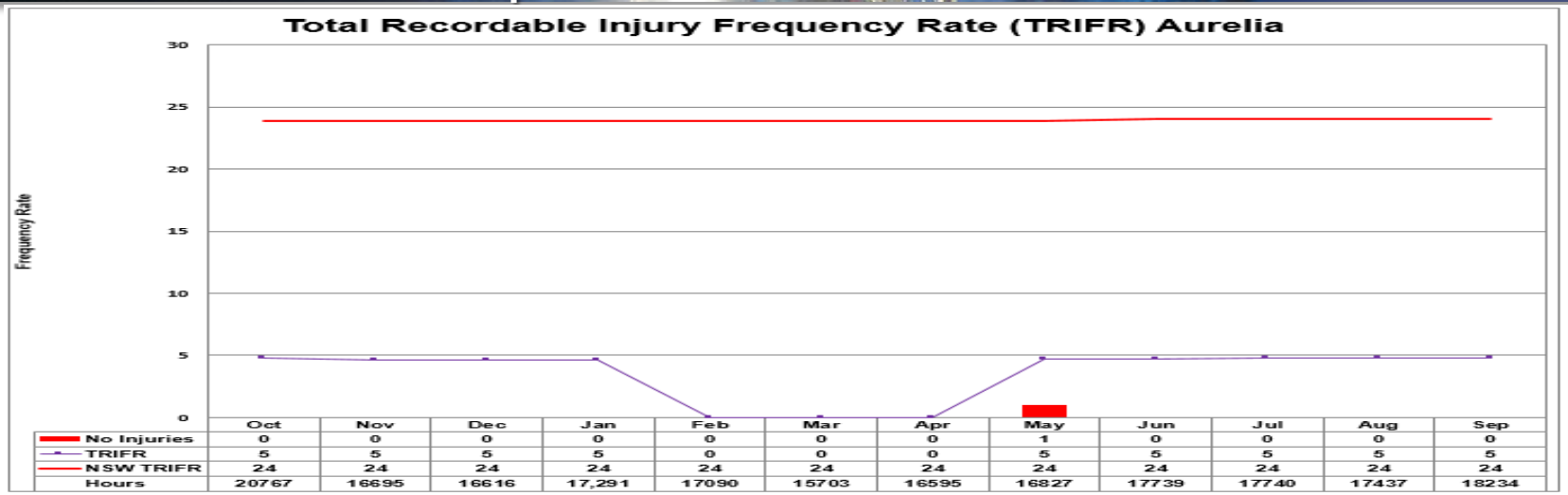
HERA PROJECT

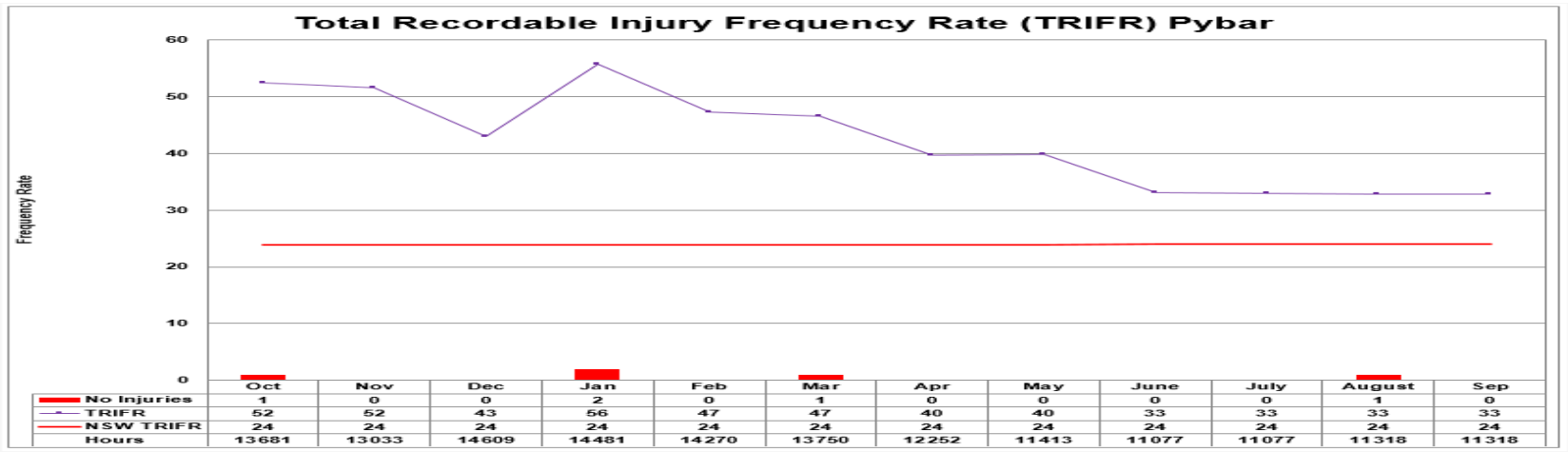
CCC – November 2018

Hera Mine

WHS Incidents – Jul 18 to Sep 18



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
No Injuries	0	0	0	0	0	0	0	1	0	0	0	0
TRIFR	5	5	5	5	0	0	0	5	5	5	5	5
NSW TRIFR	24	24	24	24	24	24	24	24	24	24	24	24
Hours	20767	16695	16616	17,291	17090	15703	16595	16827	17739	17740	17437	18234



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	August	Sep
No Injuries	1	0	0	2	0	1	0	0	0	0	1	0
TRIFR	52	52	43	56	47	47	40	40	33	33	33	33
NSW TRIFR	24	24	24	24	24	24	24	24	24	24	24	24
Hours	13681	13033	14609	14481	14270	13750	12252	11413	11077	11077	11318	11318

- 4 Aug 18 – Medically Treated Injury – Operated required stitches after receiving a laceration to forehead from their tool slipping while opening ANFO bag

UPDATED SCOPE OF MOD5

- MOD5 is to include a request to modify the Project Approval 10_0191 as follows:
  - Increase the rate of transportation of concentrate from Hera Mine to the Hermidale rail siding from 50 000 t per calendar year to 60 000 t per calendar year;
  - Installation of an external Tailings Storage Facility; and
  - Receipt water from dewatering of the Nymagee Copper Mine for use in processing operations at the Hera Mine or evaporation within the proposed decant pond.

CONSULTATION TO DATE

- A Briefing Paper was submitted to Department of Planning and Environment on 24 Aug 2018;
- The Briefing Paper was submitted to the Independent Chairperson of the CCC on 24 Aug 2018 for distribution to members of the CCC;
- A summary of the Briefing Paper was distributed and discussed at the Nymagee Progress Association Meeting on 29 Aug 2018;
- The Briefing Paper was submitted to various agencies (Cobar Shire Council, Bogan Shire Council, Department of Primary Industries – Division of Water, Division of Resources and Geoscience, Environmental Protection Authority, Office of Environment and Heritage, Resource Regulator and Roads and Maritime Services) on 18 Sep 2018 requesting comment for matters to be addressed in the Statement of Environmental Effects (SoEE); and
- Responses have been received from Cobar Shire Council, Roads and Maritime Services, Office of Environment and Heritage and Division of Resources and Geoscience. No significant matters have been raised and most have been generic responses to requests for comment.

Progress of MOD5

- Ecologists from AREA have attended site to conduct the biodiversity offsetting requirements associated with the proposed external decant pond. A draft report is expected in the next couple of weeks;
- GHD are currently working on the preliminary external decant pond and emergency spillway design. A draft report has been received and is expected to be finalised in the coming weeks;
- The Company hopes to submit the SoEE to Department of Planning and Environment in late November or early December 2018 so the document can go on display for public consultation prior to the Christmas shutdown period;
- Once finalised, a copy of the SoEE will be available at the reception of the Hera Mine Village and the Nymagee Metropolitan Hotel. A copy will also be distributed to members of the CCC via the Independent Chairperson

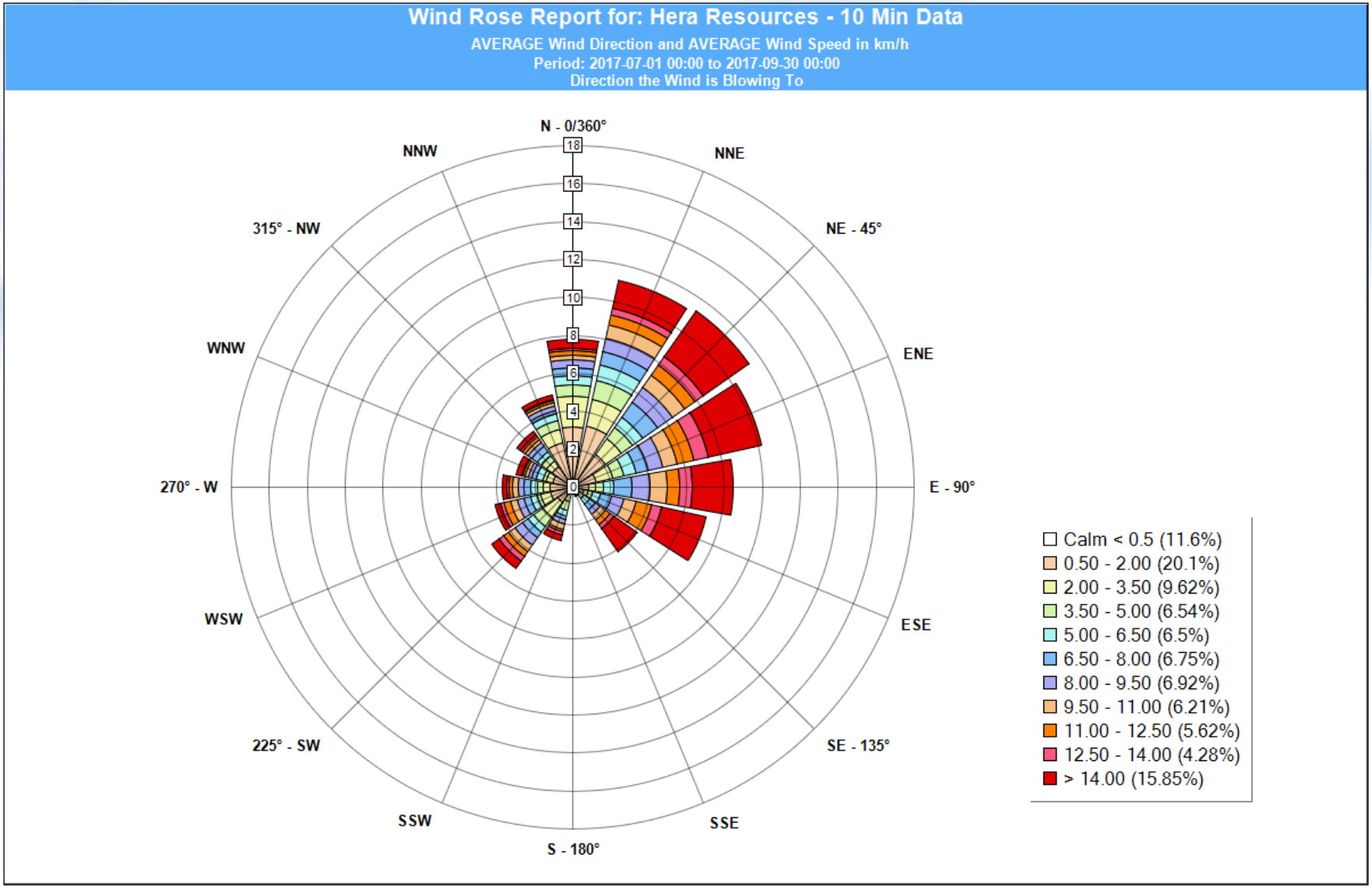
Hera Mine

WHS Incidents – Jul 18 to Sep 18

- No complaints received this quarter.

