



## Hera Mine Community Consultative Committee Minutes

The meeting was held on 5 March 2020 at the Hera Mine Village, Burthong Road, Nymagee.

Meeting commenced at 10.15am following a site inspection.

### Present at the Meeting:

Garry West (Independent Chair)  
Des (David) Hill (Community Representative)  
Jo Bates (Community Representative)  
Phil Harley (Community Representative)  
Cr. Peter Maxwell (Cobar Shire Council Representative)  
Graeme Bourke (Bogan Shire Council Representative)  
Jonathon Thompson (Aurelia Metals Ltd, Representative, Group Manager, Environment)  
Scott Ramsay (Aurelia Metals Ltd, Representative, General Manager, Hera Mine Project)  
Liam Richards (Aurelia Metals Ltd, Representative, Environment Advisor, Hera Mine Project)  
Adrian Bell (Aurelia Metals Ltd, Representative, Risk & Sustainability)

### 1. Apologies

Don Cameron (Community Representative)  
Dolly Betts (Community Representative)

### 2. Pecuniary and other interests

Jo Bates advised she had undertaken a few shifts in the Hera Mine laboratory for a contractor.

### 3. Confirmation of Minutes

Minutes from the CCC meeting of 7 November 2019 had been distributed via email and were accepted as a correct record.

### 4. Business Arising from Previous Meeting

Bogan Shire VPA is complete.

Draft Cobar Shire VPA – not yet agreed. General discussion. It was noted that there is approximately \$100,000 in the VPA Account and the three parties (i.e. Cobar SC, Hera Mine & Nymagee Progress Association) need to meet to agree to allocate funds to projects. The Progress Association has nominated their list of priorities to Cobar Shire Council.

Ken Holmes, Lead Auditor (Barnett & May) has submitted a draft Independent Environmental Audit of the Hera Mine to Management.

### 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);

There were 3 recordable injuries in August 2019, 2 in November and 1 in December 2019 and 1 in January 2020. They were all low severity, all underground, except for the December incident which was a reportable incident as a result of a rockfall on Christmas night (no injuries as area of concern was being monitored). Hera and Pybar senior employees conducted safety stop sessions with all shifts and there have been no subsequent reportable injuries. Pybar has also appointed an additional safety trainer as part of further safety initiatives.

Mod 5 was approved on 5 December 2019. The Mine Operations Plan (MOP) and Rehabilitation Cost Estimate (RCE) have been revised and approved. The Management Plans are being updated and submitted to various government agencies for consultation and Department of Planning, Industry and Environment (DPIE) for approval.

Three new water bores have been drilled with pump testing yet to occur. The Nymagee Mine water pipeline and extraction was approved in December 2019 and the upgrade completed in February 2020. Additional options are underway to ensure the operations of the mine are drought proofed.

Liam 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. On 22 November 2019, a dust exceedance was recorded (PM10 – 322/m<sup>3</sup>, TSP – 881ug/m<sup>3</sup>). DPIE approved the exceedance being removed from annual averages due to a regional dust storm at the time of sampling.

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

Concentrate Truck movements have increased because of the Mod 5 approval but remain below the approved limit.

Company representatives provided an overview of the ongoing exploration program and the challenges in the operations over the past 6 months.

The Complaint register details were reported. It was noted that the increase in complaints were the result of an ongoing dispute with a neighbouring landowner and the complaints have been investigated by the regulators. The dispute is now under active management through the appointment of a mediator.

Scott Ramsay provided an overview of the exploration and mining activities.

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

NIL

## **8 Community Engagement Opportunities**

Community representatives thanked Aurelia Metals for their ongoing support of community projects, including their offer to support the breakfast for the upcoming ANZAC Service. The snake handling course will be supported again.

## **9 General Business**

Cr. Peter Maxwell raised the maintenance and upkeep of the unsealed section of Burthong Road because of Aurelia's exploration activity. Cr. Peter Maxwell's request will be considered by Aurelia.

## 10 Next Meeting

4 June 2020 commencing at 10.00am

Meeting Closed: 11.15pm

### **ACTION ITEMS**

NIL
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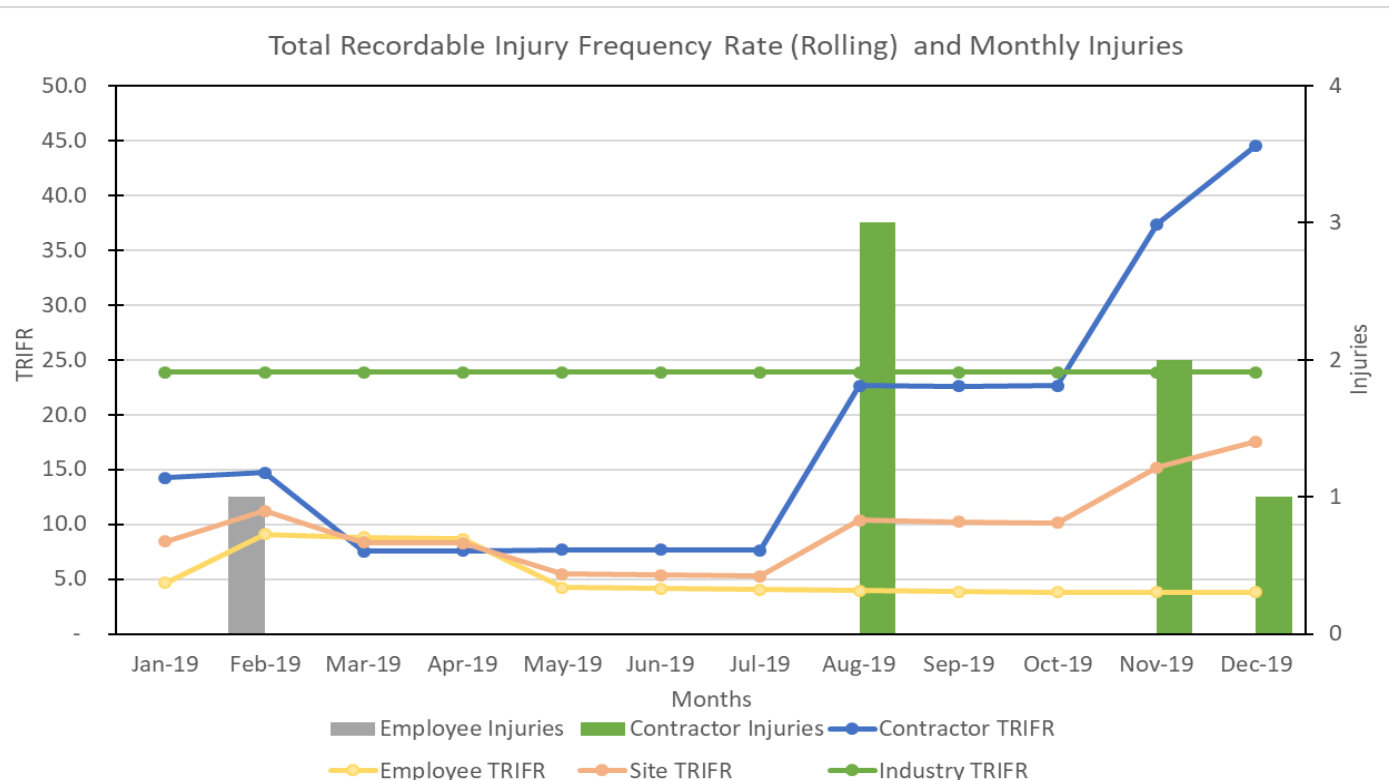
**HERA PROJECT**

**CCC – March 2020**

# Safety is at the core of our business

Health and Safety – Oct 19 to Dec 19

- An increase in Total Recordable Injury Frequency Rate (TRIFR) at 31 December 2019. The overall Hera Site TRIFR of 17.5 with Aurelia TRIFR remaining steady at 3.79 and Pybar TRIFR increasing to 44.2.
- 7 recordable injuries in 6 months at our UG operation with low severity, including 4 soft tissue related, 2 minor lacerations & 1 foreign object in eye
- 1 serious reportable incident to the NSW Inspectorate with 585RAR rockfall on Christmas night
- Therefore significant focus and attention is being applied to improve safety performance at the Hera underground, including 4 x 2hr Safety Stop to review work practices, an additional Safety & training resource and leadership training.



# Social licence to operate

Seeking to deliver mutual benefit

## ■ **Community a critical stakeholder**

- Continuing the positive and supportive relationship with the Nymagee community (e.g. water provision to mine from surrounding properties)
- Contributing to key local projects and events throughout the Christmas period:
  - Attended the Nymagee Progress Association's final meeting of the year and Christmas afternoon tea. Discussed initiatives for Nymagee in 2020
  - Attended Nymagee Tennis Club's Christmas afternoon tea
  - Attended Nicholson's of Nymagee Christmas party and thank you to the community, with several Hera Resources staff present at the event
- Water solution discussions for Cobar district held with NSW Deputy Premier 1st October and NSW Governor 10th October

## ■ **Water Solutions – mitigating allocation risks**

- Additional 3 water bores have been drilled and constructed on Hera's mining lease
- Nymagee Mine water pipeline and extraction was approved in December 2019 and upgrade completed Feb
- Increased trucking of potable water from Cobar and raw water from surrounding properties to protect/prolong on site bore performance through drought
- Molasses supplier has guaranteed continual delivery to Hera Resources in the current market shortage
- Also assessing a range of alternative groundwater sources (discovered south of Hera during 2019 exploration program) to ensure self-sufficiency

- 01/10/2019 Alleged trespassing on property adjoining the mine
- 06/10/2019 Noise, dust, blast vibration, exploration activities near adjoining boundary
- 01/11/2019 Dust, rubbish on adjoining property, truck numbers and speed through village
- 03/11/2019 Blast vibration, truck numbers, dust and noise
- 06/11/2019 Dust and noise
- 21/11/2019 Traffic numbers and light vehicle interaction on public road

- All community complaints have been raised by a single community member this quarter.

