THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **CHINA HANKING HOLDINGS LIMITED**, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

罕王
HANKING

CHINA HANKING HOLDINGS LIMITED
中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE SALE OF SHARES IN HANKING AUSTRALIA
DECLARATION AND PAYMENT OF SPECIAL DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms used in this circular have the same meanings set out in the section headed "Definitions" of this circular. A letter from the Board is set out on pages 4 to 16 of this circular.

A notice convening an extraordinary general meeting of China Hanking Holdings Limited to be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Friday, 14 April 2017 at 9:30 a.m., or any adjournment thereof, is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Company (www.hankingmining.com) and of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

31 March 2017

FORWARD-LOOKING STATEMENTS

Certain information contained in this circular constitutes forward-looking information. Investors and Shareholders are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. These forward-looking statements include, without limitation, statements relating to the completion of the Sale of Shares, the effect of the Sale of Shares on the Group and the use of proceeds from the Sale of Shares. Factors that could cause actual results to differ materially include, without limitation, the ability to complete the Sale of Shares, the ability to satisfy the conditions of the Share Sale Agreement, the occurrence of competing proposals, the change in Group's business strategies, and changes in Hong Kong and other relevant securities and commodities markets. There can be no assurance that future developments affecting Group will be those anticipated by management. While Group may elect to update the forward-looking information at any time, Group does not undertake to update it at any particular time or in response to any particular event. Investors and Shareholders should not assume that any forward-looking information in this circular represents the management's estimate as at any date other than the date of this circular.

CONTENTS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

"AUD"	the lawful currency of Australia (Australian dollars)
"Board"	the board of Directors
"Company"	China Hanking Holdings Limited (中國罕王控股有限公司), a limited company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
"Completion"	the completion of the sale and purchase of all of the shares in Hanking Australia as contemplated in the Share Sale Agreement
"Completion Date"	the date on which the Sale of Shares are completed
"connected person"	has the same meaning ascribed to it in the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened on 14 April 2017 to consider and, if thought fit, approve the Sale of Shares and the transactions completed under the Share Sale Agreement by the shareholders of the Company
"Enterprise Value"	AUD330 million (equivalent to approximately HKD1,960 million), being the total enterprise value of Hanking Australia including the aggregate value of equity, cash, intra-group and external debt of Hanking Australia. The Sale of Shares is conducted through a global competitive sale process to potential bidders. The Enterprise Value is agreed among the Company, the Other Vendors and the Purchaser.
"Group"	the Company and its subsidiaries
"Guarantor"	Shandong Tianye Real Estate Development Group Co., Ltd. (山東天業房地產開發集團有限公司), being the ultimate holding company of the Purchaser, and an Independent Third Party
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong. For illustration purpose, the HKD in this circular is calculated at the exchange rate of HKD5.9381 to AUD1.00 and HKD7.7625 to USD1.00 as set by People's Bank of China on 1 March 2017
"Hanking Australia"	Hanking Australia Pty Ltd, a limited liability company established in Australia and a subsidiary of the Company

"Independent Third Party (ies)"	any person or company and their respective ultimate beneficial owner (s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
"JORC"	Australasian Joint Ore Reserves Committee
"JORC Code"	JORC Code, 2012 Edition
"Latest Practicable Date"	30 March 2017, being the latest practicable date before printing of this circular for ascertaining information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Other Vendors"	Dr. Mark Yumin Qiu, Dr. Yajuan Yun and Qiu Family Super Pty Ltd as trustee of the Qiu Family Superannuation Fund, holding 1.40%, 1.21% and 0.39% of the equity interests of Hanking Australia respectively
"PRC"	The People's Republic of China
"Purchase Price"	the aggregate cash price payable by the Purchaser for the Shares (being based on the Enterprise Value of AUD330 million (equivalent to approximately HKD1,960 million) on a cash and debt free basis), adjusted for any intra-group or external debt remaining in Hanking Australia and its subsidiaries post-Completion, or repaid by the Purchaser on Completion, and subject to relevant post completion working capital adjustment set out in the Share Sale Agreement
"Purchaser"	Shandong Tianye Group Bid Co Pty Ltd, a company established in Australia with limited liability and an Independent Third Party
"Remaining Group"	the remaining group of the Group after the completion of the disposal of Hanking Australia and its subsidiaries
"RMB"	Renminbi, the lawful currency of the PRC
"Sale of Shares"	the proposed sale of 100% Shares in Hanking Australia by the Vendors to the Purchaser pursuant to the terms of the Share Sale Agreement
"Share (s)"	the share (s) of Hanking Australia
"Shareholder (s)"	the holder (s) of the shares of the Company

"Share Sale Agreement"	the share sale agreement dated 15 February 2017 entered into among the Company, the Other Vendors, the Purchaser and the Guarantor in relation to the Sale of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	the lawful currency of the United States of America
"Vendors"	the Company and Other Vendors, and each as a Vendor
"%"	percent

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HANKING

CHINA HANKING HOLDINGS LIMITED
中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

Executive Directors:
Mr. Yang Jiye
Dr. Pan Guocheng
Mr. Zheng Xuezhi
Dr. Qiu Yumin
Mr. Xia Zhuo

Non-executive Director:
Mr. Kenneth Jue Lee

Independent Non-executive Directors:
Mr. Wang Ping
Mr. Wang Anjian
Mr. Ma Qingshan

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Headquarters in the PRC:
22nd Floor, Hanking Tower
No. 227, Qingnian Street
Shenhe District
Shenyang 110016
Liaoning Province
PRC

Principal place of business in Hong Kong:
36/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

31 March 2017

To the Shareholders,

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE SALE OF SHARES IN HANKING AUSTRALIA
DECLARATION AND PAYMENT OF SPECIAL DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 15 February 2017 regarding the Sale of Shares of Hanking Australia pursuant to the Share Sale Agreement.

The purpose of this circular is to provide, among other things, (i) further information in relation to the Share Sale Agreement; (ii) a proposal on the declaration and payment of special dividend; (iii) financial information of the Group; (iv) financial information of Hanking Australia; (v) pro forma financial information of the Remaining Group; (vi) a Competent Person's Report prepared in accordance with the requirements of Chapter 18 of the Listing Rules; and (vii) the notice of the EGM.

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE SALE OF SHARES IN HANKING AUSTRALIA

The Share Sale Agreement

On 15 February 2017 (after trading hours), following a global competitive sale process, the Company and the Other Vendors entered into the Share Sale Agreement with the Purchaser and the Guarantor, pursuant to which the Company and the Other Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Hanking Australia, at the Purchase Price based on an agreed Enterprise Value of AUD330 million (equivalent to approximately HKD1,960 million). The Sale of Shares is conducted through a global competitive sale process to potential bidders. The Enterprise Value is agreed among the Company, the Other Vendors and the Purchaser. A summary of the major terms of the Share Sale Agreement are set out below.

Date

15 February 2017 (after trading hours)

Parties

The Vendors:	the Company and the Other Vendors
The Purchaser:	Shandong Tianye Group Bid Co Pty Ltd
	To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, (i) the Purchaser and its ultimate holding company (the Guarantor) are Independent Third Parties; and (ii) the Purchaser is a newly incorporated company established in Australia for the purposes of acquiring all the shares in Hanking Australia and is expected to otherwise be principally engaged in investment holdings and is a subsidiary of the Guarantor.

The Guarantor: Shandong Tianye Real Estate Development Group Co., Ltd. (山東天業房地產開發集團有限公司) was established in PRC and is principally engaged in real estate, mining, finance and venture capital businesses, being the ultimate holding company of the Purchaser. It is the largest and controlling shareholder of Shandong Tyan Home Co., Ltd. (山東天業恒基股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600807), holding approximately 29.45% of the equity. Shandong Tyan Home Co., Ltd. is a diversified multi-national conglomerate with interests in property, property development, mining and energy with a market capitalization of approximately AUD2.332[1] billion (equivalent to approximately HKD13.848 billion) and currently has two gold mining operations in Australia.

Sale and Purchase

Each Vendor agrees to sell to the Purchaser and the Purchaser agrees to buy from each Vendor those shares of Hanking Australia held by the Vendors on the Completion Date:

(i) for that Vendor's respective proportion of the Purchase Price;

(ii) free from encumbrances;

(iii) with all rights, including dividend and voting rights, attached or accrued to them on or after the Completion Date; and

(iv) subject to the Share Sale Agreement.

The Purchaser and the Guarantor have made a Deed of Undertaking to release the Company on liabilities, pursuant to which, the Purchaser and the Guarantor will take the relevant mine rehabilitation and environmental liabilities of Hanking Australia upon the Completion of the Sale of Shares.

Purchase Price and Payment Terms

The Purchase Price reflects the aggregate cash price payable for the Shares based on the Enterprise Value of AUD330 million (equivalent to approximately HKD1,960 million) on a cash and debt free basis, subject to relevant post completion working capital adjustment set out in the Share Sale Agreement.

The Purchase Price is determined based on the agreed Enterprise Value of AUD330 million (equivalent to approximately HKD1,960 million), less the amount of any intra-group and external debt of Hanking Australia and its subsidiaries at Completion, and subject to a post Completion working capital adjustment. The unaudited net assets of Hanking Australia as at 30 September 2016 was approximately AUD23,807,703 (equivalent to approximately HKD141,372,521).

[1] The market capitalization of Shandong Tyan Home Co., Ltd. is based on a RMB:AUD exchange rate of 0.1900 as at 14 February 2017 according to Bloomberg and it has been in a trading halt since 21 November 2016.

The Purchaser will fund the repayment of any intra-group debt between the Company and Hanking Australia and its subsidiaries from the Purchase Price, and may elect to either fund the repayment of external debt, or alternatively complete the share acquisition with that external debt. Hanking Australia currently has external debt of approximately USD24 million (equivalent to approximately HKD186 million) and intra-group debt of approximately USD36 million (equivalent to approximately HKD279 million). Assuming these debt levels remain in place at Completion, the Purchase Price would be equal to approximately AUD252 million[2] (equivalent to approximately HKD1,496 million) (subject to a post-Completion working capital adjustment), and under such circumstance the Company will also be repaid USD36 million from the Purchaser to settle the intra-group debt.

The Purchaser has paid a deposit of an amount equal to AUD16 million (equivalent to approximately HKD95 million) (the "**Deposit**") to a bank account nominated by the Company in accordance with the Share Sale Agreement. The Deposit will be forfeited by the Purchaser if the Sale of Share does not complete under the following circumstances:

(i) the Sale of Shares by the Company is not approved by the Shareholders;

(ii) the Sale of Shares is not approved by the Foreign Investment Review Board ("**FIRB**") of the Australia government. As at the date of this circular, the Purchaser already received the approval for the sale of Shares from FIRB; and

(iii) Material adverse change occurs to Hanking Australia prior to the Completion. Material Adverse Change is defined as major event which occurs between execution of the Share Sale Agreement and the Completion and requires expenses in excess of AUD45 million (equivalent to approximately HKD267 million) in value. Existing conditions or gold price variation impacts are not Material Adverse Change.

The balance of the Purchase Price (that is, the Purchase Price, as calculated above, less the Deposit) will be paid at Completion (the "**Completion Payment**") to the Vendors in their respective proportions, subject to the foreign resident capital gains withholding tax payments set out in the Share Sale Agreement. Given the Company's capital gain tax to the Australia tax authority will exceed 10% of the Purchase Price, according to the Australia Tax ACT 1953, the Purchaser is required to deduct 10% of the total Purchase Price as withhold tax and pay to the Australian Tax authority directly on behalf of the Company. This 10% withhold tax is the partial payment of the capital gain tax the Company will pay to the Australia Tax Authority. The Australia Capital Gain Tax Rate is 30% of Capital Gain.

The Purchase Price was negotiated and determined following a competitive sales process and an arm's length negotiation between the Vendors and the Purchaser after taking into account of (i) the current and historical resources and reserves of Hanking Australia; (ii) the historical financial position and

[2] Based on a AUD:USD exchange rate of 0.7648 on 14 February 2017.

operation of Hanking Australia; (iii) the future prospects of Hanking Australia; and (iv) the significant increase in the value of the SXO Gold Mine after three years' operation by the Company, mainly attributable to the following reasons:

1. since the Company's acquisition of SXO Gold Mine in 2013 (the "**Acquisition**"), Hanking Australia has been carrying out exploration activities, and the SXO Gold Mine has achieved a substantial increase in its resources and reserves as illustrated below:

	Resources			Reserves		
	Ore tonnage (thousand metric tons)	Grade (g/t)	Gold contained (KOZ)	Ore tonnage (thousand metric tons)	Grade (g/t)	Gold contained (KOZ)
As at the time of Acquisition	20,596	3.6	2,405	0.0	0.0	0.0
As of 31 December 2016	34,720	4.1	4,570	8,740	3.4	960
Increase/Decrease	68.58%	13.89%	90.02%	N/A	N/A	N/A

Since the date of the Competent Person's Report and up to the Latest Practicable Date, there has been no material change as to the matters set out in the Competent Person's Report.

2. at the time of Acquisition in 2013, the SXO Gold Mine was not producing and was on care and maintenance. Since then, Hanking Australia has invested approximately AUD136 million (equivalent to approximately HKD808 million) in the SXO Gold Mine and in February 2015, the SXO Gold Mine officially re-commenced production, and subsequently achieved commercial production in August 2015. For the year ended 31 December 2015, Hanking Australia sold 38,805 ounces of gold dore and recorded revenue of AUD60,037,000 (equivalent to approximately HKD356,505,710), and sold 64,232 ounces of gold dore in the first half of 2016; and

3. the gold price in Australian Dollars increased since 2013. The gold price in Australian Dollar was approximately AUD1,400/ounce (equivalent to approximately HKD8,313/ounce) at the time of Acquisition in April 2013, and has increased to AUD1,603/ounce (equivalent to approximately HKD9,519/ounce) as at 14 February 2017, representing an increase of approximately 14.5%.

The Directors (including all independent non-executive Directors) are of the view that the Purchase Price is fair and reasonable.

Guarantee

The Guarantor unconditionally and irrevocably:

(i) guarantees to the Vendors the due and punctual performance and observance by the Purchaser of all of the obligations contained in or implied under the Share Sale Agreement that must be performed and observed by the Purchaser (the "**Guarantee Obligation**"); and

(ii) indemnifies and agrees to hold harmless the Vendors against any claim or liability suffered or incurred by the Vendors in relation to:

(a) any Guaranteed Obligation (or provision which would be or become a Guaranteed Obligation if enforceable, valid and not illegal) being or becoming unenforceable, invalid or illegal;

(b) the Purchaser failing, or being unable, to pay any amount or to perform any of its Guaranteed Obligations in accordance with the Share Sale Agreement; or

(c) any amount that the Purchaser is required to pay in respect of its Guaranteed Obligations under the Share Sale Agreement not being recoverable from the Purchaser, in each case, for any reason and whether or not the Vendors knew or ought to have known about those matters.

If the Purchaser does not pay any amount it is obliged to pay under the Guaranteed Obligations in accordance with the Share Sale Agreement, the Guarantor must pay that amount on demand as if it was the Purchaser. If the Purchaser does not perform any of the other Guaranteed Obligations under the Share Sale Agreement, the Guarantor must perform, or procure the performance of, those obligations (on demand by the Vendors) in accordance with the Share Sale Agreement.

The Guarantor waives any right it may have to require the Vendors to proceed against, or enforce any other rights or claim payment from, any other person before claiming from the Guarantor under the Share Sale Agreement.

The guarantee and indemnity extends to the present and future balance of all the money payable by he Purchaser in connection with the Share Sale Agreement; is not wholly or partially discharged by the payment of any amount payable by the Purchaser under the Share Sale Agreement or the settlement of any account by the Purchaser; and continues until all obligations of the Purchaser under the Share Sale Agreement have been completely fulfilled.

Conditions precedent

Completion is expected to occur on or before 21 April 2017 and is conditional upon, among others, the satisfaction or waiver (where permitted) of the following key conditions:

(i) Either:

(a) the Purchaser receiving notice in writing from the Federal Treasurer or his or her agent to the effect that there are no objections under the Australian Government's foreign investment policy or under Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) to the Purchaser acquiring all of the Shares in accordance with the Share Sale Agreement; or

(b) following notice of the terms of the Share Sale Agreement having been given by the Purchaser to the Treasurer under FATA, the Treasurer ceases to be empowered to make any order (or if an interim order has been made, any further or final order) under the FATA because of the lapse of time;

(ii) The Shareholders approve the sale by the Company of its Shares under the Share Sale Agreement, as required by and in accordance with the Listing Rules;

(iii) The Shandong Provincial Development and Reform Commission registering the proposed acquisition by the Purchaser of the Shares in accordance with the PRC Administrative Measures for Verification and Registration on Overseas Investment Projects (2014);

(iv) The Shandong provincial counterpart of the PRC Ministry of Commerce registering the proposed acquisition by the Purchaser of the Shares in accordance with the PRC Administrative Measures for Outbound Investments (2014);

(v) The Guarantor obtaining approval from the PRC State Administration for Foreign Exchange to the remittance to one or more bank accounts in Australia of a certain amount in accordance with the Share Sale Agreement; and

(vi) On or before 22 February 2017, the Purchaser provides to the Vendors' representative reasonable evidence of:

(a) the Purchaser's or Guarantor's financing arrangements (including copies of duly executed binding commitment letters, not subject to credit approval, from any debt financiers); and/or

(b) the Purchaser or Guarantor having sufficient cash at bank available to fulfill the Purchaser's obligation to pay the Purchase Price on Completion.

As at the Latest Practicable Date, the conditions precedent under (i), (iii), (iv) and (vi) above have been fulfilled while the other conditions precedent are still pending.

Upon Completion, the Company is not expected to be engaged in the gold business. Notwithstanding the above, the Company does not exclude the possibility that it may further explore and develop new opportunities in the gold sector in the future.

Information on the Company and Other Vendors

The Company was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Stock Exchange on 30 September 2011 (stock code: 03788). The Group is an international mining group of companies with three major business segments (i.e. gold, iron ore and nickel), and engaging in exploration, mining, processing, smelting and marketing of mineral resources with mining assets located in Australia, the PRC and Indonesia.

Other Vendors, namely Dr. Mark Yumin Qiu, Dr. Yajuan Yun and Qiu Family Super Pty Ltd, as trustee of the Qiu Family Superannuation Fund, hold 1.40%, 1.21% and 0.39% of the equity interests in Hanking Australia, respectively, as at the Latest Practicable Date. Dr. Mark Yumin Qiu is an executive Director and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Dr. Yajuan Yun is the wife of Dr. Mark Yumin Qiu, and the Qiu Family Super Pty Ltd is the trustee of the family trust of Dr. Mark Yumin Qiu. Accordingly, each of Dr. Yajuan Yun and Qiu Family Super Pty Ltd is acting in concert with Dr. Mark Yumin Qiu. Dr. Mark Yumin Qiu, Dr. Yajuan Yun and Qiu Family Super Pty Ltd, as Shareholders of 3% of the equity interests in Hanking Australia, tagged along the process for sale of the relevant equity interests in Hanking Australia. Dr. Qiu has been working under the executive chairman's leadership to execute instructions from the Board and assist the Company's legal, finance, tax and technical advisors. Neither Dr. Yun nor Qiu Family Super Fund has any involvement in any negotiations or discussions.

As the Company and Other Vendors will receive proceeds in proportion to their respective equity interests in Hanking Australia from the Sale of Shares and the interests of the Company and Other Vendors are aligned with respect to the Sale of Shares, as well as that there is no transaction contemplated between the Group on the one side and Other Vendors on the other side with respect to the Sale of Shares, the Sale of Shares does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Information on Hanking Australia

Hanking Australia was established in Australia on 8 December 2012. Please see below Hanking Australia's shareholding structure as at the Latest Practicable Date:

Shareholders of Hanking Australia	**Shares**	**Respective Proportions**
The Company	200,000,000	97.00%
Dr. Mark Yumin Qiu	2,885,567	1.40%
Dr. Yajuan Yun	2,500,000	1.21%
Qiu Family Super Pty Ltd, as trustee of the Qiu Family Superannuation Fund ("**Qiu Family Super**")	800,000	0.39%

Hanking Australia is based in Australia and is principally engaged in the gold mining industry. Hanking Australia and its subsidiaries have 246 exploration and mining licenses and full infrastructure facilities for mining, transportation, and processing of gold ore and/or dore.

The unaudited net assets of Hanking Australia as at 30 September 2016 was approximately AUD23,807,703 (equivalent to approximately HKD141,372,521), and the unaudited total assets of Hanking Australia was approximately AUD160,321,619 (equivalent to approximately HKD952,005,806). Further financial information of Hanking Australia is set out as follows:

	For the year ended 31 December			
	2015		2014	
	AUD'000 (audited)	*HKD'000* (approximately)	*AUD'000* (audited)	*HKD'000* (approximately)
Revenue	60,037	356,506	Not applicable	Not applicable
Loss/profit before taxation	4,601	27,321	(10,628)	(63,110)
Loss/profit after taxation	4,601	27,321	(10,628)	(63,110)

Financial Effect of the Sale of Shares

As a result of the Sale of Shares, the Group is expected to record an unaudited increase in assets of approximately RMB392,844,000, an unaudited decrease in liabilities of approximately RMB394,073,000 and an unaudited gain of approximately RMB750,367,000, subject to relevant working capital adjustment set out in the Share Sale Agreement. The unaudited gain represents the difference between the Purchase Price, adjusted for any debt remaining in Hanking Australia and its subsidiaries post Completion, or repaid by the Purchaser on Completion; and the attributable portion of the unaudited net assets as at 31 December 2016 of Hanking Australia.

Upon Completion, the Company will be able to maintain sufficient operations under Rule 13.24 of the Listing Rules based on its remaining iron and nickel businesses as demonstrated below:

- **Iron businesses segments of the Company:**

  The Company's iron ore business has been one of the main businesses of the Company since its listing on the Stock Exchange in 2011. From 2011 to 2015, the Company's iron ore segment recorded revenue of RMB1,452,277,000, RMB1,361,138,000, RMB1,372,212,000, RMB1,349,784,000 and RMB927,219,000 respectively, and recorded profit/loss of RMB674,613,000, RMB504,757,000, RMB460,380,000, RMB183,394,000 and RMB(369,605,000), respectively. The loss of RMB369,605,000 in the year 2015 was mainly due to the significant decline in the iron ore price in 2015. Accordingly, the Company's operating profit from its iron ore business as well as the impairment in certain iron ore assets have decreased.

  Since year 2015, the market conditions for the iron ore has been constantly improving. The average sale price of iron ore concentrates for the year 2015 was RMB 458/ton, and at the Latest Practicable Date, the average sale price of iron ore concentrates has increased to RMB660/ton.

Based on the above, the Company is of the view that its iron ore business will continue to be one of the core businesses that drives the sustainable development of the Company.

- **Nickel businesses segment of the Company**

  The Company is aware that the production activities for its nickel business in Indonesia has been suspended since 2014, mainly due to the exporting policy promulgated by the Indonesia government prohibiting raw ore export. During such period, the Company has made constant efforts to reduce maintenance costs. Currently, the nickel business segment of the Company has managed to keep its costs/expense at a relatively low level. Along with the established nickel ore smelting facilities and many smelters under construction in Indonesia, the Company believes that the demand for nickel ore by the nickel ore smelters in Indonesia is expected to grow continuously. The Company is currently working on the mining plan of the its nickel ore project and plans to commence nickel mining in 2017, aiming to supply nickel ore to the many smelters in Indonesia and generate revenue and profit for the Company's nickel business. Based on the above, the Company is of the view that its nickel business will continue to be one of the core businesses that drives the sustainable development of the Company.

  It is therefore concluded that the Company's iron and nickel businesses are expected to continue to be the core businesses that drive the sustainable development of the Company.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Sale of Shares may be different from the above and will be determined based on the financial position of Hanking Australia on the Completion Date of Sale of Shares and the review by the Group's auditors upon finalization of the consolidated financial statements of the Group.

Upon Completion, the Company will cease to have any interest in Hanking Australia, which will cease to be a subsidiary of the Company and the financial results of Hanking Australia will no longer be consolidated into the consolidated financial statements of the Company.

Use of Proceeds

The Company intends to use the net proceeds from the Sale of Shares, which is estimated to be approximately RMB1,096 million (including the gains from the Sale of Shares and the principal investment), to further develop its business and improve the financial position of the Group, in particular: 1) to use approximately 29.51% of the proceeds (equivalent to approximately RMB323 million) to repay parts of bank loans so as to improve the Company's capital structure, reduce its debt liabilities and increase its operating cash; 2) to use approximately 40.93% of the proceeds (equivalent to approximately RMB448 million) to further expand its current iron ore and nickel business, and explore new business opportunities; and 3) to use approximately 29.56% of the proceeds (equivalent to approximately RMB324 million) to declare dividends to the Shareholders, subject to the approval of the Board and Shareholders' general meeting.

Reasons for and Benefit of the Sale of Shares

The Company purchased Hanking Australia in 2013. After three years' operation by the Company, the value of Hanking Australia has been enhanced significantly. The SXO Gold Project of Hanking Australia produced the first gold pour in February 2015, and was put into commercial production in August 2015. Hanking Australia has achieved a significant increase in its resource and reserves, and sold gold of 64,232 ounce in the first half of 2016. Taking into consideration of the above, as well as the purchase price offered by the Purchaser under the Share Sale Agreement, the Company decided to sell its equity interests in Hanking Australia to the Purchaser, as the Sale of Shares will maximize the value of Hanking Australia, and increase Shareholders' return. The Company also considers the Sale of Shares a good opportunity for the overall development of the Company. In addition, the proceeds of the Sale of Shares to be used for the Company's business development is expected to improve the Group's financial situation, facilitate its long-term development and maximize Shareholders' interest as a whole. Following the Sale of Shares, the Company will be in a stronger financial position to continue operating its iron ore and nickel business, and may continue seeking gold mining opportunities with the proceeds from the Sale of Shares, which is consistent with the Company's 2016 operation plan as disclosed in its 2015 annual report.

The Directors (including all independent non-executive Directors) consider that the terms of the Share Sale Agreement are fair and reasonable and are on normal commercial terms, and the Sale of Shares is in the interests of the Company and its Shareholders as a whole.

Irrevocable Undertaking

As at the Latest Practicable Date, Ms. Yang Min, Mr. Yang Jiye, Mr. Xia Zhuo, Mr. Pan Guocheng and Mr. Zheng Xuezhi, respectively hold 32.78%, 35.37%, 1.05%, 0.23% and 0.12% of the shares of the Company. On 29 March 2017, Ms. Yang Min, Mr. Yang Jiye, Mr. Xia Zhuo, Mr. Pan Guocheng and Mr. Zheng Xuezhi provided an irrevocable undertaking to vote in favour of the relevant resolution at the EGM to approve the Sale of Shares.

Implications Under the Listing Rules

As the highest applicable percentage ratio for the Sale of Shares is more than 75%, the Sale of Shares constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting to approve the ordinary resolution in respect of the Share Sale Agreement and the transactions contemplated thereunder at the EGM.

There were justifiable commercial reasons for the Purchaser and Guarantor to enter into transactions with both the Company and Other Vendors for the Sale of Shares, while the Sale of Shares by the Company and the Other Vendors to the Purchaser are not inter-conditional upon each other. Neither the Company nor Other Vendors are required to obtain each other's consent for sale of their equity interests in Hanking Australia.

In addition, the Sale of Shares are primarily driven by the Company, and the proceeds from the Sale of Shares will be received by the Company in proportion to its equity interests in Hanking Australia. Both the Company and Dr. Mark Yumin Qiu (including his concert parties) will be subject to materially the same terms and conditions of the Share Sale Agreement which indicates that Dr. Mark Yumin Qiu (including his concert parties) won't be entitled to any extra benefit otherwise not entitled to by the Company with respect to the Share Sale Agreement and the transaction contemplated thereunder.

Dr. Mark Yumin Qiu, an executive Director of the Company and who does not hold shares of the Company, abstained from voting from the Board meeting of the Company to consider the Sale of Shares. Since Dr. Mark Yumin Qiu has abstained from voting from the Board meeting to consider the Sale of Shares, there was no risk that he might exercise influence to the Sale of Shares by taking advantage of his directorship in the Company.

Competent Person's Report

A Competent Person's Report prepared in accordance with Chapter 18 of the Listing Rules is set out in Appendix IV to this circular. The Competent Person's Report was signed by Graham Jeffery on behalf of CSA Global in accordance with JORC Code 2012. CSA Global is the top 3 organizations completing Competent Person's Reports for companies around the world.

As disclosed in the Competent Person's Report, the Company owns and operates the Southern Cross Gold Operations, which include exploration, infrastructure and mining licenses covering a strike length of 150 km of the Southern Cross Greenstone belt in Western Australia. As of 31 December 2016, the Company has 4.57 million ounces JORC resource and 0.96 million ounces gold in JORC reserve.

DECLARATION AND PAYMENT OF SPECIAL DIVIDEND

The Board proposed to declare and pay a special dividend of HKD0.2 per share (tax inclusive) to the Shareholders after the completion of the sale of shares in Hanking Australia (the "**Special Dividend**"). As at the date of this Circular, the Company had 1,830,000,000 issued shares in total, and the accumulated amount of dividend paid in aggregate amounted to HKD366 million (equivalent to approximately RMB324 million).

The declaration and payment of the Special Dividend is conditional on the completion of the sale of shares of Hanking Australia and the receipt of transaction amount by the Company. In order to determine the eligibility of the Shareholders to receive the Special Dividend, the Company will further announce the record date and book closure period for the declaration and payment of the Special Dividend in due course after the completion of the sale of shares of Hanking Australia. All Shareholders whose name appear on the share register on the record date for the Special Dividend will receive the Special Dividend in accordance with his/her shareholding as at the record date.

EGM

A notice convening an extraordinary general meeting of China Hanking Holdings Limited to be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Friday, 14 April 2017 at 9:30 a.m., or any adjournment thereof, is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Company (www.hankingmining.com) and of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that the transaction contemplated by the Share Sale Agreement is fair and reasonable and are in the best interests of Company and the Shareholders as a whole. The Directors (including the Independent Non-executive Directors) therefore advise the Shareholders to vote in favour of the resolutions at the EGM.

Reference is made to the announcement of the Company on the proposed book closure date of the Company dated 30 March 2017, in which the Company announced its register of Shareholders was expected to be closed from Thursday, 20 April 2017 to Friday, 21 April 2017 (both days inclusive). Considering, among other things, the progress of the Sale of Shares, the Company hereby announces to change the book closure date to Wednesday, 12 April 2017 to Friday, 14 April 2017 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of the Shareholders of the Company as on Friday, 14 April 2017 are entitled to attend and vote at the EGM. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11 April 2017.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendices to this circular. If there is any inconsistency between this circular and the Chinese translation of this circular, this circular shall prevail.

By Order of the Board
China Hanking Holdings Limited
Yang Jiye
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2014, 2015 and 2016 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Group (www.hankingmining.com):

- The annual report of the Group for the year ended 31 December 2014 dated 20 March 2015 (pages 82-153);
- The annual report of the Group for the year ended 31 December 2015 dated 30 March 2016 (pages 85-159); and
- The annual results announcement of the Group for the year ended 31 December 2016 dated 22 March 2017 (pages 3-15).

2. STATEMENT OF INDEBTEDNESS

As at 31 January 2017, being the latest practicable date for inclusion of information in this paragraph prior to the publication of this circular, the Group, being the Company and its subsidiaries had outstanding interest-bearing bank loans and other borrowings of approximately RMB2,171,557,000, which comprised of bank loans of approximately RMB2,055,394,000 and other loans of RMB116,163,000 (being their carrying amounts as at 31 January 2017).

The following table sets forth a breakdown of the Group's borrowings as at 31 January 2017:

	RMB'000
Bank loans	2,055,394
Other loans *(note)*	116,163
	2,171,557
Secured and unguaranteed	684,857
Secured and guaranteed	1,129,611
Unsecured and guaranteed	357,089
	2,171,557

Note:

It represents loan advanced from a Government Authority for purchase of mining rights. The loan carries interest at the benchmark interest rate issued by the People's Bank of China ("PBOC"), unsecured and is repayable within five years.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at the close of business of 31 January 2017, have any material outstanding (i) debt securities, whether issued and outstanding, authorized or otherwise created but unissued or term loan, whether guaranteed, unguaranteed, secured or unsecured; (ii) other borrowings or indebtedness in the mature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charge; (iv) guarantees or other contingent liabilities.

The directors are not aware of any material change in the indebtedness and contingent liability position of the Group since 31 January 2017.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that after taking into account the present internal resources available to the Group and the estimated net proceeds from the Sale of Shares, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular, in the absence of any unforeseeable circumstances.

4. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31 December 2016. For further financial information of the Remaining Group, please refer to the section headed "Management Discussion and Analysis" of the Company's annual results announcement for the year ended 31 December 2016, the annual report for the year ended 31 December 2015 and the annual report for the year ended 31 December 2014.

For the year ended 31 December 2016

Financial review

For the year ended 31 December 2016, the revenue from continuing operations of the Remaining Group recorded approximately RMB812.22 million, representing a decrease of approximately 12.4%, as compared with approximately RMB927.22 million in the corresponding period in 2015. The decrease was mainly attributable to decrease of average sell price and output of iron ore concentrates during the period.

The gross profit from continuing operations of the Remaining Group for the year ended 31 December 2016 was approximately RMB238.50 million, representing an increase of approximately RMB32.74 million or approximately 15.91%, as compared with approximately RMB205.76 million in the corresponding period in 2015. The profit after taxation from continuing operations of the Remaining Group for the year ended 31 December 2016 was approximately RMB482.62 million, representing a significant increase of approximately RMB934.57 million as compared with loss after taxation from continuing operations approximately RMB451.95 million in the corresponding period in 2015. The variance was mainly attributable to the investment income during the period.

Segment Information

Iron Ore Business

In 2016, the price of iron ores showed a trend of wide fluctuations in line with performance of the steel marketplace, yet the prices were more flexible due to various factors such as government policies, seasonal fluctuation and capital market.

The Remaining Group continued its expansion in Maogong Mine Production, maintained the advantage of low-cost operations of the iron ore business and pushed forward the construction of key projects so as to ensure stable and smooth production of the core operating mines.

During 2016, there was no material change in the resources and reserves of the iron ore business as compared to that at the end of 2015.

Nickel Business

In 2016, nickel price bottomed out following a declining trend in 2015, with its annual growth rate ranking among the best of base metals. In June 2016, the Philippine government implemented remedial measures towards the mines with severe pollution problems in the country. As of December 2016, more than 30 mines in the country were closed due to pollution problems, which almost covered over 50% of the nickel production capacity in Philippines. Due to the significant decrease in nickel supply, the international nickel price went up amidst fluctuations. On the other hand, the supply-side reform implemented in China boosted the prices of black metals to surge, while the downstream stainless steel price gradually picked up in line with rising costs. Due to the combined effect of upstream and downstream factors, the global nickel price surged up, with the nickel price once reaching a peak of US$12,145/metric ton, recording a new height since July 2015.

The nickel business focused on enhancement of its mining capability and construction of the infrastructure, with an annual mining capacity of 5 million metric tons. In 2016, in light of signs of improvement in the laterite nickel market in Indonesia with the commencement of new nicke l smelting facilities, the Remaining Group refocused on preparation to resume mining production activities. Some preliminary preparation work for the resumption of production pursuant to the resolution of the Board was carried out during 2016, and the team conducted various business discussions with a number of potential partners to promptly explore the world-class nickel resources.

During 2016, there was no material change in the nickel resources and reserves of the Remaining Group as compared to the corresponding period last year.

Liquidity, financial resources and capital structure

For the year ended 31 December 2016, the Remaining Group managed its capital to ensure that the group entities would be able to continue as a going concern while maximizing the return to Shareholders through the optimisation of the debt and equity balances. The management of the Remaining Group reviewed the capital structure on an annual basis by considering the cost of capital and the risks associated with each class of capital.

As at 31 December 2016, the Remaining Group incurred net current assets of approximately RMB529.51 million as compared to the net current liabilities of approximately RMB1,000.94 million at 31 December 2015. The decrease in net current liabilities was mainly attributable to the investment income in 2016.

As at 31 December 2016, there were RMB800.79 million long term and RMB1,208.12 million short term interest-bearing bank borrowings owed by the Remaining Group and the fixed-rate bank loans were RMB1,735.09 million. Therefore, as at 31 December 2016, the gearing ratio of the Remaining Group is 50.30%. The gearing ratio is calculated based on the amount of long term bank borrowings divided by net assets.

Pledge of assets

As at 31 December 2016, the Remaining Group pledged mining rights and bank deposits in an aggregate net carrying amount of approximately RMB292.61 million to banks for notes payable and borrowings.

Employees

As at 31 December 2016, the Remaining Group maintained an aggregate of 1,167 employees as compared with 1,725 employees at 31 December 2015.

During the year ended 31 December 2016, the staff costs from continuing operations (including directors' remuneration in the form of salaries and other allowances) were approximately RMB104.79 million, representing a decrease of approximately 28.65% as compared with approximately RMB146.87 million in the corresponding period in 2015. The decrease was mainly attributable to decrease of employees during the period.

The salary and bonus policy of the Remaining Group is principally determined by the performance and working experience of the individual employee and with reference to prevailing market conditions.

Risk in foreign exchange

All of the Remaining Group's business activities are transacted in RMB, which is the reporting currency of the Group. However, the Group has bank balance and borrowing denominated in USD and HKD, which expose the Remaining Group to foreign currency risk. As at 31 December 2016, the Remaining Group was exposed to an exchange rate risk mainly arose out of the foreign bank balance of approximately RMB8.78 million and the borrowings of approximately RMB321.75 million which were held in USD and HKD.

Significant investment held

Save for the equity interests in three companies listed on Australian Securities Exchange held by the Remaining Group, the Remaining Group did not hold any significant investment as at 31 December 2016.

Material acquisition and disposal

There was no material acquisition or disposal of subsidiaries and associated companies by the Remaining Group during the period.

Contingent liabilities

As at 31 December 2016, the Remaining Group did not have any other material contingent liabilities.

For the year ended 31 December 2015

Financial review

For the year ended 31 December 2015, the revenue from continuing operations of the Remaining Group recorded approximately RMB927.22 million, representing a decrease of approximately 32%, as compared with approximately RMB1,368.65 million in the corresponding period in 2014. The decrease was mainly due to decline in sale price of iron ore concentrate during the year.

The gross profit from continuing operations of the Remaining Group for the year ended 31 December 2015 was approximately RMB205.76 million, representing a decrease of approximately RMB274.91 million or approximately 57%, as compared with approximately RMB480.67 million in the corresponding period in 2014. The loss after taxation from continuing operations of the Remaining Group for the year ended 31 December 2015 was approximately RMB451.95 million, representing a decrease in profit of approximately RMB463.46 million, as compared with the profit after taxation from continuing operations of approximately RMB11.51 million in the corresponding period in 2014. The decrease was mainly attributable to the slipping of the average sales price of iron ore concentrates and the impairment loss on property, plant and equipment, intangible assets and prepaid lease payments during the period.

Segment Information

Iron Ore Business

In 2015, due to the continuous slowdown in the growth of fixed asset investments in the PRC, output of steel and iron in China recorded a decrease for the first time, while supply of iron ore continued to increase (especially the significant increase in the output of Rio Tinto in 2015), resulting in a constant overcapacity in the iron ore market. Another factor affecting the iron ore price was the decrease in production costs of the major iron ore suppliers due to an overall plunge in the price of bulk commodities such as crude oil driven by substantial appreciation of the US Dollar during 2015. Given the overcapacity in the market and the decreasing production costs of the suppliers, the iron ore price continued to show an overall decline trend in 2015. Platts Fe 62% (CFR) opened at 71.75 and closed at 43.25 in 2015, representing a decline of 39.7%, which was lower than that recorded in 2014 with two noticeable rallies.

In 2015, the production capacity was further improved through continuous optimization of processing facilities of Aoniu Mine and technology upgrading of the processing plant of Maogong Mine. In 2015, output of iron ore concentrates of the Remaining Group amounted to 2,035 thousand metric tons, representing an increase of 7.07% as compared with the previous year. the Remaining Group adjusted its production layout and exerted strict cost control, which resulted in substantial decrease in the production and management costs of the iron ore business, representing a year-on-year decrease of 13.99% and 28.30% respectively. As the Remaining Group improved the grade and recovery rate of the products through optimization of production structure and technology upgrading and adopted various measures to control costs, the average cash operation costs of iron ore concentrates per metric ton decreased significantly to RMB317 (2014: RMB389), which represented a year-on-year decrease of 18.51%, enabling the Remaining Group to maintain its core competitiveness with low costs in the industry.

As of the end of 2015, the Remaining Group owned 172 million metric tons of JORC Code-compliant iron ore reserves.

Nickel Business

In 2015, London Metal Exchange nickel metal market price opened at USD15,075/metric ton and closed at USD8,820/metric ton, with a decrease of 41.5%. The overall market showed a dramatic decline trend, recording the biggest decrease among the top six base metals, which was mainly attributable to several factors including the slowdown in the stainless steel output in the PRC, the persistently high inventory of nickel and the strength in the US dollars.

As of the end of 2015, the nickel business of the Remaining Group has a JORC Code-compliant resources of 350,925 thousand metric tons of laterite nickel ore resources at the cut-off nickel grade of 1%, with an average nickel grade of 1.37%. Resource with nickel grade lower than 1% and iron grade higher than 45% (i.e. resources with high TFe and low Ni) amounted to 90,540 thousand metric tons, with an average TFe grade of 50.27%. The Remaining Group has made strenuous efforts to enhance its mining capacity and infrastructure construction, currently with an annual mining capacity of 5 million metric tons of ore.

Liquidity, financial resources and capital structure

For the year ended 31 December 2015, the Remaining Group managed its capital to ensure that the group entities would be able to continue as a going concern while maximizing the return to Shareholders through the optimisation of the debt and equity balances. The management of the Remaining Group reviewed the capital structure on an annual basis by considering the cost of capital and the risks associated with each class of capital.

As at 31 December 2015, the Remaining Group incurred net current liabilities of approximately RMB1,000.94 million as compared to approximately RMB226.26 million at 31 December 2014. The increase in net current liabilities was mainly attributable to increase of banking borrowing.

As at 31 December 2015, the bank balances and cash of the Remaining Group amounted to approximately RMB438.41 million.

As at 31 December 2015, there were RMB59.64 million long term and RMB2,690.77 million short term interest-bearing bank borrowings owed by the Remaining Group. And the fixed-rate bank loans were RMB1,562.46 million. Therefore, as at 31 December 2015, the gearing ratio of the Remaining Group is 6%. The gearing ratio is calculated based on the amount of long term bank borrowings divided by net assets.

Pledge of assets

As at 31 December 2015, the Remaining Group pledged mining rights, available-for-sale investments, trade receivables and bank deposits in an aggregate carrying amount of approximately RMB1,419.47 million to banks for borrowings.

Employees

The Remaining Group had 1,725 employees as at 31 December 2015, and 2,284 employees as at 31 December 2014.

During the year ended 31 December 2015, the staff costs from continuing operations (including directors' remuneration in the form of salaries and other allowances) were approximately RMB146.87 million, representing a decrease of approximately 16%, as compared with approximately RMB175.58 million in the corresponding period in 2014. The decrease was mainly attributable to decrease of employees during the year.

The salary and bonus policy of the Remaining Group is principally determined by the performance and working experience of the individual employee and with reference to prevailing market conditions.

Risk in foreign exchange

All of the Remaining Group's business activities are transacted in RMB, which is the reporting currency of the Group. However, the Group has bank balance and borrowing denominated in USD and HKD, which expose the Remaining Group to foreign currency risk. As at 31 December 2015, the Remaining Group was exposed to an exchange rate risk mainly arose out of the foreign currency bank balances of approximately RMB10.61 million and borrowings of approximately RMB1,129.11 million which were held in USD and HKD.

Significant investment held

Save for the equity interests in three companies listed on Australian Securities Exchange held by the Remaining Group, the Remaining Group did not hold any significant investment as at 31 December 2015.

Material acquisition and disposal

There was no material acquisition or disposal of subsidiaries and associated companies by the Remaining Group during the year.

Contingent liabilities

As at 31 December 2015, the Remaining Group did not have any other material contingent liabilities.

For the year ended 31 December 2014

Financial review

For the year ended 31 December 2014, the revenue from continuing operations of the Remaining Group recorded approximately RMB1,368.65 million, representing a decrease of approximately 6%, as compared with approximately RMB1,455.51 million in the corresponding period in 2013. The decrease was mainly attributable to the decrease of revenue from nickel business during the year.

The gross profit from continuing operations of the Remaining Group for the year was approximately RMB480.67 million, representing a significant decrease of approximately RMB311.33 million or approximately 39%, as compared with approximately RMB792.00 million in the corresponding period in 2013. The profit after taxation from continuing operations of the Remaining Group for the year was approximately RMB11.51 million, compared with profit after taxation from continuing operations of approximately RMB199.87 million in the corresponding period in 2013. The decrease was mainly attributable to the slipping of the price of iron ore concentrates and the rising production costs due to the transition to underground mining of the iron ore mines during the year.

Segment Information

Iron Ore Business

In 2014, the price of iron ore continued to fall, mainly due to the oversupply resulting from the mass production of iron ore around the world. The tightening of financing and shortage in cash position for the iron ore industry, and the occurrence of risk events also led to the plunge in iron ore prices. In light of these market conditions, the Remaining Group further improved the quality and grade of iron ore concentrates, adjusted sales strategies, and strictly controlled costs, which ensured the smooth and orderly production, sales and operation. As of the end of 2014, the Remaining Group owned 225 million tons of iron ore resources and 170 million tons of JORC Code-compliant iron ore reserves.

Nickel Business

To implement the Law on Mineral and Coal Mining (No. 4 of 2009, Laws of Indonesia), Indonesian government authorities promulgated a regulation on 13 January 2014, pursuant to which all holders of mining production operation licenses shall undertake mineral processing and refining within the territory of Indonesia in order to export a certain amount of products. In addition, the Ministry of Energy and Mineral Resources of the Republic of Indonesia formulated the Regulation of the Minister of Energy and Mineral Resources No. 1 of 2014 on the increase of added value of mineral through mineral processing and refining activities in Indonesia, which imposes timing and quantitative restrictions on export of extracted mineral products as well as the minimum standards on refining and purification in Indonesia.

Therefore, as of 31 December 2014, the Remaining Group mined 183.7 thousand tons of nickel ore and achieved sales of 60.5 thousand tons.

Liquidity, financial resources and capital structure

For the year ended 31 December 2014, the Remaining Group managed its capital to ensure that the group entities would be able to continue as a going concern while maximizing the return to Shareholders through the optimisation of the debt and equity balances. The management of the Remaining Group reviewed the capital structure on an annual basis by considering the cost of capital and the risks associated with each class of capital.

As at 31 December 2014, the Remaining Group incurred net current liabilities of approximately RMB226.26 million as compared to approximately RMB201.97 million as at 31 December 2013. The reason for having a net current liabilities was mainly due to increase of bank borrowings.

As at 31 December 2014, the bank balances and cash of the Remaining Group amounted to approximately RMB638.40 million.

As at 31 December 2014, there were RMB589.68 million long term and RMB1,636.49 million short term interest-bearing bank borrowings owed by the Remaining Group, and the fixed-rate bank loans were RMB1,387.76 million. Therefore, as at 31 December 2014, the gearing ratio of the Remaining Group is 39%. The gearing ratio is calculated based on the amount of long term bank borrowings divided by net assets.

Pledge of assets

As at 31 December 2014, the Remaining Group pledged mining rights, bank deposits and prepaid lease payments in an aggregate amount of approximately RMB801.86 million as security for the advance from a customer and bank borrowings.

Employees

The Remaining Group had 2,284 employees as at 31 December 2014, and 2,473 of employees as at 31 December 2013.

During the year ended 31 December 2014, the staff costs from continuing operations (including directors' remuneration in the form of salaries and other allowances) were approximately RMB175.58 million, representing a decrease of approximately 21%, as compared with approximately RMB221.36 million in the corresponding period in 2013. The decrease was mainly attributable to the decrease of employees during the year.

The salary and bonus policy of the Remaining Group are principally determined by the performance and working experience of the individual employee with reference to prevailing market conditions.

Risk in foreign exchange

All of the Remaining Group's business activities are transacted in RMB, which is the reporting currency of the Group. However, the Group has bank balance and borrowing denominated in USD and HKD, which expose the Remaining Group to foreign currency risk. As at 31 December 2014, the Remaining Group was exposed to an exchange rate risk mainly arose out of the foreign currency bank balances of approximately RMB199.96 million and borrowings of approximately RMB798.41 million which were held in USD and HKD.

Significant investment held

Save for the equity interests in three companies listed on Australian Securities Exchange held by the Remaining Group, the Remaining Group did not hold any significant investment as at 31 December 2014.

Material acquisition and disposal

There was no material acquisition or disposal of subsidiaries and associated companies by the Remaining Group during the year.

Contingent liabilities

As at 31 December 2014, the Remaining Group did not have any other material contingent liabilities.

5. FINANCIAL AND TRADING PROSPECTS

Upon the Completion of the Disposal, the Remaining Group will focus on iron business.

After the sale of SXO Gold Project, the Remaining Group still owns the super large-scale laterite nickel project located in North Konawe Regency, South East Sulawesi Province, Indonesia, four of iron ore mines located in China and the equity investment of the companies engaged in gold business and listed on Australia Securities Exchange.

As a result of the sale of the SXO Gold Project, gain on the Disposal will definitely improve the Remaining Group's capital structure, reduce its liabilities and increase cash flows, which will enhance the financial position of the Remaining Group. On the other hand, the proceeds in respect of the Disposal will be further invested into the iron ore and nickel business as well as developing new business by the Remaining Group. Meanwhile, the Disposal will provide stronger financial position and facilitate new acquisition in the future.

UNAUDITED FINANCIAL INFORMATION OF HANKING AUSTRALIA PTY LTD (THE "DISPOSAL COMPANY") AND ITS SUBSIDIARY (TOGETHER THE "DISPOSAL GROUP")

Set out below are the unaudited consolidated statements of financial position of the Disposal Group as at 31 December 2013, 2014 and 2015 and 30 September 2016 and the unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows and certain explanatory notes of the Disposal Group for each of the three years ended 31 December 2013, 2014 and 2015 and the nine months ended 30 September 2015 and 2016 (the "Unaudited Financial Information").

The Unaudited Financial Information has been presented on the basis set out in Note 2 and prepared in accordance with the accounting policies adopted by the Company and paragraph 14.68(2)(a)(i) of the Listing Rules.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the disposal of the Disposal Group (the "Disposal"). The Unaudited Financial Information has been extracted from audited financial statements of the Disposal Group for each of the three years ended 31 December 2013, 2014 and 2015 ("Audited Financial Statements") and reviewed interim financial statements for each of the nine months ended 30 September 2015 and 2016 ("Reviewed Interim Financial Statements"). Both the Audited Financial Statements and the Reviewed Interim Financial Statements were prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards. The auditor of the Disposal Group has issued an unqualified audit report for each of the Audited Financial Statements. Those audits were performed in accordance with International Auditing Standards. The auditor of the Disposal Group has also issued an unqualified review report for the Reviewed Interim Financial Statements. The review was performed in accordance with International Standard on Review Engagement *ISRE 2410 Engagement to Review Historical Financial Information*. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently did not enable the Auditor of the Disposal Group to obtain assurance that the Auditor of the Disposal Group would become aware of all significant matters that might be identified in an audit.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015	As at 30 September 2016
	A$000	*A$000*	*A$000*	*A$000*
Assets				
Cash and cash equivalents	1,842	1,338	11,768	4,720
Inventory	–	2,268	10,985	13,758
Trade receivables	–	–	1,141	4,125
Other receivables	377	1,818	3,862	3,790
Total current assets	2,219	5,424	27,756	26,393
Available-for-sale financial assets	8,688	1,733	2,403	–
Inventory	2,343	–	–	–
Restricted cash	8,674	800	4,889	8,227
Mine properties	–	34,231	75,482	66,630
Exploration and evaluation assets	17,783	–	9,040	13,131
Property, plant and equipment	13,892	27,444	36,834	39,433
Intangible assets	332	370	387	405
Other non-current assets	–	–	–	7,147
Total non-current assets	51,712	64,578	129,035	134,973
Total assets	53,931	70,002	156,791	161,366
Liabilities				
Trade and other payables	652	9,052	19,159	28,029
Employee benefits	273	714	1,491	1,040
Provisions	250	–	–	–
Loans and borrowings	49,419	70,597	15,056	22,942
Total current liabilities	50,594	80,363	35,706	52,011
Rehabilitation provision	12,152	13,121	23,867	24,807
Loan and borrowings	–	–	85,616	59,695
Total non-current liabilities	12,152	13,121	109,483	84,502
Total liabilities	62,746	93,484	145,189	136,513
Net assets	(8,815)	(23,482)	11,602	24,853
Equity				
Share capital	–	–	30,000	30,611
Accumulated losses	(12,899)	(23,526)	(18,925)	(5,758)
Reserves	4,084	44	527	–
Total equity	(8,815)	(23,482)	11,602	24,853

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited				
	For the year ended 31 December			For the nine months ended 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	A$'000	*A$'000*	*A$'000*	*A$'000*	*A$'000*
Revenue	0	0	60,037	19,154	143,415
Cost of sales	0	0	(42,640)	(17,716)	(130,831)
Gross profit	0	0	17,397	1,438	12,584
Other income and gain	100	196	938	237	950
Administration expenses	(1,933)	(1,578)	(653)	(606)	(1,420)
Personnel expenses	(1,851)	(384)	(1,764)	(1,256)	(727)
Other expenses	(3,730)	(247)	(273)	(448)	(574)
Depreciation and amortisation	(163)	(138)	(26)	(29)	(445)
Finance Income	258	268	52	43	3,880
Finance Costs	(5,194)	(4,580)	(10,980)	(14,761)	(2,608)
Impairment of financial assets	0	(4,164)	(90)	(580)	1,527
Gain/(Loss) before taxation	(12,513)	(10,627)	4,601	(15,962)	13,167
Taxation	0	0	0	0	0
Gain/(Loss) for the year/period	(12,513)	(10,627)	4,601	(15,962)	13,167
Item that may be reclassified subsequently to profit or loss:					
Share of other comprehensive loss of a joint venture	0	0	0	0	0
Other comprehensive gain/(loss) for the year/period	4,133	(4,040)	483	345	(527)
Total comprehensive gain/(loss) for the year/period, net of tax	(8,380)	(14,667)	5,084	(15,617)	12,640
Gain/(Loss) for the year/period attributable to Owner of the Disposal Company	(12,513)	(10,627)	4,601	(15,962)	13,167
Total comprehensive gain/(loss) attributable to Owner of the Disposal Company	(8,380)	(14,667)	5,084	(15,617)	12,640

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Share capital	**Fair Value reserve**	**Accumulated**	**Total**
	A$'000	*A$'000*	*A$'000*	*A$'000*
At as 1 January 2013	–	(50)	(384)	(434)
Loss for the year	–	–	(12,514)	(12,514)
Other comprehensive income for the year:				
Share of other comprehensive loss of a joint venture	–	4,133	–	4,133
Total comprehensive gain/(loss)	–	4,133	(12,514)	(8,381)
As at 31 December 2013 and 1 January 2014	–	4,083	(12,898)	(8,815)
Loss for the year	–	–	(10,628)	(10,628)
Other comprehensive income for the year:				
Share of other comprehensive loss of a joint venture	–	(4,040)	–	(4,040)
Total comprehensive loss for the year	–	(4,040)	(10,628)	(14,667)
At as 31 December 2014 and 1 January 2015	–	43	(23,526)	(23,482)
Debt Converted to Equity	30,000	–	–	30,000
Profit for the year	–	–	4,601	4,601
Other comprehensive income for the year:				
Share of other comprehensive loss of a joint venture	–	483	–	483
Total comprehensive profit for the year	–	483	4,601	5,084
At as 31 December 2015	30,000	526	(18,925)	11,602

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Share capital	**Fair Value reserve**	**Accumulated**	**Total**
	A$'000	*A$'000*	*A$'000*	*A$'000*
At as 1 January 2016	30,000	526	(18,925)	11,602
Issue new Shares	610	–	–	610
Profit for the period	–	–	13,167	13,167
Other comprehensive income for the period:				
Share of other comprehensive loss of a joint venture	–	(526)	–	(526)
Total comprehensive loss for the period	–	(526)	13,167	12,640
At as 30 September 2016	30,610	0	(5,758)	24,853
At as 1 January 2015	–	43	(23,526)	(23,482)
Debt Converted to Equity	30,000	–	–	30,000
Loss for the period	–	–	(15,962)	(15,962)
Other comprehensive income for the period:				
Share of other comprehensive loss of a joint venture	–	345	–	345
Total comprehensive loss for the period	–	345	(15,962)	(15,617)
At as 30 September 2015	30,000	388	(39,488)	(9,099)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited				
	Year ended 31 December			Nine months ended 30 September	
	2013	2014	2015	2015	2016
	A$'000	*A$'000*	*A$'000*	*A$'000*	*A$'000*
Cash flows from operating activities					
Cash receipts from customers	–	–	58,896	19,137	140,430
Cash paid to suppliers and employees	(8,144)	(2,904)	(33,139)	(11,167)	(79,942)
Cash received from other operating activities	–	–	938	237	604
Interest received	258	269	54	42	18
Interest paid	–	–	(1,758)	(986)	(2,258)
Net cash received from/(used in) operating activities	(7,886)	(2,635)	24,991	7,263	58,852
Cash flows from investing activities					
Dividends received					
Interest received	100	181	–	–	–
Payment for Southern Cross operations	(17,423)	–	–	–	–
Payment for mine development assets and property, plant and equipment	(210)	(20,618)	(56,810)	(19,909)	(45,255)
Payment for available-for-sale assets	(4,104)	(1,249)	(278)	(289)	–
Payment for exploration and evaluation assets	(3,610)	(1,110)	(4,656)	(17,672)	(4,091)
Payments of restricted cash	(8,674)	7,874	(4,089)	(67)	(3,339)
Net cash used in investing activities	(33,921)	(14,922)	(65,833)	(37,937)	(52,685)
Cash flows from financing activities					
Realised foreign exchange	278	–	–	–	–
Proceeds from borrowings	37,291	17,053	51,272	54,271	–
Repayments of borrowings	–	–	–	(10,022)	(13,562)
Issue of new shares	–	–	–	–	347
Net cash received from/(used in) financing activities	37,569	17,053	51,272	44,249	(13,215)
Net decreases in cash and cash equivalents	(4,238)	(504)	10,430	13,575	(7,048)
Cash and cash equivalents at 1 January	6,080	1,842	1,338	1,338	11,768
Cash and cash equivalents at the end of the year/period	1,842	1,338	11,768	14,913	4,720

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1 General Information

On 15 February 2017, the Company and other vendors, entered into an agreement to dispose 100% equity interest of the Disposal Company for a total Enterprise Value of AUD$330,000,000. Upon the completion of the Disposal, China Hanking Holdings Limited will cease to have control over the Disposal Group.

2 Basis of Preparation

The Unaudited Financial Information of Disposal Group has been prepared in accordance with paragraph 14.68 (2) (a) (i) of the Listing Rules and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of the Disposal Group.

The Unaudited Financial Information of the Disposal Group has been prepared in accordance with the accounting policies adopted by the Company in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular and has been prepared under the historical cost. The Unaudited Financial Information of the Disposal Group has been prepared under the historical cost convention, and is presented in Australian dollars. All values are rounded to the nearest thousand (AUD$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in International Accounting Standard 34 "Interim Financial Reporting" issued by the IASB.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

On 15 February 2017, China Hanking Holdings Limited (the "Company") and Other Vendors (as defined in the "DEFINITIONS" to this circular) entered into a share sale agreement (the "Share Sale Agreement") with Shandong Tianye Group Bid Co Pty Ltd (the "Purchaser"), pursuant to which the Purchaser has agreed, subject to certain conditions, to acquire the entire share capital of Hanking Australia Pty Ltd and its subsidiaries (hereafter collectively referred to as the "Disposal Group") from the Company and Other Vendors (the "Disposal").

The unaudited pro forma financial information (the "Unaudited Pro Forma Financial Information") of the Group after the disposal of the Disposal Group (hereafter referred to as the "Remaining Group"), comprising the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2016, has been prepared by the directors of the Company (the "Directors") in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the proposed disposal of the Disposal Group.

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on the audited consolidated statement of financial position of the Group as at 31 December 2016 which has been extracted from the annual results announcement of the Group dated 22 March 2017 for the year ended 31 December 2016; and adjusted in accordance with the unaudited pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 31 December 2016.

The preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group is based on (i) the audited consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016 which has been extracted from the annual results announcement of the Group dated 22 March 2017 for the year ended 31 December 2016; (ii) the audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 on which an auditor's report has been issued and (iii) the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Disposal Group for the year ended 31 December 2016 which have been extracted from the audited financial information of the Disposal Group, and adjusted in accordance with the unaudited pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 January 2016.

A narrative description of the unaudited pro forma adjustments of the Disposal that are directly attributable to the transactions and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not give a true picture of the results of operations, financial positions or cash flows of the Remaining Group had the Disposal been completed as at the respective dates to which it is made up to or for any future periods or at any future dates, whichever is applicable.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, the annual results announcement of the Group dated 22 March 2017 for the year ended 31 December 2016, the financial information of the Disposal Group and other financial information included elsewhere in this circular.

Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

		Unaudited pro forma adjustments for the Disposal							
	Audited consolidated statement of financial position of the Group as at 31 December 2016 *RMB'000*	Exclusion of 100% equity interest in Disposal Group as at 31 December 2016 *RMB'000 (note 1)*	Recognition of proceeds and gains/ reinstatement of excluded amounts for elimination *RMB'000 (note 2)*	Exclusion of non-controlling interest upon the Disposal *RMB'000 (note 3)*	Elimination of intra-group transactions and balances/ recognition of respective payable *RMB'000 (note 4)*	Estimated remaining balance of capital gain tax in respect of the Disposal *RMB'000 (note 5)*	Estimated professional fee in respect of the Disposal *RMB'000 (note 6)*	Sub-total of unaudited pro forma adjustments for the Disposal *RMB'000*	Unaudited pro forma consolidated statement of financial positional of the Remaining Group as at 31 December 2016 *RMB'000*
Non-current Assets									
Property, plant and equipment	1,381,364	(475,015)	–	–	–	–	–	(475,015)	906,349
Intangible assets	995,487	(135,321)	–	–	–	–	–	(135,321)	860,166
Prepaid lease payments	245,263	–	–	–	–	–	–	–	245,263
Available-for-sale financial assets	19,628	–	–	–	–	–	–	–	19,628
Deferred tax assets	16,942	–	–	–	–	–	–	–	16,942
Loan receivable from a third party	11,300	–	–	–	–	–	–	–	11,300
Deposit on acquisition of property, plant and equipment	33,668	–	–	–	–	–	–	–	33,668
Restricted deposits	17,054	(17,054)	–	–	–	–	–	(17,054)	–
Amount due from the Remaining Group	–	(35,849)	–	–	35,849	–	–	–	–
	2,720,706	**(663,239)**	**–**	**–**	**35,849**	**–**	**–**	**(627,390)**	**2,093,316**
Current Assets									
Inventories	144,779	(56,351)	–	–	–	–	–	(56,351)	88,428
Prepaid lease payments	38,760	–	–	–	–	–	–	–	38,760
Trade and other receivables	456,058	(19,357)	–	–	–	–	–	(19,357)	436,701
Tax recoverable	4,198	–	–	–	–	–	–	–	4,198
Available-for-sale financial assets	402,007	–	–	–	–	–	–	–	402,007
Pledged bank deposits	43,692	–	–	–	–	–	–	–	43,692
Bank balances and cash	70,162	(32,035)	1,283,480	–	–	(154,895)	(608)	1,095,942	1,166,104
	1,159,656	**(107,743)**	**1,283,480**	**–**	**–**	**(154,895)**	**(608)**	**1,020,234**	**2,179,890**
Current Liabilities									
Trade and other payables	468,033	(156,905)	–	–	35,849	–	–	(121,056)	346,977
Borrowings	1,341,599	(133,475)	–	–	–	–	–	(133,475)	1,208,124
Consideration payable	68,006	–	–	–	–	–	–	–	68,006
Tax liabilities	27,272	–	–	–	–	–	–	–	27,272
	1,904,910	**(290,380)**	**–**	**–**	**35,849**	**–**	**–**	**(254,531)**	**1,650,379**
Net Current Liabilities	**(745,254)**	**182,637**	**1,283,480**	**–**	**(35,849)**	**(154,895)**	**(608)**	**1,274,765**	**529,511**
Total Assets Less Current Liabilities	**1,975,452**	**(480,602)**	**1,283,480**	**–**	**–**	**(154,895)**	**(608)**	**647,375**	**2,622,827**
Capital and Reserves									
Share capital	149,137	(144,850)	140,504	4,346	–	–	–	–	149,137
Reserves	452,939	55,826	890,940	(1,675)	–	(154,895)	(608)	789,588	1,242,527
Equity attributable to owners of the Company	602,076	(89,024)	1,031,444	2,671	–	(154,895)	(608)	789,588	1,391,664
Non-controlling interests	203,093	–	–	(2,671)	–	–	–	(2,671)	200,422
Total Equity	**805,169**	**(89,024)**	**1,031,444**	**–**	**–**	**(154,895)**	**(608)**	**786,917**	**1,592,086**
Non-current Liabilities									
Borrowings	831,400	(30,606)	–	–	–	–	–	(30,606)	800,794
Consideration payable	226,228	–	–	–	–	–	–	–	226,228
Rehabilitation provision	110,628	(108,936)	–	–	–	–	–	(108,936)	1,692
Retirement benefit obligations	1,525	–	–	–	–	–	–	–	1,525
Deferred tax liabilities	502	–	–	–	–	–	–	–	502
Amount due to the Remaining Group	–	(252,036)	252,036	–	–	–	–	–	–
	1,170,283	**(391,578)**	**252,036**	**–**	**–**	**–**	**–**	**(139,542)**	**1,030,741**
Total Equity and Non-current Liabilities	**1,975,452**	**(480,602)**	**1,283,480**	**–**	**–**	**(154,895)**	**(608)**	**647,375**	**2,622,827**

		Unaudited pro forma adjustments for the Disposal						
	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2016 *RMB'000*	Exclusion of 100% equity interest in Disposal Group for the year ended 31 December 2016 *RMB'000 (note 7)*	Elimination of intra-group transactions and balances *RMB'000 (note 4)*	Recognition of proceeds and gains/reinstatement of excluded amounts for elimination *RMB'000 (note 8)*	Estimated capital gain tax in respect of the Disposal *RMB'000 (note 9)*	Estimated professional fee in respect of the Disposal *RMB'000 (note 6)*	Sub-total of unaudited pro forma adjustments for the Disposal *RMB'000*	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2016 *RMB'000*
Revenue	1,707,198	(894,981)	–	–	–	–	(894,981)	812,217
Cost of sales	(1,411,618)	837,901	–	–	–	–	837,901	(573,717)
Gross Profit	295,580	(57,080)	–	–	–	–	(57,080)	238,500
Investment and other income	18,768	(28,730)	25,677	968,983	–	–	965,930	984,698
Other gains and losses	(163,044)	34,554	–	–	–	(570)	33,984	(129,060)
Distribution and selling expenses	(37,603)	–	–	–	–	–	–	(37,603)
Administrative expenses	(182,048)	18,886	–	–	–	–	18,886	(163,162)
Finance costs	(138,576)	15,910	–	–	–	–	15,910	(122,666)
(Loss) Profit before tax	(206,923)	(16,460)	25,677	968,983	–	(570)	977,630	770,707
Income tax expense	(6,954)	–	–	–	(281,138)	–	(281,138)	(288,092)
(Loss) Profit for the year	**(213,877)**	**(16,460)**	**25,677**	**968,983**	**(281,138)**	**(570)**	**696,492**	**482,615**
Other comprehensive income (expense):								
Items that may be reclassified to profit or loss:								
Fair value gain on available-for-sale financial assets	10,442	18,245	(25,677)	(2,490)	–	–	(9,922)	520
Exchange differences on translation of financial statements of foreign operations	38,642	(16,711)	–	57,611	–	–	40,900	79,542
Remeasurement of defined benefit pension plans	(30)	–	–	–	–	–	–	(30)
Reclassification adjustment for cumulative gain included in profit or loss on disposal	(4,300)	–	–	–	–	–	–	(4,300)
Other comprehensive income for the year, net of income tax	**44,754**	**1,534**	**(25,677)**	**55,121**	**–**	**–**	**30,978**	**75,732**
Total comprehensive (expense) income for the year	**(169,123)**	**(14,926)**	**–**	**1,024,104**	**(281,138)**	**(570)**	**727,470**	**558,347**
(Loss) Profit for the year attributable to:								
Owners of the Company	(207,408)	(16,709)	25,677	968,983	(281,138)	(570)	696,243	488,835
Non-controlling interests	(6,469)	249	–	–	–	–	249	(6,220)
	(213,877)	**(16,460)**	**25,677**	**968,983**	**(281,138)**	**(570)**	**696,492**	**482,615**
Total comprehensive (expense) income for the year attributable to:								
Owners of the Company	(164,409)	(17,634)	–	1,024,104	(281,138)	(570)	724,762	560,353
Non-controlling interests	(4,714)	2,708	–	–	–	–	2,708	(2,006)
	(169,123)	**(14,926)**	**–**	**1,024,104**	**(281,138)**	**(570)**	**727,470**	**558,347**

		Unaudited pro forma adjustments for the Disposal					
	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 *RMB'000*	Reversal of cash flows of the Disposal Group for the year ended 31 December 2016 *RMB'000* *(note 7)*	Adjustments as if the Disposal would have been carried out and completed as at 1 January 2016 *RMB'000* *(note 8)*	Estimated capital gain tax in respect of the Disposal *RMB'000* *(note 9)*	Estimated professional fee in respect of the Disposal *RMB'000* *(note 6)*	Sub-total of unaudited pro forma adjustments for the Disposal *RMB'000*	Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2016 *RMB'000*
OPERATING ACTIVITIES							
(Loss) Profit before tax	(206,923)	(3,853)	968,983	(281,138)	(570)	683,422	476,499
Adjustments for:							
Finance costs	138,576	(15,910)	–	–	–	(15,910)	122,666
Interest income	(9,427)	565	–	–	–	565	(8,862)
Impairment loss of property, plant and equipment, intangiable assets and prepaid lease payments	61,197	–	–	–	–	–	61,197
Loss on disposal of property, plant and equipment	(1,000)	–	–	–	–	–	(1,000)
Reversal of allowance on inventories	(4,708)	–	–	–	–	–	(4,708)
Impariment loss on available-for-sale assets	–	–	–	–	–	–	–
Depreciation of property, plant and equipment	389,195	(13,076)	–	–	–	(13,076)	376,119
Release of prepaid lease payments	28,215	–	–	–	–	–	28,215
Amortisation of intangible assets	108,360	(61,975)	–	–	–	(61,975)	46,385
Loss (Gain) on disposal of a subsidiary and the Disposal Group	47,194	–	(968,983)	281,138	570	(687,275)	(640,081)
Disposal of available-for-sale financial assets	(4,300)	–	–	–	–	–	(4,300)
Net foreign exchange loss	31,452	(801)	–	–	–	(801)	30,651
Recognition of equity-settled share-based payment	2,936	–	–	–	–	–	2,936
Operating cash flow before movements in working capital	**580,767**	**(95,050)**	**–**	**–**	**–**	**(95,050)**	**485,717**
Decrease in inventories	4,641	4,419	–	–	–	4,419	9,060
Decrease (increase) in trade and other receivables	129,308	(4,695)	–	–	–	(4,695)	124,613
Increase (decrease) in trade and other payables	36,146	(9,278)	–	–	–	(9,278)	26,868
Decrease in retirement benefit obligations	472	–	–	–	–	–	472
Cash generated from operations	**751,334**	**(104,604)**	**–**	**–**	**–**	**(104,604)**	**646,730**
Interest paid	(154,089)	13,634	–	–	–	13,634	(140,455)
Income tax paid	(2,910)	–	–	(125,127)	–	(125,127)	(128,037)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**594,335**	**(90,970)**	**–**	**(125,127)**	**–**	**(216,097)**	**378,238**
INVESTING ACTIVITIES							
Payments for property, plant and equipment	(385,613)	297,434	–	–	–	297,434	(88,179)
Interest received	28,954	(565)	–	–	–	(565)	28,389
Decrease in deposit paid for acquisition of property, plant and equipment	(16,182)	–	–	–	–	–	(16,182)
Disposal of a subsidiary and the Disposal Group	(91)	–	1,176,821	–	(570)	1,176,251	1,176,160
Disposal of available-for-sale financial assets	107,000	–	–	–	–	–	107,000
Payments for available-for-sale financial assets	(400,000)	–	–	–	–	–	(400,000)
Payments for intangible assets	(64,945)	25,367	–	–	–	25,367	(39,578)
Payments for prepaid lease payaments	(7,534)	–	–	–	–	–	(7,534)
Proceeds on disposal of property, plant and equipment	11,190	–	–	–	–	–	11,190
Decrease (increase) in restricted cash	6,058	(6,058)	–	–	–	(6,058)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(721,163)**	**316,178**	**1,176,821**	**–**	**(570)**	**1,492,429**	**771,266**
FINANCING ACTIVITIES							
Withdrawal of pledged bank deposits	913,785	–	–	–	–	–	913,785
Placement of pledged bank deposits	(43,692)	–	–	–	–	–	(43,692)
New borrowings raised	2,370,784	–	–	–	–	–	2,370,784
Repayment of borrowings	(3,149,786)	89,485	–	–	–	89,485	(3,060,301)
Capital injection from non-controlling interest	3,021	(3,021)	–	–	–	(3,021)	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	**94,112**	**86,464**	**–**	**–**	**–**	**86,464**	**180,576**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(32,716)**	**311,672**	**1,176,821**	**(125,127)**	**(570)**	**1,362,796**	**1,330,080**
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2016	**99,223**	**(55,634)**	**–**	**–**	**–**	**(55,634)**	**43,589**
Effect of foreign exchange rate changes	3,655	8,795	–	–	–	8,795	12,450
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2016							
Represented by bank balances and cash	**70,162**	**264,833**	**1,176,821**	**(125,127)**	**(570)**	**1,315,957**	**1,386,119**

Notes:

(1) The adjustment represents the exclusion of the assets and liabilities of the Disposal Group as if the Disposal had taken place on 31 December 2016. The assets and liabilities of the Disposal Group as at 31 December 2016 have been extracted from the audited consolidated statement of financial position of the Disposal Group and translated with exchange rate on 31 December 2016 (see note 10 below). Certain reclassification has been made to be in line with presentation of the consolidated financial statements of the Group where appropriate.

(2) The adjustments reflects the unaudited pro forma adjustments as if the Disposal would have been carried out and completed as at 31 December 2016.

(i) The adjustment reflects the unaudited pro forma gain on the Disposal, assuming that the Disposal had taken place on 31 December 2016. The unaudited pro forma gain on the Disposal attributable to the owners of the Company is calculated as follow:

	RMB'000
Proceeds of consideration attributable to the owners of the Company at 31 December 2016 *(note 2(iii))*	1,605,526
Less:	
– carrying amount of net assets attributable to the owners of the Company *(note 2(vi))*	(86,353)
– adjustment to consideration *(note 2(iii))*	(413,529)
– release of cumulative exchange loss on translation of financial statements of Hanking Australia attributable to the owners of the Company reclassified from equity to profit or loss upon the Disposal	(39,221)
– partial deduction of capital gain tax attributable to the owners of the Company from the consideration *(note 2(ii))*	(160,553)
	905,870
Less:	
– remaining balance of capital gain tax attributable to the owners of the Company *(note 5)*	(154,895)
– professional fee directly attributable to the Disposal *(note 6)*	(608)
Unaudited pro forma gain on the Disposal attributable to the owners of the Company (after tax)	750,367

(ii) Under the Share Sale Agreement, the Purchaser is required to deduct 10% of the Purchase Price (as defined in the "DEFINITIONS" to this circular) as withholding tax and pay to the Australian tax authority on behalf of the Company as partial payment of the capital gain tax that the Company is required to pay to the Australia tax authority upon completion of the Disposal.

(iii) As the Company only owned 97% equity interest in the Disposal Group as at 31 December 2016, under the Share Sale Agreement, debts attributable to the owners of the Company totalling USD59,612,130 (equivalent to RMB413,529,000) at 31 December 2016 representing external debt amounted to USD23,280,000 (97% of external debt of USD24,000,000) (equivalent to RMB161,493,000) and intra-group debt amounted to USD36,332,130 (equivalent to RMB252,036,000) shall be repaid from the proceeds of the consideration amounted to RMB1,605,526,000 (97% of AUD330,000,000). As such, the consideration is adjusted by deducting USD59,612,130 (equivalent to RMB413,529,000).

(iv) The net cash inflow from the Disposal attributable to the owners of the Company (excluding payment of capital gain tax by the Group) is calculated as follow.

	RMB'000
Proceeds of consideration attributable to the owners of the Company *(note 2(iii))*	1,605,526
Less:	
– partial deduction of capital gain tax attributable to the owners of the Company from the consideration *(note 2(ii))*	(160,553)
– external debt attributable to the owners of the Company *(note 2(iii))*	(161,493)
Net cash inflow from the Disposal attributable to the owners of the Company	1,283,480

(v) The effect on capital and reserves in respect of the Disposal attributable to the owners of the Company is calculated as follow:

	RMB'000
Reserves	
Reinstatement of reserves of the Disposal Group attributable to the owners of the Company at 31 December 2016 for elimination of note 1 effect (97% of RMB55,826,000)	(54,151)
Unaudited pro forma gain on the Disposal attributable to the owners of the Company before ducting the remaining balance of capital gain tax to be settled by the Group and professional fee *(note 2(i))*	905,870
Release of cumulative exchange loss on translation of financial statements of Hanking Australia attributable to the owners of the Company reclassified from equity to profit or loss upon the Disposal *(note 2(i))*	39,221
	890,940
Reinstatement of share capital of the Disposal Group attributable to the owners of the Company at 31 December 2016 for elimination of note 1 effect (97% of RMB144,850,000)	140,504
Total	1,031,444

(vi) It represents 97% of RMB89,024,000, the carrying amount of net assets of the Disposal Group as at 31 December 2016.

(3) In August 2016, Hanking Australia agreed to allot and issue certain new shares to an executive director of the Company at a consideration of AUD610,825, representing 3% of the issued shares of Hanking Australia upon completion of the share subscription. The adjustment represents the exclusion of non-controlling interests upon the Disposal amounting to RMB2,671,000 as at 31 December 2016.

(4) It represents elimination of intra-group transactions and balances of disposal of available-for-sale financial assets by Hanking Australia to the Remaining Group at AUD7,147,338 (equivalent to RMB35,849,000) with a gain of AUD5,270,665 (equivalent to RMB25,677,000) and recognition of respective payables to the Disposal Group if applicable.

(5) The adjustment represents the estimated capital gains tax of 30% in Australia on disposal of the Disposal Group as if the Disposal had taken place on 31 December 2016.

	RMB'000
Proceeds of consideration attributable to the owners of the Company *(note 2(iii))*	1,605,526
Less: total debts of the Disposal Group attributable to the owners of the Company *(note 2(iii))*	(413,529)
Less: share capital of the Disposal Group attributable to the owners of the Company	(140,504)
	1,051,493
Capital gain tax attributable to the owners of the Company @ 30% thereon	315,448

To be settled by:	*RMB'000*
Direct deduction from proceeds of consideration	160,553
Remaining balance to be settled by the Company	154,895
	315,448

(6) The adjustment represents the estimated professional fee of HKD680,000 in respect of the Disposal as if the Disposal had taken place on 31 December 2016 or 1 January 2016, and the actual cost of the Disposal is subject to change at completion of the Disposal.

(7) The adjustment represents the exclusion of the consolidated results and cash flows of the Disposal Group for the year ended 31 December 2016, which is extracted from the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Disposal Group for the year ended 31 December 2016 and translated with the average exchange rate for year 2016, assuming the Disposal had taken place on 1 January 2016. Certain reclassification and reversal of gain on dispoal of available-for-sale financial assets have been made to be in line with presentation of the consolidated financial statements of the Group where appropriate.

(8) The adjustments reflects the pro forma adjustments as if the Disposal would have been carried out and completed as at 1 January 2016.

(i) The adjustment reflects the pro forma gain on the Disposal, assuming that the Disposal had taken place on 1 January 2016. The pro forma gain on the Disposal is calculated as follow:

	RMB'000
Proceeds of consideration *(note 8(ii))*	1,560,108
Less:	
– carrying amount of net assets at 1 January 2016	(54,850)
– adjustment to consideration *(note 8(ii))*	(481,154)
– release of cumulative exchange loss on translation of financial statements of Hanking Australia	(57,611)
– release of cumulative gain on available-for-sale investments reclassified from equity to profit or loss upon the Disposal	2,490
	968,983
Less:	
– partial deduction of capital gain tax from the consideration *(note 8(ii))*	(156,011)
– remaining balance of capital gain tax *(note 9)*	(125,127)
– professional fee directly attributable to the Disposal *(note 6)*	(570)
Unaudited pro forma gain on the Disposal	687,275

(ii) Under the Share Sale Agreement, debts totalling USD74,096,608 (equivalent to RMB481,154,000) at 1 January 2016 representing external debt amounted to USD35,000,000 (equivalent to RMB227,276,000) and intra-group debt amounted to USD39,096,608 (equivalent to RMB253,878,000) shall be repaid from the proceeds of the consideration amounted to AUD330,000,000 (equivalent to RMB1,560,108,000). As such, the consideration is adjusted by deducting USD74,096,608 (equivalent to RMB481,154,000).

(iii) The net cash inflow from the Disposal is calculated as follow.

	RMB'000
Proceeds of consideration *(note 8(ii))*	1,560,108
Less:	
– partial deduction of capital gain tax from the consideration *(note 2 (iii))*	(156,011)
– external debt *(note 8(ii))*	(227,276)
Net cash inflow from the Disposal	1,176,821

(9) The adjustment represents the estimated capital gains tax of 30% in Australia on disposal of the Disposal Group as if the Disposal had taken place on 1 January 2016.

	RMB'000
Proceeds of consideration *(note 8(ii))*	1,560,108
Less: total debts of the Disposal Group *(note 8(ii))*	(481,154)
Less: share capital of the Disposal Group	(141,829)
Bank balances and cash from the Disposal	937,125
Capital gain tax @ 30% thereon	281,138
To be settled by:	*RMB'000*
Direct deduction from proceeds of consideration	156,011
Remaining balance to be settled by the Company	125,127
	281,138

(10) Foreign currency of the transactions in respect of the Disposal in the Unaudited Pro Forma Financial Information is translated with the exchange rate announced by the state foreign currency administration bureau at the respective dates assuming the Disposal had taken place.

(11) All of the adjustments are not expected to have a continuing effect on the Remaining Group.

B. ACCOUNTANTS' REPORT FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of pro forma financial information of the Remaining Group.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of China Hanking Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Hanking Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2016 and related notes as set out on pages III-3 to III-10 of the circular issued by the Company dated 31 March 2017 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-2 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact in relation to the sale of the shares in Hanking Australia Pty Ltd (the "Disposal") on the Group's financial position as at 31 December 2016, and the Group's financial performance and cash flows for the year ended 31 December 2016 as if the Disposal had taken place at 31 December 2016 and 1 January 2016 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2016, on which an auditor's report has been issued.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 or 1 January 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
31 March 2017

EXECUTIVE SUMMARY

CSA Global Pty Ltd (CSA Global) was commissioned by Hanking Gold Mining Pty Ltd (Hanking) to prepare an independent Technical Overview of their Mineral Assets comprising the Southern Cross Operations (SXO), Mineral Resources not included in the current mine plan, and the exploration tenements and mining leases.

The Report provides a review of the operations and the life of mine plan (LOM) and provides a technical evaluation of the Mineral Assets held by Hanking. The Report has been completed in accordance with principles of the JORC[1] and VALMIN[2] Codes. The statements and opinions contained in this Report are given in good faith and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 9th February 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors. This updated report includes reported Mineral Resources and Ore Reserves depleted for mining up to 31st December 2016.

The opinions expressed in this Report have been based on the information supplied to CSA Global by Hanking. CSA Global has exercised all due care in reviewing the supplied information. Opinions presented in this Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, including a site visit in April 2016, and the most recent desk-top review on 16th March 2017 and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

Southern Cross Operations

Hanking's Southern Cross Gold Operations are centred on Marvel Loch, which is situated approximately 35 km south of the town of Southern Cross, and 390 km east from Perth, in Western Australia.

Hanking bought Southern Cross Gold Operations in April 2013 for A$22.5M and the assumption of rehabilitation obligations. Since 2013 Hanking have spent A$136M in capital and A$114M in operating expenses on the operations.

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[1] The JORC Code 2012 Edition, Effective 20 December 2012 and mandatory from 1 December 2013 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

[2] Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code, 2015 Edition. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with participation of the Australian Securities and Investments Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Securities Association of Australia and representatives from the Australian Finance Sector

The SXO includes currently operating open pit and underground mines, as well as processing plant and related infrastructure. It comprises a total of 227 granted tenements and four tenement applications covering a total area of approximately 932 km^2, and covers a continuous 150 km strike length of the prospective Southern Cross Goldfield.

Hanking's tenements contain a current declared Mineral Resource base of 4,570 Koz Au, including 3,270 Koz Au in Measured and Indicated, and the declared Proved and Probable Ore Reserve of 960 Koz Au, reported according to the JORC Code 2012 edition. All of Hanking's Resources were estimated by qualified in-house staff or third party independent consultants in accordance with JORC codes, these include CSA Global, Cube Consulting, DW Resources, SRK and St Barbara Limited.

Table 1 summarises the Mineral Resources, depleted for mining up to 31 December 2016. The SXO Mineral Resources are reported as a combination of estimates reported in accordance with the 2004, and 2012, editions of the JORC Code. Where the estimates are reported in accordance with the 2004 edition of the Code, there has been no material change in the estimates since they were completed.

The estimates reported in accordance with the 2012 edition of the Code, are naturally more recent, and to a different bench mark for best practice, and only the estimates reported in accordance with the 2012 Code have been classified as Measured Mineral Resources.

CSA Global are of the opinion that the estimates reported in accordance with 2004 continue to be acceptable within their respective categories, as long as the distinction between 2004 and 2012 estimates are clearly flagged as they are in Table 1 of this report.

Life of Mine Plan

Hanking propose mining the open pit deposits for a total volume of 39.9 Mbcm over a six-year period. The maximum annual production rate is 9.8 Mbcm in 2018. The average grade of the open cut workings is 2.7 g/t Au. The underground deposits mine 5.5 Mt of ore over the six-year period with the maximum production rate of 1.5 Mt of ore in 2019. The average mined grade of the underground working is 4.1 g/t Au. The combined open pit and underground operation generates an average annual production of approximately 165,000 oz Au per annum over seven years.

The 2017 LOM includes the declared Ore Reserves depleted due to mining since reporting and the end of December 2016 (73%), plus 27% of additional material consisting of Mineral Resources drawn from Measured, Indicated and Inferred Resources deemed appropriate by Hanking. Table 2 lists Hanking's reported Ore Reserves depleted for mining up to 31 December 2016.

Upside Potential

CSA Global believes that the large ground holding that comprises the SXO remains prospective for gold mineralisation, with incremental increases around existing deposits and significant increases associated with new discoveries likely to exist in addition to the Mineral Resources currently declared.

Past owners have quantified substantial upside around known mineralised centres, and the work completed by Hanking since their acquisition of the project has demonstrated success in delineating new resources, with drilling completed so far resulting in an overall increase in declared Resources from 2,400 Koz to 4,600 Koz with an increase in geological confidence of each these resources. The 4,600 Koz are mostly concentrated in six mining project areas all on the Southern Cross Greenstone Belt. Of the six main mining centres, Yilgarn Star, and Frasers-Transvaal, each have Mineral Resource in excess of 1,000 Koz Au, Jaccoletti-Marvel Loch, Axehandle-Cornishman, Nevoria and Copperhead each have Mineral Resource of approximately 500 Koz as shown in Figure 1 and Table 1. All of the above deposits have historical production of 500 Koz Au or more.

In total, there are some 30 deposits/orebodies in six mining project areas within Hanking's SXO. Hanking have conducted resource extension/definition drill programs on only nine of these deposits to date, this drilling has identified depth and strike extensions to mineralisation at each of the deposits evaluated. A number of targeting studies have been completed focusing on these areas.

CSA Global completed a "Holistic Conceptual Exploration Targeting Review" of the Southern Cross Project in 2014 (Wilson 2014). The review covered three commodities of primary interest to Hanking, these being gold, nickel and iron ore. The gold exploration section excluded a review of the existing gold deposits in terms of potential strike or depth extensions. The review utilised a "step back" approach unbiased by previous targeting methodologies. A brief summary of this review is provided below.

A total of 43 targets were identified within Hanking tenure and another five targets identified peripheral to Hanking tenure. In addition to the targets identified in the review, continued refinement of base datasets, including aeromagnetics, multi-element geochemistry and understanding of litho-structural settings at a variety of scales (macro through to micro) will identify additional targets for exploration evaluation.

It is anticipated that on-going drilling will increase Mineral Resources in 2017, and lead to upgrade of some lower confidence material and increases in Ore Reserves.

Table 1: SXO Mineral Resources, 31 December 2016

(note: figures may not sum due to rounding)

		Measured			Indicated			Inferred			Total			
Project	Deposit	Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	Comments
Axehandle – Cornishman	Axehandle+	1,790	2.7	150	950	2.5	80	410	2.1	30	3,150	2.5	260	Mining depletion only; prospects for eventual economic extraction remain
	Cornishman+	620	5.1	100	540	5.1	90	430	5.5	80	1,590	5.2	270	No material changes since MRE declared; prospects for eventual economic extraction remain
	Sub-Total	2,410	3.3	250	1,480	3.4	160	840	3.9	110	4,740	3.4	520	
Nevoria*			–	–	3,320	3.3	360	240	4.5	40	3,560	3.4	390	Mining depletion only; prospects for eventual economic extraction remain
Yilgarn Star+		2,580	5.9	490	1,850	6.3	380	710	6.1	140	5,140	6.1	1,010	No material changes since MRE declared; prospects for eventual economic extraction remain
Copperhead+					3,120	5.3	530	420	4.6	60	3,530	5.2	590	No material changes since MRE declared; prospects for eventual economic extraction remain
Frasers – Transvaal	Transvaal*				1,630	4.7	250	1,800	4.9	290	3,430	4.8	540	No material changes since MRE declared; prospects for eventual economic extraction remain
	Frasers+				1,120	4.6	170	1,470	6.1	290	2,590	5.5	450	No material changes since MRE declared; prospects for eventual economic extraction remain
	New Zealand Gully*				60	7.5	20	50	5.9	10	110	6.8	20	No material changes since MRE declared; prospects for eventual economic extraction remain
	Ruapehu*				50	8.5	10	360	4.0	50	410	4.6	60	No material changes since MRE declared; prospects for eventual economic extraction remain
	Sub-Total			–	2,860	4.8	440	3,680	5.3	630	6,540	5.1	1,070	
Marvel Loch – Jaccoletti	Marvel Loch+	290	3.1	30	2,930	3.2	300	1,400	2.5	110	4,620	3.0	440	No material changes since MRE declared; prospects for eventual economic extraction remain
	Jaccoletti+				850	4.5	120	300	3.1	30	1,150	4.2	150	No material changes since MRE declared; prospects for eventual economic extraction remain
	Sub-Total	290	3.1	30	3,780	3.5	420	1,698	2.6	140	5,770	3.2	590	

Project	Deposit	Measured			Indicated			Inferred			Total			Comments
		Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	Ore (kt)	grade (g/t)	Au (koz)	
Edwards Find	Edwards Find*				360	3.1	40	260	2.3	20	625	2.8	60	No material changes since MRE declared; prospects for eventual economic extraction remain
	Edwards Find North*				640	2.4	50	230	1.6	10	870	2.2	60	No material changes since MRE declared; prospects for eventual economic extraction remain
	Tamarin*				120	1.8	10	360	1.3	20	480	1.4	20	No material changes since MRE declared; prospects for eventual economic extraction remain
	Sub-Total	–	–	–	1,120	2.6	90	850	1.7	50	1,970	2.2	140	
GVG	GVG*	–	–	–	1,490	2.3	110	10	2.1	1	1,500	2.3	110	No material changes since MRE declared; prospects for eventual economic extraction remain
	Zeus+	–	–	–	–	–	–	470	2.0	30	470	2.0	30	No material changes since MRE declared; prospects for eventual economic extraction remain
	Sub-Total	–	–	–	1,490	2.3	110	480	2.0	30	1,970	2.2	140	
Redwing		–	–	–	–	–	–	1,400	2.4	110	1,400	2.4	110	No material changes since MRE declared; prospects for eventual economic extraction remain
Stockpile		100	1.1	4							100	1.1	4	
TOTALS		**5,380**	**4.4**	**780**	**19,030**	**4.1**	**2,500**	**10,310**	**3.9**	**1,300**	**34,720**	**4.1**	**4,570**	

+ *Reported under JORC 2012*

* *Reported under JORC 2004*

(Competent Person's Report for each JORC Resource including JORC 2012 Code Table 1are publicly available at: www.hankingmining.com)

- Where the estimates are reported in accordance with the 2004 edition of the Code, there has been no material change in the estimates since they were completed.

- The estimates reported in accordance with the 2012 edition of the Code, are naturally more recent, and to different bench mark for best practice, and only the estimates reported in accordance with the 2012 Code have been classified as Measured Mineral Resources.

- CSA Global are of the opinion that the estimates reported in accordance with 2004 continue to be acceptable within their respective categories, as long as the distinction between 2004 and 2012 estimates are clearly flagged as they are in Table 1 of this report.

- CSA Global are of the opinion that reasonable prospects for eventual economic extraction (as per JORC Code Cl. 20) remain for all Mineral Resources summarised above. Mineral Resources have been depleted by mining activities at Nevoria underground and the Axehandle open pit.

List of SXO project JORC Resource Estimate Reports used in the CPR.

Deposit	Report Title	Date	Affiliation and Position	CP	Qualification	JORC CODE
Yilgarn Star	Mineral Resource Estimate for the Yilgarn Star Gold Deposit, Southern Cross Western Australia	Jul-16	DW Resources Technology, Director	Dr. Bielin Shi	FAusIMM and MAIG	2012
Copperhead	Mineral Resource Estimate Copperhead Gold Project	Jul-16	Cube Consulting, Senior Consultant Geologist	Mr. Brian Fitzpatrick	MAusIMM	2012
Jaccoletti	Hanking Gold Project Mineral Resource Estimation Study Jaccoletti	Apr-16	SRK Consulting, Principle Consultant-Resource Evaluation	David Slater	MAusIMM and MAIG	2012
Zeus	Parker Range North Gold Project Burbidge Group Resource Estimate	May-15	Cazaly Resources Limited, Exploration Manager	Mr D Horn	MAusIMM	2012
Axehandle	Mineral Resource Estimate for the Axehandle Gold Deposit, Southern Cross Western Australia	Mar-15	CSA Global, Principle Resource Geologist	Dr. Bielin Shi	FAusIMM and MAIG	2012
Cornishman	Mineral Resource Estimate for the Cornishman Gold Deposit, Southern Cross Western Australia	Oct-14	CSA Global, Principle Resource Geologist	Dr. Bielin Shi	FAusIMM and MAIG	2012
Frasers	Mineral Resource Estimate for Frasers Gold Deposit, Southern Cross Western Australia	Mar-14	CSA Global, Principle Resource Geologist	Dr. Bielin Shi	FAusIMM and MAIG	2012
Edwards Find	Edwards Find East Mineral Resource Estimate	Mar-12	CSA Global, full time employee	Sam Beckett	MAIG	2004
Nevoria	Nevoria East Mineral Resource Estiamte; St Barbara Limited Resource Report Nevoria	Feb-2012; May-2009 (JORC Table 1 in March 2017)	Sam – CSA Global, full time employee; Rob – Runge Limited, full time employee	Sam Beckett, Robert Williams	Sam – MAIG; Rob – MAusIMM	2004
Marvel Loch	Marvel Loch Mineral Resource Estimate	Jan-12	CSA Global, full time employee	Sam Beckett	MAIG	2004
New Zealand Gully	New Zealand Gully Resource Model	Jul-09	St Barbara Limited, full time employee	Jane Bateman	MAusIMM	2004
Transvaal	St Barbara Limited Resource Report Transvaal Gold Deposit, Southern Cross	Jun-09 (JORC Table 1 in March 2017)	Runge Limited, full time employee	Robert Williams	MAusIMM	2004
Edwards Find North and Tamarin	St Barbara Limited Resource Report Edwards Find North; St Barbara Limited Resource Report Tamarin	Jan-2009; Dec-2008	St Barbara Limited, full time employee	Jane Bateman	MAusIMM	2004
Ruapehu	St Barbara Limited Resource Report Ruapehu	Dec-08	St Barbara Limited, full time employee	Ben Bartlett	MAusIMM	2004
GVG	Mineral Resource Estimate Great Victoria Gold Project Marvel Loch, Western Australia	Aug-08	Rob – Runge Limited, full time employee	Robert Williams	MAusIMM	2004

- All the JORC Resource Estimate results were released to the market through HKSX by China Hanking on 25 July 2016 and 22 March 2017, respectively. All the JORC resource reports are publically available at http://hankingmining.com/jorc-resource-and-reserve

Table 2: SXO Adjusted Ore Reserves, 31 December 2016

(note: figures may not sum due to rounding)

DEPOSIT	RESOURCE CATEGORY	TONNES (Kt)	GRADE Au (g/t)	CONTAINED GOLD (Koz)
OPEN PIT				
Axehandle	Proved	1,630	2.4	130
	Probable	480	2.5	40
	Total	2,110	2.5	170
Yilgarn Star Pit	Proved	1,550	2.9	140
	Probable	0	0.0	0
	Total	1,550	2.9	140
Aquarius	Proved	0	0.0	0
	Probable	620	3.3	70
	Total	620	3.3	70
Frasers	Proved	0	0.0	0
	Probable	340	3.4	40
	Total	340	3.4	40
Edwards Find North	Proved	0	0.0	0
	Probable	330	2.7	30
	Total	330	2.7	30
Sub-total Open pit	Proved	3,170	2.6	270
	Probable	1,760	3.0	170
	Total	4,940	2.8	440

DEPOSIT	RESOURCE CATEGORY	TONNES (Kt)	GRADE Au (g/t)	CONTAINED GOLD (Koz)
UNDERGROUND				
Nevoria Underground	Proved	0	0.0	0
	Probable	760	4.2	100
	Total	760	4.2	100
CNC Underground	Proved	0	0.0	0
	Probable	470	4.3	70
	Total	470	4.3	70
Frasers South Underground	Proved	0	0.0	0
	Probable	550	4.5	80
	Total	550	4.5	80
Jaccoletti Underground	Proved	0	0.0	0
	Probable	990	3.5	110
	Total	990	3.5	110
Yilgarn Star Underground	Proved	0	0.0	0
	Probable	940	5.1	160
	Total	940	5.1	160
Sub Total Underground	Proved	0	0.0	0
	Probable	3,710	4.2	510
	Total	3,710	4.2	510
Stockpiles	Proved	100	1.1	4
	Probable	0	1.0	2
	Total	100	1.1	4
TOTAL	Proved	3,270	2.6	280
	Probable	5,470	3.8	680
	Total	8,740	3.4	960

- Ore Reserves (production depleted to 30 June 2016) have been previously reported to by Hanking and the JORC 2012

Reserve Reports are available for review on Hanking website http://hankingmining.com/jorc-resource-and-reserve

- Following discussions with Hanking, it was determined that other than depletion due to mining, no material changes have been made to the Ore Reserves.

- In order to compare the ore production in the 2017 LOM Plan to the reported Ore Reserves, the Ore Reserves have been depleted of mining up to 31 December 2016.

AUTHOR AND REVIEWER SIGNATURES

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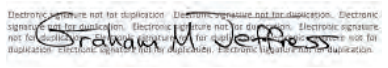
CSA Global Authorisation:	Graham M. Jeffress *BSC(Hons), FAIG, RPGeo, FAusIMM, FSEG*	Signature:	

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1 INTRODUCTION

1.1 Context, Scope and Terms of Reference

Hanking Gold Mining Pty Ltd (Hanking or "the Company") is a Perth-based gold exploration and mining company with its key assets being the Southern Cross Operations (SXO).

Hanking have a large portfolio of tenements around the township of Southern Cross in Western Australia. Ore Reserves and Mineral Resources within the tenements have been reported in accordance with the JORC Code 2004 (and progressively being updated to the 2012 Code).

CSA Global Pty Ltd (CSA Global) was commissioned by Hanking to prepare an independent technical overview of the SXO (the "Report"). The Report provides a high-level technical summary of the mineral assets held by Hanking, including discussion of geology, Mineral Resources and Ore Reserves, mining, metallurgy and other operational aspects of the SXO, together with discussion of the potential for new discoveries and expansion of known mineralised centres.

The Report is an Independent Technical Assessment Report subject to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 ("VALMIN Code"). In preparing this Report, CSA Global:

- Adhered to the VALMIN standards, where they do not conflict with Hong Kong Stock Exchange requirements.
- Relied on the accuracy and completeness of the data provided to it by Hanking, and that Hanking made CSA Global aware of all material information in relation to the projects.
- Relied on Hanking's representation that it holds adequate security of tenure for exploration and assessment of the projects to proceed.
- Required that Hanking provide an indemnity to the effect that Hanking would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Hanking or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Hanking, or its directors or officers knowingly withholding material information.
- Required an indemnity that Hanking would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

On 15th February 2017 , following a global competitive sale process, the parent company of Hanking and Other Vendors entered into a binding Share Sale Agreement with the Shandong Tianye Group Bid Co Pty Ltd and a Guarantor (Shandong Tianye Real Estate Development Group Co., Ltd., the ultimate holding

company of the Purchaser), pursuant to which the Company and the Other Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Hanking Australia at a Purchase Price based on an agreed Enterprise Value of A$330 million.

1.2 Principal Sources of Information

The Report has been based upon information available up to and including 16th March 2017, and subsequently updated for mining depletion up to 31st December 2016. The information was provided to CSA Global by Hanking or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Hanking's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this Report is based.

Various CSA Global personnel have visited the site within the last three years, most recently in April 2016, where Messers van Olden and Campbell-Hicks, and Ms Chen visited the SXO to verify technical aspects of the mining, processing and resources review. CSA Global elected not to undertake site visits to Hanking's exploration properties due to the relatively grassroots nature of most of these projects.

Tenement information was provided by Hanking; a summary is provided in Section 2.5, and full details are contained in Appendix 1 (Tenement Schedule). CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so (however note additional discussion under section 2.5).

CSA Global has had extensive experience with the SXO, both for Hanking and for previous owners. Work completed has included exploration targeting and field programmes, mine geology, resource estimation, and completing internal valuation opinions for management.

1.3 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

Technical aspects of this Report concerning Mineral Resources have been prepared by CSA Global Principal Geologist Ms Ivy Chen and Mr Matthew Cobb. Ivy is a corporate governance specialist, with 28 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the Australian Securities and Investments Commission (ASIC) from 2009–2015. Ivy's experience in the mining industry in Australia and China, as an operations and consulting geologist includes open pit and underground mines for gold, manganese, and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate

management roles. Ivy was invited to join the VALMIN committee in 2015. Ms Chen has the relevant qualifications, experience, competence and independence to be considered a "Competent Person" as defined in the JORC Code.

Mr Cobb is a geologist with over 10 years' experience in exploration, resource estimation and mine geology. Matthew's key experience includes resource estimation/simulation using linear and non-linear methods (Ordinary (co)-kriging, MIK, Conditional Simulation, (Localised) Uniform Conditioning and Sequential Indicator Simulation), Due Diligence/Resource Review and Process Improvement within the mining value chain.

Technical aspects of this Report concerning mining matters have been prepared by CSA Global Principal Engineer Mr Karl Van Olden, FAusIMM, MAICD and Mr Cameron Rees. Karl is a mining engineer with 25 years' experience in planning, development, and operation of a diverse range of open pit and underground resources assets across Africa and Australia. Karl's broad expertise includes mining engineering, business process development, business and mine planning, Ore Reserves, financial analysis and project management. His experience has been gained from operating assets, driving technical excellence within major gold producing companies and global consulting roles, providing a deep understanding of the key drivers for success in the resource industry. Mr van Olden has the relevant qualifications, experience, competence, and independence to be considered an "Expert" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

Mr Rees is a mining engineer with over ten years' experience in a wide range of underground mining environments. Cameron is experienced in mine operations and planning, with skills in mine design, ventilation, mine scheduling, life of mine planning, cost and financial evaluation and Ore Reserve estimation.

Technical aspects of this Report concerning processing matters have been prepared by CSA Global Associate Principal Metallurgist Mr Chris Campbell-Hicks BSc, FAusIMM (CP Metallurgy), MMICA. Chris has more than 30 years in the mining and mineral processing area with extensive experience in copper, gold, silver, platinum, alumina, iron ore and other base metals. He has worked from exploration through scoping studies, pre-feasibility studies, feasibility studies and internal technical reviews. He has worked extensively as the clients' representative for EPCM, plant commissioning and the critical post commissioning optimisation. Experience across a multitude of projects with budgets from $20M to $4B with up to 200 reporting staff. Mr Campbell-Hicks has the relevant qualifications, experience, competence and independence to be considered a "Competent Person" as defined in the JORC Code.

