aurelia METALS Ltd.

ASX: AMI | September 2016 Quarter

QUARTERLY REPORT

for the period ending 30 September 2016

SEPTEMBER QUARTER HIGHLIGHTS

- Gold production of 9,254 ounces at an AISC of A$1,235/oz
- Record quarterly processing throughput of 85,314 tonnes
- Quarterly revenue of $20.7 million and Site EBITDA of $8.0 million
- Exploration of Hera North Pod commenced

HERA OPERATIONS

- September quarter gold production of 9,254 ounces at an AISC of A$1,235/oz
  - Lower grade gold ore processed during the quarter (85,314 tonnes at 4 g/t gold)
- Strong levels of lead-zinc concentrate production of 8,021 tonnes
  - High base metal recoveries maintained (+90%)
- Focus on process debottlenecking achieving results with record throughput
  - 14% improvement on the prior quarter
  - The month of September achieved annualised throughput of +370,000 t/y
- Continued improvement in quarterly gold recovery to 84.3%, despite lower grades processed
- AISC of $1235/oz impacted by delayed shipment (delay of by-product credits) of 5,710 dmt of bulk concentrate shipped in early October.
- Drilling to test the size and quality of the North Pod commenced at the end of the quarter.
- Significant intercepts returned from infill drilling the main areas of the deposit include:
  - 15 metres at 23.9 g/t Au and 5.8% Pb+Zn (HRUD271) – NSR[1] of $1,102/t
  - 9 metres at 17.5g/t Au and 9.9% Pb+Zn (HRUD310) – NSR[1] of $858/t

(1) NSR (Net Smelter Return) is a recoverable value per tonne calculation using the metal prices used in short term planning (approximately spot prices), using recovered metal and deducting the costs of royalty, shipping and treatment charges.

CORPORATE

- Site EBITDA (revenue less site operating costs) was $8.0 million. Quarterly revenue of $20.7 million included revenue from gold sold of 9,683 oz at an average spot price of A$1757/oz.
- Cash in bank increased by $0.8 million to $22.4 million at 30 September 2016 (with $3.5 million restricted).
- Cash was impacted by one-third of the September months gold production being sold on the 30 September (1,078 oz) with cash of $1.82M received in early October. Planned cash was further reduced by the delay in receiving provisional cash flow of $3.4 million, relating to the delayed shipment of concentrate in the quarter.
- New Managing Director & CEO, Mr Jim Simpson, appointed 1 August 2016.
- Hedge position at quarter end of 7,350 ounces at a price of A$1782/ounce.
- Maiden profit of $10.943 million for the FY16 year announced during the quarter.

HERA MINE NSW (100%)

HERA OPERATIONS SUMMARY

Operations performed strongly in the quarter despite lower grade processed. Increasing throughput and improving gold recovery is a major focus. Work on the gravity section of the processing plant yielded strong gains by the end of the quarter, with gravity gold recovery reaching record levels of +50%.

Mining performed strongly with a record level of ore mined. The mine has sufficient flexibility to meet the increased capacity of the plant.

Process throughput was a record for the quarter at 85,314 tonnes. This reflects efforts made in the continual debottlenecking of the plant. Summary quarterly production figures are tabulated below:

Aurelia Metals Sep-16 Qtr Summary	Units	Dec Qtr FY16	Mar Qtr FY16	Jun Qtr FY16	Sep Qtr FY17	YTD FY17
Ore Mined	t	74,946	81,087	75,927	88,890	88,890
Mined Grade - Gold	g/t	5.33	6.62	6.96	4.21	4.21
Mined Grade - Silver	g/t	14.6	12.4	16.0	12.5	12.45
Mined Grade - Lead		2.70%	2.15%	3.06%	2.19%	2.19%
Mined Grade - Zinc		2.71%	1.65%	3.31%	3.15%	3.15%
Ore Processed	t	71,703	83,522	74,665	85,314	85,314
Processed Grade - Gold	g/t	5.50	6.51	6.95	4.00	4.00
Processed Grade - Silver	g/t	14.32	12.69	15.84	12.76	12.76
Processed Grade - Lead		2.65%	2.22%	3.04%	2.23%	2.23%
Processed Grade - Zinc		2.64%	1.80%	3.17%	3.27%	3.27%
Gold recovery		**74.6%**	**81.2%**	**83.9%**	**84.3%**	**84.3%**
Silver recovery		89.3%	85.2%	85.1%	84.3%	84.3%
Lead recovery		90.2%	87.6%	93.0%	93.2%	93.2%
Zinc recovery		93.3%	92.4%	92.5%	90.2%	90.2%
Gold Production	**oz**	**9,432**	**14,184**	**14,035**	**9,254**	**9,254**
Silver Dore Production	oz	6,002	7,385	8,555	6,269	6,269
Concentrate produced	DMT	6,491	5,874	8,081	8,021	8,021
Gold sold	oz	8,913	14,652	13,280	9,683	9,683
Concentrate sold	dmt	4,914	4,886	10,379	5,171	5,171
Payable Lead sold	t	1,230	1,195	2,585	1,064	1,064
Payable Zinc sold	t	907	931	1,690	1,052	1,052
Payable Silver sold	oz	3,580	4,722	6,164	0	0

MINING

A total of 88,890 tonnes of ore was mined during the quarter at an average grade of 4.21g/t gold, 2.0% lead and 3% zinc. Lateral underground development achieved during the quarter was 726 metres (652 metres in the prior quarter). Unit costs are reducing due to the new mining contract and revised underground practices (unit costs/t of ore processed was $70/t).

DRILLING

Drilling during the quarter focused on three main areas of the Hera deposit:

- Beneath the existing reserve on Main Lens South and Hays South,
- Upper northern portion of the Far West Lens, and
- Testing the extent of the Hays North mineralization.

Results from the Hays North structure returned a number of wide high-grade intervals from areas outside the current Hera Reserve. These results have led to a re-interpretation in this area and are likely to provide additional tonnage to reserves.

Strong intersections from the Hays North structure include:

Hole ID	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD264	3.7	3.7	8.76	12	10.01	473	Hays North
HRUD271	15	13.8	23.93	7	5.8	1103	Hays North
HRUD272	20	19.4	3.26	10	5.68	194	Hays North
HRUD304	7		4.51	41	25.56	446	Hays North
HRUD305	12		6.65	35	18.78	459	Hays North
HRUD308	11		1.96	23	13.14	211	Hays North
HRUD312	6.2		0.59	51	15.58	174	Hays North
HRUD314	5		10.13	6	0.78	451	Hays North
HRUD323	14		4.41	9	1.85	212	Hays North

Drilling results in the upper sections of the Far West lens were sporadic, but included a number of very strong intersections including:

Hole ID	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD310	9		17.47	19	9.87	859	Far West
Includes	2		76	34	10.75	3427	Far West
HRUD296	2		17.36	18	3.21	797	Far West

Drilling on the Main South and Hays South lenses was directed into marginal mineralisation below existing Reserves with a view to locating high grade zones. Drilling on Hays South returned the following significant result:

Hole ID	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD286	6		16.91	7	4.07	780	Hays South

A number of strong gold intervals were also recorded from the Main Lens North. These are highlighted below, however it should be noted that many of these intersections do not represent the full width of the Main Lens, as they were collared from within ore drives.

