

2021

ANNUAL REPORT



DELIVERING VALUE. GROWING RETURNS.

FY21 HIGHLIGHTS

RECORD FINANCIAL OUTCOMES



Growth in underlying NPAT to \$57 million **↑ 125 %**



Robust balance sheet
underpinning growth projects

OPERATIONAL PERFORMANCE

FY21 production guidance
achieved or outperformed

Record Au-equivalent
annual production

~10 %

Mill throughputs increased

SAFETY AND SUSTAINABILITY PERFORMANCE

Improvement in Total Recordable
Injury Frequency Rate (TRIFR) **↓ 58 %**



Improvement in Reportable
Environmental Incident
Frequency Rate (REIFR)

↓ 82 %



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FAST PACED GROWTH



↑ **63%**

Increase in mineral resources across portfolio

Successful acquisition and integration of Dargues Mine

Drilling program to expand and extend Federation, Dargues, Kairos and Great Cobar



CHAIRMAN'S LETTER



Dear Shareholders,

During this extraordinary time for markets and communities around the world, being a trusted, sustainable and positive presence has never been more important. The COVID-19 pandemic, evolved over the past 12 months to present unprecedented challenges for all business, and ours has been no exception. These challenges have spanned border closures and labour supply, service providers and supply chains, as well as trade with China and shipping shortages.

It is against this backdrop that Aurelia continued to build on its reputation of being a disciplined operator, putting safety of our people and communities first, managing risk to create resilience within our business, and executing our organic and inorganic growth strategies to deliver long term returns to our Shareholders.

Aurelia continues to match the very strong geological perspective of our assets with a material commitment to exploration. Drilling programs are underway to extend untapped potential at Peak's Kairos orebody, as well as to expand mine life at Dargues.

Aligned with our Vision and Values, we are proud to be accelerating priority

We also continue to work towards implementing and reporting against a GRI framework and managing climate change risks. We value the trusted partnerships we are continuing to grow with Traditional Owners and communities in the areas in which we operate. We are grateful for their support.

FY21 saw our dedicated people go above and beyond in their steadfast commitment to our business and communities. Many of our leaders, employees and contractors have been separated from families due to border restrictions and have faced hardships that have become hallmarks of the COVID-19 pandemic. On behalf of the Board, I would like to offer my sincere appreciation.

Finally I would like to gratefully acknowledge the strong contribution our former Chairman, Cobb Johnstone made to this Company ahead of his retirement due to ill health earlier this year.

It has been an honour to serve Aurelia Shareholders during this interim period and I would like to thank you for your support. I will step down as interim Chairman following the recent appointment of Peter Botten as Non-Executive Director. Peter has accepted the Board's invitation to assume the permanent role of Chairman. I extend a warm welcome to Peter.

Whilst we are living through uncertain times as COVID-19's delta strain remains active in our community – Aurelia's disciplined approach, together with talented people, strong and diverse asset base, robust balance sheet and exceptional growth pipeline, will serve us well.

Thank you for your interest and support.

Susan Corlett

**Interim Independent
Non-Executive Chairman**

Highlights for the financial year have included:

- 58% decrease in Total Recordable Injury Frequency Rate (TRIFR)
- 82% decrease in total reportable environmental incidents frequency rate (TREIFR)
- 63% increase in Mineral Resources
- growth in our asset base from two to three gold and base metal operations
- record financial performance in FY21 with revenue from operations totalling \$416 million, an increase of 26% from the previous year
- Net Profit After Tax of \$43 million, representing a 46% improvement on FY20
- maintained our strong balance sheet with \$75 million cash in the bank as of 30 June 2021, after repayment of \$16 million in debt and cash backing of environmental bonds
- reinvestment of \$20.6 million in growth capital through exploration and evaluation.

Our financial discipline has enabled the Board to re-invest back into the business and set Aurelia up for its next exciting chapter. For this reason, the Board decided not to pay a dividend this year, instead electing to accelerate towards growth.

Our investment focus has been to deploy cash into opportunities that will deliver superior returns to Shareholders. In FY21 we invested in both organic and inorganic growth, resulting in the successful acquisition and integration of the Dargues Mine and delivery of a remarkable 63% increase in Minerals Resources across the portfolio.

Aurelia enjoys an enviable organic growth pipeline - with Federation shaping up to be one of the most exciting polymetallic discoveries in recent times and Great Cobar emerging as a significant near mine, undeveloped copper resource.

sustainability initiatives as we aim to deliver business and stakeholder value across all aspects of the Company. FY21 saw us focus on lead indicators resulting in Aurelia significantly outperforming our lag safety and environmental targets. Whilst there is more work to do, these achievements reflect strong leadership and group wide discipline which is a credit to the entire Aurelia team.

We are also pleased to introduce Shareholders to our 3-year Sustainability Plan, which outlines milestones the Company is committed to delivering against over coming years. With a focus on ensuring sustainability being embedded in our strategy, plans and business decisions, Aurelia's efforts in FY22 will be on continuous improvement in the areas of safety (including gender safety), wellbeing, environmental and community management, and responsible stewardship of natural resources.

MANAGING DIRECTOR'S REPORT



Looking back on FY21, I'm pleased to report our performance against our strategic priorities has significantly moved the Company towards our next growth stage.

Sustainable progression

I am proud to say the continued deployment of our Aurelia Metals – Safe Metals' framework has resulted in a 58% improvement in our Total Recordable Injury Frequency Rate. It is a fantastic achievement given the addition of another mine to the portfolio. Our commitment to safety has never been stronger in the face of the evolving COVID-19 pandemic. This year we continued to protect our people and communities with strict COVID-19 protocols, while wrapping comprehensive crisis management plans around a number of scenarios to protect our business.

We are an organisation that aims to excel through our people and superior performance, and in FY21 we continued to invest in our most important asset. Aurelia conducted workshops across the business to develop leaders' capability to engage employees, lift performance and motivate discretionary effort. The workshops were also a vehicle to launch the Company's new Vision and Strategy, as well as a set of Values. Together they are a powerful means to align Aurelia people to our plan to deliver and create value.

Our maturing approach to sustainability has also delivered a significant uptick in our environmental performance with an 82% reduction in Reportable Environmental Incident Frequency Rate. Additional measures were also taken this year in the areas of workplace diversity and climate change, and I look forward to reporting progress in coming years.

Maximise existing infrastructure and assets

I am pleased to report a strong set of physical and financial results despite the ongoing external challenges. In FY21, Aurelia maintained its focus on generating cash, increasing margins and diversifying our asset base. Our efforts saw the Company meet or outperform guidance with records set at multiple levels.

Full year group production increased across all commodities, with the exception of copper. This result drove a record group gold-equivalent production of 181,000 ounces, at a Group All In Sustaining Cost of \$1,337 per ounce.

With prior investment into the Peak processing facility and significant improvements in throughput across our mills, the Company's ability to generate cash from operations improved 24% to \$136.6 million compared with \$110.5 million in FY20.

Other records achieved were a 69% increase in Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at \$168.9 million; and EBITDA at \$154.1 million with a margin of 40%, again substantially improved from \$103.4 million in FY20.

Directing capital to the highest return

Supported by our strong balance sheet and an equity raise, Aurelia acquired the Dargues Mine in December 2020 increasing our exposure to gold.

Our ability to generate cash throughout the year also put us in excellent shape to fund an extensive drilling program that achieved a tremendous 63% increase in our Group Mineral Resource tonnage.

The program continued to prove the high-grade polymetallic deposit at Federation as one of the most thrilling discoveries in recent times. With a Scoping Study complete, Feasibility Study underway and permitting well progressed, we anticipate early works from the beginning of FY22 which will be funded from operating cash flows.

Similarly, surface drilling results at Peak Mine indicated increased gold resources and significant copper potential at Great Cobar. A further increase in the Mineral Resource Estimate (MRE) tonnage was also achieved at Kairos. Aurelia moved to quickly initiate a Pre-Feasibility Study and progress Great Cobar to the next stage, together with community consultation on an Environmental Impact Statement.

Finally, drilling at the newly integrated Dargues Mine saw a 33% growth in Mineral Resource Estimate tonnage primarily in gold with more drilling planned in FY22 to expand and extend mine life.

All three prospects present organic growth at its best and have the potential to add significant value to a portfolio that is gold dominant, with high value base assets and copper ready.

Deliver long term value and returns growth

It has been a productive year with excellent gains made towards delivering in the short term, while investing for long term value.

I am disappointed our share price has not reflected our operational and financial performance. That said, I believe we are about to enter an exciting time at Aurelia where we can grow returns to our Shareholders and share prosperity with everyone who has a stake in our success.

Through maximising our existing assets, prudently deploying investment capital and ensuring our growth is sustainable, we have laid the foundation for a strong future.

A handwritten signature in black ink, appearing to read 'D Clifford'.

Dan Clifford

Managing Director

COMPANY PROFILE

About Aurelia Metals Limited

Aurelia Metals Limited ('Aurelia' or the 'Company') is an Australian gold and base metals mining and exploration company. Aurelia owns and operates three underground mines and processing facilities in New South Wales:

- Peak Mine – gold, lead, zinc, copper and silver
- Hera Mine – gold, lead, zinc and silver
- Dargues Mine – gold

Aurelia's highly prospective tenement holdings enable the Company to advance exploration and evaluation activities, with preminent near-term development projects including:

- Federation Project, located in the vicinity of the Hera Mine – zinc, lead, gold, copper and silver
- Great Cobar, located in the vicinity of the Peak Mine – copper and gold.

Aurelia is listed on the Australian Securities Exchange (ASX: AMI) and is headquartered in Brisbane (Queensland, Australia).

About This Report

This Annual Report is a summary of Aurelia Metals Limited and its subsidiaries' operations, activities and financial position at 30 June 2021.

Aurelia is committed to reducing the environmental impact associated with the production of the Annual Report, and printed copies are only posted to Shareholders who have elected to receive a printed copy.

Current and previous Annual Reports are available on the Company's website: www.aureliametals.com.au.



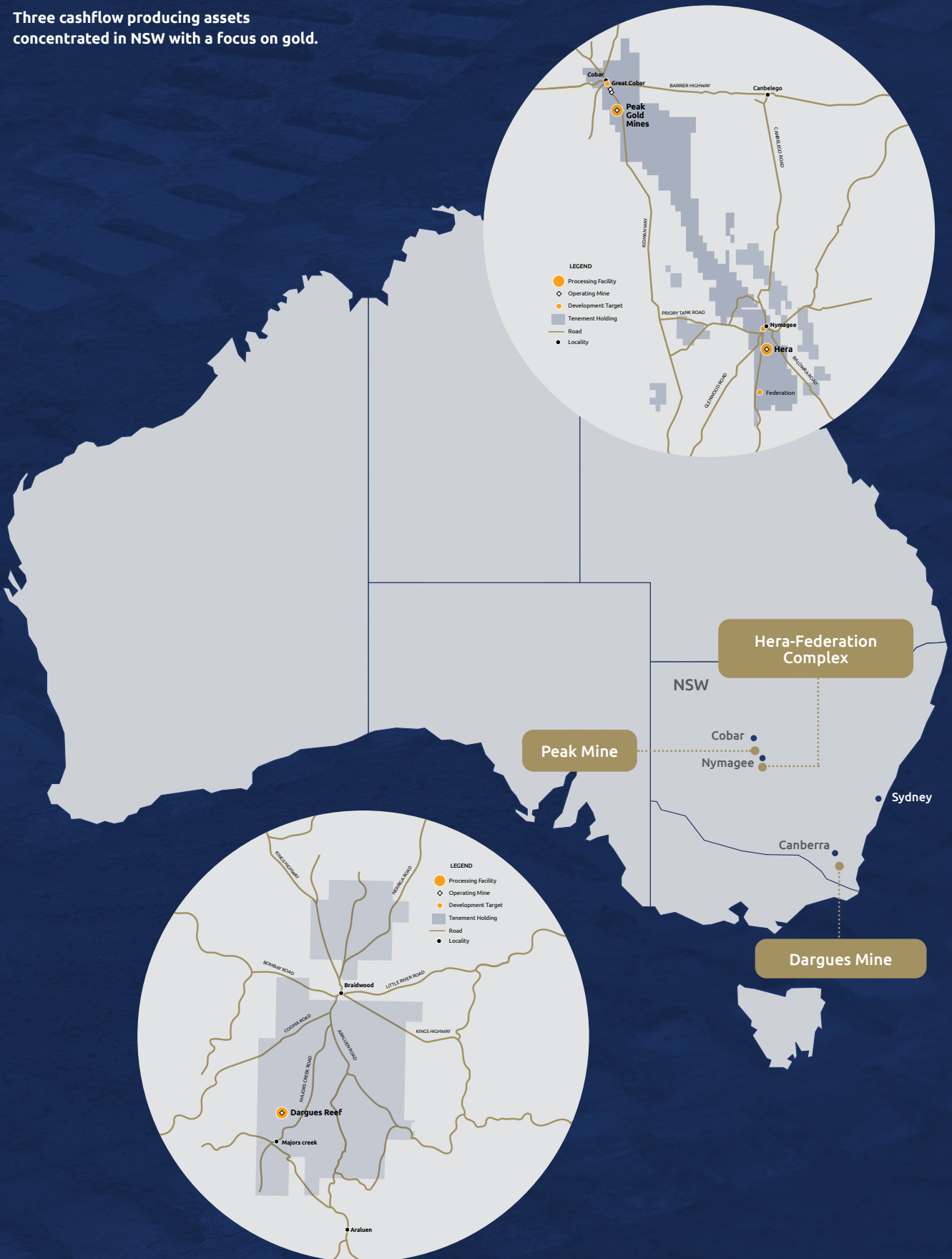
"Aurelia's highly prospective tenement holdings enable the Company to advance exploration and evaluation activities."



Dargues Mine, NSW

THE PORTFOLIO

Three cashflow producing assets concentrated in NSW with a focus on gold.



BUSINESS REVIEW

Strategy and Business Model

Aurelia's strategy is underpinned by its core Values.

Our Values guide the way our employees work to ensure the safety and wellbeing of our people and communities, and how we work to the benefit of our Shareholders and the communities in which we operate. Aurelia is committed to minimising environmental and carbon impacts at our operating mine sites and in planning for the development of new projects.

Aurelia's objective is to maximise returns from its producing assets while advancing exploration and development projects with the potential to sustain and grow the business in the long-term. Fundamental to these activities is the Company's contribution as a trusted, valued and sustainable mine operator.

"Our essence will be our people and superior performance."



KEY FINANCIAL OUTCOMES

Group Financial Measure	Unit	FY21	FY20	% Change
Revenue	\$'m	416.5	331.8	+26
Net profit after tax	\$'m	42.9	29.4	+46
Underlying net profit after tax	\$'m	57.4	25.6	+125
Operating cashflow	\$'m	136.6	110.5	+24
EBITDA	\$'m	154.1	103.4	+49
Underlying EBITDA	\$'m	168.6	99.6	+69
Underlying EBITDA margin	%	40	30	+33



OUR VISION

A mining business recognised for creating exceptional value through our people and a portfolio of gold and base metals assets.

