



ASX Announcement

ASX Code: ARM
29 July 2019

Aurora Minerals Group of Companies -
*Diversified exploration and development
via direct and indirect interests*

Peninsula Mines Limited (ASX: PSM)

– 17.3%

✚ Graphite Business Development in
South Korea

Predictive Discovery Limited (ASX: PDI)

– 16.8%

✚ Gold Exploration and Development in
West Africa

Nusantara Resources Limited (ASX: NUS)

– 1.1%

✚ Awak Mas Gold Mine development
in Sulawesi, Indonesia

Project Acquisitions

Project acquisition plan in progress

Contact Details

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QUARTERLY ACTIVITIES REPORT

to 30 June 2019

Aurora Minerals Limited ("Aurora" or "the Company") is actively seeking participation in advanced projects for development. Additionally, through its subsidiary and associate companies, Aurora is involved in exploration across three continents with a focus on South Korea (Peninsula Mines Limited), West Africa (Predictive Discovery Limited) and Australia.

Highlights of the Quarter:

Aurora Minerals Limited ("Aurora", or "the Company")

- Aurora undertook a fully underwritten, non-renounceable Entitlement Offer to eligible shareholders, which was completed post Quarter-end. ^{A2}
- Aurora continues to assess advanced projects for sale or JV, while progressing negotiations to secure a new flagship project. ^{A1}

Peninsula Mines Limited ("Peninsula")

- Peninsula announced post Quarter-end that it had merged its South Korean graphite projects with those of Battery Mineral Resources Limited (BMR). This enables a Korean strategic advantage, with BMR's advanced projects and Peninsula's operational expertise, to develop raw materials in one of the world's leading battery-producing jurisdictions. ^{D1}

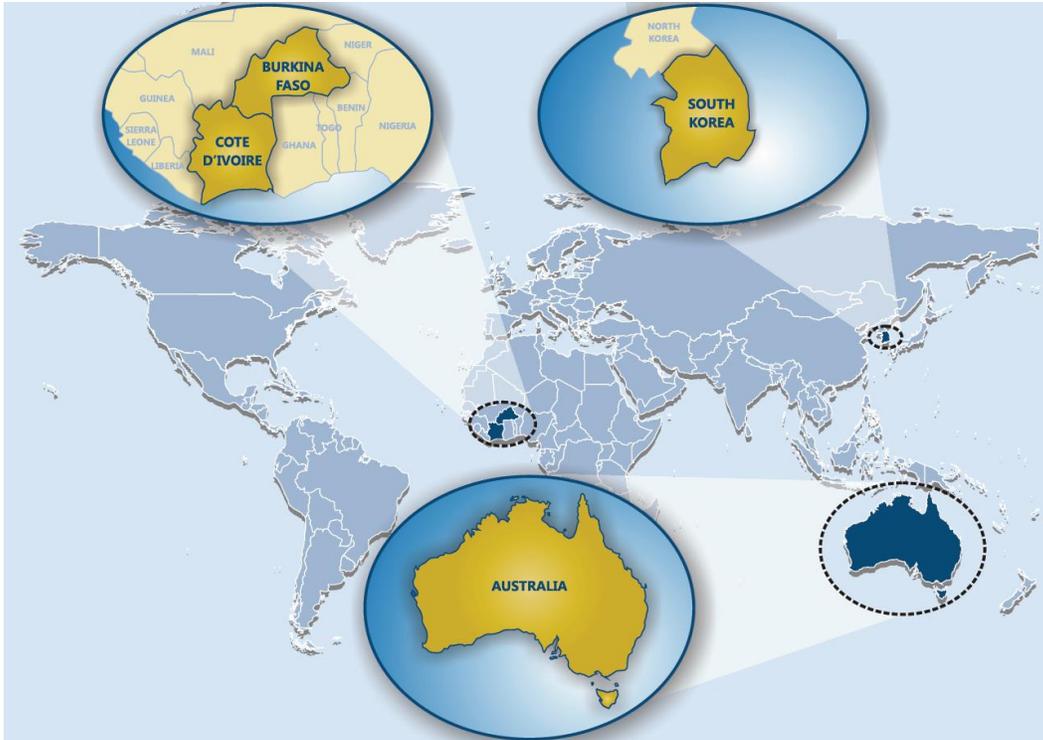
Predictive Discovery Limited ("Predictive")