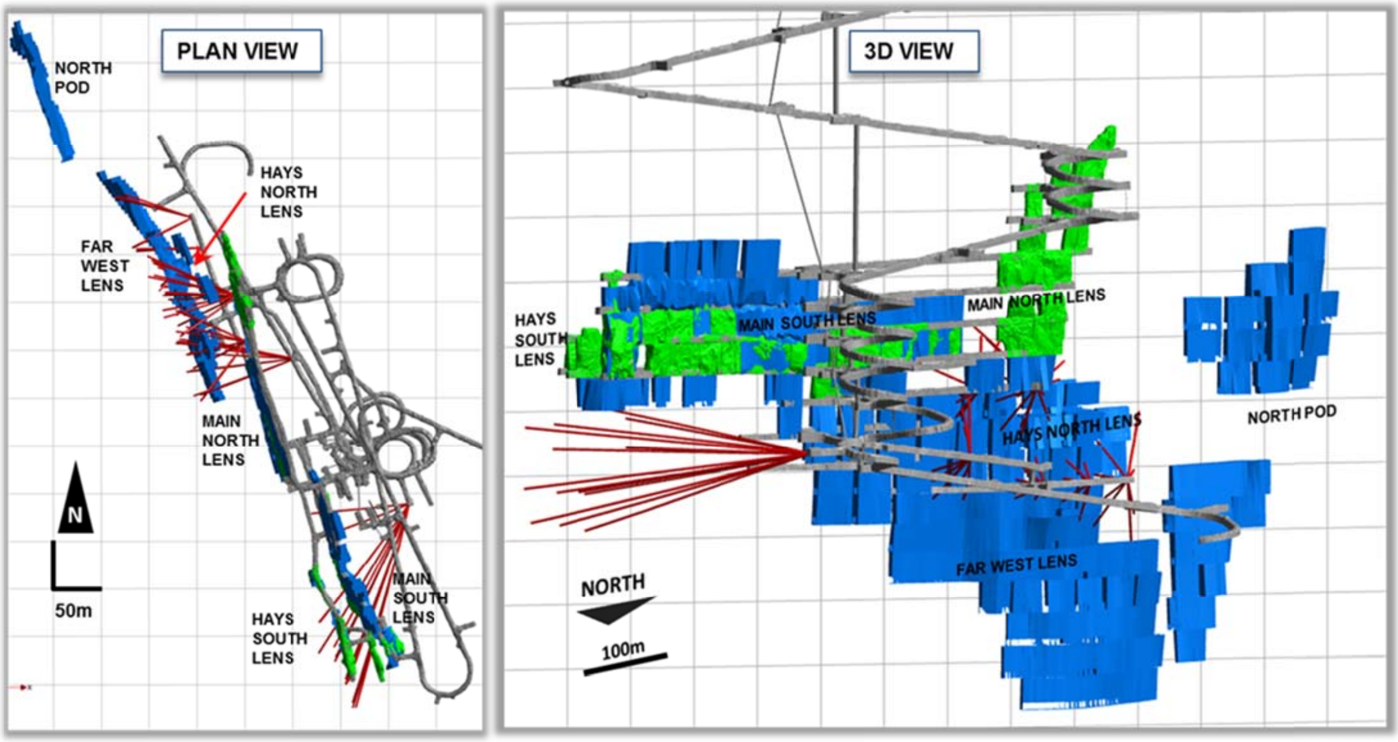
Hole ID	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD326	3		20.24	3	0.89	894	Main North
HRUD327	2		37.8	7	1.06	1666	Main North
HRUD328	3		33.66	6	1.31	1486	Main North
HRUD329	3		9.45	1	0.24	416	Main North
HRUD334	1.5		20.97	9	3.15	949	Main North

All gold results reported above are generated by 30g Fire Assay. By practice, the Company re-assays all intervals >0.5g/t Au by Screen Fire Assay (SFA), which is considered a more reliable technique for coarse gold. SFA results were not available at time of reporting.

- North Pod Exploration Drilling

Drilling of the bottom section of the North Pod commenced at the end of the quarter. No assays are available but visual inspection of at least two holes confirm high grade sphalerite-galena mineralization (zinc-lead) with visible gold has been intersected. Drilling is planned to continue over the December quarter.

Detailed results and hole collar positions for drilling the main areas of the Hera deposit are tabulated in Appendix 1. The position of the drilling, together with mine development as at 30 September, is presented in plan and 3D below.



Plan and 3D Mine Image showing underground drill holes (red), with mine development (grey), current Mining Inventory (blue) and areas mined to date (green)

Long section of drill locations are location in the Appendix to this report.

PERMITTING

During the quarter, Aurelia received approval of a project modification required to extend the mining area to the north to provide for the eventual extraction of the North Pod mineralisation. The Mining Lease application will now be progressed along with the Mining Operations Plan.

PROCESSING

A total of 85,314 tonnes of ore was processed during the quarter grading 4.00 g/t gold, 2.2% lead and 3.3% zinc.

Process throughput increased to record levels with the reduction in base metal grades during the quarter and continued effort at debottlenecking the plant. Throughput reached an annualised rate of 370,000 t/y at the end of the quarter. Work on the filter press efficiency has allowed for increased throughput at current base metal ore grades.

Improvements to the gravity gold circuit continued in the September quarter. Gravity gold recovery increased strongly and recovery rates of greater than 50% were achieved by the end of the quarter. These improvements have continued into early October. Total gold recovery improved marginally in the quarter to 84.3%, with further improvement planned. The lead and zinc circuit continues to perform strongly, with 8,021 tonnes of concentrate produced.

Unit costs reduced to $73/t of ore processed, due to increased throughput.

A single shipment of 5,171 dmt of bulk concentrate was completed during the quarter in the month of July 2016. An additional shipment was planned for late September, however, due to wet weather affecting trucking movements, this shipment was delayed until after quarter end, in early October. The weather had no other adverse impacts on production.

CORPORATE

FINANCIAL PERFORMANCE

Financial performance of the Hera operation is summarised in the table below. The quarterly AISC of $1,235/oz increased due to reduced gold sales and the delay of a concentrate shipment in the next quarter (delay in recognizing the by-production credits completed on a sales basis).

Aurelia Metals Sep-16 Qtr Summary	Units	Dec Qtr FY16	Mar Qtr FY16	Jun Qtr FY16	Sep Qtr FY17	YTD FY17
Mining	$/oz	665	449	424	617	617
Processing	$/oz	637	414	448	645	645
Site Administration	$/oz	108	59	89	96	96
Concentrate Transport & Refining	$/oz	112	65	100	137	137
Net Inventory adjustments	$/oz	(156)	51	27	(258)	(258)
Royalties	$/oz	53	85	99	76	76
Third party smelting, refining	$/oz	208	132	257	228	228
Total By-Product Credits	$/oz	(593)	(341)	(790)	(671)	(671)
Adjusted Operating Costs*	**$/oz**	**1,035**	**914**	**655**	**870**	**870**
Corporate admin and other	$/oz	208	67	78	120	120
Sustaining Capex	$/oz	105	171	344	245	245
AISC (All-in Sustaining Cost)*	**$/oz**	**1,348**	**1,153**	**1,076**	**1,235**	**1,235**

* Operating Costs and AISC are calculated on gold sold with by-products credited on a sales basis. Base metal sales are approximately 30% of total sales and are accounted for as a by-product credit. The timing of Pb-Zn shipments (approx. every 6 weeks) will create volatility in the Company's reported ASIC due to timing of base metal by-product credits and concentrate inventory movements.

All financials are preliminary and subject to change. Final revenue will be adjusted due to quotational period pricing, product inventory and smelter payable adjustments, where applicable. Cost data is preliminary and subject to final review and adjustment.

During the quarter, cash at bank increased by $0.8 million to $22.4 million as at 30 September 2016 ($3.5 million of cash in bank is unavailable and held as cash deposits for environmental bonds). The delayed shipment of concentrate, due to wet weather, reduced the planned quarter end cash balance by $3.4 million (provisional payment received in early Oct). In addition, around one-third of the September months gold production was sold on the 30 September (1,078 oz) with cash of $1.82M received in early October. These timing differences will provide a positive cash flow benefit in the December quarter.

Hera EBITDA (provisional only and subject to final review) was $8.0 million in the September 2016 quarter, compared with $13.7 million in the previous quarter. Financial performance was impacted by reduced gold grade and reduced gold sales volumes, timing of concentrate sales, offset by a strong A$ gold price and rising US$ lead and zinc prices.

Aurelia net cash flow in the period was positive $0.8 million. This was generated by Hera EBITDA of $8.0 million, less $2.5 million of mine development and processing capital, less $1.1 million in corporate administration costs, minus a net $3.6 million outflow from an increase in working capital & other (primarily an increase in concentrate stocks).

The Company generated sales of $20.7 million (excluding interest). Gold sales totaled $17 million from the sale of 9,683 oz of gold at an average price of A$1,757/oz. Silver dore sales generated $0.2 million. Net concentrate sales were $3.5 million from the sale of 5,171 dmt of concentrate in the period (parcel number 10) and final pricing adjustments on prior shipments.

Total drawn debt from the Glencore Finance Facility remained unchanged at $125 million. The debt remains interest free with the first repayments not due until March 2018.

Net debt was $102.6 million at 30 September 2016.

On the 19 September, the Company announced a maiden profit of $10.943 million for the 12 months to 30 June 2016.

MANAGEMENT

The Company's former Chief Executive Officer, Rimas Kairaitis resigned on 31 August 2016. Mr Kairaitis steered the Company since its formation in 2004 from an exploration company focused on tin prospects to a gold and base metal producer with the successful acquisition and development of the Hera Mine.

Jim Simpson was appointed Managing Director on 1 August 2016 and Chief Executive Officer on 1 September 2016. Mr Simpson is an experienced manager, specialising in underground metalliferous mining. The Board believes that Mr Simpson has the experience and skills required to provide the next stage of growth in Aurelia.

GOLD FORWARD SALES

At quarter end the company's hedge position consisted of 7,350 ounces of gold at a price of A$1782/ounce with deliveries to January 2017. During the quarter, 7,600 oz were closed out for a gain of $248k ($32/oz) and additional hedge cover of 3,750 oz was entered into.

At favourable pricing levels, Aurelia will look to increase forward sales to cover a modest proportion of production over the next year.

CORPORATE INFORMATION: Aurelia Metals Limited ABN 37 108 476 384

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Registered Office:	2 Corporation Place Orange NSW	Tel: +61 (0)2 6363 5200
Share Registry:	Security Transfer Registrars Pty Ltd	Tel: +61 (0)8 9315 2333
Issued capital:	388.0M ord. shares, 158M unlisted options, 0.3M unlisted perf. Rights	
Substantial Shareholders:	PacRoad 93.4M (24.1%), Glencore 26.0M (6.7%), Yunnan Tin 24.2M (6.2%)	
Directors:	Non-Executive Chairman:	Tony Wehby
	Managing Director:	Jim Simpson
	Non-Executive Directors:	Gary Comb, Paul Espie, Mike Menzies, Rune Symann

COMPETENT PERSONS STATEMENT – EXPLORATION RESULTS

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 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.

APPENDIX 1 –DRILLING INFORMATION

Drilling – Collar Information:

Hole	GDA_E	GDA_N	RL	Local RL	DIP	AZI_MGA	Depth m	Comments
HRUD261	436348.458	6447291.27	-115.732	9884.268	-12.54	272.47	108.6	Testing Main North
HRUD262	436348.503	6447291.86	-112.216	9887.784	37.46	279.78	75.1	Testing Main North
HRUD263	436348.513	6447291.87	-113.309	9886.691	26.11	279.89	85.9	Testing Main North
HRUD264	436348.521	6447291.88	-114.121	9885.879	15.73	280.1	115.7	Testing Main North and Far West
HRUD265	436348.552	6447291.91	-115.355	9884.645	-5.4	280.69	119	Testing Main North and Far West
HRUD266	436348.811	6447291.81	-115.683	9884.317	-15.1	280	125.1	Testing Main North and Far West
HRUD267	436348.904	6447291.8	-116.009	9883.991	-25.3	280.1	129.7	Testing Main North and Far West
HRUD268	436348.351	6447297.72	-112.919	9887.081	29.5	277.4	76.5	Testing Main North and Far West
HRUD269	436349.23	6447290.3	-115.88	9884.12	-23.1	247.3	116.1	Testing Main North and Far West
HRUD270	436349.235	6447290.26	-115.599	9884.401	-14.1	247	105	Testing Main North, Hays North & Far West
HRUD271	436348.789	6447290.85	-116.039	9883.961	-24.3	261.7	119.7	Testing Main North, Hays North & Far West
HRUD272	436348.907	6447290.87	-115.707	9884.293	-16.4	261.6	110.4	Testing Main North, Hays North & Far West
HRUD273	436469.004	6447139.12	-100.354	9899.646	-9.4	262.4	101.4	Testing Hays South
HRUD274	436469.278	6447138.5	-100.32	9899.68	-9.22	246.61	107.5	Testing Hays South
HRUD275	436469.861	6447137.17	-99.61	9900.39	9	213.95	155.4	Testing Hays South
HRUD276	436469.866	6447137.21	-100.102	9899.898	0	213.98	153.5	Testing Hays South
HRUD277	436470.023	6447136.9	-100.522	9899.478	-12	207.9	184.1	Testing Hays South
HRUD278	436470.047	6447136.56	-99.351	9900.649	12	204.91	170	Testing Hays South
HRUD279	436470.201	6447136.55	-100.556	9899.444	-11	201.9	183	Testing Hays South
HRUD280	436470.212	6447136.56	-100.896	9899.104	-19	201.9	186	Testing Hays South
HRUD281	436470.504	6447136.33	-99.682	9900.318	7	195.5	197.4	Testing Hays South
HRUD282	436470.464	6447136.42	-100.092	9899.908	0	196.42	197.35	Testing Hays South
HRUD283	436470.551	6447136.48	-100.483	9899.517	-9	196.74	196.7	Testing Hays South
HRUD284	436471	6447136	-100.793	9899.207	-17	196.77	200.4	Testing Hays South
HRUD285	436471	6447136	-99.792	9900.208	5	192.3	218.3	Testing Hays South
HRUD286	436471	6447137	-100.373	9899.627	-7	192.2	220.3	Testing Hays South
HRUD287	436471	6447136	-100.693	9899.307	-15	192.1	220.1	Testing Hays South
HRUD288	436243	6447439	-140.131	9859.869	33	286.86	85.3	Testing Hays North and Far West
HRUD289	436243	6447439	-142.104	9857.896	3	284.75	70	Testing Hays North and Far West
HRUD290	466243	6447439	-142.938	9857.062	-22	284.77	85.05	Testing Hays North and Far West
HRUD291	436243	6447439	-143.653	9856.347	-38	284.31	100	Testing Hays North and Far West
HRUD292	436243	6447438	-140.093	9859.907	39	242.34	75	Testing Hays North and Far West
HRUD293	436243	6447437	-142.067	9857.933	4	241.21	56.2	Testing Hays North and Far West
HRUD294	436243	6447437	-143.043	9856.957	-29	241.65	76.8	Testing Hays North and Far West
HRUD295	436243	6447437	-143.494	9856.506	-43	241.95	90	Testing Hays North and Far West
HRUD296	436254	6447407	-140.848	9859.152	35	267.5	80	Testing Hays North and Far West
HRUD297	436254	6447407	-142.53	9857.47	7	267.2	60	Testing Hays North and Far West
HRUD298	436253	6447407	-143.658	9856.342	-28	267	71.6	Testing Hays North and Far West

