Axehandle Pit Feasibility Study and Mining Reserve

TECHNICAL REPORT
NUMBER: Revision 2
NAME: See Above
ACTIVITIES: N/A
DUE DATE: N/A
PREPARED BY: Charles Hastie
DATE: 27/03/2015

Distribution:
COMPETENT PERSON’S CONSENT FORM

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report Description

‘150216_Axehandle Pit Feasibility Study and Mining Reserve Rev(2).docx’

Hanking Gold Mining Pty Ltd

March 2015

Statement

I, Charles Hastie confirm that:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“2012 JORC Code”)
- I am a Competent Person as defined by the 2012 JORC Code, having five years’ experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a ‘Recognised Overseas Professional Organisation’ (“ROPO” included in a list promulgated by ASX from time to time).
- I have reviewed the Report to which this consent statement applies.
- I am an employee working for Hanking Gold Mining Pty Ltd and I have prepared the documentation for the Southern Cross Operations, Axehandle open pit on which the Report is based, for the period ended 18 March 2015.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Ore Reserves.
CONSENT

I, Charles Roberts Hastie, consent to the release of the Report and this consent statement by the directors of:

Hanking Gold Mining Pty Ltd

Signature of Competent Person

Charles Roberts Hastie

Date 26/03/2015

Professional Membership: MAusIMM

Membership Number: 110777

Signature of Witness

Yunxing Xue

Perth

Print Witness Name and Residence (e.g. Town)
Hanking Gold Mining Pty Ltd
Axehandle Pit
Feasibility Study and Mining Reserves

Additional Deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:
NA................................................................................................................................................
................................................................................................................................................
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................................................................................................................................................
................................................................................................................................................
................................................................................................................................................

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:
NA................................................................................................................................................
................................................................................................................................................
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................................................................................................................................................
................................................................................................................................................
................................................................................................................................................
................................................................................................................................................

Signature of Competent Person
Charles Roberts Hastie
Date 26/03/2015

Professional Membership: MAusIMM
Membership Number: 110777

Signature of Witness
Yunxing Xue
Perth
Print Witness Name and Residence (e.g. Town)
Axehandle Pit Mining Reserves

The table below details the JORC Code 2012 Mining Reserves for Axehandle Pit as of 18th March 2015.

<table>
<thead>
<tr>
<th>Reserve Class</th>
<th>Diluted Ore Tonnes</th>
<th>Diluted grade (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>2,083,377</td>
<td>2.37</td>
</tr>
<tr>
<td>Probable</td>
<td>577,019</td>
<td>2.46</td>
</tr>
<tr>
<td>Total Reserve</td>
<td>2,660,395</td>
<td>2.39</td>
</tr>
</tbody>
</table>

The JORC 2012 Table 1 is presented below.

The summary of assumptions and modifying factors contributing to the Axehandle Mining Reserve is presented in the feasibility study section of this report after the JORC 2012 Table 1.
### JORC Code, 2012 Edition – Table 1 report template

**Section 4 Estimation and Reporting of Ore Reserves**

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral Resource estimate for conversion to Ore Reserves</td>
<td>• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</td>
<td>• JORC 2012 Ordinary Kriging resource estimate • The Mineral Resources are inclusive of the Ore Reserves. • CSA Global Pty Ltd has done the resource modelling and JORC 2012 report and table 1 in March 2015. In Report “R010 2014 MRE for Axehandle Gold Deposit for Hanking Gold Mining”</td>
</tr>
<tr>
<td>Site visits</td>
<td>Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.</td>
<td>• The Competent Person has visited the Axehandle mine site late 2014. The general mining areas in the Southern Cross Operations including the processing area have been visited a number of times. • The site of Axehandle is unmined.</td>
</tr>
<tr>
<td>Study status</td>
<td>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</td>
<td>• Feasibility Study level + – 20%. Mining contractor and haulage contractor contract costs have been applied. Detailed engineering consultant cost estimates used for processing (Como Engineers). An existing Hanking owned open pit called Cornishman is operating four km to the north of Axehandle (contract costs are sourced from that pit operation contract rates).</td>
</tr>
<tr>
<td>Cut-off parameters</td>
<td>The basis of the cut-off grade(s) or quality parameters applied.</td>
<td>0.69 g/t Breakeven Cutoff grade is calculated by the total processing (processing cost at 1 Mtpa and surface transport,) costs per diluted tonne of ore (A$277.86 per tonne) divided by revenue of one recovered gram (at A$147/oz – less royalties (4%) by metallurgical recovery of 93% and mining recovery of 0.95% (A$40.15 per gram)</td>
</tr>
<tr>
<td>Mining factors or assumptions</td>
<td>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</td>
<td>• Optimisation of a JORC 2012 compliant ore block model. Design pit on an optimal 1+ pit shell. • Used conventional open pit mining methods as currently being used at the nearby operating Cornishman mine site (Cornishman is one of Hanking’s mining deposits). • Used advice from a geotechnical consultant (Golder Associates Pty Ltd) as a guide in optimisation parameters and design of pit slopes.</td>
</tr>
<tr>
<td>Metallurgical factors or assumptions</td>
<td>The metallurgical process proposed and the appropriate conditions of that process to the style of mineralisation.</td>
<td>10% dilution of ore with 0.00 g/t dilute grade – open pit. 5% ore loss – open pit. 20m minimum mining width. No inferred ore was used in the calculation of the Reserves. Infrastructure such as workshop, contractor office, refueling facilities will have to be built – existing operations at Cornishman 4 km north, will supply owner’s office, alternative access to water and communications. • Process plant, camp and general infrastructure already exists.</td>
</tr>
<tr>
<td>Environmental</td>
<td>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</td>
<td>Conventional gold CIP and gravity separation methods being used. Process plant being used for the last 22 years. Ore from Axehandle has been tested for recovery by previous owner St Barbara Mines. Test work was done by Ammtec in August 1998 and December 1999 (reports A63312 and A7055 respectively) test work showed 96%+ recovery. Hanking has used 93% process recovery as a conservative estimate due to the sensitivity of recovery due to grind size above 75 microns and higher oxygen requirements for BIF. This conservative factor was suggested in a memo from the Senior Metallurgist in 2003 (“Axehandle Processing Parameters” 26 May 2003) to the corporate Senior Mining Engineer at the time.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</td>
<td>A State grid powerline is within 100m of the proposed office and workshops. Bore pumps will supply water for dust suppression. There is an existing water source at Cornishman, four km north that can be shared at startup of the Axehandle mine. Accommodation will be in the existing Hanking Camps in Marvel Loch. A sealed road is within 2.5 km of the pit and a public gravel road connects to the mining area from the sealed road. Another existing camp near the western end of Axehandle. Axehandle is on the B267 which connects to the existing access road to Cornishman.</td>
</tr>
</tbody>
</table>

