

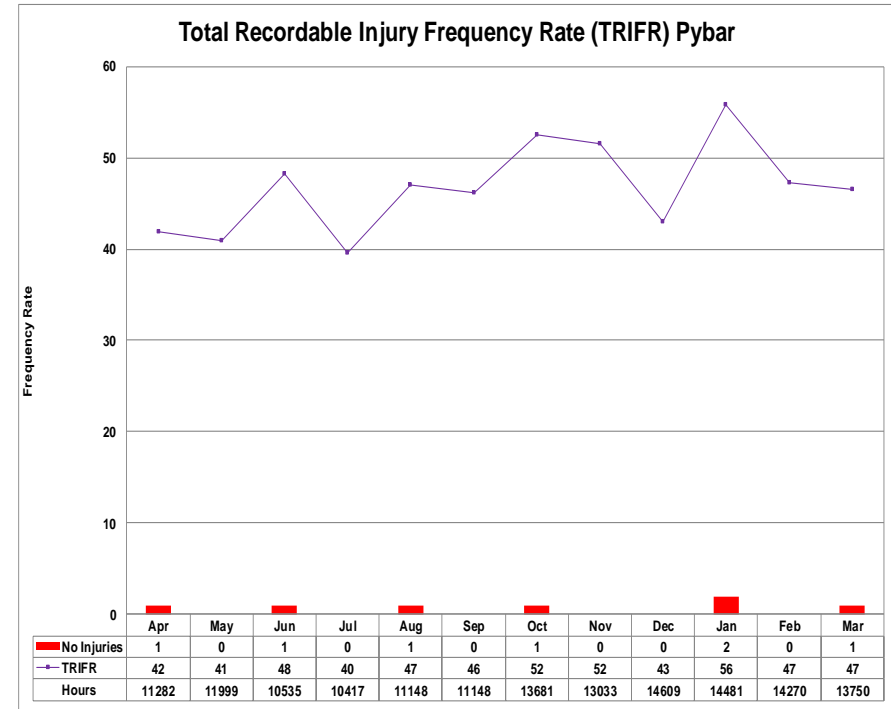
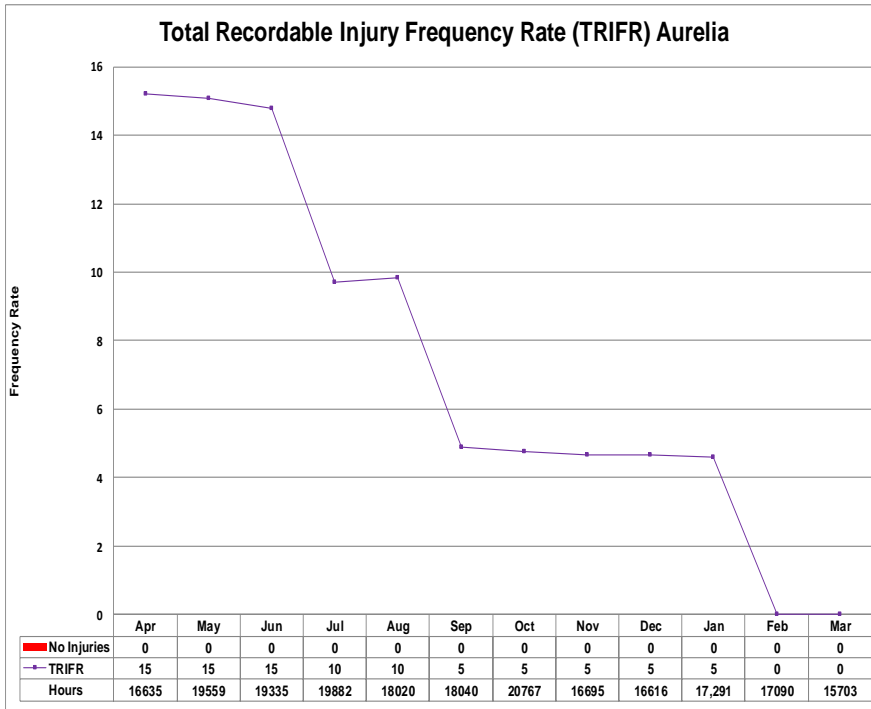


HERA PROJECT

CCC – May 2018

Hera Mine

WHS Incidents — Jan 18 to Mar 18



- Incidents:

- 21 Jan 18 – Operator received cut to finger after rock fell of tub of truck and required three stitches;
- 22 Jan 18 – Operator tripped on a rock and cut wrist as he put hand out to brace his fall resulting in eight stitches;and
- Operator stepped off production drill rig and rolled ankle.

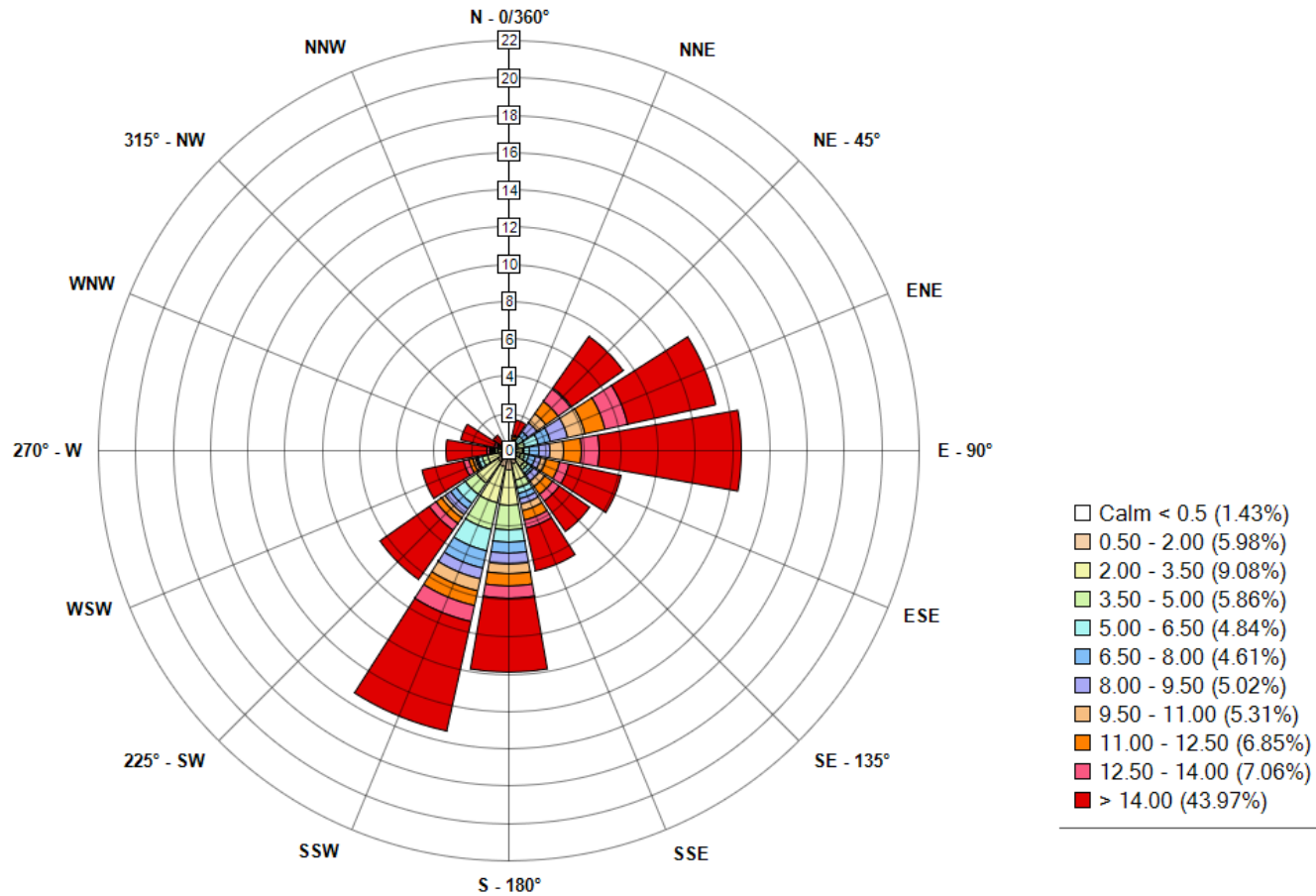
- No complaints received this quarter.