The primary reviewers of the Report are CSA Global Principal Geologist, Manager – Corporate, Mr Graham Jeffress, BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG.

Graham is a geologist with over 27 years' experience in exploration geology and management in Australia, PNG, and Indonesia. He is Principal Geologist with CSA Global in Perth and manages the Exploration and Evaluation Division. Graham has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well

as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. Graham was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014.

1.4 Reporting Standard

This Report has been prepared to comply with the Listing Rules of HKEx. The Report has also been prepared to the standard of a Technical Assessment Report under the guidelines of the VALMIN Code. The report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[3] Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Report's (IER).

This Report is not a valuation report and does not express an opinion as to the value of mineral asset. Aspects reviewed in this Report do include product prices, socio-political issues, and environmental considerations; however, CSA Global does not express an opinion regarding the specific value of the assets and tenement involved.

1.5 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. This Report has been compiled based on information available up to and including the date of this Report. The statements and opinions are based on the reference date of 16th March 2017 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.5.1 Purpose of this document

This Report was prepared exclusively for Hanking Gold Mining Pty Ltd (Hanking or "the Client") by CSA Global Pty Ltd (CSA Global). The quality of information, conclusions, and estimates contained in this Report are consistent with the level of the work carried out by CSA Global to date on the assignment, in accordance with the Assignment Specification agreed between CSA Global and the Client.

This Report has been prepared by CSA Global at the request of Hanking. Its purpose is to provide an independent Competent Person's Report on Hanking's Southern Cross Operations ("**SXO**") in Western Australia.

[3] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). (http://www.jorc.org)

1.5.2. Independence

CSA Global's relationship with Hanking is solely one of professional association between client and independent consultant. Neither CSA Global, nor the authors of this Report, have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence in the preparation of this Report.

The Report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of the Client. No member or employee of CSA Global has, or has had, any shareholding in the Client. There is no formal agreement between CSA Global and the Client as to CSA Global providing further work for the Client, although CSA Global has previously provided independent consulting services to Hanking and may provide services to Hanking in the future.

1.5.3 Results are estimates and subject to change

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

The interpretations and conclusions reached in this Report are based on current geological understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The Mineral Resources and Ore Reserves have been depleted for mining up to 31st December 2016, using information supplied by Hanking.

1.6 Limitations and Exclusions

CSA Global's review was based on various reports, plans and tabulations provided by the Company, either directly, or from reports by other organisations whose work is the property of the Company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. This Report has been compiled based on information available up to and including the date of this Report. The statements and opinions are based on the reference date of 16th March 2017, and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The Company has not advised CSA Global of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

1.7 Limited Liability

This Report has been prepared by CSA Global for the purposes of Hanking for inclusion in its Circular in respect of the proposed sale of the SXO, in accordance with the Listing Rules and is not to be used or relied upon for any other purpose.

2 HANKING SOUTHERN CROSS PROJECTS

Information in this section of the Report has been sourced from information provided by Hanking, public domain information and CSA Global's internal databases and archives.

2.1 Location and Access

Hanking's Southern Cross Gold Operations (SXO) is located at Marvel Loch, which is situated approximately 35 km south of Southern Cross, in Western Australia and 390 km east from Perth (Figure 1). The project can be accessed by road or air, with an existing airstrip located at Southern Cross, and road transport from Perth via the Great Eastern Highway to Southern Cross and then the Marvel Loch Road.

2.2 Climate

The Southern Cross region straddles the semi-arid Mediterranean climate of the Coolgardie region, and the dry warm Mediterranean climate of the Avon Wheatbelt Region. Annual rainfall averages are generally between 200-650 mm, with precipitation primarily in winter. Rainfall in summer is variable, and unreliable. (Beard, 1990).

2.3 Topography and Vegetation

The region is geologically diverse with the occurrence of major greenstone belts and BIF ranges underpinning the hilly topography and less depleted soils (Beard, 1990). The greenstone is often overlain by lateritic ridges. To the west, the landscape consists of gently undulating areas of low relief (Beard, 1990). Salt lake chains occur as remnants of ancient drainage systems that now only function in very wet years (CALM, 2001).

Southern Cross lies in the vast area of internal saline drainages on the great plain which is the easterly continuation of the Darling Plateau. The altitude above sea level ranges from 410 m in the west to 455 m in the east, and the hills and "mountains" are the result of dissection of an old erosional surface. The remnants of a gentle undulating lateritic duricrust surface partially removed by Quaternary erosion, are expressed as gently rolling sandplain, small plateaux of laterite above breakaways, and gently inclined laterite slopes passing down into the valleys (Gee 1982).

The broad valleys lie about 80 m below the level of the interfluves, and usually lack clearly defined watercourses. Alluvium and colluvium of sand and clay-loam\occur in the upper reaches, but the main drainages are marked by strings of clay pans and salt lakes, surrounded by alluvial flats of saline and gypsiferous clays. These valleys drain into a major westerly flowing salt-lake system that incorporates Lakes Seabrook, Deborah and Campion, north of the sheet boundary. Only after extremely heavy rain is there any surface flow in these drainages, but the groundwater underflow could be substantial. In the upper reaches of the tributaries, the groundwater tends to be fresh, but it rapidly becomes highly saline and unusable downstream (Gee, 1982).

Between the valley floors and the elevated plains are gently inclined areas of currently active sheetwash erosion: it is in these areas that much of the laterite is stripped off and rock exposures are found. In granite country, bold monoliths or flat pavements occur. In greenstone country, elongate subdued hills and occasional rugged strike ridges are formed (Gee, 1982).

Vegetation to the east of the Southern Cross region are predominantly eucalypt woodlands becoming open with saltbush/bluebush understorey on calcareous soils, patches of shrub steppe adjoining the Great Victorian Desert and shrub-heath and Casuarina thickets on sandplains (Beard, 1990). To the west, towards the Wheatbelt areas, the vegetation comprises scrub-heath on sandplain, Acacia-Casuarina thickets on ironstone gravels, woodlands of York gum (Eucalyptus loxophleba), Salmon Gum (E. salmonophloia) and wandoo (E. wandoo) on loams and halophytes on saline soils (Beard, 1990). Substantial clearing for agriculture has occurred.

2.4 History and Background

Gee (1982) summarised the early history of Southern Cross. The first regional geological studies of the Yilgarn Goldfield were the bulletins of Woodward (1912), Saint-Smith and Farquharson (1913), and Blatchford (1915). Further surveys approximately 25 years later resulted in the bulletins of Ellis (1939), Matheson and Hobson (1940), Hobson and Matheson (1940) and Matheson (1947). These bulletins remain valuable sources of detail on the gold mines, most of which are now inaccessible, and they also provide extensive bibliographies of previous work in the area.

Southern Cross lies in the central part of the Yilgarn Block, and is entirely underlain by Archaean granitoid and greenstone. Its geological interest lies in a comparison of the greenstones with those in the Eastern Goldfields. Since the geological surveys of the late 1930's, Southern Cross has received surprisingly little attention. Miles (1946) based some of his classic paper on metamorphosed banded iron-formations on the jaspilites of the area. Wilson (1953) described some metamorphic rocks from Nevoria. The regional structure and mineralisation of the Marvel Loch-Bullfinch area was reviewed by Clappison and Zani (1953) and by Williamson and Barr (1965). Some reports which deal with specific gold occurrences are included in the selected references. Intense but unsuccessful exploration was undertaken in the late 1960s and early 1970s for nickel and base metals, and some of these data are on open file in the Geological Survey. Hallberg (1976) included the Southern Cross area in his petrochemical study of part of the Yilgarn Block, and presented chemical analyses of various amphibolites. An aeromagnetic survey has been carried out by the Bureau of Mineral Resources.

2.5 Ownership and Tenure

The SXO consists of a total of 227 granted tenements and four tenement applications covering a total area of approximately 932 km², as summarised in Table 3. A detailed listing of the individual tenements is provided in Appendix 1.

Hanking controls 100% beneficial interest in the majority of these licences. Hanking has a 70% beneficial interest in M77/1055 and M77/1056 and a 20% interest in M77/477, M77/478, M77/522, M77/523, E77/1582, E77/1361, E77/1463, E77/1535 none of which are included in the LOM Plan (Appendix 1).

Table 3: Summary of Hanking's SXO tenement holding

Status	Type of License	Number of Licenses	Area (km^2)
Live	Mining Lease	124	335.1
	Exploration License	16	573.3
	Prospecting License	23	25.2
	General Purpose Lease	25	5.9
	Miscellaneous License	61	12.2
	Total	249	951.7
Pending	Mining Lease	3	14.3
	Exploration License	1	193.3
	Prospecting License	0	0
	Total	4	207.6
Grand Total		253	1,159.3

CSA Global notes the existence of ongoing plaints lodged in October 2016 in the Western Australian Mining Warden's Court, in relation to a number of Hanking's tenements. Hanking have commented (pers. comm. Dr M. Qiu) that the company considers the matter without merit, but is being addressed by the company's lawyers, and Hanking is working with the courts to have the matter expedited. The Company confirms that it has exceeded statutory minimum expenditure commitments, and that all necessary measures and actions were taken, and the tenements are safe and in good standing. The Company has confidential legal opinion[4] that the matter would be resolved in the favour of the Company.

Hanking's SXO tenement package covers a 150 km extent of the main north northwest-trending part of the Southern Cross Greenstone Belt in the Southern Cross province of Western Australia's Archean Yilgarn Craton. The province has a known gold endowment in excess of 10 million ounces.

[4] Dr M. Qiu pers.comm. "According to legally and commercial sensitive Independent Assurance Report and Expenditure Statementson 29 November 2016 by one of the top four accounting audit firms and Legal Opinion, dated on 29 November 2016, by a top tierlegal law firm in Australia".

Several large gold deposits occur within Hanking's SXO tenement package, from Copperhead in the north to Yilgarn Star in the south (Figure 1). Copperhead, Marvel Loch and Yilgarn Star have each produced more than a million ounces of gold. Golden Pig, Frasers and Nevoria have each produced more than 500,000 ounces.

2.5.1 Agreements

A number of other parties including International Royalty Corporation ("IRC") also retain minority interests and/or royalties as a result of prior ownership of tenements which are now a part of Hanking's SXO tenement package.

The current material agreements affecting Hanking's SXO tenement package, provided by Hanking, are:

- IRC – a 1.5% gross royalty payable on all production.
- Troy Resources Limited – $1.72 million payable after 172,000oz produced from Cornishman
    - 63,000 oz are produced in the current LOM plan
- Terra Firma Investments Pty Ltd – Royalty – variable per oz gold produced depending on mining method at Yilgarn Star. Royalty calculation as follows:
    - Open Cut: ($5 x average spot x oz produced)/$490
    - Underground: ($4.70 x average spot x oz produced)/$490
- Terra Firma Investments Pty Ltd – Option to Terminate Royalty referred to above – Hanking has acquired an exclusive option (option fee is $100,000 per annum for up to 5 years) to terminate the royalty at Yilgarn Star in exchange for a settlement price of $1.2M (less the amount of any annual option fees paid)

2.5.2 Royalties and Taxes

Hanking's SXO pay a royalty to the WA State Government on all produced precious metals. The current state royalty is 2.5% of the Royalty Value of metal recovered.

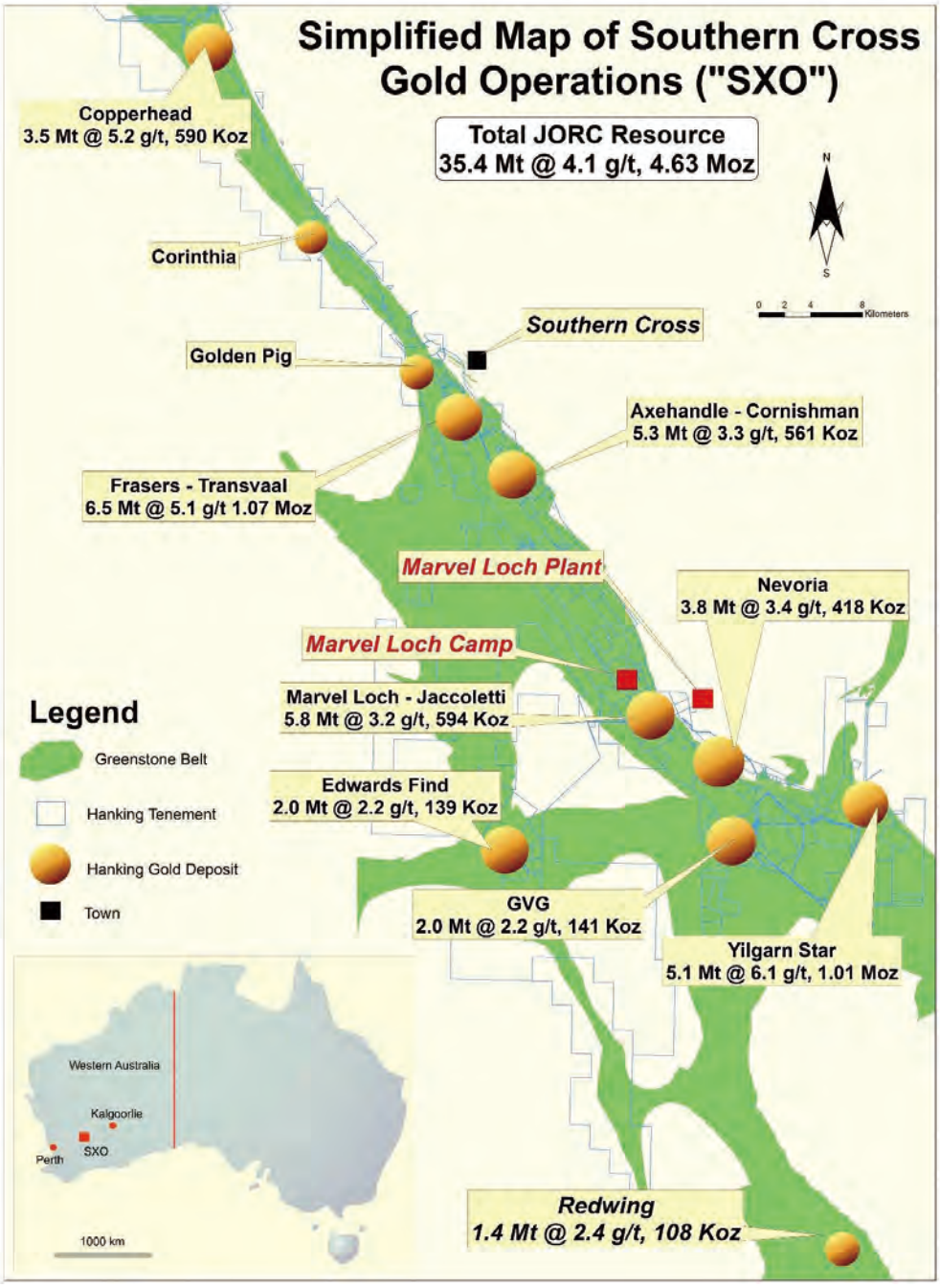

Figure 1: Location of Southern Cross Gold Operations (source: Hanking)

3 GEOLOGY

3.1 Regional Geology

Information in this section of the Report has been sourced from Wilson (2014) with the gold endowment table updated to reflect production and resources to June 30, 2016.

The Southern Cross Greenstone Belt is an elongate belt of deformed and metamorphosed volcanic intrusive and meta-sedimentary rocks with a strike length of about 300 km (Figure 2). The belt is surrounded by granites, many of which are deformed and form gneiss belts. The region has been metamorphosed to amphibolite facies and is complexly deformed by multiple phases of folding, shearing, and faulting.

3.1.1 Stratigraphy

Understanding the stratigraphy within the Southern Cross greenstone belt is complicated due to the structural complexity evident within the belt. Doublier (2012) provides a summary of the stratigraphy based on work by Thebaud and Miller (2009) and supported by work of earlier explorers.

The Southern Cross greenstone stratigraphy broadly comprises a volcanic succession up to 5 km thick overlain by at least 2 km of clastic sediments (Doublier 2013). The volcanic succession can be sub-divided into a lower succession comprising tholeiitic and komatiitic basalt and an upper succession dominated by komatiites and other ultramafic rocks.

Inter-bedded within the lower volcanic succession are several units of Banded Iron Formation (BIF), and minor gabbroic intrusions. The clastic sedimentary package which unconformably overlies the volcanic succession is represented by black mudstone ('black shale') at its base and then overlain by a mixed succession of psammitic and pelitic units, minor quartzite and conglomerate.

3.1.2 Structure

The Southern Cross greenstone sequence has been subjected to an extended structural history, which has developed a complex geometry of thrust repeated and tight isoclinally folded greenstone sequences. This has resulted in the formation of discrete, commonly layer parallel, shear zones traceable for tens of kilometres and high strain corridors up to several hundred metres wide. Furthermore, several generations of tight to isoclinal folds are developed in the area, some of which might represent sheath folds (Gee, 1995).

Doublier (2012) provides a summary of the sequence of deformation events within the Southern Cross greenstone belt which includes an early deformation event (D1) not recognized by previous workers:

- Early deformation (D1): thrusting and formation of large scale upright to recumbent folds during north- south compression.

- D2: East-West Compression – small to large scale (first order at km scale), tight to isoclinal, similar folds, with north-northwesterly trending axial planes and variable plunges. The regional NW foliation (S2) is attributed to this deformation.

- D3: Continued east-west compression contemporaneous with emplacement of Ghooli and Parker Domes – tightening of earlier folds (F1 and F2), formation of F3 folds. Strain partitioning and formation of ductile shear zones, commonly parallel to S2 and bedding, resulting in attenuated or sheared fold limbs and apparent thrust repetition of stratigraphy.

- D4: Continued east-west compression formation of brittle-ductile faults: sinistral (270 to 290°) and dextral (030 to 050°) shear senses, these features are observed as distinct breaks across the regional trend of stratigraphy, as jogs or flexures of some stratigraphic units or less obviously as boudinaging of discrete lithological packages within the overall regional trend.

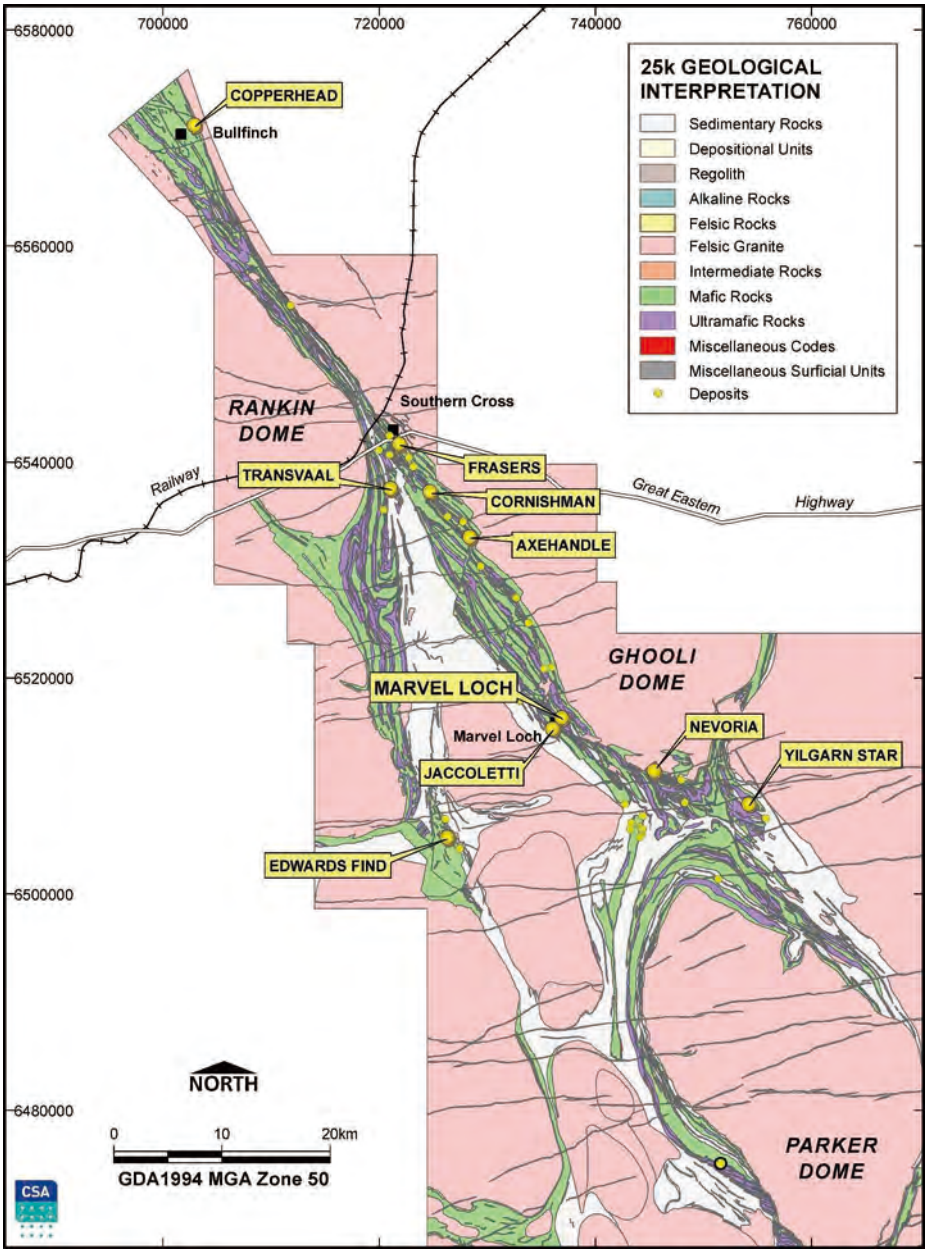

Figure 2: Geology of the Southern Cross greenstone belt

3.1.3 Gold Mineralisation

Doublier (2013) provides a good overview of the gold mineralisation at Southern Cross. The Southern Cross greenstone belt is a traditional gold-mining area, and contains numerous gold deposits (for an overview, see Keats, 1991). Detailed observations from various deposits in the Southern Cross district allow us to distinguish two styles of gold mineralisation in the Southern Cross greenstones.

Model 1 deposits are shear-hosted deposits in which mineralised veins are folded conformably within the ductile fabric of the shear zone (Figure 3). They are commonly located on the contacts between komatiitic basalt–ultramafic rocks and either sedimentary or mafic rocks. Several deposits of this type are located along a shear zone (Corinthia-Treasury Shear Zone) close to the western margin of the Ghooli dome. They include Frasers, Polaris South, Pilot, Hopes Hill, Triad, and Treasury. Other deposits of this type are located on other ductile shear zones and include Marvel Loch, Transvaal, and Yilgarn Star.

Model 2 deposits are brittle-vein deposits hosted by BIF, in which the veins cut and therefore postdate bedding, metamorphic banding, and folding (Figure 4). An important corridor with this style of deposit lies along a specific BIF unit to the west of the Corinthia–Treasury Shear Zone. Deposits include Golden Pig, Cornishman, and Glendower, and possibly Lenneberg and Corinthia in the north. In Model 2 deposits, rheological contrasts between competent iron-formation and weak hangingwall ultramafic and footwall- altered mafic schist promoted brittle fracture within the iron formation. Fracture may also have been promoted where the BIF is intersected by north-northeasterly striking faults (e.g. Achilles, Axehandle).

Other Model 2 deposits within the Southern Cross greenstone belt include Great Victoria, Nevoria, and Mount Rankin and Jaguar in the westernmost part of the belt (Keats, 1991).

The Southern Cross Greenstone Belt has a significant gold endowment in excess of 14,000 Koz extending from the 1,500 Koz Copperhead deposit located 30 km to the north of Southern Cross Township to the 1,100 Koz Bounty deposit located 100 km south of the Southern Cross Township and 50 km west to the 2,300 Koz Edna May Deposit.

The top twelve deposits in terms of historical gold endowment are summarised in Table 4. Noticeably, three of these deposits occur in the Banker Saddle area, which has an overall endowment >3,300 Koz.

Table 4: Top 12 Gold Deposits in the Southern Cross Belt in terms of historical Gold Endowment.

Deposit	Historical Production			Resources			Total Endowment		
	Tonnes (kt)	Grade	Ounces (koz)	Tonnes (kt)	Grade	Ounces (koz)	Tonnes (kt)	Grade	Ounces (koz)
Marvel Loch	24,883	2.52	2,014	4,617	3.0	440	29,499	2.59	2,454
Edna May	9,699	2.48	773	47,000	1.1	1,600	56,699	1.30	2,373
Yilgarn Star*	7,200	4.63	1,072	5,139	6.1	1,006	12,339	5.24	2,078
Frasers	4,886	4.76	748	2,591	5.5	454	7,477	5.00	1,202
Bounty	6,000	5.70	1,100	–	–	–	6,000	5.70	1,100
Copperhead	13,011	3.70	1,553	3,533	5.2	590	16,544	4.03	2,143
Transvaal	2,302	4.62	342	3,430	4.8	535	5,732	4.75	877
Nevoria*	4,464	3.05	437	3,805	3.4	418	8,269	3.22	855
Golden Pig	2,655	5.88	502	660	6.5	140	3,315	6.02	642
Cornishman	3,513	3.25	367	1,589	5.2	266	5,102	3.86	633
Great Victoria*	2,774	2.86	255	1,502	2.3	111	4,276	2.67	366
Axehandle	76	1.75	4	3,701	2.5	295	3,777	2.46	299

* *Denotes deposits in the Banker Saddle Area*

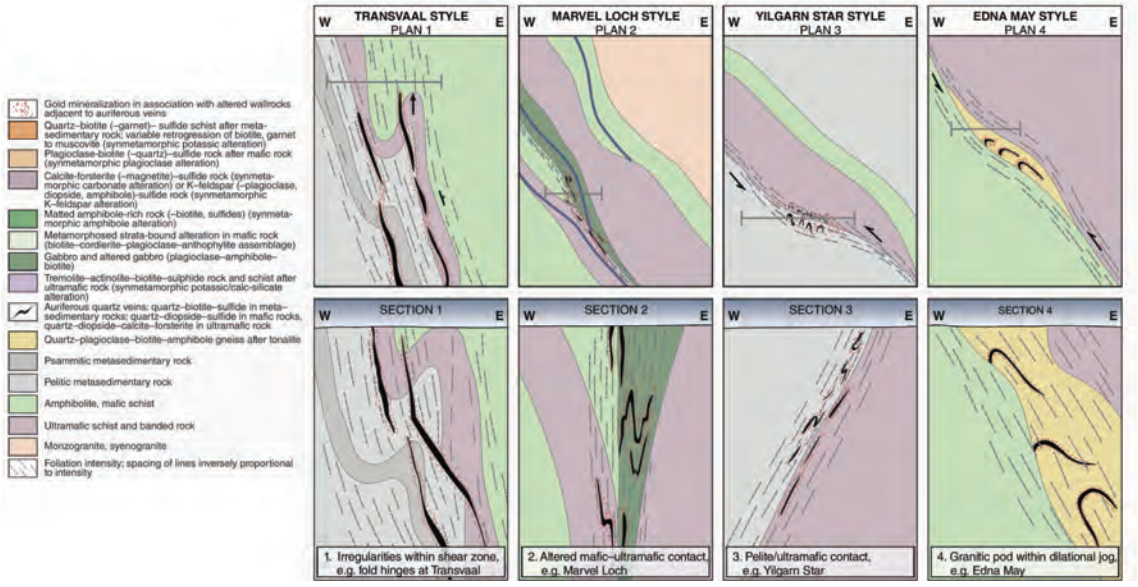

Figure 3: Examples of, and variations within, Model 1 style deposits illustrating the (1) Transvaal, (2) Marvel Loch, (3) Yilgarn Star and (4) Edna May deposits

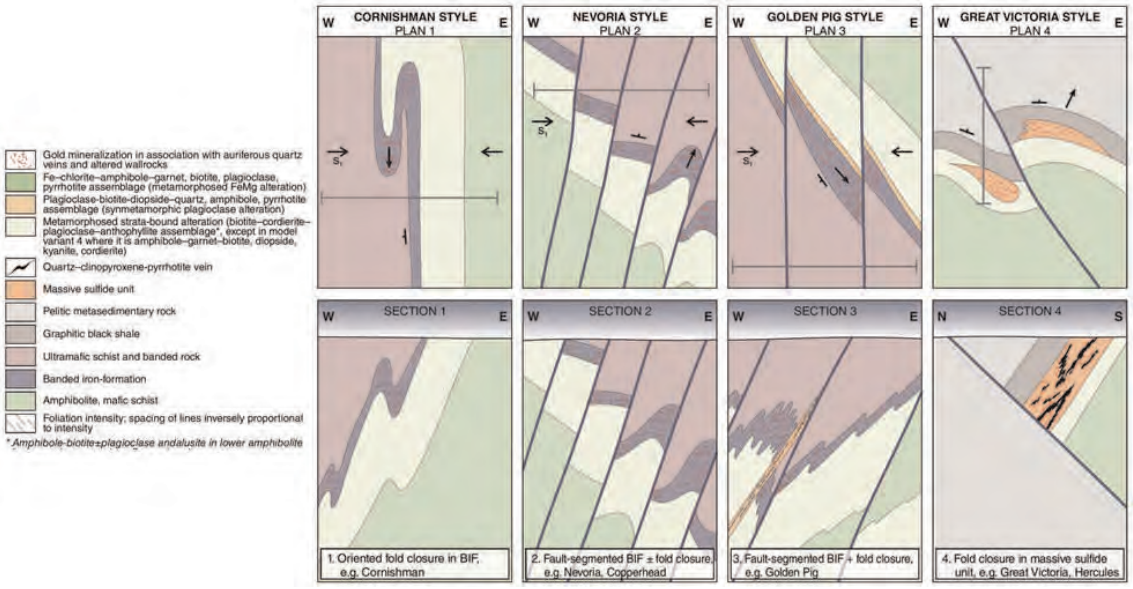

Figure 4: Examples of, and variations within, Model 2 style deposits illustrating the (1) Cornishman, (2) Nevoria, (3) Golden Pig and (4) Great Victoria deposits

4 OPERATING PROJECTS AND MINERAL RESOURCES

Hanking is currently mining the Axehandle open pits and the Nevoria East underground. Open pit mining at Cornishman has been completed. Mining at the Nevoria East Underground Gold Mine commenced in November 2014. Hanking has completed feasibility studies at Yilgarn Star, Jaccoletti, Edwards Find, and Frasers South underground and open pits.

Hanking's Marvel Loch processing plant was commissioned in December 2014 and processes all ore from mining operations within the SXO. The plant comprises a standard gravity circuit and CIP gold processing plant. The company has recently completed its refurbishment, bringing the processing capability back to its nameplate capacity of 2.2 Mt/yr. Gold recovery in the last three months has been around 92%.

Table 1 in the Executive Summary summarises the Hanking Mineral Resources position as at 31 Dec 2016. Of these resources, Axehandle, Cornishman, Nevoria, Yilgarn Star, Frasers South, Transvaal, Jaccoletti, Edwards Find and Edwards Find North are within the current Hanking Life of Mine Plan (LOM).

The deposits scheduled for mining in the LOM prepared by Hanking were reviewed at a desktop level, based on reports prepared for Hanking after April 2013, and by and for St Barbara Limited prior to that.

Overall, CSA Global finds the estimates are sufficiently robust, data quality is acceptable, and the confidence classification appropriate to support the Life of Mine Plan assumed for these projects as part of this review.

Locally at a project scale, the desktop review indicates that there is validation and documentation work that will be required to bring all the deposits to a consistent standard in preparation for public release in accordance with JORC Code 2012 criteria. CSA Global conducted a review for Hanking on the 2,400 Koz Au JORC Code reportable Mineral Resources declared by St Barbara Limited (SBL) prior to its acquisition in 2013 and no material difference was found. Several of the pre 2011 estimates may need to be reviewed, and if necessary re-estimated to conform with JORC Code 2012 reporting criteria. Since acquisition by Hanking, all increases to JORC Code 2012 reportable Mineral Resources were all estimated by qualified Independent consultants from CSA Global, Cube Consulting, DW Consulting and SRK. Please note that the full reports referenced in this section can be accessed on Hanking website (URL: http://hankingmining.com/jorc-resource-and-reserve)

Figure 5 illustrates the relative locations of the projects.

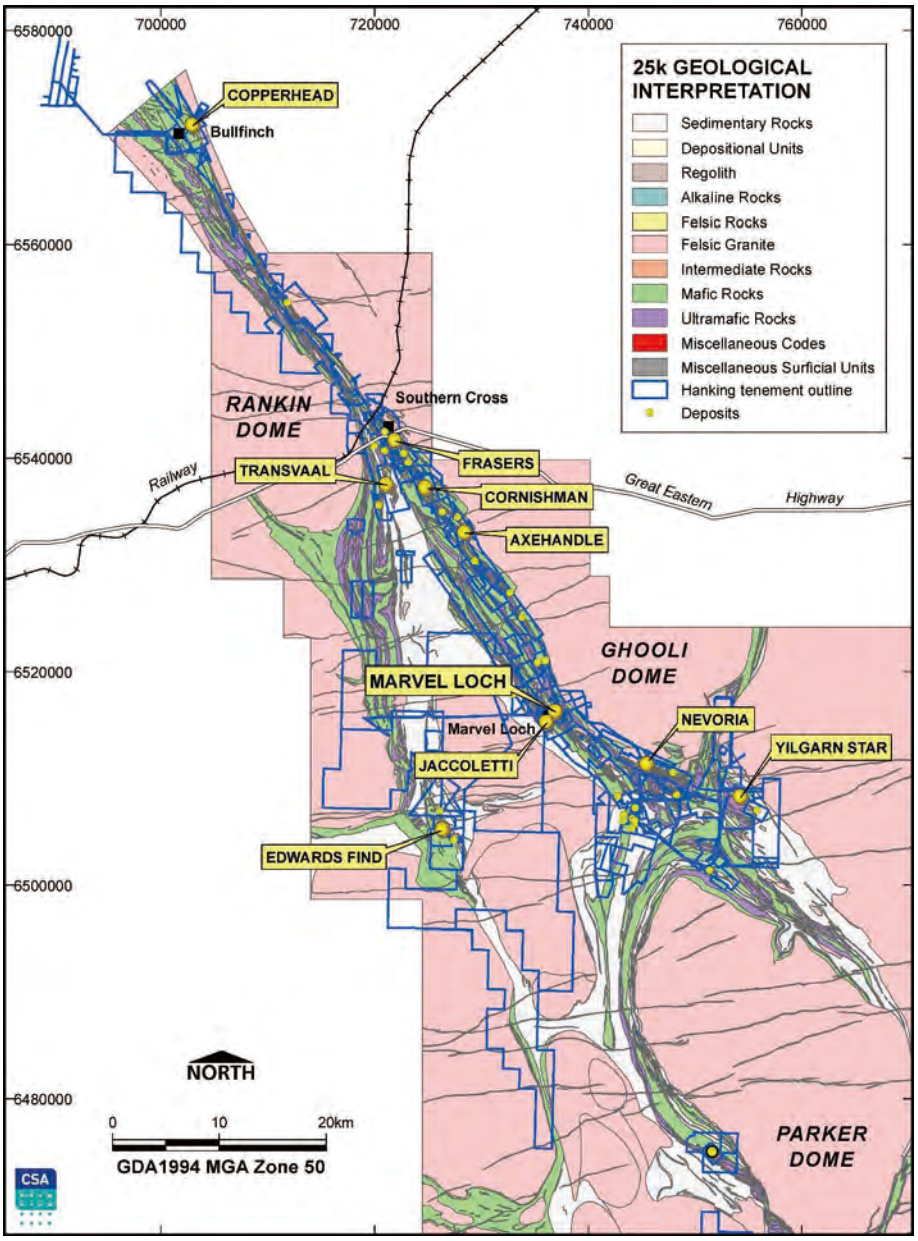

Figure 5: Southern Cross Province – Geology and Hanking Projects

4.1 Axehandle and Cornishman

The Axehandle – Cornishman mineralised structure system is located between Southern Cross and Marvel Loch towns, about 23 km north west of the Marvel Loch mill. The current and historical gold deposits in this system include Cornishman, Axehandle, Achilles, Polaris, Glendower, Lennerburg, and Triad. Only Axehandle and Cornishman are inside of the current JORC Resource Table and the Life of Mine Plan. It is Hanking's opinion that the other mineralised zones within this system are upside potential.

4.1.1 Axehandle (JORC 2012)

The Axehandle deposit (tenement M77/721) is located 12 km south of township of the Southern Cross and approximately 20 km north-west of the Marvel Loch Mill, Western Australia. The deposit occurs within the moderately to steeply west-dipping, north north-west trending regional Fraser-Corinthia Shear Zone and extends over 1.5 km in strike length. The majority of contained gold at Axehandle is hosted within 1 to 3 lodes of strongly altered, quartz veined and highly sulphide Banded Iron Formation (BIF), locally known as Sedimentary Iron Formation (SIF). Figure 6 summarises the local geology.

The Mineral Resource for the Axehandle deposit was based on a total of 379 drill holes, including 92 holes completed by Hanking between November 2014 and February 2015. The validity of the quality of data and database was confirmed with checks for internal consistency and accuracy. The nuggetty nature of the gold mineralisation distribution was noted for impact on local estimates, but considered of minimal material impact on the global resource estimate with appropriate high-grade treatment (top-cut).

51 rotary air-blast holes and 43 air core holes were excluded from the dataset used in the Mineral Resource estimation data set. Only diamond and RC holes were used in the analysis and estimate.

Survey and topographical discrepancies have previously been adjusted in this database in 2010 and 2014.

Mineralisation wireframes were modelled on geological interpretations. The mineralisation was delineated using lithology and a gold grade of 0.5 g/t Au, where possible considering alteration type, alteration intensity, and veining. 1 m composite data sets were used for grade estimation. Adjacent drill holes and sections were used to refine the geological model and ensure continuity.

Block grades were estimated using Ordinary kriging (OK).

Fixed density values were assigned into the block model for each regolith unit. The density values were based on physical and geophysical measurements, and ranged from 2.00 t/m^3 for oxide and cover material to 2.80 t/m^3 for fresh SIF.

The data distribution was highly positive skewed, which is typical of many gold deposits. High-grade outliers were top-cut, representing between 1.2 – 1.5 % of the data points effectively minimised over-estimation of metal around these outliers.

On-screen validation compared block estimates and composite grades in cross section. Swath plots illustrated good correlation between the sample data and block model mean grades on easting, northing, and RL slices. The block model validation process confirmed that the block model estimates followed the trend of the 1 m composite grades across the deposit.

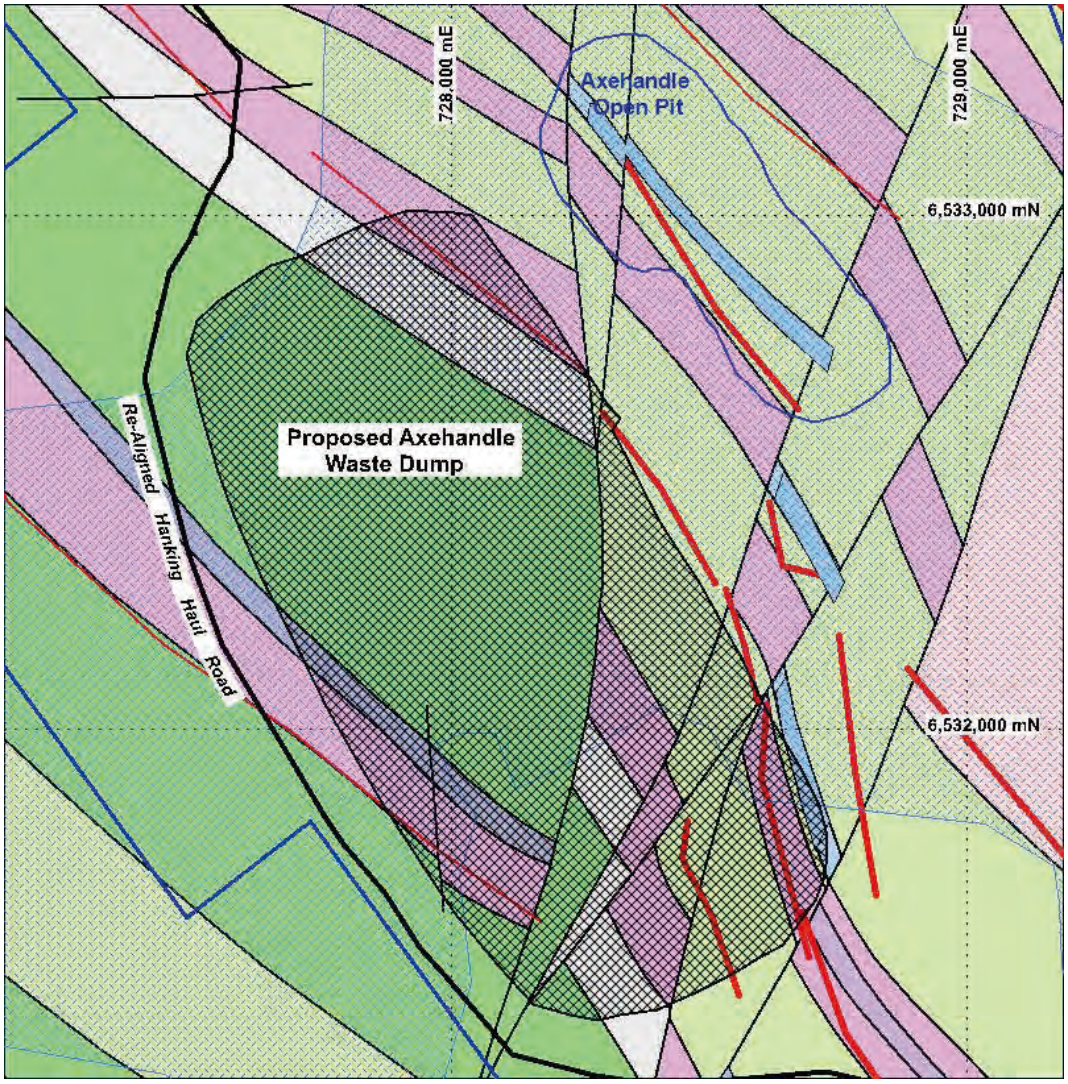

Figure 6: Simplified geological map of Axehandle gold deposit with proposed mine development

CSA Global Comments

CSA Global considers that the drill hole data has been adequately validated with satisfactory quality control analysis.

Adjusted survey and topographical discrepancies in the estimation database are considered immaterial in terms of a global resource estimate. Caution is however recommended for any localised planning.

The Mineral Resource was classified and reported above a cut-off grade of 0.7 g/t Au, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition), please see Shi, B (4 March 2015). Mineral Resource Estimate for the Axehandle Gold Deposit Southern Cross Western Australia. Prepared for Hanking

Gold Mining by CSA Global Pty Ltd (http://hankingmining.com/pdf/JORC/Axehandle%20JORC%20Resource.pdf). The classification is based on confidence in the geological interpretation, drill spacing, and geostatistical measures, and Table 1 disclosure was available for review.

CSA Global is satisfied that the data and geological interpretations for geology, weathering, and mineralisation domains are adequate for the estimation of Measured, Indicated, and Inferred Mineral Resources, and represent a robust global estimate of the in situ remaining gold mineralisation for the Axehandle deposit.

4.1.2 Cornishman (JORC 2012)

The Cornishman deposit occurs within the moderately to steeply west-dipping, NNW-trending regional Fraser-Corinthia Shear Zone extending over 1.5km in strike length. Gold occurs in lodes hosted by pyrrhotite-rich and potassically-altered mafics, ultramafics, and banded iron formations (BIF). This major regional shear zone is also host to several other significant deposits in the Southern Cross region. Figure 8 illustrates the simplified local geology of the Cornishman deposit.

The Mineral Resource for Cornishman was interpreted from data in 2,260 drill holes, including 10 holes completed by St Barbara Mining (SBM) in late 2011, and 60 holes drilled by Hanking in mid-2014. Only diamond and RC holes were used in the estimate and 720 RAB holes and 80 aircore holes have been excluded from the resource estimation data set.

Survey and topographical discrepancies were previously adjusted in the database in 2012, prior to Hanking's acquisition of the project. These adjustments were validated against new data subsequently, and considered immaterial in terms of a global resource estimate.

The wireframes for mineralisation are modelled based on geological interpretation, incorporating alteration type, alteration intensity, and veining. Delineation of the mineralisation envelope was predominantly grade-driven (0.3 g/t Au).

One metre composite data sets for individual lodes were used for variography analysis and estimation to maintain the differentiation of both the lodes and the high-grade zones within the individual domains for the Cornishman deposit. For continuity purposes, adjacent drill holes and sections were used to refine the geological relationship and to reduce the saw-tooth effect to the modelling.

The data distribution was highly positive skewed, typical of many gold deposits in the region. High-grade outliers were top cut, representing between 0.1 – 0.5 % of the data points in different domains. This minimised over-estimation of metal around these outliers.

Mineralisation was flagged by constraining wireframe solids, with a nominal lower cut-off grade of 0.3g/t Au. Ordinary Kriging (OK) was used to estimate grade.

Density values were assigned to the block model as shown in Table 5.

Table 5: Densities Assigned to the Cornishman Block Model

Description	Density (g/cm³)
All Material/Oxidised	2.30
Mafic mineralisation/Fresh	2.90
BIF and Greenstone S_FW mineralisation/Fresh	3.10
Pegmatite/Fresh	2.62

The block model was statistically and visually validated against input data to ascertain successful application of the various estimation passes and estimation of blocks within domains.

The Mineral Resources were depleted by the open pit: "finalpit82004". Two optimization open pit shells (double o shell and south shell) for Cornishman deposit were assigned into the block model. The Mineral Resources within the pit shells were reported above a cut-off grade of 0.9 g/t Au to represent Open Pit resources. Underground resources were reported above a cut-off grade of 2.5g/t Au below the pit shells.

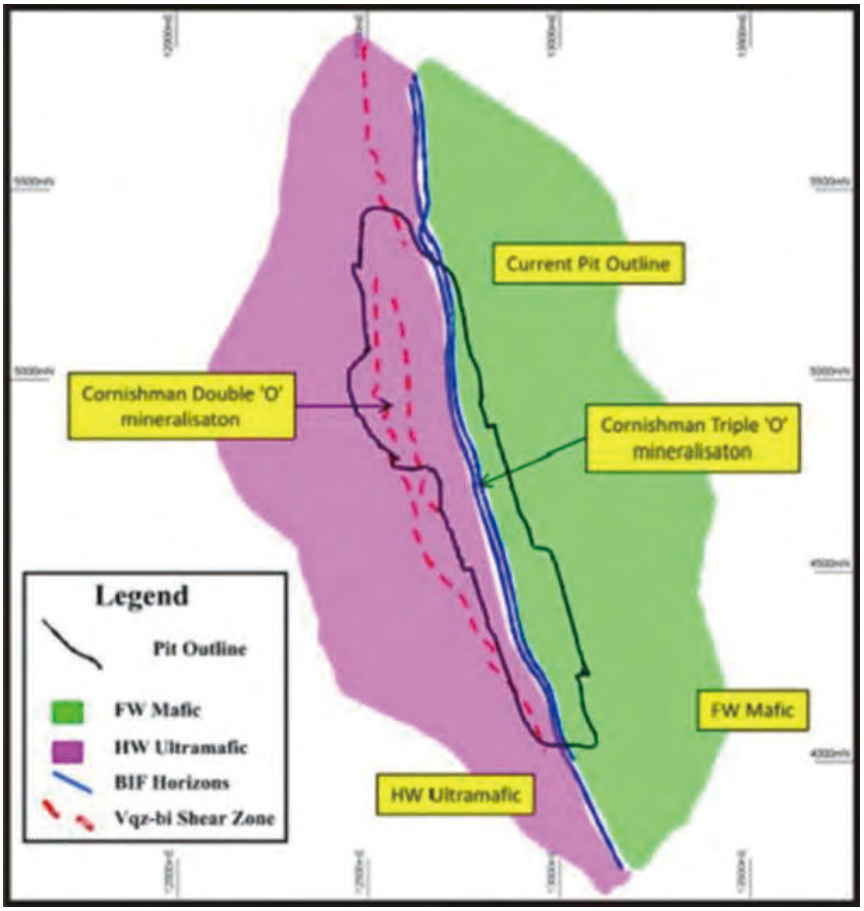

Figure 7: Simplified Geological Map of Cornishman Gold Deposit in local grid (Green-Mafic; Pink-Ultramafics; Blue-Metasediments with BIF)

CSA Global Comments

A review of QAQC procedures did not indicate any sampling or analytical issues with the data.

Adjusted survey and topographical discrepancies in the estimation database are considered immaterial in terms of a global resource estimate. Caution is however recommended for any localised planning.

The level of data validation is sufficient to reflect current classification (Indicated and Inferred), but further validation is recommended as part of subsequent resource upgrades.

The Cornishman Mineral Resource was classified and reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Please see Shi, B (24 October 2014), Mineral Resource Estimate For The Cornishman Gold Deposit, Southern Cross, Western Australia. Prepared for Hanking Gold Mining by CSA Global Pty Ltd (http://hankingmining.com/pdf/JORC/Cornishman%20JORC%20Resource.pdf). The classification is based on confidence in the geological interpretation, drill spacing, and geostatistical measures.

In CSA Global's opinion, the current Mineral Resource model provides a robust global estimate of the in-situ gold mineralisation at the Cornishman deposit.

4.2 Nevoria (JORC 2004)

The Nevoria mineralization system is about 12 km south east of the Marvel Loch mill, and it consists of several open pits along strike. The mining history of Nevoria can be traced back to 1936 as small scale underground operation. Only the Nevoria underground is in the current Life of Mine Plan.

The orebody is a tabular zone hosted within BIF generally striking east-west and dipping steeply (70°– 80°) to the south. Up to four individual BIF units are identified at Nevoria, which vary in thickness from 0.5 to 20 m, and up to 40 m where they coalesce. Figure 8 summarises the local geology.

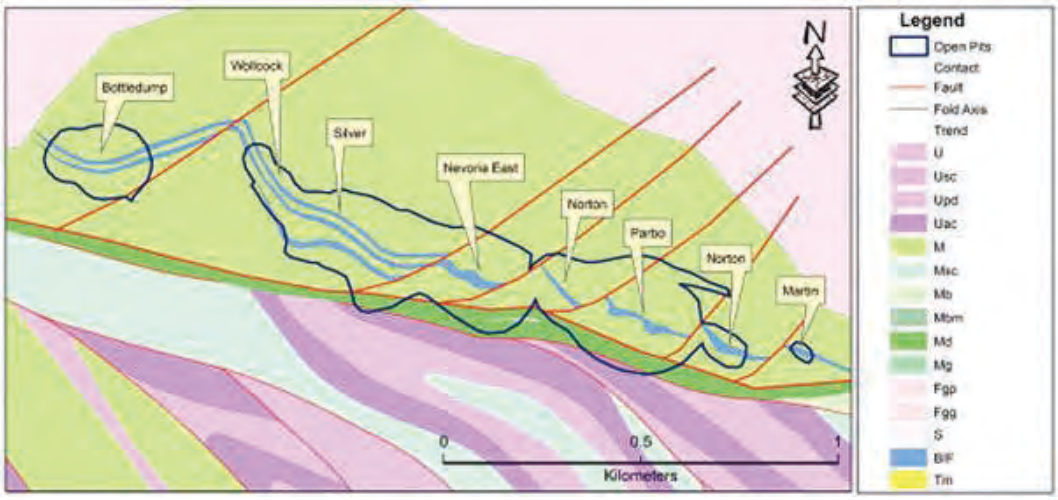

Figure 8: Nevoria Local Geology

Only reverse circulation (RC) and diamond drilling, representing about 37% of all drilling, were used in the 2012 estimate. 78 drill holes were previously excluded from the estimation due to conflicting information or unsampled zones; holes drilled down dip of mineralisation were also excluded. CSA Global's review of the validation for data, database and QAQC procedures indicated the data was suitable for use in resource estimation.

Issues noted include the slight bias observed between the diamond and RC data above 1 g/t Au, a higher than normal failure in the blanks and a discrepancy between umpire fire assay and corresponding lower bulk leach extractable gold (BLEG) assays.

CSA Global is of the opinion that the impact of this uncertainty is appropriately reflected in the categorisation of the estimate as Indicated and Inferred, and recommends that Hanking continue to monitor the ongoing QAQC.

The nuggetty nature of the gold mineralisation made it necessary to apply high-grade treatment of outliers to minimise overestimation of grade.

Ordinary Kriging constrained by wireframes. Search and variogram orientations were set by dividing the mineralised lodes into volumes with similar strike and dip. Data was transformed to flatten folded structures, and estimated points back transformed to the original coordinate system post estimation. This allowed the estimation searches to be based on relevant data points where the interpreted mineralisation domain wireframes made sharp changes in orientation. Satisfactory correlations were noted when the estimated model was validated against input data in plan and section profiles.

