

QUARTERLY REPORT

for the three months ending 31 December 2019

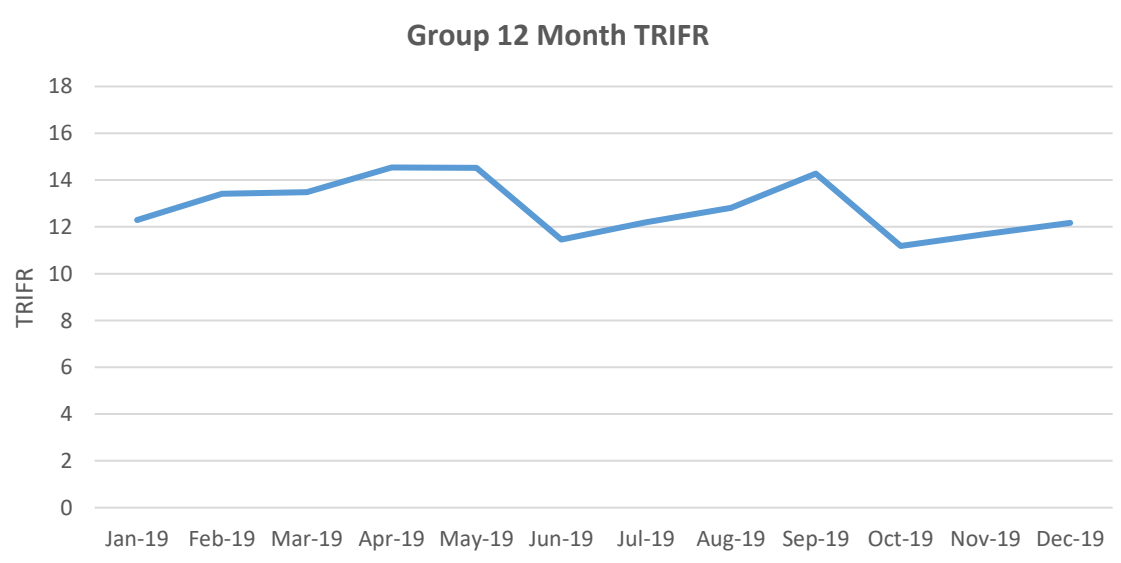
HIGHLIGHTS

- Group quarterly gold production of 15,274 oz with FY20 YTD production of 44,581 oz
- All-In-Sustaining-Cost (AISC) of \$1,977/oz with FY20 YTD AISC of \$1358/oz
- FY20 gold production guidance re-confirmed at 85-95 koz at an AISC of \$1,050-1,250/oz
- The Peak process plant upgrade (Pb/Zn circuit) is on plan, scheduled for commissioning in Q3 FY20.
- Net cash position of \$63.6m with a return to shareholders of \$17.4m and a significant investment back into the business of \$14m for the Peak processing plant upgrade
- All regulatory approvals received to access ground water stored in old workings at Peak and Hera and pumping is imminent from Great Cobar to Peak
- Water treatment facilities (reverse osmosis plant) for Peak secured
- Exploration continues to extend known near surface base metal and gold mineralisation at Federation. Deep drilling to test for new mineralization below the Kairos zone at Peak has progressed significantly, with results pending
- Appointment and commencement of CEO (Dan Clifford) and COO (Peter Trout)

