



**Breakaway
Research**

September 2015

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Company Information

ASX Code	ARM
Share Price (16 Sept 2015)	A\$0.026
Ord Shares	116.8m
Options	14.75m
Market Cap (undiluted)	A\$3.04m
Cash (June 30, 2015)	A\$4.66m
Listed Investments	A\$2.11m
Loans to associates	A\$0.45m
Enterprise Value	-A\$4.18m

Directors & Management

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

Company Details

Address	20 Kings Park Road West Perth WA 6005
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Top Five Shareholders

Lion Selection	12.82%
Forsyth Barr Custodians	11.18%
HSBC Custody Nominees	6.92%
Jetosea Pty Ltd	4.84%
Martin Pyle	3.03%
Top 20	57.53%
Directors	~4%

1 Year Price Chart



Source: IRESS

Aurora Minerals (ARM)

Leveraged to Results

Recommendation: Speculative BUY

Key Points

- **Investments in ASX-listed junior exploration companies**
- **Trading at a ~58% discount to NTA**
- **Associate companies have quality exploration ground and control over the highly prospective Samira Hill Greenstone Belt in Burkina Faso**
- **Burkina Faso properties include a 184,000oz JORC-compliant gold Resource**
- **High potential for the delineation of additional resources in Burkina Faso**
- **Exploration for a number of minerals in South Korea through Peninsula Mines**
- **Strong cash position of \$4.6 million as of June 30, 2015**

Aurora has investments in companies operating in Burkina Faso and South Korea, with exploration activities returning very encouraging results.

In Burkina Faso, where the group controls the Samira Hill Greenstone Belt, Predictive Discovery has defined a 184,000oz gold Resource and 460,000 to 563,000oz gold Exploration Target and Golden Rim a 500,000oz to 611,000oz gold Exploration Target. Exploration will recommence in October, following the end of the wet season. Our view is that there is a good chance for further exploration success, and for the companies to increase their gold inventories.

Exposure to South Korea is via the 37.5% stake in Peninsula Mines (ASX: PSM), which has properties over historical mining areas, and a strong relationship with KORES, the state mining and investment agency.

The value of Aurora's investments and cash is \$0.062/share – the current share price of \$0.026 is at a 58% discount to this, and is also at a 35% discount to cash backing of \$0.040/share.

We rate Aurora as a SPECULATIVE BUY, with key price movers including exploration success by its associates.

Company Overview

Aurora Minerals Limited is a Perth based ASX-listed junior exploration company with a strategy of growth through direct investments in other ASX-listed junior exploration companies. As part of the strategy Aurora also facilitates funding via loans to associates.

Investments to date include Predictive Discovery (ASX: PDI, 43.9%), Golden Rim Resources (ASX: GMR, 13.4%) and Peninsula Mines (ASX: PSM, 37.5%).



Investment Thesis

Portfolio Investment Approach

Aurora currently has a strategy of investing in ASX listed junior explorers

Aurora Minerals Limited (ASX: ARM, “Aurora” or “the Company”) has undertaken a strategy of investing in ASX listed junior exploration companies to gain leveraged exposure to prospective exploration projects. This allows the Company to benefit from the substantial cost of previous work completed (>\$50 million in the case of current investments), established field teams and in country expertise and the ability to invest at bottom of the cycle values.

Three Key Investments to Date

Three key investments to date

To date, Aurora has invested in three companies, Golden Rim Resources (ASX: GMR, “Golden Rim”, 13.44%), Predictive Discovery Limited (ASX: PDI, “Predictive”, 43.92%) and Peninsula Mines Limited (ASX: PSM, “Peninsula”, 37.50%), and having effective control of Predictive and Peninsula, including board seats.

Quality Burkina Faso Exploration Ground

Between them Predictive and Golden Rim control the prospective Samira Hill Greenstone Belt in eastern Burkina Faso, which has excellent exploration potential

Between them, Predictive and Golden Rim control most of the Samira Hill Greenstone Belt in eastern Burkina Faso. The ~1,700km² tenement package is along strike from the +2Moz Samira Hill Mine in neighbouring Niger.

Excellent Exploration Potential

The Samira Hill belt has excellent exploration potential, with results of work to date by both companies supporting this - both companies are now concentrating activities on their respective holdings in the belt and divesting other assets.

Growing Gold Inventory

The companies have defined significant gold mineralisation, with this to be followed up in the upcoming field season

Predictive has an 184,000oz, 2.58g/t Indicated and Inferred Resource at its Bongou prospect within the 95-100% held Bonsiega Project. Within 10 kilometres of the Bongou resource Predictive has recently reported an Exploration Target of 460,000 to 563,000oz at between 1.5 and 1.7g/t gold.

Golden Rim has reported an Exploration Target of 500,000 to 611,000oz at between 1.8 and 2.2g/t gold within its 90% held Korongou permit, some 40km from Bongou.

Active Programmes Planned

Both companies have active programmes planned for the 2015/2016 field season starting in October, and we expect continuing news flow and positive results.

Synergies and Consolidation?

There are good arguments for the consolidation of the activities of Predictive and Golden Rim

Given their proximity to each other, there are natural synergies in any potential consolidation of the activities of Predictive and Golden Rim. Such synergies should lead to a reduction of overheads in-country, with both companies now concentrating exploration activities on this belt.

Also, given that both companies have identified either Resources or Exploration Targets in their respective tenements, a consolidation of activities could also lead to a higher probability of an initial Resource being estimated that would meet our hurdle of at least



1 to 1.5 million ounces that we believe needs to be delineated to consider a stand-alone development opportunity.

Positive Results From South Korea

Prospective projects in South Korea

The third investment is a 37.5% controlling stake in Peninsula, which has two projects in South Korea. The main focus to date has been on the 100% owned, historically mined Daewha Mo/W Project, with drilling intersecting narrow high grade molybdenum and tungsten veins. Sampling of polymetallic veins at the second project, Osu, has returned high grade assay values, with a conceptual blind porphyry target also being defined.

Trading at a Significant Discount to NTA

Trading at a significant discount to NTA

The net tangible asset (“NTA”) valuation for Aurora is \$0.062/share, a discount of 58% to its current share price. This is also at a significant 35% discount to the cash backing of \$0.040/share.

The following table summarises the investments, as well as the structure of the associated companies.

Aurora asset valuation and associated company structure

Asset	Code	On issue/ cap	Current price	Cash \$m (June 30)	ARM Interest	Asset Value	Value /Share
Golden Rim	GMR	1,438m \$5.75m	\$0.004	\$4.847	13.44%	\$773k	\$0.007
Predictive Discovery	PDI	651m \$1.30m	\$0.003	\$0.714	43.92%	\$857k	\$0.007
Peninsula Mines	PSM	211m \$1.27m	\$0.006	\$0.169	37.50%	\$475k	\$0.004
Total Listed Investments						\$2,105k	\$0.018
Loan to Peninsula						\$450k	\$0.004
Cash						\$4,660k	\$0.040
NTA						\$7,215k	\$0.062
Market discount to NTA – Share price of \$0.026							58%

Source: Aurora, Breakaway analysis (may contain rounding errors)

Experienced Board

Experienced board, supportive shareholders

The board of Aurora have extensive experience in the finance and junior resources industries in both technical and financial capacities. In addition Aurora board members have seats on both Predictive and Peninsula boards, including the Executive Director role for Peninsula.

Supportive Shareholders

Companies within the group have supportive major shareholders, including Lion Selection in the case of Aurora, and Sprott Asset Management and Acorn Capital in the case of Golden Rim.

Risks

Risks pertinent to Aurora and associated companies are presented below.

- **Exploration** – As for any junior explorer, this is the key risk directly influencing the associate companies, and indirectly for Aurora. However results to date, especially in Burkina Faso, have been very encouraging, thus partly mitigating this.



- **Markets and Funding** – This is now a consideration for Predictive and Peninsula, with both of these companies soon needing to raise capital in very tight capital markets. Predictive also has to face the negative sentiment towards USD denominated gold, as well having to fund upcoming field programmes. Predictive’s FY2014 spend was \$1.822m, including \$1.380 for exploration and evaluation. Peninsula’s requirements are somewhat less, partly through the drilling support from KORES, and working capital requirements are currently being funded through a loan agreement with Aurora.
- **Sovereign Risk** – Both key jurisdictions, Burkino Faso and South Korea, are relatively stable and mining friendly. In the case of Burkina Faso it appears to have settled down following the 2014 coup. Recent years have seen the rapid rise in mining and exploration activity in Burkina Faso, with several multi-million ounce gold deposits now up and running (reportedly including eight being developed in the last six years) – 2014 production was some 1.2Moz, accounting for around 20% of the country’s GDP.



Project and Activities Review

Introduction

Aurora has undertaken a strategy of investing in ASX listed junior exploration companies. The aim of this strategy is to benefit from:

Aurora currently has a strategy of investing in ASX listed junior explorers

- Substantial exploration and set-up costs already incurred on the projects – in the case of the current investments this is greater than \$50 million
- Established on the ground technical teams with in-country experience
- Opportunistic timing - being able to invest into quality companies at or near low, bottom of the cycle values and at a fraction of the cost of replicating the work already done.

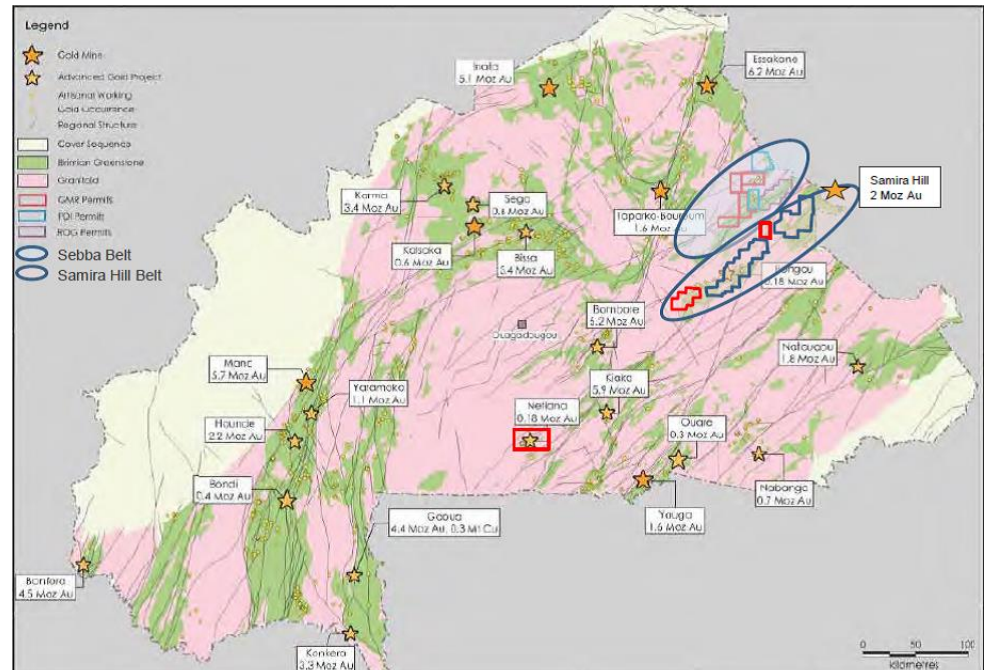
To date, Aurora has invested in three companies, Golden Rim Resources, Predictive Discovery and Peninsula Mines. The Company has effective control of the latter two, including board representation. Golden Rim and Predictive are concentrating efforts on gold exploration in Burkina Faso, whereas Peninsula has various exploration properties in South Korea.

Given Aurora's cash position, there is also the potential for investments in other opportunities that may come along.

Burkina Faso – Predictive Discovery and Golden Rim

Predictive and Golden Rim control most of the Lower Proterozoic Samira Hill Greenstone Belt in eastern Burkina Faso. The combined ~1,700km² tenement package is along strike from the +2Moz Samira Hill Mine in neighbouring Niger, which operated from 2004 to 2013, before Semafo (TSX: SMF) sold its 80% interest to Sopamin, the Niger state-owned mineral development organisation.

Burkina Faso tenements



Between them Predictive and Golden Rim control the prospective Samira Hill Greenstone Belt in eastern Burkina Faso

Source: Aurora



Geology and Mineralisation

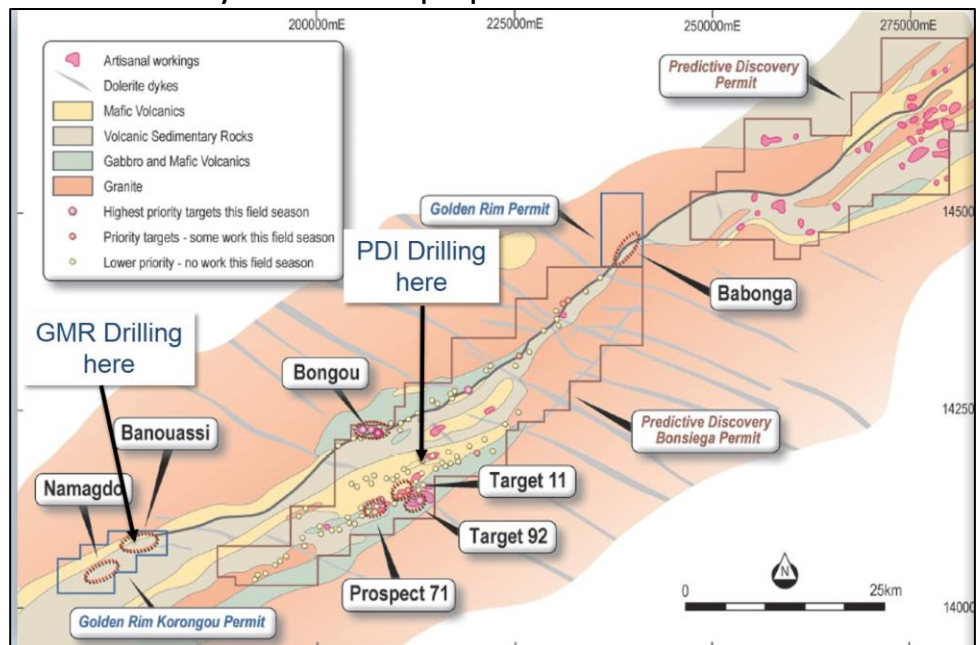
The Samira Hill greenstone belt is within the Lower Proterozoic Birimian Shield, a prolific gold producer

The Samira belt is one of the constituent greenstone belts of the productive Lower Proterozoic Birimian Shield, host to a large number of producing gold deposits throughout West Africa, including a number in Burkina Faso. The greenstones within the NE striking Samira belt are dominated by gabbros, mafic volcanics and volcanic derived sediments, and the belt is crosscut by a series of NW trending dolerite dykes.

The belt is marked by a large number of artisanal workings, with orogenic-style gold mineralisation being delineated within the tenements; Predictive Discovery has an 184,000oz, 2.58g/t Indicated and Inferred Resource at its Bongou prospect within the 75-100% held Bonsiega Project. Predictive has also recently reported an Exploration Target of 460,000 to 563,000oz at between 1.5 and 1.7g/t gold within 10km of Bongou. Golden Rim has reported an exploration target of 500,000 to 611,000oz at between 1.8 and 2.2g/t gold within its 95-100% held Korongou permit, some 40km from Bongou.

Work by both companies has delineated a number of other prospects, including those shown below.

Predictive Discovery and Golden Rim prospects – Samira Hill belt



Source: Aurora Minerals

Predictive Discovery - Activities

Introduction

Predictive is concentrating activities within 20km of its 184,000oz Bongou gold deposit

Predictive is concentrating activities within 20km of their Bongou deposit, for which an initial resource was estimated in September 2014. This is located within the Bonsiega Project, which covers some 100km of strike of the Samira Hill Greenstone Belt. Bonsiega is part of a broader 1,605km² regional tenement package held by Predictive.

Following a review of activities in late 2014 (and the Bongou resource estimation), the Company's strategy is to expand the resource base in the vicinity of Bongou, to reach an inventory that would support a profitable stand-alone open cut gold mining operation.

To this end, during the 2014 field season a 3,854m reverse circulation ("RC") and limited aircore drilling programme was completed over eight targets prioritised from an initial list of over 100 that showed Bongou-like geological and geophysical features. Most of



these targets had no previous drilling. In addition scout power auger geochemical sampling continued through the season.

Bongou Prospect

Mineralisation at Bongou is hosted within an altered granite

Mineralisation at Bongou is hosted in an intensely silica-albite altered and quartz veined granite within a shear zone between a sheared gabbro to the north and basalt to the south. The deposit is characterised by broad intervals of mineralisation (up to 52m @ 3.2g/t Au) making it amenable to low strip open cut mining.

The shear zone is part of a several hundred kilometre long NE striking interpreted splay off the major Markoye Fault System, the control to a number of major gold deposits, including Bombore (5.2Moz gold) and Essakane (6.2Moz gold).

Geophysically the prospect is marked by a strong east-west structural feature interpreted from the magnetic data – one of the discriminants for the exploration prioritisation.

Bongou JORC-compliant Mineral Resource

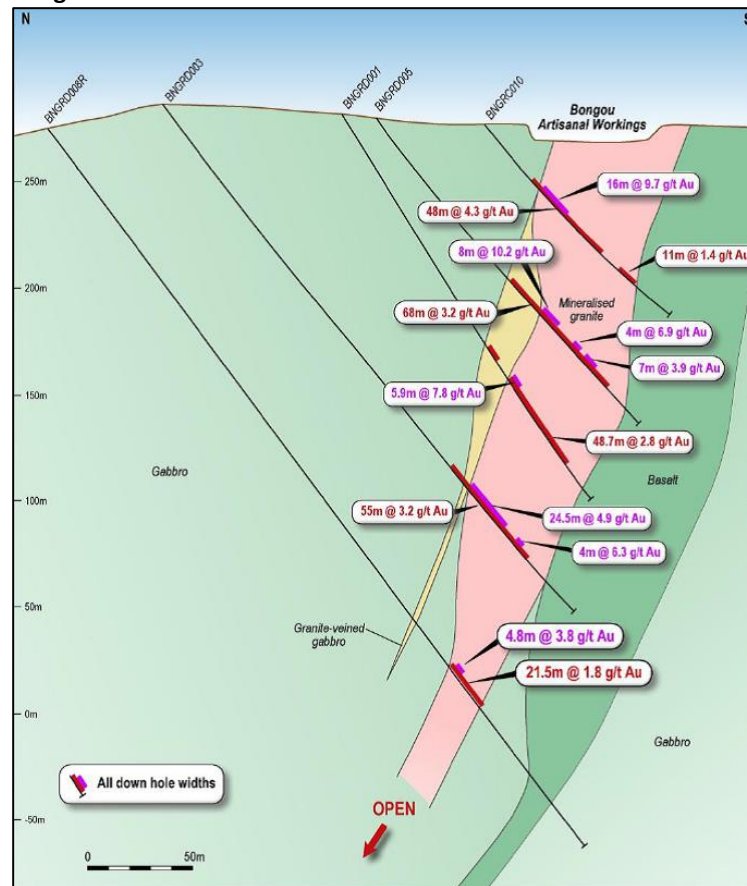
Cut-off	Inferred Resources			Indicated Resources			Total Resources		
	Tonnes (Mt)	Grade (g/t)	Ounces	Tonnes (Mt)	Grade (g/t)	Ounces	Tonnes (Mt)	Grade (g/t)	Ounces
0.4	1.21	2.54	99,000	1.33	2.13	91,000	2.55	2.32	190,000
0.8	1.14	2.67	98,000	1.09	2.48	86,000	2.22	2.58	184,000
2.0	0.64	3.64	75,000	0.49	3.90	61,000	1.13	3.75	136,000
3.0	0.34	4.68	52,000	0.28	4.95	45,000	0.62	4.80	96,000

Source: Predictive Discovery

Preliminary cyanidation metallurgical testwork on fresh material at Bongou has returned excellent recoveries of 94% with anticipated short leach residence times.

Bongou section

Bongou is characterised by broad zones of gold mineralisation



Source: Predictive Discovery



Recently completed work in the Bongou area has returned very encouraging results

Bongou area exploration

The recently completed drilling programme has returned very encouraging results, with these, in addition to previous results, being used to estimate an Exploration Target as detailed in the table below. Recent discoveries include Target 92 and Prospect 71, which are detailed further, with mineralisation still being open in these prospects.

The Dave and Laterite Hill prospects, to the ENE of Target 71, were drilled between 2010 and 2012. At Dave mineralisation occurs over a strike of 2.5km, and comprises a series of parallel sub-vertical NE-striking shear hosted lodes, oblique to the main ENE trend of the greenstones. Drilling returned results of up to 28m @ 2.7g/t Au.

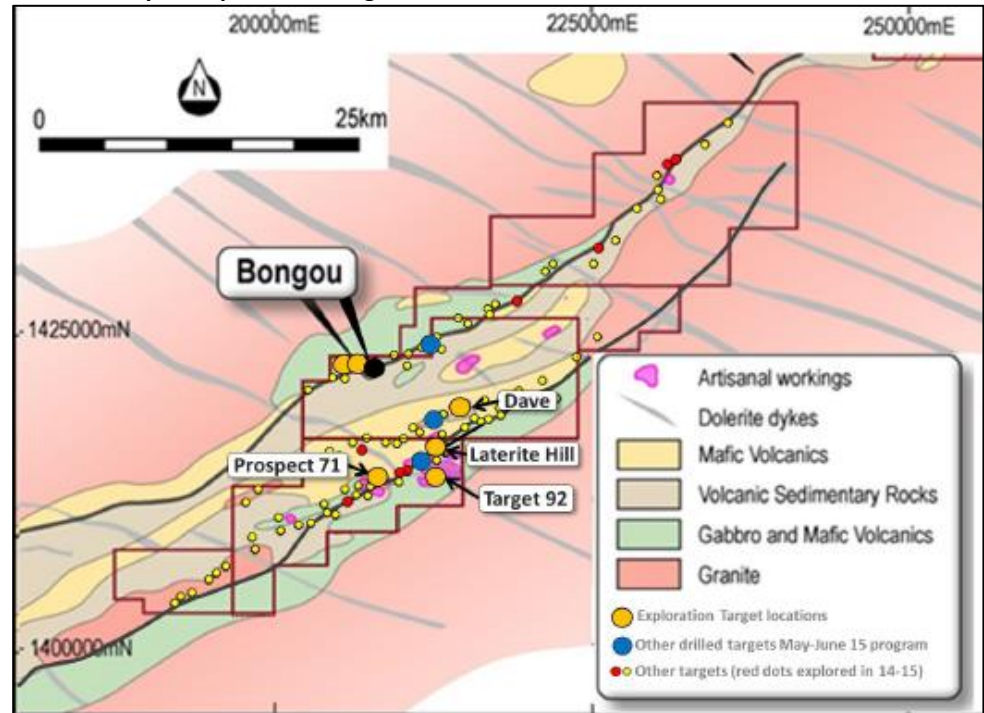
A 460,000oz to 563,000oz Exploration Target has recently been calculated

Bongou area Exploration Target

Exploration Target Area	Tonnage Range (Mt)		Gold Grade Range (g/t)		Gold Ounces Range	
	Lower	Upper	Lower	Upper	Lower	Upper
Dave	6.71	7.41	1.49	1.65	322,000	394,000
Laterite Hill	1.48	1.63	1.62	1.79	77,000	94,000
Near Bongou (W2/W8)	0.27	0.30	1.57	1.74	14,000	17,000
Prospect 71	0.68	0.75	1.21	1.33	26,000	32,000
Target 92	0.23	0.26	2.88	3.18	21,000	26,000
TOTAL	9.37	10.35	1.53	1.69	460,000	563,000

