

ASX ANNOUNCEMENT

APPENDIX 4E



30 August 2023 | ASX: AMI

RESULTS FOR ANNOUNCEMENT TO THE MARKET

AURELIA METALS LIMITED | ABN 37 108 476 384

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Results	30 June 2023 \$'000	30 June 2022 \$'000	Increase/(Decrease) %
Revenue	369,202	438,815	(16)%
EBITDA ⁽ⁱ⁾	55,803	166,472	(66)%
Net (loss) / profit before income tax	(73,873)	(114,038)	35%
Net (loss) / profit after income tax	(52,221)	(81,688)	36%

Dividends

The Directors have not declared a final dividend for the year ending 30 June 2023 (30 June 2022: Nil).

Net tangible assets per share	30 June 2023 Cents	30 June 2022 Cents
Net tangible assets per share ⁽ⁱⁱ⁾	20.4	27.2

Earnings per share	30 June 2023 Cents	30 June 2022 Cents
Basic (loss) / profit per share	(4.16)	(6.61)
Diluted (loss) / profit per share	(4.16)	(6.61)

(i) EBITDA is a non-IFRS measure used to assess the results of the ongoing business activities of the Consolidated Entity. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner and is unaudited. The EBITDA for the year ended 30 June 2023 excludes an impairment expense of \$20.8 million.

(ii) The net tangible assets per share excludes biodiversity credits and includes leases.

The above Statement should be read in conjunction with the accompanying financial statements and notes.

This financial report has been subject to audit by the Company's external auditors.

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COMPANY INFORMATION

AURELIA METALS LIMITED ABN 37 108 476 384

DIRECTORS

The Company's Directors in office during the year ended and until the date of this report are set out below. The Directors were in office for the entire period unless otherwise stated and other than the Managing Director & Chief Executive Officer (CEO) and Mr Franklyn ("Lyn") Brazil (nominee Director), all Directors are deemed to be independent.

Non-Executive Directors	Position	Term
Peter Botten	Independent Non-Executive Chair	Full Year
Susie Corlett	Independent Non-Executive Director	Full Year
Lawrence Conway	Independent Non-Executive Director	Resigned 31 August 2022
Bruce Cox	Independent Non-Executive Director	Appointed 1 September 2022
Paul Harris	Independent Non-Executive Director	Full Year
Helen Gillies	Independent Non-Executive Director	Full Year
Bob Vassie	Independent Non-Executive Director	Full Year
Lyn Brazil	Non-Executive Director	Appointed 17 July 2023
Bradley Newcombe	Alternate Director for Lyn Brazil	From 17 July 2023
Executive Directors		
Daniel Clifford	Managing Director and CEO	Resigned 18 November 2022
Bryan Quinn	Managing Director and CEO	Appointed 6 June 2023
Company Secretary		
Rochelle Carey		Appointed 28 December 2022
Ian Poole		Retired 31 December 2022

Registered office and principal place of business	Share Register
Aurelia Metals Limited Level 17, 144 Edward Street, Brisbane QLD 4000 GPO Box 7, Brisbane QLD 4001	Automic Group Level 5, 126 Phillip Street, Sydney NSW 2000
Telephone: (07) 3180 5000	Investor services: 1300 288 664 General enquiries: (02) 8072 1400
Email: office@aureliametals.com.au www.aureliametals.com.au	Email: hello@automic.com.au www.automicgroup.com.au

Auditors	Stock Exchange listing
Ernst & Young 111 Eagle Street Brisbane QLD 4000	Aurelia Metals Limited shares are listed on the Australian Securities Exchange (ASX Code: AMI)

The following report is submitted in respect of the results of Aurelia Metals Limited ('Aurelia' or 'the Company') and its subsidiaries, together the consolidated group ('Group'), for the financial year ended 30 June 2023, together with the state of affairs of the Group as at that date.

The Board of Directors submit their report for the year ended 30 June 2023.

DIRECTORS' REPORT

1. DIRECTORS AND OFFICERS

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Peter Botten AC CBE

Independent Non-Executive Chair

Appointed as a Director of the Company on 13 September 2021 and as Independent Non-Executive Chair on 4 November 2021

Mr Botten is a geologist by training, having over 45 years experience working in the resources sector. He was the Managing Director of Oil Search Limited from 28 October 1994 until 25 February 2020, overseeing its development into a major Australian Securities Exchange-listed company. Peter has extensive worldwide experience in the oil and gas industry, holding various senior technical, managerial and board positions in a number of listed and government-owned bodies. He has extensive experience in developing and financing major resource projects. He has a Bachelor of Science in Geology from the Royal School of Mines at Imperial College London.

During the past three years, Mr Botten has served as a Director of:

- AGL Energy Limited (ASX: AGL), appointed October 2016, resigned September 2022
- Karoon Energy Limited (ASX: KAR), appointed October 2020, and
- Conrad Asia Energy Ltd (ASX: CRD), appointed 1 November 2021.

Susie Corlett

Independent Non-Executive Director

Appointed as a Director of the Company on 3 October 2018

Ms Corlett is a geologist with over 25 years' experience in exploration, mining operations, mining finance and investment. Ms Corlett serves as a non-executive director of ASX listed Mineral Resources Ltd (ASX: MRL) and Iluka Resources Ltd (ASX: ILU) and also is a Trustee of the AusIMM Education Endowment Fund.

During her executive career, Ms Corlett was an Investment Director for global mining private equity fund, Pacific Road Capital Ltd and worked in mining credit risk management and project finance for Standard Bank Limited, Deutsche Bank and Macquarie Bank.

Ms Corlett has a Bachelor of Science (Hons. Geology) from the University of Melbourne, is a graduate of the Australian Institute of Company Directors, a Fellow of the AusIMM and a member of Chief Executive Women.

During the past three years, Ms Corlett has served as a Director of:

- Iluka Resources (ASX: ILU), appointed June 2020, and
- Mineral Resources (ASX: MRL), appointed January 2021.

DIRECTORS' REPORT

Helen Gillies

Independent Non-Executive Director

Appointed as a Director of the Company on 21 January 2021

Ms. Gillies is a corporate lawyer with over 30 years of experience in external and in-house legal counsel roles. This includes almost 20 years in various senior legal and risk management roles at major engineering company, Sinclair Knight Merz, including the role of General Counsel and General Manager Risk.

Ms. Gillies is currently a non-executive director of Monadelphous Group Limited (ASX: MND), BAC HoldCo Pty Ltd (the holding company for Bankstown and Camden Airports), Lexon Insurance Pty Ltd and Yancoal Australia Limited (ASX: YAL). Ms. Gillies has undergraduate degrees in Commerce and Law, and Masters degrees in Business Administration and Law, and is a Fellow of the Australian Institute of Company Directors.

During the past three years, Ms Gillies has served as a Director of:

- Monadelphous Group Limited (ASX: MND), appointed September 2016, and
- Yancoal Australia Limited (ASX: YAL), appointed January 2018.

Paul Harris

Independent Non-Executive Director

Appointed as a Director of the Company on 17 December 2018

Mr Harris has more than 27 years' experience in financial markets and investment banking, including advising mining corporates on strategy, mergers and acquisitions, and capital markets, including as Managing Director - Head of Metals and Mining at Citi.

Mr Harris has a Masters of Engineering (Mining) and a Bachelor of Commerce (Finance) and is a graduate of the Australian Institute of Company Directors.

During the past three years, Mr Harris has served as a Director of:

- Aeon Metals Limited (ASX: AML), appointed December 2014,
- Highfield Resources Limited (ASX: HFR), appointed March 2022, and
- Koonenberry Gold Limited (ASX: KNB), appointed August 2022.

Bob Vassie

Independent Non-Executive Director

Appointed as a Director of the Company on 21 January 2021

Mr Vassie is a mining engineer with over 35 years' experience in management and operational roles within the global resources industry. Most recently, he was Managing Director and CEO of St Barbara Limited (ASX: SBM) from 2014 to 2020. Prior to that, Mr Vassie was Managing Director and CEO of Inova Resources Limited (ASX: IVA). He has also held various senior management and operational roles, with almost 20 years at Rio Tinto Limited (ASX: RIO). Mr Vassie is currently the non-executive chair of Ramelius Resources Limited (ASX: RMS) and a non-executive director of Federation Mining Pty Ltd.

During the past three years, Mr Vassie has served as a Director of:

- Ramelius Resources Limited (ASX: RMS), appointed January 2021.

DIRECTORS' REPORT

Bruce Cox

Independent Non-Executive Director

Appointed as a Director of the Company on 1 September 2022

Mr Cox has more than 40 years of global experience in the resources industry across the commodities of steel, platinum, iron ore, copper, aluminium and diamonds. He has held senior financial and executive leadership position, including Managing Director of Rio Tinto Diamonds where he had operational responsibility for the Argyle, Diavik, and Murowa mines, as well as the Bunder Development project in India. As CEO of Pacific Aluminium and later Managing Director, Rio Tinto Aluminium Pacific Operations, Mr Cox was responsible for various smelter, alumina refinery and bauxite operations across Australia and New Zealand. He also worked for BHP in both the Minerals and Iron Ore divisions, including as Chief Financial Officer (CFO) Escondida in Chile and CFO Hartley Platinum based out of Zimbabwe. Mr Cox is currently a director of Aluminium Bahrain (listed on the London and Bahrain stock exchanges) and on the Mining Advisory Board of Ajlan & Bros Holding group Abilitii.

Mr Cox is a Graduate of the Australian Institute of Company Directors and also holds a Bachelor of Commerce and Master of Business Administration from the University of Wollongong.

Lyn Brazil AM

Non-Executive Director

Appointed as a Director of the Company on 17 July 2023

Mr Brazil is a southern Queensland mixed farmer, investor and philanthropist, who was awarded a Member of the Order of Australia (AM) in the Queen's Birthday 2022 Honours list. Mr Brazil received the title for his service to medical research and agriculture.

Mr Brazil progressed from a small poultry farm on the Queensland – New South Wales border to owning four cropping properties at Brookstead and two cattle operations at Goondiwindi. Mr Brazil also boasts multiple successful investments in listed companies and created the Brazil Family Foundation which contributes to many medical and scientific research organisations.

Mr Brazil is a nominee Director of Brazil Farming Pty Ltd.

Bradley Newcombe

Alternate Director for Mr Brazil

Appointed as Alternate Director of the Company on 17 July 2023

Mr Newcombe is a key investment advisor for Mr Brazil. Mr Newcombe has over 25 years' experience as an accounting and financial markets professional across treasury, fixed income and equities. Mr Newcombe has acted as an advisor to Brazil Farming since 2015.

DIRECTORS' REPORT

Bryan Quinn

Managing Director and Chief Executive Officer

Appointed as a Director of the Company on 6 June 2023

Mr Quinn joined Aurelia as Managing Director and Chief Executive Officer in June 2023.

In the 12 months prior to his appointment at Aurelia, Mr Quinn led the Growth, Strategy, Exploration, Sales and Marketing businesses at Oz Minerals.

Prior to this, Mr Quinn spent more than 27 years with BHP, where he held a series of senior executive, operational and business improvement roles. This included President Joint Ventures Americas and Africa, Global Chief Technical Functions, and various Asset President and general management roles, across a range of commodities and businesses.

Mr Quinn has a Bachelor of Engineering (Mining Hons) and a Masters in Applied Finance and Investment with more than 30 years' experience across a broad range of commodities, geographies and operations, both mining and downstream.

Rochelle Carey

Company Secretary

Appointed as Company Secretary on 28 December 2022

Ms Carey is a corporate lawyer with over 20 years' experience in the legal sector, with a focus on energy and resources. Prior to joining Aurelia, Ms Carey was in-house counsel at Stanmore Resources Limited, Energex Limited and Glencore. Prior to moving in-house, she was a Senior Associate at Allens Linklaters (formerly Allens Arthur Robinson).

Ms Carey holds a Bachelor of Business (International Business) / Bachelor of Laws (QUT) and a Master of Laws (LSE).

Directors and Officers who no longer hold office at the date of this report are as follows:

Daniel Clifford

Managing Director and CEO resigned 18 November 2022.

Lawrence Conway

Non-Executive Director resigned 31 August 2022.

Ian Poole

Chief Financial Officer & Company Secretary retired 31 December 2022.

DIRECTORS' REPORT

2. DIRECTORS' INTERESTS

The interests of the Directors in the shares and other equity securities of the Company as at 30 June 2023 and as at the date of this report were:

FY23	Ordinary Shares as at 30 June 2023	Ordinary Shares as at the date of this report
Directors		
Peter Botten	-	-
Susie Corlett	33,731	33,731
Paul Harris	-	-
Bob Vassie	250,000	317,205
Helen Gillies	250,000	317,205
Bruce Cox	-	-
Bryan Quinn	50,000	513,441
Lyn Brazil	290,104,300	319,357,179
Bradley Newcombe	8,025,000	8,035,000
Total	298,713,031	328,573,761

On 5 July 2023, after the reporting period, the shares under the Retail Entitlement Offer were issued. As relevant interest holders, Mr Vassie, Ms Gillies, Mr Quinn, Mr Brazil and Mr Newcombe participated in the Retail Entitlement Offer. In addition, Mr Quinn acquired further shares on market during the period.

DIRECTORS' REPORT

3. MEETINGS OF DIRECTORS

The number of Board of Director meetings and Board Committee meetings held during the year and each Director's attendance at those meetings is set out below:

Director	Directors' Meetings		Committee meetings of the Board:					
	(i)	(ii)	Audit		Remuneration & Nomination		Sustainability & Risk	
			(i)	(ii)	(i)	(ii)	(i)	(ii)
Peter Botten	18	18	-	-	-	-	-	-
Susie Corlett	18	18	4	4	-	-	5	5
Paul Harris	18	18	4	4	6	6	-	-
Bob Vassie	18	18	-	-	6	6	5	5
Helen Gillies	18	18	-	-	6	6	5	5
Bruce Cox	15	14	3	3	-	-	-	-
Bryan Quinn	1	1	-	-	-	-	-	-
Former Director								
Daniel Clifford	7	7	-	-	-	-	-	-
Lawrence Conway	3	3	1	1	-	-	-	-

(i) Held – Indicates the number of Board meetings held during the period of a Director's tenure or the in the case of Committee meetings, whilst the Director was a member of Committee.

(ii) Attended – Indicates the number of meetings attended by a Director. While non-member Directors are entitled to attend Committee meetings (subject to any conflicts), these attendances are not reflected in the above table.

The members of the Board's Committees at 30 June 2023 are:

Audit Committee:	Bruce Cox (Chair), Susie Corlett and Paul Harris
Remuneration and Nomination Committee:	Paul Harris (Chair), Helen Gillies and Bob Vassie
Sustainability and Risk Committee:	Susie Corlett (Chair), Helen Gillies and Bob Vassie

DIRECTORS' REPORT

4. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium in respect to a contract insuring the Directors of the Company, the Company Secretary(s), all executive officers of the Company, and of any related body corporate against a liability incurred to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company provides a Deed of Indemnity, Insurance and Access with Directors and Officers. In summary, the Deed provides for access to corporate records for each Director for a period after ceasing to hold office in the Company; the provision of Directors and Officers Liability Insurance; and an indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred, during or since the financial year.

5. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditor as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify the auditor during or since the financial year.

6. DIVIDENDS

The Board of Directors did not declare a dividend for the year ended 30 June 2023 (30 June 2022: Nil).

7. CORPORATE STRUCTURE

Aurelia Metals Limited is a company limited by shares that is incorporated and domiciled in Australia. The Aurelia Group (the 'Group') comprises of the following wholly owned subsidiaries:

Entity name	Incorporation date
Defiance Resources Pty Ltd	15 May 2006
Hera Resources Pty Ltd	20 August 2009
Nymagee Resources Pty Ltd	7 November 2011
Peak Gold Asia Pacific Pty Ltd	26 February 2003
Peak Gold Mines Pty Ltd	31 October 1977
Dargues Gold Mine Pty Ltd	12 January 2006
Big Island Mining Pty Ltd	3 February 2005

DIRECTORS' REPORT

8. PERFORMANCE RIGHTS

As at the date of this report, there are 11,657,080 Performance Rights on issue. The Performance Rights are unlisted and have terms as set out below:

Grant	Grant Date	Expiry or Test Date	Exercise Price	Balance at start of year	Granted during the year	Vested during the year	Expired during the year	Balance at report date
Class 19A	29-11-19	30-06-22	Nil	2,284,641	-	(380,759)	(1,903,882)	-
Class FY21	19-11-20	30-06-23	Nil	1,696,714	-	(197,045)	(1,499,669)	-
Class FY21	26-12-20	30-06-23	Nil	3,755,760	-	(260,830)	(3,494,930)	-
Class FY22	04-11-21	30-06-24	Nil	1,866,231	-	-	(1,004,632)	861,599
Class FY22	09-11-21	30-06-24	Nil	6,401,029	31,198	-	(3,905,046)	2,527,181
Class FY23	08-12-22	30-06-25	Nil	-	11,544,184	-	(3,275,884)	8,268,300
Total				16,004,375	11,575,382	(952,027)	(15,084,043)	11,657,080

The performance rights have various share price and operational performance measures. Refer to the Remuneration Report for further details. No performance right holder has any right under the performance right to participate in any other share issue of the Company or any other entity.

9. FUTURE DEVELOPMENTS

Refer to the Operations and Financial Review for information on future prospects of the Company.

10. ENVIRONMENTAL REGULATION AND PERFORMANCE

An environmental incident occurred at the Dargues Mine in July 2023 regarding a mine water tank overflowing into a nearby creek. A Clean Up Notice was issued to Big Island Mining Pty Ltd in July 2023 with respect to the incident. At the time of this report, the Environmental Protection Agency is still investigating the incident, which has the potential for further regulatory action or fines.

The Directors are otherwise not aware of any environmental incidents during the year that would have a materially adverse impact on the Company. There were several minor non-compliances to development consent conditions during the year, all of which were reported to the relevant authorities as required. Immediate actions were taken to return the operation to compliance.

No regulatory action or fines have been received by the Company in response to these minor incidents and due to the minor nature of the incidents, no such action is anticipated.

DIRECTORS' REPORT

11. CURRENCY AND ROUNDING OF AMOUNTS

All references to dollars are a reference to Australian dollars (\$A) unless otherwise stated. (\$A) may be used for clarity.

Aurelia Metals Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial/Directors' Reports are rounded to the nearest thousand dollars, except when indicated otherwise. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

12. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

During the year the Company's auditor, Ernst & Young Australia provided non-audit services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

The amounts received by Ernst & Young Australia for non-audit services are contained in Note 24 of the financial statements.

The Company has obtained an independence declaration from its auditor, Ernst & Young, which forms part of this report. A copy of that declaration is included on page 61.

Signed in accordance with a resolution of the Directors.



Peter Botten AC CBE
Non-Executive Chair



Bryan Quinn
Managing Director & Chief Executive Officer

Brisbane
30 August 2023

OPERATIONS AND FINANCIAL REVIEW

1. ABOUT AURELIA METALS LIMITED

Aurelia Metals Limited (Aurelia) is an Australian mining and exploration company with a highly strategic landholding, two operating mines, and two development projects in New South Wales (NSW).

The Peak Mine is in the northern Cobar Basin in central-west NSW, and the Dargues Mine is in the Southern Tablelands region. During the year the Company operated the Hera site, also located in the northern Cobar Basin. The mine closed in March 2023 and the processing facility transitioned to care and maintenance in April 2023.

Our growth ambition is to generate value and long-term returns for our stakeholders and shareholders. We hold one of the most geologically prospective ground positions in Australia and have the expertise and capability to discover and convert this endowment to unlock exceptional value.

Our exciting near term growth opportunities are the Federation zinc, lead, copper, gold and silver development project located near the Hera site, one of Australia's highest grade base metal developments, and the Great Cobar copper-gold deposit located near the Peak Mine.

2. GROUP STRATEGY

Our vision is to be a developer and operator of choice for critical base metals to power a low carbon future and deliver superior shareholder value.



OPERATIONS AND FINANCIAL REVIEW

3. OPERATING AND FINANCIAL PERFORMANCE

FY23 represented a year of significant change for Aurelia. The Company acknowledged during the year that operational performance was unsatisfactory and took steps to address it. This included renewal of the Leadership team, closing the Hera Mine and placing the processing facility on care and maintenance, transitioning the Peak mine to owner mining, and implementing a Working Smarter program.

All of these initiatives have contributed to an improved operating performance in the second half of FY23, and along with the appointment of a new CEO and Managing Director and a new financing facility, enables the Company to pursue its growth ambitions in the Cobar Basin.

Health, Safety and Sustainability	<ul style="list-style-type: none"> Continued drive for improved safety culture. Group Total Recordable Injury Frequency Rate (TRIFR) of 5.13 at 30 June 2023 (30 June 2022: 8.75), with 12 months' recordable injury free at the Dargues Mine resulting in a site TRIFR of zero The 12 month moving average Reportable Environmental Incidents Frequency Rate (REIFR) reduced by 24% to 30 June 2023 of 2.91 (30 June 2022: 3.81) In August 2023, the Company was awarded the Environmental Excellence award at NSW Minerals Council HSEC Awards. The award relates to the standardised reporting metric, Reportable Environmental Incidents Frequency Rate (REIFR) implemented across the Company
Production and Cost Performance	<ul style="list-style-type: none"> Group gold equivalent production of 145koz (FY22: 198koz) Group gold production of 86.3koz at an AISC of \$2,315/oz (FY22: 98.5koz at \$1,707/oz) <ul style="list-style-type: none"> Peak gold production of 36.3koz of gold at an AISC of \$1,789/oz (FY22: 40.3koz at AISC of \$1,520/oz) Dargues gold production of 36.4koz of gold at an AISC of \$2,280/oz (FY22: 41.7koz at ASIC of \$2,039/oz) Final ore from Hera was mined and processed in late March 2023, with the site transitioned to care and maintenance Group base metals production comprised Lead 19kt, Zinc 21kt, and Copper 2kt (FY22: Lead 24kt, Zinc 30kt and Copper 4kt) <ul style="list-style-type: none"> By-product revenue decreased 31% to \$145.4 million mainly driven by the completion of mining at Hera in March 2023, and lower base metals revenue generated by the Peak mine
Growth	<p>Federation</p> <ul style="list-style-type: none"> The Federation Mine Feasibility Study was released on 10 October 2022 and refined further in a project update on 13 April 2023, and confirms Federation as a high grade, capital efficient investment project that leverages existing infrastructure in the Cobar basin to generate significant shareholder value The project received State Significant Development consent from the NSW government in March 2023, with the remaining approvals now being finalised Subsequent to the announcement of the new Trafigura financing facility and accompanying equity raise on 31 May 2023, the Company remobilised the mining contractor to the Federation site and development advance which recommenced on 1 August 2023 <p>Dargues Mine</p> <ul style="list-style-type: none"> Regulatory approval of a modification to the development consent was received on 20 December 2022 which increases the processing throughput limit from 355kt to 415kt per calendar year <p>Great Cobar</p> <ul style="list-style-type: none"> A material increase to the Great Cobar Mineral Resource was reported during H1 FY23. Tonnage increased 45% to 7.7Mt

OPERATIONS AND FINANCIAL REVIEW

3. OPERATING AND FINANCIAL PERFORMANCE (Continued)

Financial outcomes	<ul style="list-style-type: none"> • Cash at 30 June 2023 of \$38.9 million (FY22: \$76.7 million) • Balance sheet transformed with the execution of a new ~\$100 million financing facility with Trafigura Pte Ltd (“Trafigura”), <ul style="list-style-type: none"> – US\$24 million Loan Note Advance (undrawn as at 30 June 2023) – \$65 million Environmental Performance Bond Facility • \$40 million equity raise competed with receipt of proceeds from the Institutional placement and entitlement offer in June 2023. Proceeds from the Retail entitlement offer received in July 2023 • Existing term loan fully repaid and performance bond facility fully cash backed. New performance bonds under the Trafigura facilities have now been issued and the cash backing of \$56.8 million is in the process of being returned • EBITDA* of \$55.8 million (FY22: \$166.47 million)
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* EBITDA is a non-IFRS measure and is unaudited.

3.1 Profit and financial performance

The Group reports a statutory net loss after tax of \$52.2 million for the year ended 30 June 2023. Included in the statutory net loss are some significant transactions which are not in the ordinary course of ongoing business activities. Such items are separately disclosed in the reconciliation between statutory profit and underlying profit. The underlying net profit or loss is presented to improve the comparability of the financial results between periods.