Resources estimated in 2009 (Parbo, Silver, Nevoria East, Norton, Martin, Woolcock, and Newry Pits) were constrained by the 2008 $1,500 pit shell at a 0.6 g/t Au cut-off grade, and underground resources are additional to this at a 2.0g/t Au cut-off grade below the pit shell. SBM updated the Resource estimate at Nevoria West (west of Norton pit) to include the 11 new diamond holes (for a total of 3,031 m) drilled during 2010-2011. The current underground mining at Newry and Parbo have been depleted in the JORC

Resource table as of the end of December 2016. The entire Nevoria Resources are reported above similar cut-off grades of 0.6 g/t Au (open pit) and 2.0 g/t Au (underground), and have been depleted for mining up to the end of December 2016.

It was noted that there were instances where the underground void model did not match the location of the mineralised lodes, particularly between eastings 5950mE to 6040mE. The depletion of the resource model had not accounted for any volumes, which may have been sterilised by existing underground or open pit infrastructure. This indicates potential for under-depletion in some mineralised lodes, and a corresponding in tonnage and metal.

In the opinion of the Competent Person who classified the estimate as Indicated and Inferred, this was not thought to have a material impact on the resource estimate, they recommended that the void model and mineralised shapes should be reviewed going forward.

CSA Global concurs with this opinion.

Recommendation for further investigations were made in the reports, these included:

- Further resource upgrade drilling.
- Detailed in-pit and underground structural mapping and analysis targeting:
    - Fault location and orientation;
    - Optimal drill targets; and
    - Impact of boudinaging on controls of mineralisation in the outer BIF lodes.
- Re-logging of selected existing core and measurement of magnetic susceptibility to better define vein sets and associated structural controls on mineralisation.
- Use of more sophisticated unfolding algorithms to improve local grade estimation.
- Ongoing density testing to confirm density values assigned to fresh BIF and associated gangue remain appropriate.
- Ongoing review of existing mined voids to improve the accuracy of the model depletion, and minimise overestimation of tonnage and metal.
- Ongoing QAQC monitoring of blanks, and umpire assaying of fire assay and BLEG results.
- Tight pattern grade control drilling to improve understanding of localised structural mineralisation controls and impact on stope design.

CSA Global Comments

CSA Global endorses the recommendations made in the Nevoria report.

CSA Global is of the opinion that the Nevoria resource estimates have been completed and categorised appropriately to reflect the current levels of data and confidence. Please see Bateman, J (May 2009); St Barbara Limited Resource Report Nevoria – May 2009 ". Prepared in-house for St. Barbara Mining Ltd (http://hankingmining.com/pdf/JORC/Nevoria%20JORC%20Resource%202009.pdf) and Beckett, S (February 2012); St Barbara Ltd, Nevoria East Mineral Resource Estimate" created in February 2012. Prepared for St. Barbara Mining Ltd by CSA Global Pty Ltd (http://hankingmining.com/pdf/JORC/Nevoria%20JORC%20Resource%202012.pdf). JORC Code Table 1 and an overall Competent Person statement for Nevoria Mineral Resources are provided at (http://hankingmining.com/pdf/JORC/Nevoria%20Table%201%20Statement.pdf).

4.3 Yilgarn Star (JORC 2012)

The Yilgarn Star mineralisation system is about 22 km south east of the Marvel Loch mill. As one of the largest gold mines in the Southern Cross greenstone belt, 1,100 Koz of gold with the average grade of 4.44 g/t were produced at Yilgarn Star between 1991 and 2003. DW Resources Technology Pty Ltd (DW Resources) was engaged by Hanking to complete a Mineral Resource estimate for the Yilgarn Star gold deposit. Yilgarn Star underground and open pit is within the current Life of Mine Plan.

The Yilgarn Star deposit occurs within the moderately to steeply west-dipping, north-northwest trending Yilgarn Star Shear Zone and extends over 3 km in strike length. Gold occurs in lodes hosted by pyrrhotite-rich and potassium-altered mafics, ultramafics and banded iron formations (BIF). This major regional shear zone is also host to several other significant deposits in the Southern Cross region.

The Mineral Resource estimate for the Yilgarn Star deposit was based on a total of 2,446 drill holes, including 34 holes completed by Hanking in May-June 2016. 539 rotary air-blast holes and 505 Surface HQ holes were excluded from the dataset used in the Mineral Resource estimate due to the ambiguity of the survey data. The database was validated for internal consistency and accuracy, and found to be adequate for Mineral Resource estimation.

Mineralisation wireframes are initially modelled by Hanking and subsequently modified by DW Resources. The mineralisation was delineated using lithology, and a gold grade of 0.3 g/t Au for open pit resources, and 0.6-1.0 g/t for underground resources. A 1 m composite data set for individual lodes was used for variography analysis and grade estimation. For continuity purposes, adjacent drill holes and sections were used to refine the geological model and to reduce the "saw-tooth" effect when modelling. Figure

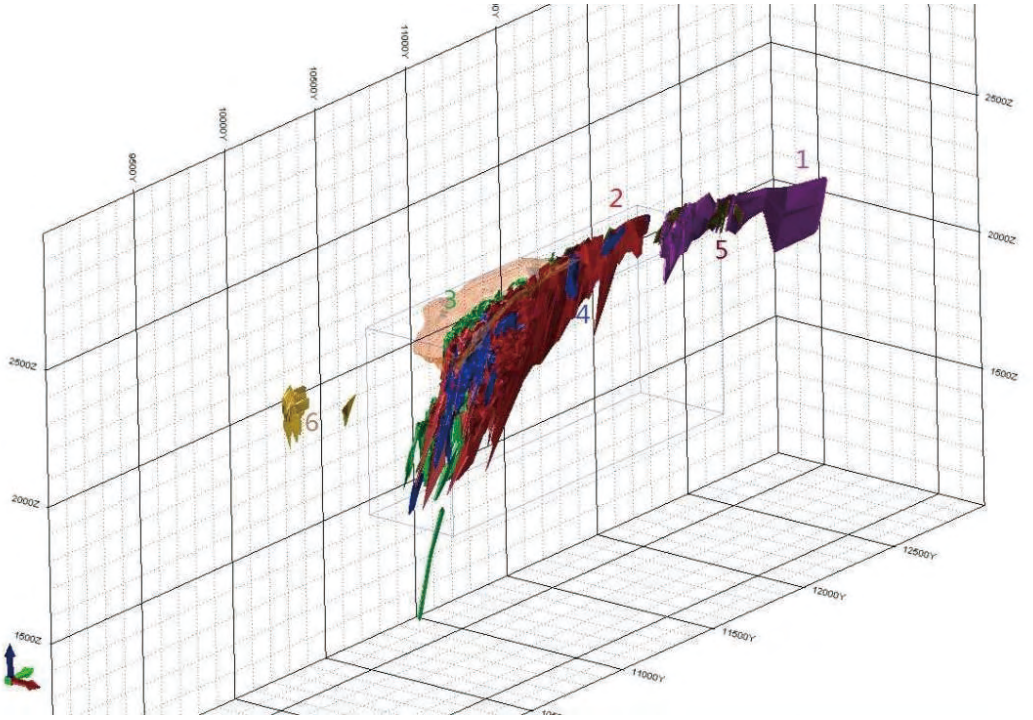

Figure 9: Yilgarn Star resource modelling (source: DW Consulting)

A block model was created using 5 m E by 20 m N by 5 m RL parent blocks. Ordinary Kriging (OK) was used to estimate block grades. Quantitative Kriging Neighbourhood Analysis (QKNA) was used to optimise parameters for the Kriging search strategies.

The Yilgarn Star Mineral Resource has been classified and reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The Mineral Resource classification is based on confidence in the geological interpretation, drill spacing and geostatistical measures. Past production was fully depleted using surveyed volumes provided by Hanking. The Mineral Resources have been reported at above a cut-off grade of 2.5 g/t Au.

Ordinary Kriging estimation with high grade treatment was adopted. The resource is quoted from blocks above the specified gold cut-off grade.

Six density values were assigned into the block model for each regolith unit. The density values were based on physical and geophysical measurements provided by Hanking, and ranged from 2.0t/m^3 for oxide and cover material to 2.9t/m^3 for fresh mineralisation materials.

Statistical and visual assessment of the block model was undertaken to assess successful application of the various estimation passes, to ensure that as far as the data allowed, all blocks within domains were correctly estimated. Each domain was checked against the composited data used in the estimation process.

On-screen validation and swath plots indicated satisfactory correlation between the sample data and estimated block model grades for easting, northing and RL slices.

CSA Global notes that the Competent Person (Dr Bielin Shi, Director DW Resources Technology) is satisfied that the current Mineral Resource model provides a robust global estimate of the gold mineralisation at the Yilgarn Star deposit. CSA Global has reviewed the work completed and endorses this view. Please see *Shi, B (20 July 2016); Mineral Resource Estimate for the Yilgarn Star Gold Deposit, Southern Cross, Western Australia, prepared for Hanking Gold Mining by DW Resources Technology (http://hankingmining.com/pdf/JORC/YilgarnStar%20JORC%20Resource.pdf)*.

Recommendations by DW Resources Technology, with which CSA Global concurs, are as follows:

- The ongoing collection of orientation data to allow a better understanding of the geology and structure of the deposit.
- Maintaining current quality assurance procedures to ensure high quality data is available for subsequent resource estimates.
- Implement drill programme to convert Inferred Mineral Resources to Indicated status.
- Improve geological understanding of the deposit, including fault controls and refinement of lithological interpretations.

4.4 Copperhead (JORC 2012)

Copperhead mineralisation system is about 35 km north of the Southern Cross Township, it was one of the largest mines in the SXO region, with a history of intermittent underground and open pit gold mining operations between 1910 to 2000. Copperhead is not within the current Life of Mine Plan. It is Hanking's expectation that Copperhead is amenable to underground mining methods.

The Copperhead Mineral Resource (Fitzpatrick, 2016) was updated by Cube Consulting as at 28th July 2016, that resulted in a JORC Code 2012 reportable Mineral Resource of 3.5 Mt at 5.2 g/t for 590,000 oz Au, approximately 90% of the Resource is in the Indicated category. The Resource update was completed following:

- review, interpretation and modelling of the Northern Series and Southern Series mineralisation, adding new information from the 2010–2011 diamond drilling by SBM;
- evaluation and digital update of historical geological and assay level plans and stope sectional data from the underground mining operations by Great Western Consolidated (GWC);
- updating mineralisation interpretations, and modelling, for the mineral resource estimation, taking into consideration historical and recent drilling data for both the underground and open pit operations at Copperhead.

The Copperhead drilling completed by SBM was primarily focused on achieving two intersections on the down-plunge extensions of both limbs of the Northern and Southern Series at depths below the 22L of the historical underground workings. A total of 18 diamond holes were drilled for 7,223.7 m.

No site visit was completed; Brian Fitzpatrick (Cube Consulting Senior Consulting Geologist), who is the Competent Person, undertook a review of the historical data in the drill hole database against hard copy data in the available files, reports and historical maps supplied by HGM.

Some adjustments and amendments to erroneous data were made and logged in the updated database. Drilling and sampling of unknown origin and methodology was not used in grade estimation, but was considered in resolving interpretation uncertainty, if confirmed by more reliable data.

Assay records were adjusted where there were gaps in sampling within the mineralised domains. These intervals were assigned as background values in the estimation, introducing a slight known bias towards conservatism in grade estimation.

The following key points summarise the modelling process and key parameters used by Cube for the estimation work:

- Some existing HGM mineralised 3DM interpretations were modified following review of survey 3DMs domains, historical level mapping and assay information.
- The HGM drilling dataset was validated and verified for use in estimation, including a review and analysis of available sample quality control information provided by HGM.
- 1m composites were used within all mineralised domains.
- Appropriate top cuts were selected following statistical analysis.
- Estimation was completed using Ordinary Kriging (OK) into 5 mN x 5 mE x 5 mRL parent cells and sub-blocked to 1.25 mN x 1.25 mE x 1.25 mRL.
- Hard boundaries were applied between all estimation domains.
- The validation of the block model included visual, statistical, volumetric and graphical spatial comparison checks. The model validated well against input data.
- Classified was based on drill hole data spacing and search distance used for the estimation.
- Indicated Mineral Resources were defined nominally for data up to 50 m x 25 m, or by historical level plan and stoping information.
- Inferred Mineral Resources were classified on the basis of data greater than 50 m apart, sparser ore drive development, and reduced confidence in geology and mineralisation continuity along strike and down plunge.

The Copperhead Mineral Resource was classified and reported above a 3.0 g/t Au cut-off, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Remnant material adjacent to old workings is also included.

The primary differences in this 2016 estimate, compared to previous estimates is the adoption of OK estimation, the inclusion of the SBM diamond drilling data from the 2010-2011 programme and the inclusion of remnant material.

Hanking have noted that they have an expectation that the revised Copperhead Mineral Resource will be amenable to underground mining methods. Hanking are currently working on conceptual mine designs targeting Ore Reserves in due course.

Cube have enumerated the following risks, with which CSA Global concur. Please see Fitzpatrick, B (July 2016); Mineral Resource Estimate Copperhead Gold Project. Prepared for Hanking Gold Mining by Cube Consulting Pty Ltd (http://hankingmining.com/pdf/JORC/Copperhead%20JORC%20Resource.pdf). Recommendations for subsequent updates are included:

- *The data requires further verification and validation, before it is flagged and ranked in terms of reliability for use in subsequent model estimations or updates. Valid but superseded data could be retained to guide interpretations, but not necessarily included in estimation datasets;*

- *There are gaps in the sampling of mineralised domains. This potentially allows data density biases, impacting the confidence in interpreted mineralisation envelopes as well as grade estimates within these zones. Infill drilling is recommended as a priority, once the existing data can be adequately verified;*

- *Stope void surveys are of variable accuracy, reducing confidence in estimates of volume. More accurate survey control is recommended once access to the workings is re-established;*

- *Remnant material include in the estimates reported above cut-off may be difficult to recover. Further verification of the size and location of surveyed stope voids is recommended;*

- *More detailed 3D modelling of the main lithological units and major fault structures is recommended. This will increase confidence in future mining and geotechnical assessments. Cube noted that geotechnical issues relating to the ultramafic units, was one of the factors affecting the closure of the original underground workings by GWC.*

- *The host lithologies for mineralisation are structurally complex with tight to isoclinal folding and fold backs. Refinement of the geological model of mineralisation controls may improve definition of the mineralisation envelopes as well as refine search and variogram parameters applied to grade interpolation;.*

The presence of tremolite-actinolite was noted in the logging. Examination of core samples from the 2010-2011 SBM drilling may provide clearer indications if this is a concern. It may be necessary to flag the possible need for fibrous materials handling protocols when mining resumes.

4.5 Frasers – Transvaal

The Frasers – Transvaal mineralisation system (Figure 10) is about 2 km south of the Southern Cross Township, and 32 km north west of the Marvel Loch mill. Gold deposits included in this system are Frasers, the first underground gold mine in Western Australia, Transvaal, New Zealand Gully, and Ruapehu. Only Frasers and a limited portion of Transvaal are within the current Life of Mine Plan.

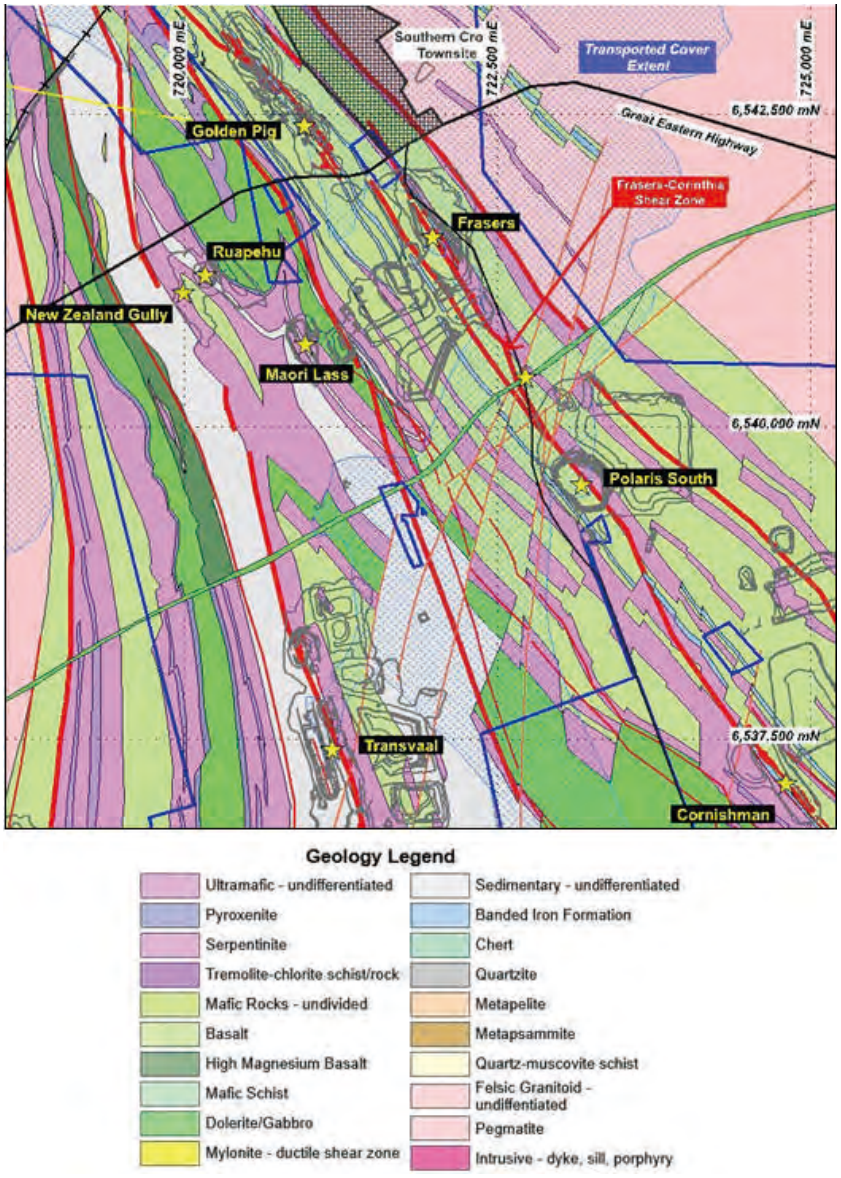

Figure 10: Fraser–Transvaal Corridor geology and deposits

4.5.1. Frasers (JORC 2012)

The Frasers estimate was completed by CSA Global in March 2014. Figure 10 illustrates the local geology in plan and an idealised section view.

Gold mineralisation is structurally and lithologically controlled, occurring in a series of stepped lodes. In the main part of the mine these are the Scholls, Frasers and Greenstone Lodes. Lodes are made up of stacks of lens-shaped mineralisation that amalgamate to form a single lode, with individual lenses between 80 m to 140 m in vertical extent.

The Mineral Resource estimate for Frasers was based on total 1,396 drill holes (87% of the data). 61 RAB holes were excluded from the resource estimation. The mineralisation wireframes were delineated using lithology and 0.3 g/t Au cut-off grades. One-metre composites were used for estimation.

Survey and topographical discrepancies were adjusted in the database. These adjustments were validated against new data subsequently, and considered to be immaterial in terms of a global resource estimate.

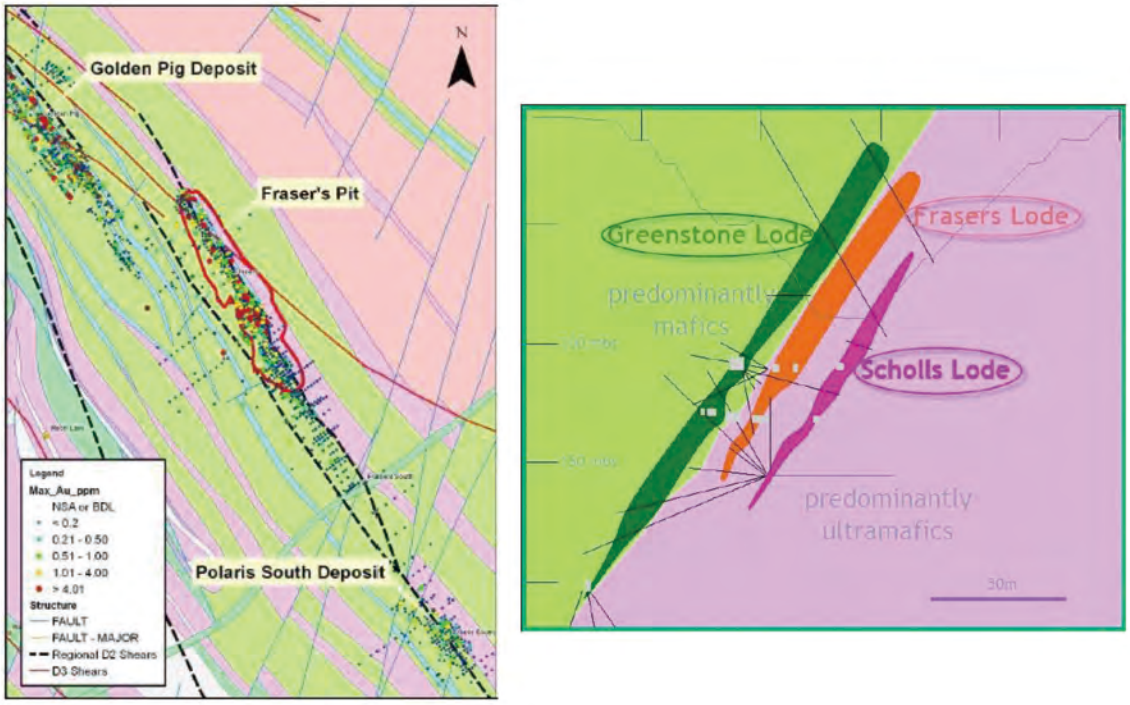

Figure 11: Simplified Geology of Frasers Gold Deposit
(Green-Mafic; Pink-Ultramafics; Blue-Metasediments with BIF)

The data distribution was highly positive skewed, which is typical of many gold deposits in this region. High grade outliers were top cut. This minimised over-estimation of metal around these outliers.

The density values were assigned to the block model as outlined in Table 6.

Table 6: Density assignments in the Frasers model

Description	Density (g/cm³)
All Material/Oxidised	2.3
Mafic mineralisation/Fresh	2.9
BIF and Greenstone S_FW mineralisation/Fresh	3.1
Pegmatite/Fresh	2.62

The block model was statistically and visually validated against input data to ascertain successful application of the various estimation passes and estimation of blocks within domains.

The updated Mineral Resources were depleted by the open pits and underground development: "DTM_topo" and "DTM_DEPLETED".

CSA Global Comments

Adjusted survey and topographical discrepancies in the estimation database are considered immaterial in terms of a global resource estimate. Caution is however recommended for any localised planning.

A review of QAQC procedures did not indicate any sampling or analytical issues with the data.

The Frasers Mineral Resource was classified and reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The classification is based on confidence in the geological interpretation, drill spacing and geostatistical measures.

In CSA Global's opinion, the current Mineral Resource model provides a robust global estimate of the in-situ gold mineralisation at the Frasers deposit. Please see Shi, B (13 March, 2014), Mineral Resource Estimate for Frasers Gold Deposit, Southern Cross, Western Australia. Prepared for Hanking Gold Mining by CSA Global Pty Ltd.

4.5.2 Transvaal (JORC 2004)

The Transvaal Mineral Resource estimate was completed in 2008 by Runge Limited, and subsequently reviewed in 2009 by SBM.

The estimate was based on data from 1,953 surface and underground drill holes for a total of 147,653 m of drilling. Drilling, sampling and assaying procedures were noted to be of acceptable quality and database validation carried out by both SBL and Runge has confirmed the integrity of the digital database.

Ordinary Kriging (OK) was used to estimate grade into resource wireframe based on mineralisation envelopes prepared using a nominal 0.5 g/t Au cut-off grade.

Grade was estimated into 5m EW x 20 m NS x 10 m vertical, subcelled to 1.25 m x 5 m x 2.5 m. Appropriate high grade treatment (top-cuts) were applied to different domains.

The resource was classified as Indicated and Inferred Mineral Resource. The Indicated portion was based on drill spacing of than 30 m x 30 m, with strong lode continuity. The Inferred Resource included areas of the resource where sampling was greater than 30m x 30m, but with an established geological continuity.

Transvaal was estimated using a similar estimation strategy to more recent estimates such as Cornishman, Nevoria, and Axehandle, using geologically derived grade cut-off wireframe to define mineralisation domains, ordinary kriging estimation and high-grade treatment for outliers.

The Transvaal global resource (including the Aquarius lode) was quoted with reference to the July 2009 A$1,200 optimised shell and an updated cut-off grade (0.6 g/t Au) applied to reflect the current cost profile of the operations at Southern Cross. The Transvaal deposit includes subsidiary lodes Mercury and Jupiter on the west, and Sunbeam, Polaris, and Aquarius on the west.

CSA Global Comments

The Indicated and Inferred resource classification adequately reflects the level of certainty associated with the estimate. Please see Williams, R; (2009) St Barbara Limited Resource Report, Transvaal Gold Deposit, Southern Cross prepared for St Barbara Mining Ltd. by Runge Ltd (http://hankingmining.com/pdf/JORC/Transvaal%20JORC%20Resource%202009.pdf); and Williams, R; (2008) Mineral Resource Estimate, Transvaal Project, Southern Cross, Western Australia, St Barbara Limited, August, 2008. prepared for St Barbara Mining Ltd by Runge Ltd (http://hankingmining.com/pdf/JORC/Transvaal%20JORC%20Resource2008.pdf) JORC Code Table 1 and an overall Competent Person statement for Nevoria Mineral Resources are provided at (http://hankingmining.com/pdf/JORC/Transvaal%20Table%201%20Statement.pdf).

4.5.3 New Zealand Gully (JORC 2004)

New Zealand Gully is in the Frasers region to the north of the SXO project area.

New Zealand Gully was estimated in 2001, reviewed by St Barbara in 2009 and is reported as a total of 110,000 tonnes at 6.8 g/t Au above a 2.5 g/t Au cut-off grade. 58% of this resource is classified as Indicated, the remainder as Inferred. The model was re-reported by St Barbara following a review of the block model, and the detection of an error in the treatment of partial ore blocks. No further information was available for review.

CSA Global Comments

CSA Global would recommend that the deposit be re-modelled before any mine-planning work is done for the New Zealand Gully deposit.

CSA Global is of the opinion that the Indicated portion of the current model may be more appropriately considered Inferred by JORC 2012 criteria. However, in light of the small tonnages in the deposit, discounting the New Zealand Gully Indicated ounces will not materially affect the overall indicative value of the project. The New Zealand Gully categorisation has been left at the current face value. Please see Bateman, J (14 July 2009); New Zealand Gully Resource Model – NZGUG56.mdl (Internal company memo). Prepared in-house by St Barbara Mining Ltd (http://hankingmining.com/pdf/JORC/NZG%20JORC%20Resourcet.pdf).

4.5.4 Ruapehu (JORC 2004)

Ruapehu New Zealand Gully is in the Frasers region to the north of the SXO project area

Ruapehu was estimated in December 2008 and reported above a 2.0 g/t Au cut-off grade as 410,000 t at 4.6 g/t Au, of which approximately 87% was classified as Inferred. The declared SXO resource base reports a 2.6 g/t Au cut-off grade for Ruapehu. The difference is noted, but not considered to be material by CSA Global for the purpose of this Report. The Ruapehu deposit was interpreted as a sub- vertical lode system extending for a strike length of approximately 260 m. No information was available to review in relation to ore domaining strategy, data, database and laboratory quality.

CSA Global Comments

On the basis of other projects reviewed, the Ruapehu estimation strategy is assumed to be fit for purpose by CSA Global. No top cuts were applied to the estimate. Ordinary kriging was used to estimate grades.

The classification of the estimate as Indicated and Inferred is considered by CSA Global to be acceptable for the purpose of this indicative review.

More work may be required to document the estimation and classification parameters for the Ruapehu estimate, to substantiate a publicly released valuation report consistent with VALMIN criteria, or to publicly report an estimate in accordance with JORC 2012 criteria. Please see Bartlett, B (December 2008); St Barbara Limited Resource Report: Ruapehu – December 2008, Marvel Loch. Prepared in-house by St Barbara Mining Ltd (http://hankingmining.com/pdf/JORC/Ruapehu% 20JORC%20Resource.pdf).

4.6 Marvel Loch – Jaccoletti

Marvel Loch – Jaccoletti mineralisation system is adjacent to the Marvel Loch Township and the Marvel Loch mill. As the largest deposit in Southern Cross greenstone belt, 2,000 Koz of gold has been produced from Marvel Loch, and 87.5 Koz from Jaccoletti. Marvel Loch is not within the current Life of Mine Plan. Jaccoletti underground mining in within the current Life of Mine Plan.

4.6.1 Marvel Loch (JORC 2004)

The Marvel Loch Underground mine is located 0.5 km east of Marvel Loch and approximately 35 km south of Southern Cross.

Nine ore zones were defined, centred on dilational zones within the Marvel Loch Shear Zone. The ore zones dip between 50–80°, with southerly plunging shoots within weak to moderate amphibole/potassic-biotite alteration. High grades are generally associated with quartz veining and/or pervasive silica alteration. The economic zones of mineralisation are identified as New Lode, East Lode and Mazza Lode in the south, Exhibition, North Exhibition, Firelight and O'Brien in the central area and Undaunted, Sherwood, Main, Main Lode West, Western and Contact Lodes in the north. Figure 11 illustrates the different lodes.

The resource was estimated in 2012 and reported above a 2.2 g/t Au cut-off grade.

1,060 resource drill holes and 30,647 open pit grade control drill holes were used for the estimate. Potential bias from the large numbers of open drill holes were considered immaterial due to the restricted extent of the holes to the mined out open pit areas. Review of database, assay and laboratory quality indicated concurrence with acceptable industry parameters. Data from 257 drill holes with substandard quality was excluded from the estimation dataset.

A nominal lower cut-off grade of 1.5 g/t Au was applied to define the mineralised outlines. The resource was estimated using ordinary kriging and 1 m composites. Appropriate top cuts were applied to data outliers minimise overestimation. Density was assigned to block on the basis of lode, these ranged from 2.8–3 t/m^3, waste density was assigned based on lithology and ranged from 2.6–3.0 t/m^3. Backfill in the final pit was flagged and excluded from the reported resources.

A call factor was applied to blocks in O'Brien lode to increase estimated grades by 35%, on the basis of reconciliation with stopes mined. Review of statistical and variogram parameters were inconclusive, the discrepancy may be due to data and orientation domains for O'Brien lode requiring further refinement.

CSA Global Comments

The application of a call factor to the blocks in the O'Brien Lode is unorthodox, but the indication from the mined stope reconciliation supports the pragmatic outcome. The risk that this call factor may not be valid throughout the entire O'Brien lode should be mitigated by continued monitoring, when mining recommences in this area.

CSA Global is satisfied that the overall estimation, classification and reporting for the Marvel Loch resource has been completed in a manner consistent with JORC 2004 criteria, but recommends that local estimate in the O'Brien lode be verified prior to use in mine planning. Please see Beckett, S (Jan 2012); St Barbara Ltd: Marvel Loch Mineral Resource Estimate, January 2012. Prepared for St Barbara Mining Ltd by CSA Global Pty Ltd (http://hankingmining.com/pdf/JORC/Marvel%20Loch%20JORC%20Resource.pdf).

It is noted that Marvel Loch is not in the current LOM.

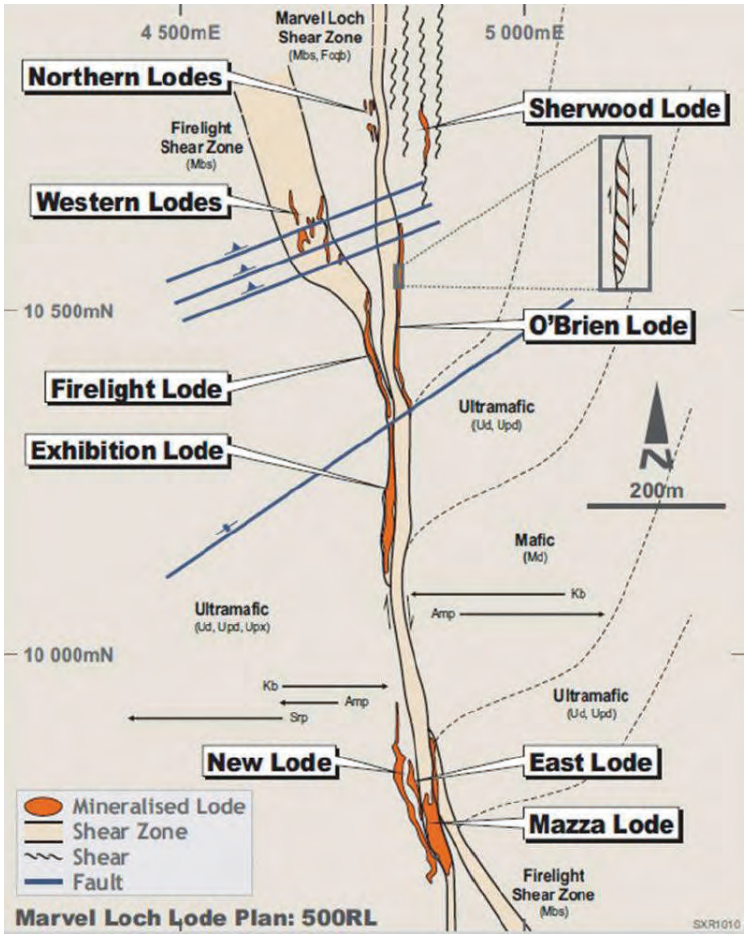

Figure 12: Marvel Loch Lode Locations
Figure from Nov 2012 3D Resources presentation

4.6.2 Jaccoletti (JORC 2012)

The Mineral Resource Estimate for Jaccoletti was updated by SRK Australia in May 2016. SRK Australia reports a Mineral Resource of 852 Kt at 4.5 g/t Au for 124 koz Indicated, and 293 Kt at 3.1 g/t Au for 30 koz Inferred. CSA Global's review of this estimate is based on the resource report provided by SRK and the final block model supplied to Hanking Gold Mining in Surpac Free Block Model format.

Generally, no fatal flaws were identified.

Input Data

Data have been collected from both RC chips and diamond core (half cut). RC chips were taken as a 12.5% split from a rig mounted cone splitter which is deemed appropriate. Diamond core was half cut along a marked sampling line, but there is no mention of orientation of this line to mineralisation. This presents a risk that bias may have been introduced into the core sampling. No proportion of RC samples to diamond core has been documented for the input data, nor has any analysis of bias between RC and diamond assay data, nor any comment on potential recovery versus

grade bias in the RC sampling. Assays were taken from 50 g charge fire assay, based on a pulp grind with >85% passing 75μm. Umpire analysis at an independent lab revealed that not all pulps were ground to specification. Composites for estimation were built to 1m nominal lengths, with 0.5 and 1.5 metre tolerances. It is stated that composites less than 0.5m were discarded, with no material impact on input data summary statistics. No documentation is provided to support the claim. Top cuts were applied to the data used in estimation, and described as "gentle" no quantitative basis for selection was provided, however the values chosen are reasonable.

QC procedures, which include use of CRMs at a 5% insertion density and 4% insertion of field duplicates are deemed acceptable, and from the diagrams supplied

Geological Modelling

Documentation suggests the geology and ore paragenesis is well understood, and a geologically reasonable model with reasonable continuity within lodes has been generated. Tabular, sub-vertical bodies have been modelled with an overall strike length of approximately 790 metres, and a vertical depth interpreted to ~430m. Two main lodes exist, with a number of subparallel subordinate lodes. The continuity of interpreted mineralisation reduces to the north along strike. Variously, the mineralised lodes are intruded by flat lying pegmatite sheets/bodies, and these have been appropriately excised from the mineralised lodes.

Estimation and Classification

The Jaccoletti Resource report indicate that quantitative analysis was sued for block size selection, though no parameters or results are presented. The parent block size selection appears slightly small for the suggested drill hole spacing, and there is a risk of local conditional bias within the resulting estimate. Variographic parameters are reasonable for a narrow lode gold deposit, though no documentation of experimental variographic parameters was available for review. Nugget values appear to differ between downhole variography and final anisotropic model parameters, and it remains unclear why this might be. Oxide and fresh material were estimated as a single population, and population histograms for input data in the Appendices appear to support this method.

Validation results appear consistent, and suitably concordant between input data and block results. There is an overcall on block grade for some poorly informed sections of the model, but the potential overcall on the global results is likely to be minor. Densities assigned to the various lithological categories are reasonable, but as SRK Australia noted, CSA Global also notes that some values were based upon sparse data, reducing their reliability.

Finally, classification appears to be entirely numeric and has resulted in patchy (irregular, localised, alternating juxtaposition of Indicated and Inferred blocks) classification of resources between Indicated and Inferred. While technically acceptable, this imposes difficulties in the design of optimal stopes for reserves calculation, as only blocks classified as Indicated may be included in Reserves estimation as Ore Reserve blocks.

CSA Global Comments

The current 2016 Jaccoletti resource is valid as a global estimate but should be monitored when used for localised short-term planning purposes.

CSA Global is satisfied that the estimate is appropriately classified, and reported in accordance with JORC 2012, but would recommend revision of the purely numerical application of classification to improve continuity between classified domains in order to facilitate reserves calculation. Please see Slater, D (May 2016) Hanking Gold Project: Mineral Resource Estimation Study Jaccoletti – April 2016. Prepared for Hanging Gold Mining Ltd by SRK Consulting (Australasia) Pty Ltd (http://hankingmining.com/pdf/JORC/Jaccoletti%20JORC%20Resource.pdf).

Hanking have informed CSA Global that they have planned for grade control drilling at Jaccoletti during the underground mining development, and that the related costs have been included in their budgets.

4.7 Edwards Find (JORC 2004)

The Edwards Find mineralisation system includes Edwards Find, Edwards Find North, and Tamarin. Edwards Find Mineral Resource was estimated in March 2012, and Edwards Find North Mineral Resource was estimated in 2009. This project is located approximately 15 km south west of Marvel Loch Mill in the Southern Cross greenstone belt of Western Australia. Edwards Find and Edwards Find North are in the current Life of Mine Plan. Tamarin is not in current Life of Mine Plan.

Main Lode (the largest and most persistent lode) was on average 0.8 m wide at an average grade of 23 g/t Au. West Lode is 0.3–0.4 m wide and grades 29 g/t Au. The lodes pinch and swell, varying up to 3 m, horizontally and vertically. Internal high grade shoots ranged in vertical extent from 40–130 m striking between 40–100 m long. The overall geometry of the Main Lode was elongate sigmoidal with the best mineralisation developed in the central, more westerly striking part of the veining system.

Tamarin is a small deposit in the Edwards Find region, to the south west of the SXO project area, it was estimated in December 2008. It was reported above a 0.7 g/t Au cut-off grade, and represents a total of 19,000 t at 1.4 g/t Au, of which approximately 87% is classified as Indicated. The estimate was reported within a $1200 pit shell. Primary gold mineralisation was interpreted as shear hosted, plunging moderately to the north and dipping steeply to the west over a strike length of approximately 200 m with an average width of 4 m[5].

The Edwards Find estimate was based on a validated database and only used reverse circulation and diamond drill holes (64% of the total data). Quality assurance data relating to laboratory standards, blanks and repeats failed to meet acceptable standards. These were flagged, and reflected in the resource classification. This is an acceptable strategy in CSA Global's opinion.

[5] (http://hankingmining.com/pdf/JORC/Tamarin%20JORC%20Resource.pdf)

The mineralisation wireframes were based on a 0.6 g/t Au cut-off. Gold distribution was typically skewed, necessitating the use of top cuts to minimise overestimation. Grades were estimated using Ordinary Kriging and one-metre downhole composites.

Density was assigned on the following basis, with no distinction between mineralised and non-mineralised material. CSA Global considers this lack of accuracy in density applied to be immaterial as Edwards Find represents 2.8% of the current resource base, but recommend that density be investigated in subsequent resource reviews.

Table 7: Edwards Find Mean Density Values

MATERIAL	Description	Bulk Density t/m^3
All	Oxide	2.1
	Transition	2.5
	Fresh	3.0

Model validation indicated acceptable correlation in location and distribution, between input data and estimated grades. Resource classification was based largely on the drill spacing.

CSA Global Comments

The strategy adopted to flag data impacted by poor quality assurance issues in laboratory standards, blanks and repeats, and to reflect this in the resource classification is appropriate.

There were issues in the spatial correlation of previously mined voids and interpreted mineralisation envelopes. A similar lack of correlation was noted in the mined pit topography used to deplete the model and was corrected. The portions of the model affected were flagged as Inferred to reflect the uncertainty.

Significant work will be necessary to report the Edwards Find deposit in a manner consistent with JORC and VALMIN criteria. Please see Beckett, S (Mar 2012) St Barbara Ltd, Edwards Find East Mineral Resource Estimate, March 2012. Prepared for St. Barbara Mining Ltd by CSA Global Pty Ltd (http://hankingmining.com/pdf/JORC/Edwards%20Find%20JORC%20Resource.pdf); and Bateman, J (Jan 2009); St Barbara Limited Resource Report Edwards Find North – January 2009". Prepared in-house for St. Barbara Mining Ltd (http://hankingmining.com/pdf/JORC/EFN% 20JORC%20Resource.pdf).

CSA Global finds the overall estimate to be of sufficient rigour to support the indicative review.

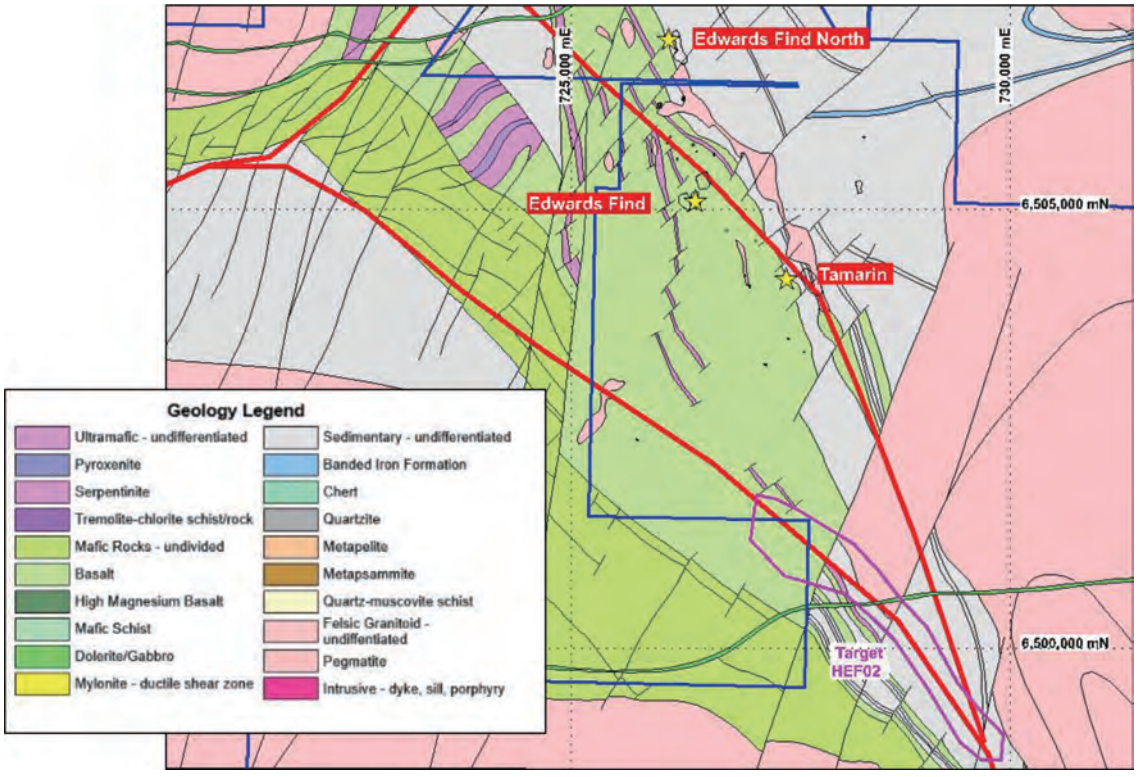

Figure 13: Edwards Find Local Geology

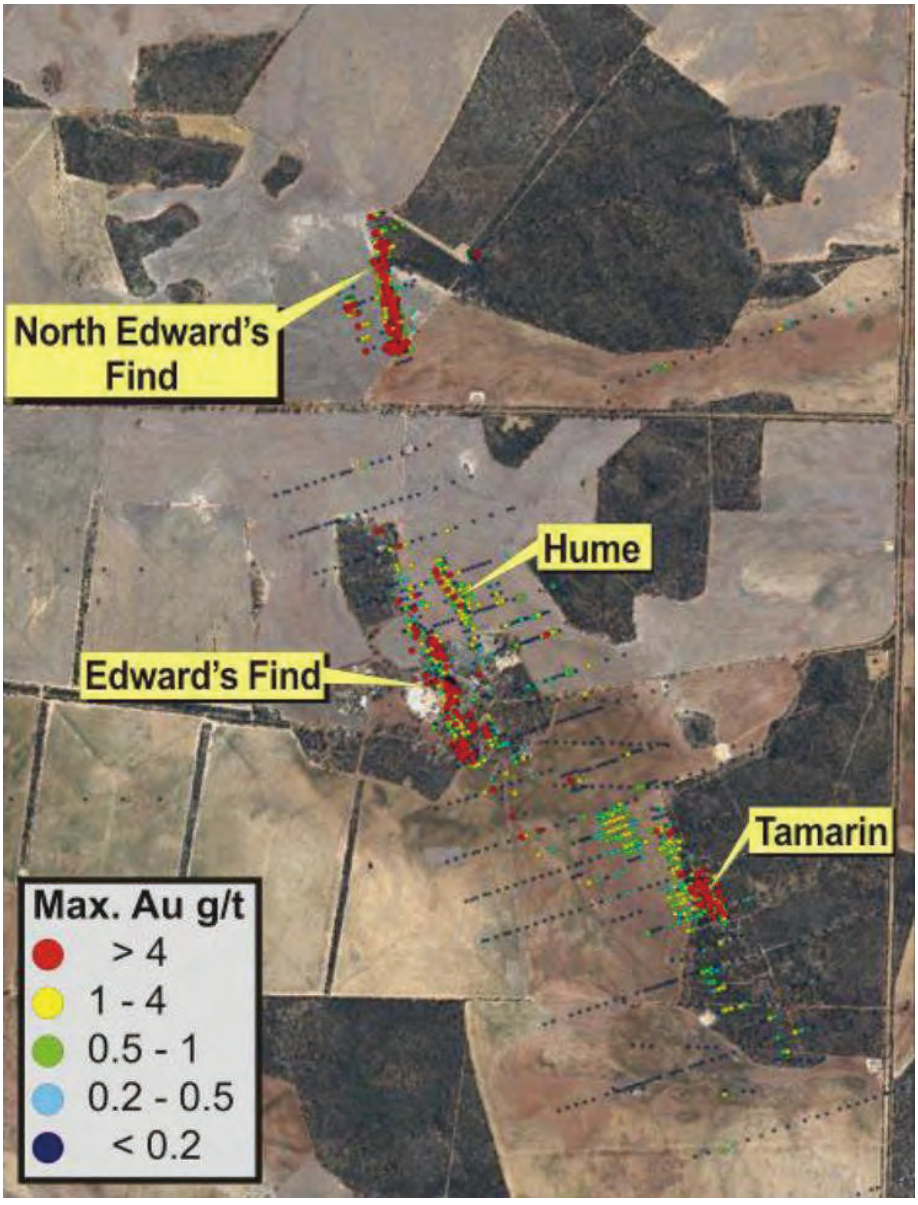

Figure 14: Edward's Find area – maximum gold in drill holes North to the top; (Source: Nov. 2012 3D Resources presentation)

4.8 GVG

The GVG gold mineralisation system include a series of gold deposits along the Mount Caudan anticline, which contains the Mount Caudan massive sulphide horizon hosting the mineralisation. Zeus was a new deposit acquired by Hanking in the beginning of 2016, that is the also part of the GVG Mount Caudan mineralisation system.

4.8.1 GVG (JORC 2004)

GVG Open Pit Resource (South Burridge) was estimated in 2009, with only brief tabulation of estimation parameters available for review. The estimate was classified as Indicated and Inferred. GVG sulphide lode 2 Resource was estimate in 2002, and reviewed by CSA Global in 2013. Zeus Resource estimate was done in May 2015.

4.8.2 Zeus (JORC 2012)

Zeus was estimated as an internal exercise for Cazaly Resource Ltd, by D Horn Exploration Manager for Cazaly. Inverse distance squared estimation was used to estimate grade into blocks of 5m x 2.5m x 2.5m, and classified on the basis of drill spacing, and the continuity and confidence in the geological interpretations. The estimate was uncut.

CSA Global Comments

CSA Global is satisfied that the categorisation of the GVG resource estimated in 2009 is appropriate. Please see Williams, R; (June 2009) St Barbara Limited Mineral Resource Report GVG Sth Burbidge Deposits, Southern Cross – June 2008. Prepared for St Barbara Mining Ltd by Runge Ltd (http://hankingmining.com/jorc-resource-and-reserve).

Zeus is reported in accordance with JORC Code 2012 criteria. Please see Horn, D (May 2015); Parker Range North Gold Project, Burbidge Group [Zeus] Resource Estimate, May 2015. Prepared in-house by Cazaly Resources Ltd (http://hankingmining.com/pdf/JORC/GVG%20JORC%20Resource.pdf).

4.9 Redwing (JORC 2004)

Hanking acquired the Redwing deposit from Riedel Resources on 27th November 2015. The deposit contains Inferred resources of 1.4 Mt at 2.4 g/t (above a 0.5 g/t Au cut-off grade) for 108 Koz. The deposit was estimated in November 2000, and was reviewed by AMEC Foster Wheeler in April 2015 with the finding that it was possible to report the resource under JORC 2012 criteria *(ref: Riedel Resources ASX release, 15 April 2015)*. Hanking has completed a drilling program consisting of 92 RC holes for a total of 8,445 metres, with the aim of converting Inferred material to Indicated.

The Redwing deposit is located entirely within the Jilbadji Nature Reserve and is subject to stringent access and work conditions. Authorisation of each specific exploration program will be required prior to the commencement of any activity within the area.

The Redwing Prospect is hosted in a west-north-west striking amphibolite and ultramafic sequence located around the south-western flank of the Parker Range Dome. Mineralisation has a defined strike length of 500 m and vertical depth of 160 m. The zone dips shallowly to the west with a true thickness of between 5–30 m. The host rock sequences and controlling structural zone extend a further 2,500 m to the south. Gold mineralisation is related to discrete sheeted quartz veins. The veins are between 1–4 m in true thickness. Free gold is evident in the veining. Figure 15 and Figure 16 illustrates the location of redwing, and an idealised cross-sectional compilation of the mineralisation lodes.

Figure 15: Redwing Location and Geology

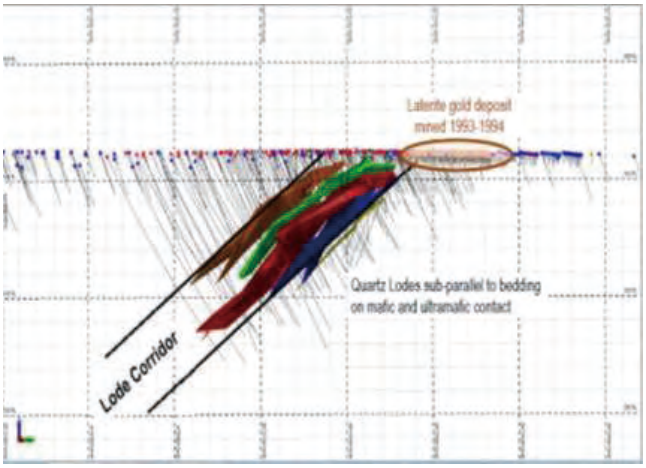

Figure 16: Cross sectional projection of all lodes to a single west-looking section

The resource definition drilling at Redwing involved 61 RC drill holes (8264 m), and one diamond hole (177.7 m). Data validation was consistent with industry practices for the time. Comparative test sampling between two laboratories was completed for a limited number of samples. Assays were plotted and visually examined against logged geology to confirm minimal contamination. The data quality was considered adequate for estimating Inferred resources.

Resource outlines were defined using a geology driven sectional polygonal interpretation. Grades were estimated using by inverse distance methods.

Resource polygons were constructed a minimum mining width of 2 m downhole above 0.5 g/t Au, and maximum of 2 m internal dilution. Intercept grades were calculated as the weighted arithmetic mean of the individual assay intercepts top cut to 20 g/t high grade cut). Blocks were projected midway between drill holes, or a maximum of 20 m down dip.