Hanking Gold Mining Pty Ltd
Axehandle Pit
Feasibility Study and Mining Reserves
Accuracy and confidence discussions should extend to include assumptions made and the procedures used. Such an approach is not deemed appropriate, a qualitative discussion of relative accuracy of the reserve within stated confidence limits, or, if appropriate by the Competent Person. For example, the Measured Mineral Resources (if any).

The proportion of Probable ore reserves will be classified as Proven and Probable using the JORC Code. The Ore Reserves will be classified as Proven and Probable using the JORC Code. The Ore Reserves will be classified as Proven and Probable using the JORC Code.

The reported ore reserves were diluted by 10% and an ore loss of 5% was applied to the ore material reported above the CGO of 0.69 g/t. Mining, surface transport costs were sourced from existing contract rates. Process costs were sourced from recent process cost studies by Como Engineers Pty Ltd and historical costs. Gold price was selected as US$1,150 per oz with an exchange rate of 0.78 US$/A$ (A$1.474 per oz). Figures are the average for the previous six months from December 2014.

The workforce will be sourced from the Southern Cross region if appropriate. The location of Axehandle in a current mining operation Cornishman pits are currently mining ore and grade control results have been re-furbished. Operation and supervision personnel of the process plant exceeds 14 years experience.

The status of agreement with key stakeholders and matters leading to social license to operate.

To the extent relevant, the impact of the following on the project and/or the estimation and classification of the Ore Reserves:

- Any identified material naturally occurring risks.
- The status of material legal agreements and marketing arrangements.
- The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matters which is dependent on a third party on which extraction of the reserve is contingent.

The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person’s view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). The Ore Reserves will be classified as Proven and Probable using the Ore Resource classifications of Measured and Indicated respectively as the source data. The result reflects the view of the Competent Person. No Measured Mineral resources are in the Probable Ore Reserve’s.

The results of any audits or reviews of Ore Reserve estimates.

No external audits of the Ore Reserves have been done. Only internal reviews. Entec Pty Ltd has conducted the Pit Optimisations and Entec peer reviews for the optimisations.

Confidence in the Reserve is high due to the existing operations costs are known and currently under contract rates. The Processing plant has been in existence for 22 years. It has recently been re-furbished. Operation and supervision personnel of the process plant exceeds 14 years’ experience. The Comishman pits are currently mining ore and grade control results reconcile well with the Comishman Resource ore block model. The location of Axehandle Pit in a current mining operation with easy road access and connected to grid power gives high confidence in the ease of startup of mining and processing. No modifying factors are expected to be significantly changed prior to mining of Axehandle.

- The derivation of, or assumptions made, regarding projected capital costs in the study.
- The methodology used to estimate operating costs.
- Allowances made for the content of deleterious elements.
- The source of exchange rates used in the study.
- Derivation of transportation changes.
- The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
- The allowances made for royalties payable, both Government and private.

- The revenue factors
- The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, for the principal metals, minerals and co-products.

- The market assessment
- The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.
- Customer and competitor analysis along with the identification of likely market windows for the product.
- Price and volume forecasts and the basis for these forecasts.
- For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.

- The economic
- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.

- The social
- The status of agreements with key stakeholders and matters leading to social license to operate.

- The other
- To the extent relevant, the impact of the following on the project and/or the estimation and classification of the Ore Reserves:

- Any identified material naturally occurring risks.
- The status of material legal agreements and marketing arrangements.
- The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.

- The classification
- The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person’s view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).

