



ASX Code: AMI

Building the Next Mid-Tier Gold and Base Metals Producer



H1 FY19 Interim Profit Result Presentation

19 February 2019

Jim Simpson, Managing Director & CEO

Tim Churcher, Chief Financial Officer & CoSec

This presentation is a summary of the Company's interim financial results for the 6 months to 31 December 2018, released to ASX on 19 February 2019.

This presentation is intended as a summary of the Company's half year financial results for the six months to 31 December 2018. Investors are encouraged to read this presentation in conjunction with, and not as a replacement for, the Company's published HY financial results released to ASX on 19 February 2019, comprising Appendix 4D, Directors' Report, and Financial Statements and accompanying notes and disclosures for the six months ended 31 December 2018.

Non-IFRS Financial Information

This presentation includes references to EBITDA ('earnings before interest, tax, depreciation and amortisation'); EBITDA Margin ('EBITDA/Sales Revenue'); AISC ('all-in sustaining cost'); AISC Margin ('average realised gold price minus AISC'); and AIC ('all in cost'), each of which is Non-IFRS financial information used by management to assess business performance. Non-IFRS financial information cited has not been reviewed by the Company's external auditor, but each is derived using financial information prepared in accordance with IFRS and which has been reviewed by the Company's external auditor. Non-IFRS financial information should be reviewed in conjunction with, and not as a substitute for, financial information prepared in accordance with IFRS.

Forward looking statements

This presentation 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 and demand for 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 framework within which the Company operates or may in the future operate, 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.

Strong production

- Half-year gold production of 71,333 oz (up 140% on prior period)
- Low operating costs with AISC of \$794/oz (AIC of \$864/oz)
- Significant by-product credits in copper, lead and zinc
- AISC margin of \$884/oz

Cash generation and profit

- EBITDA margin of 44%
- Strong cash flow from operations \$57M
- Net cash flow in the period of \$41M (\$108M cash at bank 31 Dec 18)
- Pre-tax profit increases 137% to \$43.4M
- Tax expense of \$17M (with all tax losses utilised, now tax payable position)
- Net profit of \$26.4M (after gold derivate loss and 39% tax expense due to under provision in FY18)

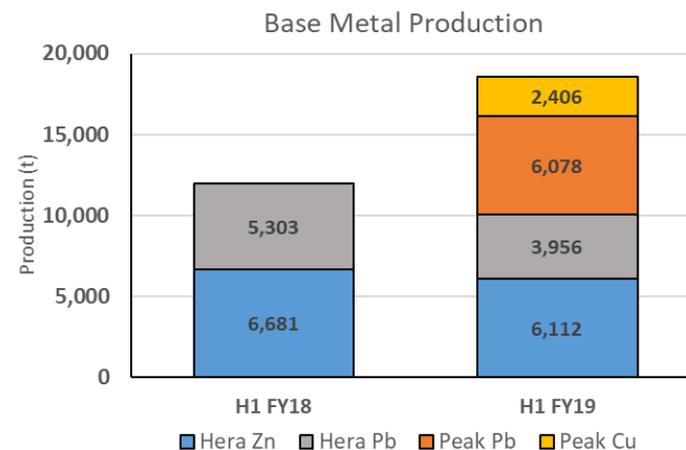
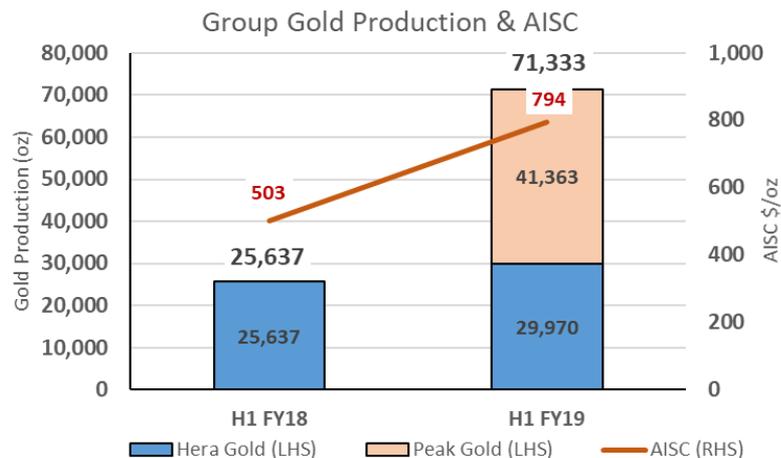
Multiple growth opportunities

