

FINANCIAL RESULTS

FOR THE FULL-YEAR ENDED 30 JUNE 2023

Aurelia Metals Limited (ASX: AMI) (**Aurelia** or the **Company**) has today reported its financial results for the full year ended 30 June 2023 (FY23), with the second half outcomes demonstrating commencement of a significant turnaround in operating and financial performance.

Highlights

Return to operational stability in second half

- Gold production (86koz) above guidance and base metals (2.2kt Cu, 21kt Zn, 19kt Pb) in-line
- Group All-In-Sustaining-Cost (AISC) of \$2,315/oz in-line with guidance, with significant reduction in second half to A\$1,998/oz
- Hera operations successfully transitioned to care and maintenance in April

Transformed balance sheet to facilitate delivery of organic growth

- Debt free following repayment of term loan facility
- Approximately \$100 million of new finance facilities secured with Trafigura, comprising a US\$24 million loan note advance and A\$65 million performance bond facility
- Cash balance of \$38.9 million, with further receipts in early FY24 including \$15.6 million from Retail Entitlement Offer (net) and \$56.8 million from replacement of performance bond facility

Development of Federation Project recommenced

- Development Consent received for Federation Project in March 2023
- Planned development further optimised in April 2023 delivering improved path to first output and lower capital expenditure to first production stope ore \$76 million (prev. \$88 million)
- Restart of Federation development in August 2023, with first stope ore expected in Q1 FY25

Leadership renewal with appointment of proven executives

- Managing Director and CEO, Bryan Quinn, with 30 years' experience in resources industry across large and smaller scale operations, business development and growth roles globally
- CFO, Martin Cummings, with over 25 years' experience including 20 years in the natural resources and energy industry in senior commercial, treasury and investor relations roles
- Project Director, Michelle Tracey, with 25 years' experience constructing and operating mines across the world, to lead the development of the Federation Mine

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FY23 financial performance

- Statutory net loss after income tax of \$52.2 million (FY22: loss of \$81.7M)
- Underlying net loss after income tax of \$37.7 million (FY22: loss of \$1.4M)
- Underlying EBITDA of \$55.7 million (FY22: \$142.9M)

Continued improvement in safety and environmental performance

- Zero recordable injuries across the Group for the second half of FY23
- Group Total Recordable Injury Frequency Rate (TRIFR) 41% lower to 5.13 (30 June 2022: 8.75)
- Further improvement in Recordable Environmental Incident Frequency Rate to 2.9 (FY22: 3.8)

Commenting on the results, Aurelia Metals' Managing Director and CEO, Bryan Quinn, said:

"I am proud of the Aurelia team for the operational stability returned, and improvement driven, during the second half of the financial year. The efforts to return the operations to cash generation, while seeking a competitive and flexible financing solution to fund development of the world-class Federation Project, has set Aurelia up for significant value generation in the near-term.

"Clearly there is more work to do. I look forward to reporting progress against my 100-day plan at the conclusion of the current quarter. This plan is designed to implement the steps required to continue building on our stronger foundations and improve shareholder returns in a sustainable way.

"Our focus is on rebuilding shareholder trust, confidence and returns. This will be achieved by continuing to drive down unit costs at Peak, disciplined delivery of the high-grade Federation asset, maximising cash generation from Dargues for the remaining mine life, and unlocking the substantial value inherent in the Aurelia portfolio across the Cobar region."

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Key FY23 outcomes

Financial performance

Key metric	Units	FY23	FY22	% change
Revenue	A\$M	369.2	438.8	16%
EBITDA – statutory ¹	A\$M	55.8	166.5	66%
EBITDA – underlying ¹	A\$M	55.7	142.9	61%
EBITDA Margin	%	15	38	61%
Net Profit/(Loss) After Tax – statutory	A\$M	(52.2)	(81.7)	36%
Net Profit/(Loss) After Tax – underlying	A\$M	(37.7)	(1.4)	2,659%
Basic earnings/(loss) per share	cps	(4.16)	(6.61)	37%
Cash flows from operating activities	A\$M	45.9	154.1	70%
Cash flows from investing activities	A\$M	(77.4)	(131.5)	41%
Cash flows from financing activities and FX	ASM	(6.8)	(20.2)	66%
Group Cash Flow	A\$M	(38.3)	2.5	1,654%

Total sales revenue was 16% lower at \$369.2 million as a function of reduced gold and base metals production, including the planned closure of the Hera mine in March 2023. The average realised gold price during the year was A\$2,697/oz (FY22: A\$2,500/oz).