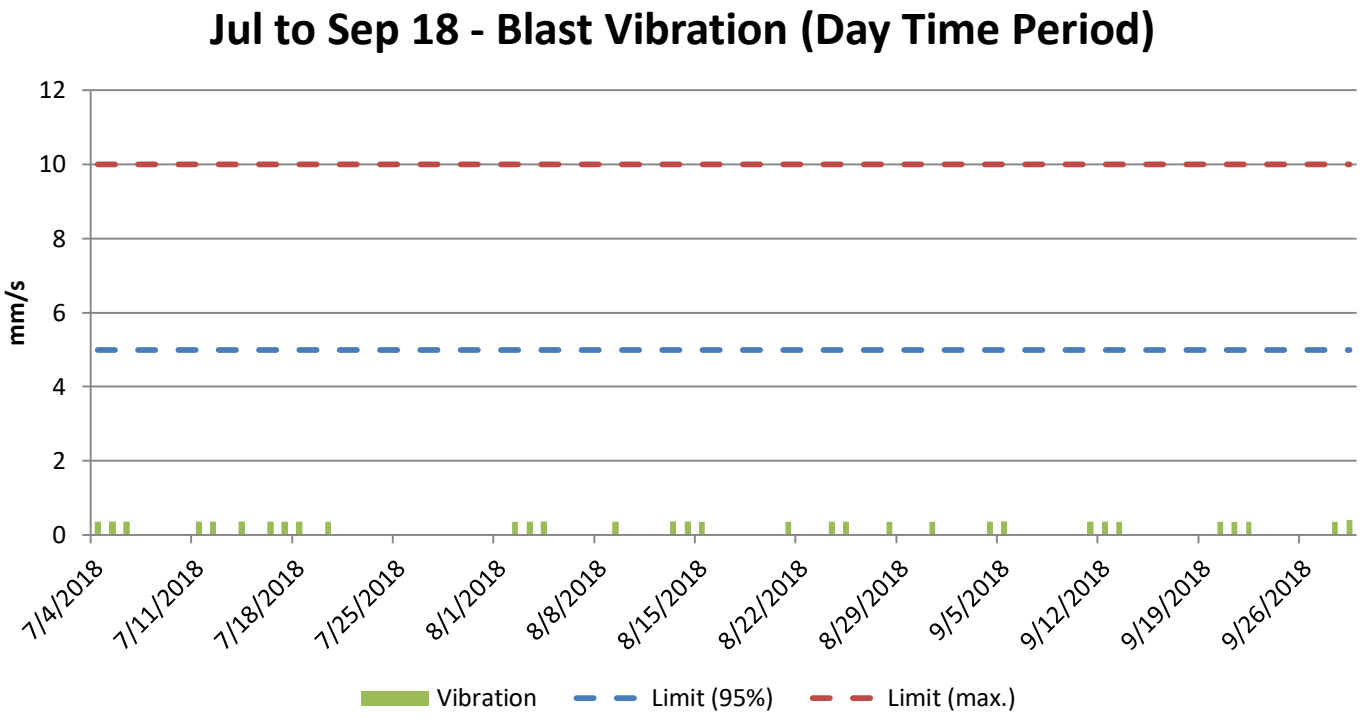
Hera Mine

Environmental Monitoring – Jul 18 to Sep 18



Hera Mine

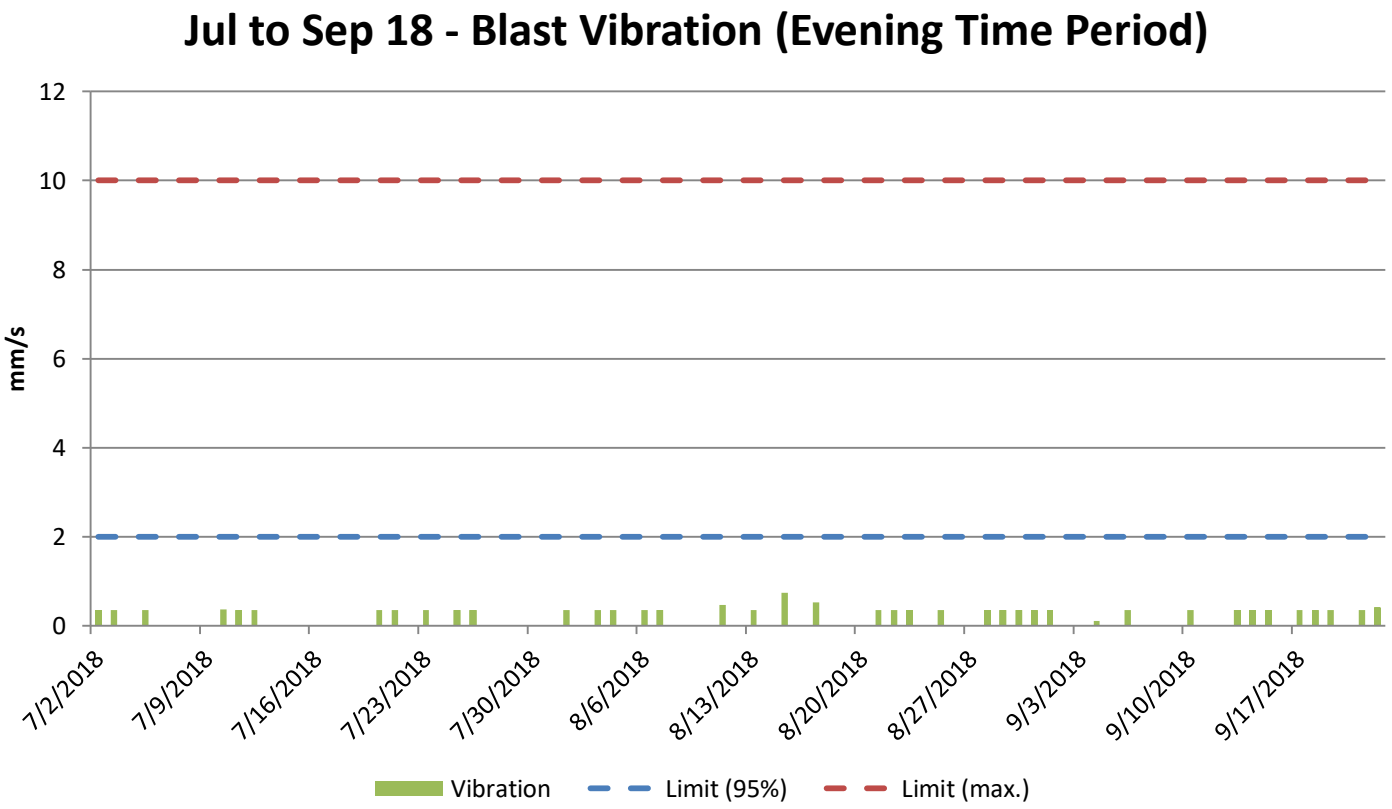
Environmental Monitoring – Jul 18 to Sep 18



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

Hera Mine

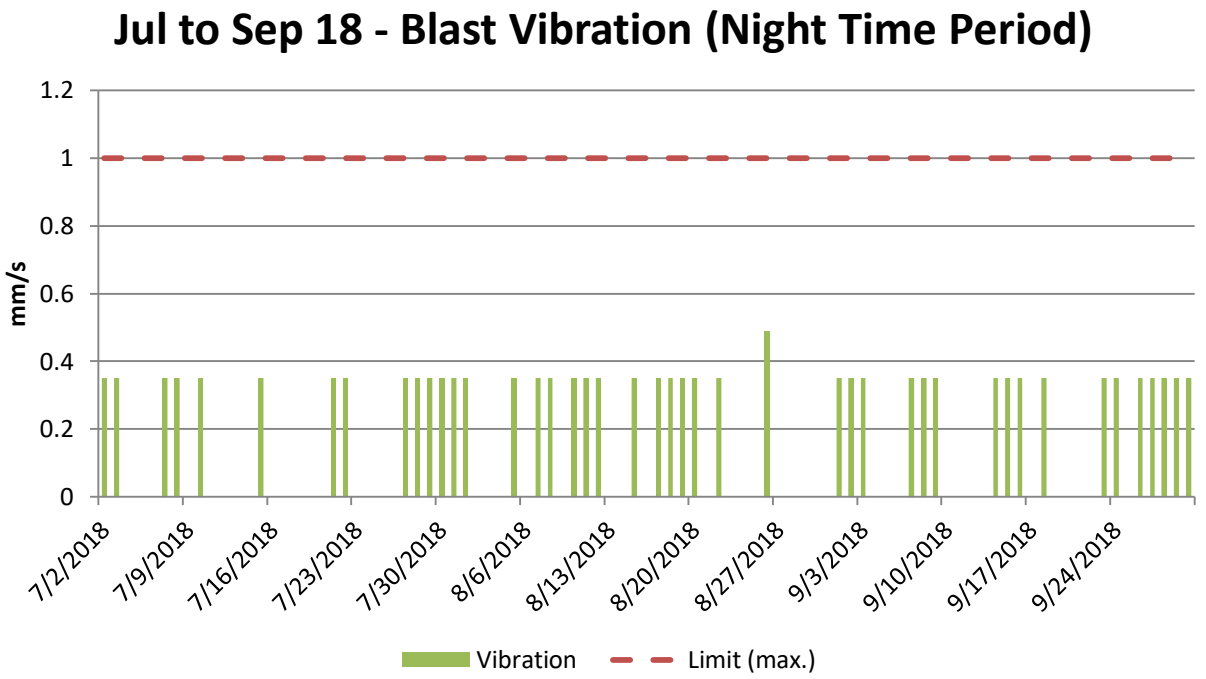
Environmental Monitoring – Jul 18 to Sep 18



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

Hera Mine

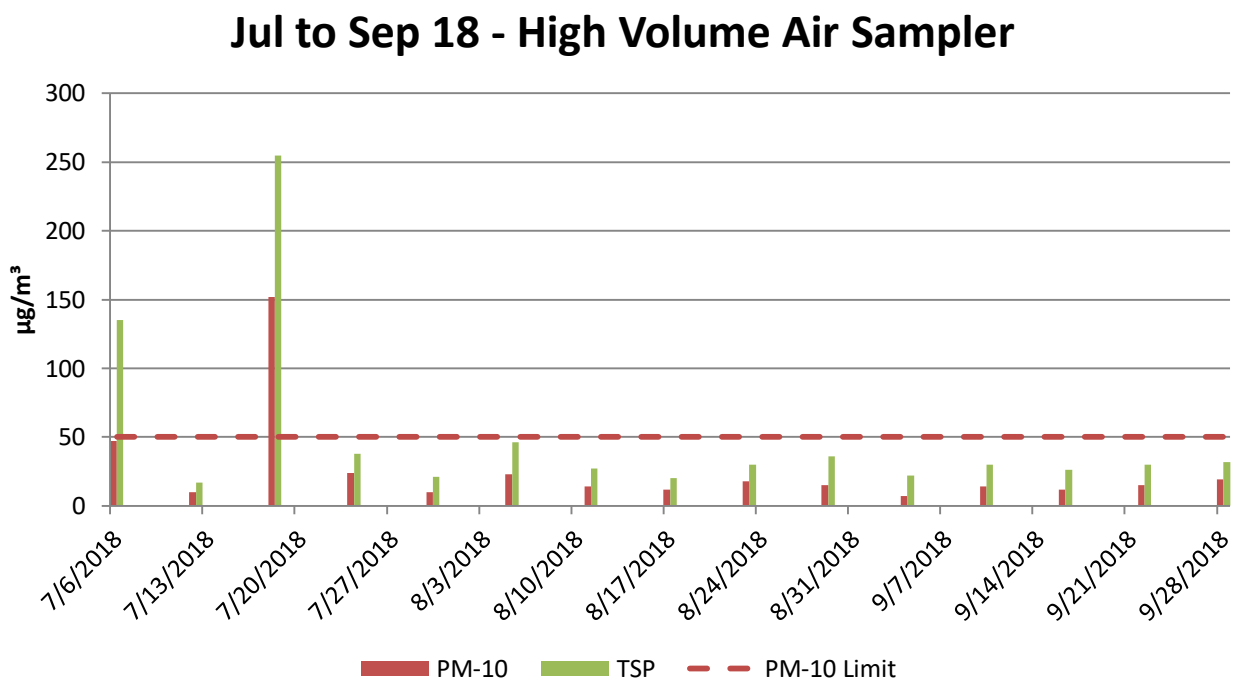
Environmental Monitoring – Jul 18 to Sep 18



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

Hera Mine

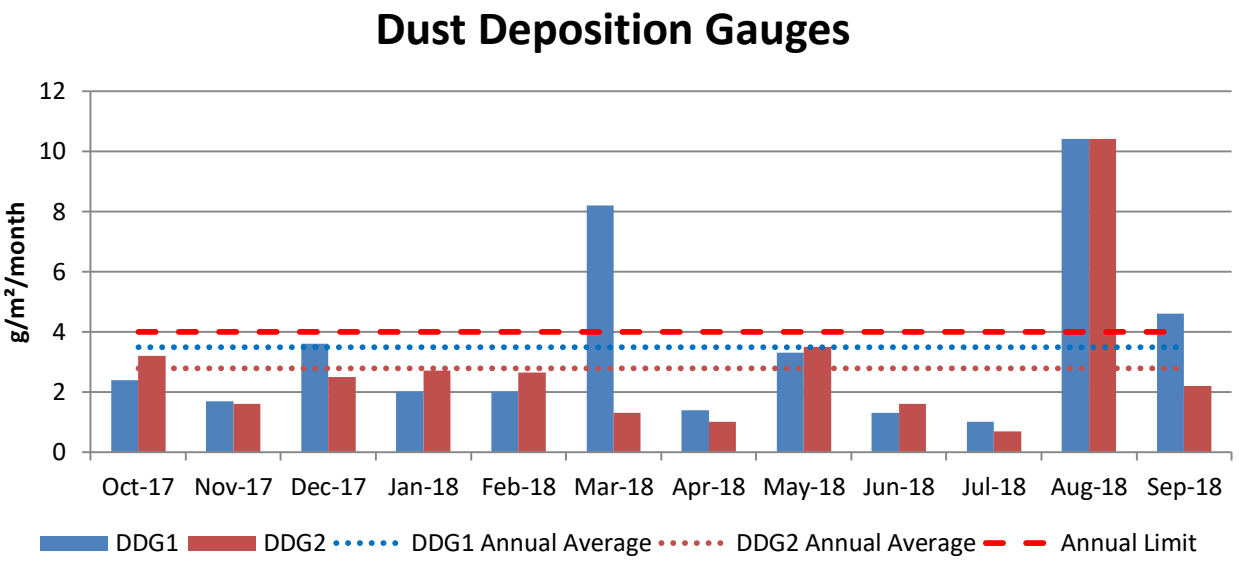
Environmental Monitoring – Jul 18 to Sep 18



