

## ASX Announcement

ASX Code: ARM

Date: 25 January 2017

### Aurora Minerals Group of Companies

*Diversified minerals exploration via direct and indirect interests*

**Predictive Discovery Limited (ASX: PDI): 39.64%**

- Gold Exploration / Development in Burkina Faso

**Peninsula Mines Limited (ASX: PSM): 29.3%**

- Graphite, Lithium, Gold, Zinc-Silver Exploration in South Korea

**Aurora Western Australian Exploration – 100%**

- Base metals, iron and gold exploration

### Contact Details

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## QUARTERLY ACTIVITIES REPORT

Ending 31 December 2016

Aurora Minerals Limited ASX: ARM ("**Aurora**" or "**the Company**") and its subsidiary and associate companies conduct exploration across three continents with a focus on South Korea (Peninsula Mines Limited), West Africa (Predictive Discovery Limited) and Western Australia.

### Highlights:

#### Peninsula Mines Limited (Peninsula)

- Multiple drill targets defined across key Projects in South Korea<sup>D1</sup>
- \$1.7M capital raising successfully completed<sup>D2</sup>
- Major zinc-skarn district identified at Ubeong Project<sup>D3</sup>
- High-grade gold channel sampling results from Osu Project<sup>D4</sup>
- Post Quarter-end: Excellent metallurgy and high-grade trenching results for Yongwon Graphite Project<sup>D5</sup>

#### Predictive Discovery Limited (Predictive)

- \$3.0M capital raising successfully completed<sup>P1</sup>
- Successful completion of gold assays from Toro's drilling programme at Boundiali, Côte D'Ivoire<sup>P2</sup>
- 17km long gold-anomalous soil trend on new Côte D'Ivoire Permit<sup>P3</sup>

#### Corporate

- Aurora invested in gold exploration and development via One Asia Resources<sup>A1</sup>
- Aurora retained a 29.3% interest in Peninsula subsequent to that company's successful Placement in October 2016<sup>D2</sup>
- Aurora's holding in Predictive reducing to 39.6% following Predictive's capital raising<sup>P1</sup>
- Aurora cash at bank ~\$3.4M (parent) at end of the quarter
- Value of cash and investments as at 31 December 2016 ~\$13.5M (~11.6c/share)

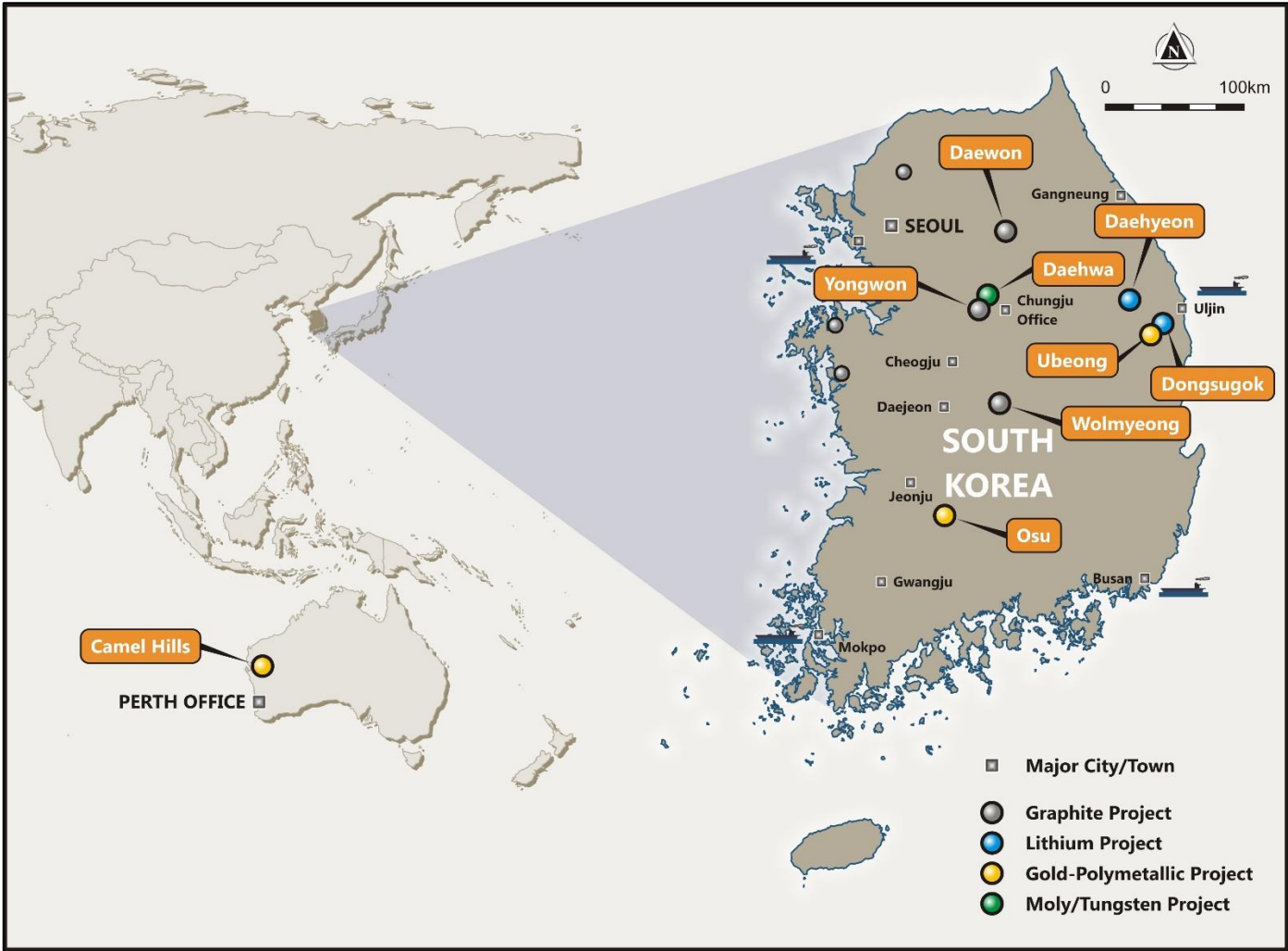
Aurora's subsidiary and associate company investments and market valuations as at 31 December 2016 are shown in Table 1, below.