Underlying EBITDA decreased to \$55.7 million (FY22: \$142.9 million), with an underlying net loss after tax of \$37.7 million. Basic earnings per share was 37% higher at a loss of approximately 4.2c.

The Aurelia Board did not declare a dividend for the year ended 30 June 2023 (30 June 2022: Nil).

Financial position

Following repayment of the term loan facility during the year (\$20.7 million) the business was debt free at balance date, with cash of A\$38.9 million. Cash backing of the performance bond facility increased \$26.1 million to \$56.8 million, which fully covered the facility amount utilised.

The cash balance at 30 June 2023 included receipt of the proceeds from the institutional placement and entitlement offer (\$23.6 million, net of fees) undertaken in May 2023. Proceeds from the retail entitlement offer (\$15.6 million, net of fees) were received in July 2023.

(i) ¹ EBITDA is a non-IFRS measure used to assess the results of the ongoing business activities of the Consolidated Entity. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner and is unaudited. The EBITDA for the year ended 30 June 2023 excludes an impairment expense of \$20.8 million.

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The balance sheet was transformed with the execution of approximately \$100 million in new financing facilities with Trafigura, consisting of a US\$24 million loan note advance and a A\$65 million performance bond facility. The facility achieved financial close in August 2023 and now that the performance bonds have been replaced the \$56.8 million of cash backing is in the process of being returned to Aurelia.

Operational activities

Group gold production of 86.3koz at an AISC of \$2,315/oz (FY22: 98.5koz at \$1,707/oz), including:

- Peak production of 36.3koz at an AISC of \$1,789/oz (FY22: 40.3koz at \$1,520/oz)
- Dargues production of 36.4koz at an AISC of \$2,280/oz (FY22: 41.7koz at \$2,039/oz)
- Final ore from Hera was mined and processed in late March 2023, with the mine now closed and the surface infrastructure transitioned to care and maintenance

During the December 2022 quarter, Aurelia launched its Organisational Renewal Program (ORP) to be implemented during the second half of FY23. This was designed to:

1. Recover operational stability to ensure high margin, low-cost production and cash generation
2. Ensure highly skilled, capable executives at the helm of the business to deliver value
3. Secure a competitive funding solution to commence development of Federation

At 30 June 2023, the ORP had delivered strongly including achievement of the following outcomes:

- Returned all operations to cash generation, with significant further efficiencies delivered
- Finalised transition from contract mining to owner-operator at Peak
- Successful transition of Hera operations to care and maintenance
- Federation Feasibility Study update and development optimisation completed
- Delivered the appointment of highly experienced new key executive appointments
- Balance sheet transformed with financing secured from Trafigura and successful equity raising

FY24 Guidance

GROUP OUTPUT	Metric	FY24 Guidance	FY23 Actual
Gold	koz	60 - 65	86.3
Copper	kt	2.8 - 3.1	2.2
Zinc	kt	17.5 - 20.0	20.4
Lead	kt	19.0 - 22.0	19.0
AISC (includes sustaining capital)	A\$/oz gold	1,850 - 2,050	2,315
Growth capital (excl. Federation)	A\$M	5.0 - 10.0	7.3
Growth capital (Federation)	A\$M	70.0 - 80.0	12.4
Exploration and evaluation	A\$M	10.0 - 15.0	10.2

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This announcement has been approved for release by the Board of Directors of Aurelia Metals.

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About Aurelia

Aurelia Metals Limited (ASX: AMI) is an Australian mining and exploration company with a highly strategic landholding, and two operating mines in New South Wales (NSW). The Peak Mine is in the Cobar Basin in Western NSW, and the Dargues Mine is in south-eastern NSW. The Hera mining operation, also located in the Cobar Basin, has permanently ceased and the surface facilities have been placed into care and maintenance. In addition, Aurelia has two consented high grade development projects. The polymetallic Federation Project is currently under construction with development ore expected in 2024. The development of the Great Cobar copper deposit will follow.

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.

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