, 1000v, 55Kw	\$ 200	\$ 500	
1	18	Contingency for Spare Equipment	1	Yes										Includes: Low value or OOS Equipment, Tyres: IBC's, Loader bucket	\$ 200	\$ 600	
1	19	Transportable Office Building	1	Yes										Approx 12m x 6m Complete with: Split A/C, Batten lighting, Partitioned interior, Approx 6x desks with computer stations, Printer, Kitchen equipment	\$ 2,500	\$ 15,000	
1	20	Transportable Mess Hall	1	Yes										Approx 12m x 3.5m (APB), Partitioned into hall and office, Split A/C and general services, Kitchen equipment, Female W/C	\$ 1,500	\$ 8,000	
1	21	Transportable Toilet/Changeroom	1	Yes										Approx 3.5 x 12m Includes 3x Showers, 2x Toilets, Dual change room with lockers	\$ 1,000	\$ 5,000	
1	22	Store Room	1	Yes										Approx 4m x 2m Complete with: batten lighting, Services	\$ 500	\$ 2,500	
1	23	Comms Rack	1	Yes										Includes: Motorola DR3000 (S/n: 521052) TACT TA-4800 Mine com 02-00144 Head end combiner (S/n: 25202) Powerbox power supply (S/n: 21053)	\$ 1,000	\$ 2,500	
1	24	Oxygen Booster	1	Yes			Masterline	7000A-2 MDM-4								\$ 3,000	\$ 5,000
1	25	Breathing Apparatus	1	Yes		2009	Drager	BG4						Self contained closed circuit breathing apparatus 5x Units (1x OOS)	\$ 15,000	\$ 25,000	
1	26	Contingency for Ropes and Rescue Equipment	1	Yes										Includes: Harnesses, Ropes etc	\$ 350	\$ 750	
1	27	Laundry	1	Yes										Includes: 1x Euromaid DE 6Kg Dryer 1x Simpson Ezi loader Dryer 1x Haier 4Kg Dryer 1x Panasonic 9.5Kg Econavi Washer 1x Mavtag Commercial Washer	\$ 450	\$ 1,000	
1	28	Transportable Office	1	Yes										Approx 8m x 3m Mcgregor portables Complete with: Usual services, Split A/C, 4x Desks with workstations	\$ 1,000	\$ 4,500	
1	29	Printer	1	Yes			HP Design Jet	T770						Wide Format Printer	\$ 150	\$ 450	
1	30	Emissions Tester	1	Yes			Testo	Flue Gas Tester						Requires Calibration	\$ 100	\$ 250	
1	31	Light Vehicle	1	Yes	LV1	2009	Mitsubishi	Pajero		JMFLNV98W9J000128	XFS961		328,112	Manual, Condition: Poor	\$ 2,500	\$ 6,000	
1	32	Light Vehicle	1	Yes	LV2	2009	Mitsubishi	Pajero		JMFLNV98W9J000237	XFS962		274,282	Manual, Condition: Poor	\$ 3,000	\$ 6,500	
1	33	Light Vehicle	1	Yes	LV5	1995	Toyota	Landcruiser 4WD		JT731FJ7508531801	WHZ612		295,454	Single cab chassis, Steel tray, Condition: Poor	\$ 1,500	\$ 4,500	
1	34	Explosives LV	1	Yes	LV0545	Est 1990's	Toyota	Landcruiser		No Vin Plate	N/A		N/A	No battery, Note: Very poor condition, No 4WD, Cab damage	\$ 500	\$ 2,000	
1	35	Light Vehicle	1	Yes	LV0543	2009	Mitsubishi	Triton 4x4		MMAENKB40AD008067	XMJ994		226,395	Manual, Steel tray, Note: I-Tag reads "Fuel tank crushed, Guage out by half a tank" Condition: Poor Fitted with: Diesel fuel dispenser (Data plate damaged)	\$ 1,500	\$ 3,500	
1	36	Underground Drill	1	Yes	JB0046	2000	Tamrock	205D Powerclass	L009257			4579 Showing		Dual drill boom, 2x HP545 power pack (55Kw), Fire suppression, Tyres: Average Condition: Average	\$ 35,000	\$ 55,000	
1	37	Underground Drill	1	Yes		1998	Atlas Copco	104				1508 1742 5512		Single boom drill, Fitted with: 55K ABB Electric power pack, Fire suppression, Tyres: Poor, 6 Cyl Diesel engine, Condition: Poor Note: No data plate sighted	\$ 5,000	\$ 15,000	



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	38	Wheel Loader	1	Yes		2008	Volvo	L90F	L90FV25547			20,499		Tyres: Average, Cabinet: Poor, Windscreen cracked, Fitted with: Fork tynes, Quick hitch mount	\$ 20,000	\$ 35,000
1	39	IT Loader	1	Yes			Caterpillar	IT12B	1KF00411			12286 (Suspect older)		Tyres: Good, Condition: Poor	\$ 8,000	\$ 20,000
1	40	Diesel Generator/Welder	1	Yes			MPM	8/270KAI	2034693			Unknown			\$ 1,000	\$ 2,500
1	41	Transformer	1	Yes		2012	Tyree		6050-1922-B					3-Phase, Distribution transformer 1000 Kva On skid Complete with: MCC cabinet	\$ 15,000	\$ 45,000
1	42	Shipping Container	1	Yes										3x 20ft Containers Used for parts storage	\$ 1,500	\$ 3,500
1	43	Contingency for Tools and Spare Parts	1	Yes										Approx 2x Containers worth of spare machine parts and OOS equipment	\$ 1,000	\$ 2,500
		Workshop														
1	44	High Pressure Washer	1	Yes			Spitwater	SW110	11082902					Diesel power Hatz diesel motor Complete with: Centrifugal pump GAAM Fire fighting pumpset	\$ 350	\$ 800
1	45	Water Pump (Overhead Sprinklers)	1	Yes										Powered by John Cleere 4 Cylinder turbo diesel engine Kohler Dec100 Generator Condition: Good	\$ 250	\$ 750
1	46	Generator	1	Yes			Kohler	KD66				Approx 565			\$ 5,000	\$ 15,000
1	47	Air Compressor	1	Yes			Atlas Copco	GA508	ARP751345			34,905			\$ 2,000	\$ 3,500
1	48	Oil/Water Seperator	1	Yes			ISS	V20P3P	4953M8					Pump:DS32	\$ 250	\$ 550
1	49	Pedestal Grinder	1	Yes			Makita	GB801							\$ 100	\$ 250
1	50	Pedestal Drill	1	Yes			Sumone	SP5203A							\$ 150	\$ 400
1	51	Hydraulic Jacks	1	Yes										16mm Chuck 3x LV Jacks 1x AL180 truck Jack	\$ 450	\$ 1,000
1	52	Rod Heater	1	Yes			Jetfire	DC30	16DK000842					Electric	\$ 100	\$ 250
1	53	Hydraulic Press	1	Yes			K Tools International							40T Capacity	\$ 500	\$ 1,500
1	54	Benching and Tooling	1	Yes										2x 3 Door metal workbenches Complete with: Assortment of handtools	\$ 500	\$ 1,500
1	55	Welder and Wirefeeder	1	Yes			WIA	356 Weldamatic	C1332A1110035					WIA W64 Wirefeeder	\$ 1,500	\$ 2,500
1	56	Contingency for Handtools and Equipment	1	Yes										Large quantity of tools and bits including: Sockets, Drill bits, Grinding equipment, Welding equipment etc	\$ 1,000	\$ 2,500
1	57	Power Pack	1	Yes										1000v Jump starter power pack for workshop	\$ 500	\$ 2,000
1	58	Decommissioned Power Packs	1	Yes										1000v Jump starter packs PN's: JPS-03, JS-01, PS-04, DB-604, FS-06	\$ 200	\$ 1,000
1	59	Bench, Cabinet and Contents	1	Yes										1x Large custom steel workbench 2x Parts rack complete with workshop consumables, 1x Kool portable extractor fan	\$ 150	\$ 400
1	60	Oven	1	Yes			Essa	1m3 Industrial oven	218560					415v	\$ 2,000	\$ 3,500
1	61	Contingency for PPE	1	Yes										Includes 3x Shelves of assorted PPE including: Gumboots, Filters, Hardhats, Goggles, Gloves etc	\$ 500	\$ 1,200
1	62	Battery Charging Station	1	Yes			Mine Arc	Hyperion						Note: 3x Bays OOS	\$ 200	\$ 500
1	63	Water Tanks	1	Yes										2x Tankmaster 25,000L Poly Dewatering tanks, Complete with: Pump and Filter	\$ 2,500	\$ 10,000
1	64	Container	1	Yes										3x 20ft Sea Containers	\$ 1,800	\$ 3,500
1	65	Contents of Containers	1	Yes										Contingency includes: Tarps, Couplings, Fittings and Consumables	\$ 250	\$ 600
1	66	Drill Bits	1	Yes										Shelving Units containing large quantity of assorted Brunner and Lay drill bits	\$ 2,000	\$ 7,000
1	67	Fuel Tank	1	Yes		2010	Australian Fuelling Systems	Tint 12000	7351					SFL: 11,900L Complete with: Fill-rite fuel meter and pump	\$ 5,000	\$ 12,000
1	68	Compressor	1	Yes		1994	Atlas Copco	GA110	AIF018753			20,000 +		110Kw, 7.5 Bar	\$ 2,000	\$ 5,000
1	69	Compressor	1	Yes		1994	Atlas Copco	GA110	AIF018752			20,000 +		110Kw, 7.5 Bar	\$ 2,000	\$ 5,000
1	70	Underground Dump Truck	1	Yes	DT41	2006	Tamrock	Toro T45+	T6051288			8,259		Articulated tyres: Good, Fire suppresion, ROPS/FOPS, Condition: Average	\$ 30,000	\$ 50,000
1	71	Underground Loader	1	Yes			Elphinstone	R1500	R1500-113			8,156		Condition: Average, Tyres: Average-Poor, Fire suppression, Mine spec, 6 Cylinder Turbo diesel engine	\$ 12,000	\$ 20,000
1	72	Light Vehicle	1	Yes		2008	Mitsubishi	Triton 4x4		MMATNK8809D002142	1KL40V		226,381	Dual Cab, Condition: Average	\$ 1,500	\$ 3,500
1	73	Light Vehicle	1	Yes			Toyota	Landcruiser 4x4		JT731PJ7508540031	1BW9CP		343,312	Condition: Poor, Single cab chassis	\$ 1,500	\$ 4,000
1	74	Light Vehicle	1	Yes	LV0544 LV4	1996	Toyota	Landcruiser 80 Series		JT711PJ8008024883			489,027	4x4, Manual, Wagon, Condition: Poor, No rear door	\$ 1,200	\$ 3,000
1	75	Light Vehicle	1	Yes		2002	Toyota	Lancruiser 100 Series Wagon		JTEC801J401008042	TP0000		294,496	Manual, 4x4, Turbo diesel, Condition: Poor	\$ 2,500	\$ 5,500
1	76	Light Vehicle	1	Yes	LVS47	1998	Toyota	Landcruiser 4WD		JT731PJ7508550691	n/a			Single cab chassis, Steel tray, Condition: Poor	\$ 1,500	\$ 3,500
1	77	Explosive magazine	1	Yes						REMU0510230				20ft Container	\$ 5,000	\$ 12,000
		Underground														
1	78	Shotcrete Machine		Yes		2010	Normet Spraymec	6050wp	100003572					Powered by a Mercedes Benz Engine, No data plate sighted, Tyres: Average, Condition: Poor, Fire suppression	\$ 8,000	\$ 20,000
1	79	Mono Pump Station	1	Yes										Powered by a 45Kw Electric mtor, Large challenge steel hopper Complete with: PS02 1000v mon pump starter box	\$ 5,000	\$ 12,000
1	80	Jumbo Pump Starter	1	Yes	JPS-04										\$ 500	\$ 2,000
1	81	Refuge Chamber	1	Yes			Mine Arc		MA1207					20 Person capacity Complete with: Motion sensor, Digital gas monitor, A/c, Radio	\$ 30,000	\$ 50,000
1	82	Charge Up Basket	1	Yes			OMW							Steel frame Fitted with: 2013 Dixon 690kpa, Pressurised hopper, Constructed as IT attachment Powered by a 30Kw Electric motor	\$ 250	\$ 650
1	83	Mono Pump Station	1	Yes										Contains 2x Franklin electric, EPS4400 Submersible pumps, 1x Spare	\$ 2,000	\$ 10,000
1	84	Underground Loader	1	No	LD05	2004	Elphinstone	R1700	4LZ00127			Advised 16000		Not Sighted, Photo provided, details provided	\$ 35,000	\$ 55,000
1	85	Pump Starter	3	No										3 x 1000V to 240v 3.6KW bore pump starters	\$ 1,500	\$ 6,000
1	86	Pump Starter	2	No										2 x 1000V 45KW mono pump starters	\$ 1,000	\$ 4,000



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
1	87	Fan Starter	2	No										2 x 1000V Twin 55KW fan starters	\$ 1,000	\$ 4,000
1	88	Fan Starter	1	No										1 x 1000V Twin fan starter 30KW	\$ 500	\$ 1,000
1	89	Fan Starter	1	No										1 x 1000V Single fan starter 30KW	\$ 500	\$ 1,000
1	90	Exhaust Fan	1	Yes		1996	Pusminco	GAL12-550/550	586-B					Twin Primary Fan, 55KW Elec motors	\$ 500	\$ 2,000
1	91	Exhaust Fan	1	No										1000V Single primary fan 45KW	\$ 250	\$ 600
1	92	Exhaust Fan	1	No										1000V Single primary fan 55KW	\$ 300	\$ 800
1	93	Exhaust Fan	1	No										1000V Twin decline fan 30KW	\$ 250	\$ 500
1	94	Exhaust Fan	2	Yes										22 Kw Single Production Fan, details unknown	\$ 500	\$ 1,000
1	95	Distribution Board	1	No	DB01									2 x 125amp circuit breakers	\$ 200	\$ 500
1	96	Distribution Board	1	No	DB02									1 x 125amp 1 x 160amp circuit breaker	\$ 200	\$ 500
1	97	Distribution Board	1	No	DB03									5 x 250amp circuit breakers and main isolator	\$ 500	\$ 2,500
1	98	Distribution Board	1	No	DB04									2 x 160amp circuit breakers	\$ 200	\$ 500
1	99	Distribution Board	1	No	DB05									1 x 125amp circuit breaker	\$ 100	\$ 300
1	100	Distribution Board	1	No	DB06									1 x 125amp 1 x 200amp circuit breaker	\$ 200	\$ 500
1	101	Distribution Board	1	No	DB07									1 x 125amp 1 x 200amp circuit breaker	\$ 200	\$ 500
1	102	Distribution Board	1	Yes	DB08									1000v, 3x 250amp circuit breakers	\$ 300	\$ 800
1	103	Combination Jumbo Pump Starter	2	No										No Details provided	\$ 250	\$ 1,500
1	104	Jumbo Starter	2	No											\$ 600	\$ 2,000
1	105	Scrapper Box	1	No											\$ 5,000	\$ 15,000
1	106	Power Box	2	No										2 x 1000V to 240V light power boxes	\$ 200	\$ 500
Total: Section 1															\$ 352,550.00	\$ 735,000.00



