



Hera Resources Pty Ltd Community Consultative Committee Minutes

The meeting was held on 4 June 2020 by Teleconference.

Meeting commenced at 10.09 am.

Present at the Meeting:

Garry West (Independent Chair)
Jo Bates (Community Representative)
Don Cameron (Community Representative)
Phil Harley (Community Representative)
Cr. Peter Maxwell (Cobar Shire Council Representative)
Graeme Bourke (Bogan Shire Council Representative)
Jonathon Thompson (Aurelia Metals Ltd, Representative, Group Manager, Environment)
Scott Ramsay (Aurelia Metals Ltd, Representative, General Manager, Hera Mine Project)
Liam Richards (Aurelia Metals Ltd, Representative, Environment Advisor, Hera Mine Project)

1 Apologies

Dolly Betts (Community Representative)
Des (David) Hill (Community Representative)

2 Pecuniary and other interests

NIL

3 Confirmation of Minutes

Minutes from the CCC meeting of 5 March 2020 had been distributed via email and were accepted as a correct record.

4 Business Arising from Previous Meeting

Draft Cobar Shire VPA – not yet agreed or exhibited. DPIE notified and extension of time may be required to amend the planning agreement with Cobar Shire Council by 30 June 2020.

DPIE had completed its review of Hera Resource's Independent Environmental Audit Report for 25 September 2016 to 30 September 2019 on 24 April 2020. DPIE considers that the Audit Report generally satisfied Condition 9 of the Consent. (See further detail under Environmental Initiatives in the Company Report and Presentation)

5 Correspondence

The Chair circulated a copy of Cobar Shire Council VPA for both the Community Fund and Road Contribution updated as at 20 May 2020.

6 Company Report

A presentation was provided detailing the environmental performance of the Hera Resources operations. (A copy will accompany the final minutes and be placed on the company website);

The safety record for the march quarter was a poor performance with an increase in total recordable Injury Frequency Rate (TRIFR) on the back of a poor six months in total. There were 4 recordable injuries in the quarter; 2 in January 1 each in February and March. All the injuries are regarded as low severity. Details are included in the presentation. In February, each underground crew held 2-hour safety stops to discuss safety and hazards. Only one injury underground has occurred subsequent to the safety stops.

March saw the escalation of COVID-19 to pandemic status and Hera Resources did everything possible to ensure the safety of the workers and the local Nymagee community. The site implemented controls and enhanced communication across all areas of its operation. Weekly verification checks were conducted by NSW Regulators and corporate management. These measures have proved a success. There has been a concentrated effort on the washing of hands and, staggering mealtimes and social distancing protocols.

Recent rainfall events have meant Hera Resources was able to reduce and then cease the carting of water from surrounding properties. The Nymagee community had been very supportive of Hera Resources during the dry times.

Hera's septic and sludge are soon to be emptied by a licenced processing facility. The Nymagee community have been offered the opportunity to have their septic systems serviced at the same time. Hera will continue funding ongoing cleaning and maintenance of the Nymagee community areas.

A training platform is being developed with an external provider for '*Australian WHS Venomous Animals Awareness*'. Initially it will be an online platform until the COVID-19 restrictions have been eased and then it will move to face to face training. Hera is offering to fund community participation in the training.

Water Solutions

Three new water bores have been successfully drilled on site and pump tested and are now operational. Hera's bore field now has 11 operating groundwater extraction sites, which is the site limit as per Hera's Water Access Licence.

In January 2020 the Natural Resources Access Regulator approved combining the Nymagee Resources and Hera Resources Water Access Licences. This incorporates the extraction of groundwater from the Nymagee Mine shaft and the Nymagee Mine to Hera Mine water pipeline. The water pipeline was completed in February, with an unsuccessful water treatment trial undertaken in March. Alternative water treatment solutions for the Nymagee Mine water are still being considered.

Trucking of potable water from Cobar ceased in late April at the same time as raw water from surrounding properties. Hera's groundwater extraction and surface water dams have adequate supply to meet operational demand. Investigations are ongoing into alternate groundwater sources south of Hera to ensure self-sufficiency.

Environmental Incidents

January and February saw the continuing effects of the ongoing drought with dust storms and therefore there were exceedances of the High-Volume Air Sampler (HVAS). There have been no 24-hour dust exceedances of the HVAS since the rain, but the rolling annual average continues to be non-compliant. The EPA recently reduced the rolling annual average for PM10 from 30 to 25 $\mu\text{g}/\text{m}^3$. The March HVAS figures show the rolling annual average is trending down but not yet below the new exceedance criteria for particulate matter.

Late March saw some non-compliances with the Project Approval regarding the Processed Water Dam (PWD) discharge to the settling ponds. New practices are being put in place, so such events are unlikely to occur in the future.

Complaints

1. Alleged trespassing on a property adjoining the mine reported on 20/01/2020. Mediation is ongoing with the adjoining landowner; and
2. Concentrate haul truck speed through the village was reported on 06/02/2020.

Environmental Initiatives

Modification 5 (MOD5) to Hera Resources Project Approval was approved on 5 December 2019 by DPIE. VPA discussions between Hera Resources and BSC have been accepted by both parties. However, VPA discussions between CSC have been finalised but not yet accepted by Council. The Mine Operations Plan (MOP) and Rehabilitation Cost Estimate (RCE) were approved on 28 February 2020 by the Resources Regulator.

As a result of the Independent Environmental Audit Hera is 80% compliant to its licence conditions with the majority of non-compliances being historical or administration related. An action plan has been submitted to DPIE to address these non-compliances and to continually improve Hera Resources compliance outcomes.

Environmental Monitoring

Liam gave an overview of the environmental performance.

Blast vibrations have been well below the limit for all periods over the last quarter.

Elevated dust levels continue as a result of the ongoing drought. Although recent rain events have helped to minimise dust levels.

Standing Water levels in the monitoring bores remain the same.

Tailings Storage Facility and Process Water Dam discharges have remained below the approved limits.

Concentrate Truck movements remain below the approved limit.

Hera Resources Regional Exploration and Performance

Scott Ramsay provided an overview of the exploration and mining activities.

7 Matters which the Community Representatives wish to raise with the Mine Operator

NIL

8 Community Engagement Opportunities

NIL

9 General Business

Graeme Bourke reported that the work on the Hermidale to Nymagee Road will be carried in the next

financial year.

10 Next Meeting

3 September 2020 commencing at 10.00am

Meeting Closed: 11pm

Attachment: Cobar Shire Council VPA Update

Cobar Shire Council
Voluntary Planning Agreement - Hera Resources - Signed and effective as of 10/4/2013
Refer to File M4-13
All figures are ex GST

Updated as at: 20/05/2020

Hera Contributions - Community Fund

Account 91767 10/04/2013 to 20/05/2020

Date	Amount Received	Job Number	Amount Expended	Project Completed	Interest	Cumulative Balance
21/05/2013	50,000.00			Construction Payment 1 of 2		50,000.00
30/06/2013			15,000.00	Nymagee Community Hall upgrade (Kitchen)		35,000.00
29/05/2013	25,000.00			Construction Payment 2 of 2		60,000.00
30/06/2014					1,805.00	61,805.00
20/04/2015	16,300.00			Production Payment 1 of 6		78,105.00
30/06/2015			11,342.00	Nymagee Airport Safety Upgrade		66,763.00
30/06/2015					251.86	67,014.86
26/04/2016				Production Payment 2 of 6 - not paid (not cash flow positive)		67,014.86
30/06/2016			12,682.34	Nymagee BBQ & Shade Shelter		54,332.52
30/06/2016			3,450.00	Nymagee Old School - termite control		50,882.52
30/06/2016			11,863.10	Nymagee Tennis Courts		39,019.42
30/06/2016			3,636.37	Nymagee Old School - removal of trees		35,383.05
30/06/2016					1,306.86	36,689.91
6/04/2017	32,000.00			Hera Resources		68,689.91
30/06/2017					790.35	69,480.26
23/11/2017		55105	7,350.00	Honour Board at Nymagee Hall		62,130.26
21/05/2018		55162	16,846.36	Nymagee Tennis Courts		45,283.90
30/06/2018		55130	7,109.98	School Hall - Vinyl flooring & Keys		38,173.92
3/05/2018	32,672.00			Aurelia Metals		70,845.92
30/06/2018					1,052.45	71,898.37
31/12/2018		55130	8,816.74	School Hall - Varous R & M		63,081.63
31/03/2019		55011	4,544.97	Nymagee Community Centre		58,536.66
20/06/2019	33,097.00					91,633.66
30/06/2019					966.97	92,600.63
1/07/2019			28,721.00	Purchase order for fence		63,879.63
	189,069.00		131,362.86		6,173.49	

Hera Contributions - Road Contribution

Account 91803 10/04/2013 to 20/05/2020

Date	Amount Received	Job Number	Amount Expended	Project Completed	Interest	Cumulative Balance
20/04/2015	63,700.00			Production Payment 1 of 6		63,700.00
30/06/2015					984.24	64,684.24
26/04/2016	63,700.00			Production Payment 2 of 6		128,384.24
30/06/2016			63,700.00	Road realignment - Whitbarroiw Way (Kangaroo Springs)		64,684.24
30/06/2016					2,413.36	67,097.60
6/04/2017	60,000.00					127,097.60
30/06/2017					1,456.46	128,554.06
31/03/2018						128,554.06
31/03/2018		55700	128,554.06	Resealing works - SR19 Burthong Road		0
3/05/2018	61,260.00					61,260.00
30/06/2018					1,423.61	62,683.61
31/12/2018		55700	63,137.11	Resealing works - SR19 Burthong Road		(453.50)
31/12/2018		55505	55,391.93	Resealing works - MR228 Whitbarrow Way		(55,845.43)
20/06/2019	62,056.00					6,210.57
30/06/2019					430.59	6,641.16
	310,716.00		310,783.10		6,708.26	



