

19 November 2020

# 2020 Annual General Meeting

Managing Director's Presentation

ASX: AMI



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

# Forward looking statements

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## Non-IFRS Financial Information

The Company results are reported under International Financial Reporting Standards (IFRS). This presentation also includes non-IFRS information including EBITDA. The non-IFRS information has not been subject to audit or review by the Company's external auditor and should be used in addition to IFRS information.

By its very nature, production and exploration for gold and base metals is a high risk

# Agenda

1. FY20 : The year in review
2. Business outlook
3. Our strategic pathway

# FY20: The year in review

# Sustainability

## Safety

Aurelia Metals - Safe Metals program

Driving a 50% reduction in TRIFR over 2 years

Certainty in the controls for fatal hazards

## People

Aligned to company values and objectives with a compelling corporate identity

Attract, retain and encourage talent

Resourcing for improved performance & growth

Enhance workforce diversity

## Assurance

Embed oversight processes and on the ground verification

Driving values through code of conduct and whistle-blowers safety net

Creating opportunity and protecting the business through risk management

## Environment

Aurelia Metals - Green rules program

Certainty in the controls for compliance

Driving a reduction in incidents through standards and line management ownership

Continued lower risk centralised thickened disposal method for tailings

## Community

Stakeholder engagement and community support

Building a positive operating presence

Targeting development projects that reflect our impact

## Climate Change

Water scarcity planning and implementation

Minimise water usage via old mine workings and recycling

Footprint minimisation

# Strategy Objectives for FY20

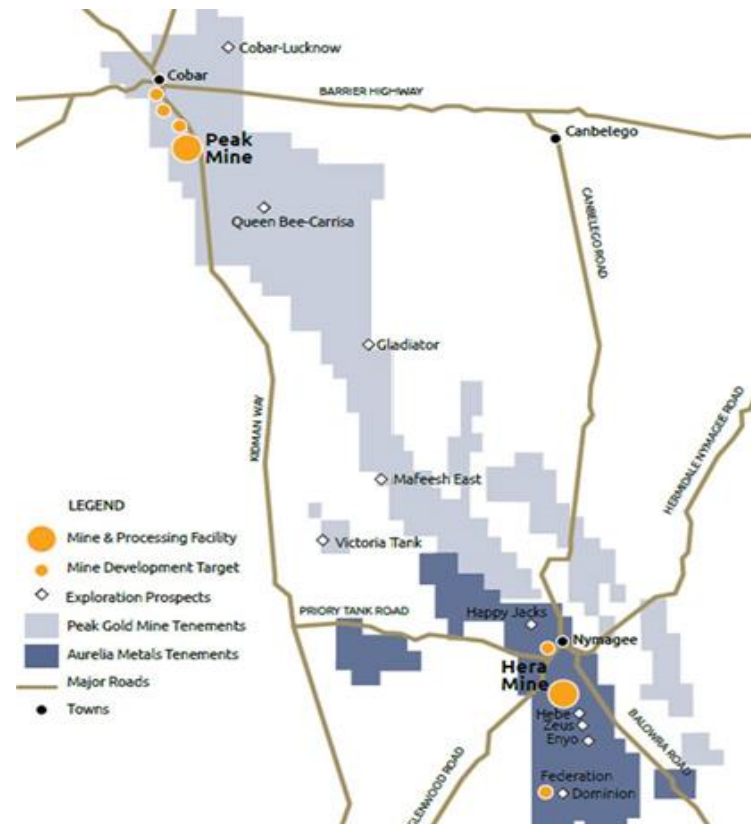
## Building the Next Mid-Tier Gold and Base Metals Producer

### 1 Optimise existing operations

- Increased development and Pb / Zn circuit upgrade
- Mine life extension and ongoing efficiency at Hera

### 2 Focus on Returns

- Margin over volume or commodity preference
- Accelerating access to higher margin material for FY21



Cobar Basin

### 3 Leverage Infrastructure

- Identify new high NSR material; and
- Extend asset operating lives

### 4 Unlock Prospectivity

- Regional exploration to deliver the next major mine

# 1 Optimise existing operations

Driving underground efficiency and operating flexibility

- Increased underground development by 43% over FY19 at Peak
- Peak Pb/Zn circuit upgrade unlocks Pb/Zn-rich ore throughput
- Peak throughput increased by ~23% over FY19
- Mine life extension and ongoing efficiency measures at Hera
- Growth capital of A\$36M invested in FY20