## Current Scope of MOD5

- MOD5 to Project Approval 10\_01091 was approved on 5<sup>th</sup> December 2019
- VPA discussions between Hera and BSC have been accepted by both parties. VPA discussions between Hera and CSC have been finalised but have not been accepted by CSC so far
- In consultation with agencies over revised Mine Operations Plan (MOP), Rehabilitation Cost Estimate (RCE), and Management Plans since MOD5 approval

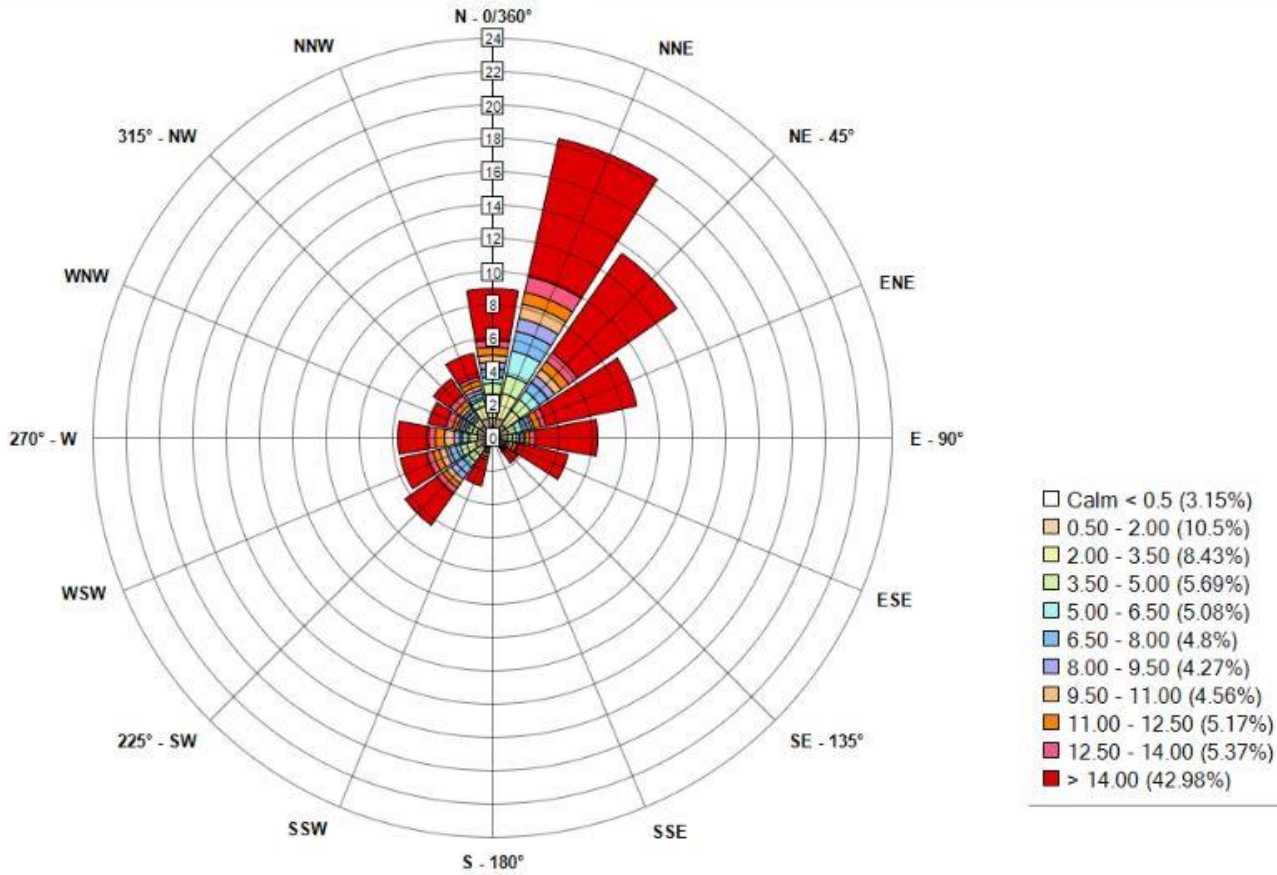


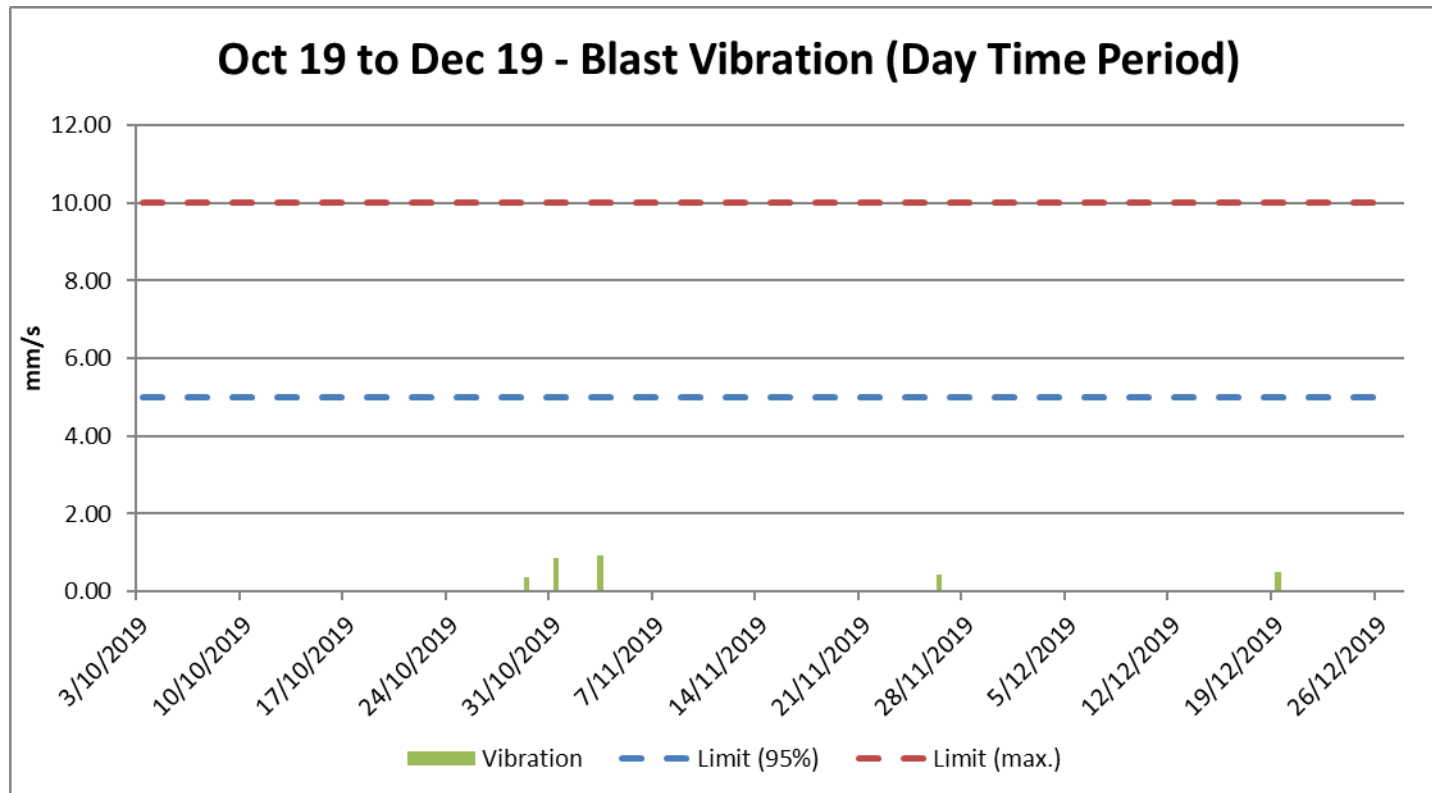
### Wind Rose Report for: Hera Resources - 10 Min Data

AVERAGE Wind Direction and MAXIMUM Wind Speed in km/h

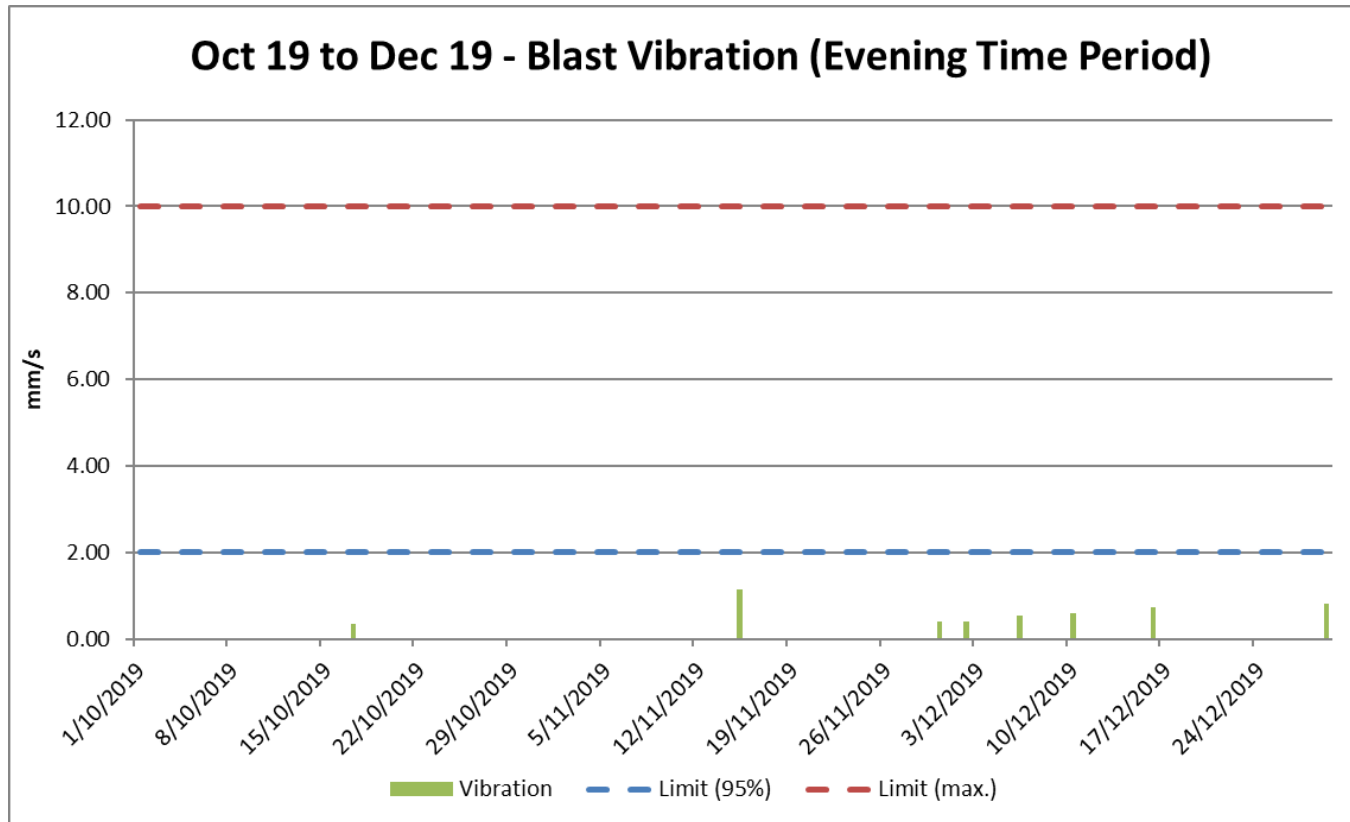
Period: 2019-10-01 00:00 to 2019-12-31 23:59