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
		Underground														
2	1	Jumbo Starter	3											1000v	\$ 1,500	\$ 6,000
2	2	Pump Starter	9											1000v	\$ 4,500	\$ 18,000
2	3	Electrical/Distribution Boxes	4											1000v	\$ 400	\$ 2,000
2	4	Exhaust Fans												Details required, quantities required	\$ 2,000	\$ 5,000
2	5	Mono Pump Station 1	1											2x Large Steel Hoppers Powered by a Teco 55Kw electric motor Condition: Poor 2x 1000v Pump starter boxes. 1x 1000v Electrical distribution box	\$ 5,000	\$ 12,000
2	6	Submersible Pump	1											Details Unknown	\$ 500	\$ 2,000
2	7	Refuge Chamber	1				Australian Mining							Evacuation systems, Approx 10 person External battery pack powers, 12v Recirculation unit, A/C unit	\$ 8,000	\$ 20,000
2	8	Water Tank	1											Poly, 9000L	\$ 500	\$ 1,500
2	9	Mono Pump Station 2	1											2x Large Steel Hoppers Powered by a 2x 75Kw electric motor 2x 1000v Starter boxes.	\$ 8,000	\$ 20,000
2	10	Explosive Magazine	1				CIMC		REMU0510815					20Ft Container	\$ 5,000	\$ 15,000
2	11	Det Magazine	1											Approx 1.5m x 1m x 1.5m vents, On Skids, Double lock	\$ 500	\$ 1,200
2	12	Explosive Magazine	1				CIMC		REMU0000107					10Ft Container Complete with: Shelving	\$ 2,500	\$ 6,000
2	13	Exhaust Fan	1											90Kw, 2-Stage, 1000v Box	\$ 4,000	\$ 10,000
2	14	Exhaust Fan	1											Approx 50kw motor, Skid mounted in tunnel, Complete with: Fan starter box	\$ 2,000	\$ 5,000
		Mine														
2	15	Offsite Transformer	1			1978	Wilson Transformers		61,708					1000v, 200kva	\$ 500	\$ 5,000
2	16	External Transformer	1				Galaxy Transformer		983					Explosion proof, Complete with: 20Ft Sea container including MCC	\$ 2,000	\$ 8,000
2	17	Core Rack	1											Approx 11x Rows of 180 core sample trays	\$ 1,000	\$ 1,500
2	18	Contingency for Office Furniture	1											Includes: Desks, Shelving, Drawing cabinet, HD Designjet wide format printer, Filing cabinets	\$ 200	\$ 450
2	19	Server Rack	1											Includes: 2x Kenwood TKR-751 FM Repeaters VDV Radio System Distribution network VDV TX/RX Splitter combiner VDV Line Splitter combiner VDV AC-DC Converter VDV Power supply Tmark 500 Series power supply	\$ 1,500	\$ 2,500
2	20	Light Vehicle	1		LV3	2001	Nissan	Patrol Wagon		INITESY61UMABD9A	YHR319		Unknown	Condition: Average Note: Turbo not working	\$ 3,000	\$ 4,500
2	21	Shed	1											Steel sheeting, Contains pallet of cement	\$ 150	\$ 500
2	22	Transformer	1											Details unknown, 415v, Complete with switchboards	\$ 500	\$ 2,000
2	23	Light Vehicle	1			1987	Toyota	Landcruiser		N/A			405,169	Note: Advised not in use/decommissioned, cond: Poor	\$ 1,000	\$ 1,500
2	24	Underground Loader	1			1980	Eimco	918	918/0428			19021 Showing		Advised starts	\$ 2,000	\$ 5,000
2	25	Underground Loader	1			1998	Elphinstone	R1500	R1500-209			2,161		(Advised full rebuild approx 5 years ago)	\$ 20,000	\$ 30,000
2	26	Underground Loader	1			2004	Elphinstone	R1700	R1700-129				16856 Showing	Note: advised articulation worn	\$ 8,000	\$ 15,000
2	27	Underground Loader	1				Elphinstone	R2800					Unknown	No data plate Note: Parked up over 4 years, Advised undesirable machine	\$ 5,000	\$ 8,000
2	28	Underground Dump Truck	1				Wagner	MT426	DB07P0311				2,564	Note:RHS cylinder OOS, Engine overheating	\$ 12,000	\$ 20,000
2	29	Wheel Loader	1				Volvo	L90 IT	N/A			33,876		Condition: Poor Chassis rusted, Seals OK, Fitted with: Fork tyres	\$ 8,000	\$ 15,000
2	30	Underground Drill	1				Tamrock	Jumbo H205	Unknown					2x 45Kw Electric power packs, 2x Drill head Note: Used for spare parts, Currently OOS	\$ 5,000	\$ 8,000
2	31	Containers	1											2x 20 Ft Sea Containers Complete with Steel canopy	\$ 1,000	\$ 2,500
2	32	Light Vehicle	1				Toyota	Landcruiser		Plate Removed	ZGQ266		370,222	Note: OOS, No brakes, Condition: Poor	\$ 1,000	\$ 1,500
2	33	Wheel Loader	1				Caterpillar	936	45B01196			4896 Showing		Tyres: Good Condition: Average, No brakes, Articulation worn, Tagged out, Bucket detached	\$ 10,000	\$ 18,000
2	34	Underground Loader	1	No			Elphinstone	R1500	R1500-110			Advised 10,000+		Note: May be sold, Please advise		
		Workshop/Offices														
2	35	Lathe	1				Macson		63-182					Bed length, Approx 2m	\$ 500	\$ 1,200
2	36	Drill Press	1				Corona	450/198M	B5431/64/42						\$ 400	\$ 600
2	37	Compressor	1				Power Force							Single piston electric, No data plate	\$ 250	\$ 350
2	38	Sea Containers	1											2x 20Ft Sea containers, Fitted to overhead canopy	\$ 2,000	\$ 2,500



Section Number	Item Number	Asset Type	Qty	Sighted	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	FLV	FMVICU
2	39	Contingency for Equipment Pertaining to Small Workshop	1											Includes: Vehicle jack, Steel bench, Dangerous goods cabinet, Pedestal grinder, Assortment of fasteners, Oxy/acetylene trolley, 2x OOS starter packs	\$ 1,000	\$ 1,500
2	40	Sea Containers	1											2x 20 Ft Used in small workshop	\$ 2,000	\$ 2,500
2	41	Transportable Building												Approx 20 Ft x 10ft 2x Partioned Offices, A/c Units, Lighting	\$ 800	\$ 2,000
2	42	Transportable Changeroon	1											20ft, Contains A/c, Lighting, Benches	\$ 1,200	\$ 2,500
2	43	Transportable Bathroom/Laundry	1											20ft Complete with: 2x Showers, 2x Toilets, Hot water boiler, Washer, Dryer	\$ 1,200	\$ 2,500
2	44	Transportable Crib Room	1											Complete with: Kitcheneete, Appliances, A/c, Lighting	\$ 1,200	\$ 2,500
2	45	Transportable Toilet Block	1											Approx 10ft x 10ft Complete with: Toilet, Shower, 50L Hot water boiler	\$ 500	\$ 1,200
2	46	OOS Equipment	1											Including: Hilux Chassis, Tamrock Toro 45 Chassis	\$ 500	\$ 500
2	47	Water Tank	1											Steel, Approx 20,000L Note: OOS, Crack in side	\$ 250	\$ 450
2	48	Water Tank	1											Corrugated steel, Approx 50,000L	\$ 3,000	\$ 5,000
Total: Section 2															\$ 141,050.00	\$ 297,950.00



Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU			
Processing Plant																			
3	1	Rom Bin	1										Approx 60T capacity Approx 30m3	Como Engineering Report					
3	2	Hydraulic Plate Feeder	1		1987	Coomo FHM	1240RPF	2274					Powered by 15Kw electric motor Approx 1.2m x 4.35m, C/W VSD	Como Engineering Report					
3	3	Control Room	1										Approx 1.5m x 1m x 2.5m Includes CP-1 crushing MCC, A/c unit						
3	4	Screen	1		1987	Coomo FHM	CM 13/25	2274					Size 1.2 x 2.5m						
3	5	Jaw Crusher	1			Goodwin Barsby	42" x 30"						Powered by a 110kw electric motor, single toggle, Rated 150T/ph (120 - 160tph capacity)	Monograph 27 - Page 232					
3	6	Conveyer	1	CV1									Approx 10m length Powered by 7.5Kw Motor, 750mm Width Includes dump hood, Rollers, Water sprayers, E Stops	Monograph 27 - Page 304 + 305					
3	7	Radial Stacker	1	CV2	1987			47056628					Powered by a Teco 11Kw electric motor, Approx 28.95m length, 8.3m lift, 600mm belt width	Monograph 27 - Page 304 + 305					
3	8	Motor Control Centre 1	1			Voltrek Constructions							Cabinet approx 2.5m x 0.5m x 2m Switches and Fuses for crushing circuit						
															Sub-Total	\$	30,000	\$	280,000
3	9	Underground Feed Bin	1										Steel Construction Approx 29m, 6m Lift, 600mm belt width ASD 20 VSD control, Currently set at 15T/hr, Complete with: SRO technology weight scale, Powered by a 7.5Kw Teco motor, Flender gearbox	Monograph 27 - Page 304 + 305					
3	10	Underground Reclaim Conveyor	1	CV3									Complete with transfer chute Details Unknown						
3	11	Sump Pump	1			SKW							Variable speed screw feeder Approx 40T capacity 2x Vibrator, Est: 1-2Kw Electric motor	Como Engineering Report 2015					
3	12	Lime Silo	1										Steel Construction Approx 30m, 35t/ph capacity, 7.5kw electric motor, 600mm belt width.	Monograph 27 - Page 304 + 305					
3	13	Steel Ball Addition Hopper	1										Approx 3m x 0.5m x 2m Steel						
3	14	Mill Feed Conveyor	1	CV4															
3	15	Spare Lime Chute	1																
															Sub-Total	\$	20,000	\$	195,000
3	16	Processing Plant MCC Room	1	MCC2									Complete with electrical cabinets for processing plant Mill drive						
3	17	Mill Feed Shoot	1										Steel construction hopper Approx 3.35m(d) x 3.96m (l) Interior rubber lined 600Kw DC motor	Como Engineering Report 2015					
3	18	SAG Ball Mill	1			Allis Chalmers							Approx 5Kw 30Kw Electric motor						
3	19	Slurry Pump	1																
3	20	Gravity Feed Pump	1																
															Sub-Total	\$	50,000	\$	340,000
3	21	Gravity Drum	1		2013	Johnson	180,000 t/a						Powered by 0.75 Kw Teco motor Approx 8m length Complete with: Knelson concentrator (7.5 inch), Standard switch gear, Approx 8x5 transportable building Mounted on a 40ft Tri-axle flat top trailer (VIN: 6T9T25V2901000001, Rego: 884555)		\$	20,000	\$	50,000	
3	22	Air Compressor 2	1			Ingersoll Rand	HP123 19						3 Phase, Tri-piston	Online Data	\$	1,500	\$	5,000	
3	23	Air Compressor 1	1		2007	Atlas Copco	GA22FF	WUX580291		Est: More than 20,000			Complete with: Vertical air receiver	Online Data	\$	2,000	\$	5,000	
3	24	Air Lift Blower	1		2008	Becker	KDT 3.80								\$	100	\$	500	
3	25	Sump Pump	1			MTW Equipment		903009					5.5 Kw						
3	26	Carbon Regenration Kiln	1										Complete with: Feed hopper 2x 0.55 Kw Electric motors LPG Kiln approx 2m length, 2x Product bins	Como Engineering Report					
3	27	Cyanide Mixing Tank	1										Complete with: Feed chute, Agitator (1.1Kw motor), 14.5m3 tank, 2x Dosing pumps 0.37Kw	Como Engineering Report					
3	28	Sump Pump	1			Terra Titan							Approx 5Kw Electric motor	Como Engineering Report					
3	29	Tailings Pump	1										Powered by a Marathon 45MD 45Kw Electric motor	Como Engineering Report					
															Sub-Total	\$	47,000	\$	135,000
3	30	Cyclone	1			Linatex							2x 375mm diameter, Carbon Steel construction w/ rubber lining, Includes 1x Standby Unit	Como Engineering Report					
3	31	Trash Screen	1			Malco							Dual vibrating trash screen, Approx 0.9m x 1.5m, 0.65mm Aperture deck	Como Engineering Report					
3	32	Pre-Leech Tank	1										Approx 140m3 Complete with: Noyes Internal Agitator (powered by a 15Kw electric motor)	Como Engineering Report					



Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU
3	33	AbsorptionTank 1	1										Approx 140m3 Complete with: Aigitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	34	Absorption Tank 2	1										Approx 140m3 Complete with: Aigitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	35	AbsorptionTank 3	1										Approx 140m3 Complete with: Aigitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	36	Absorption Tank 4	1										Approx 140m3 Complete with: Aigitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	37	Absorption Tank 5	1										Approx 140m3 Complete with: Aigitator (powered by a 15Kw electric motor), Includes 3x 1m2 Carbon screens, Airlift pump	Como Engineering Report		
3	38	Gantry Crane	1										Approx 10m height x 20m rail length Complete with: PWB Anchor IT Electric hook block			
3	39	Pressure Cleaner	1			Karcher									\$ 150	\$ 1,000
3	40	Control Room	1										Approx 5m x 2m Building. C/W MMC Cabinet Controls. Note: Many PLC's outdated and no parts available. Includes 2x Minichem PH meters, generic furniture.			
3	41	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
3	42	Process Water Tank	1										Evidence of rusting/cracking and patchwork completed. Includes piping and pumps			
														Sub-Total	\$ 45,000	\$ 450,000
3	43	Elution Carbon Screen	1			Sweco							Not data plate	Como Engineering Report		
3	44	Elution Column	1										Approx 7m height, 500Kg Capacity, Includes piping	Como Engineering Report		
3	45	Acid Storage Tank	1										Approx 2,000L Complete with: Pump motor	Como Engineering Report		
														Sub-Total	\$ 2,500	\$ 26,000
		Gold Room														
3	46	Heat Exchangers	1										2x Ocal Fallwal exchangers, Plate unreadable	Como Engineering Report		
3	47	Elution Pump	1										Approx 0.55Kw motor Plate unreadable			
3	48	Heater	1			AIRA	FTB500									
3	49	Cyanide Tank	1										Poly construction Approx 2000L			
3	50	Water Tank	1										Poly construction Approx 1000L			
3	51	Water Pump	1										0.55Kw Motor			
3	52	Cyanide Pump	1										0.55Kw Motor			
3	53	Gold Room MCC	1										To suit electrowinning and Elution circuits			
3	54	Electrowinning Tank	1										Steel construction Approx 7500L Complete with: 0.55Kw Electric motor			
3	55	Electrowinning Cells	1			Allglass							Data plate unreadable Complete with: 9x Cells			
3	56	Electrifier	1			Electropower	AGA-R-10/800	3466-01								
3	57	Gold Furnace	1										LPG powered			
3	58	Gold Press	1										Steel construction			
3	59	Gemini Table	1										Pastic construction Complete with: 0.75 Kw motor			
3	60	Safe	1										Dual combination lock Approx 1m x 0.6m x 1.9m			
														Sub-Total	\$ 10,000	\$ 34,000
		Tailings Dam 5														
3	61	Submersible Pump	1										8/20 Kw On custom pontoon			
		Process Water Dam														
3	62	Submersible Pumps	2										8/20 Kw			
3	63	Runoff Pond Pump	1			Godwin Pumps							Powered by a brook Crompton 3-Phase electric motor approx 20-30 Kw Single piston actuator No plate identified		\$ 5,000	\$ 15,000
														Sub-Total	\$ 10,000	\$ 30,000
		Workshop														
3	64	Light Vehicle	1	LV6	2003	Toyota	Hilux 145 Ser		MR031LNG907613345	1M29KB		263006	4x4, Manual, Steel tray, Condition: Average		\$ 2,000	\$ 3,500
3	65	Backhoe Loader	1		Est 2004	Caterpillar	428D		CAT0428DLDSX00223		11939		Quik hitch, Hydraulic loader bucket Note: Currently OOS, Advised cracked rim, various leaks		\$ 25,000	\$ 40,000