- Predictive continue to develop their gold projects in Africa's Golden Triangle, with Predictive focussed on their 100% owned Guinean projects, while PDI-owned projects in Cote D'Ivoire and Burkina Faso were advanced under joint venture agreements. ^{P1, P3}
- The significant gold intercepts in diamond drilling at Ferkessedougou North Project, operated by Toro Gold (UK) Limited, confirmed high-grade gold in a continuous zone, 100m wide by 200m long. The announcement generated significant market interest, and support for Predictive's 'Project Generator' concept and enabling Aurora to capitalise on a portion of its investment in Predictive. ^{P1, P4, P5}

Corporate

- Aurora's fully underwritten entitlement offer to raise \$1.17 million concluded successfully post Quarter-end. ^{A2}
- Aurora cash at bank ~\$1.14M (parent) at end of June 2019
- Value of cash and investments as at 30 June 2019 ~\$2.53M (~2.2c/share)

Figure 1: Aurora and its associate companies conduct exploration across three continents



Aurora's associate company investments and market valuations, as at 30 June 2019, are summarised in Table 1, below.

Table 1: Aurora Minerals Group Investments

Investment	Code	Type	Number	% Holding	Unit Value	Total Value
Predictive Discovery Ltd	PDI	Shares - Listed	49,653,686	16.82%	\$0.015	\$744,805
Peninsula Mines Ltd	PSM	Shares - Listed	171,295,270	17.25%	\$0.002	\$342,591
		Options - Unlisted (1.6c)	3,125,000	2.03%	\$0.000	\$0
Nusantara Resources Ltd	NUS	Shares - Listed	1,851,852	1.10%	\$0.165	\$305,556
						<u>\$1,392,951</u>

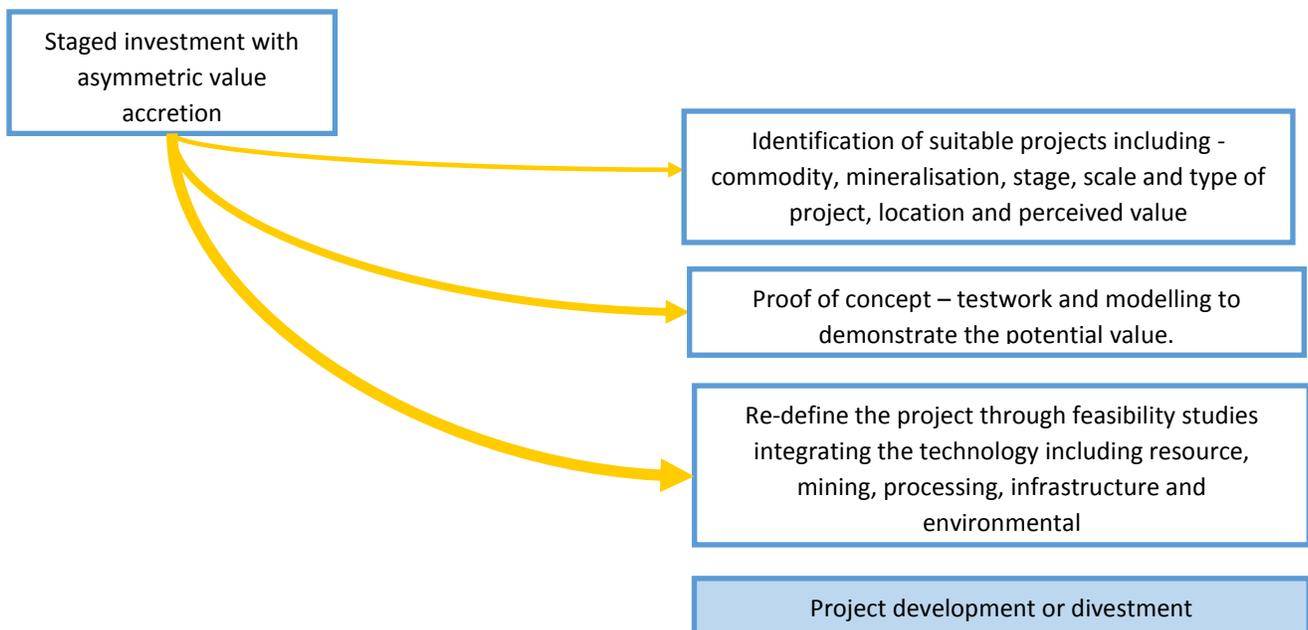
Disruptive technology

Aurora continues to assess projects that meet specific criteria set to ensure maximum leverage is delivered through the integration of sorting technology. A number of potential opportunities have been identified through the ongoing process and the team continues to focus on the acquisition process.