Hera Mine

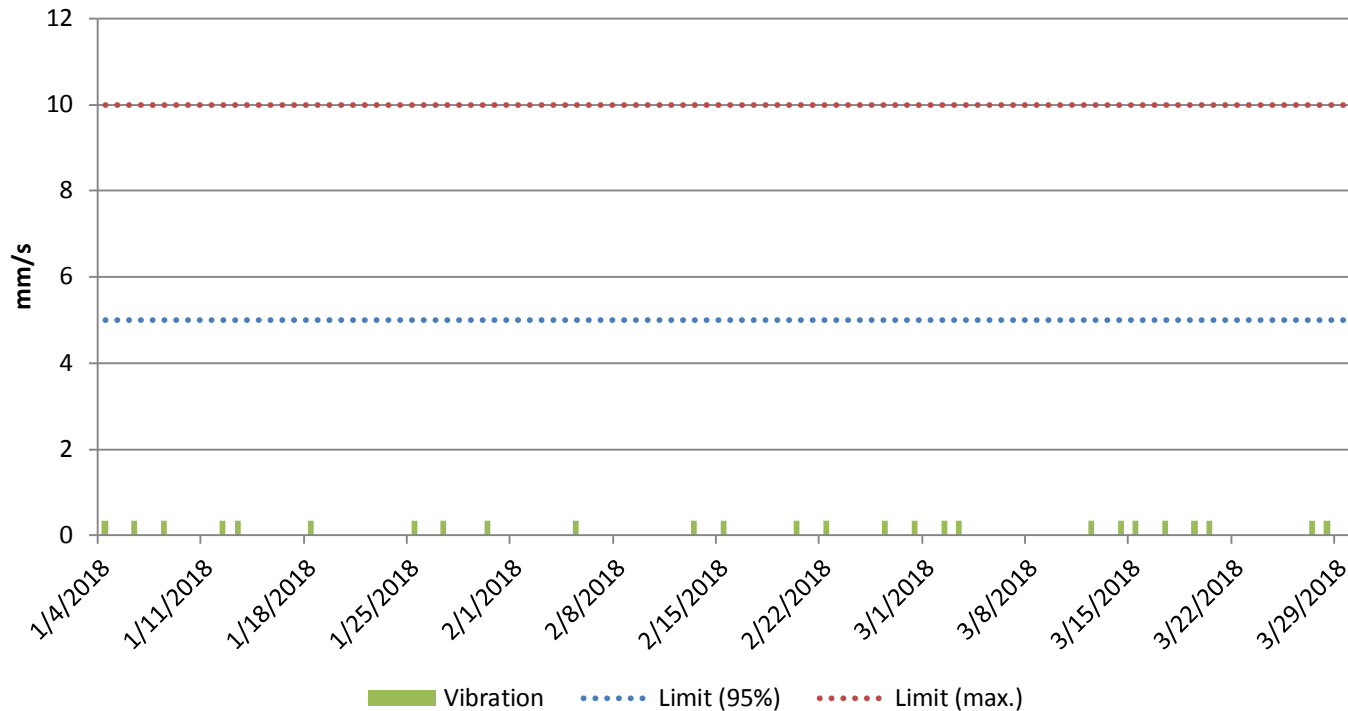
Environmental Monitoring — Jan 18 to Mar 18

Wind Rose Report for: Hera Resources - 10 Min Data

AVERAGE Wind Direction and MAXIMUM Wind Speed in km/h
 Period: 2018-01-01 00:00 to 2018-03-31 00:00
 Report shows Direction the Wind is Coming From