Our Strategy

Simple, durable and returns focused

Sustainable progression

Maximise existing infrastructure and assets

Direct capital to the highest return

- An organisation that excels through our people and superior performance
 - A trusted, sustainable and beneficial presence in the areas in which we operate
- Leverage off a strategic asset base in the Cobar Basin and regional NSW
 - Maximise returns via life extensions and operating discipline driving margin
- Growth profile underpinned by financial discipline and tension for the \$'s deployed
 - Gold dominant, high value asset base, 'copper ready'

Deliver long term value and returns growth

- 4 – 5 mine asset portfolio continuously driving Group cost and Reserve improvement
- Cycle proofed mine lives and commodity mix

Our Values



Integrity

We do what's right



Certainty

We plan and execute well



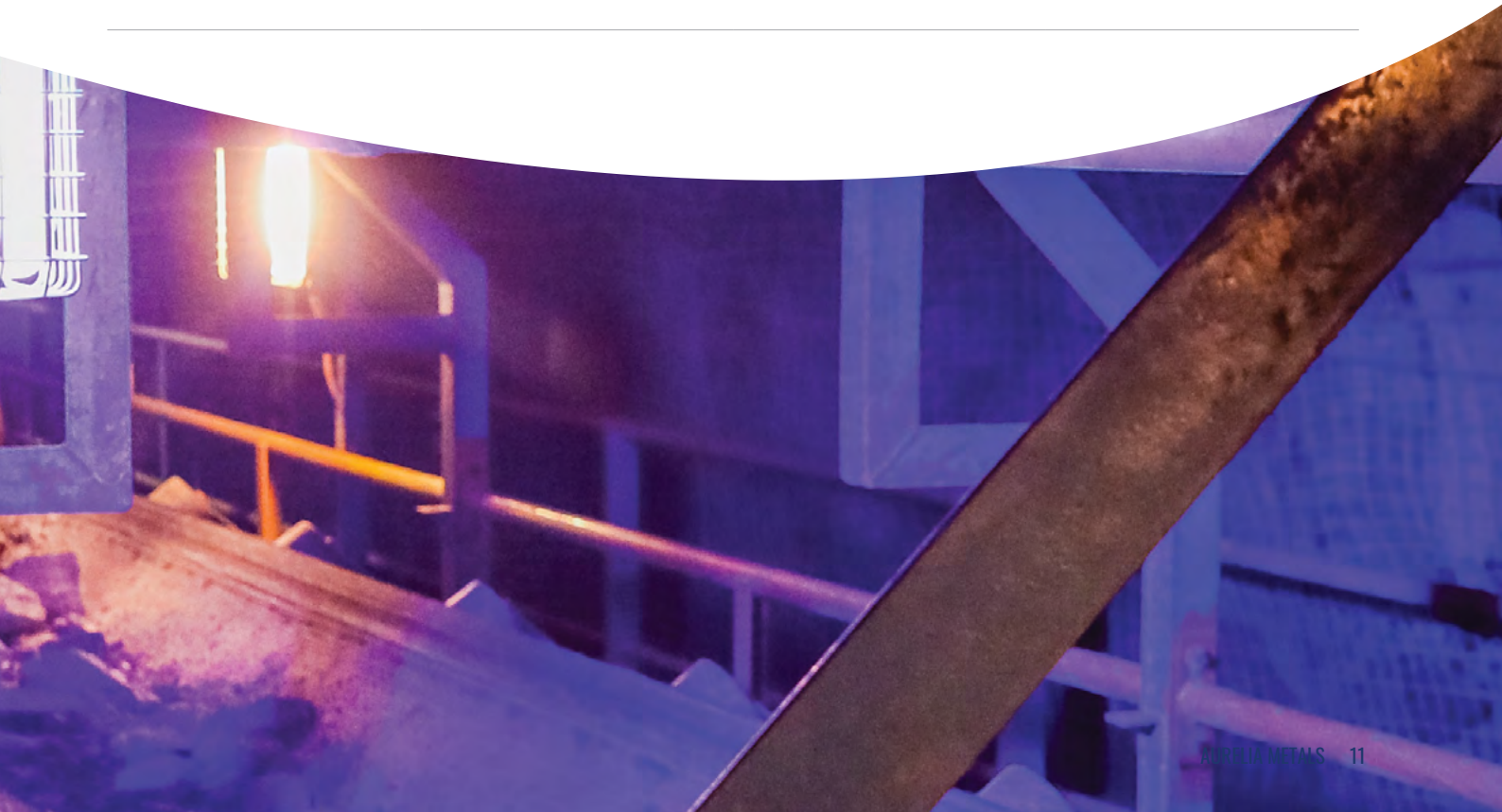
Courage

We step up



Performance

We own the result



FY22 OUTLOOK

Central to our business plan is a philosophy of continuous improvement that builds upon the primary pillars of our business:

- health
- safety
- environment and community
- people and organisation
- operations
- growth, and
- and financial outcomes.

We will continue to build upon the significant achievements of FY21 and deliver identified initiatives in the near term. The FY22 outlook for the key production and cost measures in comparison to FY21 is summarised below.

Group Measure	Unit	FY22 Outlook	FY21 Actual
Gold production	koz	112 – 123	104
Lead production	kt	24.5 – 27.0	25.9
Zinc production	kt	31.0 – 34.5	25.1
Copper production	kt	3.5 – 4.0	4.7
All-In Sustaining Costs (AISC)*	\$/oz	1,500 – 1,700	1,337
Sustaining capital	\$'m	61 – 69	48
Growth capital	\$'m	16 – 18	26
Exploration and evaluation	\$'m	28 – 31	25

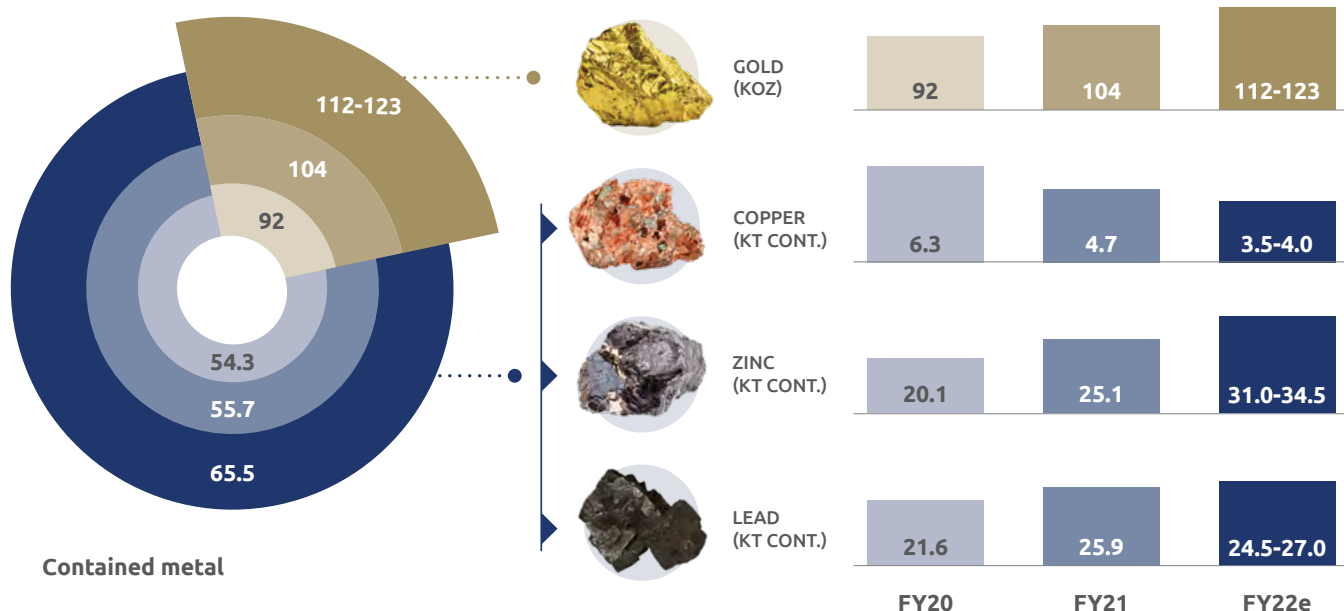
* Excerpt from page 10 of FY21 Financial Results and Outlook presentation available on the ASX.

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

Estimated FY22 Group AISC of A\$1,500 to A\$1,700/oz is based on reference base and silver metal prices of: lead A\$2,657/t, zinc A\$3,533/t, copper A\$12,012/t and silver A\$29.5/oz. Final AISC results will depend on the actual sales volumes, actual operating costs and actual prices of base metals received over the outlook period.

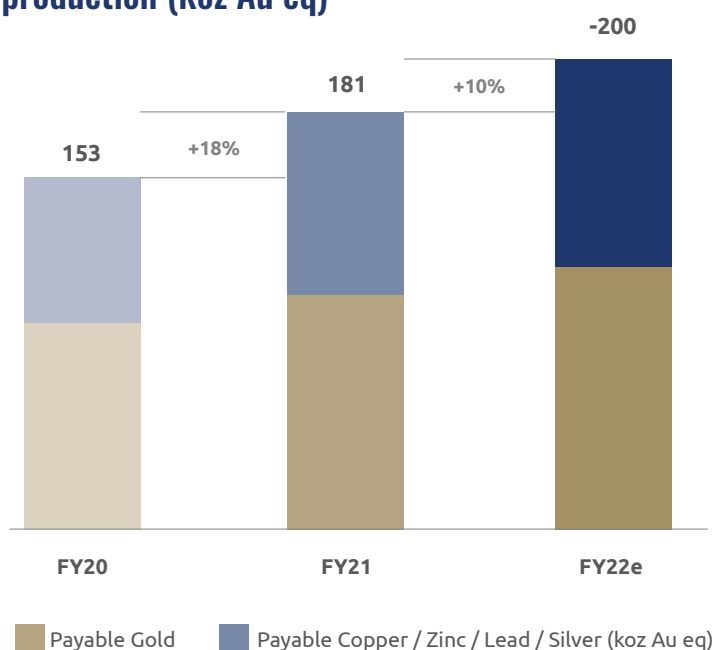
Hera Mine, NSW

Our Outlook



The polymetallic ore types extracted from the Peak and Hera Mines provide significant lead, zinc, copper and silver by-product credits that provide a natural hedge for our gold dominant asset base. The above graphic illustrates the significant value of the by-product credits generated.

Group gold equivalent production (koz Au eq)¹



1. FY22e based on mid-point of stated Aurelia Group production and cost guidance and budgeted FY22 precious and base metal prices (plus assumed realised gold price of A\$2,308/oz, lead A\$2,657/t, zinc A\$3,533/t, copper A\$12,012/t and silver A\$29.5/oz); FY21e only includes Dargues contribution from point of economic ownership (17 December 2020 onwards). Copper, zinc, lead and silver production is payable metal-in-concentrate volumes (as disclosed in Aurelia's quarterly activities reports) and is converted to gold equivalent payable volumes using realised prices achieved by Aurelia during the specific year (as disclosed in Aurelia's quarterly activities reports) and via the following formula: Payable Cu/Zn/Pb/Ag (koz Au eq) = (Payable Cu produced (kt) * Cu price realised (A\$/t) + Payable Zn produced (kt) * Zn price realised (A\$/t) + Payable Pb produced (kt) * Pb price realised (A\$/t) + Payable Ag produced (koz) * Ag price realised (A\$/oz)) / Au price (A\$/t).

STRATEGY PROGRESSION

Organic growth which will leverage existing infrastructure.

Aurelia has established growth objectives and strategies to generate future value and long term returns at each of our mine sites. Our strategy leverages the benefits of existing infrastructure and a prospective tenement holding.

Our primary internal growth projects are located at all of our existing sites.



Hera Mine, NSW

HERA FEDERATION



Overview

The Hera Mine is a polymetallic underground mining operation and associated 450ktpa processing plant, located approximately 100km south-east of Cobar, NSW.

FY21 Production

Gold	oz	31,369
Lead	t	10,064
Zinc	t	14,268

Federation to leverage Hera infrastructure

The established Hera Mine is approaching the end of its economic life with the Ore Reserve expected to be depleted in FY23. The Company is therefore evaluating development options for the nearby Federation deposit that is located approximately 10 kilometres south of the existing Hera Mine.

The Federation deposit was discovered in FY19. The Company has moved swiftly to progress exploration and evaluation activities. An aggressive exploration program will continue into FY22 to improve geological confidence in the deposit and test extensions in multiple directions. Given the high-grade tenor of the deposit, Aurelia considers Federation to be one of the most significant discoveries in the region in the last 30 years (refer to section 3.1 of the Operations and

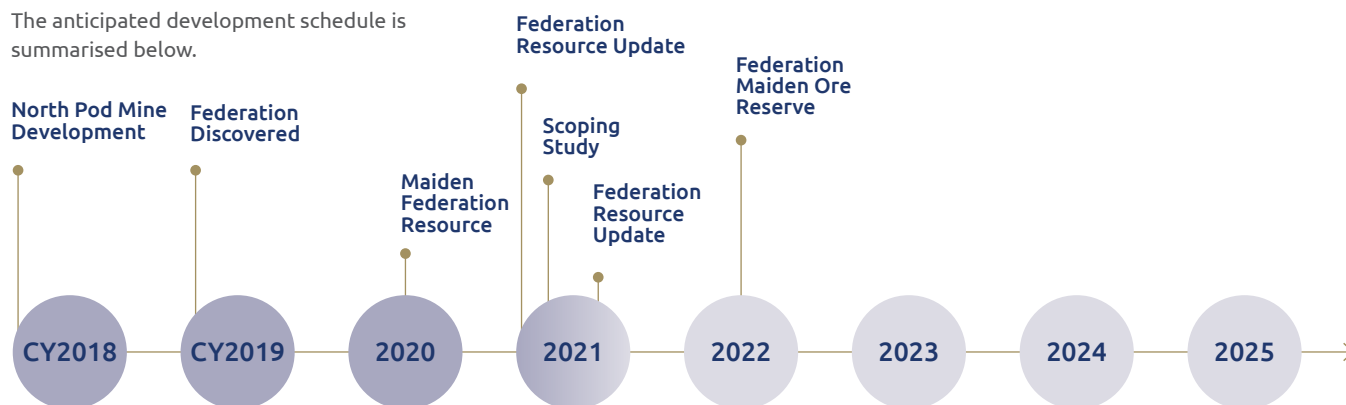
Financial Review section of this report for further detail).

The proposed development of the Federation deposit benefits from processing options, including established infrastructure and footprint of the Hera Mine, as well as processing capability within trucking distance to the Peak Mine. A project Feasibility Study (FS) is underway and scheduled to be completed in mid-FY22. Aurelia has also initiated baseline surveys, permitting and enabling works to support the Federation Project development. These activities will continue in FY22.





The anticipated development schedule is summarised below.



Federation Schedule

EIS Preparation and Approval

Feasibility Study (FS)

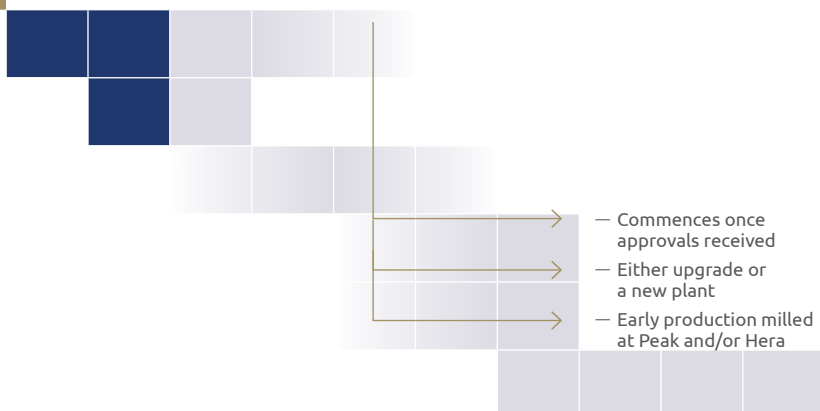
Exploration Decline

Hera Plant Construction

Development and Early Production

Full Production

1HCY21 2HCY21 1HCY22 2HCY22 1HCY23 2HCY23 1HCY24 2HCY24 1HCY25 2HCY25



- Commences once approvals received
- Either upgrade or a new plant
- Early production milled at Peak and/or Hera

PEAK MINE



Overview

Peak Mine is comprised of several polymetallic underground mines plus an 800ktpa gold and base metals processing plant, located in the northern part of the Cobar Basin in NSW.

FY21 Production

Gold	oz	57,080
Copper	t	4,720
Lead	t	15,829
Zinc	t	10,791

Kairos ramp-up and Great Cobar development

The infrastructure and recently expanded processing facility at Peak enables the treatment of various polymetallic ore types to produce separate copper, lead and zinc concentrates. Ore is processed in campaigns based on the nature of the polymetallic mineralisation mined from the different orebodies.

The volume of ore processed will continue to ramp-up as new mining areas are accessed and brought into production, including the Kairos lode (gold, lead, copper and zinc) and Chesney deposit (copper). Aurelia is also evaluating the development of the Great Cobar deposit (copper with minor gold).

