

Aurora Minerals Limited

PORTFOLIO APPROACH TO EXPLORATION & DEVELOPMENT

Capital Structure

Code	ARM	
Shares	117	m.
Options	14.8	m. @38 cts
Price	\$ 0.036	
Market Cap	\$ 4.2	m.
Cash & Investments (est)	\$ 8.7	m.

Board

Phillip Jackson	Chairman
Martin Pyle	Managing Director
Peter Cordin	Non-Exec Director
Tim Markwell	Non Exec Director

Opinion*

Aurora has entered a very active exploration period.

Associated companies are drilling on several fronts at projects in Burkina Faso and also in South Korean tungsten, gold and base metal projects. Strachan Corporate judges that identified projects hold a strong probability of delivering successful market moving results.

As a company trading approximately 50% below the market value of its investment portfolio plus cash, the downside risk appears to be small.

Peter Strachan.

*No recommendation is offered for this commissioned research.

Investment Drivers

- ◆ Aurora Minerals trades at a about 50% discount to the combined market value of its listed investments plus net cash, when a 30% discount might be normal practice, suggesting a target price of 5.2 cps ahead of any exploration success.
- ◆ The company is well funded to take advantage of market opportunities, holding about \$5 million of working capital and has the support of gold focused investment funds African Lion as its major shareholder. Resource Investment Funds Sprott and Acorn are major shareholders of Aurora's associate company Golden Rim.
- ◆ **Predictive Discovery** (44% owned) and **Golden Rim** (13.4% owned) have embarked on exploration drilling at separate projects in Burkina Faso, where RC drilling will follow up recent auger and RC drilling successes.
- ◆ Strachan Corporate believes that programmes along the Samira Hill Greenstone Belt, along strike from PDI's **Bongou gold deposit** and at recently identified anomalies around GMR's **Banouassi mineralisation**, exhibit a high chance of success, with meaningful additions to gold inventory likely to follow.
- ◆ **Peninsula Mines** (37.5% owned) is calculating mineral Resources at its Daehwa molybdenum and tungsten deposit and will scope development scenarios. Excellent infrastructure availability and likely ongoing drilling assistance from Korean State organisation KORES, could hasten development at Daehwa while exploration drilling at newly acquired Jinan and Osu Cu/Au porphyry project is planned for Q2, '15 offering significant leverage to discovery.
- ◆ Aurora has followed a similar approach to Gold Road (GOR: ASX), gaining exposure to almost an entire Greenstone Belt in Burkina Faso so that it could take a regional approach and work down to identify targets.

Aurora – Asset Valuation

Asset	Code	Interest %	Price \$/shr	Value \$m
Golden Rim	GMR	13.4%	\$0.008	\$1.5
Predictive Discovery	PDI	44.0%	\$0.005	\$1.4
Peninsula Mines	PSM	37.5%	\$0.006	\$0.5
Loan to PSM				\$0.3
Investments				\$3.7
Net cash (est)				\$5.0
Total				\$8.7
ARM - NTA cts/share			cps	7.4
Market Discount to NTA				-53%
At discount of	30%		cps	5.2

Source: Aurora, Strachan Corporate



Active June quarter 2015...
string of drill results expected

Golden Rim expects to
receive an initial ~\$8.3 million
from sale of deposit

Introduction

Aurora Minerals Limited (ARM) is a Perth based, ASX listed minerals explorer. The company has survived a couple of years of very bleak market conditions for minerals exploration. Its Board has worked with Lion Selection to build a portfolio of projects in companies in which it holds significant investments.