- The discussion of relative accuracy/confidence
- Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.
- The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
- Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material

Feasibility Study and Mining Reserves

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation changes. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.</td>
<td>The process plant, accommodation, administration area (including stores) and main roads are in existence and will have minimal additional capital expense required. The open pit contractor will provide onsite offices and workshops as part of the mining contract. Current open pit contractor rates have been applied in the optimization and cost analysis. Process costs have been sourced from a 2014 Como Engineers cost study as processing had not re-started at the time of writing. Existing Hampton Transport ore transportation contract rates were used for optimization and cost analysis. In Australian dollars, the gold price used was A$1,474 per oz. 2.5% State royalty and 1.5% private tenement royalties.</td>
</tr>
<tr>
<td>Revenue factors</td>
<td>• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, for the principal metals, minerals and co-products.</td>
<td>Measured and Indicated ore was used for the for Proved and Probable ore reserves. The reported ore reserves were diluted by 10% and an ore loss of 5% was applied to the ore material reported above the CGO of 0.69 g/t. Mining, surface transport costs were sourced from existing contract rates. Process costs were sourced from recent process cost studies by Como Engineers Pty Ltd and historical costs. Gold price was selected as US$1,150 per oz with an exchange rate of 0.78 US$/A$ (A$1.474 per oz). Figures are the average for the previous six months from December 2014.</td>
</tr>
<tr>
<td>Market assessment</td>
<td>• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • Customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</td>
<td>Done will be sold to the Perth Mint. At the time of writing no hedging agreements have been put in place.</td>
</tr>
<tr>
<td>Economic</td>
<td>• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.</td>
<td>Current contract rates for mining, surface haulage, camp and actual G&amp;A have been used for the economic estimates for the reserves. Como Engineers processing plant operating costs were used for processing cost estimates. NPV estimates were based on 10% hurdle rates. Sensitivities to gold price, mining, processing, mine recovery and process recovery has been done. Gold price, process, gold recovery and mining ore loss showed the greatest sensitivity.</td>
</tr>
<tr>
<td>Social</td>
<td>• The status of agreements with key stakeholders and matters leading to social license to operate.</td>
<td>Mining at the Southern Cross Operations is currently in progress with the approval of all major Stakeholders. Axehandle is one of the deposits in the area owned by Hanking in the Southern Cross region. The workforce will be sourced from the Southern Cross region if appropriate.</td>
</tr>
<tr>
<td>Other</td>
<td>• To the extent relevant, the impact of the following on the project and/or the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</td>
<td>No deleterious material exists in the potential material mined. No legal encumbrances to the mining and processing of the ore from Axehandle exist. At the time of writing (March 2015) Environmental and Mining proposals have been submitted to the Government for approval. No reasonable grounds are expected for approvals to be rejected.</td>
</tr>
<tr>
<td>Classification</td>
<td>• The status of agreements with key stakeholders and matters leading to social license to operate.</td>
<td>The Ore Reserves will be classified as Proven and Probable using the Ore Resource classifications of Measured and Indicated respectively as the source data. The result reflects the view of the Competent Person. No Measured Mineral resources are in the Probable Ore Reserve’s.</td>
</tr>
<tr>
<td>Audits or reviews</td>
<td>• The results of any audits or reviews of Ore Reserve estimates.</td>
<td>No external audits of the Ore Reserves have been done. Only internal reviews. Entec Pty Ltd has conducted the Pit Optimisations and Entec peer reviews for the optimisations.</td>
</tr>
<tr>
<td>Discussion of relative accuracy/confidence</td>
<td>• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material</td>
<td>Confidence in the Reserve is high due to the existing operations costs are known and currently under contract rates. The Processing plant has been in existence for 22 years. It has recently been re-furbished. Operation and supervision personnel of the process plant exceeds 14 years’ experience. The Comishman pits are currently mining ore and grade control results reconcile well with the Comishman Resource ore block model. The location of Axehandle Pit in a current mining operation with easy road access and connected to grid power gives high confidence in the ease of startup of mining and processing. No modifying factors are expected to be significantly changed prior to mining of Axehandle.</td>
</tr>
<tr>
<td>gravel mine haulage road is in place directly connecting the mine to the Marvel Loch plant. • Minimal infrastructure is required at the mine site. Only the Contractor’s office and workshop with a turkeys nest for water supply. A pipeline for water disposal will be required to feed into nearby pits to the south of Axehandle.</td>
<td>Feasibility or Mining Reserves</td>
<td></td>
</tr>
</tbody>
</table>
### Criteria | JORC Code explanation | Commentary
--- | --- | ---
 | Impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. | It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. |
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Axehandle Pit is one of Hanking Gold Mining Pty Ltd (Hanking) deposits at their Southern Cross Operations. The pit is 11 km south of Southern Cross. Axehandle Pit is located on Mining lease M77/721.

Table 1.1 below shows the mining reserve of Axehandle Pit.

<table>
<thead>
<tr>
<th>Reserve Class</th>
<th>Diluted Ore Tonnes</th>
<th>Diluted grade (g/t)</th>
</tr>
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<tbody>
<tr>
<td>Proven</td>
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<td>2.37</td>
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<tr>
<td>Probable</td>
<td>577,019</td>
<td>2.46</td>
</tr>
<tr>
<td><strong>Total Reserve</strong></td>
<td><strong>2,660,395</strong></td>
<td><strong>2.39</strong></td>
</tr>
</tbody>
</table>

An additional 204,577 tonnes at 2.12 g/t of Inferred material is within the pit boundary but is currently classed as waste.

