

Great Cobar Deposit – The Future of Peak Gold Mines

History

The Great Cobar deposit has been an important part of Cobar since 1870 when it was first discovered. The Mine became the largest copper mine in Australia. At the time of its peak in 1912, the Great Cobar Mine boasted 14 smelters, a 64m chimney stack and it employed over 2,000 workers. Cobar at the time had a population of 10,000 people.

After the closure of the Great Cobar Mine in 1919, Cobar's population crashed to approximately 1,000 people by 1924. It was not until the opening of the New Occidental Mine in 1934 that Cobar's fortunes turned around. Subsequent mines were discovered and Peak Gold Mines (PGM) now hold Mining Leases over the Great Cobar, New Occidental, New Cobar, Chesney, Peak and Perseverance.

In 2018, PGM was acquired by Aurelia Metals Ltd (Aurelia). At that time, the operation had approximately 3 years of ore remaining. Under Aurelia's ownership, it is hoped the life of mine can be significantly extended through future exploration programs including additional exploration of Great Cobar.

The Great Cobar Deposit

The Great Cobar deposit is a copper, gold, lead and zinc deposit that has been historically mined from the surface and shallow underground mining. There are large sections of Great Cobar that have either been underexplored or not explored (**Figure 1**). If the proposed exploration program identifies more ore, this could significantly increase the life of PGM's operations. This will have flow on effects to the Cobar community including:

- employment opportunities;
- continued support of community groups and events; and
- continued support of Cobar's proud tradition of mining.

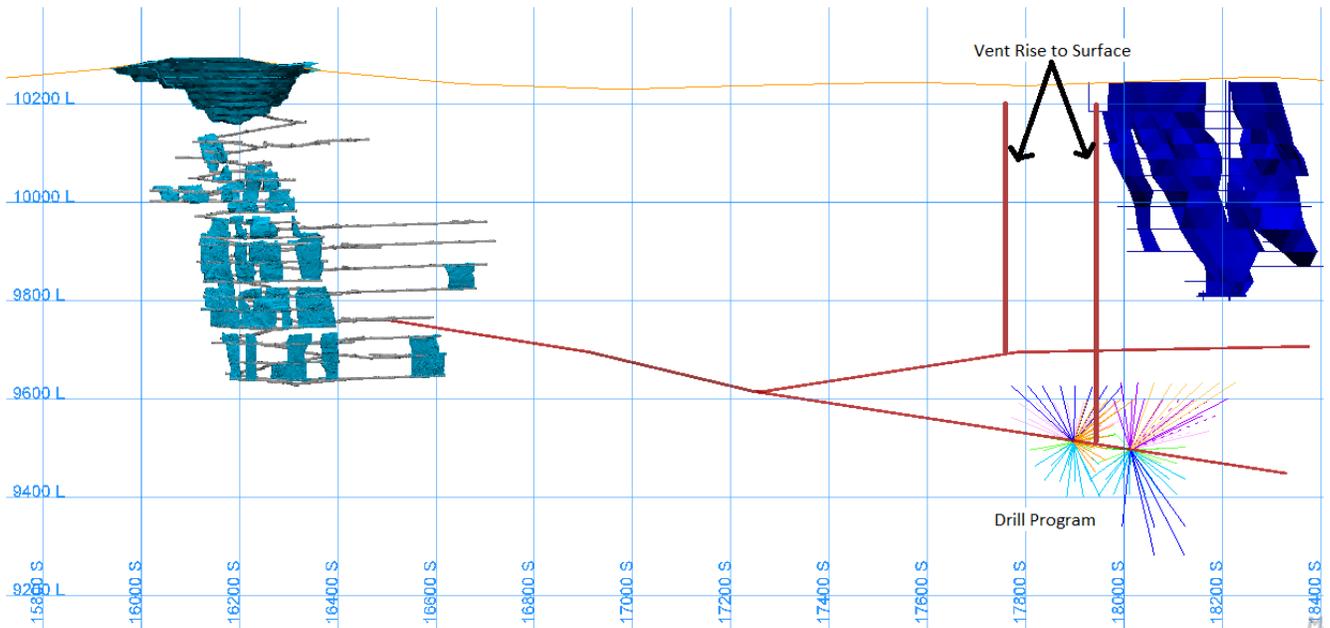


Figure 1 - Cross section looking west (north to the right of the image) presenting the planned exploration decline and exploration program at Great Cobar.

Proposed Exploration Program

PGM intend to explore the Great Cobar deposit by developing a decline from the existing New Cobar workings approximately 500m below surface. The decline would allow drilling operations that cannot be completed from surface. It will also allow a bulk sample of up to 20,000t to be extracted and metallurgically tested. **Figure 2** presents the location of the decline projected to surface while **Figure 1** presents a long section of the proposed exploration decline.

Surface expressions associated with the planned works will include the drilling of two vent rises on the existing slag dump (**Figure 2**) to aid in ventilation of the exploration decline.