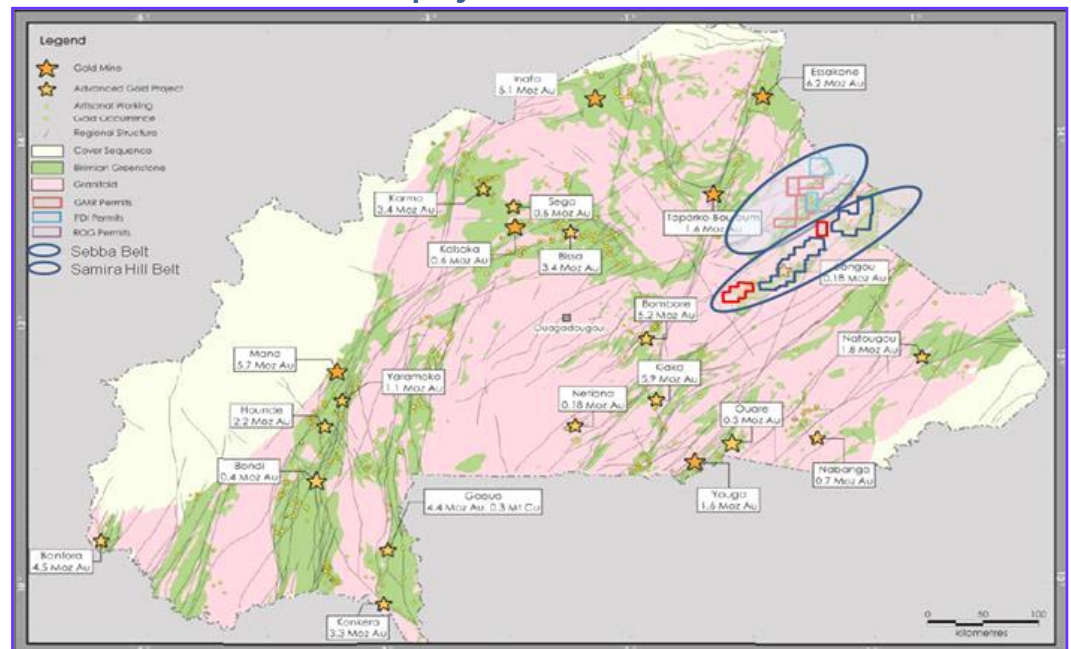
The company has maintained a tight share register with less than 117 million shares on issue and options are well out of the money. Aurora has a modest market capitalisation of just \$4.1 million, but with estimated working capital of \$5 million by May, plus investments valued at around \$3.7 million, Aurora currently has net assets valued at ~\$8.7 million or 7.4 cents per share.

Together, Aurora’s 13.4% owned **Golden Rim** and 44% controlled **Predictive Discovery** control almost the entire Samira Hill Greenstone Belt in north eastern Burkina Faso. If all goes to plan, when completed Golden Rim’s sale of 185,000 ounces of high grade gold Resource at the Balogo deposit in Burkina Faso to MNG Orko Madencilik A.S, will see the company holding about \$5.6 million by midyear ‘15, with further staged payments of US\$5 million to come, US\$2 million as a mining lease is confirmed and then US\$3 million as production commences.

Burkina Faso

Both Predictive and Golden Rim have developed exciting drilling programmes on their individual gold projects. Drilling is planned on targets under existing mineralisation through April and into May, which should see a string of results that will expand on known Resources.

Gold projects in Burkina Faso



Source: Aurora

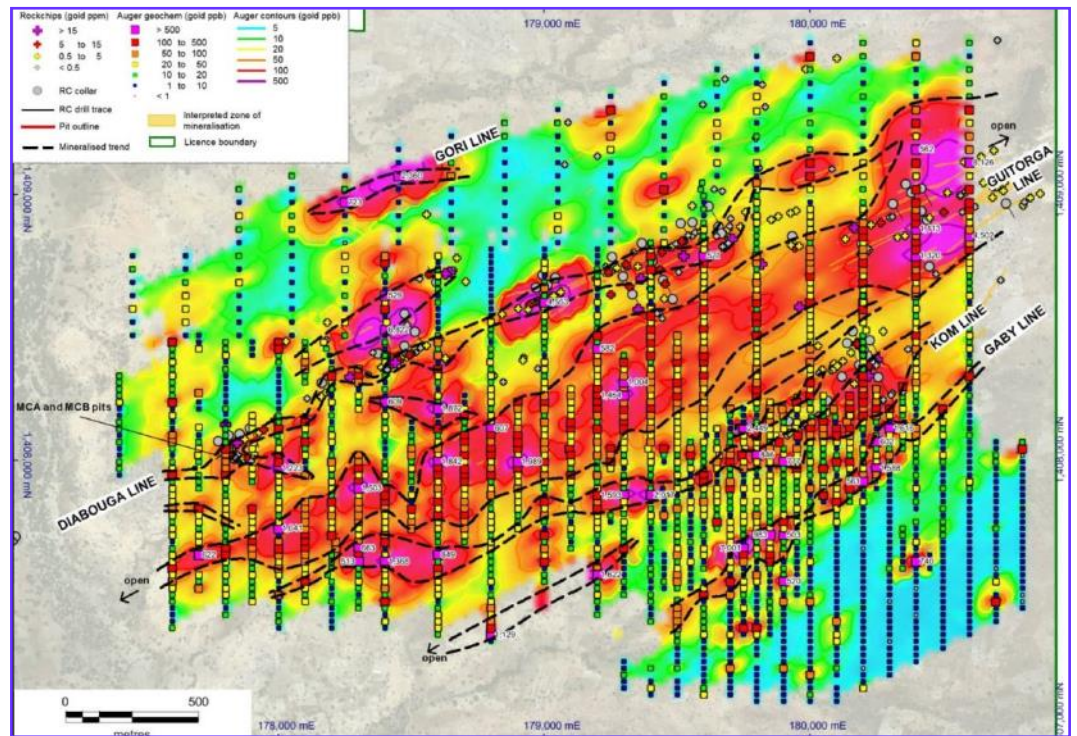
Control most of an entire
Greenstone Belt