Direction the Wind is Blowing To

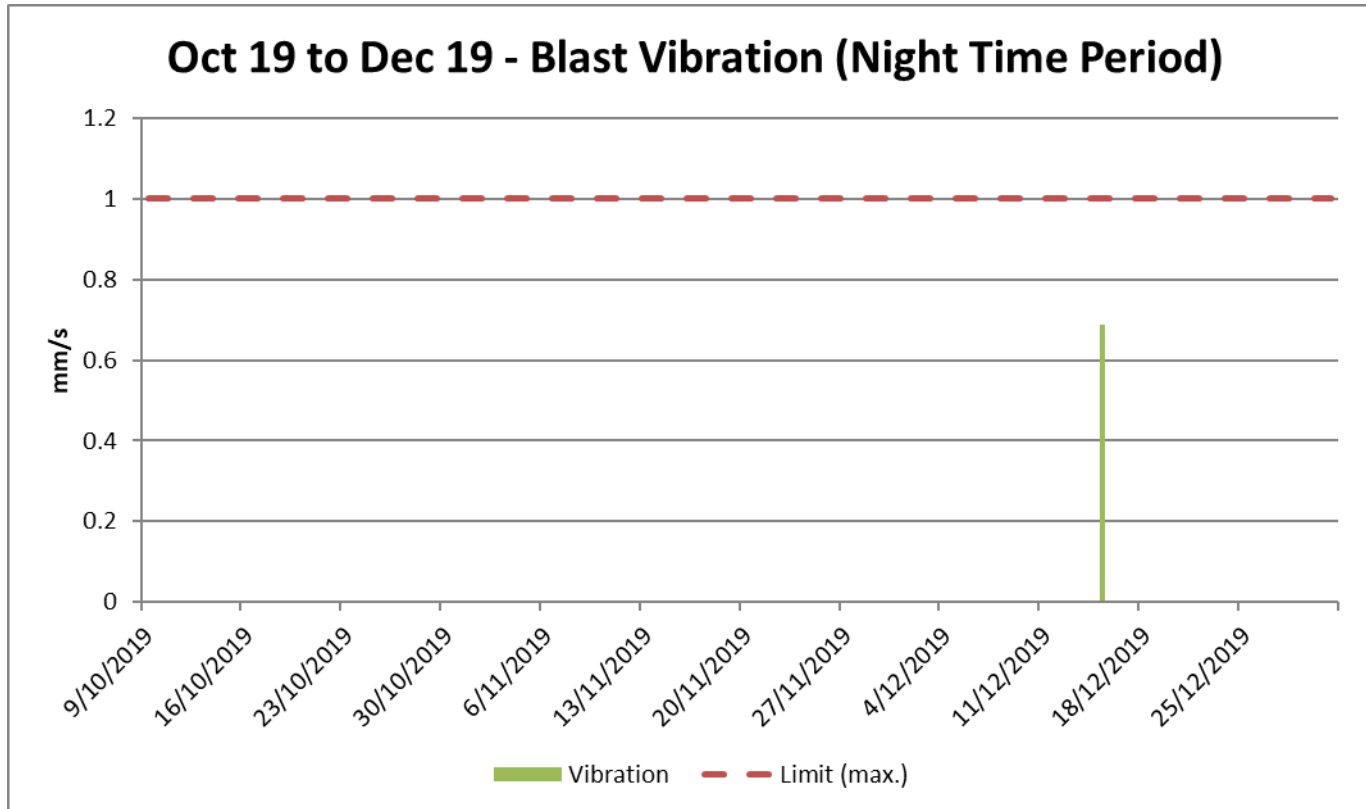




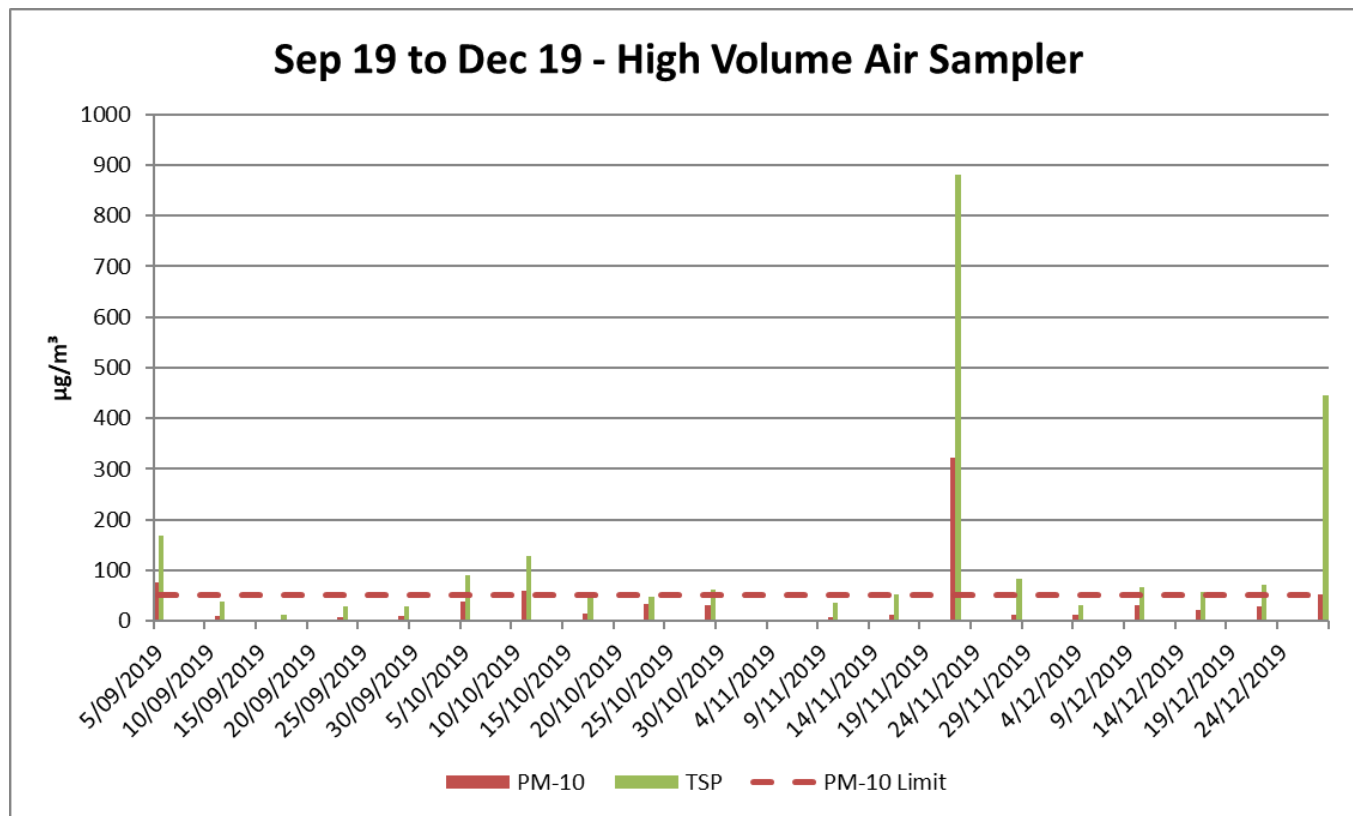
Day time period = 7am to 6pm Monday to Saturday



