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Australia/Asia



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While emerging multi-metal miner Aurelia Metals Ltd, formerly YTC Resources, wants to see "over-performance" in the rate of development of its Hera mine transferred to a producing operation asap, it would be pleased with progress at the significant new New South Wales project.

Formed as a tin explorer in 2007 with China's Yunnan Tin Company as its major backer, hence YTC Resources, Aurelia is on track to commission the new Hera plant next month and deliver first gold sales in the September quarter followed by base metal concentrate sales in the following three months.

The A\$75 million (US\$70 million) Hera project, 100km south-east of historic base metals mining centre Cobar, is expected to be a low-cost gold-copper producer with lead-zinc credits at its initial 350,000 tonnes-per-annum mining and processing rate. Nearby Nymagee, Aurelia's yet-to-be-developed second project, will supply ore to the Hera plant, which has 700,000tpa of front-end crushing capacity.

Aurelia is predicting C1 operating costs for Hera of about A\$400/oz (after lead-zinc credits), with the current ore reserve of 423,471oz gold-copper equivalent supporting a minimum seven year mine life.

The company has a finance facility already in place for a A\$50 million project at Nymagee. It will also be looking for a market re-rating on the back of a smooth production start-up with its current market capitalisation A\$75.5 million.

"The Hera project development continues to progress well, with the underground advancement rate well ahead of schedule," stockbroker Hartleys said in a review this week.

"This allows for an improved and more flexible mining schedule to be adopted." "The construction of the processing plant remains on track for commissioning in July 2014.

"In addition, the company has reported strong mineralisation with visible gold in Hera underground exploration drilling, outside the current resource estimate and has also intersected a narrow zone of massive sulphide mineralisation from ongoing deep exploration drilling at Nymagee."

Hera South exploration also continues to look promising, with underground drilling intersecting strong sulphide mineralisation including visible gold in one diamond hole and two discrete zones of gold and lead-zinc mineralisation being traced from sizeable drill-intervals.

"Both zones are outside the current Hera resource envelope [and about 65m south] and could add high-grade tonnes to the Hera reserve for mine life extensions," Hartleys said. "Assays are expected in the coming weeks, with infill drilling ongoing. With visible gold reported we would expect some very good assays results."

Meanwhile, one of three deep holes drilled on the Nymagee ground returned broad copper mineralisation (including 45m of 0.5% from 623m) and assays are awaited for the other two holes.

"YTC will now use downhole geophysics to prioritise drilling. We see significant exploration potential for Nymagee and Nymagee North, where target drill-testing is ongoing," Hartleys said.

"We have modelled an initial eight-year mine life for Nymagee [on its existing mining inventory of circa 5.7Mt] using an openpit copper grade of about 1% and underground copper grade of about 2%, for a blended copper head-grade of about 1.5%."

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THE REPUBLIC OF GUINEA

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The Republic of Guinea intends to launch, pursuant to the mining Code, a competitive and transparent invitation to tender for three bauxite mining blocks located in the prefectures of Boffa, Boké and Téliélé.

INDOCHINE MINING

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MIDWAY GOLD

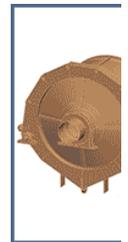
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