Drilling – Collar Information:

Hole	GDA_E	GDA_N	RL	Local RL	DIP	AZI_MGA	Depth m	Comments
HRUD299	436253	6447407	-144.308	9855.692	-44	266.9	90.25	Testing Hays North and Far West
HRUD300	436254.367	6447405.34	-140.574	9859.426	37	223	75.1	Testing Hays North and Far West
HRUD301	436254.283	6447405.3	-142.531	9857.469	6.4	223.7	60	Testing Hays North and Far West
HRUD302	436254.2	6447405	-143.813	9856.187	-31.2	225.9	65	Testing Hays North and Far West
HRUD303	436267.419	6447368.08	-141.634	9858.366	34.17	266.09	65.15	Testing Hays North and Far West
HRUD304	436267.165	6447368.11	-143.124	9856.876	7.37	267.06	53	Testing Hays North and Far West
HRUD305	436267.091	6447368.1	-144.083	9855.917	-23.31	267.31	56.7	Testing Hays North and Far West
HRUD306	436267.791	6447366.77	-141.705	9858.295	31.65	229.81	55.2	Testing Hays North and Far West
HRUD307	436267.685	6447366.74	-143.124	9856.876	7.56	230.78	46	Testing Hays North and Far West
HRUD308	436267.692	6447366.75	-144.013	9855.987	-20.57	231.03	52.6	Testing Hays North and Far West
HRUD309	436289.982	6447357	-66.277	9933.723	-43.71	265.19	92.6	Testing Hays North and Far West
HRUD310	436290.16	6447356.11	-66.358	9933.642	-39.65	241.44	85.9	Testing Hays North and Far West
HRUD311	436289.973	6447357.13	-66.56	9933.44	-31	269.2	86.5	Testing Hays North and Far West
HRUD312	436289.873	6447357.14	-65.508	9934.492	-9.5	269.6	73.6	Testing Hays North and Far West
HRUD313	436289.879	6447357.18	-64.817	9935.183	8.1	270.5	74.1	Testing Hays North and Far West
HRUD314	436289.617	6447357.18	-63.903	9936.097	23	270.3	77.1	Testing Hays North and Far West
HRUD315	436289.784	6447358.06	-66.158	9933.842	-27	291	102	Testing Hays North and Far West
HRUD316	436289.783	6447358.08	-65.241	9934.759	0	292	94.1	Testing Hays North and Far West
HRUD317	436289.797	6447358.11	-64.795	9935.205	9	292.2	100.7	Testing Hays North and Far West
HRUD318	436289.737	6447357.93	-65.646	9934.354	-12	288.9	87.3	Testing Hays North and Far West
HRUD319	436290.205	6447355.63	-65.752	9934.248	-16	232	73.7	Testing Hays North and Far West
HRUD320	436290.063	6447355.49	-64.722	9935.278	9	231.41	68.2	Testing Hays North and Far West
HRUD321	436289.911	6447355.37	-62.729	9937.271	35	231.48	79.1	Testing Hays North and Far West
HRUD322	436289.774	6447357.65	-65.251	9934.749	0	282.3	92.5	Testing Hays North and Far West
HRUD323	436290	6447358	-64.496	9935.504	14	282.69	88.6	Testing Hays North and Far West
HRUD324	436290	6447357	-65.316	9934.684	-3	256.91	77.1	Testing Hays North and Far West
HRUD325	436290	6447356	-63.955	9936.045	23	250.44	83.05	Testing Hays North and Far West
HRUD326	436299	6447308	-66.989	9933.011	-40	241.2	76.2	Testing Hays North and Far West
HRUD327	436299	6447309	-66.696	9933.304	-34	255.6	73.1	Testing Hays North and Far West
HRUD328	436299	6447309	-66.127	9933.873	-10	255.6	60.3	Testing Hays North and Far West
HRUD329	436300	6447307	-67.055	9932.945	-29	215.3	77.4	Testing Hays North and Far West
HRUD330	436300	6447307	-66.175	9933.825	-8	215.2	76.3	Testing Hays North and Far West
HRUD331	436300	6447307	-64.402	9935.598	21	215.5	68	Testing Hays North and Far West
HRUD333	436299	6447310	-64.214	9935.786	31	282.1	71.2	Testing Hays North and Far West
HRUD334	436299	6447310	-66.153	9933.847	-11	276.8	72.6	Testing Hays North and Far West
HRUD335	436299	6447310	-65.696	9934.304	3	293.2	77.8	Testing Hays North and Far West
HRUD336	436299	6447310	-64.518	9935.482	26	293.21	81.6	Testing Hays North and Far West

Drilling: Results (Au assays in red are screen fire assay, remainder 30g fire assay)