**Table 1: Aurora Minerals Group Investments**

Aurora Minerals Group Investments					
	Shares (M)	% Interest	Price	Mkt Val \$M	NTA c/share
Predictive Discovery	647	39.6%	\$0.011	\$7.1	
Peninsula Mines	151	29.3%	\$0.017	\$2.6	
other				\$0.5	
Subtotal				\$10.1	
Total value of investments				\$10.1	8.6
Cash as at Dec 2016				\$3.4	2.9
Total NTA				\$13.5	11.6

**Peninsula Mines Limited (Aurora 29.3%)**

**Figure 1: Location Plan of Peninsula's South Korean Projects**



Peninsula focussed its exploration on South Korean Projects operated through its wholly-owned South Korean subsidiary, Suyeon Mining Co. Ltd. (SMCL) which holds tenure over ground prospective for:

- Zinc-silver at Ubeong Project
- Graphite at Daewon, Yongwon and Wolmyeong Projects
- Gold at Osu Project
- Lithium at Daehyeon and Dongsugok Projects and
- Molybdenum-tungsten at Daehwa Project.

Figure 1, above, shows the distribution of the Projects across the Korean Peninsula.

### **Ubeong Zinc – Silver Project**

SMCL has secured tenement applications over 10km of strike of skarnified limestone to the east of the operating Kumho Zinc Mine.

During the Quarter, an accelerated and targeted field programme was undertaken by experienced geologist, Malcolm Forbes, FAusIMM and included mapping and rock chip sampling. Forbes uncovered extensive, historical surface workings and adits in the vicinity of the known, historical Chilbo Mine. He confirmed that the skarn represented a major zinc-mineralised district.

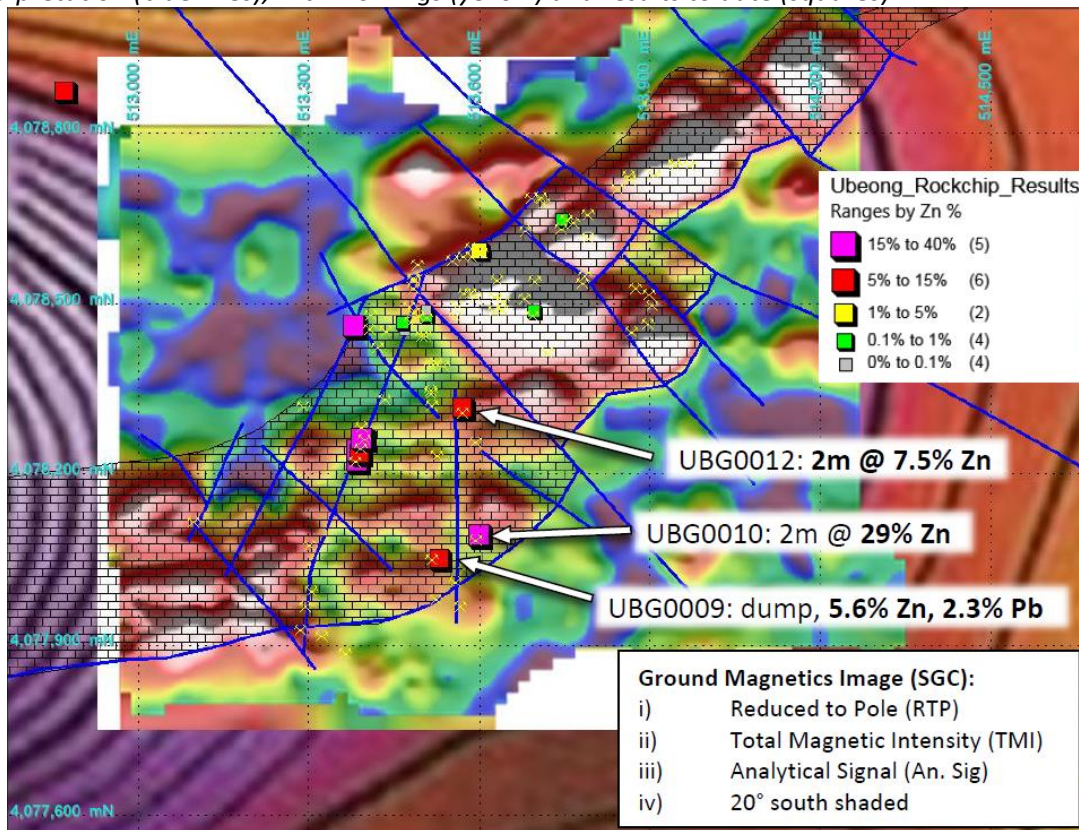
The rock chip sampling generated some extremely high zinc and silver anomalies, some of which are presented in Table 2, below. More rock chip sampling is planned to test all of the identified workings. Further mapping and a soil sampling programme has begun which will encompass the skarn district, with a detailed focus on the high-grade mineralised zones. The completion of this work will enable analysis with the aim of defining targets for diamond drilling.<sup>D3</sup>

