

# Gold starts flowing for Aurelia

Aurelia Metals Ltd is on track to achieve first concentrate sales later this quarter after pouring the first gold bars from the Hera gold-lead-zinc-silver project in central New South Wales.

Two gold-silver dore bars – one from the Merrill Crowe circuit and one from the gravity gold circuit – were poured on September 12 as the commissioning of the processing plant nears completion.

Performance trials were scheduled to take place at the time of print, before the plant is formally handed over to Aurelia and the company becomes the only gold-lead-zinc-silver producer listed on the ASX.

Aurelia managing director Rimas Kairaitis said the spread of commodities to be mined at Hera would ensure his company received plenty of market attention over the coming months and beyond.

"It's a relatively unusual metal mix, but we like that blend of industrial and precious metals because we think it gives us a natural hedge and positions us in a really unique spot in the market," Kairaitis told **Paydirt**.

"We have always said to the market we would be due for first gold production [last] quarter and first gold concentrate sales in the December quarter, so we're reasonably happy with the way things are tracking."

The start of commercial production at Hera caps a memorable past few months for Aurelia (formerly YTC Resources Ltd), which included winning a prestigious award at Australia's biggest mining conference.

In August, Aurelia was crowned Emerging Company of the Year at the Diggers & Dealers conference in Kalgoorlie on the back of a series of strong drill results from outside the main Hera deposit.

Kairaitis, who has been with the company since 2004, paid tribute to the operational team he put together almost four years ago, prior to the release of a robust feasibility study for the project.

"Being in NSW you can sometimes be away from the eyes of the resource market a bit so it was really nice to be able to say to all our staff and the board that the industry is watching what we're doing," Kairaitis said.

"It was definitely a surprise to win that award and internally it was a real buzz to tell my colleagues: 'The industry has recognised what you're doing and thinks you're doing a good job, not just me.'"

Aurelia recently announced another set of promising exploration results from outside the Hera reserve, including one "bonanza" drill hit of 17.1m @ 14.8 g/t gold, 168 g/t silver, 15.9% lead and 15.2% zinc.

Other encouraging drill hits included 6m @ 3.9 g/t gold, 130 g/t silver, 8.8% lead and 7.1% zinc and



Aurelia will soon become the only gold-lead-zinc-silver producer listed on the ASX

15m @ 2.9 g/t gold, 49 g/t silver, 4.6% lead and 6% zinc, also from the Hera North prospect.

It is expected the mineralisation at Hera North will add to the mine life of the main deposit – and there are still more exploration results to come.

"We've got a fair backlog of pretty exciting exploration results that have built up over the last few months, which we'll be releasing to the market over the coming weeks into [this] quarter," Kairaitis said.

"Some of our most recent results had massive sulphides at the northern end of the system and we're looking forward to chasing some of those up towards the back end of the year."

Kairaitis said rising zinc and lead prices as well as some stability in the precious metals market were justifying Aurelia's decision to

start production at Hera.

"It looks like we're going to be delivering into a market that is moving into a zinc deficit so that will have some positive price implications for us, and so will lead to a lesser degree," he said.

"We can see some uncertainty around the gold market, but we think \$1,300/oz is a pretty strong price and one at which all gold producers should be aiming to be profitable."

Hera has a total resource base of 2.44mt @ 4.1 g/t gold, 2.8% lead, 3.8% zinc and total reserves of 1.8mt @ 3.6 g/t gold, 2.5% lead, 3.5% zinc and 15 g/t silver.

It will be the second gold-containing mine to enter commercial production in NSW in 2014, following on from the start of operations at Alkane Resources Ltd's Tomingley mine earlier this year.

"I've been lucky enough to be involved in a few discoveries and developments in the last few years and it just reinforces how prospective the State is, particularly in the Lachlan Fold Belt where we are operating," Kairaitis said.

"There is still some stigma around permitting and the regulatory environment in NSW, and it probably still has a long way to go to be competitive with other states, but I think it's getting better. We've obviously been through the permitting with Hera and successfully got that project permitted so we've got the confidence we can do the same with whatever comes next."

– Michael Washbourne



Positive exploration results from outside the main Hera deposit are expected to add to the mine life