- Peak Pb/Zn plant expansion progressing (\$35M spent planned in calendar 2019)
- Progressing regulatory approvals to commence 1.8 km decline to Great Cobar (at Peak)
- Completing Nymagee metallurgical test work to support PFS for Nymagee Copper, Lead, Zinc project
- Exploration delivered exciting near surface copper results at Dominion (south of Hera) and generated targets for potential extensions at Hera (Main SE target). Exploration at Peak to test the updip potential of Chronos and to further explore the high grade discovery at Peak Deeps in the second half of the year.

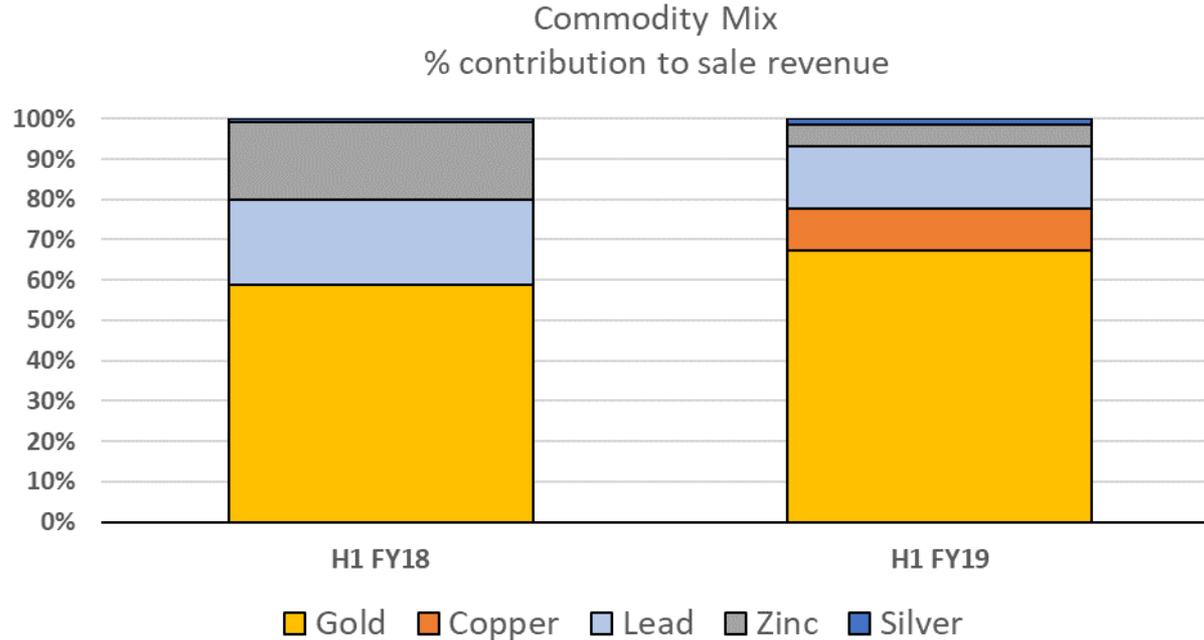
- Strong production and cash flow delivered (relative to prior period)
 - Gold production up 178% to 71,333 oz at an AISC of \$794/oz
 - 140% increase in sales revenue to \$165M (67% gold, 15% lead, 10% copper and 5% zinc)
 - Cash balance increased by \$41M in the six months to 31 Dec 18 to \$108M
 - **137% increase in pre-tax profit to \$43.4M**
 - Due to higher gold prices, a loss on the gold forwards of \$6.2M was recorded in pre-tax profit
 - With all tax losses utilised in FY18, the Company recorded a tax expense of \$17M (equates to 39% of Pre-Tax profit largely due to under provision of FY18 tax)
 - **44% increase in Net Profit to \$26.4M**