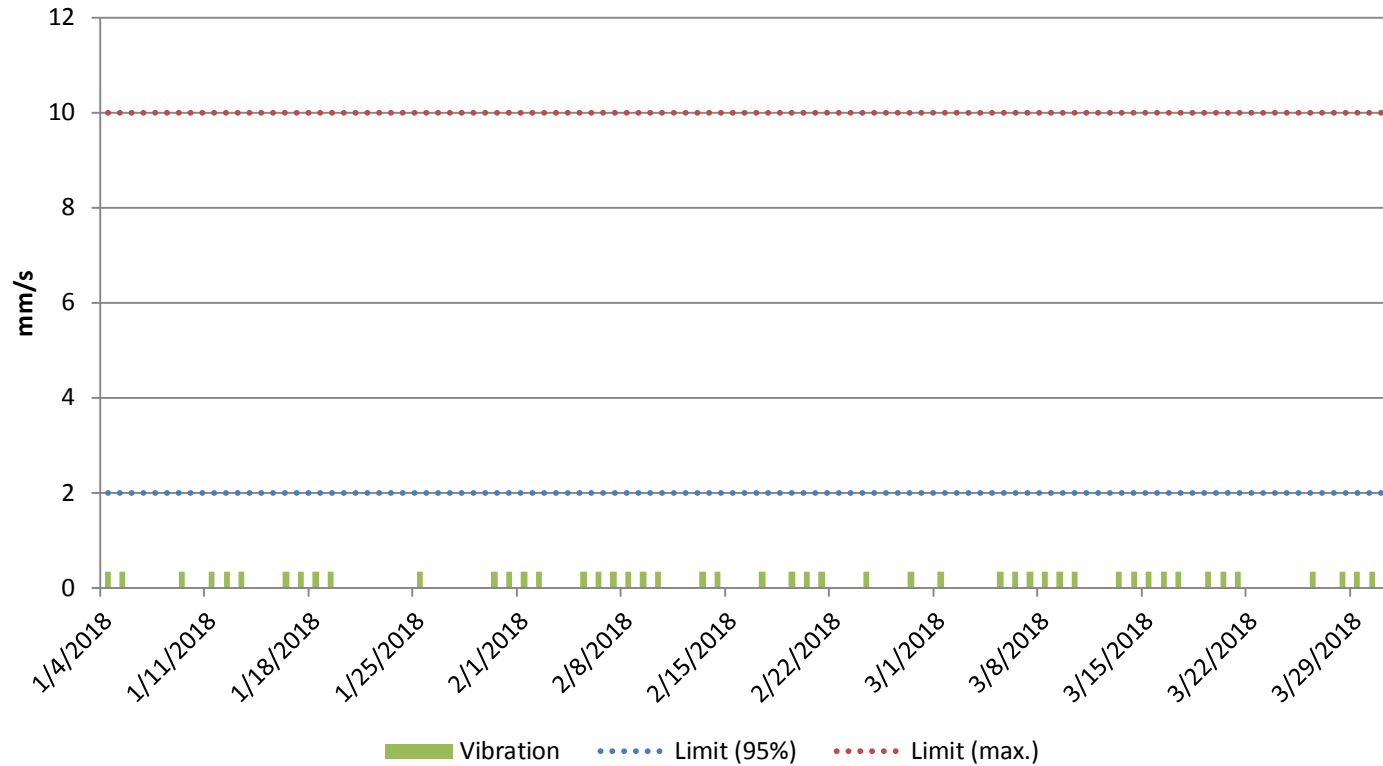


Blast Vibration (Day Time Period) - Jan to Mar 18



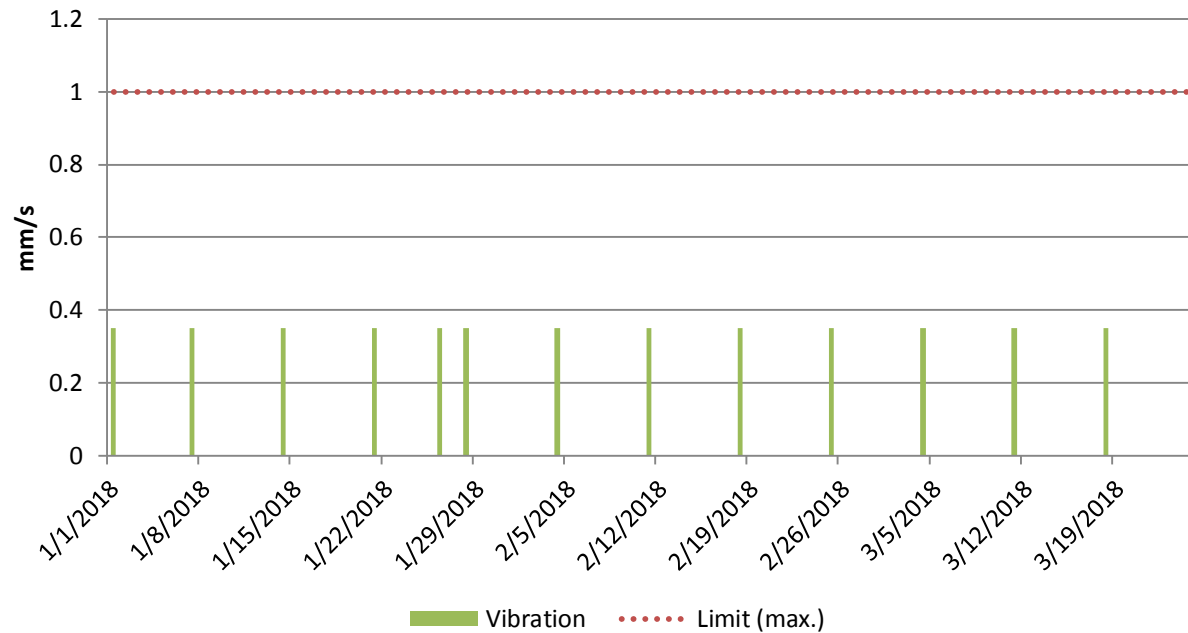
Day time period = 7am to 6pm Monday to Saturday

Blast Vibration (Evening Time Period) - Jan to Mar 18



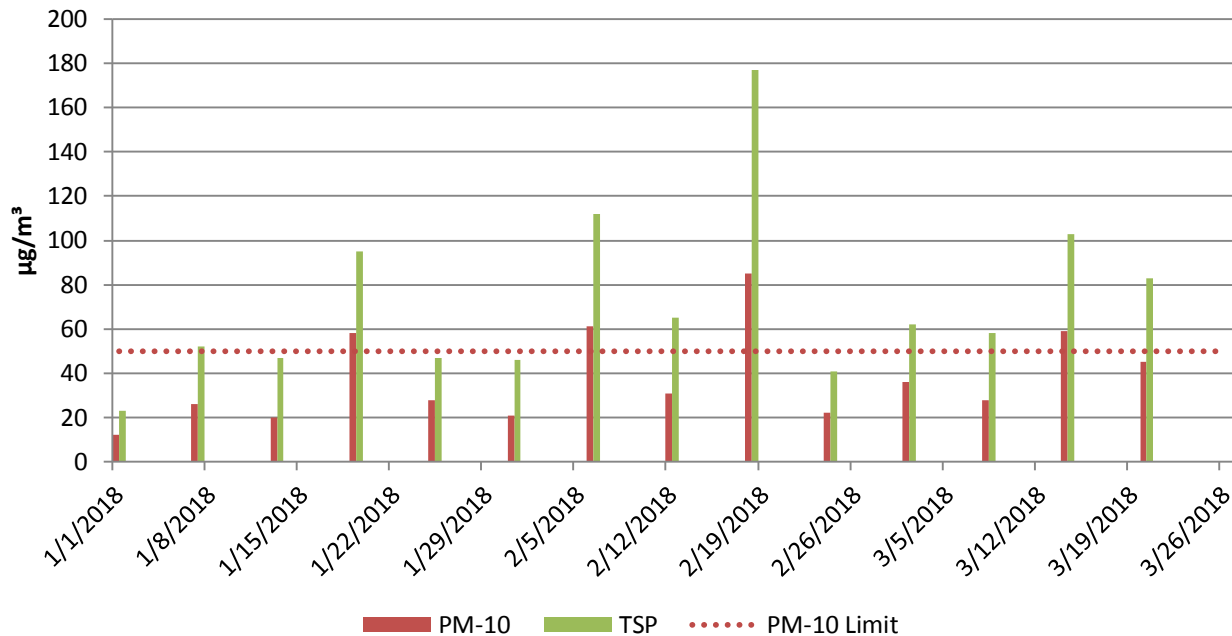
Evening time period = 6pm to 10pm Monday to Saturday

Blast Vibration (Night Time Period) - Jan to Mar 18



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

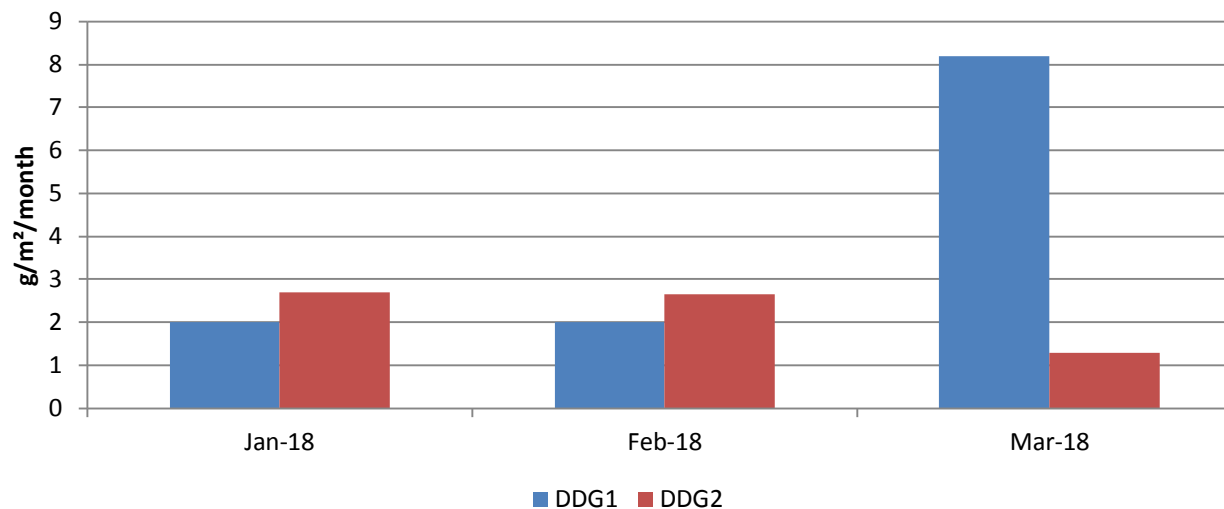
High Volume Air Sampler - Jan to Mar 18



• Incidents:

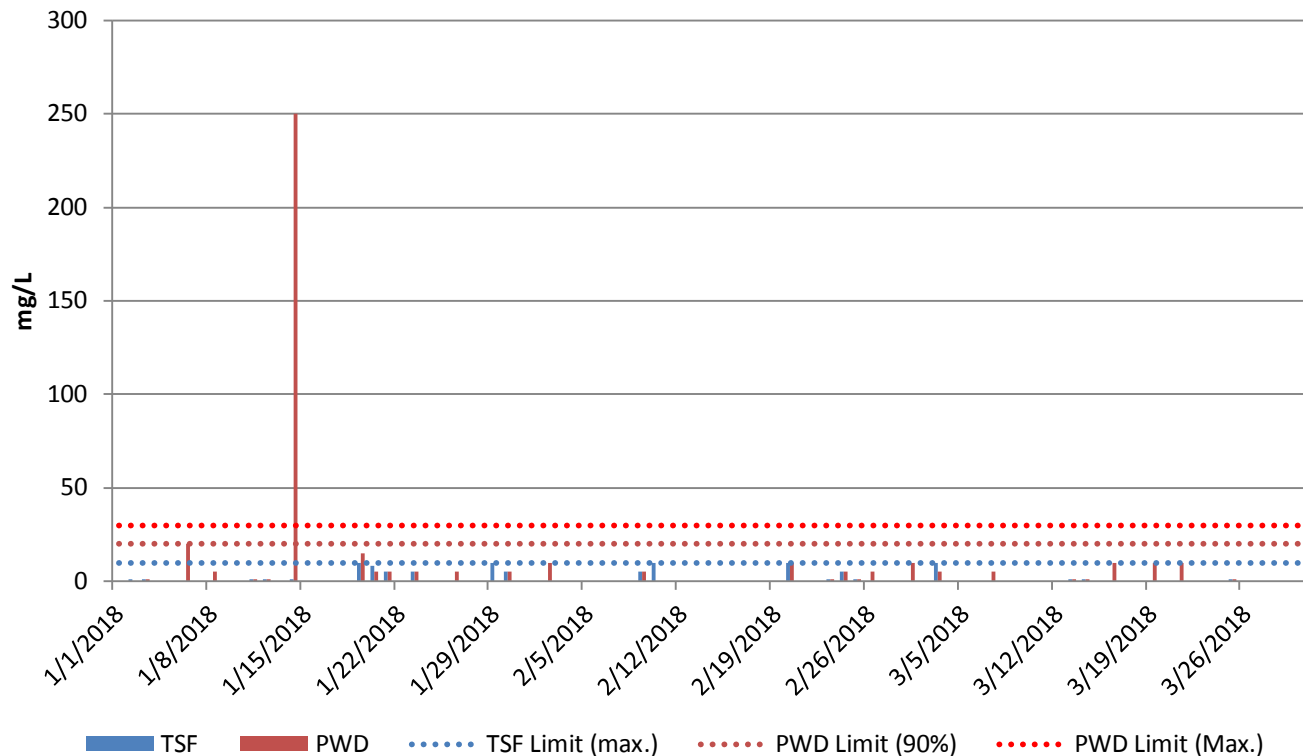
- 19/01/18 – 58 µg/m³ - Likely caused by HV movements on the Haul Rd exacerbated by hot, dry, windy conditions
- 6/02/2018 – 61 µg/m³ - Likely caused by background dust conditions
- 18/02/2018 – 85 µg/m³ - Likely caused by background dust conditions (dustiest month in NSW in the last three years)
- 14/03/2018 – 59 µg/m³ - Likely caused by HV movements on the Haul Rd exacerbated by hot, dry, windy conditions

Dust Deposition Gauges - Jan to Mar 18



Tailings Storage Facility & Process Water Dam Discharges

PWD & TSF WAD Cyanide - Jan to Mar 18



- Incident:
 - 14/01/2018:
 - The Residual Discharge Valve was left in the 'Manual Open' position during a cycle of the Intensive Leach Reactor (ILR);
 - This resulted in cyanide being feed to the screen and ultimately into the process water;
 - Cyanide was contained in the process water dam and no harm to the environment was caused.

Hera Mine

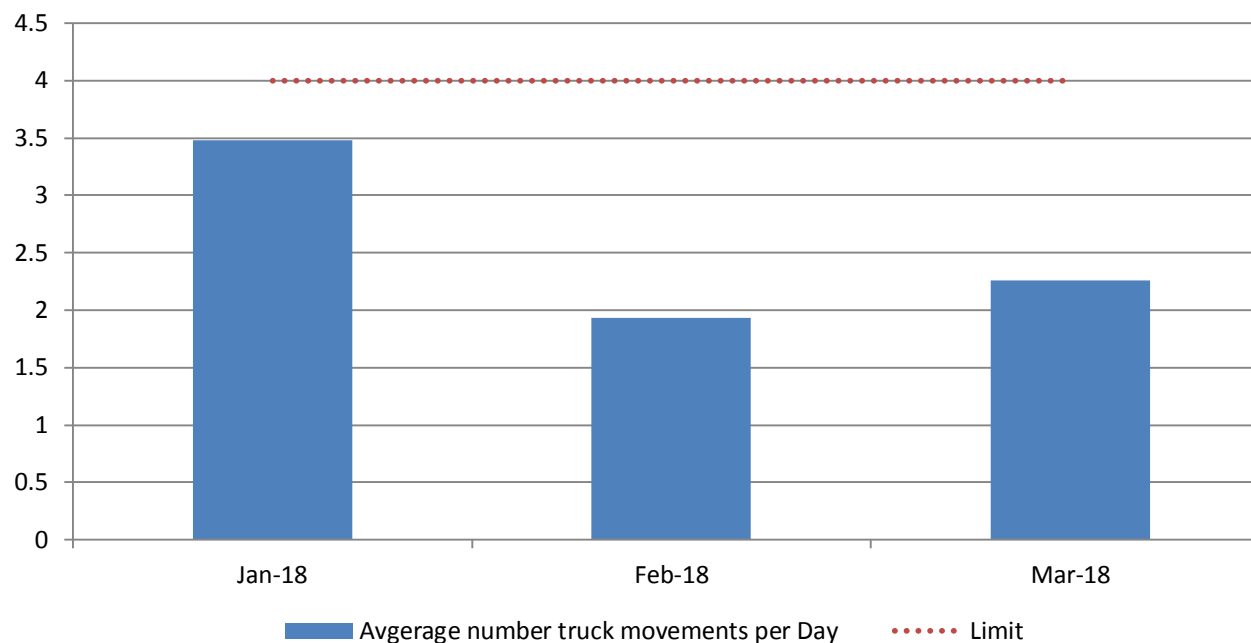
Environmental Monitoring — Jan 18 to Mar 18

Groundwater:

