

Quarterly Activities Report

FOR THE PERIOD ENDED 31 MARCH 2020

Aurelia Metals Limited (ASX: AMI) (**Aurelia** or the **Company**) advises of the release of its quarterly activities report for the period ended 31 March 2020.

KEY POINTS

- Group gold production of 14.3 koz at AISC of A\$2,996/oz (Dec quarter: 15.3 koz at A\$1,960/oz).
- While underlying per tonne costs decreased at both sites, the AISC increase was driven by a 24% reduction in gold sales (production -6%), and lower base metal sales volumes and prices (including QP pricing adjustments).
- Operations impacted by implementation of extensive COVID-19 prevention and response measures, and temporary Peak shaft outage.
- Peak plant upgrade fully operational, on time and in-line with capex guidance.
- High grade extensional drilling success to the northeast at Federation; targeting maiden Federation resource estimate by mid-2020.
- High grade gold mineralisation intercepted from drilling in Peak North prospect.

OPERATING SNAPSHOT

		Mar-2020	Dec-2019	% chg QoQ	Sep-2019	FY20 YTD
PEAK						
Ore processed	t	124,605	132,123	-6%	138,862	395,590
Gold head grade	g/t	1.80	1.12	61%	4.42	2.49
Gold produced	oz	6,616	4,206	57%	18,772	29,594
All-In-Sustaining Cost (AISC)	A\$/oz	4,339	3,035	43%	764	1,985
HERA						
Ore processed	t	106,839	111,192	-4%	88,716	306,748
Gold head grade	g/t	2.60	3.49	-26%	4.15	3.38
Gold produced	oz	7,688	11,068	-31%	10,535	29,291
All-In-Sustaining Cost (AISC)	A\$/oz	1,662	1,113	49%	1,149	1,261
GROUP						
Gold production	oz	14,304	15,274	-6%	29,307	58,885
Gold sold	oz	14,046	18,378	-24%	30,747	63,171
Copper production	t	871	1,923	-55%	1,590	4,384
Lead production	t	4,657	3,240	44%	6,877	14,774
Zinc production	t	5,921	3,695	60%	5,004	14,620
Group AISC	A\$/oz	2,996	1,960	53%	988	1,717

See overleaf for AISC definition detail. Percentage change denoted in green is beneficial movement and red is detrimental movement.

Key drivers

- Group Total Recordable Injury Frequency Rate (TRIFR) was 14.3 (December quarter: 12.2). Ongoing strong focus on management of fatal risk and injury performance.
- Extensive measures implemented to minimise the risk of potential transmission of COVID-19 at Aurelia's work sites and surrounding communities. The underlying principle of the measures taken is based on the platform of 'small, consistent and traceable' work teams. The implementation of these measures has, and will continue to, impact operational productivity in some key areas (especially underground mining operations).
- Shaft hoisting operations at the Peak Mine were halted in March to investigate a fault that was detected in the conveyance guide system. Remedial works were performed on the guide rope system and normal ore hoisting operations recommenced in late March, with man-riding operations restarting in April.
- Lower gold production relative to prior quarter due to lower grade stopes at Hera and reduced Peak throughput from plant upgrade tie-ins and shaft outage. Higher zinc and lead production, and lower copper production, driven by transition to Pb/Zn rich ore sources at Peak following plant upgrade.
- While underlying per tonne site operating costs decreased slightly across both operations, reported All-In-Sustaining Cost (AISC) increased due to lower gold sales (denominator effect; +A\$605/oz delta), and lower base metal sales volumes and prices (including quotational period (QP) pricing adjustments) (+A\$856/oz delta).