**Table 2: Selected high grade results from Ubeong Zinc-Silver Project<sup>D3</sup>**

<b>Sample ID</b>	<b>Location / Geology</b>	<b>Width</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Zn %</b>	<b>Pb %</b>	<b>Cu %</b>
<b>UBG0009</b>	Sulphide ore on dump near smelting	Dump	0.17	<b>137</b>	<b>5.6</b>	<b>2.3</b>	<b>0.43</b>
<b>UBG0010</b>	Gossanous lode in pit/stope	2.0 m	0.02	14	<b>29.0</b>	0.02	0.07
<b>UBG0012</b>	Gossanous lode in pit	2.0 m	0.01	2	<b>7.5</b>	<0.01	0.01

A detailed ground magnetic survey was conducted over a 1.5km by 1.5km area of the rugged country around the Chilbo Mine and the results highlighted the magnetite alteration of the skarn as well as the structures that are believed to control mineralisation. See Figure 2, below.<sup>D3</sup> Extending the ground magnetic survey across the skarn district will assist in pinpointing additional structures which may be vectors to potential mineralization along strike.

**Figure 2:** Chilbo Mine area: TMI image of ground magnetics (over regional TMI), skarn-limestone unit (pattern) and structural interpretation (blue lines), with workings (yellow) and results to date (squares)<sup>D3</sup>



## Osu Gold Project

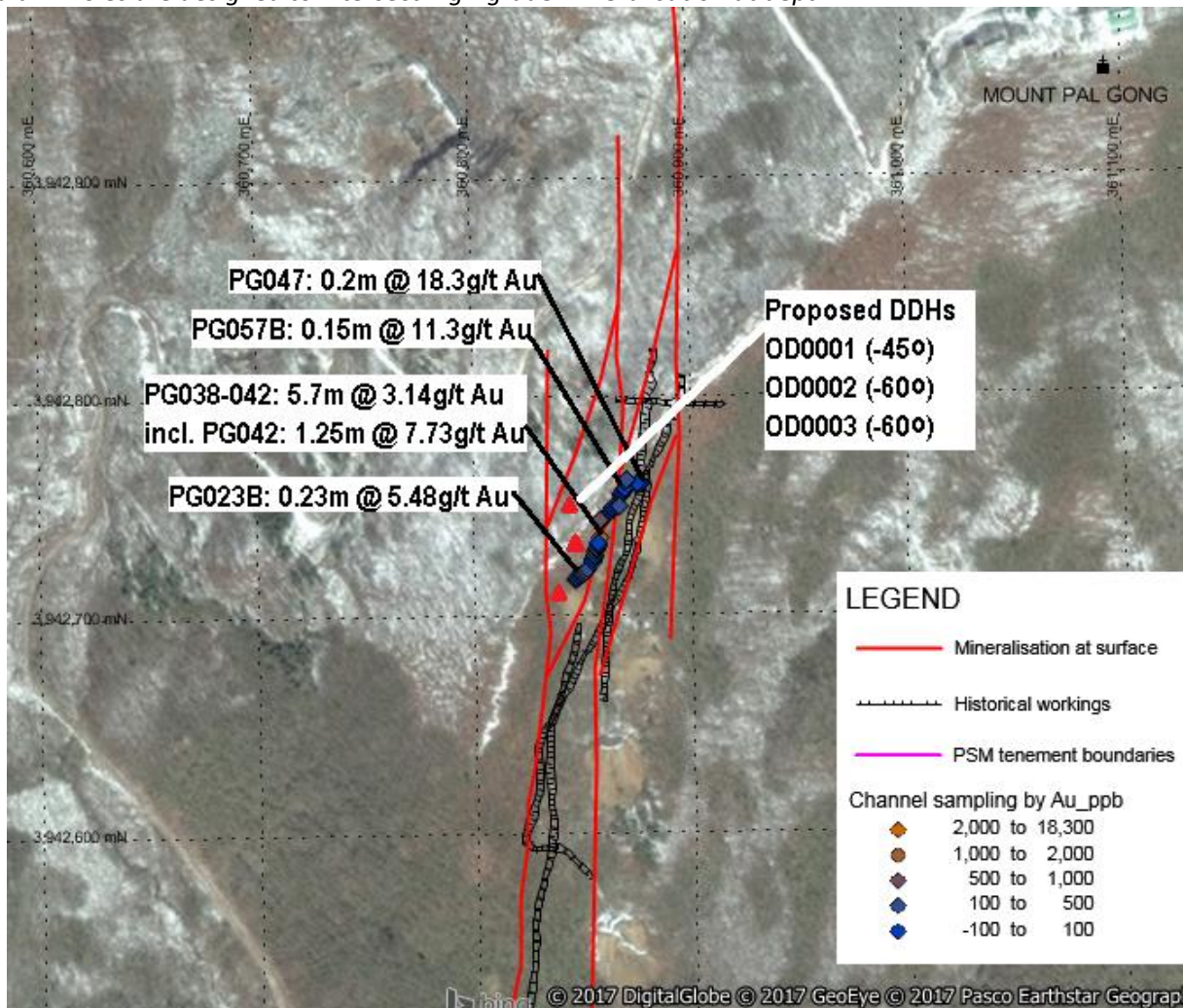
Channel sampling across 30m of the mineralised width at Osu demonstrated multiple high-grade zones. This enabled Peninsula to optimise the planned drilling, which will be directed down plunge of the historical adits, aimed at intersecting the high-grade shoots at a depth of approximately 120 vertical metres.<sup>D4</sup>