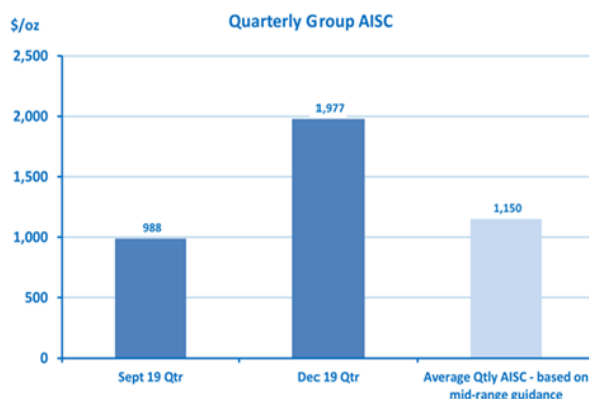
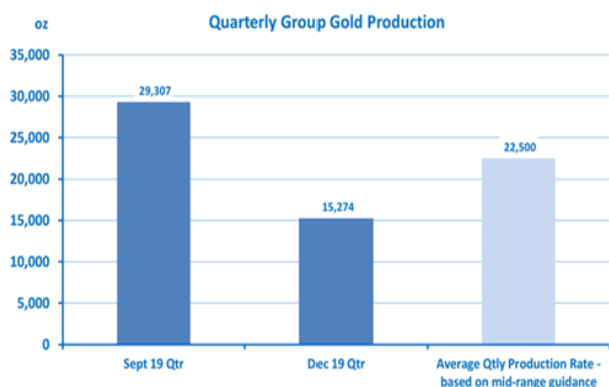
GROUP SUMMARY

OPERATIONS

- The group Total Recordable Injury Frequency Rate (TRIFR) has improved approximately 14% over the quarter. Significant management time and resources are now being deployed into the management of fatal risk and injury performance.



- As was previously flagged, the group quarterly gold production did decrease to 15,274 oz (September quarter: 29,307 oz).
- Peak delivered reduced gold production from scheduled lower grade gold ore sources and an 11-day plant shutdown for pre-upgrade tie-ins during the quarter. This reduced gold production together with higher mining costs, associated with increased mine development and haulage, delivered an elevated quarterly AISC.
- Expenditure on the Peak process plant upgrade remains on budget, with commissioning of some sections of the plant occurring in January and full commissioning to commence in February.
- Hera Mine delivered a 5% increase in gold production with increased throughput offsetting a reduction in gold grades.
- Full year production guidance of 85-95 koz at AISC of \$1,050-1,250/oz re-confirmed. AISC is expected to be at the upper end of the range.
- The Company received all required regulatory approvals during the quarter to enable the extraction of water from nearby historic workings at both Peak and Hera. Construction activity is well advanced and connection of infrastructure to enable pumping is imminent. It is expected that there will be a \$50/oz operating cost impact associated with raw water pumping and the lower raw water quality from new sources.



CORPORATE

- Group sales revenue for the December quarter of \$72.9M, split approximately 60% from the sale of precious metals and 40% from copper, lead and zinc sales.
- Operating sites delivered a \$10M cash contribution (after sustaining capital). A significant investment in growth capital and discovery of \$17M (\$14M of which relates to the Peak Pb/Zn upgrade), tax and gold hedging payments of \$8.5M, corporate costs of \$2.3M, payment of the FY19 dividend of \$17.4M and other movements, delivered a net cash outflow of \$29.5M.
- Cash in bank at quarter end was \$63.6M (\$93.1M at 30 September 2019).
- The gold hedge book at 31 December 2019 was 18 koz at \$1,911/oz (30 September 2019: 35 koz at \$1,854/oz).

The quarterly results are tabulated below:

Aurelia Metals Production Summary	Units	Jun 19 Qtr	Sep 19 Qtr	Dec 19 Qtr	Dec-19 YTD
Hera gold produced	oz	13,864	10,535	11,068	21,603
Hera gold sold	oz	11,071	12,789	11,476	24,265
Hera lead produced	t	1,313	2,276	2,510	4,787
Hera zinc produced	t	2,241	3,201	3,259	6,460
<i>Hera AISC</i>	<i>\$/oz</i>	<i>1,122</i>	<i>1,149</i>	<i>1,113</i>	<i>1,132</i>
Peak gold produced	oz	9,000	18,772	4,206	22,978
Peak gold sold	oz	8,512	17,958	6,902	24,861
Peak copper produced	t	1,045	1,590	1,923	3,513
Peak lead produced	t	2,701	4,601	730	5,331
Peak zinc produced	t	1,007	1,803	435	2,238
<i>Peak AISC</i>	<i>\$/oz</i>	<i>1,752</i>	<i>764</i>	<i>3,079</i>	<i>1,407</i>
Group gold production	oz	22,864	29,307	15,274	44,581
Group gold sold	oz	19,583	30,747	18,378	49,125
Group copper production	t	1,045	1,590	1,923	3,513
Group lead production	t	4,014	6,877	3,240	10,118
Group zinc production	t	3,248	5,004	3,695	8,699
Group AISC	\$/oz	1,537	988	1,977	1,358