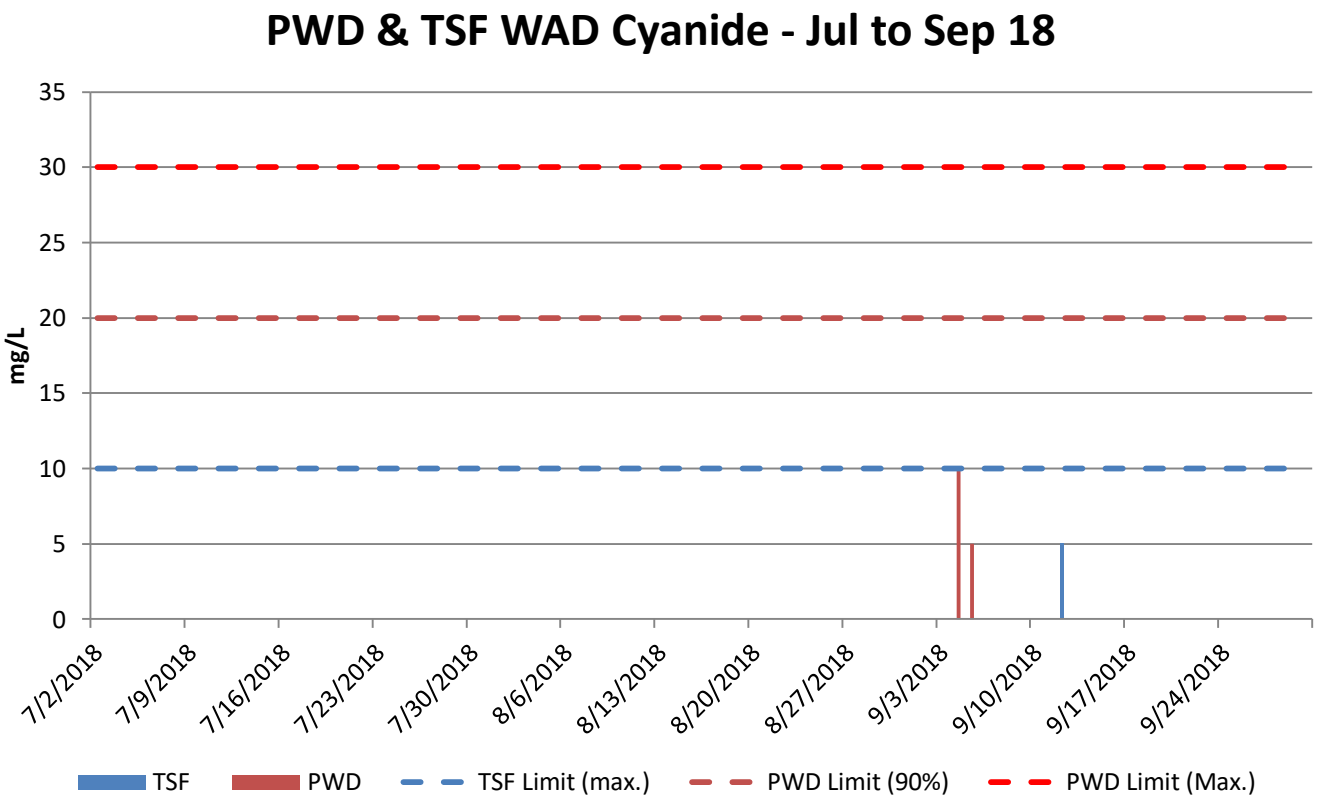
18 Jul 2018 – Dust incident most likely caused by background dust conditions. Dust conditions in NSW highest of record for the month of July

Hera Mine

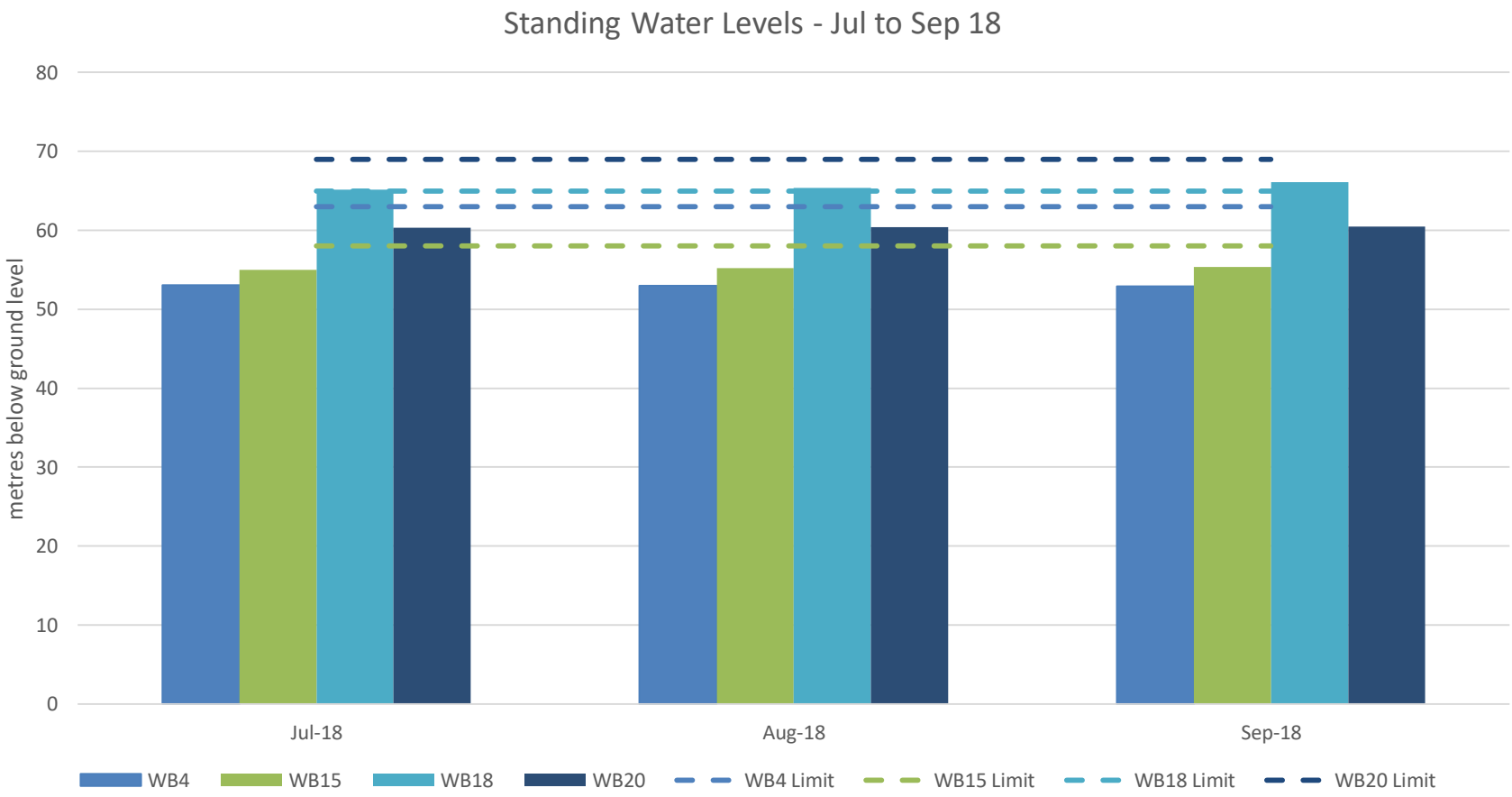
Environmental Monitoring – Jul 18 to Sep 18



Tailings Storage Facility & Process Water Dam Discharges

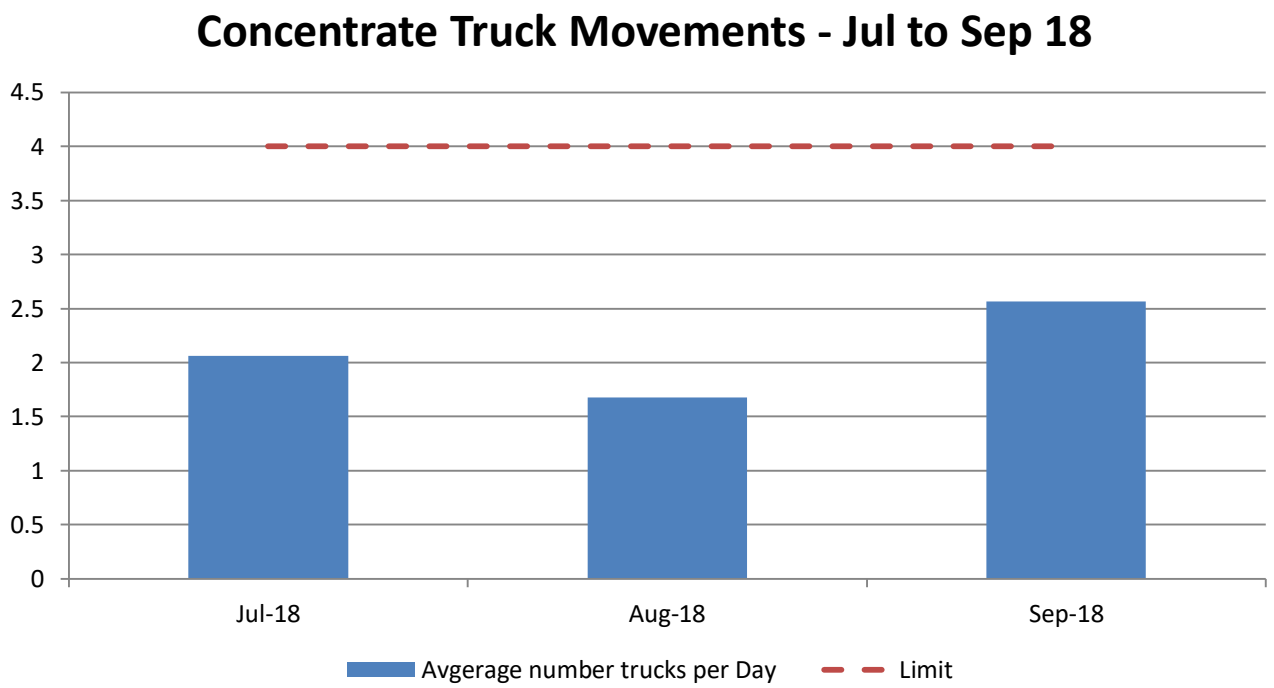


- Incident:
  - 25 and 26 Aug 2018:
    - No daily sample was taken from the discharge to TSF on these days.



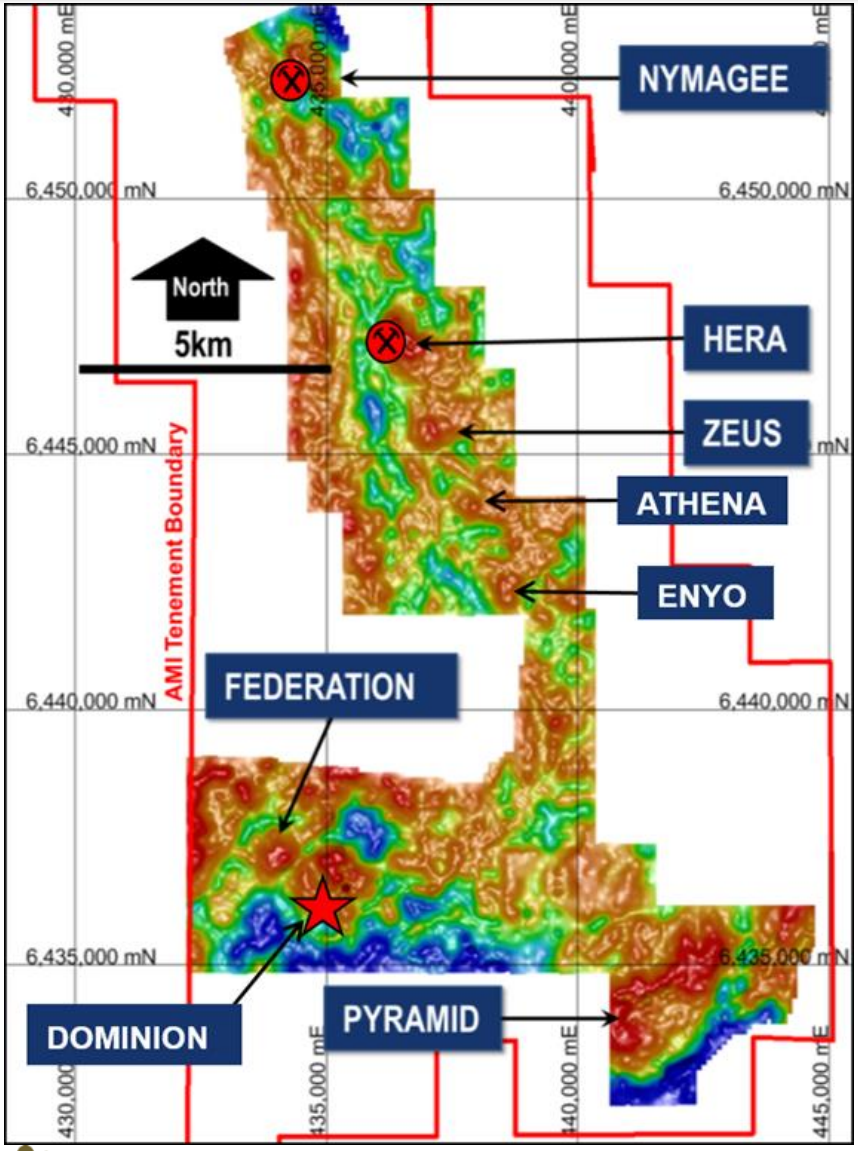
WB18 standing water level is currently under investigation to determine if the drop in water level has been caused by operations, the drought or a combination of both.