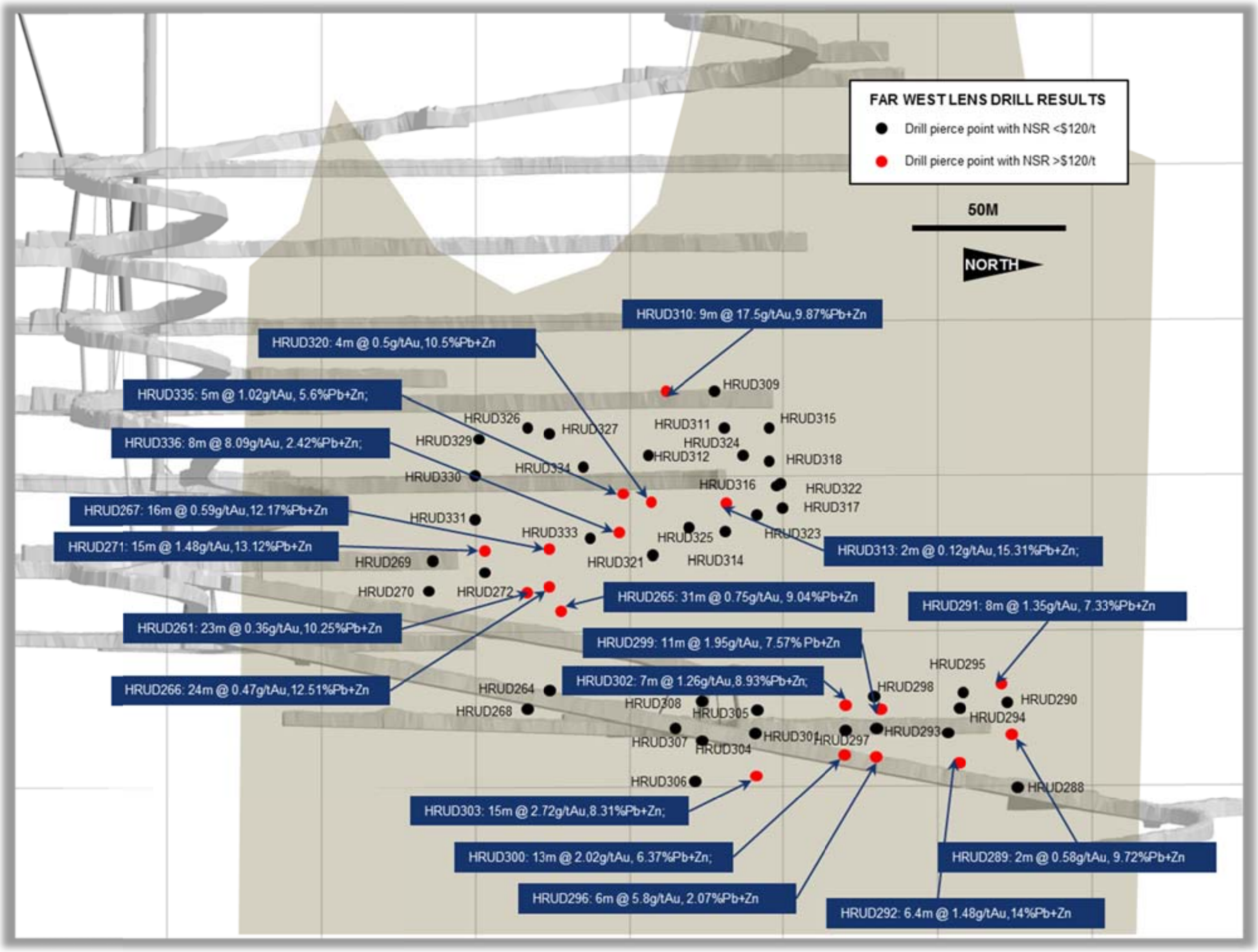
Hole ID	From (m)	To (m)	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD261	41	49	8	8	0.76	10	4.75	77	Main North
HRUD261	66	80	14		2.75	13	11.01	230	Hays North
HRUD261	81	104	23		0.36	20	10.25	115	Far West
HRUD262	41.9	49	7.1	5.7	0.38	9	4.38	59	Main North
HRUD263	38	58	20	18	0.56	11	2.74	51	Main North
HRUD263	69	77	8		0.77	4	2.9	61	Hays North
HRUD264	57	62	5	5	0.68	18	5.14	77	Main North
HRUD264	65	83	18		2.1	5	3.85	127	Hays North
Includes	66	69.7	3.7	3.7	8.76	12	10.01	473	Hays North
HRUD264	85	103	18	18	0.35	14	6.57	78	Far West
HRUD265	41	53	12	12	2.1	13	5.28	142	Main North
HRUD265	69	100	31	31	0.75	24	9.04	120	Far West
HRUD266	43	56	13	13	2.15	13	8.75	175	Main North
HRUD266	69	72	3	3	0.02	3	2.54	25	Hays North
HRUD266	81	105	24	23	0.47	29	12.51	143	Far West
HRUD267	54	62	8	7.5	2.54	12	6.27	165	Main North
HRUD267	68	72	4	3.7	0.1	1	0.31	8	Hays North
HRUD267	96	112	16		0.59	20	12.17	144	Far West
HRUD268	46	50	4	3.6	2.34	28	2.71	136	Main North
HRUD268	57	65	8	7.4	0.29	4	1.38	25	Hays North
HRUD268	69	74.75	5.8	5.4	1.23	7	6.2	113	Far West
HRUD269	42	54	12	11.4	2.39	7	5.1	152	Main North
HRUD269	71	73	2	1.9	0.75	10	6.32	92	Hays North
HRUD269	87	89	2	1.9	0.72	7	5.82	88	Far West
HRUD270	38	50.5	12.5	12.1	2.01	14	7.8	160	Main North
HRUD270	64	66	2	1.9	0.03	6	3.4	31	Hays North
HRUD270	79	83	4		0.79	16	7.2	99	Far West
HRUD271	44	50	6	5.5	7.14	11	6.75	375	Main North
HRUD271	60	75	15	13.8	23.93	7	5.8	1103	Hays North
HRUD271	83	98	15	13.8	1.48	30	13.12	193	Far West
HRUD272	40	49	9	8.7	2.2	9	3.59	130	Main North
HRUD272	53	73	20	19.4	3.26	10	5.68	194	Hays North
HRUD272	78.6	96	14.4	14.2	0.31	17	8.46	96	Far West
HRUD273	88	90	2	2	0.39	19	18.17	201	Main South
HRUD274	89	91	2	2	0.03	9	4.18	40	Main South
HRUD275	111	115	4	4	1.13	5	4.47	94	Main South
HRUD275	125	135	10	9.9	0.36	9	4.58	59	Hays South
HRUD276	110	112	2	2	1.6	11	7.53	143	Main South
HRUD276	128	133	5	5	0.1	9	4.84	50	Hays South
HRUD277	115	116	1	1	0.05	7	2.52	27	Main South
HRUD277	169	173	4	4	0.22	3	3.77	46	Hays South
HRUD278	100	101	1	1	0.06	7	3.05	32	Main South
HRUD278	144	151	7	7	1.48	12	6.58	125	Hays South
HRUD280	120	123	3	2.8	0.02	2	0.6	7	Main South
HRUD282	181	182	1	1	8.68	1	0.39	384	Hays South
HRUD284	157	158	1	1	0.28	5	2.56	38	Hays South
HRUD285	167	172	5	5	0.02	9	5.07	47	Main South
HRUD285	207	209	2	2	0.02	17	7.36	70	Hays South
HRUD286	165	172	7		0.15	2	0.57	12	Main South
HRUD286	199	205	6		16.91	7	4.07	780	Hays South
HRUD288	19	21	2		1.4	1	0.07	62	Main North
HRUD288	35	38	3		0.04	13	6.39	64	Hays North
HRUD288	59	62	3		0.76	4	0.71	41	Far West

