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21 September 2017

VALUATION UPDATE

Copper Hill valued at $14.4 Million

In conjunction with the annual audit for Financial Year to 30 June 2017 the Company has commissioned an update of the independent valuation completed in December 2015 as part of the Company's response to a takeover offer from HQ Mining Resources Holding Pty Ltd.

The Company commissioned GEOS Mining, minerals consultants, to prepare an update of the valuation for the Copper Hill Project for the information of the directors, shareholders, and other interested parties. The final draft of the updated valuation has been received for review by the Company and its auditors and is attached to this announcement.

GEOS arrived at a Preferred Value of $14.4 million (M) for the Copper Hill Project within a range of $7.6 to $26.5M, (compared with 2015 value of $13.2M within a range of $10.0M to $14.5M) after consideration of factors including:-

- **Improved commodity prices**. .
  Prices used in the Dec 2015 Valuation were US$2.38 / lb for copper and US$1,171 / oz for gold compared with recent prices around US$3.00 / lb copper and US$1300 / oz. gold.

- **Changed Method Weighting**
  The weighting for Discounted Cash Flow was increased due to the current resurgence in metal prices and improved outlook for projects like Copper Hill.

METHODOLOGY	WEIGHTING	
	2015	2017
Comparable Transactions	70%	50%
Discounted Cash Flow	20%	40%
Attributable Expenditure	10%	10%

Independent valuations obtained over the last 8 years summarised in the table below, indicate a steady improvement in value over time as a result of additional drilling and other evaluation work undertaken over the project, and improving sentiment for mineral projects in stable jurisdictions.

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VALUATION	LOW VALUE	HIGH VALUE	PREFERRED VALUE
2009 Goldner & Associates	11.4	17.0	12.0
2015 GEOS Mining	10.0	14.5	13.2
2017 GEOS Mining	7.6	26.6	14.4

Copper Hill is approximately 50 kilometres north of the Cadia Valley Project, one of Australia's largest producing goldmines. Porphyry copper-gold deposits in the Copper Hill area occur within the same Ordovician-age volcanic belt that hosts the Cadia-Ridgeway deposit and on the northern edge of a corridor formed by the interpreted WNW-trending Lachlan Transverse Zone (**Figure 1**). The deposit has a higher grade core containing 160,000 tonnes copper and 480,000 ounces gold in 28 million tonnes grading 0.56% copper, 0.53 g/t gold, calculated at a 0.4% copper cut-off (GCR ASX 15 April 2015).

Figure 1: Copper Hill on NSW Porphyry Provinces
[showing other significant deposits and the Lachlan Transfer Zone corridor]

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Copper Hill compares favourably with other emerging porphyry copper-gold projects in NSW because of better technical attributes including:-

- Higher gold grades
- Thin cover and very low stripping ratio (waste:ore ratio, less than 2:1)
- Proximity to infrastructure (roads, railway, town, powerline)
- Exploration targets at depth below the main Copper Hill Resource and along strike at other prospects within a 5km long corridor

In March 2015 the Company completed a Scoping Study (GCR: ASX 25 March 2015), based around the higher grade central part of the Copper Hill deposit, that identified the components required to progress towards a mining project, including:

- Drilling to extend high grade zones, provide density data; twin RC holes; and improve resource definition / classification
- Resource updates utilising additional data from drilling
- Metallurgical testwork
- Mining & engineering studies and costing updates
- Environmental studies and baseline data
- Water supply sources and usage
- Permitting at state and local government level

Government approvals have been obtained for drilling to follow up the extent of high grade zones indicated in hole GCHD470 (60 metres @ 1.83% Cu, 5.41 g/t Au from 11 to 71 metres, using a 0.4% Cu cut-off – refer to GCR:ASX 25 August 2014).

Implementation of the above work programs is planned once funding is secured.

Further information can be obtained from:-

Golden Cross Resources Limited
Ken Hellsten - Chairman
+61 419 866 663

Bret Ferris – Acting CEO
02-9922 1266

***Compliance Statements**:*

The information in this report that relates to Valuation of Mineral Assets is based on information compiled by Mr Jeff Randell, who is a Member of the Australasian Institute of Geoscientsts. (AIG), and Sue Border who is a Member of the Australasian Institute of Geoscientsts, and a Fellow of the Australasian Institute of Mining & Metallurgy. Jeff Randell is a Consultant to GEOS Mining and Sue Border is an Advisor to GEOS Mining. The Valuation Report has been prepared in accordance with the VALMIN Code 2015, and both Randell and Border have at least five years of relevant and recent experience in the assessment and/or valuation of Mineral Assets to be considered a Specialist as defined by the VALMIN Code 2015. Randell and Border have consented to inclusion in this report of the matters based on that information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Bret Ferris, who is a Member of the Australasian Institute of Geoscientsts. (AIG). Mr Ferris a consultant to Golden Cross Resources Limited, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ferris consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

The Production Target and the Mineral Resources *on which it is based are extracted from reports released to the ASX by GCR on 24 March 2015 and 15 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the production target in the report dated 15 April 2015 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

Forward-Looking Statements: *This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Golden Cross Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

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Valuation of Mineral Assets (Update)

Copper Hill Project

Golden Cross Resources Limited

Job No. 2158-04

Report Date: 06 September 2017

Prepared for:

Directors

Golden Cross Resources Limited

Prepared by:

Jeff Randell

BSc (Hons), MAIG, RPGeo

Senior Consultant

Reviewed by:

Sue Border

FAusIMM, FAIG

Principal Advisor

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Executive Summary

In 2015, Geos Mining was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare a VALMIN-compliant Valuation Report (VR) of the mineral assets of Golden Cross Resources Limited (GCR), which was to be made public. The report formed part of an Independent Expert Report being prepared by BDO as part of the documentation to assist GCR's Shareholders and Directors to assess a takeover offer for the shares of GCR.

In August 2017, Geos Mining was requested to provide an updated VR of the Copper Hill Project only as a result of improving commodity prices. The purpose of this updated VR is for the Directors, Shareholders and other interested parties in assessing the current market value of the Copper Hill Project.

The VR has been compiled in line with the principles of the VALMIN Code 2015.

The Copper Hill project is located in Central West NSW, 4km north of the town of Molong and 235km northwest of Sydney. It comprises EL6391, is 100% held by Golden Cross Operations Pty Ltd and covers an area of 95 km^2. Copper Hill is located near the northern end of the Molong Volcanic Belt (MVB), within the Lachlan Fold Belt. The Molong Volcanic Belt comprises a sequence of mafic to intermediate intrusives and cogenetic volcanics, with intercalated volcaniclastic and terrigenous sedimentary rocks. The MVB is associated with many significant porphyry copper-gold occurrences, such as Cadia, Cadia East, Ridgeway, Cargo, Yeoval and Copper Hill, and intrusive-related skarn gold + copper deposits, such as Browns Creek and Junction Reefs.

The most recent Indicated and Inferred Mineral Resource for Copper Hill is 87Mt @ 0.36% copper, 0.32g/t gold at a 0.2% copper cutoff grade.

Geos Mining used a combination of valuation methods, as in the original valuation. The valuation update of Copper Hill relied on Comparable Transactions with support from a Discounted Cash Flow analysis and Attributable Exploration Expenditure.

The Market Value for the Copper Hill Project as at the valuatiuon date 31 August 2017 is summarised below.

Project	Style	Stage	GCR %	Low Value A$M	High Value A$M	Preferred Value A$M
Copper Hill	Porphyry Cu-Au	Pre-development	100	7.6	26.6	14.4

The range of valuations (equity accounted) is from a low of **$7.6M** to a high of **$26.6M**, with a preferred value of **$14.4M.**

Declarations

Principles

The Valuation Report (VR) has been prepared in accordance with the VALMIN Code 2015. While every effort has been made, within the time constraints of this assignment, to ensure the accuracy of this report, Geos Mining accepts no liability for any error or omission. Geos Mining can take no responsibility if the conclusions of this report are based on incomplete or misleading data, subject to applicable law and the VALMIN Code 2015.

Limitations, Indemnities & Consent

The opinions expressed herein are given in good faith and Geos Mining believes that any assumptions or interpretations are reasonable. The opinion expressed in the VR is based on information provided to Geos Mining by GCR throughout the course of the investigations that reflect the various technical and economic conditions as at the time of writing.

As far as can be determined, Geos Mining believes that the information provided by GCR is complete and not incorrect, misleading or irrelevant in any material aspect.

With respect to this report and its use by Golden Cross Resources Limited, Golden Cross Resources Limited agrees to indemnify and hold harmless Geos Mining, its shareholders, directors, officers and associates against any and all losses, claims, damages, liabilities or actions to which they or any of them may become subject under any securities act, statute or common law, except in respect to fraudulent conduct, negligence or wilful misconduct, and will reimburse them on a current basis for any legal or other expenses incurred by them in connection with investigating any claims or defending any actions, except where they or any of them are found liable for, or guilty of fraudulent conduct, negligence or wilful misconduct.

This report is provided to Golden Cross Resources Limited solely for the purpose of assisting its Directors, Shareholders and other interested parties in assessing the current market value of the Copper Hill Project. This report does not constitute a full technical audit, but rather it seeks to provide an independent overview and technical appreciation of the GCR mineral asset at Copper Hill. This report may be reproduced only in its entirety and then only with Geos Mining's prior written consent. Draft reports must not be released to the general public without the prior written consent of Geos Mining.

Geos Mining consents to the VR being used in full in the form and context in which the technical assessment is provided and not for any other purpose. Geos Mining provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of the VR are considered with, and not independently of, the information set out in the complete Report.

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Statement of Competence

This report has been prepared by Geos Mining, a Sydney-based geological consultancy that has been operating since 1999, and has been compiled and edited by:

- Jeff Randell, BSc (Hons), MAIG, RPGeo - Senior Consultant, and reviewed by
- Sue Border, BSc (Hons) Gr Dip, FAusIMM, FAIG, - Principal Advisor.

Each author has the requisite experience and expertise to be considered a Specialist as defined by the VALMIN Code 2015.

Jeff Randell is responsible for the preparation and contents of this report. He also has responsibility for the overall report.

Jeff Randell:

- graduated from Flinders University in 1974 with Bachelor of Science Degree with Honours;
- has 41 years' experience in exploration, mining and evaluation of nickel, gold, copper, lead, zinc, and bauxite projects
- has had at least five years of relevant and recent experience in the assessment and/or valuation of Mineral Assets;
- is a Member of Australian Institute of Geoscientists (AIG) (membership number 3944) and is a Registered Professional Geoscientist.

Sue Border is responsible for peer review of this report.

Sue Border:

- graduated from Royal School of Mines Imperial College in 1976 with Bachelor of Science with Honours Degree, and a Graduate Diploma in Industrial Minerals from the University of Technology Sydney in 1984;
- has 38 years' experience in exploration, mining and evaluation of gold, copper, lead, zinc, uranium, kaolin, iron ore (magnetite), potash, lithium (brine), limestone (cement), feldspar, garnet and other industrial minerals.
- has had at least five years of relevant and recent experience in the assessment and/or valuation of Mineral Assets;
- is a Fellow of Australian Institute of Geoscientists (AIG) (membership number 2911), a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) (membership number 106310).

Statement of Independence

Geos Mining, the authors and immediate families are independent of Golden Cross Resources Limited and have no financial interests in:

- Golden Cross Resources Limited,

- any associated companies,
- any joint venture partners involved in the mineral assets
- any of the mineral assets that are the subject of the valuation.