New technology can change the approach or the direction of the industry as it unlocks value from known resources. An example of this is the integration of solvent extraction and electrowinning (SXEW) to the copper industry in the 1970's and 80's. The technology (developed principally for uranium extraction) unlocked value from vast resources of oxide mineralisation previously deemed sub economic. Foresight into the potential upside value of SXEW technology allowed early adopters to leverage their positions in targeted assets to deliver significant upside. Perhaps a more profound example is the integration of fracking and horizontal drilling to the oil shale business. Fracking has been used since the 1950's while drilling techniques have improved incrementally over many decades. Combining the technologies and applying them to otherwise uneconomic shale resources resulted in a disruptive change to the oil business.

Sorting is an advanced processing technology, ubiquitous in recycling, that is ideal for pre-concentration of ore prior to processing. Pre-concentration through sorting effectively decouples mining from processing allowing ore bodies to be split into economic material and waste before the considerable costs of processing are applied. Sorting is an emerging technology in the mining space with extraordinary potential. Early adopters can select projects that are highly leveraged to sorting and therefore undervalued in the current market.

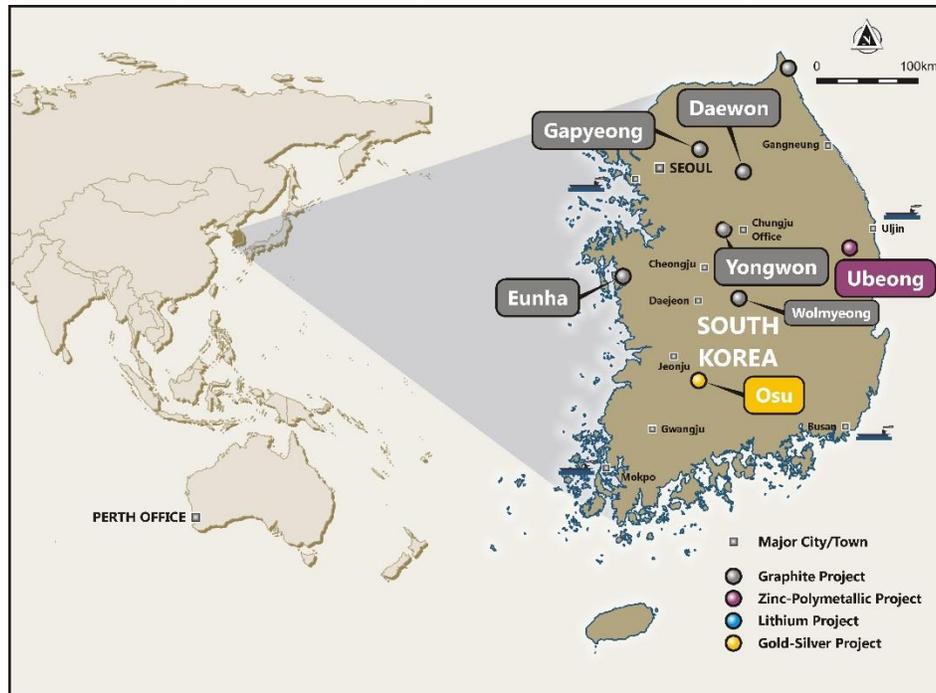
The Aurora Team have designed and overseen the construction and commissioning of two sorting operations and have the technical knowledge and skills to identify stranded projects that are highly leveraged to the application of the technology. The Aurora strategy is different as we look to acquire projects that are well understood but deemed sub-economic and apply a technological solution to unlock value. The technology is robust and underpinned by the successful application of it in metals and waste recycling. The opportunity is to acquire interests in, and integrate the robust technology into advanced resources projects to unlock value not yet recognised by the market.



Peninsula Mines Limited

Peninsula Mines' mineral development operations are strategically located in South Korea. Peninsula is an early mover into the region (with Korean operations commencing in 2012), bringing Australian mineral exploration and development expertise. Through its wholly owned Korean subsidiaries, Suyeon Mining Company Limited (SMCL) and Korea Graphite Company Limited (KGCL), Peninsula targets strategic mineral resources in South Korea, such as graphite, gold, zinc and copper in order to develop supply for Korea's advanced high-technology manufacturing industry.