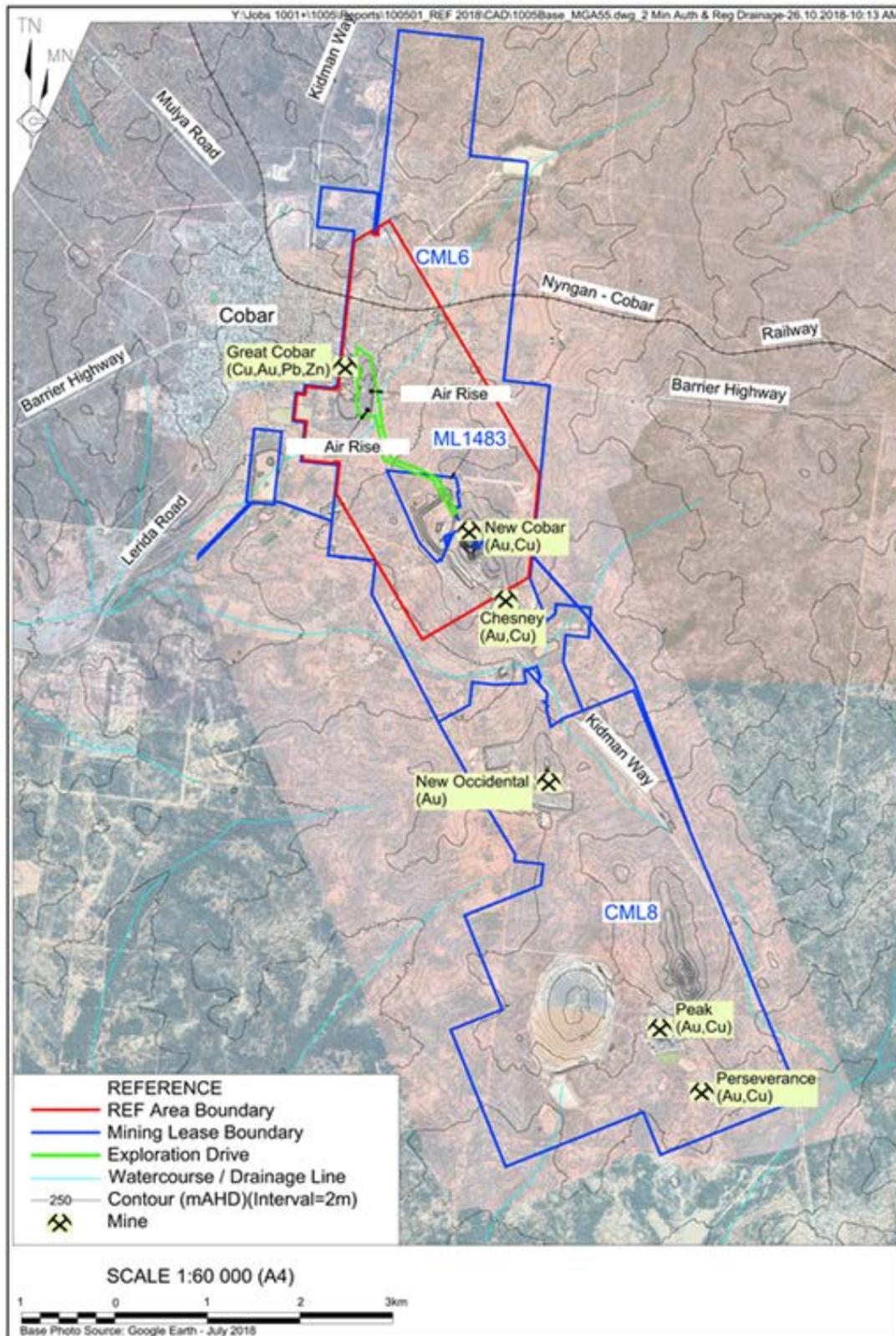


Figure 2. Location of the proposed exploration decline.



Next Steps

PGM has completed and submitted a *Review of Environmental Factors* (REF) to the Resource Regulator. The REF has assessed all potential environmental impacts associated with the proposed exploration decline, include blasting, water, air quality, noise and related impacts and outlined mitigating actions. The REF was submitted to the Resource Regulator on 5 December 2018 and PGM is expecting to gain approval for the development in early 2019. PGM hopes to commence the exploration decline in the 1st Quarter of 2019. The works will continue for approximately two years and depending on the success of the exploration program will determine the future of Great Cobar.

PGM have a commitment to maintaining and developing positive communication and relations with the Cobar community. PGM is committed to providing future opportunities and employment for local residences and businesses.

If you have any questions please send them to greatcobar@aureliametals.com.au or alternative by post addressed to: *Environment Team, Peak Gold Mines, PO Box 328, Cobar NSW 2835*. and your question will be answered.

Date: 12 December 2018