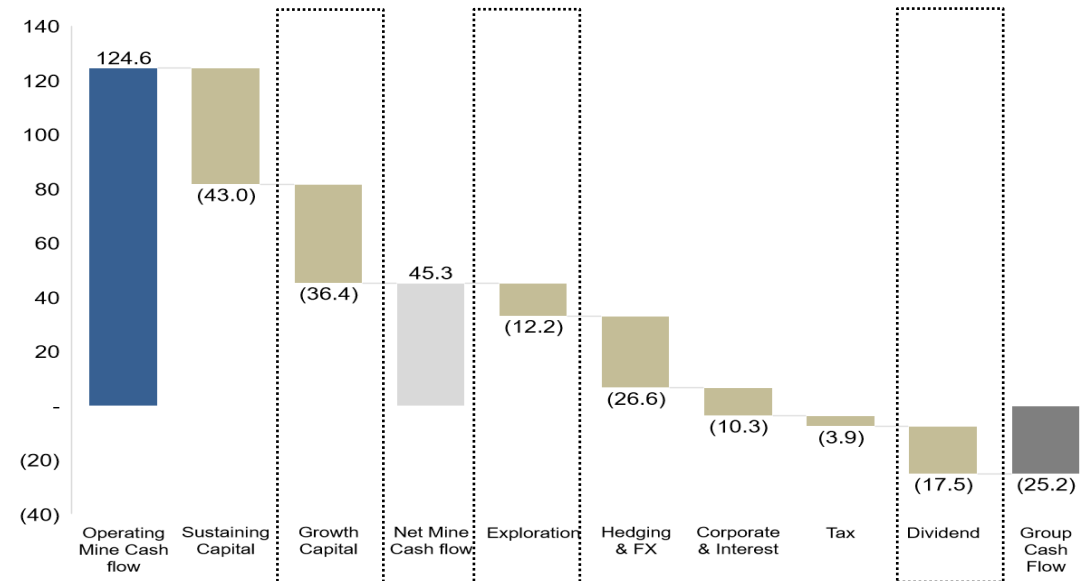


## 2 Focus on returns

### Capital discipline

- Margin over volume or commodity preference
- Accelerated access to higher margin material – Kairos
- Group gold production of 91 koz
- 30 June 2020 Cash position of \$79.1M
- FY20 dividend declared (1cps)
- Second consecutive annual dividend after FY19 maiden

FY20 Group Cash Flow Waterfall (A\$M)





### 3 Leverage infrastructure

1.2Mtpa+ combined processing capacity; extensive UG infrastructure

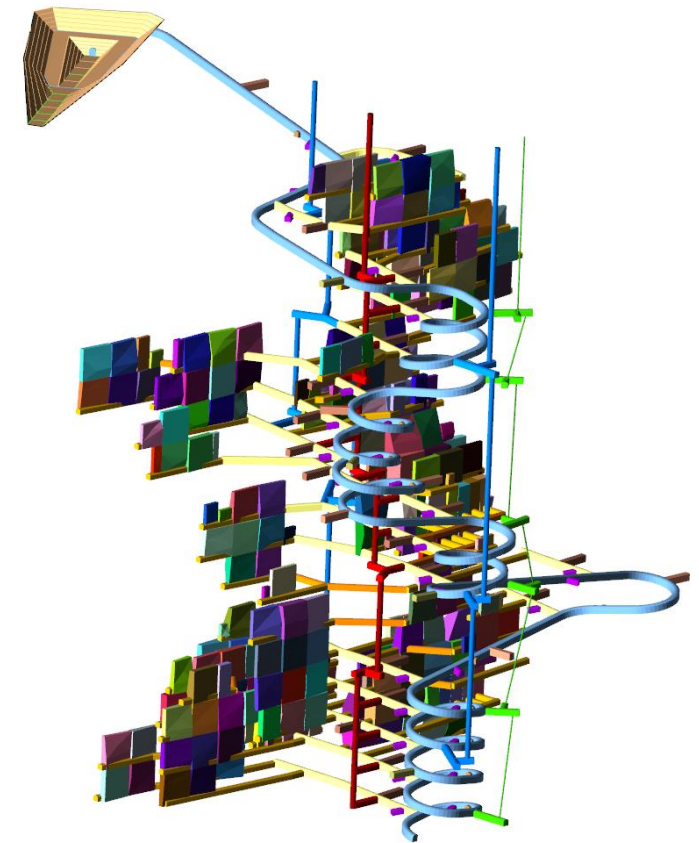
- Identify new high NSR material
- Build further high-margin resources
- Convert opportunities and extend operating lives
- Peak 2020 Ore Reserve increased to 3.3Mt (+18%)
  - Kairos
  - Chronos
  - Peak North
- A\$12M investment in exploration in FY20