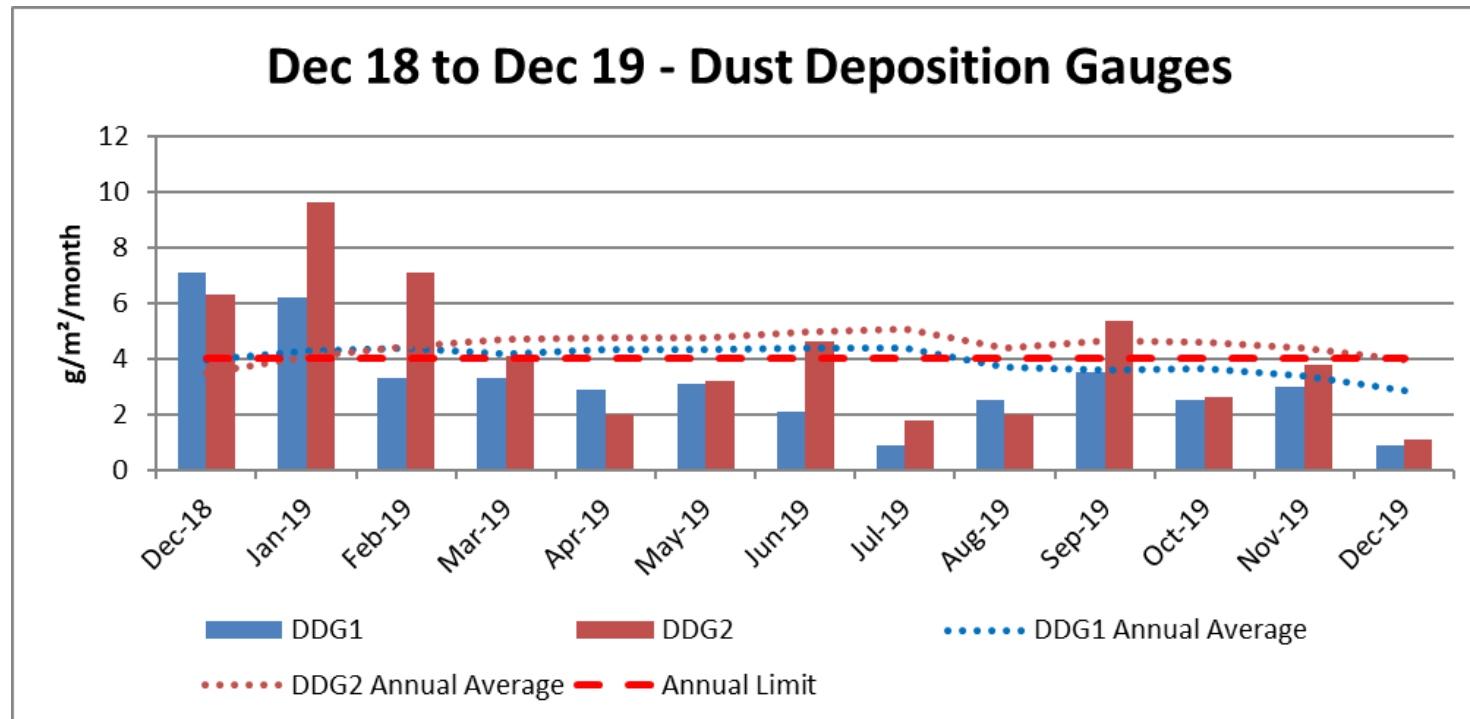
Evening time period = 6pm to 10pm Monday to Saturday



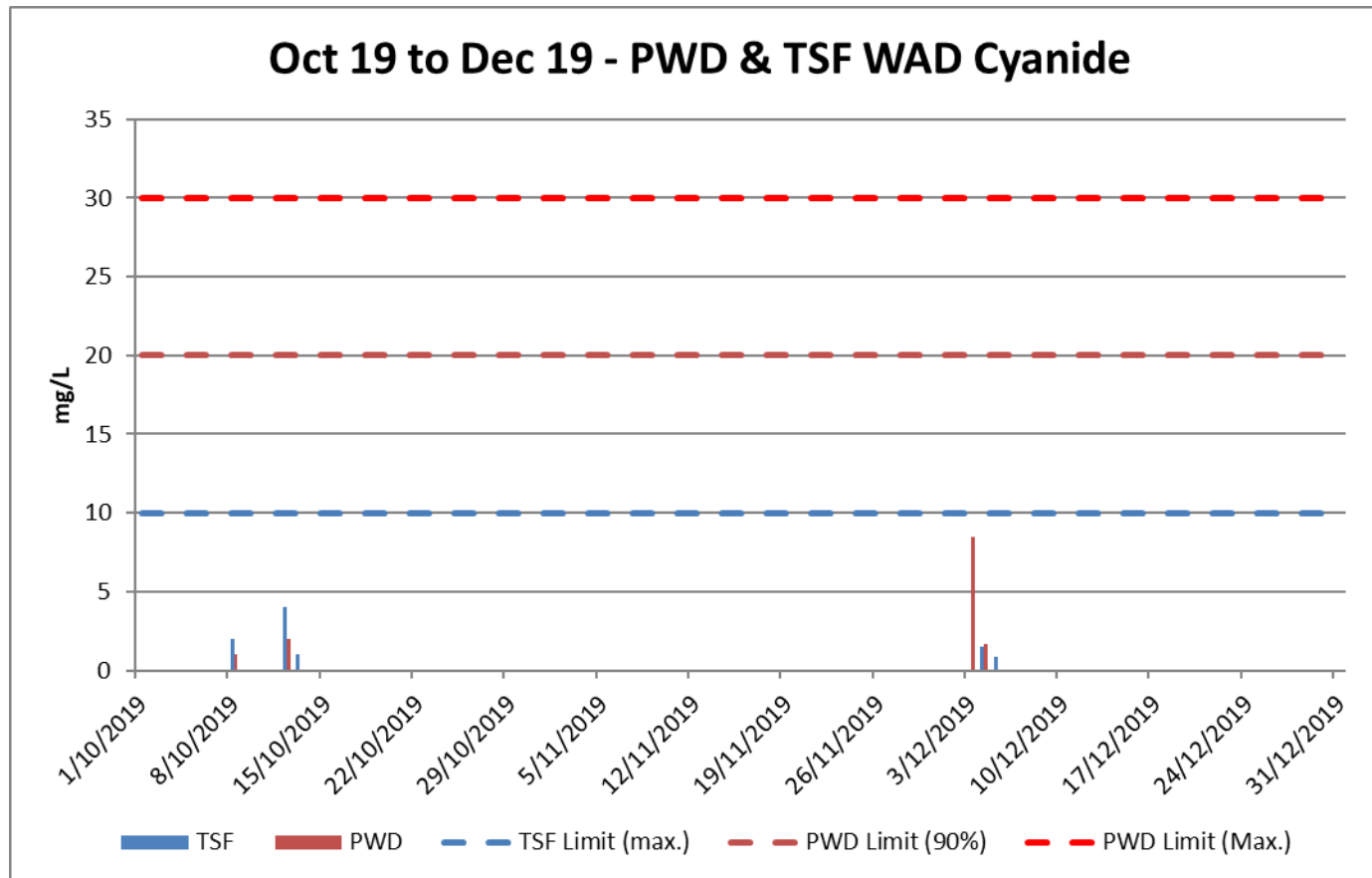
Night time period = 10pm to 7am Monday to Saturday, all day Sunday and Public Holidays

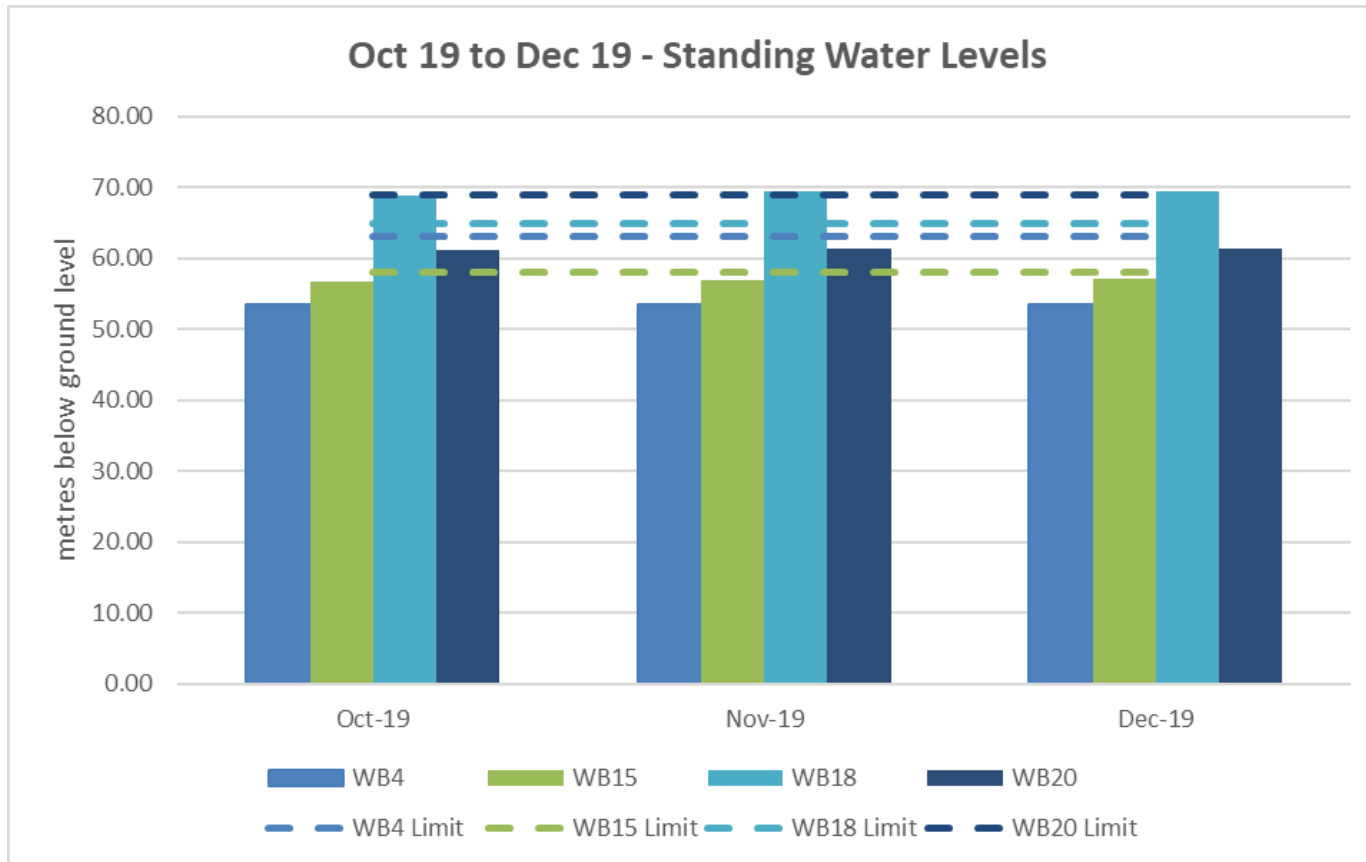


Included Sept 19 results as they were not included in Nov 19 CCC minutes due to laboratory lag times. Elevated dust levels continue as a result of the ongoing drought. EPA, Resources Regulator and DPIE have been updated on dust status. 22 Nov 19 dust exceedance result (PM10 – 322ug/m3, TSP – 881ug/m3) has been removed from annual averages due to regional dust storm at time of sampling. This was approved by DPIE, the result will still be acknowledged in Hera’s Annual Environmental Management Report and in CCC minutes.



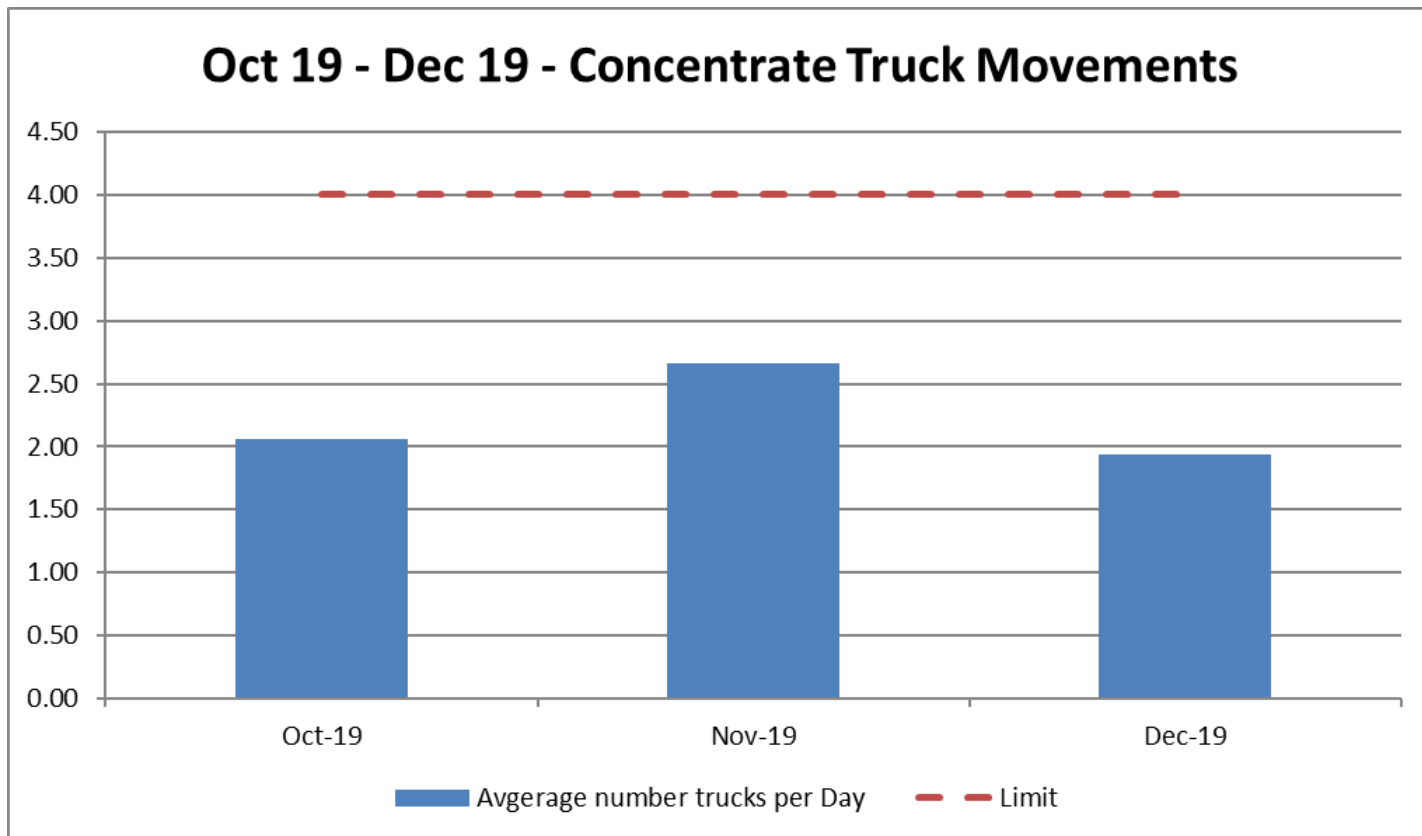
### Tailings Storage Facility and Process Water Dam Discharges





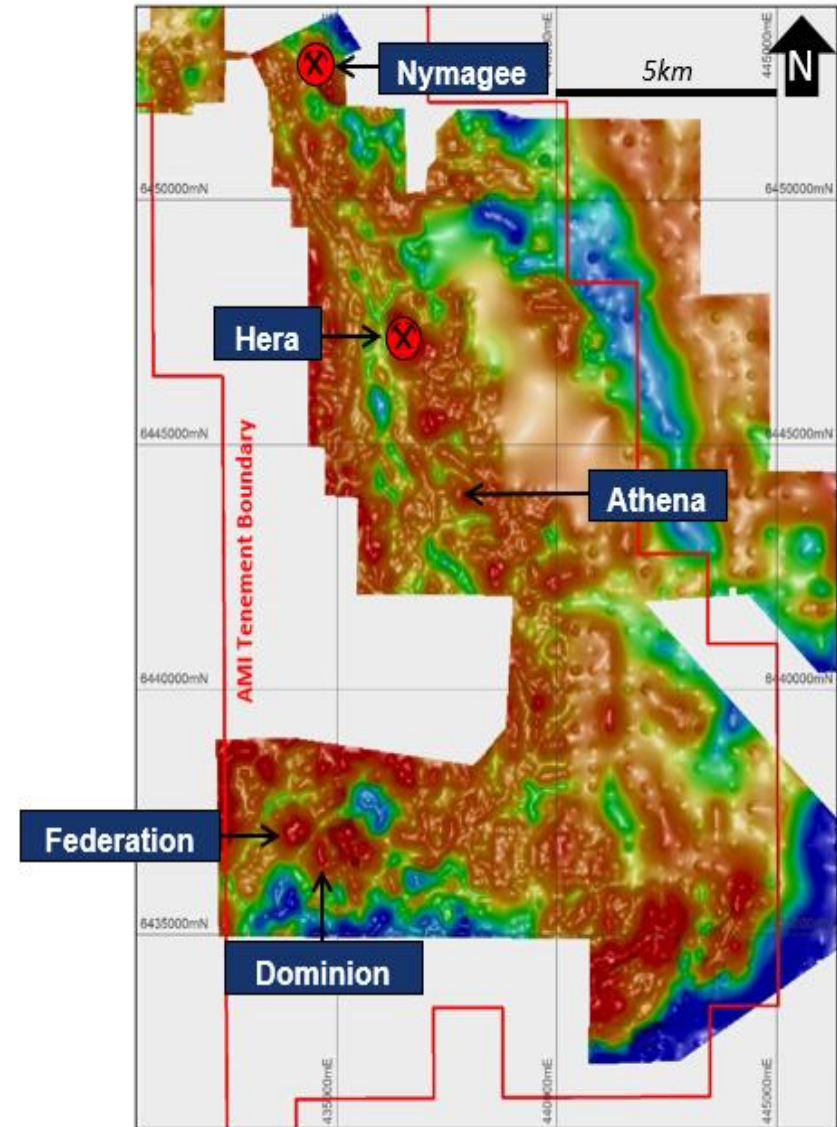


### Concentrate Truck Movements



## Extending Hera's mine life

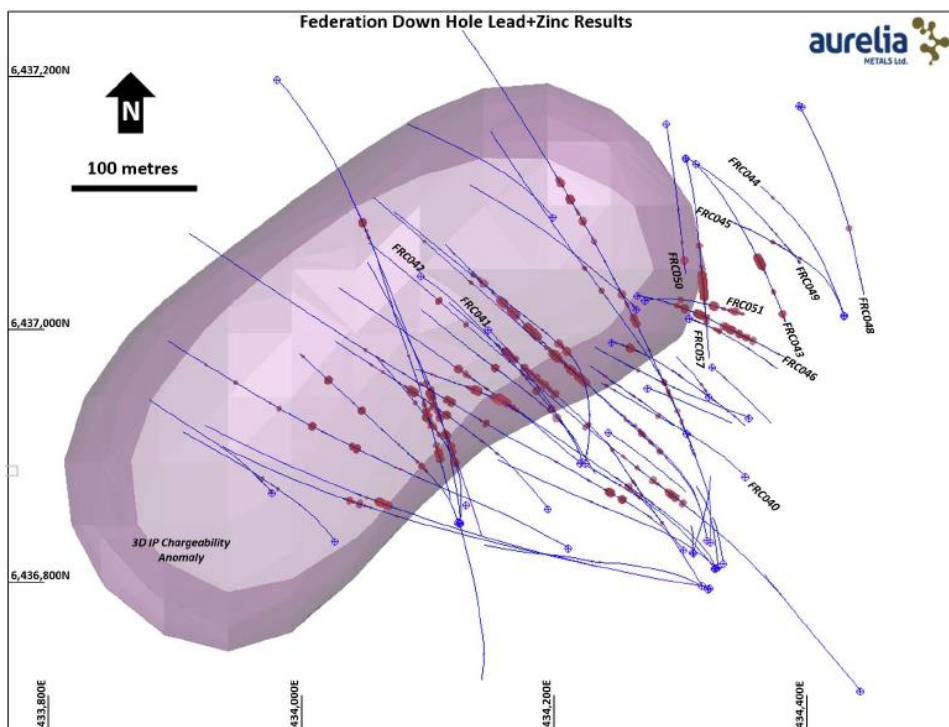
- Surface drilling ~10km south of the Hera operation at the Federation project has delivered high-grade gold and base metal intercepts
- An accelerated infill drilling program at Federation project is continuing with 2 x Diamond Drill rigs and 1 x RC drill rig
- Significant exploration and evaluation work are ongoing, with the Company progressing towards a JORC-compliant resource estimate for the deposit
- Large scale regional IP survey continuing
- Plan to continue following up on mineralised intercepts from drilling at Athena and Dominion, once Federation completed