Golden Rim’s **Korongou Project** is located along the south-western end of the Samira Hill Greenstone Belt in Eastern Burkina Faso, adjacent to the border with Niger. The permit contains a NE-trending fault splay, connected to the major Markoye Fault system which is thought to be a significant mineralising feature in Burkina including multi-million ounce deposits at Kiaka, Bomboré and Essakane.

Capital Structure	
ASX Code	GMR
Shares	1,439 m.
Options	213 m @4 cts
Price	\$0.008
Market Cap	\$ 11.5 m.
Cash (est)	\$ 1.2 m.

Golden Rim is earning a 90% interest from a local Burkina operator, which formerly mined and recovers gold from a small scale project located on the permit.

Banouassi Project



Strong geochemical anomalism... currently being drilled

Source: Aurora

Golden Rim has mapped prospects and undertaken geophysical surveys as well as making structural interpretation to generate gold anomalies that will form targets for reverse circulation (RC) drilling. Reconnaissance drilling has produced significant RC assay results at the **Banouassi prospect**.

Late in 2014, Golden Rim undertook a regional, shallow auger drilling, geochemical programme and an associated ground EM and IP survey, designed to identify gold mineralisation under shallow cover. This work generated a coherent 3.4 km x 400m gold anomaly, which Golden Rim is now targeting with RC drilling. Golden Rim has also outlined an exploration target at **Banouassi** where 4,000 metres of RC drilling has commenced.

This work will consist of approximately 40 holes, testing the shallow Guitorga anomaly where highest grade individual geochem readings including 8.1 g/t Au, 4.5 g/t Au, 2 g/t and 1.9 g/t.

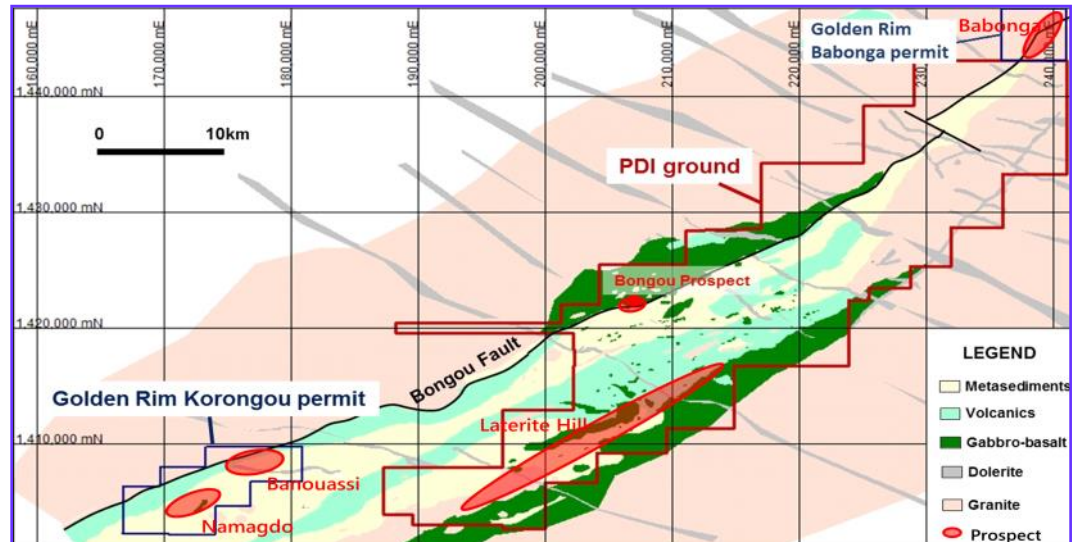
Results from additional auger drilling now under way will guide further RC work.