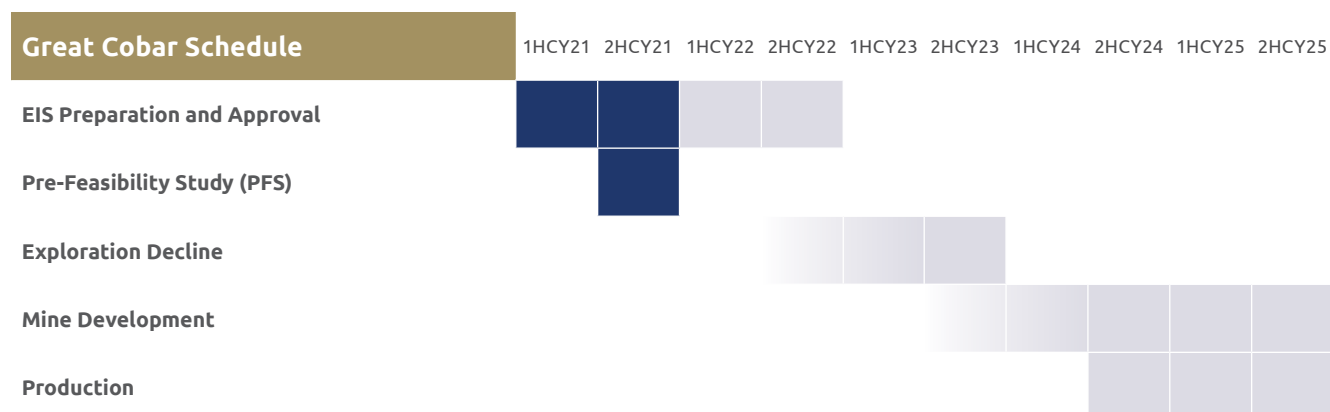
The Kairos lode is situated below the Peak Mine workings with access to the orebody and ventilation, and egress development completed in late FY21. Kairos stope production commenced in June 2021 and will steadily ramp-up in FY22 and FY23 as access to the lower and upper portions of the orebody are established. The Kairos system remains strongly mineralised and open at depth. Infill drilling and extensional diamond drill programs are ongoing and will continue in FY22.

Aurelia is progressing work on a Prefeasibility Study (PFS) to examine potential mining scenarios for the Great Cobar deposit that is located approximately 7km north of the Peak Mine. The Company plans to access the deposit via development of an approved exploration decline from the existing New Cobar workings. A recent infill drill program supported an increase to the Mineral Resource Estimate (MRE) tonnage for Great Cobar by 43% to 5.8Mt (refer to ASX announcement dated 23 July 2021: Group Mineral Resource and Ore Reserve Statement). The updated MRE is being used for mine design activities being undertaken for the PFS. The PFS is on schedule to be finalised at the end of CY21 and, pending a positive outcome, will allow the declaration of a maiden Ore Reserve estimate at Great Cobar.





The anticipated development schedule for Great Cobar is summarised below.



DARGUES MINE



Overview

Dargues Mine is a gold mining and milling operation located in the southern tablelands of New South Wales, approximately 60 km south-east of Canberra. It comprises an underground mine, processing plant and associated surface facilities.

Production

Period from 17 Dec 2020 to 30 June 2021

Ore Processed	kt	170,804
Gold Grade	g/t	2.93
Gold Recovery	%	93.5
Gold Production	oz	15,186

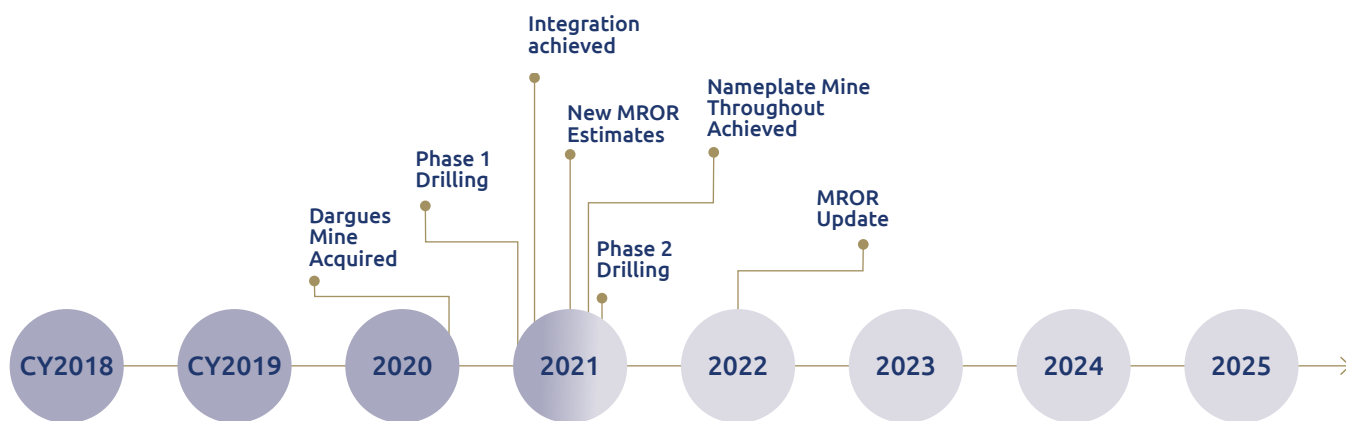
Dargues integration and ramp-up

Following the acquisition of Dargues Mine on 17 December 2020, the Company successfully integrated the new asset into its portfolio and continued efforts to ramp up the asset. Given Aurelia's investment thesis that the asset was underdrilled, an immediate priority was the Phase 1 drill program. The program comprised a surface drilling campaign to extend the known limits of the deposit and an underground infill diamond drilling program to better define the deposit, improve confidence in the MRE and inform the new grade control model. These programs have been successful and have informed

the Phase 2 drill program that will test areas along strike to the west of the Main Lode and to the east of Plums Lode that have sparse drilling results.

Findings from the drill programs and mine planning activities will be incorporated into environmental assessments that are expected to underpin regulatory approvals that seek to increase the approved mine life and annual ore processing rates at the Dargues Mine.





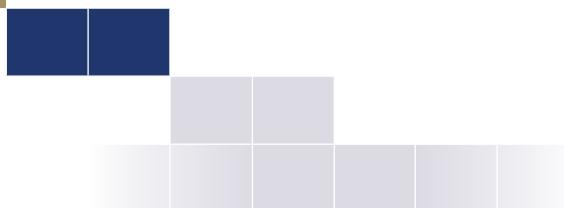
Potential Expansion Schedule

Phase 1 Drilling – infill and extensional

Phase 2 Drilling – extensional

Environmental assessments and regulatory approval

1HCY21 2HCY21 1HCY22 2HCY22 1HCY23 2HCY23 1HCY24 2HCY24 1HCY25 2HCY25



Further detail on our operations and growth projects are detailed in the Operations and Financial Review section of this report.

SUSTAINABILITY

Material Topics

Aurelia's sustainability report aligns with the requirements of the Global Reporting Initiative (GRI). A desktop materiality assessment was undertaken to identify the issues of importance to our stakeholders and business. The material topics for FY21 are outlined below and addressed in this report.

Sustainability Governance

Board and Sustainability and Risk Committee Oversight

Business Conduct

Risk Management

Sustainability Approach

Modern Slavery

Our People

Health and Safety

Building a Safety Culture

Fatal Hazards and Critical Control Verification

TRIFR Reduction

COVID-19 Response

Human Resources

Employee Engagement

Remuneration Framework and Performance Cycle

Training and Development

Diversity and Inclusion

Our Communities

Stakeholder Engagement

Local Procurement and Investment

Economic Contribution

First Nations Engagement and Cultural Heritage

Environmental Performance

Climate Change

Tailings and Waste Rock Management

Water Management

Our Approach to Sustainability

Building and maintaining a trusted, sustainable, and beneficial presence in the areas in which we operate is essential to Aurelia's success. Our approach to sustainability is aligned with our Vision and Values and aims to deliver business and stakeholder value across all aspects of the business from exploration to closure. We are embedding sustainability within our business, and we are committed to:

- the health and safety of those impacted by our operations, including our employees, contractors, and host communities
- environmental stewardship including conservation of biodiversity, efficient use of resources, pollution prevention and minimisation of environmental impact
- building resilience to climate change risks and minimising and managing greenhouse gas emissions and other climate change impacts
- recognising and respecting the deep connection First Nations peoples have with the land and operating in a way that protects their cultural heritage
- building trusting, transparent, and long-term relationships with our communities
- contributing positively to our communities through programs that respect their aspirations
- respecting and promoting human rights
- applying ethical and transparent business practices, and
- complying with applicable laws, regulations, licences and commitments.

Our action in these areas demonstrates our commitment to sustainability. To achieve our strategy, we recognise the need to continually improve, understand, benchmark, and address emerging issues of importance to ourselves and our stakeholders.



Peak Mine, NSW

FY21 OBJECTIVES, TARGETS AND PERFORMANCE

Focus	Objective	Targets	Performance / Achievements
Governance	Embed governance and oversight processes	<ul style="list-style-type: none"> — Develop Department-level risk registers — No overdue actions for the Senior Management Taskforce for Significant Incidents — Develop HR Governance Practices through establishment of 'The Aurelia Way' (updated and expanded Code of Conduct) which incorporates the Code of Conduct and supporting policies, standards and procedures — Supply chain assessment including modern slavery review 	<ul style="list-style-type: none"> ○ — Group risk register in place ○ — Good progress in moving significant incidents through the taskforce, however, there are overdue actions. Nineteen High Potential Risk Incidents were taken to the taskforce in FY21. ⌚ — Draft of 'The Aurelia Way' (Code of Conduct) prepared for internal review — Modern slavery statement including high level supply chain assessment undertaken
	Improve sustainability communications	<ul style="list-style-type: none"> — Expand depth of sustainability reporting on external platforms, including website and engagement with stakeholders 	<ul style="list-style-type: none"> ⌚ — Increased engagement with stakeholders. Further work required on external platforms
	Provide support systems	<ul style="list-style-type: none"> — Integrated Human Resources Framework and Human Resources Information System 	<ul style="list-style-type: none"> ● — Integrated HR Framework developed and implemented
Safety	No fatalities TRIFR reduction	<ul style="list-style-type: none"> — Expand on lead indicator program — Develop Fatal Hazard Standards accompanied by Critical Control Verification program 	<ul style="list-style-type: none"> ● — Lead indicator program in place across the business. At FY end, the Group achieved 83% compliance to the program ● — Four Fatal Hazard Standards and associated critical control programs developed and implemented — TRIFR reduction of 21.88 to 9.1 (58% improvement) — A number of employees trained in ICAM incident investigation techniques — Senior Management Taskforce for Significant Incidents to provide oversight of investigations into High Potential Risk Incidents and Group actions to prevent reoccurrence — Engaged with the workforce on safety through the diversity deep dive
Human Resources	Define corporate identity	<ul style="list-style-type: none"> — Establish and embed Aurelia's Vision and Values 	<ul style="list-style-type: none"> ⌚ — Aurelia's Vision and Values were established and continue to be rolled-out to our workforce in FY22
	Engage employees	<ul style="list-style-type: none"> — Implement sustainability actions from Business Effectiveness Review — Complete inaugural Employee Engagement Survey 	<ul style="list-style-type: none"> ● — All sustainability actions identified in the Business Effectiveness Review were resolved/implemented in FY21 ⌚ — Diversity and Inclusion (D&I) Deep Dive including D&I Engagement Survey completed — Full Employee Engagement Survey to be conducted in FY22
	Attract, retain and motivate	<ul style="list-style-type: none"> — Sustainability measures included in Short Term Incentive Plan (STIP) 	<ul style="list-style-type: none"> ● — All employees had sustainability measures of TRIFR, Compliance to the Lead Indicator Program and development of Fatal Hazard Standards included their Short Term Incentive
	Develop talent	<ul style="list-style-type: none"> — Implementation of Leadership Development Program and competency framework, which includes safety leadership 	<ul style="list-style-type: none"> ● — The Leadership Capability Program was rolled out to all Superintendents and above. Supervisors will be trained in FY22 — Commenced development of the competency framework through establishing skills matrices
Community	Engage with community and stakeholders	<ul style="list-style-type: none"> — Support the communities in which we live and operate through opportunities for local employment, supporting local businesses, and participation and support of community events and community organisations — Conduct community and stakeholder engagement in accordance with engagement matrix 	<ul style="list-style-type: none"> ● — Approximately 40% of Aurelia's procurement was within our local regions — Approximately \$644k was donated to local community events and organisations ⌚ — Community engagement conducted as part of proposed developments (Great Cobar and Federation). Stakeholder mapping and community investment strategy to be completed in FY22 — All Community Consultation Committees held during COVID-19 through alternative platforms — As part of the Dargues acquisition, Aurelia undertook targeted consultation at all levels resulting in a significant decrease in community complaints under our ownership
Environment	No significant environmental incidents	<ul style="list-style-type: none"> — Embed oversight and governance processes for critical infrastructure on site (eg. tailings storage facility) — Implement Green Rules — Development of Group Environment Standards accompanied by Critical Control Verification program — Improve the Group Reportable Environmental Incident Frequency Rate 	<ul style="list-style-type: none"> ○ — Tailings storage governance and standards are now planned for completion in FY22 — Green Rules implemented ● — Group Hazardous Materials Standard and associated critical control program developed and implemented ⌚ — 82% reduction in Group Total Reportable Environmental Incident Frequency Rate

○ Not started

⌚ In progress

● Complete

FY22 OBJECTIVES

Focus	Objective	Targets
Risk	Establish operational risk register with active management of risk profiles	<ul style="list-style-type: none"> — Tailings storage governance and standards are now planned for completion in FY22 — Hazardous materials Group standard and associated critical control program developed and implemented
Safety	No fatalities TRIFR reduction (9.1 to 7.3) No High Potential Recordable Incidents (HPRIs) with repeat causes	<ul style="list-style-type: none"> — Continued development of Fatal Hazard Standards accompanied by Critical Control Verification program — Lead indicator program compliance — Develop a Group Contractor Management Standard — Continue Senior Management Taskforce for Significant Incidents to assess High Potential Risk Incident investigation findings and verify action close-out to prevent reoccurrence
Human Resources	Define corporate identity	<ul style="list-style-type: none"> — Embed Aurelia's Vision and Values — Launch and train employees in <i>The Aurelia Way</i> (updated Code of Conduct)
	Engage employees	— Complete inaugural Employee Engagement Survey and identify actions including initial priority actions
	Attract, retain and motivate	<ul style="list-style-type: none"> — Develop and implement a HR strategy to target a reduction in voluntary turnover — Extend the Remuneration Framework Grading Structure and Achievement and Development Plans to Trade and Operator-level
	Develop Talent	<ul style="list-style-type: none"> — Continued implementation of Leadership Development Program and 360-degree development plans for supervisors and above — Develop and implement a strategy to attract, promote and retain diverse talent — Establish a succession planning process
	Diversity and Inclusion (D&I)	<ul style="list-style-type: none"> — Report on outcomes from the D&I Deep Dive Findings to workforce — Establish a D&I Working Group — Establish a D&I Strategy and measurable objectives — Develop and execute targeted strategy to prevent sexual harassment. Complete priority actions
Community	Engagement with community and stakeholders	<ul style="list-style-type: none"> — Finalise stakeholder mapping — Re-focus our social investment program
Climate change	Reduce carbon footprint	<ul style="list-style-type: none"> — Evaluate low emission opportunities during Federation Feasibility Study (FS) — Commence Taskforce on Climate-related Financial Disclosures (TCFD) Project with baseline assessment as first stage of a planned pathway towards de-carbonisation
Environment	No significant environmental incidents	— Develop governance process and standard for tailings

SUSTAINABILITY GOVERNANCE

Board of Directors

The composition of Aurelia's Board of Directors is detailed within the Director's report (page 60-62).

Aurelia has a Board Skills Matrix to capture the current mix of skills, competencies and diversity on the Board to assess whether there are any areas which need to be strengthened in relation to the Company's long-term strategy. The Board aims to ensure Shareholders are provided with all information necessary to assess the performance of the Company and the Board. Regular investment calls and the Annual General Meeting are key engagement mechanisms whereby Aurelia seeks to understand the views of Shareholders and disseminate Company information.

