



Hera Mine Community Consultative Committee Minutes

The meeting was held on 1 August 2019 at the Hera Mine Village, Burthong Road, Nymagee.

Meeting commenced at 10.20am.

Present at the Meeting:

Garry West (Independent Chair)
Des (David) Hill (Community Representative)
Jo Bates (Community Representative)
Phil Harley (Community Representative)
Mark Williams (Aurelia Metals Ltd. Representative, Senior Environment Advisor)

1. Apologies

Cr. Peter Maxwell (Cobar Shire Council Representative)
Don Cameron (Community Representative)
Jo Bates (Community Representative)
Graeme Bourke (Bogan Shire Council Representative)
Dolly Betts (Community Representative)
Jonathon Thompson (Aurelia Metals Ltd, Representative, Group Manager, Environment)
Scott Ramsay (Aurelia metals Ltd, Representative, General Manager, Hera Mine Project)

2. Pecuniary and other interests

Phil Harley advised he had entered an agreement with Aurelia Metals Ltd. That permits them to conduct exploration on his property "Balowra" for which he receives payment. Phil also advised he will abstain from any voting as deemed necessary in regard to issues that may arise relating to that exploration.

The meeting noted the declaration.

3. Confirmation of Minutes

Minutes from the CCC meeting of 2 May 2019 had been distributed via email and were accepted as a correct record.

4. Business Arising from Previous Meeting

NIL

5. Correspondence

NIL

6. Company Report

A presentation was provided detailing the environmental performance of the Hera Mine operations. (A copy will accompany the final minutes and be placed on the company website);

No complaints were received for the reporting period.

There were no reportable injuries over the last quarter and the Total Recordable Injury Frequency Rate for both Pybar and Aurelia employees is trending down.

The Mod 5 Statement of Environmental Effects (SoEE) is waiting VPA agreements with Cobar and Bogan Shire Councils before the Department of Planning, Industry and Environment can further assess the application.

Mark Williams advised the works associated with the environmental incident that occurred at the process water settling ponds due to liner failure have been completed. The incident was reported to the EPA and they are waiting further advice.

Mark Williams gave an overview of the environmental performance.

Blast vibrations have been well below the limit for all periods over the last quarter.

Elevated dust levels continue as a result of the ongoing drought and the standing water levels have held.

Tailings Storage Facility and Process Water Dam Discharges have remained below the approved limits.

Mark Williams provided an overview of their ongoing exploration program and an update on the Hera North Pod and the Federation Prospect.

The company provided a summary of production and processing performance.

7 Matters which the Community Representatives wish to raise with the Mine Operator

NIL

8 Community Engagement Opportunities

- A financial contribution was made to the Farmers drought appeal in Cobar on 27 July
- A financial contribution was made to the construction of a new 'Yarning Circle' at the Hermidale School

9 General Business

NIL

10 Next Meeting

7 November 2019 commencing at 10.00am

Meeting Closed: 11.00am

ACTION ITEMS

NIL

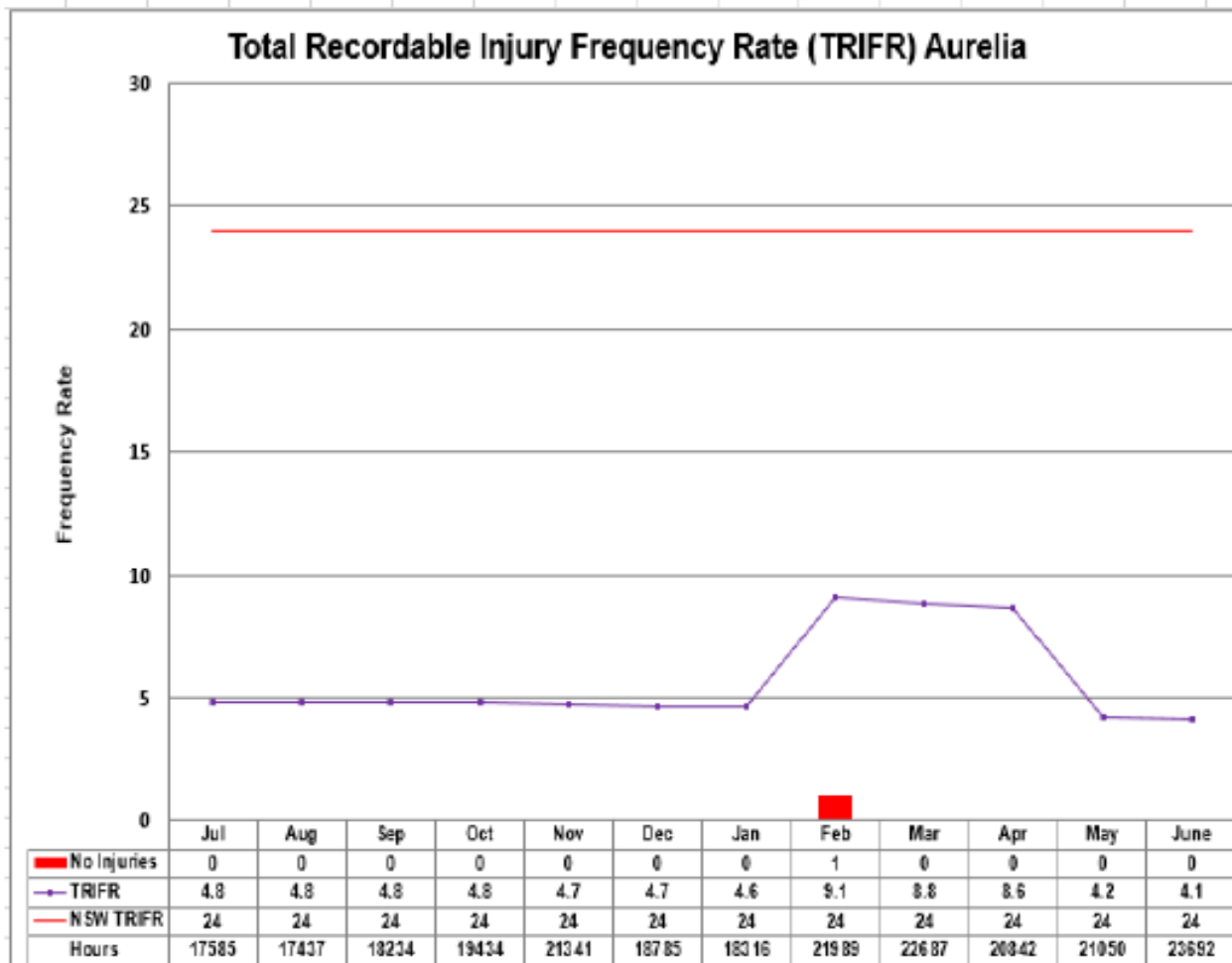


HERA PROJECT

CCC – June 2019

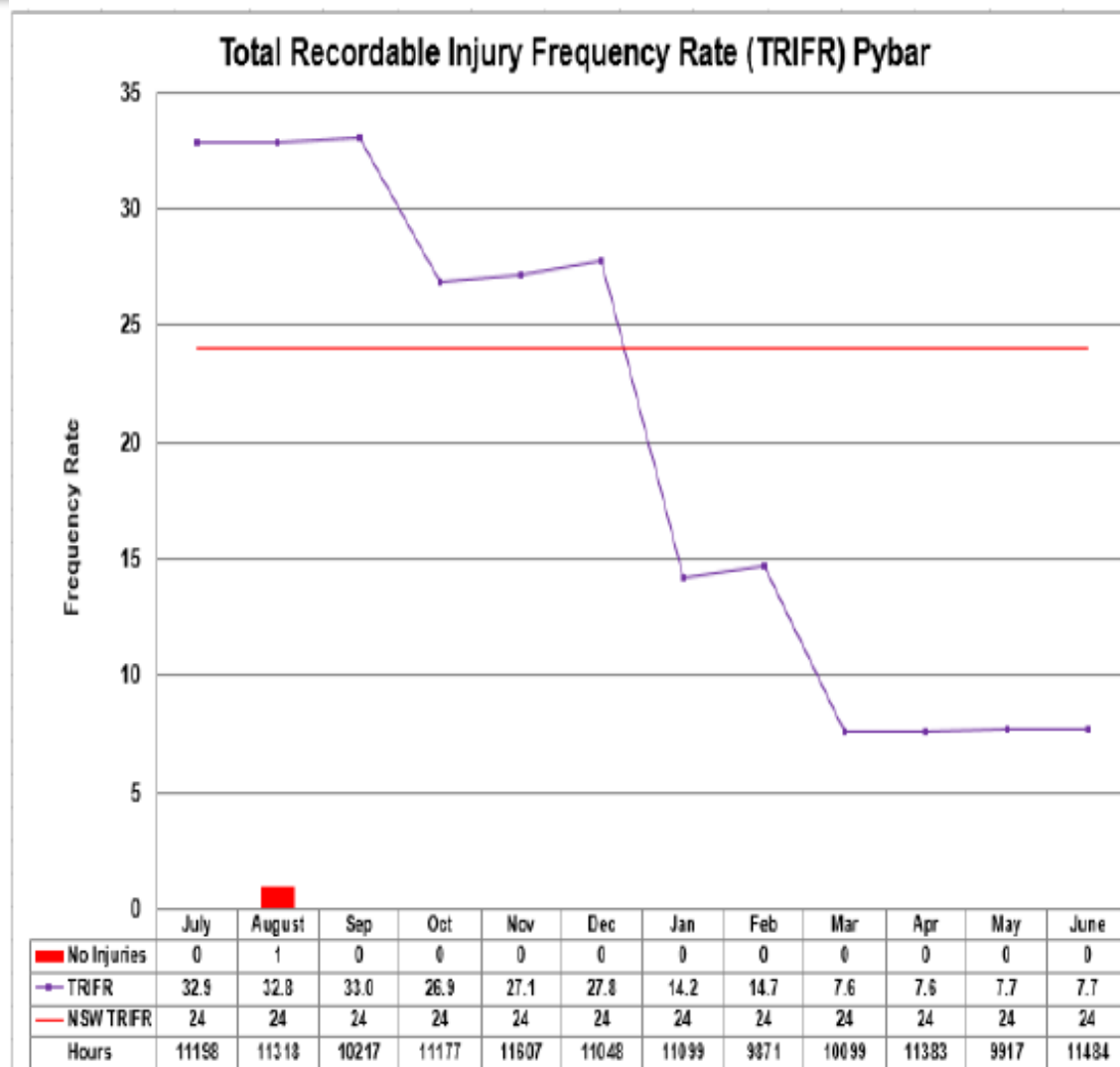
Hera Mine

WHS Incidents — June 18 to July 19



Hera Mine

WHS Incidents — June 18 to June 19



Current Scope of MOD5

- No change to scope as reported to January meeting
- All reports and information has been assessed and finalized.
- Process currently waiting on VPA discussions between Hera and BSC and CSC.
- Nothing further has been received from DPE at this stage.