Performance Indicators	Unit	H1 FY19 \$'000	H1 FY18 \$'000	Variance	Comments
Sales Revenue		165,463	68,963	140%	Significant increase in Peak gold + Hera
Pre-Tax Profit		43,455	18,327	137%	Strong a contribution from two mines
Profit/(Loss) for the period		26,409	18,327	44%	Full tax expense and \$6.2M loss from hedging
EBITDA		72,306	31,320	131%	
Cash/(Net Debt)		107,999	(32,190)	436%	Move from Net debt to Net Cash
Net Operating Cash Flow		62,480	33,968	84%	Significant increase in working capital in the half
EBITDA Margin	%	44	45	-4%	Small reduction in high margin
AISC Margin	\$/oz	884	1,140	-22%	Increased AISC at Peak in particular
AISC \$/oz	\$/oz	794	503	58%	Peak contribution
Earnings per Share	cps	3.1	4.1	-25%	Dilution largely due to tax and gold derivatives
EBITDA Margin= EBITDA/Sales					
AISC Margin=Gold price received less AISC (\$/oz)					

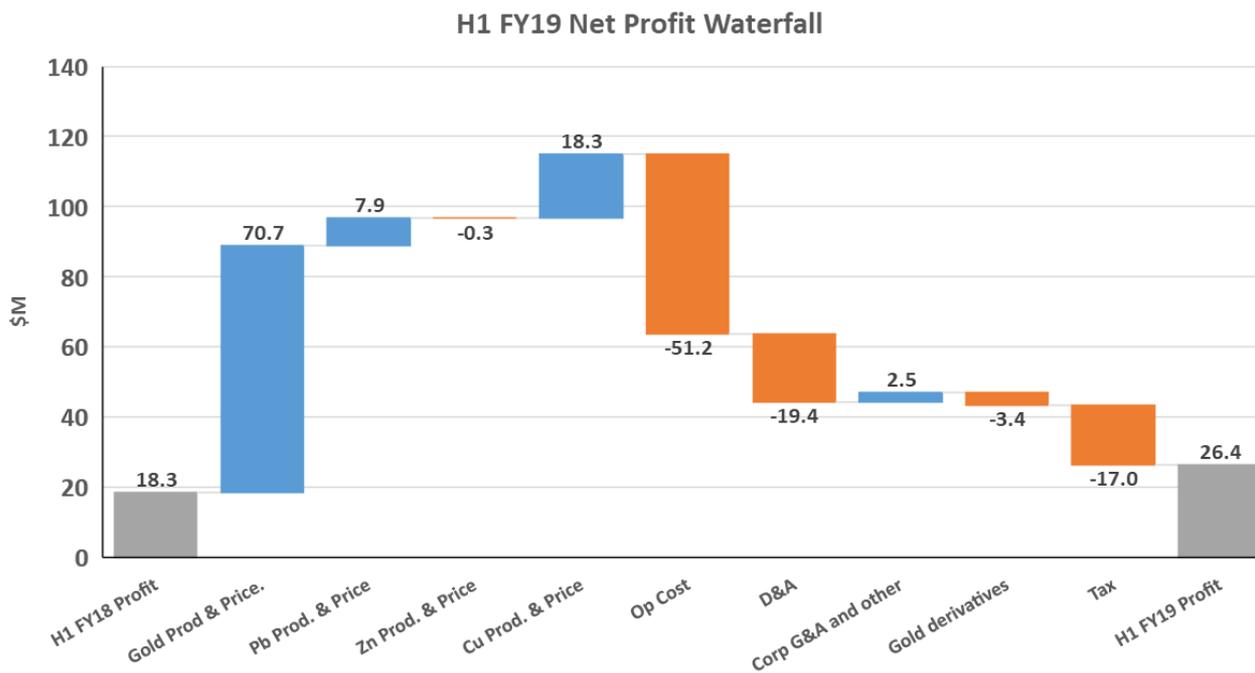
H1 FY19 Profit – driven by increased metal production