The result for the year ended 30 June 2023 in comparison to the prior year is summarised below:

Net Profit/(Loss)	2023	2022	Change
	\$'000	\$'000	%
Sales revenue	369,202	438,815	(16)%
Cost of sales	(403,000)	(416,366)	3%
Gross profit	(33,798)	22,449	(251)%
Impairment Expense	(20,846)	(135,687)	85%
Other income and expenses, net ⁽ⁱ⁾	(14,529)	6,207	(334)%
Net (loss) /profit before income tax and net finance expenses	(69,173)	(107,031)	35%
Net finance expenses	(4,700)	(7,007)	33%
Net (loss) /profit before income tax expense⁽ⁱⁱ⁾	(73,873)	(114,038)	35%
Income tax benefit/(expense)	21,652	32,350	(33)%
Net (loss) /profit after income tax⁽ⁱⁱⁱ⁾	(52,221)	(81,688)	36%

OPERATIONS AND FINANCIAL REVIEW

3.1 Profit and financial performance (Continued)

Underlying net profit:	2023	2022	Change
	\$'000	\$'000	%
Net (loss) /profit before income tax expense	(73,873)	(114,038)	35%
Add back:			
Impairment Expense	20,846	135,687	85%
Rehabilitation expense / (reversal)	(3,274)	3,531	(193)%
Remeasurement of financial liabilities	3,195	(27,131)	112%
Underlying net (loss) / profit before income tax expense ⁽ⁱⁱ⁾	(53,106)	(1,951)	(2,622)%
Tax effect on underlying (loss)/profits for the year	15,422	585	2,536%
Underlying net (loss)/profit after tax expense ⁽ⁱⁱⁱ⁾	(37,684)	(1,366)	(2,659)%

(i) Other income and expenses, net, include admin and other expenses.

(ii) Underlying net (loss)/profit reflects the statutory net (loss)/profit adjusted to present the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity. The presentation of non-IFRS financial information provides stakeholders with the ability to compare against prior periods in a consistent manner.

These measures have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations are based on non-IFRS information and are unaudited.

Total sales revenue for the year was \$69.6 million lower than the prior year. Lower gold sales revenue was driven by the closure of the Hera Mine in March 2023, lower gold grade at Dargues and lower processing throughput at Peak. The average realised gold price of A\$2,697/oz (FY22: A\$2,500/oz) was achieved. By-product revenue decreased by 31% to \$145.4 million, driven mainly by the completion of mining at Hera in March 2023 and lower base metals revenue generated by the Peak Mine.

Total costs of sales were \$13.4 million lower at \$403.0 million (FY22: \$416.4 million). This is a result of:

- Total ore mined decreased by 12% to 1.14 million tonnes (FY22 1.29MT) however there was a \$26.8 million increase in cost of sales, largely attributed to the utilisation of opening ROM and concentrate stockpiles. General inflation costs have also impacted the business resulting in higher unit mining costs.
- The mining operations at the Hera Mine ceased and the process plant and surface infrastructure transitioned into care and maintenance during the period resulting in a reduction of cost of sales at Hera of \$14.5 million compared to the previous year.
- Depreciation and amortisation expense (excluding Corporate) decreased by \$33.8 million to \$103.4 million (FY22: \$137.2 million), the majority of the reduction was due to higher depreciation for Dargues in FY22.

The tax benefit of \$21.7 million equates to an effective tax rate of 29%.

OPERATIONS AND FINANCIAL REVIEW

3.2 Group Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA), in comparison to the prior year, is summarised below:

Underlying Group EBITDA	2023	2022	Change
	\$'000	\$'000	%
Net (loss) /profit before income tax and net finance expenses	(69,173)	(107,031)	35%
Depreciation and amortisation	104,130	137,816	(24)%
Impairment expense	20,846	135,687	85%
EBITDA (i)	55,803	166,472	(66)%
Remeasurement of financial liabilities	3,195	(27,131)	112%
Rehabilitation expense / (reversal)	(3,274)	3,531	(193)%
Underlying EBITDA (ii)	55,724	142,872	(61)%

- (i) EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) is a non-IFRS measure and not audited.
- (ii) Underlying EBITDA (non-IFRS measure) reflects statutory EBITDA as adjusted to present the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

These measures have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations are based on non-IFRS information and are unaudited.

OPERATIONS AND FINANCIAL REVIEW

3.3 Cash flow performance

A summary of the Company's cash flow for the year ended 30 June 2023, in comparison to the prior year is summarised below:

Group cash flows	2023	2022	Change
	\$'000	\$'000	%
Cash flows from operating activities	45,864	154,093	(70)%
Cash flows from investing activities	(77,373)	(131,463)	41%
Cash flows from financing activities	(6,766)	(20,167)	66%
Net movement in cash	(38,275)	2,463	(1,654)%
Net foreign exchange difference	527	(301)	275%
Cash at the beginning of the year	76,694	74,532	3%
Cash at the end of the year	38,946	76,694	(49)%

The net cash inflows from operating activities for FY23 amounted to \$45.9 million (FY22: \$154.1 million), which represented a 70% decrease in comparison to the prior year.

The net cash outflow from investing activities for the year ended was \$77.4 million (FY22: \$131.5 million). The key investing activities include:

- Sustaining property, plant and equipment and mine capital expenditure, excluding lease payments, of \$11 million (FY22: \$56.5 million)
- Growth capital of \$28.3 million (FY22: \$19.1 million)
- Exploration and evaluation of \$11 million (FY22: \$32.5 million), and
- Guarantee Facility cash cover deposits paid of \$26.0 million (FY22: \$22.1 million), with the total balance of \$56.8 million in the process of being returned.

The net cash outflow from financing activities for the year ended of \$6.8 million (FY22: outflows of \$20.2 million) includes the following key activities:

- Inflow of \$22.3 million net of share issue costs relating to the Institutional placement and entitlement offer component of the \$40 million equity raise announced on 31 May 2023 (the balance from the Retail entitlement offer was received in July 2023)
- Term loan repayments totaling \$20.7 million (FY22: \$16.2 million) which resulted in the facility being totally repaid on 30 June 2023
- Financing arrangements for new mobile plant and equipment of \$3.0 million, (FY22: \$7.3 million), and early repayment of \$3.0 million, and
- Lease principal repayments of \$9.4 million (FY22: \$ 10.7 million).

OPERATIONS AND FINANCIAL REVIEW

3.4 Group operational summary

The key operating results for the Group are summarised below:

		2023	2022	Change %
Production volume				
Gold	oz	86,254	98,461	(12)%
Silver	oz	352,343	788,840	(55)%
Copper - contained metal	t	2,188	3,726	(41)%
Lead - contained metal	t	18,998	24,266	(22)%
Zinc - contained metal	t	20,548	30,067	(32)%
Sales volume				
Gold doré and gold in concentrate	oz	84,240	92,448	(9)%
Silver doré and silver in concentrate	oz	271,479	593,271	(54)%
Payable copper in concentrate	t	2,898	2,632	10%
Payable lead in concentrate	t	17,100	23,549	(27)%
Payable zinc in concentrate	t	15,753	25,305	(38)%
Average prices achieved (i)				
Gold	A\$/oz	2,697	2,500	8%
Silver	A\$/oz	34	32	6%
Copper	A\$/t	12,092	13,124	(8)%
Lead	A\$/t	3,351	3,032	11%
Zinc	A\$/t	4,493	4,692	(4)%
All in sustaining cost (ii)	A\$/oz	2,315	1,707	(36)%

(i) After realised hedge gains/losses

(ii) All-in Sustaining Costs (AISC) is a non-IFRS measure and is not audited. Group AISC includes Site Costs (mining processing, administration, changes in inventory), royalty, transport and smelter expenses, by-product credits (silver, copper, lead & zinc sales), sustaining capital, corporate costs, divided by gold sold during the year.

OPERATIONS AND FINANCIAL REVIEW

3.5 Peak Mine operational summary

Our Peak Mine is located in the northern Cobar Basin, south of Cobar in central-west NSW. The current operation commenced production in 1992.

Mining performance at Peak was below expectation during FY23 and was the result of a year of significant change. A transition to majority owner-mining commenced in the September 2022 quarter and was completed in the March 2023 quarter following full demobilisation of the mining contractor. Cost performance at Peak improved in the March and June quarters and with the addition of a second jumbo which was transferred from Dargues, and the purchase of a new underground haul truck in June 2023 quarter, which sets up the operation to increase mining rates and drive down mining unit costs in FY24.

Milling operations at Peak were also scaled back to approximately 550kpta in the September quarter by moving to a weekday roster to match mining rates and reduce plant operating costs. The plant also received upgrades to the lead/zinc circuit to increase base metal recoveries.

Drilling at Peak Mine is currently focused on further extensions of the existing orebodies, including the Kairos and Peak North deposits, and testing the potential high-value line-of-lode targets.

Construction of the Stage 5 Tailings Storage Facility (TSF) embankment raise was completed in February 2023 and provided capacity for approximately five years of ore processing.

The key performance metrics for the Peak Mine are tabulated below.

Peak Mine		2023	2022	Change
Ore processed	t	494,125	608,647	(19)%
Gold grade	g/t	2.46	2.27	8%
Silver grade	g/t	15.0	16.9	(11)%
Copper grade	%	0.74	0.88	(16)%
Lead grade	%	3.48	2.86	22%
Zinc grade	%	4.02	3.18	26%
Gold recovery	%	92.8	90.6	3%
Production Volume				
Gold production	oz	36,279	40,322	(10)%
Silver production	oz	203,981	263,546	(23)%
Copper production	t	2,188	3,726	(41)%
Lead production	t	14,416	13,441	7%
Zinc production	t	13,302	12,273	8%
AISC (All in sustaining cost) *	A\$/oz	1,789	1,520	(18)%

*AISC is a non-IFRS measure and is unaudited

OPERATIONS AND FINANCIAL REVIEW

3.5 Peak Mine operational summary (Continued)

The Peak Mine's total gold sold during the year was 34,137 oz at an AISC of \$1,789/oz (FY22: 39,201 oz at an AISC of \$1,520/oz). The reduction in the quantity of gold sold during the year is reflective of the lower mined tonnes and grade. Lower sales of copper, lead and zinc were also driven by lower tonnes mined, offset somewhat by higher lead and zinc grades.

Sustaining capital for the year was \$7.5 million (FY22: \$42.6 million) which includes the purchase of a jumbo and haul truck. Total Growth capital expenditure for the year ended was \$10.6 million (FY22: \$11.5 million) which included construction work to raise the Stage 5 TSF embankment.

3.6 Dargues Mine operational summary

Our Dargues Mine is a gold mining and milling operation located in the Southern Tablelands region of NSW, approximately 60km south-east of Canberra and a short drive from the town of Braidwood.

Total gold produced during the year was 36,358 ounces. Ore processed was higher than the prior year at 370kt (FY22: 365kt) as a result of receiving approval in December 2022 to increase the annual processing cap on the mill from 355kt to 415kt. More than offsetting that benefit was a 14% reduction in gold grade to 3.21g/t. A total of 36,616 oz of gold sold, with an AISC of \$2,280/oz (FY22: 37,098 oz of gold sold, with an AISC of \$2,039/oz).

Construction of the Stage 3 TSF embankment lift was completed in August 2022, providing an immediate increase in tailings and water storage capacity. Additionally, the NSW regulator approved a modified water management plan which allowed for the use of TSF supernatant water for pasture irrigation and dust suppression until October 2023.

The Dargues Life of Mine planning which began in the December quarter was completed by the end of the financial year and it is now anticipated that mining will be completed at Dargues in H1 FY25. Dargues management has taken steps to ensure the strong planned cash contribution from the asset until the end of its mine life is realised. A retention program for both employees and contractors is now in place to provide the workforce with greater incentive to remain at Dargues through to the end of mine operations.

Sustaining capital invested during the year was \$9.4 million (FY22: \$18.9 million) excluding sustaining leases, which was largely related to mine development.

Dargues Mine		2023	2022	Change
Ore processed	t	370,324	365,243	1%
Gold grade	g/t	3.21	3.72	(14)%
Gold recovery	%	95.1	95.4	(1)%
Production Volume				
Gold production	oz	36,358	41,661	(13)%
AISC (All in sustaining cost) *	A\$/oz	2,280	2,039	(12)%

* AISC is a non-IFRS measure and is unaudited.

OPERATIONS AND FINANCIAL REVIEW

3.7 Hera Mine operational summary

Our Hera site is located approximately 100km south-east of Cobar in central-west New South Wales. Due to several quarters of negative cash flow, a new life of mine plan was finalised in the December quarter, focusing on cash generation. This plan resulted in mining operations ceasing in March 2023, with the mine shut and the process plant and surface infrastructure transitioned into care and maintenance in April 2023.

Hera delivered exceptional performance in its final quarter of operation with higher ore processed, gold grade and gold recovery resulting in a particularly strong 43% increase in gold production, exceeding expectations from the revised Life of Mine plan.

Since its commissioning in 2014, Hera produced 3.2 million tonnes of ore, supported 180 full time jobs, and contributed A\$216 million to the local economy.

The key performance metrics for the Hera Mine are tabulated below:

Hera Mine		2023	2022	Change
Ore processed	t	282,014	335,102	(16)%
Gold grade	g/t	1.63	1.79	(9)%
Silver grade	g/t	17.51	54.7	(68)%
Lead grade	%	1.79	3.45	(48)%
Zinc grade	%	2.80	5.59	(50)%
Gold recovery	%	91.98	85.5	8%
Production Volume				
Gold production	oz	13,616	16,478	(17)%
Silver production	oz	148,362	525,294	(72)%
Lead production	t	4,582	10,824	(58)%
Zinc production	t	7,247	17,794	(59)%
AISC (All in sustaining cost) *	A\$/oz	2,923	625	(368)%

* AISC is a non-IFRS measure and is unaudited.

OPERATIONS AND FINANCIAL REVIEW

3.8 Federation Project

The Federation deposit hosts high-grade zinc, lead, and gold mineralisation and is located approximately 10km south of our Hera site. Project development will involve the underground mining of the Federation deposit for treatment through established processing circuits at our Peak and Hera sites.

During the year, Aurelia completed the Federation Feasibility Study (FS) and announced the outcomes of the FS in October. In conjunction with the FS, Aurelia declared a maiden Ore Reserve of 2.2Mt at 8.9% Zn, 5.3% Pb, 1.4g/t Au, 6g/t Ag, and 0.3% Cu.

The FS demonstrated a strong technical and economic case for development based on a low risk milling strategy that utilises existing processing asset, which substantially reduces capital and execution risk and accelerates production ramp-up. The project had a robust economic case with a projected NPV of A\$415M and IRR of 71% at the prevailing spot metal prices utilised in the FS (as at 5 August 2022, being US\$1,800/oz gold, US\$20/oz silver, US\$1,984/t lead, US\$3,527/t zinc, US\$7,716/t copper and 0.70 A\$/US\$).

On 13 April 2023, the Company released an update to the Federation Project scope, timeline and capital cost estimate to capture opportunities associated with the transition of the nearby Hera surface facilities to care and maintenance. Compared to the October 2022 release of the Federation FS, several valuable project enhancements were identified, including:

Improved path to first production

- Updated mine design delivers earlier stope ore production.
- Initial ore trucked to the Company's Peak processing plant which improves concentrate payabilities by producing separate zinc and lead concentrate products.
- Restart of the Hera process plant able to be delayed until capacity at Peak is fully utilised.

Lower capital expenditure compared to the FS

- Capital expenditure to first production stope ore lower at A\$76 million (FS: A\$88 million) and total growth capital lower at A\$143 million (FS: A\$145 million).
- Leveraging existing Hera mining assets and camp infrastructure lowers capital spend and de-risks execution.
- Improvements have more than offset the impact of industry capital cost inflation since the FS.
- Deferral of project spend associated with tailings filtration and waste backfill plant.

Updated mine design improves efficiency and operability

- Optimised mine design reduces total development metres.
- Shallower decline gradient improves trucking efficiency.
- Figure-8 decline design provides better orebody strike coverage and improved infill drilling platforms.

A compelling base metals development project and significant Aurelia value

- Net Present Value (using a 7% discount rate) of A\$354 million at spot prices.
- Total mill feed of 4.0Mt for 8-year initial production life; expected average annual steady state recovered metal production of 45kt zinc, 46kt lead, 1kt copper, 15koz gold and 39koz silver.
- Long-term fundamentals for zinc remaining strong.
- Deposit remains open in multiple directions with substantial potential for Resource extension and conversion from planned underground and surface drilling.

OPERATIONS AND FINANCIAL REVIEW

Federation Project (Continued)

On 3 March 2023, Aurelia received Development Consent from the New South Wales Department of Planning and Environment for the Federation Project.

Project Development

The first exploration decline development blast occurred on 12 September 2022 after finalisation of the boxcut excavation and wall support. Approximately 90m of exploration decline development was achieved prior to activities pausing in October to allow for an appropriate financing structure to be put in place.

Preparation of the Environmental Impact Statement (EIS) Amendment, along with the Company's formal Response to Submissions, was completed in September 2022 with a draft submitted to the NSW Department of Planning and Environment (DPE) for adequacy review. Lodgement of the EIS Amendment occurred in October 2022.

On 31 May 2023, Aurelia announced it had secured a funding solution to enable the restart of development at Federation, with preparations to resume site activities initiated in early June. This work included:

- the preparation of the Safety Management System and Remobilisation Plan,
- mobilisation of Redpath's workforce and equipment (from mid-July) which enabled decline development mining to resume on 1 August 2023,
- preparing tenders for several critical path work packages including surface shaft raiseboring and public road upgrade construction,
- optimising the flotation and tailings filtration testwork to inform detailed engineering and design work.

Submissions for secondary approvals required under the project's Development Consent were well advanced by the end of the financial year.

OPERATIONS AND FINANCIAL REVIEW

Exploration and Mineral Resource

Following on from the infill drill program that was completed in late FY22, a substantial program of core processing, assaying and interpretation was conducted during early FY23, which included some exceptional drilling results that were reported after the cut-off date for the resource model used for the FS (see ASX release titled: *Spectacular intercepts at Federation dated 15 August 2022*). The updated Mineral Resource Estimate at 30 June 2023 incorporates these results with conversion of Inferred to Indicated Mineral Resource due to improved estimation confidence.

The Company will conduct further infill drilling and extensional drilling from underground platforms targeting depth extensions of known mineralisation once the Federation exploration decline is sufficiently advanced in FY24. Surface exploration is planned for reinstatement in FY24 targeting along strike positions to known mineralisation. The Federation deposit remains open and/or very sparsely drilled along strike and at depth, which will be the focus of future exploration drilling.

3.9 Great Cobar

The Great Cobar copper deposit is located in close proximity to the Peak Mine complex, approximately seven kilometres north of the Peak Mine's processing facility and is approximately one and a half kilometres north of the New Cobar Mine.

The Great Cobar Pre-Feasibility Study (PFS) and maiden Ore Reserve was released in January 2022. The mine development uses a layout that incorporates responses from community consultation and information from assessments prepared for the Environmental Impact Statement (EIS) for the New Cobar Complex. A Feasibility Study is planned to be completed during FY24.

The Great Cobar Project comprises:

- Establishment of a new satellite underground mine which would deliver ore to the Peak Mine process plant
- Excavation of twin underground access declines and a return air raise to access the deposit from the existing New Cobar Mine workings
- Longhole stoping mining methods with waste rock backfill in the copper dominant portion of the deposit
- Initial mining and processing expected to take place over an approximate six-year life (400-500ktpa) to deliver a total of 66kt copper and 92koz gold
- A Mineral Resource of 8,400kt of Indicated and Inferred Mineral Resource at average grades of 2.1% copper and 0.6g/t gold for the copper dominant portion of the deposit, and
- A Probable Ore Reserve estimate of 1,100kt at 2.1% copper, 1.2g/t gold and 4g/t silver as part of the Peak Mine Ore Reserve.

The Great Cobar deposit remains open both up-plunge and down-plunge. Further testing of the mineralised extents of the deposit will be facilitated by underground drill platforms that will be accessed from the planned mine workings.

The Company has prioritised development of the Federation Project and intends to commence mining activities at Great Cobar after Federation commences production.

OPERATIONS AND FINANCIAL REVIEW

4. EXPLORATION AND EVALUATION

Aurelia's exploration and evaluation activities continue to unlock exceptional value. Targeted exploration and resource definition drilling has delivered strong results within Aurelia's highly prospective tenement holding. While the Company is committed to investing in future growth, exploration activities were minimised in FY23 whilst the refinance process was completed. Now that financing is in place, exploration will ramp up with a focus on near-mine and regional exploration targets in the Cobar Basin.

4.1 Cobar District (Peak Mine)

Kairos

The high grade gold Kairos discovery was announced in early 2019 and was brought into production in June 2021. The Kairos deposit is situated below the Peak Mine workings, around 700 metres to the north and slightly deeper than the Chronos lode, with a similar steeply plunging geometry.

At Kairos further drilling was completed in FY23 to test the northern strike extent of the deposit. The drilling took place in a new area in upper north Kairos where an overlap occurs between the Kairos lens and the Peak North orebody. Whilst minor extensions to known mineralisation were identified, drilling has now discontinued in this area.

In FY24 drilling is now planned along the southern strike extent and down dip at Kairos where strong mineralisation has been encountered at depth ~200m down-dip of current mine workings. Exploration drilling will aim to extend this mineralisation further.

Perseverance

Three exploration drill programs were undertaken at the Perseverance orebody to test extensions of Upper Chronos, Zone A (North Perseverance), and Perseverance Deeps. Each drill program was undertaken or initiated during late FY23 and assay results are expected in the 1st quarter of FY24.

Burrabungie

The Burrabungie area is located 100m south of the Chesney orebody within the Proteus complex of the Cobar District. Historic drilling indicated a high potential for extension of known copper mineralisation in the area within close proximity to mine workings at the Chesney Mine.

Two drill programs were undertaken during FY23 with a surface program at Burrabungie (see ASX announcement titled: "Exploration Update – Cobar District" released 20 March 2023) and the Chesney South underground drill program.

The Burrabungie program intersected significant intervals of copper mineralisation and has been included as a maiden Resource Estimate in the Mineral Resource and Ore Reserve report at 30 June 2023.

The Chesney South program was completed during the last quarter of FY23 which was designed to drill an untested corridor between the Chesney orebody and the Burrabungie orebody. Assay results for this program are pending.

Queen Bee

The Queen Bee area is located 10km south of the Peak Mine Complex and is a historic deposit composed of a copper lens and a lead-zinc lens which discontinued operations in 1910.

The Company gained land access to this area in FY23 and initiated a first pass maiden exploration drilling campaign in the March quarter. The drill program was designed to test the location of historic workings, support existing drilling intervals conducted in 1966, and assess for extensions to existing mineralisation in the upper area of the copper lens (see ASX announcement titled "Exploration Update – Cobar District 20 March 2023" released on 20 March 2023). Further exploration drilling is planned for FY24 that will test deeper positions in the deposit and target extensions of the copper and lead-zinc lenses.

OPERATIONS AND FINANCIAL REVIEW

4.2 Nymagee District (Hera – Federation)

The region encompassing the Hera-Federation Complex is the vicinity of the historic mining town of Nymagee.

The Federation deposit was discovered in this area and its prospectivity is described in Section 3.1. During FY24, Aurelia plans to deploy a surface drill rig to test step-out targets along the Federation line of lode to the east and west to test repeat positions of the North North-East plunging lenses at Federation.

As part of the Company's FY23 regional exploration program, Aurelia conducted induced polarisation (IP) surveys at the Piney, Vaucluse, Lyell and Ironbark prospects in the Nymagee district (see ASX announcement titled "Survey Results" released on 18 January 2023). Encouraging chargeability anomalies were defined at each project area. In addition to these prospects, which will be considered for further testing with drilling, the Sir Lancelot prospect was identified as a priority for drilling due to the magnitude of the chargeability response. High density soil sampling will be undertaken over the prospects in preparation for further drill testing in the future.

The historic Nymagee Mine will be reviewed and drill tested in the future as part of the reinstatement to exploration activities and review of the historic deposit. Nymagee Mine is located within 5km north of the Hera Deposit and represents an opportunity for additional mine feed in the Cobar Basin. The Nymagee Mine area is highly prospective and has the potential for resource extension and discovery of new lenses.