The pit will be mined by conventional truck and excavator methods. Drill and blast will be required in transitional and fresh material.

The mining schedule to produce half the feed for the plant for approximately two years is shown below in Table 1-2.

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tot waste berm</td>
<td>17,196,970</td>
<td>2,000,000</td>
<td>2,990,736</td>
<td>2,857,421</td>
<td>2,665,270</td>
<td>1,831,935</td>
<td>1,625,000</td>
<td>973,319</td>
</tr>
<tr>
<td>Tot ore berm</td>
<td>1,041,470</td>
<td>-</td>
<td>9,264</td>
<td>164,579</td>
<td>76,886</td>
<td>68,065</td>
<td>174,993</td>
<td>126,683</td>
</tr>
<tr>
<td>Total bcm</td>
<td>18,238,440</td>
<td>2,000,000</td>
<td>3,000,000</td>
<td>3,002,000</td>
<td>2,742,155</td>
<td>1,900,000</td>
<td>1,800,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>grams</td>
<td>6,354,996</td>
<td>-</td>
<td>36,140</td>
<td>799,900</td>
<td>477,578</td>
<td>328,537</td>
<td>873,544</td>
<td>670,172</td>
</tr>
<tr>
<td>Diluted grade</td>
<td>2.39</td>
<td>-</td>
<td>1.81</td>
<td>2.09</td>
<td>2.46</td>
<td>2.21</td>
<td>2.10</td>
<td>2.04</td>
</tr>
</tbody>
</table>

The standalone cashflow is shown in the Table 1-3 below.
### Table 1-3 Standalone Cashflow for Axehandle

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
<th>Year1</th>
<th>Year2</th>
<th>Year3</th>
<th>Year4</th>
</tr>
</thead>
<tbody>
<tr>
<td>LH</td>
<td>79,211,251</td>
<td>490,729</td>
<td>736,063</td>
<td>736,584</td>
<td>672,827</td>
<td>466,102</td>
<td>441,656</td>
<td>269,901</td>
<td>184,023</td>
</tr>
<tr>
<td>Year1 Year2 Year3 Year4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G&amp;A</td>
<td>6,565,839</td>
<td>1,080,000</td>
<td>1,080,720</td>
<td>987,176</td>
<td>684,000</td>
<td>648,000</td>
<td>396,000</td>
<td>270,000</td>
<td>216,000</td>
</tr>
<tr>
<td>L H</td>
<td>1,641,460</td>
<td>180,000</td>
<td>270,000</td>
<td>270,180</td>
<td>246,794</td>
<td>171,000</td>
<td>162,000</td>
<td>99,000</td>
<td>67,500</td>
</tr>
<tr>
<td>Mine Overheads</td>
<td>1,823,844</td>
<td>300,000</td>
<td>300,000</td>
<td>300,200</td>
<td>274,216</td>
<td>190,000</td>
<td>180,000</td>
<td>110,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Mine Services</td>
<td>6,930,607</td>
<td>760,000</td>
<td>1,140,000</td>
<td>1,140,760</td>
<td>1,042,019</td>
<td>722,000</td>
<td>684,000</td>
<td>418,000</td>
<td>285,000</td>
</tr>
<tr>
<td>LV's</td>
<td>182,884</td>
<td>20,000</td>
<td>30,000</td>
<td>30,020</td>
<td>27,422</td>
<td>19,000</td>
<td>18,000</td>
<td>11,000</td>
<td>7,500</td>
</tr>
<tr>
<td>Total fixed</td>
<td>21,610,192</td>
<td>3,570,729</td>
<td>3,556,083</td>
<td>3,536,404</td>
<td>3,250,419</td>
<td>2,292,103</td>
<td>2,135,056</td>
<td>2,300,901</td>
<td>880,023</td>
</tr>
<tr>
<td>Ore related costs</td>
<td>9,577,424</td>
<td>-</td>
<td>71,992</td>
<td>1,375,290</td>
<td>698,589</td>
<td>534,207</td>
<td>1,495,334</td>
<td>1,185,548</td>
<td>885,034</td>
</tr>
<tr>
<td>Ore surface transport</td>
<td>57,311,523</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Process</td>
<td>8,322,636</td>
<td>4,181,833</td>
<td>3,197,820</td>
<td>8,953,258</td>
<td>7,006,825</td>
<td>5,397,934</td>
<td>4,803,549</td>
<td>5,721,878</td>
<td>6,598,960</td>
</tr>
<tr>
<td>Grade control</td>
<td>5,320,791</td>
<td>-</td>
<td>39,995</td>
<td>764,050</td>
<td>388,155</td>
<td>296,781</td>
<td>830,741</td>
<td>658,638</td>
<td>491,686</td>
</tr>
<tr>
<td>G &amp; A</td>
<td>6,039,098</td>
<td>-</td>
<td>45,395</td>
<td>867,196</td>
<td>440,499</td>
<td>336,847</td>
<td>942,891</td>
<td>747,554</td>
<td>558,063</td>
</tr>
<tr>
<td>Total costs ore</td>
<td>23,536,468</td>
<td>17,971,407</td>
<td>25,580,085</td>
<td>23,362,409</td>
<td>18,815,165</td>
<td>20,442,944</td>
<td>20,296,196</td>
<td>14,757,386</td>
<td>12,758,478</td>
</tr>
<tr>
<td>Revenue rec grams</td>
<td>5,910,146</td>
<td>-</td>
<td>33,611</td>
<td>743,907</td>
<td>444,147</td>
<td>305,540</td>
<td>812,396</td>
<td>623,260</td>
<td>651,168</td>
</tr>
<tr>
<td>gross revenue</td>
<td>279,770,599</td>
<td>-</td>
<td>1,591,032</td>
<td>35,214,574</td>
<td>21,024,746</td>
<td>14,465,439</td>
<td>36,456,667</td>
<td>29,505,465</td>
<td>30,824,572</td>
</tr>
<tr>
<td>royalty</td>
<td>11,190,827</td>
<td>-</td>
<td>63,645</td>
<td>1,408,583</td>
<td>840,900</td>
<td>578,538</td>
<td>1,518,267</td>
<td>1,180,133</td>
<td>1,232,983</td>
</tr>
<tr>
<td>Net revenue</td>
<td>268,579,736</td>
<td>-</td>
<td>1,527,380</td>
<td>33,826,991</td>
<td>20,183,756</td>
<td>13,884,901</td>
<td>36,918,400</td>
<td>28,233,327</td>
<td>29,591,589</td>
</tr>
<tr>
<td>Cashflow</td>
<td>51,441,288</td>
<td>11,112,695</td>
<td>16,444,066</td>
<td>2,217,906</td>
<td>3,198,713</td>
<td>-</td>
<td>4,930,264</td>
<td>8,475,807</td>
<td>8,027,131</td>
</tr>
</tbody>
</table>