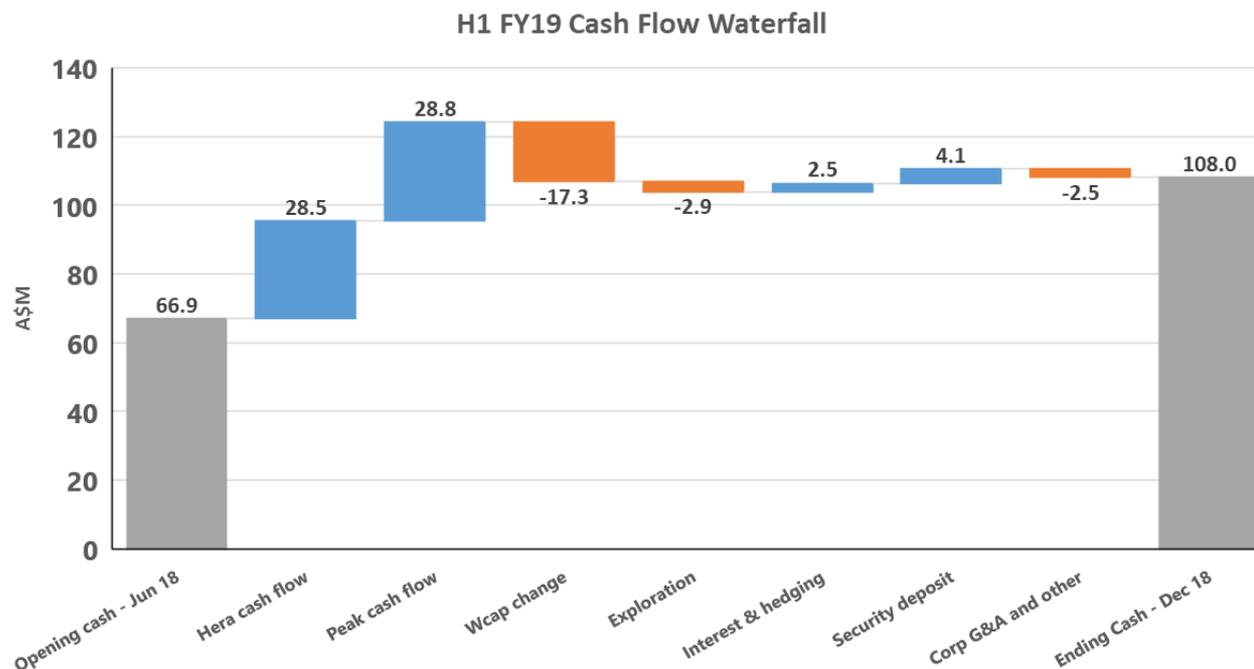
- A strong half year driven by addition of Peak production and small increase in Hera production
- Increased operating costs (relative to exceptionally low A\$503/oz in the prior period) due to higher cost production and reduced by-product credits. AISC remains competitively low at A\$794/oz
 - Hera produced 29,970 oz at an AISC of \$607/oz
 - Operationally a strong half relative to the prior period. Throughput up 27% and gold recovery of 90.7% offset by a 9% reduction in gold grades, and approximate 30% reduction in lead and zinc grades. Reduced base metals at some 15% lower metal prices led to reduced by-product credits and a 21% increase in AISC (relative to prior period).
 - Peak produced 41,363 oz at an ASIC of \$857/oz (full six month contribution in the period)
 - Move to contract mining occurred on 1 February 2019.