4.3 Braidwood District (Dargues)

The Dargues region and Braidwood District remains highly prospective. Further extensional drilling and infill drilling has been completed on the Dargues ore body along strike to the east and west of the main Bonanza lode, and Ruby Lode, along with down dip extensional drilling under Zone 15, Zone 8b and Plums Lode. Results have provided some upside to the existing resource however have been insufficient to establish further resources in near-mine positions. Drilling conducted on targeted gold in soil geochemical anomalies coincident with chargeability anomalies at Copper Ridge and Thompsons Lode areas were positive, however, failed to return economically mineable significant intersections and the areas have been downgraded in prospectivity (located to the northwest and south of Dargues respectively).

Future exploration work will be focused on near mine regional drilling to contribute to mine life but will also incorporate geological system analysis to understand the deposit in greater detail and improve the prospectivity in a regional geological setting. Regional exploration activities will be initiated to assess satellite mineralisation, including Snobs Mine and Doubloon (all located within 1km of the Dargues Mine).

4.4 Other near-mine and regional exploration

The Company's exploration tenements remain highly prospective and are held over multiple jurisdictions.

Aurelia has conducted a comprehensive campaign of geophysical, geochemical and geological data compilation, review and target generation activities to position the department for a sustained greenfield campaign to be conducted in FY24. A significant increase in the implementation of land access agreements in FY23 has resulted in large tracts of highly prospective ground becoming accessible for FY24 in support of target generation activities.

For further detail, including drill results, refer to the Aurelia website (www.aureliametals.com.au).

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5. CORPORATE

5.1 Balance Sheet

Total assets for the Group at 30 June 2023 have decreased by \$117.9 million to \$444.4 million (30 June 2022: \$562.3 million), driven by depreciation and amortisation charges that were in excess of capital expenditure. In FY23 the Company also recognised impairment of exploration assets and the carrying value of Hera. The Group net assets decreased by \$27.1 million to \$309.8 million at 30 June 2023 (30 June 2022: \$336.9 million).

The main events and movements during the year include:

Assets	<ul style="list-style-type: none">• Closing cash of \$38.9 million reflected part of the refinance announced on 31 May 2023. The remainder of proceeds relating to the refinance were received in early FY24.• The restricted cash balance increased to \$56.8 million at 30 June 2023 (FY22: \$30.7 million) and represents full cash backing of the issued performance bonds under the existing debt facility. In August 2023 the performance bonds were replaced with new bonds under the Trafigura facility and the cash backing is in the process of being returned.• Investment in Exploration and Evaluation continued in FY23 but at a lower rate with \$11.0 million invested for the year (FY22: \$32.6 million), comprising spend at Federation, Great Cobar, Dargues and other regional targets (refer to note 11 of the Financial Statements).• Mine properties assets totalling \$143.1 million (FY22: \$123.5 million)• Investment in Property, plant and equipment of \$10.9 million (FY22: \$31.1 million) (refer to note 9 of the Financial Statements).
Liabilities	<ul style="list-style-type: none">• During FY23 the interest bearing term loan under the existing secured Syndicated Facilities Agreement (as detailed in Section 5.2) was repaid in full (FY22: \$19.3 million outstanding), as well as \$3.1 million relating to chattel mortgages initiated during the year for new mobile plant (FY22: \$6.7 million).• Other financial liabilities totalling \$7.5 million pertains to future third party royalties payable (FY22: \$11.1 million) (refer to note 16 of the Financial Statements).• Decrease in total rehabilitation provisions of \$10.7 million is mostly attributable to a decrease in the associated fair value calculation at 30 June 2023.
Equity	<ul style="list-style-type: none">• No dividends were paid or declared.• An equity raise of \$40 million was announced on 31 May 2023 as part of the Company's refinance. At 30 June 2023 \$22.3 million (net of fees) had been received relating to the institutional placement and entitlement offer, with the remaining proceeds of \$15.6 million (net of fees) from the retail entitlement offer received in early July 2023.

OPERATIONS AND FINANCIAL REVIEW

5.2 Financing

On 31 May 2023 a new financing facility was announced with Trafigura Pte Ltd along with a \$40 million equity raise. The new Trafigura facilities (the “Facilities”) comprise:

- US\$24 million Loan Note Advance (“Loan Note”) facility to contribute funding to construction of Federation, and
- A\$65 million Environmental Bond Facility (“Bond Facility”) to provide rehabilitation bonding.

The Facilities have a term of 4 years from the date of financial close. The Loan Note has an interest rate of SOFR (Secured Overnight Financing Rate) + 6.0% and the Bond Facility has an interest rate of 6.0%. The Facilities have no financial covenants, no hedging requirements and have early repayment flexibility. Trafigura has been granted 120 million warrants over Aurelia shares with an exercise price of A\$0.25/share and a four year term.

Accompanying the Facilities is a concentrate offtake agreement with Trafigura that commences 1 January 2024 for a total of 700,000 dry metric tonnes of any combination of zinc, lead and copper concentrate produced from the Peak Processing Plant. As part of the Facilities there is an undertaking to maintain a ratio of future concentrate deliveries under the offtake agreement to the balance of amounts outstanding on the Facilities.

The Facilities were supported by a fully underwritten A\$40 million equity raising via an institutional placement and 1 for 3.72 pro rata accelerated non-renounceable entitlement offer (“Entitlement Offer”). The proceeds from the institutional placement and entitlement offer were received in June 2023. The balance of the raising relating to the retail entitlement offer was received in early July 2023.

In June 2023 the existing secured Syndicated Facilities Agreement was repaid in full, and the existing performance bond facility was fully cash backed. Total cash backing at 30 June 2023 was \$56.8 million, with the full amount in the process of being returned.

5.3 Hedging

The Company acknowledges that a prudent hedging strategy is an important element of financial risk management and overarching enterprise risk management. Whilst at 30 June 2023, the Company had no existing commodity price hedge contracts on foot, the Company actively managed commodity price risk throughout FY23 through forward contracts and quotation period hedging. It is intended that hedging will continue to be used to manage price risk in future.

On 1 June 2023, a 2-month foreign currency option was purchased relating to the foreign exchange exposure from the US\$24 million Loan Note. Upon expiry in July 2023 a further option was purchased to hedge the facility amount past financial close of the Trafigura facilities.

5.4 Corporate costs

The corporate costs for the year were \$14.8 million (FY22: \$14.6 million). Corporate costs include head office employee related costs, Group professional services costs and other operating costs.

5.5 Dividends

The Board of Directors did not declare a final dividend for the year ended 30 June 2023 (30 June 2022: Nil).

OPERATIONS AND FINANCIAL REVIEW

6. SAFETY, RISK AND SUSTAINABILITY

Building and maintaining a trusted, sustainable, and beneficial presence in the areas in which we operate is essential. Our approach to sustainability is aligned with our vision and our values of care, curiosity, nimble and one team.

We are embedding sustainability within our business and building resilience founded upon ethical and transparent business and governance practices. We recognise the need to continuously improve, understand, benchmark and address emerging issues which are of importance to ourselves and our stakeholders.

Our core activities continue to be directed towards providing certainty of no fatalities and no major environmental or community incidents (incidents having a detrimental impact on the environment that would impact Aurelia's reputation and license to operate).

The foundational governance structures and programs which support Aurelia's safety, risk and sustainability approach and strategy include:

- **Rules to Live By** – A defined set of rules by which all people working at Aurelia sites are required to comply. The rules are based on industry research where breaches of such rules may result in fatalities. Mandatory training on the Rules to Live By is completed for all personnel.
- **Green Rules** – A defined set of rules that apply to work and activities that have a greater risk of causing environmental harm or impacting Aurelia's reputation.
- **Fatal and Catastrophic Hazard Standards** – A set of Group standards that have been developed which define the requirements for appropriately engineered work environments, fit for purpose equipment, and a trained workforce. These standards also address catastrophic environmental hazards.
- **Critical Control Verification** – A periodic and planned program of critical control verifications, including improvement action identification, tracking and closeout.
- **Group Risk Register** – A register of group risks which are assessed for likelihood and consequence in line with Aurelia's Enterprise Risk Management Framework which is aligned with the International Standard for managing risk ISO31000:2018.
- **High Potential Risk Incidents (HPRI's)** – A Senior Management Taskforce for Significant Incidents assesses HPRI investigations and verifies action close-out to prevent recurrence.
- **Safety Leadership Programs** – A multifaceted preemptive program focusing on visible leadership and the proactive verification of safety and environmental compliance to defined standards. The program includes a defined activity matrix which includes Safe Act Observations (SAO), Workplace Inspections, and Planned Task Observations (PTO).
- **Competency Framework** – A competency matrix developed to map employee training and development plans and to identify and address any gaps in expected competencies.
- **Close out of Actions** – A groupwide approach for the tracking and reporting of actions, and the close out of actions to an appropriate standard.

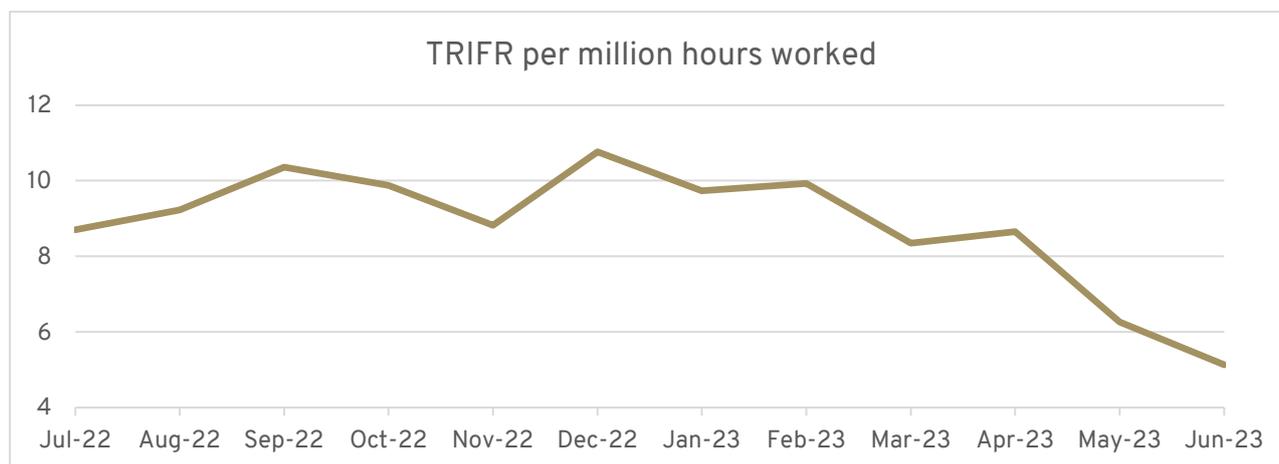
The above control frameworks are also supported by external audits and verification processes to ensure that Aurelia are attuned to evolving risks and opportunities.

OPERATIONS AND FINANCIAL REVIEW

6. SAFETY, RISK AND SUSTAINABILITY (Continued)

Our safety and environmental incident reduction journey over the last two years is evidence that good governance, systems and a sustained focus on safety and environment outcomes combine to support reduced incident frequency rates.

Group 12-month average Total Recordable Injury Frequency Rate (TRIFR):



Since the implementation of the Green Rules, the frequency of reportable environmental incidents has improved. Aurelia's environmental compliance performance is measured by the Recordable Environmental Incident Frequency Rate (REIFR) per million hours worked. For the first half of the financial year the Company experienced reportable injuries, however, the frequency rate has progressively improved through the second half of the financial year through reinforced governance.

In August 2023 the Company was recognised for its REIFR reporting by being awarded the Environmental Excellence award at the NSW Minerals Council HSEC Awards.

OPERATIONS AND FINANCIAL REVIEW

7. MATERIAL BUSINESS RISKS

Aurelia prepares its business plan using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry, and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group at the period end are outlined below.

7.1 Fluctuations in the commodity price and Foreign Exchange rates

The Group's revenues are exposed to fluctuations in the US\$ price of gold, silver, lead, zinc and copper. Volatility in metal prices creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained despite metal price volatility. Gold doré sales are denominated in Australian dollars, whilst concentrate sales are denominated in US dollars. The Company has a foreign exchange price risk when the US dollar price of a commodity is translated back to Australian dollars.

During the financial year, gold and gold in concentrate unhedged sales were 29,812 ounces (FY22: 9,249 ounces). The effect on the income statement with an A\$50/oz increase/decrease in gold price would have resulted in an increase/decrease in profit/loss and equity of \$2.2 million (FY22: \$0.5 million).

During the financial year the Company made unhedged sales of concentrate containing payable lead of 6,276 tonnes (FY22: 4,831 tonnes), payable zinc 3,618 tonnes (FY22: 12,394 tonnes) and payable copper of 285 tonnes (FY22: 1,176 tonnes). An increase/decrease of US\$50/t in the price of lead, zinc and copper would have resulted in an increase/decrease profit/loss and equity by \$0.8 million (FY22: \$1.3 million).

A movement in the US/AUD foreign exchange rate by 1% would result in an increase/decrease in revenue of \$0.5 million.

Declining metal prices can also impact operations by requiring a reassessment of the feasibility of an exploration target and/or evaluation project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial position.

7.2 Mineral Resources and Ore Reserves

Group Mineral Resources and Ore Reserves are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of metal or other mineral will be produced. Such estimates are based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part of the Company's mineral resources constitutes or will be converted into reserves.

Market price fluctuations, as well as increased production and capital costs, may render some of the Company's ore reserves unprofitable to develop for periods of time or may render some low margin ore reserves uneconomic. Mineral Resources and Ore Reserves may have to be re-estimated based on new data, production performance, cost experience and metal price outlook. Any of these factors may require the Company to modify its ore reserves, which could have either a positive or negative impact on the Company's financial results.

OPERATIONS AND FINANCIAL REVIEW

7.3 Replacement of depleted reserves

The Company must continually replace reserves depleted by production to maintain production levels over the long-term. Reserves can be replaced by expanding known ore bodies, locating new deposits, acquiring new assets or achieving higher levels of conversion from resource to reserve with improvements in production costs and/or operational performance and metal price outlook.

Exploration is highly speculative in nature and as such, the Company's exploration projects involve many risks and can often be unsuccessful. Once a prospect with mineralisation is discovered, it may take several years from the initial discovery phase until production is possible.

As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions, or that divestment of assets will lead to a lower reserve base. The Company's mineral base may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine life, based on current production rates.

7.4 Production and cost estimates

The Company routinely prepares internal estimates of future production, operating costs and capital costs for its operating assets and development projects. The Company has developed business plans which forecast metal recoveries, ore volumes and operating costs for each business unit. While these assumptions are considered reasonable, there can be no guarantee that forecast rates will be achieved. Failure to achieve production or cost estimates could have an adverse impact on the Company's operating margins, future cash flow, profitability and financial solvency.

The Company's actual production and costs may vary from estimates for a variety of reasons, including:

- actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics
- short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades
- revisions to mine plans
- risks and hazards associated with mining
- natural phenomena, such as inclement weather conditions, water availability, floods, and
- unexpected labour shortages or strikes.

Costs of production may also be affected by a variety of factors, including ore grade, geotechnical conditions, metallurgical performance, labour costs, consumable costs, energy costs, commodity costs, general inflationary pressures and currency exchange rates.

OPERATIONS AND FINANCIAL REVIEW

7.5 Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, rock failures, cave-ins, and weather conditions (including flooding and bushfires) – most of which are beyond the Company's control.

These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Company's financial performance, liquidity and operations results.

The Company maintains insurance to cover some of these risks and hazards. Insurance is maintained in amounts that are believed to be reasonable depending on the circumstances surrounding each identified insurable risk and are benchmarked against peer insurance programs. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

7.6 Attraction and retention of skilled and experienced personnel

The mining industry in general may be subject to a shortage of suitably experienced and qualified personnel in key technical roles. Attracting and retaining key persons with specific knowledge and skills are critical to the viability and growth of the Company.

The Company maintains a suitably structured remuneration strategy to assist with the attraction and retention of key employees. However, the risk of loss of key employees is always present. This risk is managed through having active and broad recruitment channels and the ability to rely upon other suitable personnel and qualified external contractors and consultants when required.

7.7 Environment and Sustainability

Environmental, health and safety regulations, permits

The Company's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment. This includes the regulation and management of water, waste disposal, worker health and safety, mine development, mine rehabilitation and closure, air quality and biodiversity.

Real or perceived events associated with the Company's activities (or those of other mining companies) that detrimentally impact the environment, human health and safety, or the surrounding communities may result in penalties, including delays in obtaining or failure to obtain government permits and approvals. This may adversely affect the Company's operations, including its ability to continue operations.

The Company has implemented a range of health, safety, environment and community related initiatives at its operations to manage and support the health and safety of its employees, contractors and members of the community affected by its operations. Despite this, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries, damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

OPERATIONS AND FINANCIAL REVIEW

7.7 Environment and Sustainability (Continued)

Water

Water can be a scarce commodity in regional NSW, Australia. Water is a significant input into processing activities and access to sufficient water to support current and future activities is critical. The impact of drought conditions serves to increase this risk. The Company has established reliable sources of water which are an alternative to high security water sources. In addition, in some other parts of NSW high rainfall related risks (including flooding), could lead to water storages on site overflowing and discharging into the environment. High rainfall events may also disrupt access to site and operations on site.

Each of Aurelia's mining operations prioritise the use of recycled water for its processing activities to preserve water reserves and to limit the use of external water sources.

The Peak Mine obtains high security water from the Burrendong Dam to supplement other water sources, including water from the historic Great Cobar underground workings.

The Dargues Mine has experienced significant rainfall over the last few years. As a result, water is stored within the tailings storage facility which is utilised for activities onsite. If supplementary water is required, Dargues has regulatory approval to truck water to site.

Community relations

The Company has operations near established communities. Active community engagement and a proactive outlook and approach to local community stakeholder concerns and expectations is a key priority.

The mining industry in general is subject to potential community relations related risks which may result in a disruption to production and exploration activities and delay the approval timelines for key development activities. The Company recognises that by building respectful relationships with the communities in where it operates, it creates a shared value that is mutually beneficial. Community relations initiatives such as community forums, community development programs, donations, and sponsorships are coordinated to ensure active community engagement.

The Company's operating philosophy is to ensure that the Company's activities are carried out legally, ethically, and with integrity and respect. Being a significant employer and consumer within the communities in which we operate, the Company acknowledges the immeasurable responsibility bestowed on it. The Company's active community engagement program provides a platform for the Company to understand stakeholder needs and to work towards proactively addressing concerns and mitigating any risk.

OPERATIONS AND FINANCIAL REVIEW

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Apart from the items as noted elsewhere in this report, there were no significant changes in the state of affairs of the Company during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The matters or events that have occurred after 30 June 2023 that have significantly affected or may significantly either the Group's operations or results of those operations of the Group's state of affairs are listed below:

- A new Director appointed – Mr Lyn Brazil (and his alternate, Mr Bradley Newcombe) was appointed on 17 July 2023.
- The retail entitlement offer component of the equity raise completed in July 2023 with ~168 million new shares issued.
- The Trafigura debt facilities financial close occurred in August 2023 and the 120 million warrants were issued to Trafigura (with an exercise price of A\$0.25/share and a four year term).

LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Shareholder,

On behalf of the Board of Directors of Aurelia Metals Limited, I am pleased to present our FY23 Remuneration Report.

The size and scope of the organisational change agenda set out by the Board at the Annual General Meeting could have intimidated the most well-seasoned leaders and employees alike, but I look back with pride at all that has been achieved.

The turnaround in operational performance and cash management has involved every Aurelia employee who embraced the challenge to return operational certainty and begin the journey to restore shareholder value. Organisation-wide initiatives, such as Working Smarter captured \$25 million in savings across the business, while teams on site adjusted to new mine plans and operational targets to increase cash flows.

FY23 was a year of rebalance. Despite strong commodity prices, a combination of complex external factors provided a challenging landscape for companies like ours. Against this backdrop, we adapted our plans through a significant Company refinancing whilst attracting a new Executive team being the Managing Director, CFO and recently a Federation Project Director. These changes aim to ensure operational excellence whilst accelerating towards our premiere Federation Project – which we see as a significant value catalyst for our Company.

Along the way, we have been cognisant of the impacts of fatigue, uncertainty and distraction that a sustained period of transition can have on employees. For this reason, in FY23 we set in motion a range of programs to ensure positive workforce outcomes designed to support and care for our people. At the heart of this effort, was our remuneration framework – a critical tool required to attract, retain and reward employees who go above and beyond.

Remuneration governance

At Aurelia, we have developed a robust remuneration framework that links outcomes with business performance. It is built on strong governance and transparent reporting. To ensure our approach is in line with current trends, market expectations and peer insights, each year we engage with our stakeholders (including proxy advisors) to hear their views on our strategic approach to sustainability and employee-related matters, including our remuneration framework.

The low vesting outcomes for the Company's FY21 long-term incentives reflected the Company's poor shareholder return over the three year period (to 30 June 2023). The absolute and relative total shareholder return measures, and growth measures all vested at 0%, reflecting the alignment of 'at risk' remuneration for relevant employees with shareholder expectations.

As Aurelia continues to grow, the Board recognises that the overarching remuneration framework and related governance controls need to be reviewed on an ongoing basis. This includes the Company's incentive plans for 'at-risk' remuneration, which are reviewed to ensure the plans remain relevant and meet the underlying objective of creating alignment with Aurelia's short- and long-term business objectives.

Remuneration changes in FY23

Aurelia takes a whole of business approach to developing strategy and plans, reviewing performance and linking outcomes to variable remuneration.

LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

In FY23, our Short-Term Incentive (STI) Plan was simplified, moving to three pillars: safety, production, and cost outcomes. These three measures were chosen as we believe that by achieving our goals under these pillars, it unlocks the key to our business success. Simplifying the measures allows the Company to clearly align executive and employee variable remuneration (short-term and long-term incentives) to Company performance and key stakeholder expectations. The simplification allowed employees and stakeholders to make a clear link between Company performance and the payment of variable remuneration.

As shareholders would be aware, substantial pressure on wages is being experienced across all sectors of the economy, flowing from high levels of inflations and record low unemployment. The Board is acutely aware of the need to balance cost control against the disruption to operations that are caused by a reduction in the workforce. The Remuneration and Nomination Committee are aware that the Company is experiencing high turnover due to competitive salaries within the industry. The Committee recognises the needs to remain competitive to continue to attract high calibre talent.

The Company's remuneration framework is founded on governance aligned with stakeholder expectations. While there have been no material changes to remuneration in FY23, the Company has continued to refine and embed governance processes and strategies which support its remuneration objectives. Some of the activities completed to this end in FY23 include:

- Increases to the KMP's Total Fixed Remuneration (TFR) is equal to the average increases awarded across the entire Aurelia workforce.
- Commitment to meeting the 0.5% increase in legislated Superannuation Guarantee (SG) effective from 1 July 2023 on top of the annual salary review increases which will also be effective from 1 July 2023.
- No change to the Non-Executive Director fee structure was implemented during FY23.
- Changes to the Short-Term Incentive Plan to simplify the Company KPIs and provide a clear link between business performance and payment of variable remuneration.
- Invitation to Senior Professionals and Superintendents to participate in the FY23 LTI Scheme for the first time. This encourages ownership of the long-term Company performance at all leadership levels of the Company. Employees at the Manager level and above continue to be eligible to participate in the LTI Scheme.

Diversity and Inclusion

With mining operations at the Hera Mine ceasing and the surface facilities transitioned into care and maintenance, and recruitment ramping up for Federation development in June, ensuring our approach to remuneration safeguards our commitment to diversity and inclusion has been a keen focus. In FY23, this included:

- Conducting and extensive gender pay gap analysis, before and after any award of salary increases. This is provided to the Remuneration and Nomination Committee and the Board for review and approval.
- Continuing well established remuneration bands and position grading to ensure there is no room for unconscious bias when appointing candidates, that is, the remuneration for candidates is not dependent on their individual powers of negotiation.
- Increasing female representation across the workforce for the fourth year in a row, female participation in the workforce at 30 June 2023 is 22.65% (FY22: 21.5%).

LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

- Board commitment to ensuring 25% of its members are women (as a minimum). At 30 June 2023, female representation of the Board sat at 29% and currently female representation is at 25% (given the appointment of an additional Non-Executive Director).
- Implementing a detailed three-year Diversity & Inclusion Strategy (FY22-FY25) and a dedicated Diversity Working Group in charge of actioning key targets against this strategy and promoting D&I throughout the Company. Such as:
 - Delivering an extensive face-to-face Workplace Behaviour Training that educated employees on the Company's expected behaviours when it comes to Bullying, Harassment (including Sexual Harassment), Discrimination and Victimization.
 - Introduced a Flexible Working Standard and the Group Parental Leave Standard. These standards provide greater clarity around the support mechanisms for carers. These standards emphasise flexibility and are aimed at supporting parents to return to our workforce whilst balancing additional responsibilities at home.
 - Continuing to collect information from our workforce relating to gender equality through targeted questions in Exit Interviews, surveys on psychological hazards and sustainability surveys.