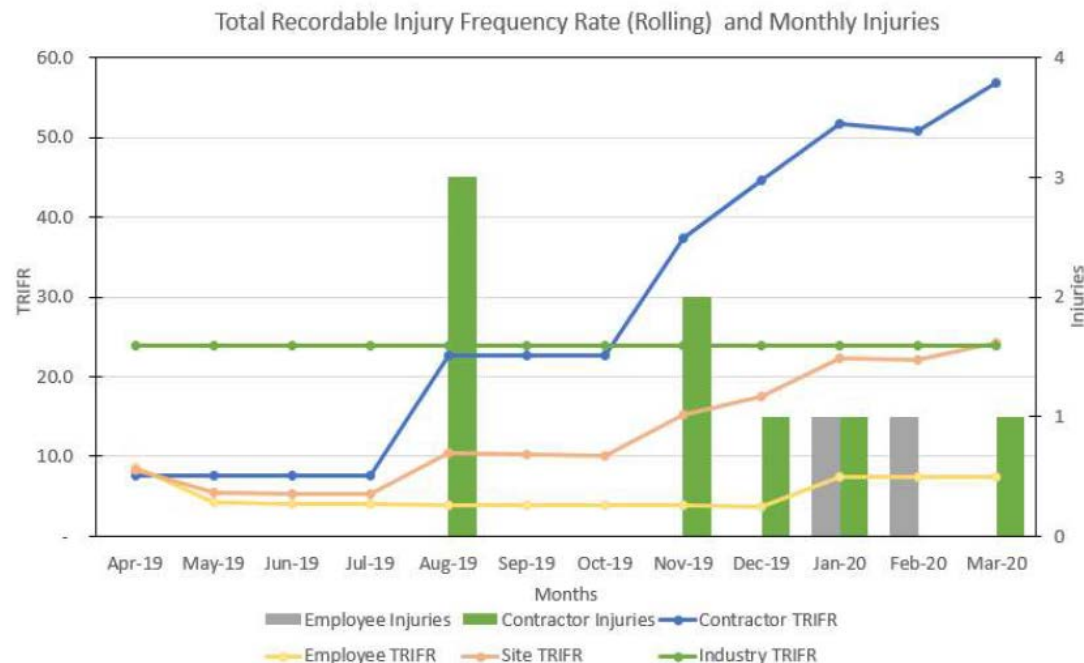
HERA PROJECT

CCC — June 2020

Safety is at the core of our business

Health and Safety – Jan 20 to Mar 20

- Poor performance with an increase in Total Recordable Injury Frequency Rate (TRIFR) at 31 March 2020. The overall Hera Mine TRIFR has increased to 24.27, with the Pybar TRIFR increasing to 56.86 and the Hera TRIFR increasing to 7.37, however 4 x 2hr Safety Stops were held with the Pybar mining crews in February to arrest the concerning injury trend, with success
- 2 recordable injuries (i.e. RWD UG fitter - lower back pain & MTI exploration driller - foreign object in eye) in January
- 1 recordable injury (i.e. MTI exploration geophysics operator - stitches in top lip) recorded in February
- 1 recordable injury (i.e. RWD UG operator - twisted ankle) recorded in March
- The month of March saw the escalation of COVID-19 to pandemic status and required site to implement a number of risk control measures as part of IMT & CMT directives. Site has implemented controls and enhanced communication across all areas of site. Weekly verification checks on the controls implemented have been conducted by NSW Regulators & corporate management



Social licence to operate

Seeking to deliver mutual benefit

■ Community a critical stakeholder

- Continuing the positive and supportive relationship with the Nymagee community (e.g. water provision to mine from surrounding properties – this has since ceased in late April 2020)
- Contributing to key local projects and events throughout the New Year period:
 - Hera's septic and sludge will soon be due to get emptied by a licenced processing facility. The Nymagee community will have the opportunity to have their septic systems serviced as part of Hera's community initiatives program
 - Hera has joined Julian Craig's (julian@juliancraig.com) online training for Australian WHS Venomous Animals Awareness. Hera is a 'Test Group' for Julian Craig's training platform and offering this online course to the local Nymagee community will be undertaken. Once COVID-19 restrictions have been eased Julian will come to site to undertake face to face training and undertake community information sessions
 - Ongoing cleaning and maintenance of the Nymagee community areas will continue to be funded by Hera
 - A number of events planned in Nymagee were cancelled due to COVID-19 restrictions

■ Water Solutions – mitigating allocation risks

- Hera's bore field now has 11 operating groundwater extraction sites, which is Hera's Water Access Licence site limit
- The Nymagee and Hera Water Access Licences were combined and approved by the Natural Resources Access Regulator in January 2020
- Nymagee Mine water pipeline was completed in February, with an unsuccessful water trial undertaken in March. Alternative water treatment solutions for the Nymagee mine water are still being considered, as they are expensive
- The trucking of potable water from Cobar and raw water from surrounding properties ceased in late April due to site groundwater extraction and surface water dams having adequate supply for site's demand. Hera are very grateful for the ongoing support for their operations from local landholders with supply of water

■ Environmental Incidents

- On 9 Jan 2020 the HVAS recorded a result of 135 $\mu\text{g}/\text{m}^3$
- On 15 Jan 2020 the HVAS recorded a result of 52 $\mu\text{g}/\text{m}^3$
- On 27 Jan 2020 the HVAS recorded a result of 67 $\mu\text{g}/\text{m}^3$
- The rolling 12 month average for the PM10 in January 2020 recorded a result of 31.96 $\mu\text{g}/\text{m}^3$
- On 2 February 2020 the HVAS recorded a result of 104 $\mu\text{g}/\text{m}^3$
- The rolling 12 month average for the PM10 in February 2020 recorded a result of 30.49 $\mu\text{g}/\text{m}^3$
- On 20 September 2018 the EPA ID 24 – Gold Room Scrubber Stack recorded a Cadmium result of 0.62 mg/m^3 . This incident was reported on 6 April 2020
- The rolling 12-month average for the PM10 in March 2020 recorded a result of 28.18 $\mu\text{g}/\text{m}^3$
- 25 March 2020 – The discharge to the PWD was not sampled
- 26 March 2020 – The discharge to the PWD was not sampled
- 27 March 2020 – The discharge to the PWD was not sampled

■ Complaints

- 20/01/2020 Alleged trespassing on property adjoining the mine
- 06/02/2020 Concentrate truck speed through village

■ Environmental Initiatives

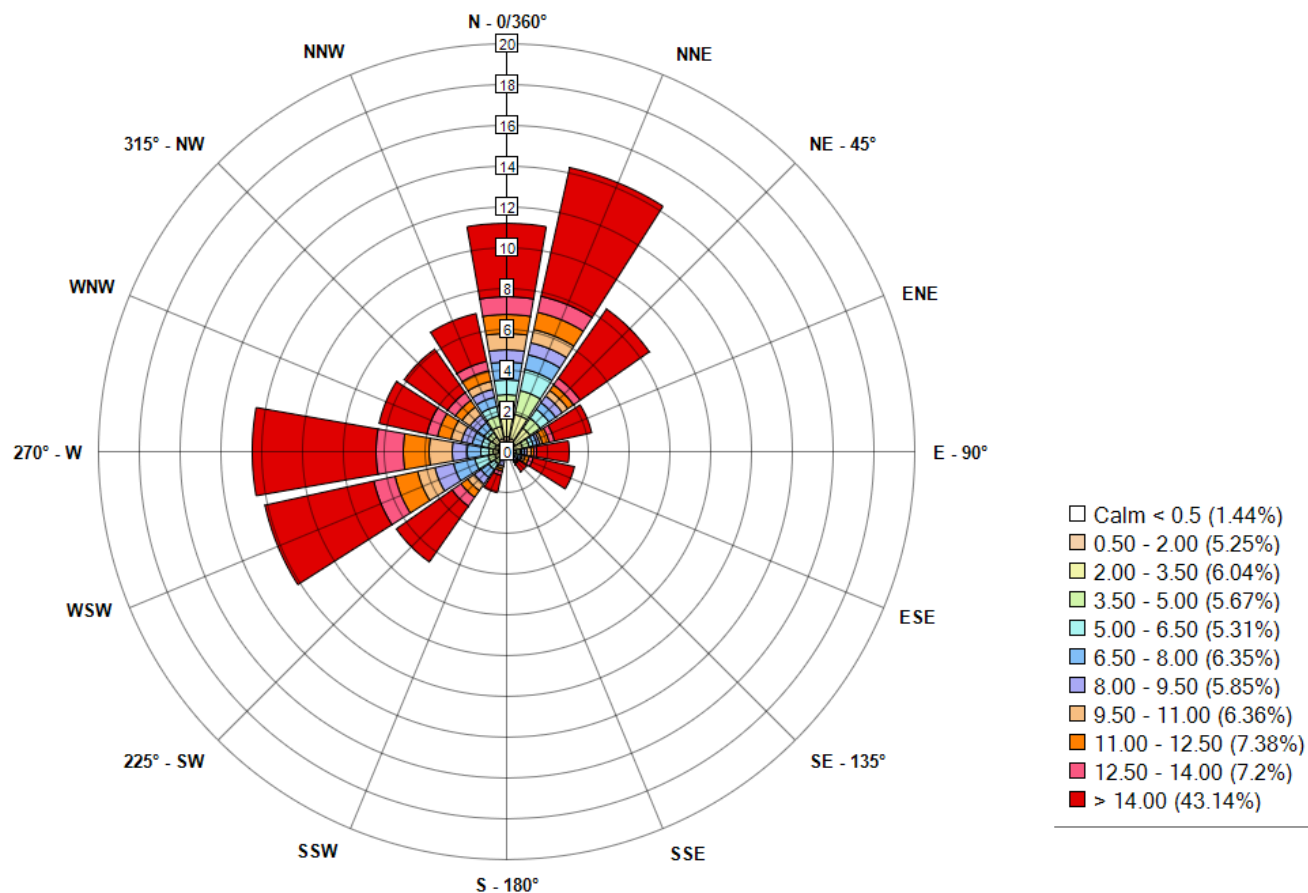
- MOD5 to Project Approval 10_01091 was approved on 5th December 2019
- VPA discussions between Hera and BSC have been accepted by both parties. VPA discussions between Hera and CSC have been finalised but have not been accepted by CSC so far
- Hera's Mine Operations Plan (MOP) and Rehabilitation Cost Estimate (RCE) were approved on 28 February 2020 by the Resources Regulator
- Hera's three yearly Independent Environmental Audit report review by DPIE was completed on 24 April 2020. DPIE considers that the Audit Report generally satisfied Condition 9 of the consent. Hera is 80% compliant to its licence conditions with the majority of non-compliances being historical or administration related. An action plan has been submitted to DPIE to address and continually improve Hera's compliance to its licence conditions

