

## QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

### Highlights

Aurelia Metals Limited (ASX: AMI) (**Aurelia** or the **Company**) is pleased to advise the release of its quarterly activities report for the period ended 30 September 2023.

#### **Safety performance**

- Group Total Recordable Injury Frequency Rate (TRIFR) of 7.39 (JunQ: 5.13).
- Group Recordable Environmental Incident Frequency Rate (REIFR) of 3.28 (JunQ: 2.91).

#### **Continued operating performance improvement**

- Peak development rates more than doubled to 723 metres (JunQ: 352 metres).
- Peak mining unit costs reduced further to A\$127/t (JunQ: A\$138/t).
- Dargues continued its reliable production performance and cash generation.
- Group metal production for the September quarter of 16.8koz Gold, 0.5kt Copper, 4.2kt Zinc, and 4.0kt Lead with a Group All-In-Sustaining Cost (AISC) of A\$2,220/oz.
- On track to deliver FY24 guidance.

#### **Federation off to a strong start**

- Decline development ahead of schedule with 405m achieved in August and September.
- Significant increase in commitments and expenditure on major contracts.
- On track for first stope ore in Q1 FY25.

#### **Exploration**

- Underground drilling at Peak intersected significant zones of mineralisation close to existing underground infrastructure at both the Chesney and Perseverance Deposits.
- Results have the potential to add materially to the already significant Peak Mineral Resource of 19.0 million tonnes.<sup>1</sup>
- Exploration program to be broadened to Nymagee District in December 23 / March 24 quarters.

#### **Strong balance sheet to fund growth pipeline**

- Cash balance increased to A\$110.4M (JunQ: A\$38.9M).
- Hedging program underway to protect strong cash generation potential from Dargues.

#### **CEO 100 day plan completed**

- Executive leadership team restructure completed.
- People strategy and cost improvement projects commenced at Peak.
- Cobar Province optimisation work underway – Filling the Mills.

<sup>1</sup> see ASX announcement dated 12 October 2023 'Exploration Update – Peak'

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## Commenting on the quarterly performance, Managing Director and Chief Executive Officer, Bryan Quinn, said:

*“It is pleasing to see strong development performance this quarter at both Federation and Peak which supports our ability to deliver our FY24 Guidance, but also provides the opportunity to outperform it.*

*Operations for the quarter funded the development capital spend, and with our new financing facility now in place we have a strong balance sheet to support delivery of the premier Federation Project, followed by the copper-rich Great Cobar development. We also continue to focus on, and deliver on, the actions needed to make a step change in performance at Peak”.*

## GROUP QUARTERLY PERFORMANCE

		Mar Q FY23	Jun Q FY23	Sep Q FY24	FY24 Guidance
Gold produced	koz	26.1	16.0	16.8	60.0 – 65.0
Copper produced	kt	0.6	0.5	0.5	2.8 – 3.1
Lead produced	kt	4.8	4.1	4.0	19.0 – 22.0
Zinc produced	kt	5.2	4.4	4.2	17.5 – 20.0
AISC	A\$/oz	1,884	2,212	2,220	1,850 – 2,050

See Explanatory Notes on page 7.

## Sustainability

- Improving our risk management capability in both HSEC and operating discipline to deliver our plan with confidence.
- Focus heavily on HSEC leading indicators, while renewing and implementing our Fatal Hazard Standards, Critical Controls and Verifications.

Figure 1: Group Total Recordable Injury Frequency Rate (TRIFR) – 12 month moving average 7.39 (JunQ: 5.13)

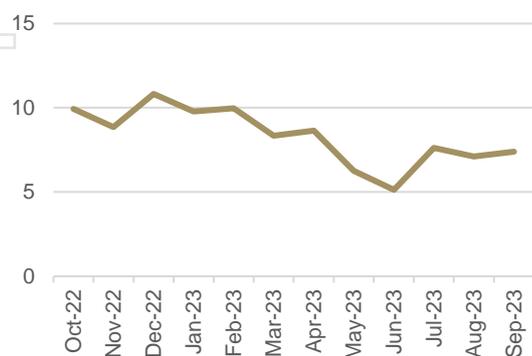
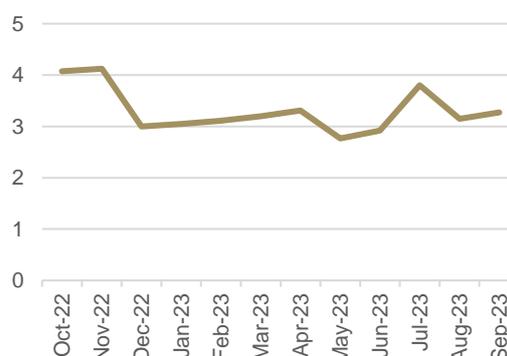


Figure 2: Group Recordable Environmental Incident Frequency Rate (REIFR) – 12 month moving average 3.28 (JunQ: 2.91)



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## Peak, NSW (100%)

### Production and costs

Peak		Sep Q FY24	Jun Q FY23	% chg QoQ	FY24 YTD
Development metres	m	723	351	106%	723
Ore mined	kt	121	109	11%	121
Ore processed	kt	126	107	19%	126
Gold produced	oz	8,637	6,417	35%	8,637
Copper produced	t	492	453	9%	492
Lead produced	t	3,955	4,074	-3%	3,955
Zinc produced	t	4,154	4,352	-5%	4,154
AISC	A\$/oz	1,584	1,614	2%	1,584

Mine development rates are a focus for FY24. This quarter, metres advanced more than doubled (to 723m) from the prior quarter, with the increase aided by a full quarter of availability of the second jumbo that was transferred from Dargues in the prior quarter. Further increases in advance rates are targeted to meet the planned rates for FY24.

Ore mined was 11% higher for the quarter. Stope production centred on the Chronos, Kairos and S400 deposits for lead-zinc ore and the Jubilee mining area for copper ore. Mining rates were constrained by ground conditions and a slower than planned transition to the new production drilling contract.

Ore processed during the quarter increased by 19% to 126kt (JunQ: 107kt). The higher feed tonnage was achieved despite process throughput rates at times being impacted by high feed grades and talc bottlenecks in the concentrate filtration circuit. The mine production from Chronos and Kairos resulted in a greater proportion of lead-zinc ore processed, which contained a higher gold grade but lower lead-zinc grades. The availability of higher grade ore from Jubilee resulted in an average copper grade of 1.85% (JunQ: 1.23%) which drove the higher copper production.

Operating costs remained steady at A\$41.2M (JunQ: A\$41.4M). The increased mining and operating development rates has resulted in a continuation of the lowering unit costs for mining at Peak. As mined tonnes increase further that unit rate is expected to continue to fall. Sustaining capital was 21% lower at A\$2.9M (JunQ: A\$3.6M), with the previous quarter including the acquisition of a new truck for A\$1.8M.

Gold sales increased by 12% to 6.9koz (JunQ: 6.1koz) consistent with higher gold production. Peak's AISC reduced to A\$1,584/oz (JunQ: A\$1,614/oz) with lower by-product credits offset by lower on-site costs, sustaining capital, and higher gold sold.

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Figure 3: Peak development metres

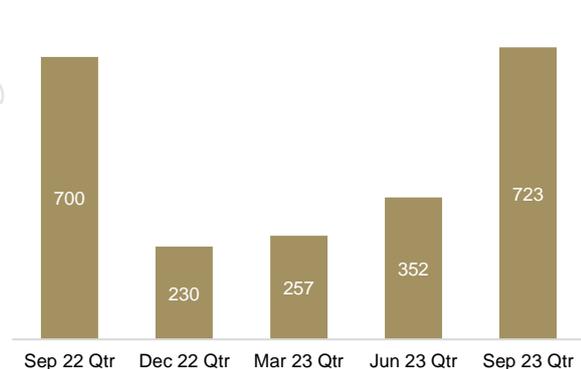
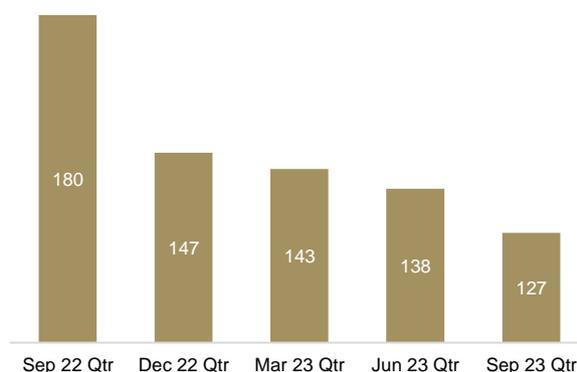


Figure 4: Peak mining unit cost A\$/t



## Growth and exploration

In the Cobar District, underground diamond drilling activities focused on the margins of the Perseverance Deposit, testing northward extensions of Zone A, and depth extensions in Perseverance Deeps (see ASX announcement dated 12 October 2023 'Exploration Update – Peak'). Underground drilling was initiated in the Chesney Deeps area during the quarter and will continue through the December quarter with Jubilee North drilling expected to follow.

Surface drilling continued at Upper Chronos to test for up-dip extensions resulting in the discovery of a parallel structure 40m east of Chronos (see ASX announcement dated 12 October 2023 'Exploration Update – Peak'). Following a short hiatus, surface drilling will continue in the Upper Blue Lens area of Peak North through in the December quarter and will continue onto the Mt Pleasant area south of Burrabungie.

## Dargues, NSW (100%)

### Production and costs

Table 2: Key Dargues operating metrics

Dargues		Sep Q FY24	Jun Q FY23	% chg QoQ	FY24 YTD
Development metres*	m	225	476	-53%	225
Ore mined	kt	93	88	6%	93
Ore processed	kt	91	99	-9%	91
Gold produced	oz	8,135	9,084	-10%	8,135
AISC	A\$/oz	2,394	2,100	-14%	2,394

\*Includes lateral operating and capital development metres.

Mining volumes were 6% higher this quarter (SepQ: 93kt, JunQ: 88kt). Ore processing rates were broadly in line with mined volumes this quarter. The prior quarter included a drawdown of ROM inventory which limited the ability to blend in the September quarter.

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Gold production decreased by 10% to 8.1koz due to lower volumes processed, while the feed grade of 2.9g/t (JunQ: 3.0g/t) and metallurgical recovery of 95.4% (JunQ: 94.9%) remained steady. This lower production resulted in 11% lower gold sold 7.4koz (JunQ: 8.2koz).

Development advance reduced 53% to 225m, in line with the life-of-mine plan. Remaining mine development is expected to be complete during the December 2023 quarter.

Mine operating costs increased by 14% due to scheduled component replacements on the mining equipment (this fleet will have a service life at Peak post closure of Dargues) and less costs allocated to capital with the reduced capital development. Processing costs also increased driven by the relining of the crusher and mill and higher energy costs. Sustaining capital decreased to A\$0.2M due to a 71% decrease in capital mine development to 47m (JunQ: 162m). AISC increased by 14% to A\$2,394/oz (JunQ: A\$2,100/oz), driven by lower gold sales and the increased operating costs.

## Federation Project, NSW (100%)

Development resumed during the quarter, with the first cut fired safely into the decline on 1 August 2023. With all Redpath equipment and personnel in place, the scheduled development progress was achieved in the quarter. High safety and quality standards are also being achieved, with good equipment reliability and ground conditions performing as predicted.

Onsite project activities during the quarter in addition to mine development included site works to extend the waste stockpiles, surface extension and geotechnical drilling, extension of water infrastructure and mulching of cleared trees and foliage.

Tenders, contract negotiations and awards for multiple work packages continued with over half of the planned FY24 expenditure committed during the quarter. Key packages including ventilation fans, raise bore collars and vertical development, road construction, bulk materials (piping, cables) and site electrical installation were progressed to award and final contract negotiations. Local and regional contractors are being prioritised for the work and are delivering good commercial outcomes.