Section Number	Item Number	Asset Type	Qty	Fleet Number	Year	Make	Model	Serial #	VIN	Rego	Hours	Odometer Reading	Additional Comments	Information Source	FLV	FMVICU	
3	66	Light Vehicle	1	LV207	2008	Mitsubishi	Triton KA/KB		MMBJNKB808D077520	1KP1MV		171402	Dual cab utility, Manual, 4x4, Condition: Poor, Currently tagged OOS		\$ 2,000	\$ 3,500	
3	67	Hydraulic Press	1										Retrofitted with Enepac Manual jack Approx 10T		\$ 500	\$ 1,500	
3	68	Dangerous Goods Cabinet	1										250L Capacity		\$ 250	\$ 600	
3	69	Compressor	1			Bauer	Screw Compressor				21950		Appears disused		\$ 200	\$ 500	
3	70	Bench Grinders	1										2x Pedestal Grinders		\$ 150	\$ 350	
3	71	Storeroom	1										Approx 2x 4m custom steel shelf stoneroom Includes assorted workshop consumables, Welding equipment, Hand tools, Power tools		\$ 200	\$ 600	
3	72	Welder	1			Jetwelder	350						Appears disused		\$ 50	\$ 150	
3	73	Plasma Cutter	1			WIA	Weldarc 180								\$ 100	\$ 250	
3	74	Plasma Cutter	1			Bossweld	Plascut x50								\$ 150	\$ 500	
3	75	Steel Workbench	1										Approx 2m x 1m x 1m		\$ 80	\$ 200	
3	76	Welder & Wirefeeder	1										1x Weldwell Steadymig 375350Amp Welder 1x Miller Millermatic Wirefeeder		\$ 500	\$ 1,500	
3	77	Drill Press	1		1987	Sharp	SE-330BF	72695					16mm Capacity		\$ 100	\$ 350	
3	78	Welder & Wirefeeder	1					R1161248086 R1170104542					1x BOC Mig275R 1x BOC Smootharc Advance Wirefeeder		\$ 1,200	\$ 3,500	
3	79	Steel Workbench & Vice	1										Approx 2m x 1m x 1m Complete with: Heavy duty vice		\$ 100	\$ 250	
3	80	Wet/Dry Vacuum	1			Kernick									\$ 20	\$ 100	
3	81	Cabinet	1										Double door steel cabinet Contents include assorted workshop sundries		\$ 50	\$ 150	
3	82	Bench & Contents	1										Approx 2m x 1m x 1m Steel Assorted workshop sundries and parts included		\$ 200	\$ 500	
3	83	Steel Workbench	1										Approx 1.5m x 0.5m x 1m Heavy duty		\$ 100	\$ 250	
3	84	Oxy/Acetylene Trolley	1										Complete with: Gauges/regulators		\$ 80	\$ 200	
3	85	Parts Washer	1										Generic, Electric		\$ 50	\$ 200	
3	86	Heater	1			Lavor	Pro HK070R-L								\$ 100	\$ 300	
3	87	Cold Saw	1			Makita	LW1400								\$ 50	\$ 200	
3	88	High Pressure Cleaner	1			BAR	Km Classic 3.10								\$ 100	\$ 250	
3	89	Contingency for Workshop Equipment	1										Includes: Assorted industrial items not individually listed, i.e; Handtools, Consumables, Fasteners etc		\$ 2,500	\$ 6,000	
3	90	Office Furniture and Equipment	1										Contingency for generic office furniture and IT Equipemnt pertaining to 9x Workstations		\$ 1,500	\$ 3,500	
3	91	10x Generic Lockers	1												\$ 50	\$ 250	
3	92	Kitchen	1										Contingency for furniture and equipment pertaining to kitchen		\$ 250	\$ 1,000	
3	93	Firefighter Facility	1										ADT alarm, Ampac Fire finder unit		\$ 450	\$ 1,500	
3	94	IT Equipment	1										Server Rack includes: 2x Clipsal titanium CP5e Switches 1x HP Procurve 1810 G-24 Switch 8x Security Cameras 1x HP Proliant ML330 G6 Server 1x APL Smart UPS 1500 UPS		\$ 250	\$ 1,500	
Laydown Area																	
3	95	Diesel Tank	1										Approx 2000L On stand, With meter and nozzle		\$ 250	\$ 650	
3	96	Forklift	1		1997	Toyota	42-6FG25	12739			12586		Note: Currently tagged out LPG powered, 2T Capacity		\$ 500	\$ 2,000	
3	97	Sea Containers	1										2x 20FT containers 1x 40FT container		\$ 3,500	\$ 6,500	
3	98	Crusher Box Trailer	1										Not in use		\$ 100	\$ 200	
3	99	Contingency for Disused Lab Equipment	1										Complete with: Zhejiang Jaw Crusher, Labtechnics vibrator, Gemini table Note: Equipment appears disused for some time		\$ 1,000	\$ 5,000	
3	100	Weigh Bridge	1										Approx 10m x 3m Steel and cement construction Complete with: Gate room and scales		\$ 2,000	\$ 20,000	
3	101	Diesel Tank	1			Equipco Steel Tank							Approx 2.5m x 2m x 1.5m Complete with: Nozzle and flow meter		\$ 2,500	\$ 6,000	
															Sub-Total	\$ 48,180	\$ 113,500
															Total	\$ 262,680	\$ 1,603,500

Appendix N Schedule 7 of the Uniform Civil Procedure Rules 2005



Uniform Civil Procedure Rules 2005

Current version for 15 June 2018 to date (accessed 9 November 2018 at 18:03)

[Schedule 7](#)

Schedule 7 Expert witness code of conduct

(Rule 31.23)

1 Application of code

This code of conduct applies to any expert witness engaged or appointed:

- (a) to provide an expert's report for use as evidence in proceedings or proposed proceedings, or
- (b) to give opinion evidence in proceedings or proposed proceedings.

2 General duties to the Court

An expert witness is not an advocate for a party and has a paramount duty, overriding any duty to the party to the proceedings or other person retaining the expert witness, to assist the court impartially on matters relevant to the area of expertise of the witness.

3 Content of report

Every report prepared by an expert witness for use in court must clearly state the opinion or opinions of the expert and must state, specify or provide:

- (a) the name and address of the expert, and
- (b) an acknowledgement that the expert has read this code and agrees to be bound by it, and
- (c) the qualifications of the expert to prepare the report, and
- (d) the assumptions and material facts on which each opinion expressed in the report is based (a letter of instructions may be annexed), and
- (e) the reasons for and any literature or other materials utilised in support of each such opinion, and
- (f) (if applicable) that a particular question, issue or matter falls outside the expert's field of expertise, and
- (g) any examinations, tests or other investigations on which the expert has relied, identifying the person who carried them out and that person's qualifications, and
- (h) the extent to which any opinion which the expert has expressed involves the acceptance of another person's opinion, the identification of that other person and the opinion expressed by that other person, and
- (i) a declaration that the expert has made all the inquiries which the expert believes are desirable and appropriate (save for any matters identified explicitly in the report), and that no matters of significance which the expert regards as relevant have, to the knowledge of the expert, been withheld from the court, and

- (j) any qualification of an opinion expressed in the report without which the report is or may be incomplete or inaccurate, and
- (k) whether any opinion expressed in the report is not a concluded opinion because of insufficient research or insufficient data or for any other reason, and
- (l) where the report is lengthy or complex, a brief summary of the report at the beginning of the report.

4 Supplementary report following change of opinion

- (1) Where an expert witness has provided to a party (or that party's legal representative) a report for use in court, and the expert thereafter changes his or her opinion on a material matter, the expert must forthwith provide to the party (or that party's legal representative) a supplementary report which must state, specify or provide the information referred to in clause 3 (a), (d), (e), (g), (h), (i), (j), (k) and (l), and if applicable, clause 3 (f).
- (2) In any subsequent report (whether prepared in accordance with subclause (1) or not), the expert may refer to material contained in the earlier report without repeating it.

5 Duty to comply with the court's directions

If directed to do so by the court, an expert witness must:

- (a) confer with any other expert witness, and
- (b) provide the court with a joint report specifying (as the case requires) matters agreed and matters not agreed and the reasons for the experts not agreeing, and
- (c) abide in a timely way by any direction of the court.

6 Conferences of experts

Each expert witness must:

- (a) exercise his or her independent judgment in relation to every conference in which the expert participates pursuant to a direction of the court and in relation to each report thereafter provided, and must not act on any instruction or request to withhold or avoid agreement, and
- (b) endeavour to reach agreement with the other expert witness (or witnesses) on any issue in dispute between them, or failing agreement, endeavour to identify and clarify the basis of disagreement on the issues which are in dispute.

Appendix O APES 215 – Forensic Accounting Services



APES 215 Forensic Accounting Services

[Supersedes APES 215 Forensic Accounting Services issued in December 2013]

Prepared and issued by
Accounting Professional & Ethical Standards Board Limited

Revised: December 2015

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Conformity with International Pronouncements

Appendix 1: Facts, assumptions and opinions

Appendix 2: Decision Tree to determine the type of Forensic Accounting Service

Appendix 3: Examples of Forensic Accounting Services

Appendix 4: Summary of revisions to the previous APES 215 (Issued in December 2013)

1 Scope and application

- 1.1 The objective of APES 215 *Forensic Accounting Services* is to specify a Member's professional and ethical obligations in respect of:
- the provision of a forensic accounting Service to a Client or employer
 - the types of engagement or assignment that are a forensic accounting Service
 - applicable independence requirements
 - relationships and the provision of other Professional activities that create threats to compliance with the fundamental principles
 - the obligations of a Member who provides an Expert Witness Service and the required disclosures in the Member's Report and
 - applicable quality control and documentation obligations.
- 1.2 Accounting Professional Ethical Standards Board Limited (APESL) has revised professional standard APES 215 *Forensic Accounting Services (the Standard)* which is effective for engagements or assignments commencing on or after 1 April 2014 and supersedes APES 215 issued in December 2013. Earlier adoption of this Standard is permitted.
- 1.3 APES 215 sets the standards for Members in the provision of quality and ethical forensic accounting Services. The mandatory requirements of this Standard are in **bold type** preceded or followed by discussion or explanations in normal type. APES 215 should be read in conjunction with other professional duties of Members and any legal obligations that may apply.
- 1.4 Members in Australia shall follow the mandatory requirements of APES 215 when they provide forensic Accounting Services**
- 1.5 Members outside of Australia shall follow the mandatory requirements of APES 215 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations**
- 1.6 Where a Professional Activity which when it commenced was not a forensic Accounting Service later becomes such a service the Member shall comply with the requirements of this Standard from that time onwards**
- 1.7 Where a Member is undertaking a forensic Accounting Service other than an Expert Witness Service which later becomes an Expert Witness Service the Member shall comply with the requirements of section 5 of this Standard from that time onwards**
- 1.8 Members shall be familiar with relevant Professional Standards and guidance notes when providing forensic Accounting Services. All Members shall comply with the fundamental principles outlined in the Code**
- 1.9 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.10 All references to Professional Standards, guidance notes and legislation are references to those provisions as amended from time to time.
- 1.11 In applying the requirements outlined in APES 215, Members should be guided not merely by the words but also by the spirit of the Standard and the Code.
- 1.12 In this Standard, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

2 Definitions

For the purpose of this Standard:

Assignment means an instruction—whether written or otherwise—by an employer to a member in business relating to the provision of Professional Activities by a member in business. However, consultations with the employer prior to such instruction are not part of an assignment.

Client means an individual, firm, entity or organisation to whom Professional Activities are provided by a member in Public Practice in respect of engagements of either a recurring or demand nature.

Code means PPS 110 *Code of Ethics for Professional Accountants*.

Consulting Expert means a member who has been engaged or assigned to provide a Consulting Expert Service.

Consulting Expert Service means a Professional Activity provided in the context of Proceedings—other than an Expert Witness Service, a Lay Witness Service or an Investigation Service. It includes acting as an adviser, an arbitrator, mediator, member of a professional tribunal, expert in an expert determination, referee or in a similar role.

Contingent Fee means a fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the firm. A fee that is established by a Court or other public authority is not a Contingent Fee.

Court means any body described as such and all other bodies exercising judicial or quasi-judicial functions and includes professional disciplinary tribunals, industrial and administrative tribunals, statutory or parliamentary investigations and inquiries, royal commissions, arbitrations and mediations.

Employer means an entity or person that employs, engages or contracts a member in business.

Engagement means an agreement—whether written or otherwise—between a member in Public Practice and a Client relating to the provision of Professional Services by a member in Public Practice. However, consultations with a prospective Client prior to such agreement are not part of an engagement.

Engagement Document means the document (i.e. letter of agreement or any other appropriate means) in which the terms of engagement are specified in a written form.

Expert Witness means a member who has been engaged, assigned or otherwise obligated to provide an Expert Witness Service. As an Expert Witness, the member may express opinions or provide Other Evidence to the Court based on the Member's specialised knowledge derived from the Member's training, study or experience on matters such as whether technical or Professional Standards have been breached, the amount of damages, the amount of an account of profits, or the amount of a claim under an insurance policy. Generally all opinion evidence is expert evidence if it is wholly or substantially based on the specialised knowledge derived from the Member's training, study or experience—however not all expert evidence is opinion evidence. Expert evidence may be opinion or Other Evidence.

Expert Witness Service means a Professional Activity provided in the context of Proceedings to give expert evidence in a Report or, in certain circumstances, orally.

Firm means:

- (a) a sole practitioner, partnership, corporation or other entity of professional accountants
- (b) an entity that controls such parties through ownership, management or other means
- (c) an entity controlled by such parties through ownership, management or other means
- (d) an auditor's office or department.

Forensic Accounting Services means Expert Witness Services, Lay Witness Services, Consulting Expert Services and Investigation Services.

Independence is:

- (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity and exercise objectivity and professional scepticism.
- (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a Firm's, or a member's integrity, objectivity or professional scepticism has been compromised.

Investigation Service means a Professional activity to perform, advise on or assist with an investigation, whether in the context of Proceedings or in connection with allegations of or concerns regarding conduct that may be illegal, unethical or otherwise improper in respect of which the member has a reasonable expectation that the matter will be brought before a Court.

Lay Witness means a member who has been engaged, assigned or otherwise obligated to provide a Lay Witness Service.

Lay Witness Service means a Professional activity provided in the context of Proceedings to provide evidence other than expert evidence, whether orally or in the form of a Report or both. This service involves the Member giving evidence on matters within the Member's professional knowledge that are directly observed or perceived by the member.

Member means a member of a Professional body that has adopted this Standard as applicable to their membership as defined by that Professional body.

Member in Business means a member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies or a member contracted by such entities.

Member in Public Practice means a member, irrespective of functional classification (e.g. audit, tax or consulting) in a firm that provides Professional Services. This term is also used to refer to a firm of members in Public Practice and means a practice entity and a participant in that practice entity as defined by the applicable Professional body.

Other Evidence means evidence which does not provide an opinion but which requires the application of the Expert Witness's specialised knowledge derived from the Expert Witness's training, study or experience. An example might be where a member provides a summary of the sales, by month, by product, by geography, based on the information contained within a series of invoices and a general ledger. Whilst it may be a matter of fact as to what sales were made, the extraction and summary of this information is facilitated by the Member's specialised knowledge. Another example requiring specialised knowledge might be where a member sets out the accounting standards that are relevant to particular types of transactions without actually expressing an opinion as to whether the actual treatment is in line with those standards.

Proceedings means a matter before a Court or a matter which the Member has a reasonable expectation will be brought before a Court or a matter in which the Member is undertaking Professional Activities to help a Client or Employer make an assessment as to whether a matter should be brought before a Court.

Professional Activity means an activity requiring accountancy or related skills undertaken by a Member including accounting, auditing, taxation, management consulting and financial management.

Professional Bodies means Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

Professional Services means Professional Activities performed for Clients.

Professional Standards means all standards issued by Accounting Professional and Ethical Standards Board Limited and all professional and ethical requirements of the applicable Professional Body.

Report means a written report, affidavit or written statement that is for the purpose of communicating expert evidence or lay evidence in Court.

Terms of Engagement means the terms and conditions that are agreed between the Client and the Member in Public Practice for the engagement.

3 Fundamental responsibilities of Members

3.1 A Member providing a Forensic Accounting Service shall comply with Section 100 *Introduction and Fundamental Principles* of the Code and with relevant law.

Public interest

3.2 In accordance with Section 100 *Introduction and Fundamental Principles* of the Code, a Member shall observe and comply with the Member's public interest obligations when providing a Forensic Accounting Service.

3.3 When engaged to perform a Forensic Accounting Service, a Member shall be and be seen to be free of any interest which may be regarded as being incompatible with the fundamental principles of Section 110 *Integrity* and Section 120 *Objectivity* of the Code.

3.4 Members in Public Practice shall comply with Section 220 *Conflicts of Interest* and Section 200 *Objectivity – All Services* of the Code.

3.5 When a Member is requested to perform an Expert Witness Service and the Member or the Member's Firm has previously provided a Forensic Accounting Service other than an Expert Witness Service, the Member shall consider whether the Member is able to perform the Expert Witness Service in an objective manner.

Professional Independence

3.6 When a Member in Public Practice is engaged to provide a Forensic Accounting Service which requires independence or when the Member purports to be independent in providing a Forensic Accounting Service, the Member shall comply with independence as defined in this Standard.

3.7 A Member in Public Practice shall determine whether the circumstances of the Forensic Accounting Service make the Engagement an assurance Engagement under the *Framework for Assurance Engagements* issued by the Auditing and Assurance Standards Board (AUAS).

3.8 Where a Forensic Accounting Service is an assurance Engagement, the Member in Public Practice shall comply with Section 2.0 *Independence – Audit and Review Engagements* or Section 2.1 *Independence – Other Assurance Engagements* as applicable of the Code.

3.9 If a Member in Public Practice is asked to provide a Professional Service to a Client where

(a) the Member or the Member’s Firm is providing or has provided an Expert Witness Service to the Client, or

(b) the Member or the Member’s Firm is providing or has provided an Expert Witness Service to a different Client,

and the proposed Professional Service is related to the Expert Witness Service, and the Member determines that a reasonable and informed third party having knowledge of all the relevant information, including safeguards applied, would regard the objectives of the proposed Professional Service to be undertaken as being inconsistent with the objectives of the Expert Witness Service, then the Member shall decline the Engagement or the relevant part thereof.