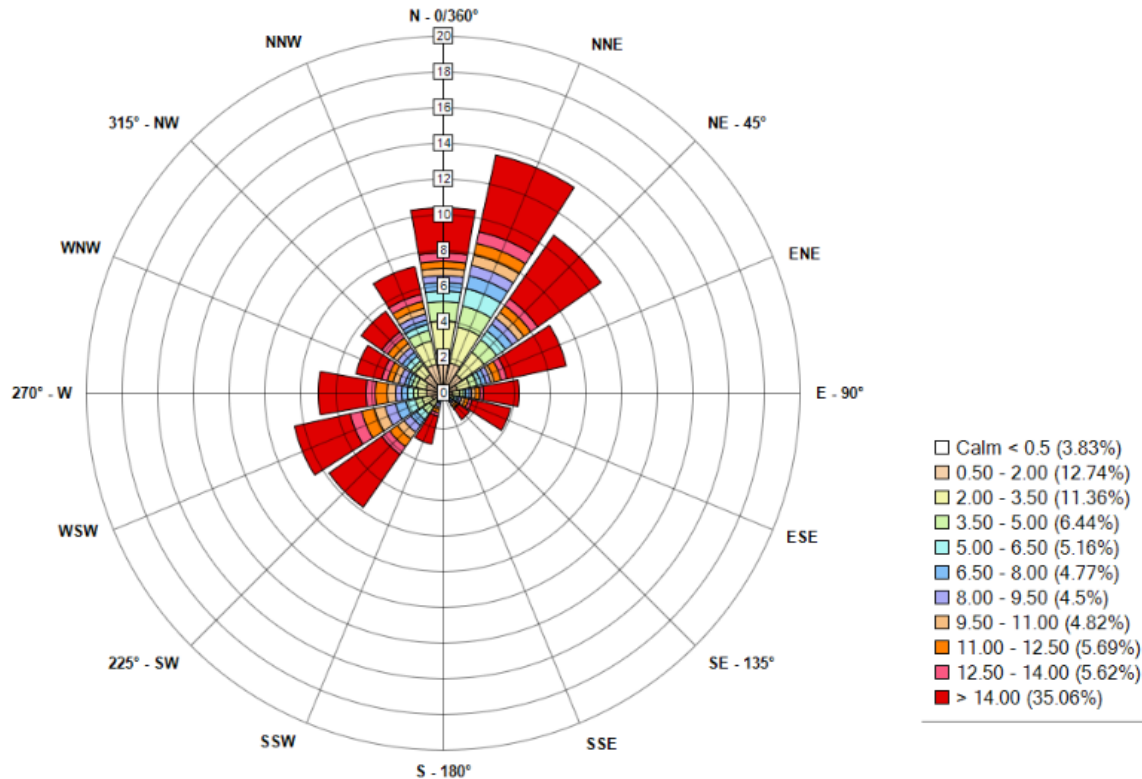
Environmental Incident – Process Water Settling Ponds Liner Failure

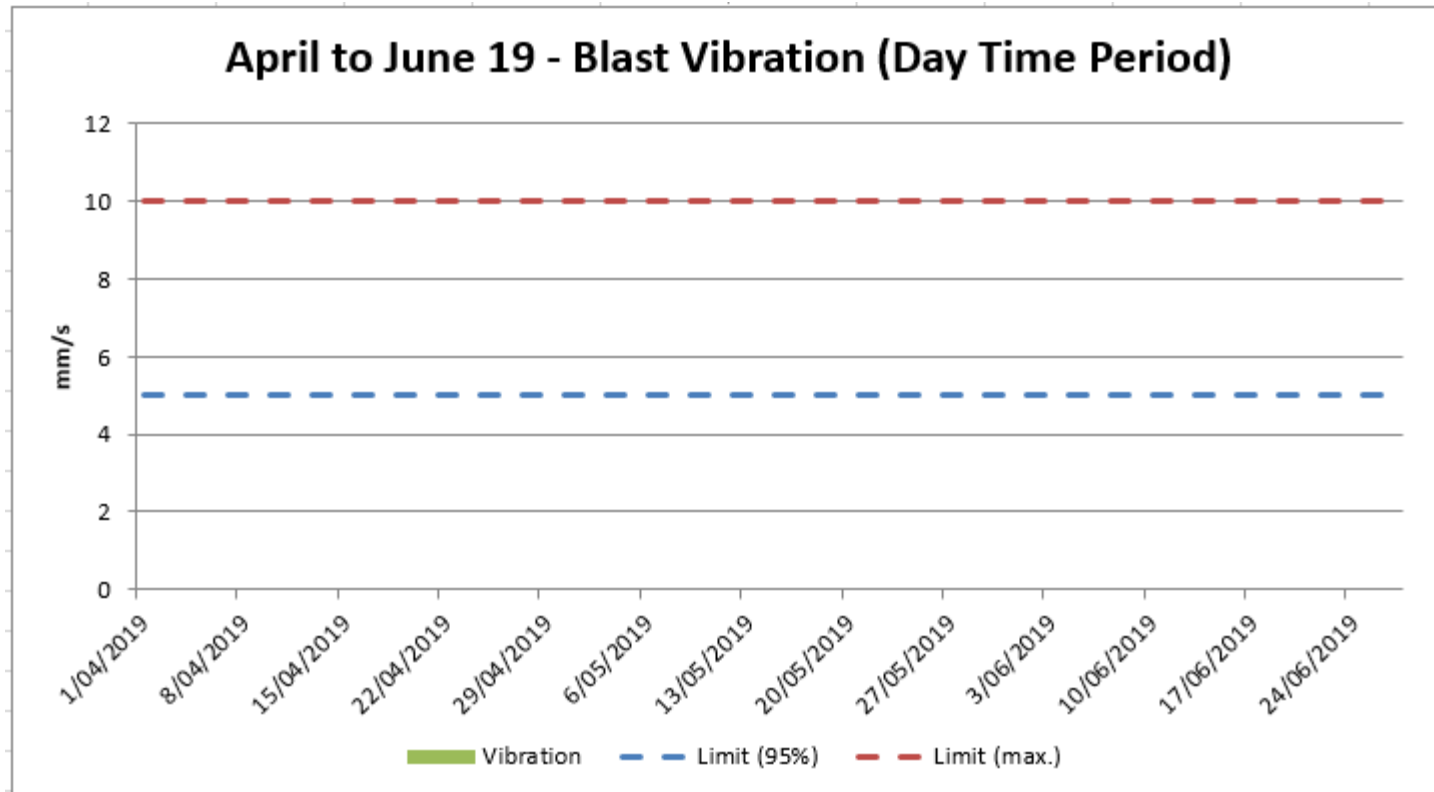
- Matter reported to EPA, currently the subject of a clean up notice.
- All works completed to repair/replace the ponds. Final report provided to the EPA. No further advice on whether the EPA will take further action

- No complaints received this quarter.

