

CHAIR'S ADDRESS

2023 ANNUAL GENERAL MEETING – TUESDAY 14 NOVEMBER 2023

The last 12 months have been challenging for all at Aurelia Metals – for our Board, our employees, and our shareholders. Following a year of unacceptable performance in 2022, the Company embarked on a series of changes that I believe has provided a strong platform to deliver future enhanced value to our shareholders, while providing a safe, supportive, and rewarding environment for our employees and contractors.

There is still an enormous amount of work to do to restore our true value and deliver future growth, but I believe the ship has started to turn. We now have a foundation to deliver on our commitments of improving operational performance, develop our premier Federation Project, optimise the value of our infrastructure and mining assets in the Cobar Basin and leverage our talented, dedicated people for years to come.

At last year's Annual General Meeting, I announced three priorities for the Company that would be our focus for the year ahead:

1. Recover strong and consistent operational performance to ensure high margin, low-cost production and deliver predictable cash flows to fund future growth.
2. Ensure highly experience and skilled executives are in place to drive our performance and deliver superior value.
3. Secure a competitive funding solution to underwrite the development of our quality Federation and Great Cobar Projects.

These priorities were translated into a comprehensive and far-reaching Organisational Renewal Program comprising five strategic themes. I'm pleased to report we have seen significant progress against each of these strategies through the year.

SAFETY

Given the size and scope of the Organisational Renewal Program, maintaining safety performance through a sustained period of change was front and centre for Aurelia in FY23. We challenged our leaders to ensure the health, safety, and wellbeing of our people were not compromised during this dynamic period of change and they certainly delivered.

At the end of the financial year, we were pleased to report a group total recordable incident frequency rate of 5.13 per million hours worked, a material improvement on the previous year's figure of 8.8. This included operating the entire second half of the year with no recordable incidents.

Operations at Dargues has been a particular stand out, recording a 12-month injury free record to 30 June 2023.

For more information, contact us at:

Level 17, 144 Edward Street
Brisbane QLD 4000
office@aureliametals.com.au

GPO Box 7
Brisbane QLD 4001

07 3180 5000
aureliametals.com
ABN: 37 108 476 384

Underpinning the significant efforts to transform business performance was a comprehensive focus on looking after our workforce, some of whom are with us here today. This included safeguarding the mental health of our people, through a series of workshops and delivery of targeted support programmes.

Our efforts to ensure the health and safety of our workforce were equally matched by our drive to ensure the same outcome for the various environments in which we operate. In recognition of this effort, we were thrilled to receive the Environmental Excellence Award at the NSW Mineral Council's Health, Safety, Environment and Community Awards in August 2023.

OPERATIONAL PERFORMANCE AND CASH MANAGEMENT

Despite a difficult first half, site-by-site improvement initiatives drove achievement of FY23 Guidance, including outperformance of gold production at 86,000 ounces at an All-In-Sustaining-Cost of A\$2,315 per ounce.

At Hera, a change in the mine plan in December returned the asset to positive cash generation, marked by a very strong finish to operations in late March 2023. The mine was closed, and the surface facilities were successfully transitioned to care and maintenance in April, with much of the asset's significant infrastructure earmarked for use at the Federation Mine, as it comes online.

At the Peak Mine, Aurelia's cornerstone asset, our focus was managing costs. The transition to owner-mining concluded at the end of April 2023, resulting in a sharp reduction in mining costs that improved cash flows. Work has also commenced to improve development and further drive down costs, as we pursue better production outcomes.

The Dargues Mine continued to be a reliable, stable operation throughout the year, with efforts targeted towards increasing cash flows. In December, the NSW Department of Planning and Environment approved our application to lift processing rates 15% from 355 thousand tonnes per annum (ktpa) to 415ktpa. This allowed increased throughput rates and improved cash flows in the second half of the year.

Perhaps the most inspiring effort to improve organisational efficiency came with the introduction of the Working Smarter Program. More than 220 ideas flowed across the organisation, resulting in over A\$25 million in cost savings, deferrals and efficiency equivalent value, almost A\$16 million of which is ongoing savings, due to sustainable changes in operating methods, processes, or equipment. This beat our original A\$24 million target, demonstrating our employees are some of the most passionate in the industry when it comes to building organisational success.

At year end, together these initiatives resulted in:

- significant cash generation with earnings before interest, taxes, depreciation, and amortisation (EBITDA) of A\$55.8 million, up from A\$12 million in the first half of the year
- A\$45 million directed towards repayment of the pre-existing term loan, and a full cash-backed performance bond facility for rehabilitation
- cash at 30 June 2023 of A\$38.9 million, excluding the performance bond cash backing.

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DEVELOPMENT OF THE HIGH-GRADE FEDERATION PROJECT

A major focus for Aurelia is the optimised development of Federation. Through the year, we made important steps towards leveraging this project – one of the highest-grade base metal developments in Australia-wide production.

In October 2022, the Federation Mine Feasibility Study was released, confirming a capital efficient project that will benefit strongly from our established mine and milling infrastructure and generate impressive rates of return for our shareholders when on production.