3.10 There is no requirement at law that an Expert Witness be free of any relationship with parties to Proceedings. Nor, a matter, there is no legal prohibition on a Member in Public Practice acting as an Expert Witness for a Client for whom the Member provides other Professional Services.

3.11 A Member who is providing an Expert Witness Service shall disclose all matters in the Member’s Report that would assist the Court to assess the degree of the Member’s Independence.

Professional competence and due care

3.12 A Member providing a Forensic Accounting Service shall maintain professional competence and take due care in the performance of the Member’s work in accordance with Section 130 *Professional Competence and Due Care* of the Code.

3.13 Forensic Accounting Services generally require a Member to have specialised knowledge derived from the Member’s training, study or experience. Before accepting an engagement or assignment to provide a Forensic Accounting Service, a Member should exercise professional judgement to determine if the Member is competent to provide the requested Forensic Accounting Service having regard to the specialised knowledge derived from the Member’s training, study or experience.

3.14 In accordance with Section 330 *Acting with Sufficient Expertise* of the Code, a Member in business shall only undertake Assignments for which the Member has, or can obtain, sufficient training or expertise and shall not intentionally mislead an Employer as to the level of expertise or experience possessed, nor shall a Member fail to seek appropriate expert advice and assistance when required.

315 Where a Forensic Accounting Service or part thereof requires the consideration of matters that are outside a Member in Public Practice’s professional expertise, the Member shall seek expert assistance or advice from a suitably qualified third party on those matters or decline all or that part of the Forensic Accounting Service. Where the Member relies upon the advice of a third party, the Member shall disclose in any Report issued by the Member the name and qualifications of the third party and the area in the Report where the third party advice has been obtained.

3.1 Where a Member performs a Forensic Accounting Service that involves acting as an investigator or as a decision-maker (as might be the case for certain Consulting or Expert Services such as acting as an arbitrator, mediator or referee), the Member may be required to observe some or all of the rules of procedural fairness (which collectively are referred to as “natural justice”). If a Member is not certain of the Member’s legal obligations then the Member should consider taking legal advice.

Confidentiality

317 In accordance with Section 140 *Confidentiality of the Code*, a Member who acquires confidential information in the course of performing a Forensic Accounting Service for a Client or Employer shall not use that information for any purpose other than the proper performance of the professional work for that Client or Employer.

3.18 Subject to legislative requirements, where a Client or Employer has given a Member permission to disclose confidential information to a third party, it is preferable that this permission is in writing. Where oral permission is obtained, a contemporaneous note should be made and kept on file by the Member recording the relevant details of the Client’s or Employer’s permission.

4 Professional Engagement matters

41 A Member in Public Practice shall document and communicate the terms of Engagement to a Client in accordance with APES 305 *Terms of Engagement*.

42 A Member in Public Practice who is approached by a potential Client to undertake a Forensic Accounting Service shall comply with Section 210 *Professional Appointment of the Code*.

5 Expert Witness Services

51 If a Member in Public Practice is asked to provide an Expert Witness Service to a Client where

- (a) the Member or the Member’s Firm is providing or has provided another Professional Service to the Client, or
- (b) the Member or the Member’s Firm is providing or has provided another Professional Service to a different Client,

and the proposed Expert Witness Service is related to the other Professional Service, and the Member determines that a reasonable and informed third party having knowledge of all the relevant information, including safeguards applied, would regard the objectives of the proposed Expert Witness Service to be undertaken as giving rise to a conflict with the objectives of the other Professional Service, then the Member shall decline the Engagement or the relevant part thereof.

- 5.2** Subject to paragraph 5.3 if a Member in business is asked to provide an Expert Witness Service to the Member's Employer where:
- a** the Member or another employee of the Member's Employer has provided or is providing another service to the Employer which is related to the proposed Expert Witness Service or
 - b** the Member's Employer has an interest in the outcome of the Proceedings whether as a party or otherwise
- and the Member determines that a reasonable and informed third party having knowledge of all the relevant information including safeguards applied would regard the objectives of the proposed Expert Witness Service to be undermined as giving rise to a conflict with the objectives of the other service or if the Member's objectivity is impaired as a result of the Employer's interest in the outcome of the Proceedings then the Member shall decline the Assignment or the relevant part thereof
- 5.3** Paragraph 5.2 does not apply to a Member in business who is employed by a government agency where that agency has a statutory function of regulation investigation or law enforcement.
- 5.4** A Member who is acting as an Expert Witness shall comply with the following
- a** the paramount duty to the Court which overrides any duty to the Client or Employer
 - b** a duty to assist the Court on matters relevant to the Member's area of expertise in an objective and unbiased manner
 - c** a duty not to be an advocate for a party and
 - d** a duty to make it clear to the Court when a particular question or issue falls outside the Member's expertise.
- 5.5** A Member who is acting as an Expert Witness should comply with evidentiary and procedural requirements relating to Expert Witnesses.

The Report of an Expert Witness

- 5.6** Subject to any legal requirements or restrictions a Member providing an Expert Witness Service shall clearly communicate in any Report
- a** the instructions received whether oral or written
 - b** any limitations on the scope of work performed
 - c** a statement of the Member's training, study or experience that are relevant to the matters on which the Member is providing expert evidence
 - d** whether any of the opinions findings or conclusions of the Member are not based wholly or substantially on the Member's specialised knowledge derived from training study or experience
 - e** the relationships, if any, the Member or the Member's Firm or the Member's Employer has with any of the parties to the Proceedings including any of the matters referred to in paragraphs 3.5.1 or 5.2 that may create a threat or a perceived threat to the Member's obligation to comply with the fundamental principles of the Code or the Member's paramount duty to the Court and any appropriate safeguards implemented
 - f** the extent if any of reliance by the Member on the work of others
 - g** the opinions formed or other Evidence given by the Member

- h) whether an opinion or Other Evidence is provisional rather than concluded and if so the reasons why a concluded opinion or concluded Other Evidence has not been provided
 - i) the significant facts upon which the opinions or Other Evidence are based
 - ii) the significant assumptions upon which the opinions or Other Evidence are based and the following matters in respect of each significant assumption
 - iii) whether the Member was instructed to make the assumption or whether the Member chose to make the assumption and
 - iv) if the Member chose to make the assumption then the reason why the Member made that choice
 - iii) if the Member considers that an opinion or Other Evidence may be misleading because a significant assumption is likely to mislead then a statement to that effect and an explanation of why the assumption is likely to mislead
 - iv) where applicable, that the Member's opinion or Other Evidence is based upon another person's report;
 - v) the reasoning by which the Member formed the opinions or arrived at the Other Evidence including an explanation of any method employed and the reasons why that method was chosen
 - vi) a list of all documents and sources of information relied upon in the preparation of the Report
 - vii) any restrictions on the use of the Report and
 - viii) a statement that the Expert Witness Service was conducted in accordance with this Standard
- 5.7 In providing an Expert Witness Service a Member should consider whether PPS 225 *Valuation Services* is applicable to the engagement or assignment. PPS 225 requires amongst other things that a Member make certain disclosures in a Report.
- 5.8 If a Member is not certain whether a matter is a significant assumption or an opinion, the Member should consult the legal representative of the Member's Client or Employer.
- 5.9 Working Papers document the work performed by the Member and the process by which the Member arrived at an opinion or Other Evidence that may or may not be used in a Report. A working Paper is not considered a Report unless it was specifically designed to communicate expert evidence to the Court.

6 False or misleading information and changes in opinion

- 6.1 A Member shall not knowingly or recklessly make a statement or cause another to make a statement in or in connection with a Forensic Accounting Service that by its content or by an omission is false or misleading
- 6.2 If a Member who was engaged or assigned to provide an Expert Witness Service becomes aware that an opinion expressed or Other Evidence given by the Member in a Report or in oral evidence was based on information that was false misleading or contained material omissions and that situation has not been subsequently disclosed in a Report or in oral testimony the Member shall promptly inform as appropriate the legal representative of the Client the Employer or the Court of the situation the Member shall also consider whether it is necessary to issue a supplementary Report

7.1 Quality control

7.1.1 A member in Public Practice shall comply with the requirements of APES 320 Quality Control for Firms.

7.2.1 A member in business who undertakes a forensic accounting Service should utilise a system of quality control that includes appropriate policies and procedures dealing with elements of quality control including but not limited to:

- (a) leadership responsibilities for quality within the employer
- (b) ethical requirements
- (c) human resources
- (d) assignment performance and
- (e) monitoring.

7.2.3 A member performing a forensic Accounting Service shall prepare working papers that appropriately document the work performed including the basis on which and the method by which any calculations, determinations or estimates used in the provision of the forensic Accounting Service have been made.

7.2.4 A member should be aware that working papers generated as part of undertaking a forensic accounting Service may be required to be furnished to other parties or the Court as evidence. Where appropriate a member should maintain the chain of custody including origin, possession and disposition of documents and other material particularly originals relevant to the engagement or assignment.

8 Professional fees

8.1 A member in Public Practice providing a forensic Accounting Service shall be remunerated for such Professional Service by way of professional fees computed in accordance with Section 240 Fees and Other Types of Remuneration of the Code.

8.2 A member in Public Practice shall not enter into a Contingent fee arrangement or receive a Contingent fee for

- (a) an Expert Witness Service or**
- (b) a forensic Accounting Service other than an Expert Witness Service that requires independence or where the member purports to be independent.**

8.3 A member in business shall not enter into a contingent remuneration arrangement or receive contingent remuneration for an Expert Witness Service.

Conformity with International Pronouncements

The International Ethics Standards Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 215.

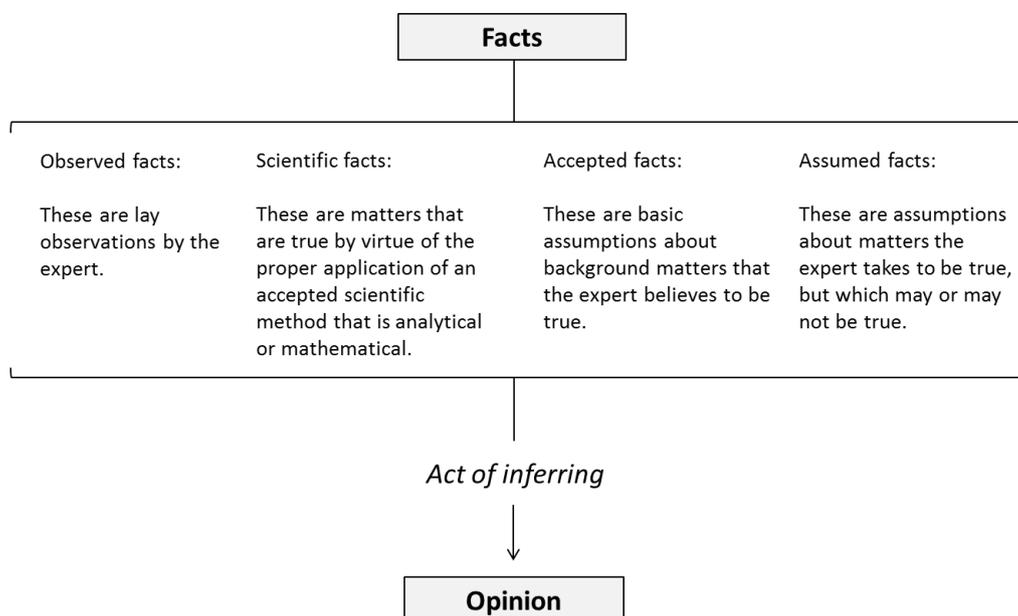
Appendix 1

Facts, assumptions and opinions

This Appendix contains some examples to assist a Member determine whether a matter is a fact, an assumption or an opinion for the purposes of APES 215. Members are cautioned that the determination of whether a matter is a fact, an assumption or an opinion under this Standard is a matter of professional judgement, based on the particular facts and circumstances. The examples contained in this Appendix are provided for illustrative purposes only. In all of the examples presented below it is assumed that there are no unmentioned facts which would be relevant to the consideration as to whether a matter is a fact, an assumption or an opinion.

Classification of facts for expert evidence

An opinion is an inference drawn from facts. In the context of expert evidence facts may be classified as observed, scientific, accepted or assumed.¹



Observed facts and scientific facts are both based on observations by the expert witness. They differ in that observed facts are lay observations but scientific facts are expert observations. Observed facts are lay observations because they are based on perceptions by the expert witness using one or more of the five senses but are not based on the application of the expert witness’s expertise. An example would be the observation by a land valuer of the presentation of a property. On the other hand, scientific facts are based on the expertise of the expert witness but do not involve any significant degree of expert judgement. It has been said that scientific facts are true by virtue of the proper application of an accepted scientific method that is analytical or mathematical. An example might be a complex financial calculation by a member that is based on the application of specialised knowledge but that does not amount to an opinion. This would occur where the results of the calculation flow mathematically or analytically without requiring inferences or questions of judgement if the underlying financial records are proved and if the calculation is done correctly. Under APES 215 both observed facts and scientific facts are facts.

¹ See *ASIC v Rich* [2005] NSWSC 109 and in particular paragraphs 180, 187, 200 to 203 and 270 to 272. See also chapter 15 of J. G. Heydon, *Cross on Evidence* 9th edition, LexisNexis Australia, 2012.

Accepted facts and assumed facts both involve assumptions. Accepted facts are basic assumptions about background matters that the expert believes are true. An example would be a basic assumption about the workings of the market economy. Another example would be a basic assumption about the dating of information or the provenance of documents. On the other hand, assumed facts are assumptions about matters that may or may not be true but which the expert witness assumes are true for the purpose of forming his or her opinion. An example in a contractual dispute involving a claim for lost profits would be an assumption about the selling price of a product but for the alleged breach of contract. If the expert witness's opinion depends upon accepted facts or assumed facts then those facts must be proved or admitted in order for the expert witness's opinion to be given weight. Under APES 215 both accepted facts and assumed facts are assumptions although whether any particular accepted fact or assumed fact is a *significant* assumption will depend on the circumstances.

Examples

The member has been asked to calculate the cost of goods sold expense for a period based on balances for opening stock, purchases and closing stock that have already been agreed by the parties. In calculating the expense the member applies specialised knowledge derived from the Member's training, study or experience using a well-accepted method which is not controversial (i.e. that cost of goods sold expense is equal to opening stock plus purchases less closing stock). However, the calculation does not require the member to apply any significant degree of expert judgement. In this case, the figure calculated by the member is a fact rather than an opinion (i.e. because it is in the nature of a scientific fact). On the other hand, if the member were instructed to assume a figure for the cost of goods sold expense then that would be an assumption.

The member has been asked to quantify the lost profits that would have been earned by a business but for a breach of duty. Among other things, this may require the member to choose a figure for the sales revenue that the business would have earned but for the breach of duty. The question of what would have happened to sales revenue but for the breach requires the member to consider a situation that is hypothetical rather than real and which therefore cannot be a question of fact. If in assessing the figure for sales revenue the member applies specialised knowledge derived from the Member's training, study or experience and a significant degree of expert judgement then the member will be expressing an opinion. On the other hand, if the member were instructed to assume a figure for the sales revenue then that would be an assumption.

The member uses the Capital Asset Pricing Model (CAPM) to determine a discount rate for the valuation of a business using the discounted cash flow method. The member must choose a figure for the beta which is an input to the CAPM. In the normal course, the member will choose a beta after having gathered relevant information and having performed relevant analyses. In assessing the figure for beta the member will apply specialised knowledge derived from the Member's training, study or experience and a significant degree of expert judgement. Therefore, the member will be expressing an opinion. On the other hand, if the member were instructed to assume a figure for the beta then that would be an assumption.