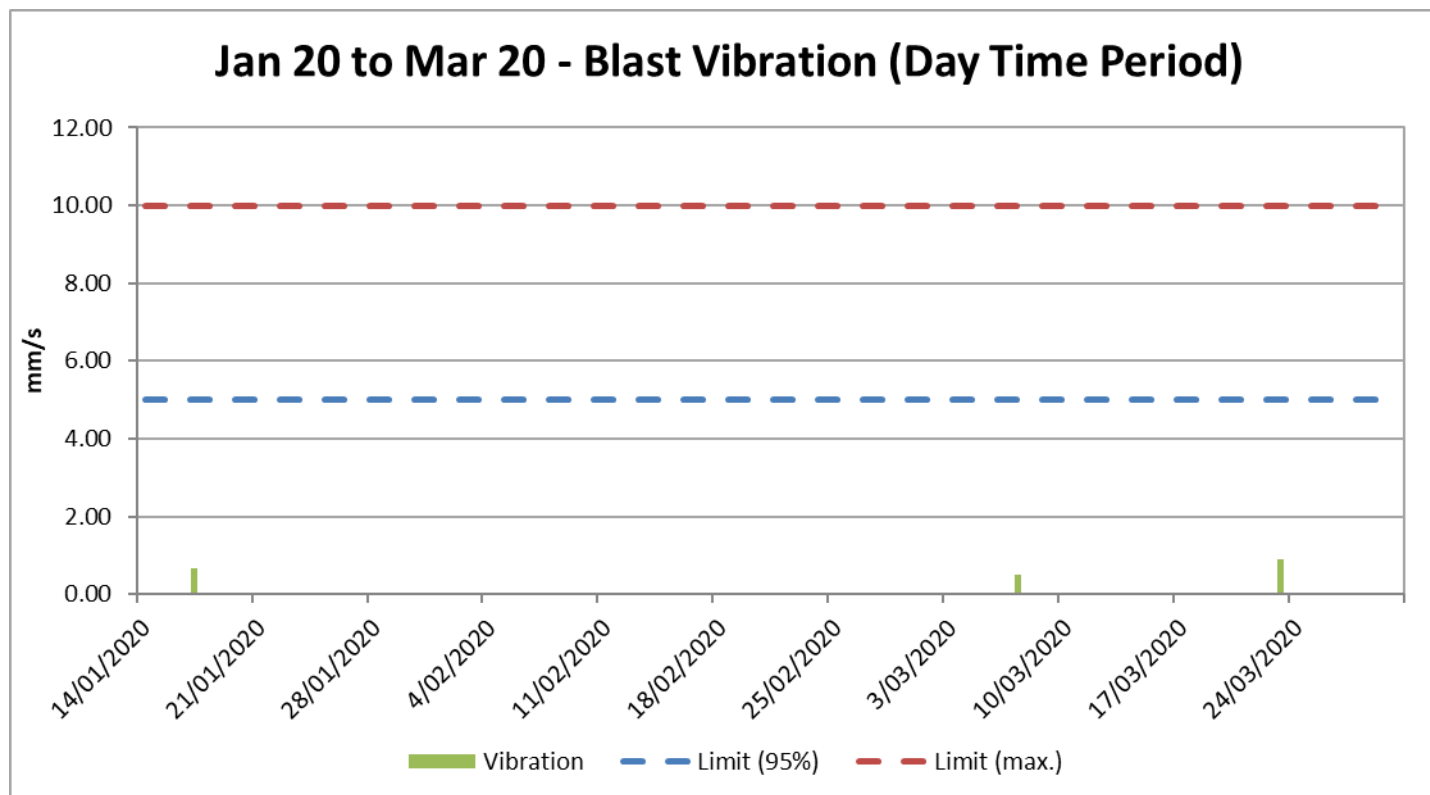
Wind Rose Report for: Hera Resources - 10 Min Data

AVERAGE Wind Direction and MAXIMUM Wind Speed in km/h

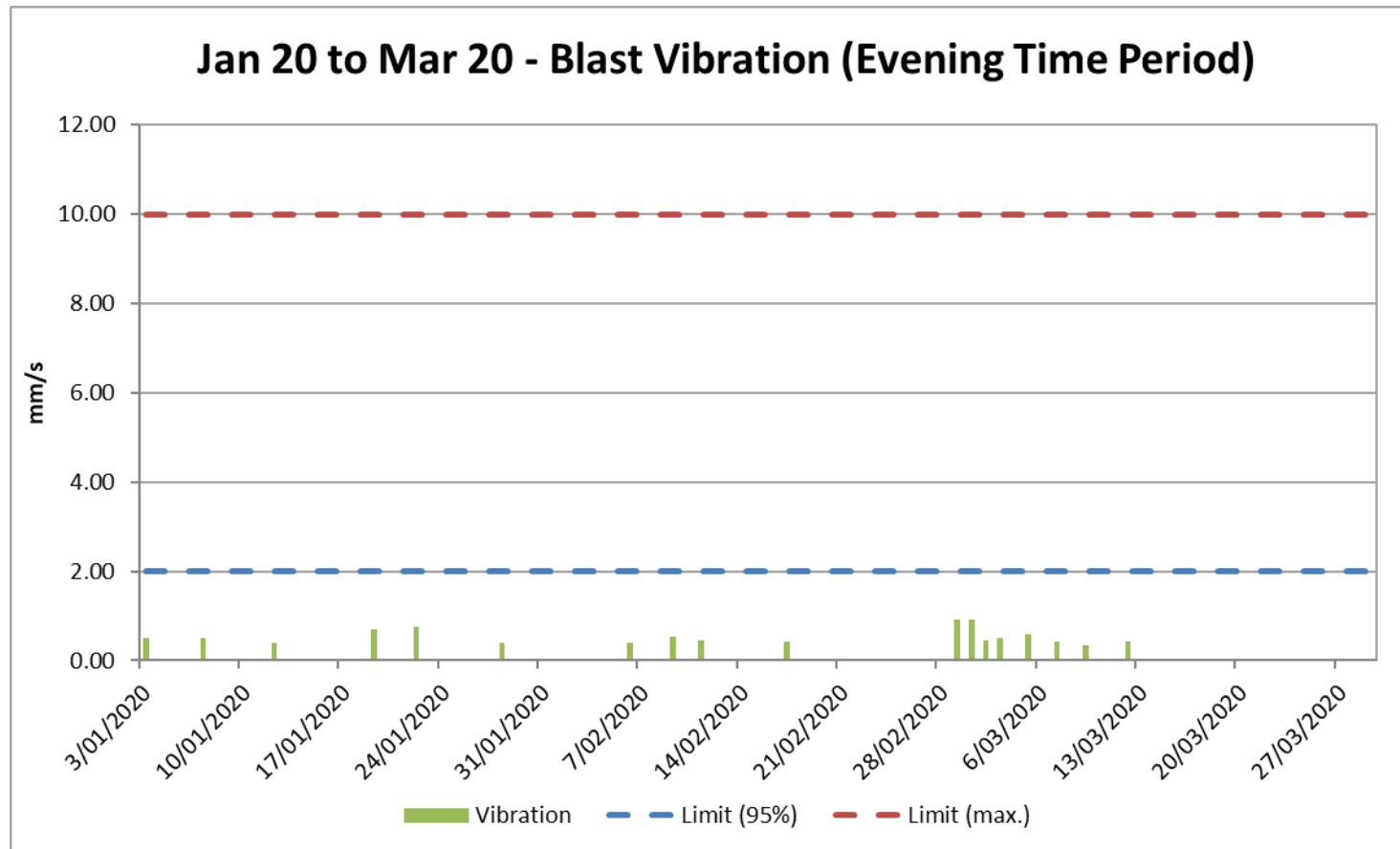
Period: 2020-01-01 00:00 to 2020-03-31 23:59

Direction the Wind is Blowing To

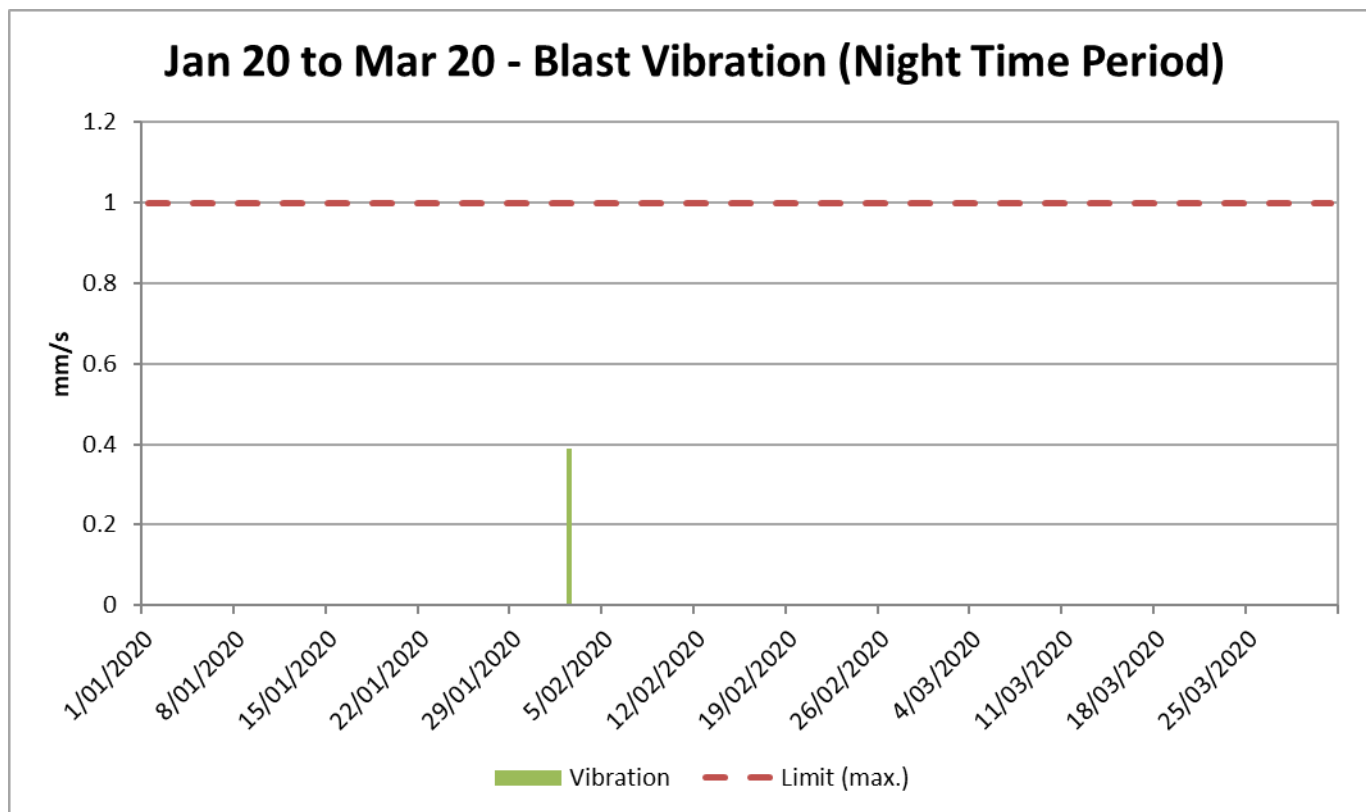




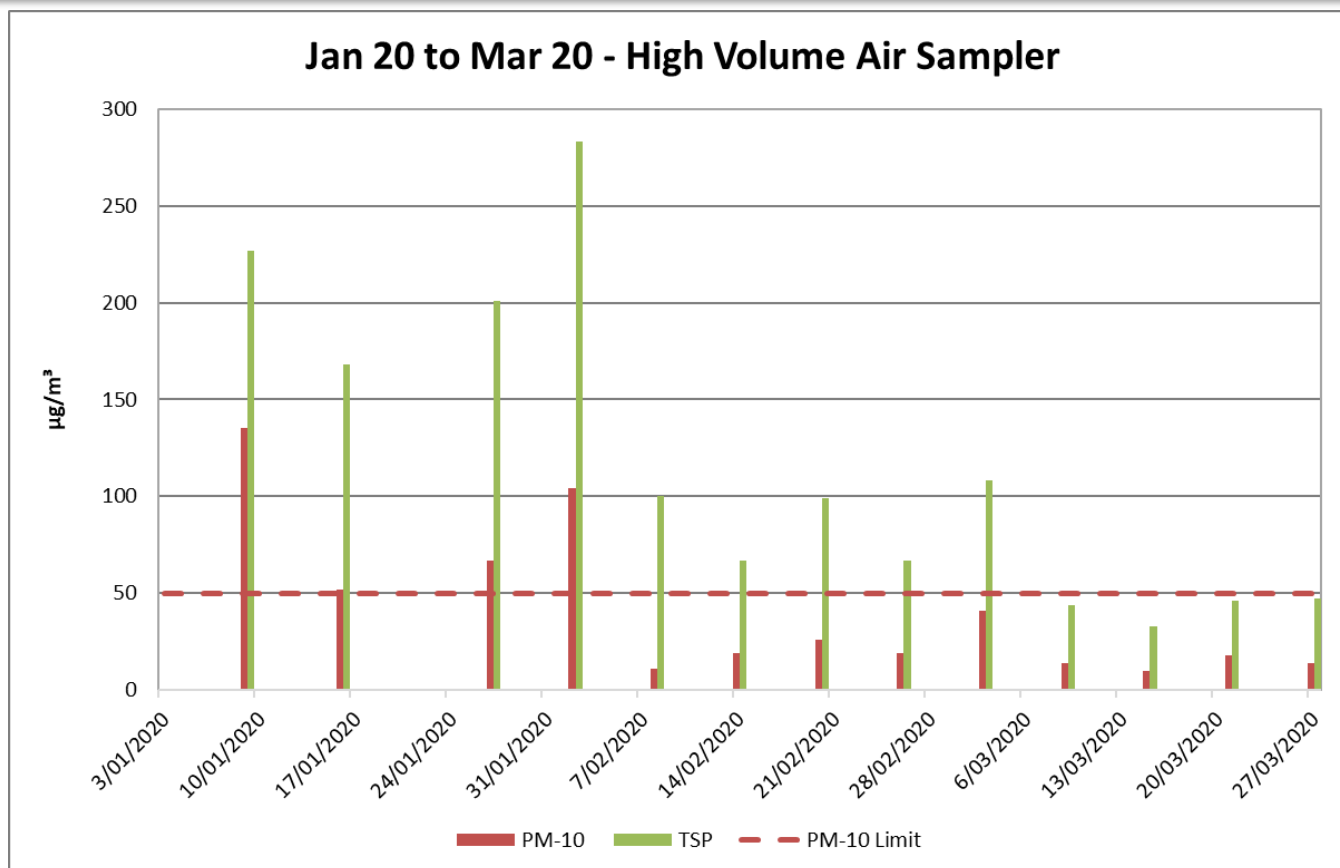
Day time period = 7am to 6pm Monday to Saturday



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

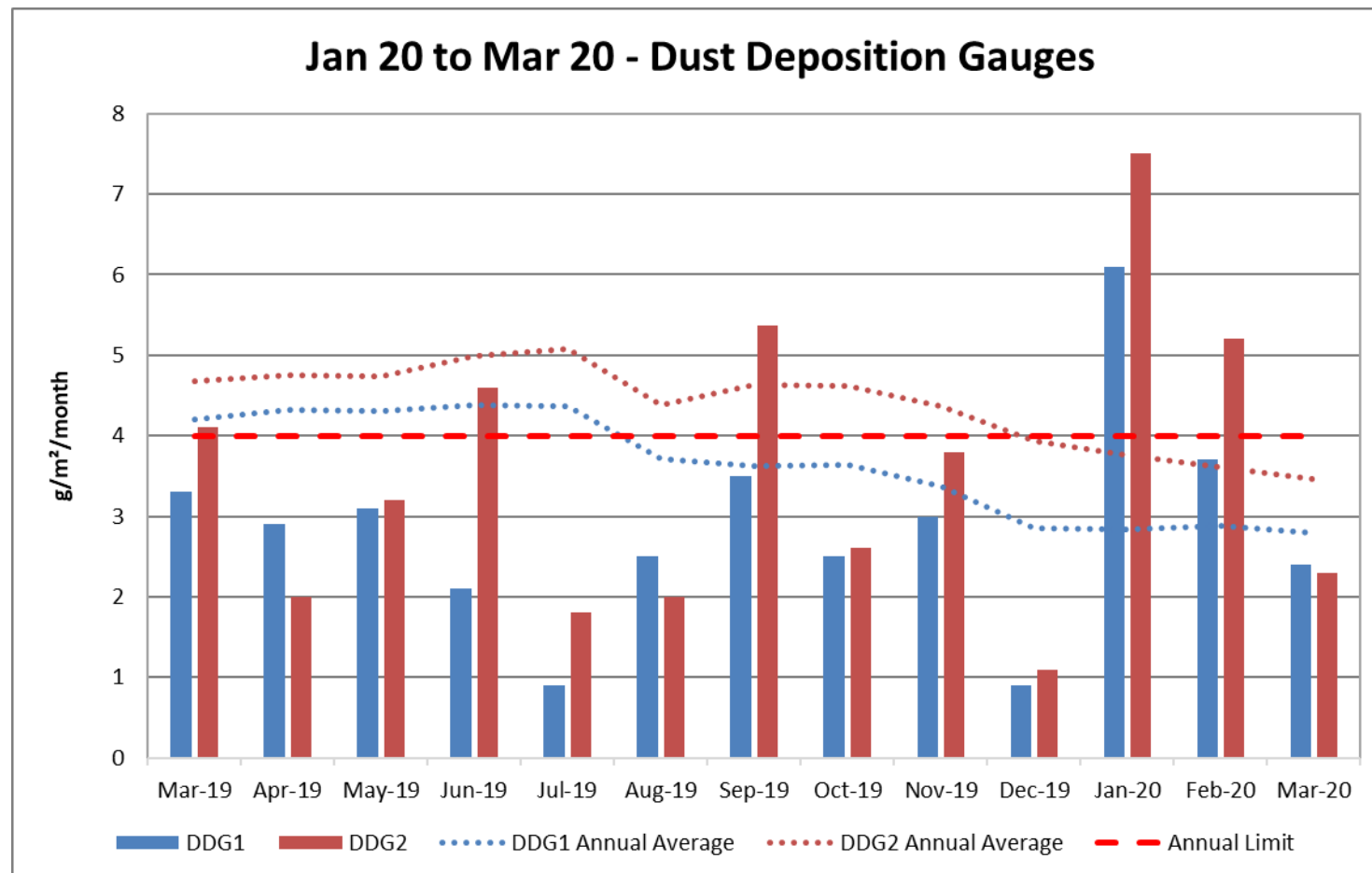


Night time period = 10pm to 7am Monday to Saturday, all day Sunday and Public Holidays