Figure 2: Location Plan of Peninsula's South Korean Projects



Placement

In May 2019, Peninsula received commitments to raise \$0.8 million through a Placement of shares. A significant portion of the funds raised were from Korean investors, confirming strong in-country support for the Company's intention to drill the Gapyeong flake graphite exploration target and continue its due diligence work on other projects. ^{D3}

Graphite Business Development

Post Quarter-end, Peninsula announced the merger of its wholly-owned Korean subsidiary, Korea Graphite Company Limited (KGCL), with the Korean branch of Battery Mineral Resources Limited (BMRK) to form a new company, 45% owned by PSM and 55% BMR. This enables both companies to maximise their strategic advantage, applying Peninsula's operational expertise to BMRK's advanced projects. ^{D1}

Graphite Projects

BMRK's Geumam Project resource currently stands at **7.2Mt @ 5.4%TGC for 407,000t contained graphite**, with plans to upgrade the resource.

Gapyeong Graphite Project - During the Quarter, PSM secured drill funding from the Korean Resources Corporation (KORES) to enable diamond drilling of three holes for 340m to determine the structure of graphite mineralised schists in the south of the project. ^{D2}

Base and Precious Metals Projects - JV Proposition

Peninsula's other projects, namely **Ubeong Zinc** and **Osu Gold Projects** are operated through PSM's wholly owned Korean subsidiary, Suyeon Mining Company Limited. PSM's focus on its graphite business has highlighted the need for 'farm-in' partnerships to take these projects forward. The Korean peninsula provides an attractive target, where mining has been marginal to manufacturing for decades. Peninsula's established track record in Korea enables successful partnerships with local, world class, industry players to ensure the development of its Korean projects. ^{D4}

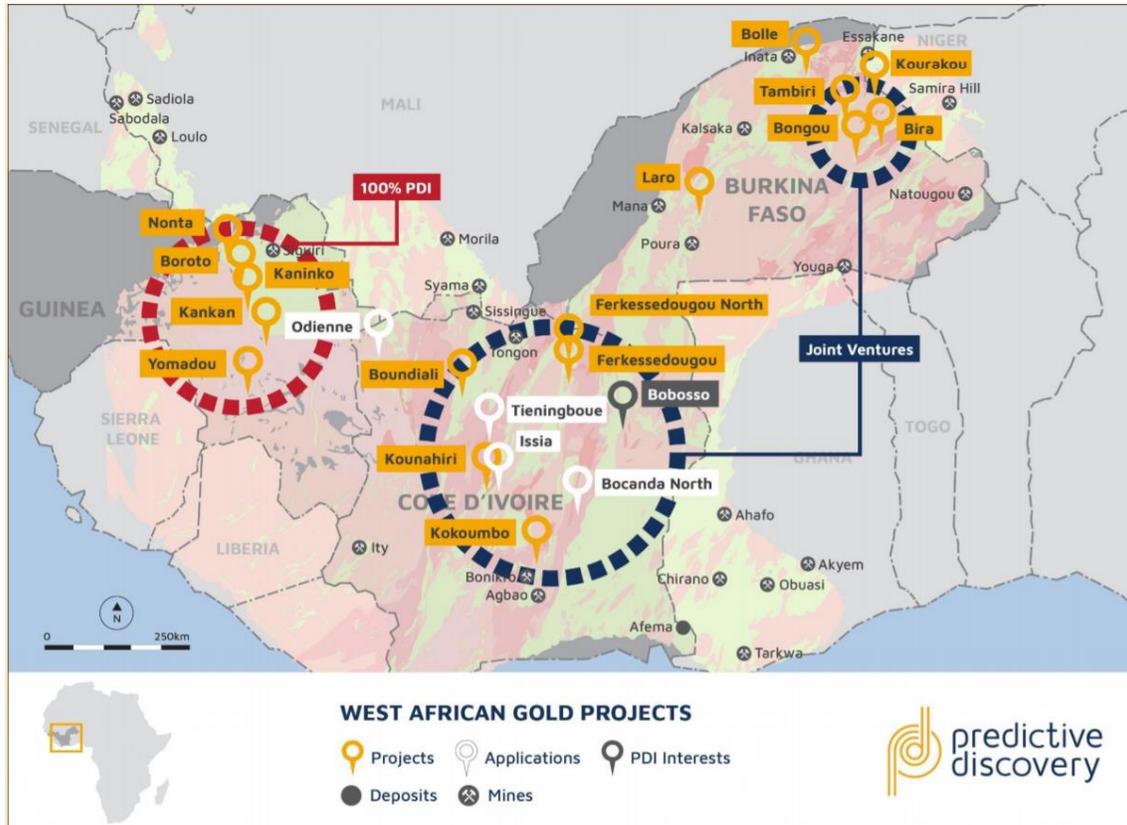
Ubeong represents an historically mined, porphyry-skarn, zinc-lead-silver and copper-gold deposit striking over 10km, adjacent to the operating Keumho Zinc mine in the west. Peninsula's geophysical surveys, soil sampling and diamond drilling serve as excellent groundwork for the ongoing development of this very large project under a suitable joint venture. ^{D4}