**Table 2:** Selected high-grade intersections from channel sampling at Osu Gold Project<sup>D4</sup>

Sample ID	Width (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
PG024B	0.23	<b>5.48</b>	36	<b>0.30%</b>	0.21%	0.02%
PG028	0.55	<b>4.12</b>	15	0.01%	<b>0.53%</b>	0.01%
<b>PG038 - 042</b>	<b>5.70</b>	<b>3.14</b>	14	0.01%	<b>0.40%</b>	0.02%
<b>Incl. PG042</b>	<b>1.25</b>	<b>7.73</b>	22	0.03%	<b>0.67%</b>	0.03%
<b>Incl. PG040</b>	<b>1.15</b>	<b>5.34</b>	35	0.01%	<b>1.05%</b>	0.02%
PG057B	0.15	<b>11.3</b>	<b>327</b>	<b>0.56%</b>	<b>0.70%</b>	0.04%
PG047	0.20	<b>18.3</b>	<b>224</b>	0.07%	<b>2.63%</b>	0.03%

Grants from the South Korean Forestry Department are awaited to enable access and drill pad clearing (kept to a minimum). Forestry in that country controls the majority of the land that is too rugged for industry, habitation and agriculture. Access is expected to be granted in time for the field season, post winter thaw.<sup>D4</sup>

**Figure 3:** Osu Channel Sampling in relation polymetallic veins and historical stoping near the peak of Mt Pal Gong. Proposed drill holes are designed to intersect high-grade mineralisation at depth<sup>D4</sup>