Concentrate Truck Movements



Hera Exploration Update

Gravity, Hera-Nymagee Area



- 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

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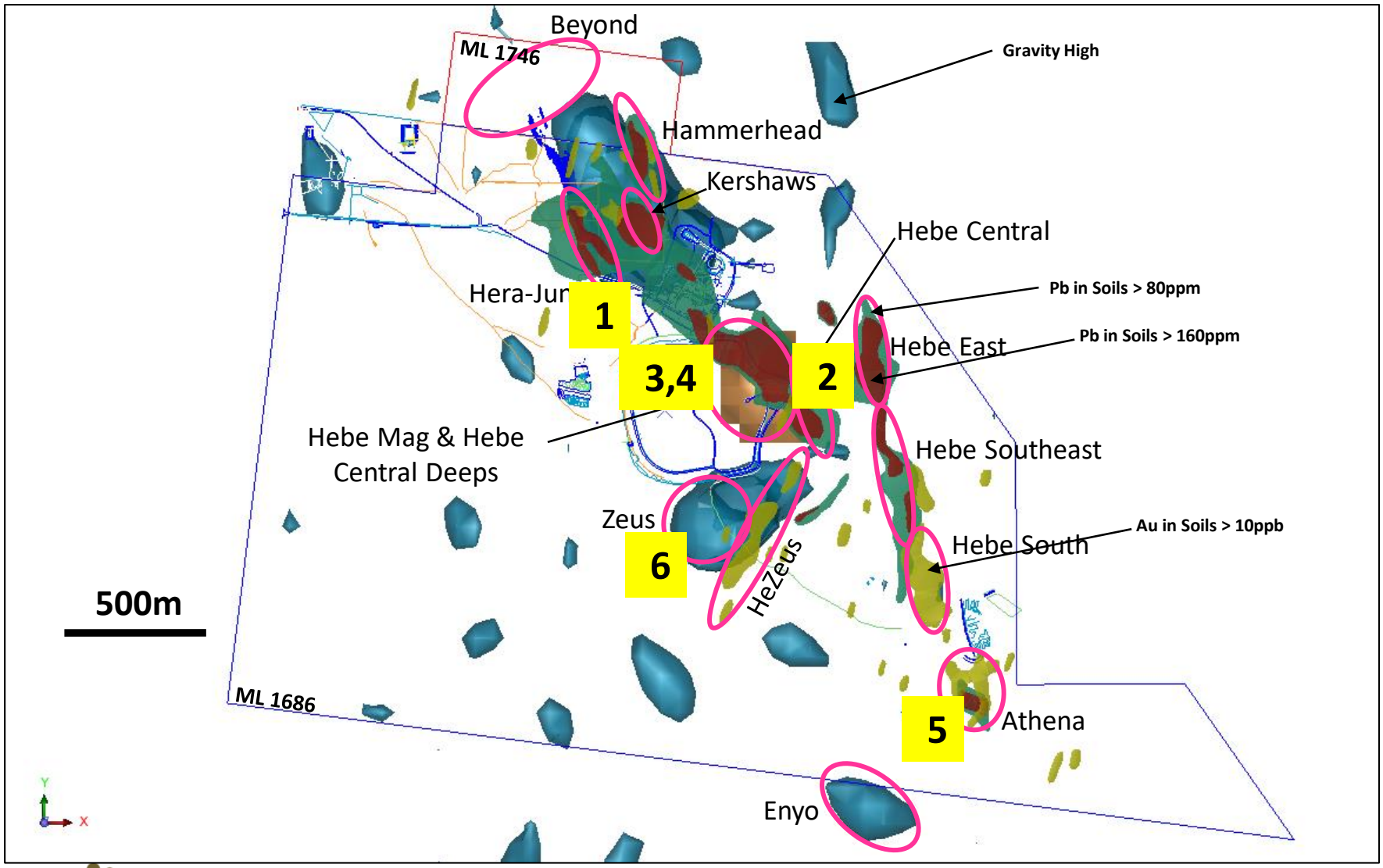
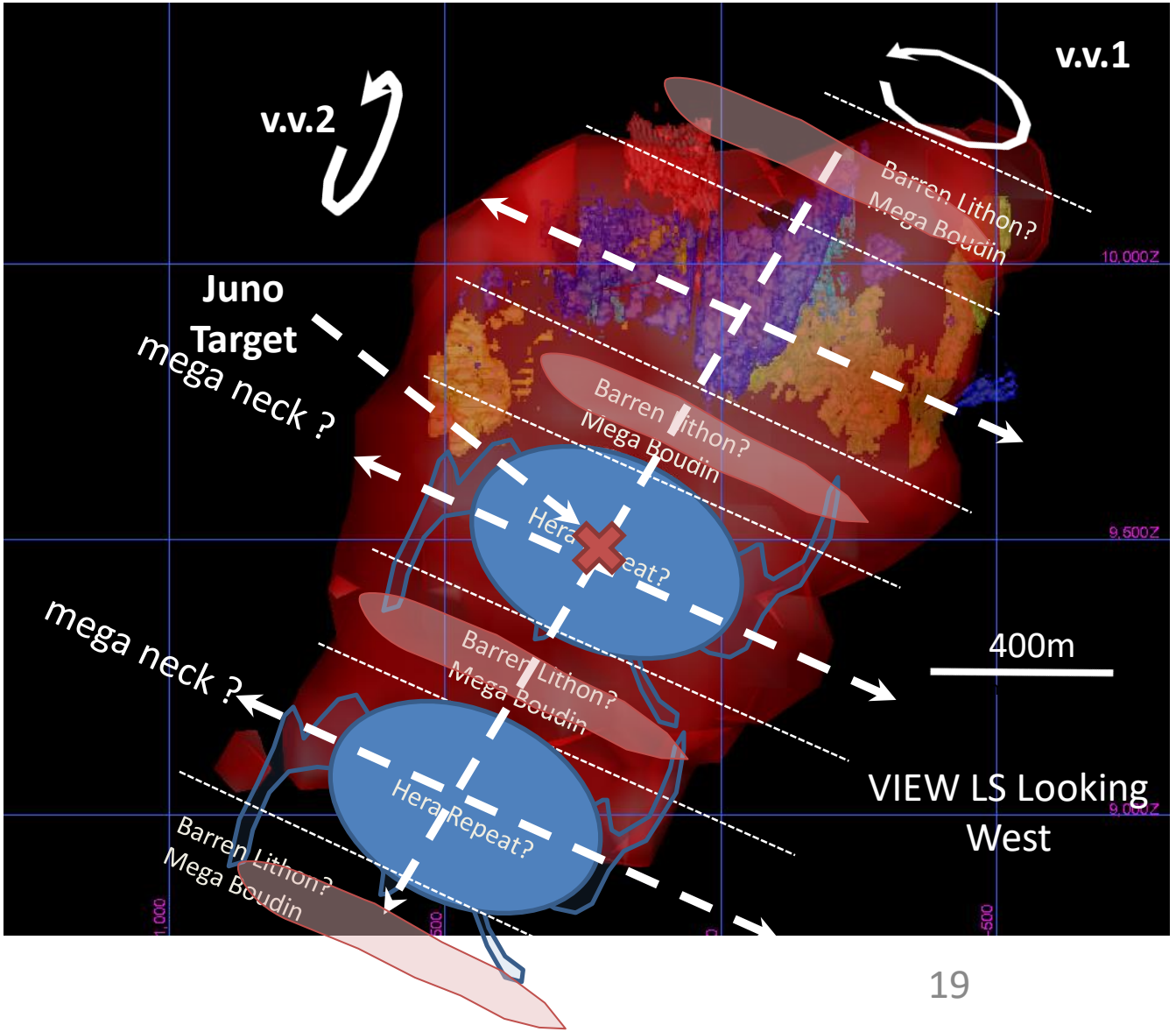
Hera Surface Exploration

NEAR MINE TARGETS



Hera Surface Exploration

JUNO TARGET – DOES HERA REPEAT AT DEPTH?



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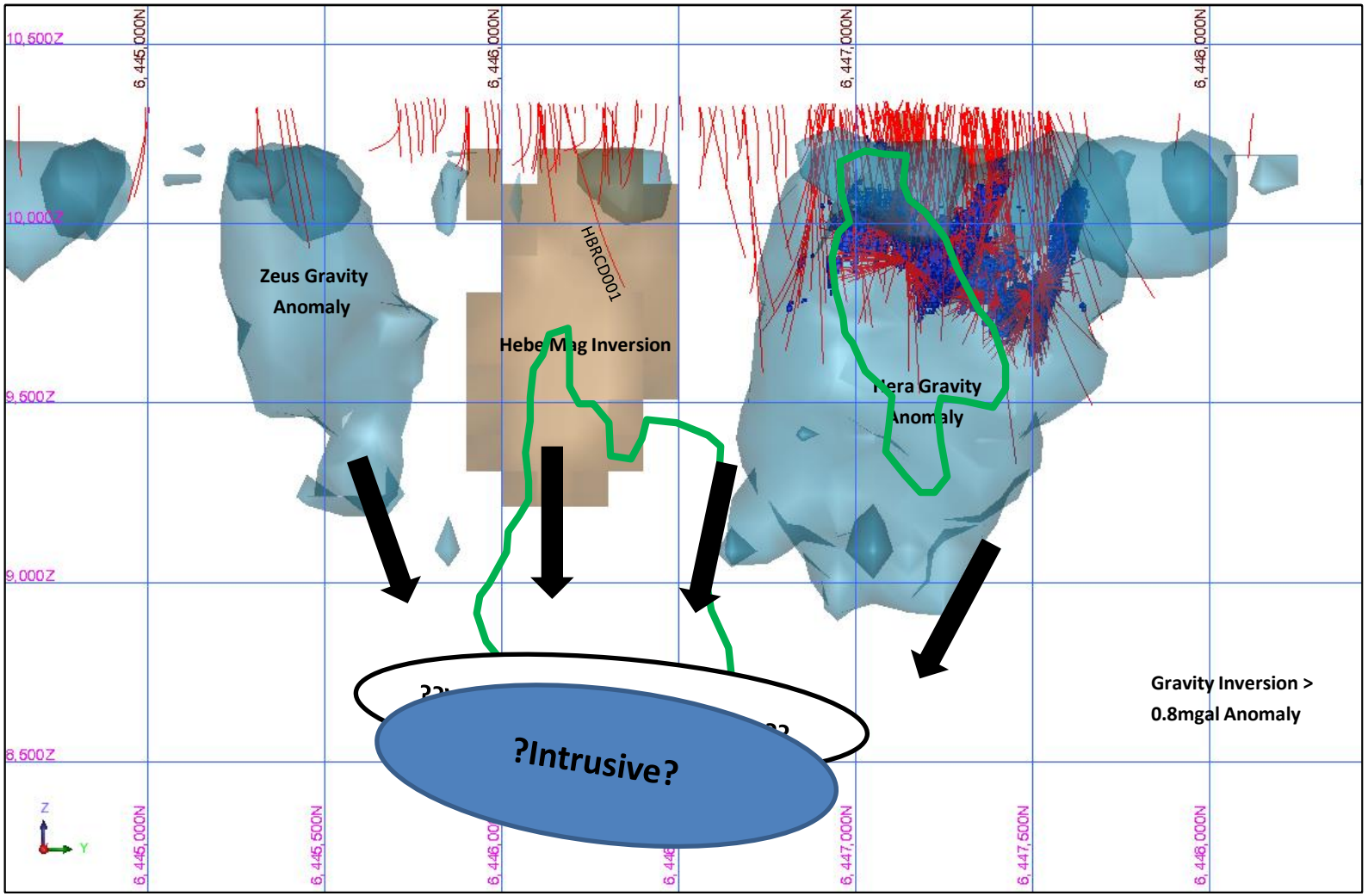
Hera Surface Exploration

NEAR MINE TARGETS



Hebe Prospect - Plan

Dominion Prospect

SEPTEMBER 2018 DRILLING – RESULTS TO DATE

- Colours represent type of ore; orange for oxidised, light blue for transitional, and dark blue for primary.
- A rough Au equivalent based on prices only is included