Density was assigned as per Table 8 below, on the basis of gamma density logging in four holes:

Table 8: Redwing Model – assigned density

	Ore	Waste
Oxide	2	2
Transitional	2.5	2.5
Fresh	2.8	2.9

Preliminary metallurgical and pit optimisation studies indicated there were prospects for eventual economic extraction. Comprehensive appendices provided corroboration for conclusions made in the report.

CSA Global Comments

Data quality is acceptable to support the estimation and classification.

A unique risk for the Redwing deposit is its location entirely within the Jilbadji Nature Reserve making it subject to stringent access and work conditions.

CSA Global is satisfied that the categorisation of the Redwing resource estimated in appropriately reflects its classification as Inferred Mineral Resources. Please see Brigden, J F and Navidad, F (Nov 2000) Resource Statement, Redwing Prospect, Southern Cross, Western Australia. 29 November 2000. Prepared in-house by Sons of Gwalia Ltd. Additional documentation may be required to prepare a report to comply with JORC Code 2012 criteria for public release.

4.10 Block Models

In 2013, Hanking commissioned CSA Global to undertake a review of Resource block models previously estimated for SXO deposits. CSA Global was provided with the block models, wireframes and drill hole data for the major and minor project areas. Each area was examined for any fatal flaws in any aspects of the Resource estimation process and modelling methods.

CSA Global concluded that the data quality was acceptable, and the confidence classifications appropriate to support the indicative global estimates of insitu mineralisation of gold in the deposits, and generally reflected the potentially recoverable tonnes and grades.

CSA Global recommended that further studies be carried out to improve the geological interpretation and local estimation quality of the Resource models, which Hanking has been progressively completing as part of the ongoing SXO.

5 EXPLORATION AREAS AND PROSPECTIVITY

5.1 Exploration Potential

CSA Global believes that the large ground holding that comprises the SXO remains prospective for gold mineralisation, with incremental increases around existing deposits, and significant increases associated with new discoveries, likely to exist in addition to the currently known Mineral Resources and Ore Reserves discussed above.

CSA Global completed a "Holistic Conceptual Exploration Targeting Review" of the Southern Cross Project in 2014 (Wilson 2014). The review covered three commodities of primary interest to Hanking, these being gold, nickel and iron ore. The gold exploration section excluded a review of the existing gold deposits in terms of potential strike or depth extensions. The review utilised a "step back" approach unbiased by previous targeting methodologies. A brief summary of this review is provided below.

In addition to the targets identified in the review, continued refinement of base datasets, including aeromagnetics, multi-element geochemistry and understanding of litho-structural settings at a variety of scales (macro through to micro) will identify additional targets for exploration evaluation.

5.1.1 CSA Global "Holistic Conceptual Exploration Targeting Review"

Gold

In recent years, the industry has experienced an increased level of understanding of Archaean gold deposits and gold mineral systems. In particular, the understanding of regolith evolution, the architecture of Archaean greenstone belts, geochemistry of gold systems including recognition of alteration systems and related multi-element (lithogeochemistry) and mineralogical signatures (spectral geology) and the development of a mineral systems approach to understanding the controls on gold mineralisation have all provided new approaches for the exploration geologist to apply in their search for new gold deposits.

CSA Global applied a mineral systems approach to the Holistic Exploration Targeting Review utilising identified processes and their exploration proxies (in brackets):

- **Structural Architecture** (Geological Interpretation, Aeromagnetic Images, Deposit Location/Characteristics);
- **Sources and Reservoirs** (Multi-Element Drill Hole Dataset, Alteration Mineralogy (PIMA/BOH Logging));
- **Depositional Mechanisms** (Geological Interpretation, Aeromagnetic Images); and
- **Exploration Status** (Regolith Mapping, Surface Geochemistry Dataset, Exploration Drill hole Dataset).

A total of 43 targets were identified within Hanking tenure and another five targets identified peripheral to Hanking tenure (Figure 17). A "weights of evidence" process was applied to each of the targets using the processes, Structural Architecture, Sources and Reservoirs and Depositional Mechanisms. The five top ranked targets (HNT03, HCT08, HCT09, HCT10 and HNT07) were investigated in detail with additional "weights of evidence" applied with regards to Exploration Status.

Footnote: *"Weights of Evidence" is a numerical based ranking system to quantify level of exploration prospectivity across a large number of identified targets. Scores are applied based on evidence of the following criteria, Structural Architecture, Sources&Reservoirs, and Depositional Mechanisms (Structural & Chemical). The top rated targets are then examined in further detail with scores assigned for Exploration Status, Economic Potential (Deposit Size) and then weighted by Exploration Confidence Rating.*

Target HNT03, located immediately south of the Copperhead open pit, is a geophysical analogue to the 930 Koz Copperhead Deposit. Limited past exploration drilling has not evaluated this target.

Targets HCT08–10 are located along strike from the 2,400 Koz Marvel Loch deposit. The three targets have been identified by WNW-trending geophysical features which disrupt/offset stratigraphy and the southern extension of the Marvel Loch shear, similar to what is observed at the Marvel Loch deposit.

Historical drilling at **target HCT09** recorded significant intercepts including 4 m at 13.12 g/t from 86 m, 4 m at 8.32 g/t from 101 m and 9 m at 11.06 g/t from 127 m over 150 m of strike. The down dip/down plunge extensions of this mineralisation have not been fully evaluated.

Target HNT07 is located 20 km northwest of Southern Cross and was identified by a rotation in orientation of stratigraphy. Historical exploration across the target area defined a gold-in-auger anomaly with broad spaced RAB/RC drilling recording intercepts of 3 m at 3.4 g/t from 3 m, 3 m at 3.12 g/t from 27 m and 8 m at 1.84 g/t from 7 m. Mineralisation occurs within a gabbro unit adjacent to a sheared gabbro/ultramafic contact.

Exploration strategies were developed and recommended for each of these five targets, varying from infill RAB drilling, deep RC drilling to diamond drilling.

A drill program was completed in 2016 on Target HNT03 with the outcomes of this program discussed further under recent exploration activities. No substantive work has been completed on the other top four ranked gold targets, with drill hole design completed for Target HCT09 and HCT10. No work has been initiated on the remaining identified 38 targets within Hankings tenure or to identify other targets utilising the criteria established by CSA.

Nickel

The Southern Cross Greenstone Belt contains a significant component of ultramafic lithologies. The volcanic succession seen within the belt is interpreted to be similar to the volcanic succession seen within the Forrestania greenstone belt, 100 km to the south and highly endowed in nickel sulphide mineralisation.

Ultramafic rocks within the Southern Cross Belt recorded MgO contents greater than 40%, which is typically indicative of cumulate olivine-rich rocks. These rocks are known to host nickel mineralisation in many deposits in the Forrestania belt, the Kambalda deposits in the Southeastern Goldfields and the Perseverance-Mount Keith deposits in the Northeastern Goldfields.

However, whole-rock geochemistry of the Southern Cross units suggests that the volcanic environment is dominated by distal thin flow facies to the north of the belt changing to lava lakes and sills further south. Evidence from incompatible trace elements for extensive crustal assimilation is lacking, and there is also little evidence from the PGE's for extensive sulphide liquid segregation.

From these observations, it is believed there is minimal indication of high prospectivity for nickel sulphides within the parts of the Southern Cross belt within Hanking's tenements.

Iron Ore

The Southern Cross Greenstone Belt contains a significant component of Banded Iron Formations which have the potential to host iron ore mineralisation. Within the tenure there is approximately 76 km of BIF stratigraphy with unit thickness varying between 10–130 m. The majority of these BIF units are less than 30 m thickness which reduces their prospectivity in terms of magnetite mineralisation.

A total of five target areas were identified for potential to host iron mineralisation. Three targets (Target 1, 2 and 3) were considered to most likely host magnetite mineralisation in BIF. Two targets (Target 4 and 5) were identified as opportunities which are conceptual in nature for iron-enriched BIF with the potential for direct shipping ore ("DSO") grade i.e. >55% Fe.

CSA Global understands no work has been completed to evaluate the potential of the iron mineralisation targets.

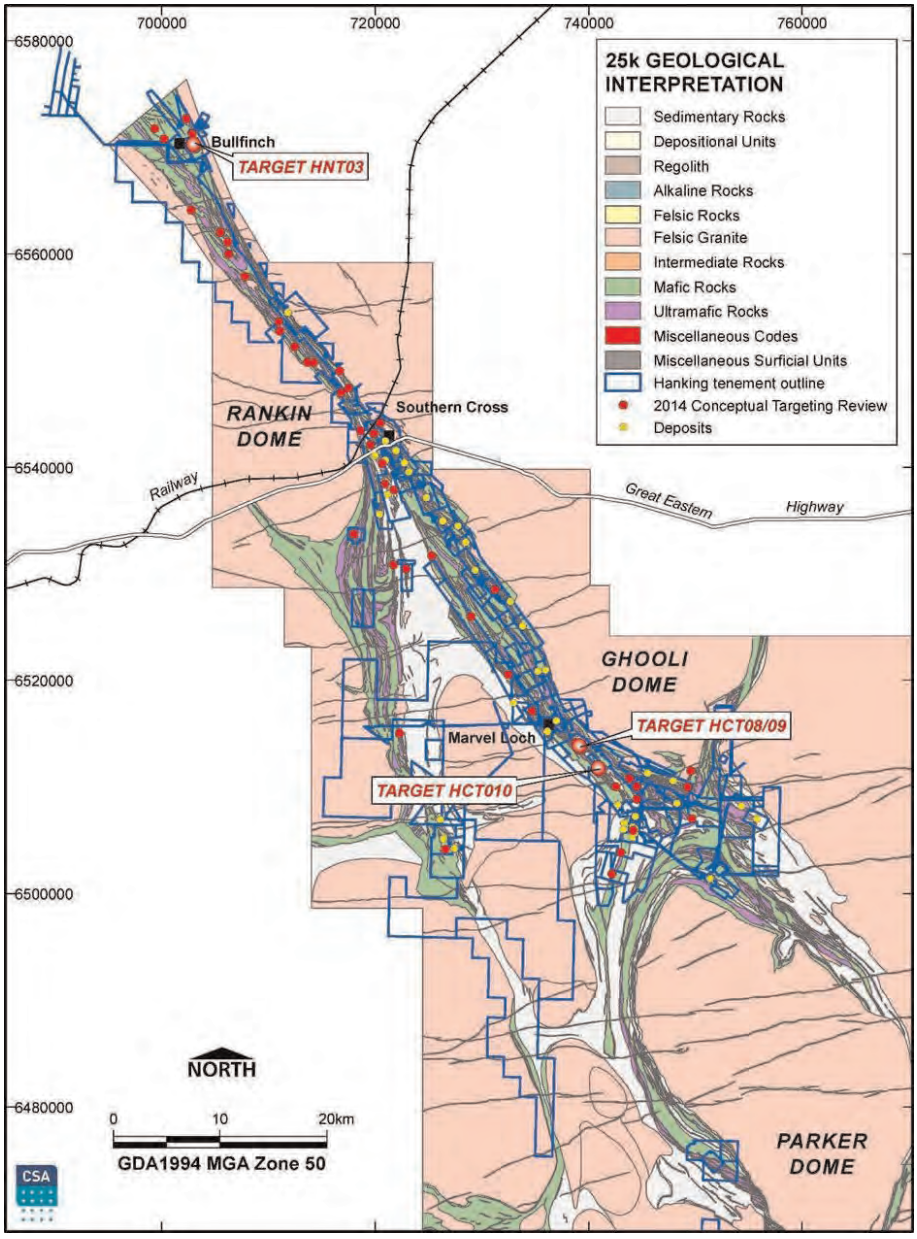

Figure 17: Geology of the Southern Cross Greenstone Belt, with 2014 "Holistic Conceptual Review Targets"

5.2 Recent Exploration Activities

Subsequent to acquiring the tenement package in April 2013, Hanking completed exploration and Resource definition drilling programs at the following deposits:

- Frasers South (2013) – 28-hole Diamond program for 4,197.9m
- Cornishman (2014) – 60-hole RC/Diamond program for 8,496.9m
- Axehandle (2014/15) – 89-hole RC program for 11,973m

- Transvaal (2014/15) – 2-hole RC/Diamond program for 1,006m
- GVG (2014/15) – 240-hole shallow RC for 994m
- Edwards Find (2014/15) – 29-hole shallow RC for 187m
- Jaccoletti (2016) – 52-hole RC/Diamond program for 11,843.9m
- Nevoria (2016) – 28-hole RC/Diamond program for 5,584m
- Yilgarn Star (2016) – 34-hole RC program for 3,834m
- Redwing (2016) – 92-hole RC program for 8,446m
- Copperhead (2016) – 6-hole RC/Diamond program for 2,080.2m

The net effect of these programs has resulted in an overall increase in declared Resources from 2,400 Koz to 4,600 Koz with an increase in geological confidence of each these resources.

Hanking has also completed two West Australian Government Exploration Incentive Scheme (EIS) co- funded drilling programs at Jupiter (Transvaal) and Copperhead. At Jupiter (Transvaal), two deep diamond holes targeted mineralisation within interpreted dilation sites. The drilling demonstrated mineralisation persists along strike and at depth with a best intercept of 8m @ 8.56g/t from 398m in drill hole JPDD02, this intercept demonstrates mineralisation continues to a depth 150 m deeper than previously thought. At Copperhead a six hole RC/Diamond drill program tested two targets, the Copperhead Analogue and Copperhead Magnetic target. Hanking advised drilling failed to intersect the Copperhead mine stratigraphy encountering predominantly ultramafics, however CSA believes these targets are still valid and geology encountered be reviewed and placed into context of the overall stratigraphy within the Copperhead environs.

In terms of the near-term exploration potential, Hanking has completed drill program designs at Anomaly 22 (close to Hercules), Marvel Loch Battery (Target HCT09 and HCT10), and Transvaal.

Hanking's exploration budget for 2016 is A$4.2 million, and have received a grant of A$132,400 of government EIS co-funding for the Copperhead drill program.

5.3 Near Mine Exploration Opportunities

In total, there are some 30 deposits within Hanking's SXO. Hanking have conducted resource extension/definition drill programs on only nine of these deposits to date, this drilling has identified depth and strike extensions to mineralisation at each of the deposits evaluated.

Exploration potential of some of these deposits is discussed in further detail below:

5.3.1 Cornishman-Axehandle Corridor

The Cornishman-Axehandle corridor is a highly prospective zone along the regionally extensive Frasers-Corinthia Shear Zone, this zone extends from north of the Southern Cross township to east of Marvel Loch in the south. The corridor of interest has a strike extent of approximately 6.5 kilometres and contains the Cornishman, Achilles and Axehandle deposits with respective gold endowments of 600 Koz, 30 Koz and 300 Koz.

Gold mineralisation is hosted within a BIF unit which has been thrusted, sheared and isoclinally folded along a mafic-ultramafic contact, locally resulting in repetition and thickening of the BIF unit.

Hanking completed open pit mining operations at Cornishman in 2016 producing 84,208 oz (1.2 Mt at 2.2 g/t), in October 2015 open pit mining commenced at Axehandle with production to June 30, 2016 totalling 75,605 t grading 1.75 g/t for 4,244oz.

The corridor from Cornishman to 900 m south of the Achilles deposit is continuous however late stage dextral faulting has resulted in a 600 m displacement of the shear zone to the south southwest (Figure 18). The Axehandle deposit is located immediately south of this fault offset and is bounded by another fault offset to the south. The deposit is covered by Tertiary sediments which has negatively impacted on historical evaluations, the prospective BIF stratigraphy bound within these two late-stage faults is interpreted to have a strike length of approximately 750 m. Resource drilling and current mining have yet to determine the actual position or orientation of these late-stage faults.

CSA Global Comments

Exploration and subsequent resource evaluation of the Axehandle deposit has demonstrated the viability of BIF hosted mineralisation below 40 metres of transported cover.

Current open pit optimisation appears to be limited by lack of drill coverage below the final pit design as highlighted by intercepts of 7m @ 10.39g/t, 3m @ 11.73g/t and 6m @ 3.35g/t (Figure 19) at or just below the base of pit.

Progressive evaluation of the grade control data and inpit geological mapping will confirm the position and orientation of high grade shoots which will require evaluation for open pit expansion or underground potential.

The deposit is bounded by two late stage faults, the position of these faults will impact on the potential beneath the planned pit and downgrades the potential for strike extensions immediately north and south of the pit. Downplunge potential of high grade shoots identified by grade control will be restricted by the late stage faults however, there is potential for repetition of high grade mineralised shoots vertically below the current level of information.

Regional interpretations suggest another fault bound BIF is present 150 m south southwest of the Axehandle pit, with another smaller fault bound BIF, a further 500 m in a south southwest direction (Figure 20). Both BIF targets are under variable thickness of transported cover with only limited near surface drill coverage (100 m-line spacing)

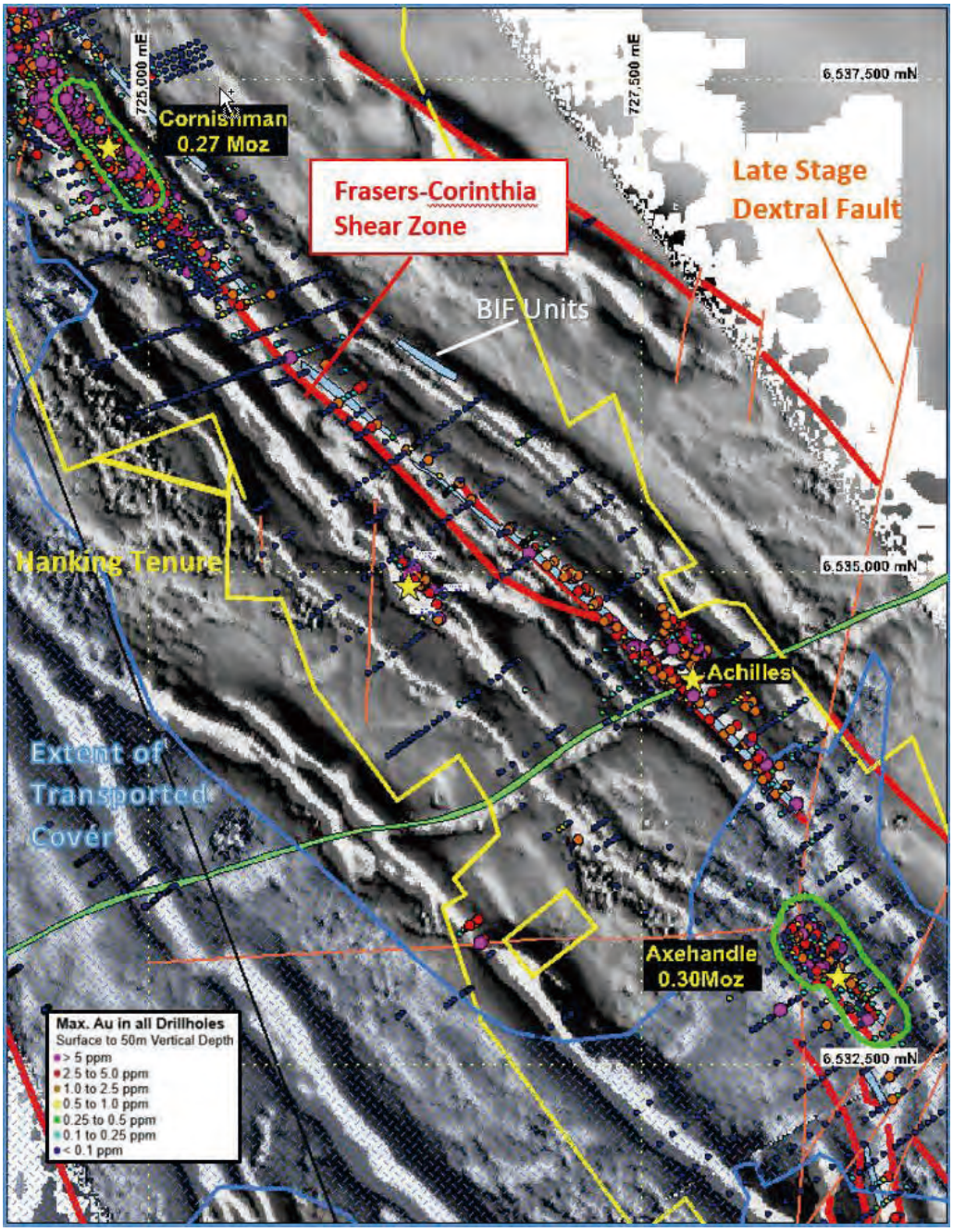

Figure 18: Cornishman-Axehandle Corridor on Aeromagnetics.

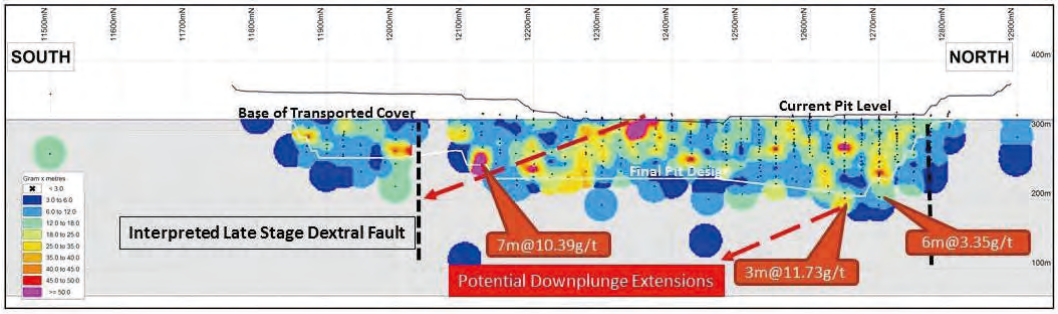

Figure 19: Axehandle Deposit – Long Section View (Data provided by Hanking, July 2016)

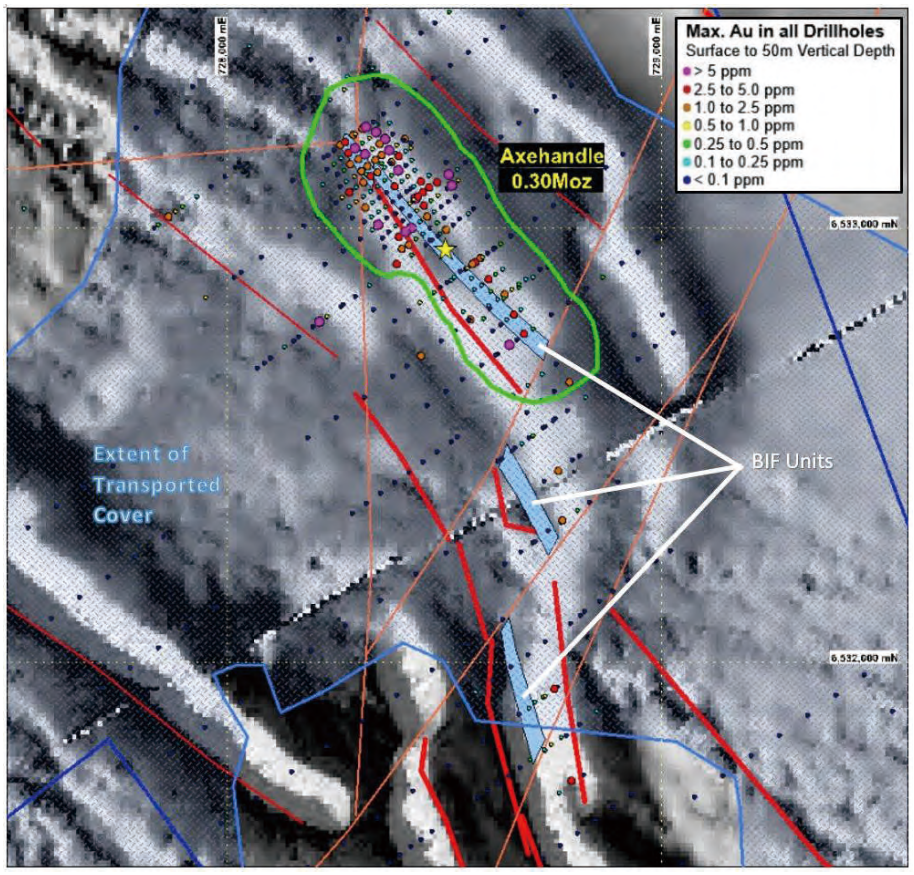

Figure 20: Axehandle Environs with Interpreted BIF Potential
(Note there has been additional drilling since this map was created)

5.3.2 Yilgarn Star

The Yilgarn Star deposit is a shear hosted deposit, mine geology is dominated by a footwall sequence of ultramafic rocks juxtaposed with bedded pelitic and psammitic schists along the southwest dipping Yilgarn Star Shear Zone.

The underground mine was developed to a depth of 470 metres below surface (mbs) and demonstrated the consistency of high grade mineralisation to this depth. Drilling by previous owners St Barbara Mines confirmed continuity of mineralisation beneath the underground mine (470 mbs) particularly within the Premier Lodes in the northern extent of the underground workings. Limited deep drilling beneath Premier Deeps has demonstrated mineralisation continues to approximately 800 mbs with a recorded intercept of 10 m @ 6.23g/t from 883 m in drill hole YSD116C.

Near surface drilling by Hanking at Yilgarn Star North has confirmed mineralisation is now semi-continuous over a 2,500 m strike, drill coverage outside the mine environ does not extend past 200 mbs.

CSA Global Comments

Exploration adjacent to the underground mine environs by Hanking and previous owners demonstrates the potential to identify additional high grade shoots parallel to the three well defined lodes within the Yilgarn Star mine.

In particular, a high grade intercept (6 m @ 45.41 g/t from 365 m in drill hole 970/160SL), 200 m south of the Southern Lodes Shoot and moderate grade intercepts, 200 m north of the Northern Lodes (5 m @ 3.00 g/t from 419 m in drill hole YSD130), 400 m north (5 m @ 5.05 g/t from 233 m in drill hole YSD165) and 800 m north (4 m @ 3.06 g/t from 222 m in drill hole YNRC030), all highlight the potential for high grade lode mineralisation (Figure 21).

In addition, similar to Marvel Loch's Exhibition Lode there is potential at Yilgarn Star for blind high grade shoots to develop anywhere along the 2.5 km long shear contact, particularly where subtle flexures, changes in dip or strike of the sheared mafic/ultramafic occurs.

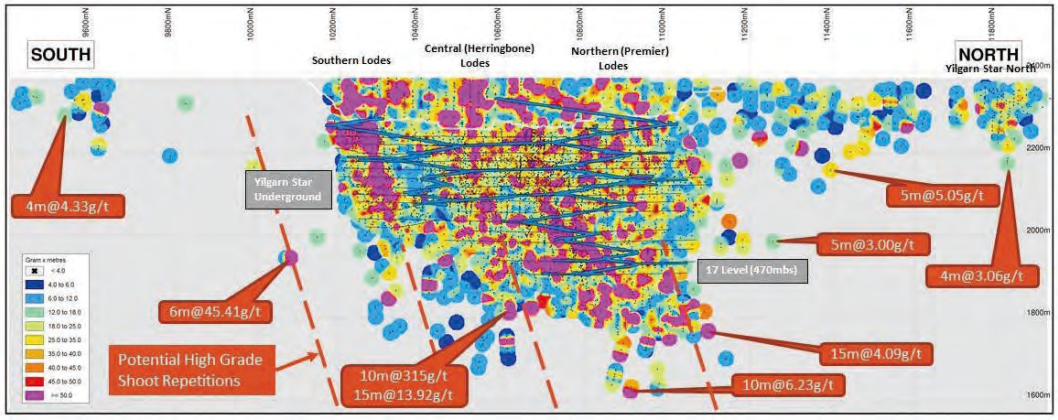

Figure 21: Yilgarn Star Deposit – Long Section View (Data provided by Hanking, July 2016)

5.3.3 Jaccoletti

The Jaccoletti deposit is a shear hosted deposit, mineralisation occurs within a NW trending mineralised shear parallel to a sediment-mafic/ultramafic contact. Recent interpretations suggest high grade mineralisation develops where the sediment-mafic/ultramafic contact displays an approximate 40 metre structural offset/flexure proximal to the shear (Figure 22).

This offset/flexure is evident within the open pit which included the historical Mountain Queen underground workings and again approximately 100 m below the pit (200 mbs), where better intercepts include 21 m @ 12.2 g/t from 317 m and 54 m @ 8.1 g/t from 243 m. The interpretation suggests potential exists for this feature to continue at depth within an 80-100m corridor plunging 80o to the south (Figure 23).

CSA Global Comments

Recent drilling by Hanking has confirmed the high grade Mountain Queen shoot within the interpreted flexure/offset beneath the Jaccoletti pit. Deeper drilling (280 mbs – 430 mbs) evaluated an area vertically below the Jaccoletti pit and did not test the downplunge extension of this high-grade mineralisation, CSA Global believes there is potential for depth continuation of the high grade shoot.

Drilling recorded high grade intercepts 150 m to the south and 100 m to the north of the high-grade Mountain Queen shoot suggesting potential exists for other flexure style targets along strike from the Jaccoletti deposit.

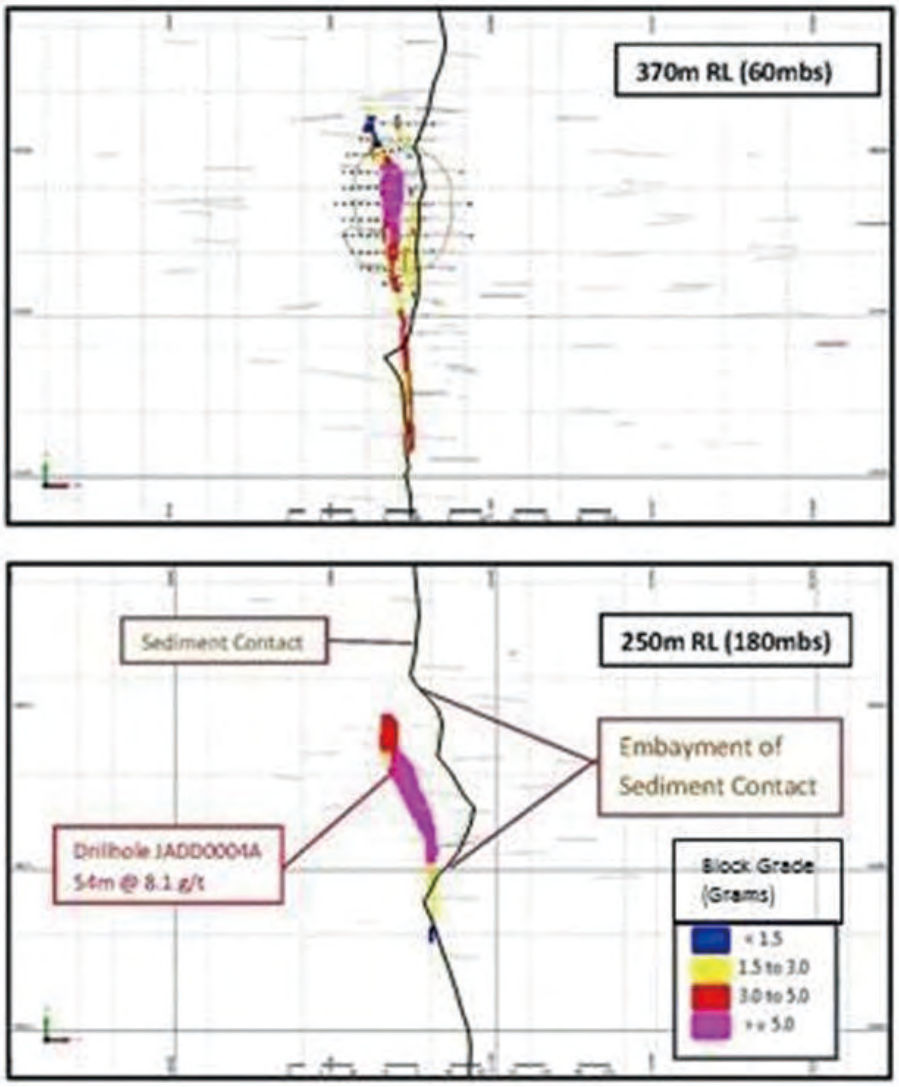

Figure 22: Jaccoletti Deposit – Plan View at 370mRL (60mbs) and 250mRL (180mbs)

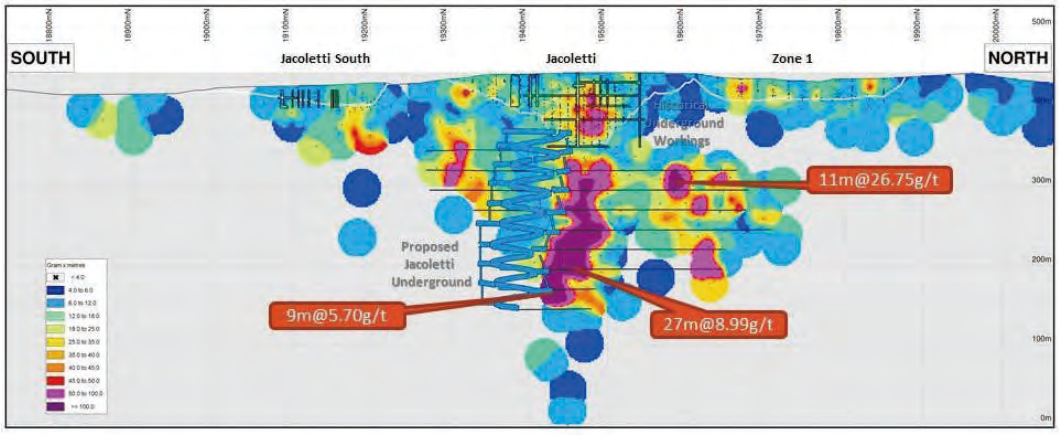

Figure 23: Jaccoletti Deposit – Long Section View (Data provided by Hanking, July 2016)

5.3.4 Frasers South

The Frasers South deposit is the southern extension of the shear hosted Frasers deposit. Both deposits are located within the regionally extensive Frasers-Corinthia Shear Zone. Mine sequence comprises ultramafic, mafic actinolite-tremolite schist, pelitic sediments and Banded Iron Formation. Mineralisation is best developed along the sheared contact between mafic and ultramafic lodes.

CSA Global Comments

Limited deep drilling at Frasers South has demonstrated potential for downplunge continuation of high grade mineralisation exploited in the Frasers open pit and underground operations (Figure 24).

Shallow high grade intercepts recorded at Frasers South suggests potential for development of another high-grade shoot.

There is additional potential for repetition of high grade mineralisation beneath the current workings as demonstrated by several high-grade intersections at the north end of the deposit.

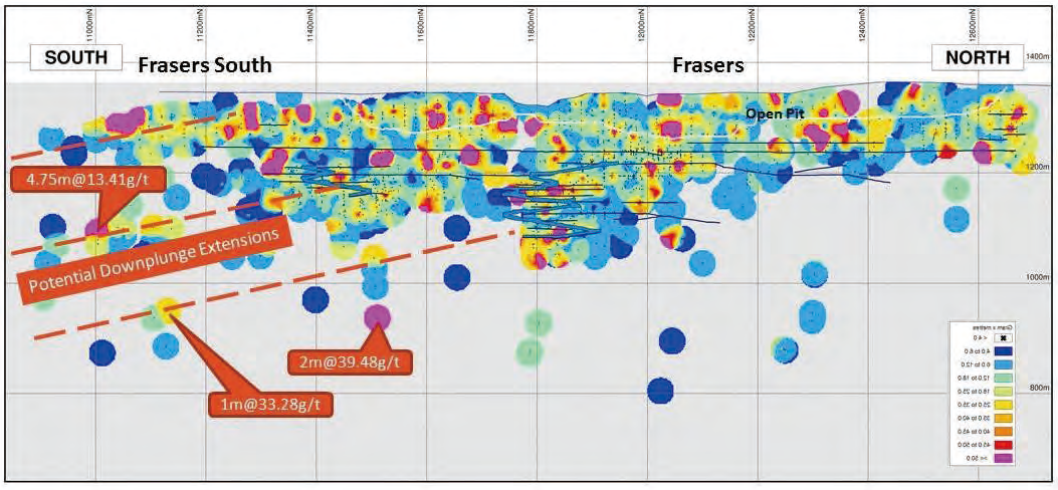

Figure 24: Frasers South Deposit – Long Section View (Data provided by Hanking, July 2016)

5.3.5 Transvaal

The Transvaal deposit comprises a series of open pits and an underground operation over a strike length of 2 km. The deposit is shear hosted with a geological sequence comprising an eastern mafic volcanic package, a central ultramafic package and a western sedimentary package. Mineralisation is best developed adjacent to the ultramafic-sediment contact. Previous exploration and subsequent mining exploitation primarily targeted the mineralised ultramafic/sediment contact. Deep drilling at the northern end (Transvaal) of the project area returned several deep intercepts including 15 m @ 2.43 g/t from 443 m in drill hole TVDD0013, 2 m @ 8.0 g/t from 448 m, 7 m @ 4.6 g/t from 448 m and 10.5 m @ 12.99 g/t from 602.6 m in drill hole TDD0116B (Figure 25).

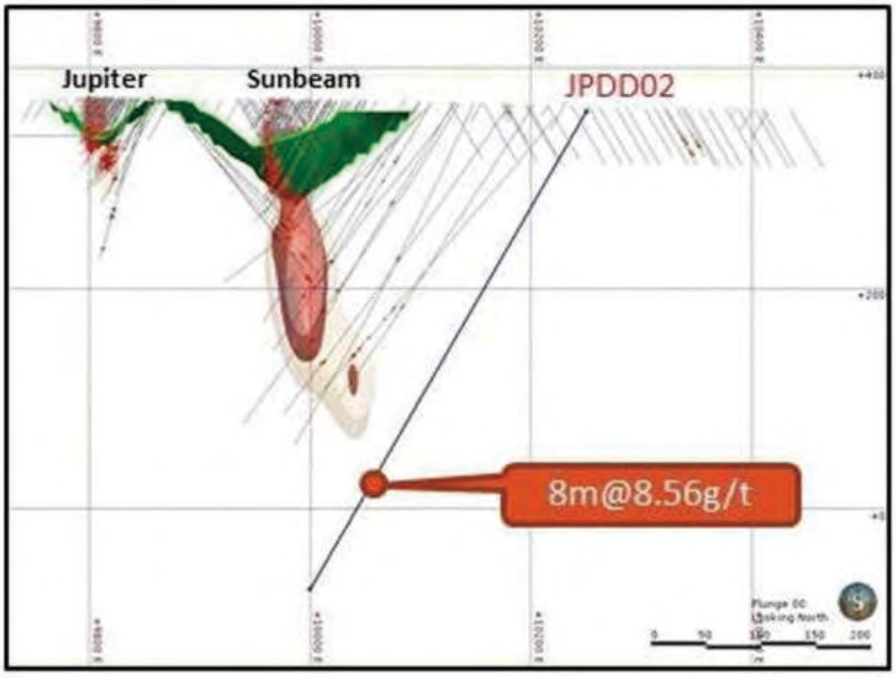

Figure 25: Transvaal Deposit – 8740N Local Grid Cross Section

CSA Global Comments

Hanking through the EIS co-funding scheme completed two deep diamond holes targeting mineralisation within interpreted dilation sites. The drilling identified mineralisation 150 metres deeper than previously thought and persists along strike with a best intercept of 8 m @ 8.56 g/t from 398 m in drill hole JPDD02 Figure 26).

The Transvaal Shear corridor is a highly mineralised corridor with a gold endowment of 880 Koz. CSA's 2014 targeting review identified this corridor to be prospective along strike, in addition several discrete targets were identified in the vicinity of the Transvaal Shear highlighting the significant potential within this area.

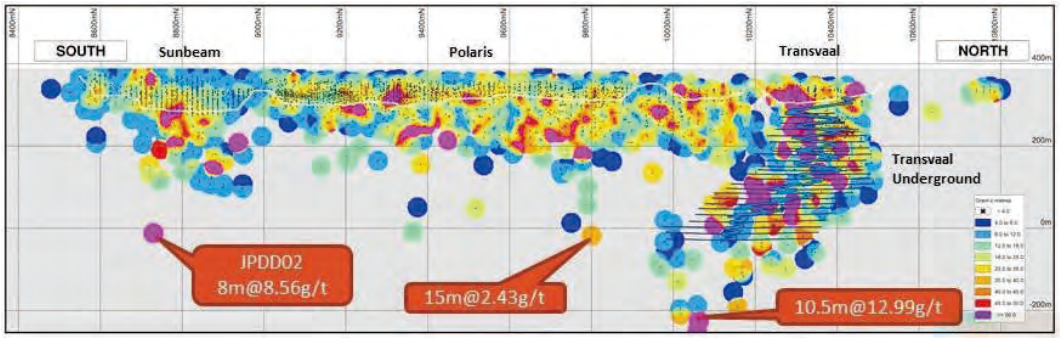

Figure 26: Transvaal Deposit – Long Section View (Data provided by Hanking, July 2016)

5.3.6 New Zealand Gully and Ruapehu lodes

The Ruapehu and New Zealand Gully (NZG) lodes are 3 km north of Transvaal along the general strike of the mineralization; the lodes are 200 m apart (Figure 27).

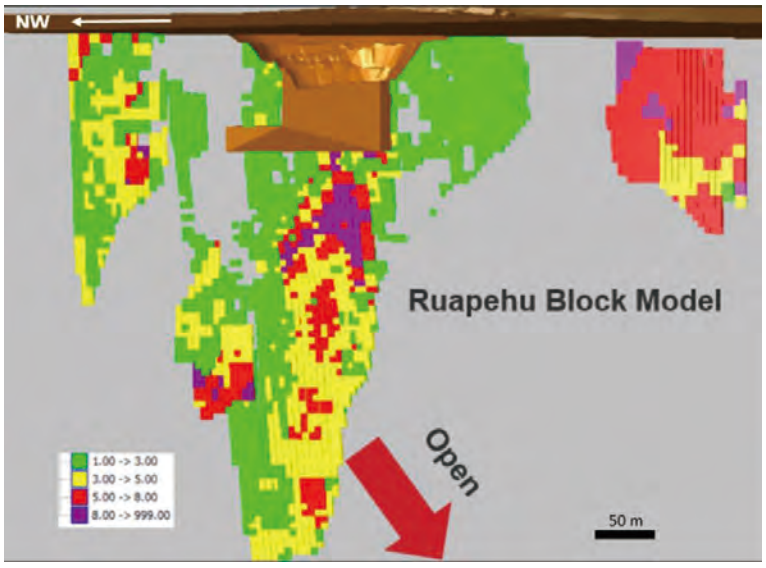

Figure 27: Oblique section of Ruapehu (LHS) and NZG (RHS) lodes
Looking northeast, and highlighting potential down plunge potential for continuations of mineralisation

The most recent historical drilling was done by SBM in 2008, with intercepts of 10 m at 15.5 g/t for RPDD0004, 10 m at 7.6 g/t for RPDD0010, 6 m at 15.3 g/t for RPDD0011, 8 m at 16.1 g/t for JARC0002, 4 m at 7.5 g/t for RPDD0014 (Figure 28).

This drilling has extended the gold mineralization at Ruapehu lode for potentially up to another 200 m of vertical depth, indicating potential to increase the resource base from additional deep drilling programs.

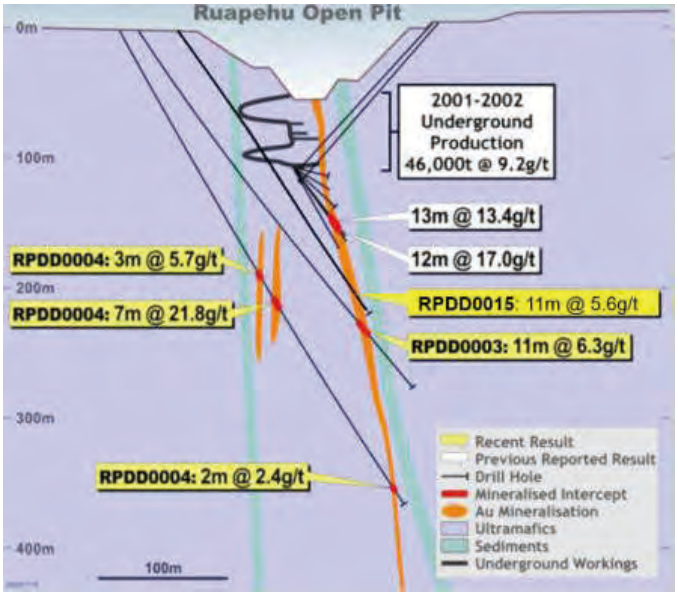

Figure 28: Ruapehu potential resource extensions below existing pit flagged by past significant intersections

CSA Global Comments

Ruapehu and NZG lie within the Transvaal Shear corridor, which is a highly mineralised corridor with a current gold endowment of 900 Koz. CSA's 2014 targeting review identified this corridor as prospective along strike, with several discrete targets were identified warranting further exploration, as well as test below NZG and Ruapehu to test down plunge extensions.

6 MINING OPERATIONS AND STOCKPILES

6.1 Deposits within the LOM

CSA Global has reviewed the Life of Mine plan (LOM) and Ore Reserve estimates for Hanking's SXO mining assets. The operations in the LOM span the period from January 2017 to December 2023. All ore is trucked from the SXO operations to be processed at the Marvel Loch Processing Plant. The ore is produced from both open pit and underground operations.

The operations are active at the time of review, with mining at the Axehandle open pit mine and the Nevoria underground mine.

CSA Global has relied on the information provided by Hanking in terms of mine design, mining schedules, and cost estimates. CSA Global have assessed the information as presented and has not had the opportunity to independently verify whether the work complies with all recommendations of various studies relating to each deposit.

6.1.1 Open Pit

The open pit assets addressed by CSA Global comprise:

- Axehandle (Stage 1,2 and 3)
- Frasers
- Aquarius
- Edwards Find (Edwards Find and Edwards Find North)
- Yilgarn Star

6.1.2 Underground

The underground assets addressed by CSA Global comprise:

- Nevoria
- Jaccoletti
- Cornishman
- Frasers South
- Yilgarn Star
- Golden Pig

The relevant Competent Person details, and dates of issue, which relate to the SXO Ore Reserves are presented in Table 9.

Table 9: SXO Mineral Resources and relevant Ore Reserves

JORC Resource					JORC Reserves			
Reference Document	JORC Code	Date Issued	Competent Person (CP)	CP Affiliations	Reference Document	Date Issued	Competent Person (CP)	CP Affiliations
R310 2014 MRE for Axehandle Gold Deposit for Hanking Gold Mining	2012	Mar-15	Dr Bielin Shi	CSA Global employee FAusIMM	150216_Axehandle Pit Feasiblity Study and Mining Reserve Rev (3) http://www.hankingmining.com/pdf/JORC/Axe%20FS%20&%20JORC%20Reserve.pdf	Jul-15	Charles Hastie	MAusIMM
Edwards Find North JORC Resource Jan 2009	2004	Jan-09	Jane Bateman	St Barbara Limited employee MAusIMM	160708_Edwards_Find_North_Pit Feasiblity and Mining Reserve Rev(2) http://www.hankingmining.com/pdf/JORC/EFN%20FS%20&%20Reserve.pdf	Jul-16	Charles Hastie	MAusIMM
Frasers JORC Resource Mar 2014	2012	Mar-14	Dr Bielin Shi	CSA Global employee FAusIMM	Frasers South Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014) http://www.hankingmining.com/pdf/JORC/EFN%20FS%20&%20Reserve.pdf http://www.hankingmining.com/pdf/JORC/ENT%20Stage%201%20DFS.pdf http://www.hankingmining.com/pdf/JORC/ENT%20Stage%201%20JORC%20Reserve.pdf	Jul-14	Shane Mcleay	Entec employee FAusIMM
Yilgarn Star JORC Resource Jul 2016	2012	Jul-16	Dr Bielin Shi	DW Resources Technology employee FAusIMM	Yilgarn StarPit Feasiblity Rev(3) Study and Mining Reserve http://www.hankingmining.com/pdf/JORC/Yil%20Star%20OP%20FS%20&%20Reserve.pdf	Jul-16	Charles Hastie	MAusIMM
Runge_Transvaal_July_2008_ Resource_Estimate	2004	Jun-09 (JORC Table 1 in March 2017)	Robert Williams	Runge Limited employee and MAusIMM	Aquarius Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014) http://www.hankingmining.com/pdf/JORC/EFN%20FS%20&%20Reserve.pdf http://www.hankingmining.com/pdf/JORC/ENT%20Stage%201%20DFS.pdf http://www.hankingmining.com/pdf/JORC/ENT%20Stage%201%20JORC%20Reserve.pdf	Jul-14	Shane Mcleay	Entec employee FAusIMM
Nevoria JORC Resource Feb 2012	2004	Feb-12 (JORC Table 1 in March 2017)	Sam Beckett	CSA Global AusIMM	Nevoria Underground – April 2016 Mining Reserve http://www.hankingmining.com/pdf/JORC/Nevoria%20UG%20FS%20&%20Reserve.pdf	Jul-16	Charles Hastie	MAusIMM
MRE for Yilgarn Star Gold Deposit for Hanking Gold Mining	2012	Jul-16	Dr Bielin Shi	DW Resources Technology AusIMM	Yilgarn Star UG FS and Reserve http://www.hankingmining.com/pdf/JORC/Yil%20Star%20UG%20FS%20&%20Reserve.pdf	Jul-16	Troy Flannery	MAusIMM
Mineral Resource Estimation Study Jaccoletti – April 2016	2012	May-16	David Slater	SRK Consulting AusIMM	Jaccoletti Underground Feasibility Study and Mining Reserve http://www.hankingmining.com/pdf/JORC/Jacoletti%20UG%20FS%20&%20Reserve.pdf	May-16	Troy Flannery	MAusIMM
Mineral Resource Estimate for Frasers Gold Deposit	2012	Mar-14	Dr Bielin Shi	CSA Global AusIMM	Frasers South UG Feasibility and Mining Reserve v4 http://www.hankingmining.com/pdf/JORC/Frasers%20UG%20FS%20&%20Reserve.pdf	Apr-16	Troy Flannery	MAusIMM
Mineral Resource Estimate for Cornishman Gold Deposit	2012	Oct-14	Dr Bielin Shi	CSA Global AusIMM	Cornishman Underground Feasibility Study and Mining Reserve http://www.hankingmining.com/pdf/JORC/Cor%20UG%20FS%20&%20Reserve.pdf	May-16	Troy Flannery	MAusIMM

All the JORC Reserve Estimate results were released to the market through HKSX by China Hanking on 25 July 2016 and 22 March 2017, respectively. All the JORC Reserve reports are publically available at http://hankingmining.com/jorc-resource-and-reserve

6.2 Basis of Design

A Definitive Feasibility Study (DFS) was completed for Phase 1 of the Southern Cross Operations in August 2014 by Entech Pty Ltd. This DFS addressed planned open pit operations at the following deposits:

- Cornishman/Axehandle
- Nevoria
- Frasers
- Aquarius

The DFS did not address underground operations.

The underground design for Nevoria is described in several studies – "Nevoria East Underground, August 2014", "Silver Underground Feasibility Study and Mining Reserve", March 2016 and an Ore Reserve statement – "Nevoria East Gold Mine Ore Reserves, August 2014" completed by Matthew Bellamy of Pit N Portal Group (PNP) and Charles Hastie of Hanking.

Subsequent underground mine design that is the basis of the LOM and Ore Reserve has been completed by Hanking.

CSA Global Comment

CSA Global recognise that the DFS used for the planned open pit operations is equivalent to a prefeasibility study in its rigour. A review of the Ore Reserve documentations indicates that feasibility study level of work has been completed for all of the Underground Ore Reserves. Table 10 summarises the key modifying factors employed in the reserve estimation for the SXO.

Table 10: SXO Ore Reserves summary of key modifying factors

Reserve name	feasiblity study name	Effective date	gold price forecast AUD	Discount rate	Process Recovery	Mining Rec	Mining Dilution
150216_Axehandle Pit Feasiblity Study and Mining Reserve Rev (3)	150216_Axehandle Pit Feasiblity Study and Mining Reserve Rev (3)	30-Jul-15	$1474/oz nominally $100 below gold price at the time of study	10% fixed discount rate	93% test work done	95%	10%
160708_Edwards_Find_North_Pit Feasiblity and Mining Reserve Rev (2)	160708_Edwards_Find_North_Pit Feasiblity and Mining Reserve Rev (2)	12-Jul-16	$1600/oz nominally $100 below gold price at the time of study	10% fixed discount rate	90% test workdone	95%	15%
Frasers South Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014)	Aquarius Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014)	16-Jul-14	$1323/oz nominally $100 below gold price at the time of study	10% fixed discount rate	90% test workdone	95%	10%
Yilgarn StarPit Feasiblity Rev (3) Study and Mining Reserve	Yilgarn StarPit Feasiblity Rev (3) Study and Mining Reserve	22-Jul-16	$1600/oz nominally $100 below gold price at the time of study	10% fixed discount rate	92% historical	95%	15%
Aquarius Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014)	Aquarius Pit ENT_0196_JORC 2012 Ore Reserve_Frasers_Aquarius (Southern Cross Operations Open Pit Ore Reserves July 2014)	16-Jul-14	$1323/oz nominally $100 below gold price at the time of study	10% fixed discount rate	80% historical	95%	10%
Nevoria Underground – April 2016 Mining Reserve	Nevoria Underground – April 2016 Mining Reserve	8-Jul-16	$1,500/oz, which was approx $100 below the gold price at the time of the study	10%, Fixed discount rate applied.	90%, which reflects the average recovery achieved by the Marvel Loch Mill for the last 12 months	75%, allows for pillars as per the geotechnical consultant's advice	15%, allows for a minimum mining width
Yilgarn Star UG FS and Reserve	Yilgarn Star UG FS and Reserve	25-Jul-16	$1,600/oz, which was approx $100 below the gold	8%, Fixed discount rate applied.	92%, which reflects the historic recovery achieved when Yilgarn Star was last mined	75%, allows for pillars as per the geotechnical	15%, allows for a minimum mining width
Jaccoletti Underground Feasibility Study and Mining Reserve	Jaccoletti Underground Feasibility Study and Mining Reserve	11-May-16	$1,500/oz, which was approx $100 below the gold price at the time of the study	10%, Fixed discount rate applied.	90%, which reflects the average recovery achieved by the Marvel Loch Mill for the last 12 months	75%, allows for pillars as per the geotechnical consultant's advice	15%, allows for a minimum mining width
Frasers South UG Feasibility and Mining Reserve v4	Frasers South UG Feasibility and Mining Reserve v4	29-Apr-16	$1,500/oz, which was approx $100 below the gold price at the time of the study	10%, Fixed discount rate applied.	90%, which reflects the average recovery achieved by the Marvel Loch Mill for the last 12 months	75%, allows for pillars as per the geotechnical consultant's advice	15%, allows for a minimum mining width
Cornishman Underground Feasibility Study and Mining Reserve	Cornishman Underground Feasibility Study and Mining Reserve	11-May-16	$1,600/oz, which was approx $100 below the gold price at the time of the study	8%, Fixed discount rate applied.	92%, which reflects the historic recovery achieved when Cornishman was last mined	75%, allows for pillars as per the geotechnical consultant's advice	15%, allows for a minimum mining width

6.3 Geotechnical

6.3.1 Open Pit

The DFS contains geotechnical investigations completed by Ground Control Engineering (GCE). The extract below describes the level of study of the geotechnical investigations in the DFS.

"The geotechnical studies conducted by GCE for Cornishman and Nevoria have been based on geological and drill-hole data provided to GCE by Hanking and a site visit conducted by GCE. There was sufficient information to generate slope recommendations to a feasibility level of confidence.

Information available for the Frasers South and Aquarius deposits was limited and therefore GCE could only conduct a geotechnical investigation to a scoping level of confidence. Following these investigations Hanking was informed of the confidence level and have accepted this risk as although the opinion is not based upon data that qualifies as feasibility level, the proposed pit is either an extension of an existing pit or there are other pits in the immediate vicinity that appear to have very similar properties. Further data will be collected and analysed prior to the commencement of mining that will enable a feasibility level of confidence to be achieved ahead of time."

The Feasibility Study on the Frasers South and Aquarius open pits was completed by consulting group Entech. Key Entech staff involved in the study previously worked at SXO, as General Manager at Gwalia for St Barbara. Hanking has great confidence in the feasibility study and the pit design and concurs with the Entech's conclusion.

Several geotechnical studies have been undertaken on the Axehandle deposit since late 2015.

6.3.2 Underground

Six geotechnical domains have been identified and evaluated within the Nevoria East area. The rock types and defect orientations within each of these domains has been analysed using available drill hole data to determine the possible impact on both development and stoping.

Uniaxial compressive strength testing and the Q Rock Mass Classification system were used to generate rock mass ratings for each domain. This information assisted in the development of ground support standards and decline standoff distances. The stable stope strike length and pillar sizes were developed using the Modified Stability Graph Method and hydraulic radius.

Ongoing geotechnical advice is provided by a specialist to the design of the underground operations that comprise the LOM and Ore Reserves.

CSA Global Comment:

The methods applied to assess the geotechnical stability of the open pit and underground mining is appropriate. There has been a strong reliance on historical information for the open pit assessment that is not necessarily feasibility study standard. Although the intention is expressed that

each pit will be analysed to this standard before mining, the LOM contains estimates for the stable wall angles and wall performance that may require adjustment when this specific analysis is completed.

The underground Nevoria mine is currently in production and it appears that the ground is largely performing as expected. The generalised Matthews Modified Stability Graph method is appropriate for the work presented. Specific local conditions should be added to the analysis and designs as this information becomes available.

6.4 Mining Method

6.4.1 Open pit

The mining method selected for the open pits is a conventional approach using small to medium size equipment operated by a mining contractor. The equipment can be used interchangeably between the various deposits. Watpac Civil and Mining Pty Ltd (Watpac) are the current open pit mining contractors.

6.4.2 Underground

The mining method for the Nevoria underground mine and the future underground operations is a conventional long-hole, retreat open stoping method, using mechanised mining equipment. Access is through a portal, decline and development drives to the orebody. Ore is extracted through long-hole stoping techniques in a top-down sequence with no backfill planned. Regional stability is maintained through rib and sill pillars left in-situ. Local stability in drives and stopes is maintained through installed ground support systems. The underground operations are completed by a mining contractor (Pit 'n Portal (PNP))

6.5 Cut-off Grade

6.5.1 Design Gold Price

The open pit mines have been designed on shells generated at a gold price in Australian Dollars of A$1,600 of per gold ounce for all open pit except Axehandle. The Nevoria underground mine has been designed on a gold price in Australian Dollars of A$1,500 per gold ounce. Yilgarn Star and Cornishman underground mines have been designed on a cut-off grade using a gold price of A$1,600/oz. All revenues used for the purpose of Reserve calculations are based on gold production. No secondary credits have been included.

6.5.2 Royalties

The WA state government royalty of 2.5% of revenue per recovered ounce plus an additional International Royalty Corporation (IRC) royalty of 1.5% of revenue per recovered ounce has been applied to the operations.

6.5.3 Open Pit

The open pit operations have been based on shell optimisations using Whittle and Datamine's NPV Scheduler. For the Southern Cross Operations, shell selection was based upon a gold price of between A$1,474/oz and A$1,600/oz as shown in Table 11.

Table 11: Optimisation gold price for each pit in LOM

DEPOSIT	OPTIMISATION GOLD PRICE (A$/oz)
Yilgarn Star	1,600
Axehandle	1,474
Edwards Find North	1,600
Edwards Find	1,474
Frasers South	1,474
Aquarius	1,474

6.5.4 Underground

The underground stope cut-off grade has been calculated for individual deposits. The cut-off grades take in fixed and variable components of the mining, processing and administration costs of the underground operation.

The full cost cut-off grade for stopes in a new mining block are shown in Table 12

Table 12: Underground cut-off grades

DEPOSIT	STOPE CUT-OFF GRADE AU (g/t)
Nevoria West (Silver)	2.72
Nevoria East	3.08
Yilgarn Star	3.07
Frasers South	2.80
Jaccoletti	2.63
Cornishman	2.92

CSA Global Comment

The cut-off grades used in the Ore Reserve estimation and supporting LOM are generally based on a gold price of A$1,600/oz, with the exception of Nevoria West (Silver) (A$1,500) and Nevoria East (A$1,550). This value provides a margin of approximately A$150/oz based on the gold price at the time of writing. This margin contributes towards mitigating operating risks, capital payback and return on investment for the project.

6.6 Mine Planning

6.6.1 Open Pit

Mining and Road widths

The open pits have generally been designed with a bench height of 5.0 m. Slope angles are within the parameters specified by the geotechnical analysis. The haul road has been designed to accommodate a Caterpillar-777 truck in dual or single lane configuration according to the depth in the pit.

The minimum mining width is determined by the fleet size and has been maintained at 30 m, except for a 20 m "goodbye" cut at the bottom of each pit.

Stage Designs

Axehandle, has been designed in stages to manage cashflow from the operation. All other pits are scheduled as single stage pits. Yilgarn Star and Nevoria require coordination of the open pit mining schedule with underground mining activities.

Waste Dumps

The waste dumps are designed to accommodate the waste material reported by the cut-off grade interrogation of the pit designs. These are located as close as practically possible to pit ramp exits.

Topsoil will be stored as a bund not exceeding 3 m in height that forms a perimeter around the waste dump. The topsoil dump will need to accommodate the first 0.3 m of material to be stripped from cleared areas.

Drill and Blast

Drill and blast activities will be carried out by a mining contractor. The blast parameters have been estimated for each major material type and application of these parameters will provide suitably sized rock fragmentation for an 800 mm x 800 mm grizzly at the primary crusher. On occasions however, due to certain ground conditions or drill and blast issues, some oversize ore will be

delivered to the ROM. The oversize material will require secondary breakage with a hydraulic rock breaker. Allowance for rock breaking has been included in the cost model based on quoted rates from Hamptons.

Grade Control

Grade control will be conducted by way of dedicated Reverse Circulation (RC) grade control drilling programs. This method has been selected in preference to blast hole sampling for the following reasons:

- When drilled to ~40 m depths, RC drilling allows blast design planning to be carried out for several benches ahead of mining. This enables the blasts to be designed as separate ore and waste shots, significantly reducing the amount of waste dilution;

- Blast hole sample quality is often poor, and with a significant proportion of the blast holes expected to be wet, this would be of greater concern. The use of RC drilling significantly reduces the risk of sample contamination.

Grade control will be drilled on an 8 m x 8 m pattern, with samples to be collected on 2 m intervals for assay. All grade control drilling will be carried out by a local drilling contractor. Costing for the drilling in the DFS has been provided by Entech based on an all-inclusive cost per drill metre rate $2.00/t ore.

Assaying of the samples will be carried out at the onsite laboratory. All costs associated with assaying have been included in the surface mining summary section of the cost model.

Geological input (involving ore mark-ups and regular inspections) will be required when loading ore to ensure minimal ore dilution occurs whilst maintaining maximum ore recovery.

Dewatering

Allowances have been made in the schedule and cost estimates for pit dewatering of existing pit voids before mining recommences. The cost of pumping from the pit during mining and until closure has been planned.

6.6.2 Underground

Underground stopes have been designed on sections through the block model. Sections have been designed to extract the entire BIF unit with an allowance for planned dilution. Sections that did not reach the cut-off grade, were not included in stope designs, and were flagged as potential pillars. The stope sections were then combined and adjusted to mineable shapes. The Shapes were then expanded to account for planned dilution.

The stopes have been designed between levels from ore development drives. Vertical rib pillars are designed to a minimum of 4.0 m wide, or wider in thicker ore zones to maintain a 1:1 aspect ratio. Sill pillars are designed under geotechnical advice.

The stope shapes are combined into wireframes and the interrogated through the block model to list the tonnes and grade of contained material. These outputs are imported into a MS Excel spreadsheet for economic analysis.

A detailed development design has been completed to access and mine the designed stope shapes. This includes access decline, ventilation infrastructure, access drive and ore drives. The dimensions of the development drives align with the equipment and ventilation requirements.

6.6.3 Mine Designs

The following figures illustrate the mine designs for the various deposits of the SXO. Green pits are existing excavations, brown pits are planned excavations, blue underground shapes are existing excavations and red shapes are planned excavations (see Figure 29 to Figure 37).

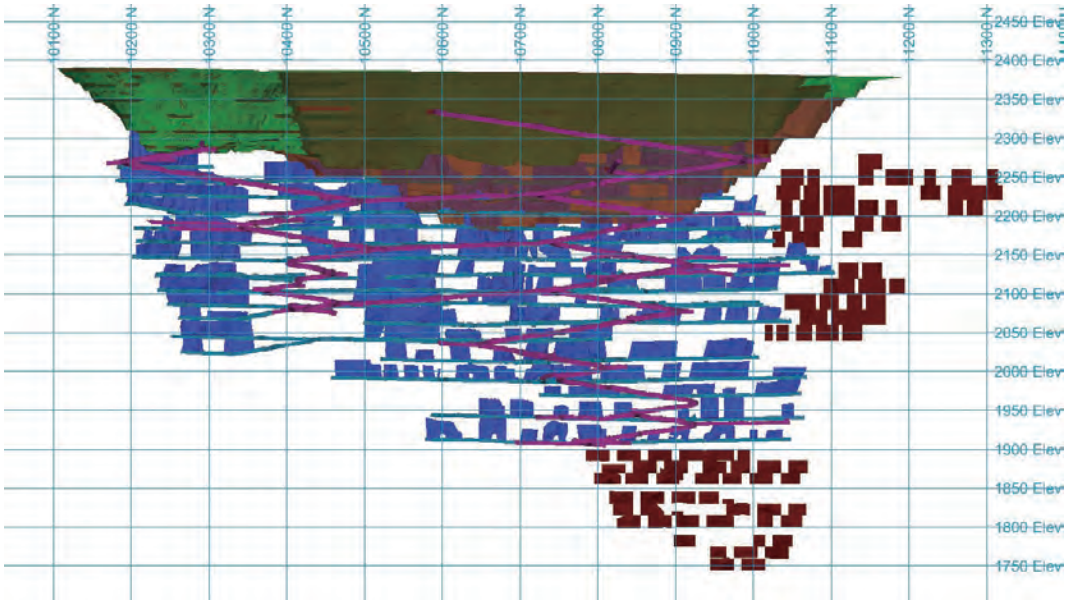

Figure 29: Yilgarn Star open pit and underground mine

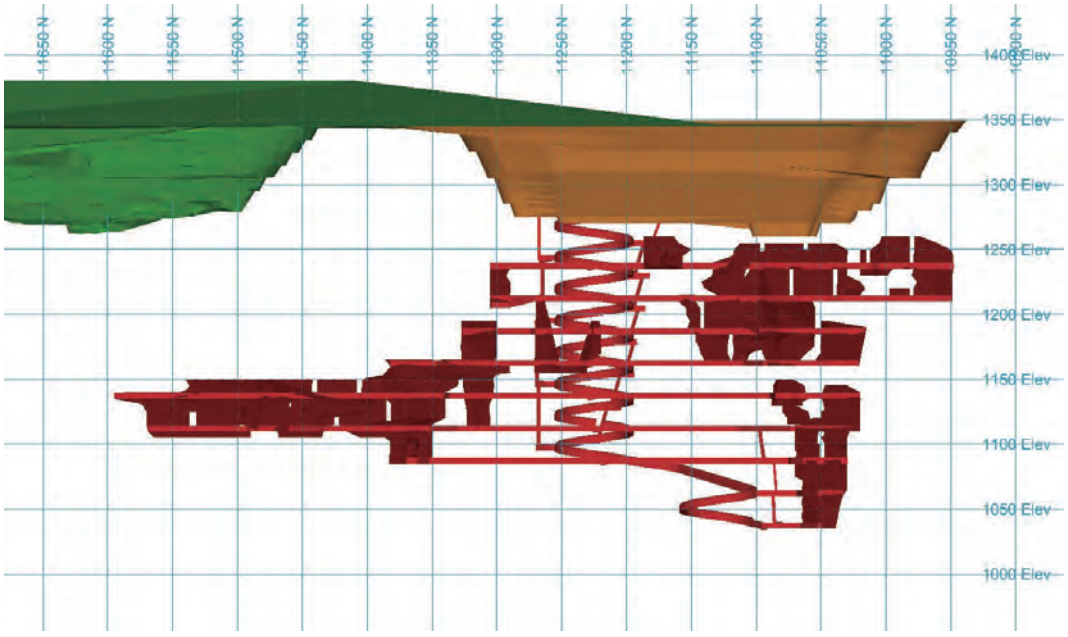

Figure 30: Fraser South open pit and underground mine

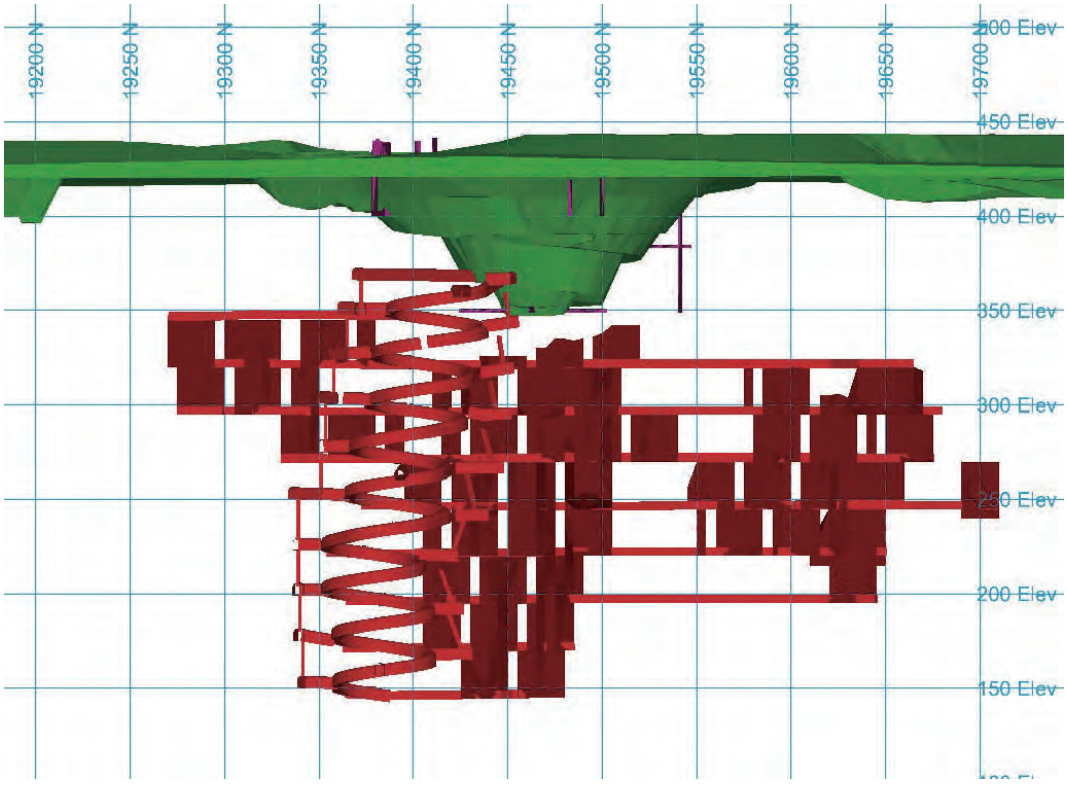

Figure 31: Jaccoletti underground mine

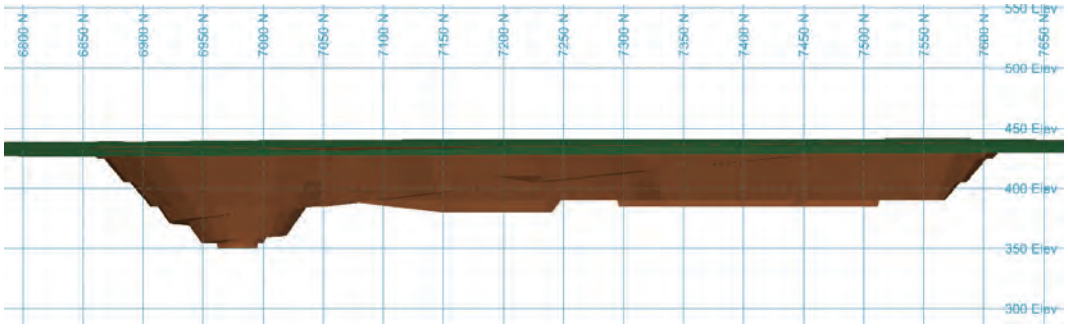

Figure 32: Edwards Find North open pit mine

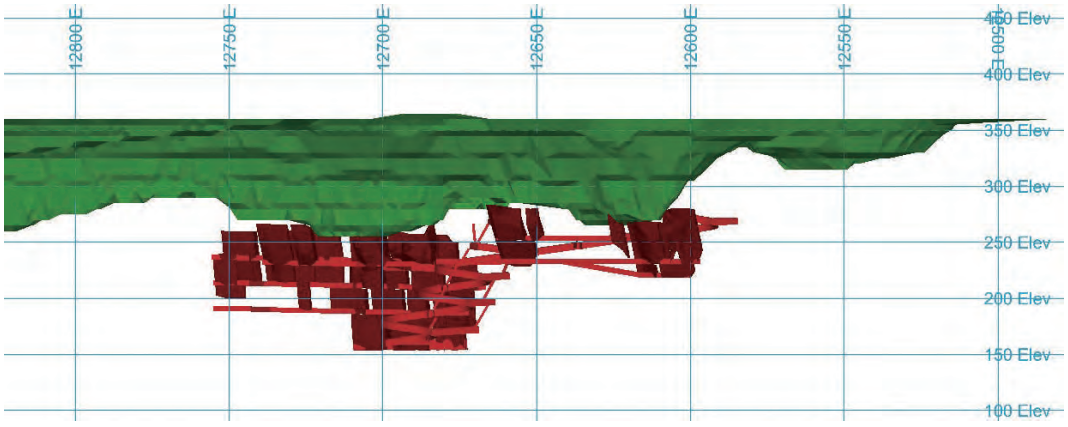

Figure 33: Cornishman underground mine

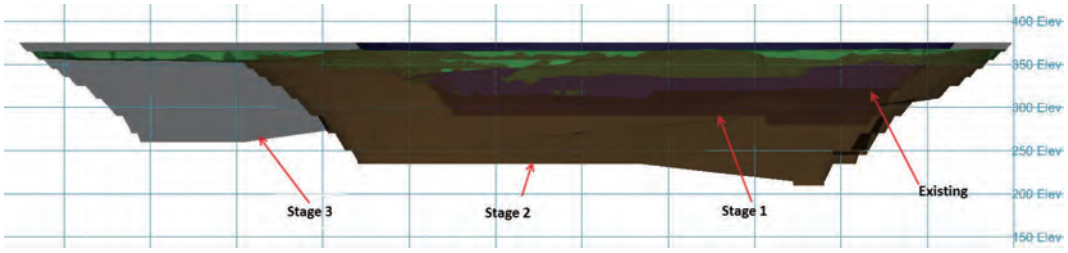

Figure 34: Axehandle open pit mine

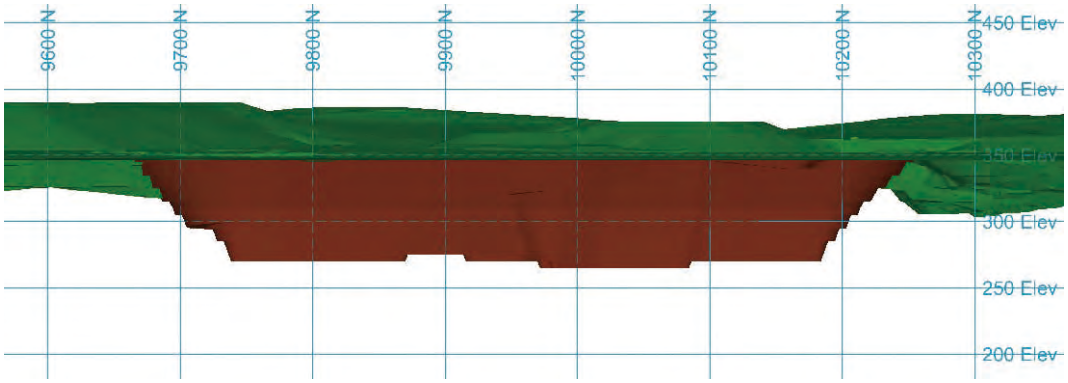

Figure 35: Aquarius open pit mine

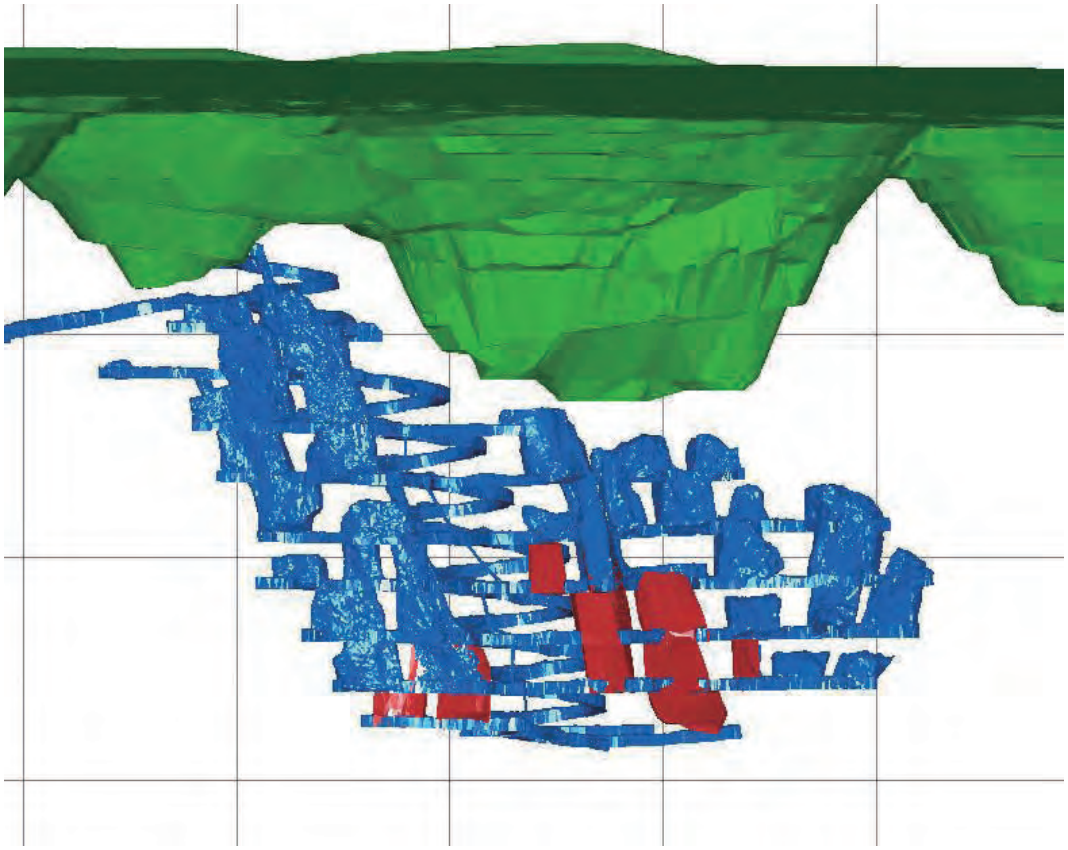

Figure 36: Nevoria Underground Mine design

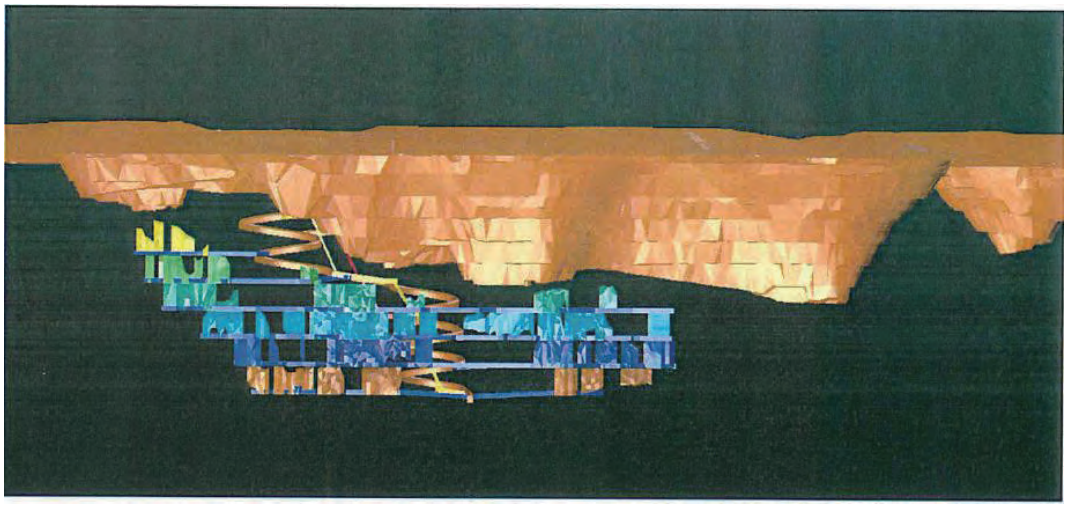

Figure 37: Nevoria Underground Mine design (West)

CSA Global Comment

The mine planning parameters used in the LOM and Ore Reserves are aligned to many similar types of deposits in the industry and are reasonable for the SXO operations.

The geotechnical parameters used in some open pit mine designs are based on general parameters developed for specific pits on the property. There has been a strong reliance on historical information for the open pit assessment. The intention is expressed that each pit will be analysed to a feasibility standard before mining, and the LOM estimates for the stable wall angles and wall performance may require adjustment following specific geotechnical analysis for individual pits.

The interaction between open pit and underground mining activities for the Yilgarn Star deposit will require careful consideration and planning to maintain operability and access to planned simultaneous mining activities.

6.7 Life of Mine Plan and Ore Reserve

Ore Reserves (production depleted to 30 June 2016) have been previously reported to by Hanking and this documentation available for review on Hanking's website (http://www.hankingmining.com/jorc-resource-and-reserve). Following discussions with Hanking, it was determined that other than depletion due to mining, no material changes have been made to the Ore Reserves. In order to compare the ore production in the 2017 LOM Plan to the reported Ore Reserves, the Ore Reserves have been depleted of mining up to 31 December 2016. A comparison between the LOM plan and the adjusted Ore Reserves is shown in Table 13 below:

Table 13: LOM and Ore Reserve comparison

	LOM			ORE RESERVE		
	Tonnes kt	**Grade Au (g/t)**	**Gold koz**	**Tonnes kt**	**Grade Au (g/t)**	**Gold koz**
OPEN PIT						
Axehandle	2,144	2.0	138	2,106	2.5	167
Yilgarn Star Pit	1,559	2.9	146	1,547	2.9	144
Aquarius	619	3.3	65	616	3.3	65
Frasers	340	3.4	37	340	3.4	37
Redwing	909	3.2	94	0	0.0	0
Edwards Find	529	2.7	45	0	0.0	0
Edwards Find North	301	3.0	29	327	2.7	28
Sub Total Open Pit	6,400	2.7	557	4,936	2.80	442
UNDERGROUND						
Nevoria Underground	1,355	3.3	144	762	4.2	102
CNC Underground	473	4.6	69	473	4.3	65
Frasers South Underground	550	5.3	93	550	4.5	80
Jaccoletti Underground	988	3.5	111	988	3.5	111
Yilgarn Star Underground	937	5.1	155	937	5.1	155
Golden Pig Underground	1,180	4.1	154	0	0.0	0
Sub Total Underground	5.483	4.1	727	3,710	4.3	513
Sub-total Stockpiles	74	0.6	1	98	1.1	4
TOTAL	**11,957**	**3.3**	**1,286**	**8,744**	**3.4**	**959**

The quantities in Table 13 are based on designs, a data dump of bench scale contents from Surpac, and the spreadsheet schedule for the open pit mines in the LOM. This LOM Plan contains Measured, Indicated, and Inferred Resources. The Ore Reserve contains only Measured and Indicated Resources. The current operating pits have detailed mine designs, with pits later in the LOM schedule using preliminary indicative mine designs.

The life of mine plan for Axehandle is derived from a hybrid block model using the December 2016 current grade control block model and the Reserve model; both imported into a regularized block model. As reconciliation progresses, the block size of the hybrid model will be refined to match actual grades and tonnes.

The underground mine plan is based on mine designs and a schedule generated in EPS scheduling software. These have been tabulated in the LOM spreadsheet.

There are small variations between the tonnes and ounces in the LOM Plan and the Ore Reserve tabulation.

CSA Global Comment

The Ore Reserves and LOM were previously reported as at June 2016. The major change in both Ore Reserves and LOM plan is as a result of mining depletion. No new Ore Reserves have been added since the June 2016 reporting date. The additional Mineral Resources mined within the LOM plan have increased with the addition of the Golden Pig underground operation.

The LOM Plan represents the overall mine design and schedule for the open pit and underground deposits of the SXO. The designs and schedules are sufficiently detailed to support the estimation of Ore Reserves and to inform the evaluation and profitability of the operations based on the LOM schedule.

The resolution of the LOM monthly schedule is on a bench scale. As the size of each of the pits is reasonably small and benches are generally completed within one to three months, the information provided is appropriate for a medium-term, multi-year plan.

CSA Global notes that Hanking has acquired Minesched and has introduced it for open pit mine short term planning. The underground mine scheduling is completed using EPS. The LOM plan is based on a complex Microsoft Excel workbook model using inputs from both Minesched and EPS. A possible improvement in the LOM planning process would be to integrate the schedules of the open pit and underground operations into the Minesched, eliminating the need for a complex Microsoft Excel workbook.

6.8 Production Scheduling

6.8.1 Open Pit

The open pits have been scheduled on two 12-hour shifts per day for an average of 700 shifts per year. Average operating hours per shift are estimated at 9.60 hours per 12-hour shift. Total shift operating efficiency is estimated at 69.5 %. Fifteen days per year are estimated to be lost to weather interruptions.

The following guidelines were used for open pit scheduling:

- The maximum mining rate is based on production with a 120 t excavator working 6,921 hours per annum.
- No restrictions were applied to crusher throughput as capacity exceeds requirements.
- The vertical rate of advance was kept to 10 m/month with a few exceptions where working space is not an issue, or the mining rate is low.

The long-term mining schedule is generated in a complex excel spreadsheet rather than specialised mine scheduling software. Due to this, the mine schedule sequences each bench to depletion before mining the next bench. The schedule for each pit does not consider mining concurrently over multiple benches, which would allow more flexibility to meet production targets. In the DFS, pits were sequenced from most profitable pit to least profitable.

The scheduling model relies on a data dump from a mine design package into the spreadsheet model. The data dump must conform to the configuration of the spreadsheet. The data must be depleted to the most current pit surfaces and provide the content of the pit in terms of tonnes and grade by material type and resource category, for each bench in sequence. The content of each pit is then depleted according to a manually entered production rate on a bench-by-bench basis until the pit is complete. If a bench is not completed in a particular period, the proportion depleted is applied to every material type on the bench. The schedule for the LOM is generated in this model on a monthly basis.

Scheduling of each mining area occurs in a top down sequence where all material is mined from each bench sequentially.

Movement rates for each deposit are ramped up at the start and ramped down at their conclusion.

Between August 2016 and December 2016, the Axehandle open pit mine schedule has been transferred into an industry mine scheduling package (MineSched). The scheduling for all other pits remains in the aforementioned spreadsheet model.

6.8.2 Underground

Hanking provided CSA Global with an engineering LOM spreadsheet model that contained the underground schedules dumped from EPS scheduling software. This was done for each of the underground mines.

CSA Global Comment

The quantities and mining rates appear to be reasonable, but have not been reviewed in detail. Hanking have advised CSA Global that this schedule has been generated in a similar manner to the Nevoria underground mine.

Hanking report that the actual performance of the underground operations to date compares very favourably, with respect to tonnes and grades when compared to the EPS Schedules that have been applied to the LOM.

6.9 Operations

The open pit mining operations are undertaken by WatPac mining contractors under the management of Hanking. The underground operations at Nevoria are undertaken by PnP mining contractors. The underground operations are subject to a partnership agreement with PnP.

PnP funded the start-up of Nevoria to an amount of approximately $7M. The initial capital funding was fully repaid in December 2015, and PnP now operate on a normal monthly invoicing cycle. PnP have a profit share arrangement for Nevoria East and Nevoria West, amounting to 20% and 12.5% gross profit respectively. The profit share is limited to the current mine plan. (i.e. if Nevoria extends the agreement is void) .

6.9.1 Open Pit Mining Performance Charts

Open pit mining operations are in progress at Axehandle. The charts below show the operational performance of the current open pit mines in calendar year 2016. The report shows that there have been some challenges to maintaining open pit planned volumes from the smaller Cornishman pits. This relates mostly to mining waste. Mining activities at the three Cornishman pits was completed in July 2016. Axehandle is now the sole open pit source and provides a flexible and reliable source of ore.

Total ore tonnes mined are in line with budget, although total ounces are below budget due to mining and processing of lower grade material. Grade has fallen short of budget expectations due to loss of high grade ore from Cornishman Central and blending in low grade stockpiles to keep the mill at capacity, explains the underperformance of the ounces produced for the year. With board approval, the budget for the second half of 2016 has been adjusted to reflect the changes to the open pit operations.

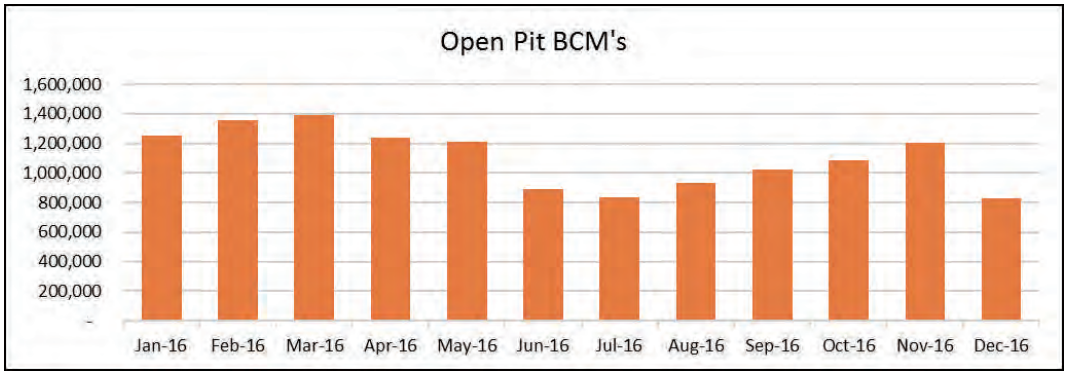

Figure 38: 2016 open pit mining volumes

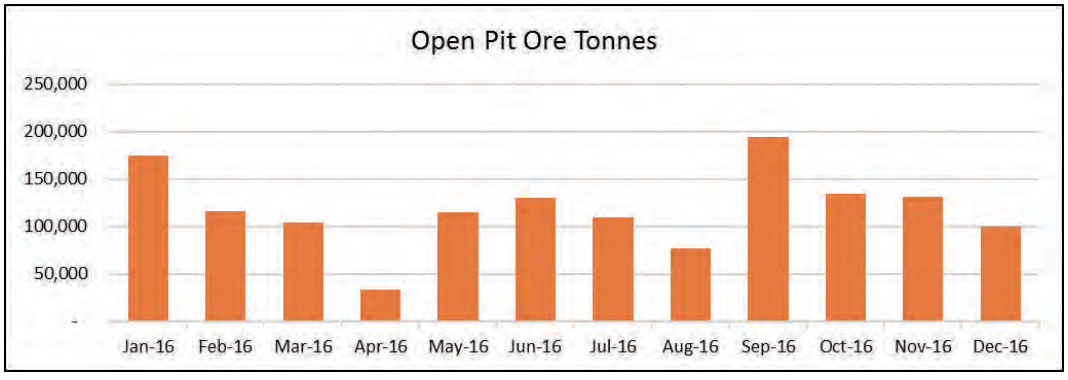

Figure 39: 2016 open pit ore tonnes mined

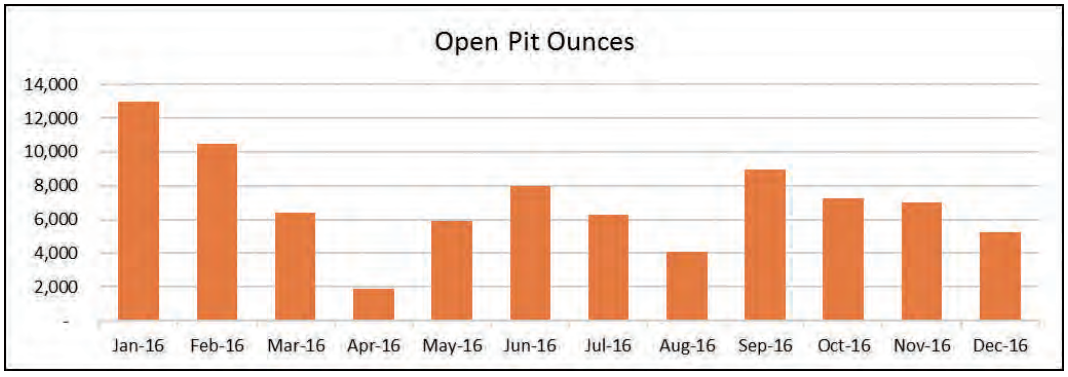

Figure 40: 2016 open pit mined ounces

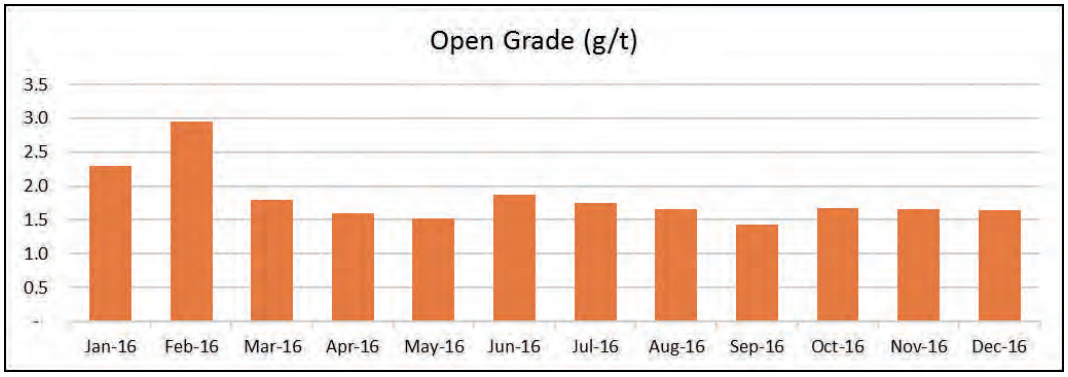

Figure 41: 2016 open pit mined grade

6.9.2 Underground Mining Performance Charts

The underground operations at Nevoria have shown a steady performance throughout 2016 when compared to the forecast. Total ore mined from the underground operation are below budget, resulting in lower ounces produced when compared to the forecast. Key performance metrics are shown in Figure 42 to Figure 45.

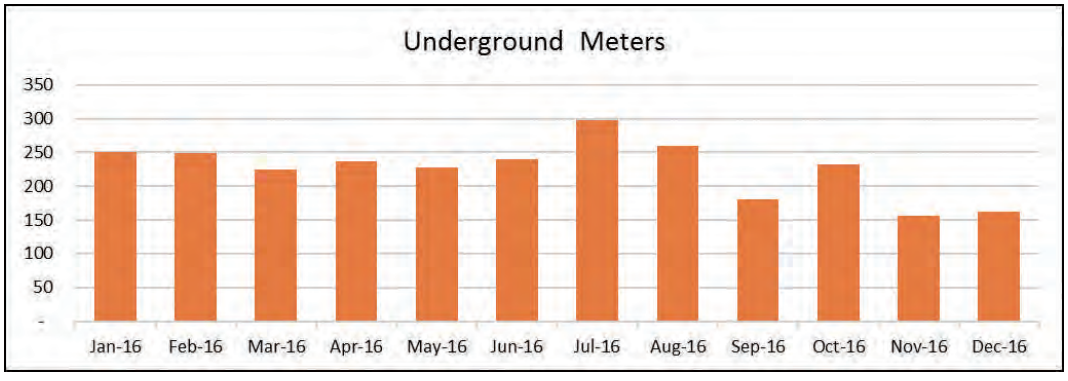

Figure 42: 2016 Underground development metres

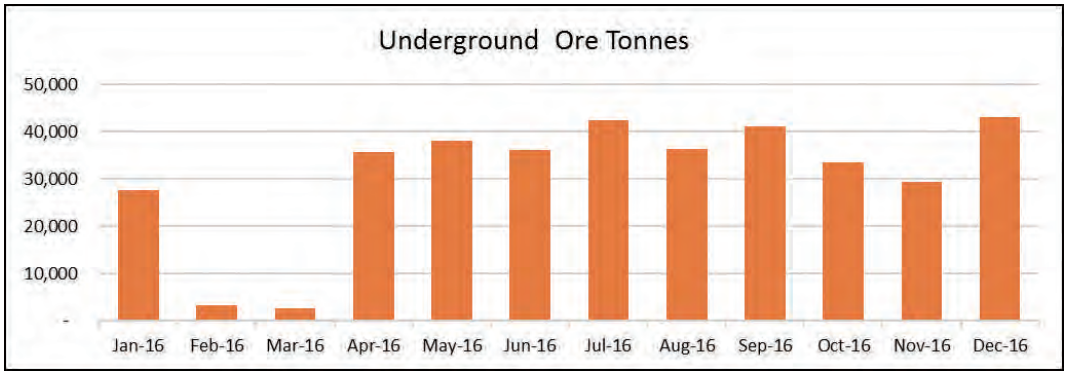

Figure 43: 2016 Underground ore tonnes

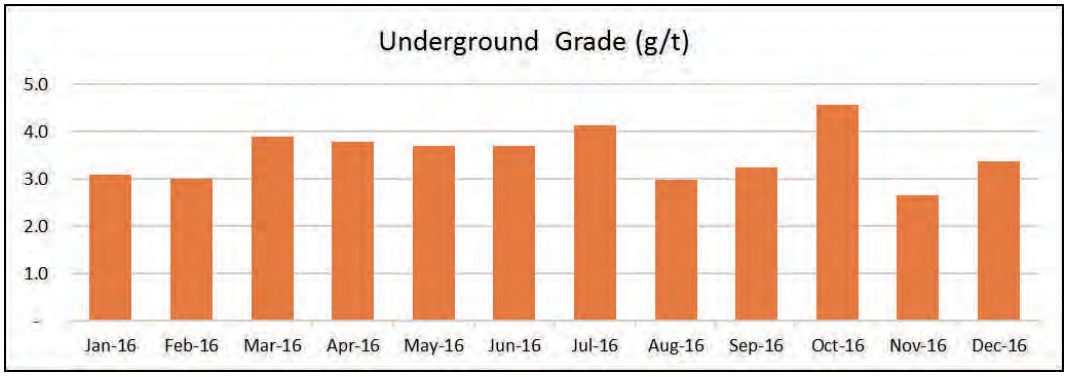

Figure 44: 2016 Underground mined grade

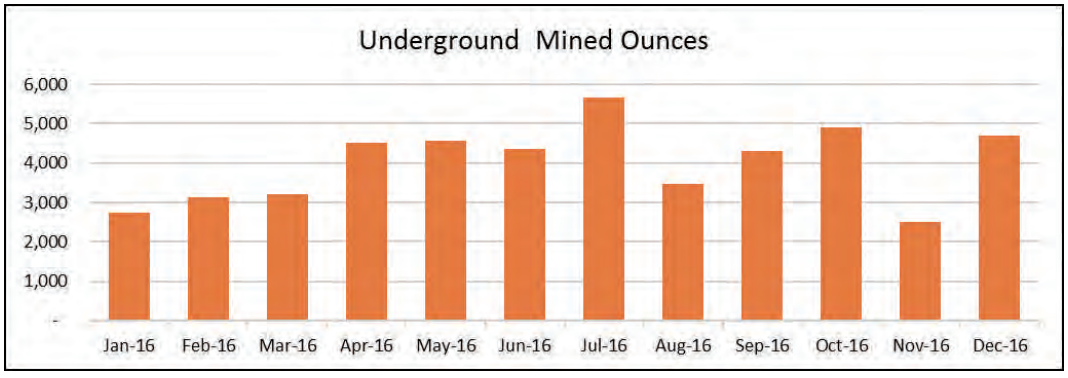

Figure 45: 2016 Underground mined ounces

CSA Global Comment

The mining approach and strategy applied in the LOM plan is conventional and similar to many other operations in Australia. The risk to achieving the planned outcomes of the plan is within the normal tolerances of a small to medium sized Western Australian gold mining operation.

It should be noted that the most significant issue preventing achievement of the mine plan has been poor geotechnical conditions in the Cornishman pits. This may well be a very localised issue, but as mining moves to the other deposits, specific attention should be paid to the Geotechnical parameters of the mine design. The current geotechnical parameters applied to the designs have been to use a generic approach where it has been assumed that all pits will perform in a similar manner. This assumption should be validated through sampling, mapping and modelling to confirm the conditions for each new pit before mining commences.

Hanking has made the comment, that the lesson from the local failure at Cornishman Central has been taken on board and detailed geotechnical studies are planned to be completed for each of the current and future mines.

6.10 Capital Expenditure

Since acquiring SXO in 2012 Hanking has invested $136M in capital into the operation. The capital spend is detailed in Table 14 and includes expenditure in the following areas:

- Exploration drilling at both brownfields and greenfields sites
- Mining studies for both open pit and underground options
- Open pit and underground mine development
- Upgrades to the processing plant
- Miscellaneous assets

The investment in SXO has increased Resource and Reserves, and improvements to the processing stream, resulting in increased mine life, and exploration upside.

Table 14: Hanking Capital expenditure at SXO.

ITEM	CAPITAL ($M)
Exploration	9.7
Open Pit Mine Development	71.3
Underground Mine Development	13.7
Plant & Equip	36.5
Buildings	3.1
Motor Vehicles	0.6
Other Assets	1.5
Total	136.5

7 METALLURGY AND PROCESSING

7.1 Marvel Loch Processing Plant

Hanking owns a network of haul roads from its gold mines to its central processing plant at Marvel Loch. The Marvel Loch processing plant has a current capacity of 2.2 Mt/yr. Hanking also owns all of the necessary additional infrastructure required to operate a gold mine, including a 350+ man camp, administration buildings and offices, workshops, private haul roads linking resources to the processing plant, and existing grid power and water in place.

The original plant was commissioned in 1987 by Mawson Pacific Ltd with a nameplate capacity of 1.2 Mt/yr. The Marvel Loch plant has been operational for 22 years, and has undergone several upgrades and changes during its history.

During this time the SXO processing facility has operated successfully at up to 2.2 Mt/yr at recoveries in excess of 92% until placed into care and maintenance by the new owners, St Barbara Mines, at the ends of 2012 due to underground mining difficulties and lower grade ore feed.

The process plant incorporates the following:

- Three stage crushing
- Two stage grinding
- Gravity concentration
- Leach and CIP circuit
- Split AARL elution
- Electrowinning
- Calcining and smelting and
- Tails disposal and tailings storage facility (TSF)

With the most recent upgrade/refurbishment by Como Engineers, in May 2014, the MLPF can be considered as a traditional 'state of the art' gold processing facility. Hanking Gold, working in conjunction with Como Engineers and other contractors, undertook the successful $20M+ refurbishment program from 2014-2015, including the addition of a new cyclone and major structural replacement and refurbishment.

The notable variation to the usual CIP/CIL circuit configuration is the use of gyratory crushers for primary and secondary crushing service as opposed to more conventional jaw crushers. However, at that time (1986/1987), few if any jaw crushers were capable of crushing rates in excess of 1.5 Mt/yr and as such

the selection of the gyratory unit is considered a sound decision. It is understood that this primary crusher has presented no major problems in its 22 years of service and has operated at acceptability availability and utilisation.

Hanking Gold Mining Pty Ltd assumed ownership of the property in 2013 and following completion of the upgrade had an immediate restart of operations on a campaign basis and at a reduced capacity until sufficient additional ore could be sourced from existing and new mining areas.

Following the successful re-commissioning, in early 2015, first gold was poured on 18 February 2015. It had since been operating on a campaign basis until August 2015, when continuous gold production commenced. Gold production ramped up with 28.3 koz gold poured in the final quarter of 2015 and a total of 56.2 koz for calendar year 2015. Gold recovery of 92% was also achieved by December 2015. In 2016, 121.5 koz were recovered from processing 1.78 mt of ore at an average grade of 2.4 g/t and at an average recovery of 91%.