Figure 1: Group gold and base metals production

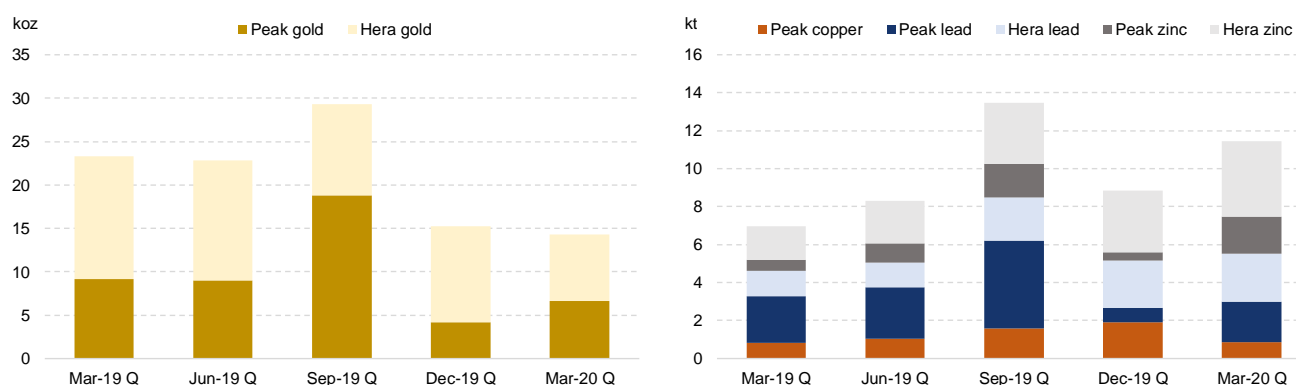
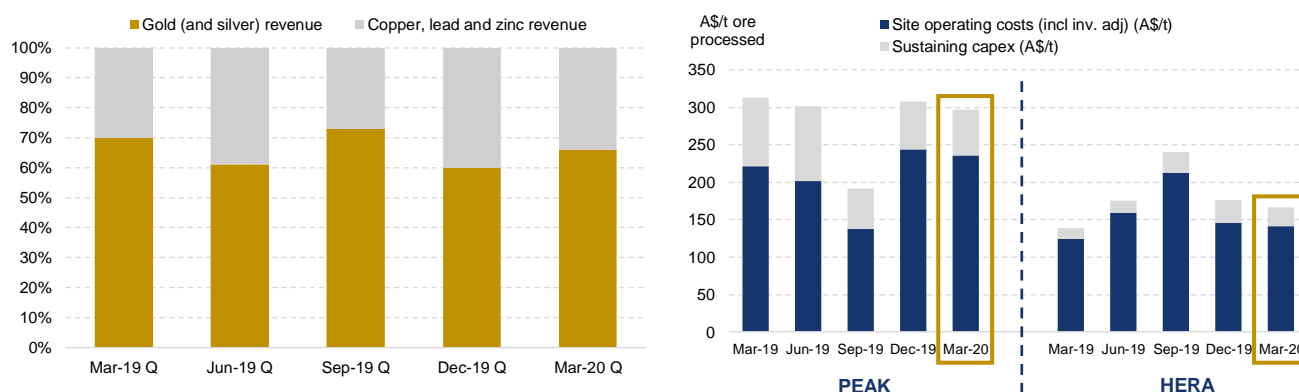


Figure 2: Revenue composition (excl. hedging) and underlying site cost performance



Peak Mines, NSW (100%)

Production and costs

The March quarter was impacted by the final tie-in of the Pb/Zn circuit in the mill and the disruption to shaft operations in late March. Overlaying this were effects from the operational COVID-19 prevention / response measures introduced. There was also a minor planning alteration based on the results of stope definition drilling and geotechnical assessment that impacted scheduled stope turnover rates.

The production mix change from the prior quarter reflected the transition in ore sources processed following commissioning of the plant upgrade. Polymetallic ores from the Chronos and S400 zones contributed a higher proportion of mill feed. Planned stope production from the Chronos, S400 and Hinge zones is expected to increase average processed NSR during the June 2020 quarter.

Table 1: Key Peak operating metrics

PEAK		Mar-2020	Dec-2019	% chg QoQ	Sep-2019	FY20 YTD
MINING AND PROCESSING						
Ore mined	t	149,379	138,201	8%	122,489	410,069
Ore processed	t	124,605	132,123	-6%	138,862	395,590
Gold mill grade	g/t	1.80	1.12	61%	4.42	2.49
Copper mill grade	%	0.77%	1.57%	-51%	1.20%	1.19%
Lead mill grade	%	2.15%	0.57%	277%	4.04%	2.28%
Zinc mill grade	%	2.07%	0.38%	445%	2.36%	1.61%
METAL PRODUCTION						
Gold recovery	%	91.9%	88.4%	4%	95.2%	93.4%
Gold produced	oz	6,616	4,206	57%	18,772	29,594
Copper produced	t	871	1,923	-55%	1,590	4,384
Lead produced	t	2,136	730	193%	4,601	7,467
Zinc produced	t	1,954	435	349%	1,803	4,192
AISC						
Gold sold	oz	6,238	6,902	-10%	17,958	31,098
Operating costs (incl royalties)	A\$M	33.8	37.8	-11%	23.3	94.9
Sustaining capital	A\$M	7.6	8.5	-11%	7.5	23.6
By-product credits	A\$M	-14.4	-25.0	-42%	-17.1	-56.5
All-In-Sustaining-Cost (AISC)	A\$/oz	4,339	3,079	41%	764	1,985