### Graphite Projects

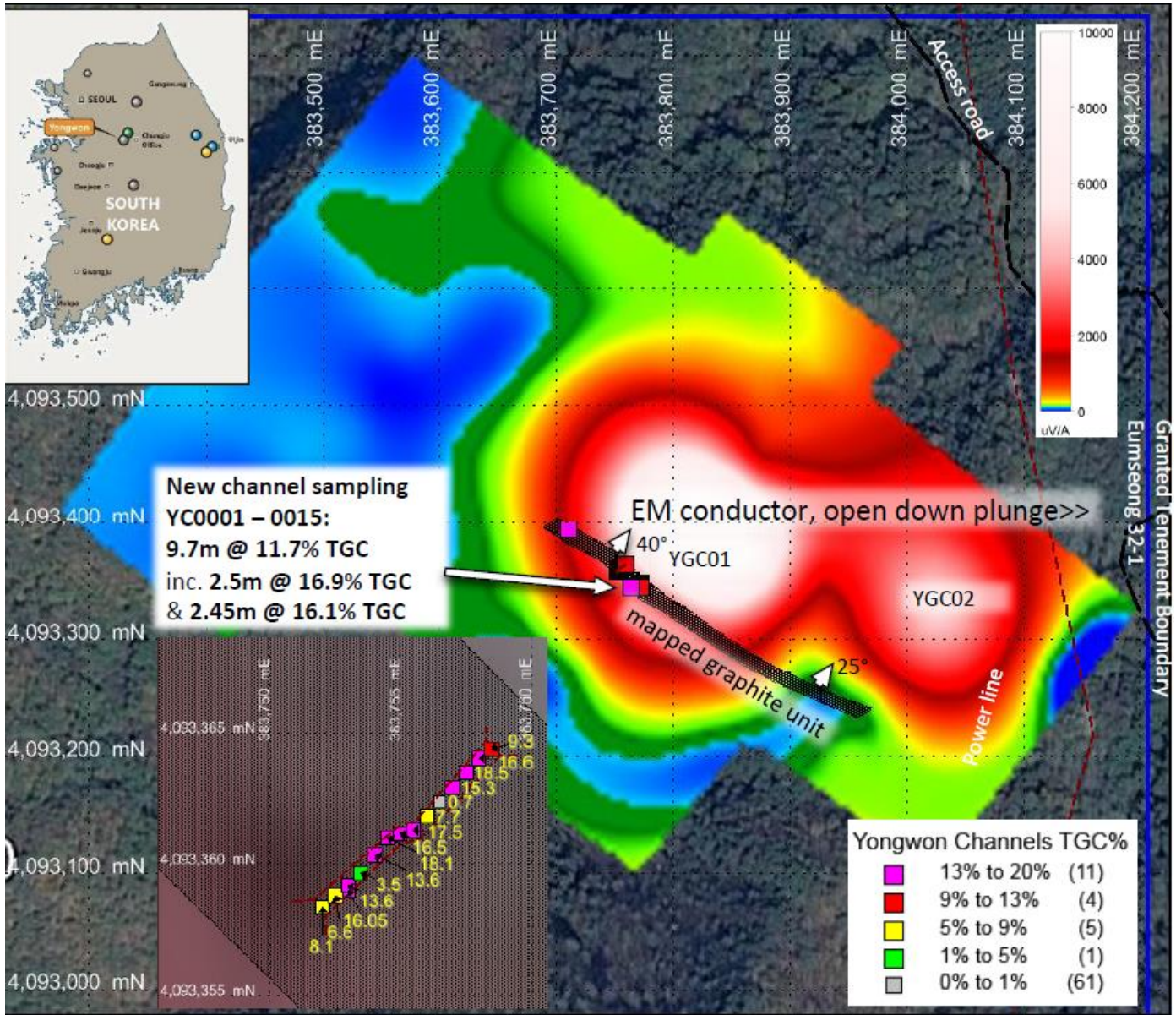
Post Quarter-end, Peninsula reported on the excellent metallurgical results obtained by Independent Metallurgical Operations, Perth for the **Yongwon Graphite Project**. High-grade concentrates averaged 97% Total Graphitic Carbon (TGC), which was deemed appropriate to meet the standards for spherical graphite and other industrial applications.<sup>D5</sup>

Additionally, channel sampling conducted in an historical trench cut across the outcrop, generated results including **11.7% TGC over 9.7 metres, including 2.5m @ 16.9% TGC and 2.45m @ 16.1% TGC** at Yongwon.<sup>D5</sup>

Detailed ground electromagnetics (EM) was carried out across the outcrop and down dip, which generated two EM anomalies suggestive of a greater than 400m strike extent to the mineralisation, which appears to be continuous and open down dip. See Figure 4, below.<sup>D5</sup>

The success of the metallurgy, trenching and ground EM bode well for using the same approach at **Daewon Graphite Project. Wolmyeong**, being high grade metamorphosed coal, is suited to fine grained graphite applications for which alternative metallurgical processes were being considered.

**Figure 4:** The mapped, outcropping, graphite unit and new channel sample locations at Yongwon in relation to the strong ground EM anomalies (YGC01 and YGC02). Inset: Close up of channel sampling high-grade graphite results<sup>D5</sup>