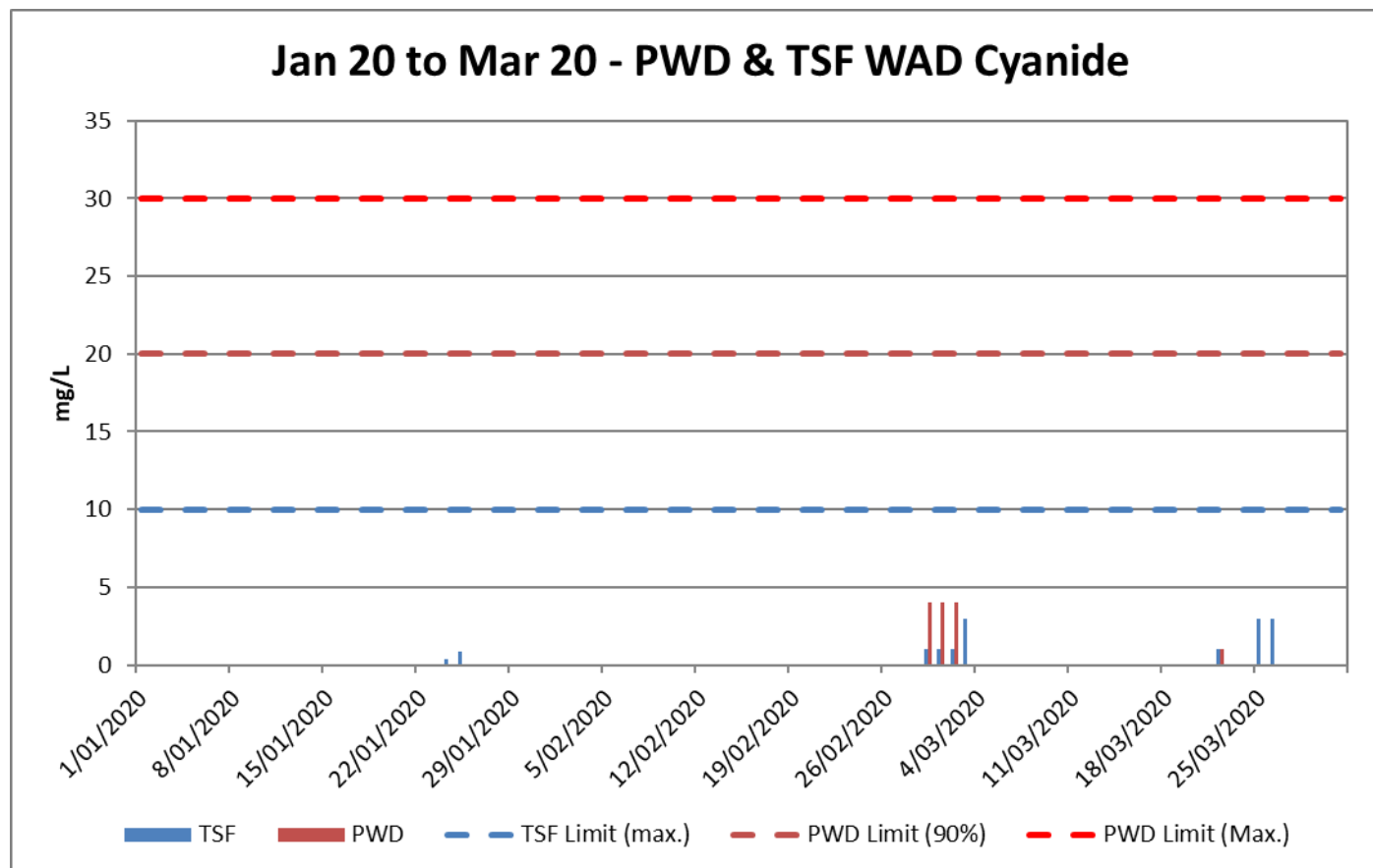


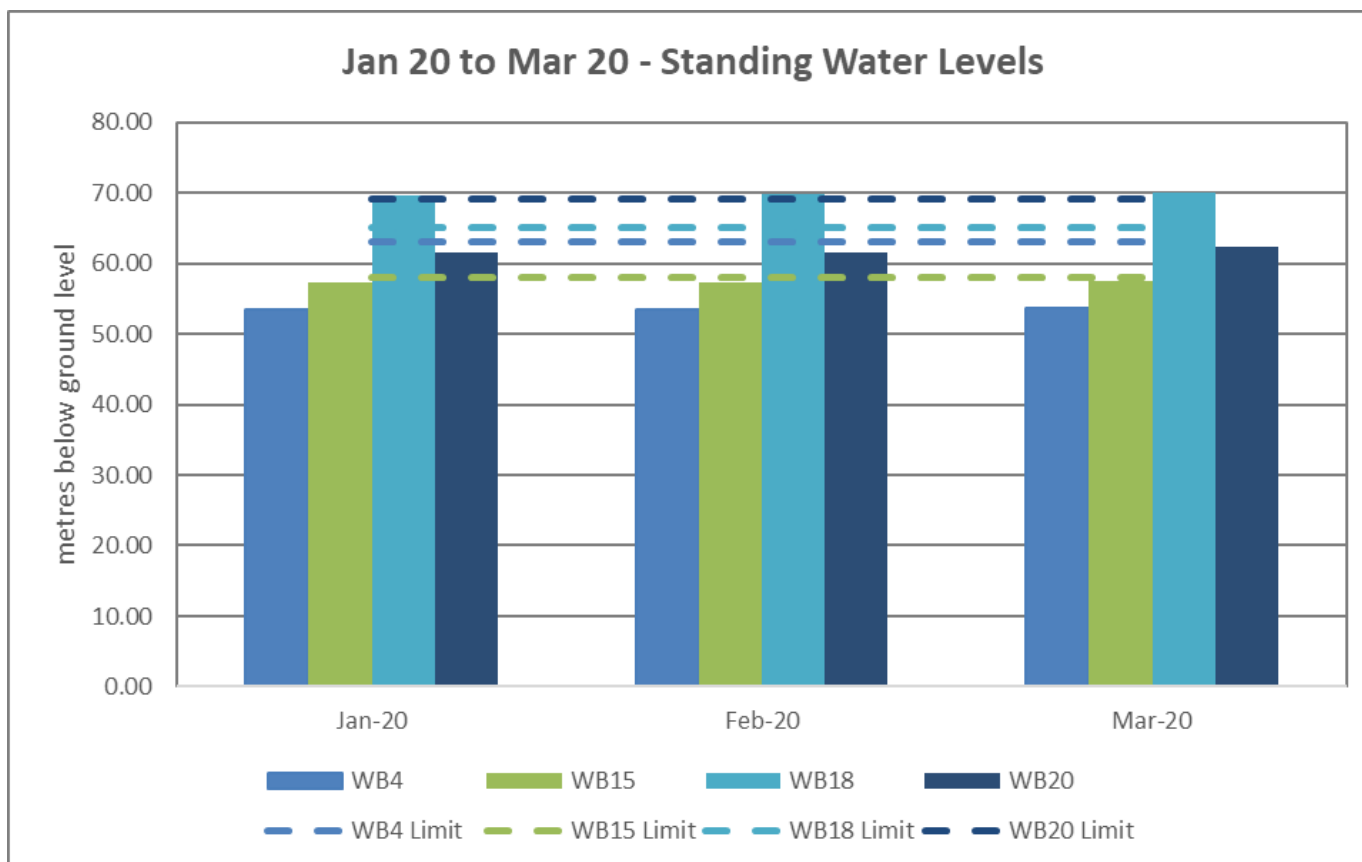
Elevated dust levels continued in January as a result of the ongoing drought. EPA, Resources Regulator and DPIE have been updated on dust exceedances. The rainfall was a welcome reprieve to reduce regional dust conditions. Rainfall readings from Hera's meteorological station was:

- January 6.2 mm February 56.2 mm
- March 49.6 mm April 158.4 mm

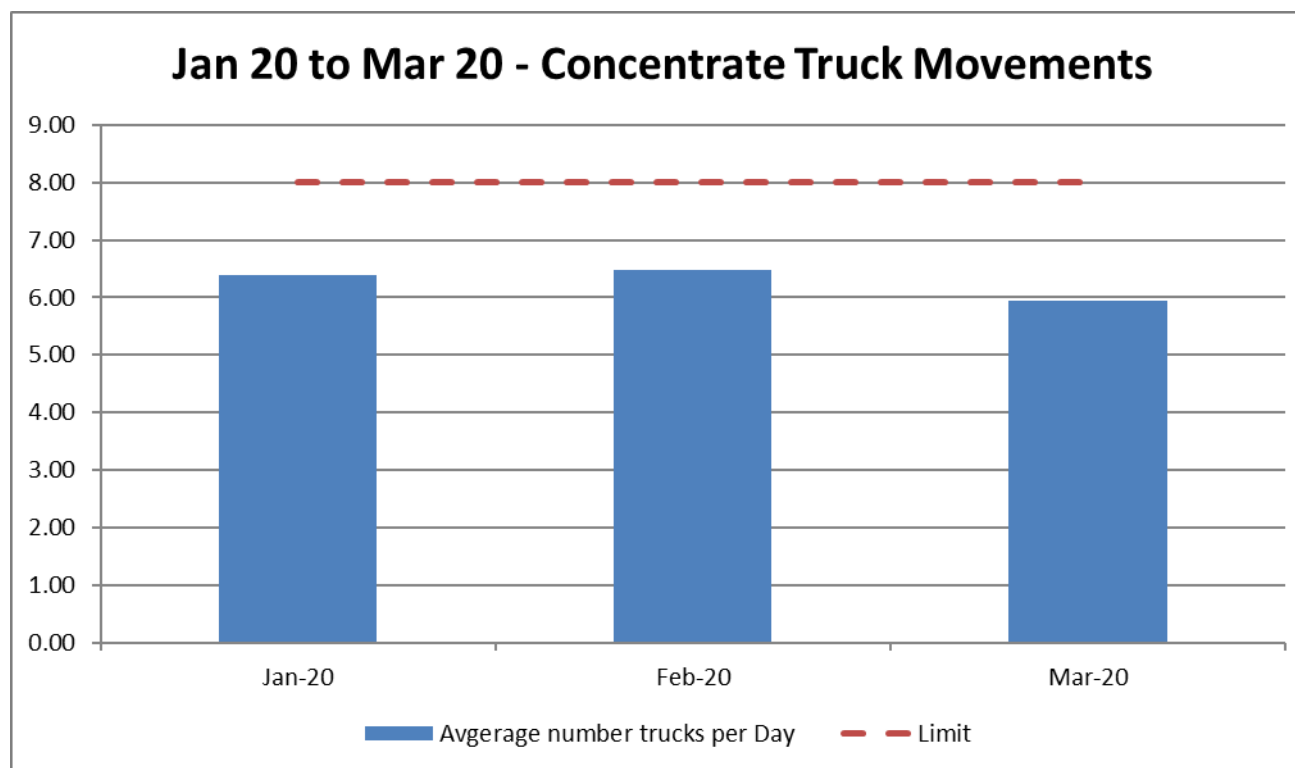


Tailings Storage Facility and Process Water Dam Discharges





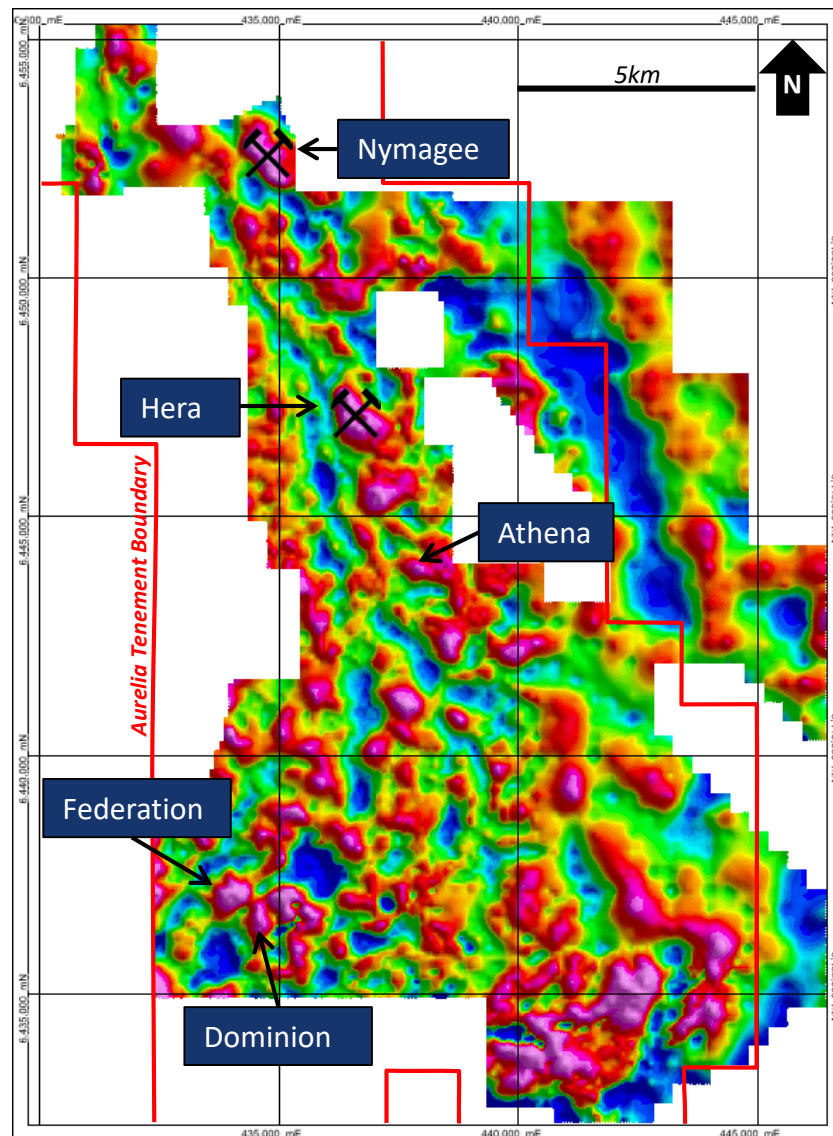
Concentrate Truck Movements



Using MOD5 8 truck movements per day i.e. Two movements equal a truck coming on and off the Hera Mine site

Extending Hera's mine life

- Surface drilling ~10km south of the Hera operation at the Federation project has continued to deliver high-grade gold and base metal intercepts
- Drilling has focused on extending known mineralisation along strike and at depth
- Significant exploration and evaluation work are ongoing, with the Company progressing towards a JORC-compliant resource estimate for the deposit
- Large scale regional IP survey continuing
- Regional infill gravity survey complete
- Plan to continue following up on mineralised intercepts from drilling at Athena and Dominion in the new financial year while focus is on delineating the Federation deposit



Federation discovery

Further accelerating evaluation work

- Drilling intercepts illustrating further exceptionally high grade base metals and gold mineralisation, including:
 - 15.4m at 47.4% Pb+Zn & 10.7g/t Au, incl. 2.4m at 47.8% Pb+Zn & 64.5g/t Au
 - 10m at 40.5% Pb+Zn & 5.9g/t Au
 - 18.6m at 49.2% Pb+Zn & 1.1g/t Au, incl. 9m at 59.5% Pb+Zn & 1.9g/t Au

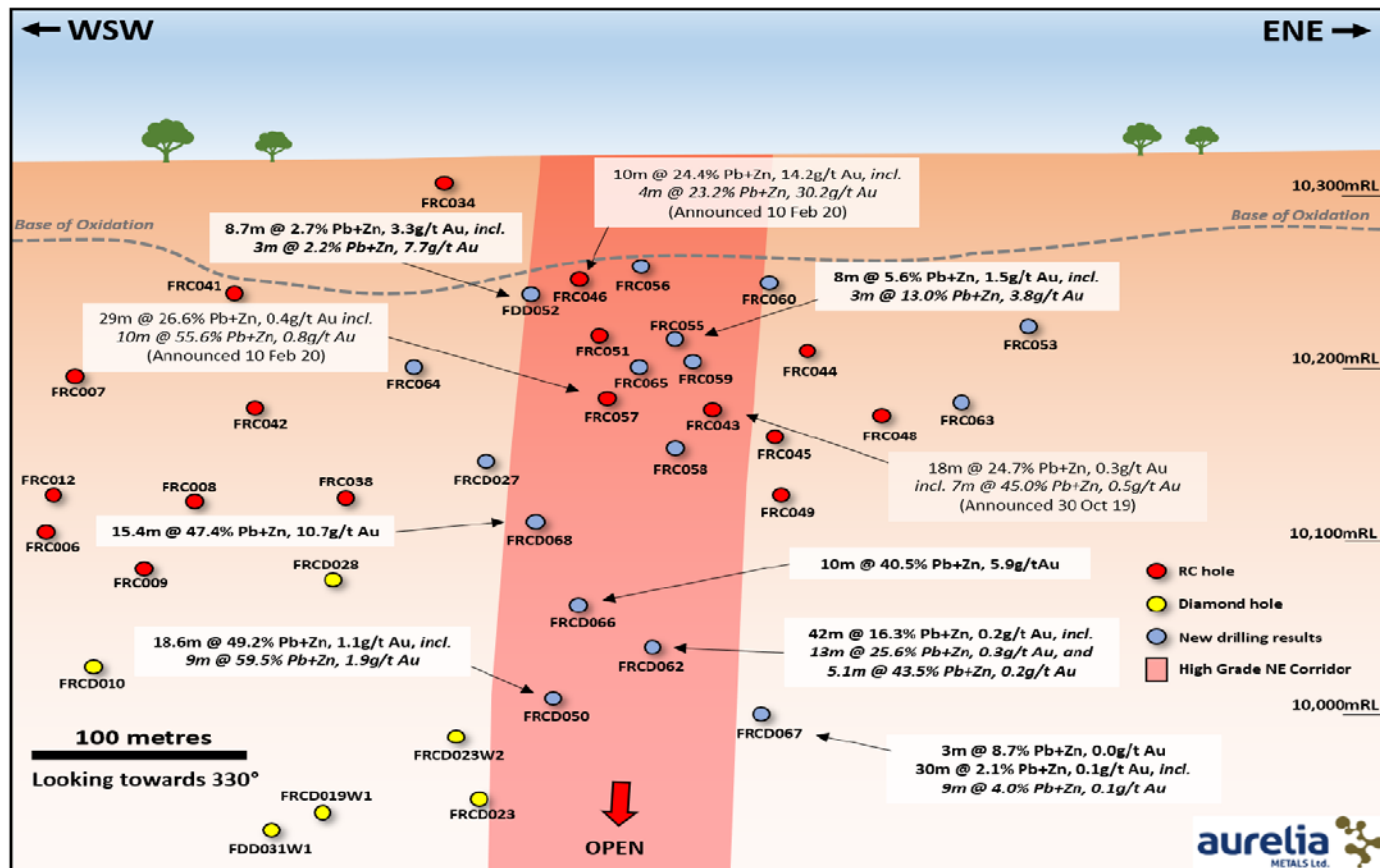


Figure 2. Long section looking towards 330° (NNW) showing the northeastern portion of the Federation deposit with drilling pierce points and selected results. A full list of significant