Explanatory notes

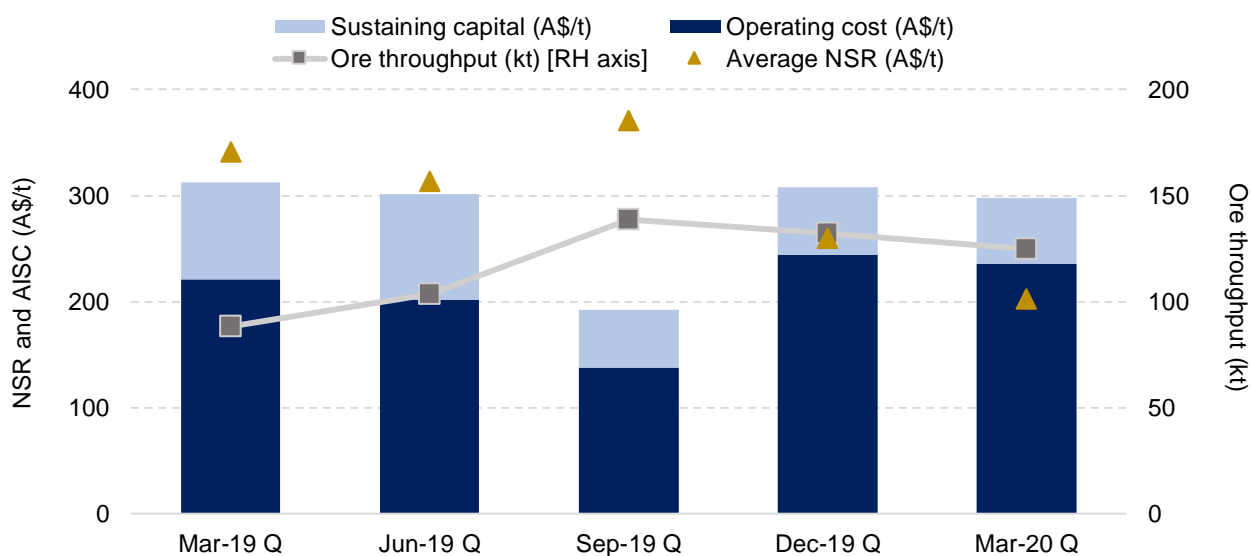
AISC per ounce is the total of site mining, processing, and G&A costs, concentrate transport and refining, third party smelting/refining, royalties, sustaining capital and lease payments, and net inventory adjustments less by-product credit revenues and then divided by gold ounces sold. Group AISC further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

Plant throughput was lower than the prior quarter due to planned downtime to connect new sections of the upgraded circuit and unplanned downtime as a result of the hoisting disruption.

The improvement in gold recovery relative to the prior quarter reflected the increase in processed gold grade. Following the plant circuit upgrade becoming operational, Peak also made its first shipment of zinc concentrate during the quarter.

A total of 1,585 m of lateral development was achieved during the quarter (Dec quarter: 1,651 m). Decline development continued towards the high grade Kairos zone. In total, 436 m of the decline was complete at quarter end, with a further 214 m required to access the Kairos zone ahead of ventilation and services installation. Raise boring of the internal ventilation shafts for the Kairos zone is planned to commence during the June 2020 quarter.

Figure 3: Peak throughput, revenue and underlying costs



Explanatory notes

Ore throughput is processed ore and key denominator. NSR is equal to gold ounces sold multiplied by gold price realised (ex hedging) plus total by-product credit revenues minus royalties, concentrate transport and refining, and third party smelting/refining. Operating cost includes mining, processing, site admin and net inventory adjustments. Sustaining capital includes sustaining capital and sustaining leases.

Underlying per tonne site operating costs and sustaining capital expenditure were slightly lower on the prior quarter.