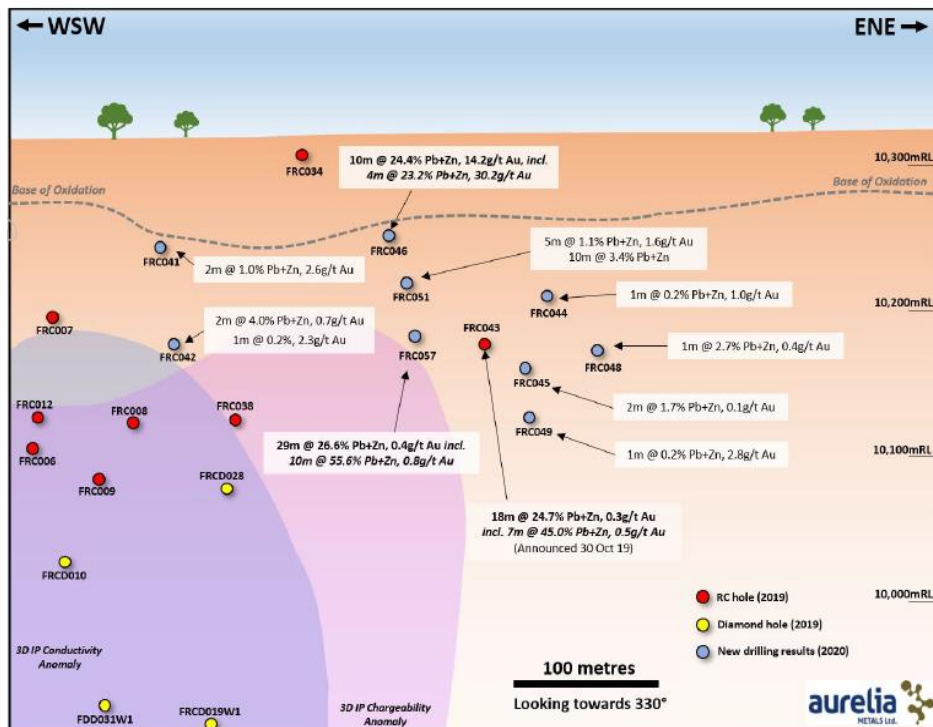
# Federation discovery

Further accelerating evaluation work

- Drilling intercepts illustrating further shallow high grade base metals and gold mineralisation, including:
  - 10m at 24.4% Pb+Zn & 14.2g/t Au, incl. 4m at 23.2% Pb+Zn & 30.2g/t Au
  - 3m at 5.8% Pb+Zn & 21.8g/t Au
  - 29m at 26.6% Pb+Zn & 0.4g/t Au, incl. 10m at 55.6% Pb+Zn & 0.8g/t Au
- Additional drilling results have now been received for follow-up holes in the area (see Figures 1 and 2) with intercepts to the southwest returning high grade base metal grades and also now including high grade gold



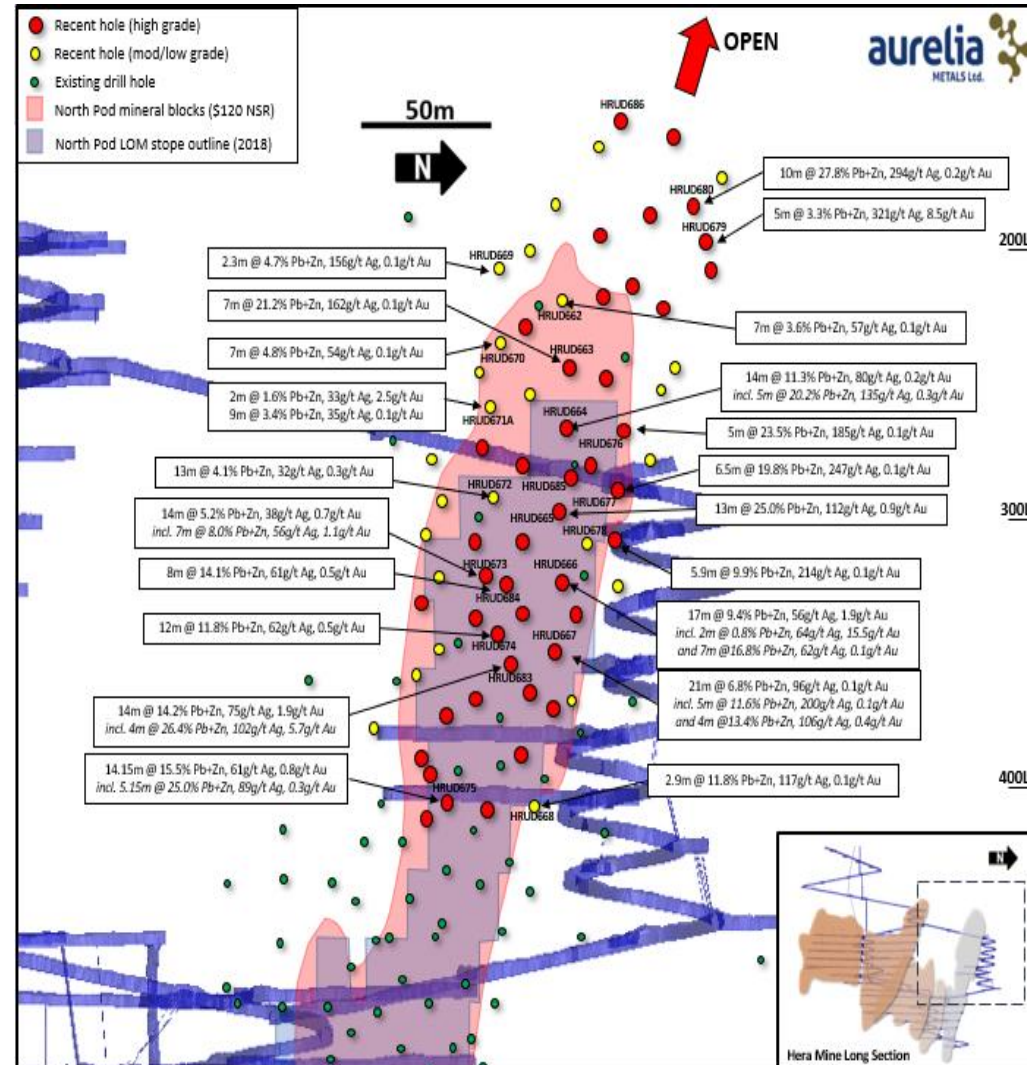
**Figure 1.** Plan showing the IP chargeability anomaly at Federation along with RC and diamond drilling. Red discs on drill holes are Pb+Zn > 1%. New holes reported in this release are labelled.



**Figure 2.** Long section looking towards 330° (NNW) showing the modelled 3D IP chargeability and conductivity anomalies in the northeastern portion of Federation with recent drilling results.

## Extending Hera's mine life

- High grade Pb-Zn-Au-Ag mineralisation
- Highest tonnage ore source at Hera
- Strong drilling results during FY19 outside of Ore Reserve and Mining Inventory boundaries
- Further underground drilling has recommenced into the up dip extension of North Pod (see red arrow)
- 3<sup>rd</sup> separate UG mining front has commenced in Upper North Pod allowing greater flexibility & blending with UG ore supply