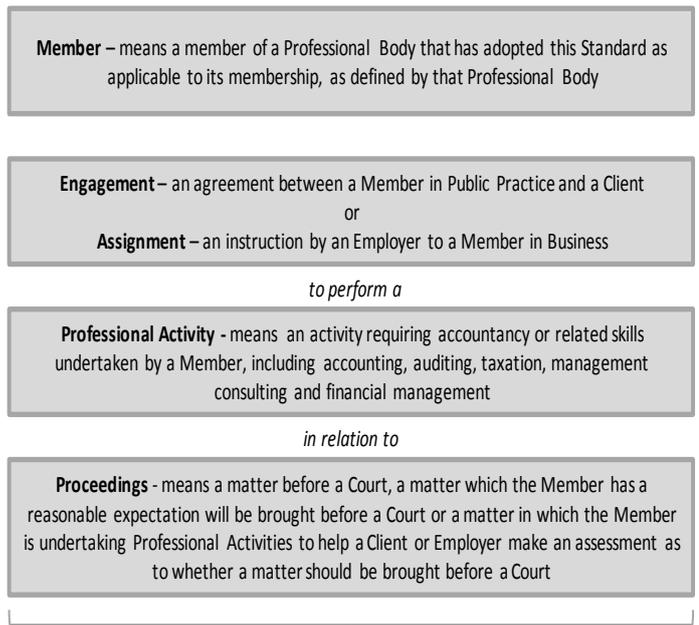
Appendix 2

Decision Tree to determine the type of Forensic Accounting Service

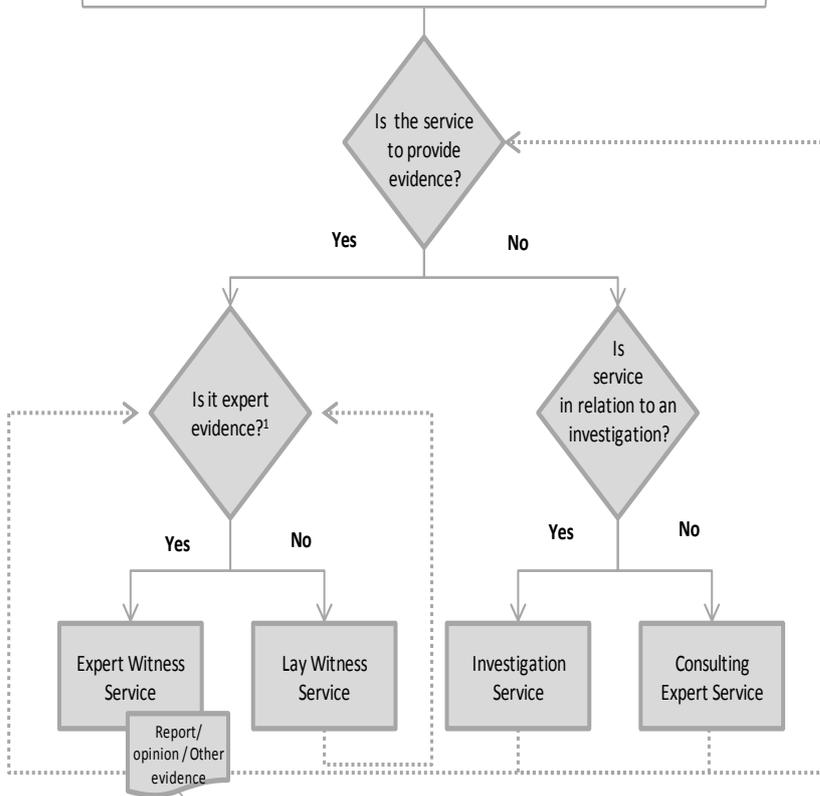
This Appendix contains a decision tree schematic to assist or determine whether a particular service is a Forensic Accounting Service for the purposes of APES 215 and, if so, whether the Engagement or Assignment is an Expert Witness, Lay Witness, Consulting Expert or Investigation Service. Each type of Forensic Accounting Service carries professional obligations specific to its purpose and therefore it is important for Members to make this determination.

Members are cautioned that the determination of whether a particular service is a Forensic Accounting Service under this Standard is a matter of professional judgement, based on the particular facts and circumstances.

The critical determination is whether a particular Forensic Accounting Service is an Expert Witness Service. Subsequently whether evidence is deemed admissible by the Court is a matter for the Court. However, this is likely to happen after the Forensic Accounting Service has been wholly or substantially provided by the Member. The important step is for the Member to assess, both initially and during the Engagement or Assignment, whether it is a Forensic Accounting Service and, if so, which one. If the Member determines that it is an Expert Witness Service, a subsequent decision to not admit the evidence from that Expert Witness Service does not change the nature of the Forensic Accounting Service. It is the intention to give expert evidence that is relevant and in turn creates the obligation for a Member to comply with the requirements of this Standard.



Essential requirements for an Engagement or Assignment to be within the scope of APES 215



The Member may provide expert evidence to the Court, including expressing opinions or providing Other Evidence, based on the Member’s specialised training, study or experience.

The Member may provide evidence other than expert evidence in the context of a Proceeding.

The Member may provide Investigation Services whether or not in the context of Proceedings.

Consulting Expert Service encompasses all Professional Services in the context of Proceedings excluding Expert Witness, Lay Witness and Investigation Services.

Including Independence disclosure as per paragraph 3.11

¹ Whether or not evidence is accepted as expert evidence is an after the fact matter. A Member must comply with the Standard in anticipation that evidence will be treated as expert evidence.

Appendix 3

Examples of Forensic Accounting Services

This Appendix analyses some examples to assist a Member determine the type of Forensic Accounting Services provided by a Member for the purposes of APES 215.

Members are cautioned that the determination of the type of Forensic Accounting Service provided by a Member under this Standard is a matter of professional judgement, based on the particular facts and circumstances. The examples contained in this Appendix are provided for illustrative purposes only and are not intended to be, and cannot be, all inclusive. The examples are not a substitute for reading the full text of APES 215 and applying the Standard to the particular circumstances to determine the type of Forensic Accounting Service provided by a Member. In all of the examples presented below it is assumed that there are no unmentioned facts which would be relevant to the consideration to determine the type of Forensic Accounting Service.

No	Nature	Conclusion
1	Participation in a professional tribunal	Consulting Expert
2	Dispute mediator	Consulting Expert
3	Adviser to investigation by law enforcement/regulatory agency	Consulting Expert (unless the Member is or is likely to provide an opinion or Other Evidence to the Court)
4	Prepare a Report for a company in a dispute	Expert Witness
5	Prepare a Report for a regulatory body on a listed company's compliance with accounting standards	Expert Witness
6	Member employed by/engaged by a law enforcement/regulatory body to provide a summary of company transactions for Proceedings	Expert Witness
7	Member employed by/engaged by a law enforcement/regulatory body to provide a summary of a flow of funds for Proceedings	Expert Witness
8	Member employed by a company under investigation subpoenaed to provide a factual witness statement	Day Witness
9	Member employed by a company under investigation subpoenaed to provide a factual witness statement and subsequently asked to publicly advertise	Expert Witness
10	Member employed by a company under investigation subpoenaed to provide an opinion on the appropriate accounting for a chart of transactions	Expert Witness
11	<i>Insurance Claim</i> – Provision of loss adjusting services requiring accounting skills	Consulting Expert (unless the Member is or is likely to provide an opinion or Other Evidence to the Court)
12	<i>Insurance Claim</i> – Provision of advice requiring accounting skills	Consulting Expert (unless the Member is or is likely to provide an opinion or Other Evidence to the Court)
13	Member requested to determine amount of restitution or payment on a fraud or compensation matter	Consulting Expert (unless the Member is or is likely to provide an opinion or Other Evidence to the Court)
14	<i>Family Law</i> – Appointed by the Court to provide a Report including opinion evidence	Expert Witness
15	<i>Family Law</i> – Engaged to provide consulting advice related to another accounting expert's opinion	Consulting Expert (unless the Member is or is likely to provide an opinion or Other Evidence to the Court)
16	<i>Family Law</i> – Engaged as a neutral party to mediate between two accounting experts who have provided expert opinions to the Court	Consulting Expert

No	Nature	Conclusion
17	Member employed by a company investigating a potential criminal offence or civil matter	Investigation Service
18	Member requested to testify facts of purchases made on construction project account	Lay Witness (unless the member is or is likely to provide an opinion or Other Evidence to the Court)
19	Member requested to provide an affidavit in respect of processes the member undertook as part of a forensic investigation specifically in relation to the collection and securing of computer forensic evidence	Lay Witness (unless the member is or is likely to provide an opinion or Other Evidence to the Court)
20	Member requested to give evidence in relation to the Member's observations of a staff member who has been charged with theft of company equipment/property	Lay Witness
21	Member requested to give evidence in relation to observations of a motor vehicle accident in which the member was involved	Lay Witness
22	Member employed by a revenue authority undertaking an investigation into a taxpayer's affairs	Expert Witness
23	Member is employed by a regulatory agency tasked with the review of a trust account in which alleged irregularities have occurred	Expert Witness

Example 1 Participation in a professional tribunal

Facts: The member has been asked to be a member of a professional tribunal handling a disciplinary matter involving an auditor. Professional tribunals typically include disciplinary bodies of the Professional Bodies and statutory boards involved in the review of auditors and liquidators. As a member of the professional tribunal, the tribunal will be relying on the Member's specialised knowledge derived from the member's training, study or experience in providing informed input to allow the tribunal to determine the issues to be raised and decided upon before the tribunal.

Analysis: Consulting Expert – the member is using the Member's specialised knowledge derived from the Member's training, study or experience in accounting to provide assistance in respect of a Proceeding, but is not giving evidence (expert or lay) in the Proceedings. The member has been chosen to be a tribunal member in part because of the member's specialised knowledge derived from the Member's training, study or experience.

Example 2 Dispute mediator

Facts: The member has been asked to be a mediator in a dispute between two parties over lost profits that would have been earned by a business but for a breach of duty. As a mediator, the member will be neutral and impartial and will assist the parties identify the issues, such as the accounting treatment of transactions, consider options and negotiate solutions. The parties must reach their own agreement and the mediator will not make any decisions about the dispute.

Analysis: Consulting Expert – the member is using the Member's specialised knowledge derived from the Member's training, study or experience in accounting to provide assistance to mediate the Proceeding, but is not giving evidence (expert or lay) in the Proceedings. The Member has been chosen to be the mediator in this matter in part because of the Member's specialised knowledge derived from the Member's training, study or experience in accounting.

Example 3 Adviser to investigation by law enforcement/regulatory agency

Facts: The Member has been asked to be an adviser to an investigation being conducted by a law enforcement/regulatory agency. The Member's specialised knowledge derived from the Member's training/study or experience in accounting will be used in providing advice (written and/or oral) to members of the investigation team on accounting issues and transactions that are or are intended to be investigated. The Member can act as an adviser to the investigation even when Proceedings are contemplated or have commenced. It is not envisaged that the Member will be required to provide evidence and/or a report in the Proceedings (if any) arising from the investigation.

Analysis: Consulting Expert – the Member is using the Member's specialised knowledge derived from the Member's training/study or experience in accounting to provide assistance to the investigation but is not giving evidence (expert or lay) in the Proceedings. The Member has been chosen to assist in the investigation in part because of the Member's specialised knowledge derived from the Member's training/study or experience in accounting.

However if during this process it is decided that the Member either is or is likely to give expert evidence (an opinion or Other Evidence) in this matter then it would become an **Expert Witness Service** from that time. Where during the conduct of an engagement the scope of work changes significantly a Member in Public Practice should amend and reissue the terms of engagement particularly where it will result in an Expert Witness Service.

Example 4 Prepare a Report for a company in a dispute

Facts: The Member has been asked by a company involved in a dispute, or the company's legal advisers to prepare a Report to quantify the lost profits that would have been earned by a business but for a breach of duty or a breach of contract. It is highly likely that the Report will be produced in Court in relation to legal action that is contemplated or has been commenced by the company. It is also highly likely that the Member will have to give evidence in the Court about matters covered in the Report. The Member's specialised knowledge derived from the Member's training/study or experience in accounting will be used in assessing the issues in dispute and preparing the Report. The Report will express opinions about the lost profits that would have been earned by a business but for a breach of duty.

Analysis: Expert Witness – the Member is using the Member's specialised knowledge derived from the Member's training/study or experience in accounting to provide assistance to the Court through the provision of written and/or oral evidence. As it is not lay evidence (i.e. the Member is not simply describing what the Member observed or did) it is considered expert evidence (whether or not it involves the expression of opinions).

Example 5 Prepare a Report for a regulatory body on a listed company's compliance with accounting standards

Facts: The Member has been asked by a regulatory body to prepare a Report on whether certain accounting standards have been complied with by a listed company. The Report will be produced in Court in relation to legal action that has been commenced by the regulatory body against directors of the company. It is also highly likely that the Member will have to give evidence in Court about matters covered in the Report. The Member's specialised knowledge derived from the Member's training/study or experience in accounting will be used in assessing the accounting standards in issue and preparing the Report. The Report will express opinions about the accounting standards that were used and whether the accounting standards were or were not complied with.

Analysis: Expert Witness – the Member is using the Member's specialised knowledge derived from the Member's training/study or experience in accounting to provide assistance to the Court through the provision of written and/or oral evidence. It is not lay evidence as the Member is expressing opinions on a matter in which the Member has specialised knowledge derived from the Member's specialist training/knowledge and experience.

Example 6 Member employed by/engaged by a law enforcement/regulatory body to provide a summary of complex transactions for Proceedings

Facts: The Member is employed by a law enforcement/regulatory body and has been asked to prepare a chart or summary that summarises a number of complex transactions and related accounting journals and ledger entries. The chart or summary will be produced by the Member in Court in relation to legal action that has been commenced by the law enforcement/regulatory body. The chart or summary is likely to aid the comprehension of material that is to be produced for the Court. The Member offers no opinions in the chart or summary that has been prepared.

Analysis: Expert Witness – the Member is using the Member’s specialised knowledge derived from the Member’s training/study or experience in accounting to provide assistance to the Court through the chart/summary of transactions. As it is not lay evidence (i.e. the Member is not simply describing what the Member observed or did) it is considered expert evidence (even though it may not involve the expression of opinions).

Example 7 Member employed by/engaged by a law enforcement/regulatory body to provide a summary of a flow of funds for Proceedings

Facts: The Member is employed by a law enforcement/regulatory body and has been asked to prepare a chart or summary that summarises the flow of funds/money through various bank accounts and trace the use of these funds/money. The chart or summary will be produced by the Member in Court in relation to legal action that has been commenced by the law enforcement/regulatory body. The chart or summary is likely to aid the comprehension of material that is to be produced for the Court. The Member offers no opinions in the chart or summary.

Analysis: Expert Witness – the Member is using the Member’s specialised knowledge derived from the Member’s training/study or experience in accounting to provide assistance to the Court through the chart/summary of transactions. As it is not lay evidence (i.e. the Member is not simply describing what the Member observed or did) it is considered expert evidence (even though it may not involve the expression of opinions).

Example 8 Member employed by a company under investigation subpoenaed to provide a factual witness statement

Facts: The Member is or was employed by a company that has been the subject of an investigation by a law enforcement/regulatory body which has subsequently asked or subpoenaed the Member to provide a witness statement covering the Member’s involvement in and observations of specific transactions and activities of the company without drawing on the Member’s specialised knowledge derived from the Member’s training/study or experience.

Analysis: Lay Witness – the Member is not using the Member’s specialised knowledge derived from the Member’s training/study or experience to provide assistance to the law enforcement/regulatory body and hence to the Court through the Member’s observations made. As the Member is simply describing what the Member observed or did it is not considered expert evidence.

Example 9 Member employed by a company under investigation subpoenaed to provide a factual witness statement and subsequently asked to apply expertise

Facts: The member is or was employed by a company that has been the subject of an investigation by a law enforcement/regulatory body which has subsequently asked or subpoenaed the member to provide a witness statement covering the Member's involvement in and observations of specific accounting transactions and activities of the company without drawing on the Member's specialised knowledge derived from the Member's training/study or experience. Upon examination during the Court proceedings the member is asked to provide an opinion to aid the Court in understanding accounting records presented as evidence.

Analysis: Expert Witness – the member is using the Member's specialised knowledge derived from the Member's training/study or experience in accounting to provide assistance to the Court in support of the Member's observations made. Since the Member has subsequently been asked to provide an opinion on a matter in which the member has specialised knowledge derived from the Member's training/study or experience it is not lay evidence.

When the member is asked to provide an opinion or Other Evidence in Court proceedings then it would become an **Expert Witness Service** from that time.

Example 10 Member employed by a company under investigation subpoenaed to provide an opinion on the appropriate accounting for a chart of transactions

Facts: Similar facts to Example 8 but the member is required to give the Member's opinions on what the reasons for the transactions were and/or whether they were in accordance with generally accepted accounting practice.

Analysis: Expert Witness – the member is using specialised knowledge derived from the member's training/study or experience in accounting to provide assistance to the law enforcement/regulatory body and hence to the Court through the chart/summary of transactions. As it is not lay evidence (i.e. the member is not simply describing what the member observed or did) it is considered expert evidence (even though it may not involve the expression of opinions).

Example 11 Insurance Claim – Provision of loss adjusting services requiring accounting skills

Facts: The member is assigned to provide loss adjusting services in respect of an insurance claim that involve use of the Member's specialised knowledge derived from the Member's training/study or experience in accounting. The member is to assess the claim value with respect to both material damage and business interruption in accordance with the insurance policy.

