

Hera Resources Gold Mine CCC

Annual Report 2022-23

Community Consultative Committee (CCC) – Annual Report

CCC / Project Name:	Hera Mine / Federation Project	Reporting Period:	2022-2023
Independent Chairperson:	Garry West	Proponent Contact:	Jonathon Thompson Group Manager – Sustainability

1. Executive Summary

Mining at the Hera Mine is currently approved for operations until December 2025. Mining of the Federation deposit will allow for a transition of mining operations from Hera Mine to Federation, as ore from the Federation deposit replaces ore from the Hera Mine.

The Environmental Impact Statement (EIS) for the Federation Project was exhibited in March 2022. The Project is a proposed underground metalliferous mine located in central western NSW, approximately 15 kilometres south of the Nymagee township and 10 km south of the Hera Mine.

Following lodgement of the EIS Hera Resources identified several amendments to reflect Project refinements and commitments resulting from the assessment process. The key amendments related to changes in the surface layout and a reduction in ore, tailings and concentrate haulage truck movements as the truck size was increased from a B-Double to an AB-Triple (ie tonnes remain the same but less movements due to greater pay-loads per truck movement). An Amendment report was prepared to address the changes, in tandem with a separate Response to Submissions Report (RTS) to address issues raised in submissions. The Project was granted development consent in March 2023.

An outcome is the requirement for Hera Resources to seal Burthong Road and to construct the Federation Mine access points and additional road and intersection upgrades at Hermidale and the Nymagee-Hermidale Road (road and intersection upgrades in the Bogan Shire LGA are trigger once truck movements exceed conditional limits).

Late 2022, work on the Federation exploration decline paused to allow an appropriate financing structure to be put in place.

Early 2023, the CCC was advised the Hera Mine would transition to Care & Maintenance from late 2023. Initially it was anticipated there would be no gap and seamless transition through Hera's life of Mine (LOM) to the first production at Federation in 2024. However, two quarters of significantly challenging mining and financial conditions triggered a review of the LOM plan.

The new LOM affected Hera employees with some remaining on the C&M team for Hera, others took up vacant roles at the Aurelia owned Peak and Dargues Mines and others were successfully moved to other local mines.

Above ground assets were secured and protected to minimise degradation allowing safe, effective and economic return to operational status when required.

Mid 2023, Aurelia Metals announced a funding solution had been secured for the Federation Project. The new capital structure allowed for the restart of the development, with the remobilisation of the mining contractor with works to recommence in August 2023.

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Late 2023, Aurelia Metals has successfully obtained the Mining Licence (ML) for the Federation Project and the Hera Mine Environment Protection Licence (EPL) has been successfully modified to incorporate the Federation Project. The mining operation is for gold, copper, zinc, lead and silver over 12-14 years with a new process plant at Hera proposed. However, Aurelia Metals is continually seeking opportunities to refine the project and is investigating “capital light” options to mine the Federation Project. Future modifications to the development consent may be required to accommodate these plans.

The development consent allows for the mining and process of approximately 6.95 million tonnes (Mt) of ore over the life of the mine. About 10% of the ore will be trucked to the Peak Mine, near Cobar, for processing in the initial years. Concentrate from the Hera Mine will be trucked to the Hermidale rail siding for transport. Tailings for backfilling stopes will be transported from Hera to the Federation site. Re-commissioning of the Hera processing site is scheduled to commence in 2026.

Management Plans for the Federation Project are in the final phases of review and a VPA with Cobar Shire Council was on public exhibition, with submissions closing 21 December 2023. Aurelia Metals and Bogan Shire Council have already agreed and executed a VPA.

The COVID-19 pandemic saw the site strengthen stringent testing requirements for all employees and contractors entering the site to ensure a safe working environment and keeping the local community safe during 2022.

The Hera Village expansion was approved by Cobar Shire Council and Stage 1 for an additional 40 rooms has been completed and Stage 2 is planned in later years for an additional 120 rooms.

2. CCC activities over last 24 months

- Four (4) meetings were held during both 2022 and 2023.
- The CCC was kept fully informed of the Company and site changes.
- Company presentations included reports on all site injuries, environmental incidents and monitoring, complaints, production and exploration activities and were included with the adopted minutes and uploaded to the company website.
- The Company contributed to several local community activities and events and supporting local community organisations. CCC members kept the Proponent updated on the local community priorities.
- A site inspection of the initial works at the Federation Mine occurred in September 2022.

3. Key issues

- The transition of the Hera Mine to Care & Maintenance.
- The Federation EIS and project refinements.
- The financial re-structuring of Aurelia Metals with consequential impacts on the Federation Mine.

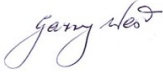
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- A new VPA with the Cobar Shire Council was exhibited which impacts on the township of Nymagee.
- A VPA with Bogan Shire Council was agreed and executed.
- COVID-19 risk control measures were strengthened. These were designed to keep the workplace and the local community safe.
- Continued to contribute to key local projects and events remained a focus of the Hera Mine management team.

4. Focus for next 12 months

- Progress of the Federation Project and the associated roadworks.
- Continue to maintain and foster a community focused social licence.

Signature of Chair:	
Date:	5 January 2024