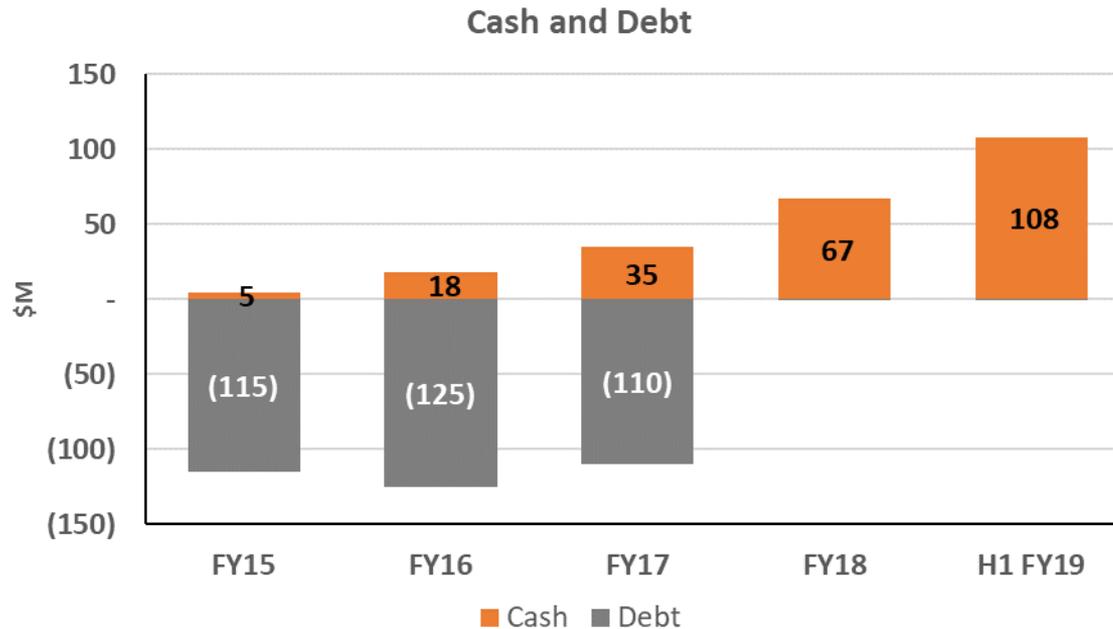
- Aurelia's revenue is predominantly gold in nature (70%)
- By-product contribution from lead, copper, zinc and silver (addition of copper from Peak).
- Future revenue mix will depend on the outcome of exploration at Hera and Peak for high grade gold extensions.
- The contribution of base metals is planned to increase from Chronos Pb/Zn production at Peak in FY20 and Nymagee copper/lead/zinc in the future.



- Increased profit from higher gold sales (at similar price) and the addition of copper revenue
- Increased operating costs at Hera (reflecting the 27% increase in throughput) and addition of Peak costs in the period. Increased D&A from Peak in the period.
- Increased loss from gold derivatives of \$3.4M relative to \$2.8M in the prior period. Largely due to marked-to-market loss on gold derivatives: 77,000 oz gold at A\$1746 held at 31 Dec 18.
- Tax expense recognised of \$17M (nil prior period) – relates to current tax for the period of \$14M plus an under provision of FY18 tax of \$2.6M, plus a minor deferred tax expense (reduction in deferred tax asset). The Group is planning on commencing PAYG tax instalments in Feb 19, with expected payments to the ATO of approximately \$18M to 30 June 2019.



- \$41M increase in cash in the six month period from June 18.
- \$57M in site cash flow (after capital) offset by increase in working capital, including
 - \$10M reduction in creditors in the half (\$5M relating to payment of Peak stamp duty)
 - Increased receivables (copper shipments sold with cash not received at period end) and increased inventory (increased lead and gold in circuit at Peak) totalling some \$8M.
- \$4M inflow from release of security deposit (move from cash backing of future environmental obligations to bank guarantees)



- Balance sheet continues to improve with build in cash. No debt.
- Current balance sheet and cash flow planned to fund internal projects under consideration (Peak Pb/Zn plant upgrade, Great Cobar exploration decline, Nymagee mine development and Hera Cu circuit modifications).
- PAYG tax instalments planned to commence from February 2019.
- Board will assess capital management priorities once contract mining at Peak is bedded down, life-of-mine plans are updated and growth capital and tax positions are firmed.

For further information please see
[Appendix 4D and Interim FY19 Financial Statements](#)
released to ASX on 19 February 2019

CORPORATE INFORMATION: Aurelia Metals Limited ABN 37 108 476 384

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Registered Office:	Lvl 2 60-62 McNamara St Orange NSW	Tel: +61 (0)2 6363 5200
Share Registry:	Security Transfer Registrars Pty Ltd	Tel: +61 (0)8 9315 2333
Issued capital:	868M ord. shares, 4.5M unlisted perf. Rights	
Substantial Shareholders:	AusSuper 6.3%, EleyGriffiths 5.7%, Glencore 5.4%, Colonial 5%, Vinva 5%	
Non-Executive Chairman:	Cobb Johnstone	
Managing Director & CEO:	Jim Simpson	
Non-Executive Directors	Lawrie Conway, Susie Corlett, Paul Espie, Paul Harris, Mike Menzies	