Analysis: Consulting Expert – the member is using specialised knowledge derived from the Member's training/study or experience in accounting to provide assistance to one party in the matter (i.e. the insurance company or the insured) but is not (at least initially) engaged to give evidence (expert or lay) in the Proceedings. It is to be presumed that the member has been chosen to assist because of the member's specialised knowledge derived from the Member's training/study or experience in accounting.

However if during this process it is decided that the member either is or is likely to be asked to provide an opinion or Other Evidence to the Court in the matter then it would become an **Expert Witness Service** from that time. Where during the conduct of an engagement the scope of work changes significantly a member in Public Practice should amend and reissue the terms of engagement particularly where it will result in an expert Witness Service.

Example 12 Insurance Claim – Provision of advice requiring accounting skills

Facts: The Member has been asked to determine the appropriate amount of compensation a claimant is entitled to under an income protection (or similar) insurance policy or statutory scheme. The Member's specialised knowledge derived from the Member's training, study or experience will be used in providing advice (written and/or oral) to the employer, statutory agency or insurance company on the claimant's entitlements. It is not envisaged that the Member will be required to provide evidence and/or a report to the Court in the Proceedings (if any) arising from the assessment.

Analysis: Consulting Expert – the Member is using specialised knowledge derived from the Member's training, study or experience in accounting to provide assistance to the investigation but is not giving evidence (expert or lay) in the Proceedings. It is to be presumed that the Member has been chosen to undertake the assessment in part because of the Member's specialised knowledge derived from the Member's training, study or experience in accounting.

However, if during this process it is decided that the Member either is or is likely to give an opinion or Other Evidence in this matter then it would become an **Expert Witness Service** from that time. Where, during the conduct of an engagement, the scope of work changes significantly, a Member in Public Practice should amend and reissue the terms of engagement, particularly where it will result in an Expert Witness Service.

Example 13 Member requested to determine amount of restitution or payment on a fraud or compensation matter

Facts: The Member has been asked to determine the amount of restitution or overpayment in a fraud or compensation matter based on the evidence obtained up until that time. The Member's specialised knowledge derived from the Member's training, study or experience will be used in providing advice (written and/or oral) to members of the investigation team on the amount of restitution or overpayment. It is not envisaged that the Member will be required to provide evidence and/or a report to the Court in the Proceedings (if any) arising from the review/assessment.

Analysis: Consulting Expert – the Member is using specialised knowledge derived from the Member's training, study or experience in accounting to provide assistance to the investigation but is not giving evidence (expert or lay) in the Proceedings. It is to be presumed that the Member has been chosen to undertake the assessment in part because of the specialised knowledge derived from the Member's training, study or experience in accounting.

However, if during this process it is decided that the Member either is or is likely to give an opinion or Other Evidence in this matter then it would become an **Expert Witness Service** from that time. Where, during the conduct of an engagement, the scope of work changes significantly, a Member in Public Practice should amend and reissue the terms of engagement, particularly where it will result in an Expert Witness Service.

Example 14 Family Law – Appointed by the Court to provide a Report including opinion evidence

Facts: The Member is appointed by the Court following representations by the parties' solicitors to provide a Report for both parties to the dispute including opinion evidence on valuation and accounting matters.

Analysis: Expert Witness – the Member is using the Member's specialised knowledge derived from the Member's training, study or experience to provide a written Report as a joint expert to the Court. It is not lay evidence as the Member is expressing opinions and/or providing Other Evidence on a matter or matters in which the Member has specialised knowledge derived from the Member's training, study or experience.

Example 15 Family Law – Engaged to provide consulting advice related to another accounting expert’s opinion

Facts: The Member is asked by one of the parties to a matrimonial dispute to provide consulting advice (as a “shadow”) in relation to another accounting expert’s opinion. When asked the Member is not expected to file a report giving the Member’s opinion to the Court, but merely to assist the instructing party and their solicitor.

Analysis: Consulting Expert – the Member is using the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting to provide assistance to one party to the dispute but is not giving evidence (expert or lay) in the Proceedings. The Member has been chosen to assist because of the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting.

However if during this process it is decided that the Member either is or is likely to be asked to provide an opinion or Other Evidence to the Court in the matter then it would become an **Expert Witness Service** from that time. Where during the conduct of an engagement the scope of work changes significantly a Member in Public Practice should amend and reissue the terms of engagement particularly where it will result in an Expert Witness Service.

Example 16 Family Law – Engaged as a neutral party to mediate between two accounting experts who have provided expert opinions to the Court

Facts: The Member is asked by the solicitors for both parties to a matrimonial dispute to mediate between two accounting experts who have provided expert opinions on the valuation of business assets with the parties to the dispute present at the mediation. As a mediator the Member will be neutral and impartial and will assist the parties identify the issues between the two expert valuers, consider options and negotiate solutions. The parties must reach their own agreement and the mediator will not make any decisions about the dispute.

Analysis: Consulting Expert – the Member is using the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting to provide assistance to mediate the Proceedings but is not giving evidence (expert or lay) in the Proceedings. The Member has been chosen to be the mediator in this matter in part because of the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting.

Example 17 Member employed by a company investigating a potential criminal offence or civil matter

Facts: The Member is asked by the Member’s Employer to undertake or assist in investigating a potential criminal offence or civil matter with the intention of identifying the facts, determine the financial implications, overpayment amount inappropriately obtained and ultimately assisting the employer to understand the situation and make a fully informed decision on what action should be taken. It is not envisaged that the Member will be required to provide evidence and/or a report to the Court in the Proceedings (if any) arising from the investigation.

Analysis: Investigation Service – the Member is using specialised knowledge derived from the Member’s training, study or experience in accounting in the investigations to assist the employer in understanding the matter and assist in determining what action should be taken but is not giving evidence (expert or lay) in the Proceedings. The Member has been chosen to investigate this matter in part because of the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting.

However if during this process it is decided that the Member either is or is likely to be asked to provide an opinion or Other Evidence to the Court in the matter then it would become an **Expert Witness Service** from that time.

Example 1 – Member requested to testify facts of purchases made on construction project account

Facts: The Member is employed as a project accountant on a construction project. The Member has been asked by the Member's Employer to appear in Court to provide a statement on the total amount of purchases made on account for a recently completed construction project which is in legal dispute. The Member's participation is restricted to providing a factual representation of the purchases processed by the Member in the project accounting ledger and the fact that the Member observed the construction project progress. It is not envisaged that the Member will be required to provide an opinion and/or Other Evidence and/or provide a Report to the Court in the Proceedings. The terminology used in the Member's statement is expressed in a manner that the Court can understand without technical accounting assistance.

Analysis: Lay Witness – the Member is not using specialised knowledge derived from the Member's training, study or experience in accounting in the statement to assist the Court in understanding the matter and assist in determining what action should be taken and is not giving expert evidence in the Proceedings. The Member has been chosen to participate in this matter only due to the Member's employment on the project team.

However, if during this process it is decided that the Member either is or is likely to be asked to provide an opinion or Other Evidence in Court Proceedings then it would become an **Expert Witness Service** from that time.

Example 1 – Member requested to provide an affidavit in respect of processes the Member undertook as part of a forensic investigation specifically in relation to the collection and securing of computer forensic evidence

Facts: The Member has been engaged to assist with the identification, collection and secure storage of electronic evidence held by an organisation. The Member provides an affidavit/statement detailing the actions and steps taken to perform the above engagement or assignment. The Member has been subpoenaed to Court to give this evidence.

Analysis: Lay Witness – the Member is not using the Member's specialised knowledge derived from the Member's training, study or experience in accounting in the statement to assist the Court in understanding the matter nor is the Member assisting the Court in determining what action should be taken. The Member has been chosen to participate in this matter only because of the Member's skills in electronic evidence retrieval without any analysis or examination of the underlying evidence collected.

However, if at any stage during this process it is decided that the Member either is or is likely to have the additional responsibility of providing an opinion or Other Evidence in relation to the summarising or charting of that evidence collected using specialised knowledge derived from the Member's training, study or experience then it would become an **Expert Witness Service** from that time. Where, during the conduct of an engagement, the scope of work changes significantly, a Member in Public Practice should amend and reissue the terms of engagement, particularly where it will result in an Expert Witness Service.

Example 20 – Member requested to give evidence in relation to the Member's observations of a staff member who has been charged with theft of company equipment/property

Facts: The Member is employed as an accountant by an accounting firm. The Member was present when another staff member allegedly took a laptop, mobile phone and other company equipment from the office to their home and was involved in some discussion surrounding the alleged theft with the staff member who has been charged. The Member has provided a witness statement/affidavit about the Member's observations and discussions with the accused and has been subpoenaed to Court to provide evidence about this matter. The Member's participation is restricted to providing a factual account of the Member's observations and discussions leading up to and after the alleged theft.

Analysis: Lay Witness – the Member is not using specialised knowledge derived from the Member’s training, study or experience in accounting in the statement/affidavit to assist the Court in understanding the matter nor is the Member assisting the Court in determining what action should be taken. The Member has been chosen to participate in this matter solely because of what the Member had witnessed.

Example 21 Member requested to give evidence in relation to observations of a motor vehicle accident in which the Member was involved

Facts: The Member is employed as an accountant and was involved in a motor vehicle accident where the Member was driving a vehicle and was not at fault for the accident. The at fault driver has been charged with criminal offences as a result of the motor vehicle accident. The Member has provided a witness statement/affidavit setting out the Member’s observations and knowledge of the circumstances surrounding the motor vehicle accident. The Member has been subpoenaed to Court to give this evidence.

Analysis: Lay Witness – the Member is not using specialised knowledge derived from the Member’s training, study or experience in accounting in the statement/affidavit to assist the Court in understanding the matter nor is the Member assisting the Court in determining what action should be taken. The Member has been chosen to participate in this matter only because of the Member’s involvement in the motor vehicle accident and what the Member had witnessed.

Example 22 Member employed by a revenue authority undertaking an investigation into a taxpayer’s affairs

Facts: The Member is employed by a government revenue authority and is undertaking a review of a taxpayer’s affairs in connection with a Proceeding and with a view to providing a Report on the findings to the Court. The work is likely to result in an assessment or amended assessment for the taxpayer as there are alleged breaches of the applicable tax legislation.

Analysis: Expert Witness – the Member is using the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting and taxation knowledge to formulate the Report and the conclusions contained therein to the Court. In this situation the Member will be expressing an opinion or providing Other Evidence about the interpretation of the relevant legislation, its application to the factual findings concerning specific items of the review and whether the alleged breaches result in an unidentified liability (or overpayment). It is not lay evidence as the Member is expressing opinions and/or providing Other Evidence on matters in which the Member has specialised knowledge derived from the Member’s training, study or experience.

Example 23 Member is employed by a regulatory agency tasked with the review of a trust account in which alleged irregularities have occurred

Facts: The Member is employed in a regulatory agency and is undertaking a review of a trust account in which alleged irregularities have occurred. The Member is tasked with performing a review and providing a Report on the findings to the Court.

Analysis: Expert Witness – the Member is using the Member’s specialised knowledge derived from the Member’s training, study or experience in accounting to formulate the Report to the Court. It is not lay evidence as the Member will be expressing opinions and/or providing Other Evidence on matters in which the Member has specialised knowledge derived from the Member’s training, study or experience.

Appendix 4

Summary of revisions to the previous APES 215 issued in December 2013

APES 215 *Forensic Accounting Services* originally issued in December 2008 and revised in December 2013 has been revised by APES in December 2015. A summary of the revisions is given in the table below.

Table of revisions

Paragraph affected	How affected
1.1	Added
1.2 – Paragraph 1.1 of existing APES 215 relocated	Amended
1.3 – Paragraph 1.2 of existing APES 215 relocated	Amended
1.12	Added
2 – Definition of Assignment	Amended
2 – Definition of Contingent Fee	Amended
2 – Definition of Engagement	Amended
2 – Definition of Firm	Amended
2 – Definition of Independence	Amended
2 – Definition of Member in Business	Amended
2 – Definition of Member in Public Practice	Amended
2 – Definition of Professional Bodies	Amended
2 – Definition of Professional Standards	Amended
3.1	Amended
3.7	Amended
3.8	Amended
3.17	Amended
4.1	Amended
5.1	Amended
8.1	Amended
Appendix 3	Amended

* Refer Technical Update 2015/11

Appendix P APES 225 – Valuation Services



APES 225 Valuation Services

[Supersedes APES 225 Valuation Services issued in December 2015]

Prepared and issued by
Accounting Professional & Ethical Standards Board Limited

REVISED: March 2018

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1. Scope and application

- 1.1 The objective of APES 225 *Valuation Services* is to specify a Member's professional and ethical obligations in respect of:
- the provision of a Valuation Service to a Client or Employer;
 - the types of Engagement or Assignment that are a Valuation Service;
 - matters a Member in Public Practice must address in the Terms of Engagement;
 - matters to be disclosed in a Valuation Report; and
 - quality control and documentation requirements.
- 1.2 Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 225 Valuation Services (**the Standard**), which is effective for Valuation Engagements or Assignments commencing on or after 1 July 2018 and supersedes APES 225 issued in December 2015. Earlier adoption of this Standard is permitted.
- 1.3 APES 225 sets the standards for Members in the provision of quality and ethical Valuation Services. The mandatory requirements of this Standard are in **bold-type**, preceded or followed by discussion or explanations in normal type. APES 225 should be read in conjunction with other professional duties of Members, and any legal obligations that may apply.
- 1.4 **Members in Australia shall follow the mandatory requirements of APES 225 when they provide Valuation Services.**
- 1.5 **Members outside of Australia shall follow the mandatory requirements of APES 225 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations.**
- 1.6 **Members shall be familiar with relevant Professional Standards and guidance notes when providing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.**
- 1.7 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.8 All references to Professional Standards, guidance notes and legislation are references to those provisions as amended from time to time.
- 1.9 In applying the requirements outlined in APES 225, Members should be guided not merely by the words but also by the spirit of the Standard and the Code.
- 1.10 In this Standard, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

2. Definitions

For the purpose of this Standard:

Assignment means an instruction, whether written or otherwise, by an Employer to a Member in Business relating to the provision of Professional Activities by a Member in Business. However, consultations with the Employer prior to such instruction are not part of an Assignment.

Calculated Value means an estimate of value of a business, business ownership interest, security or intangible asset that results from a Calculation Engagement. A Calculated Value may either be a single amount or a range.

Calculation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member and the Client or Employer agree on the Valuation Approaches, Valuation Methods and Valuation Procedures the Member will employ. A Calculation Engagement generally does not include all of the Valuation Procedures required for a Valuation Engagement or a Limited Scope Valuation Engagement.

Client means an individual, firm, entity or organisation to whom or to which Professional Activities are provided by a Member in Public Practice in respect of Engagements of either a recurring or demand nature.

Code means APES 110 *Code of Ethics for Professional Accountants*.

Conclusion of Value means an estimate of value of a business, business ownership interest, security or intangible asset that results from a Valuation Engagement or a Limited Scope Valuation Engagement. A Conclusion of Value may either be a single amount or a range.

Contingent Fee means a fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the Firm. A fee that is established by a court or other public authority is not a Contingent Fee.

Employer means an entity or person that employs, engages or contracts a Member in Business.

Engagement means an agreement, whether written or otherwise, between a Member in Public Practice and a Client relating to the provision of Professional Services by a Member in Public Practice. However, consultations with a prospective Client prior to such agreement are not part of an Engagement.

Engagement Document means the document (i.e. letter, agreement or any other appropriate means) in which the Terms of Engagement are specified in a written form.

Firm means:

- (a) A sole practitioner, partnership, corporation or other entity of professional accountants;
- (b) An entity that controls such parties, through ownership, management or other means;
- (c) An entity controlled by such parties, through ownership, management or other means; or
- (d) An Auditor-General's office or department.

Independence is:

- (a) Independence of mind - the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity, and exercise objectivity and professional scepticism.
- (b) Independence in appearance - the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a Firm's, or a member of the Engagement team's, integrity, objectivity or professional scepticism has been compromised.

Limited Scope Valuation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the scope of work is limited or restricted. The scope of work is limited or restricted where the Member is not free, as the Member would be but for the limitation or restriction, to employ the Valuation Approaches, Valuation Methods and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time, and it is reasonable to expect that the effect of the limitation or restriction on the estimate of value is material. A limitation or restriction may be imposed by the Client or Employer or it may arise from other sources or circumstances. A limitation or restriction may be present and known at the outset of the Engagement or Assignment or may arise or become known during the course of a Valuation Engagement. A Limited Scope Valuation Engagement may also be referred to as a “restricted-scope valuation engagement” or an “indicative valuation engagement”.