1) AISC/oz (All-in Sustaining Cost) is the total of on-site mining, processing and admin costs, inventory adjustments, royalties, sustaining capital, lease payments, less by-product credits divided by gold oz sold.

2) Group AISC includes corporate general and administration expenses

3) Numbers are provisional and subject to change.

All currency amounts in this report are reported in A\$ except where indicated otherwise.

PEAK MINES NSW (100%)

PEAK OPERATIONS SUMMARY

The December quarter was impacted by scheduled lower gold grades and plant shutdowns, with gold production of 4,206 oz at an AISC of \$3,079/oz. Copper production increased by 21% to 1,923 tonnes of copper in concentrate, reflecting the copper dominant ore sources.

Peak Water

Due to the ongoing drought conditions in central NSW, access to reliable water sources to support current and future activities is critical. The Company plans to pump water from the nearby historic Great Cobar mine to provide a reliable source of water, replacing the need to source high security water from the Cobar Council.

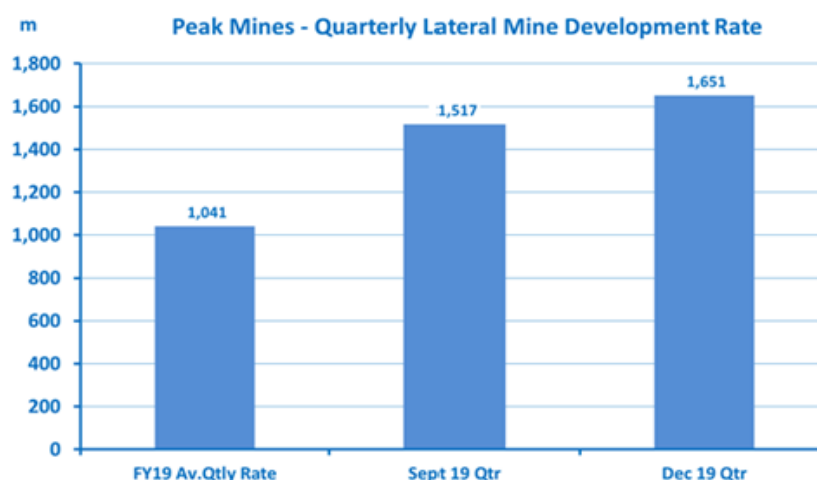
During the quarter all regulatory approvals were received, with construction and installation activity nearing completion to enable raw water pumping to commence. A reverse osmosis water treatment plant has been secured to provide higher quality water for critical items of equipment with planned commissioning in late Q3 FY20.

MINING

A total of 138,201 tonnes of ore was mined during the quarter at an average grade of 0.99 g/t gold, 1.53% copper, 0.55% lead and 0.45% zinc.

Ore tonnes mined increased 13% to 138,201 tonnes with gold grades reducing by 61% and copper grade increasing by 26%. The dominant ore sources were the lower gold grade Jubilee and Perseverance zones. Development of higher grade stoping areas in the S400 and Chronos Pb/Zn Zone are expected to improve average mined NSR values during the second half of the financial year.

Mine operating and capital development rates remain a key focus and continue to improve. During the quarter a total of 1,650 m of lateral development was achieved, a 9% increase on the prior quarter (1,517 m). Decline development continued towards the bottom of the high-grade Kairos zone (beneath the Peak Mine). In total, 310 m of the decline was completed at quarter end, with a further 340 m required to access the Kairos zone ahead of ventilation and services installation.



Mine operating costs increased significantly in the quarter relating to the 13% increase in mined ore tonnage, 9% increase in lateral development, as well as greater ground support, infill drilling (to improve ore definition), production drilling and underground haulage activity.