7.2 The Marvel Loch Processing Facility:

Figure 46: The Marvel Loch Processing Facility (1)

Figure 47: The Marvel Loch Processing Facility (2)

The Marvel Loch plant, although built in 1987, has had several major refurbishments, is of traditional design and as such remains essentially a state of the art gold processing facility being operated at near optimum plant throughput and recovery on the current ore bodies. It is being well managed, is adequately staffed with an acceptable ongoing plant maintenance and refurbishment program. (Figure 46 and Figure 47)

A plant block flow diagram and more detailed process flow diagram are shown in Figure 48 and Figure 49 below:

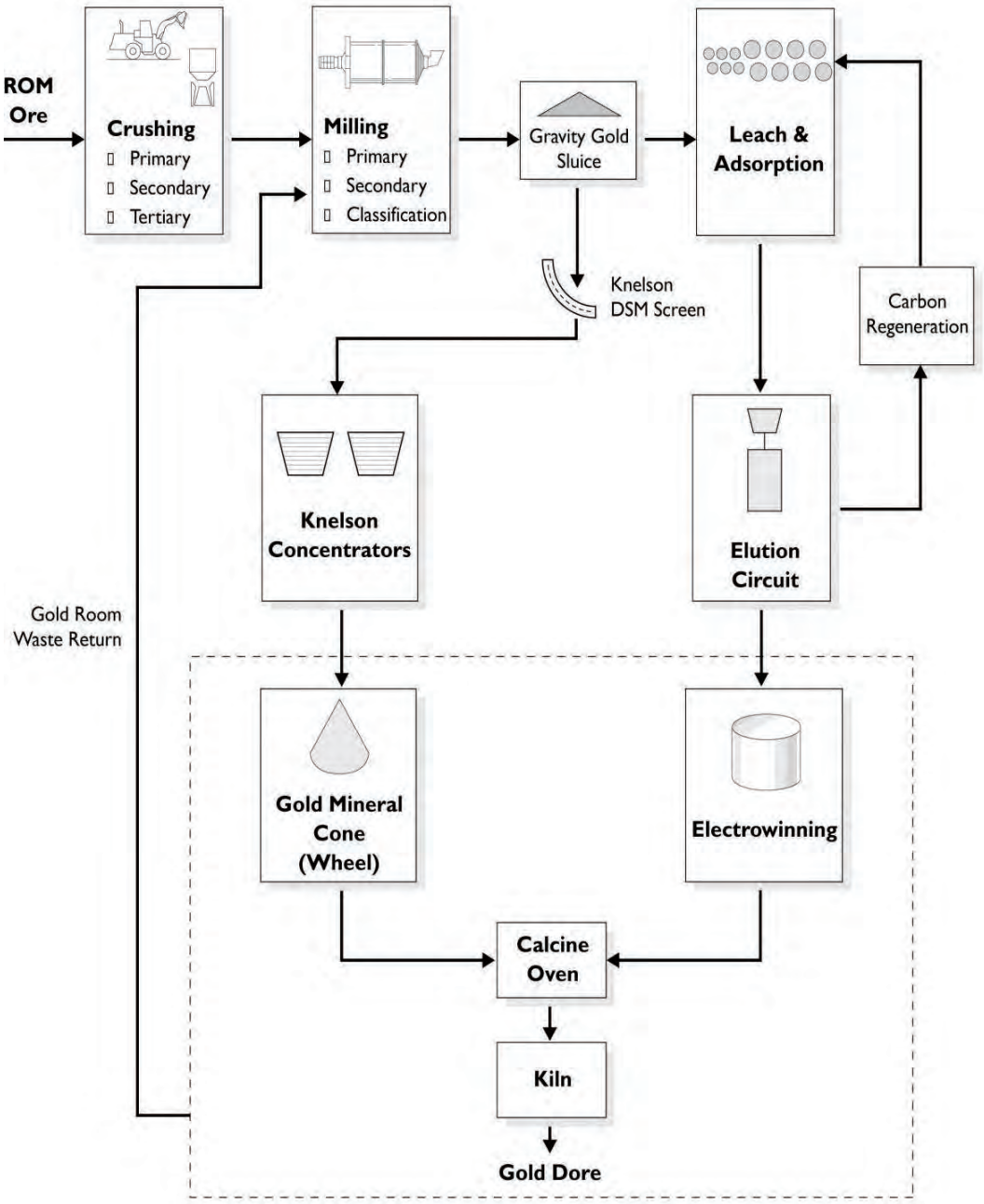

Figure 48: Plant Block Flow Diagram

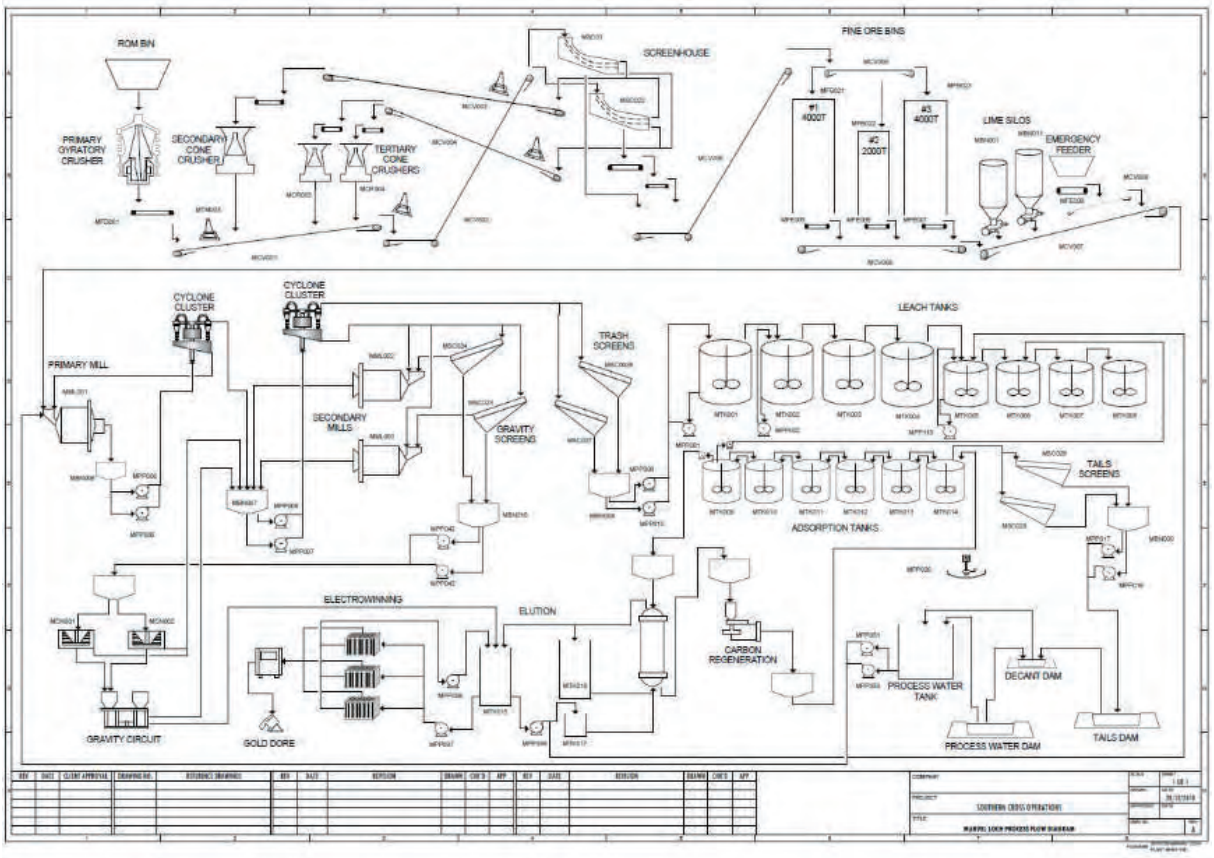

Figure 49: More Detailed Marvel Loch Process Flow Diagram

The MLPF mill circuit was upgraded by Como Engineers with the inclusion of new cyclone clusters and splitter box, replacing the screen decks, together with required structural refurbishment. The revised grinding circuit flowsheet is shown in Figure 50 below.

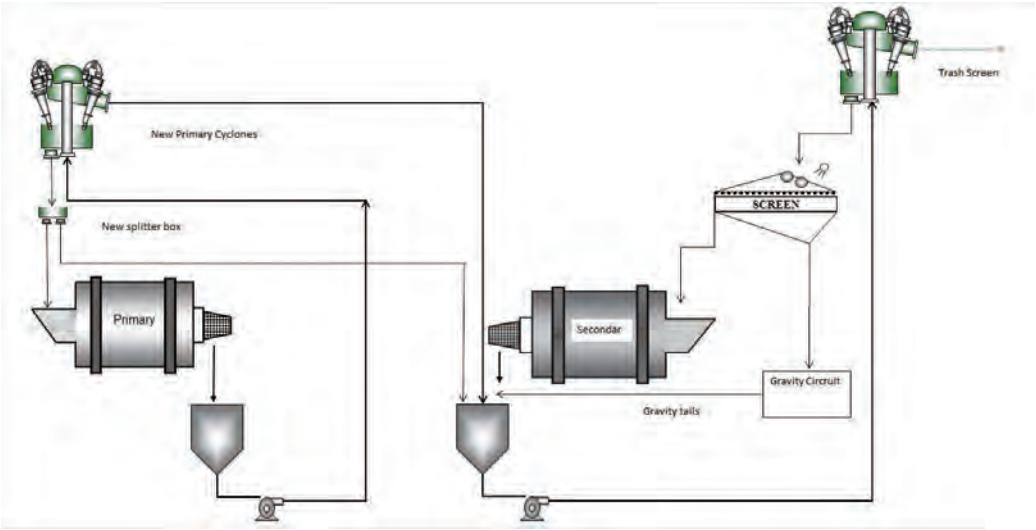

Figure 50: Milling Circuit as Reconfigured by Como Engineers

7.3 Plant Performance

7.3.1 Historical Performance

During the period July 2004 to September 2007 the plant throughput varied between 265 t/hr (2.21 Mt/yr) and 310 t/hr (2.58 Mt/yr) and averaged 282 t/hr (2.34 Mt/yr). The variations in feed rate were related to variations in mill feed size (P80=7.5–9 mm) and ore hardness (12–15 kwhr/t).

The historical performance for this period is shown in Figure 51 below.

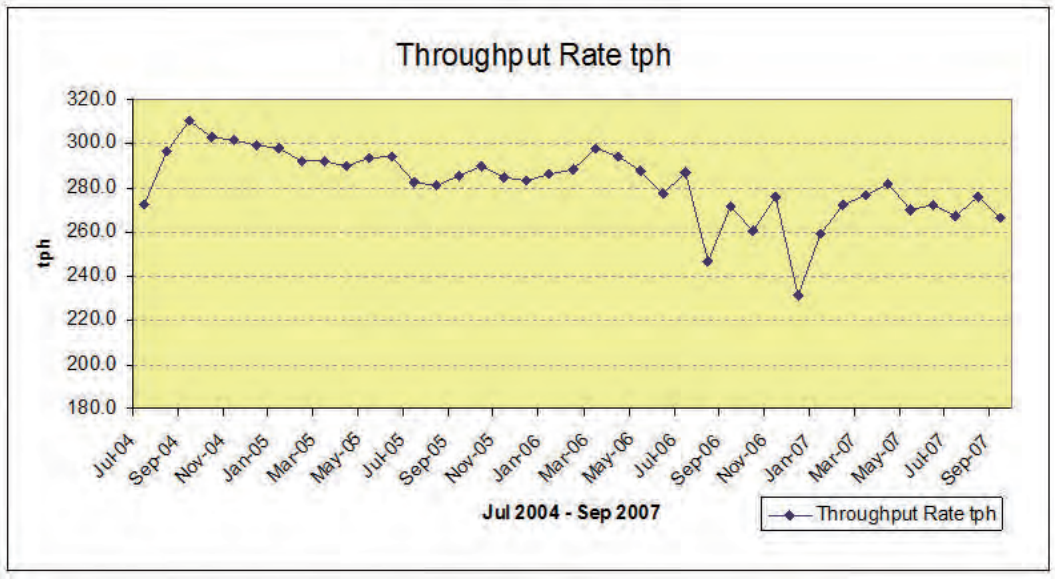

Figure 51: Historical Mill Processing Rate

As stated above historical recoveries, for this period, have averaged better than 92%

7.3.2 Plant Performance

Performance to the end of 2015 shows sustained improvement in approaching the LOM Business Case (target), with reasons for shortfalls shown and discussed below (Table 15).

Table 15: August 2015 to December 2016 Processing Parameters

Month	Tonnes	Grade	Recovery	Recovered Ounces
August 2015	94,902	2.3	90%	6,347
September 2015	107,550	1.9	88%	5,701
October 2015	141,482	1.9	89%	7,484
November 2015	151,407	2.2	91%	9,811
December 2015	161,318	2.5	92%	12,020
January 2016	142,740	2.6	92%	11,014
February 2016	150,056	2.9	93%	13,165
March 2016	157,070	2.5	91%	11,238
April 2016	132,604	2.6	90%	9,820
May 2016	132,090	2.4	90%	9,160
June 2016	136,351	2.3	92%	9,409
July 2016	146,836	2.4	91%	10,148
August 2016	148,103	2.3	92%	9,180
September 2016	150,858	2.4	91%	10,559
October 2016	149,012	2.2	89%	9,444
November 2016	146,616	1.8	90%	7,683
December 2016	165,600	2.2	90%	10,633

Commercial production commenced in August 2015 and the process plant has been in full production since October 2015.

The Cornishman Central pit became unstable in January 2016 with significant cracks beginning to appear, mining was halted and a geotechnical assessment was completed with additional monitoring equipment installed. Mining recommenced in March 2016 at a reduced rate (day shift only). In April the pit walls finally collapsed which resulted in a major disruption to the mine plan and 15,000 oz being removed from the schedule. A study on the merits of the underground mining at Cornishman has been completed and it is likely that the majority of the ounces will now be mined from underground.

Due to the collapse of the Cornishman walls, feed to the mill has been impacted in not only volume but also blend. Wet weather over the period April/June coupled with the oxide ore of Axehandle and lack of fresh/transitional from other sources has resulted in the plants inability to run at an optimal rate. These issue are short term as Axehandle will soon be in the transitional ore zone and also the winter months coming to an end.

Recovery has been consistent with no issues being identified.

With Axehandle ore as the substitute for the low grade stockpile and depleted Cornishman material, in the short term, the tonnage and recoveries for late 2015 and early 2016 are considered reasonable.

Axehandle ore testwork has shown excellent recoveries with moderate to high reagent consumption as in Table 16 below.

Table 16: Axehandle Testwork Results

Composite	Grind Size P_{80}	Head Assay Calc.	Gold Extraction			Leach Residue	Reagent Consumption	
			Gravity	24hrs Leach	48hrs Leach		Lime	NaCN
	(m)	(Au g/t)	(%)	(%)	(%)	(Au g/t)	(Kg/t)	(Kg/t)
Oxide BIF	106	3.68	10.63	92.31	94.3	0.21	3.66	3.56
Oxide NON-BIF	106	4.09	24.55	95.07	97.21	0.114	4.16	2.62
Transition BIF	106	1.34	37.06	88.24	93.72	0.084	6.8	3.17
Transition NON-BIF	106	4.54	39.75	92.58	97.58	0.11	3.31	1.82
Fresh BIF	106	2.57	7.98	71.65	95.41	0.118	4.12	3.39
Fresh NON-BIF	106	2.11	55.86	94.08	96.4	0.076	1.11	1.2

On this basis the predicted processing inputs into the LOM business case were considered reasonable provided comminution testwork was carried out on Axehandle ore and maximum effort is made to ensure dissolved oxygen (DO) levels are maintained at 16–20 ppm throughout the leach circuit.

Milling Rate/Ore Throughput and Recovery

The persistence of harder Cornishman ore from depth, slightly lower grades and the failure of some major leach and adsorption vessels contributed to the lower than planned gold outturn for Q1. The MLPF with 4 x 1,000 m^3 primary leach tanks, 4 x 1,000 m^3 secondary leach tanks and 6 x 450 m^3 adsorption tanks provides a maximum leach/adsorption circuit volume of 14,700 m^3.

At a 250 (dry) t/hr processing rate and 42% solids slurry density and an ore SG of approximately 2.0, this equates to a maximum circuit residence time of 31 hours. At the time on inspection, on Wednesday 20th April 2016, two leach tanks and one adsorption tank were out of service reducing residence volume and time to approximately 21.5 hr at the current processing rate. Importantly, however, plant recovery during this period was maintained at an average of 91.8% against a budget average of 91.7%. As these tanks are scheduled to be returned to service within the next two months, circuit residence time will be returned to greater than 24 hours ensuring greater than 92% recovery.

Tank Refurbishment Strategy

The well-executed ongoing major tank refurbishment program is, however, an effective mitigation strategy, adopted by Hanking, that is allowing the processing facility to maintain an adequate total leach and adsorption residence time. A comprehensive non-destructive testing (NDT) program was implemented to check the structural integrity of the tanks and allowing the tank refurbishment schedule to be prioritised. Refurbishment of tank impellors is also part of this program.

Tanks are being progressively bypassed, removed from service, refurbished and returned to service as an ongoing program providing confidence adequate residence time will be maintained.

7.4 Processing Inputs in the LOM Plan

The LOM Plan incorporates the processing inputs presented in Table 17.

Table 17: LOM Plan Case Processing Parameters

PROCESSING		2017	2018	2019	2020	2021	2022	2023	TOTAL
Tonnes Processed	kt	1,915	1,774	1,947	1,953	1,947	1,947	473	11,957
Grade Processed	g/t	2.3	2.9	3.8	3.6	3.9	3.7	2.9	3.4
Recovery	%	91.1%	90.9%	90.5%	89.8%	88.2%	90.5%	91.0%	90.2%
Recovered Ounces	koz	125	153	213	206	213	208	41	1,158

As discussed above, for the Axehandle orebody, the inputs are considered reasonable. For the new orebodies it is assumed the ore will initially be extracted by open cut mining with weathered oxide ore first presented to the mill and as such should yield acceptable recoveries if of similar geological signature.

For those orebodies within the LOM plan Axehandle and Nevoria (East) have both historical and current test work as well as actual plant performance validating metallurgical recovery inputs. Of the other orebodies, Edwards Find, Frasers and Nevoria West have historical test work results (Table 18), which are sourced from the Definitive Feasibility Study (DFS).

Table 18: Recoveries from the DFS

Deposit	Predicted Average Recoveries %	Actual Recoveries %
Aquarius East	>90	
Nevoria	89.65	82.3, 82.02, 94.65
Frasers	90.5 (used)	93.8 (test work)
Edwards Find (oxide)	95	

The LOM Business Case uses the expected recoveries that are in reasonable agreement with the DFS leaching recoveries in Table 18.

Testwork has been reviewed that substantiates that current recoveries are in reasonable agreement with historical recoveries and with recoveries used in the DFS. It is expected that recoveries from ore mined in proximity to the existing orebodies with similar geological signature will have similar recoveries. These are considered reasonable subject to this confirmatory testwork.

7.4.1 Improved Milling Rates and Recovery

Gravity and leach test work was carried out on 22 composites from Nevoria and two from Cornishman in March 2016 on a range of grind sizes and gave the results shown in Table 19.

Table 19: Recent Nevoria and Cornishman Recoveries

Nevoria			
Test No	**Grind Size (micron)**	**Rec % (24hrs)**	**Rec % (40hrs)**
JR 1866	150	87.47	89.03
JR 1867	150	87.01	89.57
JR 1864	125	85.37	88.57
JR 1948	125	87.67	92.76
JR 1949	125	88.95	92.50
JR 1952	125	86.03	89.68
JR 1953	125	87.04	91.13
JR 1986	125	90.52	91.04
JR 1987	125	89.50	91.42
JR 2008	125	91.29	91.20
JR 2009	125	89.94	91.43
JR 2020	125	89.21	91.01
JR 2021	125	85.33	90.48
JR 2044	125	87.14	90.65
JR 2045	125	85.75	90.71
JR 2069	125	93.11	95.44
JR 2070	125	90.72	92.43
JR 1865	106	87.95	91.31
JR 1988	106	92.17	92.49
JR 1989	106	87.37	91.65
Averages		88.48	91.23
Cornishman			
Test No	**Grind Size (micron)**	**Rec % (24hrs)**	**Rec % (30hrs)**
JR1778	150	95.82	96.44
JR1779	106	95.87	97.77

These results demonstrate moderate to nil sensitivity to grind size below 150 μm providing opportunity for additional plant throughput (milling rate), from 215 dt/hr to 250 dt/hr, by coarsening the grind.

This is highlighted in the context of improved dissolved oxygen levels and other optimisation strategies in the leach and adsorption circuit as discussed below.

7.4.2 Oxygen Assisted Leaching

Table 19 also illustrates the improved recoveries, on average, of 2.75% with additional circuit residence time for the 22 samples tested. This situation has been given high priority by Hanking with the accelerated ongoing tank refurbishment and turnaround schedule to increase circuit residence time.

It is also useful to note that all 22 leach tests in Table 19 were carried out at elevated dissolved oxygen (DO) levels of greater than 20 ppm. Given the fact that laboratory testing of oxygen uptake, in a leach circuit, consistently underestimates the benefit of enhanced oxygen levels when compared with operating plant circuits, where the oxygen is dispersed much more effectively and at greater depth, current plant recovery performance of 91–92% at only 12–15 ppm DO indicates potential for recoveries in excess of 93% with circuit oxygen levels increased to over 20 ppm.

At +20 ppm DO levels circuit reaction kinetics will normally be doubled, halving the leach circuit residence time requirements. A 2% recovery improvement at current feed rate and grade equates to an additional (approximately) 225 oz of gold/month or approximately A$350,000 per month net. Installed cost to retrofit a 4 t/d Pressure Swing Adsorption (PSA) unit to elevate DO levels to +20 ppm should be less than A$450,000 installed, suggesting a payback period of less than six weeks.

This in conjunction with improved carbon activity will help ensure monthly budget ounces being achieved.

7.4.3 Carbon activity and its Impact on recovery

The MLPF is fitted with a Combustion Air vertical tube carbon reactivation kiln. Current carbon activity has been reported at approximately 70%.

All carbon needs to be regenerated to +90% activity, in a conventional vertical tube kiln, at a temperature of 650–700°C in a steam atmosphere when operating at design feed rate. If one or both of either temperature or steam is not present or not at the required level, reduced activity will result.

The temperature of vertical tube kilns is controlled by two thermocouples inserted vertically up the kiln tubes from the bottom of the tube. This configuration can, and often does, restrict the flow rate of carbon through these two tubes, allowing this slower moving carbon to reach temperature as they are controlling the high and low fire of the kiln heater (burner). Simultaneously the bulk of the carbon is passing through unrestricted tubes at a faster rate and thus with insufficient tube residence time to reach the critical temperature of <600°C. This problem can be alleviated by removing the thermocouples from their vertical position up the tube and inserting them horizontally approximately 50 mm below the tube outlet such that these two tubes have the same carbon flow rates as all other tubes.

If steam or water is not being injected into the hot part of the kiln a similar low carbon activity outcome will result. For a 2 t/hr kiln feed rate water injection should be approximately 7 L/hr. This slow dosage rate can be conveniently controlled by a small and inexpensive needle valve and rotameter.

If these two essential criteria are satisfied carbon activity will return to +95% activity.

It is understood that Hanking intends to actively pursue these inexpensive modifications. Returning this barren, highly active, gold-hungry carbon to the adsorption circuit will 'kick in' the CIL effect, ensuring an improved gold recovery target of 93% could achieved on the current plant feed ore.

7.4.4 Tank Hydraulic Remediation Strategy

It was observed, in the leach tank circuit that one or more leach tanks were operating at elevated slurry levels, with only a small amount of freeboard. With any planned increase in milling rate on new softer orebodies, this could translate to a hydraulic restriction in the inter tank slurry transfer lines. This problem, if it arises, can be easily rectified by installing an additional small slurry transfer line between the tanks (100–150 mm) where any potential 'short circuiting' of slurry through the system is offset by the anticipated elevated dissolved oxygen levels.

7.4.5 Process Operating Costs

Provided no major increase in ore competency is experienced with new orebodies or as mining proceeds to depth in existing orebodies the processing costs of $20.64/t was considered reasonable. Total installed mill power is 3,950 kW. For ores ranging in competency (hardness) from Bond work indices (BWi's) of 12 kWh/t to 15 kWh/t, mill throughput will correspondingly vary from a maximum of 320 t/hr down to 263 t/hr. Should this increase further to 18 kWh/t plant throughput would decrease further to 220 t/hr. In summary, the processing facility is ore hardness sensitive.

Staffing

Current staffing levels for the processing facility are shown in Figure 52 below are considered adequate, for an 8/6 roster, with good metallurgical and maintenance coverage across the two shifts. The current rotation roster has the Process Manager combining with the Plant Metallurgist for the on site team and the Process Superintendent combining with the Senior Metallurgist on the opposing roster to cover the metallurgical and production management of the MLPF. The remaining 29 junior process staff and operating personnel together with 24 maintenance staff, as per the staffing sheet, illustrates more than adequate personnel to cover plant operations.

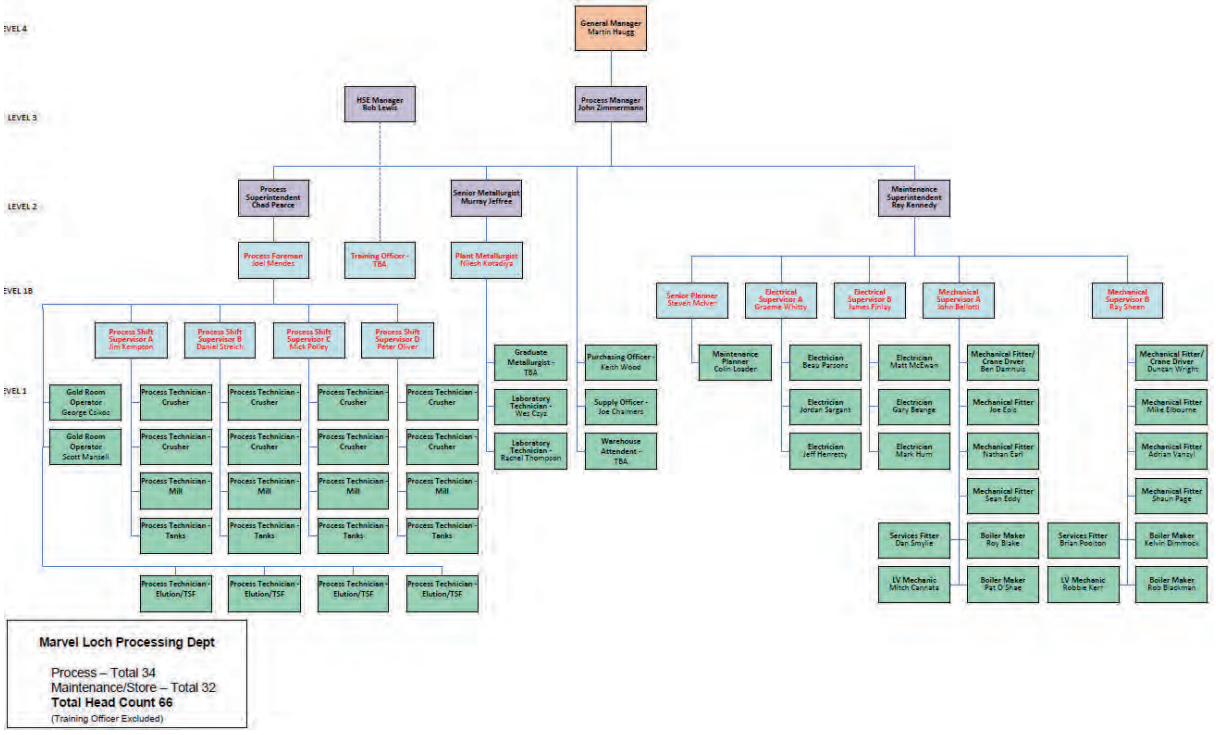

Figure 52: MLPF Staffing Sheet (Organogram)

7.4.6 Sustaining Capital Requirements for the Processing Facility

From the LOM Business Case a sustaining capital budget of approximately $4.8 million per year has been recorded. This is outside any mine development CapEx and appears reasonable given YTD July $3.7 million has been spent outside of mine development on capital. There is also an allowance of $4 million in the LOM in 2019 for a new tailings storage dam. The 2014 process plant upgrade and refurbishment by Como Engineers, suggests only a minimum further sustaining capital requirement will be needed by the processing facility. It is reasonable to assume that this will cover any sustaining capital requirements for the process plant.

CSA Global Comments

- *Metallurgical risks associated with the SXO project have been considered but can be managed by:*
- *Appropriate ongoing metallurgical variability testwork as each new orebody is developed.*
- *Ensuring excellent oxygen injection (minimum 16–20 ppm) is maintained in the leaching circuit and if necessary retrofitting a 4 t/d PSA unit.*
- *Simple and inexpensive modifications to the carbon reactivation kiln to improve carbon activity.*
- *Simple and inexpensive modifications to the leach circuit to remedy any potential hydraulic restrictions.*
- *Comminution testwork is carried out on Axehandle and all other new orebodies to be processed to ensure the sufficient mill pinion power is available to achieve the desired grind size and throughput.*
- *Acid mine drainage (AMD) testing, of both leach residue (from testwork) and waste rock, to ensure that no deleterious element are likely to be leached to the receiving environment should also be carried out on all new orebodies.*

8. MINING AND PROCESSING COSTS

Section 8 and 9 contain Life of Mine totals that are from January 2017 through to the end of mine life in 2022 and all dollar values are stated in Australian dollars, unless otherwise stated. All physicals and values in these sections have come from the LOM cash flow model was provided to CSA Global by Hanking.

8.1 Capital Costs

Capital cost forecasts are based on detailed budgets for capital items and mining schedules. The capital expenditure planned for the remainder of the LOM is shown in Table 20.

Table 20: SXO LOM Capital Expenditure

CAPITAL EXPENDITURE	LOM TOTAL (A$m)
Surface Mining Capital	100.6
Underground Mining Capital	91.9
Exploration	30.0
Tailings Storage Facility	4.0
Sustaining Capital	28.9
Rehabilitation and Closure Costs	25.9
Total Capital Expenditure	281.3

8.2 Operating Costs

8.2.1 Open pit

Mine costs are primarily based on mining contractor schedule of rates (SoR). These rates are detailed in a signed contract between Hanking and WatPac. Provision of run of mine (ROM) feed, ore rehandle and haulage services is provided to Hanking by Hampton Transport Services Pty Ltd. The costs associated with these services are specified in a signed contract between the two parties (see Table 21).

8.2.2 Underground

Underground mining costs are primarily based on the contractor SoR. Development costs are based on a per metre basis. Stoping and haulage costs are based on a per tonne basis (see Table 21).

Table 21: SXO LOM Operating cost summary

ELEMENT	UNIT RATE ($/ORE t)	LOM TOTAL (A$m)
Surface Mining	32.18	203.0
Underground Mining	57.84	416.9
Processing	23.51	281.1
Total Administration	3.94	32.1
Royalties	5.54	66.2

8.2.3 Processing

The processing cost of $23.51/t is considered reasonable and in line with reagent consumption rates and costs, current labour costs and mill power costs expected from historical operations and ore hardness testing results

CSA Global Comments

The operating and mining capital costs applied to the LOM align with the contractual rates and are reasonable. CSA Global have not interrogated the plant and infrastructure capital items. CSA Global understands that the majority of this capital investment has been completed and a minority of plant and infrastructure capital expenditure remains over the remaining five years. A sustaining capital amount of $400,000 per month from the start of 2017 has been allocated for the majority of the LOM. CSA Global understands that this amount is primarily planned for plant and infrastructure requirements through the life of the operation and this is reasonable.

8.3 Mine Closure Costs

The mine closure cost estimates were prepared by GHD (please see Hanking Gold Mining Pty Ltd Southern Cross Operations, Closure Cost Estimate 2015, December 2015. Prepared by GHD Australia for detail) and can be summarised as follow in Table 22 below:

Table 22: Mine Closure Costs Estimate as at 2015

ELEMENT	COST
Mine closure subtotal	$19,730,154
Indirect cost subtotal	$ 3,333,220
Contingency subtotal	$ 2,882,922
CCE GRAND TOTAL	**$25,946,296**

CSA Global has relied on GHD's analysis, and are of the view that the final costs fall within acceptable limits for an operation the size of the SXO.

9 CASH FLOW FROM OPERATIONS

The cash flow of the SXO is outlined in Table 23, these figures have been extracted from the LOM financial bidder model provided to CSA Global by Hanking and Macquarie Capital.

Hanking has generated an All in Cost (AIC) cash flow from operations for the LOM. Revenue is calculated at a constant gold price of $1,600/oz Au. The AIC includes:

- capital
- operating
- exploration, and
- site overhead costs relating to the operations

but excludes head office, corporate, taxation, and finance costs.

Revenue for the LOM is A$1,756 million, remaining capital cost is A$281 million, and operating cost is A$1,014 million.

The net pre-tax cash flow totals A$459 million over the LOM. These values represent 2017 real values.

CSA Global Comment

CSA Global notes that a spot price of A$1600/oz (current price at 13th February 2017) has been used within the LOM cost model. This price is considered to represent a reasonable basis for the revenue calculation even though it is higher than the gold prices used in the open pit optimisations and underground stope cut-off grades. The gold price in Australian dollars per ounce, as well as the Australian dollar to US dollar exchange rate, have fluctuated considerably over the past five years (Figure 53).

The spot price used in the financial model is within this historical fluctuation range. The consensus forecast of future gold prices indicates that the average price is expected to continue improving relative to the price used in the financial model. The model price lies within the range of those prices included in in determining the consensus forecast, in CSA Global's opinion represents a reasonable view of future gold prices.

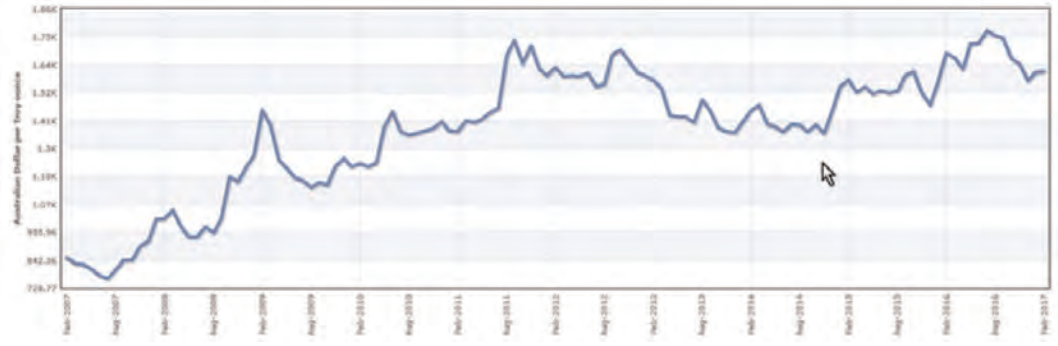

Figure 53: Ten-year monthly gold price history (2007–2017)
Gold (UK), 99.5% fine, London afternoon fixing, average of daily rates
(source http://www.indexmundi.com/commodities/?commodity=gold&months=120&currency=aud)

CSA Global has considered the schedule, costs and cash flow profiles of the SXO LOM. Based on the information as presented, all parameters appear to be within reasonable ranges. CSA Global has not completed an audit of all of the parameters, but has completed spot checks to conclude that the LOM financial model result represents a reasonable outlook of the SXO LOM as represented by Hanking.

Note that the total mining costs line in the table below includes A$25.9M for closure costs at the end of the mine life. This is shown as occurring in the last year of operation but is likely to spread over a longer period as closure of the operations is undertaken

Sensitivity testing based on variations on gold price and operating cost, that CSA Global believes are well within the range of possible variation within the project life, resulted in a relatively large range of values, representing +20% and -40% of the net cash flow. CSA Global concludes that this is a meaningful range, reflecting the sensitivity of the SXO to gold price, and represents possible variations to value over the life of the operation.

Table 23: SXO LOM Cash Flow Summary

		2017	2018	2019	2020	2021	2022	2023	Total
REVENUE									
Gold Sold	koz	125.0	152.6	212.7	205.7	213.2	208.1	40.8	1,158.1
Gold Revenue	A$m	187.5	221.9	312.4	310.5	320.9	322.6	65.2	1,741.1
Silver Revenue	A$m	1.3	2.4	3.7	3.1	2.7	1.7	0.1	15.0
NET REVENUE	A$m	188.8	224.2	316.1	313.6	323.7	324.3	65.3	1,756.1
COSTS									
OPERATING COSTS									
Open-pit Mining	A$m	44.1	12.2	44.9	33.8	33.7	34.2	0.0	203.0
Underground Mining	A$m	28.9	65.2	97.8	84.6	93.6	46.9	0.0	416.9
Processing	A$m	43.9	43.4	44.8	46.0	45.9	45.9	11.4	281.1
Site Administration	A$m	7.4	7.5	7.5	7.6	7.6	7.6	1.9	47.1
Royalties	A$m	7.3	8.3	11.6	11.8	12.2	12.6	2.6	66.3
TOTAL OPERATING COSTS	A$m	131.5	136.5	206.5	183.8	193.0	147.1	15.9	1,014.3
CAPITAL EXPENDITURE									
Mining	A$m	30.3	83.3	43.7	25.5	37.1	4.8	0.6	225.4
Exploration	A$m	4.8	4.8	4.8	4.8	4.8	4.8	1.2	30.0
Rehabilitation & Closure Costs	A$m							25.9	25.9
TOTAL CAPITAL EXPENDITURE	A$m	35.1	88.1	48.5	30.3	41.9	9.6	27.7	281.3
TOTAL MINING COSTS	A$m	166.6	224.6	255.1	214.1	234.8	156.7	43.6	1,295.6
OTHER COSTS									
Other Royalty	A$m	0.1	0.1	0.1	0.1	0.1	0.1	0.7	1.3
TOTAL COSTS	A$m	166.7	224.7	255.2	214.2	234.9	156.8	44.3	1,296.9
NET CASH FLOW (PRE-TAX)	A$m	22.1	-0.5	61.0	99.4	88.7	167.5	21.1	459.2

Gold sales show total gold sold from the SXO operation.

Revenue shows Hanking share of revenue after the PNP profit share deduction.

10 PROJECT RISK ASSESSMENT

The SXO is a mature project that has been has been operating for a number of years. A project risk assessment has been completed (Table 24) identifying both low and medium project risks. No high-risk items were identified in this risk assessment.

Please note that in assessing the broad categories outside of CSA Global's areas of expertise we have relied on the following:

- Hanking Gold Mining Pty Ltd – Southern Cross Operations Annual Environmental Report 2015-2016, prepared by Alice Hopson and Jack Harma, Senior Environmental Advisers to Hanking's Southern Cross Operations.

- Hanking Gold Mining Pty Ltd Southern Cross Operations, Closure Cost Estimate 2015, December 2015. Prepared by GHD Australia.

- Southern Cross Operations, Mine Closure Plan, Version: B Mineral Field Number:77. Prepared by in house by Martin Haugg, General Manager Southern Cross Operations, Hanking Gold Mining Pty Ltd.

Table 24: SXO Project Risk Assessment

	Consequence		
Hazard/Risk Issue	**Likelihood**	**Rating**	**Risk**
Geological			
Lack of Significant Resource	Unlikely	Minor	Low
Loss of Significant Reserve	Unlikely	Moderate	Low
Significant Unexpected Faulting	Unlikely	Minor	Low
Significant Subsidence	Unlikely	Minor	Low
Unexpected Mined Voids	Possible	Moderate	Medium
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Unexpected Seam Gas Outburst	Unlikely	Minor	Low
Mining			
Significant Production Shortfalls	Possible	Moderate	Medium
Production Pumping System Adequacy	Unlikely	Minor	Low
Adverse Mining Stress	Possible	Minor	Low
Significant Geological Structures	Unlikely	Moderate	Low
Poor Open Pit Conditions	Possible	Moderate	Medium
Poor Development Performance	Possible	Moderate	Medium

Hazard/Risk Issue	Consequence		
	Likelihood	Rating	Risk
Poor Underground Production Conditions	Possible	Moderate	Medium
Windblasts	Unlikely	Moderate	Low
Processing/Handling			
Lower Recovery	Unlikely	Moderate	Low
Lower Plant Production Levels	Possible	Moderate	Medium
Plant Reliability	Unlikely	Moderate	Low
Environmental			
Water Discharge Non-Compliance	Unlikely	Moderate	Low
Significant Unpredicted Subsidence	Unlikely	Minor	Low
Regulatory Consent/Variation Delays	Unlikely	Moderate	Low
TSF Seepage	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delays	Unlikely	Minor	Low
Capital Costs Underestimated	Possible	Moderate	Medium
Operating Costs Underestimated	Possible	Moderate	Medium
General Management			
Community, Internal and External Stakeholders	Possible	Minor	Low
Public Access to Operating Areas	Possible	Minor	Low
Safety System	Possible	Moderate	Medium
Operations Management	Unlikely	Minor	Low
Closure Compliance	Unlikely	Moderate	Low
Legal Compliance	Possible	Minor	Low

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APPENDIX 1: TENEMENT SCHEDULE[3]

Ten ID	Status	Holders	Lodge Date	Term	Term from	Term to	Area (Ha)	Locality	Rent next	Expenditure next	Expenditure total	Commitment last	Expenditure last	Purposes
E 77/1379	Live	HANKING GOLD MINING PTY LTD	20-Oct-06	5 Years (Extended)	16-Jan-08	15-Jan-18	277.87	Southern Cross	$1,035.20	$50,000.00	$193,648.00	$50,000.00	$91,594.00	
E 77/1410	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	5 Years (Extended)	22-May-08	21-May-18	120.66	Bullfinch Sw	$311.60	$20,000.00	$50,076.00	$15,000.00	$21,488.00	
E 77/1411	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	5 Years (Extended)	02-Jul-08	01-Jul-18	651.31	Southern Cross	$3,105.60	$70,000.00	$143,384.00	$50,000.00	$50,145.00	
E 77/1793	Live	HANKING GOLD MINING PTY LTD	18-May-10	5 Years	04-May-12	03-May-17	504.64	Cheritons Find Well	$1,366.75	$20,000.00	$921,868.07	$20,000.00	$676,243.00	
E 77/2209	Live	HANKING GOLD MINING PTY LTD	16-Apr-14	5 Years	29-Dec-14	28-Dec-19	13,148.26	Edwards Find	$5,957.00	$46,000.00	$50,061.00	$46,000.00	$50,061.00	
E 77/2211	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	11,575.26	Corinthia	$6,086.50	$47,000.00	$72,482.00	$47,000.00	$72,482.00	
E 77/2212	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	974.42	Kelly Star	$518.00	$15,000.00	$20,992.00	$15,000.00	$20,992.00	
E 77/2213	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	1,472.40	Harris Find	$906.50	$20,000.00	$28,351.00	$20,000.00	$28,351.00	
E 77/2214	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	24-Jul-14	23-Jul-19	6,530.62	Edwards Find	$4,633.35	$23,000.00	$27,178.00	$23,000.00	$27,178.00	
E 77/2215	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	222.57	Burbidge	$259.00	$15,000.00	$21,071.00	$15,000.00	$21,071.00	
E 77/2216	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	11.20	Hopes Hill	$311.60	$10,000.00	$17,680.00	$10,000.00	$17,680.00	
E 77/2217	Live	HANKING GOLD MINING PTY LTD	22-Apr-14	5 Years	23-Jan-15	22-Jan-20	7,886.38	Northonopine Rock	$3,496.50	$27,000.00	$42,416.00	$27,000.00	$42,416.00	
e77/1361	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	29-Jun-06	5 Years	15-Mar-11	14-Mar-16	9,324.50	Split Rocks	$8,747.20	$64,000.00	$142,793.00	$28,000.00	$19,065.00	
e77/1463	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	24-May-07	5 Years	08-Jun-12	07-Jun-17	578.56	Lake Cronin	$546.70	$20,000.00	$37,755.40	$15,000.00	$17,572.00	
e77/1535	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	09-Jan-08	5 Years	15-Mar-11	14-Mar-16	3,760.06	Mt Stewart	$4,646.95	$50,000.00	$144,940.00	$17,500.00	$44,360.00	
e77/1582	Live	MONTAGUE RESOURCES AUSTRALIA PTY LTD ST BARBARA LIMITED	28-May-08	5 Years (Extended)	01-Feb-10	31-Jan-20	291.53	Mount Stewart	$311.60	$15,000.00	$78,152.45	$10,000.00	$7,882.00	
e77/2396	Pending	HANKING GOLD MINING PTY LTD	04-May-16				19,325.00	Moonargiding Rock				$0.00		
G 77/1	Live	HANKING GOLD MINING PTY LTD	25-Jul-83	Linked – Refer to Relationships	20-Aug-84	23-Aug-25	92.07	Marvel Loch	$1,404.30			$0.00		Stockpiling, Materials and Machinery
G 77/10	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.44	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/11	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.55	Nevoria	$151.00			$0.00		Mullock Dumping

[3] Provided by Hanking 8/8/2016

Ten ID	Status	Holders	Lodge Date	Term	Term from	Term to	Area (Ha)	Locality	Rent next	Expenditure next	Expenditure total	Commitment last	Expenditure last	Purposes
G 77/12	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.27	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/126	Live	HANKING GOLD MINING PTY LTD	04-Feb-15	21 Years	02-Jul-15	01-Jul-36	71.12	Axehandle East	$1,087.20			$0.00		a borefield pipeline power line pump stationa road search for groundwater storage or transportation facility for minerals or mineral concentrate water management facility workshop and
G 77/13	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	8.15	Nevoria	$135.90			$0.00		Mullock Dumping
G 77/15	Live	HANKING GOLD MINING PTY LTD	02-Sep-88	21 Years (Renewed)	29-Jul-91	28-Jul-33	0.25	Bullfinch	$15.10			$0.00		Depositing and treating waste material
G 77/2	Live	HANKING GOLD MINING PTY LTD	25-Jul-83	Linked – Refer to Relationships	20-Aug-84	23-Aug-25	163.30	Marvel Loch	$2,476.40			$0.00		Stockpiling, Materials and Machinery
G 77/25	Live	HANKING GOLD MINING PTY LTD	29-Dec-88	21 Years (Renewed)	21-Mar-90	20-Mar-32	6.60	Bullfinch	$105.70			$0.00		Plant Site
G 77/3	Live	HANKING GOLD MINING PTY LTD	19-Aug-83	Linked – Refer to Relationships	20-Aug-84	23-Aug-25	90.35	Marvel Loch	$1,374.10			$0.00		Stockpiling materials and machinery
G 77/32	Live	HANKING GOLD MINING PTY LTD	27-Feb-89	21 Years (Renewed)	23-Jul-90	22-Jul-32	9.36	Bullfinch	$151.00			$0.00		Tailings
G 77/33	Live	HANKING GOLD MINING PTY LTD	27-Feb-89	21 Years (Renewed)	23-Jul-90	22-Jul-32	8.22	Bullfinch	$135.90			$0.00		Tailings
G 77/34	Live	HANKING GOLD MINING PTY LTD	27-Feb-89	21 Years (Renewed)	23-Jul-90	22-Jul-32	7.28	Bullfinch	$120.80			$0.00		Tailings
G 77/36	Live	HANKING GOLD MINING PTY LTD	12-Oct-89	21 Years (Renewed)	15-May-91	14-May-33	8.56	Bullfinch	$135.90			$0.00		Dump for waste material
G 77/42	Live	HANKING GOLD MINING PTY LTD	03-Jan-91	21 Years (Renewed)	09-Aug-91	08-Aug-33	8.41	Southern Cross	$135.90			$0.00		Stockpiling of mining material
G 77/5	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	10.00	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/6	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.82	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/7	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.89	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/74	Live	HANKING GOLD MINING PTY LTD	26-Jan-93	21 Years (Renewed)	29-Apr-93	28-Apr-35	8.13	Yilgarn Star	$135.90			$0.00		Depositing of overburden mining material from operations
G 77/75	Live	HANKING GOLD MINING PTY LTD	26-Jan-93	21 Years (Renewed)	29-Apr-93	28-Apr-35	6.64	Yilgarn Star	$105.70			$0.00		Depositing of overburden mining material from operations

Ten ID	Status	Holders	Lodge Date	Term	Term from	Term to	Area (Ha)	Locality	Rent next	Expenditure next	Expenditure total	Commitment last	Expenditure last	Purposes
G 77/79	Live	HANKING GOLD MINING PTY LTD	01-Jun-93	21 Years (Renewed)	12-Oct-93	11-Oct-35	9.94	Copperhead	$151.00			$0.00		Tailings
G 77/8	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.69	Nevoria	$151.00			$0.00		Mullock Dumping
G 77/80	Live	HANKING GOLD MINING PTY LTD	01-Jun-93	21 Years (Renewed)	12-Oct-93	11-Oct-35	8.04	Copperhead	$135.90			$0.00		Tailings
G 77/81	Live	HANKING GOLD MINING PTY LTD	01-Jun-93	21 Years (Renewed)	12-Oct-93	11-Oct-35	9.99	Copperhead	$151.00			$0.00		Tailings
G 77/9	Live	HANKING GOLD MINING PTY LTD	01-Apr-87	21 Years (Renewed)	04-Dec-87	03-Dec-29	9.52	Nevoria	$151.00			$0.00		Mullock Dumping
L 77/105	Live	HANKING GOLD MINING PTY LTD	04-Feb-92	5 Years (Renewed)	28-May-92	27-May-17	100.00	Toomey Hills	$1,510.00			$0.00		Water
L 77/106	Live	HANKING GOLD MINING PTY LTD	19-Mar-92	5 Years (Renewed)	25-Jun-92	24-Jun-17	27.00	Toomey Hills To Burbridge	$407.70			$0.00		Pipeline
L 77/112	Live	HANKING GOLD MINING PTY LTD	19-Aug-92	5 Years (Renewed)	01-Oct-92	30-Sep-17	16.00	Nevoria	$241.60			$0.00		Water/Pipeline
L 77/113	Live	HANKING GOLD MINING PTY LTD	10-Sep-92	5 Years (Renewed)	16-Nov-92	15-Nov-17	14.00	Glendower	$211.40			$0.00		Haul Road
L 77/114	Live	HANKING GOLD MINING PTY LTD	29-Oct-92	5 Years (Renewed)	24-Dec-92	23-Dec-17	10.70	Kennyville	$166.10			$0.00		Pipeline/Access Road
L 77/115	Live	HANKING GOLD MINING PTY LTD	19-Nov-92	5 Years (Renewed)	27-May-93	26-May-18	0.30	Marvel Loch	$15.10			$0.00		Haul Road
L 77/116	Live	HANKING GOLD MINING PTY LTD	24-Dec-92	5 Years (Renewed)	25-Mar-93	24-Mar-18	8.00	Burbidge	$120.80			$0.00		Road
L 77/117	Live	HANKING GOLD MINING PTY LTD	05-Jan-93	5 Years (Renewed)	29-Apr-93	28-Apr-18	1.75	Southern Cross	$30.20			$0.00		Power Transformer
L 77/125	Live	HANKING GOLD MINING PTY LTD	08-Jun-93	5 Years (Renewed)	08-Sep-93	07-Sep-18	1.00	Burbidge	$15.10			$0.00		WATER
L 77/126	Live	HANKING GOLD MINING PTY LTD	08-Jun-93	5 Years (Renewed)	08-Sep-93	07-Sep-18	17.00	Burbidge	$256.70			$0.00		WATER/PIPELINE
L 77/127	Live	HANKING GOLD MINING PTY LTD	08-Jun-93	5 Years (Renewed)	08-Sep-93	07-Sep-18	1.00	Burbidge	$15.10			$0.00		WATER
L 77/128	Live	HANKING GOLD MINING PTY LTD	08-Jun-93	5 Years (Renewed)	08-Sep-93	07-Sep-18	1.00	Burbidge	$15.10			$0.00		Water
L 77/129	Live	HANKING GOLD MINING PTY LTD	09-Jun-93	5 Years (Renewed)	04-Aug-93	03-Aug-18	2.37	Bullfinch	$45.30			$0.00		Water/Pipeline/Borefield