Widespread rainfall has alleviated concerns over prolonged drought conditions. The Burrendong Dam high security water supply increased from 2.1% last quarter to 15.9% at 15 April 2020. The Company has continued to establish reliable water supply as an alternative to high security water from Burrendong Dam. Pumping and usage of water from the historic Great Cobar underground mine commenced during the quarter.

Growth and exploration

The A\$53M upgrade of the Peak ore processing circuit was commissioned on time and within budget during the quarter. The upgraded Peak process plant is fully operational and has flexibility to produce gold doré and separate copper, lead and zinc concentrates at higher throughput rates from high-grade gold and/or base metal feed.

Exploration and resource extension drilling continued at the Peak Mine during the quarter, with the main targets being the Peak North prospect and below the Kairos lode. Strong gold mineralisation was intercepted 150 m north of the Peak Mine workings (Peak North prospect), including 9 m at 17.7g/t Au, 5 m at 28.4 g/t Au and 9 m at 6.6g/t Au (see ASX release dated 10 February 2020). Exploration at Peak North is ongoing.

Assay results for the first deep surface hole (UD19PK0142A), aimed at testing the prospective corridor below the Kairos lode, were received during the quarter. A number of zones of modest copper mineralisation and elevated gold grade were returned (see ASX release dated 2 April 2020). An underground infill drilling program was also completed during the quarter in the upper portions of the Kairos lode. Assays are currently pending for this program, with the drill core obtained to be used for confirmatory metallurgical test work ahead of targeted underground access to the Kairos mineralisation.

Hera Mine, NSW (100%)

Production and costs

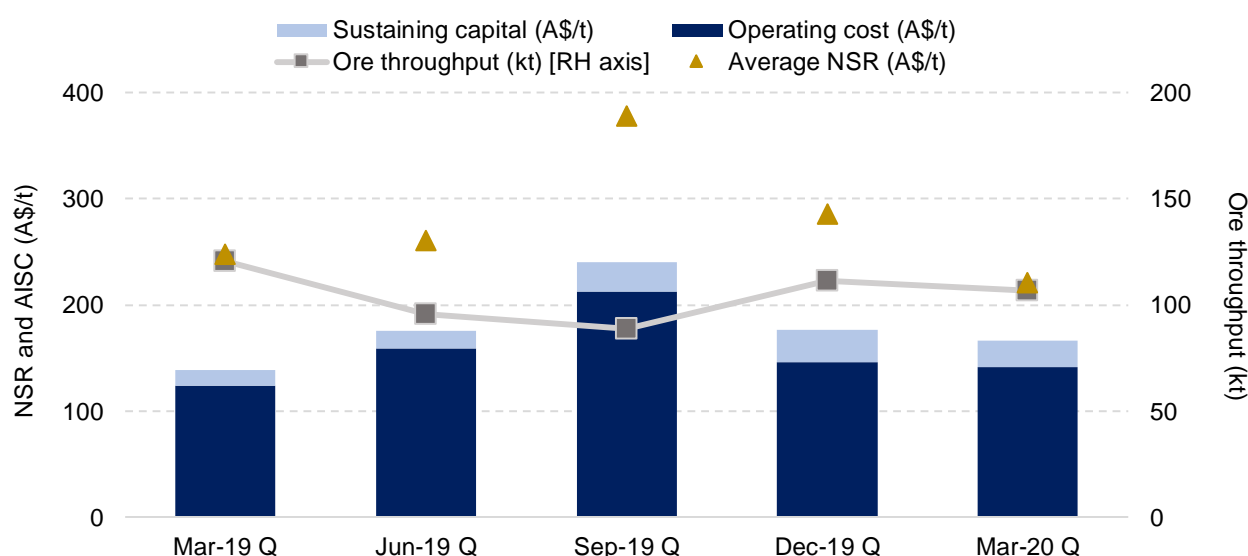
Lower gold grade drove the reduction in average processed NSR and gold production relative to the prior quarter. This was due to ore production from lower gold grade stoping areas in the North Pod and Far West zones. Gold grade and average processed NSR are expected to lift in the June quarter.