Sustained higher underground development rates are set to drive greater mine planning flexibility, increase mined ore volumes from multiple stoping sources and deliver more reliable production outcomes.

PROCESSING

Quarterly throughput of 132,123 tonnes was 5% lower than the prior quarter (138,862 tonnes) with an 11-day plant shutdown for pre-expansion tie-ins and a reduced grade of 1.12 g/t attributable to the lower grade ore sources. Jubilee and Perseverance ores were approximately 90% of total feed in the quarter.

Gold recovery was lower this quarter at 88.4% (September quarter: 95.2%) largely reflecting the lower grade of ore processed. Copper recoveries were 92.6% (September quarter: 95.5%).

Due to increased copper ore volumes and higher copper grades, copper concentrate production increased by 35% to 7,368 t (5,445 t in the prior quarter). Lead concentrate production reduced to 1,187 t (7,079 t).

EXPLORATION

Exploration and resource extension drilling continued at the Peak Mine during the quarter, with the main targets being the high-grade Kairos lode and the Peak North prospect.

During the quarter, the Company announced further strong gold results from infill drilling at Kairos, including 6 m at 196 g/t Au from the upper area and 6 m at 132 g/t Au in the central portion of the lode (see ASX release on 31 October 2019). Underground infill drilling is ongoing in anticipation of development access later this calendar year. Underground evaluation drilling was also completed at

Peak North, a gold-dominant prospect 200 m north of the Peak Mine workings, with assay results pending.

Surface drilling commenced in November 2019 to test the prospective zone below the Kairos lode. Drilling of the first hole remains in progress, having reached a depth of more than 1,600 m, and is targeting an area approximately 150 m down dip of the strong copper mineralisation previously announced (25 m at 3.0% Cu, see ASX release 4 September 2019). Geological interpretation, assaying and down hole geophysics are in progress, with further follow-up drilling planned in the next quarter.

GROWTH PROJECTS

Pb/Zn Process Plant Upgrade:

The \$53M capital investment remains on schedule and budget for a March 2020 quarter completion and commissioning. Project expenditure to date is approximately \$46M (of which \$14M was incurred in the current quarter). Wet commissioning of some plant areas, such as the filtration area and sections of the flotation circuit, commenced in January with full scale commissioning planned to commence in February.

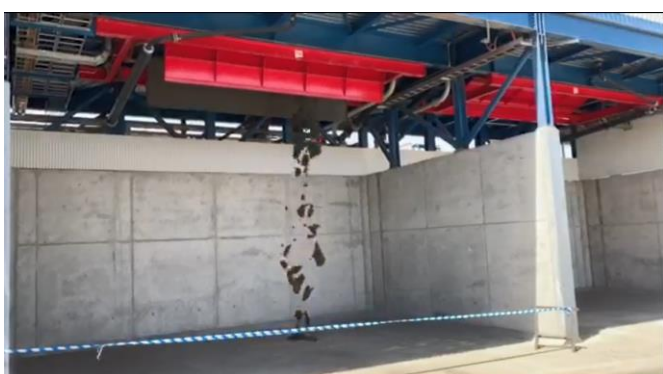


Figure 1 First drop of concentrate from filter press wet commissioning on Pb/Zn plant upgrade

Great Cobar exploration decline:

The Company proposes to develop an exploration decline (1.8 km in length) and associated infrastructure to enable infill drilling of the Great Cobar mineralisation. The timing around the decision to commence the decline has however been deferred by the discovery of the additional ore source at Kairos.

The main regulatory approvals have been received to commence the decline. Whilst approvals are in place, the Company is planning on modifying some aspects of the plan based on consultation with the Cobar community, primarily the location of the proposed ventilation shaft. This will require the submission of an additional Review of Environmental Factors (REF) encompassing the changes contemplated. However, the initial stages of the decline could still commence as originally planned if required.