Looking ahead

The next two years will be transformational for Aurelia. Funding for Federation, new leadership and a re-energised focus on our mines have set the foundation for our future success.

Given the KMP have been newly appointed in FY23, we do not anticipate there to be any substantial changes to the Total Fixed Remuneration (TFR) or changes to variable remuneration such as short-term and/or long-term incentive opportunities.

The Remuneration and Nomination Committee will continue to monitor and review remuneration for the executive team and all employees consistent with the annual review cycle.

We are confident our remuneration strategy will enable us to attract and retain the high calibre team we need to take us forward while strongly aligning employee interest with shareholder value.

Thank you for your continued interest and support of our Company.



Paul Harris
Chair - Remuneration and Nomination Committee

REMUNERATION REPORT (AUDITED)

This Remuneration Report forms part of the Directors Report for the year ended 30 June 2023. This report outlines the details of the remuneration arrangements for the Directors and Key Management Personnel (KMP). It also outlines the overall remuneration strategy, framework and practices adopted by the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly, including any Director of the Company (whether executive or otherwise).

REMUNERATION REPORT TABLE OF CONTENTS

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REMUNERATION REPORT (AUDITED) (CONTINUED)

1. KEY MANAGEMENT PERSONNEL (KMP)

The KMP of the Company and the positions held are summarised below:

Non-Executive Directors	Position	Term
Peter Botten	Independent Non-Executive Chair	Full Year
Susie Corlett	Independent Non-Executive Director	Full Year
Lawrence Conway	Independent Non-Executive Director	Resigned 31 August 2022
Bruce Cox	Independent Non-Executive Director	Appointed 1 September 2022
Paul Harris	Independent Non-Executive Director	Full Year
Helen Gillies	Independent Non-Executive Director	Full Year
Bob Vassie	Independent Non-Executive Director	Full Year
Lyn Brazil (i)	Non-Executive Director	Appointed 17 July 2023
Bradley Newcombe (ii)	Alternate Director for Lyn Brazil	From 17 July 2023
Executive Directors		
Daniel Clifford	Managing Director and CEO	Resigned 18 November 2022
Bryan Quinn	Managing Director and CEO	Appointed 6 June 2023
Other KMP		
Peter Trout (iii)	Chief Operating Officer	Full Year
Martin Cummings	Chief Financial Officer	Appointed 1 December 2022
Ian Poole	Chief Financial Officer and Company Secretary	Retired 31 December 2022
Interim CEO		
Andrew Graham	Interim CEO	Interim appointment 19 November 2022 - 5 June 2023

- (i) Mr Franklyn Brazil was appointed as a Non-Executive Director on 17 July 2023. Mr Brazil is appointed as a nominee of Brazil Farming Pty Ltd.
- (ii) Mr Bradley Newcombe is Mr Brazil's alternate director on the Board.
- (iii) Peter Trout ceased employment with the Company on 7 August 2023.

REMUNERATION REPORT (AUDITED) (CONTINUED)

2. REMUNERATION GOVERNANCE

BOARD

- As part of its Corporate Governance framework, the Board of Directors (the Board) has an established Remuneration and Nomination Committee (referred to hereafter as the 'Remuneration Committee' for the purposes of this Remuneration Report)
- The Board delegates responsibilities in relation to remuneration to the Remuneration Committee which functions in accordance with the Committee Charter and the requirements of the *Corporations Act 2001* and its regulations
- A copy of the Charter is published on Aurelia's website (<https://aureliametals.com/about/corporate-governance/>)

REMUNERATION COMMITTEE

- The Remuneration Committee consists solely of independent Non-Executive Directors to assist the Board in discharging its responsibilities in relation to the Company's remuneration policies and practices
- The Remuneration Committee is chaired by an independent Non-Executive Director who is not the Chair of the Board
- Membership is detailed on page 7, under Section 3 of the Director's Report
- The Remuneration Committee is responsible for reviewing and making recommendations to the Board in relation to remuneration matters, including the:
 - remuneration arrangements and contract terms for the Managing Director and CEO and other KMP
 - terms and conditions of short-term and long-term incentives for all employees, particularly the Managing Director and CEO and other KMP, including the targets, performance measures and vesting conditions
 - remuneration paid to Non-Executive Directors, and
 - the budget for any annual salary increases for the Group.

REMUNERATION CONSULTANTS

- The Remuneration Committee considers whether to appoint a remuneration consultant and, if so, their scope of work. Such engagements are completed in accordance with:
 - the requirements of the *Corporations Act 2001* for remuneration consultants and related recommendations, and
 - established governance procedures including direct reporting to the Board to ensure that any remuneration recommendation is free from undue influence.
- During FY23, the Remuneration Committee engaged independent consulting firm Juno Partners for the purpose of providing advice and analysis with respect to remuneration (FY22: Juno Partners)
- No remuneration recommendations, as defined in section 9B of the *Corporations Act 2001*, were made by the remuneration consultants during FY23 (FY22: Nil)

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. REMUNERATION OVERVIEW

AURELIA'S REMUNERATION PHILOSOPHY

- Aurelia's remuneration philosophy is supported by a framework for organisational structure and remuneration, to enable Aurelia to:
 - attract, engage and retain high-calibre employees to achieve the Company's current and future business needs, and
 - encourage a performance-based culture whereby competitive remuneration and rewards are aligned to business and shareholder objectives

AURELIA'S APPROACH TO REMUNERATION

- The Company's approach to remuneration considers:
 - detailed remuneration benchmarking, with reference to the Company's peers (industry and market capitalisation)
 - the Company's performance over the relevant performance period
 - internal relativity and differentiation of remuneration based on performance
 - pay equity at each level to ensure no gender or diversity bias within the organisation, and any differences are determined based on performance and skills
 - market developments affecting remuneration practices
 - the remuneration and expectations of a high performing executive the Company wants to employ
 - addressing emerging needs or concerns with tailored remuneration solutions (eg. retention schemes)
 - the link between remuneration and the successful implementation of the Company's strategy, and achievements of objectives and targets, and
 - future outlook.

THE LINK TO STRATEGIC BUSINESS OUTCOMES

- The Company's remuneration framework is founded upon aligning each individual's remuneration outcomes with the Company's strategic business objectives. This alignment is created through linking 'at-risk' remuneration with Aurelia's strategic business objectives:
 - 'at-risk' STIs are linked to individual and Company annual objectives and individual performance outcomes
 - 'at-risk' LTIs are linked to the achievement of long-term strategic objectives in Section 6.2, and
 - the typical key performance measures applied have been detailed in Sections 6.1 and 6.2.
- Aurelia's objective is to build a performance-based culture whereby competitive remuneration and rewards are aligned with the Company's objectives and shareholders' expectations. A significant proportion of total remuneration is 'at-risk'
- Through this framework, Aurelia seeks to attract, engage and retain high-calibre employees to meet the Company's current and future business needs

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. MANAGING DIRECTOR AND CEO AND OTHER KMP REMUNERATION

Total Remuneration (TR) for all executive KMP consists of the following key elements:

<p>TOTAL FIXED REMUNERATION (TFR)</p>	<p>Remuneration objective is to attract, engage and retain high-calibre personnel.</p> <p>.....</p> <p>Considerations include benchmarking data, internal relativities and executive performance.</p>	<p>The purpose of TFR is to provide a base level of remuneration which is market competitive and appropriate.</p>
<p>SHORT-TERM INCENTIVE (STI)</p>	<p>The STI is an ‘at-risk’ component of TR with a one-year horizon.</p> <p>The performance measures consider the individual’s performance based on the individual performance KPI’s as well as Group performance under the pillars of Safety, Production and Financial Outcomes.</p> <p>.....</p> <p>The key focus of the performance measures is to build and deliver superior shareholder returns.</p>	<p>The key performance measures are set at the beginning of each year with a one-year performance period.</p> <p>A number of critical tasks and measures linked to each of the Company’s key pillars are identified (refer to section 6.1 of this report).</p> <p>The relative weighting is determined based on the role being performed and level within the Company and is applied as a percentage of the employee’s TFR.</p>
<p>LONG-TERM INCENTIVE (LTI)</p>	<p>The LTI is an ‘at-risk’ component of TR with a three-year horizon.</p> <p>The performance measures are designed to support superior shareholder return.</p> <p>.....</p> <p>The objective of the LTI is to:</p> <ul style="list-style-type: none"> a) provide an incentive to the executive KMP which focuses on the long-term performance and growth of the Company b) align the reward of the executive KMP with returns to shareholders; and c) promote the retention of the Company’s executive KMP and eligible employees. 	<p>The performance measures are set at the beginning of each year, with a three-year performance period as is applied as a percentage of the employee’s TFR.</p> <p>The key focus of the performance measures is to build and deliver superior shareholder return through total shareholder return (TSR) measures and targeted long-term growth criteria (refer to section 6.2 of this report).</p>

In addition to the above, eligible employees of the Company (including certain executive KMP) are entitled to participate in the Company’s Employee Share Plan. This plan was implemented in April 2021. Eligible employees are invited to participate in the plan to receive fully paid ordinary shares in the Company (subject to a 36-month holding lock) with a nominal value of \$1,000 which, depending on the individual’s taxable income in the relevant year, may be tax exempt. The Managing Director and CEO did not participate in this plan in FY23 due to commencing employment after the grant date.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. MANAGING DIRECTOR AND CEO AND OTHER KMP REMUNERATION (Continued)

The amount and relative proportion of TFR, STI and LTI is established for each executive following consideration by the Remuneration Committee. This includes consideration of external market references, including benchmarking of remuneration for comparable roles and the internal relativities between executive roles. The Company also regularly participates in and subscribes to the AON Hewitt Gold & General Mining Industry Remuneration Survey.

The principles underlying the Company's executive remuneration strategy are below:

- a. Total Remuneration (TR) is to be appropriate, market competitive and structured to attract and retain talented and experienced employees.
- b. TR is to comprise an appropriate mix of fixed and performance-based at-risk variable remuneration.
- c. TFR (base salary + superannuation) is targeted at the median (P50) range compared to the industry benchmark and internal relativities. Exceptions may exist depending on the supply and demand of particular roles or skills or for individuals who are recognised as high performers within the Company and thereby will be highly sought after by competitor companies.
- d. variable remuneration is to consist of STIs and LTIs to align executive performance with the interests of shareholders. Performance targets under the variable incentive plans reflect the Company's short-term and long-term strategy and objectives.
- e. in keeping with the Company policy of paying for performance, target TR (TFR + target STI + target LTI) is targeted at up to the 75th percentile of the relevant peer group (exceptions may exist depending on the supply and demand of particular roles or skills or for individuals who are recognised as high performers within the Company). As variable remuneration is performance based it is not guaranteed, with any award dependent on the business and individual meeting pre-determined performance targets.
- f. performance-based 'at-risk' remuneration is to encourage, and reward high performance aligned with business objectives that create strategic, economic and sustainable shareholder value.
- g. an annual review of remuneration is conducted for all supervisory roles and above (including the KMP) based on an appraisal against their individual achievement and development plan and is designed to deliver fair and equitable results.

Total Remuneration at maximum (Total Fixed Remuneration, Short-Term incentives at maximum and LTI opportunity) would see the mix of remuneration for KMP as detailed below:

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. MANAGING DIRECTOR AND CEO AND OTHER KMP REMUNERATION (Continued)

FY23	TFR	% OF TOTAL REMUNERATION AT MAXIMUM		
Bryan Quinn, Managing Director and CEO	\$827,500	TFR - 31%	STI - 38%	LTI - 31%
Peter Trout, Chief Operating Officer	\$532,911	TFR - 39%	STI - 31%	LTI - 29%
Martin Cummings, Chief Financial Officer	\$442,000	TFR - 39%	STI - 31%	LTI - 29%
Andrew Graham, Interim CEO*	\$585,000	TFR - 36%	STI - 36%	LTI - 27%
Daniel Clifford, Previous Managing Director and CEO	\$756,428	TFR - 36%	STI - 27%	LTI - 36%
Ian Poole, Previous Chief Financial Officer	\$442,000	TFR - 44%	STI - 27%	LTI - 29%

FY22	TFR	% OF TOTAL REMUNERATION AT MAXIMUM		
Daniel Clifford, Managing Director and CEO	\$753,005	TFR - 38%	STI - 24%	LTI - 38%
Peter Trout, Chief Operating Officer	\$530,500	TFR - 49%	STI - 19%	LTI - 32%
Ian Poole, Chief Financial Officer	\$440,000	TFR - 49%	STI - 19%	LTI - 32%

*Total Remuneration for Andrew Graham is for the period between 19 November 2022 and 5 June 2023 as Interim CEO. Mr. Graham was also entitled to a completion bonus of \$125,000 paid on completion of his tenure as Interim CEO as reflected in Section 9 Remuneration of Directors and other KMP.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. SERVICE AGREEMENT KEY TERMS

Executives are employed under executive employment agreements with the Company.

NAME AND POSITION	DATE OF SERVICE AGREEMENT	TERM OF SERVICE AGREEMENT	NOTICE PERIOD BY EXECUTIVE	NOTICE PERIOD BY AURELIA	TERMINATION PAYMENTS
<i>Current Executive Directors and KMP</i>					
Bryan Quinn Managing Director and CEO	31-May-23	Open	6 months*	6 months	Up to a max of 6 months fixed remuneration (TFR)
Martin Cummings Chief Financial Officer	02-Nov-22	Open	3 months	On or before 30 June 2024: 7 months After 30 June 2024: 3 months + 1 month per year of service up to a maximum of 6 months	Up to a max of 7 months TFR
<i>Previous Executive Directors and KMP</i>					
Peter Trout Chief Operating Officer	25-Nov-19	Open	6 months	6 months	Up to a max of 12 months base salary**
Andrew Graham Interim Chief Executive Officer***	18-Nov-22	Until the appointment of a permanent CEO, or as otherwise terminated by the Board	6 months	6 months	Up to a max of 6 months fixed remuneration (TFR)
Daniel Clifford Managing Director and CEO	25 Nov-19	Open	6 months	6 months	Up to a max of 6 months fixed remuneration (TFR)
Ian Poole Chief Financial Officer	12 May-20	Open	3 months	3 months + 1 month per year of service up to a maximum of an additional 3 months	Up to a max of 3 months fixed remuneration (TFR)

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. SERVICE AGREEMENT KEY TERMS (Continued)

*If there is a Fundamental Change, the Managing Director & CEO may terminate the employment by giving one months' notice in which case Aurelia shall pay twelve months of total fixed remuneration. A 'Fundamental Change' includes ceasing to hold the position of Managing Director and CEO or report to the Board or where the scope of the responsibilities or authority is materially diminished (other than on a temporary basis).

**The Service Agreement related to the Chief Operating Officer was negotiated to secure his services and is limited to those that can be lawfully paid under the *Corporations Act 2001*. The Company has subsequently limited termination payments for future executive KMP service agreements to a maximum of six months.

*** Mr Graham's appointment as Interim CEO was under the terms of his existing employment agreement (as amended).

6. HOW PERFORMANCE IS LINKED TO THE VARIABLE 'AT-RISK' REMUNERATION FOR THE MANAGING DIRECTOR AND CEO AND OTHER KMP

The objective of variable remuneration is to align KMP remuneration outcomes to the short-term and long-term incentives strategy and objectives of the Company. This alignment is achieved through the Company's variable 'at-risk' incentives, which comprise the Short-Term Incentive Plan (STIP) and the Long-Term Incentive Plan (LTIP).

The Board measures and considers the achievement of targets together with overall business performance and individual performance (as relevant) when deciding on the actual payment or allocation of variable remuneration. The Board retains absolute discretion in relation to participation and award under the STIP and LTIP.

6.1 SHORT TERM INCENTIVE PLAN (STIP)

The award of an STI payment is assessed at the end of the financial year and, if applicable, is paid only after the Remuneration Committee has reviewed and made recommendations to the Board for approval. This includes the assessment of achievement against applicable businesses performance and individual performance targets. Key elements of the Company's FY23 Short-Term Incentive Plan are:

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.1 SHORT TERM INCENTIVE PLAN (STIP) (Continued)

Purpose	Focus participants on delivery of business objectives over a 12-month period.						
Participation	All employees including executive KMP.						
STI opportunity	<p>The STI opportunity for the Interim CEO was targeted at 50% of TFR for the period of appointment with an award for outperformance against a “stretch target” of 200% of this amount, i.e., a potential maximum award of 100% of TFR.</p> <p>The STI opportunity for the other KMP is at 40% of the TFR at target with an award for outperformance against “stretch target” of 200% of this amount, i.e. a potential maximum award of 80% of TFR.</p> <p>The Managing Director and CEO does not have an STI opportunity for FY23 as he commenced in June 2023. His STI opportunity for FY24 will be 100% of the TFR at target with an award for outperformance against “stretch target” of 125% of this amount.</p> <p>The previous Managing Director and CEO is entitled to a pro rata STI award for FY23 (up to his resignation date), to be assessed against the FY23 performance criteria.</p>						
Period	Performance is measured per financial year (1 July to 30 June).						
Performance criteria	<p>The performance criteria and weighting of individual components are reviewed and determined annually at the discretion of the Board.</p> <p>The weighting given to each metric may differ by role. For FY23, the weighting for KMP was 80% Company Performance/20% Individual Performance, with each metric then evenly weighted within these categories with the exception of the Interim CEO and the CFO who were weighted 50% Company Performance/50% Individual Performance in recognition of the role each played in refinancing and resetting the Group’s operations.</p>						
Performance gates	<p>There were two performance gates for the FY23 STIP. A performance gate is an indicator of unsatisfactory business, work or personal performance that voids the STIP award for a specific KPI and/or Participant.</p> <table border="1"> <thead> <tr> <th>Performance Gate</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td>Safety: Zero fatalities within the Group</td> <td>Forfeit of the Safety KPI</td> </tr> <tr> <td>Individual Behaviour: any formal disciplinary action or material breach of the Company Values.</td> <td>Forfeit any STI award against Individual KPIs</td> </tr> </tbody> </table>	Performance Gate	Impact	Safety: Zero fatalities within the Group	Forfeit of the Safety KPI	Individual Behaviour: any formal disciplinary action or material breach of the Company Values.	Forfeit any STI award against Individual KPIs
Performance Gate	Impact						
Safety: Zero fatalities within the Group	Forfeit of the Safety KPI						
Individual Behaviour: any formal disciplinary action or material breach of the Company Values.	Forfeit any STI award against Individual KPIs						

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.1 SHORT TERM INCENTIVE PLAN (STIP) (Continued)

Exercise of discretion	The Board has discretion, considering recommendations from the Remuneration Committee, to adjust overall STI payments or an individual's final STI payment.
Payment	<p>STI payments are paid in cash and are subject to a service condition.</p> <p>This condition is met if the KMP's employment is continuous during performance period and was employed at the STI payment date.</p> <p>The KMP's entitlement will be calculated on a pro-rata basis if they joined during the performance period, with a minimum tenure of four months prior to the end of the performance period (otherwise there will be no entitlement).</p>
Rights on termination	KMP whose employment is terminated before the date of payment (for whatever reason) are not eligible for any STI payment but may be entitled to a pro-rata award as a good leaver.
Malus Policy	At its discretion, the Board may cancel or withhold payment of any award made under the STIP for the period if it determines that had the STI payment been made the KMP would have received an 'inappropriate benefit.'

6.1.1 FY23 STIP outcomes for eligible KMP

The Board determined that the following measures would be applicable to participants in the FY23 STIP with variations for the individual KPIs as these are dependent on the individual's role. The same Business Performance categories were applied to all STI participants, with metrics differing between Corporate and Site employees, to ensure that all employees were aligned to the Company's strategy, objectives and performance targets whilst being assessed against metrics that were within their control and influence.

The STI performance measurements include (where appropriate) the application of threshold, target and stretch elements. This complements the Company's philosophy of performance-based remuneration, where a sliding scale for achievement may be awarded based on the actual outcome.

These elements are defined below:

Threshold	Target	Stretch
Nil award for outcome below 30% of target. Pro-rata between threshold and target	100%	Award for outperformance against Target. Pro-rata up to maximum of 200%

'Target' is based on challenging but achievable targets for both the Company and the individual components. The stretch target reflects outstanding individual and business performance. The threshold target represents the minimal level of acceptable performance, recognising that target is set at a challenging level. At threshold, a partial award is made if the Company and/or the individual has still performed well, and the Company has successfully progressed.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.1.1 FY23 STIP outcomes for eligible KMP (Continued)

The Board considered the Individual Performance for each eligible KMP based on the below KPIs.

Interim CEO - Individual Performance KPIs	
KPI 1	Development of Federation
KPI 2	Develop and Deliver Funding
KPI 3	Revise Business Strategy & Develop Growth Options
CFO - Individual Performance KPIs	
KPI 1	Refinance the Business
KPI 2	Develop a Capital Management Plan
KPI 3	Drive Business Improvement

The Board Considered the Business Performance for employees based on the below KPIs:

	KPI 1 – Safety (Group TRIFR 12MMA)	KPI 2 – Production (Gold Equivalent Ounces)	KPI 3 – AISC (A\$/ounce)
Threshold (0.3)	≤ 8.75	146,000	2,300
Target (1.0)	≤ 6.60	175,200	1,748
Stretch (2.0)	≤ 4.50	192,720	1,573

The FY23 STIP outcomes as applicable eligible KMP is detailed below.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.1.1 FY23 STIP outcomes for eligible KMP (Continued)

	KPI 1	KPI 2	KPI 3	KPI 4 – Safety	KPI 5 – Production	KPI 6 – Financial	Weighted score
Description	Individual KPI 1	Individual KPI 2	Individual KPI 3	KPI Group TRIFR 12MMA	Gold Equivalent Ounces	AISC (A\$/ounce)	
Threshold	Not disclosed due to commercial in-confidence			≤ 8.75	146,000	2,300	
Target	Not disclosed due to commercial in-confidence			≤ 6.60	175,200	1,748	
Stretch	Not disclosed due to commercial in-confidence			≤ 4.50	192,720	1,573	
Outcomes							
Interim CEO	Between Target & Stretch			Between Target & Stretch	Between Threshold & Target	Below Threshold	129%
CFO	Between Target & Stretch			Between Target & Stretch	Between Threshold & Target	Below Threshold	129%
Previous MD & CEO	N/A	N/A	N/A	Between Target & Stretch	Between Threshold & Target	Below Threshold	62%

Upon the completion of the assessment related to the above quantitative and qualitative hurdles, the Board has determined and approved the award of a FY23 STI for the Company's KMP, as outlined below:

FY23	Total STIP awarded \$	% of Maximum (stretch) STIP awarded	% of Maximum STIP forfeited
Interim CEO			
Andrew Graham (i)	205,720	64.5%	35.5%
Other KMP			
Martin Cummings (ii)	132,469	64.5%	35.5%
Daniel Clifford (iii)	91,169	41.6%	58.4%

The above FY23 STIP awards are payable in FY24. Mr Bryan Quinn joined the Company on 6 June 2023 and did not qualify for a FY23 STI.