Source: Predictive Discovery

Location map of Exploration Targets



Source: Predictive Discovery

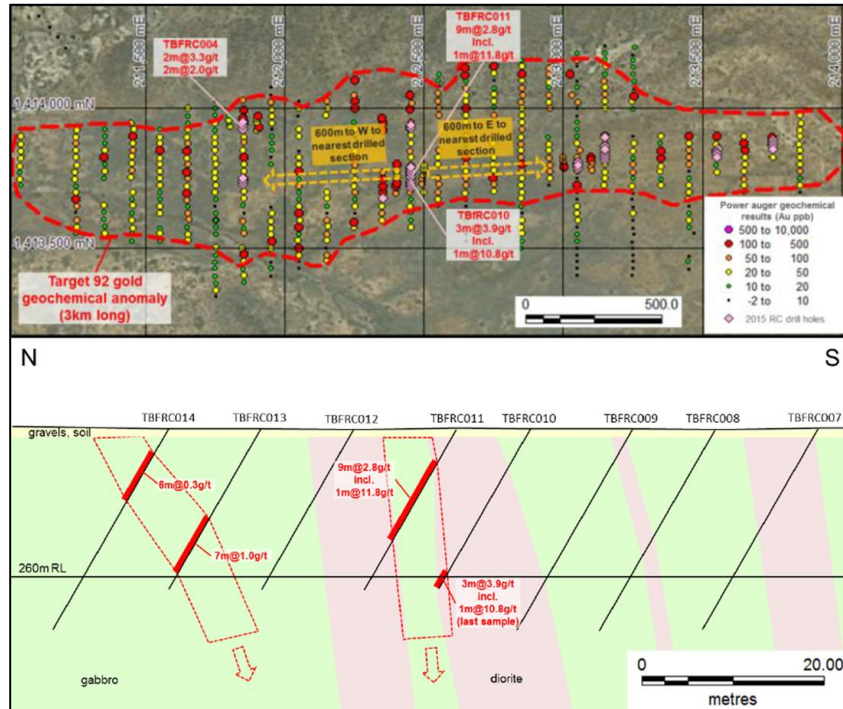
Target 92

This target, located 15km south of Bongou, is marked by a 3km long, east-west trending power auger geochemical anomaly and numerous artisanal workings coincident with an east-west trending structure interpreted from magnetic data. The drilling, on broadly spaced sections, intersected steeply dipping zones of mineralisation, with the strongest mineralisation developed in gabbros near the contacts with diorite dykes. Key intersections are shown in the figure below, and include 9m @ 2.83g/t Au from 4m in TBFC011. Mineralisation remains open in all directions.

Drilling at Target 92 returned 9m @ 2.83g/t Au



Target 92 plan and section



Source: Predictive Discovery

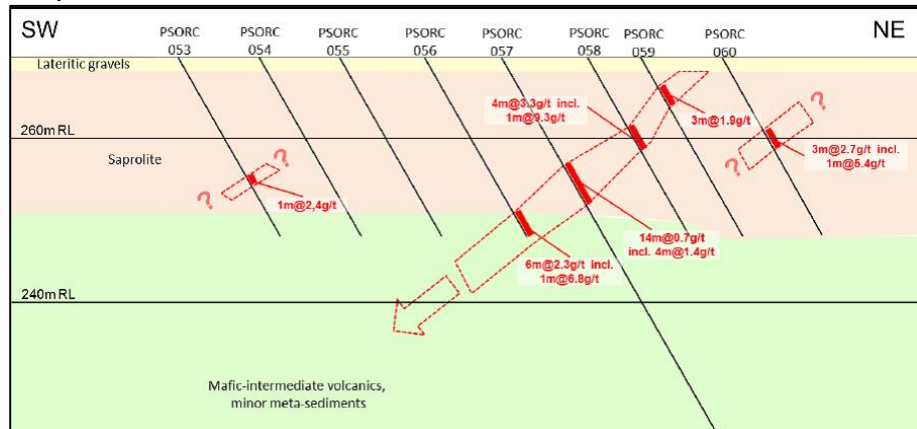
Prospect 71

Work at Prospect 71 has identified a new mineralised trend, enhancing the prospectivity

This is located over a 2.4km² soil anomaly, with 2014 auger sampling and ground magnetics delineating two sub-parallel NW trending structures within the broader anomaly. A 911m drilling programme testing both of these structures was completed in 2015, and returned results up to 6m @ 2.25g/t Au.

The drilling shows a clearly defined shallow SW dipping mineralised zone, with intersections correlating from hole to hole, including a hole from the 2014 drilling programme, which was orientated to test a different structural trend.

Prospect 71 section



Source: Predictive Discovery

This is a new mineralised trend for the area, and may explain the broad area of anomalism at Prospect 71, and leaves open the possibility for the discovery of more similarly orientated zones at this prospect.

Other Targets

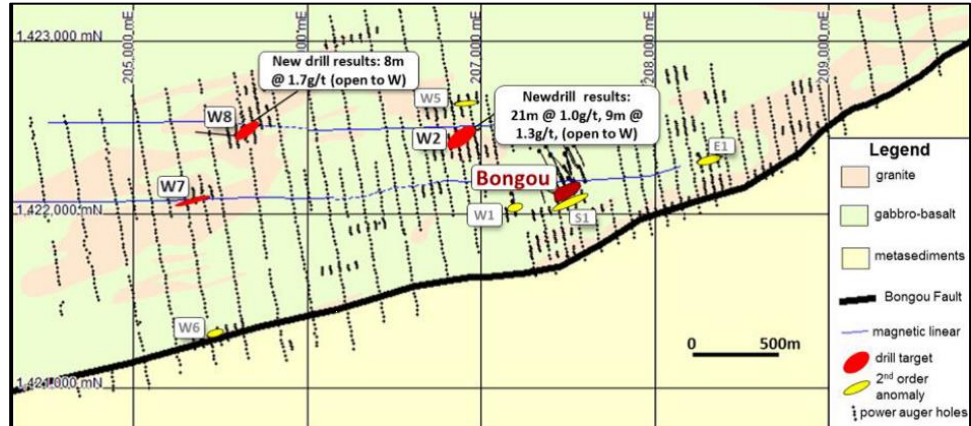
Encouraging results were returned from a number of the other targets, including Target W2, within 600m of Bongou, with one hole returning 21m @ 1.0g/t Au in granite. This



was drilled into an ENE trending shear, with this interpreted as being open for 150m to the west.

Drilling closer to Bongou has returned promising results

Bongou targets and results



Source: Predictive Discovery

Future Work

The Company is currently planning their 2015/2016 field season exploration programme, due to commence in October following the wet season. Subject to funding, this will include drilling on the prospects with an Exploration Target to enable Mineral Resources to be estimated.

Other Projects

The Company is farming out its other projects, including its 1,533km² Cote D'Ivoire tenement package to Toro Gold Limited ("Toro"), a London based private exploration and development company. Under the terms of the agreement Toro can earn 51% of the project through the expenditure of US\$1 million. This also includes a US\$200,000 payment that has been received by Predictive.

Predictive has farmed out its other projects

Geochemical sampling currently underway by Toro over the Kokoumbo Permit has returned rock chip and selective quartz vein assay results up to 98g/t gold within broad, high tenor soil geochemical anomalies, with the area being marked by historic gold workings.

Excellent results from the Kokoumbo Permit in the Cote D'Ivoire

The Company has also farmed out EL5434 in Victoria, Australia, to Cape Clear Minerals Pty Ltd ("CCM"), whereby CCM can earn 75% through the expenditure of \$500,000 (including a three hole, 1,000m drilling programme) by the end of the September 2015 quarter.