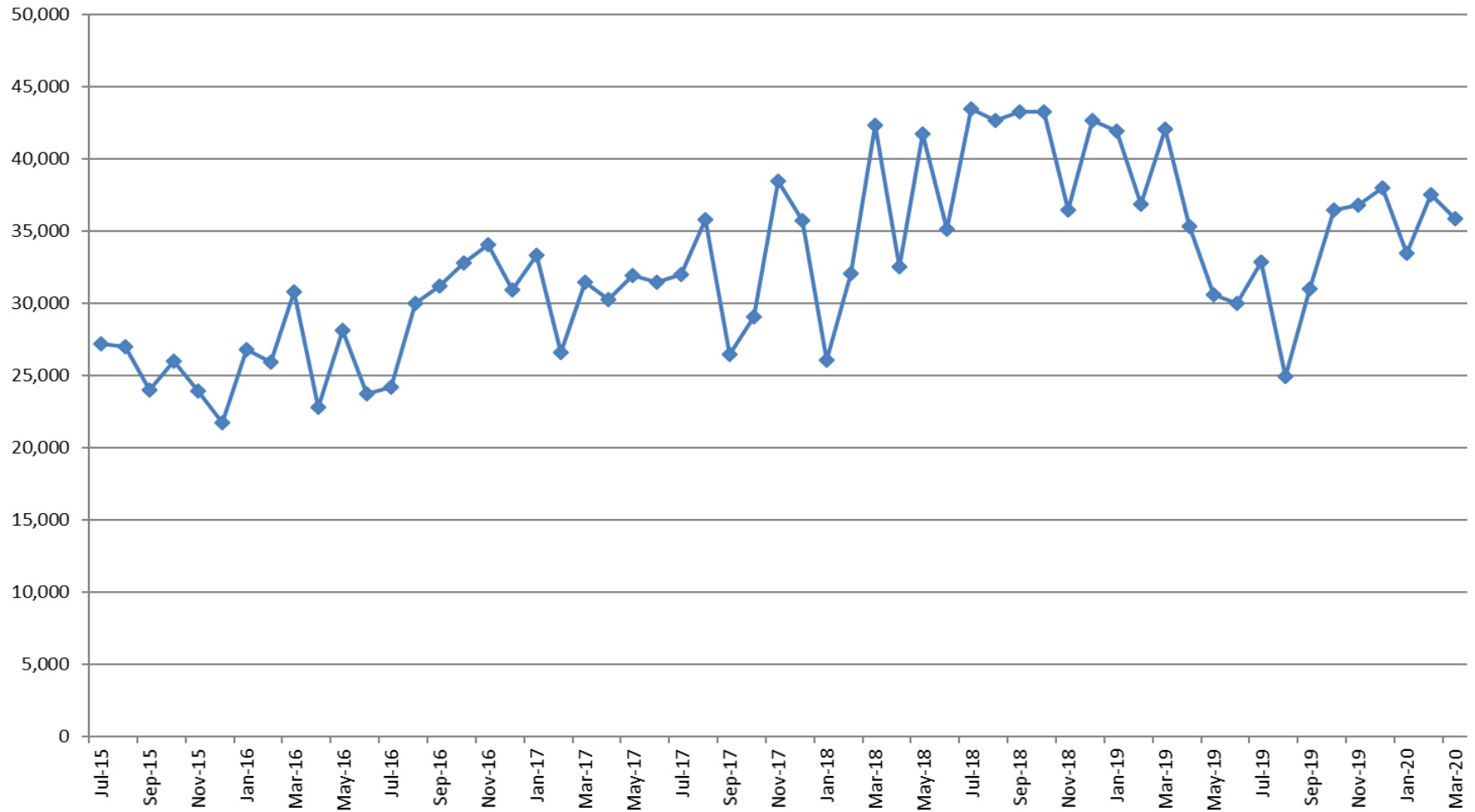
Hera Processing Performance

Key Performance Indicator Summary Mar 20

Traffic Light KPI Scorecard – Monthly

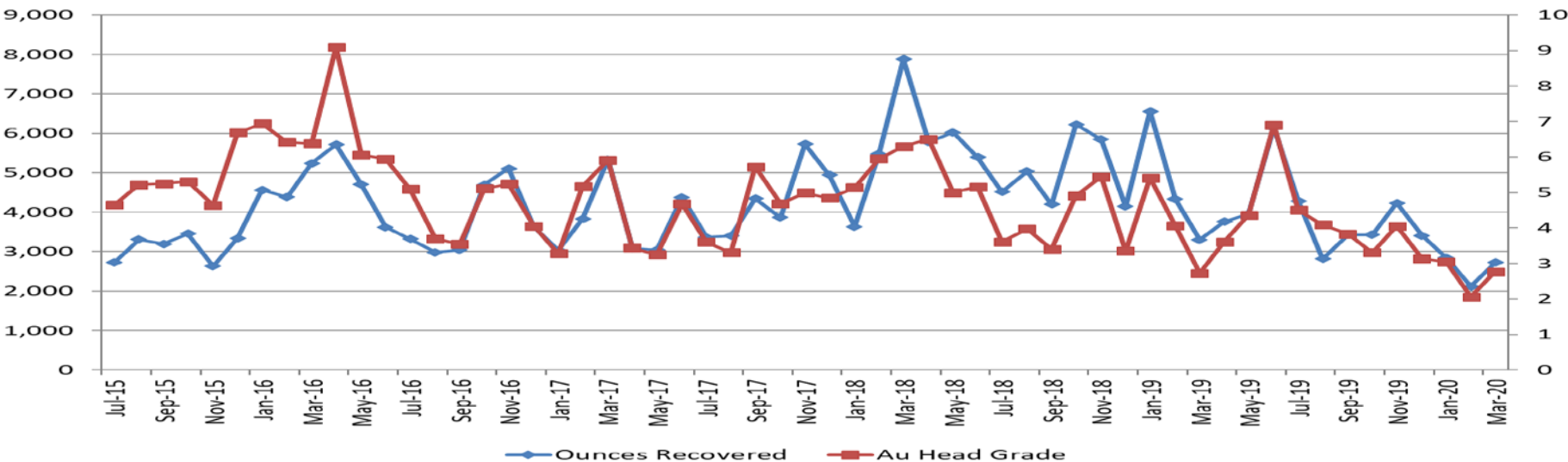
Hera - Mar-20 - KPI Scorecard		Month Actual	Month Forecast	Month Budget	YTD Actual	YTD Forecast	YTD Budget	FY Forecast	FY Budget
Safety (TRIFR)	●	24.3	12.0	12.0	24.3	12.0	12.0		12.0
Total Lateral development (m)	●	171	149	150	1,131	1,242	1,353	1,442	1,803
Ore Mined (t)	●	35,882	43,702	41,083	307,632	328,951	358,974	457,624	483,564
Ore Processed (t)	●	35,832	42,968	43,278	306,748	318,087	356,061	437,313	480,556
Gold grade (g/t)	●	2.77	2.60	1.93	3.38	3.31	2.49	3.17	2.50
Gravity Gold recovery (%)	●	54.8%	42.3%	65.0%	53.3%	49.6%	65.0%	48.1%	65.0%
Gold recovery (%)	●	85.3%	84.6%	93.0%	87.7%	87.1%	93.0%	87.1%	93.0%
Gold production (oz.)	●	2,721	3,035	2,501	29,291	29,584	26,476	38,982	35,872
Pb+Zn grade (%)	●	4.4%	6.5%	7.2%	6.3%	6.3%	7.3%	6.2%	7.2%
Conc production (dmt)	●	2,638	4,647	4,817	32,400	33,056	40,394	45,496	53,531
Conc grade (%)	●	55.5%	55.0%	58.0%	54.7%	54.6%	58.0%	54.7%	58.0%
Recovery - Lead	●	91%	90%	90%	91%	90%	90%	90%	90%
Recovery - Zinc	●	93%	93%	90%	92%	91%	90%	92%	90%
Production - Contained Metal - Lead	●	571	986	1,095	7,307	7,486	9,166	10,338	12,321
Production - Contained Metal - Zinc	●	892	1,570	1,699	10,428	10,553	14,262	14,543	18,727
Silica in conc (%)	●	5.1%	4.0%	3.0%	5.1%	5.0%	3.0%	4.7%	3.0%
Gold losses to Conc (g/t)	●	2.46	1.40	0.61	1.69	1.59	0.77	1.52	0.78
Mining Cost (\$/t)	●	83	65	53	70	69	57	69	57
Processing Cost (\$/t)	●	78	58	55	82	80	63	77	62
Administration Cost (\$/t)	●	15	10	10	14	12	11	12	11
Sustaining Capital Cost (\$/t)	●	24	11	12	20	20	11	15	12
Total onsite cost (opex+capex) (\$/t)	●	200	145	130	186	181	142	173	142
AISC (\$/oz)	●	3,286	744	529	1,261	1,122	586	1,079	626
Notional cash flow \$'000 (after growth capita	●	1,971	2,936	3,314	33,925	29,457	30,718	43,818	42,024