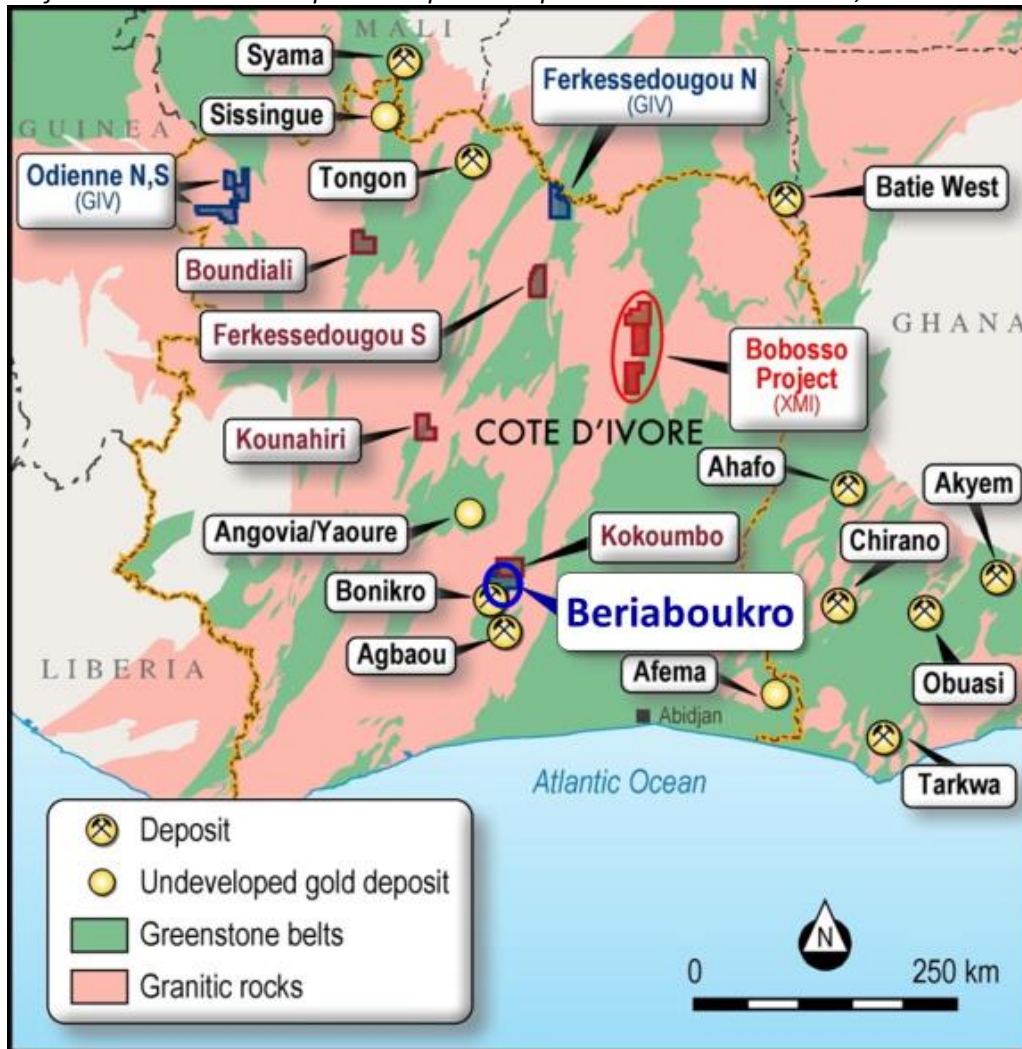
### Lithium Projects

At Peninsula’s lithium projects, **Daehyeon** and **Dongsugok**, follow-up surface sampling, consisting of rock chip, stream sediment and ridge-and-spur soil sampling, was halted at the onset of winter in late 2016. This work will resume as soon as field access is possible. <sup>D6</sup>

## Predictive Discovery Limited (Aurora 39.6%)

During the Quarter, Predictive Discovery Limited (Predictive) has focussed their recent attentions in Côte D'Ivoire, where Predictive's tenure is largely operated under a joint venture agreement with UK-based Toro Gold Limited. Toro have maintained thorough and systematic exploration at each Project (marked in dark red in Figure 5, below) and generated significant results for the JV.

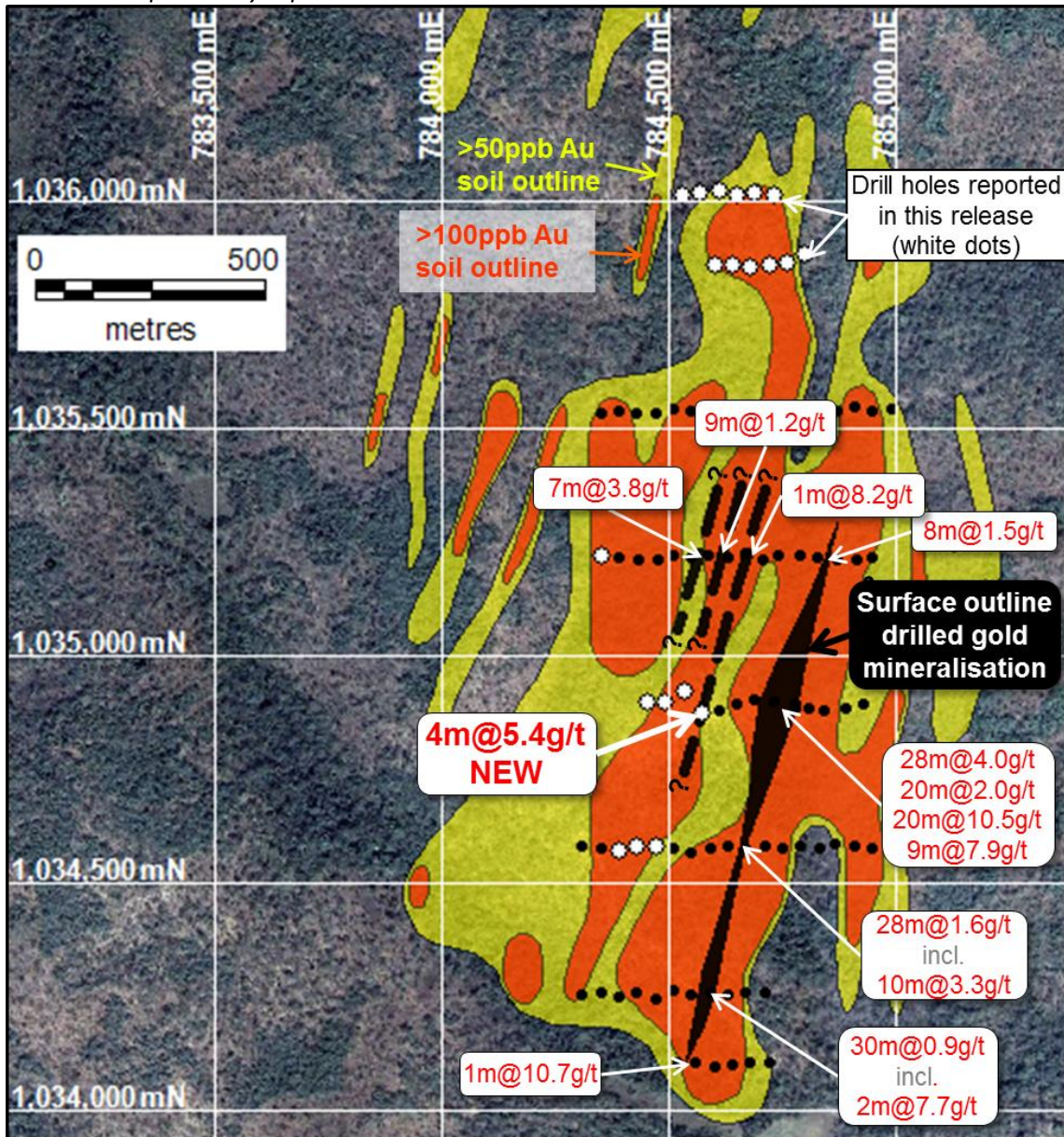
**Figure 5:** Location of PDI's Côte D'Ivoire exploration permits operated under JV with XMI, GIV and Toro Gold Limited