Golden Rim – Activities

Introduction

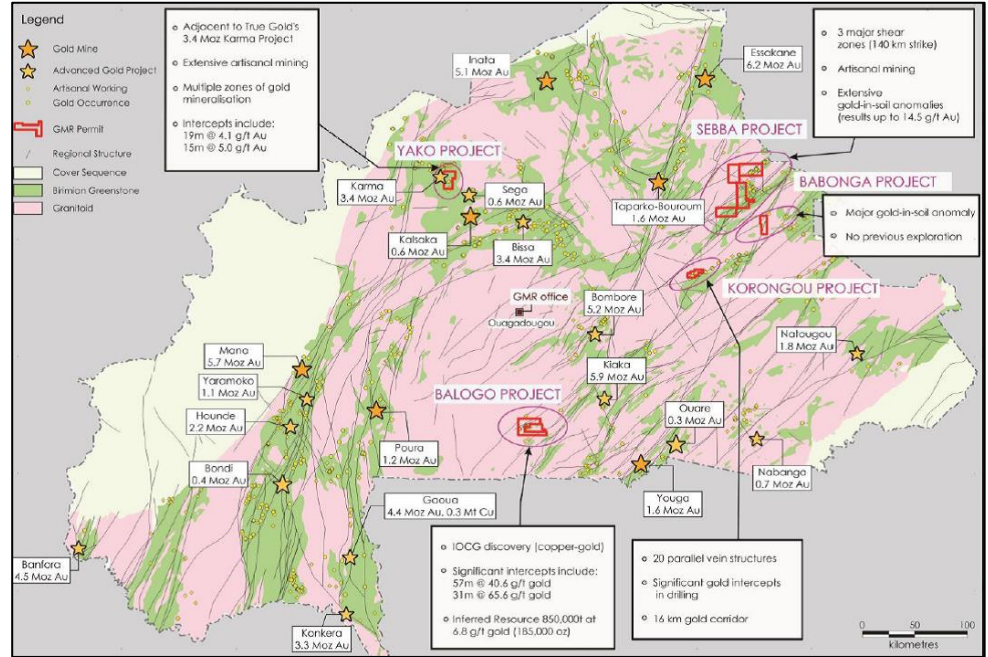
Golden Rim has concentrated activities on its 90% held Korongou Project, located 40km to the SW of Bongou. Although it has a number of other projects in Burkina Faso and Mali, it is actively seeking to divest them.

Golden Rim is concentrating activities at Korongou, 40km from Bongou

This included the 185,000oz Balogo Project, for which an initial US\$5 million payment has been received for the sale to MNG Burkina Sarl ("MNG"). Another US\$5 million is due on meeting milestones; US\$2 million on the earlier of the granting of an exploitation permit or within 24 months of the sale conditions precedent being satisfied or waived, and US\$3 million on commercial production. In addition Golden Rim will receive a 1% Net Smelter Return ("NSR") on production at Balogo – MNG has the right to purchase this for US\$5 million.

It is actively divesting its other projects, including selling its 185,000oz Balogo Project for US\$10m

Golden Rim Burkina Faso project locations



Source: Golden Rim

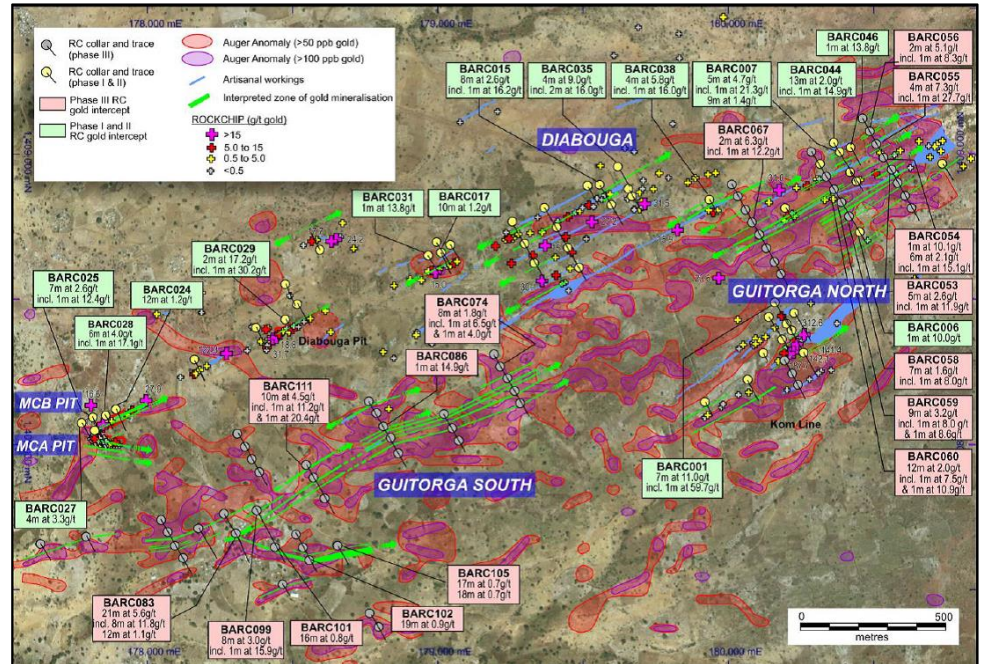
Korongou Project

Work on the Korongou Project has been concentrated on the Banouassi prospect, as shown in the figure below.

During the 2014/2015 field season this included a 65 hole, 7,274m RC drilling programme, which intersected a number of mineralised zones as shown in the figure above. Best intersections included 21m @ 5.6g/t gold from 13m and 12m @ 1.1g/t gold from 51m BARC083. The upper intersection included 8m @ 11.8g/t gold.

Banouassi – drilling results and mineralised zones

Work to date has identified a number of gold zones at the Banouassi prospect



Source: Golden Rim

The area is along the same shear system that hosts Predictive's Bongou mineralisation, with mineralised zones generally being parallel to the shearing.



The results of this and the previous two phases of drilling were used to prepare an Exploration Target, as presented in the table below.