# 4 Unlock prospectivity

## Delivering on Federation's potential

- One of the most significant discoveries in Cobar Basin in decades
- Maiden Federation Mineral Resource estimate (June 2020)<sup>1</sup>:
  - 2.6Mt @ 7.7% Pb, 13.5% Zn, 0.8g/t Au & 9g/t Ag
  - Average NSR of A\$373/t
- Further exceptional results from ongoing drilling including<sup>2</sup>:
  - 21.6m at 44.8% Pb+Zn, 31.9g/t Au & 1.6% Cu
  - 20.5m at 44.4% Pb+Zn, 17.4 g/t Au & 1.3% Cu
  - 25.5m at 37.5% Pb+Zn, 11.4g/t Au & 1.2% Cu
- Capital-lite development option via use of existing Hera plant
- Federation Scoping Study progressing well
- Updated resource estimate expected early in March 2021 quarter



Federation mine design concept

# FY20 Financial Results Summary

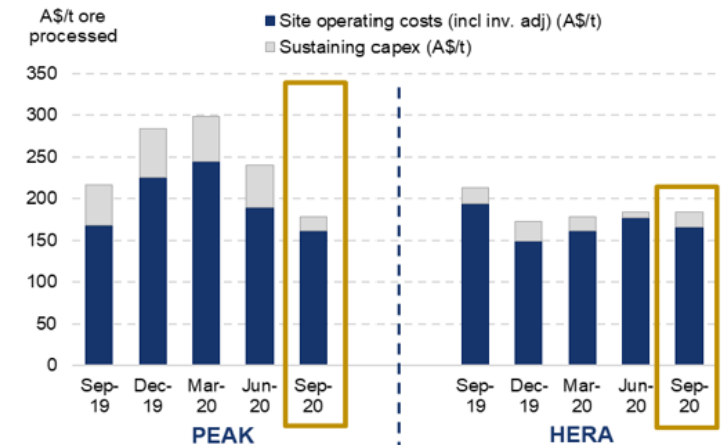
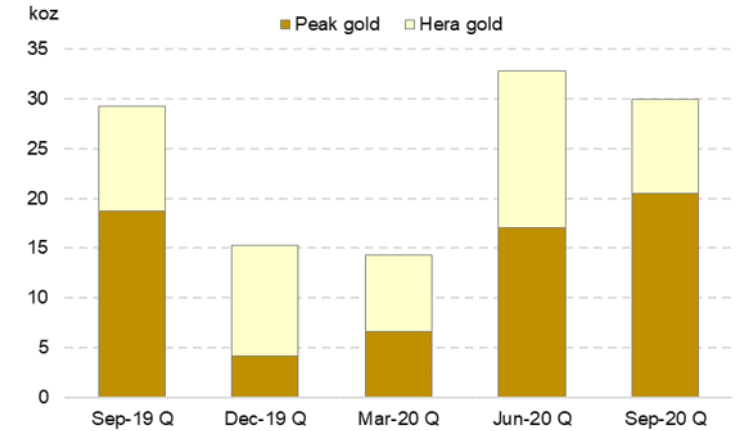
Financials	Units	FY20	FY19	Change
Revenue	\$'m	331.8	295.0	36.8
Profit after tax	\$'m	29.4	36.0	(6.6)
EBITDA	\$'m	103.4	103.1	0.3
Operating Mine Cash Flow	\$'m	124.6	126.7	(2.1)
Net Mine Cash Flow	\$'m	45.3	71.8	(26.5)
Group Cash Flow	\$'m	(25.2)	37.4	(62.6)
EBITDA Margin	%	31%	35%	-11%
Final Dividend (fully franked)	cps	1.0	2.0	-50%

