

CHAIRMAN'S ADDRESS

AMI 2022 ANNUAL GENERAL MEETING – TUESDAY, 22 NOVEMBER

Dear Shareholders

After two years of virtual AGMs, it is a pleasure to welcome you to our first hybrid AGM. I would like to acknowledge our many shareholders online, as well as those who have made the effort to meet with us in-person to discuss Company performance and hear about our plans for Aurelia Metals.

I know ensuring a strong future for our Company is something on which we are all keenly focussed, given our unacceptable performance in 2022. Today I want to address some of the operational issues we have faced over the last year, as well as update you on the wide-ranging programs that have been put in place to improve performance and capital management. These programs are already delivering results and signal a sharp turnaround in underlying performance.

I also want to convey the compelling opportunity offered by our Cobar development portfolio, and in particular, the outstanding Federation Project, where our discussions on project funding are now well progressed.

It is with determination we pursue three leading priorities as we close the chapter on FY22:

- One, recover performance at the mines to ensure high margin, low cost production that delivers cashflows to fund future growth. We need to predictably deliver on budgets and guidance and rebuild the confidence of our shareholders and financiers in the ability of the Company to deliver operational and financial objectives.
- Two, ensure highly skilled, capable leaders are at the helm of the Company to successfully achieve value adding growth, and
- Three, deliver a competitive funding solution to commence development of what is our highest in-situ value asset, Federation.

I hope after today you will leave confident your Company is in good hands, with a clear pathway to strong shareholder returns over the next 12 – 18 months.

FY22 Performance

First, let us look back on the year that was. With the veil of COVID lifted, the Company is pleased to emerge with an improved safety record with a Lost Time Injury Frequency Rate of 8.75. The result represented a further year-on-year reduction. This result is still not good enough. No one should come to work and be injured in any way whilst at the workplace. Our safety journey, physical and mental is a real focus for the whole organisation, with our target of moving to class leading performance.

Our performance in safety was even more important this year, given the external distractions of a rapidly escalating cost environment, supply chain challenges and an extremely tight labour market, with high turnover of staff and contractors. On their own, these factors provided a complex landscape

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for Aurelia's operations, but when combined with lower-than-expected metal production and disappointing gold grades at the Peak and Dargues Mines, the impact on our cashflows was significant.

In March, Aurelia declared a substantial impairment at Dargues, in recognition of reduced forecast average gold grades and thus overall reduction in life-of-mine inventory. The Board recognises shareholders would have been bitterly disappointed with this result and acknowledges the work needed to ensure the right expertise and diligence is applied in future business development undertakings.

At year end, our cash position was \$76.7M. Acknowledging the weak performance in the September quarter, efforts are being redoubled as part of our performance recovery to ensure improved cash generation and cost control across all our assets.

Significant Progress Executing Growth

We remain extremely excited by the potential of the Federation and Great Cobar Complex. These developments will progressively move the Company to a base metals focus over the next few years, growing Aurelia into one of the few diversified mid-cap base metals producers.

At Federation, perhaps the highlight of the year was the substantial progress made towards development of this exceptional asset. At year end, surface works were 90% complete with the boxcut in place and the portal awaiting first blast for development of the exploration decline. Since then, even more work has been completed and we are now 90m underground.

During the year, a large body of work was undertaken to progress and finalise the Federation Feasibility Study, which was released on 10 October 2022. The Study reveals the significant value opportunity that Federation represents to Aurelia shareholders. At 16.7% zinc equivalent Ore Reserve grade and a Net Present Value ranging from \$186M - \$415M¹, it is truly a fantastic asset. I can confirm while the project remains paused to ensure a fit-for-purpose funding solution, the whole team stands waiting to remobilise and continue developing this world-class mine. Further optimisation of the capital cost and mining plan continues.

Following the targeted development of Federation, we plan to direct our growth efforts to the Great Cobar deposit, which is expected to underpin Peak's future as a material copper producer. In January, the Company released a Pre-Feasibility Study demonstrating a robust technical and economic case for a low-risk brownfield development of the copper-rich Great Cobar deposit. Later in March, full Development Consent was received from the NSW Government to develop Great Cobar. We are excited by the opportunity to bring one of Australia's highest grade copper projects into production and a Feasibility Study will be prepared to ensure the Project will be executed in a way that realises the full value of this outstanding asset.

Both Federation and Great Cobar will benefit strongly from our substantial and established mine and milling infrastructure, providing our shareholders with low-cost, capital efficient growth.

The discovery of Federation and Great Cobar are evidence Aurelia has one of the most successful exploration programs in the industry combined with perhaps the most coveted ground position in the region. In FY22, the team continued to deliver with some of the best drill results delivered to date at Federation, Great Cobar, and the Kairos deposit at Peak. These results contributed to the 5% year-on-

¹ See AMI ASX release on 10 October 2022 "Federation Feasibility Study Outcomes".

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year growth in Mineral Resources to 29Mt, and a 45% increase in Great Cobar Resource tonnage to 7.7Mt.

Strategic Priority 1 – Performance Recovery

With our sights firmly focussed on turning this organic growth into shareholder returns, it is imperative we recover our operating performance to increase cashflows; and as we go forward this is our first strategic priority.

To do this, we have implemented a range of internal programs to improve operational performance, as well as an external review of cost efficiencies and management. Our objective is to deliver predictable superior operating performance, which delivers on budget and guidance product volumes and revenues. This will drive increased value and improve our ability to fund growth, including the financing and completion of the development of Federation, followed by Great Cobar.

We must rebuild confidence with our shareholders and financiers by showing we can deliver what we say. With this in mind, we have brought in further expertise, including a team from KPMG to aid management in reviewing operating efficiencies, optimising our mining and processing infrastructure, as well as improving cashflow management, cost control and budgeting. We also continue to optimise the development plans for Federation.

Today, approximately halfway through the second quarter of FY23, performance is on track with guidance. It is expected to continue to improve, particularly in relation to costs, as we start to see the benefit of our intervention programs at the sites. Today, Andrew will take us through these plans in more detail.

We look forward to reporting our December Quarter physicals and cost outcomes in January, and progressively demonstrating the projected success of our performance improvement plans.

Strategic Priority 2 – Leadership Renewal

Following the departure of Dan Clifford, a global executive search for new CEO is underway, as the Company prepares to take the world-class Federation Project from development into production.

A key priority for the appointee will be to unlock further value at Federation, via optimising the mine design and development, as well as a broader review of the Company's extensive assets and infrastructure in the Cobar Basin to deliver improved shareholder returns.

While recruitment for a permanent CEO is underway, Andrew Graham, Aurelia's current General Manager (Growth) will step into the role as Interim CEO. Andrew is a highly regarded mining professional, with a broad range of operating and development experience with companies including BHP, Oz Minerals, Zinifex and MMG. Andrew will be a strong pair of hands, as we work through the transition to a new CEO.

The recent appointment of Martin Cummings as Chief Financial Officer is also part of the Board's plan to ensure we have the right skillsets at the helm of the Company. Martin is well qualified to help manage our capital and future funding arrangements, as part of our third strategic priority moving forward.

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Strategic Priority 3 – Federation Funding

Running in parallel with our performance recovery program is the workstream to arrange and deliver the best funding solution for what are the exceptional rates of return offered by developing Federation. Discussions with multiple potential counterparties have taken place and we are well advanced in finalising a funding structure we believe is balanced, efficient and cost-effective. This structure also minimises our exposure to the challenges of inflation and supply chain delivery, whilst optimising the value of our existing infrastructure in the Cobar area. We are targeting finalisation of the funding structure in the first quarter of CY2023, and subsequently remobilising to the Federation site as quickly as possible thereafter.

With returns from our organic growth portfolio now clearly in sight, the Board has chosen not to pay a dividend this year and continue towards achieving first cashflows from Federation followed by Great Cobar.

In closing, I would like to thank our local communities, suppliers and other stakeholders for their commitment and support. Our relationships with all who have a vested interest in our business continue to flourish, as we mature our sustainable foundation. While much was achieved this year in the space of diversity and inclusion, climate change, First Nations engagement and consultation with community groups, I hope to see even greater advances as we move forward through FY23.

My sincere appreciation is extended to the dedicated people of Aurelia Metals. You have consistently stepped up through the trying circumstances of the pandemic over the past two of years and you continue to support the Company's operational delivery and growth ambitions.

Thank you to my fellow Directors, inclusive of Lawrie Conway who recently departed Aurelia, after five years of service and stewardship of the Audit Committee. Newly appointed non-executive director Bruce Cox has stepped into this role, and I also thank him for coming up to speed so quickly. I would like to thank Dan Clifford for his tireless dedication in leading Aurelia over the last three or so years. There are few CEOs I have met over the years who have worked harder than Dan in addressing the many challenges the Company has faced over this time. I wish him well in the future. I would also like to thank our soon to be retiring Company Secretary and Chief Financial Officer, Ian Poole for all his hard work in managing our accounts, financing arrangement and company secretarial services over the last three years. Again, I wish him well in the future.

Finally, I would like to leave you with the knowledge that every single member of the Aurelia team is intently focussed on three things – the safety of our employees and contractors will always be our first priority, a return to operational excellence across our business, and optimising our value creating Federation and Great Cobar developments, with delivery of an appropriate cost-effective, supportive financing. We believe together, delivery of these outcomes will result in a significant and appropriate recalibration in the market value of your business.

We look forward to delivering strong results for you in 2023.

Peter Botten
Chairman, 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 and three operating mines in New South Wales (NSW). The Peak and Hera mines are located in the Cobar Basin in western NSW, and the Dargues mine in south-eastern NSW.

Our vision is to be a mining business recognised for creating exceptional value through our people and a portfolio of base metals and gold assets. At Aurelia, we value Integrity, Certainty, Courage and Performance for the safety and wellbeing of our people, and for the benefit of our shareholders and the communities in which we operate.

In FY22, Aurelia produced 98,461 ounces of gold at a Group all-in sustaining cost (AISC) of A\$1,707 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).

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