Sustainability and Risk Committee

The Sustainability and Risk Committee assists the Board in matters pertaining to sustainability of the Company including safety, health, environment, climate change, community relations (social responsibility) and risk management. In particular, the Committee is responsible for satisfying itself that measures, and systems and controls are in place in relation to managing sustainability issues and incidents that may have material strategic, business and reputational implications for the Company and its stakeholders.

The Sustainability and Risk Committee met seven times in FY21.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board with Human Resource matters including:

- ensuring remuneration practices are designed to support the Company's vision, strategy, Values, policies and short and long-term sustainable success
- meeting commitments to diversity, equality and inclusion
- making recommendations in relation to the size and composition of the Board, including the necessary and desirable skills, experience and diversity.

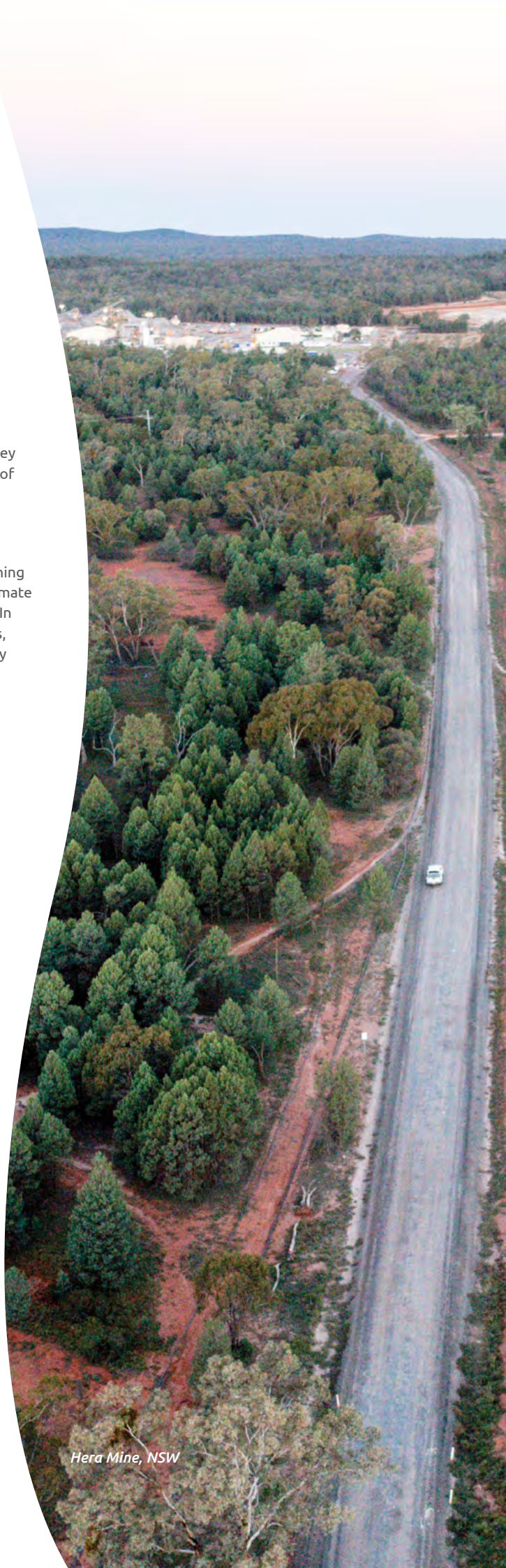
The Remuneration and Nomination Committee met eight times in FY21.

Business Conduct

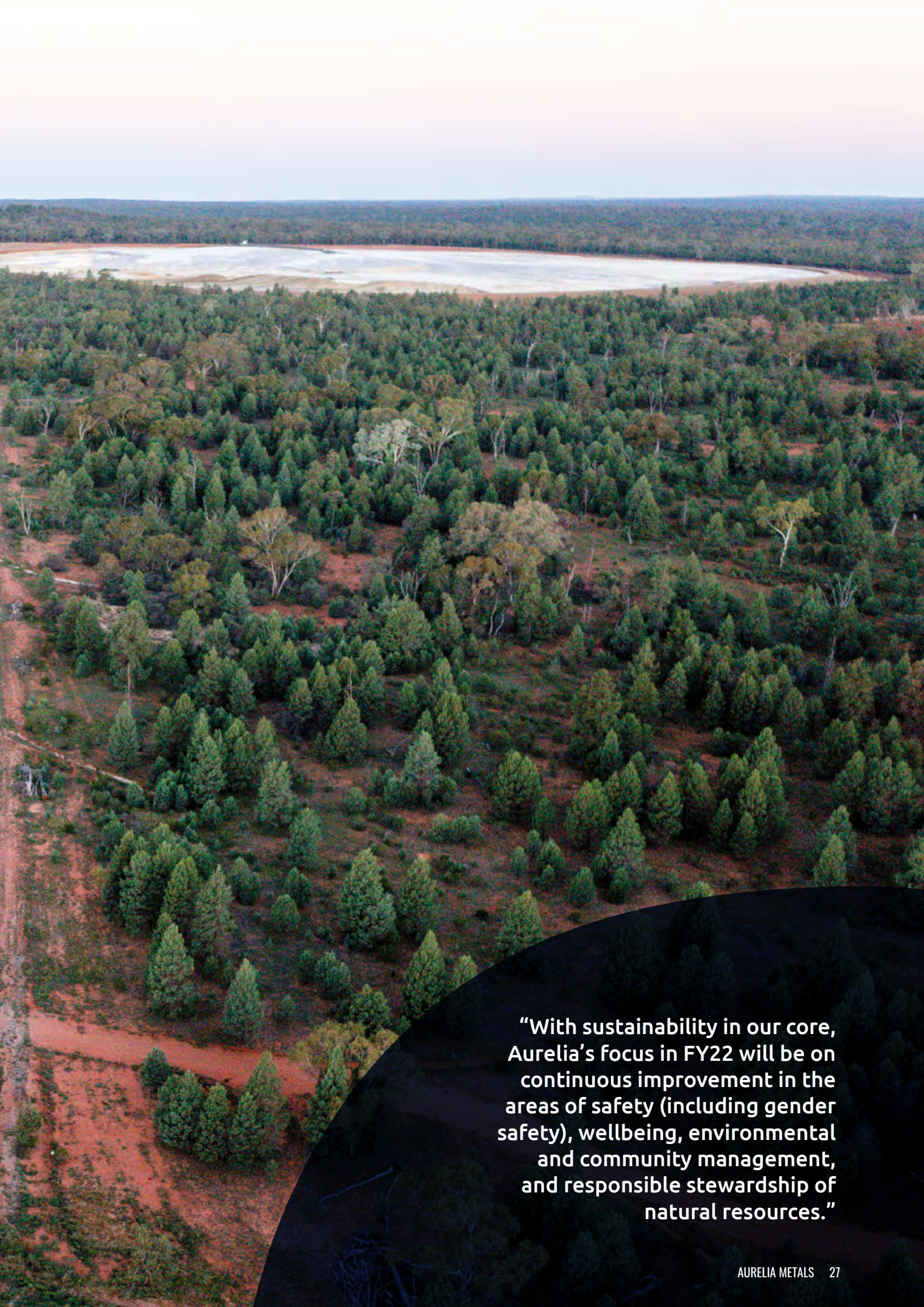
We are close to finalising our updated Code of Conduct, *The Aurelia Way*, which encompasses our Values and guides all aspects of the business, from how we conduct ourselves to the day-to-day decisions we make, and to the standards that we apply.

It describes how we should interact internally with our colleagues, as well as externally with our stakeholders, as we go about managing the business. Our Values underpin *The Aurelia Way* to clearly outline expected behaviours by setting boundaries to help guide Aurelia people as they exercise good judgment.

We encourage employees, contractors, and stakeholders to feel safe to come forward without fear of retaliation to report conduct they reasonably believe may be illegal, unethical or inconsistent with our Values and standards. Aurelia's independent external Whistleblower service – STOPline, is a mechanism for employees and contractors to report concerns where internal avenues are not appropriate.



Hera Mine, NSW



“With sustainability in our core, Aurelia’s focus in FY22 will be on continuous improvement in the areas of safety (including gender safety), wellbeing, environmental and community management, and responsible stewardship of natural resources.”

Risk Management

In FY21, Aurelia established a risk management framework (Policy, Standard and Procedures) aligned with the International Standard for managing risk ISO31000:2018. The framework addresses our day-to-day risks up to strategic Company risks. Through the rollout of this framework, the Company made significant progress in its risk management capability, including:

- refreshing our risk management tools including our Take 5s, job hazard analysis and our risk register template for use across our sites
- establishing a Group risk register, quarterly review and monthly risk owner reviews at our senior leadership meetings
- developing risk registers to support our projects
- establishing a process for reporting of our Group risk profile to the Sustainability and Risk Committee and Board
- establishing our approach for the management of fatal and catastrophic risks including the monitoring and verification of the effectiveness of critical controls
- the development of a risk appetite statement to an advanced state.

Modern Slavery

Aurelia is committed to operating honestly and ethically with respect to human rights across our operations and supply chain. We see this as a fundamental element to our social responsibility and the sustainability of our operations.

In FY20, a Modern Slavery Working Group comprising representatives from head office and site with a cross section of functional areas (legal, finance, procurement, sustainability, human resources) was established to identify and pursue actions to assess and address modern slavery risks. Some of the key actions taken in relation to modern slavery include:

- Governance – the Aurelia Metals Board of Directors and management were made aware of the Company's obligations and responsibilities in relation to modern slavery
- Engaging specialists – an independent, modern slavery specialist was engaged to prepare and commence Aurelia Metals' modern slavery compliance strategy. The work included undertaking a governance review and gap analysis in relation to Aurelia Metals' current policies and procedures, and commencing a desktop due diligence assessment of our suppliers to map our supply chain and identify any modern slavery risks. This supplier assessment will be embedded into our tender and supplier onboarding processes
- Updated contract templates – our standard template contracts were updated to include modern slavery obligations including compliance with laws, and training and reporting obligations.

In FY21, Aurelia published its first Modern Slavery Statement under the Commonwealth Government's Modern Slavery Act 2018 (Cth) for the reporting period from 1 July 2019 to 30 June 2020. The Company will report against our actions in this statement in FY22.

Further work on modern slavery in FY22 includes the rollout of 'The Aurelia Way', continued due diligence of our supply chain for modern slavery risks, engagement with suppliers considered to represent a greater risk, and modern slavery training within the Aurelia business.

Sustainability Approach

Our approach to sustainability is guided by our Vision and Values. Aurelia has developed a 3-year Sustainability Plan to guide our sustainability efforts. The plan was developed as a result of the Company's inaugural sustainability planning workshop which included sustainability representatives from within the business and our key contractor.

The plan has been approved by Aurelia's Board and identifies fundamental projects that are essential to improve our sustainability approach and performance. Our priority is to focus on the standards and systems that will establish a strong foundation for Aurelia to build on and maintain a trusted and sustainable operating presence.

Aurelia's 3-year Sustainability Plan addresses three key pillars:

1. Sustainability Governance – addressing Sustainability and Risk Committee and Board oversight, development and implementation of Group-wide sustainability standards, and external sustainability reporting.
2. Environmental Performance – addressing key environmental risks including legal compliance, tailings management, greenhouse gases and climate change.
3. Social Performance – addressing key social risks across People (diversity and inclusion, leadership training and development), Health and Safety (Fatal Hazards, legal compliance, and health and wellbeing) and Communities (stakeholder engagement, social investment and cultural heritage).



Sustainability Plan

	FY22	FY23	FY24	
LEADERSHIP & ACCOUNTABILITY	<ul style="list-style-type: none"> — External sustainability presentation to Board — Launch <i>The Aurelia Way</i> — Employee Engagement Baseline Survey and action plan — Establish operational risk profiles 	<ul style="list-style-type: none"> — External sustainability presentation to Board — Employee Pulse Survey — Establish Audit Program – High Risks — Implement Employee Engagement Action Plan 	<ul style="list-style-type: none"> — External sustainability presentation to Board — Employee Engagement Survey — Audit High Risks 	SUSTAINABILITY GOVERNANCE
SUSTAINABILITY APPROACH	<ul style="list-style-type: none"> — Annual Sustainability Strategy Workshop — Contractor Management Standard — Document Management System — Update Crisis Management Framework — Sustainability Reporting 	<ul style="list-style-type: none"> — Annual Sustainability Strategy Workshop — Develop Sustainability Standards — Crisis Management Training — Sustainability Reporting 	<ul style="list-style-type: none"> — Annual Sustainability Strategy Workshop — Crisis Management Training — Mapping to Sustainability Frameworks — Sustainability Reporting with external assurance 	
HEALTH AND SAFETY	<ul style="list-style-type: none"> — Embed Critical Control Verification Program — Improve oversight of medicals and rehabilitation — Legal compliance audit and action close out 	<ul style="list-style-type: none"> — Finalise Fatal Hazard Standards — Develop Health Standards — 5 Safe Behaviours training 	<ul style="list-style-type: none"> — Audit Program for Fatal Hazard Standards — Implement Health Standards 	
OUR PEOPLE	<ul style="list-style-type: none"> — Diversity and Inclusion Strategy — Establish measurable diversity and inclusion objectives and actions — Leadership Development Program to Supervisor level — Establish succession planning process — Training and competency matrix fully established 	<ul style="list-style-type: none"> — Implement Diversity and Inclusion actions — Succession planning fully implemented — Graduate and apprentices' strategy 	<ul style="list-style-type: none"> — Implement graduate and apprentice actions — Implement Mentoring Program — Commence Leadership Development Program cycle 	SOCIAL PERFORMANCE
OUR COMMUNITIES	<ul style="list-style-type: none"> — Stakeholder mapping — Renew Social Investment Program 	<ul style="list-style-type: none"> — Cultural heritage gap analysis — Community Perception Survey — Develop Social Standards 	<ul style="list-style-type: none"> — Implement Social Standards and commence verification 	
ENVIRONMENTAL PERFORMANCE AND CLIMATE CHANGE	<ul style="list-style-type: none"> — Greenhouse gas, energy, and water data evaluation — Tailings Standard and governance — TCFD Project (risk and opportunity review) — Environmental Legal Compliance Audit 	<ul style="list-style-type: none"> — Develop Environmental Standards — TCFD Project (Financial Modelling and Climate Change Position) 	<ul style="list-style-type: none"> — Implement Environmental Standards and commence verification — Implement Climate Change Position 	ENVIRONMENTAL PERFORMANCE

OUR PEOPLE

Health and Safety

We are committed to protecting the health and safety of our employees and contractors, and the communities where we operate.

We believe every injury is preventable and no task is so important that it cannot be done safely. Our efforts to strengthen the foundation of our health and safety framework will support the business to build a culture where everyone owns and actively contributes to achieving safe outcomes.



Our Approach

Our approach to safety is governed by our Vision and Values and the commitments we make in our Sustainability Policy. In FY20, we developed the 'Aurelia Metals – Safe Metals' Strategy which guided our efforts to improve performance. Safe Metals has been adjusted for FY22 to focus further on risk management.

Component 1: Interventions

Continued identification and targeting of areas requiring intervention. This is supported by the lead indicator program where supervisors and above undertake interactions and inspections; and a Senior Management Taskforce provides oversight of investigations into High Potential Risk Incidents and develops group actions to prevent recurrence.

Component 2: Risk

Enhanced approach to risk through the implementation of risk tools and coaching of front line leaders to ensure effective management and oversight of operational and strategic risks.

Component 3: Fatal Hazards

Continued establishment of Fatal and Catastrophic Hazard Standards supported by Critical Control Verification (CCV) programs.

Component 4: Supporting Systems

Enhancing our systems and tools to support our operations in the management and oversight of risk, health and safety, and contractor management.

Our site management systems provide the framework for our approach to health and safety. These systems continue to evolve and improve with a key focus being the development of Group-wide standards and processes to support our operations.

Risk management is central to health and safety. Our risk management framework is tiered and addresses the day-to-day hazard identification requirements through to risk assessments for the Group.

Aurelia has eight clear and simple 'Rules to Live By'. All Aurelia employees and contractors have been trained in these rules and they must comply with them. The rules provide clear expectations to address safety issues that could lead to serious injuries or fatalities at our operations.