- (i) Mr Andrew Graham was appointed as the Interim CEO from 19 November 2022 – 5 June 2023. The table above outlines the STI received related to the period he was the Interim CEO.
- (ii) Mr Martin Cummings commenced 1 December 2022, STI prorated from 1 December 2022 – 30 June 2023.
- (iii) Mr Daniel Clifford resigned 19 November 2022, prorated from 1 July 2022 – 19 November 2022.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.1.2 FY22 STIP outcomes

The FY22 STIP awards for the Company's KMP were:

FY22	Total STIP awarded \$	% of Maximum (stretch) STIP awarded	% of Maximum STIP forfeited
Executive Director			
Daniel Clifford	171,596	36%	64%
Other KMP			
Peter Trout	96,173	36%	64%
Ian Poole	80,214	36%	64%

The FY22 STIP performance measures and the award outcomes are detailed in the FY22 Annual Report. The FY22 STIP awards were paid in FY23.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.2 Long Term Incentive Plan (LTIP)

An outline of the key elements of the Company's LTIP as it relates to executive KMP is provided below:

Format of LTIP	Performance Rights are granted to the relevant individual, which, upon satisfaction and testing of the vesting criteria (over a 3-year period), will allow one ordinary share in the Company to be issued for each Performance Right vested.						
LTIP opportunity	<p>The LTIP opportunity is determined by the individual's role and level within the business. The LTIP for the Interim CEO was 75% of TFR for the period of the Interim CEO's appointment. For other KMP LTIP is 75% of TFR.</p> <p>The actual number of performance rights issued to KMP was determined by dividing their respective LTIP opportunity by the 30-day VWAP of the Company's share price as at 30 June 2022, being a VWAP of an Aurelia ordinary share of \$0.30451 per share.</p> <p>The Managing Director and CEO does not have an LTI opportunity for FY23 as he commenced in June 2023. His LTI opportunity for FY24 is a maximum of 100% of TFR.</p>						
Performance Period	The performance period is three years from 1 July 2022 to 30 June 2025.						
Service condition	Vesting of Performance Rights is subject to a service condition. This condition is met if the KMP's employment is continuous during the Performance Period. If a KMP ceases employment during the Performance Period, then the treatment of Performance Rights will depend on the circumstances of the employment ending, as outlined below under "Rights on Termination".						
Performance Measures and Weighting	<p>The performance measures and their respective weighting in the LTIP are established at the beginning of the financial year and are determined at the discretion of the Board.</p> <p>The LTIP performance measures are detailed below:</p> <table border="1"> <thead> <tr> <th>Criteria</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Relative TSR Rank</td> <td>60%</td> </tr> <tr> <td>Growth (Ore Reserves per Share)</td> <td>40%</td> </tr> </tbody> </table>	Criteria	Weighting	Relative TSR Rank	60%	Growth (Ore Reserves per Share)	40%
Criteria	Weighting						
Relative TSR Rank	60%						
Growth (Ore Reserves per Share)	40%						
Targets and Vesting Schedule	Further detail on the LTIP targets and vesting at various levels of performance is included in Section 6.2.						
Exercise of Discretion	The Board has discretion, considering recommendations from the Remuneration Committee, to adjust the LTI vesting awards or an individual's final LTI vesting.						
Entitlement on Vesting	To the extent the performance criteria is satisfied (subject to the Service Condition and discretion of the Board), the Performance Rights will vest and be exercised at nil exercise price and the number of ordinary shares equal to the number of vested Performance Rights will be issued.						
Disposal Restrictions	Shares granted to participants under the LTIP as a result of the vesting of Performance Rights are not subject to disposal restrictions outside of the Company's Securities Trading Policy.						
Dividends	No dividends are paid on unvested Performance Rights.						
Rights on Termination	<p>Subject to the discretion of the Board, if a participant:</p> <ul style="list-style-type: none"> is determined by the Board to be a Good Leaver, a pro-rata number of unvested Performance Rights will remain on foot and vest subject to the satisfaction of the applicable performance conditions. ceases employment for any other reason, any unvested Performance Rights will lapse on cessation of employment. <p>A Good Leaver is defined as termination in the event of death, permanent disability, redundancy, retirement or as the Board otherwise determines.</p>						

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.2 Long Term Incentive Plan (LTIP) (Continued)

Change of Control	If the Board considers that the transaction has occurred or is likely to occur which involves a change in control (or other circumstances such as they recommend acceptance of a takeover bid), the Board may in its absolute discretion determine that any or all unvested Performance Rights vest.
Participation in New Issues	Any Performance Rights issued under the Company's LTIP are not entitled to participate in any new equity raising activity.
Malus Policy	At its discretion, the Board may cancel or require KMP to forfeit any unvested LTI award made under the LTIP if it determines that, had the LTI vesting been made, the KMP would have received an 'inappropriate benefit'.

6.2.1 LTIP performance rights issued FY23

Performance Rights issued to KMP

The table below sets out the Performance Rights (Class FY23) that were granted to the Interim CEO and other KMP under the Company's LTIP during FY23. The performance rights will be tested at the end of the three-year performance period, which ends on 30 June 2025.

FY23 Performance rights granted	FY23 Performance rights lapsed	FY23 Performance Rights on foot
3,834,212	1,769,204	2,065,008

Performance hurdles for Class FY23

The performance hurdles related to Class FY23, including relevant threshold and target measures, are detailed below.

REMUNERATION REPORT (AUDITED) (CONTINUED)

LTIP scorecard	Threshold	Pro-rata	Target	Performance Hurdles Alignment to LTIP Objectives
Vesting % guide	<i>Nil</i>	<i>50% to 100%</i>	<i>100%</i>	
Relative TSR*	<50th percentile	50th - 75th percentile	75th percentile and above	
	<p>Relative TSR measures the change in the share price and dividends paid over the performance period in comparison to a comparator group of companies. The comparator group of companies is comprised of ASX listed organisations which the Board considers by the nature of their business are influenced by commodity prices and other external factors similar to those that impact the Company, as disclosed under section 6.2.2.</p>			<p>The Relative TSR measure aligns the reward of the executive KMP with returns to shareholders. If total shareholder return for the Company over the measurement period exceeds its comparator peer group, then shareholders will benefit and the LTIP measure allows executive KMP to be rewarded.</p>
Growth - Ore Reserve per share	<100% of Baseline	≥ 100% to 115% of Baseline	≥ 115% of Baseline	
	<p>Measurement will be against the Company's growth in Ore Reserves per share over the performance period. This will be done by comparing the baseline measure of the Ore Reserves (kilograms of ore as specified in the Group Mineral Resource and Ore Reserve Statement) as at 1 July 2022 on a per share basis to the Ore Reserves (kilograms of ore as specified in the Group Mineral Resource and Ore Reserve Statement) as at 30 June 2025 on a per share basis, based on the number of shares on issue at each respective date.</p> <p>The baseline Ore Reserves per share as at 1 July 2022 was 4.61kg/share. An outcome less than the baseline provides an outcome of nil vesting at the end of the performance period.</p>			<p>The Growth measure aligns the reward of the executive KMP with targeted long-term growth for the Company. It rewards executive KMP to replace and grow reserves over time to ensure the Company's long-term success, taking into consideration the impact of any issue of additional equities.</p>

* The measurement of the performance will be 30-day VWAP of shares up to and including 30 June 2025.

6.2.2 Relative FY23 TSR comparator group

The comparator group at the start of the performance period includes: 29Metals (ASX: 29M), Aeris Resources (ASX: AIS); Alkane Resources Limited (ASX: ALK), Genesis Minerals Limited (ASX: GMD), Gold Road Resources Limited (ASX: GOR), Pantoro Limited (ASX: PNR), Ramelius Resources Limited (ASX: RMS), Red 5 Limited (ASX: RED), Regis Resources (ASX: RRL), Sandfire Resources Limited (ASX: SFR), Silver Lake Resources Limited (ASX: SLR), St Barbara Limited (ASX: SBM) and Westgold Resources Limited (ASX: WGX).

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.2.3 LTIP performance rights issued FY22

The performance measures related to the FY22 performance rights (Class FY22) are detailed below.

LTIP scorecard	Threshold	Pro-rata	Target
<i>Vesting % guide</i>	<i>Nil</i>	<i>50% to 100%</i>	<i>100%</i>
Relative TSR*	<50th percentile	50th – 75th percentile	75th percentile and above
	Relative TSR measures the change in the share price and dividends paid over the performance period in comparison to a comparator group of companies. The comparator group of companies is comprised of ASX listed organisations which the Board considers by the nature of their business are influenced by commodity prices and other external factors similar to those that impact the Company.		
Growth – Ore Reserve per share	<100% of Baseline	≥ 100% to 115% of Baseline	≥ 115% of Baseline
	Measurement will be against the Company's growth in Ore Reserves per share over the Performance Period. This will be done by comparing the baseline measure of the Ore Reserves as at 1 July 2021 (kilograms of ore as specified in the Group Mineral Resource and Ore Reserve Statement) on a per share basis to the Ore Reserves (kilograms of ore as specified in the Group Mineral Resource and Ore Reserve Statement) as at 30 June 2024 on a per share basis, based on the number of shares on issue at each respective date.		
	The baseline Ore Reserves per share as at 1 July 2021 was 3.56kg/share. An outcome less than the baseline provides an outcome of nil vesting at the end of the Performance Period.		

* The measurement of the performance will be 30-day VWAP of shares up to and including 30 June 2024.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.2.4 Performance Rights - Vested during FY23

The performance period for the Class FY21 Performance Rights ended on 30 June 2023. A total of 457,875 Performance Rights were able to vest, and of these a total of 274,460 Performance Rights were granted to former KMP.

2020 (FY21) Performance Rights	Number	% Granted	% Available to vest
Granted	6,318,537	100%	
Lapsed	(3,182,409)	50%	
Unvested performance rights on hand	3,136,128	50%	100.0%
Forfeited	2,678,253	42%	85.4%
Total Vested	457,875	7%	14.6%
Number Vested for KMP	274,460	4%	8.8%

The Performance Rights were tested against the four measurement criteria (each of equal weighting):

- a) Absolute TSR hurdle – 25% weighting
- b) Relative TSR hurdle – 25% weighting
- c) Production Target hurdle – 25% weighting
- d) Growth hurdle – 25% weighting

The outcome of the testing was that 0% vested against each of the Absolute TSR, Relative TSR and Growth hurdles. The Production Target hurdle achieved between 4 and 5 years and vested pro rata at 58.5%. The overall outcome was that 14.6% of the FY21 Performance Rights on foot vested.

6.2.5 LTIP performance rights which remain untested

The total number of performance rights granted to the Interim CEO and other KMP (including former KMP) that are yet to vest are detailed below:

Performance rights tranches	Total number on issue	Relevant date or testing date
Class FY22	1,216,654	30-Jun-24
Class FY23	2,065,008	30-Jun-25
Total KMP performance rights	3,281,662	

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.2.6 Summary of movements in performance rights during the year

A summary of movements of performance rights within the various plans are tabulated below:

Grant	Grant Date	Expiry or Test Date	Exercise Price	Balance at start of year	Granted during the year	Vested during the year	Expired during the year	Balance at report date
Class 19A	29-11-19	30-06-22	Nil	2,284,641	-	(380,759)	(1,903,882)	-
Class FY21	19-11-20	30-06-23	Nil	1,696,714	-	(197,045)	(1,499,669)	-
Class FY21	26-12-20	30-06-23	Nil	3,755,760	-	(260,830)	(3,494,930)	-
Class FY22	04-11-21	30-06-24	Nil	1,866,231	-	-	(1,004,632)	861,599
Class FY22	09-11-21	30-06-24	Nil	6,401,029	31,198	-	(3,905,046)	2,527,181
Class FY23	08-12-22	30-06-25	Nil	-	11,544,184	-	(3,275,884)	8,268,300
Total				16,004,375	11,575,382	(838,634)	(15,084,043)	11,657,080
Total KMP performance rights				8,508,951	3,384,212	(602,893)	(8,458,608)	3,281,662
Total Non-KMP performance rights				7,495,424	7,741,170	(235,741)	(6,625,435)	8,375,418
Total				16,004,375	11,575,382	(838,634)	(15,084,043)	11,657,080

REMUNERATION REPORT (AUDITED) (CONTINUED)

6.3 Details of share-based compensation to the Managing Director and CEO and other KMP

Details on rights over ordinary shares in the Company that were granted as compensation KMP and details of rights that vested during the reporting period are as follows:

Class*	Test date	Number of rights granted	Grant date	Fair value at grant \$/right	Fair value at vesting \$/right	Number of rights vested	Number of rights lapsed	Balance at report date
Other KMP								
Peter Trout								
Class 19A	30-06-22	618,812	29-11-19	0.290	n/a	(103,131)	(515,681)	-
Class FY21	30-06-23	776,665	26-12-20	0.285	n/a	-	(776,665)	-
Class FY22	30-06-24	854,606	09-11-21	0.300	n/a	-	(854,606)	-
Class FY23	30-06-25	1,312,546	08-12-22	0.081	n/a	-	(1,312,546)	-
		3,562,629				(103,131)	(3,459,498)	-
Martin Cummings								
Class FY23	30-06-25	1,088,634	8-12-22	0.081	n/a	-	-	1,088,634
		1,088,634				-	-	1,088,634
Interim CEO								
Andrew Graham**								
	30-06-25	884,241	08-12-22	0.081	n/a	-	-	884,241
		884,241				-	-	884,241
Former Director and KMP ***								
Daniel Clifford								
Class 19A	30-06-22	1,351,866	29-11-19	0.310	n/a	(225,302)	(1,126,564)	-
Class FY21	30-06-23	1,696,714	19-12-20	0.303	n/a	(197,045)	(1,499,669)	-
Class FY22	30-06-24	1,866,231	04-11-21	0.286	n/a	-	(1,004,632)	861,599
		4,914,811				(422,347)	(3,630,865)	861,599
Ian Poole								
Class FY21	30-06-23	635,241	26-12-20	0.285	n/a	(77,415)	(557,826)	-
Class FY22	30-06-24	708,816	09-11-21	0.300	n/a	-	(353,761)	355,055
Class FY23	30-06-25	548,791	08-12-22	0.081	n/a	-	(456,658)	92,133
		1,892,848				(77,415)	(1,368,245)	447,188

* All classes of Performance Rights that vest into fully paid ordinary shares, vest at a nil exercise price.

** The number of rights granted to Mr Graham in the table relate to the period he was the Interim CEO.

*** Mr Clifford and Mr Poole were deemed "good leavers" and therefore, on a pro-rata basis, retained some of their unvested performance rights.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. MALUS POLICY

The underlying principle of the policy is that an Executive of the Company should not receive performance-based 'at-risk' remuneration (including any STI reward prior to payment, unvested LTI award and any other performance-based component of remuneration prior to payment or vesting) if the Board determines that such remuneration would be an "inappropriate benefit".

The Board may, in its absolute discretion, exercised in good faith, elect to apply the policy so that an Executive does not receive an "inappropriate benefit" where:

- a) the Executive has been terminated for cause (including for fraud, dishonesty or gross misconduct);
- b) the Executive intentionally or recklessly caused or contributed to a material misstatement or omission in any release made by the Company to the Australian Securities Exchange (ASX); or
- c) the Executive is engaging in, or has engaged in, behaviour or conduct that may negatively impact on the Group's standing, long-term financial strength, reputation, or relationship with its key regulators, or otherwise brings the Company or any member of the Group into disrepute.
- d) In such instances, the Board reserves the right to adjust or cancel some or all the Executive's performance-based 'at-risk' remuneration.

8. NON-EXECUTIVE DIRECTOR REMUNERATION

The Company's remuneration strategy and objective for Non-Executive Directors is to remunerate at a level which attracts and retains Non-Executive Directors of the requisite expertise and experience at a market rate which is comparable to other similar size companies and considers the time, commitment and responsibilities involved in being a Non-Executive Director of Aurelia.

The Remuneration Committee is responsible for reviewing and advising the Board on Non-Executive Director remuneration. Guidance is obtained as required from independent industry surveys and other sources to ensure that the Director's fees are appropriate and in line with the market.

Following shareholder approval on 19 November 2020, the aggregate fee pool available for Non-Executive Director remuneration was increased from \$750,000 to \$1,000,000 per annum. Non-Executive Director fees have remained unchanged since 2021.

The fee structure also provides for fees relating to Board committee responsibilities.

Structure

The aggregate fee pool available for Non-Executive Director remuneration is \$1,000,000 per annum. The Board fees and the fees related to Board committee responsibilities, are summarised below:

Role	effective 1 April 2021 Fee per annum \$*
Chair of the Board of Directors	200,000
Non-Executive Director	100,000
Chair of a Board Committee	15,000
Member of a Board Committee	10,000

*Inclusive of superannuation

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. REMUNERATION OF DIRECTORS AND OTHER KMP

The following table details the remuneration received and entitlements by Directors and KMP of the Company during FY23.

FY23	Short Term					Post-Employment	Share-based payment	Total \$	'At-risk' %
	Base Salary / Directors Fees \$	Allowances / Ad Hoc Bonus \$	Non-monetary benefits \$	Termination and Annual Leave Accrued	STIP payment \$ *	Superannuation \$	Amortised Value \$		
Non-Executive Directors									
Peter Botten	180,995	-	-	-	-	19,005	-	200,000	0%
Susie Corlett	113,122	-	-	-	-	11,878	-	125,000	0%
Bruce Cox (i)	86,727	-	-	-	-	8,314	-	95,041	0%
Paul Harris	125,000	-	-	-	-	-	-	125,000	0%
Bob Vassie	114,299	-	-	-	-	5,701	-	120,000	0%
Helen Gillies	120,000	-	-	-	-	-	-	120,000	0%
Former Non-Executive Director									
Lawrence Conway (ii)	19,167	-	-	-	-	-	-	19,167	0%
Sub-total	759,310	-	-	-	-	44,898	-	804,208	0%
Managing Director and CEO									
Bryan Quinn (iii)	57,574	3,754	732	5,312	-	2,292	-	69,664	0%
Other KMP									
Peter Trout	505,411	-	8,781	19,467	-	27,500	190,494	751,653	25%
Martin Cummings (vi)	223,091	-	4,000	22,055	132,469	13,750	19,813	415,178	37%
Interim CEO									
Andrew Graham (iv)	298,991	125,000	4,391	12,846	205,720	15,748	16,093	678,789	33%
Former Director & KMP									
Daniel Clifford (v)	280,798	10,417	3,659	364,387	91,169	11,572	(11,035)	750,967	11%
Ian Poole (vii)	207,250	-	4,391	(230)	-	16,042	16,818	244,271	7%
Sub-total	1,573,115	139,171	25,954	423,837	429,358	86,904	232,183	2,910,522	11%
Total	2,332,425	139,171	25,954	423,837	429,358	131,802	232,183	3,714,730	8%

(i) Mr Bruce Cox was appointed as an Independent Non-Executive Director on 1 September 2022.

(ii) Mr Lawrence Conway resigned as an Independent Non-Executive Director on 31 August 2022.

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. REMUNERATION OF DIRECTORS AND OTHER KMP (Continued)

- (iii) Mr Bryan Quinn was appointed as the Managing Director and CEO on 6 June 2023, as part of Mr Bryan Quinn's package he is entitled to sign on shares which will be put to shareholders for approval at the AGM in November 2023. The value of the shares for his employment during FY23 is \$8,545. As part of Mr Bryan Quinn's package, he is entitled to a travel allowance, relocation assistance, a motor vehicle, and an allowance for Executive Coaching. The allowance listed in the table represents the travel allowance received by Mr Quinn in FY23. No other costs were incurred in FY23.
- (iv) Mr Andrew Graham was appointed as the Interim Managing Director and CEO from 19 November 2022 – 5 June 2023. The table above outlines the remuneration received for the period he was the Interim CEO.
- (v) Mr Daniel Clifford resigned as Managing Director and CEO on 18 November 2022.
- (vi) Mr Martin Cummings was appointed as the Chief Financial Officer on 1 December 2022.
- (vii) Mr Ian Poole retired as the Chief Financial Officer on 31 December 2022 and was paid his accrued annual leave balance.

*Payments related to the 2023 STI Plan will be paid in FY24. Payments related to the 2022 STI Plan were paid in FY23.

** The leave entitlements movement includes long service leave and annual leave movements during FY23.

The following table details the remuneration received by Directors and KMP of the Company during FY22 (\$).

FY22	Short Term					Post- Employment	Share- based payment	Total \$	'At- risk' %
	Base Salary / Directors Fees \$	Allowances \$	Non-monetary benefits \$	Leave Entitlements Movements**	STIP payment \$*	Superannuation \$	Amortised Value \$		
Non-Executive Directors									
Peter Botten (i)	132,230	-	-	-	-	13,223	-	145,453	0%
Lawrence Conway	115,000	-	-	-	-	-	-	115,000	
Susie Corlett (ii)	145,317	-	-	-	-	14,713	-	160,030	0%
Paul Harris	125,000	-	-	-	-	-	-	125,000	0%
Bob Vassie	109,091	-	-	-	-	10,909	-	120,000	0%
Helen Gillies	111,818	-	-	-	-	8,182	-	120,000	0%
Sub-total	738,456	-	-	-	-	47,027	-	785,483	0%
Managing Director and CEO									
Daniel Clifford	725,505	25,000	7,200	37,944	171,596	27,500	423,598	1,418,343	42%
Other KMP									
Peter Trout	503,000	-	7,200	11,852	96,713	27,500	135,747	782,012	30%
Ian Poole	412,500	-	7,200	8,011	80,214	27,500	123,181	658,606	31%
Sub-total	1,641,005	25,000	21,600	57,807	348,523	82,500	682,526	2,858,961	38%
Total	2,379,461	25,000	21,600	57,807	348,523	129,527	682,526	3,644,444	30%

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. REMUNERATION OF DIRECTORS AND OTHER KMP (Continued)

- (i) Mr Peter Botten was appointed as Independent Non-Executive Director on 13 September 2021 and was appointed as Chair on 4 November 2021.
- (ii) Ms Susie Corlett served as the Interim Chair during the period 2 March 2021 to 4 November 2021.

* Payments related to the 2022 STI Plan were paid in FY23. Payments related to the 2021 STI Plan were paid in FY22.

** The leave entitlements movement includes long service leave and annual leave movements during FY22.

10. SHAREHOLDINGS OF DIRECTORS AND OTHER KMP

All equity transactions with KMP, other than those arising from the exercise of remuneration related to performance rights, or the Employee Share Scheme have been entered into under terms and agreements no more favourable than those the Company would have adopted if dealing at arm's length.

The Company does not have a policy or a requirement for Non-Executive Directors to hold shares in the Company.

The shareholdings of Directors and other KMP for FY23 are presented below and includes shares held directly, indirectly, and beneficially by the Directors and other KMP.

FY23	Balance start of year	Performance Rights vested	Other changes during year	Balance end of year
Directors				
Peter Botten	-	-	-	-
Susie Corlett	33,731	-	-	33,731
Paul Harris	-	-	-	-
Bob Vassie	250,000	-	-	250,000
Helen Gillies	250,000	-	-	250,000
Bruce Cox (i)	-	-	-	-
Bryan Quinn (ii)	-	-	50,000	50,000
Other KMP				
Peter Trout *	4,936	103,131	9,331	117,398
Martin Cummings (iii)*	-	-	409,331	409,331
Former Directors				
Daniel Clifford**	3,130,402	225,302	(3,355,704)	-
Lawrence Conway**	225,850	-	(225,850)	-
Former KMP				
Ian Poole**	4,936	-	(4,936)	-
Total	3,899,855	328,433	(3,117,828)	1,110,460

(i) Mr Bruce Cox was appointed as an Independent Non-Executive Director on 1 September 2022.

(ii) Mr Bryan Quinn was appointed as Managing Director and CEO on 6 June 2023. Mr Bryan Quinn held shares in the Company prior to his commencement. as part of Mr Bryan Quinn's package he is entitled to sign on shares which will be put to shareholders for approval at the AGM in November 2023.

(iii) Mr Martin Cummings was appointed as CFO on 1 December 2022. Mr Cummings held shares in the Company prior to his commencement. Further shares were acquired by Mr Cummings on market during the period.

*Mr Trout and Mr Cummings participated in the FY23 Employee Share Plan. Mr Trout ceased to be a KMP subsequent to the end of the reporting period.

** Mr Clifford, Mr Conway and Mr Poole ceased office with the Company prior to the end of the reporting period.

REMUNERATION REPORT (AUDITED) (CONTINUED)

10. SHAREHOLDINGS OF DIRECTORS AND OTHER KMP (Continued)

Note: On 5 July 2023, the shares under the Company's Retail Entitlement Offer were issued. As existing shareholders, Mr Vassie, Ms Gillies, Mr Quinn, Mr Trout and Mr Cummings participated in the Retail Entitlement Offer.

Refer to Section 2 of Director's Report for current shareholdings of directors at the date of this report.

The shareholdings of Directors and other KMP for FY22 are presented below and includes shares held directly, indirectly, and beneficially by the Directors and other KMP.