Korongou Project Exploration Target estimation

Exploration Target Area	Tonnage Range		Gold Grade Range (g/t)		Gold Ounces Range	
	90%	110%	90%	110%	90%	110%
Guitorga North	2,924,000	3,573,000	1.9	2.4	201,000	246,000
Guitorga South	3,643,000	4,452,000	1.4	1.7	178,000	219,000
MCA/MCB Pits	719,000	879,000	1.8	2.2	47,000	57,000
Diabouga	669,000	818,000	3.0	3.7	73,000	89,000
TOTAL	7,954,000	9,722,000	1.8	2.2	500,000	611,000

Source: Golden Rim

A number of these zones are open along strike; in addition there is a 900m gap between Guitorga South and Guitorga North due to the ground being held by another party – this shows scope to expand the Exploration Target should Golden Rim be able to farm in to or acquire this block.

Future Work

Work for the upcoming field season is planned to include drilling, metallurgical testwork and resource modelling to test the validity of the Exploration Target and to potentially estimate an initial Mineral Resource for Korongou.

Synergies and Consolidation?

Given their proximity to each other, there are natural synergies in any consolidation of activities of Predictive and Golden Rim. Such synergies should lead to a reduction of overheads in-country, with both companies now concentrating activities on this belt.

Also, given that both companies have identified either Resources or Exploration Targets in their respective tenements, a consolidation of activities could also lead to a higher probability of an initial Resource being estimated that would meet our hurdle of at least 1 to 1.5 million ounces that we believe needs to be delineated to consider a stand-alone development opportunity.

The companies have a history of co-operation – in October 2014 they, along with TSX-listed Roxgold Inc., consolidated their tenements in the Sebba Greenstone Belt, immediately to the north of the Samira belt so as to make it a more attractive package for joint venture partners.

South Korea – Peninsula Mines

The third investment is a 37.5% controlling stake in Peninsula, which has two projects in South Korea, the Daewha Mo/W and Osu base and precious metal projects.

Daewha Mo/W Project

The main focus to date has been the 100% owned Daewha Mo/W Project, which includes the historic Daewha and Donsan underground mines and is on a granted Mining Lease. The mines operated semi-continuously from 1904 to 1984, and it is believed they closed due to low commodity prices.

Vein mineralisation is in the form of narrow, high grade, generally steeply east dipping scheelite (tungsten) and molybdenite bearing veins, which have been recognised over a strike length of 520m, and are still open down dip.

Results have been used to prepare a 500,000-611,000oz gold Exploration Target

There are obvious logistical and financial synergies in consolidating the Burkina Faso activities of Predictive and Golden Rim



South Korean project locations

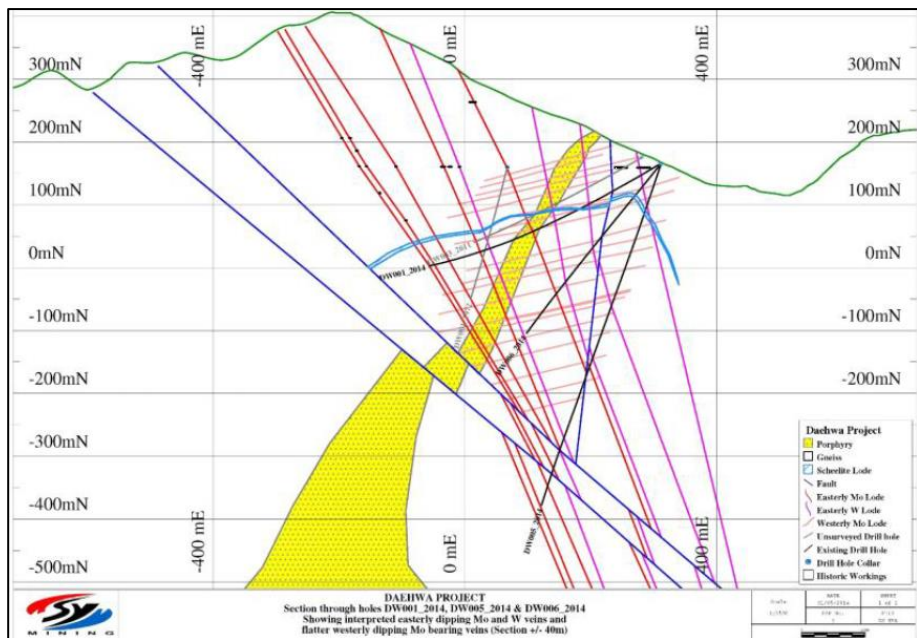


Source: Aurora Minerals

Work to date has targeted the down dip extensions of the historically mined steeply east dipping lodes, however shallowly west dipping lodes have also been recognised. Skarn mineralisation replacing metamorphosed sediments with high tungsten grades has also been reported providing an additional exploration target. Peninsula drilled six diamond holes in 2014, which intersected a number of narrow (up to 0.2m), high grade molybdenum (up to 13.09% Mo) and tungsten (up to 4.42% W) veins.

Daehwa cross section

Narrow, high grade Mo/W veins at the historic Daehwa mining centre



Source: Peninsula Mines

Peninsula has received welcome drilling assistance through funding by KORES, the state owned mining and investment agency (with which it has a strong relationship), and currently has a two hole, 1,000m diamond drilling programme in progress.

Depending upon the results of the programme, and given the relatively low cost operating environment, Peninsula may look at the feasibility of a small, high grade



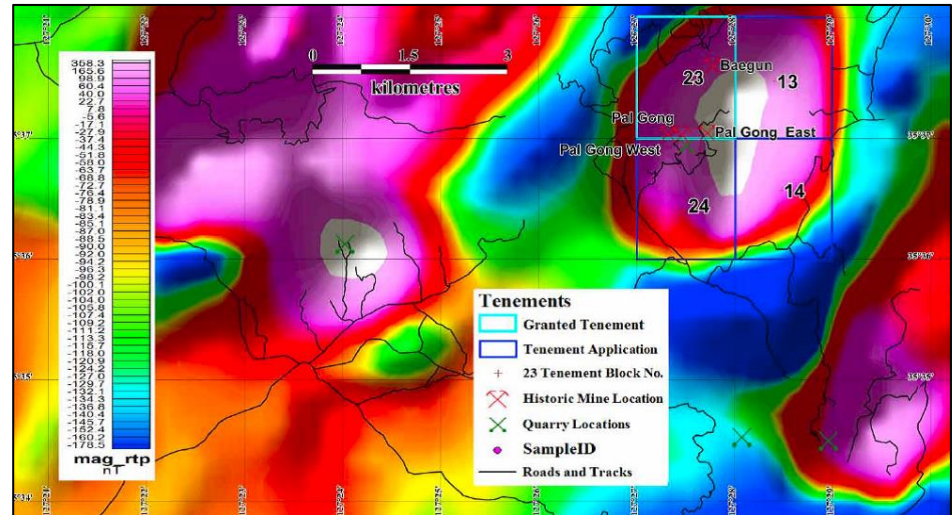
underground mining and processing operation to supply tungsten and molybdenum to the high-tech South Korean steelmaking industry. The results of the drilling will also be used to estimate an initial JORC-compliant Resource.