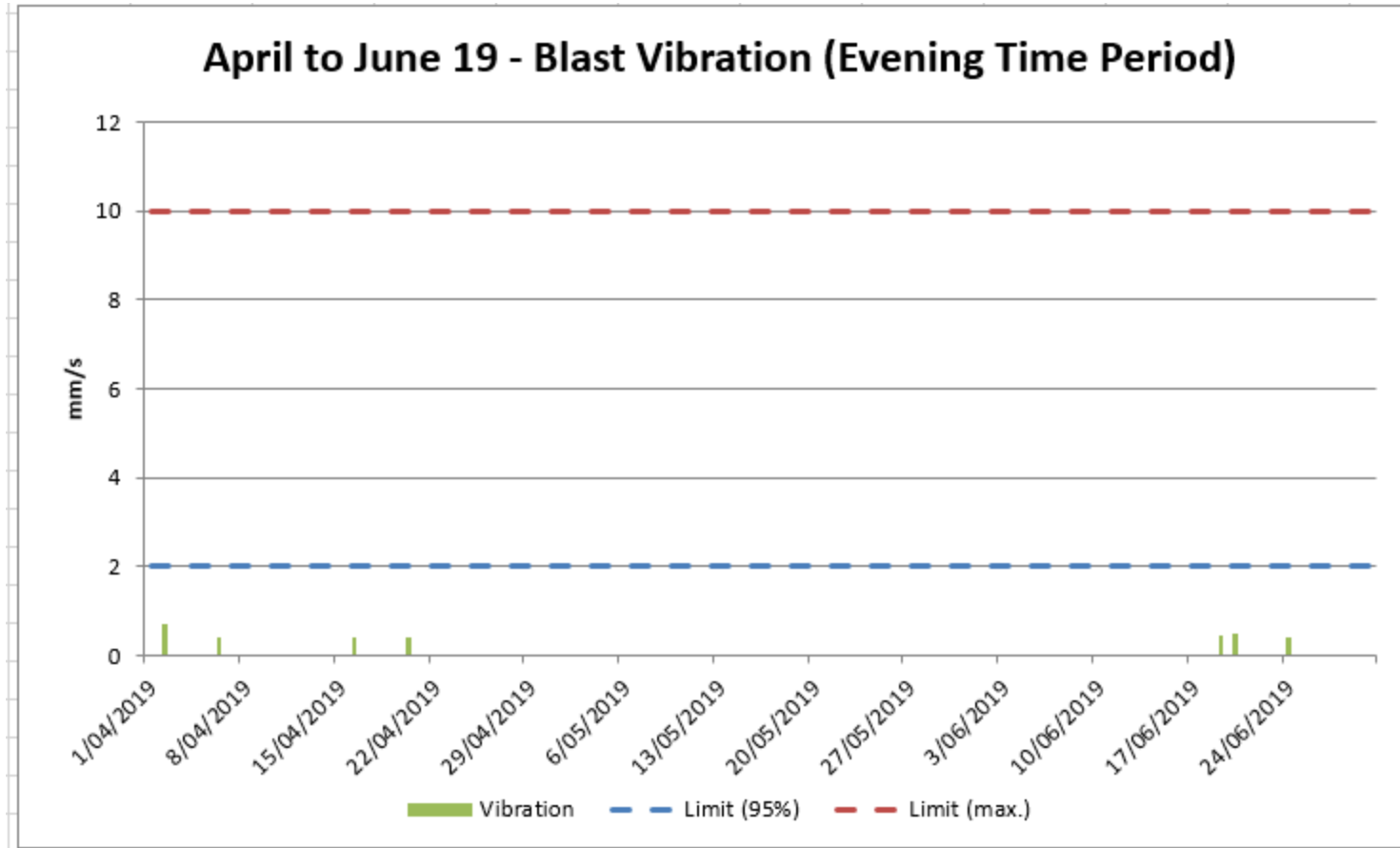
Wind Rose Report for: Hera Resources - 10 Min Data

AVERAGE Wind Direction and MAXIMUM Wind Speed in km/h
 Period: 2018-04-01 00:00 to 2019-06-30 00:00
 Direction the Wind is Blowing To

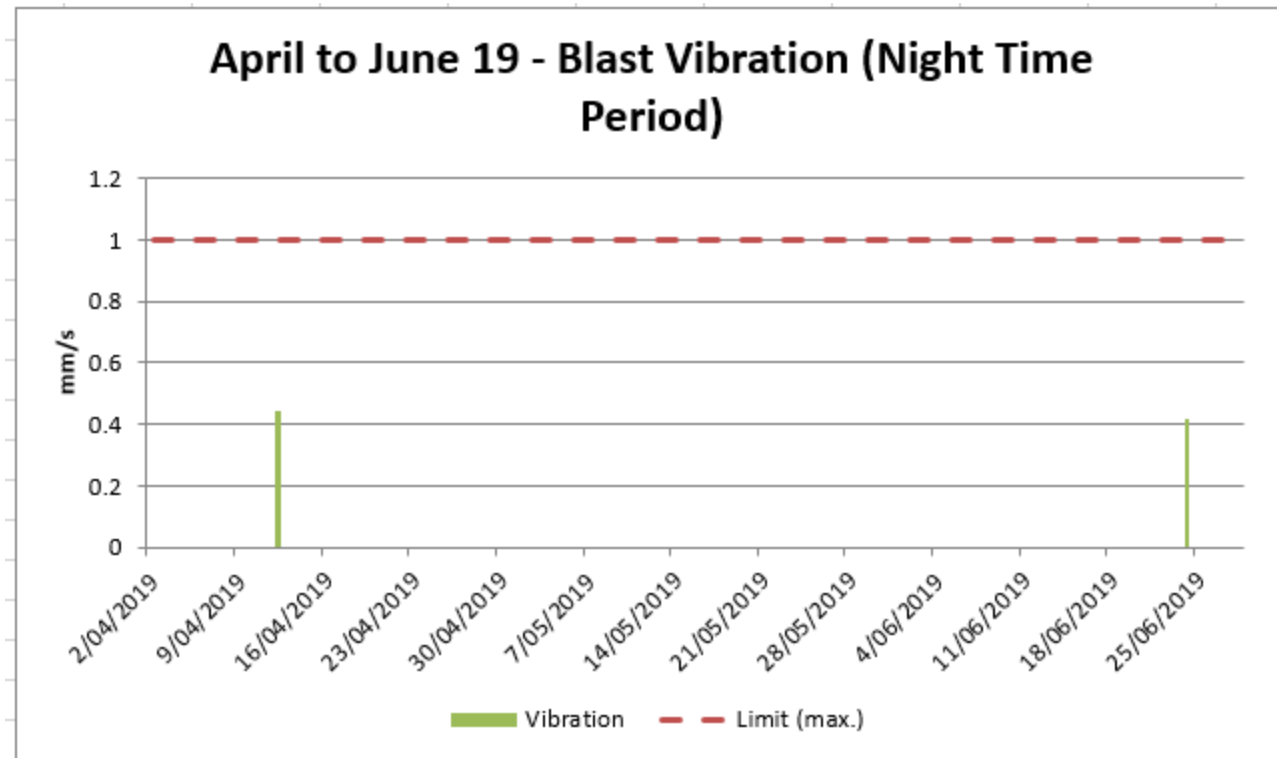




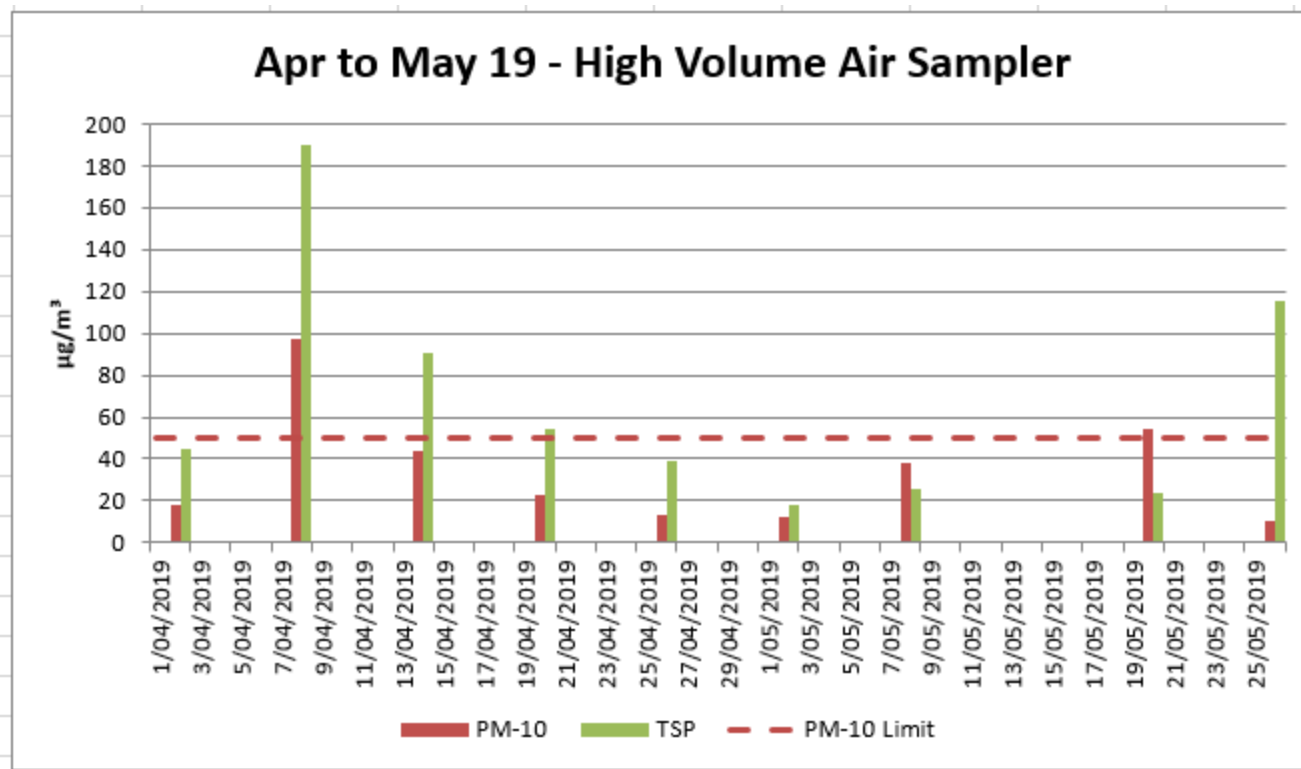
Day time period = 7am to 6pm Monday to Saturday