FY22	Balance start of year	Performance Rights vested	Other changes during year	Balance end of year
Directors				
Peter Botten (i)	-	-	-	-
Daniel Clifford	1,565,201	1,565,201	-	3,130,402
Lawrence Conway	225,850	-	-	225,850
Susie Corlett	33,731	-	-	33,731
Paul Harris	-	-	-	-
Bob Vassie	250,000	-	-	250,000
Helen Gillies	250,000	-	-	250,000
Other KMP				
Peter Trout	2,362	-	2,574	4,936
Ian Poole	2,362	-	2,574	4,936
Total	2,329,506	1,565,201	5,148	3,899,855

(i) appointed 13 September 2021

10.1 Managing Director & CEO Sign On Shares

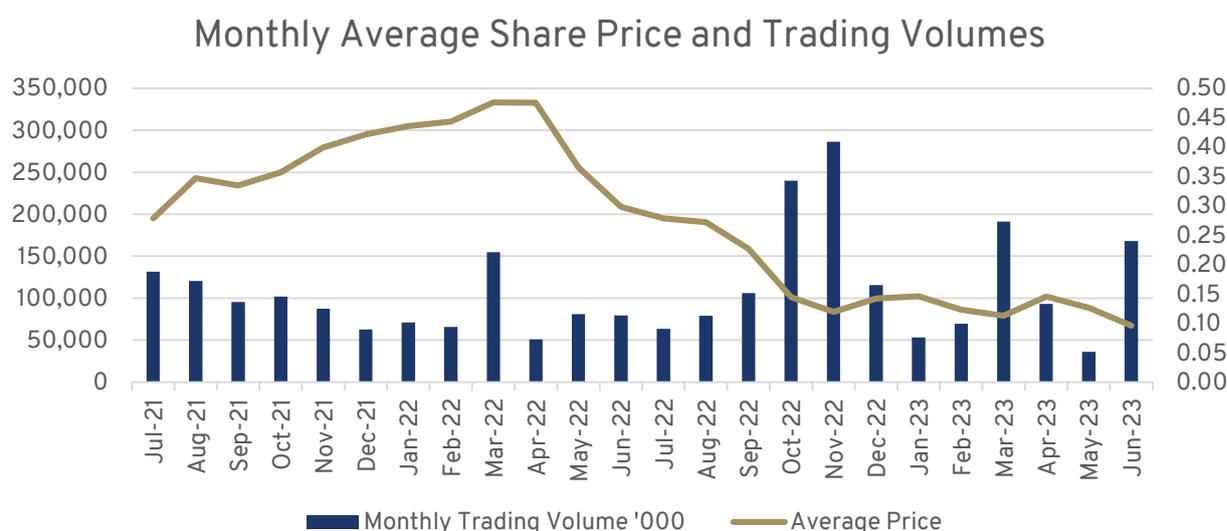
The new Managing Director and CEO was appointed on 6 June 2023. As part of the employment arrangements for the new Managing Director and CEO, he is to be issued 4,524,197 ordinary shares in the Company (equivalent to \$500,000 divided by the VWAP during the 5 Business Days prior to 31 May 2023), with the issue of the shares being subject to shareholder approval. If shareholder approval is obtained, these shares will be subject to a holding lock, with a third of the shares released on each of the first, second and third anniversary of approval. Any shares still the subject of a holding lock will also be released upon the event of a change in control of the Company or if there is a Fundamental Change in the Managing Director and CEO's employment (as described in Section 5 Service agreement key terms).

REMUNERATION REPORT (AUDITED) (CONTINUED)

11. COMPANY PERFORMANCE AND REMUNERATION OUTCOMES

Aurelia remuneration framework aims to create a link between Company performance and executive reward. The following table and graph represent a summary of business performance.

Year ended 30 June	2023	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales Revenue	369,202	438,815	416,477	331,819	295,002
EBITDA	55,803	166,472	154,069	103,447	103,063
Profit/(loss) after income tax	(52,221)	(81,688)	42,917	29,442	36,017
Cash from operating activities	45,864	154,093	136,643	110,531	106,783
Closing Share Price (cents)	9	26	41	50	49



12. OTHER MATTERS

12.1 Loans given to KMP

No loans have been provided by the Company to KMP.

12.2 Other transactions between the Company and KMP or their related parties

No other transactions have been entered into between the Company and KMP and/or their related parties.



**Building a better
working world**

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Auditor's Independence Declaration to the Directors of Aurelia Metals Limited

As lead auditor for the audit of the financial report of Aurelia Metals Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aurelia Metals Limited and the entities it controlled during the financial year.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Kellie McKenzie".

Kellie McKenzie
Partner
30 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	<u>2023</u>	<u>2022</u>
		\$'000	\$'000
Sales Revenue	3	369,202	438,815
Cost of sales	4	<u>(403,000)</u>	<u>(416,366)</u>
Gross (Loss)/Profit		(33,798)	22,449
Corporate administration expenses	4	(14,848)	(14,561)
Rehabilitation (expense)/reversal of expense	13	3,274	(3,531)
Share based payment expense	21	(797)	(1,780)
Impairment loss	4	(20,846)	(135,687)
Other expenses	4	(2,369)	(1,286)
Other income	3	211	27,365
(Loss) before income tax and net finance costs		(69,173)	(107,031)
Finance income	3	2,161	227
Finance costs	4	<u>(6,861)</u>	<u>(7,234)</u>
(Loss) before income tax expense		(73,873)	(114,038)
Income tax benefit	5	21,652	32,350
(Loss) after income tax expense		(52,221)	(81,688)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax		1,964	(4,456)
Total comprehensive income for the year		(50,257)	(86,144)
Earnings per share for Profit attributable to the ordinary equity holders of the parent			
Basic earnings per share (cents per share)	20	(4.16)	(6.61)
Diluted earnings per share (cents per share)	20	(4.16)	(6.61)

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2023 \$'000	2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	6	38,946	76,694
Trade and other receivables	7	7,677	18,100
Inventories	8	29,230	43,908
Prepayments		5,221	3,103
Derivative financial instruments	22	69	-
Income tax receivable		21,177	9,648
Total current assets		102,320	151,453
Non-current assets			
Property, plant and equipment	9	118,287	156,027
Mine properties	10	143,074	123,533
Exploration and evaluation assets	11	9,667	71,728
Right of use assets	14	4,943	19,414
Restricted cash	6	56,833	30,746
Financial assets		718	1,105
Deferred tax assets	5	8,558	8,244
Total non-current assets		342,080	410,797
Total assets		444,400	562,250
Liabilities			
Current Liabilities			
Trade and other payables	12	28,479	65,770
Interest bearing loans and borrowings	15	3,635	17,410
Provisions	13	7,724	11,930
Lease liabilities	14	3,041	11,065
Other financial liabilities	16	6,803	6,947
Derivative financial instruments	22	-	3,103
Total current liabilities		49,682	116,225
Non-current liabilities			
Provisions	13	78,164	87,956
Interest bearing loans and borrowings	15	4,047	8,591
Lease liabilities	14	1,969	8,424
Other financial liabilities	16	713	4,128
Total non-current liabilities		84,893	109,099
Total liabilities		134,575	225,324
Net assets		309,825	336,926
Equity			
Contributed equity	17	357,018	334,659
Share based payments reserve	18	13,919	13,122
Hedge reserve	18	-	(1,964)
Retained earnings	19	(61,112)	(8,891)
Total equity		309,825	336,926

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

		Issued share capital	Share based payments reserve	Hedge reserve	Retained earnings/ accumulated losses	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		334,659	11,342	2,492	72,797	421,290
Total (Loss) for the period		-	-	-	(81,688)	(81,688)
Other comprehensive income	18	-	-	(4,456)	-	(4,456)
Total Comprehensive Income		-	-	(4,456)	(81,688)	(86,144)
Transactions with owners in their capacity as owners						
Shares issued, net of costs		-	-	-	-	-
Share-based payments	21	-	1,780	-	-	1,780
Dividend payments	17	-	-	-	-	-
Balance at 30 June 2022		334,659	13,122	(1,964)	(8,891)	336,926
Balance at 1 July 2022		334,659	13,122	(1,964)	(8,891)	336,926
Total (Loss) for the period		-	-	-	(52,221)	(52,221)
Other comprehensive income	18	-	-	1,964	-	1,964
Total Comprehensive Income		-	-	1,964	(52,221)	(50,257)
Transactions with owners in their capacity as owners						
Shares issued, net of costs		22,359	-	-	-	22,359
Share-based payments	21	-	797	-	-	797
Dividend payments	17	-	-	-	-	-
Balance at 30 June 2023		357,018	13,919	-	(61,112)	309,825

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		362,461	453,469
Payments to suppliers and employees		(325,502)	(300,379)
Receipts/(payments) for hedge settlements and foreign exchange		2,023	(7,423)
Interest received		2,161	226
Interest and finance charges paid		(5,711)	(4,480)
Income tax refund		10,432	12,680
Net cash flows from operating activities	23	45,864	154,093
Cash flows from investing activities			
Payments for the purchase of property, plant and equipment		(7,123)	(17,359)
Payments for mine capital expenditure		(28,359)	(57,786)
Payments for exploration and evaluation		(10,972)	(30,107)
Payments for facility cash cover and security deposits		(26,087)	(22,142)
Payments for deferred consideration and royalty costs		(4,832)	(4,069)
Net cash flows used in investing activities		(77,373)	(131,463)
Cash flows from financing activities			
Principal element of lease payments		(9,376)	(10,732)
Repayment of loan and borrowings		(20,700)	(16,762)
Proceeds from the issue of shares		23,564	-
Payments for transaction costs related to issuance of securities		(1,205)	-
Repayments of equipment loans		(3,105)	-
Proceeds from borrowings		4,056	7,327
Dividend payment to shareholders	17	-	-
Net cash flows (used in) /from financing activities		(6,766)	(20,167)
Net increase / (decrease) in cash and cash equivalents		(38,275)	2,463
Net foreign exchange difference		527	(301)
Cash and cash equivalents at beginning of the year		76,694	74,532
Cash and cash equivalents at end of the year	6	38,946	76,694

The above Statement should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS

1. Corporate information

Aurelia Limited is a Company limited by shares, incorporated, and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

Aurelia has the following wholly owned subsidiaries incorporated in Australia:

Entity name	Incorporation date
Big Island Mining Pty Ltd	3 February 2005
Dargues Gold Mines Pty Ltd	12 January 2006
Defiance Resources Pty Ltd	15 May 2006
Hera Resources Pty Ltd	20 August 2009
Nymagee Resources Pty Ltd	7 November 2011
Peak Gold Asia Pacific Ltd	26 February 2003
Peak Gold Mines Pty Ltd	31 October 1977

The nature of the operations and principal activities of the consolidated group are gold, copper, lead, zinc and silver production and mineral exploration.

The financial report of Aurelia Limited and its subsidiaries for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 29 August 2023.

1.1 Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report also complies with the International Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for investments, derivative instruments, contingent consideration, and deferred consideration costs which are measured at fair value. The financial report has been presented in Australian dollars, which is the functional currency of the Company. All values are rounded to the nearest thousand (\$'000), except when otherwise indicated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

1.2 Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. To ensure the Group can meet its working capital and sustaining and expansionary capital expenditure requirements in the ordinary course of business, the Group routinely monitors its available cash and liquidity. During FY23 the Company announced it had refinanced the existing debt facilities through a new ~A\$100 million financing package from Trafigura Pte Ltd. Accompanying this was a A\$40 million equity raise which was completed in early July 2023. Financial close on the Trafigura facilities was achieved in August 2023. To the extent necessary, the Group considers financing and other capital management strategies, to ensure appropriate funding for its current operations and future growth ambitions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Corporate information (Continued)

1.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Aurelia and its subsidiaries.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

1.4 Foreign currency and translation

1.4.1 Functional and Presentation Currency

Both the functional and presentation currency of Aurelia and its controlled entities is Australian Dollars (\$ or A\$). The Group does not have any foreign operations.

1.4.2 Transactions and Balances

Transactions in foreign currency are initially recorded in the foreign currency at the exchange rates ruling at the date of transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date. All exchange differences in the consolidated financial statements are taken to the Statement of profit or loss as gain or loss on exchange.

1.5 Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

2. Operating segments and performance

2.1. Identification and description of segments

The consolidated entity applies AASB 8 Operating Segments which requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes.

An operating segment is a component of an entity that engages in business activities from which it may earn income and incur expenses (including income and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Makers (CODM), to determine how resources are to be allocated to the segment and assess its performance. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director & CEO and the Board of Directors (the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

The Consolidated Entity operates entirely in the industry of exploration, development, and mining of minerals in Australia. The reportable segments are split between the operating mine sites (Hera, Peak

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and Dargues mines), and corporate and administrative activities. Financial information about each of these segments is reported to the Managing Director and Board of Directors monthly.

Corporate and administrative activities are not allocated to operating segments and form part of the reconciliation to net profit after tax and includes share-based expenses and other administrative expenditures incurred to support the business during the period.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA).

2.2. Accounting policies adopted

Unless otherwise stated, all amounts reported to the CODM with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the consolidated entity.

2.3. Segment revenue

The revenue from external parties reported to the CODM is measured in a manner consistent with that of the statement of profit and loss and other comprehensive income.

Revenues from external customers are derived from the sale of metal in concentrate and gold and silver doré. The revenue from gold and silver doré sales is attributable to various counterparties with the largest customer accounting for 10% of the total sales revenue (FY22: 37%). The concentrate revenue arises from sales to various customers with the largest customer accounting for 40% of total sales revenue (FY22: 52%).

2.4. Segment assets and liabilities

Where an asset is used across multiple segments the asset is allocated to the segment that receives most of the economic value from the asset. In most instances, segment assets are clearly identifiable based on their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the whole consolidated entity and are not allocated. Segment liabilities include trade and other payables and other certain direct borrowings.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Operating segments and performance (Continued)

2.5. Segment information

Unallocated items

The following items are not allocated to operating segments, as they are not considered part of the core operations of any segment:

- interest and other income;
- share based payment expense;
- acquisition and integration costs and stamp duty expense;
- fair value adjustments/remeasurements at balance date related to financial assets and liabilities; and
- foreign exchange, commodity derivative transactions, investment revaluations, fair value adjustments, debt restructuring and gain/loss on the sale of financial assets.

The segment information for the reportable segments is as follows:

Year ended 30 June 2023

	Note	Peak Mine \$'000	Hera Mine (i) \$'000	Dargues Mine \$'000	Corporate & Elimination \$'000	Total \$'000
Sales revenue	3	200,801	69,086	99,315	-	369,202
Site EBITDA		37,996	(4,029)	35,633	-	69,600
Reconciliation of profit before tax expense:						
Impairment loss	4					(20,846)
Depreciation and amortisation expense						(103,398)
Corporate costs						(14,848)
Interest income and expense, net						(4,700)
Rehabilitation expenses						3,274
Share based payment expenses	21					(797)
Other operating income						211
Other expenses	5					(2,369)
Income tax expense						21,652
Profit after income tax						(52,221)

	Peak Mine \$'000	Hera Mine (i) \$'000	Dargues Mine \$'000	Corporate & Elimination \$'000	Total \$'000
Segment assets and liabilities					
Total assets	188,307	80,617	46,334	129,142	444,400
Total liabilities	(77,208)	(19,533)	(28,690)	(9,144)	(134,575)

- (i) Hera Mine was transitioned into care and maintenance in April 2023, the segment reporting for Hera mine also includes any costs that have been incurred for the Federation project. The total assets and total liabilities balances also includes Federation balances.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Operating segments and performance (Continued)

2.5. Segment information (Continued)

Year ended 30 June 2022

	Note	Peak Mine \$'000	Hera Mine (i) \$'000	Dargues Mine \$'000	Corporate & Elimination \$'000	Total \$'000
Sales revenue	3	219,908	126,658	92,249	-	438,815
Site EBITDA		74,683	40,772	44,215	-	159,670
Reconciliation of profit before tax expense:						
Impairment loss	4					(135,687)
Depreciation and amortisation expense						(137,221)
Corporate costs						(14,561)
Interest income and expense, net						(7,007)
Rehabilitation expenses						(3,531)
Share based payment expenses	21					(1,780)
Other operating income						27,365
Other expenses	5					(1,286)
Income tax expense						32,350
Profit after income tax						(81,688)

	Peak Mine \$'000	Hera Mine \$'000	Dargues Mine \$'000	Corporate & Elimination \$'000	Total \$'000
Segment assets and liabilities					
Total assets	232,039	115,900	88,417	125,894	562,250
Total liabilities	(97,063)	(54,192)	(40,470)	(33,599)	(225,324)

3. Sales revenue and other income

Profit before income tax includes the following revenues and other income whose disclosure is relevant in explaining the performance of the Group.

	Note	2023 \$'000	2022 \$'000
Sales revenue			
Gold		223,721	228,378
Copper		30,505	32,547
Lead		55,841	63,140
Zinc		50,160	97,308
Silver		8,975	17,442
Total sales revenue from contracts with customers		369,202	438,815

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Sales revenue and other income (Continued)

Other income	Note	2023 \$'000	2022 \$'000
Sundry income		211	234
Fair value adjustments/remeasurement of financial assets and liabilities			
Fair value adjustment of financial assets		-	-
Remeasurement of financial liabilities	16	-	27,131
		-	27,131
Total other income		211	27,365
Total finance income		2,161	227

Recognition and measurement

Sales revenue

Gold and silver doré sales

Revenue from gold and silver doré sales is recognised when control has been transferred to the counterparty (which is at the point where the doré leaves the gold room at the mine site, or when the gold metal credits are transferred to the customer's account) and once the quantity of the gold and silver and the selling prices are known or have been reasonably determined.

Gold, lead, zinc, copper and silver in concentrate sales

Recognition of revenue from metal in concentrate sales contracts with customers is dependent upon the individual contract with each customer, for each mine site. Depending on the contract, the Incoterms may be Cost, Insurance and Freight (CIF), Carriage and Insurance Paid (CIP), or Free On Board (FOB).

The Group generates concentrate sales revenue primarily from the obligation to transfer concentrate to the customer. As the Group sells some of the concentrate on CIF and CIP Incoterms, the freight/shipping services provided (as principal) under these contracts with customers to facilitate the sale of concentrate represent a secondary performance obligation.

Revenue is allocated between the performance obligations and is recognised as each performance obligation is met, which for the primary obligation occurs when the concentrate is delivered to a vessel or location, and for the secondary obligation, if applicable, is when the concentrate is delivered to the location specified by the customer. Revenue arising from the secondary obligation, if assessed as immaterial to the Group, is aggregated with the primary performance obligation for disclosure purposes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Sales revenue and other income (Continued)

Quotation period

As is industry practice, the terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is determined based on the market price prevailing at a future date (quotation period). Revenue for the primary performance obligation is measured based on the fair value of the consideration specified in a contract with the customer at the time of settling the performance obligation and is determined by reference to forward market prices. Provisional pricing adjustments, which occur between the fair value at the time of settling the primary performance obligation and the final price, have been assessed and are recorded within revenue from concentrate sales.

Freight services performance obligation

The freight service on export concentrate shipments represents a separate performance obligation as defined under AASB 15 Revenue from Contracts with Customers. This means a portion of the revenue earned under these contracts proportionate to the cost of freight services has been deferred and will be recognised at the time the obligation is fulfilled, that is, when the concentrate reaches its final destination. For the year ended 30 June 2023, the amount of deferred revenue is \$0.1 million (FY22: \$3.6 million).

Other income

Fair value adjustment/remeasurement of financial assets and liabilities

The financial assets and liabilities comprise:

- a financial asset measured at fair value through profit and loss related to an investment in the ordinary capital of Sky Metals Limited, an entity listed on the Australian Securities Exchange (ASX). The fair value adjustment was determined based on the quoted market price of Sky Metals Limited as at 30 June 2023; and
- a financial liability measured at amortised cost related to a third-party royalty payable on the gross revenue from the sale of gold concentrate from the Dargues Gold Mine. The remeasurement of the liability is based on changes to the applied gold price and foreign exchange rate, estimated future sales volumes and the discount rate.

4. Cost of sales and other expenses

	Note	2023 \$'000	2022 \$'000
Cost of sales			
Site production costs		248,514	251,961
Transport and refining		26,987	27,207
Royalty		9,377	12,056
Inventory movement		14,724	(12,079)
		299,602	279,145
Depreciation and amortisation		103,398	137,221
Total cost of sales		403,000	416,366
Corporate administration expenses			
Corporate administration expenses		14,116	13,966
Corporate depreciation		732	595
Total corporate administration expenses		14,848	14,561

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Cost of sales and other expenses (Continued)

	Note	2023 \$'000	2022 \$'000
Other expenses			
(Gain)/Loss on disposal of fixed assets		31	(43)
Unrealised foreign exchange loss/(gain)		(637)	915
Realised foreign exchange (gain)/loss		600	(723)
Project development costs		717	-
Exploration and evaluation expenditure written off	11	-	33
Fair value adjustment of financial assets		387	-
Remeasurement of financial liabilities		1,271	1,104
Total other expenses		2,369	1,286
Finance costs			
Interest expense		3,489	3,803
Interest on lease liabilities	14	556	677
Unwinding of discount on rehabilitation liabilities	13	2,816	2,754
Total finance costs		6,861	7,234
Impairment loss			
Impairment loss recognised in property, plant & equipment	9	1,637	10,104
Impairment loss recognised in mine properties	10	3,796	125,583
Impairment loss recognised in exploration	11	15,413	-
Total impairment loss		20,846	135,687

5. Income tax

The Group is a tax consolidated group at balance date. The major components of income tax expense for the years ended 30 June 2023 and 2022 are:

5.1. Income tax expense

	2023 \$'000	2022 \$'000
Current income tax		
Current tax on profits/(losses) for the year	(20,822)	(8,960)
Adjustments in respect of current income tax of previous year	333	1,305
Deferred tax:		
Deferred tax movements for the year	(1,163)	(24,695)
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	(21,652)	(32,350)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Income tax (Continued)

5.2. Numerical reconciliation of income tax expense to prima facie tax payable

	2023	2022
	\$'000	\$'000
Accounting (loss)/profit before income tax	(73,873)	(114,038)
Prima facie income tax expense/(benefit) @ 30%	(22,162)	(34,211)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-assessable items	177	556
Prior year under provisions	(118)	1,305
Previously unrecognised temporary differences	451	-
Income tax expense/(benefit)	(21,652)	(32,350)

5.3. Deferred tax balances

The net deferred tax asset of \$8.5 million (FY22: liability \$8.2 million), relates to the following:

Recognised deferred tax balances	2023	2022
	\$'000	\$'000
Provisions	19,323	20,244
Mine properties	6,687	1,437
Inventories	(2,231)	(1,852)
Exploration and evaluation expenditure	(15,092)	(20,478)
Other	3,922	8,142
Property, plant and equipment	(4,051)	751
Net deferred tax asset/(liability)	8,558	8,244
Opening deferred tax asset/ (liability)	8,244	(13,129)
Recognised in profit or loss	1,163	24,695
Recognised in equity	(480)	1,666
Prior year under provisions	(305)	(4,262)
Other	(63)	(726)
Closing deferred tax asset/ (liability)	8,558	8,244

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Income tax (Continued)

5.4. Recognition and measurement

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Under the current tax laws, in particular the loss carry back provisions, we can claim the current tax in full from the ATO. The loss carry back rules provide that entities can choose to carry back tax losses incurred in the FY20 to FY23 years to offset taxable income in FY19 to FY22 income years, resulting in cash refund of taxes paid in those earlier years upon filing the income tax return, provided certain eligibility criteria are met. We consider Aurelia meets the eligibility criteria and is entitled to loss carry back offset of the entire income tax receivable of \$21.2m.

Deferred tax

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability
- in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Cash at bank	38,575	76,323
Short term deposits	371	371
Cash and cash equivalents	38,946	76,694

Recognition and measurement

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits classified as financial assets held at amortised cost.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of generally between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Restricted cash

Restricted cash is shown as a non-current asset as it is not available for day-to-day operations and is therefore excluded from cash and cash equivalents. The Group has \$56.8 million (FY22: \$30.7 million) held as restricted cash by the existing banking syndicate providing the Guarantee Facility as part of the secured Syndicated Facilities Agreement (refer to Note 15 for further information). This cash is in the process of being returned.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Trade and other receivables

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Trade receivables *	5,446	10,220
GST receivable	1,948	3,143
Other receivables	283	4,737
	<u>7,677</u>	<u>18,100</u>

Recognition and measurement

All of the above are non-interest bearing and generally receivable on 30-to-90-day terms. At balance date, no material amount of trade receivables was past due or impaired.

Trade receivables

Trade receivables (subject to provisional pricing), comprising base metal and gold concentrates, are initially recorded at the fair value of contracted sale proceeds expected to be received only when there has been a passing of control to the customer. Approximately 90-95% of the provisional invoice for concentrate sales (based on the provisional price) is received in cash when the goods are loaded onto the ship.

The collectability of debtors is reviewed in line with a forward-looking expected credit loss (ECL) approach. The Group has adopted AASB 9's simplified approach and calculates ECL's based on lifetime expected credit losses, and takes into consideration any historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

Trade receivables (subject to provisional pricing) are exposed to future commodity price movements over the quotational period (QP) and are measured at fair value up until the date of settlement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. The QP is typically for between one- and four-months post-shipment, and final payment is due within 90 days from the end of the QP.