Table 2: Key Hera operating metrics

HERA		Mar-2020	Dec-2019	% chg QoQ	Sep-2019	FY20 YTD
MINING AND PROCESSING						
Ore mined	t	105,470	106,583	-1%	95,580	307,632
Ore processed	t	106,839	111,192	-4%	88,716	306,748
Gold mill grade	g/t	2.60	3.49	-26%	4.15	3.38
Lead mill grade	%	2.56%	2.51%	2%	2.85%	2.63%
Zinc mill grade	%	3.96%	3.21%	23%	3.96%	3.69%
METAL PRODUCTION						
Gold recovery	%	85.9%	88.6%	-3%	88.9%	87.7%
Gold produced	oz	7,688	11,068	-31%	10,535	29,921
Lead produced	t	2,521	2,510	0%	2,276	7,307
Zinc produced	t	3,967	3,259	22%	3,201	10,428
AISC						
Gold sold	oz	7,808	11,476	-32%	12,789	32,073
Operating costs (incl royalties)	A\$/M	23.5	23.9	-2%	27.1	74.5
Sustaining capital	A\$/M	2.7	3.4	-21%	2.4	8.5
By-product credits	A\$/M	-13.1	-14.5	-10%	-14.8	-42.5
All-In-Sustaining-Cost (AISC)	A\$/oz	1,662	1,113	49%	1,149	1,261

Throughput reduced slightly in response to process bottlenecking from the higher base metal feed grade, partly offset by improved plant availability. Gold recovery reduced slightly to 86% with the lower gold grade.

Figure 4: Hera production, revenue and underlying costs



Underlying per tonne site operating costs and sustaining capital expenditure were slightly lower on the prior quarter.

Pumping from the historic underground Nymagee Mine commenced during the quarter following completion of pipeline construction. Other alternative water sources have also been established including new groundwater production bores.

Growth and exploration

Exploration during the quarter was focused on the Federation deposit with new results significantly extending known mineralisation in the northeast zone. A number of exceptionally high grade gold and base metal intercepts were returned including 15.4 m at 47.4% Pb+Zn & 10.7g/t Au, 18.6 m at 49.2% Pb+Zn & 1.1g/t Au and 10 m at 40.5% Pb+Zn & 5.9g/t Au (see ASX release dated 2 April 2020). Aurelia also released shallow high grade results from the same area including 10 m at 24.4% Pb+Zn & 14.2g/t Au (see ASX release dated 10 February 2020).

The latest results have confirmed a contiguous, steeply-plunging zone in the northeast of the Federation deposit defined by high grade massive and semi-massive sulphide mineralisation and variable moderate to high grade gold intercepts. Exploration is continuing at Federation, with ongoing drilling to test the depth extent of the system.

Aurelia has invested strongly in underground and surface drilling around the Hera operation over the last two years, with the key objective being ongoing replacement of reserves depleted by mining. This drilling has delivered considerable success in the high grade North Pod lens with significant new mineralisation identified both up- and down-plunge that now forms part of Hera's existing reserve base.

Significant areas of new base metal mineralisation have also been identified south of the Hera Mine at Hebe (see ASX release dated 18 December 2018) and Main Southeast (see ASX release dated 4 September 2019). While Hebe and Main Southeast remain prospective for further mineralisation, the relative absence of appreciable gold at either prospect, and the significant additional development required to access these areas, suggests that these areas are unlikely to add to the Hera reserve base in the short term.

Discovered 12 months ago, Aurelia believes that the Federation deposit, located 10 km to the south of Hera, is the most prospective source of additional future feed for the processing plant beyond the current underground operations at Hera.

The Company is targeting the release of a maiden resource estimate for the Federation deposit by mid-2020. In addition, baseline environmental studies are planned to commence in the June 2020 quarter with biodiversity, heritage and groundwater data collection workstreams. Mineralogical and metallurgical test work will continue, and potential mining and processing options are being evaluated.

Cashflow and hedging

Group sales revenue for the quarter was A\$54.3M, split approximately 66% from sale of precious metals and 34% from copper, lead and zinc sales.

Realised gold price (excluding hedging) for the quarter was A\$2,425/oz (Dec quarter: A\$2,167/oz). Delivery of 9 koz of hedged gold at an average price of A\$1,911/oz was made during the quarter (for a realised loss of A\$4.9M). Realised copper, lead and zinc prices were down 9%, 12% and 17% respectively relative to the prior quarter.

While underlying per tonne site operating costs decreased slightly across both operations during the quarter, reported AISC increased to A\$2,996/oz due to lower gold sales (+A\$605/oz delta), and lower base metal sales volumes and prices (including QP pricing adjustments) (+A\$856/oz delta).