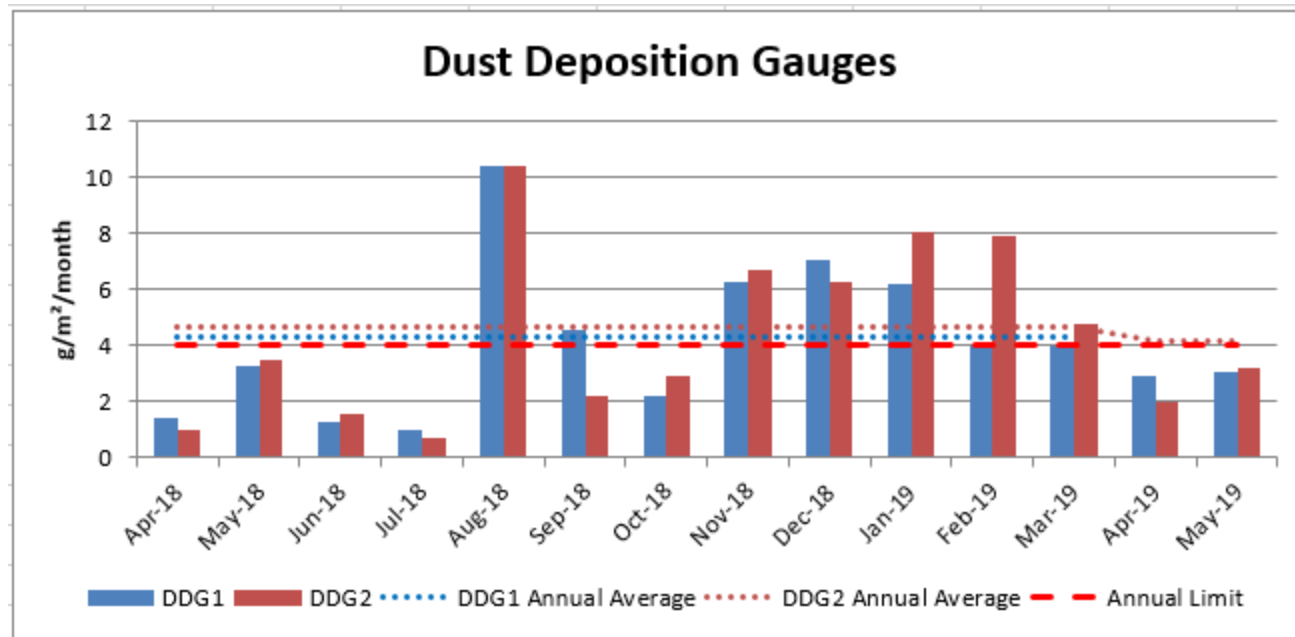
Evening time period = 6pm to 10pm Monday to Saturday



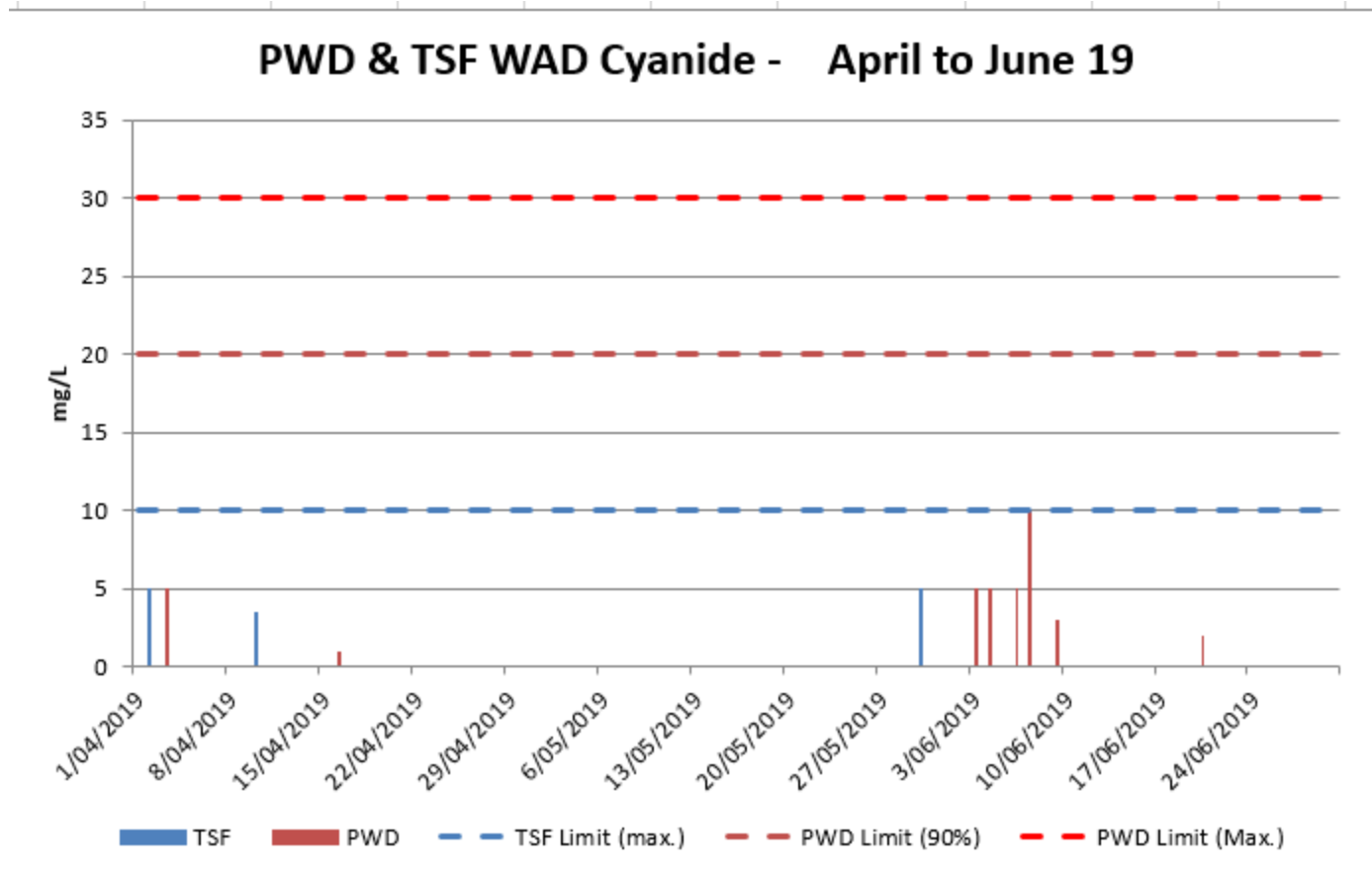
Night time period = 10pm to 7am Monday to Saturday, all day Sunday and Public Holidays

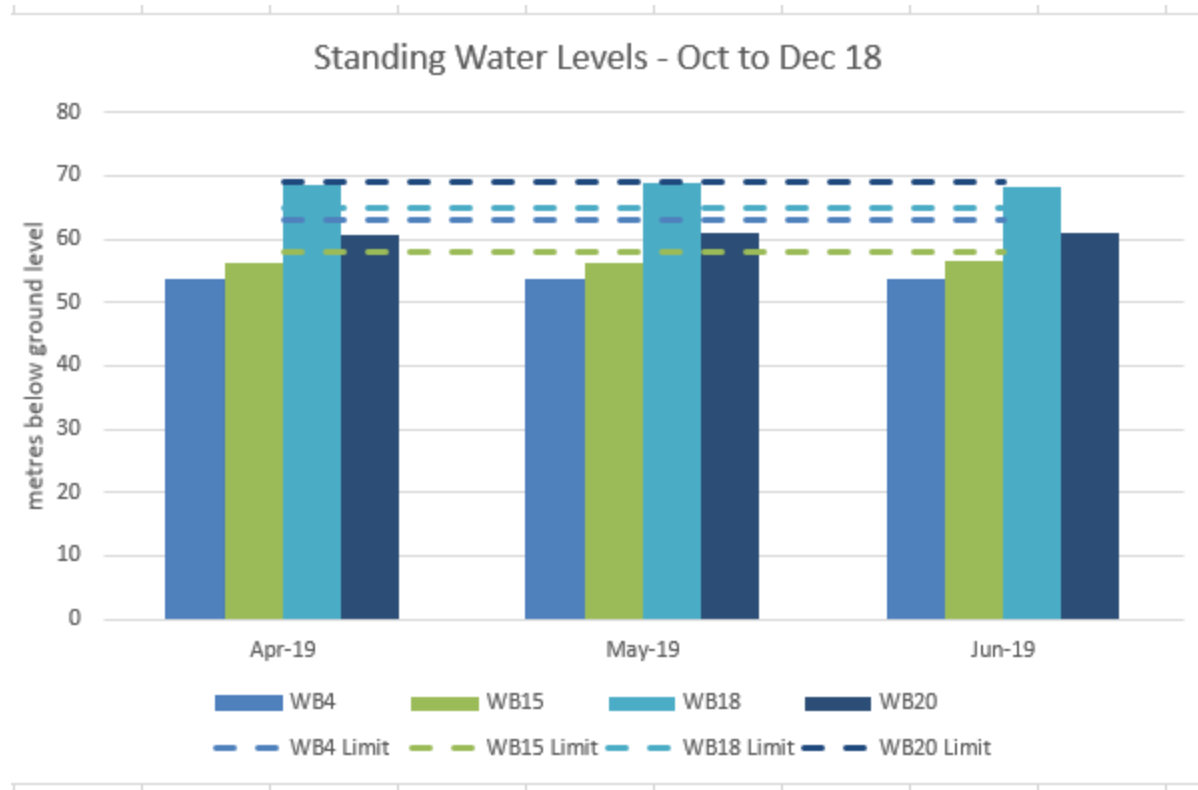


Elevated dust levels continue as a result of the ongoing drought. EPA, Resources Regulator and DPE have been update on dust status.