* The Group has \$3.3m (FY22: \$6.3m) in receivables in the Statement of Financial Position that are valued at fair value and represent provisional and advance sales invoices. These are disclosed in note 22.5.6 under the Fair value hierarchy.

Other receivables

Other receivables have arisen due to security deposits and employee receivables, and interest accrued on term deposits.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

	2023	2022
	\$'000	\$'000
Finished concentrate	14,476	26,266
Finished gold doré	-	658
Metal in circuit	2,201	1,741
Ore stockpiles	1,950	4,686
Materials and supplies	10,603	10,557
Total current inventory	29,230	43,908

Recognition and measurement

Materials and supplies are valued at the lower of cost and net realisable value. Net realisable value is the estimate selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. An allowance for obsolescence is determined with reference to the stores inventory items identified. A regular review is undertaken to determine the extent of any provision for obsolescence.

Ore stockpiles, gold in circuit, doré and concentrate are physically measured (or estimated) and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

As at 30 June 2023, of the total current inventory value \$29.2m this includes stock valued at NRV of \$10.6m (FY22 \$18.7m).

Key judgements - net realisable value

The computation of net realisable value for ore stockpiles, gold in circuit, doré and concentrate involves significant judgements and estimates in relation to timing and cost of processing, commodity prices, foreign exchange rates, recoveries and the timing of sale of the doré and concentrate produced. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying value of ore stockpiles. Separately identifiable costs of conversion of each metal are specifically allocated.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Property, plant and equipment

	Note	2023 \$'000	2022 \$'000
Plant and equipment at cost		278,735	281,681
Property and Land at cost		7,224	5,417
Accumulated depreciation		(155,931)	(120,967)
Impairment provision		(11,741)	(10,104)
		118,287	156,027
Movement in property, plant and equipment			
Carrying value at the beginning of the year		156,027	170,458
Acquisition of Dargues Gold Mine		-	(4,593)
Additions/expenditure during the year		10,958	31,149
Depreciation for the year		(35,190)	(30,564)
Impairment loss recognised during the year	4	(1,637)	(10,104)
Transfer to mine properties	10	(11,150)	(262)
Assets written off		(46)	(55)
Assets disposed or derecognised		(675)	(2)
Closing balance		118,287	156,027

Recognition and measurement

Property, plant and equipment are carried at cost, less accumulated depreciation, amortisation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

When an asset is surplus to requirements the carrying amount of the asset is reviewed and is written down to its recoverable amount or derecognised.

Depreciation and amortisation

Items of plant and equipment and mine development are depreciated over their estimated useful lives.

The Group uses the units of production basis when depreciating mine specific assets which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Property, plant and equipment (Continued)

For the remainder of assets, the straight-line method is used. The rates for the straight-line method vary between 10% and 33% per annum.

Property, plant and equipment are also subject to impairment indicators. Refer to note 10 for further information.

Key judgements - useful lives, residual values and depreciation methods

The process of estimating the remaining useful lives, residual values and depreciation methods involve significant judgement. These estimates are reviewed annually for all major items of plant and equipment. Any changes are accounted for prospectively from the date of reassessment to the end of the revised useful life. The Company uses the unit-of-production basis where depreciating/amortising specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production.

Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

10. Mine properties

	Note	2023 \$'000	2022 \$'000
Mine properties at cost		694,532	610,640
Accumulated depreciation and impairment		(551,458)	(487,107)
		143,074	123,533
Movement in mine properties			
Carrying value at the beginning of the year		123,533	287,035
Acquisition of Dargues Gold Mine		-	4,680
Impairment loss recognised during the year	4	(3,796)	(125,583)
Development expenditure during the year		15,122	53,752
Transfer from exploration and evaluation	11	57,620	139
Depreciation for the year		(60,555)	(96,752)
Transfer from property, plant and equipment	9	11,150	262
Closing balance		143,074	123,533

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. Mine properties (Continued)

Recognition and measurement

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Mine properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition.

When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Depreciation and amortisation

Accumulated mine development costs are depreciated/amortised on a unit-of-production basis over the economically recoverable reserves and the portion of mineral resources considered to be probable of economic extraction, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied.

The unit of account for run of mine (ROM) costs is Gold Metal Equivalent units mined (measured in ounces), whereas the unit of account for post-ROM costs is Gold Metal Equivalent units processed (measured in ounces).

Rights are depleted on the unit-of-production (UOP) basis over the economically recoverable reserves of the relevant area. The unit-of-production rate calculation for the depreciation/amortisation of mine development costs considers expenditures incurred to date, together with planned future mine development expenditure.

The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortised on a UOP basis whereby the denominator is the proven and probable reserves and the portion of resources expected to be extracted economically. The estimated fair value of the mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to amortisation, until the resource becomes probable of economic extraction in the future and is recognised in exploration and evaluation assets.

Assessment of impairment

At each balance date, the Group conducts an assessment for any indicators of impairment on each asset or Cash Generating Unit (CGU). The Group considers each of its mines to be a separate CGU.

Assuming indicators of impairment are identified, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's Fair Value Less Cost of Disposal (FVLCD) and Value In Use (VIU). The FVLCD for each CGU was determined based on the net present value of the future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs (based on the most recent life of mine plans), including any expansion projects, and its eventual disposal, using assumptions a market participant may take into account. These cash flows are discounted using a real post-tax discount rate that reflects current

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

market assessments of the time value of money and the risks specific to the CGU.

10. Mine properties (Continued)

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the Statement of Profit or Loss.

The determination of FVLCD for each CGU are fair value measurements, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

At 30 June 2023, an impairment assessment was conducted, and it was noted that no indicators of impairment existed for any of the mine CGUs (30 June 22: impairment loss on Dargues CGU of \$135.7 million). An Impairment expense of \$5.4M was recognised at 31 December 2022 relating to the Hera mine as a result of the optimization of the life of mine with \$3.8M allocated to mine properties and the remaining balance to property, plant and equipment. As impairment tests were performed for all mine CGUs at 30 June 2022 and 31 December 2022, although the carrying amount of the Group's net assets was greater than the market capitalization at 30 June 2023, sufficient headroom was observed in these previous impairment calculations that would not have been eroded by any subsequent changes in commodity prices, interest rates or life of mine changes.

Key judgements - depreciation and impairment assessment of mine properties

Units of production method of depreciation and amortisation

The Company uses the unit-of-production basis where depreciating/amortising specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production.

Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Impairment

The Company assesses each CGU, at each reporting period to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value costs of disposal and VIU.

These assessments require the use of estimates and assumptions which could change over time and are impacted by various economic factors such as discount rates, exchange rates, commodity prices, gold multiple values, future operating development and sustaining capital requirements and operating performance. A change in one or more of these assumptions used to determine the value in use or fair value less costs of disposal could result in a material adjustment in a CGU's recoverable amount.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

11. Exploration and evaluation assets

	Note	2023 \$'000	2022 \$'000
Exploration and evaluation assets		9,667	71,728
Movement in exploration and evaluation assets			
Balance at the beginning of the year		71,728	39,318
Expenditure during the year		10,972	32,582
Transfer to mine properties	10	(57,620)	(139)
Impairment / Expenditure written off during the year		(15,413)	(33)
Closing balance		9,667	71,728

Recognition and measurement

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Such expenditure consists of an accumulation of acquisition costs, direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

In the current year \$5.3 million of the total expenditure related to the Federation project (FY22: \$23.8 million).

Impairment

A regular review is undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to an area of interest. The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount.

During the year, \$15.4 million of impairment expense was recognised relating primarily to Dargues both near mine and surface drilling exploration (\$13.5m) and Hera's Athena tenement (\$1m) for which there is not further prospects of an economically recoverable resource (FY22: \$0 million).

Key judgements - impairment

The consolidated entity performs impairment testing on specific exploration assets when required in AASB 6 para 20. Significant judgement is applied during the review and assessment of the carried forward costs and the extent to which the costs are expected to be recouped through the successful future development of the area of interest.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. Trade and other payables

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Trade payables and accruals	21,516	59,423
Other payables	6,963	6,347
	<u>28,479</u>	<u>65,770</u>

Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid.

Trade payables are unsecured, non-interest bearing and generally payable on 7 to 30-day terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

At 30 June 2023 the asset relating to mark to market adjustments for concentrate sales invoices not yet finalised is \$nil. At 30 June 2022 the liability outstanding was \$12 million.

No assets of the Group have been pledged as security for the trade and other payables.

13. Provisions

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Current		
Employee	6,486	7,566
Mine rehabilitation	501	1,813
Deferred consideration	-	1,532
Other	737	1,019
Total current provisions	<u>7,724</u>	<u>11,930</u>
Non-Current		
Employee	423	407
Mine rehabilitation	77,741	87,163
Deferred consideration	-	386
Total non-current provisions	<u>78,164</u>	<u>87,956</u>
Total provisions	85,888	99,886

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. Provisions (Continued)

At 30 June 2023

	Employee	Mine Rehabilitation	Deferred consideration	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	7,973	88,976	1,918	1,019	99,886
Re-measurement of provision	4,167	(9,148)	(559)	2,242	(3,298)
Rehabilitation expense/(reversal)	-	(3,274)	-	-	(3,274)
Unwinding of discount	-	2,106	33	-	2,139
Amounts paid/utilised during the year	(5,231)	(418)	(1,392)	(2,524)	(9,565)
Closing balance	6,909	78,242	-	737	85,888

At 30 June 2022

	Employee	Mine Rehabilitation	Deferred consideration	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	7,315	74,412	2,018	121	83,866
Re-measurement of provision	3,620	8,452	715	2,536	15,323
Rehabilitation expense/(reversal)	-	3,531	-	-	3,531
Unwinding of discount	-	2,731	23	-	2,754
Amounts paid/utilised during the year	(2,962)	(150)	(838)	(1,638)	(5,588)
Closing balance	7,973	88,976	1,918	1,019	99,886

Employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements for current employees.

Mine rehabilitation

The nature of mine rehabilitation and site restoration costs includes the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation, and re-vegetation of affected areas of the site in accordance with the requirements of the mining permits.

At 30 June 2023, Letters of Credit totaling \$56.8 million have been lodged (30 June 2022: \$56.8 million).

The Company periodically engages environmental consultants to benchmark the rates used in estimating the mine rehabilitation provision. The change in the mine rehabilitation provision is due to the application of updated estimates, amounts recognised for future rehabilitation to our operating mine sites and land holdings, as well as amounts paid or utilised for rehabilitation activities undertaken during the reporting period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. Provisions (Continued)

Deferred consideration

This relates to deferred consideration on the purchase of Hera Mine. The Group records deferred consideration at fair value using the discounted cash flow methodology based on the two-year Australian government bond rate of 3.4% (FY22: 2.4%). This is now fully settled as of the date of this report.

Recognition and measurement

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

Employee benefits

Annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled. Long service leave liabilities are measured at the present value of the estimated future cash outflows, discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the statement of profit or loss.

Mine rehabilitation

The rehabilitation provision represents the present value of the estimated future rehabilitation costs relating to mine sites. The discount rate used to determine the present value is a pre-tax rate reflecting the current market assessment. The unwinding of the discounting of the provision is included in finance costs in the statement of profit or loss.

When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying value of mine properties, which is amortised on a units of production basis. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred. In instances where there is no asset the changes are expensed in the profit or loss.

Deferred consideration in relation to Hera

The Company measures the deferred consideration by reference to the fair value of net present value of future cash outflows. The following assumptions have been taken into account: risk free bond rate, gold price, timing and possibility of payment.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. Provisions (Continued)

Recognition and measurement (Continued)

Key judgements – mine rehabilitation

Mine rehabilitation

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Changes in technology, regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates affect recognised value of the liability. These factors will impact the mine rehabilitation provision in the period in which they change or become known.

14. Leases

The Company has lease contracts for mining, property, plant, machinery, and other equipment used in its operations. The leases generally have lease terms between 2 and 5 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Right of use assets		
Carrying value at the beginning of the year	19,414	12,674
Additions	3,695	17,244
Re-measurement / Modifications	(5,762)	-
Terminations	(4,528)	-
Depreciation expense	(7,876)	(10,504)
Carrying value at the end of the year	4,943	19,414

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Lease liabilities		
Current	3,041	11,065
Non-current	1,969	8,424
Closing balance	5,010	19,489

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. Leases (Continued)

Movement in lease liabilities

	2023	2022
	\$'000	\$'000
Carrying value at the beginning of the year	19,489	12,967
Additions	3,695	17,248
Re-measurement	(5,762)	-
Terminations	(3,037)	-
Interest expense	557	677
Payments	(9,932)	(11,403)
Carrying value at the end of the year	5,010	19,489

The additions for the year include lease renewals amounting to \$3.7 million made in June 2023 (FY22: \$7.2million).

The following are the amounts recognised in profit or loss

Depreciation expense for right-of-use assets	7,876	10,504
Interest expense on lease liabilities	557	677
Expense relating to short term leases and low value assets (included in cost of sales)	-	-
	8,433	11,181

Recognition and measurement

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The depreciation for the mine site is disclosed under cost of sales whereas depreciation for the Corporate site is included in corporate administration expenses. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. The lease interest expense is disclosed as finance costs in the statement of profit or loss and is included as part of interest paid under cash flows from operating activities in the Cash Flow Statement.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. Leases (Continued)

Recognition and measurement (Continued)

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000).

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Key judgements – Estimating incremental borrowing rate, identification of non-lease components and in substance fixed rates

The Group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and entity-specific judgements estimates (such as the lease term and certain contract provisions).

In addition to containing a lease, some of the Group's arrangement involves the provision of additional services. These are non-lease components, and the Group has elected to separate these from the lease components. Judgement is required to identify each of the lease and non-lease components. The consideration in the contract is then allocated between the lease and non-lease components on a relative stand-alone price basis. The Group also applies judgement to determine in-substance fixed payments included in the lease payments such as unavoidable fixed minimum amounts.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. Interest bearing loans and borrowings

	Effective interest rate %	Maturity	2023 \$'000	2022 \$'000
Current				
Term loan facility	BBSY +4	30-Sept-2023	-	16,200
Less: Borrowing costs paid			-	(1,142)
			-	15,058
Other loans	3-7%	31-May -2026	3,635	2,352
Total current loans and borrowings			3,635	17,410
Non-current				
Term loan facility	BBSY +4	30-Sept-2023	-	4,500
Less: Borrowing costs paid			-	(288)
			-	4,212
Other loans	3-7%	31-May -2026	4,047	4,379
Total non-current loans and borrowings			4,047	8,591
Total interest-bearing liabilities			7,682	26,001

Syndicated Facilities

At 30 June 2023 the Group had a secured Syndicated Facilities Agreement with a syndicate of banks comprising ANZ, NAB and BNP Paribas. During the Financial Year the term loan was fully repaid and security held over the Groups assets was released. A Guarantee Facility remains in place with \$56.8 million drawn for environmental rehabilitation bonds, which is fully backed by \$56.8 million in cash held by the banks (FY22: \$30.7 million). Restricted cash is shown as a non-current asset as it is not available for day-to-day operations.

Trafigura Pte Ltd

On 31 May 2023 a new financing facility was announced with Trafigura Pte Ltd. The new Trafigura facilities (the "Facilities") comprise:

- US\$24 million (A\$36.4 million) Loan Note Advance ("Loan Note") facility to contribute funding to construction of Federation, and
- A\$65 million Environmental Bond Facility ("Bond Facility") to provide rehabilitation bonding.

The Facilities have a term of 4 years from the date of financial close. No debt has been recognised at 30 June. The Loan Note has an interest rate of SOFR (Secured Overnight Financing Rate) + 6.0% and the Bond Facility has an interest rate of 6.0%. The Facilities have no financial covenants, no hedging requirements and have early repayment flexibility.

In June 2023 the existing secured Syndicated Facilities Agreement was repaid in full and the existing performance bond facility was fully cash backed. Total cash backing at 30 June 2023 was \$56.8 million, with the full amount in the process of being returned.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. Interest bearing loans and borrowings (Continued)

Other loans

The Group has entered into loan agreements to fund the acquisition of mobile plant and equipment. The loans are repayable by May 2026 with applicable interest rates ranging from 3% to 7%. The financed equipment is security for the loans.

Recognition and measurement

At initial recognition, interest bearing loans and borrowings are classified as financial liabilities measured at fair value net of directly attributable transaction costs. Subsequent measurement is at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Establishment fees related to the facilities are capitalised as a prepayment and amortised over the term of the facility to which it relates.

16. Other financial liabilities

	Note	2023	2022
		\$'000	\$'000
Current			
Third party royalty liability		6,803	6,947
		6,803	6,947
Non-Current			
Third party royalty liability		713	4,128
		713	4,128
Total other financial liability		7,516	11,075
Movement in carrying value of other financial liabilities			
Third Party Royalty Liability			
		2023	2022
		\$'000	\$'000
Carrying value at the beginning of the year		11,075	39,165
Payments during the year		(4,830)	(5,209)
Remeasurement	3,4	1,271	(22,881)
Closing balance		7,516	11,075

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. Other financial liabilities (Continued)

Contingent consideration liability

Carrying value at the beginning of the year		-	4,250
FV adjustment through profit & loss	3	-	(4,250)
Closing balance		-	-

16.1. Third party royalty liability

On 21 December 2018, a funding agreement with Triple Flag (TFM) was executed, where TFM agreed to fund the Dargues Gold Project in consideration for the grant of a royalty. Following the acquisition of Dargues Gold Mine on 17th December 2020, as a going concern, Aurelia assumed the obligations related to the royalty due to the continuing obligation provisions of the royalty deed. The royalty is calculated on the gross revenue generated from the sale of gold concentrate from the Dargues Gold Mine and is payable in United States Dollars (USD).

The liability is measured at amortised cost. The value is determined by discounting the future royalty payments using a discount rate of 3.33% and the impact of the periodic remeasurement of the following assumptions:

- gold price;
- life of mine extension and related change in sales volumes; and
- foreign exchange rate.

The estimated sales volume for the remaining life of the mine has reduced due to the reassessed shorter mine life of the mine site during the current financial year which has resulted in a lower royalty liability as at 30 June 2023.

Recognition and measurement

At initial recognition the third-party royalty liabilities are classified as financial liabilities measured at fair value net of directly attributable transaction costs. Subsequent measurement is at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the liability using the effective interest method.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

17. Contributed equity

17.1. Movements in ordinary shares on issue

30 June 2023		Date	Number	\$'000
Opening balance			1,237,056,457	334,659
Shares issued on vesting of performance rights	(iv)	31-Aug-22	380,759	-
Institutional Component of Equity Raising	(v)	9-June-23	261,818,451	23,564
Share Issue Costs	(v)	9-June-23	-	(1,205)
Employee Share Scheme	(vi)	13-June-23	2,687,328	-
Closing balance			1,501,942,995	357,018

30 June 2022		Date	Number	\$'000
Opening balance			1,234,739,875	334,659
Shares issued on vesting of performance rights	(i)	7-Sept-21	76,993	-
Employee Share Scheme	(ii)	4-Nov-21	674,388	-
Shares issued on vesting of performance rights	(iii)	30-Nov-21	1,565,201	-
Closing balance			1,237,056,457	334,659

- (i) On 7 September 2021, the Company issued 76,993 shares on the vesting of Performance Rights.
- (ii) On 4 November 2021, a total of 674,388 shares were issued under the Employee Share Scheme for no consideration, (refer to note 21.2 for further detail).
- (iii) Shares issued upon the vesting of 1,565,201 Performance Rights for no consideration.
- (iv) On 31 August 2022, the Company issued 380,759 shares on the vesting of Performance Rights.
- (v) On 9 June 2023, the Company completed the institutional placement and entitlement offer component of the A\$40 million equity raising announced on 31 May 2023. The shares were issued at \$0.09 per share.
- (vi) On 13 June 2023, a total of 2,687,328 shares were issued under the Employee Share Scheme for no consideration, (refer to note 21.2 for further detail).

Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown directly in equity as a deduction, net of tax, from proceeds.

Ordinary shares which have no par value have the right to receive dividends as declared and, in the event of a winding up of the Parent, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

17. Contributed equity (Continued)

17.2. Dividends made and proposed

	2023	2022
	\$'000	\$'000
Dividend paid	-	-
Total	-	-

The Directors did not recommend the payment of a dividend for the financial year ended 30 June 2022 and 30 June 2023.

The franking account balance at the end of the financial year is \$32.2 million (FY22: \$41.9 million).

The Company currently does not have a share buy-back plan or a dividend reinvestment plan.

18. Reserves

	2023	2022
	\$'000	\$'000
Share based payment reserve	13,919	13,122
	13,919	13,122

Movements in reserves

	2023	2022
	\$'000	\$'000
Movement in share base payments reserve		
Opening balance	13,122	11,342
Share based payment expense	797	1,780
Closing balance	13,919	13,122

OCI items net of tax:

Cash flow hedge reserve

	2023	2022
	\$'000	\$'000
Opening balance	(1,964)	2,492
Commodity forwards closed through P&L	1,964	(4,456)
Closing balance	-	(1,964)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

18. Reserves (Continued)

Recognition and measurement

Derivatives designated as hedging instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered, and they are subsequently remeasured to their fair value at the end of each reporting period.

The group designates derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

Hedge accounting

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions (refer to note 22.1 and 22.5.2 for further detail).

Hedge effectiveness

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, whilst any ineffective portion is recognised immediately in profit and loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The accumulated gains and losses recorded in the hedge reserve are reclassified to the profit and loss in the same period during which the hedged expected future cash flows from the underlying revenue transaction are recognized in the profit and loss. Amounts included in the hedge reserve are released to profit and loss when the hedge contracts are closed, and revenue has been recognised in the profit and loss.

Movement in reserves

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (“equity-settled transactions”), as issued under the Company’s employee Performance Rights Plan. The plan forms part of the Company’s remuneration framework, as detailed and explained in the Remuneration Report to these Financial Statements.

The Company also has an Employee Share Scheme, where eligible employees are invited to participate in the plan to receive fully paid ordinary shares in the Company (subject to dealing restrictions ending on the earlier of 3 years after grant or when the employee ceases employment) with a nominal value of \$1,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

19. Retained earnings

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Movements in retained earnings were as follows:		
Opening balance	(8,891)	72,797
Profit/(loss) after tax for the year	(52,221)	(81,688)
Dividend paid	-	-
Closing balance	<u>(61,112)</u>	<u>(8,891)</u>

20. Earnings per share (EPS)

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
(Loss)/Profit attributable to owners of Aurelia Limited used to calculate basic and diluted earnings	(52,221)	(81,688)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,254,006	1,236,163
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,270,513	1,250,600
Basic earnings per share (cents per share)	(4.16)	(6.61)
Diluted earnings per share (cents per share)	(4.16)	(6.61)

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Parent Company, by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the amount used in determining basic earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The effect of dilution has not been incorporated in calculating the diluted earnings per share as the effect is non anti-dilutive.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

21. Share based payment arrangements

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Share based payments expense		
Expense from employee performance rights plan	509	1,518
Expense from employee share plan	288	262
	<u>797</u>	<u>1,780</u>

21.1 Employee performance rights plan

The Company has an employee Performance Rights Plan. The objective of the plan is to assist in the recruitment, reward, retention, and motivation of employees of Aurelia. The plan is open to eligible executives and employees.

The plan is provided by way of allocation of Performance Rights which carry an entitlement to a share subject to satisfaction of performance criteria and/or vesting conditions (as applicable). To the extent performance criteria and/or vesting conditions are satisfied, the Performance Rights are taken to have vested and been exercised for no consideration. The number of ordinary shares issued is equal to the number of vested Performance Rights issued.

Performance Rights are generally granted each year. The performance hurdles are agreed prior to the commencement of a new financial year. The hurdles are determined at the discretion of the Board. The test date for each issue of Performance Rights is typically three years from the Grant Date.

21.2 Employee share plan

The Company has an Employee Share Plan, which provides eligible employees with an opportunity to acquire ordinary shares in the Company, with a grant value of \$1,000. In FY23, the plan provided each eligible employee with 9,331 fully paid ordinary shares. (FY22: 2,574 shares).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

21. Share based payment arrangements (Continued)

21.3. Summary of movements of performance rights on issue

The following table illustrates the number of, and movements in Performance Rights during the year. All Performance Rights have a zero weighted average exercise price.

Refer to the Remuneration Report (section 7.2) for the vesting conditions of the performance rights issued during the year.