The Company requires all employees, contractors, and visitors to undergo a safety induction prior to entering an Aurelia operation. Aurelia also facilitates mandatory safety training and specialist training for high-risk activities. We conduct a training needs analysis by role.

In FY21, Aurelia implemented one event management platform for all our sites. All incidents and events are tracked and investigated. The investigation and management of significant incidents continues to be overseen by the Senior Management Taskforce for Significant Incidents.

The Taskforce is comprised of members of the Executive Management Team responsible for ensuring appropriate consideration and action is taken for the Group-wide implications of significant incidents and any emerging sustainability concerns. This ensures that findings and recommendations are shared across the business and are not limited to the incident and affected personnel only. Once significant incidents go through the Taskforce, they are then presented to Aurelia's Sustainability and Risk Committee. An executive from another site will then complete final verification of action close out. Nineteen High Potential Risk Incident events were presented to the Taskforce throughout the financial year, which resulted in a number of significant actions being implemented across the business to prevent reoccurrence of incidents.

Our safety performance

At the end of FY21 our Total Recordable Injury Frequency Rate (TRIFR) was 9.1 which was a 58% improvement on our FY20 TRIFR of 21.9. This is a significant achievement given the acquisition and integration of Dargues Mine into our portfolio, and the ongoing increased workload and management of our COVID-19 response to protect our employees, communities, and operations.

TOTAL RECORDABLE INJURY FREQUENCY RATE (per million hours worked)

Year ended 30 June	FY20	FY21
Hera	29.1	11.4
Peak	18.8	8.8
Dargues	-	11.0
Group	21.9	9.1

Material topics related to Health and Safety in FY21 included:

- injury reduction – see TRIFR reduction case study
- building a Safety culture
- Fatal Hazards management
- COVID-19 response.

Building a Safety Culture

Aurelia's approach to building a safety culture is twofold: leadership training supported by a 360-degree profile and development plan; and lead indicator expectations.

Aurelia's leadership capability program was established in FY21 through the Leadership Development Framework underpinned by a capability model aligned to our Values. Aurelia's leadership capability model includes the required behaviours and capabilities for leadership roles at different levels within the organisation. These behaviours are fundamental to strong leadership across all aspects of our business including safety. Leaders from Superintendent and Senior Professional-level through to the Managing Director were trained in the model in FY21 and they are now completing 360° Leadership Profiles to identify strengths and development opportunities in their leadership capabilities.

Aurelia's lead indicator program was introduced in FY21. Lead indicators are proactive – they drive awareness and improvements in safety. The program includes a requirement for supervisor roles and above to complete a required number of lead indicators on a monthly basis.

Lead indicators currently tracked as part of the program include proactive conversations, observations, and inspections. When undertaken, these activities demonstrate visible safety leadership and help us to determine how effective our safety understanding and controls are throughout the business.

Fatal Hazards and Critical Control Verification

In line with Safe Metals, fatal hazards are being established across the Group as part of our goal to safeguard against fatalities. In FY21, we established four standards as part of this program: Mobile Plant and Traffic, Tyres and Rims, Hazardous Energy, and Hazardous Materials. Under the program, we identified the top 15 fatal and catastrophic hazards that are common within the industry and our business. Each hazard is supported by fatal/catastrophic hazard standard and a Critical Control Verification (CCV) program. In FY22, we will continue to develop standards and CCV programs for the remaining identified hazards.

The Group-wide fatal/catastrophic standards set the minimum mandatory requirements for our operations and include risk assessment, engineered environment, fit for purpose equipment, and operating and people controls. Each standard is supported by a CCV program that has been established in line with the International Council on Mining and Metals' good practice guide. The CCV programs are part of the lead indicator program. Any serious weaknesses in critical controls are escalated in the business to ensure close out by the site General Manager and oversight by the Chief Operating Officer, Managing Director and General Manager Risk and Sustainability.



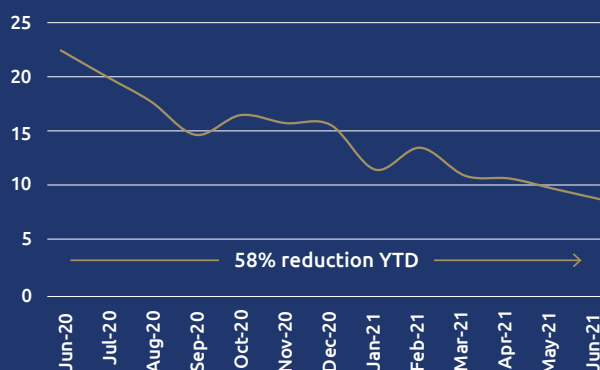
Case Study

Our TRIFR Reduction Journey

At the end of FY21, Aurelia achieved a 58% reduction in TRIFR for the Group. We are incredibly proud of this achievement. Our people were the drivers for this performance, with our 'Aurelia Metals – Safe Metals' strategy being the framework for change.

At the end of FY20, Aurelia's TRIFR was 21.9 and had been continually on the rise for the past 12 months. This performance was unacceptable and led to the introduction of the 'Aurelia Metals – Safe Metals' Strategy in June 2020. This included targeted safety stops, safety interventions for areas that were experiencing heightened incidents, introduction of Rules to Live By, and requirement for all leaders to complete lead indicators. This program was established targeting a 50% reduction in TRIFR by end of FY22. To have exceeded that target in one year is outstanding.

GROUP TOTAL RECORDABLE INJURY FREQUENCY RATE
(12-month moving average)



'Safe Metals' covers four key pillars

Intervention

Intervention plans were developed and implemented in areas of the business where a history of poor safety performance was apparent. These interventions included stopping the business for safety discussions for sites/areas that had heightened incidents, engagement sessions with employees and contractors, targeted, regular observations and inspections, improved oversight of key contractors, and the introduction of additional controls for high-risk activities.

Rules to Live By

The Rules to Live By continued to be deployed throughout FY21. The rules are included in inductions and training with high visibility across the operations on noticeboards, Take 5 booklets and established signage.

Fatal Hazard Standards

Work commenced on the Fatal Hazard Management program with the establishment of four standards: Mobile Plant and Traffic, Tyres and Rims, Hazardous Energy, and Hazardous Materials. Each standard is supported by a CCV program that is linked to the lead indicator program, including addressing any deficiencies.

Continuous Improvement

We continue to strengthen our systems to establish strong foundations to support our health and safety programs and performance. In FY21, our risk tools were updated including a new Group-wide Take 5, Job Hazard Analysis (JHA), and risk assessment process; and we expanded our event management system to cover all our operations. We now have one system for all sites. In FY21, we also worked on improving our incident investigation process facilitating Incident Cause Analysis Method (ICAM) training and further embedding the Senior Management Taskforce for Significant Incidents. Throughout the year, 19 High Potential Risk Incidents were presented to our taskforce with group actions identified to prevent reoccurrence at our operations.

"I am immensely proud of the dedication of our teams to improve safety performance. A 58% reduction in TRIFR is outstanding and well beyond expectations – in one year, we achieved what we set out to achieve over two. A well-considered, multi-faceted approach with the drive of our leaders and dedicated teams was fundamental to our success. It took immense commitment and drive. An incredible result."

Dan Clifford, Managing Director

RULES TO LIVE BY



ALCOHOL & DRUGS

I will never report to work whilst under the influence of alcohol or drugs.



UNSUPPORTED GROUND & SUSPENDED LOADS

I will never be beneath unsupported ground or a suspended load.



MOBILE EQUIPMENT

I will never operate any mobile equipment unless authorised.



WORKING AT HEIGHT

I will never work at heights greater than 1.8 metres or within the prescribed distances of underground voids without fall prevention or fall protection equipment.



ISOLATION

I will never work on plant and equipment before it has been isolated, locked, tagged and tested for dead unless authorised.



SAFETY DEVICES

I will never tamper with, remove or modify a safety protection device unless authorised.



PERSONAL TAG & LOCK

I will never remove, modify or bypass a personal tag or lock unless authorised.



CONFINED SPACE

I will never enter a designated confined space unless authorised.

GREEN RULES TO LIVE BY



DISTURBANCE

I will never breach the ground, disturb vegetation, or drive off formed roads unless authorised by the environment department.



HAZARDOUS MATERIALS

I will never intentionally discharge hydrocarbons or hazardous materials to the ground, outside of a bunded area.



WATER MANAGEMENT

I will never intentionally discharge process / potentially contaminated water to the ground, outside of a bunded area.



WILDLIFE

I will never intentionally harm or interfere with wildlife unless authorised by the environment department.

KEEPING OUR PEOPLE, ENVIRONMENT & COMMUNITY SAFE EVERYDAY

COVID-19 Response

With the COVID-19 threat rapidly evolving and escalating, Aurelia maintained efforts to enact strict controls to protect the wellbeing of our employees, contractors, and the local community; and to maintain business continuity. At times, the Company enforced stricter controls than government directives to provide greater confidence in our management of the risk.

Our crisis management teams continued to meet throughout the year and our protocols evolved and changed to address the changing risk profile. Our protocols include as a minimum pre-travel screening, screening at the gate, increased site cleaning and hygiene, and staggered starts and mess times to limit interactions between groups. We continued to focus on SMALL, CONSISTENT and TRACEABLE workgroups, as well as strict protocols for our FIFO/DIDO workforce to limit their interactions with our local communities. We continue to verify compliance of our sites to our protocols.

Aurelia is extremely proud of our employees and contractors who quickly adapted to changes to our protocols to reflect the continually evolving situation. Border closures meant that some of our people remained on site for extended periods away from their families, whilst others adapted and worked from home for extended periods. The efforts of our people have been instrumental in our response and as a direct result, we have not had a COVID-19 positive at any of our sites to date.

The Company remains ever vigilant in updating and adapting our COVID-19 prevention and emergency response protocols in the context of a rapidly changing risk profile associated with the Delta strain. We endeavour to work with local communities and stakeholders to minimise risks our operations pose to our workforce and local communities.

With consideration of the strong balance sheet and financial position of the Company, the Board of Directors decided it was neither necessary nor fitting for the Company to claim JobKeeper benefits from the Federal Government notwithstanding the Company's eligibility to make a claim during certain periods of the pandemic.

Human Resources

Aurelia recognises that the achievement of its Vision relies on creating exceptional value through our people. Aurelia's Values are the foundation of our corporate identity and through our leaders, we align our employees to our Values and Company objectives for the delivery of our strategy. We are committed to attracting, engaging, and retaining a diverse workforce of high-calibre employees to meet Aurelia's current and future business needs. By providing a safe and inclusive work environment, we aim to give employees a sense of achievement and ownership based on the Values of Integrity, Certainty, Courage, and Performance.

Management Approach

Our approach to creating exceptional value through our people is underpinned and supported by our Vision and Values and the establishment of clear systems, standards, and strategies.

Coinciding with a comprehensive update of our policies and standards in FY21, the Company developed a draft of our Code of Conduct called *'The Aurelia Way'*. *The Aurelia Way* embodies our commitment to good corporate governance and responsible business practices. It also reflects the expectations of the Aurelia Board, Shareholders, customers, regulators, and the community. Our employees will be trained in *The Aurelia Way* in FY22.

In FY21, Aurelia held a number of workshops across the business to develop our Values. This included involving a cross section of our workforce in development of expected "thumbs up, thumbs down" behaviours for each Value. The Values were rolled out by our executives at our Leadership Development Workshops and will be further communicated to our entire workforce in FY22.

We have established and embedded a number of systems that support and develop our people. Our clear and consistent Remuneration Framework and Performance Management Cycle aim to cultivate a performance-based culture. The Framework ensures:

- competitive remuneration, benefits and rewards are aligned with Aurelia's Values and objectives
- capability, qualifications, skills, experience, and potential form the basis of performance-based pay and promotion
- employees are rewarded based on outcomes from the five Balanced Business Plan (BBP) Pillars of Sustainability (HSEC), People and Organisation, Operations, Growth and Financial Outcomes.



In FY21, our internal Leadership Capability Training Program and detailed competency mapping exercise provided training and career development opportunities to enable progression for our employees within the organisation. Through these initiatives, we aim to develop and instil a culture of lifelong learning, promoting the ongoing training needs and skills development of all employees.

In line with the Company's Values, we are committed to establishing a safe and inclusive work environment based on mutual respect, responsible behaviour, and integrity. To ensure we achieve this outcome, in FY22 we will implement diversity and inclusion strategies to build the future talent pool for the Group and retain a diverse workforce free from any discrimination, harassment, (including sexual harassment), bullying and unacceptable behaviour.

Our People Performance

	FY19		FY20		FY21	
	M	F	M	F	M	F
Gender Diversity	82.42%	17.58%	83.33%	16.67%	80.62%	19.38%

	Board		Executives/ GMs		Principals and Managers		Senior Professionals/ Superintendents		Professionals/ Supervisors		Paraprofessionals/ Operations	
	M	F	M	F	M	F	M	F	M	F	M	F
Gender Diversity by Level FY21	4	2	7	0	17	4	33	9	31	7	119	30

	Peak Gold Mine	Hera Mine	Dargues Mine	Total
Employee Initiated Turnover by site	28.45%	34.40%	30.80%	31.80%

		FY19	FY20	FY21
Total Aurelia Employees by site	Peak Gold Mine	115	133	133
	Hera Mine	59	64	63
	Dargues Mine	0	0	37
	Corporate Office	8	13	25
	Total	182	210	258

Material issues related to our people in FY21 included:

- employee engagement
- training and development
- diversity and inclusion.

Employee Engagement

Aurelia recognises employee engagement is a critical driver of business success. We believe that an engaged workforce is a safe workforce. Engaged people are also motivated and more likely to align their efforts to our Vision and Values and sustainable Balanced Business Plan (BBP) outcomes.

In Q3 FY20, we conducted a Business Effectiveness Review that involved in depth one-on-one interviews with 288 employees and contractors. The objective of the review was to identify key issues that mattered to our workforce, understand the barriers to performance and develop an action plan to address in FY21. Based on the feedback from the interviews, we developed a plan with most of the initiatives achieved with further actions to be completed in FY22.

Initiative	Progress
Role Clarity and Remuneration	
Performance Management Framework and System	●
Position Descriptions for every role	●
Achievement and Development Plans for all employees	🕒
Short Term Incentive Plan	●
Human Resources Information System (HRIS)	🕒
Management and Leadership	
Leadership Capability Model and Training for all eligible leaders	●
Systems, Policies & Procedures	
Group-wide Intranet Platform	○
Document Control	○
Enterprise Risk Management and Safety System	●
Mine Operating System	●
Review/Update all Standard/Procedures	🕒
Communications and Branding	
Group-wide newsletter	🕒
Company Values	●
Safety	
ICAM Training	●

In FY22, Aurelia will undertake an Employee Engagement Survey to further understand the views of our workforce to inform Company initiatives. It will also enable us to measure year on year improvements in several categories including living our Values, safety, leadership, engagement and diversity and inclusion.

○ Not started 🕒 In progress ● Complete

Remuneration Framework and Performance Management Cycle

A key initiative resulting from the Business Effectiveness Review was to establish and implement a Remuneration Framework and a clear Performance Management process. Aurelia recognises that fairness and equity in remuneration is necessary to attract, develop and retain high-calibre employees. Our remuneration framework is based on the Stratified Systems Approach and promotes a performance-based culture whereby competitive remuneration and rewards are aligned to BBP and shareholder objectives.

In FY21, the performance management process included the introduction of key performance measures for the 'at risk' component of remuneration. As a result, all roles now have key performance measures aligned to the business strategy and objectives across the areas of risk, people management, safety, environment and community, production, costs, resource growth and financial outcomes.

Aurelia also undertakes annual market remuneration benchmarking (against similar organisations within the resources industry) for all levels within the business to ensure market competitiveness for both attraction and retention.

In FY21, we introduced individual Achievement and Development Plans (ADP) for all paraprofessionals/supervisors and above to assess individual performance. Individual performance of operator and trades employees without an ADP was assessed on more general criteria including Values alignment, and adherence to safety expectations amongst other things. In FY22, the ADP will extend to all employees and incorporate individual performance targets, identify development needs and opportunities and assess the employee's alignment to key behavioural indicators aligned to *The Aurelia Way*. Informal and formal training and professional development opportunities will be tailored and planned for each individual according to their ADP.