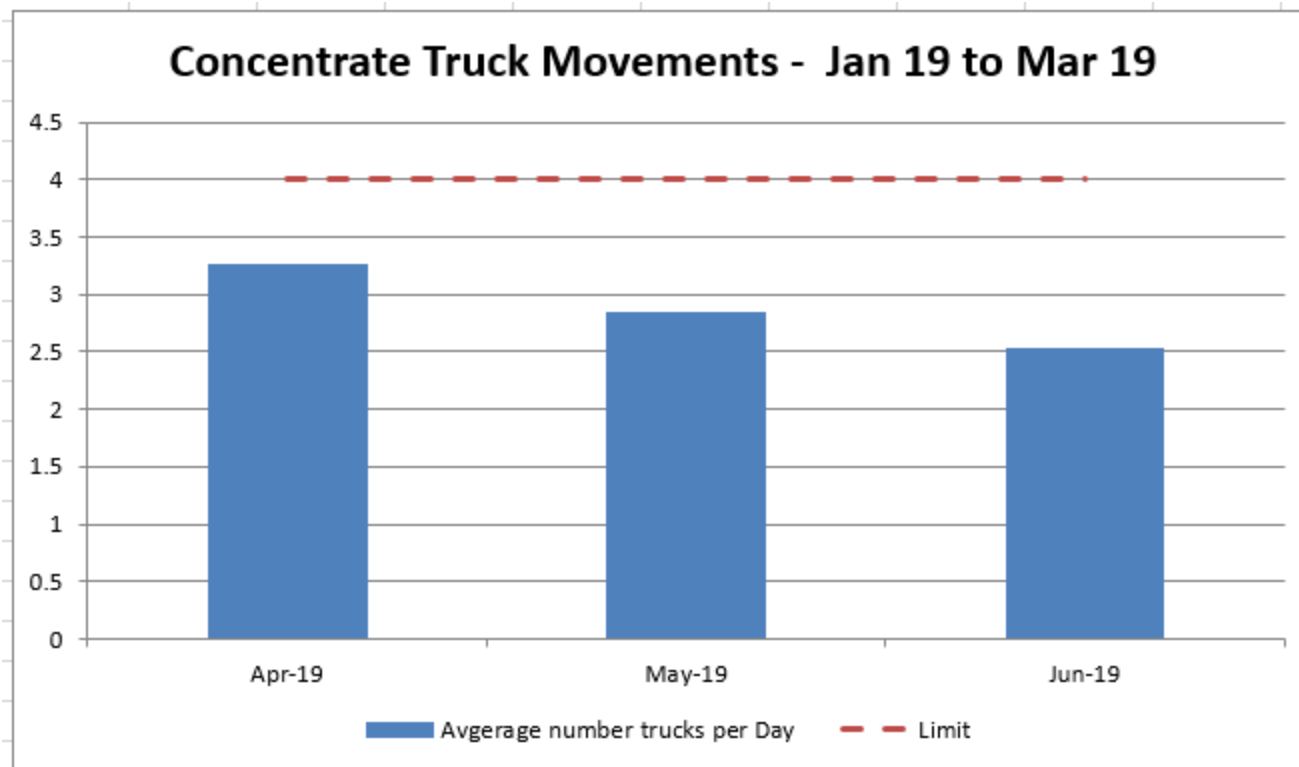


Tailings Storage Facility & Process Water Dam Discharges

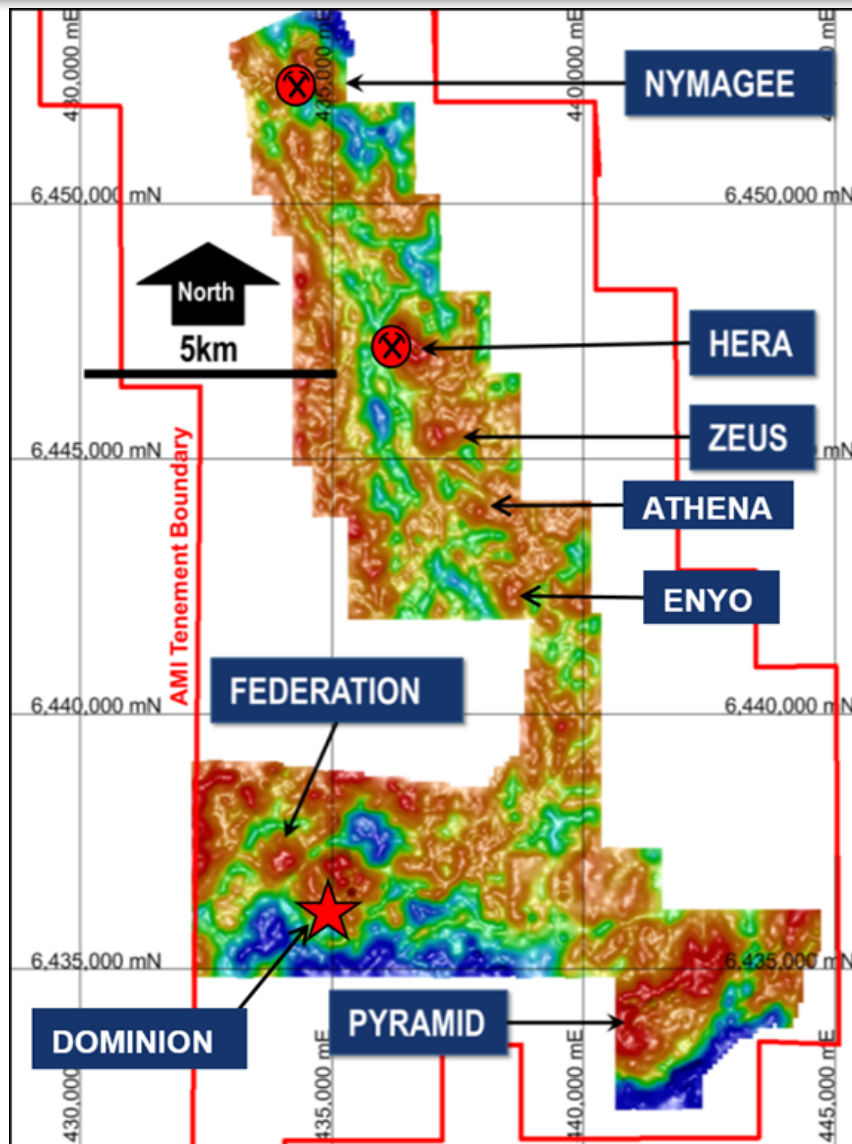




Concentrate Truck Movements



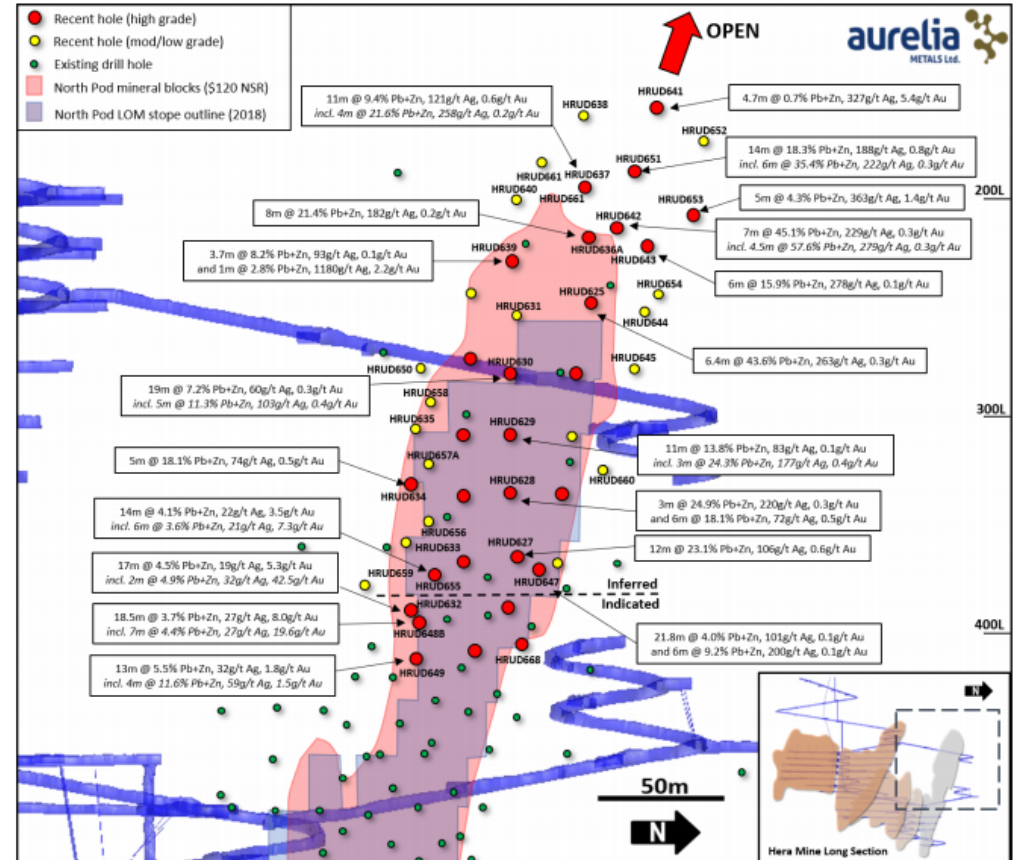
Hera Exploration Update



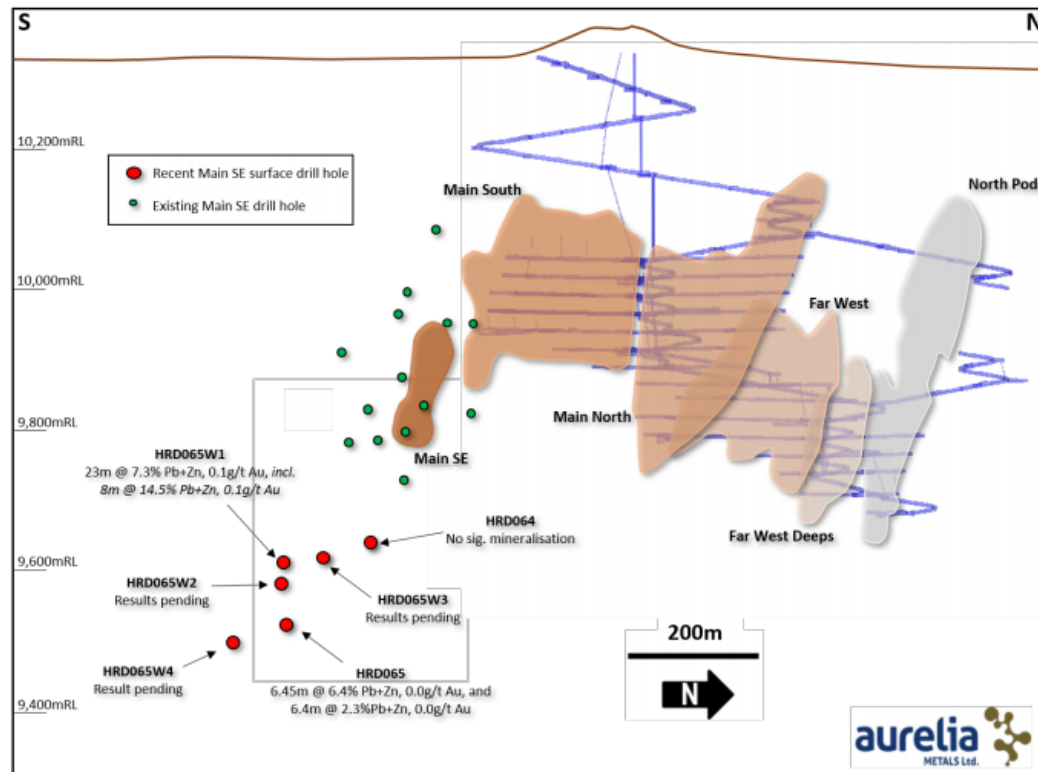
- Strong positive gravity anomalies at Hera and Nymagee
- Probably related to broad alteration systems around mineralisation
- Strong NNW-SSE trend over 15km strike
- Anomalies to the south have coincident geochemical responses
- Ground between Hera and Nymagee poorly explored, negligible drilling

Hera North Pod Extending Hera's mine life

- High grade Pb-Zn-Au-Ag mineralisation
- Highest tonnage ore source at Hera
- 2018/19 drilling extends lode up-dip, including:
 - 7m at 45.1% Pb+Zn, 229g/t Ag & 0.3g/t Au
 - 6.4m at 43.6% Pb+Zn, 263g/t Ag & 0.3g/t Au
 - 14m at 18.3% Pb+Zn, 188g/t Ag & 0.8g/t Au
- Open up-dip
- Further underground drilling planned

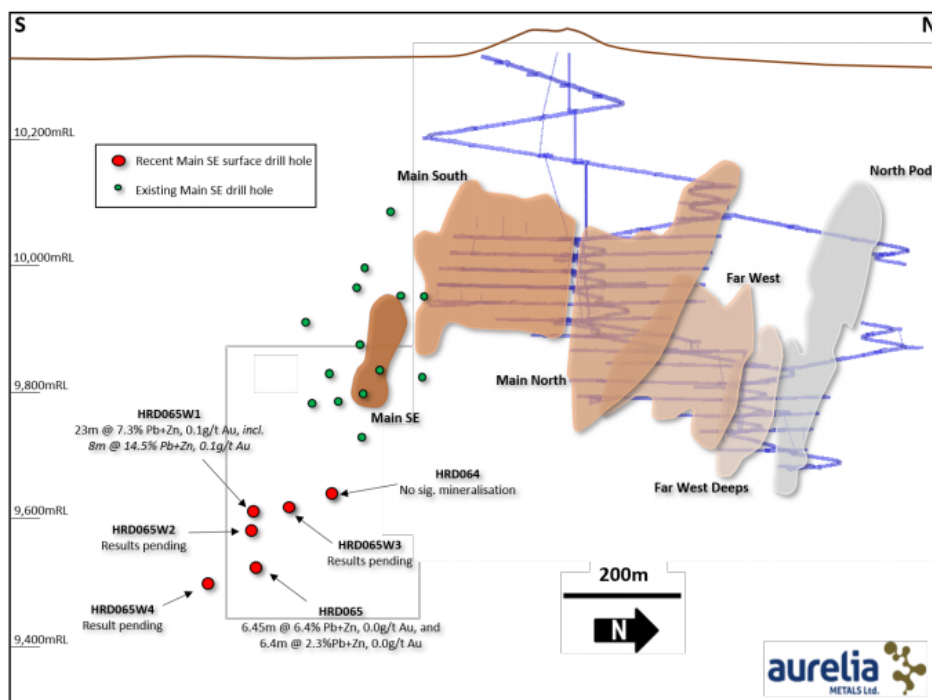


Near mine potential



- Very recent discovery (May 2019)