Hole ID	From (m)	To (m)	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD289	26	36	10		1.8	8	4.41	121	Main North
HRUD289	56	58	2		0.58	37	9.72	123	Far West
HRUD290	26	38	12		0.17	18	7.34	80	Main North
HRUD290	45	48	3		0.48	27	9.47	106	Hays North
HRUD290	62	70	8		0.62	10	5.17	77	Far West
HRUD291	42	49	7		0.46	9	5	68	Hays North
HRUD291	61	88	27		0.88	18	6.21	102	Far West
HRUD291	61	72	11		1.14	21	9.42	140	Far West
And	80	88	8		1.35	32	7.33	143	Far West
HRUD292	19	21	2		0.28	7	1.98	32	Main North
HRUD292	30	35	5		0.08	11	5.13	53	Hays North
HRUD292	50.6	57	6.4		1.48	41	14	205	Far West
HRUD293	20.8	21.7	0.9		0.32	40	12.64	132	Main North
HRUD293	28	30	2			6	2.13	21	Hays North
HRUD294	23	38	15		0.12	12	5.12	56	Far West
HRUD295	27	29	2		2.09	6	2.81	118	Main North
HRUD295	35	41	6		0.2	6	3.45	42	Hays North
HRUD295	52	53	1		0.18	5	2.45	33	Far West
HRUD296	31	35	4		0.11	8	2.8	33	Main North
HRUD296	42	46	4		0.02	6	4.22	42	Hays North
HRUD296	49	55	6		5.8	11	2.07	278	Far West
Includes	49	51	2		17.36	18	3.21	797	Far West
HRUD297	19	26	7		0.6	19	4	69	Main North
HRUD297	36	38	2		0.09	7	3.31	37	Hays North
HRUD297	40	42	2			15	7.02	68	Far West
HRUD298	24	34	10		0.3	24	7.34	83	Hays North
HRUD298	35	42	7		0.1	8	3.01	34	Far West
HRUD299	12	16	4		1.37		0.06	60	Main North
HRUD299	28	38	10		3.76	23	7.81	242	Hays North
HRUD299	41	52	11		1.95	25	7.57	165	Far West
HRUD300	22	23	1		0.08	76	7.42	95	Main North
HRUD300	25	37	12		3.46	27	6.84	222	Hays North
HRUD300	46	59	13		2.02	21	6.37	154	Far West
HRUD301	5	10	5		0.05	11	5.44	56	Main North
HRUD301	17	30	13		0.51	10	1.1	37	Hays North
HRUD301	38	47	9		0.14	14	5.46	60	Far West
HRUD302	10	15	5		0.05	7	2.25	23	Main North
HRUD302	25	41	16		2.03	18	6.56	153	Hays North
HRUD302	44	51	7		1.26	16	8.93	142	Far West
HRUD303	32	39	7		0.09	9	3.97	42	Hays North
HRUD303	41	56	15		2.72	19	8.31	201	Far West
HRUD304	26	33	7		4.51	41	25.56	446	Hays North
HRUD304	37	42	5		0.31	16	4.69	61	Far West
HRUD305	26	38	12		6.65	35	18.78	459	Hays North
HRUD305	43	47	4		0.03	8	3.96	40	Far West
HRUD306	36	47	11		1.07	16	5.02	96	Hays North
HRUD307	27	37	10		0.44	12	4.25	61	Hays North
HRUD308	28	39	11		1.96	23	13.14	211	Hays North
HRUD308	44	51	7		0.09	6	2.73	31	Far West
HRUD309	64	76	12		0.39	11	5.28	69	Hays North
HRUD309	84	88.5	4.5		0.14	6	3.54	41	Far West
HRUD310	67	76	9		17.47	19	9.87	859	Far West
HRUD310	74	76	2		76	34	10.75	3427	Far West
HRUD311	41	45	4		0.2	5	2.75	35	Main North