The widely-spaced drilling conducted by Toro at **Boundiali Project**, consisted of 92 RC holes for 5,496m and was completed in in the Quarter to 30 June 2016, with ongoing geochemical processing since then, which enabled the definition of multiple, gold-mineralised zones. The most recent results mark the completion of the assay work and included: **4m at 5.4g/t Au from 4m, including 1m at 15.2g/t Au** from hole BRC010, which suggested a continuation of at least one mineralised zone over 500m or more. See Figure 6, below.<sup>P2</sup>

Despite the wide drill spacing there is clear line-to-line correlation of the main mineralised zone over 1.2km. Individual mineralised intercepts are attributed to ore shoots, a theory that Toro are likely to test by means of further drilling and surface geophysical methods going forward. This will enable a better understanding of the mineralisation, which occupies a large, complex, steeply-dipping, ductile shear zone, with minimal outcrop.<sup>P2</sup>

**Figure6:** Boundiali Project RC drill hole collar locations on a gold-in-soil geochemical contour plan superimposed on satellite imagery in the southern 2km portion of the Nyangboue Prospect. Most recent drill results are from drill collars marked in white. Those previously reported are marked in black.<sup>P2</sup>

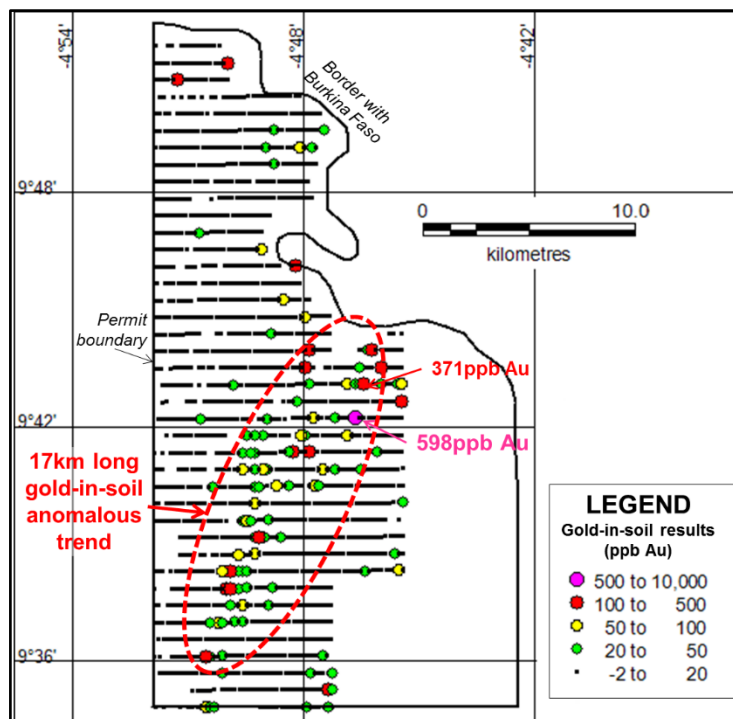


Toro commenced exploration of the **Ferkessedougou North Permit** with a systematic, widely-spaced (800m x 200m), soil sampling programme. Peak values included **598ppb, 371ppb and 352ppb Au**. Follow-up soil sampling is in progress. The anomalous results coincide with large structures defined from aeromagnetic imagery.<sup>P3</sup>

Infill samples collected during the original survey have been sent for analysis and an infill sampling program (400m x 100m) was underway. Geological mapping was also planned.<sup>P3</sup>



**Figure 7:** Location of soil samples and gold-in-soil anomalous values, Ferkessedougou North permit. Note that lines are spaced 800m apart.<sup>P3</sup>



## Aurora Minerals Western Australian Projects

Limited exploration activities were undertaken during the quarter.