Axehandle appears to be a viable additional ore source for the Southern Cross Operations. It will provide approximately half of the planned process plant feed tonnage for over two years.
In April 2013, Hanking Gold Mining Pty Ltd (Hanking) purchased the Southern Cross Operations (SXO), which includes a processing facility at Marvel Loch and various deposits in the vicinity. Marvel Loch is located approximately 35 kilometres south of Southern Cross, in Western Australia and 390 kilometres east from Perth.

The Ore Reserve Estimate for Axehandle Pit is in compliance with the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). The estimate is based on applying surface mining methods being used at the existing Cornishman operations and processing ore through the operating processing plant located at Marvel Loch.

Hanking requires additional ore for their Marvel Loch processing plant. Axehandle has been targeted as a suitable deposit for supplying the majority of ore feed for in 2016 and 2017.

This study is based on the JORC 2012 compliant Ore resources done by CSA Global Pty Ltd.

This study has assumed Axehandle’s contribution to throughput will be nominally 1,000,000 tpa.
3. LOCATION

The tenement Axehandle Pit is located upon is mining lease M77/721. Axehandle Pit is 11km south of Southern Cross. The general project location is shown below in Figure 3-1 and 3-2:

Figure 3-1 Axehandle location within Western Australia
Axehandle Pit is a Greenfields operation, with only exploration drilling activities recently completed.

A private Hanking haulage road links the mining operations at Axehandle Pit with the Marvel Loch Processing Plant 20km to the south.
4. ORE RESOURCES

CRA created a JORC 2012 compliant Ore Resource for Axehandle Pit in March 2015. The Table 4.1 below shows the Ore Resource.

Table 4-1 Axehandle Ore Resource JORC 2012 compliant

<table>
<thead>
<tr>
<th>Units</th>
<th>Measured</th>
<th>Indicated</th>
<th>Inferred</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes (Mt)</td>
<td>2.33</td>
<td>0.99</td>
<td>0.44</td>
<td>3.76</td>
</tr>
<tr>
<td>Grade (g/t)</td>
<td>2.6</td>
<td>2.5</td>
<td>2.2</td>
<td>2.5</td>
</tr>
</tbody>
</table>

The ore block model used to formulate the Ore Resource was utilised for the Ore Reserves with modifying factors applied. The name of the ore block model is “model_krig_new_full.dm”.

CSA Global Pty Ltd created the block model in March 2015 and used it for the Ore Resources.
5. MODIFYING FACTORS FOR OPTIMISATION AND CASHFLOW

Entec Pty Ltd (Entec) were engaged to optimise the open pit with modifying factors supplied by Hanking.

The original ore block model was used in the optimisations with factors for dilution and ore losses applied.

Modifying factors are described below.

5.1 MINING METHOD

The conventional truck and excavator mining methods will be used at Axehandle. Drill and blasting will be done for some of the oxide material and all of the transitional and fresh material.

5.2 DILUTION

A 10% dilution factor was applied to the ore. The dilutant material had a grade of 0 g/t.

5.3 ORE LOSS

A 5% ore loss factor was used.

5.4 OVERALL SLOPE ANGLES

Slope angles from Golders geotechnical studies were used. Table 5.1 below summarises the overall angles to be used in the optimisation.