Licence Point	Analyte (mg/L)													EC (mS/cm)
	Sb	As	HCO3-	B	Cd	Ca	CO3-2	Cl	Cr	Cu	CN- (Free)	CN- (Total)	CN- (WAD)	
7	<0.001	<0.001	711	0.43	<0.0001	191	<1	1050	<0.001	<0.001	<0.004	<0.004	<0.004	4670
9	<0.001	<0.001	699	0.67	<0.0001	190	<1	959	<0.001	<0.001	<0.004	<0.004	<0.004	5260
17	<0.001	0.003	272	0.28	0.0003	46	<1	254	<0.001	0.004	<0.004	<0.004	<0.004	1366
19	<0.001	<0.001	66	0.21	<0.0001	2	<1	46	<0.001	0.006	<0.004	<0.004	<0.004	1053
27	<0.001	<0.001	538	1.35	<0.0001	58	<1	1310	<0.001	<0.001	<0.004	<0.004	<0.004	5830
28	0.012	0.005	724	0.68	0.0002	213	<1	999	0.002	0.013	<0.004	<0.004	<0.004	5240
29	0.011	<0.001	371	0.39	<0.0001	42	<1	338	<0.001	0.002	<0.004	<0.004	<0.004	2101
30	0.004	0.004	656	1.91	<0.0001	77	<1	1580	<0.001	0.002	<0.004	<0.004	<0.004	7340
31	<0.001	0.002	406	0.92	<0.0001	98	<1	1300	<0.001	0.007	<0.004	<0.004	<0.004	5820
32	<0.001	0.002		0.91	<0.0001				<0.001	<0.001				6500
33	<0.001	0.012	552	0.38	<0.0001	158	<1	727	<0.001	<0.001	<0.004	<0.004	<0.004	3990
34											DRY	DRY	DRY	DRY
35											DRY	DRY	DRY	DRY
36											DRY	DRY	DRY	DRY
37											DRY	DRY	DRY	DRY
38											DRY	DRY	DRY	DRY
40	<0.001		687	0.48	<0.0001	186	<1	1140	<0.001	0.001	<0.004	<0.004	<0.004	5070
Licence Point	Analyte (mg/L)													SWL (m)
	Fe	Pb	Mg	Hg	Mo	Ni	pH	K	Ag	Na	Sn	TDS	Zn	
7	0.11	<0.001	167	<0.0001	<0.001	<0.001	6.74	16	<0.001	554	<0.001	2960	<0.005	52.97
9	1.55	<0.001	232	<0.0001	<0.001	<0.001	7.57	28	<0.001	696	<0.001	3830	0.025	
17	<0.05	<0.001	48	<0.0001	<0.001	0.002	6.91	10	<0.001	146	<0.001	678	0.04	
19	<0.05	<0.001	3	<0.0001	<0.001	<0.001	8.14	1	<0.001	49	<0.001	210	0.032	
27	0.63	<0.001	134	<0.0001	0.001	<0.001	7.18	38	<0.001	926	<0.001	3290	<0.005	54.18
28	7.46	0.04	227	<0.0001	0.022	0.007	6.71	29	<0.001	671	<0.001	3100	0.276	86.28
29	<0.05	0.001	55	<0.0001	0.001	0.002	7.55	12	<0.001	287	<0.001	1240	0.016	63.8
30	0.49	<0.001	109	<0.0001	0.002	0.01	7.11	36	<0.001	1420	<0.001	4600	0.016	60.01
31	0.1	<0.001	137	<0.0001	<0.001	0.003	7.86	32	<0.001	898	<0.001	3610	0.093	
32	1.05	<0.001			<0.001	0.058	6.5		<0.001		<0.001		0.022	
33	2.06	<0.001	171	<0.0001	<0.001	0.004	6.53	17	<0.001	427	<0.001	2470	0.065	
34														DRY
35														DRY
36														DRY
37														DRY
38														DRY
40	0.39	<0.001	184	<0.0001	<0.001	<0.001	7.13	15	<0.001	628	<0.001	2620	0.01	53.81