Conceptual porphyry target at Osu

Osu Base and Precious Metals

The second project is Osu, which comprises one granted tenement and three applications. Rock chip and dump sampling by the Company has returned high grade precious and base metals assays from poly-metallic veins, interpreted as sub-epithermal veins sourced from a deeper porphyry source. Two mines, Baegun and Pal Gong operated intermittently from before WWII to the 1970's.

Osu tenement location and magnetics image



Source: Aurora Minerals

Airborne magnetics surveying completed in 2008 and reprocessed in 2014 delineated a magnetic high that may reflect an intrusive source at a depth of around 300-400m at Osu. This is being considered as a porphyry target, and which Peninsula plans to drill. To this end an application has been made for a 9 hole, 3,000m drilling programme, which will also test down dip extensions of the historically mined lodes.

Australian Assets

Aurora has a number of 100% held and joint ventured base metal and manganese prospective tenements in the Gascoyne region of Western Australia. These projects are currently inactive, with Aurora considering options with regards to them.

Breakaway's View

Exploration work to date over the Samira Hill Greenstone Belt has returned very encouraging results. We see a good chance of both Predictive and Golden Rim having exploration success and adding to their resource inventories in the upcoming field season, potentially driving value in these two Aurora investments, which in turn should drive value in Aurora. However, we are aware that West African gold is not the market darling at the moment!

We also note the relatively low grades in the Exploration Targets, however these should contain zones of higher grade material, and the existence of the higher grade Bongou Resource also confirms the prospectivity.

As we have mentioned, we see a good case for consolidation of Predictive's and Golden Rim's activities in the Samira Hill Greenstone Belt. This area is now the main focus of



both companies' activities, and any collaboration would have obvious logistical and, given the tight capital markets, in the case of Predictive, financial synergies. This would also increase the chance of reaching the critical 1-1.5Moz minimum resource base that we consider is required to justify any decision to progress towards scoping or feasibility studies.

In South Korea, the relationship between Peninsula and KORES is valuable, and in our view could lead to further opportunities being introduced to Peninsula. The existing projects have merit, particularly Osu, by virtue of the potential for high grade mineralisation and the interesting porphyry target.

Golden Rim is cashed up by virtue of the recent sale of its 185,000oz Balogo Resource for US\$10 million; US\$5 of which was paid during the June quarter and with a further US\$5 million in staged payments on development milestones. Golden Rim's cash position at 30 June 2015 was AUD\$4.85 million including the benefit of the proceeds of the first tranche of the sale proceeds from Balogo.

Aurora is also well cashed up and in a reasonable position to help fund Predictive and Peninsula should they so require, and/or to explore other growth opportunities.

With the Company trading at a ~58% discount to NTA (and ~35% to cash), and the prospectivity of the ground held by associated companies, we rate Aurora as a SPECULATIVE BUY. Price movers will be exploration success by associate companies.

*We rate Aurora as a
SPECULATIVE BUY*



Directors and Management

Non-Executive Chairman **Phillip Jackson**

Phillip is a barrister and solicitor with significant legal and international corporate experience, specialising in the areas of commercial and contract law, mining and energy law and corporate governance. Phillip was formerly legal manager for a major international mining company, and in private practice specialised in small to medium resource companies.

As Chairman, Phillip is responsible for Aurora's corporate governance stewardship. Phillip is currently a General Counsel of a major Australian oil and gas company. He has been a director of a number of Australian public companies, holds an MBA, and has management experience in administration, finance, accounting and human resources.

Managing Director **Martin Pyle**

Martin is a geologist and a mining industry specialist with over 25 years' experience in the finance and resources industry in Australia. Having worked across a diverse range of commodities and been involved in various ASX listed companies, he has particular expertise in geology, exploration, resource and reserve estimation and feasibility study analysis.

Martin was previously in senior corporate finance roles with prominent Australian stock broking firms where he was responsible for the generation and execution of resources related equity raisings, mergers and acquisitions, corporate advisory and research, as well as resource analysis. Most recently he has provided corporate advisory services to a number of junior resource companies and is Non-Executive Director of Gold Road Resources.

Mr Pyle holds a Bachelor of Science (First Class Honours - Geology) and a MBA.

Non-Executive Director **Peter Cordin**

Peter is a civil engineer with over 35 years' global experience in mining and exploration both at operational and senior management level. He has direct experience in the construction and management of diamond and gold operations in Australia, Fenno-Scandinavia and Indonesia. Since 2006, he served as Managing Director before becoming the Chairman of ASX listed Dragon Mining Limited, playing an instrumental role in turning around the company, creating a successful +60,000oz/year gold producer in Fenno-Scandinavia.

Peter was previously Managing Director of Grant's Patch Mining Limited (100,000 ounce gold per year production) and was Director - Operations of Forsayth NL, responsible for the Group's operations in Australia, including the annual production of 320,000 ounces of gold from five mines. He has also been involved in the development of resource projects in Kazakhstan and New Caledonia.

Mr Cordin is a Non-executive Director of Coal of Africa Limited and Vital Metals Limited.

Tim graduated with an honours degree in geology from UWA in 1993, and worked in senior technical roles for over 12 years with BHP Billiton, Golden Associates and Minara Resources. Tim specialised in resource assessment and was involved in feasibility studies for many resource projects in Australia.

Non-Executive Director **Tim Markwell**

Having completed a Graduate Diploma in Applied Finance and Investment with FINSIA in 2000, Tim worked as a Resource Analyst for a Perth-based broking firm where he completed numerous research reports on Australian mining and exploration companies. Prior to joining the Lion Selection Group, Tim was a Senior Investment Analyst for the LinQ Resources Fund where he was responsible for making investment recommendations on behalf of the fund.

Tim Joined Lion Manager in February 2007 to manage the African funds. Tim became an Executive Director of Lion Manager Pty Limited in September 2012.

Biographies provided by ARM 15 September, 2015



Analyst Verification

We, Grant Craighead and Mark Gordon, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Aurora Minerals and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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