- Directly along trend south of Hera
- Initial drilling returns strong sulphide mineralisation:
 - 23m at 7.3% Pb+Zn, *incl.* 8m at 14.5% Pb+Zn
- Open up-dip, down-dip and to the south
- Close to existing underground development
- Further exploration underway

Near mine potential

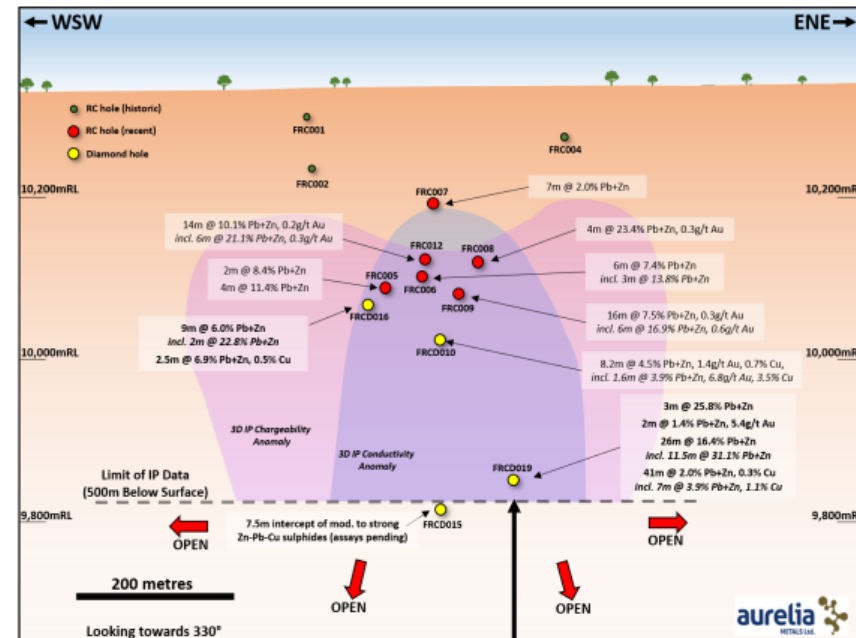


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- Close to existing underground development
- Further exploration underway

Federation discovery

Accelerating evaluation work

- Very recently discovered (April 2019)
- 10km south-southwest of Hera
- Multiple high grade intercepts include:
 - 26m at 16.4% Pb+Zn, 0.1g/t Au, *incl.* 11.5m at 31.1% Pb+Zn & 0.1g/t Au
 - 5m at 22.6% Pb+Zn & 3.1g/t Au
 - 6m at 21.1% Pb+Zn & 0.3g/t Au
 - 6m at 16.9% Pb+Zn & 0.6g/t Au
- Further sulphides intercepted in follow-up drilling
- Emerging gold potential
- Clear life extension potential for Hera
- Accelerated drilling activity over coming months



Strong Zn-Pb mineralisation intercepted in FRC019 drill core, ~490m below surface

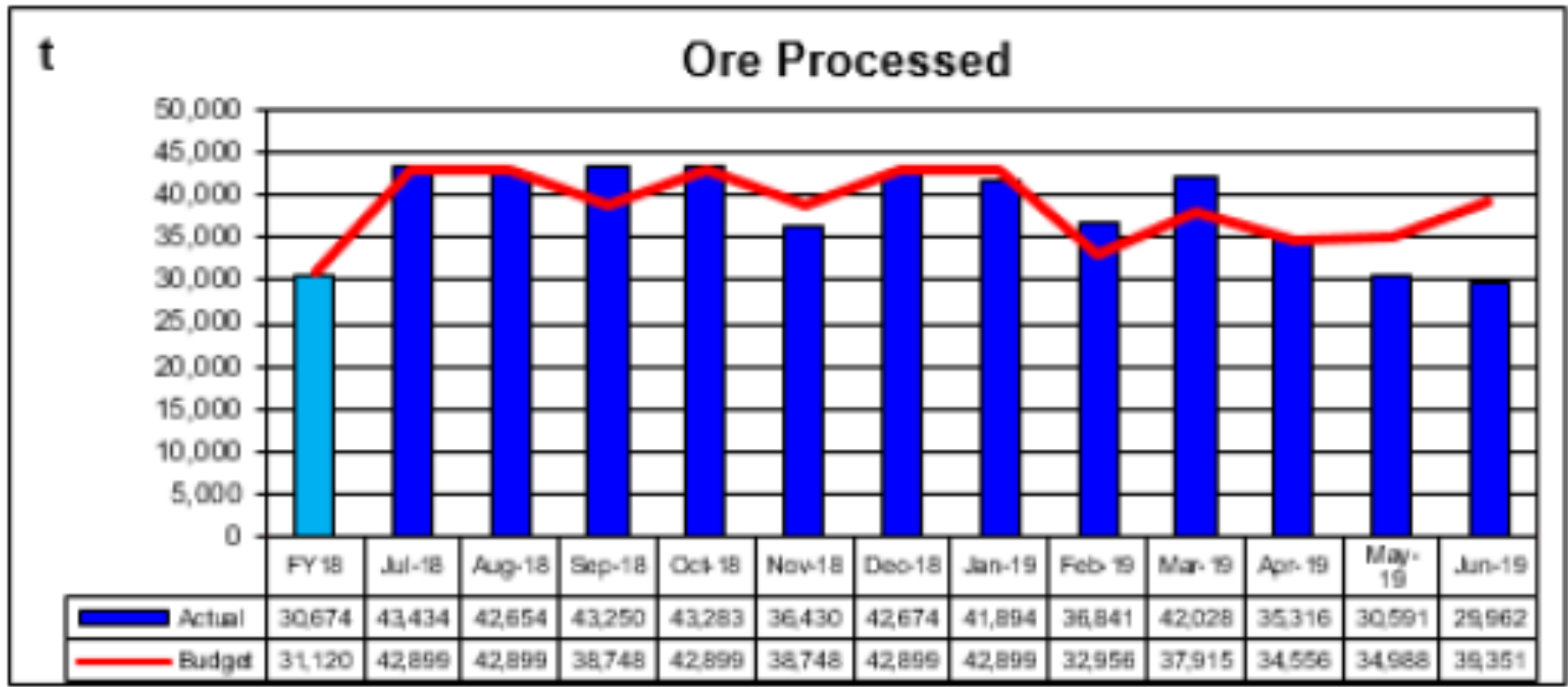


Hera Processing Performance

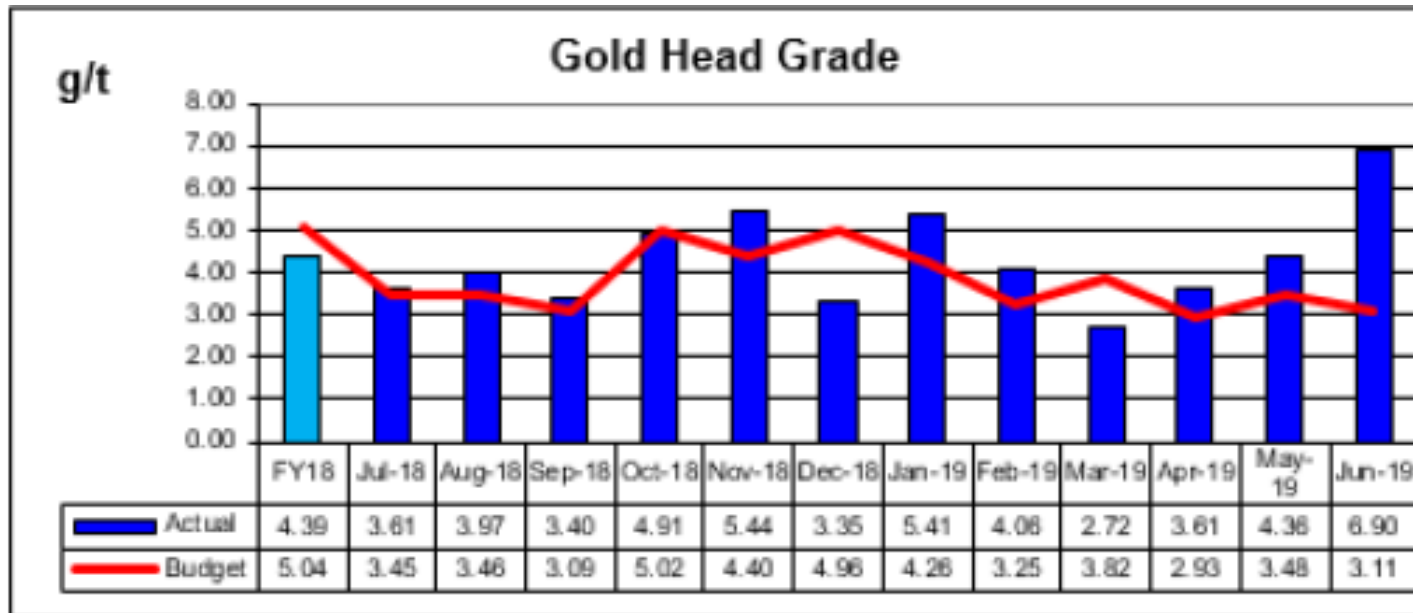
Traffic Light KPI Scorecard – Monthly

Hera - Jun-19 - KPI Scorecard		Month Actual	Month Budget	YTD Actual	YTD Budget	Comment
Safety (TRIFR)	●	5.4	20	5.4	20	The Aurelia and Pybar TRIFRs remained steady with 4.1 and 7.7 respectively; 3 x FAI's; 1 x reportable to NSW inspectorate while cleaning truck with degreaser on surface caught fire; 2 x NSW Inspectorate site interactions 12/6 Fatigue & 20/6 SMS
Total Lateral development (m)	●	200	150	2,178	2,013	Majority operational development; 410NP & 385NP Ore drives bought forward to establish 3rd stoping front in upper North Pod asap, & 485NP developed early for additional ore source due to lower production tonnes
Total Ore Mined	●	31,282	40,842	464,339	468,127	Daily production target only exceeded for 15 days; Single production mining front for majority of month in 485-510MN/FWS stope, & mining schedule modified late June to bring forward high Au stope source at 585FWD; 2 mining fronts online in July
Process throughput (t)	●	29,962	39,351	468,358	471,756	Below budget due to ~6 days lost production due to primary cyclone commissioning/optimisation, maintenance breakdowns & 2.5 days total no ore available; Avg throughput 51.7 tphr; Milling rate set to mine production rate. ROM stocks increased 2kt.
Gold grade processed (g/t)	●	6.90	3.11	4.24	3.80	Above budget feed grades, especially last week of month with 585FWD stope mined at >10g/t Au
Gold recovery (%)	●	92.4%	94.0%	90.9%	94.0%	A good result, with solid Au tails contributing 5.44% of total losses, while optimisation of new Primary Cyclone configuration continues; Tail grades averaged 0.41 g/t due to high Au feed grades through the plant; Gravity recovery low at 61.6%Au
Gold production (oz.)	●	6,142	3,698	58,025	54,246	Above budget due to high feed grades especially during last week of month.
Pb+Zn grade processed (%)	●	4.7%	7.4%	4.1%	6.1%	Below budget due to all Pb/Zn mined sources underperforming compared to model, except for 585FWD stope; and change in stoping schedule for last 6 months due to 560-615 void contributing to lower feed grades against budget
Conc production (dmt)	●	2,410	4,500	31,206	44,787	Below target due to low base metal feed grades
Conc grade (%)	●	51.2%	58.0%	53.6%	58.0%	Ratio Ga+Sp:Po = 2.91. With low head grades - focus on targeting recovery of metal mass over con grade
Recovery - Lead	●	88%	90%	86%	90%	Reasonable result given the low base metal feed grades.
Recovery - Zinc	●	89%	90%	89%	90%	Reasonable result given the low base metal feed grades.
Production - Contained Metal - Lead	●	480	1,113	6,599	10,420	Below target due to low base metal feed grades
Production - Contained Metal - Zinc	●	754	1,497	10,129	15,556	Below target due to low base metal feed grades
Silica in conc (%)	●	5.7%	3.0%	4.5%	3.0%	Final grind was good for the month with CC P80 = 45um avg. Low base metal feed grades meant less sulphides in feed & increased gangue, hampering silica rejection. Silica depressant trial mid June - analysing results
Gold losses to Conc (g/t)	●	1.62	1.00	1.44	1.00	Above budget due to high Leach head grades of 16.92g/t in the second half of the month.
Total onsite cost (opex+capex) (\$/t)	●	205	142	151	152	Full year unit cost is \$1/t favourable to budget. June month unit cost is \$63/t or 44% above budget with processed tonnes 24% below budget. Variance by area are Mining \$29/t, Processing \$15/t, Admin \$17/t and Sustaining Capex \$2/t
Notional cash flow (after growth capital)	●	6,326	4,971	48,019	54,520	Notional Cash is \$1.4M above budget with Gold Production \$6.0M or 2.4koz above budget, offset by below budget Lead 594t or \$1.8M, Zinc 496t or \$1.8M and Exploration \$0.9M
Highlights	Continued economic exploration drilling results intercepted for Federation prospect; On site Occupational Health data collection & previous results review & action plans for exceedances; Allen's engaged for support with Biodiversity offset discussion with forestry NSW; FY2020 Hera Budget approved; Resource/Reserve statements finalised for both Hera mine & Nymagee mine; Employment contracts sent to Senior Surveyor, Mine Surveyor & Mine Geologist; ~3mth arbitration process for exploration land access with J.Dunne continues with next step due late July; Second bulk concentrate shipment for June quarter sails 29/6 although light by 1 train due to TML issues;					
Key Issues	<ul style="list-style-type: none"> • 560-615NP Overbroken Stope void - Failed 560-615NP stope void occurred 14/2; void now completely backfilled up to floor of 560NP ore drive and benching northern end of 560NP floor; recommence stoping of 2nd mining front at 535-560NP mid July allowing access to delayed high base metal ore sources (delayed ~1 month due to priority on high gold 585FWD stope which stopped access) • Process Water Dam Leak - First recognised 8/3; EPA issued Clean Up Notice 12/4 requiring soil samples to be collected and analysis of results to be conducted by independent dam consultants (GHD) prior to relining - Completed; final clearance from EPA given to reline sediment dams early July, as Process Water dam filling with sludge compromising process water lines in plant and pumps • Au Rougher Tail Solid Losses - Contributed 5.44% of total 7.6% Au losses this month - daily grind size checks to floats (target <180um) & leach (target 40-50um); Primary Cyclone upgrade project installed 29/5 with commissioning & optimisation work on new configuration ongoing. - Sites Water Supply - current in use mine lease bores are providing intermittent water, putting at risk processing & mining operations - short term controls include more water from underground & trucking from surrounding properties when required, long term controls are completing Nymagee mine dewatering council approvals & associated infrastructure/line upgrades, and planning additional water production bores on mine lease & surrounding properties (eg. Harley's, Burcher's, Harris) 					