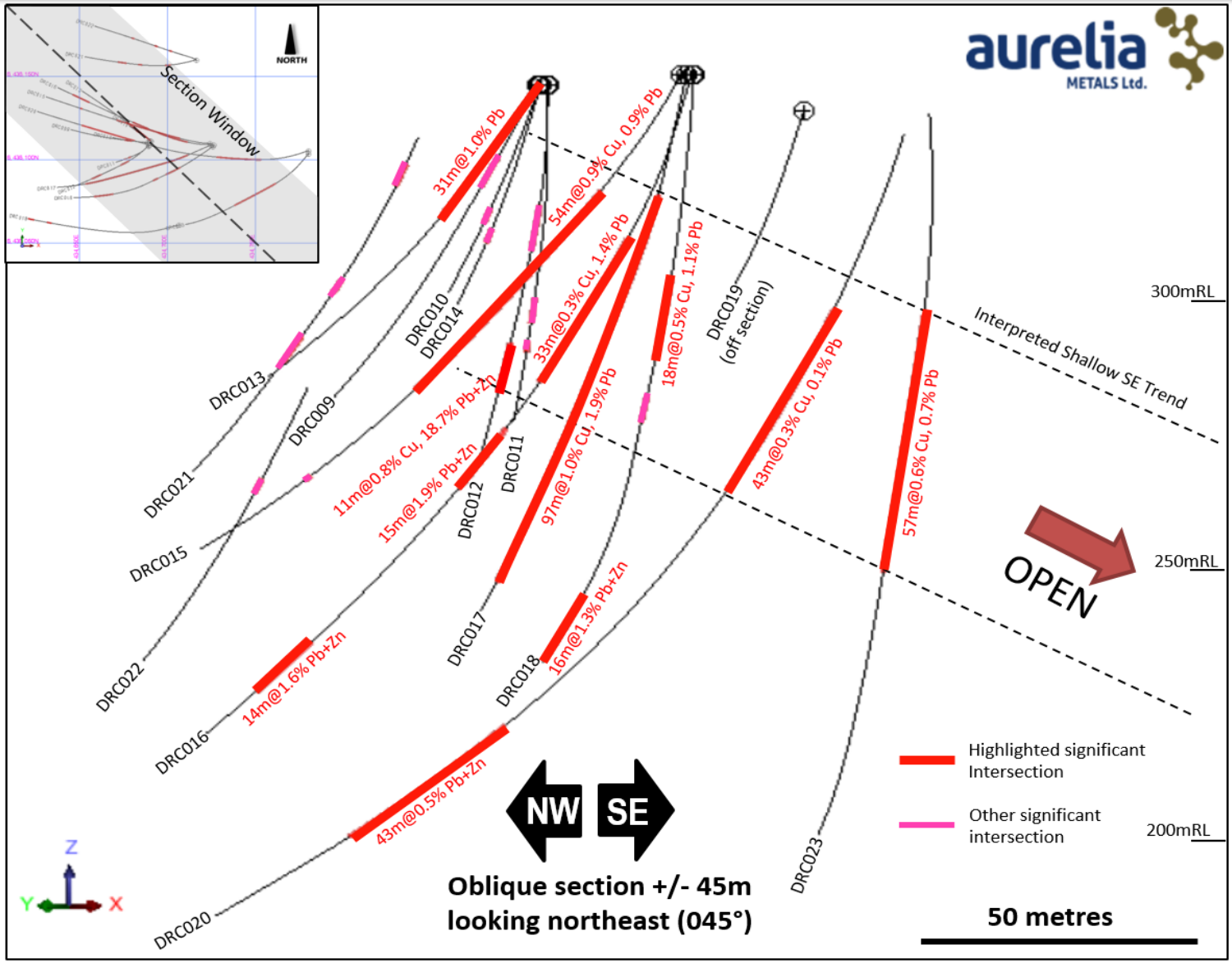
Key Intercepts:

- Multiple, broad, near-surface intercepts returned including:
  - **97 metres at 1.0% Cu, 2.4% Pb+Zn, 8g/t Ag, 0.14g/t Au**
  - **54 metres at 0.9% Cu, 0.9% Pb+Zn, 6g/t Ag, 0.08g/t Au**
  - **57 metres at 0.6% Cu, 0.8% Pb+Zn, 2g/t Ag, 0.08g/t Au**
  - **33 metres at 0.3% Cu, 1.5% Pb+Zn, 4g/t Ag, 0.04g/t Au**
  - **11 metres at 0.8% Cu, 18.7% Pb+Zn, 20g/t Ag, 0.25g/t Au**

Hole ID	Intercept	Cu %	Pb %	Zn %	Au g/t	Ag g/t	From (m)	Min. Style
DRC009	7	0.2	1.9	0.2	0.23	2	17	Supergene
DRC010	3	0.2	1.1	0.2	0.09	7	27	Supergene
DRC011	5	4.7	0.1	0.3	0.37	9	44	Supergene
	2	1.8	0.5	0.1	0.10	1	53	Supergene
DRC012	10	0.1	0.6	0.1	0.08	6	28	Supergene
	11	0.8	16.9	1.8	0.25	20	60	Supergene
includes	*5*	*1.4*	*34.5*	*2.9*	*0.49*	*41*	*61*	*Supergene*
DRC013	31	0.1	1.0	0.1	0.04	0	0	Supergene
includes	*4*	*0.3*	*5.7*	*0.3*	*0.21*	*1*	*22*	*Supergene*
DRC014	3	3.1	0.6	0.3	0.19	33	30	Supergene
DRC015	54	0.9	0.9	0.1	0.08	6	29	Supergene
includes	*6*	*7.5*	*5.1*	*0.1*	*0.52*	*47*	*58*	*Supergene*
	1	1.0	0.3	1.2	0.09	4	110	Transitional
DRC016	33	0.3	1.4	0.1	0.04	4	36	Supergene
includes	*8*	*0.2*	*4.8*	*0.1*	*0.05*	*11*	*38*	*Supergene*
and	*11*	*0.7*	*0.4*	*0.5*	*0.04*	*2*	*52*	*Supergene*
	15	0.1	0.6	1.3	0.01	2	80	Transitional
includes	*2*	*0.5*	*3.8*	7.9	0.03	*7*	*93*	*Transitional*
	14	0.0	0.8	0.8	0.01	1	136	Sulphide
DRC017	*97*	*1.0*	*1.9*	0.5	0.14	8	28	Supergene
includes	*9*	*0.6*	*5.1*	*0.5*	*0.31*	*4*	*40*	*Supergene*
and	*17*	*3.9*	*5.5*	*0.5*	*0.46*	*26*	*70*	*Supergene*
and	*4*	*3.1*	*4.2*	*6.4*	*0.25*	*37*	*96*	*Transitional*
DRC018	18	0.5	1.1	0.4	0.19	1	46	Supergene
includes	*7*	*0.9*	*2.2*	*1.0*	*0.45*	*1*	*49*	*Supergene*
	6	0.4	0.0	0.0	0.04	1	73	Supergene
	16	0.1	0.8	0.5	0.02	1	121	Transitional
DRC019	3	0.0	0.1	0.5	0.00	0	113	Sulphide
	4	0.0	0.0	0.8	0.00	1	126	Sulphide
DRC020	43	0.3	0.1	0.0	0.02	1	53	Supergene
includes	*6*	*1.0*	*0.1*	*0.0*	*0.05*	*2*	*54*	*Supergene*
	38	0.0	0.1	0.4	0.01	0	163	Sulphide
includes	*6*	*0.1*	*0.6*	*0.9*	*0.01*	*1*	*195*	*Sulphide*
DRC021	5	0.1	0.9	0.1	0.02	1	28	Supergene
	3	0.3	4.4	0.2	0.06	5	56	Supergene
	7	0.2	6.3	0.1	0.06	10	70	Supergene
DRC022	3	0.1	0.6	0.0	0.0	1	40	Supergene
	4	0.6	0.2	0.1	0.0	3	61	Supergene
	3	0.0	0.2	0.4	0.01	0	93	Sulphide
DRC023	57	0.6	0.7	0.1	0.08	2	53	Supergene
includes	*10*	*0.8*	*3.7*	*0.4*	*0.18*	*1*	*74*	*Supergene*
and	*13*	*1.1*	*0.0*	*0.1*	*0.13*	*4*	*90*	*Transitional*

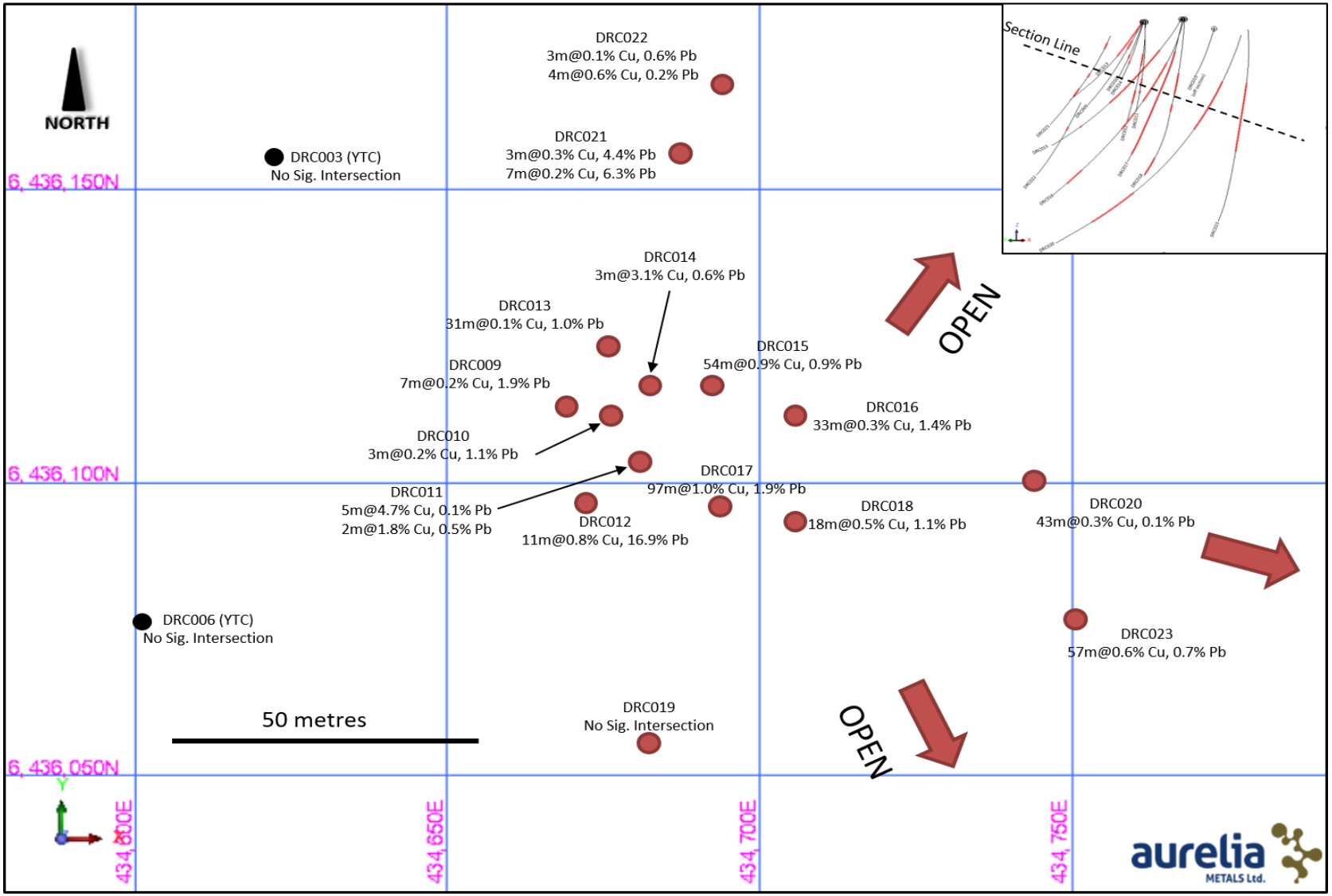
Dominion Prospect

SEPTEMBER 2018 DRILLING - RESULTS



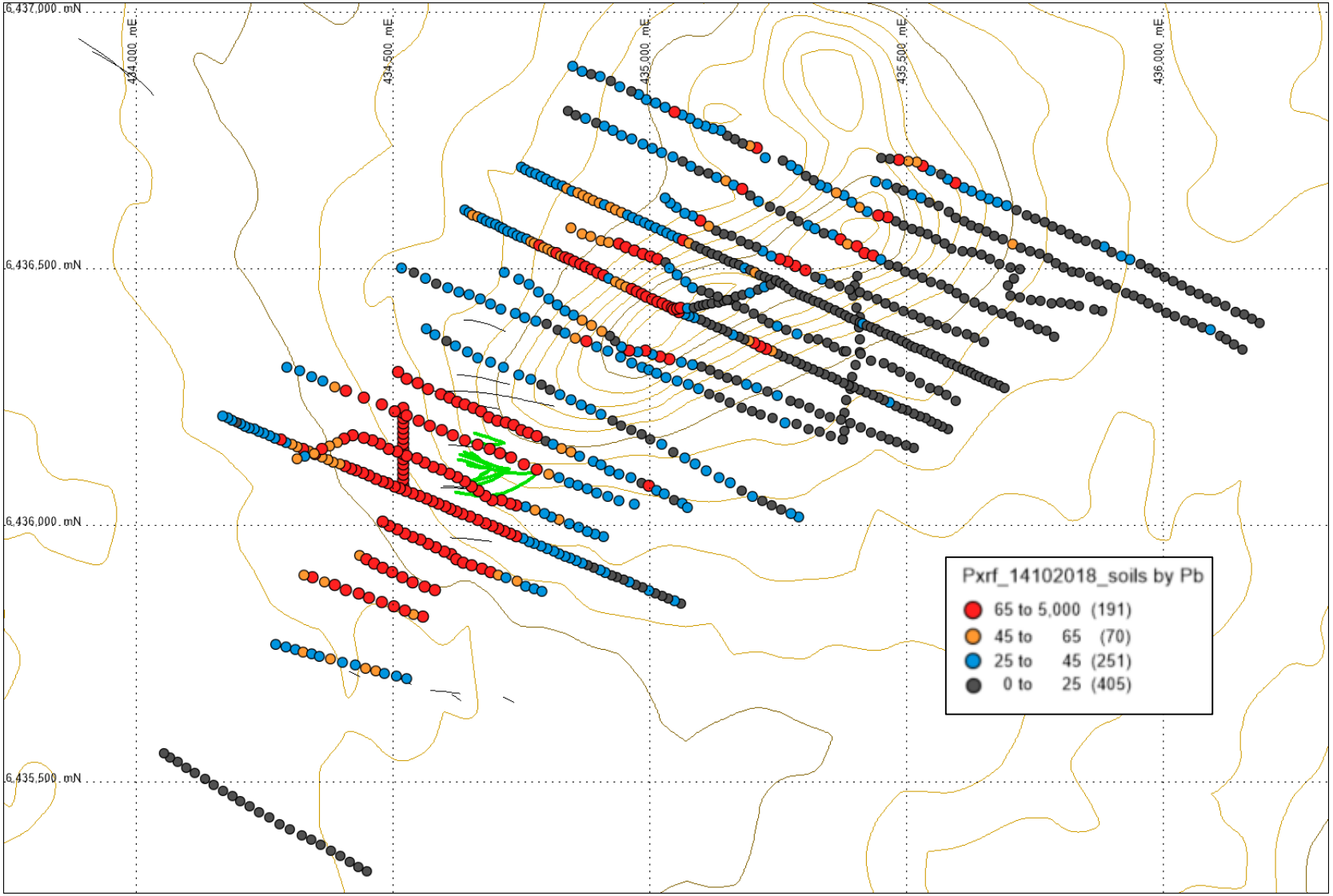
Dominion Prospect

SEPTEMBER 2018 DRILLING - RESULTS



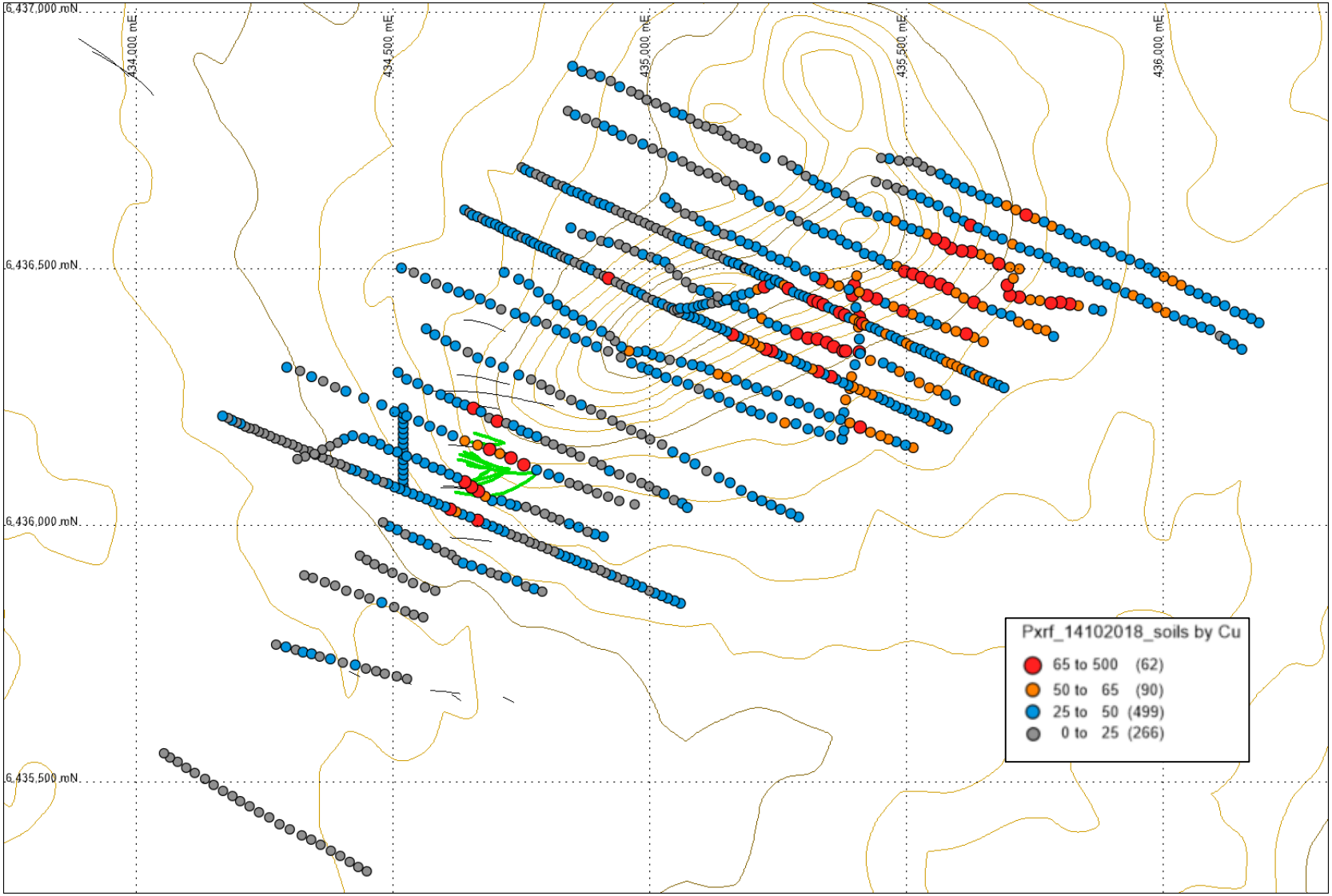
Dominion Prospect

XRF SOIL GEOCHEMISTRY - LEAD

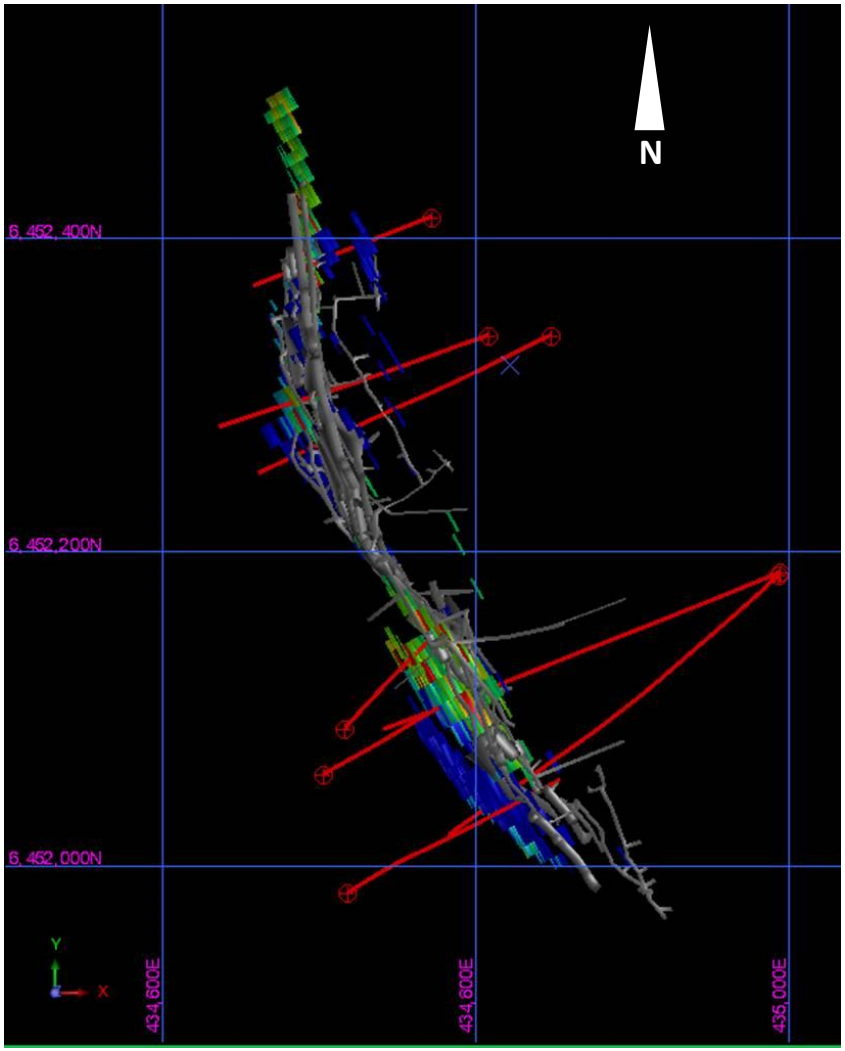


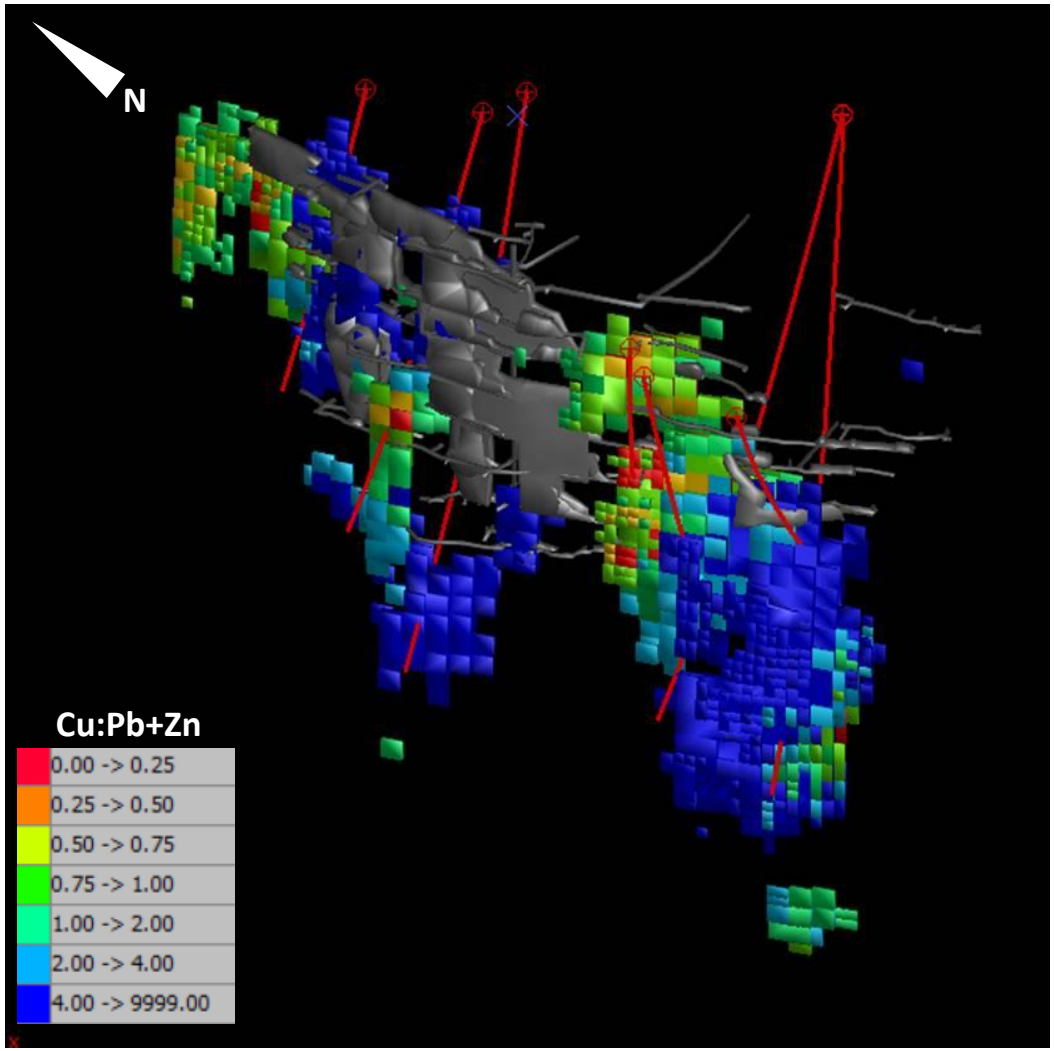
Dominion Prospect

XRF SOIL GEOCHEMISTRY - COPPER

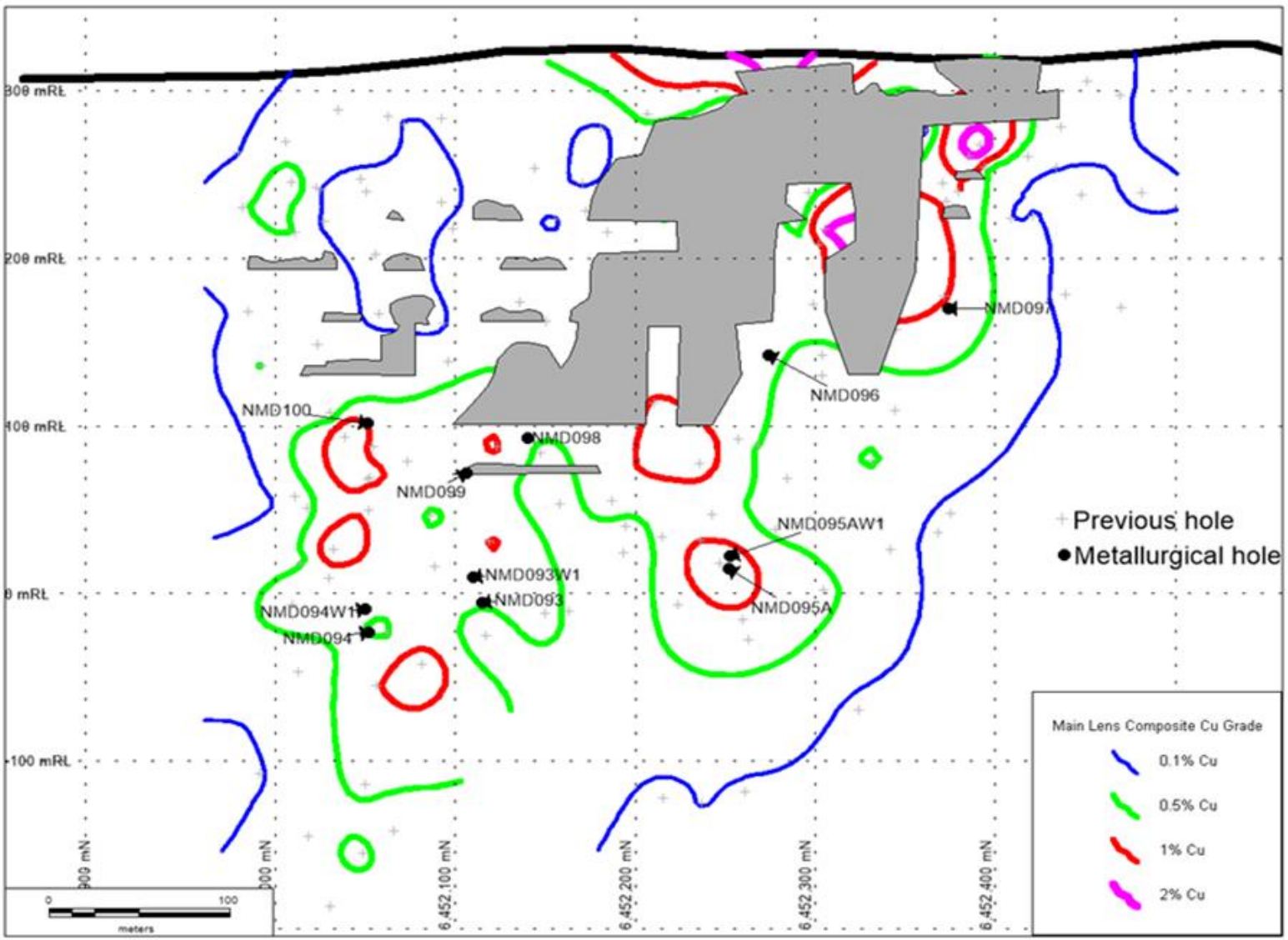


Nymagee Mine – Metallurgy Drill Program Update





Nymagee Mine – Metallurgy Drill Program Update



Long section showing the location of the metallurgical hole intercepts at Nymagee

Nymagee Mine – Metallurgy Drill Results

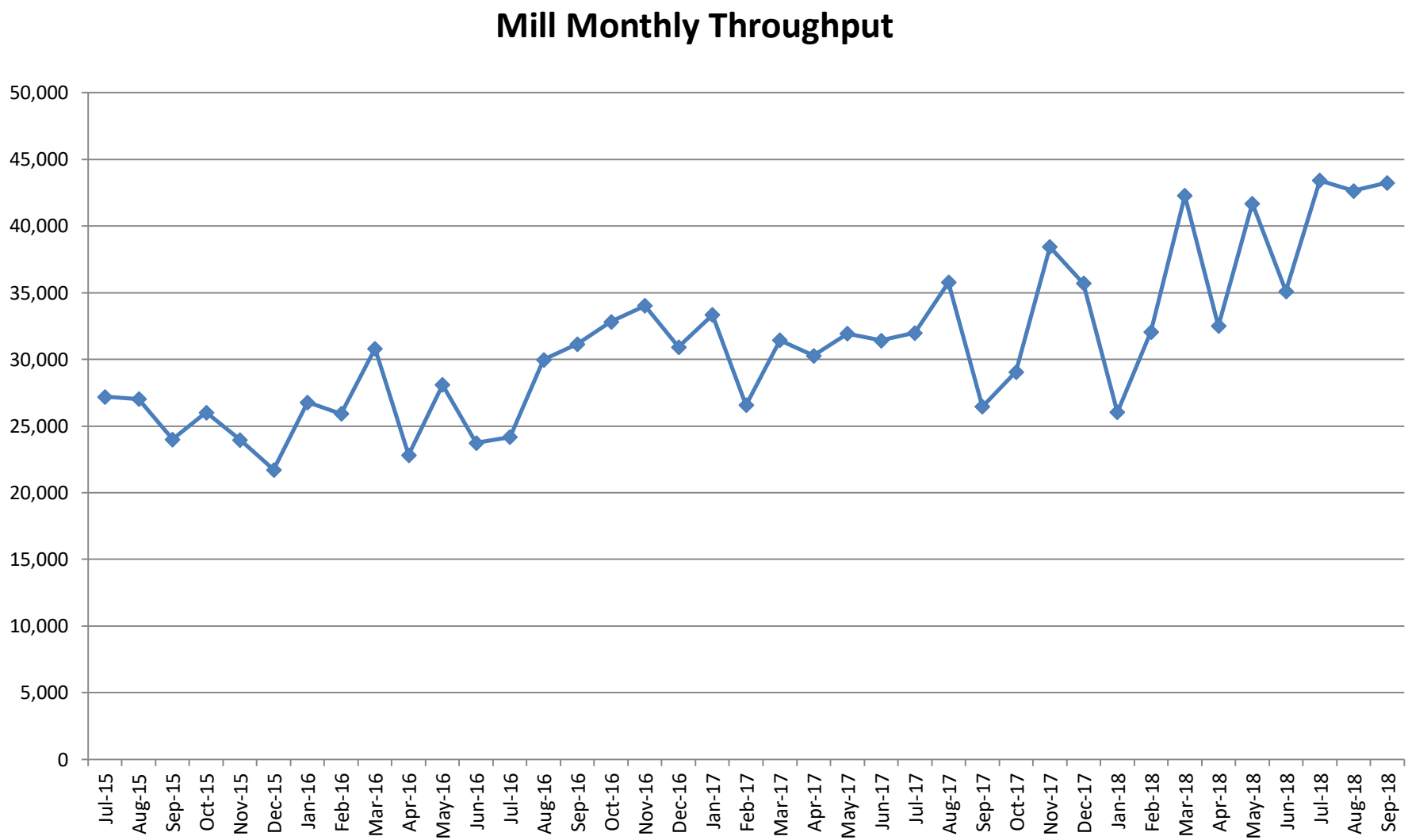
Hole	Interval (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t	From (m)	NSR (Resource)	NSR Short (Current)
NMD093	22	0.6	0.0	0.1	3	0.2	396	48	45
including	*6*	*1.1*	*0.0*	*0.1*	*3*	*0.5*	*411*	*93*	*86*
NMD093W1	18	1.0	0.0	0.1	5	0.1	375	70	65
including	*3*	*2.2*	*0.0*	*0.1*	*12*	*0.1*	*375*	*147*	*136*
and	*3*	*2.1*	*0.0*	*0.1*	*7*	*0.2*	*385*	*146*	*135*
NMD094	19	3.2	0.0	0.0	10	0.0	268	203	187
including	*8*	*4.5*	*0.0*	*0.0*	*17*	*0.0*	*275*	*291*	*268*
	8	3.0	0.3	0.4	18	0.0	422	208	193
	13	2.4	0.1	0.2	15	0.1	443	161	148
including	*6*	*3.9*	*0.1*	*0.3*	*26*	*0.2*	*447*	*263*	*243*
NMD094W1	18	2.4	0.0	0.1	8	0.0	274	156	144
including	*9*	*4.1*	*0.0*	*0.0*	*14*	*0.0*	*276*	*261*	*240*
	3	1.9	0.1	0.1	5	0.0	365	122	113
	18	5.5	0.1	0.1	22	0.1	421	355	327
including	*5*	*9.4*	*0.1*	*0.2*	*32*	*0.2*	*427*	*606*	*558*
NMD095A	35.2	4.1	0.0	0.0	17	0.1	325	268	247
including	*8.8*	*10.5*	*0.0*	*0.1*	*39*	*0.2*	*347.2*	*679*	*624*
NMD095AW1	29	2.9	0.0	0.1	12	0.1	316	188	173
including	*6.2*	*8.0*	*0.0*	*0.1*	*36*	*0.2*	*335.8*	*520*	*478*