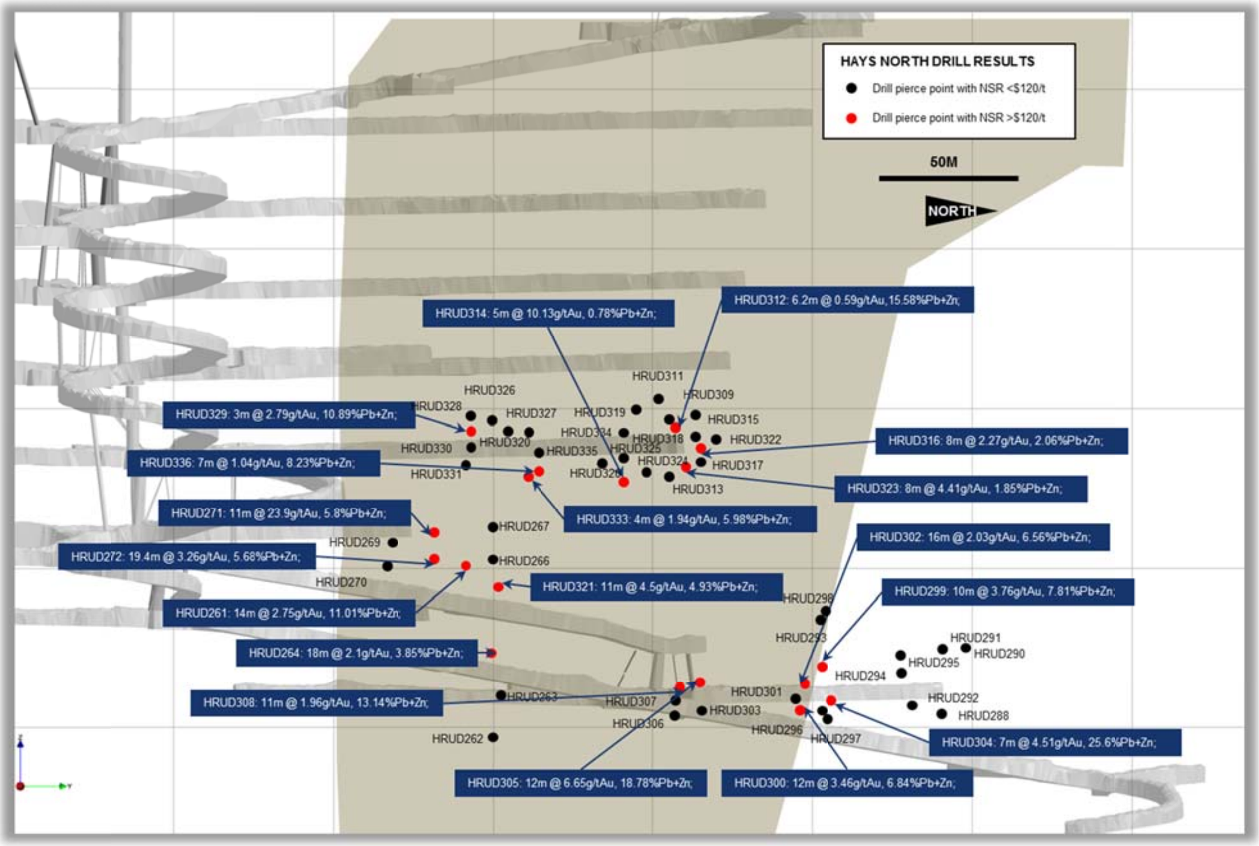
Hole ID	From (m)	To (m)	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD311	56	59	3		0.13	13	6.78	71	Hays North
HRUD311	64	73	9		0.34	8	4.73	62	Far West
HRUD312	25	28.5	3.5		0.52	14	8.39	106	Main North
HRUD312	44.3	50.5	6.2		0.59	51	15.58	174	Hays North
HRUD312	55	59	4		0.16	10	4.52	52	Far West
HRUD313	22	25	3		0.31	6	2.48	38	Main North
HRUD313	31.4	49	17.6		0.48	5	1.29	34	Hays North
HRUD313	67	69	2		0.12	34	15.31	166	Far West
HRUD314	23	25	2		0.26	23	12.42	133	Main North
HRUD314	41	46	5		10.13	6	0.78	451	Hays North
HRUD314	64	66	2		0.05	54	4.23	68	Far West
HRUD315	29	31	2		0.48	7	3.21	52	Main North
HRUD315	50	71	21		1.17	11	4.17	92	Hays North
HRUD315	77	93	16		0.65	10	3.56	65	Far West
HRUD316	37	45	8		2.27	7	2.06	120	Hays North
HRUD316	71	73.1	2.1		0.06	21	10.23	102	Far West
HRUD317	36	38	2		2.15	20	4.2	134	Main North
HRUD317	48	60	12		0.1	6	1.85	23	Hays North
HRUD317	86	88	2		0.3	29	0.94	39	Far West
HRUD318	41	45	4		2.42	1	0.26	108	Main North
HRUD318	48	62	14		0.67	9	4.33	72	Hays North
HRUD318	77	83.5	6.5		0.03	12	5.73	60	Far West
HRUD319	33	39	6		1.92	22	8.28	162	Main North
HRUD319	49	51	2		0.18	6	5.15	60	Hays North
HRUD319	58	63	5		0.5	9	3.74	60	Far West
HRUD320	26	41	15		0.92	11.78	3.23	72	Hays North
HRUD320	53	57	4		0.54	29	10.54	128	Far West
HRUD321	18	23	5		0.11	23	6.87	70	Main North
HRUD321	27	38	11		4.5	7	4.93	243	Hays North
HRUD321	46	50	4		0.08	8	3.21	33	Far West
HRUD322	22	25	3		0.26	8	4.8	57	Main North
HRUD322	35	55	20		0.83	10	2.98	66	Hays North
HRUD322	66	75	9		0.17	7	3.06	37	Far West
HRUD323	22	25	3		1.96	13	5.12	137	Main North
HRUD323	36	50	14		4.41	9	1.85	212	Hays North
HRUD323	76	78	2		0	37	5.11	66	Far West
HRUD324	36	51	15		0.23	14	4.22	51	Hay North
HRUD324	57	64	7		0.02	3	1.88	20	Far West
HRUD325	22	40	18		1.28	7	2.19	77	Hays North
HRUD325	59	66	7		0.07	7	3.11	34	Far West
HRUD326	1	4	3		20.24	3	0.89	894	Main North
HRUD326	20	31	11		0.8	4	3.42	67	Hays North
HRUD326	46	52	6		0.68	31	7.78	111	Far West
HRUD327	2	4	2		37.8	7	1.06	1666	Main North
HRUD327	17	23	6		0.43	2	2.08	38	Hays North
HRUD327	47	54	7		0.29	14	6.29	71	Far West
HRUD328	1	4	3		33.66	6	1.31	1486	Main North
HRUD328	16	35	19		0.31	6	4.94	61	Hays North
HRUD328	42	45	3		1.24	6	3.81	92	Far West
HRUD329	2	5	3		9.45	1	0.24	416	Main North
HRUD329	32	35	3		2.79	46	10.89	220	Hays North
HRUD329	53	64	11		0.02	2	0.79	9	Far West
HRUD330	19	27	8		0.03	4	1.87	19	Hays North
HRUD330	46	56	10		0	3	1.26	13	Far West

Hole ID	From (m)	To (m)	Intercept (m)	Est. true width (m)	Au (g/t)	Ag (g/t)	Pb+Zn%	NSR $/t	Comments
HRUD331	22	26	4		0.04	4	1.49	17	Hays North
HRUD331	41	46			0.01	4	2.24	22	Far West
HRUD333	20	24	4		1.94	9	5.98	130	Hays North
HRUD333	44	50	6		0.08	45	5.88	72	Far West
HRUD334	2	3.5	1.5		20.97	9	3.15	949	Main North
HRUD334	14	38	24		1.74	5	1.83	93	Hays North
HRUD334	40	57	17		0.52	15.2	5.98	81	Far West
HRUD335	2	6	4		2.99	8	3.29	161	Main North
HRUD335	15	28	13		0.21	8	3.48	40	Hays North
HRUD335	46	51	5		1.02	53	5.6	119	Far West
HRUD336	2	4	2		0.66	9	5.72	81	Main North
HRUD336	33	40	7		1.04	18	8.23	122	Hays North
HRUD336	48	56	8		8.09	19	2.42	383	Far West

LONG SECTION OF FAR WEST DRILL LOCATIONS
(NOTE: MINE DEVELOPMENT IS ON THE MAIN ZONE LOCATED APPROX. 50-100 METRES EAST OF DRILL LOCATIONS)



LONG SECTION OF HAYS NORTH DRILL LOCATIONS
(NOTE THAT MINE DEVELOPMENT IS ON THE MAIN ZONE LOCATED APPROX. 50 METRES EAST OF DRILL LOCATIONS)



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Section 1 Sampling Techniques and Data – Hera Project –Underground Delineation Drilling