HERA MINE NSW (100%)

HERA OPERATIONS SUMMARY

Gold production for the quarter was 11,068 oz at a site AISC of \$1,113/oz. Gold production increased by 5% in the quarter due to a 25% improvement in throughput, offset by a 20% reduction in gold grades. Two base metal shipments were delivered during the quarter.

Hera Water

To mitigate the risk of long-term water shortages, it is planned to install a water pipeline from the historic Nymagee workings to supplement the mine's water supply. During the quarter all regulatory approvals were received. Construction activity to enable pumping from Nymagee is planned to be completed by February 2020.

MINING

A total of 106,583 tonnes of ore was mined during the quarter at an average grade of 3.37 g/t gold, 2.7% lead and 3.4% zinc. Tonnes mined increased in the quarter (up 12%), at reduced gold grades (down 20%) with slightly lower base metal grades (down 7-13%).

Lateral underground development achieved was 394 m (prior quarter 401 m).

PROCESSING

Ore throughput of 111,192 tonnes was achieved, at grades of 3.49 g/t gold, 2.5% lead and 3.2% zinc. Gold recovery remained stable at 89%.

Throughput increased by 25% during the quarter due to improved plant efficiency, optimization of the filtration circuit and lower levels of unplanned maintenance.

EXPLORATION

Exploration at the Federation prospect continued during the quarter. Shallow step-out RC drilling to the northeast of Federation intercepted the strongest polymetallic mineralisation to date, with 18 m at 24.7% Pb+Zn, 0.7% Cu, 0.3g/t Au and 12g/t Ag (ASX release on 31 October 2019). The intercept commences only 140 m below surface, highlighting the potential for further near surface high grade mineralisation at the prospect.

Oxide gold mineralisation was also intercepted 9 m below the surface, with a drill intercept of 23 m at 1.3g/t Au (ASX release on 31 October 2019). Interpretation and modelling of data is continuing, with further drilling results expected to be released within the next three weeks.

Exploration also continued at the Athena prospect, southeast of the Hera mine. The best results were from shallow drilling in the oxide zone and included 7 m at 6.2g/t Au and 1.0% Pb+Zn (ASX release on 31 October 2019). A series of three deeper diamond holes have since been completed at Athena, with assay results pending.

CORPORATE

FINANCIAL PERFORMANCE

The Group's financial performance for the December 2019 quarter is summarised in the table below:

Aurelia Metals - Dec 19 Qtr Summary	Units	Hera	Peak	Group
All-in Sustaining Cost Summary				
Mining	\$k	6,393	16,708	23,100
Processing	\$k	8,558	9,185	17,743
Site Administration	\$k	746	2,606	3,351
Concentrate Transport & Refining	\$k	2,071	2,004	4,075
Net Inventory adjustments	\$k	534	3,698	4,232
Royalties	\$k	1,459	1,244	2,702
Third party smelting, refining	\$k	4,110	2,344	6,454
Total By-Product Credits	\$k	(14,509)	(25,042)	(39,551)
Sustaining Capital	\$k	2,642	7,724	10,366
Sustaining Leases	\$k	774	781	1,554
Corporate admin and other	\$k			2,301
AISC (All-in Sustaining Cost)	\$k	12,777	21,250	36,328
AISC* Unit Cost	\$/oz	1,113	3,079	1,977
Growth Capital	\$k	1,497	15,478	16,975

* AISC is calculated on gold sold with by-products credited on a sales basis. The timing of base metal shipments will create volatility in the Company's reported AISC due to timing of base metal by-product credits and concentrate inventory movements.

Sales

The Company generated sales revenue of \$72.9M, split approximately 60% precious metals and 40% base metals sales. Sales revenue reduced on the prior quarter, primarily as a result of lower gold sales. Total gold doré and gold in concentrate sold for the quarter was 18,378 oz (September quarter: 30,747 oz).

Cash flow

Net site cash flow (before corporate costs and growth capital expenditure) for the quarter was positive \$10M, of which Hera contributed positive \$12.6M and Peak contributed negative \$2.6M.

Growth capital was \$17M, of which \$14M related to the Peak Pb/Zn upgrade and \$1.4M related to Discovery expenditure.