Significant test work campaigns completed will allow process plant scope to be refined and reduced. Engineering of final packages including stage 2 civils, electrical and paste plant are being finalised.

Submissions for secondary approvals required under the project's Development Consent were well advanced at the end of the quarter, and the grant of the mining lease remains on track for the December quarter.

Establishment of project and mining team continued during the quarter with a strong focus on recruitment for operational readiness leading into the December quarter.

### Exploration activities

Surface exploration drilling was reinitiated at the Federation deposit during the quarter. Focusing on the Federation East area, the ongoing drilling will assess potential extensions to the current mine design and will continue into the Federation West area during the December quarter.

Successful land access negotiations achieved during the quarter will facilitate the requisite access to commence widespread auger drill programs during the December quarter.

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## Finance

### Cash Flow

Cash on hand at 30 September 2023 increased significantly to A\$110.4M (JunQ: A\$38.9M).

Peak's operating cash flow increased to A\$9.2M (JunQ: A\$7.6M), driven by higher revenue (A\$0.9M) and lower capital expenditure (A\$0.7M). Dargues operating cash flow reduced to A\$3.4M (JunQ: A\$7.0M), driven by the lower concentrate sales (\$2.3M) and higher operating costs. Dargues and Peak cash flows are expected to increase over the remaining quarters of FY24.

Growth capital of A\$10.8M increased from the prior quarter (JunQ: A\$1.3M) with the resumption of development and activities at the Federation Project on 1 August 2023. As indicated in the FY23 financial results release, growth capital investment is set to increase over the remainder of FY24.

Corporate costs were A\$4.3M which included A\$0.6M of organisational restructuring costs. Corporate costs are expected to reduce over the remainder of FY24.

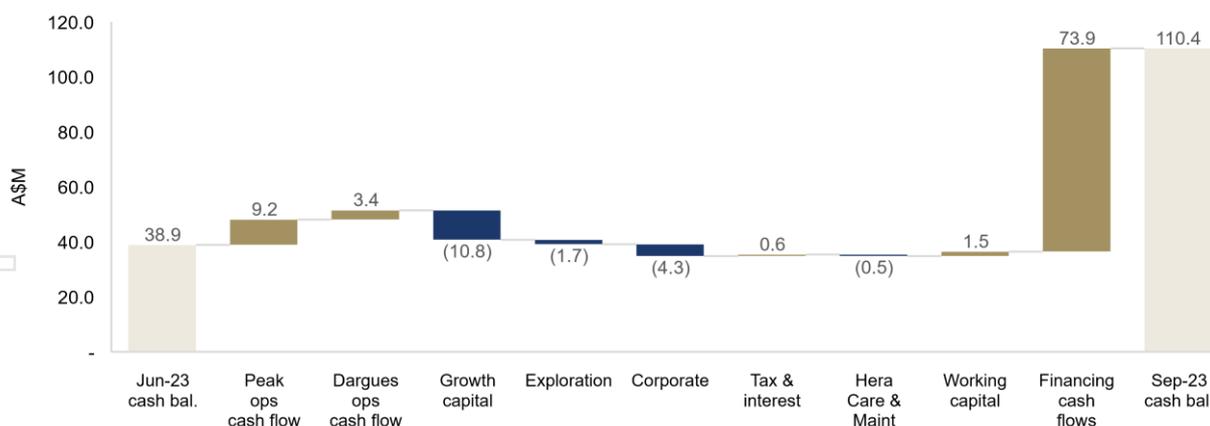
Net interest was A\$0.6M (JunQ: A\$0.8M), Hera care and maintenance costs were lower at A\$0.5M (JunQ: A\$4.8M) with the surface facilities in care and maintenance for the entire September quarter.

The impact of movements in working capital was a A\$1.5M inflow mostly related to the collection of sales receivables during the quarter.