Criteria and Explanation	Commentary
Criteria: Sampling techniques	
Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Sampling is by sawn half core HQ ,NQ, LTK60 core or quarter PQ core. Nominal sample intervals are 1m with a range from 0.5m to 1.5m. Samples are transported to ALS Chemex Orange for preparation and assay
Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Assay standards or blanks are inserted at least every 40 samples. Silica flush samples are employed after each occurrence of visible gold. During resource drill out programmes duplicate splits of the coarse reject fraction of the crushed core are assayed every 20 samples.
Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Diamond drilling was used to obtain core samples of nominally 1m, but with a range between 0.5-1.5m. Core samples are cut in half, dried, crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample. 30g fire assay with AAS finish, (Method Au – AA25) with a detection level of 0.01ppm. For Base Metals a 0.5g charge is dissolved using Aqua Regia Digestion (Method ICP41-AES) with detection levels of: Ag-0.2ppm, As-2ppm, Cu-1ppm, Fe-0.01%, Pb-2ppm, S-0.01%, Zn-2ppm. Overlimit analysis is by OG46- Aqua Regia Digestion with ICP-AES finish. Coarse gold samples greater than 0.5g/t were reassayed by screen fire assay (Method Au-SCR22) using the entire sample.
Criteria: Drilling techniques	
Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Drilling is by diamond coring. Surface holes generally commence as PQ core until fresh rock is reached. The PQ rods are left as casing thence HQ or NQ coring is employed. Underground holes are LTK60 sized drill core from collar.
Criteria: Drill sample recovery	
Method of recording and assessing core and chip sample recoveries and results assessed.	Measured core recovery against intervals drilled is recorded as part of geotechnical logging. Recoveries are greater than 95% once in fresh rock.
Measures taken to maximise sample recovery and ensure representative nature of the samples.	Surface holes use triple tube drilling employed to maximise recovery. Underground LTK60 core is double tube drilling.

Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not Applicable since recoveries exceeds 95%.
Criteria: ***Logging***	
Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Systematic geological and geotechnical logging is undertaken. Data collected includes: • Nature and extent of lithologies. • Relationship between lithologies. • Amount and mode of occurrence of ore minerals. • Location, extent and nature of structures such as bedding, cleavage, veins, faults etc. Structural data (alpha & beta) are recorded for orientated core. • Geotechnical data such as recovery, RQD, fracture frequency, qualitative IRS, microfractures, veinlets and number of defect sets. For some geotechnical holes the orientation, nature of defects and defect fill are recorded. • Bulk density by Archimedes principle at regular intervals. • Magnetic susceptibility recorded at 1m intervals for some holes as an orientation and alteration characterisation tool.
Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Both qualitative and quantitative data is collected. All core is digitally photographed.
The total length and percentage of the relevant intersections logged.	All core is geologically and geotechnically logged.
Criteria: ***Sub-sampling techniques and sample preparation***	
If core, whether cut or sawn and whether quarter, half or all core taken.	Core is sawn with half core submitted for assay. Sampling is consistently on one side of the orientation line so that the same part of the core is sent for assay. PQ core is ¼ sampled.
If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable as all samples are drill core
For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples are dried crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques.
Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The use of Certified Standard Reference Materials and blanks are inserted at least every 40 samples to assess the accuracy and reproducibility. Silica flush samples are employed after each occurrence of visible gold. The results of the standards are to be within ±10% variance from known certified result. If greater than 10% variance the standard and up to 10 samples each side are re-assayed. ALS conduct internal check samples every 20 samples for Au and every 20 for base metals. These are checked by AURELIA employees. Assay grades are compared with mineralogy logging estimates. If differences detected a re-assay can be carried out by either: ¼ core of the original sample interval, re-assay using bulk reject, or the assay pulp. Submission of pulps to a secondary laboratory (Genalysis, Perth) to assess any assay bias.
Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates are taken for core samples. Core samples are cut in ½ for down hole intervals of 1m, however, intervals can range from 0.5-1.5m. This is considered representative of the insitu material. The sample is crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample.
Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate but under review. If visible gold is observed in surface drilling, gold assays are undertaken by both a 30g fire assay and a screen fire assay using the entire available sample (up to several kg).
Criteria: ***Quality of assay data and laboratory tests***	
The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Gold assays are initially by 30g fire assay with AAS finish, (method Au-AA25). Ag, As, Cu, Fe, Pb, S, Zn are digested in aqua regia then analysed by ICPAES (method ME-ICP41). Comparison with 4 acid digestion indicate that the technique is considered total for Ag, As, Cu, Pb, S, Zn. Fe may not be totally digested by aqua regia but near total digestion occurs.
For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not Applicable as no geophysical tools were used in the determination of assay results. All assay results were generated by an independent third party laboratory as described above
Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Certified reference material or blanks are inserted at least every 40 samples. Standards are purchased from Certified Reference Material manufacture companies: Ore Research and Exploration, Gannet Holdings Pty Ltd and Geostats Pty Ltd. Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials are used to cover high grade, medium grade and low grade ranges of elements: Au, Ag, Pb, Zn Cu, Fe S and As. The standard names on the foil packages were erased before going into the pre numbered sample bag and the standards are submitted to the lab blind.

Criteria: *Verification of sampling and assaying*	
The verification of significant intersections by either independent or alternative company personnel.	The raw assay data forming significant intercepts are examined by at least two company personnel.
The use of twinned holes.	Twinned holes have not been.
Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Drill Hole Data including: meta data, orientation methods, any gear left in the drill hole, lithological, mineral, structural, geotechnical, density, survey, sampling, magnetic susceptibility is collected and entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet is emailed to the geological database administrator, the data is validated and uploaded into an SQL database. Assay data is provided by ALS via .csv spreadsheets. The data is validated using the results received from the known certified reference material. Using an SQL based query the assay data is merged into the database. Hard copies of the assay certificates are stored with drill hole data such as drillers plods, invoices and hole planning documents.
Discuss any adjustment to assay data.	Assay data is not adjusted.
Criteria: *Location of data points*	
Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Drill hole collars are initially located using underground survey control.
Specification of the grid system used.	All coordinates are based on Map Grid Australia zone 55H
Quality and adequacy of topographic control.	Not applicable for underground drill collars.
Criteria: *Data spacing and distribution*	
Data spacing for reporting of Results.	Drill results are stope delineation holes with piece points between 15m and 25m spacing within the mineralised structure.
Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing for stope delineation drill hole sis currently under review owing to difficulty in reconciling final grades with resource estimates.
Whether sample compositing has been applied.	Sample compositing is not applied.
Criteria: *Orientation of data in relation to geological structure*	
Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drilling is orientated to cross the interpreted, steeply dipping mineralisation trend at moderate to high angles. Holes are drilled from both the footwall and hangingwall of the mineralisation. The use of orientated core allows estimates of the true width and orientation of the mineralisation to be made.
If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sample bias due to drilling orientation is known.
Criteria: *Sample security*	
The measures taken to ensure sample security.	Chain of custody is managed by AURELIA. Samples are placed in tied calico bags with sample numbers that provide no information on the location of the sample. Samples are delivered by AURELIA personnel to the assay lab or transported by courier.
Criteria: *Audits or reviews*	
The results of any audits or reviews of sampling techniques and data.	Audit of sampling and drill hole spacing currently under review.