Aurelia will ensure ADPs are developed and agreed at the beginning of the financial year. Informal mid-year and formal year-end reviews will centre around progress against these plans, and determine remuneration increases in an objective and internally consistent way.

The Aurelia Senior Leadership Team will moderate performance and salary reviews to ensure there is internal consistency and no gender or other attribute biases, prior to Board review.

Gender pay analysis forms part of Aurelia's Diversity and Inclusion Policy and is overseen by the Aurelia Board. It is also included in the Remuneration and Nomination Committee Charter and annual work plan to review and address any gaps.

In FY20 and FY21, at the request of the Board, the Company undertook a gender pay gap analysis of like for like roles. There were two potential gaps identified and addressed in FY20 and no identified gaps in FY21.

Training and Development

Aurelia is committed to fostering an environment where our people can reach their full potential. By investing in the capability and skills of our people, we are investing in Aurelia's future growth.

Leadership Capability Training

In FY21, Aurelia developed a Leadership Development Framework underpinned by a Leadership Capability Model aligned to our Values. The model identifies the core capabilities and skills critical for effective leadership. Leaders from Superintendent and Senior Professional-level through to the Managing Director were introduced to the Values and expectations through 'Leading *The Aurelia Way*' leadership development workshops. The 'Leading *The Aurelia Way*' workshops were delivered by management and cascaded throughout the business to drive strong ownership of the program and outcomes.

Aurelia's 360° Leadership Profile is currently being implemented for these leaders. The profile includes a 360° survey and report based on the Leadership Capability Model to provide leaders with greater insight into individual strengths and development opportunities.

We will roll out the leadership development training and 360° feedback profiles to Supervisors in FY22.

Competency Framework

Aurelia has been developing a Competency Framework – an enterprise-wide learning and development system for training, which can be customised locally. It gives the Company the ability to access a structured, standardised training and assessment system to better align training and assessment to business needs while ensuring external regulatory compliance requirements are met. This alignment will ensure a safe and skilled workforce at all times.

The first stage of this process was to develop a skills matrix and map all employees against competencies to identify and plan training needs and refresher training. This was not limited to compliance training, but also included key policies with a target of 100% of employees trained in the new Rules to Live By, Green Rules and Whistleblower Policy and Process.

Diversity and Inclusion

At Aurelia we value and respect differences, people bring their whole selves to work, and everyone feels they can contribute and their contribution is valued. To achieve this, we are committed to ensuring we have a safe workplace free from:

- sexual harassment
- bullying, harassment and all forms of discrimination, and
- barriers to the recruitment, career development, and retention of a diverse workforce.

At Aurelia we firmly believe that the growth of the Company and our employees are interlinked. We recognise a diverse workforce enhances the Company's ability to be more successful. We do this by capturing a wide range of perspectives, and unique skills and experiences to enhance decision making and better business outcomes.

In FY21, female representation of Board members increased from 17% to 29%. The Aurelia Board also adopted a target of no less than 25% female representation on the Board.

Across the Company's workforce, female participation increased from 17% in FY20 to 19% in FY21.



“There is a significant body of evidence showing that diverse organisations contribute to better decisions, improved company performance, sustainable outcomes and business culture. Aurelia is committed to a diverse and inclusive workplace, with zero tolerance of disrespectful behaviours including harassment, sexual harassment, racism and sexism. Are we where we want to be today? No, not yet. But we are listening very closely to the needs of minority groups at every level across our organisation, developing targeted strategies and implementing these as a matter of priority.”

Interim Chairman, Susie Corlett

Case Study

Diversity and Inclusion Deep Dive

In FY21, Aurelia completed a Diversity and Inclusion Deep Dive to listen to our people in order to understand barriers that may impact diversity and inclusion in the workplace. The Deep Dive was led by the newly established Diversity and Inclusion Working Group comprising a cross section of 12 employees and chaired by an executive. The Working Group benchmarked the approaches of peer organisations to diversity and inclusion, including a literature review to better understand contemporary practices within the context of our business.

Against this desktop review, the Working Group conducted confidential one-on-one interviews with our workforce. While predominantly focused on gender-related issues, the interview questions did cover broader diversity and inclusion issues. Through the interview process we were able to commence actively promoting diversity and ensure visibility around the Company's new Diversity and Inclusion Policy. Following the interview process we compiled and summarised key themes, trends, and perspectives in order to understand

barriers to diversity and inclusion, and the potential initiatives to improve current levels of diverse participation within the workforce, across all areas and levels.

More than a third of our workforce (91 employees) across the three mining operations, exploration and the corporate office participated in these interviews.

Worth noting was that there was a clear difference between responses from males and females. Females had a stronger negative response to nearly all of the questions asked. This is not surprising as they are more likely to be personally impacted by any gender-based bias and will shape our approach to diversity and inclusion going forward.

The research results will inform the development of a targeted gender safety, diversity and inclusion strategy, as well as the development of measurable targets in FY22.

Key Themes Identified	Statistics from the Deep Dive
Requirement for diversity and inclusion training programs	98% of interviewees wanted more training on diversity and inclusion
Development of consistent and transparent Recruitment Standard with a focus on attracting and recruiting diverse candidates	60% of interviewees were unsure or did not believe Aurelia had a robust Recruitment Standard that focused on recruiting diverse candidates
Consistent application of the Performance Review Process	49% of interviewees were unsure if the Performance Review Process was fair*. *These interviews were conducted before the full cycle under the new performance management system had been completed
Introduction of career development pathways and opportunities for promotion for all employees	46% of employees were unsure or did not believe that Aurelia has clear career development pathways for all employees
Employees felt Safe to Speak Up on issues regarding discrimination, bullying or harassment.	88% of employees felt safe to speak up and 72% believed that senior leaders would take allegations seriously
The above response was significantly less when employees were asked if they believed other employees feel it is safe to speak up	33% of employees do not believe others feel safe to speak up

Case Study

Dargues Mine Acquisition Transition and Integration

One of the key activities undertaken in FY21 was the acquisition of the Dargues Mine. Under the banner of 'The Aurelia Way, Straight Away', Aurelia developed and implemented a 100-day plan to fully integrate Dargues Mine to achieve a steady state in the shortest possible timeframe. During the transition to full ownership, the Aurelia Senior Leadership Team were accessible within the community and operations.

As part of the plan, the Company established sustainability (HSEC and People) and operational systems, standards and reporting within the shortest possible timeframe. Critical to this plan was the engagement and support of key stakeholders prior to the change of ownership to ensure familiarity with Aurelia Metals people and confidence in Aurelia Metals credentials. To do this, the Company engaged with all levels of government, as well as hosting open and transparent forums with the Senior Leadership Team and community. Based on the feedback from community forums, Aurelia was able to swiftly act on concerns which has seen a significant drop in community complaints (see Case Study - Noise Abatement Measures Dargues Mine) following Aurelia's acquisition.

As part of the transition process, Aurelia held meetings with employees, both collectively and individually to discuss issues and opportunities. As a result, Aurelia was able to successfully transition employees from contract employment conditions to permanent roles with the new employment entity. This provided employees with a greater level of certainty and job security, as well as improved conditions of employment.



Dargues Mine, NSW

OUR COMMUNITIES

Aurelia is committed to contributing positively to our local communities through trusted, transparent, and long-term relationships.

We view these relationships as essential to maintaining our social licence to operate. We recognise and respect the deep connection First Nations people have with the land and are committed to operating in a way that protects their cultural heritage.

Stakeholder Engagement

Aurelia uses a number of engagement mechanisms to foster transparent, inclusive and meaningful engagement with our stakeholders. Stakeholder engagement allows us to share information about our activities and performance and gain an understanding of our stakeholders' needs and concerns to inform our decision making.

Aurelia enjoys an enviable organic growth pipeline - with Federation shaping up to be one of the most exciting

polymetallic discoveries in recent Australian history and Great Cobar emerging as a significant near mine, undeveloped copper resource.

In FY21, significant community and First Nations consultation occurred for both projects. This engagement included numerous community sessions, ongoing consultation with the project specific Community Consultative Committee (CCC) and various field assessments and site visits. This resulted in the development of a Social Impact Assessment, including commitments from Aurelia to mitigate potentially adverse impacts to stakeholder groups.

Aurelia appreciates the input and collaboration the local community and First Nations groups have provided towards the proposed developments. Aurelia will continue to listen to our community stakeholders and work hard to mitigate potential impacts in the future.

The following table provides a summary of our FY21 approach to engaging with our key stakeholder groups.

Stakeholder Groups	How We Engage	Key Topics Of Engagement
Employees and contractors	Email, newsletter (Peak and Dargues), noticeboards, meetings, General Manager State of the Nations	<ul style="list-style-type: none"> — COVID-19 management and response — Business performance — Health and safety performance — Employee recognition and rewards
Government	Meetings, site visits, emails, briefings	<ul style="list-style-type: none"> — Regulatory and legal compliance — Environmental performance and management — Community investment — Direct engagement prior to and following acquisition of Dargues Mine
Communities	Community Consultative Committees Direct engagement through Town Hall meetings and other forums prior to and following acquisition of Dargues Mine	<ul style="list-style-type: none"> — Environmental performance and management — COVID-19 management and response — Investment in communities — Project development
Shareholders and Proxy Advisors	Annual reports, quarterly reports, website, investor briefings, conference calls, market announcements, Annual General Meetings, industry conferences	<ul style="list-style-type: none"> — Operating performance — Balance sheet — Reserves and resources — Sustainability performance — Corporate governance
Suppliers	Meetings, contractual agreements	<ul style="list-style-type: none"> — Health and safety requirements — Modern slavery requirements — Contract conditions
Customers	Meetings, engagement, site visits, market tenders	<ul style="list-style-type: none"> — Reserves and resources — Regulatory compliance — Sustainability performance



Hera Mine, NSW

First Nations Engagement and Cultural Heritage

Aurelia ensures that prior to any significant development works feedback is sought from potentially affected First Nations stakeholder organisations.

The aim of consultation is to identify cultural items and places that hold cultural value, including how they may be affected by any proposed development. This gives us the opportunity to adjust the project accordingly to ensure the absolute protection of Indigenous cultural heritage. The consultation process involves:

- Pre-notification – advertisements are placed in local newspapers and several government agencies are contacted requesting the identification of any First Nations People and/or communities that may be interested in the proposed development
- Notification – the individuals and communities identified in 'Pre-notification' are contacted to determine their interest in the proposed development
- Presentation of the proposed development and the assessment methodology – the First Nations People are briefed on the proposed development
- Compile the First Nations Peoples' feedback and conduct field inspection – the information collected during consultation with First Nations Peoples is compiled and used to assist with planning field inspections. The First Nations People assist with the field inspections
- Discussion of potential impacts and mitigation strategies – a discussion with the First Nations People is conducted to explore the potential impacts to culturally significant materials (if any) and mitigation strategies, and
- Report review – once the field inspections have been completed, the First Nations People feedback is considered and integrated into the documentation. They are then invited to review the final documentation to contribute to the overall findings, significance and management of culturally significant materials.

New Cobar Complex cultural heritage consultation and inspections

Cobar has a proud mining history. The Great Cobar Copper Mine was the largest copper mine in Australia between 1870 and 1920. At its peak in 1912, the Great Cobar Copper Mine boasted 14 smelters, a 64m chimney stack and it employed over 2,000 people.

Today, we are currently developing plans to access the ore zones below the Great Cobar Copper Mine. As part of this proposed New Cobar development, Aurelia has undertaken extensive cultural heritage consultation with the Cobar Local Aboriginal Land Council (LALC) and the Ngemba – Ngiyampaa – Wangaaypuwan and Wayilwan Native Title Claimants.

The First Nations People identified the former ungazetted town 'Cornishtown' as a place holding cultural significance. Cornishtown holds contemporary social/cultural

value as the local First Nations People were amongst the inhabitants of the town. Today, little of the town remains, but the cultural values continue to be significant.

As places and objects of significance to First Nations People were found in close proximity to the proposed development area, Aurelia has committed to several mitigation strategies including adjustment of the proposed disturbance area to avoid the area of the former Cornishtown. Furthermore, a survey of the entire area will be conducted by the First Nations People prior to any disturbance to relocate culturally significant objects that may be impacted. The First Nations People have informed Aurelia that they would like the materials to remain on country, and therefore, they will be relocated immediately outside of disturbance areas.



ABOVE: Structural remains of the house of one of the field inspection participants at Cornishtown.



ABOVE: Cobar Local Aboriginal Land Council representative assisting in recording culturally modified scar tree, October 2020.

Federation cultural heritage consultation and inspections

Stakeholder organisations of three First Nations stakeholder groups confirmed their interest in the proposed development of Federation, including the Condobolin LALC, Cobar LALC and Ngemba – Ngiyampaa – Wangaaypuwan and Wayilwan Native Title Claimants.

Field inspections with First Nations People identified several items and areas of cultural significance, including culturally modified trees and an Aboriginal quartz quarry. The Aboriginal quartz quarry was a particularly interesting find as the Ngiyampaa had stories relating to the site and prior to this inspection, the exact location had not been identified.

During the fieldwork the First Nations People also undertook natural resource gathering in the form of harvesting mallee for didgeridoos. Several stems were harvested.

As a result of the inspections, the proposed development was adjusted to avoid impacting culturally significant sites, and as a result, no sites will be impacted. Consultation is ongoing and Aurelia will continue to work closely with the First Nations People as the traditional custodians of the land.

Local Procurement and investment

In the last three years, Aurelia is proud to report approximately 50% of our procurement has been sourced within our local regions, injecting more than \$400M into our regional communities. In addition to this amount, we have donated approximately \$830k to local community groups and events.

Our focus is to support local community groups and businesses wherever possible with our main priority being projects supporting health, education and cultural initiatives. We also have ongoing relationships with local sporting groups and community events, which we believe are the beating heart of local communities in regional NSW.

In FY21, Dargues Mine donated funds to the local council to upgrade the Braidwood Recreation Grounds. The monies are to be used by Council to divert a pipeline to allow for construction

of a skate park, levelling of playing fields and upgrades to the irrigation system, slight relocation of the football field, new goal posts, relocation of a spectator fence, new cricket practice nets and general landscaping. Aurelia is proud to support the local council in upgrading sporting facilities for the benefit of the whole community. Being a small community, facilities such as the recreation group are pivotal in supporting local sport and the communities' physical and mental health.

LOCAL PROCUREMENT

	FY19	% total spend	FY20	% total spend	FY21	% total spend
Hera Mine	\$31M	47%	\$38M	44%	\$44M	43%
Peak Mine	\$50M	50%	\$127M	66%	\$99M	61%
Dargues Mine	*N/A	*N/A	*N/A	*N/A	\$5M	16%

* Prior to Dargues acquisition in January 2021.

COMMUNITY INVESTMENT (DONATIONS)

	FY19	FY20	FY21
Group (\$k)	118	67	644

ECONOMIC CONTRIBUTION

Aurelia acknowledges how important our economic contribution is to our stakeholders. Aurelia is open and transparent about our contribution and is proud to be able to give back to the local, state and national economies.

Aurelia did not request or receive any monetary support or Job Keeper funding for COVID-19 from the government, notwithstanding the Company's eligibility to make a claim during certain periods of the pandemic.