Member means a member of a Professional Body that has adopted this Standard as applicable to their membership, as defined by that Professional Body.

Member in Business means a Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.

Member in Public Practice means a Member, irrespective of functional classification (e.g. audit, tax or consulting) in a Firm that provides Professional Services. This term is also used to refer to a Firm of Members in Public Practice and means a practice entity and a participant in that practice entity as defined by the applicable Professional Body.

Premise of Value means an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation, e.g. going concern or liquidation.

Professional Activity means an activity requiring accountancy or related skills undertaken by a Member, including accounting, auditing, taxation, management consulting, and financial management.

Professional Bodies means Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

Professional Services means Professional Activities performed for Clients.

Professional Standards means all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable Professional Body.

Terms of Engagement means the terms and conditions that are agreed between the Client and the Member in Public Practice for the Engagement.

Valuation means the act or process of determining an estimate of value of a business, business ownership interest, security or intangible asset by applying Valuation Approaches, Valuation Methods and Valuation Procedures. A Valuation does not involve the verification of information in respect of the business, business ownership interest, security or intangible asset being valued.

Valuation Approach(es) means a general way(s) of determining an estimate of value of a business, business ownership interest, security, or intangible asset using one or more Valuation Methods.

Valuation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time. Where a Member has entered into a Valuation Engagement but during the course of performing the Valuation Engagement the Member becomes aware of a limitation or restriction that, if it had been known at the time the Engagement or Assignment was entered into, would have made the Engagement or Assignment a Limited Scope Valuation Engagement then the Valuation Engagement will become a Limited Scope Valuation Engagement.

Valuation Method(s) means, within Valuation Approaches, a specific way(s) to determine an estimate of value of a business, business ownership interest, security or intangible asset.

Valuation Procedures means the act, manner and technique of performing the steps of a Valuation Method.

Valuation Report means any written or oral communication by the Member containing a Conclusion of Value or a Calculated Value.

Valuation Service means a service provided by a Member to a Client or Employer in performance of a Valuation Engagement, Limited Scope Valuation Engagement or a Calculation Engagement.

3. Fundamental responsibilities of Members

- 3.1 A Member providing a Valuation Service shall comply with Section 100 *Introduction and Fundamental Principles* of the Code and relevant law.
- 3.2 Members in Public Practice shall comply with Section 220 *Conflicts of Interest* and Section 280 *Objectivity – All Services* of the Code.

Public interest

- 3.3 In accordance with Section 100 *Introduction and Fundamental Principles* of the Code, a Member shall observe and comply with the Member's public interest obligations when providing a Valuation Service.

Professional Independence

- 3.4 When engaged to perform a Valuation Service which requires Independence or purports to be independent, the Member in Public Practice shall comply with Independence as defined in this Standard.
- 3.5 A Member in Public Practice shall not act as an advocate in respect of a Valuation Service which requires Independence or purports to be independent.

Professional competence and due care

- 3.6 A Member providing a Valuation Service shall maintain professional competence and take due care in the performance of the Member's work in accordance with Section 130 *Professional Competence and Due Care* of the Code.
- 3.7 Where a Valuation Service requires the consideration of matters that are outside a Member's professional expertise, the Member shall seek expert assistance or advice from a suitably qualified third party on those matters outside of the Member's professional expertise or decline the Valuation Service. The Member shall disclose in any Valuation Report or other relevant

communications the extent of the reliance upon the advice of such a third party.

- 3.8 When planning to use the work of a suitably qualified third party, a Member shall assess the professional competence and objectivity of the third party, the engagement terms of the third party and on completion the appropriateness and reasonableness of the work performed.
- 3.9 In undertaking a Valuation Service, a Member should consider the contents of any guidance in respect of Valuation matters issued by the Professional Bodies and appropriate regulatory authorities.

Confidentiality

- 3.10 In accordance with Section 140 *Confidentiality* of the Code, a Member who acquires confidential information in the course of performing a Valuation Service for a Client or Employer shall not use that information for any purpose other than the proper performance of the Valuation Service for that Client or Employer.
- 3.11 Unless the Member has a legal obligation of disclosure, a Member shall not convey any information relating to a Client's or Employer's affairs to a third party without the Client's or Employer's permission.
- 3.12 Where a Client has given a Member in Public Practice permission to disclose confidential information to a third party, it is preferable that this permission is in writing. Where oral permission is obtained, a contemporaneous note should be made and kept on file by the Member recording the relevant details of the Client's approval.
- 3.13 Where a Member provides confidential information in accordance with a legal obligation of disclosure, the Member shall notify the Client, Employer or relevant third party as soon as practicable, provided that there is no legal prohibition against such notification.

4. Professional Engagement and other matters

- 4.1 A Member in Public Practice shall document and communicate to the Client in an Engagement Document the Terms of Engagement to provide the Valuation Service in accordance with APES 305 *Terms of Engagement*.
- 4.2 A Member in Public Practice shall include the following in the Engagement Document:
- (a) a statement as to which type of Engagement the Member has been engaged to perform (if that has been determined at the date of the Engagement Document);
 - (b) the definitions of a Valuation Engagement, a Limited Scope Valuation Engagement and a Calculation Engagement;
 - (c) for a Valuation Engagement, a statement that if the Member becomes aware during the course of performing the Valuation of a limitation or restriction that could have a material impact on the estimate of value, then the Engagement will become a Limited Scope Valuation Engagement;
 - (d) for a Calculation Engagement, a statement as to which Valuation Approaches, Valuation Methods and Valuation Procedures the Member has been engaged to perform;

- (e) for a Valuation Service which requires Independence or purports to be independent, a statement confirming the Member's Independence and the Member's compliance with the Independence requirements of this Standard; and
 - (f) a statement that the Valuation Service will be conducted in accordance with this Standard.
- 4.3 A Member in Public Practice who is approached by a potential Client to undertake a Valuation Service shall comply with the requirements of Section 210 *Professional Appointment* of the Code.
- 4.4 A Member in Public Practice who has engaged the services of a third party in connection with the performance of a Valuation Service, such as a valuer of property, plant and equipment, shall not disclose the opinion or the name of that third party without the prior consent of that party unless the Member has a legal obligation of disclosure.
- 4.5 A Member shall gather sufficient and appropriate evidence by such means as inspection, inquiry, computation and analysis to provide reasonable grounds that the Valuation Report and the conclusions therein are properly supported. When determining the extent and quality of evidence necessary the Member shall exercise professional judgement, considering the nature of the Valuation, the type of Valuation Service and the use to which the Valuation Report will be put.
- 4.6 Subject to the Terms of Engagement and paragraph 3.11, a Member in Public Practice who has relied on information provided by the Client, its management, or a third party, should consider requesting a written representation from the relevant party that:
 - (a) the relevant party has reviewed the draft Valuation Report or extract thereof;
 - (b) the facts upon which the draft Valuation Report or extract thereof is based are correct and no material, relevant facts have been omitted;
 - (c) the historical financial information upon which the draft Valuation Report or extract thereof is based is complete, accurate, and reliable;
 - (d) the assumptions upon which the draft Valuation Report or extract thereof is based are reasonable; and
 - (e) there are no other matters, in the opinion of the Client, its management or a third party, which should be brought to the Member's attention.
- 4.7 Where a Member relies on a representation made by a relevant party, the Member is making an assumption that the matter represented is true, unless the Member has independently gathered sufficient and appropriate evidence to provide reasonable grounds that the matter represented is supported.

5. Reporting

- 5.1 Generally when a Member in Public Practice provides a Valuation Service, the Member should prepare a written Valuation Report. However, this Standard recognises that a Member may issue a Valuation Report orally where instructed to do so by the Member's Client or where there are circumstances that would justify issuing a Valuation Report orally rather than in writing.

- 5.2** Where a Member in Public Practice prepares a written Valuation Report in respect of a Valuation Service, the Valuation Report shall clearly communicate:
- (a) The name of the party engaging the Member;
 - (b) A description of the business, business ownership interest, security or intangible asset being valued;
 - (c) The date at which the value has been determined;
 - (d) The date on which the Valuation Report has been issued;
 - (e) The purpose for which the Valuation Report has been prepared;
 - (f) The name and qualifications of the Member(s) responsible for the Valuation;
 - (g) The scope of the Valuation, including any limitations or restrictions;
 - (h) The standard of value used in the Valuation and its definition;
 - (i) The Premise of Value adopted in the Valuation (e.g. going concern premise or liquidation premise);
 - (j) Whether the Valuation was undertaken by the Member acting independently or not;
 - (k) The Valuation Approach(es), Valuation Method(s) and Valuation Procedures adopted in determining the estimate of value and a description of how they were applied;
 - (l) The specific information on which the Member has relied and the extent to which it has been reviewed (e.g. the documents reviewed, the individuals interviewed, the facilities visited, the reports of other experts relied upon, and management representations);
 - (m) A description of the material assumptions applied in the Valuation and the basis for those assumptions;
 - (n) A Conclusion of Value for a Valuation Engagement or a Limited Scope Valuation Engagement, or a Calculated Value for a Calculation Engagement;
 - (o) All qualifications that materially affect the Conclusion of Value or Calculated Value;
 - (p) For a Limited Scope Valuation Engagement, that if a Valuation Engagement had been performed the results may have been different;
 - (q) For a Calculation Engagement, that if a Valuation Engagement had been performed the results may have been different;
 - (r) Where a Member has prepared a Valuation Report requiring Independence or purporting to be independent, that the compensation to be paid to the Member is not contingent on the conclusion, content or future use of the Valuation Report; and
 - (s) That the Valuation Service was conducted in accordance with this Standard.
- 5.3** Where a Member in Public Practice communicates the Valuation Report orally, the Member shall communicate the elements noted in paragraph 5.2, as appropriate in the circumstances, and document the oral communication, the reasons for issuing an oral report and the work performed in accordance with this Standard and the Firm's policies and procedures established under *Documentation of the system of quality control of APES 320 Quality Control for Firms*.

- 5.4 In addition to the minimum requirements of a Valuation Report set out in paragraph 5.2, the Member in Public Practice shall consider including the following information in a Valuation Report, as appropriate:
- (a) A description of other Valuation Approaches or Valuation Methods considered and the reasons why they were not considered relevant for the Valuation;
 - (b) Sufficient details of the Valuation calculations to allow a reader to understand how the Member determined the Conclusion of Value or Calculated Value;
 - (c) A summary of relevant financial information; and
 - (d) A summary of the relevant industry.
- 5.5 A Member in Business who undertakes a Valuation Service should prepare a Valuation Report taking into consideration the requirements and guidance of paragraphs 5.1 to 5.4 of this Standard, as appropriate, and to the extent practicable.

6. Documentation

- 6.1 A Member performing a Valuation Service shall prepare working papers that appropriately document the work performed, including the basis on which, and the method by which, any calculations, determinations or estimates used in the provision of the Valuation Service have been made.

7. Use of a glossary of business valuation terms

- 7.1 When issuing a Valuation Report, a Member shall clearly define the Valuation terms used.
- 7.2 Members are encouraged to use as far as practicable terms that are in general use for Valuation Services. Members are referred to the *International Glossary of Business Valuation Terms* which are included in the valuation standards of the American Institute of Certified Public Accountants and the Canadian Institute of Chartered Business Valuators.

8. Professional fees

- 8.1 A Member in Public Practice providing Valuation Services shall be remunerated for such Professional Services by way of professional fees computed in accordance with Section 240 *Fees and Other Types of Remuneration* of the Code.
- 8.2 A Member in Public Practice shall not enter into a Contingent Fee arrangement or receive a Contingent Fee for a Valuation Service which requires Independence or purports to be independent.

Conformity with International Pronouncements

The International Ethics Standards Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 225.

Appendix 1

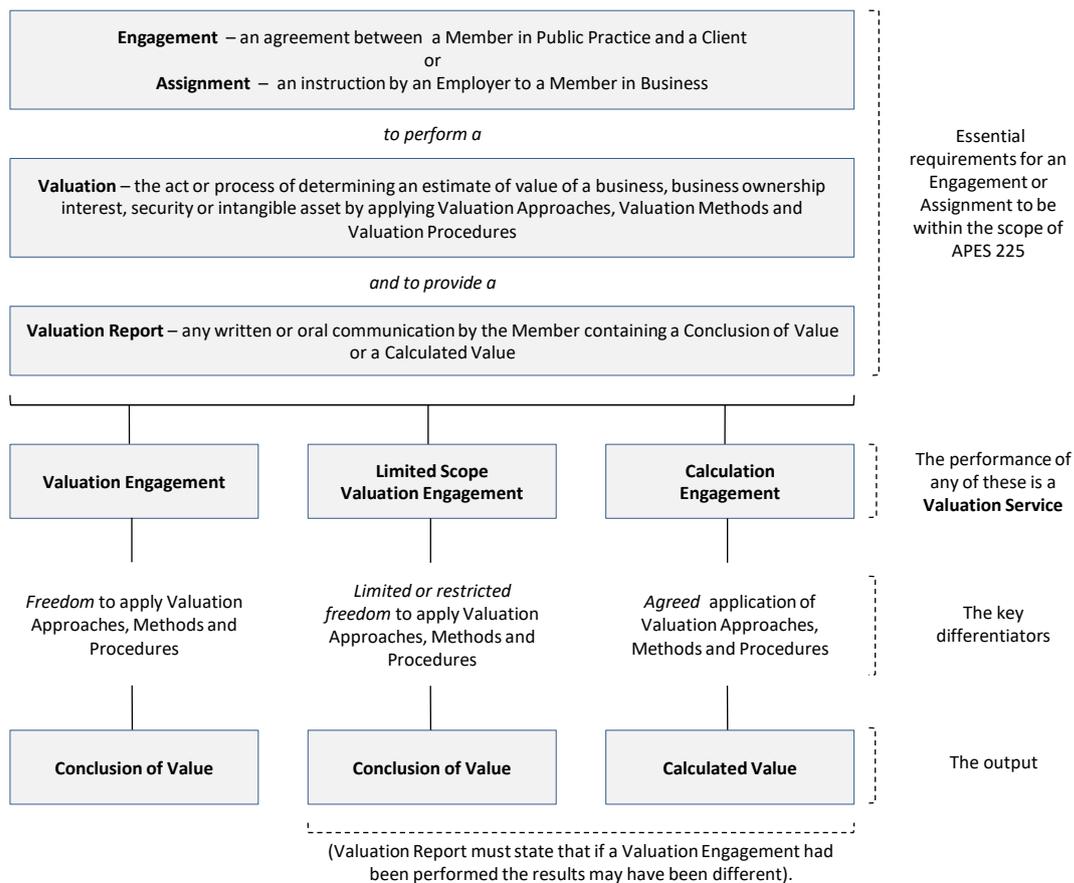
Schematic and Examples

This Appendix contains a schematic and some examples to assist or determine whether a particular service is a Valuation Service for the purposes of APES 225 and, if so, whether the Engagement or Assignment is a Valuation Engagement, Limited Scope Valuation Engagement, or Calculation Engagement.

Members are cautioned that the determination of whether a particular service is a Valuation Service under this Standard is a matter to be judged based on the particular facts and circumstances. The examples contained in this Appendix are provided for illustrative purposes only and are not intended to be, and cannot be, all inclusive. The examples are not a substitute for reading the full text of APES 225 and applying the Standard to the particular circumstances to determine whether the Member is providing a Valuation Service. In all of the examples presented below it is assumed that there are no unmentioned facts which would be relevant to the consideration as to whether the service provided is a Valuation Service.

Schematic

The following schematic provides an overview of what constitutes a Valuation Service and what differentiates the three types of Engagement or Assignment.