Geos Mining is being remunerated for this report on a standard fee for time basis, with no remuneration or provision of further work dependent on the outcome of the valuation.

Signature:

Name:	Jeff Randell	Position:	Senior Consultant
Qualifications:	BSc (Hons), MAIG, RPGeo	Date:	06/09/2017

Signature:

Name:	Sue Border	Position:	Principal Advisor
Qualifications:	BSc (Hons) Gr Dip, FAusIMM, FAIG	Date:	06/09/2017

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Contents

INTRODUCTION 8

COMMISSIONING ENTITY 8
PURPOSE OF VALUATION 8
BASIS OF VALUATION 8
INDEMNITIES 8
DATE OF VALUATION 9
GCR MINERAL ASSETS 9
DUE DILIGENCE OF GCR'S MINERAL ASSETS 9
RELIANCE ON OTHER SPECIALISTS 10
REASONABLENESS STATEMENT 10
COST 10

DATA SOURCES 10

SOURCES OF INFORMATION 10
PRINCIPLES 10
PROJECT SITE INSPECTIONS 11

COPPER HILL PROJECT 11

TENEMENT 11
LOCATION, ACCESS & TOPOGRAPHY 11
SITE VISIT 13
NATIVE TITLE 13
ENVIRONMENTAL CONSIDERATIONS 13
PROJECT HISTORY 14
GEOLOGICAL SETTING & MINERALISATION 16
MINERAL RESOURCES 19
SCOPING STUDY 2015 21
METALLURIGCAL TESTWORK 22

COPPER HILL PROJECT CHANGES 23

COMMODITY PRICE 23
METALLURGICAL RECOVERIES 23

COPPER HILL VALUATION 23

VALUATION METHODOLOGIES CONSIDERED TO VALUE THE COPPER HILL PROJECT 23
FUTURE INCOME METHOD (DCF ANALYSIS) 24
MODIFIED REPLACEMENT VALUE / ATTRIBUTABLE EXPLORATION EXPENDITURE 24
COMPARABLE TRANSACTIONS 24
JOINT VENTURE TERMS 25
MARKET CAPITALISATION METHOD 25
COPPER HILL VALUATION METHODS 25

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Comparable Transactions 25
Discounted Cash Flow Analysis 29
Attributable Exploration Expenditure 29
Summary of Copper Hill Valuations 29
Valuation and Risk 31
Valuation Summary 31
Risks 31
Permitting Risk 31
Social Impact Risk 32
Environmental Risk 32
Sovereign Risk 32
Development Risk 32
Conclusions 32
Bibliography 33
Appendix 1 – Valuation Principles and Methodologies 35

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Tables

Table 1 : GCR Tenements (as at 31 August 2017) 9
Table 2 : Historic exploration on Copper Hill prior to Golden Cross 15
Table 3 : Exploration by Golden Cross & Joint Venture partners prior to EL6391 15
Table 4 : Exploration at Copper Hill by GCR since grant of EL6391 16
Table 5 : 2015 Copper Hill Mineral Resources (Ridley, 2015) 21
Table 7 : Comparable Transactions for Copper Hill 27
Table 8 : Summary of Copper Hill valuations 30
Table 9 : Weighted Valuations for Copper Hill 30
Table 10 : Summary of valuation of Copper Hill Project 31
Table 11 : Risk rating table 31
Table 12 : Prospect Enhancement Multipliers 38

Figures

Figure 1 : Location of Copper Hill Project, showing current drilling status 12
Figure 2 : Copper Hill project regional geology and mineral deposits 17
Figure 3 : Copper Hill Interpreted Geology 18
Figure 4 : Copper Hill drill section 5,600N 19
Figure 5 : Oblique view (looking SE) of 2015 resource model blocks (Ridley, 2015) showing optimised pit shell 20
Figure 6 : Conceptual mine plan layout from 2012 scoping study looking southeast 22
Figure 7 : Copper prices in A$/tonne and Gold prices in A$/oz since 1 January 2010 26
Figure 8 : Copper Hill comparable transactions 28

Photos

PHOTO 1 : VIEW OF COPPER HILL LOOKING SOUTHEAST 13

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Introduction

Commissioning Entity

The Commissioning Entity for this valuation update is Golden Cross Resources Limited (GCR).

Purpose of Valuation

On 18 November 2015, major shareholder (23.4%) HQ Mining Pty Ltd announced its intention to make a takeover offer for further shares in GCR. The offer was subsequently accepted by other shareholders, and on 29 January 2016 the takeover closed with HQ entitled to 76.6% of GCR shares.

On 7 August 2017, GCR requested that Geos Mining complete an update of the 2015 VR (Hutton, et al., 2015) for the Copper Hill Project only. The purpose of this report is to determine if there has been a material change in the value of the Copper Hill Project, which was previously determined as the project of most value to GCR in the GCR Project portfolio.

Basis of Valuation

The valuation was primarily based on a Technical Value method. The Australasian Code for the Public Reporting of the Technical Assessments and Valuations of Mineral Assets 2015 Edition (the "VALMIN Code 2015") defines Technical Value as *"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."*

Assessment of Modifying Factors were applied to the Technical Value to arrive at a Market Value, which is defined by the VALMIN Code 2015 as *"the estimated amount of money (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 wherein the parties each acted knowledgeably, prudently and without compulsion".*

The valuation update of the Subject relied on Comparable Transactions with support from a Discounted Cash Flow analaysis and Attributable Exploration Expenditure.

Indemnities

In commissioning this work, Golden Cross Resources Limited signed a written undertaking to:

- provide all material information in its possession to Geos Mining, including any previous project assessment reports and valuations
- ensure that necessary access will be assured for Geos Mining staff to the company's personnel and records

- inform Geos Mining if any information is to be regarded as confidential and not to be included in the final report
- respect the independence of Geos Mining Staff.

In accordance with Clause 11.4 of the VALMIN Code 2015, Golden Cross Resources Limited also undertook to indemnify Geos Mining for any liability:

- resulting from their reliance on information provided by Golden Cross Resources Limited that is Materially inaccurate or incomplete; and
- relating to any consequential extension of workload through queries, questions or public hearings arising from the Public Report.

Date of Valuation

The Valuation Date is 6 September 2017.

GCR Mineral Assets

GCR holds mineral tenements in New South Wales, Queensland and South Australia. However, in this valuation update we have only reviewed the Copper Hill Project EL6391 (Table 1).

TENEMENT	LOCATION	PROJECT NAME	GRANT DATE	EXPIRY DATE	AREA km^2	HOLDER	BENEFICIAL INTEREST %
EL6391	Molong, 31kms north-west Orange, NSW	Copper Hill	10/03/2005	10/03/2019	95	Golden Cross Operations Pty Ltd	100

Table 1 : GCR Tenements (as at 31 August 2017)

Due Diligence of GCR's Mineral Assets

GCR is the parent company of two wholly-owned subsidiaries, Golden Cross Operations Pty Ltd (GCO) and King Eagle Resources Pty Ltd (KER).

Geos Mining has not undertaken a full legal due diligence of the GCR tenement EL6391 or agreements pertaining to those tenements. However, we have conducted an independent search of EL6391 by accessing the NSW Government database MinView at http://minview.minerals.nsw.gov.au/mv2web/mv2?cmd=MainMap&topic=ttl.

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Reliance on Other Specialists

We have not utilised expertise from any other specialists in this valuation update.

Reasonableness Statement

In undertaking this valuation, Geos Mining has assessed the Technical and Financial inputs in an impartial, rational, realistic and logical manner. We believe that the overall Technical Assessment, Valuation Approach and Valuation Methods are in line with industry standards and meet the Reasonable Grounds Requirement of the VALMIN Code 2015.

Cost

Geos Mining is to be remunerated on a variable fee basis for undertaking this valuation update, with no bonus payment to be made based on the derived valuation of the Subject.

The estimated fee agreed between Geos Mining and Golden Cross Resources Limited (the commissioning agent) is Australian Dollars $3,300.

Data Sources

Sources of Information

This report has been based on data, reports and other information provided by GCR, supplemented by data obtained through publicly available sources. We have met and obtained data from a number of GCR staff, primarily Mr Bret Ferris, Exploration Manager, and greatly appreciate the assistance given to us.

GCR provided copies of technical Annual Reports for EL6391, mining studies and compilations of exploration expenditure.

We have made extensive use of information in the SNL database and the ASX for market-related transactions.

Principles

The appropriate professional standards for the preparation of valuation and independent expert reports relating to mineral assets are encompassed in the provisions of the VALMIN Code[1]. This report[2] has been

[1] Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports, 2005 (the "VALMIN Code") published by AusIMM (http://www.ausimm.com/codes/valmin.asp)
[2] For the purposes of the VALMIN Code, the present report is a Technical Report, which deals with the Technical Assessment of Mineral Assets
[3] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 published by the Joint Ore reserves Committee

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prepared in accordance with the principles and relevant sections of that Code. Mineral Resources quoted in this report are reported in accordance with the JORC Code[3], 2012 version.

A draft of this report has been presented to GCR for comment and correction of any errors of fact.

Geos Mining's assessment of the projects and proposed exploration programs and budgets is based on technical reviews of relevant data, including data provided by the company. Geos Mining has no reason to believe that any technical information obtained or provided is misleading.

Geos Mining has conducted limited checks on the status of the tenement concerned, but we have not undertaken a full legal due diligence of the tenement.

Project Site Inspections

The VALMIN Code 2015 Clause 11.1 requires that site inspections be carried out where such inspection is likely to reveal information that is material to a report. For the purposes of this report, a site inspection was carried out at Copper Hill on 1 December 2015. GCR has advised Geos Mining (Bret Ferris, pers. comm.) that there have been no material changes to the Copper Hill project that would affect the valuation since the 2015 site inspection and Geos Mining accepts that there is no need to re-inspect the site for this valuation update.

Copper Hill Project

Tenement

The Copper Hill project comprises EL6391, is 100% held by Golden Cross Operations Pty Ltd (GCO, a wholly owned subsidiary of GCR) and covers an area of 33 graticular units (95 km^2). The licence was initially granted on 10/03/2005 and is current until 10/03/2019. The tenement represents a consolidation of previous ELs held by GCO (EL2290, EL5722 & EL6279) (Torrey, 2006).

Location, Access & Topography

The Copper Hill project (latitude 33°03' S / longitude 148°52' E) is located in Central West NSW, 4km north of the town of Molong and 235km northwest of Sydney (310km by road). Access is via the Mitchell Highway, which is located immediately to the west of Copper Hill. An unused former route of the Sydney to Dubbo railway also passes beside Copper Hill. Topography of the region consists of rolling hills with livestock and wheat farmlands. Copper Hill itself is covered by open woodlands and rises to an altitude of approximately 607m (Photo 1 and Figure 1).