# Business outlook

# A solid start

## Robust September quarter performance

- 12-month moving average TRIFR reduced by 32% to 14.8
- Gold production of 30.0 koz at group AISC of A\$1,000/oz
- Lower Kairos decline reached the elevation of the initial stoping area
- Federation Scoping Study progressed well
- 30 September 2020 Cash position of \$104.6M
- Current quarter gold output expected to be lower than June / September 2020 quarters, in-line with mine schedule



# FY21 Group Guidance

GROUP	FY21 outlook	FY20 actual
Gold (koz)	80 – 90	92
Lead (kt)	21.9– 24.4	21.6
Zinc (kt)	23.5 – 26.2	20.1
Copper (kt)	4.1 – 4.5	6.3
AISC (A\$/oz)	1,500 – 1,750	1,520
Sustaining capital (A\$M)	40 – 45	43
Growth capital (A\$M)	18 - 21	36
Exploration & evaluation (A\$M)	22 - 26	12
Gold hedged (koz)	-	56

Group AISC is the total of on-site mining, processing and administrative costs, inventory adjustments, royalties, sustaining capital, corporate general and administration expense, less by-product credits, divided by gold sold. By-product credits include silver, lead, zinc and copper sales forecast over the outlook period.

Estimated FY21 Group AISC of A\$1,500 to A\$1,750/oz is based on reference base and silver metal prices of: lead A\$2,787/t, zinc A\$3,173/t, copper A\$8,820/t and silver A\$26/oz. Final AISC results will depend on the actual sales volumes, actual operating costs and actual prices of base metals received over the outlook period.

# Our strategic pathway

# Strategy

A targeted, returns focused, extension of strategy beyond existing assets

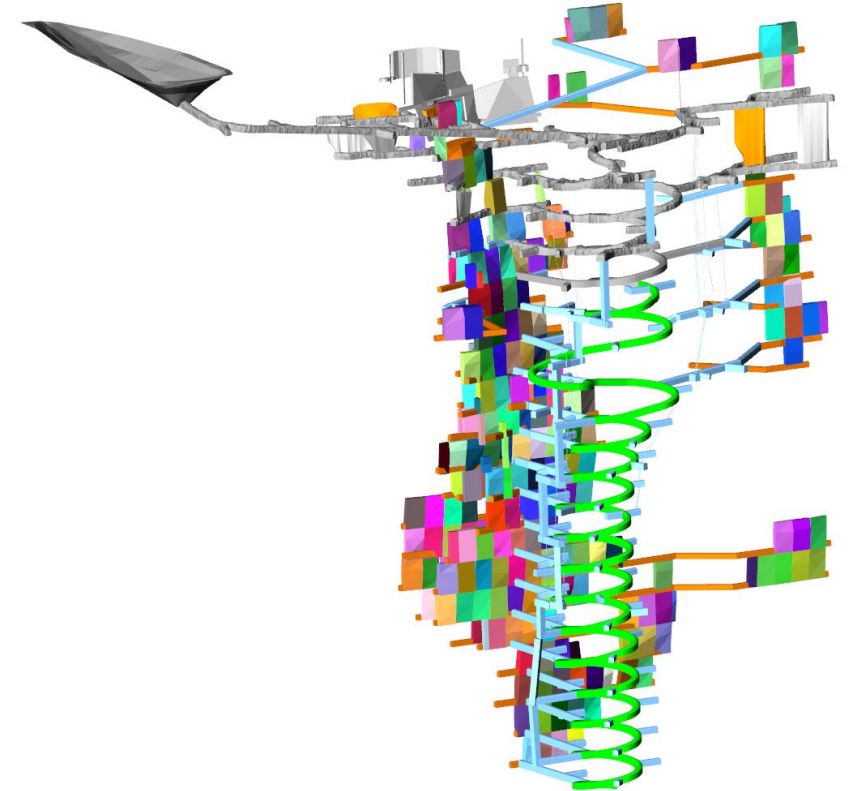
- Leverage off a strategic asset base in the Cobar Basin
- Maximise returns via mine life extensions and operating discipline driving margin
- Growth profile underpinned by financial discipline and tension for the \$ deployed to exploration and future investments
- Gold dominant, high value base metals, 'copper ready'
- 4-5 operation portfolio driving improving group cost and reserve base
- Cycle proofed mine lives and commodity mix
- Trusted and sustainable operating presence