Examples

No	Title	Conclusion
1	Valuation of equity for capital gains tax	Valuation Engagement
2	Valuation of equity where industry not analysed	Limited Scope Valuation Engagement
3	Valuation Engagement becomes Limited Scope Valuation Engagement	Limited Scope Valuation Engagement
4	Valuation of equity for capital gains tax where Valuation date is eight years ago and information lost	Limited Scope Valuation Engagement
5	Valuation of equity for capital gains tax where records are sparse	Valuation Engagement
6	Valuation of equity for capital gains tax with limited time	Limited Scope Valuation Engagement
7	Valuation of shareholding for capital gains tax with assumption on the value of all equity	Limited Scope Valuation Engagement
8	Valuation of shareholding for capital gains tax with assumptions on the value of all equity and percentage discounts for the lack of control and marketability	Calculation Engagement
9	Valuation of Employer's intangible assets for tax consolidation	Valuation Engagement
10	Valuation of intellectual property for a Client	Valuation Engagement
11	Limited scope Valuation for mergers and acquisitions advice	Limited Scope Valuation Engagement
12	Estimate of price for advice on sale of a company	Not a Valuation Service
13	Limited scope Valuation of Employer's business for potential sale	Limited Scope Valuation Engagement
14	Limited scope Valuation for estate planning advice	Limited Scope Valuation Engagement
15	Valuation assumptions for estate planning advice	Not a Valuation Service
16	Independent expert report for takeover offer	Valuation Engagement
17	Independent expert report for scheme of arrangement	Valuation Engagement
18	Independent expert report for the compulsory acquisition of securities	Valuation Engagement
19	Audit procedures on Valuation assertions	Not a Valuation Service
20	Audit procedures on Client's Valuations	Not a Valuation Service
21	Limited scope Valuation of Employer's business	Limited Scope Valuation Engagement
22	Opinion as receiver and manager on realisable value of business	Not a Valuation Service
23	Opinion as expert witness on lost profits	Not a Valuation Service
24	Opinion as expert witness on value of business	Valuation Engagement

Example 1 Valuation of equity for capital gains tax

Facts: A Member in Public Practice is engaged to perform a Valuation as at today's date of the issued share capital of a company for the purpose of capital gains tax and to provide a written report to the Client. There is no restriction or limitation placed on the Member in choosing the appropriate procedures or approach to use.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement.

Example 2 Valuation of equity where industry not analysed

Facts: The facts are the same as for Example 1 except that the scope of work is limited in that the Member is instructed not to perform any analysis of the industry within which the business of the company operates. In the absence of this instruction the Member would have considered it appropriate to perform an analysis of the industry. The lack of analysis on the industry would reasonably be considered to have a material impact on the estimate of value.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation where the scope of work is limited or restricted, and to provide a Valuation Report, which constitutes a Limited Scope Valuation Engagement.

Example 3 Valuation Engagement becomes Limited Scope Valuation Engagement

Facts: The facts are the same as for Example 1 except that after agreeing the Terms of Engagement, which provides for a Valuation Engagement, during the course of performing the Valuation the Member becomes aware of a limitation. The Member intended to value the equity in the company using the income approach and for that purpose intended to estimate the company's expected future cash flows. The Member made relevant enquiries of the Client for the purpose of estimating the expected future cash flows. However, the Client decided not to respond to the Member's enquiries but instead instructed the Member to adopt the Client's existing forecast of cash flows so as to contain professional costs.

Analysis: This is a Valuation Service. The Member was initially engaged to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement. The Client's subsequent instruction to adopt the Client's existing forecast of cash flows amounts to a limitation on the scope of work because it restricts the Member's freedom to employ the Valuation Procedures that are reasonable and appropriate taking into consideration all relevant facts and circumstances of the Engagement and the instruction could have a material impact on the estimate of value. Accordingly, from that moment the Engagement ceased to be a Valuation Engagement and became a Limited Scope Valuation Engagement.

Example 4 Valuation of equity for capital gains tax where Valuation date is eight years ago and information lost

Facts: The facts are the same as for Example 1 except that the valuation date is eight years ago and there is less information available now due to the subsequent destruction of many documents in accordance with the company's document retention policy and the departure of key staff. Despite this, there are some relevant documents, including financial statements for the three years up to the valuation date. The relative lack of information means that the Member is not able to choose the Valuation Approaches and Valuation Methods that the Member would otherwise consider appropriate, and is not able to apply Valuation Procedures to the extent to which the Member would otherwise consider appropriate.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and provide a Valuation Report. A hypothetical seller and a hypothetical buyer standing at the valuation date eight years ago would have had more information available to them than the Member has now for the purpose of performing a Valuation at a date eight years ago. The

scope of work is limited or restricted because the relative lack of information restricts the Member's freedom to choose and apply Valuation Approaches, Valuation Methods and Valuation Procedures. Accordingly, the Engagement is a Limited Scope Valuation Engagement.

Example 5 Valuation of equity for capital gains tax where records are sparse

Facts: The facts are the same as for Example 1 except that the company maintains records that are very sparse (albeit compliant with legal requirements).

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and provide a Valuation Report. The sparse nature of the company's records does not amount to a limitation or restriction on scope because a hypothetical seller and a hypothetical buyer do not have any better information available to them. The fact of the sparse records is a characteristic of the company being valued and, therefore, is something that will be reflected in the estimate of value. The Engagement is a Valuation Engagement.

Example 6 Valuation of equity for capital gains tax with limited time

Facts: The facts are the same as for Example 1 except that the Member is required to deliver a Valuation Report within a period of time that is too short to allow the Member to perform all of the Valuation Procedures that the Member otherwise considers appropriate.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and provide a Valuation Report. The scope of work is limited or restricted because the short timeframe restricts the Member's freedom to choose and apply Valuation Procedures. Hence the Engagement is a Limited Scope Valuation Engagement.

Example 7 Valuation of shareholding for capital gains tax with assumption on the value of all equity

Facts: A Member in Public Practice is engaged to perform a Valuation of a shareholding in a company for the purpose of capital gains tax and to provide a written report to the Client. The Member is instructed to assume a particular figure for the value of all of the issued share capital of the company.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and provide a Valuation Report where the scope of work is limited or restricted in that the Member is instructed to assume the value of all of the issued share capital. Otherwise the Member is free to apply the Valuation Approaches, Valuation Methods and Valuation Procedures the Member considers appropriate in determining an estimate of value of the shareholding. This freedom means the engagement is not a Calculation Engagement. The Engagement is a Limited Scope Valuation Engagement because the scope of work is limited or restricted.

Example 8 Valuation of shareholding for capital gains tax with assumptions on the value of all equity and percentage discounts for the lack of control and marketability

Facts: The facts are the same as for Example 7 except that in addition to being instructed to assume a particular figure for the value of all of the issued share capital of the company, the Member is instructed to assume particular percentage discounts for the lack of control and marketability associated with the shareholding.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and provide a Valuation Report where the scope of work is limited or restricted in that the Member is instructed to assume the value of all of the issued share capital and to assume

certain percentage discounts for the lack of control and marketability associated with the shareholding. The Engagement is a Calculation Engagement because the Member and the Client have agreed the Valuation Approaches, Valuation Methods and Valuation Procedures the Member will apply, thereby eliminating the Member's freedom to choose. The performance of the Calculation Engagement is a Valuation Service.

Example 9 Valuation of Employer's intangible assets for tax consolidation

Facts: A Member in Business is assigned by the Member's Employer to perform a Valuation of the intangible assets of a company acquired by the Employer for the purpose of tax consolidation and to provide a written report to the Employer.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement.

Example 10 Valuation of intellectual property for a Client

Facts: A Member in Public Practice is engaged to perform a Valuation of the intellectual property of a Client, which the Client uses internationally. There is no restriction or limitation placed on the Member in terms of choosing the appropriate Valuation Approaches, Valuation Methods, and Valuation Procedures to perform the Valuation. The Member considers that the extent to which the intellectual property is protected by law in the countries in which it is used is material to the Valuation. The Client has informed the Member that it has not obtained legal advice to determine the strength of its legal rights over the intellectual property in each jurisdiction. The Client has instructed the Member to assume that the Client has legally enforceable rights in each jurisdiction.

Analysis: This is a Valuation Service. The Member in Public Practice has been engaged to perform a Valuation and to provide a Valuation Report. The Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures the Member deems appropriate. Accordingly, this is a Valuation Engagement. However, the Valuation Report must disclose the material assumption the Member is instructed to make regarding the status of the legal rights over the intellectual property.

Example 11 Limited scope Valuation for mergers and acquisitions advice

Facts: A Member in Public Practice is engaged to provide mergers and acquisitions advice to a Client contemplating a potential acquisition of a business. Part of the instructions includes performing an indicative Valuation of the target business and providing an oral Valuation Report.

Analysis: This is a Valuation Service to the extent of the indicative Valuation. The Member has been engaged to perform an indicative Valuation and to provide a Valuation Report, which constitutes a Limited Scope Valuation Engagement.

Example 12 Estimate of price for advice on sale of a company

Facts: A Member in Public Practice is engaged to provide advice and assistance with respect to the sale of a company. As part of the sale process the Member is asked to provide generic valuation statistics and parameters relevant to the industry in which the company operates.

Analysis: This is not a Valuation Service. Even if some Valuation Procedures are conducted the Member has not been engaged to perform a Valuation or to provide a Valuation Report. The Member has been engaged to provide ancillary services related to the sale of a company.

Example 13 Limited scope Valuation of Employer's business for potential sale

Facts: A Member in Business is assigned by the Member's Employer to perform an indicative Valuation of a business owned by the Employer for the purpose of its potential sale and to provide an oral report to the Employer.

Analysis: This is a Valuation Service. The Member has been assigned to perform a Limited Scope Valuation and to provide a Valuation Report to the Member's Employer, which constitutes a Limited Scope Valuation Engagement.

Example 14 Limited scope Valuation for estate planning advice

Facts: A Member in Public Practice is engaged to provide estate planning advice. As a required input to providing that advice, the Member performs an indicative Valuation of a business and provides an oral Valuation Report to the Client.

Analysis: This is a Valuation Service to the extent of performing the indicative Valuation of the business and providing the Valuation Report, which constitutes a Limited Scope Valuation Engagement.

Example 15 Valuation assumptions for estate planning advice

Facts: A Member in Public Practice is engaged to provide tax advice in respect of an estate planning Engagement. As part of the estate planning process, the Member provides assumptions of values of the assets to assess the potential tax consequences. The Member is not involved in determining the value of the estate.

Analysis: This is not a Valuation Service. Even if some Valuation Procedures are conducted the Member has not been engaged to perform a Valuation or to provide a Valuation Report. The Member has been engaged to provide tax advice in respect of estate planning.

Example 16 Independent expert report for takeover offer

Facts: A Member in Public Practice is engaged by a Client who is the target of a takeover offer to prepare an independent expert report on whether the takeover offer is "fair and reasonable". As noted in paragraph RG 111.11 of ASIC's Regulatory Guide 111 "Content of Expert Reports", an offer is "fair" if "the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer". The Member will perform a Valuation of the securities for the purpose of assessing if the offer is "fair". In accordance with section 640 of the *Corporations Act 2001*, the independent expert's report will accompany the target's statement that will be sent to the shareholders of the Client.

Analysis: This is a Valuation Service to the extent of performing the Valuation of the securities and providing the Valuation Report. Although the Member has been engaged to express an opinion on whether the takeover offer is "fair and reasonable", the accepted meaning of "fair" (as stated in ASIC's Regulatory Guide 111) clearly implies that a Valuation is to be performed. Thus the Member has been engaged, in part, to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement.

Example 17 Independent expert report for scheme of arrangement

Facts: A Member in Public Practice is engaged by a Client who is the target of a friendly takeover to be achieved by way of a scheme of arrangement, to prepare an expert's report on whether a scheme of arrangement is "in the best interest of the members of the company" in accordance with clause 8303 of Schedule 8 of the Corporations Regulations 2001. As noted in paragraph RG 111.19 of ASIC's Regulatory Guide 111 "Content of Expert Reports", in such a case the expert is expected to provide an opinion as to whether the proposal is "fair and reasonable" as that phrase is understood for the purpose of section 640 of the *Corporations Act 2001*. The Member will perform a Valuation of the securities for the purpose of assessing if the offer is "fair". The expert's report will, if the court directs, accompany the explanatory statement and notice of meeting sent to shareholders of the company.

Analysis: This is a Valuation Service to the extent of performing the Valuation of the securities and providing the Valuation Report. Although the Member has been engaged to express an opinion on whether the proposal is "in the best interests of the members of the company", accepted practice (as stated in ASIC's Regulatory Guide 111) implies that a Valuation is to be performed. Thus the Member has been engaged, in part, to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement.

Example 18 Independent expert report for the compulsory acquisition of securities

Facts: A Member in Public Practice is engaged by a Client who has acquired 90% of the securities of a particular class of a company and wishes to issue a notice to acquire compulsorily the balance of the securities. The Member is engaged to provide an expert's report under section 667A of the *Corporations Act 2001* on whether "the terms proposed in the notice give a fair value for the securities concerned". In accordance with section 664C, a copy of the expert's report will be sent to each holder of securities.

Analysis: This is a Valuation Service. The Member has been engaged to perform a Valuation and to provide a Valuation Report, which constitutes a Valuation Engagement.

Example 19 Audit procedures on Valuation assertions

Facts: A Member in Public Practice is engaged to perform an audit. The Member will perform procedures to test the valuation assertions (as defined in Australian Auditing Standard ASA 500 *Audit Evidence*) of the financial statement balances as part of the audit Engagement. The results of these procedures will be documented in the Member's working papers and will not be communicated to the Client.

Analysis: This is not a Valuation Service. The Member has not been engaged to perform a Valuation or to provide a Valuation Report. The Member has been engaged to perform an audit and the procedures to test the valuation assertions (as defined in the Auditing Standards) are only performed as part of the audit Engagement.

Example 20 Audit procedures on Client's Valuations

Facts: A Member in Public Practice is engaged to perform an audit. The Member will audit/review the valuation models or calculations prepared by the Client to test assets (including goodwill) for impairment as part of the Member's audit procedures in accordance with Auditing Standards. The procedures performed will be documented in the Member's working papers and will not be communicated to the Client.

Analysis: This is not a Valuation Service. The Member has not been engaged to perform a Valuation or to provide a Valuation Report. The Member has been engaged to perform an audit and the procedures to test impairment are only performed as part of the audit Engagement.

Example 21 Limited scope Valuation of Employer's business

Facts: A Member in Business is assigned to perform an indicative Valuation of the business of the Employer as part of the Employer's procedures in respect of testing assets (including goodwill) for impairment for financial reporting purposes.

Analysis: This is a Valuation Service. The Member has been assigned to perform an indicative Valuation and to provide a Valuation Report which constitutes a Limited Scope Valuation Engagement.

Example 22 Opinion as receiver and manager on realisable value of business

Facts: A Member in Public Practice is engaged by a secured creditor as a receiver and manager of the assets and undertaking of a company. In reporting to the Client the Member expresses an opinion on the amount that might be realised from the sale of the company's business.

Analysis: This is not a Valuation Service. Even if some Valuation Procedures are conducted the Member does not perform a Valuation and is not engaged to provide a Valuation Report. The Member has been engaged to perform an insolvency service and the opinion was expressed as part of performing that service.

Example 23 Opinion as expert witness on lost profits

Facts: A Member in Public Practice is engaged to act as an expert witness in litigation and to express an opinion on the quantum of damages suffered by the plaintiff as a result of an alleged wrong-doing by the defendant. The Member is instructed that the damages are to be determined by reference to lost profits and that the court must award damages as a once-off lump sum. In performing this task, the Member:

- (a) will calculate the lost profits caused by the alleged wrong-doing by comparing the profits that the plaintiff would have earned but for the alleged wrong-doing with the profits that the plaintiff will earn given the alleged wrong-doing; and
- (b) will calculate the present value of those lost profits.

The Member will provide a written report and may later give oral evidence at the court hearing.

Analysis: This is not a Valuation Service because the Member has not been engaged to perform a Valuation (i.e. the Member has not been engaged to determine an estimate of value of a business, business ownership interest, security or intangible asset).

Example 24 Opinion as expert witness on value of business

Facts: A Member in Public Practice is engaged to act as an expert witness in litigation and to express an opinion on the quantum of damages suffered by the plaintiff as a result of an alleged breach of contract by the defendant. The Member is instructed that the damages are to be determined by reference to the value of the plaintiff's business before the alleged breach of contract and the Member is instructed to express an opinion on that value. The Member will provide a written report and may later give oral evidence at the court hearing.

Analysis: This is a Valuation Service because the Member has been engaged to perform a Valuation and to provide a Valuation Report which constitutes a Valuation Engagement. It is a Valuation because the Member has been engaged to determine an estimate of value of a business by applying Valuation Approaches, Valuation Methods and Valuation Procedures.

Appendix 2

Summary of revisions to the previous APES 225 (Issued in December 2015)

APES 225 *Valuation Services* originally issued in July 2008 and revised in May 2012 and December 2015. APESB has revised APES 225 in March 2018 and a summary of the revisions is given in the table below.

Table of revisions*

Paragraph affected	How affected
1.2	Amended
2 – Definition of Premise of Value	Amended
5.2	Amended
Appendix 1 (Addition of Example 10)	Amended

* Refer Technical Update 2018/1