The Project received development consent from the NSW government in March 2023 and is currently finalising secondary approvals to start mining development of ore by the first quarter of FY25.

In April 2023 we released a project update that delivered an improved and more capital-efficient path to production, which partially offset industry-wide inflationary pressures and updated the mine design to increase operational efficiency.

Project activities recommenced in June 2023 and our mining contractor safely mobilised to site and recommenced development in August 2023. In October 2023, we were very pleased to announce the mining lease for the operation had been granted. With only six years from the first discovery hole to the commencement of stoping, Federation will be one of the fastest development projects delivered in NSW in recent history.

FEDERATION FUNDING

A key activity through the year was delivery of a flexible and competitive funding package to transform the Company's balance sheet. The effort to secure the best solution for our business and to protect shareholder value was significant and far-reaching. A range of options were reviewed through a comprehensive analysis. Despite the tough economic environment, characterised by climbing interest rates, the Aurelia team was successful in delivering a cost effective and comprehensive solution while managing the repayment of our existing debt facility.

On 31 May 2023, we were pleased to announce the execution of a new ~A\$100 million financing facility with Trafigura Pte Ltd (Trafigura) comprising a US\$24 million Loan Note Advance and a A\$65 million Performance Bond Facility. To accompany the Trafigura facilities, Aurelia completed a A\$40 million equity raising, with receipt of proceeds from the institutional placement and entitlement offer received in June 2023. Proceeds from the retail entitlement offer were received in July 2023.

The Trafigura facilities reached financial close in August, thereby providing the Company with a sound balance sheet to enable us to complete this development – a major achievement and turnaround from the previous year.

EXPLORATION

Whilst not specifically part of the five key initiatives I've discussed today, our exploration efforts have continued to demonstrate the strong prospectivity of the Cobar Basin for further discoveries, and future growth in our Mineral Resources and Ore Reserves.

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In August 2023, we announced an underlying increase of 8% in our Group Ore Reserve to 5.5Mt. This result is inclusive of all mining depletion but does exclude the impact from removing Hera post closure. Our exploration efforts have ramped up in FY24 with an appropriate budget aimed at continuing to add to our significant resource base and growth pipeline.

Bryan will describe this further in his presentation.

LEADERSHIP RENEWAL

While initiatives to lead the business turnaround were designed and implemented, it was critical the Board's focus turned to securing highly capable executives to ensure the change could be sustained.

These efforts began with the appointment of Martin Cummings as the Company's new Chief Financial Officer. Martin is a highly experienced mining executive with over 25 years' financial, commercial, treasury and investor relations experience. This experience served us well in the pursuit of the Trafigura financing facility, which Martin secured to fully fund the business and protect the outstanding rates of return on offer from the Company's growth projects. Following the departure of our Managing Director and Chief Executive Officer, Dan Clifford in November 2022, Andrew Graham was appointed Interim Chief Executive and effectively led the turn round in Company performance in a highly skilled and committed way. Andrew did an outstanding job in this position and the Board extends its thanks for his dedication and professionalism during his time in this role.

In June 2023, the Board was pleased to announce the appointment of a new Managing Director and Chief Executive Officer, Bryan Quinn. Bryan's extensive experience at BHP and OZ Minerals in business improvement, operational excellence and project delivery, comprised the ideal background to help Aurelia deliver its exciting development projects, while optimising value and performance of its existing assets. Bryan has already had a significant impact in defining our ongoing strategy and further addressing improvement in our operational performance. With Bryan's appointment, Andrew has taken up an expanded role in driving growth for the organisation as our Chief Development and Technical Officer.

In line with a laser focus on cost control and ensuring we have a Board with the appropriate skill sets to continue to rebuild shareholder confidence and value, I would like to signal that over the coming months, the size of the Board will reduce by at least two Directors. This in no way reflects the considerable contribution made by individual directors over the past few years but embraces the reality that the Board needs to shrink to a size appropriate to the complexity of the organisation. These changes will be announced in the coming few months, as an orderly transition is made in responsibilities.

As I close, I would like to thank my fellow Board members and key executives for leading the change that was required in FY23 to set us up for future success.

Great teams are made during tough times, and all that was achieved in the last 12 months could not have been done without the dedication of the entire Aurelia workforce. I'm very proud to say employee commitment was the hallmark of a significant business turnaround and a sign of great things to come. Thank you to each and every one of you.

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Finally, I would like to convey my sincere appreciation to our shareholders for your support. I speak on behalf of the entire Board when I say that we look forward to continuing to deliver on what we say in rebuilding the value of Aurelia in FY24.

Thank you.

Peter Botten, AC, CBE

Chair, Aurelia Metals

This announcement has been authorised for release to the ASX by the Board of Aurelia Metals.

For further information contact:

Leigh Collins

Group Manager Commercial and Investor Relations
Aurelia Metals
+61 7 3180 5000

Media contact

Michael Vaughan
Fivemark Partners
+61 422 602 720

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 Cost 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).

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