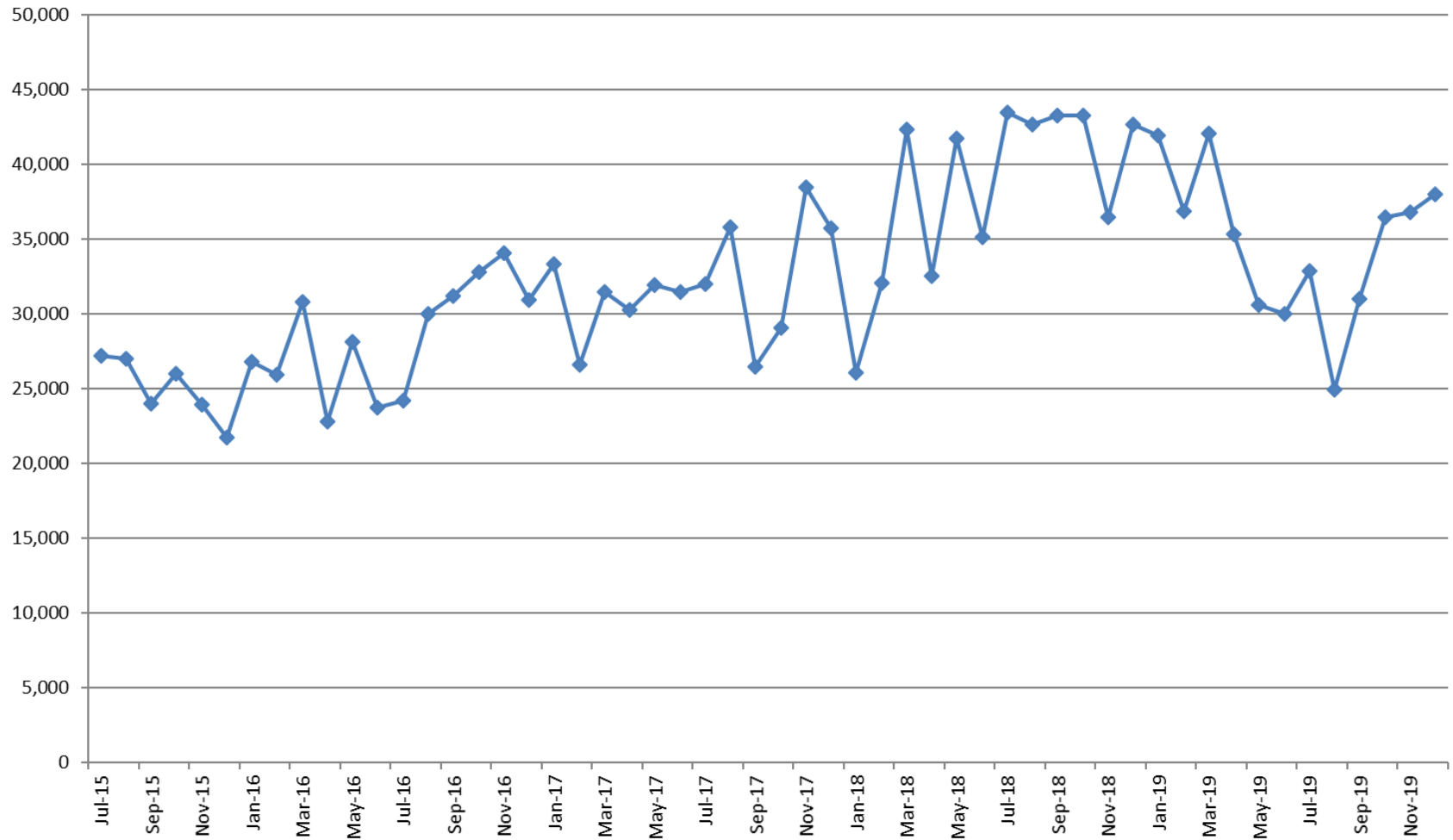
# Hera Processing Performance

Key Performance Indicator Summary - Dec 19

## Traffic Light KPI Scorecard – Monthly

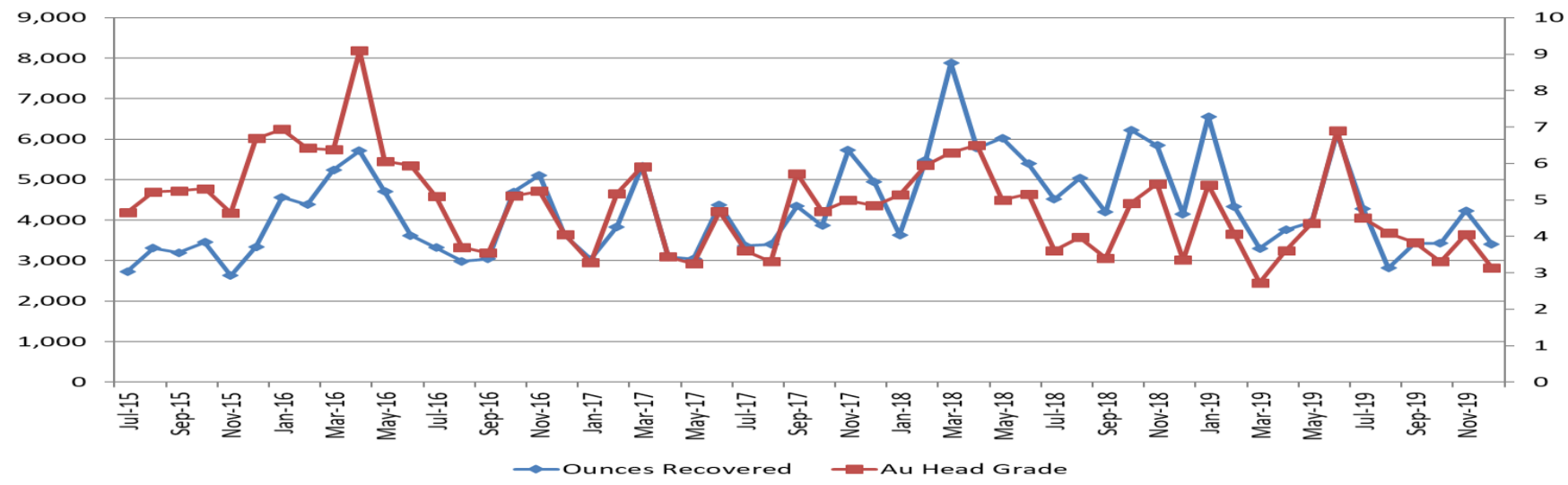
Hera - Dec-19 - KPI Scorecard		Month Actual	Month Budget	YTD Actual	YTD Budget
Safety (TRIFR)	●	17.6	12.0	17.6	12.0
Total Lateral development (m)	●	147	150	795	903
Total Ore Mined	●	39,874	39,083	202,162	235,811
Process throughput (t)	●	37,979	38,471	199,909	235,438
Gold grade processed (g/t)	●	3.14	2.82	3.79	2.83
Gold recovery (%)	●	89.0%	93.0%	88.6%	93.0%
Gold production (oz.)	●	3,408	3,248	21,603	19,888
Pb+Zn grade processed (%)	●	5.5%	7.5%	6.2%	7.3%
Conc production (dmt)	●	3,375	4,507	20,707	26,563
Conc grade (%)	●	56.4%	58.0%	54.3%	58.0%
Recovery - Lead	●	90%	90%	90%	90%
Recovery - Zinc	●	93%	90%	91%	90%
Production - Contained Metal - Lead	●	828	1,050	4,787	5,998
Production - Contained Metal - Zinc	●	1,075	1,564	6,460	9,409
Silica in conc (%)	●	4.3%	3.0%	5.6%	3.0%
Gold losses to Conc (g/t)	●	1.67	0.84	1.71	0.88
Total onsite cost (opex+capex) (\$/t)	●	170	145	190	141
ASIC (\$/oz)	●	1,251	392	1,132	594
Notional cash flow (after growth capital)	●	3,734	4,033	24,382	23,295

