

## HERA PROJECT UPDATE

- First concentrate production
- Crushing circuit operating above design capacity
- Implied recoveries of >80% for zinc and >90% for lead
- Gold circuit commissioning this week

Aurelia Metals Limited ("AMI" or the "Company") is pleased to provide an update on development and commissioning activities at its Hera gold-lead-zinc Project.

### PROCESS PLANT COMMISSIONING UPDATE

Following around 20 days of waste rock trials, low grade commissioning ore was introduced to the process plant on the 12<sup>th</sup> August. The Crushing, Grinding, Gravity and Flotation areas of the Plant have seen throughput rates steadily ramped up and have now completed a number of >10 hour ore trials at the 40 tonnes per hour target throughput rate. Key milestones now achieved:

- Crushing circuit achieving throughput rates well above design capacity;
- Grinding and gravity circuit performing well;
- Flotation circuit operating well; and
- First lead-zinc concentrate production delivered to the concentrate shed on the 24<sup>th</sup> August. Assays confirmed a concentrate grade of >55% Pb + Zn in line with concentrate sale specifications.

Preliminary mill assays infer strong recoveries for lead (>90%), zinc (>80%) and gold (>90%) to the concentrates. These results are particularly encouraging as they were taken in the first week of introducing ore to the plant. Further work will optimise these recoveries.



First lead-zinc concentrates from Hera in shed. (Photo taken 28<sup>th</sup> August)

The gold leaching components of circuit, cyanide de-tox and gold room have commenced commissioning this week ahead of the introduction of high-grade ore.

Performance trials, required prior to the formal handover of the process plant to Aurelia Metals, are forecast to commence in the coming week. Aurelia remains on target to achieve first gold sales in the current quarter and first concentrate sales in the December quarter.



*Lead-zinc concentrates being produced in the cleaner flotation cells.*

### **STRONG UNDERGROUND PERFORMANCE CONTINUES**

Underground development continues to progress strongly, with underground advance of 373m for the month of August against a budget of 280m.

The first production stopes were fired on the 14<sup>th</sup> August.

Ore development on the 335 and 310 levels on the Hera Main Lens continue to produce high grade ore to the stockpile.

Aurelia's Managing Director, Rimas Kairaitis, commented:

*"Our first high grade concentrate production is an important milestone for the Hera project. To see core components of the circuit operating at and above design capacity at this stage in the commissioning is a pleasing outcome. The commissioning continues to progressively de-risk the process plant and we look forward to reporting first gold production in the very near future."*





**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a full time employee of Aurelia Metals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



*High grade gold ore from the Hera underground*

## ABOUT THE HERA-NYMAGEE PROJECT

The Hera-Nymagee Project represents Aurelia's flagship Project and consists of the Hera gold-base metal deposit (Aurelia 100%) and the Nymagee copper deposit (Aurelia 95%), and is located approximately 100km south-east of Cobar, in central NSW. The deposits are hosted in the Cobar Basin, which also host the major mineral deposits at CSA (Cu-Ag), The Peak (Cu-Au) and Endeavor (Cu-Pb-Zn-Ag).

Aurelia is now in final plant commissioning stages of the Hera project with first production due in the September quarter 2014.

Aurelia Metals completed the Definitive Feasibility Study ("DFS") on the Hera Gold Project in June 2011, which confirmed the technical and financial viability of the development of the Hera deposit as a shallow underground mine and processing plant producing gold and silver doré bars and a bulk lead-zinc concentrate for sale. Aurelia subsequently received Project Approval from the NSW State Government in August 2012 and shareholder approval for a major funding transaction with Glencore in March 2013.

The Company is also currently evaluating the Nymagee copper deposit, located 4.5km to the north, with a view to demonstrating an integrated development of the Hera and Nymagee deposits.

Aurelia maintains a commitment to the ongoing exploration of the Hera-Nymagee Project and considers both deposits have the potential to evolve into very large "Cobar style" mineral systems.



*Hera Processing Plant*