Corporate cash flows included general and administration costs of \$2.3M, the FY19 dividend payment of \$17.4M, tax payments of \$2.6M, realised losses on gold forwards of \$5.9M (see "Gold Hedging" section below), \$2.7M inflow from sale of surplus mining equipment and changes in working capital (net inflow of \$3M). Group cash for the quarter decreased by \$29.5M to \$63.6M (30 September 2019: \$93.1M).

The Group had no debt at quarter end.

A cash inflow of \$2.7M was realised from the sale of surplus mining equipment at Peak during the quarter. The sale of equipment produced an unaudited loss of \$5.3M, with approximately \$3.8M of the loss related to equipment sold below book value and \$1.5M relating to the adjustment of the carrying value of unsold equipment.

Capital expenditure

Capital spend for the December quarter was \$29M (Hera \$5M and Peak \$24M), comprising \$12M of sustaining capital and growth capital of \$17M. Growth capital was primarily associated with the Peak process plant upgrade (\$14M), and exploration (discovery) drilling.

Gold hedging

The gold hedge position at 31 December 2019 was 18,000 oz at an average price of A\$1,911/oz (prior quarter was 35,000 oz at an average of \$1,854/oz). Delivery of 17,000 oz of gold hedging was completed in the quarter at an average price of \$1,797/oz, compared with the average spot price of \$2,146/oz, resulting in a cash out flow on gold forwards of \$5.9M.

Gold hedging for each of the March and June quarters is 9,000 oz at an average price of approximately \$1,911/oz. There are no gold hedge positions beyond 30 June 2020.

Financing

The Company restructured its environmental guarantee facility in the quarter, increasing its size to \$50M (with \$37M currently utilised to back existing environmental bonding requirements) and reducing the total cost of the facility. The syndicated facility is provided by Investec and ANZ.

This report has been approved for release by the Board of Directors.

CORPORATE INFORMATION: Aurelia Metals Limited ABN 37 108 476 384

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Registered Office:	60-62 McNamara St Orange NSW	T: +61 (0)2 8072 1400
Share Registry:	Automic Group	T: +61 (0)8 9315 2333
Issued capital:	873M ord. shares, 3.7M unlisted perf. Rights	
Substantial Shareholders:	Aust. Super 6%, First Sentier 6.0%	
Managing Director & CEO:	Dan Clifford	
Non-Executive Chairman:	Cobb Johnstone	
Non-Executive Directors:	Lawrie Conway, Susie Corlett, Paul Harris, Mike Menzies	

IMPORTANT INFORMATION

This report includes forward looking statements. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook" and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of the Company, anticipated production or activity commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs of production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits, and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory environment, environmental conditions including extreme weather conditions, recruitment and retention of key personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law, including any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

DECEMBER 2019 QUARTER & FY20 YTD PRODUCTION RESULTS

TABLE A - Quarterly Summary

Aurelia Metals - Dec 19 Qtr Summary	Units	Hera	Peak	Group
Ore Mined	t	106,583	138,201	244,784
Mined Grade - Gold	g/t	3.37	0.99	2.03
Mined Grade - Silver	g/t	25.78	9.73	16.72
Mined Grade - Copper	%	0%	1.53%	0.87%
Mined Grade - Lead	%	2.65%	0.55%	1.47%
Mined Grade - Zinc	%	3.38%	0.45%	1.72%
Ore Processed	t	111,192	132,123	243,315
Processed Grade - Gold	g/t	3.49	1.12	2.21
Processed Grade - Silver	g/t	25.05	12.35	18.16
Processed Grade - Copper	%	0%	1.57%	0.85%
Processed Grade - Lead	%	2.51%	0.57%	1.46%
Processed Grade - Zinc	%	3.21%	0.38%	1.68%
Gold recovery	%	88.6%	88.4%	
Silver recovery	%	86.0%	70.8%	
Copper recovery	%	0.0%	92.6%	
Lead recovery	%	90.2%	96.8%	
Zinc recovery	%	91.3%	85.9%	
Gross Metal Production				
Gold production	oz	11,068	4,206	15,274
Silver production	oz	77,053	37,128	114,181
Copper production	t	-	1,923	1,923
Lead production	t	2,510	730	3,240
Zinc production	t	3,259	435	3,695
Payable Metal Production				
Gold production	oz	11,068	4,063	15,131
Silver production	oz	45,941	31,262	77,203
Copper production	t	-	1,821	1,821
Lead production	t	2,199	528	2,728
Zinc production	t	2,430	191	2,621
Concentrate Production				
Cu Concentrate production	dmt	-	7,368	7,368
Pb Concentrate production	dmt	-	1,187	1,187
Bulk Pb/Zn Conc production	dmt	10,371	558	10,929
Sales				
Gold dore & gold in Conc sold	oz	11,476	6,902	18,378
Silver dore & silver in Conc sold	oz	41,036	44,485	85,521
Payable Copper sold	t	-	1,909	1,909
Payable Lead sold	t	2,144	2,051	4,195
Payable Zinc sold	t	2,363	377	2,740
Prices				
Gold price achieved	A\$/oz	2,171	2,160	2,167
Silver price achieved	A\$/oz	26	25	26
Copper price achieved	A\$/t	-	8,597	8,597
Lead price achieved	A\$/t	2,829	3,061	2,942
Zinc price achieved	A\$/t	3,119	3,242	3,136

Table B - FY20 YTD Summary

Aurelia Metals - FY20 YTD Summary	Units	Hera	Peak	Group
Ore Mined	t	202,162	260,690	462,852
Mined Grade - Gold	g/t	3.76	1.73	2.62
Mined Grade - Silver	g/t	26.6	13.3	19.12
Mined Grade - Copper	%	0%	1.38%	0.78%
Mined Grade - Lead	%	2.74%	1.39%	1.98%
Mined Grade - Zinc		3.61%	0.81%	2.03%
Ore Processed	t	199,909	270,985	470,893
Processed Grade - Gold	g/t	3.79	2.81	3.22
Processed Grade - Silver	g/t	25.93	19.73	22.36
Processed Grade - Copper	%	0%	1.38%	0.79%
Processed Grade - Lead	%	2.66%	2.35%	2.48%
Processed Grade - Zinc	%	3.55%	1.40%	2.31%
Gold recovery	%	88.6%	93.9%	
Silver recovery	%	86.1%	74.2%	
Copper recovery	%	0.0%	93.9%	
Lead recovery	%	89.9%	83.8%	
Zinc recovery	%	91.0%	59.1%	
Gross Metal Production				
Gold Production	oz	21,603	22,978	44,581
Silver production	oz	143,985	127,509	271,495
Copper production	t	-	3,513	3,513
Lead production	t	4,787	5,331	10,118
Zinc production	t	6,460	2,238	8,699
Payable Metal Production				
Gold Production	oz	21,603	21,857	43,459
Silver production	oz	81,864	97,408	179,272
Copper production	t	-	3,190	3,190
Lead production	t	4,165	4,045	8,211
Zinc production	t	4,804	732	5,536
Concentrate Production				
Cu Concentrate produced	dmt	-	12,814	12,814
Pb Concentrate production	dmt	-	8,266	8,266
Bulk Pb/Zn concentrate production	dmt	20,707	3,211	23,918
Sales				
Gold dore & gold in conc sold	oz	24,265	24,861	49,125
Silver dore & silver in conc sold	oz	74,022	88,220	162,242
Payable Copper sold	t	-	2,436	2,436
Payable Lead sold	t	4,100	5,647	9,748
Payable Zinc sold	t	4,823	479	5,302
Prices				
Gold price achieved	A\$/oz	2,137	2,152	2,145
Silver price achieved	A\$/oz	26	26	26
Copper price achieved	A\$/t	-	8,675	8,675
Lead price achieved	A\$/t	2,936	3,031	2,991
Zinc price achieved	A\$/t	3,190	3,342	3,203