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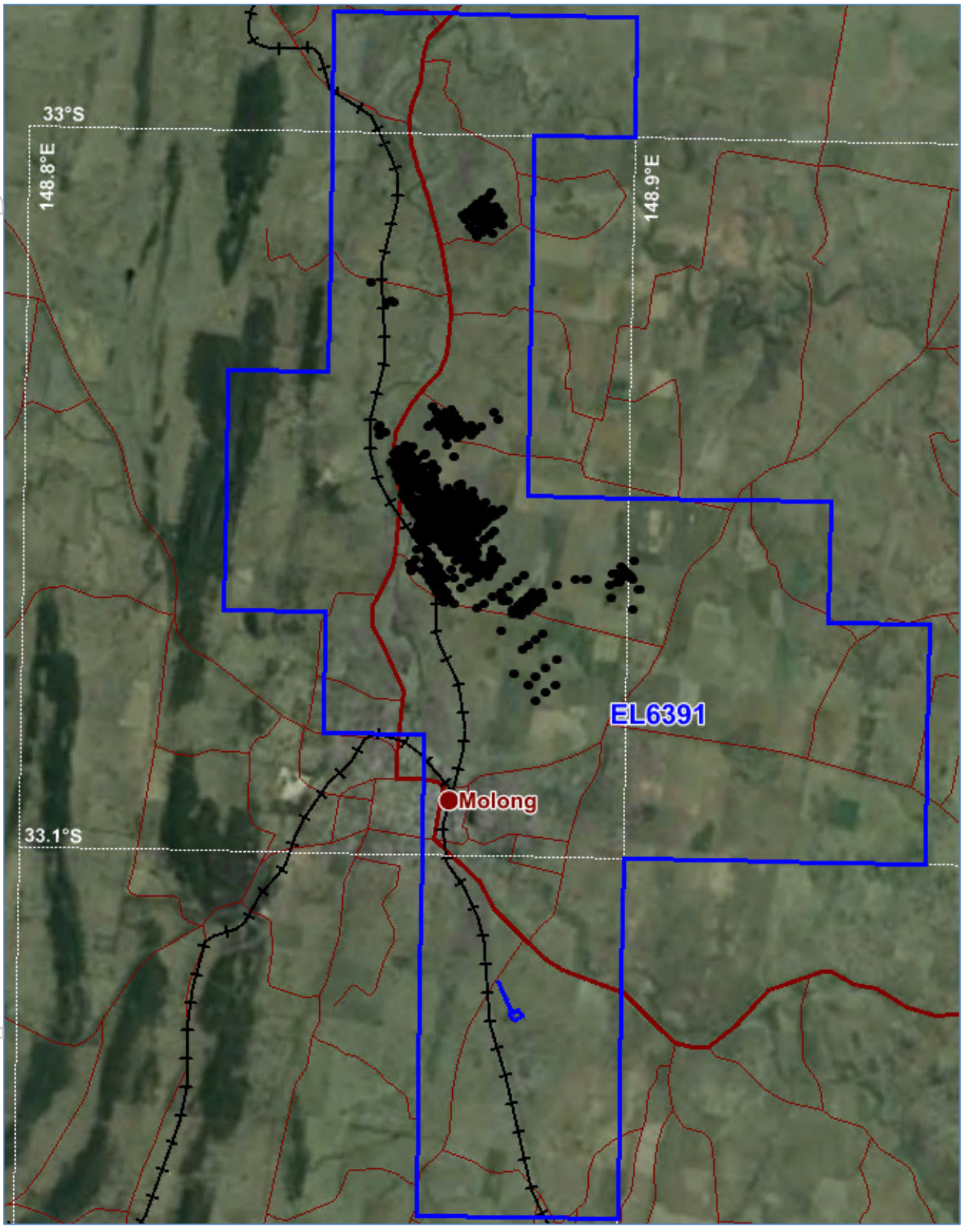

Figure 1 : Location of Copper Hill Project, showing current drilling status

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Photo 1 : View of Copper Hill looking southeast

GCR leases the house and storage shed in the middle of the photo; Mitchell Highway adjacent to the house

Site Visit

A site visit was undertaken by Murray Hutton, Geos Mining Principal Consultant, accompanied by GCR's Exploration Manager Bret Ferris, on 1 December 2015. The visit included inspection of the surface of the Copper Hill project, recent drill core containing significant mineralisation intervals (GCHD470 and GCHD474) and general infrastructure in the vicinity of the project.

Native Title

The Copper Hill project is located on freehold land where native title has been extinguished.

Environmental Considerations

The planned Copper Hill processing plant may need to draw on bore water supplies, which may affect groundwater in surrounding areas. The Mitchell Highway is located on the western side of Copper Hill.

PROJECT HISTORY

The following information was taken from the EL6391 Annual Report for 2015 (Ferris, 2015a).

Copper Hill was probably the first copper mine in New South Wales with production commencing around 1845. From 1845 to 1851, a total of 3,300t of ore averaging 1.4% Cu was mined from the enriched supergene zone. Gold was first recorded in 1851 when 14t of ore was mined at an average grade of 6g/t Au.

Modern exploration of Copper Hill and surrounding areas commenced in 1966, when conceptual models of porphyry copper systems were being developed in the southwestern USA, and is summarised in Table 2. Early programs targeted only copper, but following the spike in the gold price from 1980, gold has also received attention. A major turning point in the exploration history of Copper Hill was the drilling of hole CHRC-058 by Cyprus Gold Australia Ltd in 1989. This vertical hole returned 256m (32-288 metres) averaging 0.67% Cu and 1.06 g/t Au. Meanwhile, the Cadia Valley development near Orange progressed in the early 1990s, supported by the higher grade Ridgeway discovery in 1996. These events gave further impetus to the copper-gold search at Copper Hill.

GCR became involved in the Copper Hill project during 1997, when it acquired a 31.33% interest in a joint venture operated by Newcrest under EL2290 (Table 3), and eventually acquired 100% of the project when Newcrest withdrew from the joint venture in 2000. More recent exploration by GCR is summarised in Table 4.

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Year	Company / Joint Venture	Tenement	Exploration Activity
1967	Anaconda	EL27	7 NQ core holes [CHD1-7], of which 3 used in 2015 Estimate [CHD3,5,7] Anaconda inferred a subeconomic resource of 134 MT @ 0.17% Cu [non JORC]
1971	Amax	EL316	13 shallow OHP holes and 4 NQ core holes ACH1-4 drilled [Not used in 2015 Estimate].
1976	Le Nickel	EL845	2 x 90m shallow OHP holes drilled at Little Copper Hill. [Not used in 2015 Estimate], confirming skarn character of LCH mineralisation
1982	BHP	EL1828	Surface exploration at Little Copper Hill, targeting Carlin-style and skarn mineralisation. . No drilling
1982	Metallic Resources PL	PL888	Prospecting Licence 888 granted 17 Nov 1982
1983	Metallic Resources PL	PL962	Prospecting Licence 962 granted 30 Nov 1983
1984	Metallic / Homestake	EL2290 PL888&962	Homestake targeted porphyry-epithermal style gold mineralisation.
1985	Metallic / Homestake	EL2290 PL888&962	Homestake drilled 16 OHP holes [CHP1-16] and 1 core hole [CHC-1]. Only the core hole was used in the 2015 Estimation.
1986	Metallic / Homestake	EL2290 PL888&962	
1987	Metallic / Homestake Metallic / Cyprus	EL2290 PL888&962	On 18 Dec 1987 PL888 & 962 were cancelled and the area included in EL2290. EL2290 was transferred from Homestake to Metallic Sep 1987 : Commencement of JV between Cyprus & Metallic 17 shallow OHP holes [CHAT1-17]. Not used in 2015 Estimation]
1988	Metallic / Cyprus	EL2290	14 RCP holes CHRC 1-14
1989	Metallic / Cyprus	EL2290	50 RCP holes CHRC 15-64A and 3 core holes CH-NSW89-1-3
1992	Metallic / Cyprus	EL2290	8 RCP holes CH9265-72
1993	Metallic / Cyprus / MIM	EL2290	22 Jul 1993: MIM entered JV to earn half of Cyprus 60% equity, and option over Metallic 40% equity. MIM drilled 2 x RCP and 17 core holes [CHM1-19] In 1996, CHM1 lengthened as NCH007, and CHM15 lengthened as NCH005
1994	Metallic / Cyprus / MIM	EL2290	MIM drilled 11 core holes [CHM20-30]
1995	Metallic / Cyprus / MIM	EL2290	28 Mar 1995: MIM withdrew from JV effective 30 Jun 1995 28 Aug 1995: Newcrest farmin to earn 60% from Cyprus.
1996	Metallic / Cyprus / Newcrest	EL2290	Newcrest drilled 9 core holes [NCH001-009]

Table 2 : Historic exploration on Copper Hill prior to Golden Cross

Year	Company / Joint Venture	Tenement	Exploration Activity
1997	Metallic / Cyprus / Newcrest Golden Cross	EL 2290	Golden Cross acquired 31.33% interest in Copper Hill from Newcrest, with Newcrest as JV operator
1998	Metallic / Cyprus / Newcrest Golden Cross	EL 2290 EL 5471	Newcrest drilled 17 deep RC holes (av. 300m), 2 core holes (max 661m) and 15 aircore holes; NCR019 intersected 157m @ 0.78g/t Au and 0.40% Cu from 129m; Golden Cross interest reduced to 27.2%
1999	Metallic / Cyprus / Newcrest Golden Cross	EL 2290 EL 5471	Newcrest drilled 3 core holes NCH010-012 and 17 deep RCP holes NCH013-029 Golden Cross purchased Metallic interest
2000	Newcrest / Golden Cross then Golden Cross 100%	EL 2290 EL 5722	Newcrest drilled 5 RC holes NCR030-034 before withdrawing from JV in June 2000 Golden Cross acquired 100% interest in the Copper Hill Project Golden Cross drilled 3 RCP holes GCHR035-037
2001	Golden Cross	EL 2290 EL 5722	Surface geophysics and geochemistry
2002	Golden Cross / MIM	EL 2290 EL 5722	In a 2nd JV MIM completed a MIMDAS geophysical survey and 2 core holes [MEXCHD01-02] before withdrawing from the JV
2003	Golden Cross	EL 2290 EL 5722	Data review and care and maintenance
2004	Golden Cross	EL 2290 EL 5722 ELA 2323	Data review and care and maintenance

Table 3 : Exploration by Golden Cross & Joint Venture partners prior to EL6391

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Year	Exploration Activity
2005	Consolidation of tenements into EL6391. Extensive drilling program at Copper Hill Central: 33 RC drillholes (GCHR038-070) and Shades Road area: 29 RC drillholes (SRRC001-029)
2006	Drilling continued at Copper Hill Central: 210 RC drillholes (GCRH071-280), shallow RC drilling testing areas north & southeast of Copper Hill (CHN001-104) and deeper RC drilling at Shades Road area (SRRC30-33). Resource estimations in February 2006 & August 2006 followeed by preliminary mining studies Low level airborne magnetics survey
2007	Scoping study by SRK, further RC and diamond core drilling (GCHR281-285), IP surveying Metallurgical testwork and mine design studies
2008	Pre-feasibility studies Regional exploration, including drilling on Power prospect (GCHR295-297)
2009	Pre-feasibility studies continued Regional exploration including drilling on Power prospect, aircore drilling on Hub prospect IP and geochemical programs at Molong South
2010	RC & core drilling to test open intercepts at depth (GCHR298-320), soil & rock geochemistry studies Feasibility studies commenced together with resource estimation study Technical & economic study by Chinese consultancy NERIN
2011	Drilling continued: Resource infill, Metallurgical testwork, Oxide program, Geotech holes (GCHR321-468), resource estimation studies continued Metallurgical testwork then scoping study by Calder Maloney
2012	Copper Hill Scoping Study by Napier and Hellsten (GCR)
2013	Economic assessment studies
2014	Infill drilling together with on-going rehabilitation activities (GCHR469-474) Evaluation of the Dash prospect, mapping, geochemical programs, IP survey Geological & resource modelling
2015	Geological studies, updated Scoping Study, metallurgical testwork
2016	Mineral Resource estimation update Gravity survey infill Metallurgical studies Pre-feasibility study planning
2017	Land access negotations with new landowner Rehabilitation of drillsites Gravity survey infill Pre-feasibility study planning

Table 4 : Exploration at Copper Hill by GCR since grant of EL6391

Geological Setting & Mineralisation

Copper Hill is located near the northern end of the Molong Volcanic Belt (MVB), within the Lachlan Fold Belt. The Molong Volcanic Belt comprises a sequence of mafic to intermediate intrusives and cogenetic volcanics, with intercalated volcaniclastic and terrigenous sedimentary rocks. The core of the Molong Rise has been interpreted as an ancient island arc system that has been intruded by many small stock-like dioritic to dacitic bodies from Ordovician to Middle Devonian times, which are associated with many significant porphyry copper-gold occurrences, such as Cadia, Cadia East, Ridgeway, Cargo, Yeoval and Copper Hill, and intrusive-related skarn gold + copper deposits, such as Browns Creek and Junction Reefs (Figure 2).

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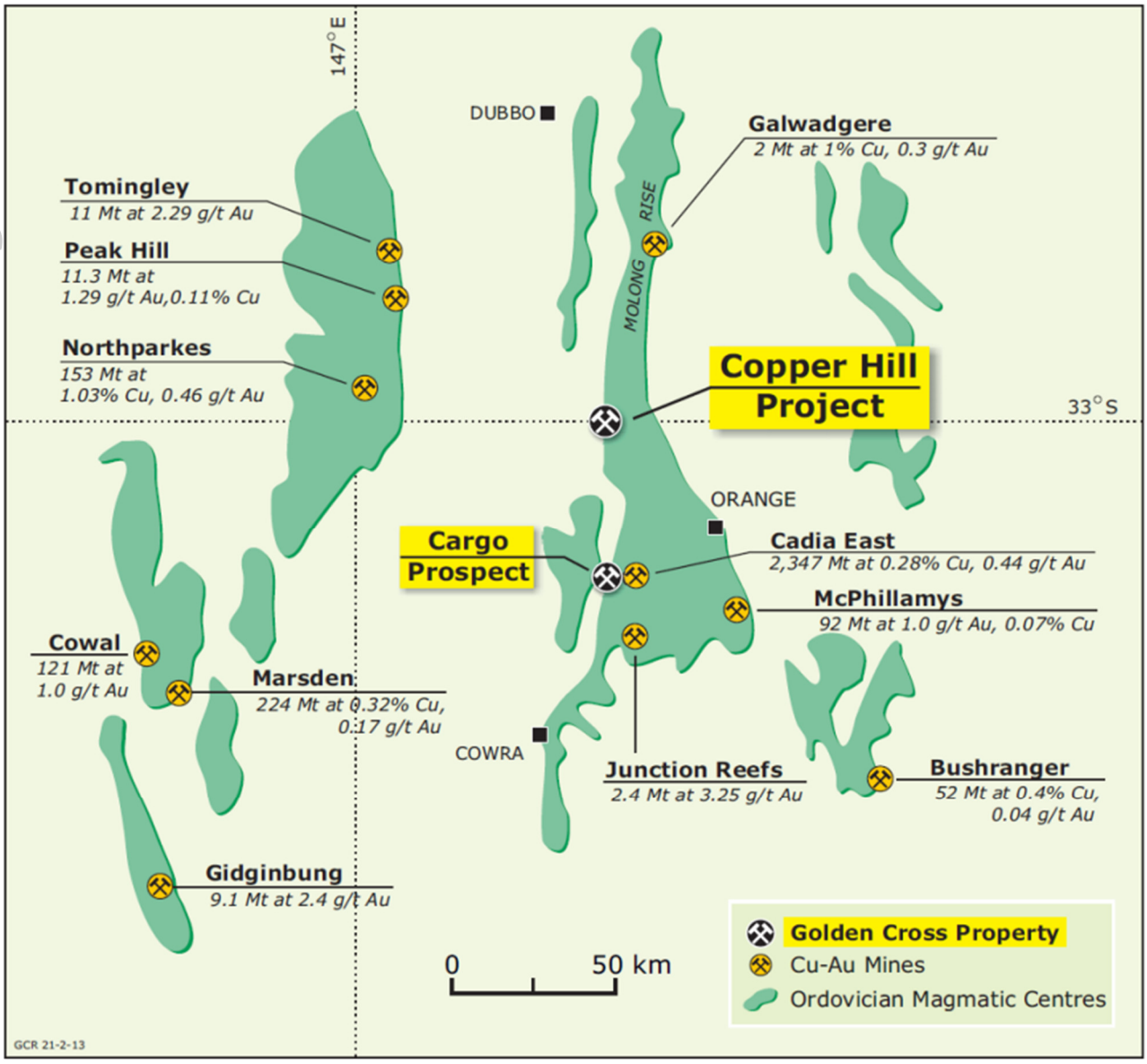

Figure 2 : Copper Hill project regional geology and mineral deposits[3]

Mineralisation at Copper Hill occurs within Middle to Late Ordovician volcanics. The basal sequence at Copper Hill comprises a sequence of andesitic lavas and tuffs, but including intermediate to basic volcanics and volcaniclastic sediments. The Ordovician sequence has been intruded by an igneous complex consisting of subvolcanic intrusive dacites, tonalites and diorites. The tonalite porphyries carry much of the copper-gold mineralisation with disseminated and veined mineralisation extending into the andesitic country rock, notably east of Buckley's Hill.

High grade mineralisation (1.0% Cu and + 1.5g/t Au) is contained in stockworks and sheeted vein sets within, and around the margins of, multiphase tonalite porphyries exhibiting strong hydrothermal alteration (Figure 3, Figure 4), with local quartz-magnetite and carbonate veining. Lower grade

[3] The Cargo Project was sold to Agricultural Equity Investments in February 2017

mineralisation (average 0.3% Cu and 0.3g/t Au) occurs as thin veinlets and disseminations with variable alteration within tonalite porphyries and andesitic lavas and tuffs.

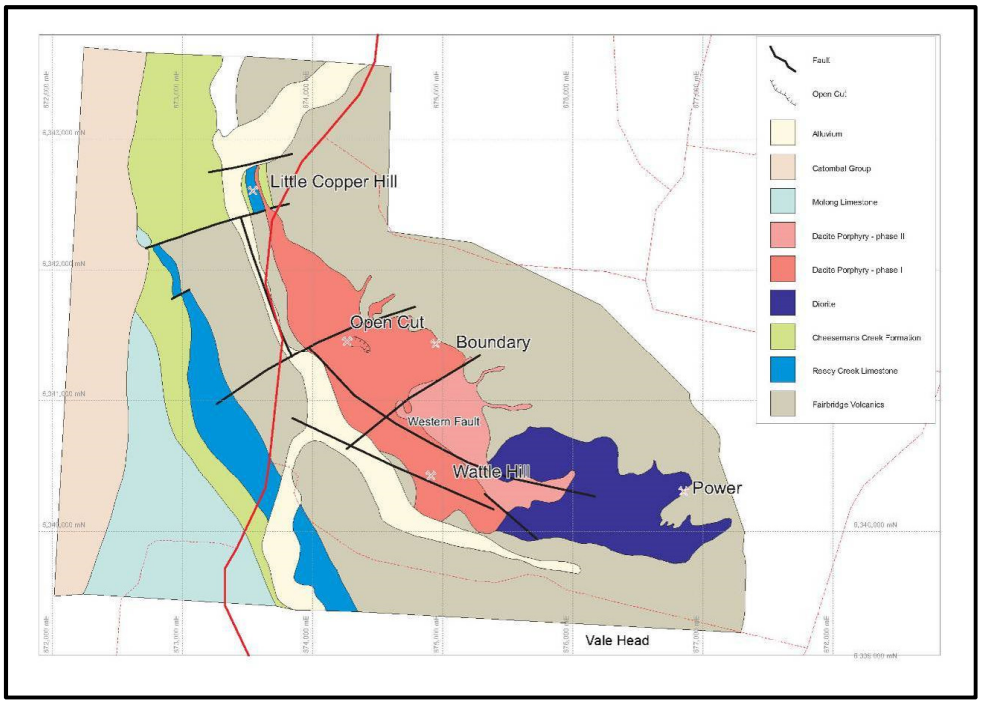

Figure 3 : Copper Hill Interpreted Geology

To varying degrees throughout the complex, the tonalite porphyries have undergone potassic alteration overprinted by pervasive propylitic alteration with replacement by sericite, carbonate, quartz, chlorite and clay associated with disseminated and veined pyrite, chalcopyrite, lesser (rare?) bornite and hematite.

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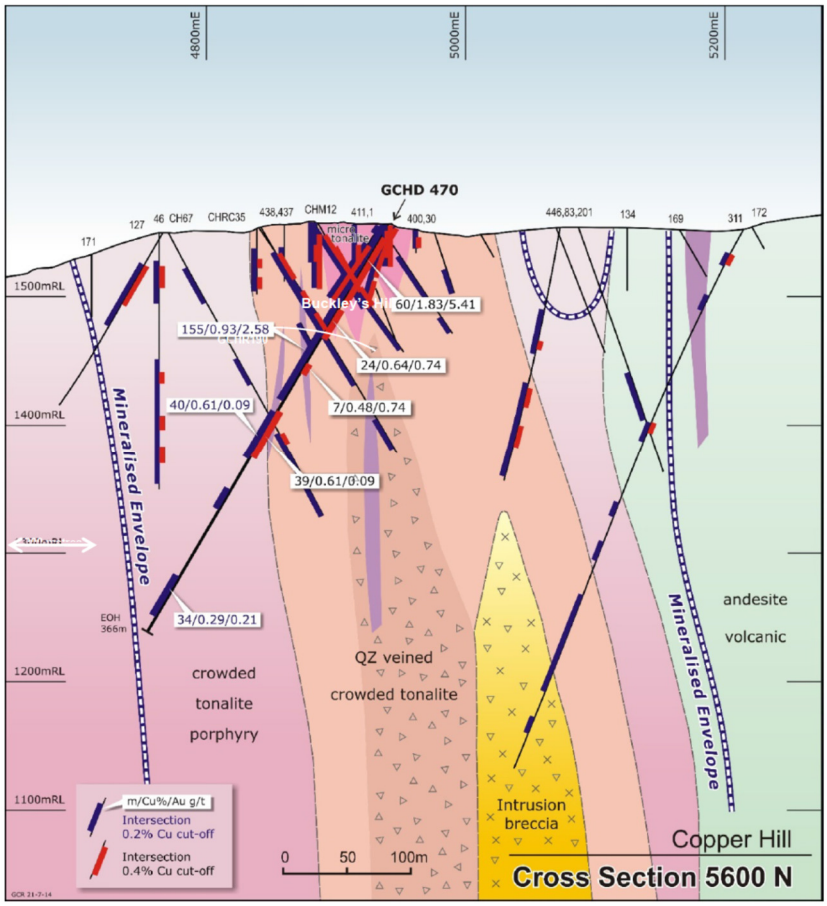

Figure 4 : Copper Hill drill section 5,600N

Mineral Resources

Mineral Resources have been previously estimated in 2006 and 2011, according to (Ridley, 2015). It is noted that these resource estimates reported substantially larger tonnages that are considered by Ridley (ibid.) that was due to "interpolation of elevated grades between waste and mineralised drill intersections and extrapolation of grade (and metal) away from drilling in directions contrary to the dominant trends determined from drill core and surface mapping." Geos Mining has not been asked to review any of the resource estimates and has used the later 2015 resource estimate for valuation puposes.

