

AURELIA METALS' 2020 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

Good morning all and thank you for joining us.

The past year has been a challenging one for businesses and communities everywhere. Since our last AGM the appointment of Dan Clifford as CEO and Peter Trout as COO has enabled the company to establish an extremely high quality leadership and executive team, providing bench strength capable of taking the company to the next level. This has been evident across every aspect of our business.

Staying safe and protecting those around us has taken on further meaning again in the age of COVID-19. Aurelia has responded and well. The business introduced extensive measures to minimise the risk of potential COVID-19 transmission at our work sites and amongst our surrounding communities. Small, traceable work teams lie at the heart of this. I'm proud of the way our leadership team has implemented these processes, and the way our people and contractors have embraced them.

A further word on operational safety. I've said before that this is a value that lies at the core of everything we do at Aurelia. A safe workday is the only kind that can be successful. Whilst we have made further progress in this area over the past year, there remains more we wish to achieve. Our senior management team is resolutely focussed on delivering significant additional gains on this front. The recent September quarter safety performance was a further strong step in the right direction.

Increased depth of management capability has also been invested in supporting sustainable operations. Responsible environmental management and community engagement is central to the way in which Aurelia operates. We will continue to invest in further enhancing our overall social licence to operate.

Against the backdrop of COVID-19, Aurelia delivered a robust set of operating and financial outcomes in 2020. Full year group gold production was 91,672 ounces at a group All-In-Sustaining-Cost of A\$1,520 per ounce. Annual EBITDA and Net Operating Cashflow exceeded A\$100 million, the third consecutive year of this significant outcome.

The Aurelia balance sheet is in excellent shape. At balance date, we held cash of A\$79 million and the business was debt free. This is after payment of a maiden fully franked dividend of 2.0c per share during the year, which totalled A\$17.5 million. This had increased to over \$A100m by the end of the September quarter.

Our investment in the future has also started to bear fruit. The major upgrade of the lead-zinc circuit at the Peak processing facility was completed, commissioned and ramped-up during the year. It has successfully unlocked the ability to treat lead-zinc rich ores at higher rates and delivered the targeted step-jump in lead-zinc production capacity going forward. Our investment in accelerating access to the high-grade Kairos deposit has also delivered with the lower Kairos decline having reached the orebody by year end, and subsequently we have just commenced our first development drive in ore. Production development activities are well underway with first stoping ore expected to be achieved in the first half of calendar 2021.

What a year it was on the exploration front – our geological team has truly delivered the goods. In particular, the Federation discovery is one of the most significant in the Cobar Basin of recent decades. The maiden Federation resource that we announced in June 2020 was 2.6 Mt at 7.7% Pb, 13.5% Zn, 0.8 g/t Au and 9 g/t Ag. It is only the beginning.

Subsequently high-grade gold intercepts have indicated the presence of a steeply plunging high grade gold corridor within the Federation mineralisation. Modelling of this corridor is set to be incorporated into the next resource estimate. The deposit also remains open at depth and along strike. We have Two diamond drill rigs continuing to work around the clock at Federation in pursuit of further exceptional results over the coming months.

We have also commenced a Scoping Study to investigate project development options for the Federation deposit. This work will consider the range of mining, processing and infrastructure scenarios available. The current base case is that processing of Federation material would likely occur via our existing plant at the Hera Mine, providing an attractively capital-lite development pathway. We look forward to keeping you abreast of the newsflow to come from our intensive work program at Federation over the year.

Last week, we announced a landmark transaction. Aurelia has executed an agreement to acquire the Dargues Gold Mine and exploration tenements in south-eastern New South Wales. Alongside this announcement, we commenced a fully underwritten A\$130 million equity raising process to assist in funding the purchase consideration for Dargues.

Dargues is a recently constructed underground gold mine that is in the ramp-up phase. It is expected to produce an average of 45 to 55 koz gold per annum at forecast average All-In-Sustaining-Costs of A\$1,150 - 1,350 per ounce .

Its acquisition sees the addition of a third strategic asset into the Aurelia mine portfolio. It reweights our business further towards gold and significantly improves the group's All-In-Sustaining-Cost profile. It also offers significant further upside potential in the form of both mine design and process improvements identified by Aurelia, and attractive extensional drill targets that we believe will deliver clear life extension potential.

Completion of the Dargues acquisition is expected in late 2020 or early 2021 as it's subject to NSW Ministerial consent and other customary conditions for such a transaction.

I'd like to thank our entire team of dedicated people at Aurelia, COVID-19 delivered a year to test even the most resilient groups and you have come through with flying colours. I am grateful for your diligence and application to the task. Thank you also to the Cobar and Nymagee communities for your ongoing support of the Aurelia business and people. To our contract partners and consultants, thank you for your significant contribution to the ongoing success of Aurelia.

A special thank you also to Mike Menzies, who recently retired from the Aurelia Board. Mike was the Company's longest serving director and made an invaluable contribution over many years.

Finally, to our shareholders, thank you for your continued support and trust in Aurelia, its assets and its people. I hope you look forward to the journey ahead with as much enthusiasm as I do.

Colin Johnstone
Chairman

This announcement has been approved for release by the Board 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 in the polymetallic Cobar Basin in New South Wales. We operate two wholly-owned gold and base metal operations – Peak Mine and Hera Mine – and two major processing plants possessing a combined capacity of approximately 1.3Mtpa.

Aurelia is a gold-dominant business. In FY20, we produced 91,672 ounces of gold at a group all-in sustaining cost (AISC) of A\$1,520 per ounce. Both the Peak and Hera cost bases benefit from substantial by-product revenue credits from base metal production (including zinc, lead and copper).