Ten ID	Status	Holders	Lodge Date	Term	Term from	Term to	Area (Ha)	Locality	Rent next	Expenditure next	Expenditure total	Commitment last	Expenditure last	Purposes
L 77/132	Live	HANKING GOLD MINING PTY LTD	17-Jun-93	5 Years (Renewed)	04-Aug-93	03-Aug-18	1.45	Copperhead	$30.20			$0.00		Tailings/Road/Pipeline
L 77/137	Live	HANKING GOLD MINING PTY LTD	26-Aug-93	5 Years (Renewed)	11-Nov-93	10-Nov-18	6.41	Marvel Loch	$105.70			$0.00		Haul Road
L 77/140	Live	HANKING GOLD MINING PTY LTD	21-Oct-93	5 Years (Renewed)	13-Jul-94	12-Jul-19	8.00	North Jaccoletti	$120.80			$0.00		Haul Road
L 77/145	Live	HANKING GOLD MINING PTY LTD	15-Jul-94	5 Years (Renewed)	12-Oct-94	11-Oct-19	128.00	Burbidge To Yilgarn Star	$1,932.80			$0.00		Pipeline/Power Line/Road/ Underground Cable
L 77/154	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	1.63	10km Wnw From Bullfinch Townsite	$30.20			$0.00		Water/Pipeline
L 77/155	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	0.74	10km Wnw From Bullfinch Townsite	$15.10			$0.00		Water/Pipeline
L 77/156	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	0.55	10km Wnw From Bullfinch Townsite	$15.10			$0.00		Water/Pipeline
L 77/157	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	0.53	10km Wnw From Bullfinch Townsite	$15.10			$0.00		Water/Pipeline
L 77/158	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	0.21	10km Wnw From Bullfinch Townsite	$15.10			$0.00		Water/Pipeline
L 77/159	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	1.63	10km Wnw From Bullfinch Townsite	$30.20			$0.00		Water/Pipeline
L 77/160	Live	HANKING GOLD MINING PTY LTD	22-Mar-95	5 Years (Renewed)	27-Nov-95	26-Nov-20	2.17	10km Wnw From Bullfinch Townsite	$45.30			$0.00		Water/Pipeline
L 77/162	Live	HANKING GOLD MINING PTY LTD	29-Sep-95	5 Years (Renewed)	13-Aug-97	12-Aug-17	33.50	Marvel Loch	$513.40			$0.00		Pipeline/Road
L 77/167	Live	HANKING GOLD MINING PTY LTD	28-May-96	5 Years (Renewed)	11-Dec-96	10-Dec-16	95.00	Burbidge	$1,434.50			$0.00		Haul Road
L 77/168	Live	HANKING GOLD MINING PTY LTD	28-May-96	5 Years (Renewed)	05-Nov-96	04-Nov-16	70.00	Harris Find	$1,057.00			$0.00		Road
L 77/173	Live	HANKING GOLD MINING PTY LTD	15-May-97	5 Years (Renewed)	04-Dec-97	03-Dec-17	43.00	Nevoria	$649.30			$0.00		Road
L 77/19	Live	HANKING GOLD MINING PTY LTD	06-Feb-87	5 Years (Renewed)	26-Mar-87	25-Mar-17	2.28	South East Of Marvel Loch	$45.30			$0.00		Pipeline/Water
L 77/20	Live	HANKING GOLD MINING PTY LTD	06-Feb-87	5 Years (Renewed)	26-Mar-87	25-Mar-17	1.80	South East Of Marvel Loch	$30.20			$0.00		Pipeline water
L 77/21	Live	HANKING GOLD MINING PTY LTD	06-Feb-87	5 Years (Renewed)	26-Mar-87	25-Mar-17	1.90	South East Of Marvel Loch	$30.20			$0.00		Pipeline/Water

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L 77/23	Live	HANKING GOLD MINING PTY LTD	27-Feb-87	5 Years (Renewed)	26-Jan-89	25-Jan-19	4.53	Marvel Loch	$75.50			$0.00		Water
L 77/27	Live	HANKING GOLD MINING PTY LTD	18-Aug-87	5 Years (Renewed)	29-Oct-87	28-Oct-17	14.60	Edwards Find	$226.50			$0.00		Water/Pipeline
L 77/281	Live	HANKING GOLD MINING PTY LTD	25-Jan-16	21 Years	20-Apr-16	19-Apr-37	26.00	Glendower Triad Corridor	$392.60			$0.00		a drainage channel pipeline power generation and transmission facility power line pump station road water management facility taking water
L 77/31	Live	HANKING GOLD MINING PTY LTD	23-Sep-87	5 Years (Renewed)	29-Oct-87	28-Oct-17	55.40	North West Of Marvel Loch	$845.60			$0.00		Pipeline Bores Pumping Stations
L 77/33	Live	HANKING GOLD MINING PTY LTD	29-Sep-87	5 Years (Renewed)	26-Nov-87	25-Nov-17	1.40	Parker Range	$30.20			$0.00		Water/Pipeline
L 77/41	Live	HANKING GOLD MINING PTY LTD	23-Oct-87	5 Years (Renewed)	26-Nov-87	25-Nov-17	12.00	Edwards Find	$181.20			$0.00		Pipeline
L 77/42	Live	HANKING GOLD MINING PTY LTD	25-Nov-87	5 Years (Renewed)	28-Jan-88	27-Jan-20	178.00	Lake Cotton	$2,687.80			$0.00		Water
L 77/44	Live	HANKING GOLD MINING PTY LTD	08-Feb-88	5 Years (Renewed)	28-Apr-88	27-Apr-18	13.50	Hopes Hill	$211.40			$0.00		Pipeline
L 77/45	Live	HANKING GOLD MINING PTY LTD	18-Feb-88	5 Years (Renewed)	25-Aug-88	24-Aug-18	36.00	Yellowdine	$543.60			$0.00		Water
L 77/47	Live	HANKING GOLD MINING PTY LTD	23-Mar-88	5 Years (Renewed)	11-Jul-88	10-Jul-18	11.93	Bullfinch	$181.20			$0.00		Pipe track
L 77/49	Live	HANKING GOLD MINING PTY LTD	28-Mar-88	5 Years (Renewed)	25-May-89	24-May-19	6.74	North Harris Find	$105.70			$0.00		Water
L 77/51	Live	HANKING GOLD MINING PTY LTD	12-May-88	5 Years (Renewed)	28-Jul-88	27-Jul-18	4.20	Lake Cotton – Nw Of Marvel Loch	$75.50			$0.00		Road
L 77/52	Live	HANKING GOLD MINING PTY LTD	27-Jul-88	5 Years (Renewed)	29-Sep-88	28-Sep-18	2.94	Bullfinch	$45.30			$0.00		WATER PIPELINE
L 77/53	Live	HANKING GOLD MINING PTY LTD	27-Jul-88	5 Years (Renewed)	29-Sep-88	28-Sep-18	0.27	Bullfinch	$15.10			$0.00		Water Pipeline
L 77/54	Live	HANKING GOLD MINING PTY LTD	02-Sep-88	5 Years (Renewed)	27-Oct-88	26-Oct-18	2.42	Bullfinch	$45.30			$0.00		WATER PIPELINE
L 77/55	Live	HANKING GOLD MINING PTY LTD	02-Sep-88	5 Years (Renewed)	27-Oct-88	26-Oct-18	1.54	Bullfinch	$30.20			$0.00		WATER PIPELINE
L 77/56	Live	HANKING GOLD MINING PTY LTD	02-Sep-88	5 Years (Renewed)	27-Oct-88	26-Oct-18	0.10	Bullfinch	$15.10			$0.00		WATER PIPELINE

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L 77/57	Live	HANKING GOLD MINING PTY LTD	02-Sep-88	5 Years (Renewed)	27-Oct-88	26-Oct-18	0.68	Bullfinch	$15.10			$0.00		ROAD ACCESS AND AERIAL ELECTRICAL TRANSMISSION
L 77/6	Live	HANKING GOLD MINING PTY LTD	04-Dec-84	Linked – Refer to Relationships	31-Jan-85	19-Jun-26	45.00	Nevoria	$679.50			$0.00		PipelineWater
L 77/64	Live	HANKING GOLD MINING PTY LTD	28-Nov-88	5 Years (Renewed)	28-Feb-89	27-Feb-19	31.00	Jaccoletti Well	$468.10			$0.00		Pipeline
L 77/65	Live	HANKING GOLD MINING PTY LTD	29-Nov-88	5 Years (Renewed)	28-Feb-89	27-Feb-19	23.00	Jaccoletti Well	$347.30			$0.00		Pipeline
L 77/66	Live	HANKING GOLD MINING PTY LTD	29-Nov-88	5 Years (Renewed)	28-Feb-89	27-Feb-19	6.00	Marvel Loch	$90.60			$0.00		Pipeline
L 77/69	Live	HANKING GOLD MINING PTY LTD	07-Dec-88	5 Years (Renewed)	27-Apr-89	26-Apr-19	4.80	Lake Cotton	$75.50			$0.00		BoresPipes
L 77/7	Live	HANKING GOLD MINING PTY LTD	27-Dec-84	Linked – Refer to Relationships	28-Feb-85	23-Aug-25	20.87	Marvel Loch	$317.10			$0.00		Water/Pipeline Licence
L 77/71	Live	HANKING GOLD MINING PTY LTD	03-Feb-89	5 Years (Renewed)	27-Apr-89	26-Apr-19	0.50	Bullfinch	$15.10			$0.00		Water
L 77/72	Live	HANKING GOLD MINING PTY LTD	03-Feb-89	5 Years (Renewed)	27-Apr-89	26-Apr-19	0.50	Bullfinch	$15.10			$0.00		Water
L 77/87	Live	HANKING GOLD MINING PTY LTD	04-Apr-90	5 Years (Renewed)	30-Apr-91	29-Apr-21	6.16	Lake Polaris	$105.70			$0.00		Pipeline/Bore
L 77/88	Live	HANKING GOLD MINING PTY LTD	09-Aug-90	5 Years (Renewed)	05-Apr-91	04-Apr-21	4.50	Southern Cross Sw	$75.50			$0.00		pipeline
L 77/89	Live	HANKING GOLD MINING PTY LTD	07-Dec-90	5 Years (Renewed)	31-Jan-91	30-Jan-21	3.74	Kennyville	$60.40			$0.00		Road
L 77/91	Live	HANKING GOLD MINING PTY LTD	14-Jun-91	5 Years (Renewed)	08-Aug-91	07-Aug-21	105.00	Burbidge To Harris Find	$1,480.50			$0.00		Road/Pipeline
M 77/10	Live	HANKING GOLD MINING PTY LTD	17-Dec-82	21 Years (Renewed)	24-Aug-83	23-Aug-25	61.20	Marvel Loch	$1,057.10	$10,000.00	$841,816,922.00	$10,000.00	$15,727.00	
M 77/1002	Live	HANKING GOLD MINING PTY LTD	29-May-00	21 Years	30-Oct-00	29-Oct-21	5.94	Southern Cross	$102.30	$10,000.00	$87,421.00	$10,000.00	$10,149.00	
M 77/1009	Live	HANKING GOLD MINING PTY LTD	13-Sep-00	21 Years	06-Jul-07	05-Jul-28	1.05	Southern Cross	$34.10	$5,000.00	$30,178.00	$5,000.00	$5,258.00	
M 77/1016	Live	HANKING GOLD MINING PTY LTD	14-Dec-00	21 Years	02-Dec-03	01-Dec-24	24.00	Southern Cross	$409.20	$10,000.00	$561,722.00	$10,000.00	$14,189.00	
M 77/1026	Live	HANKING GOLD MINING PTY LTD	05-Sep-01	21 Years	18-Oct-02	17-Oct-23	1.12	Copperhead	$34.10	$5,000.00	$41,397.00	$5,000.00	$5,257.00	
M 77/1036	Live	HANKING GOLD MINING PTY LTD	15-Jul-02	21 Years	28-Nov-02	27-Nov-23	7.70	Marvel Loch	$136.40	$10,000.00	$76,784,972.00	$10,000.00	$13,938.00	
M 77/1049	Live	HANKING GOLD MINING PTY LTD	27-Jun-03	21 Years	12-Jan-04	11-Jan-25	9.72	Pilot Group	$170.50	$10,000.00	$83,787.00	$10,000.00	$26,027.00	
M 77/105	Live	HANKING GOLD MINING PTY LTD	10-Jun-86	21 Years (Renewed)	12-Sep-86	11-Sep-28	11.59	Bullfinch	$204.60	$10,000.00	$47,480,597.00	$10,000.00	$10,246.00	

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M 77/1052	Live	HANKING GOLD MINING PTY LTD	24-Jul-03	21 Years	06-Jul-07	05-Jul-28	9.70	Great Victoria	$170.50	$10,000.00	$113,254.00	$10,000.00	$10,214.00	
M 77/1054	Live	HANKING GOLD MINING PTY LTD	26-Sep-03	21 Years	06-Jul-07	05-Jul-28	387.70	Kellystar	$6,615.40	$38,800.00	$198,466.00	$38,800.00	$49,267.00	
M 77/1063	Live	HANKING GOLD MINING PTY LTD	17-Nov-03	21 Years	21-Nov-07	20-Nov-28	190.00	South Blackbournes	$3,239.50	$19,000.00	$97,370.00	$19,000.00	$31,320.00	
M 77/1083	Live	HANKING GOLD MINING PTY LTD	31-May-04	21 Years	12-Nov-07	11-Nov-28	633.00	Marvel Loch North	$10,792.65	$63,300.00	$331,744.00	$63,300.00	$103,891.00	
M 77/1084	Live	HANKING GOLD MINING PTY LTD	31-May-04	21 Years	23-Feb-09	22-Feb-30	328.01	Marvel Loch North	$5,609.45	$32,900.00	$153,243.00	$32,900.00	$42,523.00	
M 77/109	Live	HANKING GOLD MINING PTY LTD	02-Jul-86	21 Years (Renewed)	13-Mar-87	12-Mar-29	254.80	Frasers	$4,347.75	$25,500.00	$131,964,005.14	$25,500.00	$53,014.00	
M 77/112	Live	HANKING GOLD MINING PTY LTD	14-Aug-86	21 Years (Renewed)	17-Dec-86	16-Dec-28	315.50	Marvel Loch	$5,387.80	$31,600.00	$21,907,391.00	$31,600.00	$52,114.00	
M 77/1127	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	02-Jul-09	01-Jul-30	89.14	Bullfinch	$1,534.50	$10,000.00	$38,466.00	$10,000.00	$12,439.00	
M 77/1129	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	25-Feb-09	24-Feb-30	29.03	Bullfinch	$511.50	$10,000.00	$45,916.00	$10,000.00	$14,283.00	
M 77/113	Live	HANKING GOLD MINING PTY LTD	14-Aug-86	21 Years (Renewed)	17-Dec-86	16-Dec-28	21.50	Marvel Loch	$375.10	$10,000.00	$40,428,591.00	$10,000.00	$14,078.00	
M 77/1130	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	25-Feb-09	24-Feb-30	10.59	Derwent Jack West	$187.55	$10,000.00	$35,070.00	$10,000.00	$13,984.00	
M 77/1131	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	25-Feb-09	24-Feb-30	0.78	Derwent Jack West	$17.05	$5,000.00	$19,718.00	$5,000.00	$7,121.00	
M 77/1133	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	25-Feb-09	24-Feb-30	13.37	Derwent Jack South	$238.70	$10,000.00	$35,386.00	$10,000.00	$14,031.00	
M 77/1136	Live	HANKING GOLD MINING PTY LTD	17-Jan-06	21 Years	25-Feb-09	24-Feb-30	13.40	Hopes Hill	$238.70	$10,000.00	$35,483.00	$10,000.00	$14,031.00	
M 77/114	Live	HANKING GOLD MINING PTY LTD	14-Aug-86	21 Years (Renewed)	17-Dec-86	16-Dec-28	16.63	Marvel Loch	$289.85	$10,000.00	$66,859,512.00	$10,000.00	$14,078.00	
M 77/1140	Live	HANKING GOLD MINING PTY LTD	18-Jan-06	21 Years	15-Oct-09	14-Oct-30	125.60	Toomey Hills	$2,148.30	$12,600.00	$52,052.00	$12,600.00	$15,921.00	
M 77/1275	Live	HANKING GOLD MINING PTY LTD	02-Feb-15	21 Years	09-Sep-15	08-Sep-36	9.73	Comishman North	$170.50	$10,000.00	$0.00	$0.00	$0.00	
M 77/1280	Pending	HANKING GOLD MINING PTY LTD	09-Nov-15				504.64	Cheritons Find				$0.00		
M 77/1281	Pending	HANKING GOLD MINING PTY LTD	08-Dec-15				465.00	Cheritons North				$0.00		
M 77/1282	Pending	HANKING GOLD MINING PTY LTD	08-Dec-15				463.16	Cheritons South				$0.00		
M 77/133	Live	HANKING GOLD MINING PTY LTD	13-Nov-86	21 Years (Renewed)	18-Sep-87	17-Sep-29	9.59	Kennyville	$170.50	$10,000.00	$303,488.00	$10,000.00	$10,214.00	
M 77/137	Live	HANKING GOLD MINING PTY LTD	12-Jan-87	21 Years (Renewed)	14-May-87	13-May-29	261.30	Harris Find	$4,467.10	$26,200.00	$6,137,935.00	$26,200.00	$43,168.00	
M 77/138	Live	HANKING GOLD MINING PTY LTD	02-Feb-87	21 Years (Renewed)	18-Sep-87	17-Sep-29	880.95	Great Victoria Gold Mine	$15,021.05	$88,100.00	$52,102,371.00	$88,100.00	$112,530.00	
M 77/159	Live	HANKING GOLD MINING PTY LTD	09-Apr-87	21 Years (Renewed)	18-Sep-87	17-Sep-29	189.95	Kennyville	$3,239.50	$19,000.00	$828,408.00	$19,000.00	$24,315.00	
M 77/160	Live	HANKING GOLD MINING PTY LTD	13-Apr-87	21 Years (Renewed)	15-Sep-87	14-Sep-29	512.90	Edwards Find	$8,746.65	$51,300.00	$46,667,304.00	$51,300.00	$65,552.00	

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M 77/175	Live	HANKING GOLD MINING PTY LTD	28-May-87	21 Years (Renewed)	06-Dec-89	05-Dec-31	665.90	Southern Cross	$11,355.30	$66,600.00	$26,349,180.00	$66,600.00	$109,580.00	
M 77/186	Live	HANKING GOLD MINING PTY LTD	25-Jun-87	21 Years (Renewed)	16-Feb-88	15-Feb-30	120.00	20km South Of Southern Cross	$2,046.00	$12,000.00	$320,103.00	$12,000.00	$19,833.00	
M 77/193	Live	HANKING GOLD MINING PTY LTD	01-Jul-87	21 Years (Renewed)	07-Jan-88	06-Jan-30	130.35	Southern Cross – Lime Kilns	$2,233.55	$13,100.00	$25,918,939.00	$13,100.00	$22,148.00	
M 77/197	Live	HANKING GOLD MINING PTY LTD	24-Jul-87	21 Years (Renewed)	21-Mar-88	20-Mar-30	18.54	Lime Kilns – Mitten	$323.95	$10,000.00	$597,843.00	$10,000.00	$250,480.00	
M 77/198	Live	HANKING GOLD MINING PTY LTD	24-Jul-87	21 Years (Renewed)	21-Mar-88	20-Mar-30	108.60	Toomey Hills	$1,858.45	$10,900.00	$989,879.00	$10,900.00	$19,454.00	
M 77/217	Live	HANKING GOLD MINING PTY LTD	01-Sep-87	21 Years (Renewed)	06-Apr-88	05-Apr-30	17.36	Southern Cross	$306.90	$10,000.00	$2,005,062.00	$10,000.00	$12,441.00	
M 77/221	Live	HANKING GOLD MINING PTY LTD	22-Sep-87	21 Years (Renewed)	06-Apr-88	05-Apr-30	8.08	Southern Cross 3	$153.45	$10,000.00	$1,553,953.00	$10,000.00	$16,311.00	
M 77/224	Live	HANKING GOLD MINING PTY LTD	24-Sep-87	21 Years (Renewed)	29-Jun-88	28-Jun-30	321.00	Southern Cross – Kennyville	$5,473.05	$32,100.00	$1,035,981.00	$32,100.00	$42,883.00	
M 77/225	Live	HANKING GOLD MINING PTY LTD	24-Sep-87	21 Years (Renewed)	29-Jun-88	28-Jun-30	829.20	Southern Cross	$14,151.50	$83,000.00	$127,140,029.00	$83,000.00	$104,570.00	
M 77/239	Live	HANKING GOLD MINING PTY LTD	06-Nov-87	21 Years (Renewed)	15-Sep-88	14-Sep-30	581.55	Marvel Loch	$9,923.10	$58,200.00	$10,242,679.00	$58,200.00	$74,360.00	
M 77/250	Live	HANKING GOLD MINING PTY LTD	18-Dec-87	21 Years (Renewed)	15-Sep-88	14-Sep-30	365.95	Blackbournes – Greenmount	$6,240.30	$36,600.00	$1,139,967.00	$36,600.00	$46,785.00	
M 77/251	Live	HANKING GOLD MINING PTY LTD	18-Dec-87	21 Years (Renewed)	15-Sep-88	14-Sep-30	642.35	New Zealander	$10,963.15	$64,300.00	$5,400,007.00	$64,300.00	$82,149.00	
M 77/26	Live	HANKING GOLD MINING PTY LTD	26-Jul-83	21 Years (Renewed)	04-Jan-84	03-Jan-26	22.50	Marvel Loch	$392.15	$10,000.00	$1,595,210.00	$10,000.00	$14,166.00	
M 77/265	Live	HANKING GOLD MINING PTY LTD	01-Feb-88	21 Years (Renewed)	24-Jan-89	23-Jan-31	930.95	3km North West Of Edwards Find	$15,873.55	$93,100.00	$2,634,107.00	$93,100.00	$153,234.00	
M 77/266	Live	HANKING GOLD MINING PTY LTD	01-Feb-88	21 Years (Renewed)	24-Jan-89	23-Jan-31	202.20	2km North East Of Edwards Find	$3,461.15	$20,300.00	$417,608.00	$20,300.00	$25,105.00	
M 77/299	Live	HANKING GOLD MINING PTY LTD	04-Jul-88	21 Years (Renewed)	16-Nov-88	15-Nov-30	9.71	Bullfinch	$170.50	$10,000.00	$540,243.00	$10,000.00	$13,969.00	
M 77/301	Live	HANKING GOLD MINING PTY LTD	25-Jul-88	21 Years (Renewed)	25-Sep-89	24-Sep-31	3.47	Bullfinch	$68.20	$5,000.00	$524,169.00	$5,000.00	$5,290.00	
M 77/31	Live	HANKING GOLD MINING PTY LTD	14-Oct-83	21 Years (Renewed)	20-Jun-84	19-Jun-26	798.95	Nevoria	$13,622.95	$79,900.00	$93,293,568.47	$79,900.00	$193,183.00	

Ten ID	Status	Holders	Lodge Date	Term	Term from	Term to	Area (Ha)	Locality	Rent next	Expenditure next	Expenditure total	Commitment last	Expenditure last	Purposes
M 77/347	Live	HANKING GOLD MINING PTY LTD	02-Nov-88	21 Years (Renewed)	18-Apr-89	17-Apr-31	0.95	Lime Kilns-Southern Cross	$17.05	$5,000.00	$716,201.00	$5,000.00	$308,238.00	
M 77/352	Live	HANKING GOLD MINING PTY LTD	23-Nov-88	21 Years (Renewed)	18-Apr-89	17-Apr-31	529.50	Lake Cotton	$9,036.50	$53,000.00	$101,979,883.63	$53,000.00	$55,646,958.00	
M 77/355	Live	HANKING GOLD MINING PTY LTD	16-Dec-88	21 Years (Renewed)	29-Jul-91	28-Jul-33	277.55	Bullfinch T/Site	$4,739.90	$27,800.00	$518,767.00	$27,800.00	$35,722.00	
M 77/356	Live	HANKING GOLD MINING PTY LTD	16-Dec-88	21 Years (Renewed)	08-Nov-89	07-Nov-31	82.45	Bullfinch	$1,415.15	$10,000.00	$447,795.00	$10,000.00	$17,274.00	
M 77/376	Live	HANKING GOLD MINING PTY LTD	06-Feb-89	21 Years (Renewed)	31-May-90	30-May-32	971.35	Edwards Find	$16,572.60	$97,200.00	$1,857,769.00	$97,200.00	$123,469.00	
M 77/380	Live	HANKING GOLD MINING PTY LTD	20-Feb-89	21 Years (Renewed)	12-Oct-89	11-Oct-31	351.90	Lemeberg Find	$6,001.60	$35,200.00	$2,370,642.00	$35,200.00	$44,883.00	
M 77/402	Live	HANKING GOLD MINING PTY LTD	20-Jun-89	21 Years (Renewed)	30-Mar-90	29-Mar-32	3.07	Southern Cross	$68.20	$5,000.00	$133,267.00	$5,000.00	$11,587.00	
M 77/408	Live	HANKING GOLD MINING PTY LTD	22-Aug-89	21 Years (Renewed)	30-Mar-90	29-Mar-32	9.71	Glendower	$170.50	$10,000.00	$201,884.00	$10,000.00	$14,323.00	
M 77/424	Live	HANKING GOLD MINING PTY LTD	30-Oct-89	21 Years (Renewed)	02-Jan-91	01-Jan-33	309.25	Glendower	$5,285.50	$31,000.00	$9,561,498.00	$31,000.00	$50,704.00	
M 77/431	Live	HANKING GOLD MINING PTY LTD	06-Nov-89	21 Years (Renewed)	30-Mar-90	29-Mar-32	999.05	Harris Find	$17,050.00	$100,000.00	$254,470,738.00	$100,000.00	$143,479.00	
M 77/432	Live	HANKING GOLD MINING PTY LTD	06-Nov-89	21 Years (Renewed)	30-Mar-90	29-Mar-32	1,000.00	Harris Find	$17,050.00	$100,000.00	$1,221,799.00	$100,000.00	$150,106.00	
M 77/46	Live	HANKING GOLD MINING PTY LTD	08-Feb-84	21 Years (Renewed)	23-Oct-84	22-Oct-26	36.34	Bullfinch	$630.85	$10,000.00	$1,638,032.00	$10,000.00	$10,791.00	
M 77/480	Live	HANKING GOLD MINING PTY LTD	01-Aug-90	21 Years (Renewed)	15-May-91	14-May-33	961.85	Bullfinch	$16,402.10	$96,200.00	$13,051,234.00	$96,200.00	$159,264.00	
M 77/497	Live	HANKING GOLD MINING PTY LTD	29-Oct-90	21 Years (Renewed)	15-May-91	14-May-33	188.75	Southern Cross	$3,222.45	$18,900.00	$529,974.00	$18,900.00	$31,228.00	
M 77/510	Live	HANKING GOLD MINING PTY LTD	20-Dec-90	21 Years (Renewed)	15-May-91	14-May-33	9.71	Bankers	$170.50	$10,000.00	$568,385.00	$10,000.00	$34,746.00	
M 77/513	Live	HANKING GOLD MINING PTY LTD	18-Jan-91	21 Years (Renewed)	15-May-91	14-May-33	109.50	Jaccoletti West	$1,875.50	$11,000.00	$248,772.00	$11,000.00	$14,023.00	
M 77/525	Live	HANKING GOLD MINING PTY LTD	24-May-91	21 Years (Renewed)	01-Aug-91	31-Jul-33	612.00	Marvel Loch	$10,434.60	$61,200.00	$22,475,029.00	$61,200.00	$77,761.00	
M 77/534	Live	HANKING GOLD MINING PTY LTD	29-Aug-91	21 Years (Renewed)	04-Sep-92	03-Sep-34	950.45	Corinthia	$16,214.55	$95,100.00	$2,526,599.00	$95,100.00	$121,483.00	

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M 77/535	Live	HANKING GOLD MINING PTY LTD	19-Sep-91	21 Years (Renewed)	26-Mar-93	25-Mar-35	80.27	Southern Cross	$1,381.05	$10,000.00	$373,296.40	$10,000.00	$11,065.00	
M 77/538	Live	HANKING GOLD MINING PTY LTD	03-Oct-91	21 Years (Renewed)	11-Mar-92	10-Mar-34	246.00	South Of Mount Rankin	$4,194.30	$24,600.00	$856,844.00	$24,600.00	$33,780.00	
M 77/552	Live	HANKING GOLD MINING PTY LTD	23-Jan-92	21 Years (Renewed)	10-Oct-94	09-Oct-36	31.85	Southern Cross: 1 Km North	$545.60	$10,000.00	$80,006.00	$10,000.00	$10,745.00	
M 77/554	Live	HANKING GOLD MINING PTY LTD	26-Mar-92	21 Years (Renewed)	29-Jul-92	28-Jul-34	120.15	May Queen	$2,063.05	$12,100.00	$269,989.00	$12,100.00	$15,347.00	
M 77/555	Live	HANKING GOLD MINING PTY LTD	30-Mar-92	21 Years (Renewed)	23-Dec-92	22-Dec-34	405.30	May Queen	$6,922.30	$40,600.00	$597,171.00	$40,600.00	$66,918.00	
M 77/564	Live	HANKING GOLD MINING PTY LTD	24-Jul-92	21 Years (Renewed)	22-Oct-92	21-Oct-34	794.60	Eagle Rock G77-04	$13,554.75	$79,500.00	$583,271.00	$79,500.00	$101,938.00	
M 77/572	Live	HANKING GOLD MINING PTY LTD	23-Sep-92	21 Years (Renewed)	05-Feb-93	04-Feb-35	8.50	Bullfinch	$153.45	$10,000.00	$24,534,991.00	$10,000.00	$15,193.00	
M 77/593	Live	HANKING GOLD MINING PTY LTD	10-Dec-92	21 Years (Renewed)	01-Jun-93	31-May-35	27.31	Polaris South	$477.40	$10,000.00	$117,530.00	$10,000.00	$11,307.00	
M 77/597	Live	HANKING GOLD MINING PTY LTD	15-Dec-92	21 Years (Renewed)	21-Jun-93	20-Jun-35	107.20	Yilgarn Star	$1,841.40	$10,800.00	$566,910.00	$10,800.00	$13,668.00	
M 77/598	Live	HANKING GOLD MINING PTY LTD	17-Dec-92	21 Years (Renewed)	03-May-93	02-May-35	8.09	Yilgarn Goldfield	$153.45	$10,000.00	$210,765.00	$10,000.00	$13,956.00	
M 77/613	Live	HANKING GOLD MINING PTY LTD	17-Jun-93	21 Years (Renewed)	03-Sep-93	02-Sep-35	229.45	Kennyville Sth	$3,921.50	$23,000.00	$442,961.00	$23,000.00	$34,403.00	
M 77/631	Live	HANKING GOLD MINING PTY LTD	21-Oct-93	21 Years (Renewed)	21-Jan-94	20-Jan-36	151.30	North Kennyville	$2,591.60	$15,200.00	$471,380.00	$15,200.00	$25,065.00	
M 77/638	Live	HANKING GOLD MINING PTY LTD	18-Nov-93	21 Years (Renewed)	24-May-94	23-May-36	2.90	Marvel Loch	$51.15	$5,000.00	$1,098,785.00	$5,000.00	$5,441.00	
M 77/639	Live	HANKING GOLD MINING PTY LTD	29-Nov-93	21 Years (Renewed)	03-Aug-94	02-Aug-36	369.65	Banker – East Of	$6,308.50	$37,000.00	$764,866.00	$37,000.00	$47,035.00	
M 77/640	Live	HANKING GOLD MINING PTY LTD	29-Nov-93	21 Years (Renewed)	03-Aug-94	02-Aug-36	778.70	Banker – East Of	$13,281.95	$77,900.00	$854,184.00	$77,900.00	$98,963.00	
M 77/655	Live	HANKING GOLD MINING PTY LTD	28-Apr-94	21 Years (Renewed)	03-Aug-94	02-Aug-36	40.24	Burbidge	$699.05	$10,000.00	$150,875.00	$10,000.00	$10,713.00	
M 77/66	Live	HANKING GOLD MINING PTY LTD	23-Aug-84	21 Years (Renewed)	12-Dec-84	11-Dec-26	37.22	Southern Cross	$647.90	$10,000.00	$66,173,344.00	$10,000.00	$14,614.00	
M 77/660	Live	HANKING GOLD MINING PTY LTD	15-Jun-94	21 Years	08-Aug-95	07-Aug-16	430.95	West Star	$237.04	$43,100.00	$918,986.00	$43,100.00	$54,778.00	

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M 77/668	Live	HANKING GOLD MINING PTY LTD	26-Aug-94	21 Years (Renewed)	15-Nov-94	14-Nov-36	148.35	Treasury: Mary Lena	$2,540.45	$14,900.00	$5,930,042.00	$14,900.00	$24,572.00	
M 77/7	Live	HANKING GOLD MINING PTY LTD	02-Dec-82	21 Years (Renewed)	22-Jun-83	21-Jun-25	1.68	Marvel Loch	$34.10	$5,000.00	$104,736,282.00	$5,000.00	$5,857.00	
M 77/702	Live	HANKING GOLD MINING PTY LTD	21-Apr-95	21 Years	10-May-96	09-May-17	384.25	Toomey Hills	$6,564.25	$38,500.00	$22,374,398.00	$38,500.00	$65,175.00	
M 77/72	Live	HANKING GOLD MINING PTY LTD	26-Nov-84	21 Years (Renewed)	10-Jul-85	09-Jul-27	211.50	Burbridge	$3,614.60	$21,200.00	$10,706,429.00	$21,200.00	$26,888.00	
M 77/721	Live	HANKING GOLD MINING PTY LTD	24-Aug-95	21 Years	01-Dec-98	30-Nov-19	606.40	Kennyville	$10,349.35	$60,700.00	$2,646,728.00	$60,700.00	$101,548.00	
M 77/722	Live	HANKING GOLD MINING PTY LTD	24-Aug-95	21 Years	01-Dec-98	30-Nov-19	7.30	Kennyville	$136.40	$10,000.00	$63,062.00	$10,000.00	$13,938.00	
M 77/733	Live	HANKING GOLD MINING PTY LTD	06-Nov-95	21 Years	02-Mar-00	01-Mar-21	8.00	Greenmount	$136.40	$10,000.00	$93,327.00	$10,000.00	$13,989.00	
M 77/745	Live	HANKING GOLD MINING PTY LTD	08-Dec-95	21 Years	08-Jan-04	07-Jan-25	76.50	Burbidge West	$1,312.85	$10,000.00	$2,084,400.00	$10,000.00	$15,789.00	
M 77/746	Live	HANKING GOLD MINING PTY LTD	08-Dec-95	21 Years	08-Jan-04	07-Jan-25	42.55	Burbidge	$733.15	$10,000.00	$2,288,670.00	$10,000.00	$16,726.00	
M 77/747	Live	HANKING GOLD MINING PTY LTD	08-Dec-95	21 Years	08-Jan-04	07-Jan-25	11.91	Burbidge	$204.60	$10,000.00	$310,923.00	$10,000.00	$18,762.00	
M 77/768	Live	HANKING GOLD MINING PTY LTD	29-Apr-96	21 Years	29-Dec-00	28-Dec-21	9.71	Great Victoria	$170.50	$10,000.00	$24,234,998.00	$10,000.00	$13,969.00	
M 77/770	Live	HANKING GOLD MINING PTY LTD	29-Apr-96	21 Years	28-Nov-08	27-Nov-29	480.00	Nevoria	$8,184.00	$48,000.00	$247,119.00	$48,000.00	$79,149.00	
M 77/771	Live	HANKING GOLD MINING PTY LTD	13-May-96	21 Years	05-Sep-07	04-Sep-28	109.35	Marvel Loch South East	$1,875.50	$11,000.00	$57,207.00	$11,000.00	$14,065.00	
M 77/775	Live	HANKING GOLD MINING PTY LTD	21-Jun-96	21 Years	02-Dec-03	01-Dec-24	396.70	Nevoria	$6,768.85	$39,700.00	$304,242.00	$39,700.00	$40,842.00	
M 77/788	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	05-Jun-08	04-Jun-29	3.64	Donovans Find	$68.20	$5,000.00	$15,963.00	$5,000.00	$5,543.00	
M 77/790	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	08-Jan-04	07-Jan-25	917.85	Burbidge	$15,651.90	$91,800.00	$76,622,925.00	$91,800.00	$171,427.00	
M 77/791	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	05-Nov-03	04-Nov-24	997.80	Burbidge	$17,015.90	$99,800.00	$559,420.00	$99,800.00	$164,905.00	
M 77/792	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	28-Nov-08	27-Nov-29	576.10	Burbidge	$9,837.85	$57,700.00	$285,368.00	$57,700.00	$87,470.00	
M 77/793	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	28-Nov-08	27-Nov-29	628.05	Burbidge	$10,724.45	$62,900.00	$314,686.00	$62,900.00	$103,668.00	
M 77/794	Live	HANKING GOLD MINING PTY LTD	13-Sep-96	21 Years	19-Jun-07	18-Jun-28	710.40	Burbidge	$12,122.55	$71,100.00	$423,673.00	$71,100.00	$89,661.00	
M 77/8	Live	HANKING GOLD MINING PTY LTD	02-Dec-82	21 Years (Renewed)	22-Jun-83	21-Jun-25	5.05	Marvel Loch	$102.30	$10,000.00	$142,904,473.00	$10,000.00	$10,747.00	
M 77/803	Live	HANKING GOLD MINING PTY LTD	25-Sep-96	21 Years	05-Sep-07	04-Sep-28	180.00	Marvel Loch North	$3,069.00	$18,000.00	$83,830.00	$18,000.00	$23,221.00	
M 77/811	Live	HANKING GOLD MINING PTY LTD	11-Nov-96	21 Years	02-Dec-03	01-Dec-24	9.71	Kennyville	$170.50	$10,000.00	$1,939,719.00	$10,000.00	$13,969.00	
M 77/86	Live	HANKING GOLD MINING PTY LTD	11-Nov-85	21 Years (Renewed)	27-May-86	26-May-28	240.00	Lemeberg Find	$4,092.00	$24,000.00	$9,593,128.00	$24,000.00	$31,529.00	
M 77/90	Live	HANKING GOLD MINING PTY LTD	13-Dec-85	21 Years (Renewed)	28-Jan-87	27-Jan-29	20.90	Southern Cross	$358.05	$10,000.00	$103,280,603.00	$10,000.00	$14,479.00	
M 77/906	Live	HANKING GOLD MINING PTY LTD	07-Apr-98	21 Years	04-Dec-08	03-Dec-29	52.00	Nevoria	$886.60	$10,000.00	$44,421.00	$10,000.00	$15,684.00	
M 77/907	Live	HANKING GOLD MINING PTY LTD	07-Apr-98	21 Years	04-Dec-08	03-Dec-29	74.42	Nevoria	$1,278.75	$10,000.00	$46,494.00	$10,000.00	$16,952.00	

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M 77/945	Live	HANKING GOLD MINING PTY LTD	08-Oct-98	21 Years	05-Dec-07	04-Dec-28	53.00	Greenmount	$903.65	$10,000.00	$40,133.00	$10,000.00	$15,082.00	
M 77/954	Live	HANKING GOLD MINING PTY LTD	22-Dec-98	21 Years	28-Jun-07	27-Jun-28	1.09	Banker	$34.10	$5,000.00	$16,373.00	$5,000.00	$5,607.00	
M 77/956	Live	HANKING GOLD MINING PTY LTD	22-Dec-98	21 Years	02-Dec-03	01-Dec-24	193.40	Mt Caudan	$3,307.70	$19,400.00	$180,813.00	$19,400.00	$29,459.00	
M 77/969	Live	HANKING GOLD MINING PTY LTD	13-May-99	21 Years	01-Jul-99	30-Jun-20	10.00	Southern Cross Lime Kilns	$170.50	$10,000.00	$20,048,013.00	$10,000.00	$1,026,394.00	
M 77/977	Live	HANKING GOLD MINING PTY LTD	06-Oct-99	21 Years	02-Dec-03	01-Dec-24	36.25	Marvel Loch South	$630.85	$10,000.00	$53,814.00	$10,000.00	$14,610.00	
M77/1055	Live	ST BARBARA LIMITED COMET RESOURCES LTD	26-Sep-03	21 Years	21-Nov-07	20-Nov-28	351.00	Mt Rankin	$5,984.55	$35,100.00	$167,938.00	$35,100.00	$57,892.00	
M77/1056	Live	ST BARBARA LIMITED BELLRIVER PTY LTD	26-Sep-03	21 Years	21-Nov-07	20-Nov-28	351.00	Mt Rankin	$5,984.55	$35,100.00	$182,780.00	$35,100.00	$57,892.00	
M77/477	Live	ST BARBARA LIMITED	16-May-90	21 Years (Renewed)	31-Aug-90	30-Aug-32	620.95	Mount Holland	$10,588.05	$62,100.00	$2,391,995.35	$62,100.00	$32,272.10	
		MONTAGUE RESOURCES AUSTRALIA PTY LTD												
M77/478	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	16-May-90	21 Years (Renewed)	31-Aug-90	30-Aug-32	620.30	Mount Holland	$10,588.05	$62,100.00	$2,721,996.92	$62,100.00	$95,130.00	
M77/522	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	14-May-91	21 Years (Renewed)	11-Oct-91	10-Oct-33	529.15	Mount Holland	$9,036.50	$53,000.00	$565,918.00	$53,000.00	$26,728.00	
M77/523	Live	ST BARBARA LIMITED MONTAGUE RESOURCES AUSTRALIA PTY LTD	14-May-91	21 Years (Renewed)	11-Oct-91	10-Oct-33	449.15	Mount Holland	$7,672.50	$45,000.00	$537,738.00	$45,000.00	$22,704.00	
m77/765	Live	SAMMY RESOURCES PTY LTD	29-Apr-96	21 Years	25-Jan-07	24-Jan-28	988.00	Parkers Range	$16,845.40	$98,800.00	$809,050.00	$98,800.00	$107,673.00	
m77/766	Live	SAMMY RESOURCES PTY LTD	29-Apr-96	21 Years	25-Jan-07	24-Jan-28	922.00	Great Victoria	$15,720.10	$92,200.00	$935,434.00	$92,200.00	$100,284.00	
P 77/3767	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	19-Jan-09	18-Jan-17	124.00	Mt Caudan	$310.00	$4,960.00	$19,820.00	$4,960.00	$7,275.00	
P 77/3768	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	19-Jan-09	18-Jan-17	188.00	Mt Caudan	$470.00	$7,520.00	$28,256.00	$7,520.00	$10,916.00	
P 77/3769	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	19-Jan-09	18-Jan-17	139.00	Mt Caudan	$347.50	$5,560.00	$21,872.00	$5,560.00	$8,112.00	
P 77/3770	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	19-Jan-09	18-Jan-17	187.00	Mt Caudan	$467.50	$7,480.00	$38,605.00	$7,480.00	$10,727.00	
P 77/3772	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	53.00	Bullfinch SE	$132.50	$2,120.00	$18,066.00	$2,120.00	$3,303.00	
P 77/3773	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	59.00	Bullfinch SE	$147.50	$2,360.00	$12,044.00	$2,360.00	$3,639.00	
P 77/3774	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	72.00	Kennyville	$180.00	$2,880.00	$13,729.00	$2,880.00	$4,434.00	

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P 77/3775	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	11.00	Kemyville	$27.50	$2,000.00	$10,499.00	$2,000.00	$3,049.00	
P 77/3776	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	10.00	Kemyville	$25.00	$2,000.00	$8,613.00	$2,000.00	$3,053.00	
P 77/3784	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	159.00	Burbidge East	$397.50	$6,360.00	$26,754.00	$6,360.00	$10,139.00	
P 77/3785	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	2.00	Toomey Hills 1	$25.00	$2,000.00	$9,214.00	$2,000.00	$3,654.00	
P 77/3786	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	32.00	Toomey Hills	$80.00	$2,000.00	$10,375.00	$2,000.00	$3,100.00	
P 77/3787	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	117.00	Toomey Hills	$292.50	$4,680.00	$19,613.00	$4,680.00	$6,883.00	
P 77/3788	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	9.00	Marvel Loch North	$25.00	$2,000.00	$8,834.00	$2,000.00	$3,047.00	
P 77/3791	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	87.00	Marvel Loch	$217.50	$3,480.00	$16,042.00	$3,480.00	$5,511.00	
P 77/3792	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	177.00	Lemeberg	$442.50	$7,080.00	$27,727.00	$7,080.00	$10,267.00	
P 77/3793	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	194.00	Lemeberg	$485.00	$7,760.00	$30,118.00	$7,760.00	$11,228.00	
P 77/3794	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	140.00	Lemeberg	$350.00	$5,600.00	$22,785.00	$5,600.00	$8,171.00	
P 77/3795	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	195.00	Lemeberg	$487.50	$7,800.00	$30,199.00	$7,800.00	$11,284.00	
P 77/3796	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	140.00	Lemeberg	$350.00	$5,600.00	$22,903.00	$5,600.00	$8,171.00	
P 77/3797	Live	HANKING GOLD MINING PTY LTD	25-Jan-07	4 Years (Extended)	20-Feb-09	19-Feb-17	189.00	Lemeberg	$472.50	$7,560.00	$29,289.00	$7,560.00	$10,909.00	
P 77/3858	Live	HANKING GOLD MINING PTY LTD	09-Feb-07	4 Years (Extended)	04-Mar-09	03-Mar-17	97.00	Lemeberg	$242.50	$3,880.00	$23,413.00	$3,880.00	$5,764.00	
P 77/3859	Live	HANKING GOLD MINING PTY LTD	09-Feb-07	4 Years (Extended)	04-Mar-09	03-Mar-17	137.00	Lemeberg	$342.50	$5,480.00	$28,598.00	$5,480.00	$8,007.00	

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange were as follows:

Name of Director and Chief Executive	Capacity/Nature of Interest	Number of Shares Held (Long Position)	Approximate Percentage of Shareholding
Yang Jiye *(Note 1)*	Founder of discretionary trust	424,360,500	23.19%
	Interests of controlled corporation	222,993,000	12.19%
Xia Zhuo *(Note 2)*	Interests of controlled corporation	19,130,589	1.05%
	Beneficial owner	60,000	less than 0.01%
Pan Guocheng *(Note 3)*	Beneficial owner	4,220,000	0.23%
Zheng Xuezhi	Beneficial owner	2,259,000	0.12%

Notes:

(1) Mr. Yang Jiye is the founder of the management trust which holds all the issued share capital of Bisney Success Limited and holds 100% interest in Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 424,360,500 Shares held by Bisney Success Limited and 222,993,000 Shares held by Tuochuan Capital Limited.

(2) Mr. Xia Zhuo holds 54.38% interest in Splendour Ventures Limited. As a result, Mr. Xia Zhuo is deemed to hold interest in 19,130,589 Shares held by Splendour Ventures Limited. The accurate percentage of the 60,000 Shares beneficially owned by Mr. Xia Zhuo is 0.00327869%.

(3) These Shares are held jointly with Ms. Pan Guoying.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the shares and/or underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Name	Capacity/Nature of Interest	Number of Shares Held (Long Position)	Approximate Percentage of Shareholding
Yang Min	Interests of controlled corporation	586,025,000	32.02%
	Founder of discretionary trust	13,820,166	0.76%
China Hanking (BVI) Limited	Beneficial owner	586,025,000	32.02%
Tuochuan Capital Limited	Beneficial owner	222,993,000	12.19%
UBS Trustees (BVI) Limited	Trustee	424,360,500	23.19%
UBS Nominees Limited	Nominee for the Trustee	424,360,500	23.19%
Le Fu Limited	Interests of controlled corporation	424,360,500	23.19%
Bisney Success Limited	Beneficial owner	424,360,500	23.19%
Industrial and Commercial Bank of China Limited	Person having a security interest in shares	208,000,000	11.37%
China CITIC Bank Corporation Limited (Dalian branch)	Person having a security interest in shares	280,000,000	15.30%

Notes:

(1) Ms. Yang Min holds 100% interest in China Hanking (BVI) Limited and serves as settlor and beneficiary of management trust which holds the entire issued share capital of Best Excellence Limited. By virtue of the SFO, Ms. Yang Min is deemed to have an interest in 586,025,000 Shares held by China Hanking (BVI) Limited and 13,820,166 Shares held by Best Excellence Limited.

(2) These 424,360,500 Shares belong to the same group of Shares.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, save as disclosed above and on the Company and the Stock Exchange's websites, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service agreement between any Director and any member of the Group (excluding agreements to expire or which may be terminated by the employer within one year without payment of compensation other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND ASSETS

As at the Latest Practicable Date, Other Vendors, namely Dr. Mark Yumin Qiu, Dr. Yajuan Yun and Qiu Family Super Pty Ltd, as trustee of the Qiu Family Superannuation Fund, hold 1.40%, 1.21% and 0.39% of the equity interests in Hanking Australia, respectively. Dr. Mark Yumin Qiu is an executive Director and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Dr. Yajuan Yun is the wife of Dr. Mark Yumin Qiu, and the Qiu Family Super Pty Ltd is the family trust of Dr. Mark Yumin Qiu. Accordingly, each of Dr. Yajuan Yun and Qiu Family Super Pty Ltd is acting in concert with Dr. Mark Yumin Qiu. As such, Dr. Mark Yumin Qiu has a material interest in the Sale of Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2016, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of, by or leased to any member of the Group or are proposed to be acquired or disposed of, by or leased to any member of the Group.

Save for Dr. Mark Yumin Qiu's interest in the Sale of Shares as disclosed above, no other contract or arrangement of significance to which the Group or its subsidiaries was a party and in which a Director had a material interest, either directly or indirectly, subsisted as at the date of this circular.

7. MATERIAL CONTRACT

The Share Sale Agreement is the only contract (not being contracts entered into in the ordinary course of business of the Group) being entered into by any member of the Group within two years immediately preceding the date of this circular which is or may be material.

8. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group has not been engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group, or may have an influence on the Company's rights to explore or mine.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

10. QUALIFICATIONS AND CONSENT OF EXPERTS

The following are the qualifications of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
KPMG	Certified Public Accountants
CSA Global Pty Ltd	Independent technical advisor

The report from KPMG set out in Appendix II to this circular and the Competent Person's Report from CSA Global Pty Ltd set out in Appendix IV to this circular, were given on 17 February 2017 and 28 March 2017 respectively, for incorporation in this circular.

As at the Latest Practicable Date, each of Deloitte Touche Tohmatsu, KPMG and CSA Global Pty Ltd has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name in the form and context in which it appears. Since the date of the Competent Person's Report and up to the Latest Practicable Date, there has been no material change as to the matters set out in the Competent Person's Report.

As at the Latest Practicable Date, each of Deloitte Touche Tohmatsu, KPMG and CSA Global Pty Ltd did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of Deloitte Touche Tohmatsu, KPMG and CSA Global Pty Ltd had any direct or indirect interests in any assets which have been, since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. MISCELLANEOUS

(a) The joint company secretaries of the Company are Ms. Mok Ming Wai and Mr. Xia Zhuo. Ms. Mok Ming Wai is a director of KCS Hong Kong Limited and a fellow member of Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom, and Mr. Xia Zhuo is an executive Director of the Company.

(b) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office of the Company is located at No. 227, Qingnian Street, Shenhe District, Shenyang 110015, Liaoning Province, the PRC, while the principal place of business of the Company in Hong Kong is located at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

(c) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) If there is any inconsistency between this circular and the Chinese translation of this circular, the English text of the circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are made available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

(a) the Memorandum of Association and Bye-Laws of the Company;

(b) the annual report of the Group for the year ended 31 December 2015;

(c) the annual results announcement of the Group for the year ended 31 December 2016;

(d) the review report issued by KPMG on Hanking Australia, extracts of which are set out in Appendix II – "Financial Information of Hanking Australia" to this circular;

(e) the report issued by Deloitte Touche Tohmatsu on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III – "Pro Forma Financial Information of the Remaining Group";

(f) the Competent Person's Report, the text of which is set out in Appendix IV;

(g) the consent letters from each of Deloitte Touche Tohmatsu, KPMG and CSA Global Pty Ltd as referred to in the paragraph headed "Qualifications and Consent of Experts" in this Appendix;

(h) the material contract as referred to in the section headed "Material Contract" in this Appendix;

(i) the circular dated 7 December 2016 regarding the continuing connected transaction under the Iron Ore Concentrates Sale Agreement; and

(j) this circular.

罕王
HANKING

CHINA HANKING HOLDINGS LIMITED
中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of China Hanking Holdings Limited (the "**Company**") will be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Friday, 14 April 2017 at 9:30 a.m. for the purposes of considering and, if thought fit, passing the following resolutions (with or without modifications). Unless indicated otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 31 March 2017.

Ordinary Resolutions

1. To consider and approve the Very Substantial Disposal in relation to the Sale of Shares in Hanking Australia; and

2. To consider and approve the Declaration and Payment of Special Dividend.

By order of the Board
China Hanking Holdings Limited
Yang Jiye
Chairman and executive Director

31 March 2017
Shenyang, the PRC

Notes:

1. A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder.

2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.

3. In order to be valid, a form of proxy must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.

4. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

5. Reference is made to the announcement of the Company on the proposed book closure date of the Company dated 30 March 2017, in which the Company announced its register of Shareholders was expected to be closed from Thursday, 20 April 2017 to Friday, 21 April 2017 (both days inclusive). Considering, among other things, the progress of the Sale of Shares, the Company hereby announces to change the book closure date to Wednesday, 12 April 2017 to Friday, 14 April 2017 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of the Shareholders of the Company as on Friday, 14 April 2017 are entitled to attend and vote at the EGM. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11 April 2017.

6. Shareholders or their proxies attending this meeting shall produce their identity documents.

As at the date of this announcement, the executive Directors are Mr. Yang Jiye, Dr. Pan Guocheng, Mr. Zheng Xuezhi, Dr. Qiu Yumin and Mr. Xia Zhuo; the non-executive Director is Mr. Kenneth Jue Lee; and the independent non-executive Directors are Mr. Wang Ping, Mr. Wang Anjian and Mr. Ma Qingshan.