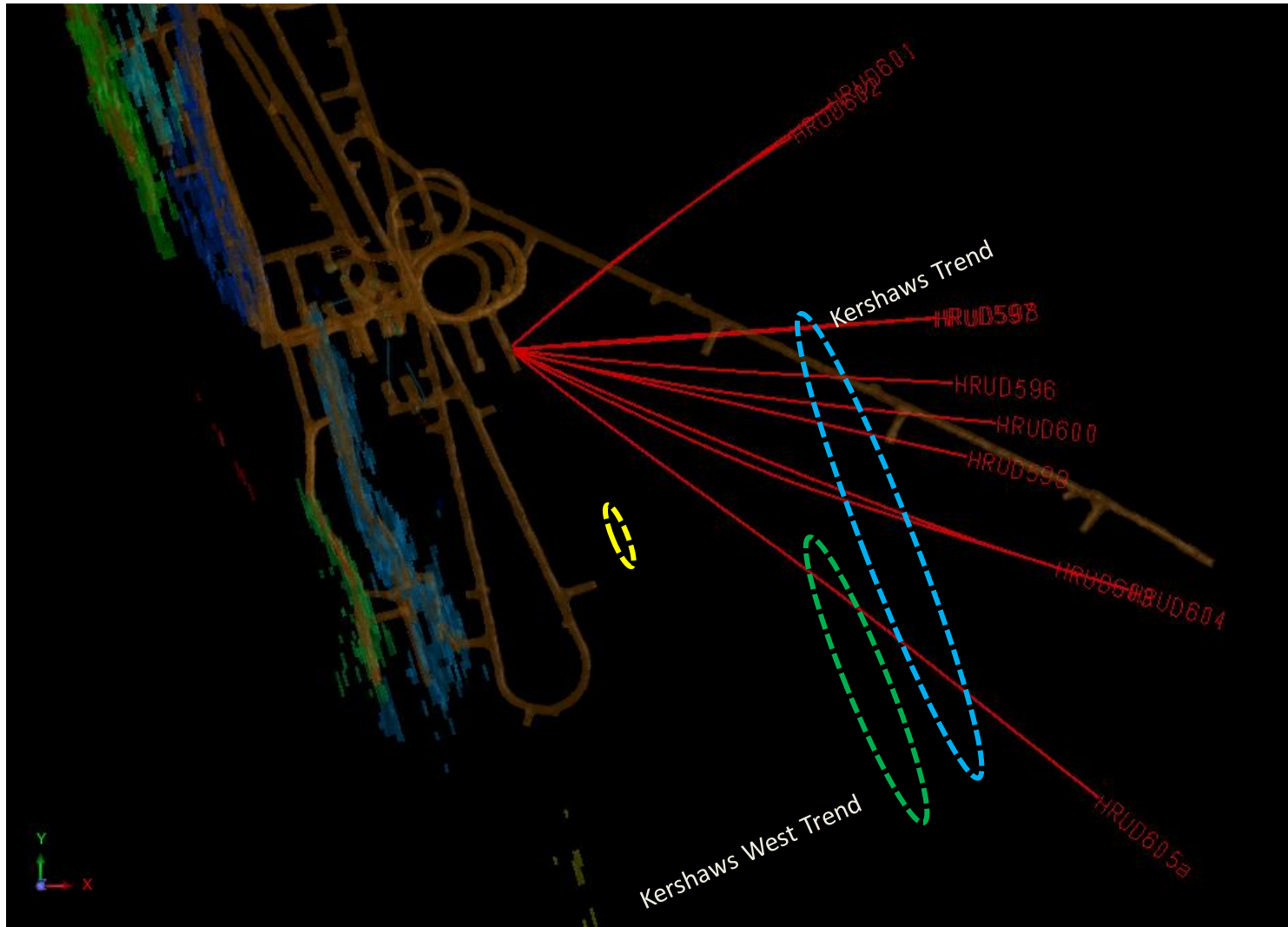
Concentrate Truck Movements

Concentrate Truck Movements - Jan to Mar 18



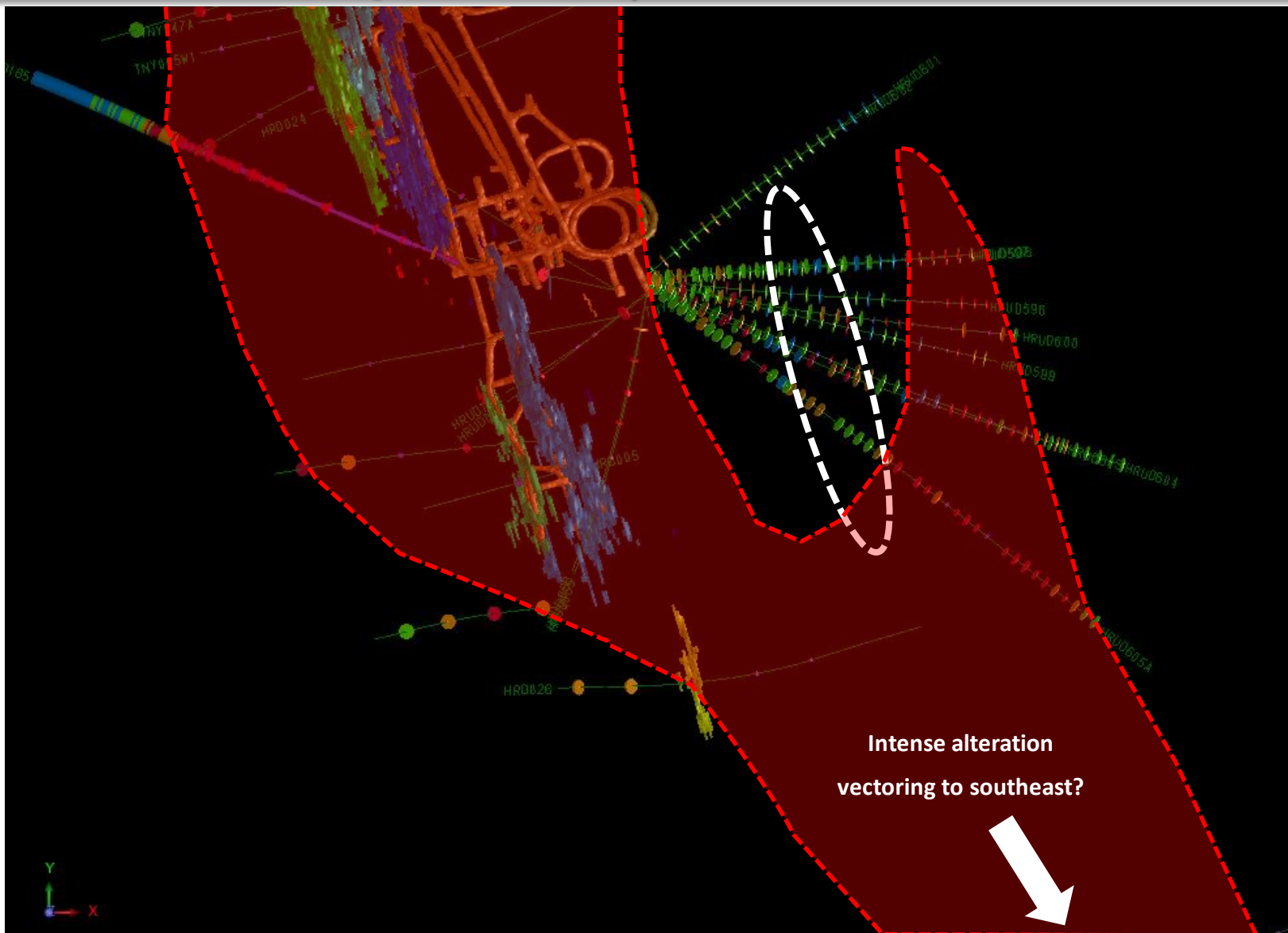
Hera Mine

Exploration — Kershaws Drilling, Plan View



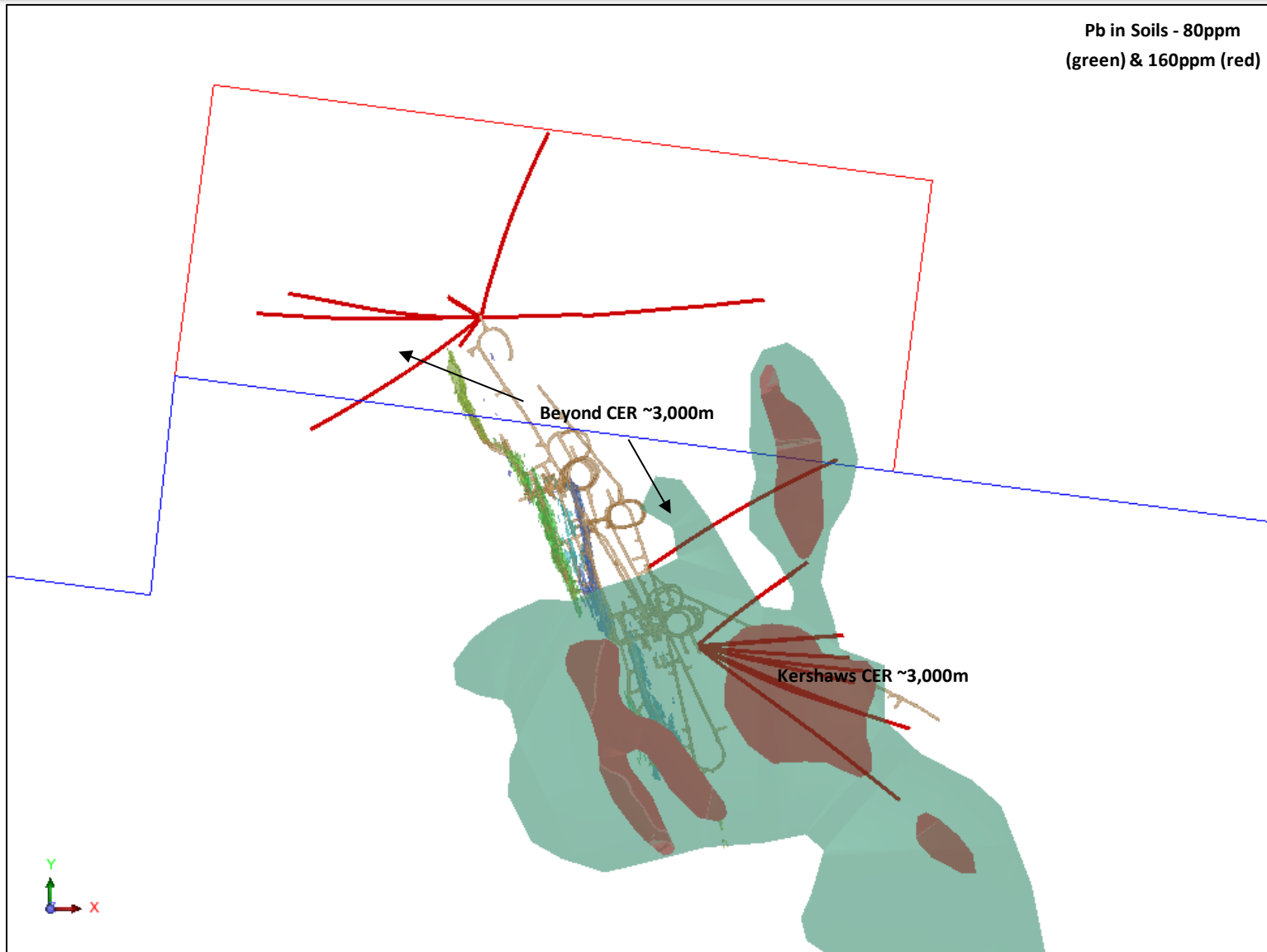