During early 2015 a geological review was undertaken, reflecting a re-focus on the higher grade core parts of Copper Hill Central. Modelling utilising Leapfrog© software commenced ahead of a resource estimation update completed during March 2015 (Ridley, 2015).

The Ridley study used data from 753 RC and diamond core drillholes (total of 89,921m). Initial implicit grade shell modelling conducted by 360 Geoscience, using 0.1% Cu, 0.3% Cu and 0.6 g/t Au thresholds, and structural bias trends, based on mapping and vein orientations in core, were used as a guide to interpret and wireframe model mineralisation domains to constrain resource estimation.

Statistical analysis of the available in situ density data determined there are insufficient measurements to enable meaningful estimation of local density values in the resource model. Appropriate average density values based on the statistical analysis were therefore assigned to the resource model sub-divided by the oxidation domains.

Estimation of copper and gold grades in the block model was conducted by ordinary kriging using estimation parameters determined by kriging neighbour analysis and the variogram models derived from the grade continuity analysis. Detailed validation of the grade estimates and assessment of estimation statistics determined that the block model grade estimates are appropriate based on the input drilling data and estimation parameters.

Kriging slope of regression data for the copper estimates and constraint within a Whittle optimised pit shell (Figure 5) based on optimised mining and processing costs, copper and gold recoveries and prices, respectively, formed the basis of the resource classification according to JORC 2012 guidelines with appropriate consideration of the reliability of all exploration data inputs.

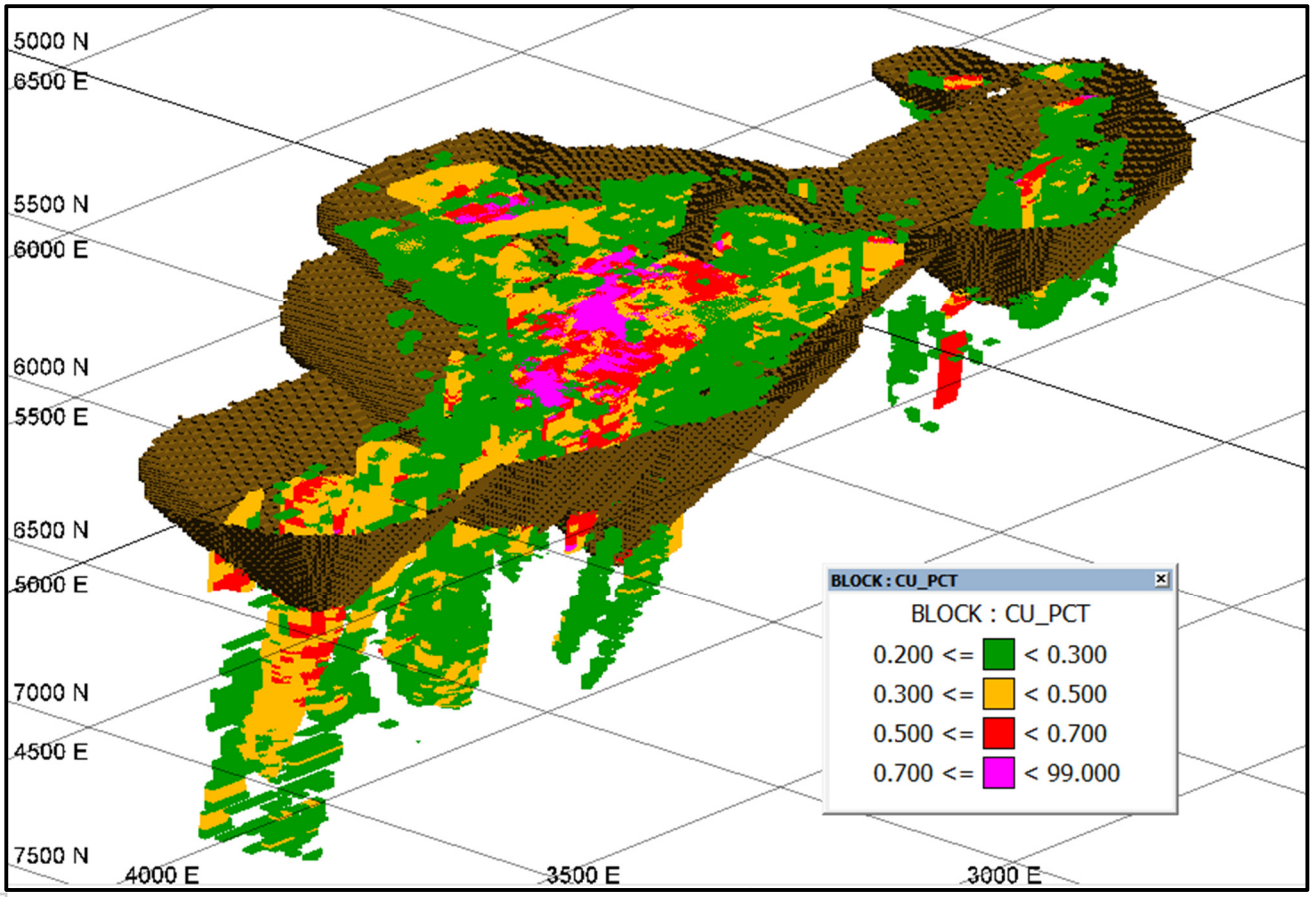

Figure 5 : Oblique view (looking SE) of 2015 resource model blocks (Ridley, 2015) showing optimised pit shell

Mineral Resources at Copper Hill, based on the 2015 updated resource estimate, are presented in Table 5.

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Resource Category	Cutoff (Cu%)	Volume (Mm3)	Tonnes (Mt)	Density (t/m3)	Grades		Metal	
					Cu %	Au (g/t)	Cu (t)	Au (oz)
Indicated	0.20	18	47	2.6	0.40	0.39	190,000	590,000
	0.30	10	27	2.6	0.52	0.52	140,000	460,000
	0.40	7.2	19	2.6	0.59	0.62	110,000	380,000
	0.50	4.4	11	2.6	0.68	0.74	78,000	270,000
Inferred	0.20	15	39	2.6	0.32	0.24	130,000	300,000
	0.30	6.1	16	2.6	0.44	0.30	71,000	150,000
	0.40	3.5	9.2	2.6	0.51	0.35	47,000	100,000
	0.50	1.5	4.0	2.6	0.59	0.37	24,000	48,000
Indicated + Inferred	0.20	33	87	2.6	0.36	0.32	310,000	890,000
	0.30	17	44	2.6	0.49	0.44	210,000	610,000
	0.40	11	28	2.6	0.56	0.53	160,000	480,000
	0.50	5.9	15	2.6	0.66	0.64	100,000	320,000

Table 5 : 2015 Copper Hill Mineral Resources (Ridley, 2015)

Additional low grade mineralisation that is not classified as resources, is also present as shown in Figure 5.

SCOPING STUDY 2015

Previously, GCR commissioned Calder Maloney to undertake a scoping study on the Copper Hill project, completed in February 2012. The study, based on a 30Mt pit (Figure 6) with an average head grade of 0.53% Cu and 0.46g/t Au, determined that the overall project cost was $143M, of which the processing plant would cost $92M.

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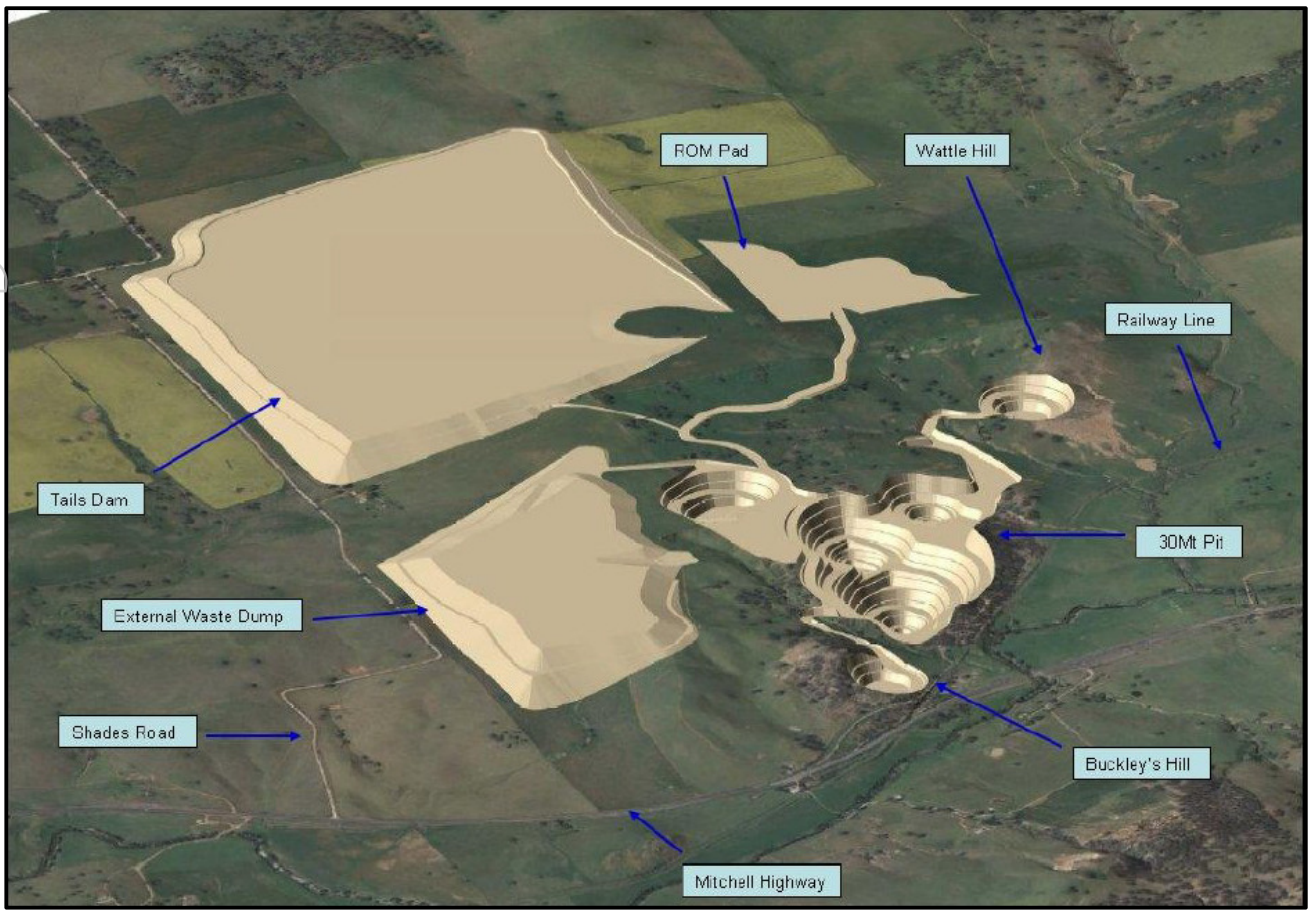

Figure 6 : Conceptual mine plan layout from 2012 scoping study looking southeast

An updated scoping study, completed in April 2015, was based on updated geological interpretation and resource modelling and looked at options for 2Mtpa and 3Mtpa concentrator feed rates (Napier & Hellsten, 2015). The 2015 study involved:

- Updated mineral resource estimation by Ridley Mineral Resource Consulting Pty Ltd;
- Mining optimisations and operating costs estimates by Auralia Mining Consultants ;
- Mine layout as per the 2012 Calder Maloney scoping study;
- Review of historical metallurgical testwork completed on Copper Hill material from 2006 to 2012;
- Preliminary geotechnical (UCS) testwork;
- Capital cost estimation by CPC Engineering (CPC Engineering, 2015);
- Baseline groundwater study by Aquaterra (van den Akker & David, 2011).