High likelihood of strong follow-up RC results

Predictive Discovery (44% owned) holds permits to the northeast, along the Samira Hill Greenstone Belt where it has outlined **2.2 million tonnes of mineralisation containing 184,000 oz of gold at an average grade of 2.58 g/t Au at the Bongou deposit.**

Capital Structure	
ASX Code	PDI
Shares	651 m.
Options	25.6 m @var
Price	\$0.005
Market Cap	\$ 3.3 m.
Cash (est)	\$ 1.0 m.

Samira Hill Greenstone Belt



Source: Aurora

Emerging gold province

Predictive Discovery is also planning to test several gold anomalies in look-a-like structures to the northeast of Bongou and along the separate southerly, Laterite Hill trend where exploration success would add critical mass to a developing gold province.

Predictive Discovery has also entered into joint venture with Toro Gold Limited on four gold exploration permits in Cote d'Ivoire. Toro can earn a 51% interest by spending US\$1 million on exploring. Predictive's sole exploration licence in Australia, Cape Clear in Victoria has also been farmed out, with Cape Clear Pty Ltd spending at least \$250,000 on exploration and 1,000m of drilling by September 2015.

South Korea

Aurora's 37.5% held Peninsula Mines is seeking Korean government support to assist it with drilling on tungsten (W) and molybdenum (Mo) mineralisation at the Daehwa deposit in the north of the peninsula and then to test the Jinan & Osu base metals and gold projects in the south, with drilling expected to commence around mid-year and extend into Q3 2015.

Capital Structure	
ASX Code	PSM
Shares	211 m.
Options	42 m @var
Price	\$0.006
Market Cap	\$ 1.3 m.
Cash (est)	\$ 0.3 m.

Location of South Korean projects



Source: Aurora

DAEHWA Mo/W

The Daehwa Project located about 100 km southeast of Seoul, contains two former narrow vein underground Mo & W mines. The mines closed during a period of low commodity prices and recent drilling by Peninsula confirms that the mineralisation extends well below old workings and into the hanging wall of the historic workings.

Drilling confirms that molybdenum and tungsten bearing veins occur over a strike length of more than 360 metres and extend well below levels of historic mining. This work also outlines several scheelite bearing, horizons not previously recognised at Daehwa.

Mo/W mineralisation forms a stockwork consisting of numerous veins that vary from sub-millimetre scale up to 0.6 metre in width, while strike can be traced for over 1 kilometre in places.

Peninsula's work at the project shows that old mining sites primarily targeted steeper easterly dipping Mo and W bearing vein, but in places limited stoping has also been completed on narrow flat to westerly dipping Mo vein structures. Core orientation work from Peninsula's recent drilling indicates the presence of a flatter west dipping wolframite bearing vein. This is the first indication that westerly dipping W bearing veins occur at Daehwa.