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	Number	WAEP	Number	WAEP
Performance rights on issue				
Opening balance issued	16,004,375	-	10,523,362	-
Granted during the year	11,575,382	-	8,607,704	-
Vested during the year	(838,634)	-	(1,642,193)	-
Lapsed during the year	(11,311,535)	-	(1,484,498)	-
Closing balance issued	15,429,588	-	16,004,375	-

	<u>2023</u>	<u>2022</u>	
	Number	Number	
Performance Rights			
Class 19A	-	2,284,641	Vested
Class 19C	-	-	Vested
Class FY21	-	5,452,474	Unvested
Class FY22	4,859,852	8,267,260	Unvested
Class FY23	10,569,736	-	Unvested
Total	15,429,588	16,004,375	

Subsequent to the balance sheet date, the LTIP outcomes for Performance Rights under Class FY21 were determined. There were also changes to Class FY22 and FY23 Performance Rights following staff movement.

21.4. Fair value determination

During the year, the Company issued a total of 11,575,382 performance rights (FY22: 8,607,704 rights) under its employee Performance Rights plan.

Each grant under the employee Performance Rights plan will have a fair value calculated under the accounting standards, which is calculated as at the date of grant. An independent expert provider is engaged to calculate the estimated fair value of each grant using the Monte Carlo simulation method, which is applied in conjunction with assumed probabilities for the achievement of specific performance hurdles as define for each grant.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

21. Share based payment arrangements (Continued)

21.5. Recognition and measurement

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external independent valuation using the Monte Carlo simulation.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of awards that will ultimately vest.

This opinion is formed based on the best available information at balance date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

In limited circumstances where the terms of an equity-settled award are modified (such as a change of control event, or as part of an agreed termination benefit), a minimum expense is recognised as if the terms had not been modified. The expense recognised reflects any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of the outstanding Performance Rights is reflected as additional share dilution in the computation of earnings per share unless when the effect is anti-dilutive.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. Financial risk management objectives and policies

In common with all other businesses, the Company is exposed to risks that arise during the course of business and its use of financial instruments. This note describes the consolidated entity's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Company's financial instruments consists of: deposits with banks, trade and other receivables, listed equity investments, derivatives, loans and borrowings, trade and other payables, royalty liabilities, lease liabilities and the deferred consideration related to the acquisition of the Hera Mine and the Dargues Gold Mine.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's managerial team.

The Company's risk management policies and practices are designed to minimise and reduce risk as far as possible and to ensure cash flows are sufficient to:

- withstand significant changes in cash flow at risk scenarios and still meet all financial commitments as and when they fall due; and
- maintain the capacity to fund project development, exploration, and acquisition strategies.

The Group holds the following financial instruments:

	Notes	2023 \$'000	2022 \$'000
Financial assets			
Cash at bank	6	38,946	76,694
Trade and other receivables	7	7,677	18,100
Restricted cash	6	56,833	30,746
Listed equity investments		718	1,105
Derivative financial instruments	22	69	-
Balance at year end		104,243	126,645
Financial liabilities			
Interest bearing loans and borrowings	15	7,682	26,001
Trade and other payables	12	28,479	65,770
Third party royalty liability	16	7,516	11,075
Lease liabilities	14	5,010	19,489
Deferred consideration	13	-	1,918
Derivative financial instruments	22	-	3,103
Balance at year end		48,687	127,356

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. Financial risk management objectives and policies (Continued)

Financial assets and liabilities

The Group enters derivative financial instruments (commodity contracts) with financial institutions with investment-grade credit ratings. It measures financial instruments, such as derivatives and provisionally priced trade receivables, at fair value at each reporting date.

The Group's principal financial assets, other than derivatives and provisionally priced trade receivables, comprise other receivables, cash and short-term deposits that arise directly from its operations, as well as investments. The Group's principal financial liabilities other than derivatives comprise interest bearing loans and borrowings, trade and other payables, lease liabilities, third party royalty and deferred consideration royalty.

Accounting policies in respect of these financial assets and liabilities are documented within the relevant notes to the consolidated financial statements.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives designated as hedging instruments.

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and commodity price risk.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. Financial risk management objectives and policies (Continued)

22.1 Cash flow hedges – commodity price risk

The Group sells gold doré and gold and base metal concentrate to customers. Due to volatility in commodity markets, hedging has been used to manage price risks. In addition to this, the existing syndicated loan facility included mandatory gold hedging of a minimum of 20% of the Group's gold production in each 12-month period. At 30 June 2023, the Company had no existing hedge commitment (FY22: 21,023 oz of gold).

There is an economic relationship between the hedged items and the hedging instruments. The Group tests hedge effectiveness periodically.

The hedge ineffectiveness can arise from:

- differences in the timing of the cash flows of the hedged items and the hedging instrument; and
- Changes to the forecasted amount of cash flows of hedged items and hedging instrument.

The Group had no gold forward contract commitments at 30 June 2023:

	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months
Average Contract price (AUD/oz)	-	-	-	-	-	-
Ounces	-	-	-	-	-	-
30 June 2022						
	Total	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months
Average Contract price (AUD/oz)		2,371	2,359	2,435	2,596	2,685
Ounces	21,023	1,600	3,850	6,148	5,366	4,059

22.2 Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

At 30 June 2023, the Company had fully repaid the term loan under the existing Syndicated Facility (FY22: \$20.7 million) and holds \$38.9 million (FY22: \$76.7 million) of available cash.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22 Financial risk management objectives and policies (Continued)

22.3 Maturity of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances which are due within 12 months equal their carrying balances as the impact of discounting is not significant.

2023	<1 Yr	1-2 Yrs	2-3 Yrs	3-4 Yrs	>4 Yrs	Contracted cash flow of liability	Carrying value of liability
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	-	-	-	-	-	-	-
Equipment loans	3,635	3,173	874	-	-	8,244	7,682
Lease liabilities	3,040	1,883	86	1	-	5,539	5,010
Deferred consideration	-	-	-	-	-	-	-
Trade and other payables	28,479	-	-	-	-	28,479	28,479
Third party royalty liability	6,803	713	-	-	-	7,675	7,516
Derivative financial instruments	(69)	-	-	-	-	(69)	(69)
Total	41,888	5,769	960	1		49,868	48,618

There are no contracted cash flow liabilities relating to leases payable in period greater 5 years.

2022	<1 Yr	1-2 Yrs	2-3 Yrs	3-4 Yrs	>4 Yrs	Contracted cash flow of liability	Carrying value of liability
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	16,200	4,500	-	-	-	20,700	19,270
Equipment loans	2,352	2,465	1,951	-	-	6,768	6,731
Lease liabilities	11,070	7,995	427	4	-	19,496	19,489
Deferred consideration	1,225	614	108	-	-	1,947	1,918
Trade and other payables	65,770	-	-	-	-	65,770	65,770
Third party royalty liability	1,492	5,573	4,307	-	-	11,372	11,075
Derivative financial instruments	3,103	-	-	-	-	3,103	3,103
Total	101,212	21,146	6,793	4	-	129,156	127,356

22.4 Credit risk exposures

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. Although the Group has a concentrated customer base, they have continuously met their contractual obligations. On this basis, at balance date, there were no significant concentrations of credit risk. The Group also limits its counterparty credit risk on investments by using banks with investment grade credit ratings.

The total trade and other receivables outstanding as at 30 June 2023 was \$7.6 million (FY22: \$18.1 million).

No receivables are considered past due or impaired. Cash and cash equivalents at 30 June 2023 was \$38.9 million (FY22: \$76.7 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22 Financial risk management objectives and policies (Continued)

22.5 Market risk exposures

22.5.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, including revenue and expenses denominated in a foreign currency.

The group considers the effects of foreign currency risk on its financial position and financial performance and assesses its option to hedge based on current economic conditions and available market data.

The Group manages its foreign currency risk by converting foreign currency receipts to AUD upon receipt and only maintaining a minimal USD balance for foreign currency denominated commitments.

The table below demonstrates the sensitivity of revenue not converted at the time of sale to a change in the US\$ exchange rate with all other variables held constant:

Effect on profit before tax	2023	2022
	\$'000	\$'000
Increase/(decrease) in foreign exchange rate		
+5%	(2,449)	(3,756)
-5%	2,423	3,717

The cash balance at year end includes US\$1.0 million (FY22: US\$3.9 million) held in US\$ bank accounts.

The table below demonstrates the sensitivity of the US\$ denominated bank account balances to a change in the US\$ exchange rate with all other variables held constant:

Effect on the bank balances	2023	2022
	\$'000	\$'000
Increase/(decrease) in AUD: USD foreign exchange rate		
+5%	(70)	(269)
-5%	77	297

22.5.2 Commodity price risk

The Group is affected by the price volatility of certain commodities. Price risk relates to the risk that the fair value of future cash flows of commodity sales will fluctuate because of changes in market prices largely due to supply and demand factors for commodities. The Group is exposed to commodity price risk related to the sale of gold, lead, zinc, and copper on physical prices determined by the market at the time of sale.

Commodity price risk may be managed, from time to time and as required and deemed appropriate by the Board, with the use of hedging strategies through the purchase of commodity hedge contracts. These contracts can establish a minimum commodity price denominated in either US dollars or Australian dollars over part of the group's future metal production. With trade receivables measured at fair value, the risk is that the final QP price achieved would be lower than the carrying value of the receivables which was based at the forward QP price at the reporting date.

The Group's management has developed and enacted a hedging policy focused on the management of commodity risk. The management of this risk includes an element of mandatory hedging previously required under the secured Syndicated Facilities Agreement, as well as Quotation Period hedging for metal in concentrates sold.

The Group had no commodity price hedging in place at 30 June 2023 (30 June 2022: 21,023 ounces

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

with an average price of \$2,505/oz).

22 Financial risk management objectives and policies (Continued)

22.5.2 Commodity price risk (Continued)

The Quotation Period hedging in place for concentrates sold at the end of the reporting period is summarised below:

Commodity	Unit	30 June 2023		30 June 2022	
		Quantity	Contract price	Quantity	Contract price
Gold	oz	-	-	3,274	US\$1,841
Copper	t	-	-	570	US\$9,860
Lead	t	-	-	1,585	US\$2,225
Zinc	t	-	-	400	US\$4,018

During the financial year, gold and gold in concentrate unhedged sales were 29,812 ounces (FY22: 9,249 ounces). The effect on the income statement with an A\$50/oz increase/decrease in gold price would have resulted in an increase/decrease in profit/loss and equity of \$1.5 million (FY22: \$0.5 million).

During the financial year, the Company made unhedged sales of concentrate containing payable lead of 6,276 tonnes (FY22: 4,831 tonnes), payable zinc 3,618 tonnes (FY22: 12,394 tonnes) and payable copper of 285 tonnes (FY22: 1,176 tonnes). An increase/decrease of US\$50/t in the price of lead, zinc and copper would have resulted in an increase/decrease profit/loss and equity by \$0.8 million (FY22: \$1.3 million).

22.5.3 Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date where a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's cash and the Term Loan that have floating interest rates.

An increase/(decrease) in interest rates on the average debt borrowing balance by 50 basis points will result in a \$0.1 million (FY22: \$0.1 million) (decrease)/ increase in the profit or loss and equity.

The Group continually analyses its exposure to interest rate risk. Consideration is given to alternative financing options, potential renewal of existing positions, alternative investments, and the mix of fixed and variable interest rates.

22.5.4 Equity price risk

The Group's listed equity investment in Sky Metals Limited is susceptible to market price risk arising from uncertainties about future value of the investment security. An increase /(decrease) of 5% in the share price would result in a \$0.04 million (FY22: \$0.1 million) change in the investment.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. Financial risk management objectives and policies (Continued)

22.5.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to maintain a strong capital base to support the Company's growth objectives and to maximise shareholder value. The Company aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the bank to immediately call interest-bearing loans and borrowings. In December 2022 the Company received a waiver of covenant testing from the Bank Syndicate whilst the debt facility refinance was completed. Further waivers were received in March and June 2023. The new Trafigura Facilities do not contain any financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by the aggregate of equity and net debt. The Group's net debt is calculated as trade and other payables, interest-bearing loans and borrowings (excluding lease liabilities) less cash and short-term deposits.

The Company continuously monitors the capital risks of the business by assessing the financial risks and adjusting the capital structure in response to changes in those risks. The Company is continually evaluating its sources and uses of capital.

	Note	2023 \$'000	2022 \$'000
Interest bearing loans and borrowings	15	7,682	26,001
Trade and other payables	12	28,479	65,770
Less: cash at bank	6	(38,946)	(76,694)
Net debt		(2,785)	15,077
Equity		309,825	336,926
Capital and net debt		307,040	352,003
Gearing ratio		(1%)	4%

Syndicated Facilities Agreement covenants

The existing Syndicated Facility agreement contained financial covenants including a Cash Cover Ratio, a Forward Cover Ratio, and a minimum cash balance. In December 2022 the Company received a waiver of covenant testing from the Bank Syndicate whilst the debt facility refinance was completed. Further waivers were received in March and June 2023. The new Trafigura Facilities do not contain any financial covenants.

The Group continues to monitor capital by assessing the financial risks and adjusting the capital structure in response to changes in those risks. The Group is continually evaluating its sources and uses of capital. The Group is not subject to any externally imposed capital requirements.

The Directors consider the carrying values of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. Financial risk management objectives and policies (Continued)

22.5.6 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities. The following financial instruments are carried at fair value in the statement of financial position and measured at fair value through profit or loss or Other Comprehensive Income.

2023	Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000
Assets			
Trade receivables at fair value	3,335	-	-
Listed equity investments	718	-	-
Derivative financial instruments	-	69	-
Liabilities			
Derivative financial instruments	-	-	-
Deferred consideration	-	-	-
2022	Quoted prices in active markets Level 1 \$'000	Significant observable inputs Level 2 \$'000	Significant unobservable inputs Level 3 \$'000
Assets			
Trade receivables at fair value	6,259	-	-
Listed equity investments	1,105	-	-
Derivative financial instruments	-	-	-
Liabilities			
Derivative financial instruments	-	3,103	-
Deferred consideration	-	-	1,918

The techniques and inputs used to value the financial assets and liabilities are as follows:

- Listed equity investments: Fair value based on quoted market price at 30 June 2023.
- Derivative financial instruments (gold and base metal forward contracts): are marked-to-market value based on spot prices at balance date and future delivery prices and volumes, as provided by trade counterparty.
- Trade receivables at fair value: refer to note 7.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

23. Reconciliation of profit after tax to net cash flows

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Reconciliation of profit after tax to net cash flows used in operating activities:		
Net profit after tax	(52,221)	(81,688)
Adjustments for:		
Impairment loss on mine properties / exploration	20,846	135,687
Depreciation and amortisation	104,130	137,816
Rehabilitation expense/(reversal of expense)	(3,274)	3,531
Fair value adjustment/remeasurement of financial assets and liabilities	1,657	(26,028)
Income tax expense net of tax payments	(11,220)	(19,670)
Exploration and evaluation assets written off	24	33
Share based payments	797	1,780
(Gain) / Loss on revaluation of commodity derivatives and foreign exchange differences	(113)	178
(Gain) / Loss on disposal of plant and equipment	(31)	43
Interest expense (unwinding of discount)	2,816	2,754
Changes in assets and liabilities		
Increase / (Decrease) in trade and other payables	(37,291)	18,465
Increase / (Decrease) in other liabilities	1,435	(1,182)
Increase / (Decrease) in prepaid borrowing costs	(1,053)	1,053
Increase / (Decrease) in provisions	(3,620)	(4,752)
Increase / (Decrease) in trade and other receivables	10,422	861
Increase / (Decrease) in inventories	14,678	(14,476)
Increase / (Decrease) in prepayments	(2,118)	(312)
Net cash flows from operating activities	<u>45,864</u>	<u>154,093</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

24. Auditors' remuneration

The auditor of Aurelia Metals Limited is Ernst & Young.

	2023	2022
	\$'000	\$'000
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group	783	681
Fees for other services		
Business combinations tax advisory and other tax advisory services performed for the consolidated entity	-	226
Business combinations financial advisory services performed for the consolidated entity	26	143
Tax compliance services performed for the consolidated entity	79	79
Total fees to Ernst & Young (Australia)	888	1,129

There were no other services provided by Ernst & Young other than as disclosed above.

25. Parent company information

The financial information for the parent entity, Aurelia Metals Limited has been prepared on the same basis as the consolidated financial statements except for investment in subsidiaries.

	2023	2022
	\$'000	\$'000
Current assets	61,473	81,836
Non-current assets	302,744	224,717
Total assets	364,217	306,553
Current liabilities	134,231	169,296
Non-current liabilities	478	13,992
Total liabilities	134,709	183,288
Net assets	229,508	123,265
Issued capital	357,017	334,659
Reserves	13,919	11,159
Accumulated losses	(141,428)	(210,355)
Total shareholders' equity	229,508	135,463
Profit/(loss) for the year	5,177	16,465
Total comprehensive income/(loss) for the year	1,964	12,009

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

25. Parent company information (Continued)

25.1. Commitments

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

	<u>Parent 2023</u>	<u>Parent 2022</u>
	\$'000	\$'000
Payable not later than 12 months	2,715	4,425

26. Commitments and contingencies

26.1 Capital commitments

The commitments to be undertaken are as follows:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Payable not later than 12 months	34,505	26,131

26.2 Exploration and mining

The commitments to be undertaken are as follows:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Payable not later than 12 months	6,669	6,310

The commitments relate to exploration/mining lease minimum annual expenditures.

26.3 Guarantees

The Group has a \$56.8 million Guarantee Facility as part of the existing Syndicated Facilities Agreement. Under the facility, Letters of Credit with an aggregate value of \$56.8 million (30 June 2022: \$56.8 million) have been drawn consisting of environmental guarantees for the Company's three operating mine sites and its exploration tenements as well as rental bonds. As at 30 June 2023 \$56.8 million (2022: \$30.7 million) is held by the banking syndicate to cash back these guarantees.

26.4 Contingent liabilities

At 30 June 2022, a contingent liability amounting to \$4.25 million related to the acquisition of Dargues Gold Mine was released because the conditions for settlement were not met. There are no contingent liabilities as at 30 June 2023.

27. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

27.1 Transactions with other related parties

During the period, the following transactions with related parties occurred:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Hollach Services Pty Ltd ⁽ⁱ⁾	125	125
Total payments to related parties	<u>125</u>	<u>125</u>

(ii) Directors' fees were paid to Hollach Services Pty Ltd; a company of which Paul Harris is a Director.

27.2 Transactions with key management personnel

Compensation of key management personnel:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Short – term employee benefits	2,591	2,093
Post – employment benefits	87	82
Share based payments transactions	256	788
Total compensation paid to key management personnel	<u>2,934</u>	<u>3,421</u>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Detailed information about the remuneration received by each KMP is disclosed in the Remuneration Report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

27. Related party transactions (Continued)

27.2 Transactions with key management personnel (Continued)

Key management personnel interests in the Employee Performance Rights Plan

Performance Rights held by Key Management Personnel under the Employee Performance Rights Plan have the following expiry dates:

Performance Rights tranches	Expiry date	2023	2022
		Number outstanding	Number outstanding
Class 19A	30-Jun-22	-	1,970,678
Class 19C	30-Nov-21	-	-
Class FY21	30-Jun-23	-	3,108,620
Class FY22	30-Jun-24	2,071,260	3,429,653
Class FY23	30-Jun-25	3,377,554	-
Total KMP Performance Rights		5,448,814	8,508,951

27.3 Other related party transactions

There were no other related party transactions during the year (FY22: nil).

28. New Accounting policies and interpretations

Accounting standards and interpretations issued but not yet effective

Certain new Australian Accounting Standards and Interpretations have been published that are not mandatory for reporting periods commencing 1 July 2022 and have not been early adopted by the Company for the reporting period ending 30 June 2023.

The potential effect of the revised Standards/Interpretations on the Group's consolidated financial statements has not yet been determined.

29. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, Aurelia and its wholly owned subsidiaries entered into a deed of cross guarantee in 2018 and are relieved from the requirement to prepare and lodge an audited financial report.

The effect of the Guarantee is that Aurelia has guaranteed to pay any deficiency in the event of winding up of any controlled entity which is a party to the Guarantee or if they do not meet their obligations under the terms of any debt subject to the Guarantee. The controlled entities which are parties to the Guarantee have given a similar guarantee in the event that Aurelia is wound up or if it does not meet its obligations under the terms of any debt subject to the Guarantee.

The Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss & Other Comprehensive Income for the closed group is not different to the Group's Statement of Financial Position and Statement of Profit or Loss & Other Comprehensive Income.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30. Events after the reporting period

Since 30 June 2023 and until the date of signing of this report (all mentioned previously in the above report), the following has occurred:

- A new Director appointed - Mr Lyn Brazil (and his alternate, Mr Bradley Newcombe) was appointed 17 July 2023
- The retail equity raise completed in July 2023 with ~168 million new shares issued
- The Trafigura debt facilities financial close occurred in August 2023 and the 120 million warrants were issued to Trafigura (with an exercise price of A\$0.25/share and a four year term).

In accordance with a resolution of the Directors of Aurelia Metals Limited, we state that:

1. In the opinion of the Directors:
 - a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the notes; and
 - c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2023.

On behalf of the Board,



Peter Botten AC CBE
Chair



Bryan Quinn
Managing Director & CEO

30 August 2023



**Building a better
working world**

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent Auditor's Report to the Members of Aurelia Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aurelia Metals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of Mine Properties and Property, Plant and Equipment

Why significant

At 30 June 2023, the Group's consolidated statement of financial position included \$261.4m of Mine Properties and Property, Plant and Equipment.

At the end of each reporting period, the Group exercises judgement in determining whether there is any indication of impairment of its cash-generating units (CGUs) as disclosed in Note 10 to the financial statements. If any such indicators exist, the Group estimates the recoverable amount of the non-current assets in the relevant CGU.

At 31 December 2022, the Group determined its decision to optimize the life-of-mine for the Hera CGU represented an impairment indicator and perform impairment testing of the CGU. This resulted in an impairment charge of \$5.4m being recorded at that time.

At 30 June 2023, the Group assessed other than the Group's net assets exceeding its market capitalisation, there were no indicators of impairment for its CGUs. The Group's market capitalisation deficiency existed at 30 June 2022, being the time of the last detailed impairment test for Peak and Dargues CGUs.

At 30 June 2023, the Group evaluated whether there was evidence to suggest a decline in recoverable amount of the most recent impairment test. This analysis concluded the most recent impairment tests provided sufficient evidence of no additional impairment being required as at 30 June 2023.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ Assessed whether the Group's determination of CGUs was in accordance with Australian Accounting Standards.
- ▶ Assessed the Group's process for identifying and considering external and internal information which may be an indicator of impairment and evaluated the completeness of the factors identified.
- ▶ Compared the Group's market capitalisation relative to its net assets.
- ▶ For the Hera CGU:
 - ▶ Assessed whether the valuation methodology applied by the Group to measure the recoverable amount of the CGU met the requirements of Australian Accounting Standards.
 - ▶ Tested the mathematical accuracy of managements impairment model.
 - ▶ Involved our valuation specialists to assess the key cashflow forecast assumptions such as commodity price, discount rates and foreign exchange rates with reference to external observable market data.
 - ▶ Compared future production forecasts in the impairment model to updated reserves and resources estimates, and understood the Group's reserve estimation processes, including assessing the qualifications, competence and objectivity of the Group's internal experts and the scope and appropriateness of their work.
 - ▶ Assessed the operating and capital expenditure included in the impairment models with reference to updated plans for the mine.
 - ▶ Performed sensitivity analysis to evaluate the effect on the CGUs recoverable amount



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Why significant

Key cashflow forecast assumptions used in the Group's measurement of recoverable amount of its CGUs, such as forecast commodity prices, foreign exchange rates and discount rates require significant estimation and judgement. Identifying and evaluating changes in these key assumptions effects the completeness of the Group's impairment indicator assessment and its recoverable amount calculations, should impairment testing be required.

We considered the Group's impairment indicator assessment, impairment testing and the related disclosures in the financial report to be a key audit matter.

How our audit addressed the key audit matter

- of reasonably possible changes in key forecast assumptions.
- ▶ Recalculated the carrying amount of the Hera CGU and compared the carrying amount to the recoverable amount to determine the estimated impairment charge.
- ▶ Assessed the adequacy of the disclosures in Notes 9 and 10 of the financial report.



Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Aurelia Metals Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Kellie McKenzie' in a cursive style.

Kellie McKenzie
Partner
Brisbane
30 August 2023