The scoping study for a 3Mtpa operation determined that the capital cost estimate was $163.5M, to an accuracy of +/-35%.

METALLURIGCAL TESTWORK

Aspects of the Copper Hill Scoping Study have been progressed since the 2015 VR with work initially focussed on the validation of the copper and gold recoveries scheduled during the initial 9-12 year mine

life. However, the results of this work 'gave inconsistent outcomes and further testing was incomplete' (Ferris, 2016).

Copper Hill Project Changes

There has been very little work undertaken since the 2015 valuation and accordingly, the only changes to the DCF model are related to external factors outside the control of GCR and the Copper Hill Project.

Commodity Price

The copper and gold prices used for the 2015 DCF analysis were US$2.38/lb and US$1,171/oz, respectively. Spot prices at 31 August 2017 were US$3.08/lb and US$1,336/oz, respectively, and we note that long term (5-9 year) forecasts suggest steadily increasing prices (nominal) to US$2.95/lb and US$1,309/oz, respectively (Consensus Economics, 2017).

Metallurgical Recoveries

Recovery rates used in the 2015 DCF analysis were 82% for copper ore and 77% for gold. The 2016 testwork did indicate higher recoveries were achievable but results were inconclusive without further work and did not justify any increase in recoverable metal that could be applied in this valuation update.

Copper Hill Valuation

Valuation Methodologies Considered to Value the Copper Hill Project

The valuation of the assets is as at 31 August 2017.

Descriptions of Valuation Methodologies are presented in Appendix 1 of this report.

Our final values are "fair market values" as defined in the Valmin Code (see below) which equate to "fair values" as defined in ASIC 13. We have assessed the "technical value", using the methods described below, in terms of the asset's reasonable potential to generate income in its highest and best use, which is as a future operating mine at Copper Hill.

The VALMIN Code defines "Fair Market Value" as:

> *"the amount of money (or the cash equivalent of some other consideration) determined by the Expert in accordance with the provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion.".*

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Unless otherwise indicated all financial figures quoted in this report refer to Australian Dollars ("$A"). Values in this report do **not** include any allowance for the costs of negotiating any sale.

In undertaking this valuation of the tenements, the following methods have been considered, in compliance with ASIC regulatory guide RG111.69:

- Income Approach - Future income method (discounted cash flow analysis)
- Cost Approach - Calculation of attributable exploration expenditure
- Market Approach - Comparable transactions on similar projects
- Market Approach – Joint Venture terms
- Market Approach – Market Capitalisation of similar companies

Future Income Method (DCF Analysis)

We have considered ASIC regulatory guide RG111.98 and RG111.99 and note that it is generally accepted by industry, for example see (Roscoe, 2001) that, for operating mines or where exploration has advanced to the stage where there is a defined project with quantified resources, the best approach to valuation is usually to estimate the '**present value of future income'** - also known as the 'discounted cash flow method' (DCF).

For mineral projects that are not at the Feasibility study stage, i.e. they do not have Ore Reserve defined, the low confidence in the forward-looking information makes the DCF method unreliable for valuing mineral assets. Because of these restrictions, we have chosen not to use the DCF method as the primary valuation tool for the Copper Hill Project. However, the future income assessed in the scoping study and financial analysis for the Copper Hill project, having discounted for the current status of the project, has been used as a check method for the alternative methods used for Copper Hill.

Modified Replacement Value / Attributable Exploration Expenditure

The Modified Replacement Value (MRV) method examines the cost that would be incurred by an explorer in acquiring and exploring a similarly prospective tenement up to the same stage of development as the subject tenement. Past Attributable Exploration Expenditure (AEE), or the amount spent on effective exploration on a tenement, is commonly used as a guide in determining the value of exploration tenements, and "deemed expenditure" is frequently the basis of joint venture agreements. On top of the past expenditure, an Acquisition Cost (AC) is added to reflect costs in acquiring the tenement. Two modifying factors, the Market Factor and Prospectivity Enhancement Multiple (PEM, see Appendix 1), are then applied to the past expenditure, taking into account the availability of prospective ground and the success or otherwise of the exploration programs.

The AEE method has been used as a check method to value the Copper Hill Project.

Comparable Transactions

We have utilised Comparable Transactions for the Copper Hill Project. In determining the valuation applicable to the Copper Hill project from the Comparable Transactions, we have utilised a Value per Tonne Copper Equivalent derived from:

- Total metal content in resources and reserves held by the target company

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- In-situ tonnage of the contained metals as at the transaction date
- Total transaction amount reconciled to 100% equity of the target company
- Calculation of copper equivalence with reference to the spot commodity prices at 14 August 2017
- The range of the Values per Tonne applied to the total resources of the GCR property

Joint Venture Terms

For those projects subject to a Joint Venture Agreement with other companies, the terms of the JVA have been used as a basis for valuing the GCR component of the projects. This method has not been used as a basis for assessing the value of the Copper Hill Project.

Market Capitalisation Method

The Market Capitalisation Method can be used when there are companies with one main project similar in size, jurisdiction and stage of development as the target company/project. However, finding such similar companies can be difficult and the method is usually only used if other methods are not appropriate. This method has not been used for the Copper Hill Project.

Copper Hill Valuation Methods

Comparable Transactions

For the Copper Hill project, we have relied primarily upon a Market Approach – Comparable Transactions, utilising a Value per Tonne Copper Equivalent, as the primary valuation method. As a check for the primary method, the Income Approach – DCF analysis and the Cost Approach – Attributable Exploration Expenditure have been used as secondary methods.

We have searched the SNL database system, company websites and ASX announcements for publicly available data on transactions involving copper-gold properties in Australia between unrelated companies to determine likely market values for the Copper Hill project (

Deposit (Buyer)	Location	Mineral Resources Published (100% equity)	Tonnes Cu	Oz Au	Tonnes Cu Equiv	Transaction Date	Equity Acquired
Copper Hill	NSW	87Mt @ 0.36% Cu, 0.32g/t Au (Ind,Inf)	310,000	890,000	485,116		
Marsden (Evolution Mining)	NSW	180Mt @ 0.38% Cu, 0.2g/t Au (Ind,Inf)	670,000	1,100,000	886,436	27/02/2017	100%
Mt Gordon/ Capricorn Copper (Lighthouse Minerals)	QLD	185Mt @1.26% Cu (Ind,Inf)	2,324,000		2,324,000	27/10/2015	100%
Barbara (Washington H. Soul)	QLD	5.6Mt @ 1.59% Cu, 0.14g/t Au (R,M,Ind,Inf)	88,810	25,235	93,775	14/06/2017	50%
Mt Gunson (Gindalbie Metals)	SA	53Mt @ 1.04% Cu, 0.048% Co, 8.8g/t Ag (Ind,Inf)	550,890		550,890	17/03/2017	75%

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Leigh Creek (Resilience Mining)	SA	2.2Mt @ 0.89% Cu (Ind)	19,700		19,700	21/11/2016	100%
Mt Gunson (Torrens Mining)	SA	53Mt @ 1.04% Cu, 0.048% Co, 8.8g/t Ag (Ind,Inf)	550,890		550,890	22/03/2016	100%
Stockman (Washington H. Soul)	Vic	14Mt @ 2.08% Cu, 4.24% Zn, 37.9g/t Ag, 0.94g/t Au (R,M,Ind,Inf)	287,110		287,110	14/06/2017	100%
Red Bore (Sandfire Resources)	WA	48kT @ 3.59% Cu, 0.43g/t Au (Ind)	1,740	640	1,866	19/06/2017	75%
Thaduna (Sandfire Resources)	WA	4.5Mt @ 2.7% Cu, 5.7g/t Ag Ind,Inf)	122,461		122,461	22/08/2016	65%

Table 6).

A review of copper and gold prices in Australian dollars has shown reasonable stability from 2012 to mid 2015 but a period of increasing gold prices and decreasing copper prices from mid 2015 to September 2016. The gold price quickly spiked downwards in October 2016 with an opposite upward spike for copper. Prices for both commodities have steadied since that time (Figure 7). Therefore, we have made note of transactions recorded between mid 2015 and September 2016 as atypical of longer term price trends and may be non-representative of current date transactions.

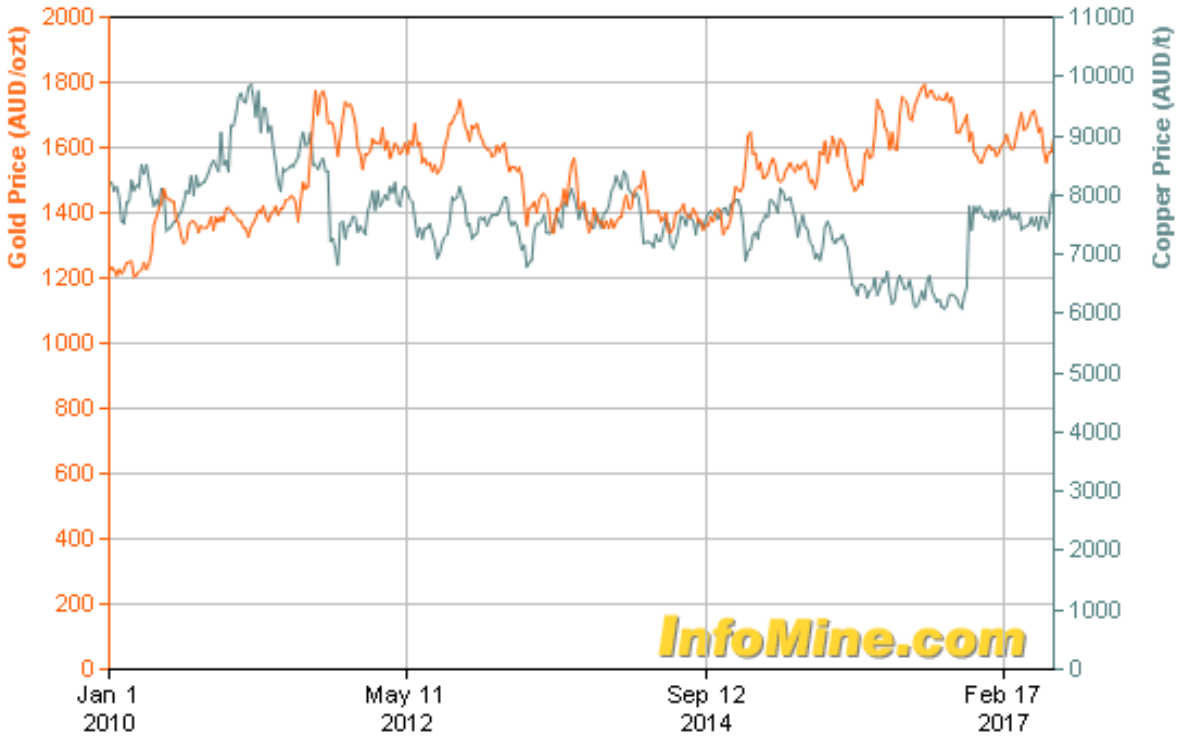

Figure 7 : Copper prices in A$/tonne and Gold prices in A$/oz since 1 January 2010