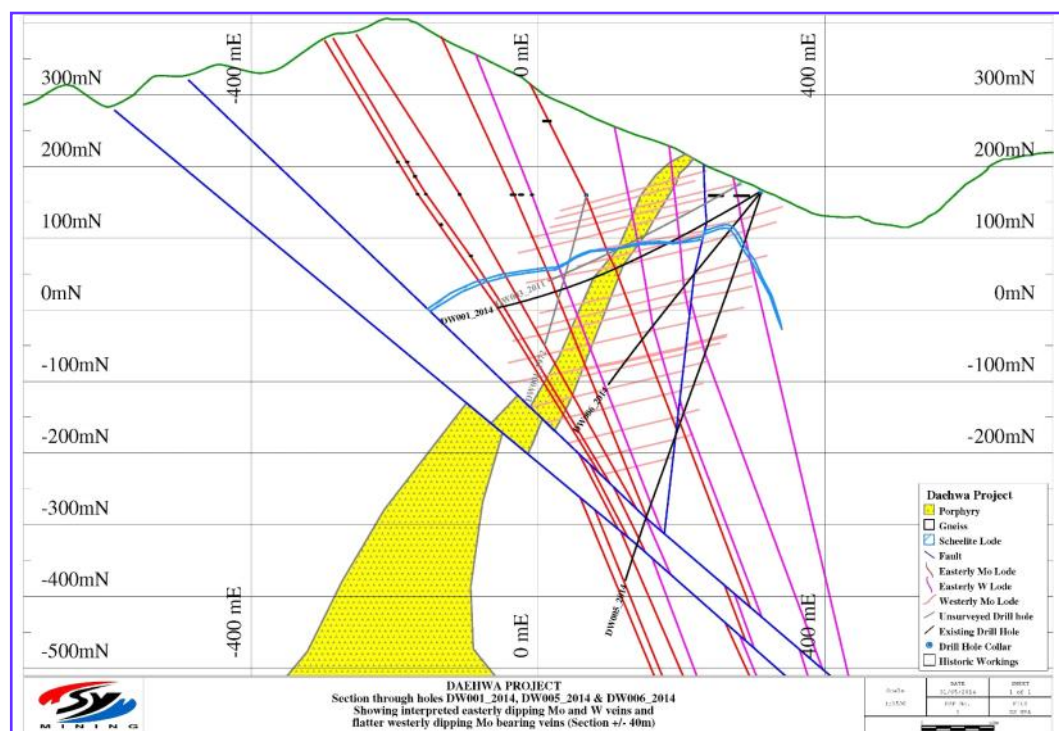
Recent drilling at Daehwa has used drill pads established on the eastern side of a north-south trending ridge which hosts Daehwa mineralisation. Recently completed surface mapping has identified historic workings and trenching across the entire strike of the Daehwa-Donsan ridge. In several places, mineralised veins were observed in surface outcrops.

Peninsula Mines drilled six diamond drill holes at the Daehwa Project in 2014. Results include:

- ◆ **0.1m @ 13.09% Mo**
 - ◇ plus 0.3m @ 2.19% Cu, 0.13% Mo and 0.03% W
 - ◇ plus 0.13m @ 2.04% Mo
- ◆ **0.2m @ 4.17% Mo**
 - ◇ plus 0.19m @ 4.42% W
 - ◇ plus 0.18m @ 2.92% Mo
 - ◇ and 0.2m @ 2.32% Mo

These multiple intercepts of high grade molybdenum associated with some copper and tungsten, offer potential for a small scale underground mine in the low cost mining environment of South Korea.

Cross section from Daehwa Mo/W project



Source: Peninsula

*Early work promising . . .
development may need to await
improving commodity prices*

On the back of encouragement from high grade Mo/W intercepts, Aurora plans to study development of a low cost processing plant at Daehwa to produce both molybdenum and tungsten concentrates which could be sold into the Korean steel industry, which is one of the most high-tech in the world.

*Jinan offers potential porphyry
copper/gold target*

JINAN GOLD AND BASE METALS

Peninsula holds gold and base metal projects at its **Jinan permits** in the south of Korea, where historic grades of **17 g/t Au and 230 g/t Ag** were mined with base metal credits. Peninsula plans to drill the **Indae & Dongjin** prospects to test for additional thin zones of enriched precious metals, as well as exploring underlying zones that may host intrusive porphyry source mineralisation, indicated by airborne magnetic surveys over the target.

FUNDING & PROGRAMME

Peninsula has made an application for funding support from the Korea Resources Corporation ("KORES"). This organisation is a South Korean Government authority charged with the support and development of domestic and overseas mineral resources.

