

Binna Burra Unit and share valuation matters

The property owned by Binna Burra investments Unit Trust remains approved for development. The Development approvals remained unmatched and professional advice is not to tamper with the DA, as we will never again get some of the concessions that exist under the current plan. That advice also is that over the course of time the investment will be realised.

Since acquisition, the unforeseen has happened.

Initially the global financial crisis, and the subsequent reluctance of Westpac to continue funding the investment, albeit they offered the continuation of the funding they had provided to the vendor, thus assisting our capacity to acquire the property, although bank funding was not in the initial plan. The departure of the project "visionary" and negotiator, Peter Evans to a non local employment position has caused the board to "pick up the pieces" and make new contacts - no easy task. The potential sale or JV opportunity with overseas investors and or overseas bank funding were thwarted by local laws and the "" big bank"" controls, and the capacity to get the funds into Australia. There were funding opportunities available that are commonplace overseas that simply we are not able to undertake in Australia. We have met and negotiated with many experts"" over time, but the promises are unproductive to date. The Binna Burra bushfires and subsequently Covid-19 issues have more recently further dismissed the reality of full development funding at this point.

A recent appraisal sees the site as is at a value of \$9.5 million.

After that appraisal, discussion and meetings with National parks and wildlife and pending meetings with Government in respect of mutual site use, access, and assistance, and developments in terms of capacity to use the land for revenue producing purposes, without land sales, and not in breach of the DA, are encouraging. They would place the site in a more actively recognisable position and create a more captive market than any marketing campaign, and at a fractional cost. There also has arisen the opportunity to perhaps develop on the existing titled lots and make greater return than by simple land sale. This would also place the site value at well above the recent appraisal value.

It is still the belief the site will, in the longer term, realise a return on cost to investors, and now an ongoing potential revenue stream, thus increasing public exposure and realisable end returns. Given recent developments it is not the preference to write the investment down in the landowners or development books of account.

Considering the recent appraisal, again pre recent developments, some investors may wish to make their own individual assessments as to recoverability, and based on the appraisal, it would be considered there may be a 50% loss (at cost) on funds invested in units /shares if sold today. Investors may choose to write their unit cost value down accordingly. This can be reassessed in due course as again this is not considered a true indication of the long-term property worth, but an "if we had to sell today" scenario. We believe the next twelve months will be an important period in terms of site possibilities and reducing risk and exposure for any potential buyer(s).

This is an opinion only, and not advice and investors are encouraged to undertake their own individual assessment, as necessary.