ECONOMIC VALUE GENERATED AND DISTRIBUTED SUMMARY

\$416.5 M
Sales revenue

\$239.4 M
Operating costs and other

\$0.6 M
Community expenditure

\$59.4 M
Employee benefits

\$60.0 M
Payments to governments

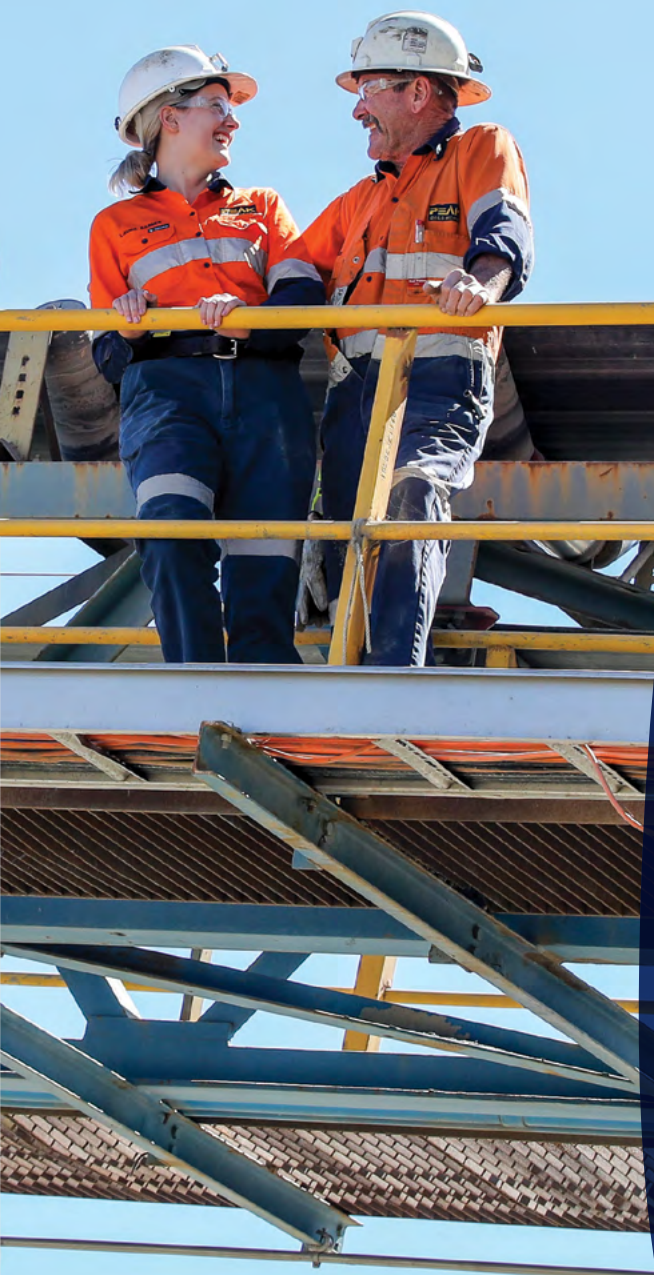
\$22.3 M
Payments to providers of capital (including dividends)

\$34.5 M
Economic value retained

Grievance Management

Aurelia investigates all complaints and grievances and responds fairly and promptly. We take an active approach to understanding our stakeholder issues and their concerns.

The success of our approach of proactively engaging with the community has been demonstrated since our acquisition of the Dargues Mine. Community complaints decreased from an average of 41 per month in the six months prior to our acquisition to only five in June 2021.



Peak Mine, NSW

Case Study

Noise Abatement at Dargues Mine

Prior to Aurelia's acquisition of Dargues Mine, the previous owner was receiving an average of 41 complaints per month with a high of 58 complaints in July 2020. Aurelia acquired Dargues mine in December 2020 and by June 2021 Aurelia reported five complaints. Complaints have not been this low since July 2019 (prior to production commencing). The prior complaints predominately related to noise, and since Aurelia's acquisition the Dargues Mine also implemented several strategies to mitigate noise from our operation.

Regular, meaningful consultation has been a key component of addressing community concerns, and our communities have been critical to helping Aurelia identify solutions. Our approach is underpinned by a commitment to do what we say.

Key strategies included:

- limiting the exploration drilling program conducted in FY21 to dayshift only
- inviting members of the community to visit the Dargues site during a nightshift (the time associated with most complaints) to assist Aurelia in understanding the main noise sources
- seeking expert advice from industry-leading specialists to design noise abatement measures, such as:
 - installing mufflers on the exhaust vents of the process plant
 - conducting targeted monitoring and observation of the process plant as a key source of noise, then enclosing compressors within purpose-built enclosures
- considering noise abatement measures when purchasing new equipment (eg. underground trucks).

There will be ongoing consultation between Dargues Mine, industry experts and the local community to address any ongoing community feedback.



ABOVE: The Community Consultative Committee during a regular visit of Dargues Mine.

ENVIRONMENTAL PERFORMANCE

Aurelia acknowledges that the nature of our operations can have significant environmental impacts. We are committed to environmental stewardship including conservation of biodiversity, efficient use of resources, pollution prevention and minimisation of environmental impact. We also recognise that climate change is a significant challenge. As a result, we are committed to building resilience to climate change risks, and minimising and managing greenhouse gas emissions, as well as other climate change impacts.

Management Approach

The Company uses our risk management framework to understand and manage environmental risks across our business lifecycle. Baseline environmental impact assessments are completed at project development stage. These assessments guide our approach to environmental management at our operational and closure stages.

The risk framework also shapes our approach to the management of catastrophic environmental risks to ensure environmental management throughout all stages of mining including operational and mine closure.

To assist our frontline leaders, employees and contractors, Aurelia introduced the Green Rules in FY21. The Green Rules set expectations around high potential risk incidents and guide individual behaviour. Similar to safety Rules to Live By, they are clear and simple. Compliance with the rules is non-negotiable as breaching a Green Rule could lead to material impacts to the environment.

Environmental management across our sites is integrated into our risk and sustainability systems and processes. This includes Risk and Sustainability Committee governance, elevation of High Potential Risk Incidents (HPRI) to the Senior Management Taskforce for Significant Incidents and integration of environmental, community and heritage risks into group and site level risk registers. This ensures that environmental, community and heritage issues are treated as importantly as health and safety matters.

The environmental management system is undergoing significant redevelopment with the update and introduction of various policies, standards, management plans and procedures. Specifically, in FY21, as part of the Fatal and Catastrophic Hazards project, Aurelia established the Hazardous Materials Standard and associated critical controls. The Company also conducted in-field and system Critical Control Verification at all assets with various actions for improvement identified for implementation. We have developed and will conduct a regular schedule for Critical Control Verification across the Aurelia Group.

The Company also identified pipelines outside of our disturbance footprint as a significant risk given any loss of containment could lead to harm to the environment. To address this risk, we established a draft pipeline specification and conducted a gap analysis across the Group. Further work will be undertaken in FY22 and FY23 to close out any actions that were identified from the gap analysis and finalise the pipeline specification.

Several other standards and critical controls are planned to be developed and implemented across Aurelia assets in FY22 and FY23. This includes a Tailings Management Standard, Rehabilitation and Closure Standard, Biodiversity Standard and Stakeholder Engagement Standard to name a few. While Aurelia acknowledges there is a gap in standards at the Group level, expectations regarding environmental management are within robust, site-specific management plans that mandate activities and mitigate risk.

Green Rules

In FY21 Aurelia introduced the Green Rules following a review of the environmental risks and historical incidents across our assets. The review focused on the identification of individual behaviours where a non-compliance to our licence to operate could result in harm to the environment, a legislative breach or damage to our reputation. As a result, four rules were established to guide individual behaviours in our efforts to protect the environment and our communities.

Aurelia established the Green Rules to encourage employees and contractors to think and discuss how their actions may impact the environment around them or the communities in which we operate. Since the implementation of the Green Rules, minor non-compliances to our licenses and approvals have significantly decreased and our people's awareness of the importance of protecting the environment has increased.





WCAI HUTAJULU

Workwear

aurelia
METALS

Hera Mine, NSW

Our Environmental Performance

In FY21, Aurelia had no materially significant environmental, community or heritage incidents at any of our sites.

The Company received two regulatory fines for environmental non-compliance (one of these fines related to an offence committed by Big Island Mining Pty Ltd prior to Aurelia's acquisition). The cumulative value of these fines was \$30k.

The first non-compliance related to the haulage of treated grey water from the local wastewater treatment plant to Dargues Mine for use in the process plant. The state government determined that this activity was not in accordance with the Environmental Assessment as the use of offsite water in the process plant had not been contemplated by the development consent.

The non-compliance occurred prior to Aurelia's acquisition of the Dargues Mine, but the penalty notice was received after the transfer of ownership.

Immediately after receiving the penalty notice at Dargues Mine, Aurelia investigated the haulage of raw water to the Hera Mine for use in operations. As a result, the Company determined the activity was not in accordance with the Environmental Assessment. Once identified, this activity immediately ceased and was self-reported to the relevant authorities. Aurelia received a second penalty notice for this non-compliance.



Dargues Mine, NSW

Case Study

Environmental Intervention at Hera Mine

Aurelia measures Reportable Environmental Incident Frequency Rate (REIFER) across all our assets. REIFER is similar to Total Reportable Injury Frequency Rate (TRIFR) and standardises incidents to one-million-person hours.

Early in FY21, Hera Mine was averaging approximately 2.8 reportable incidents per month and a REIFER of 24.75. The recent drought conditions were contributing to the reportable incidents. However, other incidents were occurring which highlighted that improved management and awareness of environmental requirements was required. Furthermore, investigations of the incidents were, at times, inadequate with the root cause not being identified and repeat incidents occurring.

As a result, Aurelia implemented a targeted intervention, similar to a 'Safety Manage' across the site. The Company designed the intervention to improve awareness of environmental licence requirements and Aurelia's expectations in relation to protecting the environment and our communities. This elevated the importance of environmental management at the site to those in leadership and support roles to better inform their decision making and stop non-compliances and incidents. Employees found this a valuable forum to understand how their day-to-day actions, if not done correctly, had the potential to impact on our environment and community.

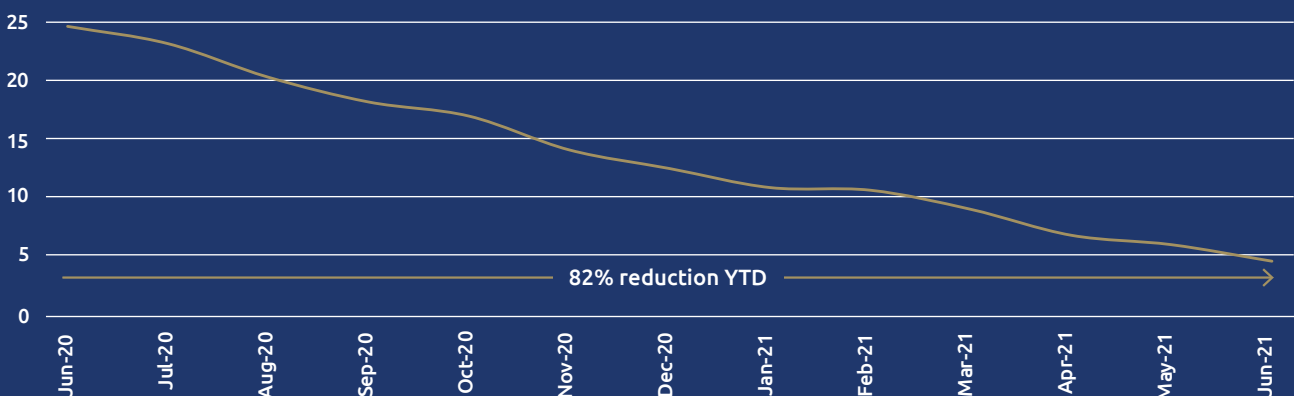
Alongside the intervention, detailed investigations were initiated to address any repeat incidents. The investigation findings were presented and discussed at the Senior Management Taskforce for Significant Incidents to ensure that learnings were addressed at all Aurelia sites.

The Company implemented key actions across the site including the implementation of a lead indicator program to include environmental conversations, observations, and inspections. Aurelia's Green Rules were established and implemented to all Aurelia operations and catastrophic environmental hazards addressed as part of the Fatal and Catastrophic Hazards project.

As a result of the intervention, incidents have dropped to an average of 0.6 per month and a REIFER of 4.53, an 82% reduction in FY21. Following the success of this intervention, similar initiatives (including an environmental presentation for site leadership teams) were implemented at Aurelia's other assets.

Aurelia's General Manager Risk and Sustainability, Adrian Bell, spoke to the Company's environmental performance improvements across the Group, "Aurelia has been entrusted as the custodian of the local environments where we operate. The protection and management of environmental impacts is an essential role in mining. The turnaround in performance at Hera Mine has been outstanding and I'm proud that environmental management is now front of mind within our workforce."

GROUP TOTAL REPORTABLE ENVIRONMENTAL INCIDENT FREQUENCY RATE
(12-month moving average)



Climate Change

Aurelia recognises that climate change is a significant challenge, and climate-related risks have the potential to impact on our business, communities, and the environment. We are committed to building resilience to climate change risks and minimising and managing greenhouse gas (GHG) emissions and other climate change impacts. As an energy intensive business, we look at opportunities to improve carbon efficiency.

As Aurelia's Vision and Strategy is based on growing the business both organically (through exploration) and inorganically (through acquisitions), our GHG emissions and energy use will increase. To support this growth, Aurelia will commence a project in FY22 to align with the Task Force on Climate-Related Financial Disclosures (TCFD) requirements.

Aurelia assesses climate change risks throughout the lifecycle of mining. At the project development stage of our projects,

we assess options for renewable power and low-emission technologies. We see this as a significant opportunity to set ourselves up for a future where we are less energy intensive.

For our operations, Scope 1 and Scope 2 GHG emissions are calculated based on the Australian Government methodology required by the National Greenhouse and Energy Reporting (NGER) scheme. Our Scope 1 emissions are predominantly associated with electricity generation at the Hera Mine and our mining fleet across our operations. Our Scope 2 emissions relate to purchased electricity at the Peak Mine and Dargues Mine.

The increase in Scope 1 and Scope 2 emissions from FY20 to FY21 is predominately a result of the acquisition of the Dargues Mine. Our GHG intensity has decreased, as a result of the record Au-equivalent annual production and associated economies of scale benefits.

GREENHOUSE GAS EMISSIONS

	FY19	FY20	FY21
Scope 1 Emissions (t CO ₂)	31,840	31,690	34,460*
Scope 2 Emissions (t CO ₂)	61,380	62,230	76,110*

*These are preliminary numbers and subject to change pending external review and verification.

GREENHOUSE GAS INTENSITY

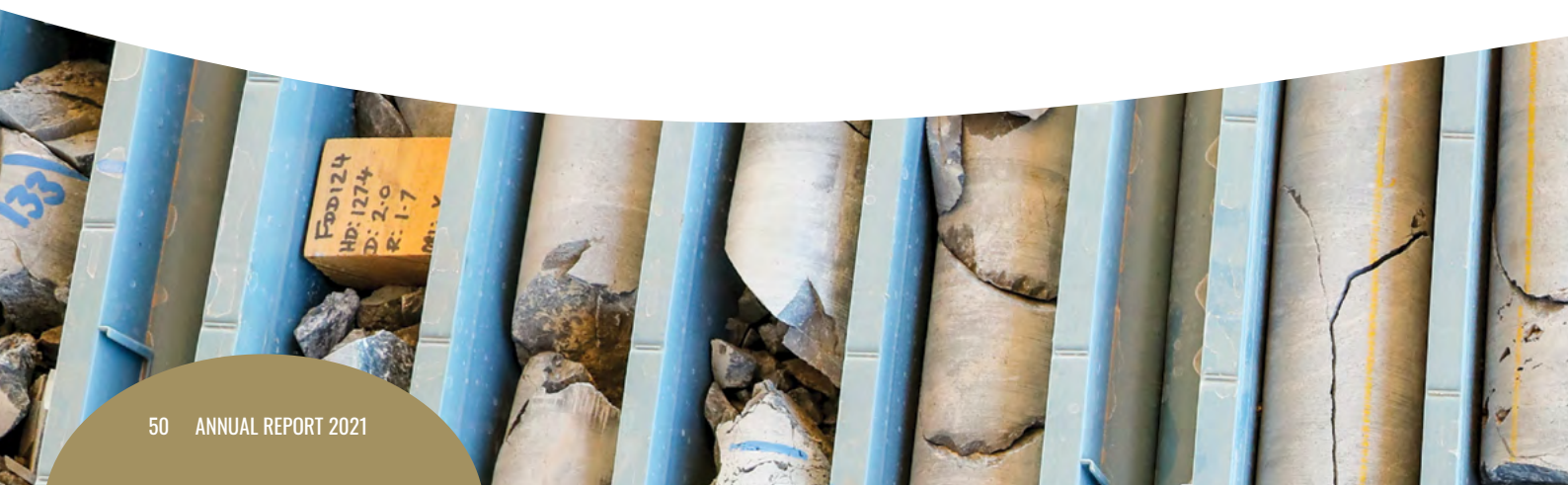
	FY19	FY20	FY21
Total Scope 1 & Scope 2 Emissions (t CO ₂ -e per Aueq)	0.53	0.60	0.54*

*Note – This is a preliminary number and subject to change pending external review and verification.