<table>
<thead>
<tr>
<th>Azimuth (deg)</th>
<th>Oxide overall slope angle (deg)</th>
<th>Transitional overall slope angle (deg)</th>
<th>Fresh overall slope angle (deg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 90</td>
<td>43</td>
<td>54</td>
<td>45</td>
</tr>
<tr>
<td>90 - 360</td>
<td>35</td>
<td>54</td>
<td>54</td>
</tr>
</tbody>
</table>

The slopes angles are based on the assumption pumping of the pit by bores and weep holes to sufficiently dewater the walls.
5.5 PROCESSING COSTS

The operating process cost is A$21.55 as estimated by Como Engineers Pty Ltd cost study in May 2014 ("3237.02 Operating Cost template 1MtPa On Off Client Copy.pdf").

5.6 OTHER ORE SPECIFIC COSTS

Surface haulage costs are derived from the current Hamptons Transport contract. The cost per ore tonne is A$3.60 to haul from Axehandle to the Marvel Loch process plant.

Grade control costs are estimated as A$2.00 per ore tonne.

General and administration costs (admin fixed costs) estimated as A$2.27 per ore tonne.

Total A$7.87 per ore tonne.

5.7 BENCH LOAD AND HAUL COSTS

Excavator assumed for the optimisation was a Hitachi EX1200 and the trucks were Cat777 models.

The LH rates originated from contractor Kalgoorlie Mining Consultants Pty Ltd (KMC) quotes for Axehandle in November 2014.

Table 5.2 below lists the load and haul rates from KMC used for optimisation.

---

Table 5-2 Load and Haul Rates for Axehandle – Includes Auxiliary Equipment
5.8 DRILL AND BLAST COSTS

The drill and blast costs originated from Watpac’s current contract costs.

There is 40m of oxide material below the surface. Where possible this is expected to be free dug. Some blasting is expected, approximately 15% to 20%.

Estimated pattern sizes in harder oxide waste material is 10m deep 115mm dia 5.0m x 5.8m.

In transitional waste 5m deep 102mm dia 3.0m x 3.5m.

Fresh material waste 5m deep 102mm dia 2.5m x 2.9m.

The table 5.3 below details estimated drill and blast costs.

Table 5-3 Drill and Blast Cost per BCM
5.9 OTHER FIXED MINING COSTS

Other fixed costs for mining are:

- Drill and blast A$0.25/bcm
- Load and haul A$0.36/bcm
- Other fixed A$0.09/bcm
- Mine overheads A$0.10/bcm
- Mine services A$0.38/bcm
- LV's A$0.01/bcm

Total fixed costs (overheads) A$1.19/bcm

5.10 DIESEL PRICE

Diesel price A$0.99 after rebate. Hanking has a contract with BP which has favourable bulk diesel prices. Price set at December 2014 on contract prices of the preceding two months. Diesel prices have fallen since that date.

5.11 PROCESSING RECOVERY

The processing recovery was estimated as 93%. This figure was sourced from St Barbara Mines test work done in 1998 through Ammtec (Project A6332) and in 1999 through Ammtec (Project A7055). The two Ammtec reports estimated a 97%+ recovery but SBM senior metallurgist downgraded the recovery to 93%. Hanking will use a 93% recovery for a conservative estimate in the absence of actually process data for Axehandle.

5.12 PROCESSING RATE

The pit will be mined when the processing plant is operating in excess of 1Mtpa. Axehandle will contribute to the majority of the plant feed during its life.
5.13 REVENUE

The revenue modifying factors are as follows:

- Gold price US$1,150 per oz
- Exchange rate 0.78 US$:A$
- Royalties 4%
- Hurdle rate 10%
6. **OPTIMISATION RESULTS**

Entec ran an optimisation with the modifying factors above as inputs.

The results are summarised on the graph below in Figure 6.1.

**Figure 6-1 Graph of Axehandle optimisation results**

Pit 14 was selected as the highest optimum. Also the southern part of the optimised shell had significant inferred ore that may be picked up as mining occurs.

The pit shell contained 2.787kt at 2.5 g/t diluted.

Waste tonnes were 30,169,441kt with a strip ratio of 10.83.

The NPV estimated was A$94M.

### 6.1 SENSITIVITIES TO PRICE AND COST VARIATION PARAMETERS

Several additional optimisations were run to determine the sensitivities to Gold price change (+-10%), mining ore loss (+-10%), Process recovery (+-10%), process costs (+-10%), mining costs (+-10%) and overall slope variations (+- 5 degrees).

The items showing the greatest sensitivity to variations are Gold price, mining ore loss and process recovery. Figure 6-2 below shows the sensitivities as a percentage of the base NPV.
Variations in the overall slope angle appeared to be the least sensitive variation parameter.
7. CUTOFF GRADE

The cutoff grade was estimated as a breakeven grade.

The cutoff calculation is basically the total processing cost per tonne of ore divided by the recovered revenue per gram.

Processing costs:

- Process cost A$21.55/t
- Surface transport A$3.60/t
- Additional waste to be processed due to dilution - 10% dilution.

Cost to process one diluted tonne of ore is \((21.55 + 3.60) \times 1.1 = A$27.66\) per tonne insitu ore.

Recovered revenue for one gram

- Gold price A$1,474/oz
- Gold price in grams A$47.34/g
- Royalty 2.5% state and 1.5% private (4%)
- Process recovery 93%
- Mining recovery of ore 95%

Recovered revenue per insitu gram.