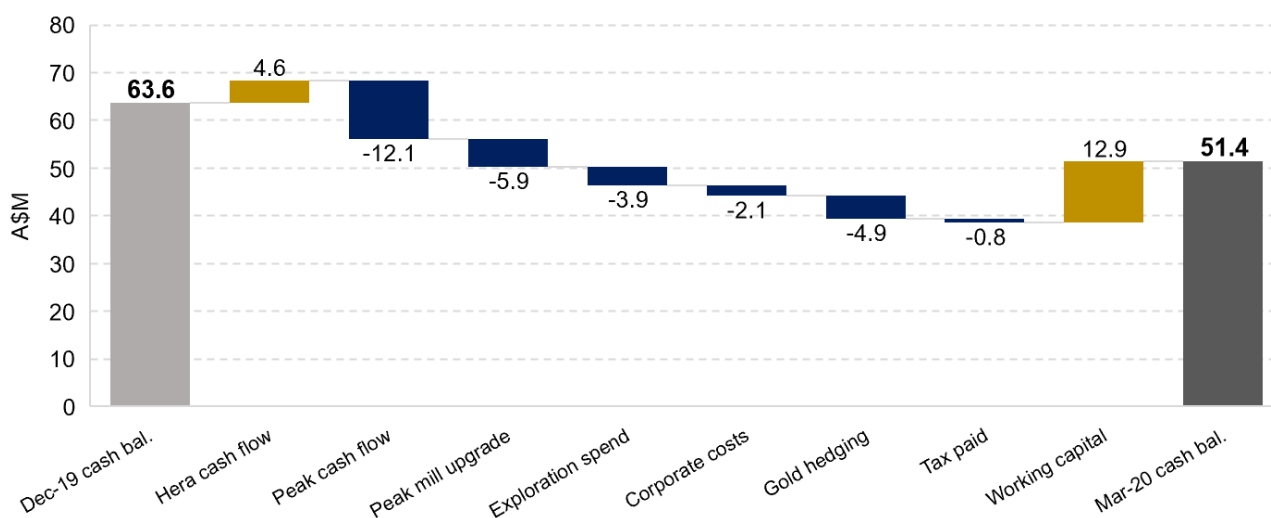
Figure 5: AISC composition

OPERATING COSTS AND AISC		Peak	Hera	Group	Dec-19 Q	% chg QoQ
Mining	A\$000	18,746	7,534	26,280	23,100	14%
Processing	A\$000	8,448	7,701	16,148	17,743	-9%
Site G&A	A\$000	2,328	1,154	3,482	3,351	4%
Concentrate transport and refining	A\$000	1,783	2,158	3,942	4,075	-3%
Net inventory adjustments	A\$000	-106	-1,306	-1,412	4,232	-133%
Royalties	A\$000	549	1,043	1,592	2,702	-41%
Third party smelting / refining	A\$000	2,074	5,184	7,258	6,454	12%
By-product credits	A\$000	-14,381	-13,149	-27,530	-39,551	-30%
Sustaining capital	A\$000	6,836	1,877	8,713	10,366	-16%
Sustaining leases	A\$000	790	782	1,573	1,554	1%
Corporate admin / general	A\$000			2,029	2,301	-12%
All-In-Sustaining-Cost (AISC)	A\$000	27,067	12,979	42,076	36,328	16%
AISC	A\$/oz	4,339	1,662	2,996	1,977	52%
Growth capital	A\$000	7,193	2,572	9,765	16,975	-42%

Explanatory notes

The timing of base metal shipments creates volatility in reported AISC due to timing of revenue recognition for base metal by-product credits and concentrate inventory movements. Numbers are provisional and subject to change. Percentage change denoted in green is beneficial movement and red is detrimental movement.

Figure 4: Quarterly cashflow waterfall



Explanatory notes

Peak and Hera cashflow figures are after sustaining capital expenditure. Total growth capital expenditure is represented by the Peak mill upgrade and exploration spend items.

The gold hedge book at 31 March 2020 was 9 koz at A\$1,912/oz. All hedged volumes are due for delivery by 30 June 2020.

Corporate

Cash in bank at quarter end was A\$51.4M (A\$63.6M at 31 December 2019). Aurelia had no debt (other than usual creditor balances) at quarter end.