Cash flows from financing activities relating to the finalisation of the refinance contributed A\$73.9M and included:

- net proceeds from the retail entitlement offer of A\$15.6M that were received in July 2023;
- the return of the restricted cash of A\$56.8M that was received in August 2023; and
- an equipment loan of A\$2.2M established to finance the purchase of a new loader and repayments of A\$0.7M for other equipment loans.

Figure 5: September quarterly cash flow waterfall



#### Explanatory notes

Peak and Dargues cash flow figures are after sustaining capital expenditure. Total growth capital expenditure of A\$10.8M includes A\$10.6M for Federation and \$0.2M by other sites. Exploration of A\$1.7M is comprised \$0.6M at Federation, and A\$1.0M Peak and \$0.1M at Dargues.

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## Metal Sales and Hedging

Group sales revenue of A\$69.4M (JunQ: A\$72.4M) comprised 62% from precious metal sales and 38% from copper, lead and zinc sales (JunQ: 60% precious metals, 40% base metals).

The realised gold price for the quarter was A\$2,935/oz (JunQ: A\$2,826/oz). All ounces were sold at spot prices as there were no hedges on foot during the quarter. The realised price of zinc was higher at A\$4,055/t (JunQ: A\$3,425/t) and the realised price of lead was in line with the JunQ at A\$3,311/t (JunQ: A\$3,331/t). The realised price for copper increased to A\$12,045/t (JunQ: A\$11,877/t). The realised base metal prices are inclusive of quotational period (QP) pricing adjustments, quantity adjustments, actual hedge gains/losses as well as unrealised mark to market adjustments on cash flow hedges.

The Company is in the process of hedging the gold production from Dargues (which represents ~50% of the Group) to protect the strong cash generation potential from that asset during the period to end of mine life. The hedge program will also cover up to 25% of payable lead and zinc production from Peak to provide some base metal by-product protection. A new hedging facility has been established with Macquarie Bank for both commodity price and foreign exchange hedging. Details of hedges executed to date are set in the table below.

	Dec Qtr FY24	Mar Qtr FY24	Jun Qtr FY24	Sep Qtr FY25	Total
Gold ounces	2,526	2,851	2,808	2,608	10,793
Price A\$/oz	2,976	2,993	3,012	3,034	3,004

### Explanatory notes

AISC per ounce is the total of site mining, processing, and G&A costs, concentrate transport and refining, third party smelting/refining, royalties, sustaining capital and lease payments, and net inventory adjustments less by-product credit revenues and then divided by gold ounces sold. Group AISC further includes corporate general and administrative expenses. Percentage change denoted in green is beneficial movement and red is detrimental movement.

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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 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.

In FY23, Aurelia produced 86,284 ounces of gold at a Group All-in Sustaining Costs (AISC) of A\$2,315 per ounce. The Peak Mine's cost base benefits from substantial by-product revenue credits from base metal production (including zinc, lead and copper).

### 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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## Appendix 1: Detailed Quarterly Physicals