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Deposit (Buyer)	Location	Mineral Resources Published (100% equity)	Tonnes Cu	Oz Au	Tonnes Cu Equiv[4]	Transaction Date	Equity Acquired	Transaction Value (US$)	Transaction Value (A$) on 100% basis	Value A$/t Cu Equiv
Copper Hill	NSW	87Mt @ 0.36% Cu, 0.32g/t Au (Ind,Inf)	310,000	890,000	485,116					
Marsden (Evolution Mining)	NSW	180Mt @ 0.38% Cu, 0.2g/t Au (Ind,Inf)	670,000	1,100,000	886,436	27/02/2017	100%	$ 7,620,000	$ 9,645,570	10.88
Mt Gordon/ Capricorn Copper (Lighthouse Minerals)	QLD	185Mt @1.26% Cu (Ind,Inf)	2,324,000		2,324,000	27/10/2015	100%	$ 10,840,000	$ 13,721,519	5.90
Barbara (Washington H. Soul)	QLD	5.6Mt @ 1.59% Cu, 0.14g/t Au (R,M,Ind,Inf)	88,810	25,235	93,775	14/06/2017	50%	$ 1,730,000	$ 4,379,747	46.70
Mt Gunson (Gindalbie Metals)	SA	53Mt @ 1.04% Cu, 0.048% Co, 8.8g/t Ag (Ind,Inf)	550,890		550,890	17/03/2017	75%	$ 1,150,000	$ 1,940,928	3.52
Leigh Creek (Resilience Mining)	SA	2.2Mt @ 0.89% Cu (Ind)	19,700		19,700	21/11/2016	100%	$ 80,000	$ 101,266	5.14
Mt Gunson (Torrens Mining)	SA	53Mt @ 1.04% Cu, 0.048% Co, 8.8g/t Ag (Ind,Inf)	550,890		550,890	22/03/2016	100%	$ 1,010,000	$ 1,278,481	2.32
Stockman (Washington H. Soul)[5]	Vic	14Mt @ 2.08% Cu, 4.24% Zn, 37.9g/t Ag, 0.94g/t Au (R,M,Ind,Inf)	287,110		287,110	14/06/2017	100%	$ 24,280,000	$ 30,734,177	107.05
Red Bore (Sandfire Resources)[6]	WA	48kT @ 3.59% Cu, 0.43g/t Au (Ind)	1,740	640	1,866	19/06/2017	75%	$ 1,140,000	$ 1,924,051	1031.15
Thaduna (Sandfire Resources)[7]	WA	4.5Mt @ 2.7% Cu, 5.7g/t Ag Ind,Inf)	122,461		122,461	22/08/2016	65%	$ 2,300,000	$ 4,479,065	36.58

Table 6 : Comparable Transactions for Copper Hill

[4] Calculated by adding the tonnes contained copper to the ounces contained gold then multiplying the latter by the ratio of gold price to copper price as at 31 August 2017 (metal recoveries are not considered in this calculation)
[5] Project not used as a Comparable Transaction
[6] Project not used as a Comparable Transaction
[7] Project not used as a Comparable Transaction

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We have excluded those transactions where deposits are not similar in mineralisation style. For example, we have excluded the Stockman deposit in Victoria as it is a polymetallic Volcanic Hosted Massive Sulphide (VHMS) style and similarly, Red Bore and Thaduna are Archean massive sulphide deposits.

The transactions ranged in value (@ 100% equity) from A$2/t to A$47/t but we note the recent Marsden transaction involving a deposit with very similar style and size as Copper Hill. The transaction value at almost $11/t Cu Equiv would value the Copper Hill Project at A$5.3 million, based on the 2015 Ridley resource estimate.

Such a wide range in prices paid per tonne copper metal equivalent is indicative of the variability in market transactions over the past few years and selection of an appropriate ratio for valuing the target property can be highly subjective. In determining a preferred value for Copper Hill, we have plotted the transaction data at logarithmic scales and determined a trendline (Figure 8).

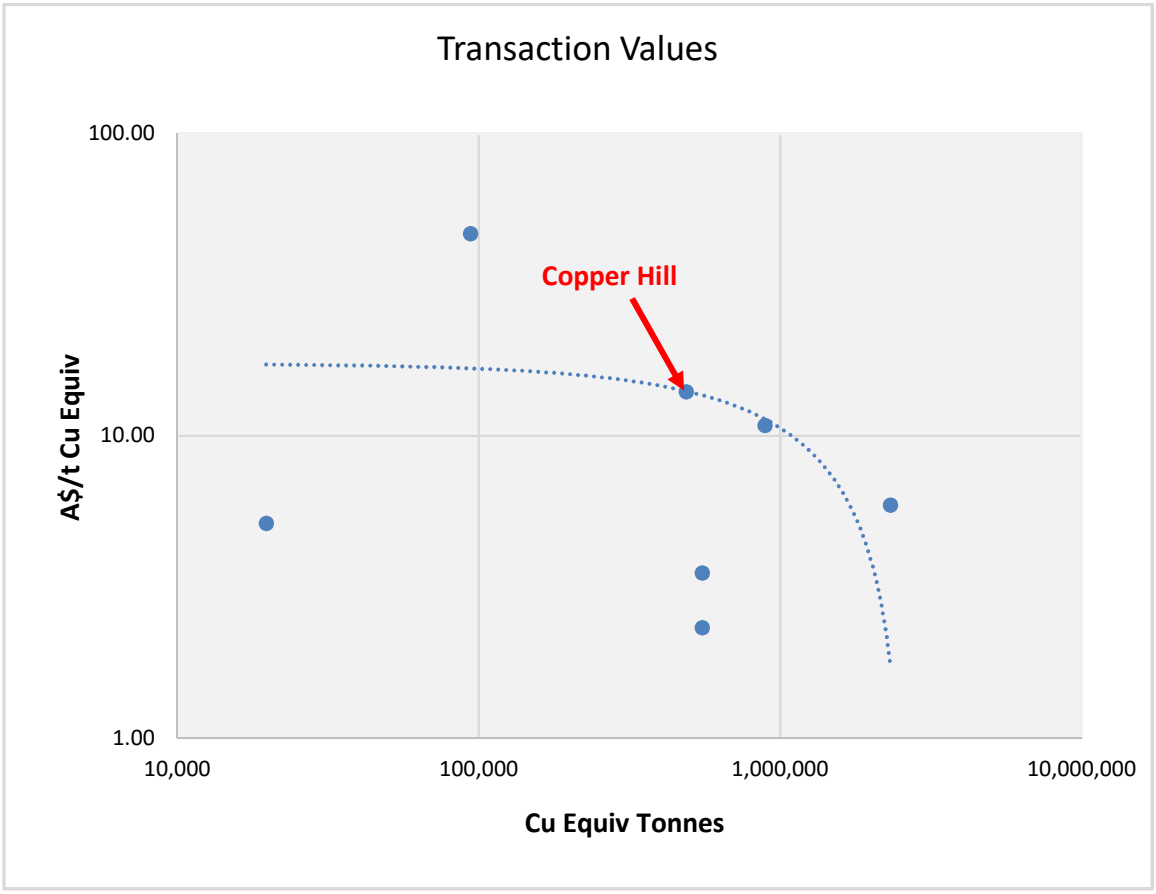

Figure 8 : Copper Hill comparable transactions

Plotting the Copper Hill contained Copper Equivalent metal on the trendline gives a deal value for Copper Hill of A$14/t or A$6.8 million within a large range of values of A$1.1 million and A$22.7 million.

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Discounted Cash Flow Analysis

As a check of the Comparable Transactions method, we have utilised a cashflow model based on the results of the 2015 Mineral Resources estimation and scoping study. On the basis of these studies, financial models were developed for two Base Case Scenarios, 2Mtpa and 3Mtpa.

We have reviewed the GCR financial models (the full details of which have not been publically announced) and have used the 2Mtpa option, which is considered more likely to be developed, as the basis for our value estimate. We have allowed for a delay of 4 to 5 years before project construction, and an estimated expenditure of $5.4M during this time for infill drilling, metallurgical testwork and feasibility studies, permitting, and negotiation of funding, etc. We have used the latest (August 2017) Consensus forecasts for metal prices. This has resulted in a NPV @ 10% discount rate of $48M and IRR of 21.2%. We have used the sensitivity analysis parameters in the GCR Scoping Study to determine a range in NPVs between $28.3M and $67.7M based on ±10% changes in commodity prices, factors that affect the project most significantly.

We have discounted these values by an assumed risk factor of 50%, on the basis that the values are based on Indicated Resources only and the possibility that the project may not proceed because of the low grades. This results in a range of the technical value between $14.1M and $33.9M. Our preferred technical value is at the mid range (i.e. $24M) due to the improved commodity prices currently and forecast.

Attributable Exploration Expenditure

As a further check of the Comparable Transactions method, we have utilised the total Attributable Exploration Expenditure reported for EL6391.

GCO and its joint venture partners have spent approximately $15.2M on the Copper Hill project since 2005. (Expenditure details on the pre-cursor tenements are incomplete). Some of this expenditure has been written down in the GCR books and they have carried forward a capitalised amount of $11.5M. A large proportion of this expenditure has been on drilling programs. These programs have resulted in the definition of Mineral Resources and a scoping study and a PEM value of 2.5 – 3.0 is appropriate. The range in the technical value by this method is, therefore, $28.8M to $34.5M.

However, we believe that these figures need to be heavily discounted by 50% due to the risk that the project may not proceed because of low grades and because part of the exploration expenditure would have been on areas outside of the Copper Hill deposit that have yet to have identified mineral resources. Therefore, our revised value range by this method is $14.0M to $17.0M, with a preferred value at $14.0M.

Summary of Copper Hill Valuations

Table 7 summarises the various valuations for the Copper Hill project. The Copper Hill valuation completed by Goldner & Associates in 2009 (Goldner, 2009) is included for comparison only and was not used in the current valuation. The 2015 valuation completed by Geos Mining is also included for comparison.

METHOD	LOW VALUE (A$M)	HIGH VALUE (A$M)	PREFERRED (A$M)
Comparable Transactions	1.1	22.7	6.8
Discounted Cash Flow	14.1	33.9	24
Attributable Exploration Expenditure	14.0	17.0	14.0
2015 Valuation (Geos Mining)	**10.0**	**14.5**	**13.2**
2009 Valuation (Goldner & Assoc)	11.4	17.0	12.0

Table 7 : Summary of Copper Hill valuations

As can be seen from Table 7, the various methods result in a wide range of values and no single method can be deemed to provide the complete picture. In determining the overall preferred value for the Copper Hill project, we have applied the following weighting factors:

2017 Valuation Update

- Comparable Transactions 50%
- Discounted Cash Flow 40%
- Attributable Expenditure 10%

2015 Valuation

- Comparable Transactions 70%
- Discounted Cash Flow 20%
- Attributable Expenditure 10%

We have doubled the weighting for the Discounted Cash Flow method since the 2015 valuation due to the current resurgence in metal prices and the apparent lack of this optimism reflected in the Comparable Transactions (Table 8).