NMD096	14	2.5	0.0	0.1	9	0.1	197	162	149
including	*5*	*4.3*	*0.0*	*0.1*	*15*	*0.1*	*201*	*274*	*253*
	3	0.3	1.7	4.1	16	0.0	224.5	114	115
	3	0.6	0.7	2.7	21	0.3	240	117	114
NMD097	11	1.2	0.0	0.1	9	0.1	154	84	77
	11	1.7	0.0	0.1	7	0.1	172	111	102
	6	0.1	0.9	2.5	10	0.0	188	68	69
NMD098	27	0.3	3.4	6.6	28	0.0	208	185	186
including	*7*	*0.6*	*8.0*	*15.4*	*63*	*0.0*	*208*	*426*	*429*
and	*10*	*0.1*	*2.7*	*5.3*	*22*	*0.1*	*221*	*146*	*147*
NMD099	6	0.5	5.2	11.8	49	0.0	225	317	321
	5.3	0.4	1.1	1.8	8	0.1	249	76	74
	12	2.5	0.1	0.2	12	0.1	266	166	153
including	*7*	*3.6*	*0.0*	*0.1*	*13*	*0.1*	*270.3*	*235*	*217*
NMD100	13	2.9	0.7	1.4	20	0.1	220	219	205
including	*2*	*0.7*	*4.4*	*8.3*	*33*	*0.0*	*220*	*253*	*254*
and	*6*	*4.5*	*0.1*	*0.2*	*20*	*0.1*	*224*	*295*	*271*

Hera Processing Performance

Traffic Light KPI Scorecard - Monthly

Hera – Sep-18 – KPI Scorecard		Month Actual	Month Budget	YTD Actual	YTD Budget
Safety (TRIFR)		17	20	17	20
Total Lateral development (m)		221	150	691	662
Total Ore Mined		40,621	38,753	126,226	121,865
Process throughput (t)		43,250	38,748	129,338	124,546
Gold grade processed (g/t)		3.40	3.09	3.66	3.34
Gold recovery (%)		88.8%	94.0%	90.3%	94.0%
Gold production (oz.)		4,199	3,619	13,746	12,568
Pb+Zn grade processed (%)		4.4%	6.9%	4.4%	5.7%
Conc production (dmt)		2,350	4,153	8,838	11,061
Conc grade (%)		56.1%	58.0%	55.5%	58.0%
Recovery - Lead		85%	90%	85%	90%
Recovery - Zinc		90%	90%	88%	90%
Production - Contained Metal - Lead		684	883	1,952	2,553
Production - Contained Metal - Zinc		971	1,526	2,956	3,863
Silica in conc (%)		3.9%	3.0%	4.2%	3.0%
Gold losses to Conc (g/t)		1.68	1.00	1.47	1.00
Total onsite cost (opex+capex) ($/t)		122	169	134	156
Notional cash flow (after growth capita		3,456	2,831	11,236	10,252