\(A$47.34 \times (1-0.04) \times 0.93 \times 0.95 = A$40.15\) per gram recovered from insitu (undiluted block model).

\[\text{COG} = \frac{27.66}{40.15}\]

\[\text{COG is 0.69g/t}\]
8. GEOTECHNICAL PARAMETERS FOR DESIGN

The geotechnical parameters for Axehandle originates from a 1999 geotechnical hydrological report done by Golder Associates (Golder). “Geotechnical assessment transported Palaeochannel sediments and extremely weathered material, Axehandle, Marvel Loch” (report number 99640036). The majority of the holes used for the above report were shallow (approximately 60m deep) this resulted in limited data for estimating the required slope angles for the fresh material. Consequently the slope angles were very conservative at batter angles of 30 degrees in the fresh material.

In March 2015 Hanking commissioned Golder to investigate the fresh material below the 1999 shallow drilling horizon of 330mRL (40m depth).
After drilling new geotechnical holes in February 2015 to March 2015; updated design parameters were received from Golder.

Table 8-1 shows Golder March 2015 recommendations for wall design.

**Table 8-1 Golder wall design 2015 parameters**

<table>
<thead>
<tr>
<th>Depths</th>
<th>Batter Height</th>
<th>Berm Width</th>
<th>Batter angle</th>
</tr>
</thead>
<tbody>
<tr>
<td>370 - 365</td>
<td>5</td>
<td>6</td>
<td>45</td>
</tr>
<tr>
<td>365 - 290</td>
<td>20</td>
<td>6</td>
<td>65</td>
</tr>
<tr>
<td>290</td>
<td>Major berm</td>
<td>10</td>
<td>65</td>
</tr>
<tr>
<td>290 - 150</td>
<td>20</td>
<td>7</td>
<td>70</td>
</tr>
<tr>
<td>Overall slope</td>
<td>-</td>
<td>-</td>
<td>55</td>
</tr>
</tbody>
</table>
Hanking Gold Mining Pty Ltd
Axehandle Pit
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9. PIT DESIGN

9.1 PIT DESIGN

The pit design was based on the Shell 14 produced by the March 2015 optimisation.

Double lane ramps were used for most of the depth of the pit to ensure high material movements were efficient. The last 40 m vertical depth of the pit used a one lane ramp.

Table 9-1 below details the design parameters.

Table 9-1 Pit design parameters final limits

<table>
<thead>
<tr>
<th>Item</th>
<th>Parameter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramp Widths</td>
<td>24.4m double lane, 14.5m single lane</td>
</tr>
<tr>
<td>Single lane starts at</td>
<td>250mRL 115m below surface</td>
</tr>
<tr>
<td>Ramp grade</td>
<td>1 in 10</td>
</tr>
<tr>
<td>Pit depth to pit floor</td>
<td>155m</td>
</tr>
<tr>
<td>Berm height</td>
<td>20m</td>
</tr>
<tr>
<td>Batter slopes</td>
<td>350mRL+ 45 deg, 290-350mRL 65 deg, below 290mRL 70 deg. In the north eastern section of the pit above the 290mRL 56 deg</td>
</tr>
<tr>
<td>Berm width</td>
<td>6m above 290mRL, 10m 290mRL, 7m below 290mRL</td>
</tr>
<tr>
<td>Overall slopes</td>
<td>East 44 deg, South 50 deg, West 44 deg and North east 36 deg</td>
</tr>
</tbody>
</table>

Figure 9-1 shows the plan of the Axehandle pit design.
Figure 9-1 Axehandle pit design

The design physicals are:

- 2.56 Mt of ore at 2.63 g/t undiluted.
- 2.66 Mt of ore at 2.39 g/t diluted.
- Total material moment is 18,238,440 bcm with a strip ratio of 14.3 (diluted ore used).

The Figure 9-2 below shows the optimised Pit14 (pink blocks) with the designed pit for comparison.
WASTE STORAGE FACILITY

The waste storage facility (WSF) will be split approximately in half, one WSF to the east of the pit and the other to the west. Tenement constraints have caused two WSF to be created.

The batter slopes of the WSF are at 16 degrees and a 10m wide berm is placed every 10m vertical height.

Using a swell factor of 30% the required combined loose volume of the WSF’s is 22Mlcm.

The two WSFs are shown in the next section in Figure 9-2.

MINE LAYOUT

Figure 9-2 below shows the main items of the Axehandle mine layout.
Figure 9-3 Axehandle mine layout
10. OPEN PIT MINE SCHEDULE

The scheduling of the Axehandle Pit was done to provide half of the plant feed for most of its life. Due to the amount of ore in the bottom half of the pit production slows down considerably in year 2 of its life.

It was assumed a contractor would bring in suitable equipment at the start of the mine life and reduce or change equipment in year two.

The pit is staged into two stages to allow quick access to ore.

Table 10-1 below shows the quarterly high level schedule.