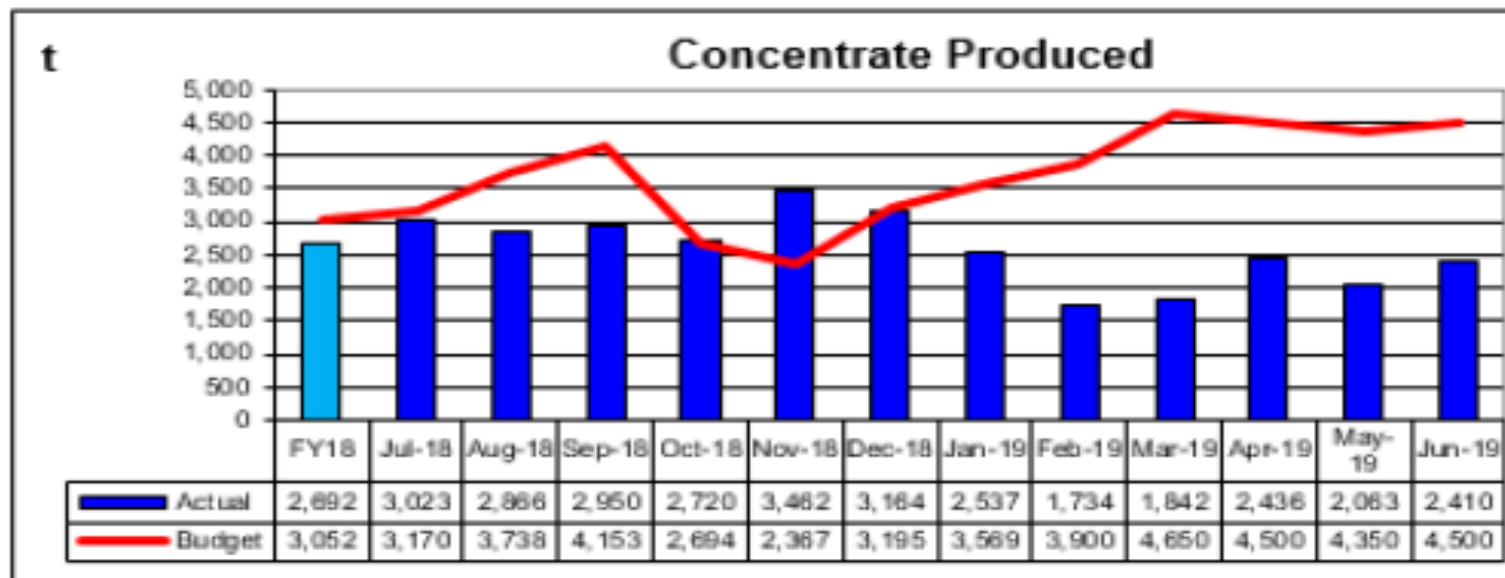
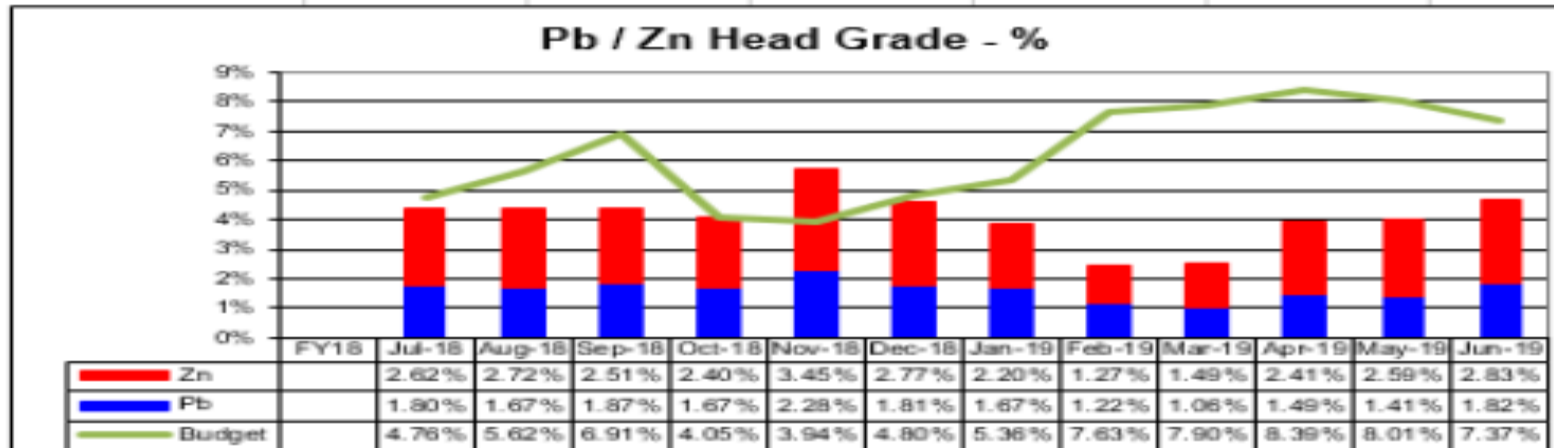
Note: Green traffic light=100% target, Amber=100-97% target, Red=97% below target



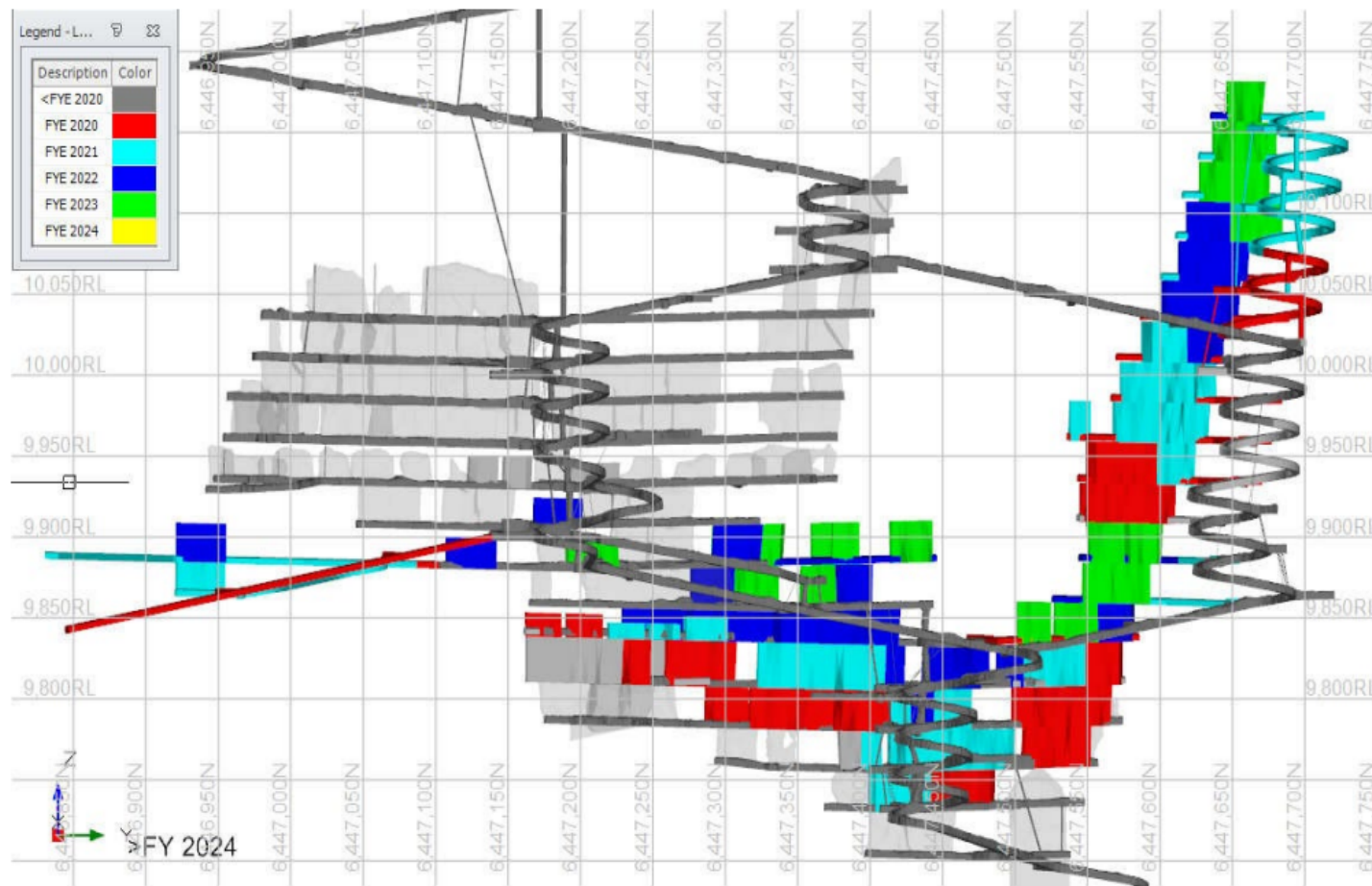
Historical Gold Performance



Historical Base Metals Performance



FY20 Schedule Production



Life of Mine – Four Years