## Corporate

Aurora has entered into a binding subscription agreement to acquire shares in Australian public unlisted company One Asia Resources Limited (“**One Asia**”).

One Asia is focused on the exploration and development of two gold projects located on the island of Sulawesi, Indonesia; the Pani and Awak Mas Projects. The projects have combined JORC Compliant Mineral Resources of 5.2 million ounces of gold with potential to further increase through exploration<sup>A1</sup>.

One Asia has been evaluating strategic options for Awak Mas. Based on a number of positive developments for the Awak Mas project, the board of One Asia has advised that it considers a listing of the Awak Mas project is the most appropriate way to fund and manage a Definitive Feasibility Study and ultimately develop the project. Several options for listing Awak Mas are currently being examined with the aim of completing the requirements for listing in 2017.

Aurora has retained a 29.3% interest in Peninsula following the completion of that company’s successful Placement in early October 2016. Aurora received an additional 11,904,761 shares in Peninsula, purchased with the approval of shareholders at the Annual General Meeting held on 29 November 2016.

Aurora retained a 39.6% interest in Predictive following the completion of that company’s successful capital raising in early October 2016. <sup>P1</sup> Aurora continues to support Predictive’s diversified exploration programmes in Burkina Faso and Cote D’Ivoire, and agreed to take a placement of 75 million shares (\$750,000) in Predictive in the capital raising.

Aurora cash at bank ~\$3.4M at end of quarter.

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Managing Director  
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### **Competent Person Statement**

*The information in this report that relates to the exploration results and Mineral Resources of Aurora, Peninsula and Predictive is summarised from publicly available reports as released to the ASX of the respective companies. The results are duly referenced in the text of this report and the source documents listed below.*

*The exploration results reported herein relating to Predictive Discovery Limited are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts is a full-time employee of that company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Roberts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results for Peninsula Mines Limited is based on information compiled by Mr Daniel Noonan, a Member of the Australian Institute of Mining and Metallurgy. Mr Noonan is employed as a consultant. Mr Noonan 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 Noonan consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*All the information in this release that is based on information compiled prior to 1 December 2013 was produced under the reporting directions as set out in the 2004 ed. JORC code. All subsequent releases have been compiled under the guidelines for reporting as set down under the 2012ed. JORC code. The information summarised herein has not changed materially from the greater detail that was originally disclosed in earlier public releases and which has been duly referenced in this release. The Company confirms that it is not aware of any new information or data that materially affects the information included in this report.*

## APPENDIX 1

### Western Australian Mineral Tenement Information (as at 31 December 2016)

PROJECT	TENEMENT	PERCENT HOLDING	TITLE HOLDER/APPLICANT	JOINT VENTURE
Glenburgh	E52/1983	100%	Aurora Resources Pty Ltd	
Camel Hills	E09/1323	50.6%	Aurora Resources Pty Ltd	JV with Peninsula Mines

## APPENDIX 2

List of Announcements to the Australian Securities Exchange which are referenced in this release:

- A1 *Aurora Minerals ASX Announcement, 20 December 2016 – Aurora Invests in Gold Exploration and Development via One Asia Resources*
  
- D1 *Peninsula Mines ASX Announcement, 21 November 2016- Multiple Diamond Drill Targets Across South Korean Projects*
- D2 *Peninsula Mines ASX Announcement, 6 October 2016 - Peninsula Completes \$1.68M Placement to Accelerate South Korean Exploration*
- D3 *Peninsula Mines ASX Announcement, 13 December 2016 – Major Zinc Skarn District Identified at Ubeong Project in South Korea*
- D4 *Peninsula Mines ASX Announcement, 12 December 2016 – High-Grade Gold Channel Sampling Results from Osu Project, South Korea*
- D5 *Peninsula Mines ASX Announcement, 12 January 2017 - Excellent Metallurgy and High-Grade Trenching Results from Yongwon Graphite Project, South Korea*
- D6 *Peninsula Mines ASX Announcement, 30 September 2016 - Quarterly Activities Report to 30 September 2016*
  
- P1 *Predictive ASX Announcement, 6 October 2016- Predictive Announces Completion of Capital Raising*
- P2 *Predictive ASX Announcement, 13 October 2016 – More Drilling results from Boundiali, Cote D’Ivoire*
- P3 *Predictive ASX Announcement, 14 December 2016 – 147km Long Gold-Anomalous Soil Trend on New Cote D’Ivoire Permit*