Mill Monthly Throughput

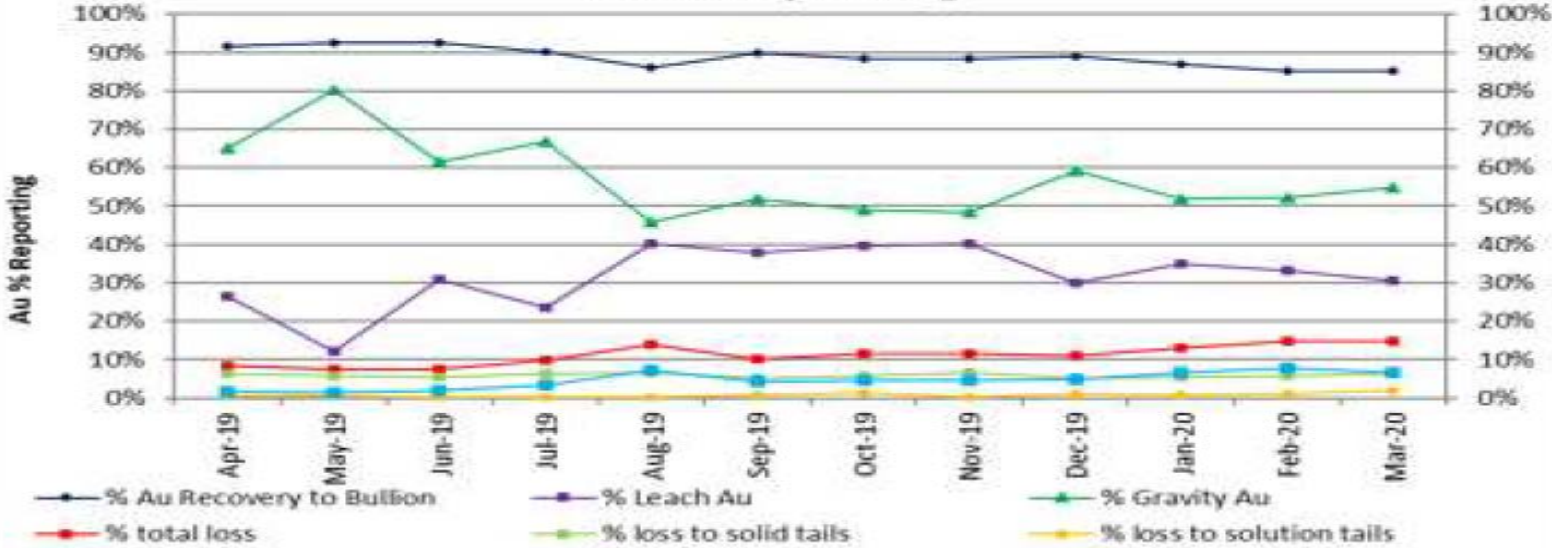


Historical Gold Performance

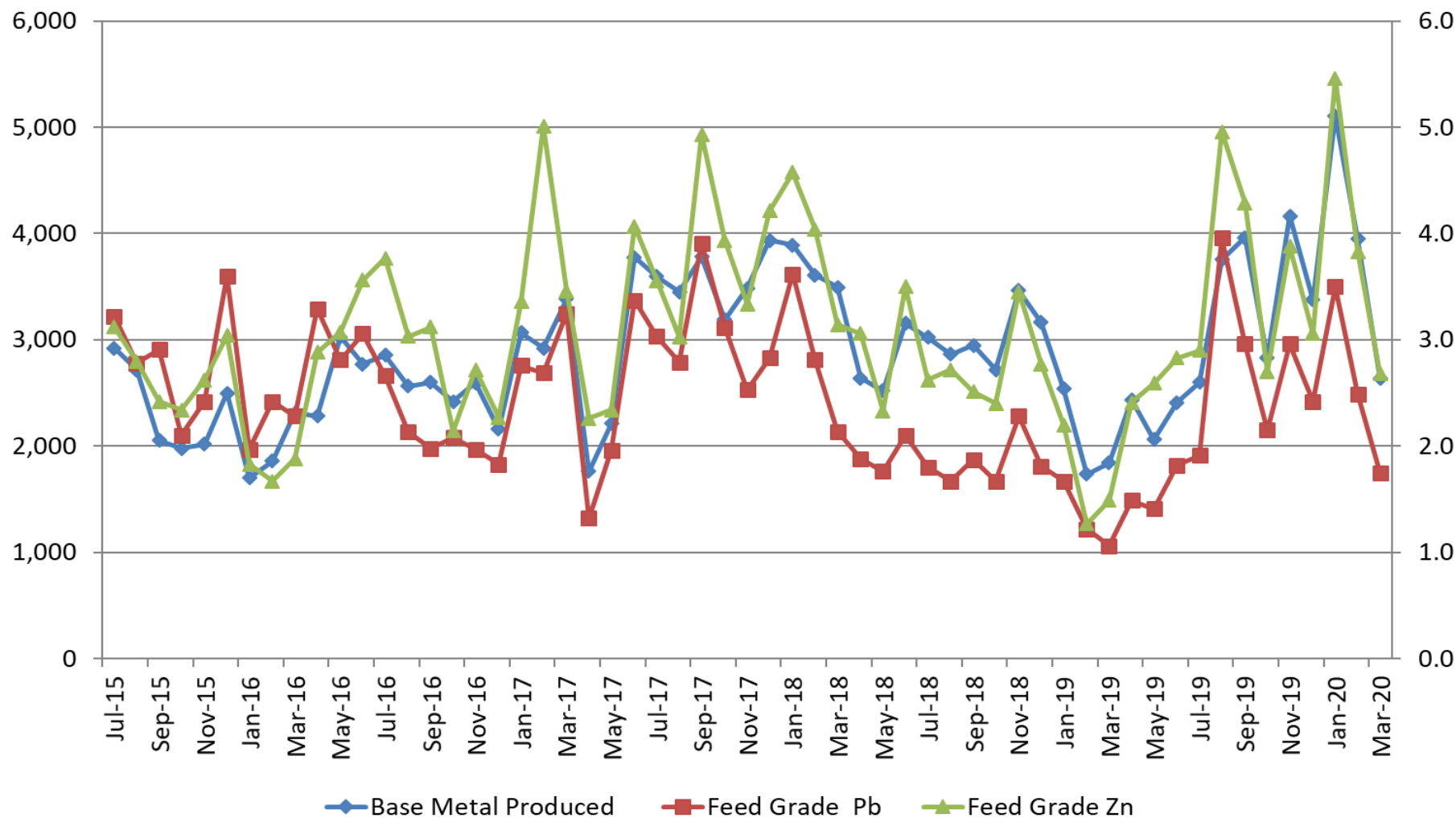
Ounces Recovered vs Head Grade



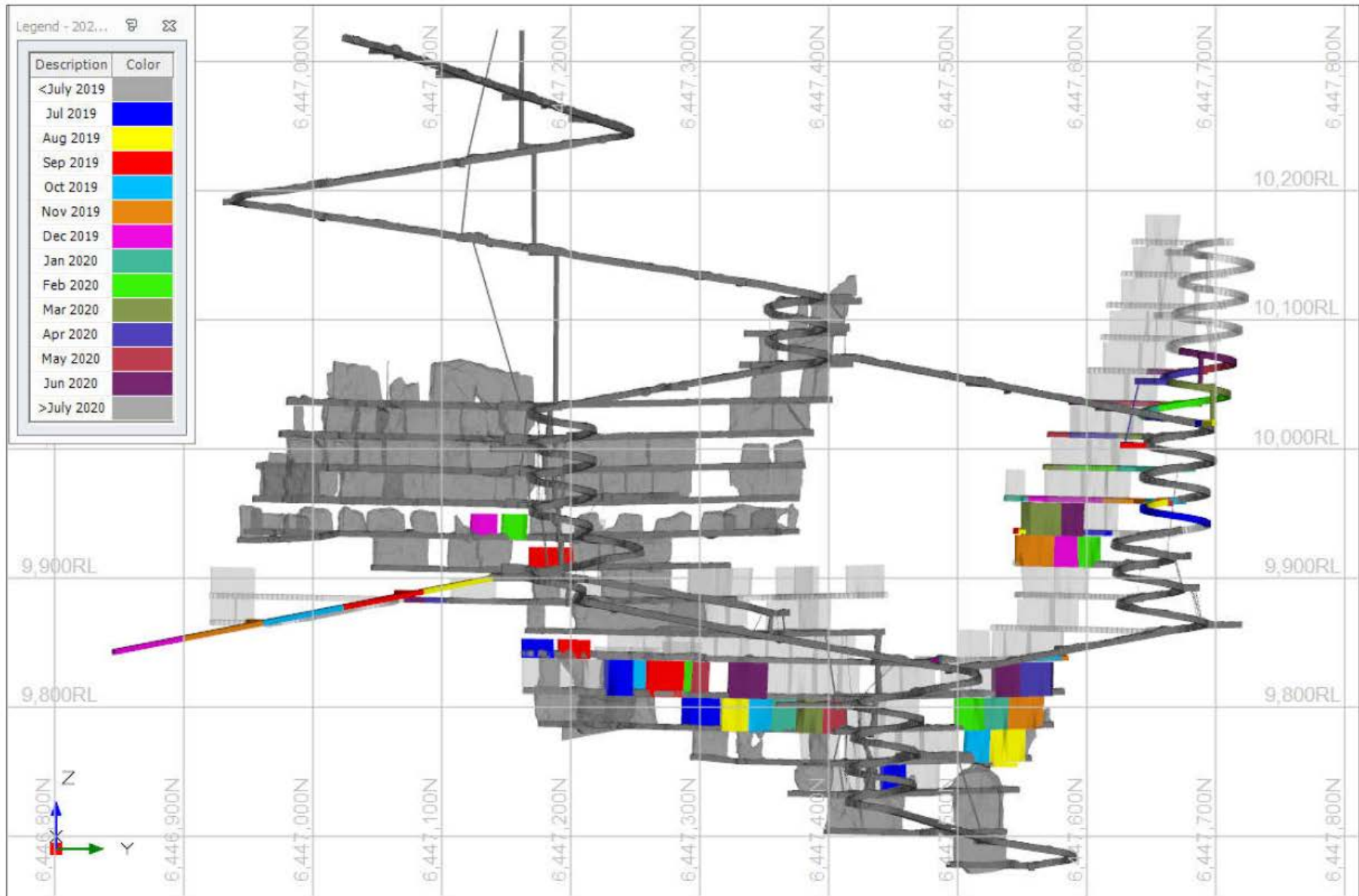
Au % Reporting



Base Metal Production vs Head Grade



FY20 Schedule Production



Three active mining fronts



Life of Mine – Four Years

