Customer Story

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Assessment and Valuation report on the Mineral Assets held by Aurelia Metals Limited (Aurelia).

CSA Global was tasked to undertake a valuation of the exploration assets held by Aurelia and a review of the mining and mineral processing inputs adopted by BDO, in the preparation of a discounted cash flow financial model for the Hera Project. BDO requested that the Report be compiled in accordance with the VALMIN Code.

About Aurelia

Aurelia is a mineral exploration and mining company that is listed on the Australian Securities Exchange (ASX). Aurelia have a suite of projects in the Cobar Basin in New South Wales, Australia at various stages of development, including:

- Hera Mining Project
- Nymagee Project
- Regional exploration projects in New South Wales

Aurelia commenced full scale production at the Hera Mining Project in March 2013. The Hera Mine and processing plant did not meet design performance during early production which placed considerable financial strain on the company. This led to the requirement to source additional project funding.

“CSA responded to our requirements within a very compressed timeframe and delivered the report within specific requirements and complexities of the project”

Rimas Kairaitis, Chief Executive Officer, Aurelia Metals
The Challenge

Given the number of exploration and mining assets held by Aurelia, in addition to the short time frame to complete the work, there was a requirement to quickly come up to speed with work that had been completed across each project area.

The assessment included a review of all exploration properties in addition to geological, mining and processing aspects of the Hera Mining Project. This dictated the requirement to assemble a highly-experienced multi-disciplinary team.

The Hera Mine had experienced lower than experienced metallurgical recoveries and large unexpected variance in the Mineral Resource since commencement of operations. These areas were identified early as requiring significant focus.

The Solution

CSA Global developed a detailed understanding of the project within a week of engagement. Close collaboration was required between CSA Global team members and Aurelia site staff.

Given that Hera Mine was the most significant asset held by Aurelia, key focus was placed on identifying the key risks associated with this asset. The geological dataset and Mineral Resource estimation procedures were initially critically reviewed. Metallurgical test work, processing performance and the mine plan were then reviewed and a judgement made regarding the reasonableness of technical assumptions adopted in the mine cash flow model.

Following review of the exploration properties, and recent transactions involving similar assets, a valuation of these assets was then completed.

The Results

A Valmin-compliant Independent Technical Assessment Report was prepared by CSA Global in a short time frame which included a technical summary of the assets held by Aurelia.

This assessment included geology, mining and metallurgy. A valuation of the exploration assets was also completed in addition to an assessment of the technical assumptions used in the Hera Mine cash flow model. The report was prepared within the required timeframe and within budget.

The IER, which included the Report prepared by CSA Global, was publically released in January 2016.

Aurelia’s Approach

Commission BDO Corporate Finance (WA) Pty Ltd and CSA Global to provide an IER to support an agreement with Glencore for the provision of funding.

The IER, a public document provided an opinion regarding the transaction to Aurelia shareholders.