Production


Mill Monthly Throughput
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15
Dec-15
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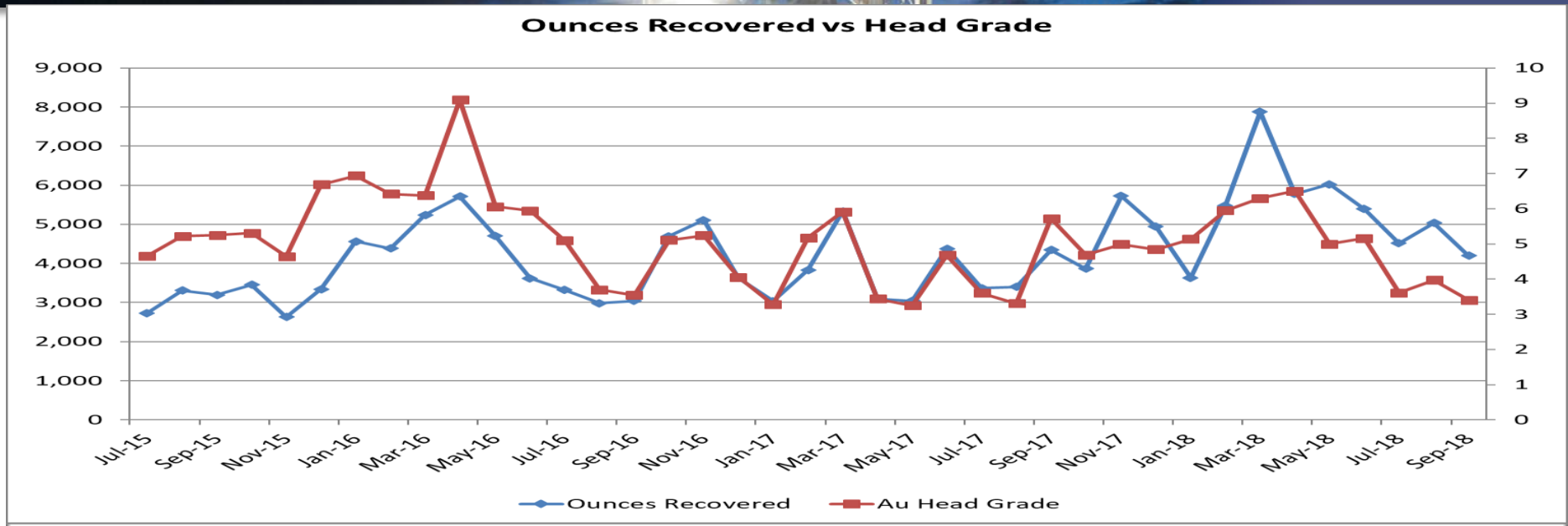
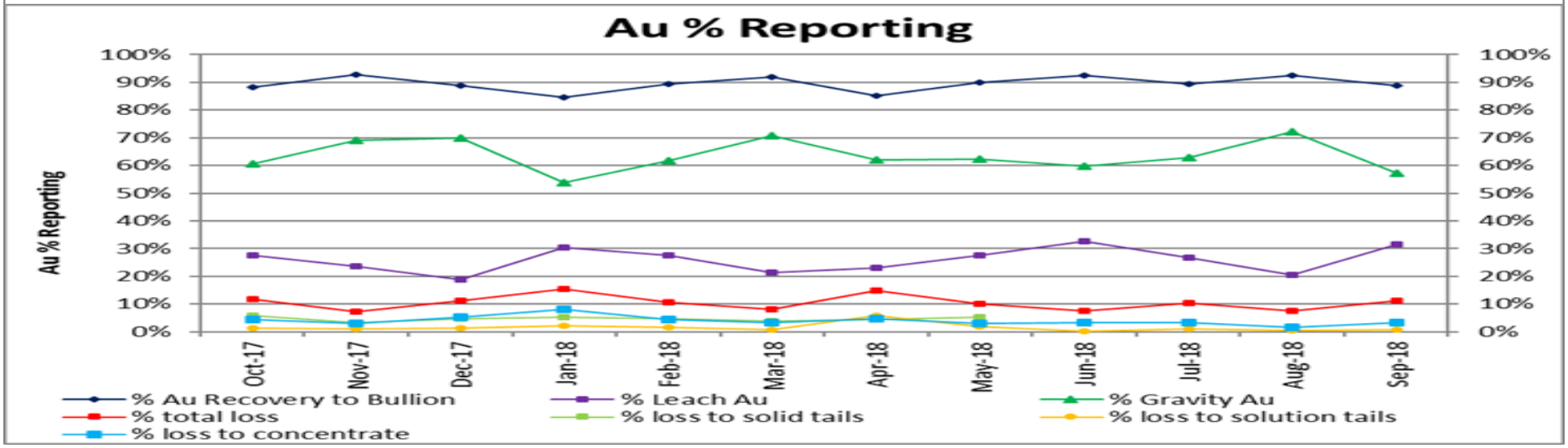
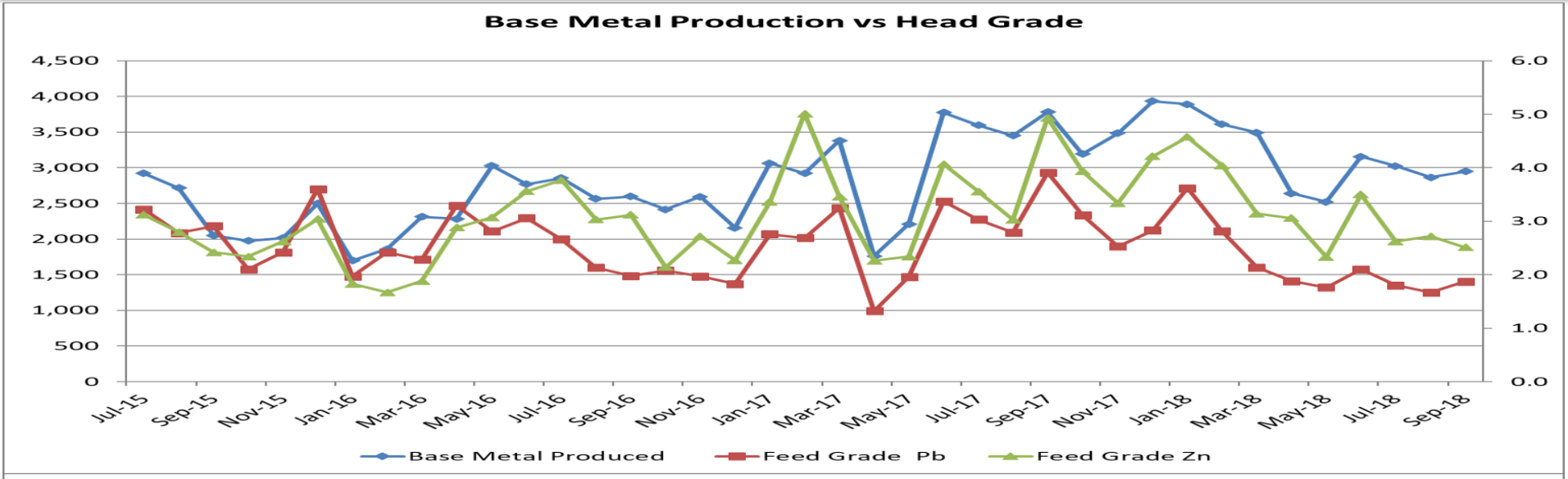
Aug-18
Sep-18

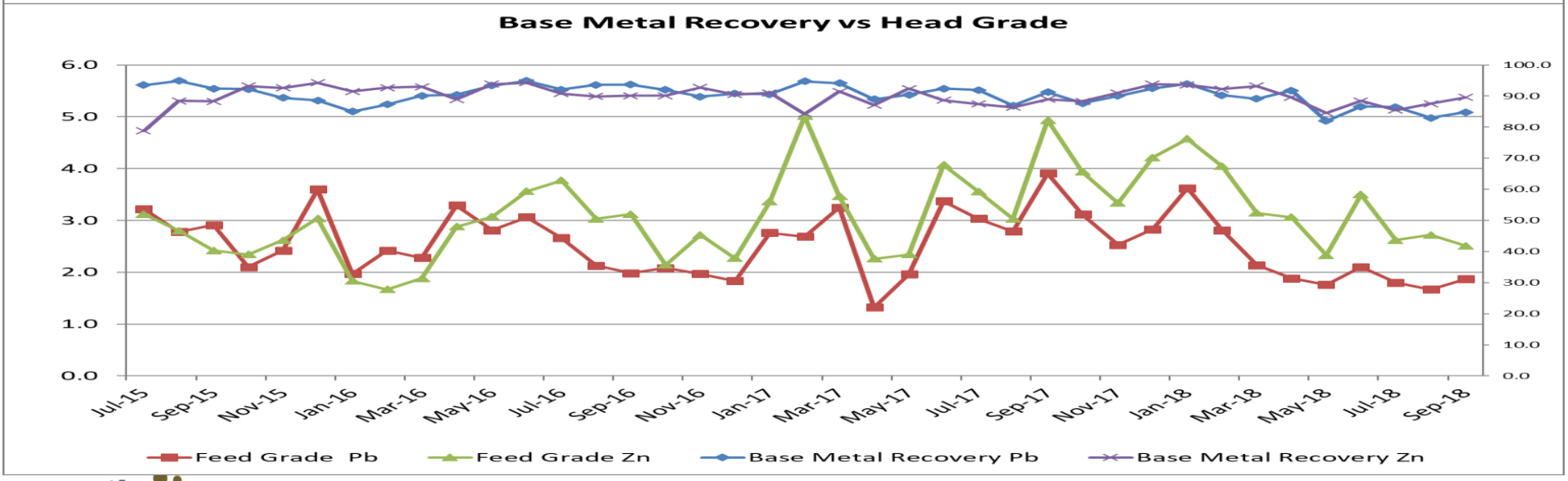
Historical Gold Performance



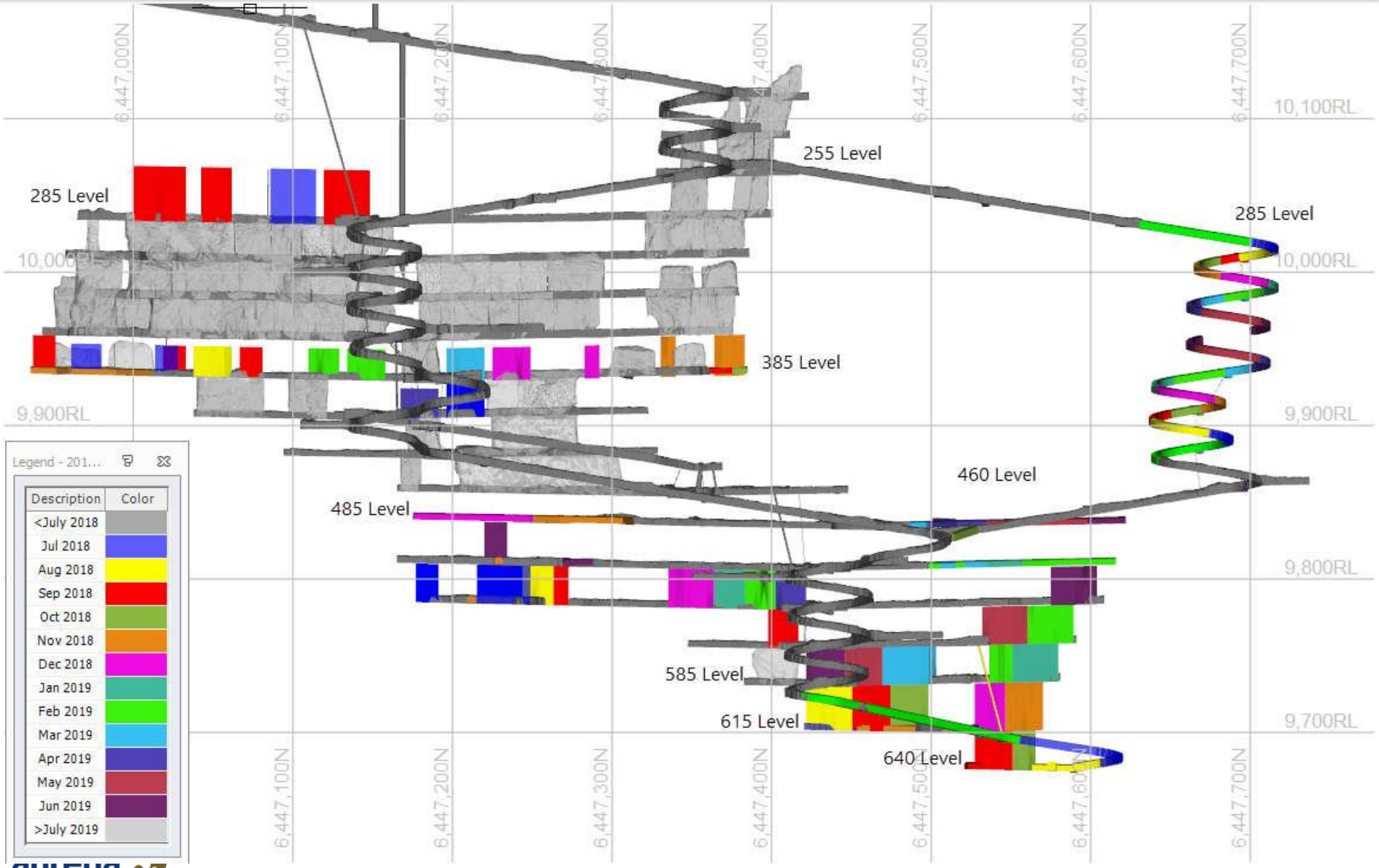


Historical Base Metals Performance





FY19 Schedule Production



Life of Mine – Four Years