METHOD	WEIGHTING	LOW VALUE (A$M)	WTD LOW VALUE	HIGH VALUE (A$M)	WTD HIGH VALUE	PREFERRED (A$M)	WTD PREFERRED VALUE
Comparable Transactions	**50%**	1.1	0.55	22.7	11.35	6.8	3.4
Discounted Cash Flow	**40%**	14.1	5.64	33.9	13.56	24	9.6
Attributable Exploration Expenditure	**10%**	14	1.4	17	1.7	14	1.4
Average Weighted Value			**7.6**		**26.6**		**14.4**

Table 8 : Weighted Valuations for Copper Hill

From this analysis, we conclude that the range in values for the Copper Hill project is **$7.6M to $26.6M** with a preferred value of **$14.4M**.

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Valuation and Risk

Valuation Summary

The preferred values and valuation ranges derived for the Copper Hill Project is summarised in Table 9.

Project	Style	Stage	GCR %	Low Value A$M	High Value A$M	Preferred Value A$M
Copper Hill	Porphyry Cu-Au	Pre-development	100	7.6	26.6	14.4

Table 9 : Summary of valuation of Copper Hill Project

Risks

Geos Mining has limited the scope of this risk assessment to major factors relevant to this valuation. There has been no consideration of political stability, or of the financial risk arising from any lack of liquidity. We make no guarantee that all material risks have been included in this assessment.

Risk is based on the product of two factors: probability and consequence. For the purposes of this risk assessment Geos Mining has adopted the matrix below as a measure of project risk (Table 10).

CONSEQUENCE	PROBABILITY					
	A	**B**	**C**	**D**	**E**
1	1	2	4	7	11
2	3	5	8	12	16
3	6	9	13	17	20
4	10	14	18	21	23
5	15	19	22	24	25

RISK
HIGH 1-6
MEDIUM 7-15
LOW 16-25

Probability		Consequence	
A	Common	1	Catastrophic loss, over 40% of project value
B	Has happened	2	Major disruption/ impediment, 10% - 40% of project value
C	Could happen	3	Moderate disruption/ impediment, over $5m value
D	Not likely	4	Minor disruption/ impediment, less than $5m
E	Practically impossible	5	No lasting effect

Table 10 : Risk rating table

Permitting Risk

Permitting of development for the projectat Copper Hill is a moderate to high risk for GCR to consider.

High consequence, could happen – Medium to High risk

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Social Impact Risk

Copper Hill is located in a rural area with low population density. We note that in agricultural areas of Australia (especially NSW and Qld) there is a growing concern amongst landowners generally about the impact of exploration on their way of life. While there appears to be general community support for development of the Copper Hill Project, we expect a degree of opposition due to the negative press coverage of mining projects generally.

Minor consequence, has happened – Medium risk

Environmental Risk

We do not believe that environmental issues are significant, however we note that there remains a risk in regard to the protection of ground water and containment of tailings.

Moderate consequence, unlikely to occur – Low risk

Sovereign Risk

The current NSW state government claims that it is in favour of the expansion of the mining industry as it brings in much needed revenue for social infrastructure. However, anti-mining sentiment within the community, particularly in areas close to population centres, is becoming a major challenge facing the industry and could lead to a significant change in government policy.

Moderate consequence, possible to occur – Medium risk

Development Risk

Mineral exploration is a high risk endeavour with no guarantee of success. Poor results from exploration programs may lead to a project being assessed as having little or no value and the tenements being surrendered.

Major consequence, likely to occur – High risk

Conclusions

Our valuation of the Copper Hill Project, as at the Valuation Date, has utilised a combination of Market Approach, Cost Approach and Income Approach valuation methods.

The range of valuations (equity accounted) is from a low of **$7.6M** to a high of **$26.6M**, with a preferred value of **$14.4M.**

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Appendix 1 – Valuation Principles and Methodologies

Standards & Procedures

This report has been prepared in keeping with the VALMIN Code 2005, the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2012).

The VALMIN Code was developed by a joint committee of The Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australian Institute of Geoscientists ("AIG") and the Mineral Industry Consultants Association ("MICA", now known as the Consultants Society of The AusIMM), in consultation with the Australian Securities and Investment Commission ("ASIC"), the Australian Stock Exchange Limited ("ASX"), the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector. The Code is binding on all members of the AusIMM and AIG.

The JORC Code 2012 was developed by the Australasian Joint Ore Reserves Committee, formed from members of The AusIMM, the AIG and MICA, with representation from ASX and the Financial Services Institute of Australasia. It is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves. The JORC Code 2012 provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.

The VALMIN Code and the JORC Code 2012 have been adopted by and included in the listing rules of the Australian Stock Exchange and are internationally regarded as best practice for the technical assessment and valuation of mineral assets. Where tonnage and grade estimates of mineralisation are referred to that either pre-date or, for other reasons in Geos Mining's opinion, do not comply with the JORC Code 2012, this is clearly stated.

Valuation General Principles

The Fair Market Value of a Mineral Asset, as stated in the VALMIN Code (Definition 43), is the amount of money (or cash equivalent of some other consideration) that an asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an arm's length transaction, with each party acting knowledgeably, prudently and without compulsion.

According to the VALMIN Code (Clause 32), selection of an appropriate valuation method will depend on such factors as:

- the nature of the Valuation;
- the development status of the Mineral or Petroleum Assets, and
- the extent and reliability of available information.

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VALUATION METHODOLOGIES

GENERAL PRINCIPLES

There is no single method of valuation that is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merit and are more or less applicable depending on the circumstances.

- Market Approach
- Cost Approach
- Income Approach

Each of these approaches has its own strengths and weaknesses and the selection of the most appropriate method depends upon the stage of development of the project and the information available to the Valuer.

MARKET APPROACH

This approach is also known as Comparison Approach. It can utilise two market-related methods: Comparable Transactions, being the price paid in recent transactions for similar projects under similar market and geo-political situations, and Market Capitalisation, being the number of shares in the company on offer multiplied by the share price as at the Valuation Date.

The difficulty in utilising the Comparable Transactions method is in determining to what extent the property or transaction is indeed comparable, unless the transactions involve the specific parties, projects or tenements under review. There can also be substantial change in value over time, depending especially upon market conditions and commodity prices.

If discussions have been held with other parties and offers have been made on the project or tenements under review, then these values are certainly relevant and worthy of consideration and can be used in establishing a value of the project. Similarly, joint venture terms, where one party pays to acquire an interest in a project and/or spends exploration funds in order to earn an interest, provide an indication of the project's value.

The Market Capitalisation method can be used in the case of a similar single project company or a company with one major asset; the market capitalisation of that company clearly gives some guide to the value that the market places on that asset at that point in time. Commonly, however, companies usually have several projects at various stages of development, together with a range of assets and liabilities, and in such cases it is difficult to define the value of individual projects in terms of the share price and market capitalisation.

COST APPROACH

This approach is also known as the Modified Replacement Value ("MRV") method and examines the cost that would be incurred by an explorer in acquiring and exploring a similarly prospective tenement up to the same stage of development as the subject tenement. Although this method can be applied to projects at all stages of development, it is usually restricted to projects at the early stages of exploration that have not had costs of production identified.

The nominal replacement cost is modified by a Market Factor (MF) allowing for the ease or difficulty of acquiring a similar replacement tenement, and the Prospectivity Enhancement Multiplier (PEM), which quantifies the prospectivity shown by the exploration results to date. The assumption is that well directed exploration has added value to the property. This is not always the case as exploration can also downgrade a property and, therefore, the PEM, which commonly ranges from 0.5 to 3.0, is applied to the effective expenditure. The selection of the appropriate multiplier is a matter of experience and judgement but is obviously highly subjective.

The method is related to other cost approaches, such as appraised value or multiples of exploration expenditures (Lawrence, 2001), but avoids some potential pitfalls that arise in the application of those methods to Australian conditions.

The value derived using this method is:

MRV = (AC + EE) x MF x PEM

When using this method, Geos Mining recommends using the following parameters:

- Acquisition Cost (AC) - where similarly prospective vacant ground is available, this may be the cost of background research and application for tenure.
    - Where similar ground is limited, or there are significant difficulties in applying for new tenure, then this may be based on the actual acquisition cost, or the nominal purchase price of a similar greenfields exploration area, where necessary modified to allow for any change in the market since the acquisition.
    - Exploration expenditure (EE) – the actual expenditure that has usefully advanced the project.
    - Where necessary, discounting for any wasteful expenditure and discounting or ignoring any expenditure that has been directed towards a target that has since been downgraded or proved to be sub-economic.
- Market Factor (MF) – Geos' practice is usually to use a factor between 1 (where additional similar ground is readily available) and 2 (if such ground is scarce).
    - Although a higher Market Factor could be valid, this would be limited to special cases.
- Prospect Enhancement multiplier (PEM) - This factor would normally vary between 0.5 (where exploration results have been disappointing) and 3. To eliminate some of the subjectivity with respect to this method, Geos Mining commonly utilises the PEM ranges as detailed in Table 11, although values outside this range may be justified in particular situations.

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Band	PF	Applicability
1	0.5 – 0.9	Previous exploration indicates the area has limited potential and its prospectivity may have been downgraded by the prior exploration.
2	1.0 – 1.4	The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration.
3	1.5 – 1.9	The prospect contains one or more defined significant targets warranting additional exploration.
4	2.0 – 2.4	The prospect has one or more targets with significant drillhole intersections; similarly prospective ground is not commonly available for application in this area.
5	2.5 – 2.9	Exploration is well advanced and infill drilling is required to define or up-grade a resource such that a reserve can be estimated.
6	3.0	Resource has been defined but a pre-feasibility study has not been recently completed.

Table 11 : Prospect Enhancement Multipliers

Income Approach

This approach is also known as the Discounted Cash Flow ("DCF") method. If a project is in operation, under development, or at an advanced feasibility study stage (which includes detailed pre-feasibility studies) and reserves, mining and processing recoveries, and capital and operating costs are well defined, it is generally accepted that the DCF is generally the most relevant and appropriate valuation tool.

If a project is at the scoping study or pre-feasibility study stage, additional weight has to be given to the risks, due to uncertainties in capital and operating costs, operational performance and potentially a lower degree of confidence in the reserves.

The DCF method approximates the technical value of the project. In order to determine the Fair Market Value, a premium or discount can be applied to the technical value in accordance with general market dynamics, strategic or other considerations at the time of the valuation.

Risks & Special Circumstances

Special circumstances of relevance to mining projects or properties can have a significant impact (both positive and negative) on value and need to be taken into account to modify valuations that might otherwise apply. Examples could include:

- environmental risks that can result in a project being subject to extensive opposition, delays and possibly refusal of development approvals;
- indigenous peoples / land rights issues - projects in areas subject to claims from indigenous peoples can experience prolonged delays, extended negotiations or veto;
- country issues - the location of a project can significantly impact on the cost of development and operating costs and has a major impact on perceived risk and sovereign risk;
- technical issues peculiar to an area or deposit, such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

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