### Table 10-1 Axehandle quarterly schedule

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tot waste bcm</td>
<td>17,196,970</td>
<td>2,000,000</td>
<td>2,990,736</td>
<td>2,837,421</td>
<td>2,665,270</td>
<td>1,831,935</td>
<td>1,625,007</td>
<td>973,319</td>
<td>660,363</td>
<td>518,279</td>
<td>504,963</td>
<td>440,620</td>
<td>149,059</td>
</tr>
<tr>
<td>Tot ore bcm</td>
<td>1,041,470</td>
<td>-</td>
<td>9,264</td>
<td>164,579</td>
<td>76,886</td>
<td>68,065</td>
<td>174,993</td>
<td>126,681</td>
<td>89,637</td>
<td>81,721</td>
<td>95,037</td>
<td>109,380</td>
<td>45,226</td>
</tr>
<tr>
<td>Total bcm</td>
<td>18,238,440</td>
<td>2,000,000</td>
<td>3,000,000</td>
<td>3,002,000</td>
<td>2,742,155</td>
<td>1,900,000</td>
<td>1,800,000</td>
<td>1,100,000</td>
<td>600,000</td>
<td>600,000</td>
<td>550,000</td>
<td>194,285</td>
<td></td>
</tr>
<tr>
<td>grams</td>
<td>6,354,996</td>
<td>-</td>
<td>36,140</td>
<td>799,900</td>
<td>477,578</td>
<td>328,537</td>
<td>873,544</td>
<td>670,172</td>
<td>700,181</td>
<td>637,836</td>
<td>689,900</td>
<td>788,009</td>
<td>353,198</td>
</tr>
<tr>
<td>Diluted grade</td>
<td>2.39</td>
<td>-</td>
<td>1.81</td>
<td>2.08</td>
<td>2.46</td>
<td>2.21</td>
<td>2.10</td>
<td>2.04</td>
<td>2.85</td>
<td>2.83</td>
<td>2.60</td>
<td>2.57</td>
<td>2.79</td>
</tr>
</tbody>
</table>
Hankng Gold Mining Pty Ltd
Axehandle Pit
Feasibility Study and Mining Reserves

11. CASHFLOW

Costs used for the cashflow estimate are the same as stated in Section 5 “Modifying Factors for Optimisation”. Detailed schedule and cashflow estimate is in the spreadsheet “Reserve_schedule_cost1.xlsx”.

Table 11-1 below is a quarterly summary of the cashflow for Axehandle Pit.

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB</td>
<td>16,419,718</td>
<td>-</td>
<td>246,757</td>
<td>-</td>
<td>1,720,596</td>
<td>-</td>
<td>790,705</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Royalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total costs ore</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ore related costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Ore surface transport</td>
<td>9,574,434</td>
<td>-</td>
<td>71,992</td>
<td>1,375,290</td>
<td>698,589</td>
<td>534,207</td>
<td>1,495,334</td>
<td>1,185,548</td>
<td>895,034</td>
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<tr>
<td>Process</td>
<td>57,311,521</td>
<td>-</td>
<td>480,951</td>
<td>8,232,636</td>
<td>4,181,833</td>
<td>3,197,620</td>
<td>8,915,238</td>
<td>7,096,825</td>
<td>5,297,914</td>
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<td>Grade control</td>
<td>5,330,701</td>
<td>-</td>
<td>39,995</td>
<td>764,050</td>
<td>388,102</td>
<td>296,781</td>
<td>880,741</td>
<td>656,638</td>
<td>491,686</td>
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<tr>
<td>G&amp;A</td>
<td>6,039,098</td>
<td>-</td>
<td>45,395</td>
<td>867,196</td>
<td>440,499</td>
<td>336,647</td>
<td>942,891</td>
<td>747,554</td>
<td>558,063</td>
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<td>Total costs ore</td>
<td>237,159,448</td>
<td>-</td>
<td>17,971,457</td>
<td>31,588,085</td>
<td>23,382,469</td>
<td>18,815,165</td>
<td>28,432,944</td>
<td>20,296,196</td>
<td>14,737,386</td>
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<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>rec grams</td>
<td>5,910,146</td>
<td>-</td>
<td>33,611</td>
<td>743,907</td>
<td>444,147</td>
<td>305,540</td>
<td>812,396</td>
<td>623,260</td>
<td>651,168</td>
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<td>gross revenue</td>
<td>279,770,559</td>
<td>-</td>
<td>1,951,032</td>
<td>35,214,574</td>
<td>21,024,746</td>
<td>14,463,439</td>
<td>38,456,667</td>
<td>29,920,465</td>
<td>30,823,572</td>
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<td>royalty</td>
<td>11,190,832</td>
<td>-</td>
<td>63,641</td>
<td>1,428,583</td>
<td>840,990</td>
<td>578,538</td>
<td>1,538,267</td>
<td>1,180,139</td>
<td>1,232,888</td>
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<tr>
<td>Net revenue</td>
<td>268,579,738</td>
<td>-</td>
<td>1,527,390</td>
<td>33,805,991</td>
<td>20,183,756</td>
<td>13,984,901</td>
<td>36,918,400</td>
<td>28,232,327</td>
<td>29,591,491</td>
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<tr>
<td>Cashflow</td>
<td>51,441,288</td>
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<td>11,122,695</td>
<td>26,444,066</td>
<td>2,217,906</td>
<td>2,108,713</td>
<td>4,930,264</td>
<td>4,875,457</td>
<td>8,037,131</td>
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<tr>
<td>Cumulative Cashflow</td>
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</tbody>
</table>

The cashflow shown here is stand alone. There will be cost savings when the other pits are mined at the same time.
Axehandle appears to be a viable additional ore source for the Southern Cross Operations. It will provide approximately half of the planned process plant feed tonnage for over two years.