# Dargues Gold Mine

## Strategic asset acquisition – setting the tension with group exploration

- Acquiring 100% of Dargues Gold Mine in south-east NSW<sup>1</sup>.
- Expected to produce an average of 45 - 55koz gold p.a. at average AISC of A\$1,150 - 1,350/oz over the next five years<sup>2</sup>.
- On-strategy: adds a third strategic asset, reweights portfolio further towards gold, and significantly improves group AISC profile
- Significant upside potential offered by:
  1. Mine design and process improvements identified by Aurelia
  2. Attractive extensional drill targets and life extension potential
- Purchase consideration of up to A\$205M: A\$176M cash; A\$24M shares; and contingent payment of up to A\$5M
- Fully underwritten A\$130 million capital raising



Dargues mine design

1. Full details in ASX release 13 November 2020

2. The forecast Dargues LOM schedule (with an effective start date of 1 July 2020) is based on the Production Target included in the Dargues Ore Reserves estimate report (see Appendix A of Aurelia's Investor Presentation released on 13 November 2020), adjusted for a further approx. 10% tonnage/grade dilution based on due diligence conducted by Aurelia and its independent technical advisors. The Production Target includes 17% Inferred Mineral Resources (by contained ounces). There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The LOM information including LOM average statistics has been prepared based on information that has been sourced from publicly available information about Dargues and in reliance on financial, operational and other information which has been sourced from Diversified Minerals or its representatives or associates. While steps have been taken to review that information, Aurelia has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. No representation or warranty, expressed or implied, is made as to its fairness, accuracy,

# Summary

'Sweating' our  
infrastructure and  
assets

Directing the \$ to  
the highest return

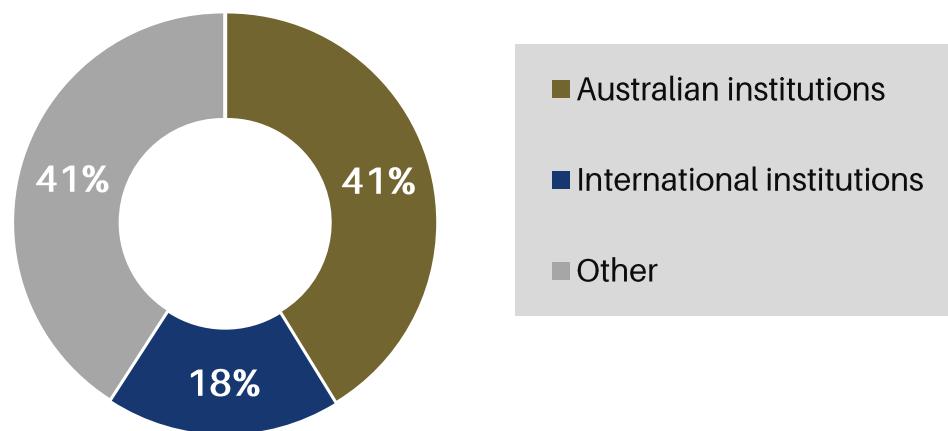
Creating long term  
value and returns  
growth

# Corporate snapshot

## Major shareholders (12 Nov 2020)

Perennial Value	6.8%
Eley Griffiths	6.1%
Platypus Asset Mgt	4.8%
Vinva	3.8%
VanEck Global	3.7%

## Shareholder register composition (12 Nov 2020)



## ASX: AMI

Share price (18 Nov 2020)	A\$0.43
Shares on issue	874 M
Market capitalisation	A\$387 M
Net cash (30 Sep 2020)	A\$105 M

## Board and management

Non-Executive Chairman	Cobb Johnstone
Managing Director and CEO	Dan Clifford

Non-Executive Directors	Lawrie Conway Susie Corlett Paul Harris
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COO	Peter Trout
CFO & Company Secretary	Ian Poole
Additional Company Secretary	Gillian Nairn