Osu, with historical underground mining over 1.2km strike and outcrop at surface of a broad, 30m wide zone of mineralised sheet veins, has benefitted from Peninsula's groundwork of channel sampling and diamond drilling, as well as government regional aeromagnetic surveys, suggestive of a porphyry source. Osu's consistent, high gold-silver grades (including **0.31m @ 22.2g/t Au and 182 g/t Ag from 157.79m** in recent drilling) bode well for the application of modern mining methods in cooperation with a suitable JV partner. ^{D4}

Predictive Discovery Limited

Predictive is focused on identifying and developing prospective gold projects in the richly mineralised, Birimian greenstone belts of Burkina Faso, Cote D'Ivoire and Guinea, Africa's "Golden Triangle". Through its Project Generator model, ^{P1} partnering expertise and driving discovery, Predictive has secured joint venture partners for its Ivorian and Burkinabe projects, enabling the Company to pursue additional ground in the region for early stage exploration, thereby maximising the discovery - development conversion. See Figure 4, below.

Figure 4: Predictive Discovery Project Locations in West Africa's Golden Triangle ^{P1}



Cote D'Ivoire

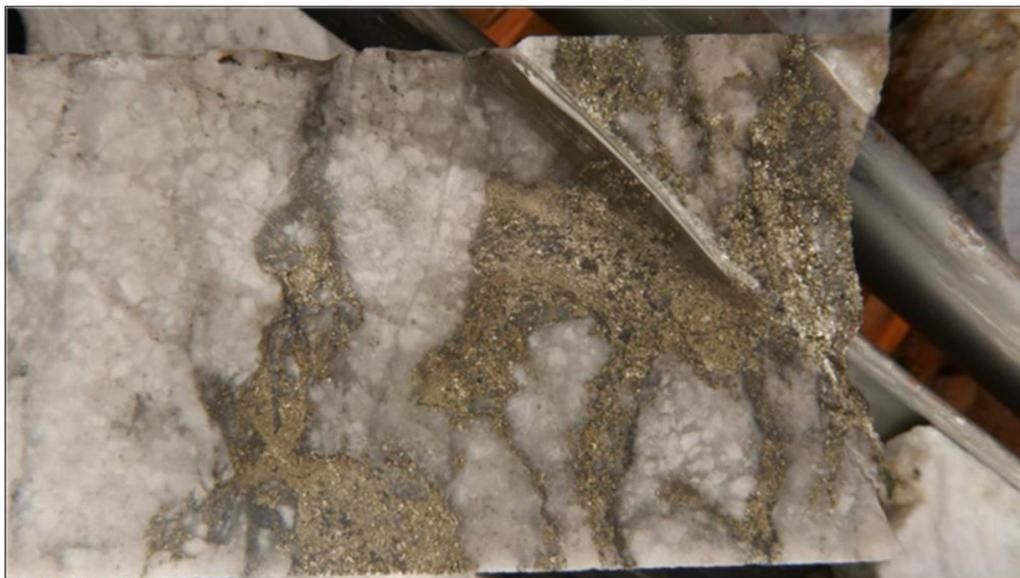
Through its joint venture agreements with UK based Toro Gold, PSM continues to develop its Ivorian Projects. Diamond drilling results from **Ferkessedougou North** generated significant market interest for the Company, enabling Aurora to capitalise on part of its Predictive investment. ^{P4, P5}