During December 2019, Aurelia restructured its environmental guarantee facility. The A\$50M syndicated facility is provided by Investec and ANZ. As at 31 March 2020, the Company had utilised A\$37M of the

facility to back existing environmental bonding requirements.

In light of the COVID-19 pandemic Aurelia considered it prudent to commence discussions with its banks during the quarter in relation to establishing a working capital facility. This move is designed to further strengthen the Aurelia balance sheet and operating liquidity, and deliver additional contingency in the event of accentuated and/or lengthy operating impacts stemming from COVID-19.

Mineral inventory and life-of-mine (LOM) planning

Aurelia is currently undertaking a detailed LOM planning analysis as part of its annual Ore Reserve and Mineral Resource review process.

The key objective of this exercise is to evaluate a range of strategic operating and development scenarios over the life of Aurelia’s operations. This is targeted at driving maximisation of returns from existing mineral inventory (and areas of expected future growth in mineral inventory) combined with the Company’s diversified processing and infrastructure base.

COVID-19 environment and June 2020 quarter outlook

The COVID-19 environment and resultant operating restrictions and requirements underpin a lower level of predictability in the business. As a result of this, Aurelia does not believe that it is able to accurately forecast June 2020 quarter production and costs at the Hera and Peak operations.

However, it is expected that June 2020 quarter production will be a general improvement on the March 2020 quarter result.

Preliminary group production figures for the month of April are:

- Gold: 5.8 koz
- Copper: 0.54 kt
- Lead: 2.2 kt
- Zinc: 1.1 kt

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 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 FY19, we produced 117,521 ounces of gold at a group all-in sustaining cost (AISC) of A\$1,045 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).

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.

APPENDIX: DETAILED QUARTERLY PHYSICALS

TABLE A - Quarterly Summary

Aurelia Metals - Mar 20 Qtr Summary	Units	Hera	Peak	Group
Ore Mined	t	105,470	149,379	254,849
Mined Grade - Gold	g/t	2.65	1.71	2.10
Mined Grade - Silver	g/t	24.62	15.95	19.54
Mined Grade - Copper	%	0%	0.79%	0.46%
Mined Grade - Lead	%	2.42%	1.93%	2.13%
Mined Grade - Zinc	%	3.86%	1.81%	2.66%
Ore Processed	t	106,839	124,605	231,445
Processed Grade - Gold	g/t	2.60	1.80	2.17
Processed Grade - Silver	g/t	25.77	17.65	21.40
Processed Grade - Copper	%	0%	0.77%	0.41%
Processed Grade - Lead	%	2.56%	2.15%	2.34%
Processed Grade - Zinc	%	3.96%	2.07%	2.94%
Gold recovery	%	85.9%	91.9%	
Silver recovery	%	89.1%	73.0%	
Copper recovery	%	0.0%	90.7%	
Lead recovery	%	92.0%	79.9%	
Zinc recovery	%	93.7%	75.9%	
Gross Metal Production				
Gold production	oz	7,688	6,616	14,304
Silver production	oz	78,858	51,611	130,468
Copper production	t	-	871	871
Lead production	t	2,521	2,136	4,657
Zinc production	t	3,967	1,954	5,921
Payable Metal Production				
Gold production	oz	7,688	6,349	14,037
Silver production	oz	43,781	40,733	84,514
Copper production	t	-	758	758
Lead production	t	2,170	1,766	3,936
Zinc production	t	3,032	1,170	4,201
Concentrate Production				
Cu Concentrate production	dmt	-	3,474	3,474
Pb Concentrate production	dmt	-	3,874	3,874
Bulk Pb/Zn Conc production	dmt	11,692	3,090	14,783
Sales				
Gold dore & gold in Conc sold	oz	7,808	6,238	14,046
Silver dore & silver in Conc sold	oz	48,151	38,987	87,138
Payable Copper sold	t	-	1,222	1,222
Payable Lead sold	t	2,044	1,283	3,327
Payable Zinc sold	t	2,641	217	2,858
Prices				
Gold price achieved	A\$/oz	2,415	2,437	2,425
Silver price achieved	A\$/oz	23	23	23
Copper price achieved	A\$/t	-	7,781	7,781
Lead price achieved	A\$/t	2,557	2,627	2,584
Zinc price achieved	A\$/t	2,586	2,769	2,600