



ASX Announcement

20 December 2016

ASX Code: ARM

Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

Predictive Discovery Limited (ASX: PDI) – 39.6%

- Gold Exploration / Development in Burkina Faso & Cote D'Ivoire

Peninsula Mines Limited (ASX: PSM) – 29.3%

- Graphite, Lithium- Gold, Silver and Base Metals
- Molybdenum and Tungsten Exploration in South Korea

Aurora Western Australian Exploration – 100%

- Base metals and gold

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Aurora invests in gold exploration and development via One Asia Resources

Aurora Minerals Limited (“**Aurora**” or the “**Company**”) is pleased to advise it 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.^{1,2,3,4}

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.

Pursuant to a private placement Aurora has agreed to subscribe for 5,555,556 ordinary fully paid shares in One Asia at a price of A\$0.18 per share for total consideration of \$1,000,000.

Commenting on the proposed investment Aurora’s Managing Director Martin Pyle noted: *“We are pleased to be able to gain exposure to two large gold resources both with potential to support long life open cut gold mining in Indonesia. With orderly progression of advanced exploration and feasibility studies we see good prospects for value accretion from these projects. Gold remains a core exploration target for the Aurora Group and this investment is consistent with building upon this strategy”.*

One Asia Capital Raising

One Asia has advised it has received commitments for A\$3.2 million including the Aurora subscription. One Asia's bridging loan for US\$1.2 million will also be reinvested in shares on the same terms, with a further placement of 8.7 million shares at A\$0.18 per share. Following completion of the placement and loan conversion One Asia will have approximately 174M shares on issue. One Asia enjoys the support of several institutional investors including Lion Selection Group Limited, Asian Lion and Macquarie Bank. The board comprises resource industry professionals and executives experienced in operating in Indonesia.

One Asia's project locations are shown in the figure below. While still relatively lightly explored Sulawesi is host to several operating gold mines and numerous gold mineralisation occurrences.



Source: One Asia, company reports

Awak Mas

One Asia owns a 100% interest in the Awak Mas Gold Project held under a 7th generation Contract of Work.

- Current JORC Mineral Resource of 2.83 million ounces of gold (60.6Mt at 1.45 g/t Au) on Awak Mas. ^{1,2,3}
- Preliminary Feasibility Study (PFS) completed April 2016 supports production of approximately 1Moz of gold over a 10 year life based on an open pit gold mine³.
- Geological review by multiple independent geologists confirms gold mineralisation as high-level low-sulphidation epithermal and opens potential for depth extensions and visual recognition of mineralisation.
- Access to the local power grid – National electricity provider PT PLN confirms availability of grid power in the province in 2017/18.
- Options for standard CIL processing and ancillary heap leach processing to be reviewed.
- Numerous exploration targets with known mineralisation along a 5km regional trend within the COW.
- Favourable logistics, with full road access, nearby port town of Palopo and daily flights to regional airport.
- Experienced mining engineer Mr Michael Spreadborough recently appointed as Managing Director of Awak Mas subsidiary is charged with the task of developing the project.
- The JORC 2012 Mineral Resource estimates for the Awak Mas deposit (announced 23 May 2014), the Salu Bulu deposit (announced 12 December 2013) and the Tarra Main deposit (announced 16 March 2015) are situated within the Awak Mas Contract of Work and are tabulated below using a 0.5g/t cut off. ^{1,2,3}

Awak Mas Project: JORC Resources

Deposit	Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Awak Mas	Measured	12	1.49	0.56
	Indicated	35	1.37	1.55
	Inferred	0.3	1.09	0.01
Awak Mas ⁽¹⁾	Total	47	1.4	2.12
Salu Bulu	Measured	2.2	2.3	0.17
	Indicated	3.4	2.1	0.22
	Inferred	0.5	1.1	0.02
Salu Bulu ⁽²⁾	Total	6.1	2.1	0.41
Tarra Main	Inferred	7.37	1.25	0.297
Tarra Main ⁽³⁾	Total	7.37	1.25	0.297
Total	Measured	13.9	1.62	0.73
	Indicated	38.5	1.43	1.77
	Inferred	8.2	1.23	0.33
Total		60.6	1.45	2.83

(1) Tetrattech December 2013. (2) Tetrattech May 2014. (3) A. Davys March 2015.

Pani

- The Pani Project is held under an IUP owned by a local co-operative KUD Dharma Tani Marisa. One Asia has advised it has legally binding and exclusive contractual arrangements with the KUD providing a 90% interest in the Pani Project.
- In December 2013 the KUD purportedly entered an arrangement with J Resources contrary to One Asia's contractual arrangements.
- One Asia has advised that there is a legal dispute over the contractual rights to the Pani project. The company has signed a Memorandum of Understanding with Provident Capital Partners Pte Limited (Provident) for the establishment of a Joint Venture over One Asia's interest in the Pani project. The purpose of the arrangement is to resolve the current Pani IUP dispute, working in co-operation with the KUD and the local community to develop the Pani Project. The ultimate ownership of the joint venture arrangement between Provident and One Asia is intended to be 66.6% Provident and 33.3% One Asia, with One Asia and Provident each committing US\$4m cash. No transfer of interest has taken place however One Asia has to date contributed US\$3.5m of its US\$4m commitment.
- Current JORC Resource established within the Pani IUP of 2.37M ounces of gold (89.5Mt at 0.82 g/t Au.) on a 100% basis. An open pit heap leach operation is targeted with low strip ratio⁴.
- To date drilling has been undertaken over a strike length of 600m of the Pani Ridge. The deposit remains open to the South and West within the IUP boundary. Over 26,000 metres of drilling in approximately 130 diamond drill holes had been completed by the end of December 2013. The following is the updated JORC 2012 Compliant Resource published on December 3, 2014:

Classification	Tonnes (Mt)	Grade (g/t Au)	Au (million oz)
Measured	10.8	1.13	0.39
Indicated	56.7	0.87	1.63
Inferred	16.2	0.72	0.35
TOTAL	89.5	0.88	2.37

The above resource estimate is based on a cut off grade of 0.2 g/t Au.

Aurora Investment

Notwithstanding its excellent mineral endowment, Indonesia has proved a difficult jurisdiction for foreign and domestic exploration and mining companies in recent years as a result of various factors. Gold mining has however remained a bright spot partly because of the capacity for projects to meet the in-country value adding criteria set by the new Mining Law announced in 2009 and progressively implemented since that time.

Gold equity valuations have risen strongly in 2016 and notwithstanding correction in the current quarter the directors of Aurora continue to believe that gold exploration and development provide an excellent pathway for the creation of shareholder wealth through patient investment and commitment.

Competent Person Statement

The information in this announcement that relates to the exploration results and Mineral Resources of One Asia is summarised from reports produced by that company with consent. The results are duly referenced in the text of this announcement and the source documents listed below.

- 1 12, December, 2013 - Acquisition of 100 % of Awak Mas and Maiden Salu Bulu Resource, Tetrattech
- 2 23 May, 2014 Scoping Study Awak Mas including Salu Bulu Deposit, Tetrattech
- 3 16 March, 2015 - Awak Mas Project PFS & Tarra Maiden JORC Resource, A. Davys
- 4 3 December, 2014 - Pani Updated JORC Resources 2.37m oz Au, Cliff L. Querubin

The reports are available to view on (www.oneasiarsources.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original public announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original public announcement.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement.