ASX ANNOUNCEMENT

aurelia METALS Ltd.

ASX: AMI | 26 June 2019

FEDERATION EXPLORATION UPDATE

KEY POINTS

- **Strongest polymetallic results to date returned from diamond drilling at the Federation prospect, 10km south of the Company's Hera Mine**
- **Significant intercepts from drill hole FRCD019 include:**
  - **26 metres at 16.4% Pb+Zn & 0.3% Cu, *including 11.5 metres at 31.1% Pb+Zn, 0.2% Cu***
  - **3 metres at 25.8% Pb+Zn**
  - **2 metres at 1.1% Pb+Zn & 5.4g/t Au**
  - **7 metres at 3.9% Pb+Zn & 1.1% Cu**
- **Additional sulphide mineralisation intercepted at depth approximately 85 metres along strike from FRCD019**
- **Drilling ongoing with further step out holes due for completion over the next month**

Aurelia's Chairman & Acting CEO, Cobb Johnstone commented: *"The return of large, high grade intercepts, open in all directions, and within 10km of the Hera plant is an exciting development. We are undertaking immediate further step out drilling as we seek to understand potential scale of the Federation system."*

Aurelia Metals Limited ("**AMI**" or the "**Company**") is pleased to provide an update on exploration results from drilling at the recently discovered Federation prospect, ten kilometres south of Hera. This release includes finalised assay results for hole FRCD019, which was noted in a previous update (ASX release 12 June 2019) to contain extensive visible semi-massive to massive sulphide mineralisation.

DIAMOND DRILLING RETURNS HIGH GRADE POLYMETALLIC MINERALISATION AT FEDERATION

In early May 2019 the Company announced the discovery of high grade base metal mineralisation at the Federation prospect, 10 kilometres south-southwest of the Hera Mine (ASX release 6 May 2019). Initial exploration was by reverse circulation (RC) drilling and focused on the upper parts of the prospect. To test the mineral potential in deeper sections of the Federation system, the Company has since completed four diamond holes (**Figures 1 & 2**). Results for the first diamond hole, FRCD010, were previously released (ASX release 12 June 2019) and showed encouraging base metal and gold mineralisation including 8.2m at 4.5% Pb+Zn, 1.4g/t Au and 0.7% Cu.

Results have now been received for hole FRCD019, which include the following significant intercepts:

FRCD019 3 metres at **25.8% Pb+Zn, 8g/t Ag** from 399m

5 metres at **1.4% Pb+Zn, 2.3g/t Au, 0.2% Cu** from 416m, *includes 2 metres at **1.1% Pb+Zn, 5.4g/t Au, 0.1% Cu** from 417m*

26 metres at **16.4% Pb+Zn, 0.1g/t Au, 0.3% Cu, 10g/t Ag** from 500m, *includes 11.5 metres at **31.1% Pb+Zn, 0.1g/t Au, 0.2% Cu, 15g/t Ag** from 501m*

41 metres at **2.0% Pb+Zn, 0.3% Cu, 7g/t Ag** from 544m, *includes*
*7 metres at **3.9% Pb+Zn, 1.1% Cu, 16g/t Ag** from 545m, and*
*4 metres at **5.5% Pb+Zn, 0.2% Cu, 16g/t Ag** from 556m*

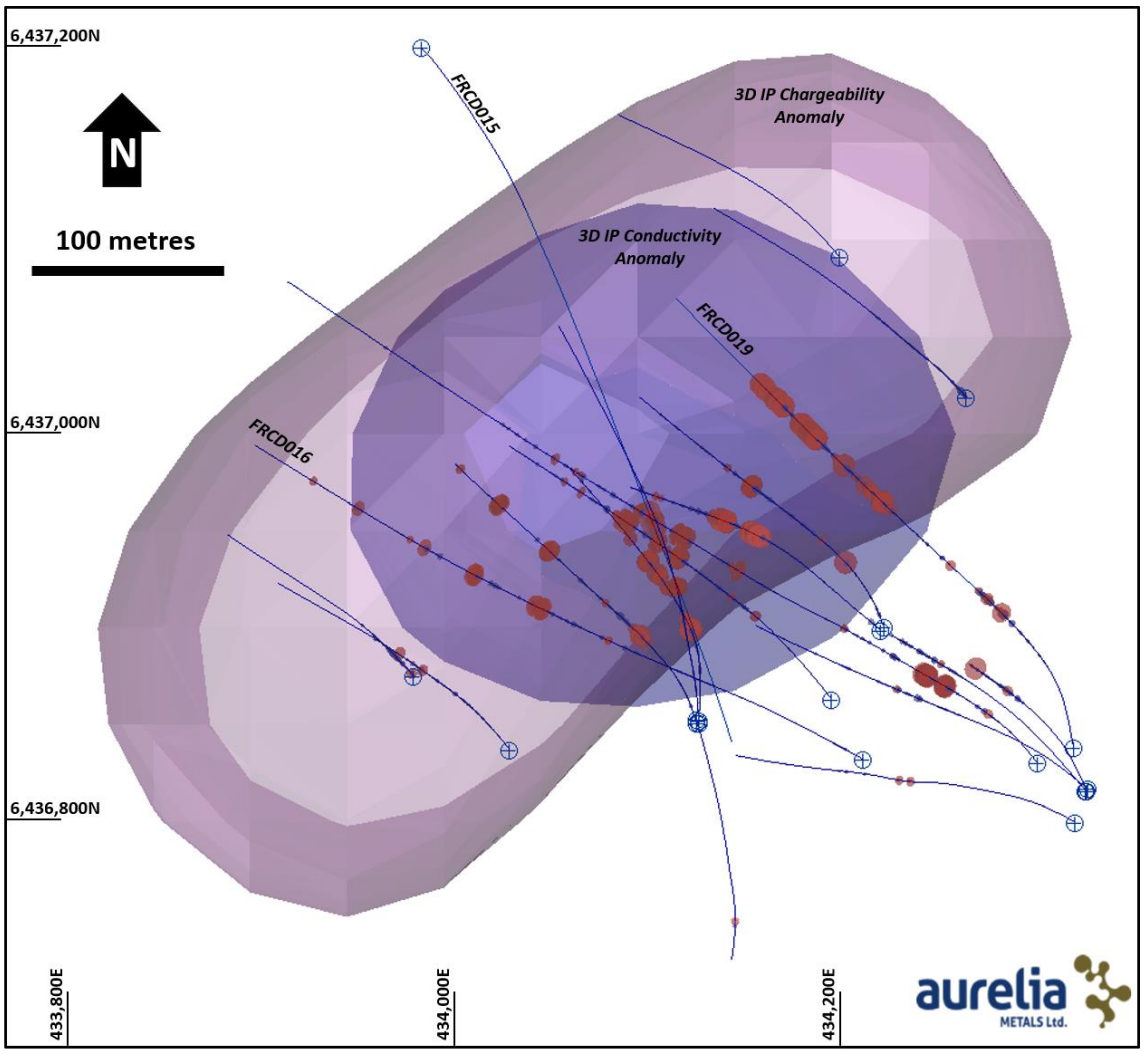

Figure 1. Plan showing IP chargeability and conductivity anomalies at Federation along with RC and diamond drilling. Red discs on drill holes are Pb+Zn>1%. Holes reported in this release are labeled.

Hole FRCD019 represents a significant step down from previous drilling, extending high grade mineralisation to more than 500 metres below surface (**Figure 2**). The hole shows variable mineralisation and strong alteration over a down hole width of more than 200 metres. Mineralisation styles include semi-massive to massive zinc-lead sulphide breccias grading to moderate veining with lead and copper-dominant sulphides and to minor base metal veining with associated gold.

Follow-up diamond hole FRCD015 has also recently been completed approximately 85 metres along strike to the southeast of FRCD019 (**Figure 2**). While assay results are still pending for FRCD015, a zone of at least 7.5 metres of visually moderate to high grade Zn-Pb-Cu sulphide mineralisation has been noted. This hole extends the known high grade at Federation to a depth of at least 530 metres below surface.

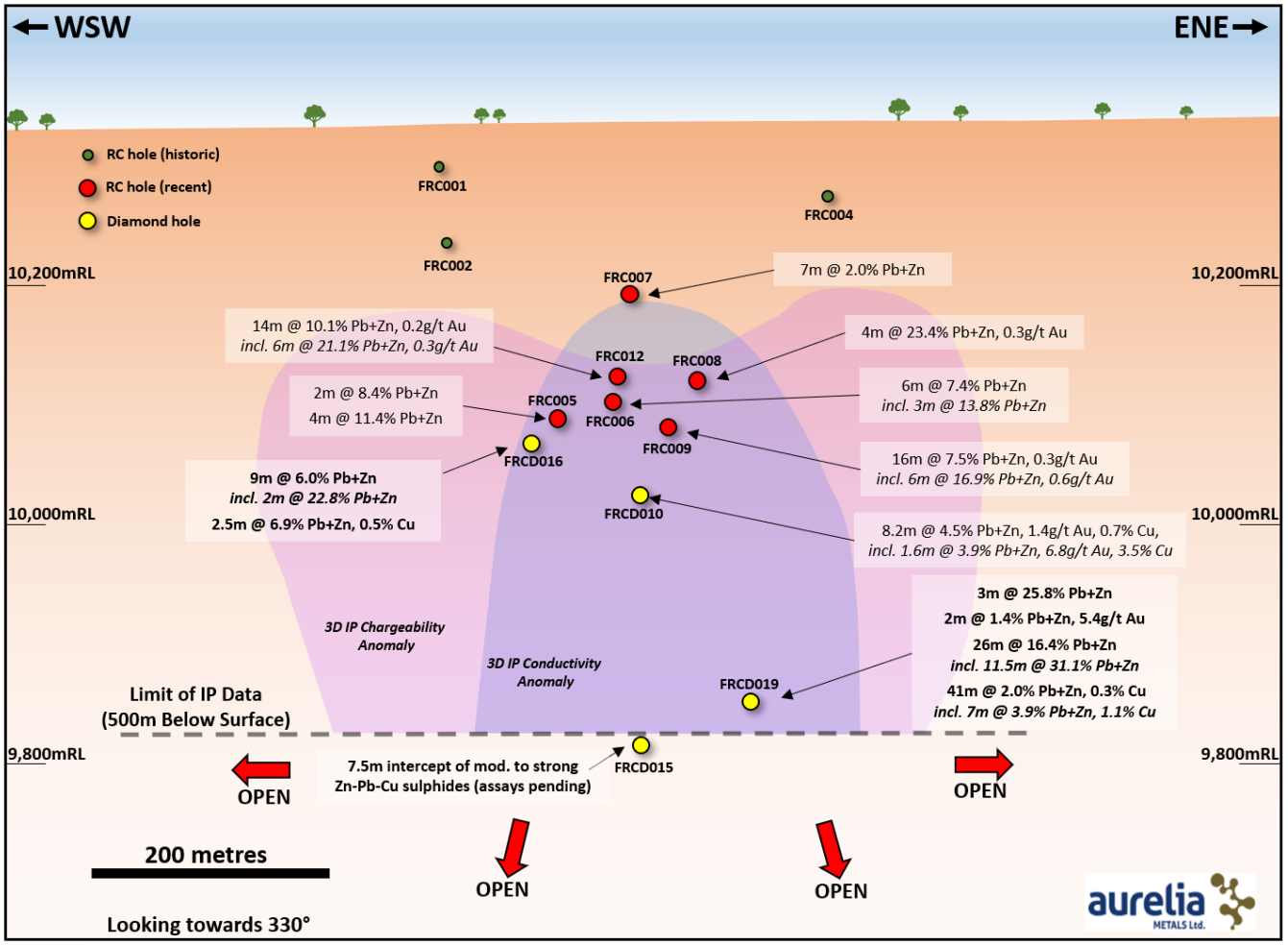

Figure 2. Long section looking towards 330° (NNW) showing the modelled 3D IP chargeability and conductivity anomalies at Federation with drilling to date.

Results have also been received for diamond hole FRCD016, drilled in the upper southeastern part of the prospect, including:

FRCD016 9 metres at **6.0% Pb+Zn, 3g/t Ag** from 311m, *includes*
*2 metres at **22.8% Pb+Zn, 10g/t Ag** from 312.6m*

2.5 metres at **6.9% Pb+Zn, 0.5% Cu, 4g/t Ag** from 544m

Whilst controls on mineralisation are not well understood at this early stage, an overall east-northeast strike and a steep south-southeast dip appears likely. Mineralisation at Federation continues to be unconstrained at depth and in both directions along strike. Follow-up diamond drilling is ongoing, with additional step-out holes due for completion over the next month.

Further Information
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COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Adam McKinnon, BSc (Hons), PhD, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr McKinnon is a full-time employee of Aurelia Metals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr McKinnon consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Table 1. Collar summary for the new drill holes reported in this release.

Hole ID	Easting (MGA)	Northing (MGA)	Local RL (m)	DIP	Azimuth (MGA)	Total Depth (m)
FRCD015	433988.1	6437199.2	10317.5	-70.1	128.9	750.7
FRCD016	434216.0	6436832.2	10323.3	-70.5	300.0	532.9
FRCD019	434325.0	6436838.1	10325.7	-70.4	345.8	708.7

Table 2. Significant intersections for the new drill holes reported in this release.

Hole ID	Interval (m)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (%)	From (m)	Comments
FRCD015	Results for diamond tail pending							RC pre-collar with diamond tail
FRCD016	6	0.0	0.1	0.5	0	0.0	157	RC pre-collar
	9	2.1	3.9	0.0	3	0.0	311	
includes	*2*	*7.9*	*14.9*	*0.1*	*10*	*0.1*	*312.6*	
	2.5	2.1	4.8	0.1	4	0.5	362.6	Diamond tail
	2	0.8	0.8	0.0	2	0.0	400	
	2	0.9	0.6	0.0	5	0.1	452	
FRCD019	1	0.1	0.3	4.1	1	0.0	184	
	5	0.4	0.7	0.0	1	0.0	215	RC pre-collar
	8	0.3	0.6	0.0	1	0.0	235	
	3	6.7	19.1	0.0	8	0.0	399.2	
	5	0.3	1.1	2.3	1	0.2	416	
includes	*2*	*0.2*	*1.0*	*5.4*	*1*	*0.1*	*417*	
	1.1	4.2	7.1	0.0	6	0.1	459.2	Diamond tail
	26	6.3	10.1	0.1	10	0.3	500	(Results below
includes	*11.5*	*10.7*	*20.5*	*0.1*	*15*	*0.2*	*501*	586m pending)
	41	*1.9*	*0.0*	*0.0*	*7*	*0.3*	*544*	
includes	*7*	*3.9*	*0.0*	*0.1*	*16*	*1.1*	*545*	
and	*4*	*5.5*	*0.0*	*0.0*	*16*	*0.2*	*556*	

REFERENCES

JORC Code 2012 (Table 1) - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. AusIMM.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• RC chip samples were collected using a rotary cone splitter directly off the drill rig. All samples were collected on a dry basis. • Diamond core sampling is by sawn half HQ core. Nominal sample intervals are 1m with a range from 0.5m to 1.5m. • Samples are transported to ALS Geochemistry - Orange for preparation and assay.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Assay standards or blanks are inserted at least every 25 samples. Duplicates were extensively used (at least 1 in 20 samples) in the current RC programs to ensure representivity.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• RC drilling was used to obtain representative samples of 1 metre length. Diamond drilling was used to obtain core samples of nominally 1m, but with a range between 0.5 - 1.5m. RC chip samples are dried, crushed and pulverised to 85% passing 75 microns. Core samples are cut in half, dried, crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample. Gold is by 30g fire assay with AAS finish, (method Au – AA25) with a detection level of 0.01ppm. For base metals a 0.5g charge is dissolved using aqua regia digestion (Method ICP41-AES) with detection levels of: Ag-0.2ppm, As-2ppm, Cu-1ppm, Fe-0.01%, Pb-2ppm, S-0.01%, Zn-2ppm. Overlimit analysis is by OG46 - aqua regia digestion with ICP-AES finish.

Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drilling by diamond coring generally commences as PQ core until fresh rock is reached. The PQ rods are left as casing then HQ coring is employed. Reverse circulation percussion (RC) method used in this program utilised a face sampling 143 millimetre bit. Pre-collars with RC down to between 100 and 350 metres below surface is employed at Federation
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Chip recoveries are generally monitored visually at the rig by the size of the individual bags. Any low recoveries will be noted by the geologist at the rig. Measured diamond core recovery against intervals drilled is recorded as part of geotechnical logging. Recoveries are greater than 95% once in fresh rock. • Diamond drill holes use triple tube drilling to maximise recovery. No specific measures are in place to maximise recovery of drilled chips. Poor recoveries will be discussed with the driller as they may be the result of a blockage or otherwise poor ground. • The relationship between sample recovery and grade has not been assessed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	Systematic geological and geotechnical logging is undertaken. Data collected includes: • Nature and extent of lithologies (RC and core). • Relationship between lithologies (RC and core) • Amount and mode of occurrence of ore minerals (RC and core) • Location, extent and nature of structures such as bedding, cleavage, veins, faults etc. (core only) • Structural data (alpha & beta) are recorded for orientated core (core only) • Geotechnical data such as recovery, RQD, fracture frequency, qualitative IRS, microfractures, veinlets and number of defect sets. For some geotechnical holes the orientation, nature of defects and defect fill are recorded (core only) • Bulk density by Archimedes principle at regular intervals (core only) • Both qualitative and quantitative data is collected. All core is digitally photographed • 100% of all recovered core and chips are geologically and geotechnically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether Quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or*	• Core is sawn with half core submitted for assay. Sampling is consistently on one side of the orientation line so that the same part of the core is sent for assay. PQ core is ¼ sampled. • All RC samples were split using a rotary cone sampler directly off the drilling rig. Two samples were collected for every metre to allow for duplicate samples to be taken at any interval. All sampling was on a dry basis.

	dry. • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second- half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples are dried crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow subsampling for the various assay techniques. • Certified Standard Reference Materials and blanks are inserted at least every 25 samples to assess the accuracy and reproducibility. The results of the standards are to be within ±10% variance, or 2 standard deviations, from known certified result. If greater than 10% variance the standard and up to 10 samples each side are re-assayed. ALS conduct internal check samples every 20 samples for Au and every 20 for base metals. Assay grades are occassionally compared with mineralogy logging estimates. If differences are detected a re-assay can be carried out using the bulk reject or the assay pulp. • Systematic duplicate sampling was employed during the Federation and Dominion programs. A regular duplicate was taken at predetermine sample intervals (averaging 1:25 samples). Further, a samples occurring in mineralised zones were duplicated, increasing the duplicate rate to one sample every 15-20 samples. Second-half sampling of the diamond core was not employed in this program. • Sample sizes are considered appropriate.
Quality of assay data and laboratory test	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Standard assay procedures performed by a reputable assay lab (ALS Group) were undertaken. Gold assays are by 30g fire assay with AAS finish, (method Au-AA25). Ag, As, Cu, Fe, Pb, S, Zn are digested in aqua regia then analysed by ICP-AES (method ME-ICP41). Comparison with 4 acid digestion indicate that the technique is considered total for Ag, As, Cu, Pb, S, Zn. Fe may not be totally digested by aqua regia but near total digestion occurs. • No geophysical tools were used in the determination of assay results. All assay results were generated by an independent third-party laboratory as described above. • Certified reference material or blanks are inserted at least every 25 samples. Standards are purchased from Certified Reference Material manufacture companies: Ore Research and Exploration, Gannet Holdings Pty Ltd and Geostats Pty Ltd. Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials are used to cover high grade, medium grade and low grade ranges of elements: Au, Ag, Pb, Zn Cu, Fe, S and As. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• The raw assay data forming significant intercepts are examined by at least two company personnel. • No twinned holes have been used at this stage. • Drill hole data including meta data, any gear left in the drill hole, lithological, mineral, survey, sampling and occasionally magnetic susceptibility is collected and entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet is emailed to a geological database administrator, the data is validated and uploaded into a SQL database. • Assay data is provided by ALS via .csv spreadsheets. The data is validated using the results received from the known certified reference material. Using an SQL based query the assay data is merged into the database. Hard copies of the assay certificates are stored with drill hole data such as drillers' plods, invoices and hole planning documents.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control.*	• Drill hole collars are initially located using hand held GPS to ±5m. Upon completion collars are located with differential GPS to ±5cm or picked up by the mine surveyors using a Total Station Theodolite (TST). • Drill holes are downhole-surveyed from collar to the end of hole by drilling personnel using downhole survey tool (Reflex). Drill holes are surveyed by single shot camera during drilling at intervals ranging between 15-30m. All survey data for every hole is checked and validated by Aurelia Metals personnel before entered into database. • All coordinates are based on Map Grid Australia zone 55H • Topographic control is considered adequate. There is no substantial variation in topography in the area with a maximum relief of 70m present. Local control within the Hera and Nymagee Mine areas is based on accurate mine surveys.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• As each of the prospects discussed represent relatively new discoveries, data spacing is extremely variable. A total of 19 RC holes and three diamond tails have been drilled at Federation. Drill hole spacing ranges from 30 to 200 metres. A total of six diamond holes have been completed at Main SE with spacing of 30-100 metres. A single mineralised intercept is reported for Athena • Not applicable as no Ore Resource or Reserve has been completed at Federation, Main SE or Athena. • Sample compositing is not applied.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling is orientated to cross the interpreted, steeply dipping mineralisation trend at moderate to high angles. Holes are drilled from both the footwall and hangingwall of the mineralisation where possible. The use of orientated core allows estimates of the true width and orientation of the mineralisation to be made. • No known bias has been introduced due to drilling orientation.
Sample security	• *The measures taken to ensure sample security*	• Chain of custody is managed by Aurelia Metals. Samples are placed in tied calico bags with sample numbers that provide no information on the location of the sample. Samples are transported from site to the assay lab by courier or directly delivered by Aurelia Metals personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• No audit or review of the sampling regime at Federation/Dominion has been directly completed. However, an audit and review of the sampling regime at Hera, which uses identical sampling procedures, was undertaken by H&S Consultants in November 2015. Recommendations from this review form part of the current sampling practices at Hera and regionally.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Federation prospect is located on Exploration Lease 6162, owned 100% by Hera Resources Pty. Ltd. (a wholly owned subsidiary of Aurelia Metals Limited). • At the time of reporting there were no known impediments to operating in these areas.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The area has a 50 year exploration history in the Nymagee area involving reputable companies such as Cyprus Mines, Buka, ESSO Minerals, CRAE, Pasminco, Triako Resources and CBH Resources. Previous exploration data has been ground-truthed where possible. Historic drill hole collars have been relocated and surveyed

Geology	*Deposit type, geological setting and style of mineralisation.*	• All known mineralisation in the area is epigenetic "Cobar" style. Deposits are generally structurally controlled quartz + sulphide matrix breccias grading to massive sulphide. While the exact nature of the mineralisation at Dominion is uncertain (as it is only a new discovery), it is likely upgrading by leaching and supergene-enrichment is an important factor. In a similar fashion to the other Cobar deposits, the Dominion prospect occurs to the west of the Rookery Fault, a major regional structure with over 300km strike length. The deposits are near the boundary of the Devonian Lower Amphitheatre Group and the underlying Roset Sandstone. Both units show moderate to strong ductile deformation with tight upright folding coincident with greenschist facies regional metamorphism. A well-developed sub vertical cleavage is present. • Mineralisation identified at Federation includes sphalerite-galena±chalcopyrite-pyrrhotite-pyrite in veins and breccias.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All relevant drill hole data is included in the main body of the report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results have been reported on a length-weighted basis. No top-cut or grade truncations have been applied to any assay results. Composite intervals are reported using a nominal 1% Pb+Zn or 1g/t Au cut-off. Internal dilution of up to 4 metres has been allowed. • Higher grade results that occur internal to the composited intervals as described above are included in this report. Higher grade intervals are only highlighted if there are areas within the composite that differ significantly from the overall grades. Reporting of the shorter intercepts allows a more complete understanding of the grade distribution within the mineralised zone. • No metal equivalences are quoted in this report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The uncertain nature of the mineralisation orientation/controls for each prospect is discussed in the text of this report. • Due to the limited data available to date, only downhole lengths are reported as true widths are not currently known. As far as possible, context as to the size and orientation of the mineralisation has been given in the diagrams provided.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See body of report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All drill results and all rock chip samples from the recent program are given in this report, or have been reported in full in previous announcements.

Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See body of report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work is discussed in the body of the text.