Subject to funding capacity, Peninsula is now pursuing an estimation of a maiden Mineral Resource at Daehwa, the preparation of a Scoping Study for the potential commercial development of the Daehwa Mineral Resources that might have a capex component of as little as \$25 million and diamond drilling at its core projects at Daehwa (Mo/W), Jinan and Osu (Cu/Au and base metals).

Fiscal Terms & Political Risk

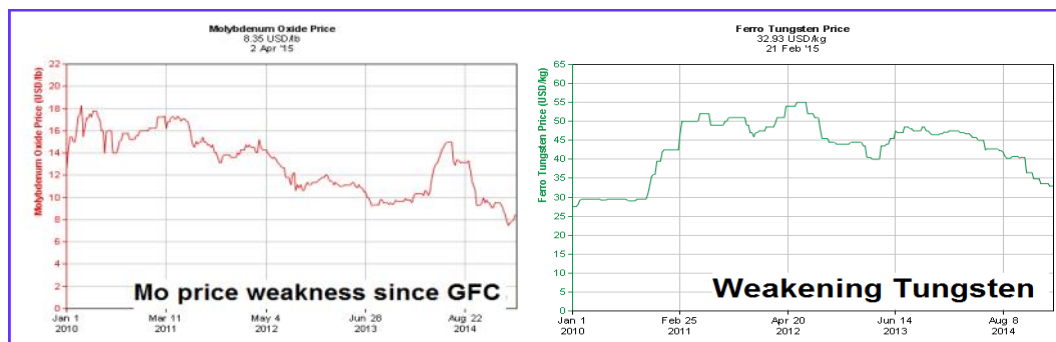
South Korea holds low political risk, despite its fractious neighbour. The country has excellent access to skills and infrastructure and operating costs in the country are relatively low. Taxation terms involve excellent conditions with no royalty payments to the State and corporate taxation of 25%.

Burkina Faso offers attractive fiscal terms with corporate taxation operating on a sliding scale from 25% to 30% and royalty payments set at around 3% of spot sales value. The nation has seen a rapid rise in mining activity with several successful, multi-million ounce gold projects up and running.

Some political risk is present from overpopulated areas influenced by radical theologies in Mali to the north and Niger to the east, but Aurora's interests are located far enough from those borders to minimise risk. Countries with strong mining traditions, comprising Cote d'Ivoire, Ghana, Togo and Benin sit to the south of the country.

Since longstanding President Compaoré was ousted in 2014, Burkina Faso has settled down politically with a new, interim military backed government with all departments functioning efficiently ahead of an election, planned by October 2015.

Commodities



Molybdenum and tungsten are both used in specialist steels. Molybdenum compounds are used in high-pressure and high-temperature specialist steel applications, also as pigments and as catalysts. Molybdenum finds specific and expanding application in high strength in pressure pipeline for use in the petrochemical area, an industry which will see massive levels of activity over the coming decade.

Tungsten is also used in steels requiring high temperature, hardness and high strength application such as for high wear, digging and cutting uses. Importantly, it has no real substitute in application. Chinese supply dominates, accounting for 86% of the global market. However as China's domestic demand continues to grow, exports to the rest of the world will decline, resulting in rising prices.

After a four – five year commodity price down cycle, supply and demand for steel making alloy elements will be returning to balance and Strachan Corporate believes that new projects is now required during 2016/17 at a time when the Mo and W price is likely to be rising.

Board & Management

Philip Jackson

Phillip is a barrister and solicitor with experience in contract, mining and commercial law as well as corporate governance. He was formerly corporate counsel for Western Mining Corporation.

Chairman, BJuris, LLB, MBA

Martin Pyle

Martin is a geologist with extensive field experience combined with work as a mining analyst and corporate advisor. He spent 17 years working in the finance industry within Australia.

Managing Director, BSc, Hons, MBA

Peter Cordon

Peter is a Civil Engineer with many years experience developing and operating gold and diamond mining projects in Australia and overseas.

Non-executive Director, BEng

Tim Markwell

Tim is a geologist who gained work experience with BHP Billiton, Golder Associates and Minara Resources. He has worked on feasibility studies and spent several years working as a resource analyst before joining Lion Manager, in charge of African funds.

Non-executive Director, BSc Hons, GDip Fin

Disclaimer

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