Aurelia Metals - Sep 23 Qtr Summary	Units	Peak Copper	Peak Lead-Zinc	Dargues	Federation	Group
Operating development	m	450		178	-	627
Capital development	m	274		47	405	725
Ore Mined	t	51,603	69,867	93,499	-	197,399
Mined Grade - Gold	g/t	2.02	2.45	2.95	-	
Mined Grade - Silver	g/t	28.50	11.58	-	-	
Mined Grade - Copper	%	1.68	0.21	-	-	
Mined Grade - Lead	%	0.78	5.61	-	-	
Mined Grade - Zinc	%	0.48	7.58	-	-	
Ore Processed (t)	t	28,642	97,835	90,654	-	206,113
Processed Grade - Gold	g/t	1.65	2.38	2.93	-	
Processed Grade - Silver	g/t	21.34	17.41	-	-	
Processed Grade - Copper	%	1.85	0.50	-	-	
Processed Grade - Lead	%	0.44	4.54	-	-	
Processed Grade - Zinc	%	0.29	5.88	-	-	
Gold recovery	%	96.0		95.4	-	95.7
Silver recovery	%	96.0		-	-	96.0
Copper recovery	%	92.8		-	-	92.8
Lead recovery	%	-	88.9	-	-	88.9
Zinc recovery	%	-	72.2	-	-	72.2
<b>Gross Metal Production</b>						
<b>Gross Metal - Gold Production</b>	<b>oz</b>	<b>8,637</b>		<b>8,135</b>	<b>-</b>	<b>16,773</b>
Gross Metal - Silver production	oz	71,461		-	-	71,461
Gross Metal - Copper production	t	492	-	-	-	492
Gross Metal - Lead production	t	-	3,955	-	-	3,955
Gross Metal - Zinc production	t	-	4,154	-	-	4,154
<b>Payable Metal Production</b>						
<b>Payable Metal - Gold Production</b>	<b>oz</b>	<b>8,119</b>		<b>7,810</b>	<b>-</b>	<b>15,929</b>
Payable Metal - Silver production	oz	49,535		-	-	49,535
Payable Metal - Copper production	t	469	-	-	-	469
Payable Metal - Lead production	t	-	3,757	-	-	3,757
Payable Metal - Zinc production	t	-	3,426	-	-	3,426
<b>Concentrate Production</b>						
Au Concentrate production	dmt	-	-	4,851	-	4,851
Cu Concentrate production	dmt	2,319	-	-	-	2,319

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Aurelia Metals - Sep 23 Qtr Summary	Units	Peak Copper	Peak Lead-Zinc	Dargues	Federation	Group
Pb Concentrate production	dmt	-	9,760	-	-	9,760
Zn Concentrate production	dmt	-	9,107	-	-	9,107
Pb/Zn Concentrate production	dmt	-	-	-	-	-
Sales						
Gold doré & gold in Conc sold	oz	6,895		7,389	-	6,895
Silver doré & silver in Conc sold	oz	42,242		-	-	42,242
Payable Copper sold	t	595	-	-	-	595
Payable Lead sold	t	-	3,202	-	-	3,202
Payable Zinc sold	t	-	3,419	-	154	3,574
Prices						
Gold price achieved	A\$/oz	2,908		2,960	-	2,935
Silver price achieved	A\$/oz	31.0		-	-	31.9
Copper price achieved	A\$/t	12,045	-	-	-	12,045
Lead price achieved	A\$/t	-	3,311	-	-	3,311
Zinc price achieved	A\$/t	-	4,055	-	-	4,055

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## Appendix 2: Quarter and YTD AISC Composition

Operating costs and AISC		Peak	Dargues	Hera / Federation	Group
Total Gold Sales	Oz	6,895	7,389	-	14,284
Mining	A\$000	15,630	8,823	-	<b>24,452</b>
Processing	A\$000	9,284	2,984	-	<b>12,268</b>
Site G&A	A\$000	5,625	2,456	-	<b>8,081</b>
Concentrate transport and refining	A\$000	4,335	1,081	2	<b>5,418</b>
Net inventory adjustments	A\$000	32	(756)	176	<b>(548)</b>
Royalties	A\$000	763	2,215	(90)	<b>2,887</b>
Third party smelting/refining	A\$000	5,599	314	202	<b>6,114</b>
By-product credits	A\$000	(33,215)	-	(396)	<b>(33,612)</b>
Sustaining capital	A\$000	2,464	167	112	<b>2,744</b>
Sustaining leases *	A\$000	403	409	(7)	<b>896</b>
Corporate admin / general	A\$000	-	-	-	<b>3,009</b>
<b>AISC</b>	A\$000	<b>10,918</b>	<b>17,691</b>	<b>(2)</b>	<b>31,708</b>
<b>AISC</b>	A\$/oz	<b>1,584</b>	<b>2,394</b>	<b>-</b>	<b>2,220</b>
Growth capital and exploration	A\$000	1,030	66	11,381	<b>12,476</b>

\* Includes A\$91k of sustaining leases for Corporate

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