Hera Mine

Exploration — Kershaws Drilling, Geochemistry and Alteration



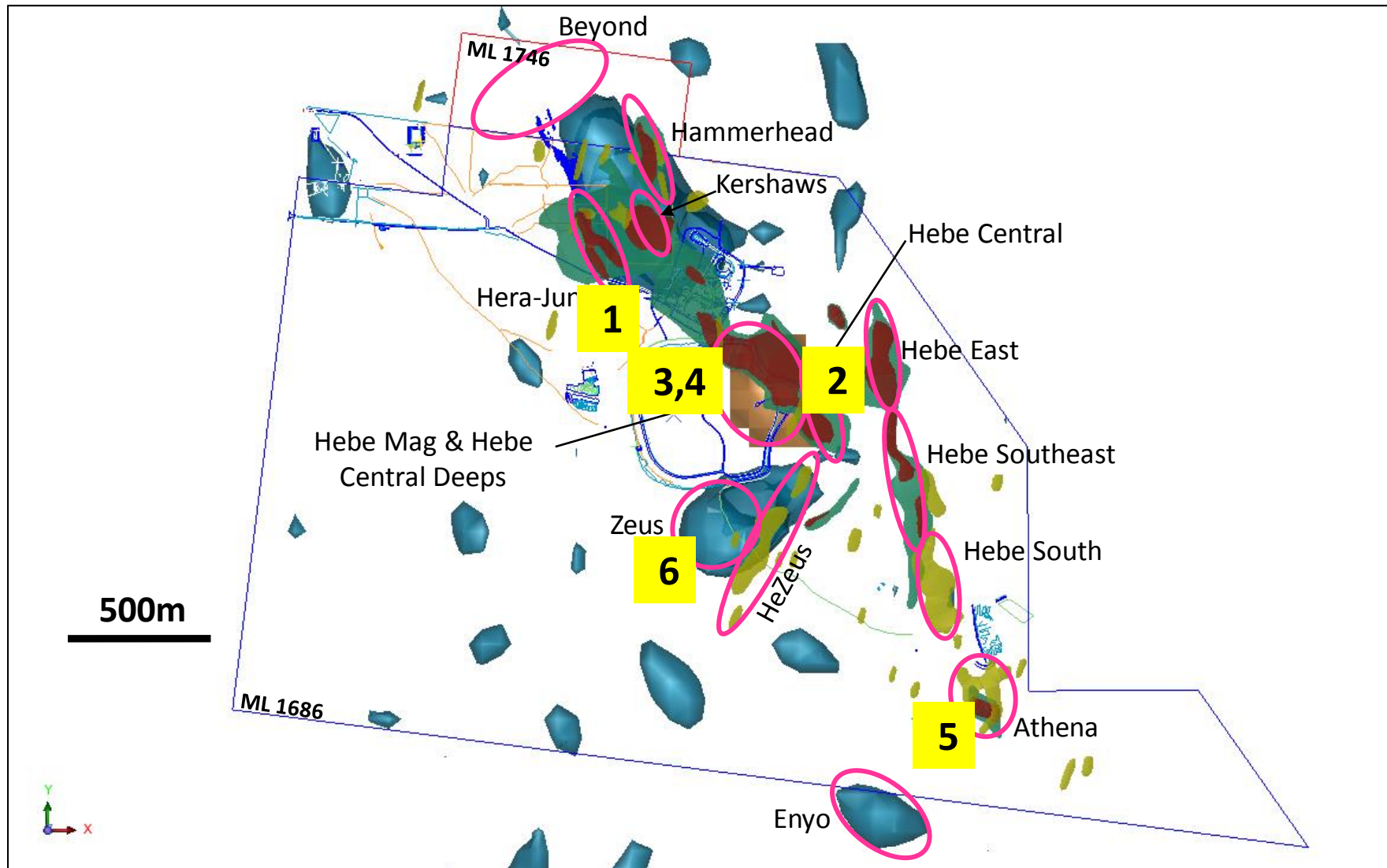
Hera Mine

Exploration — Completed Drill Holes



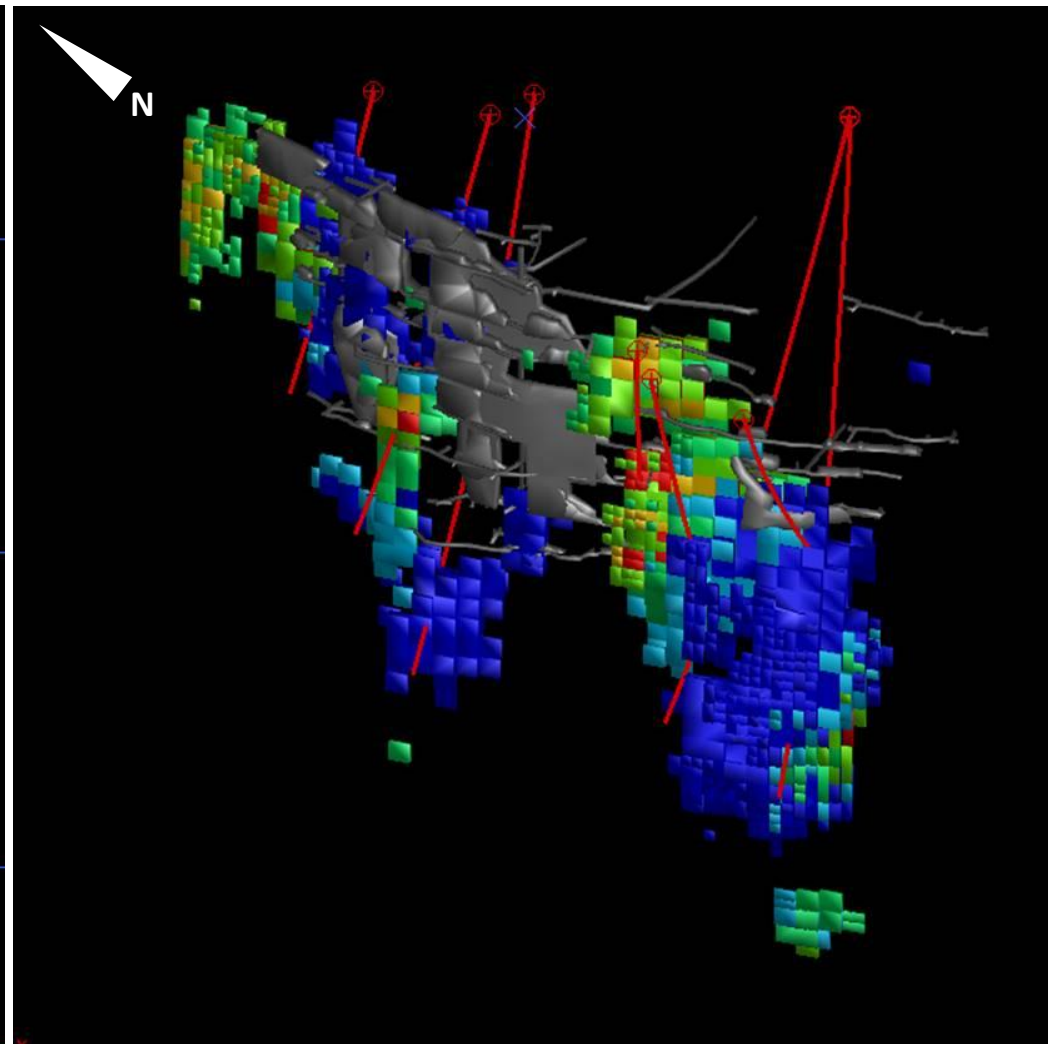
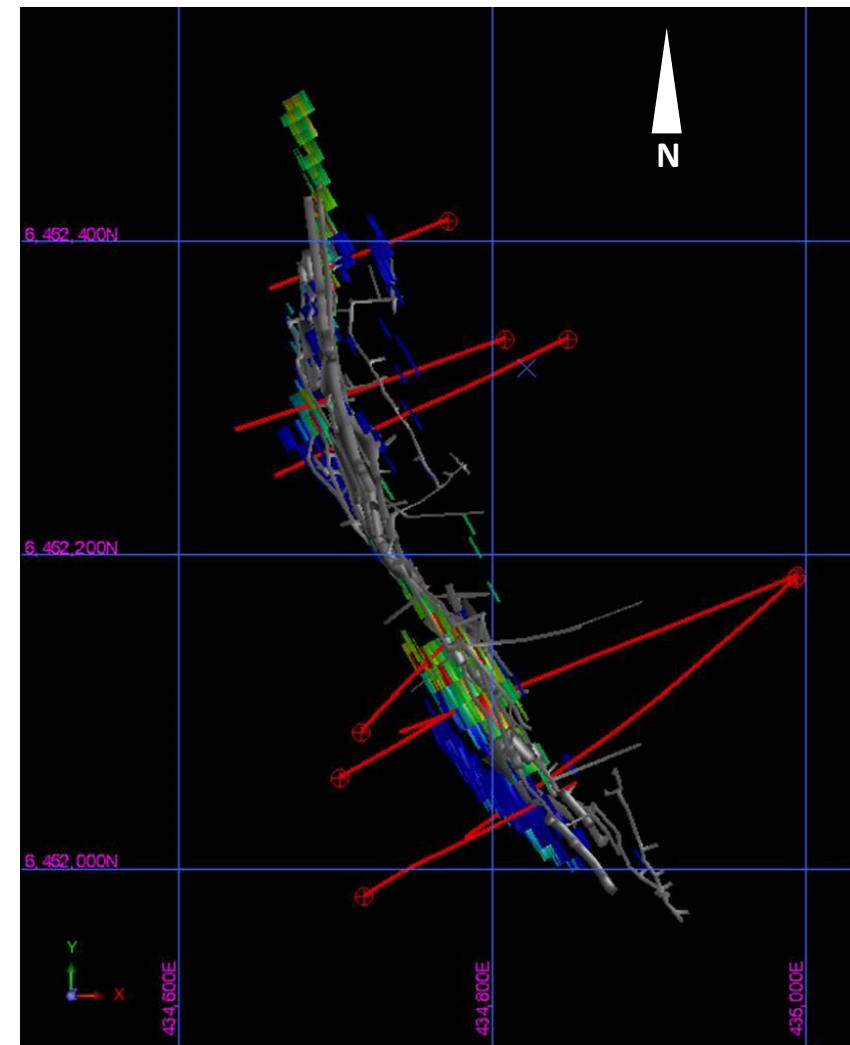
Hera Mine

Exploration — Hera, Major Prospects



Hera Mine


















Exploration — Nymagee Mine, Proposed Metallurgy Program



Aurelia Metals Mar-18 Qtr Summary	Units	Jun 17 Qtr FY17	Sep 17 Qtr FY18	Dec 17 Qtr FY18	Mar 18 Qtr FY18	YTD FY18
Ore Mined	t	102,275	96,275	97,366	101,182	294,823
Mined Grade - Gold	g/t	3.80	4.08	4.87	5.74	4.91
Mined Grade - Silver	g/t	12.4	15.1	15.5	14.1	14.87
Mined Grade - Lead		2.33%	3.18%	2.79%	2.65%	2.87%
Mined Grade - Zinc		3.12%	3.59%	3.96%	3.69%	3.75%
Ore Processed	t	93,649	94,225	103,208	100,396	297,829
Processed Grade - Gold	g/t	3.79	4.09	4.86	5.89	4.96
Processed Grade - Silver	g/t	11.74	14.87	14.65	15.57	15.03
Processed Grade - Lead		2.23%	3.19%	2.80%	2.74%	2.90%
Processed Grade - Zinc		2.90%	3.74%	3.81%	3.80%	3.79%
Gold recovery		92.1%	89.8%	89.9%	89.4%	89.7%
Silver recovery		88.8%	89.8%	89.9%	86.1%	88.6%
Lead recovery		90.6%	90.0%	90.0%	91.1%	90.4%
Zinc recovery		88.0%	87.6%	91.0%	93.0%	90.6%
Gold Production	oz	10,510	11,111	14,527	16,991	42,628
Silver Dore Production	oz	7,968	12,259	15,706	17,396	45,361
Concentrate produced	dmt	7,747	10,832	10,613	10,992	32,437
Concentrate grade (Pb+Zn)		55%	53%	58%	55%	56%
Gold Dore sold	oz	11,380	10,613	14,069	17,467	42,149
Silver Dore sold	oz	10,141	8,220	16,473	18,359	43,052
Concentrate sold	dmt	5,235	10,389	10,375	10,385	31,149
Payable Lead in concentrate sold	t	1,185	2,305	2,315	2,093	6,712
Payable Zinc in concentrate sold	t	1,238	2,096	2,484	2,552	7,132
Payable Silver in concentrate sold	oz	0	0	0	0	0

Hera Mine

Production Statistics—Jan 18 to Mar 18

Hera - Mar-18 - KPI Scorecard		Month Actual	Month Budget	YTD Actual	YTD Budget	Comment
Safety (TRIFR)		19	20	19	20	Aurelia TRIFR is 0 & Pybar remains at 47, with potential MTI to UG operators ankle when getting off long hole rig (included).
Total Lateral development (m)		357	300	2,863	2,627	UG Development reduced to budget rates in last week of month. Main development priority is Main Decline to access bottom level of North Pod
Total Ore Mined		37,757	32,962	294,823	328,213	
Process throughput (t)		42,292	33,346	297,829	313,979	Project to date record, Daily average throughput achieved was 1,364tpd;
Gold grade processed (g/t)		6.30	3.96	4.96	4.31	Driven by 385HS B stope & 3 development sources 535MN, 510MN & 510FWD
Gold recovery (%)		92.0%	94.0%	89.4%	93.9%	Solution Au losses focussed on reducing ILR Discharge Liquor values sent to front of circuit
Gold production (oz.)		7,877	3,995	42,628	40,875	Project to date record
Pb+Zn grade processed (%)		5.3%	8.7%	6.7%	7.3%	Underperformance of 410MN & 585FWS stopes, along with 510FWD development
Conc production (dmt)		3,493	4,495	32,437	35,657	Lower than budget feed grades
Conc grade (%)		58.5%	58.0%	55.6%	58.0%	
Recovery - Lead		89%	90%	90%	90%	
Recovery - Zinc		93%	90%	91%	90%	
Production - Contained Metal - Pb & Zn		2,045	2,607	18,037	20,681	Lower concentrate tonnes produced
Silica in conc (%)		4.4%	3.0%	4.1%	3.0%	Incorrect float operating philosophy used - overdosed collector
Gold losses to Conc (g/t)		2.43	1.02	2.09	1.18	Effect of additional grinding by Tower Mill since 19/3 to be determined, 1 instance of poor Knelson performance
Total onsite cost (opex+capex) (\$/t)		133	172	174	167	Process tonnes 26% above budget; Unit cost (under/over budget) = Mining (\$31/t), Process (\$19/t), Admin (\$1/t) & SusCap +\$12/t due to UG capex dev
Notional cash flow (after growth capital)		11,496	5,085	52,051	44,468	Gold produced 3,643oz above budget resulting in ~\$6m in additional revenue
Highlights	Re-introduction of Tower mill 19/3 into circuit taking feed off 2500 Falcon Tail; Continue Beyond exploration drill program; Complete Hera Resource model update with latest North Pod drill results & commence mining schedule update for FY19 budget; Increased UG stope production flexibility with 3-6 stopes available, & difficult 585FWS stope successfully fired; Developed UG inventory stocks rebuilt to target levels; Commence FY19 budget planning process; Design Nymagee Met Testing Drill Program for PFS; Land Access Agreement for Mineral Exploration handed to Jannene Dunne for signing following successful discussions, expect reply next month					
Key Issues	<ul style="list-style-type: none"> • Reducing gold losses - focus on reducing Au & CN in ILR discharge liquor going back to front of circuit, trialing longer/additional washes; re-introduction of Tower Mill 19/3 to improve grind size & Au liberation with testwork ongoing; commence using particle laser sizer to assess fine fraction gold in rougher tails to help assess impact of Tower Mill; install 2nd 2500 Falcon duty standby (May) • SRe Water Balance & TSF water level - water level in tailings dam decreasing >300mm in last 4 weeks; actions to mitigate include use of sprinklers in TSF for increased evaporation rates, reduce mine water outflow by blocking known UG water intercepts, longer term grout surface holes, investigate constructing additional contaminated water dam or lifting TSF dam wall height 					

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

ACQUISITION OF PEAK MINES

Ministerial Approval for the Transaction was received immediately after quarter end, with the acquisition completed on 10 April 2018.

The acquisition consisted of a base price of US\$58M in cash, with US\$3M pre-paid in November 2017, and the balance of US\$55M paid on 10 April 2018. The final purchase price is subject to a working capital and net cash adjustment expected to be calculated and paid/received in the next quarter.

AMI will accrue production from the start 1 April 2018, with production for the March 2018 quarter accruing to New Gold Inc.