Drilling defined thick intercepts of gold associated with pyrite (+/- quartz) veining in granite, with high grade intervals, open to the south and at depth, such as: ^{P5}

- FNDC001 - **45.3m at 3.16g/t gold from 45.9m, including 9m at 10.31g/t gold**
- FNDC002 - **45.0m at 1.52g/t gold from 42.1m**
- FNDC004 - **16.5m at 2.43g/t gold from 24m including 4.5m at 5.50g/t gold**
- FNDC005 - **59.7m at 1.35g/t gold from 49.5m including 4.5m at 5.83g/t gold**
- FNDC008 - **39.7m at 3.54g/t gold from 51.4m including 4.5m at 11.00g/t gold**

These results improved on shallower RC drilling results, where gold was likely remobilised by weathering.

Figure 4: Ferkessedougou North diamond drilling intersected gold bearing pyrite veins in altered granite ^{P5}



Burkina Faso

PDI is free carried through the development of its Burkina Faso tenure via a JV with Progress Minerals. ^{P1}

Guinea

Post Quarter-end, Predictive announced that it had secured additional ground holdings in Guinea where artisanal mining has highlighted, and grass roots exploration has confirmed, continuous, wide, gold-in-laterite. ^{P2} Soil sampling at the Kankan Project has generated a 7km long gold-in-soil anomaly, with RC drilling planned for Q1, 2020. ^{P1}

Corporate

Aurora's successfully completed a fully underwritten Entitlement offer to raise \$1.17 million in June 2019. Eligible shareholders were entitled to take up new shares on a one-for-one basis at a discounted price. The offer was fully underwritten by Grange Capital Partners and sub-underwritten by three Company directors, which enables the Company to continue with its pursuit of advanced mineral exploration projects suited to the application of ore sorting technology.

Aurora cash at bank ~\$1.14 million. Value of cash and investments as at 30 June 2019 ~\$2.53M (~2.2c/share).

Geoff Laing
Managing Director
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Competent Persons 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 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 - List of Announcements to the Australian Securities Exchange which are referenced in this release:

Aurora Minerals Limited

- A1 Aurora Update, 6 June 2019
- A2 Underwritten Entitlement Offer to raise \$1.17M, 3 June 2019
- A3 Quarterly Activities and Cashflow to 31 March 2019, 26 April 2019

Peninsula Mines Limited

- D1 Peninsula in Merger Agreement with Battery Mineral Resources, 13 July 2019
- D2 Peninsula Secures KORES Support for Drilling Programme at Gapyeong Graphite Project, 8 May 2019
- D3 Peninsula Raising Strongly Supported by Korean Investors, 6 May 2019
- D4 Quarterly Activities and Cashflow Report to 31 March 2019, 30 April 2019

Predictive Discovery Limited

- P1 Company Presentation – Proactive Investors, Sydney, 15 July 2019
- P2 Landholding Grows in Guinea's Siguiri Basin, 4 July 2019
- P3 West African Exploration and Strategy Update, 13 June 2019
- P4 Change in Substantial Shareholding from ARM, 6 June 2019
- P5 Confirmation of Significant Gold Discovery Ferkessedougou N, 4 June 2019

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AURORA MINERALS LIMITED

ABN

46 106 304 787

Quarter ended ("current quarter")

30 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	67
1.2 Payments for		
(a) exploration & evaluation*	(81)	(256)
(b) development		
(c) production		
(d) staff costs**		
(e) administration and corporate costs*	(156)	(669)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	18
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(231)	(840)

* The company's accounting policy allocates staff costs to activities and are accordingly included in items 1.2 (a) and 1.2 (e).

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)		
	(c) investments	431	431
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	429	429

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options ⁽¹⁾	(23)	(25)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(23)	(25)

(1) Costs incurred in relation to a Rights Issue concluded in July, raising \$1.17m before costs.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	969	1,580
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(231)	(840)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	429	429
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	(25)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,144	1,144

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	262	937
5.2 Call deposits	882	32
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)*	1,144	969

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	94
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1: Payment was for remuneration to directors.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

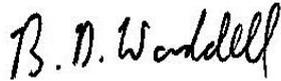
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	165
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	170
9.6 Other - Costs of share issues	90
9.7 Total estimated cash outflows*	425

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 29 July 2019

(Company secretary)

Print name: Bruce Waddell

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.