## Mill Monthly Throughput

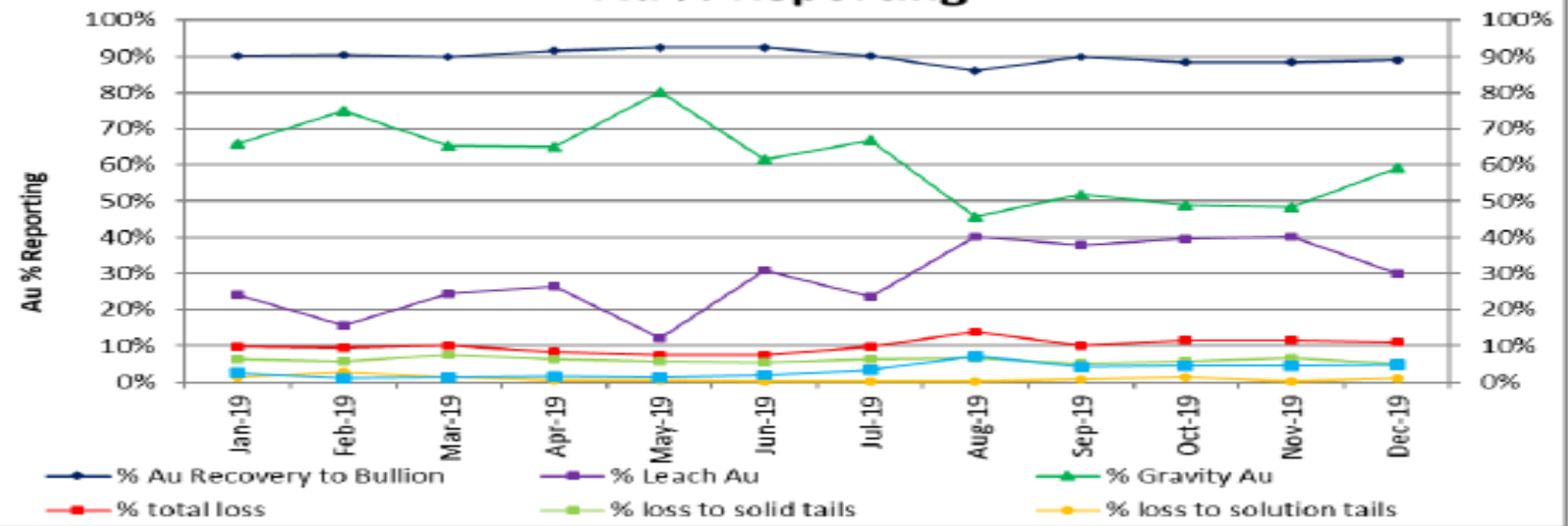


# Historical Gold Performance

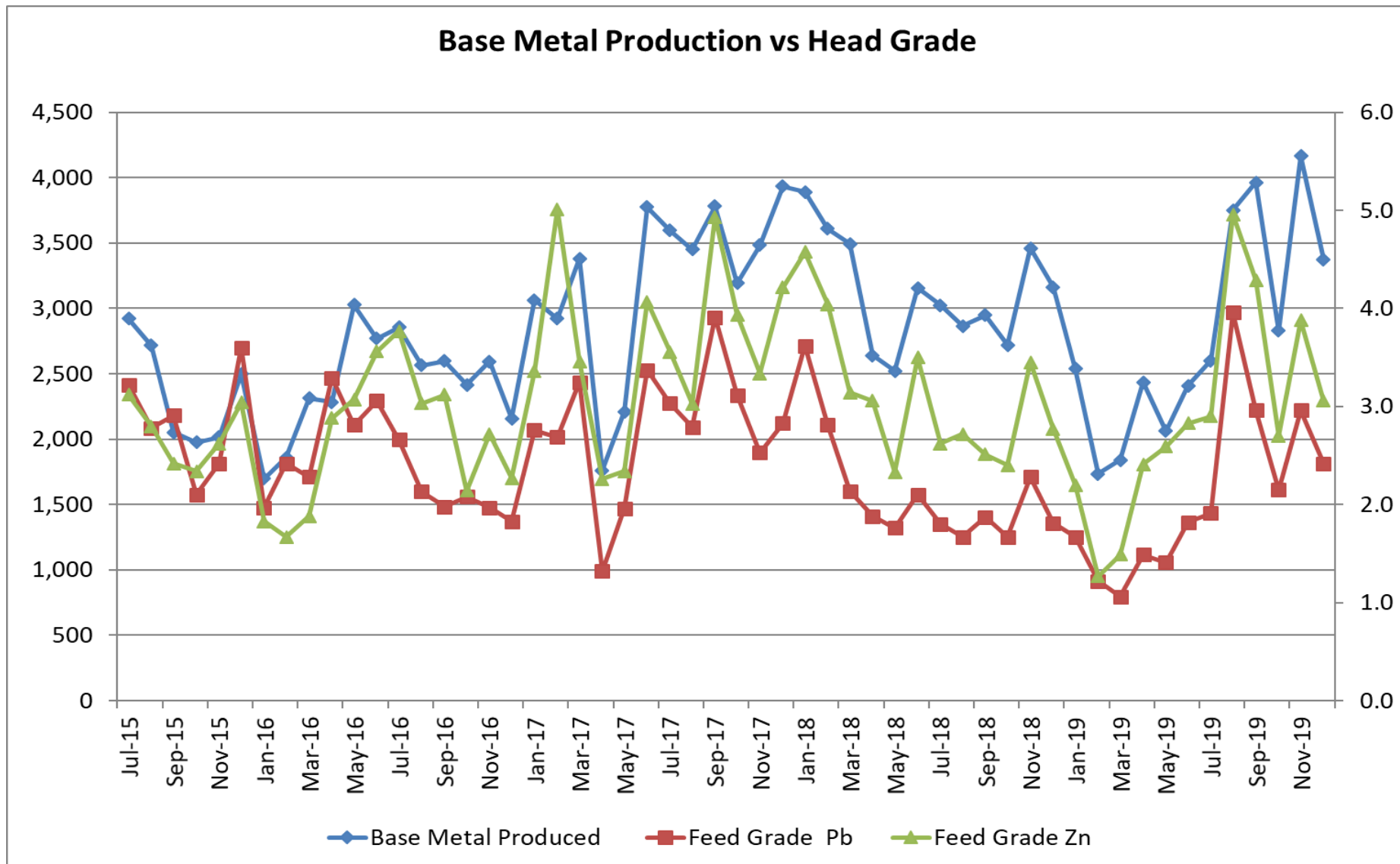
Ounces Recovered vs Head Grade



Au % Reporting

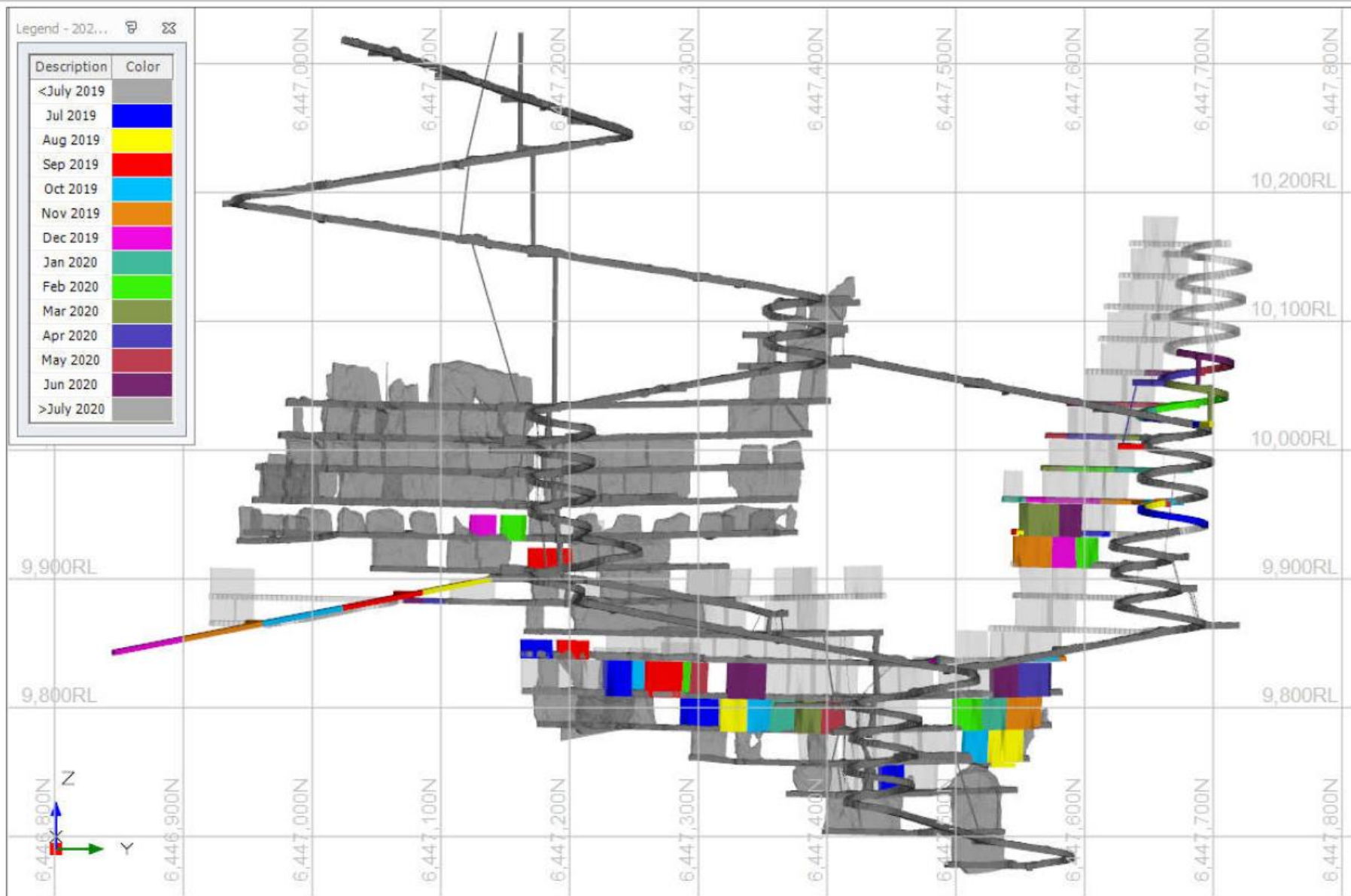


## Base Metal Production vs Head Grade

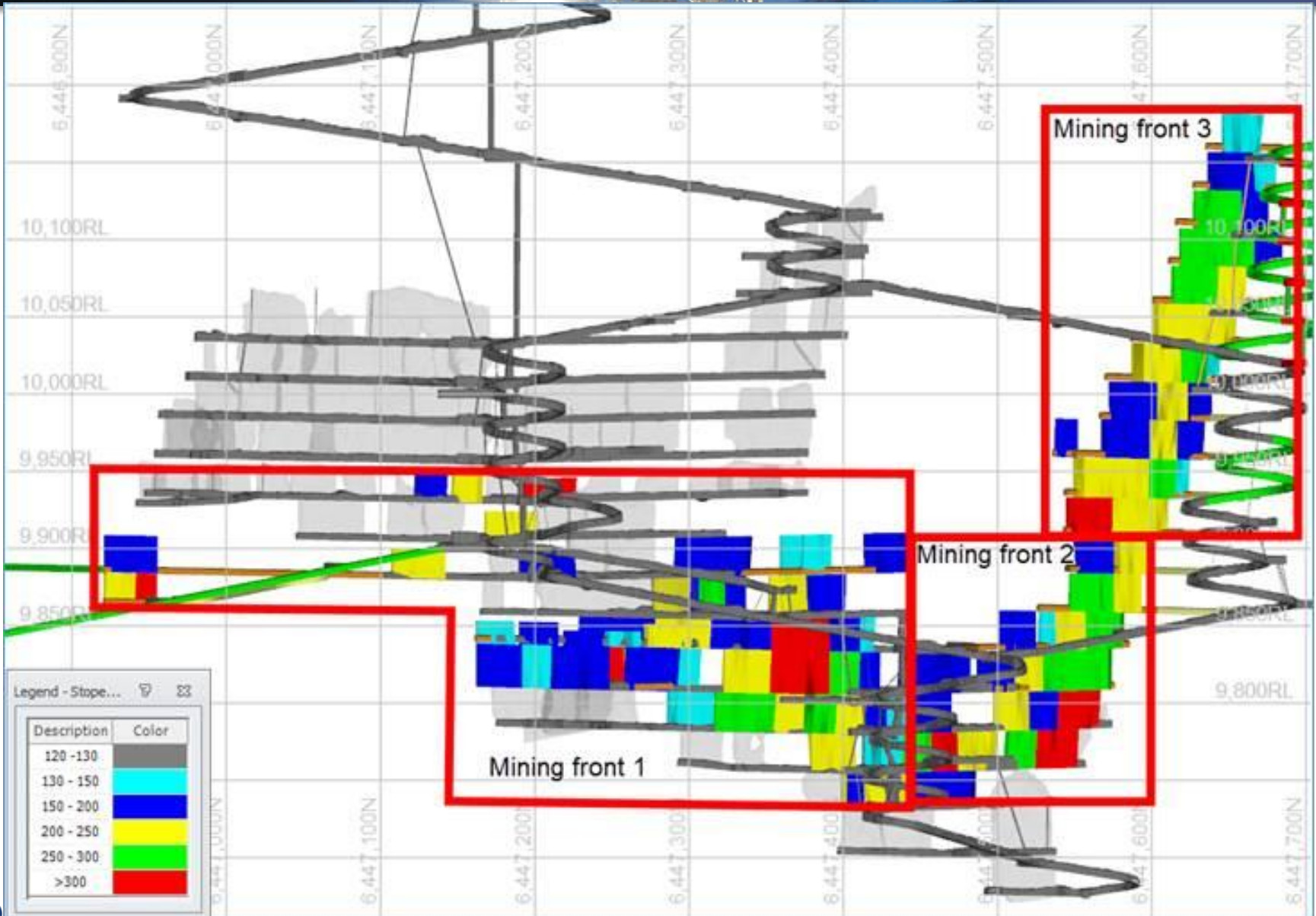




# FY20 Schedule Production



# Three active mining fronts



# Life of Mine – Four Years