ENERGY USE AND PRODUCTION

	FY19	FY20	FY21
Energy produced per Aueq (GJ/oz)	0.54	0.60	0.47*
Energy consumed per Aueq (GJ/oz)	4.58	5.30	4.47*

*Note – These are preliminary numbers and subject to change pending external review and verification.



Tailings and Waste Rock Management

Our operations generate tailings (mineral processing residues) that are stored in purpose-built Tailings Storage Facilities (TSFs). Aurelia operates central-thickened TSFs at Hera Mine and Peak Mine and a perimeter discharge TSF at Dargues Mine. The TSF designs are informed by industry experts and fit-for-purpose for the local meteorological (ie. low rainfall and high evaporation rates), topographical (ie. utilising local topography to reduce site footprints) and other site specific conditions at each site.

We aim to reduce the risks associated with our TSFs by utilising fit-for-purpose construction techniques and by seeking advice and guidance provided by independent industry experts.

Our TSFs are operated in accordance with site specific Operation and Maintenance Manuals. This includes daily and monthly inspections and an annual inspection by an independent TSF engineer. Each of our sites have completed dam break analysis and have a Pollution Incident Response Management Plan that includes actions in case of emergencies including a contact list of people who could be impacted.

In FY22, Aurelia will commence a project to review and establish improved tailings governance. A gap analysis of our TSFs against relevant standards and guidelines will be undertaken to develop a Tailings Management Standard and identify and commence verification of critical environmental controls.

	FY19	FY20	FY21
Tailings production (kt)	847	896	1,119*

* Tailings generation increased in FY21 due to the acquisition of Dargues

Waste rock is stored in purpose-built Waste Rock Emplacements (WRE). The WREs that contain Potentially Acid Forming (PAF) waste rock are lined and drain to a lined leachate pond that captures drainage water (that has potential to have a low pH) during rainfall events. These leachate ponds are intermittently emptied into the process water ponds where the water is reused in our processing operations.

Where waste rock is non-acid forming, it is used on the surface for TSF and other construction projects. A TSF embankment raise is planned at Peak Mine that will utilise waste rock. The embankment raise will allow Peak Mine to store more tailings within the TSF without expanding the TSF footprint. The raise is being designed and supervised by an expert tailings consultant and is part of a larger design plan that will see the TSF contain tailings until 2035 with multiple embankment raises occurring between now and then.

Most of the waste rock material currently being generated at Dargues Mine is being brought to surface as development of the decline to depth is still required. As the mine matures, less waste rock will be brought to surface as decline development rates decrease and more areas underground become available to temporarily store waste rock for use as backfill within empty stope voids.

	FY19	FY20	FY21
Waste Rock production (kt)	21	189	153



Water Management

Water is a shared resource with our communities, and Aurelia recognises we need to use water efficiently and protect receiving waters. Aurelia typically operates in environments with low rainfall and high evaporation. For example, around Cobar, the average annual rainfall is approximately 400mm per annum and the average annual evaporation rate is approximately 2m per annum.

Aurelia is currently reviewing water use and security across all our assets. Dargues Mine has the capability to irrigate excess water during periods of heavy rainfall, such as was experienced in FY21. If heavy rainfall events lead to discharge via emergency spillways, the water quality is monitored to ensure we are not causing an issue for the environment or downstream water users.

Since the acquisition of Dargues Mine in December 2020, Aurelia has identified several gaps in the current water balance. We are currently working with independent experts to review and update water models and provide advice where gaps are identified. Due to the lack of water meters across the operation, water consumption and efficiency at Dargues Mine has largely been estimated. These gaps will be addressed, and data collection improved before the release of the FY22 Sustainability Report.

Across the Group, water use efficiency has improved from FY20. Further details of the Hera Mine's water use efficiency improvements are presented in the case study below.

WATER USE EFFICIENCY AND CONSUMPTION

	FY19	FY20	FY21
Total water consumption (ML)	1,099	1,162	1,266*
Water use efficiency (kL / Aueq)	6.22	7.48	6.79*

*Note - Dargues Mine data is estimated.

Water Use Efficiency and Availability at Hera Mine

Water availability at Hera Mine is a key risk given the local meteorological conditions. Like most of Victoria, NSW and southern Queensland, Hera Mine endured the drought through 2018 to 2020. In response to the drought, Aurelia has been on a campaign to improve water use efficiency. By the end of FY21, the Hera Mine achieved a 25% improvement in water consumption per tonne of ore processed (1.2m³/t in FY20 to 0.90 m³/t in FY21).

These improvements were largely driven by improved recovery of water in the process plant and adjustments (including process control and flocculation dosing) to the tailings thickener to increase the percent solids in the tailings stream. This resulted in an approximate saving of 10m³ of water used per hour.

Furthermore, water availability across the Hera Mine was improved through a number of programs including:

- bore field improvements:
 - cleaning and pump testing of bores to identify optimal operating conditions
 - installation of variable speed drives on bores to operate within optimal ranges
- installation of additional bores within the existing bore field
- extension of the Project Boundary to encompass additional groundwater resources to the south of the Hera Mine and installation of new bores.

These actions are ongoing, and Hera will continue to seek water efficiencies around site.



Peak Mine, NSW



Peak Mine, NSW

MINERAL RESOURCE AND ORE RESERVE STATEMENT

The Group's annual Mineral Resource and Ore Reserve statement relates to its 100% owned Peak, Hera and Dargues Mines, along with MREs for its 100% owned Federation deposit and 95% owned Nymagee Project in NSW.

The Mineral Resource and Ore Reserve Estimate are reported in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code 2012"). The estimates are reported as at 30 June 2021.

Tables 1 to 10 summarise Group Mineral Resources, Ore Reserves and Production Targets.

TABLE 1. AURELIA GROUP MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured	5,000	2.6	0.7	1.3	1.7	15
Indicated	12,000	1.7	1.3	1.6	2.3	9
Inferred	11,000	0.9	1.2	2.3	3.8	10
Total Resources	27,000	1.5	1.1	1.8	2.8	11

Note: The MRE is inclusive of Ore Reserves. There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves. The Group MRE utilises a A\$120/t net smelter return (NSR) cut-off for mineable shapes that include internal dilution for Peak, Nymagee and Federation, a A\$100/t NSR for Hera and a 2 g/t Au cut-off for Dargues. NSR is an estimate of the net recoverable value per tonne including offsite costs, payables, royalties and metal recoveries. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 2. AURELIA GROUP ORE RESERVE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Proved	2,300	230	2.7	0.5	1.8	2.5	17
Probable	2,100	210	2.5	0.5	1.9	2.3	11
Total Reserves	4,400	220	2.6	0.5	1.8	2.4	14

Note: Values are reported to two significant figures which may result in rounding discrepancies in the totals.

MINERAL RESOURCE ESTIMATES

TABLE 3. PEAK MINE COPPER MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured	2,700	2.3	1.1	0.2	0.1	8
Indicated	5,900	1.2	1.8	0.1	0.1	6
Inferred	5,600	0.8	2.0	0.1	0.2	9
Total Resources	14,000	1.2	1.8	0.1	0.1	7

Note: The Peak Mine MRE is inclusive of Ore Reserves. The MRE utilises A\$120/t NSR cut-off mineable shapes that include internal dilution. Values are reported to two significant figures which may result in rounding discrepancies in the totals

TABLE 4. PEAK MINE LEAD-ZINC MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured	730	2.9	0.4	4.1	5.0	26
Indicated	1,200	1.8	0.3	5.3	6.6	26
Inferred	1,000	1.0	0.3	6.3	8.8	37
Total Resources	2,900	1.8	0.3	5.3	6.9	29

Note: The Peak Mine MRE is inclusive of Ore Reserves. The MRE utilises A\$120/t NSR cut-off mineable shapes that include internal dilution. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 5. HERA MINE MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured	880	1.7	0.1	2.8	4.3	35
Indicated	500	2.1	0.1	1.8	2.6	13
Inferred	280	1.3	0.1	1.8	2.3	17
Total Resources	1,700	1.8	0.1	2.3	3.5	25

Note: The Hera Mine MRE is inclusive of Ore Reserves. The MRE utilises A\$100/t NSR cut-off mineable shapes that include internal dilution. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 6. DARGUES MINE MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)
Measured	380	6.0
Indicated	1,200	4.8
Inferred	570	5.1
Total Resources	2,100	5.1

Note: The Dargues Mine MRE is inclusive of Ore Reserves. The MRE is reported using a 2g/t Au cut-off. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 7. FEDERATION DEPOSIT MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Indicated	1,500	2.2	0.4	6.1	10.0	8
Inferred	3,500	0.3	0.3	5.2	9.0	7
Total Resources	5,100	0.9	0.3	5.5	9.3	7

Note: The Federation MRE utilises A\$120/t NSR cut-off mineable shapes that include internal dilution. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 8. NYMAGEE PROJECT MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Indicated	1,400	0.1	2.3	0.8	1.5	18
Inferred	40	0.1	1.6	0.2	0.5	10
Total Resources	1,500	0.1	2.3	0.8	1.5	18

Note: The Nymagee Project MRE utilises A\$120/t NSR cut-off mineable shapes that include internal dilution. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

ORE RESERVE ESTIMATES

The Ore Reserve Estimate is derived from only the Measured and Indicated categories within the Mineral Resource Estimate.

TABLE 9. PEAK MINE COPPER ORE RESERVE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Proved	940	200	2.4	1.2	0.2	0.2	4
Probable	740	170	1.6	1.3	0.1	0.1	6
Total Reserves	1,700	190	2.1	1.2	0.2	0.1	5

Note: The Peak copper Ore Reserve Estimate utilises a A\$80/t NSR cut-off for development and A\$140-170/t NSR for stoping depending on mine area. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 10. PEAK MINE LEAD-ZINC ORE RESERVE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Proved	340	360	3.7	0.4	5.7	7.1	25
Probable	670	270	2.2	0.3	5.2	6.2	22
Total Reserves	1,000	300	2.7	0.3	5.4	6.5	23

Note: The Peak lead-zinc Ore Reserve Estimate utilises a A\$80/t NSR cut-off for development and A\$155/t NSR for stoping. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 11. HERA MINE ORE RESERVE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)
Proved	750	180	1.4	2.7	4.3	34
Probable	190	150	1.2	2.4	3.6	24
Total Reserves	940	180	1.4	2.6	4.1	32

Note: The Hera Ore Reserve Estimate utilises a A\$80/t NSR cut-off for development and A\$100/t NSR cut-off for stoping. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

TABLE 12. DARGUES MINE ORE RESERVE ESTIMATE AS AT 30 JUNE 2021.

Class	Tonnes (kt)	NSR (A\$/t)	Au (g/t)
Proved	230	280	6.1
Probable	540	210	4.5
Total Reserves	770	230	5.0

Note: The Dargues Ore Reserve Estimate utilises a A\$80/t NSR cut-off for development and A\$135/t NSR cut-off for stoping. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

Refer to page [158-159] for Competent Persons Statements

FINANCIAL STATEMENTS



Dargues Mine, NSW



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DIRECTORS' REPORT

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 2021, 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 2021.

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.

Susan Corlett

Interim Independent Non-Executive Chairman

Appointed as a Director of the Company on 3 October 2018 and as Interim Independent Non-Executive Chairman on 2 March 2021

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 as a director of a not-for-profit organisation, the Foundation of National Parks and Wildlife. Ms Corlett is also 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.

Ms Corlett is Chair of the Board's Sustainability and Risk Committee and is a member of the Board's Audit Committee.

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.

Daniel Clifford

Managing Director & Chief Executive Officer (CEO)

Appointed Managing Director & Chief Executive Officer on 25 November 2019

Mr Clifford is a Mining Engineer with more than 25 years' experience across the industry. He was most recently the Managing Director & CEO of Stanmore Resources Limited (ASX: SMR) (Stanmore), a role he held from November 2016 to October 2019. During his tenure, Stanmore saw significant growth in both output and profitability at its flagship Isaac Plains metallurgical coal mine in Queensland. This dynamic was reflected in Stanmore's strong share price performance over this period.

Prior to this, Mr Clifford was the CEO of Solid Energy New Zealand Limited from March 2014 to November 2016. He guided the company through a period of significant financial pressure and challenging market conditions, including leading an asset sales program. Mr Clifford has also held senior technical and operational positions for Glencore plc, Anglo American plc and BHP Group Limited.

During the past three years, Mr Clifford has served as a Director of Stanmore Resources Limited (ASX: SMR).

Lawrence Conway

Independent Non-Executive Director

Appointed as a Director of the Company on 1 June 2017

Mr Conway has over 30 years' experience in the resources sector across a diverse range of commercial, financial and operational activities. He has held a mix of corporate and operational commerce roles within Australia, Papua New Guinea and Chile with Evolution Mining, Newcrest and BHP Billiton. Mr Conway is also a Board member of the NSW Minerals Council and is a graduate of the Australian Institute of Company Directors.

Mr Conway is the Chair of the Board's Audit Committee.

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

- Evolution Mining Limited (ASX: EVN), appointed October 2011, and has held the position of Finance Director and Chief Financial Officer since August 2014.

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 Holdings Pty Ltd (the holding company for Bankstown and Camden Airports) and Yancoal Australia Limited (ASX: YAL). She has undergraduate degrees in Commerce and Law, and Masters degrees in Business Administration and Law. She is a Fellow of the Australian Institute of Company Directors.

Ms Gillies is a member of the Board's Remuneration and Nomination Committee and the Board's Sustainability and Risk Committee.

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

- Monadelphous Group Limited (ASX: MND); and
- Yancoal Australia Limited (ASX: YAL).

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.

Mr Harris is the Chair of the Board's Remuneration and Nomination Committee and is a member of the Board's Audit Committee.

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

- Aeon Metals Limited (ASX: AML), appointed December 2014.

Robert 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 for almost 20 years at Rio Tinto Limited (ASX: RIO). Mr Vassie is currently the non-executive chairman of Ramelius Resources Limited (ASX: RMS) and a non-executive director of Federation Mining Pty Ltd.

Mr Vassie is a member of the Board's Remuneration and Nomination Committee and the Board's Sustainability and Risk Committee.

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

- St Barbara Limited (ASX: SBM);
- Ramelius Resources Limited (ASX: RMS); and
- Alita Resources Limited (ASX: A40, now delisted).

Ian Poole

Chief Financial Officer and Company Secretary

Appointed as Company Secretary on 1 July 2020

Mr Poole was appointed as Chief Financial Officer and Company Secretary at the beginning of the financial year. Mr Poole is a highly experienced commercial executive with over 20 years in senior roles within listed global resources and engineering companies. He has held key commercial positions within several metal mining businesses including the US business unit of Pasminco Limited, Savage Resources Limited and Outokumpu Mining Australia Pty Ltd.

Mr Poole's most recent position was CFO and Company Secretary at metallurgical coal producer, Stanmore Resources Limited (ASX: SMR), a role he held for three years. Prior to that, he was CFO at Sedgman Limited (previously listed) and General Manager, Commercial, at Rio Tinto Coal Australia Limited.

Gillian Nairn

Company Secretary

Appointed as Company Secretary on 2 June 2019

Ms Nairn has over 20 years legal and governance experience working both in-house and as a consultant. She is a founder and director of Dolmatoff Nairn Corporate Governance, a company secretarial service provider.

Ms Nairn holds a Bachelor of Laws and Bachelor of Arts from UNSW and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia and a member of the Law Society of NSW.

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

Colin Johnstone

Appointed as a Director and Chairman of the Company on 28 November 2016 and retired on 2 March 2021.

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

- Evolution Mining (ASX: EVN), retired March 2020.

Michael Menzies

Appointed as a Director of the Company on 15 December 2015 and retired on 1 October 2020.

Directors' Interests

At 30 June 2021, the interests of the Directors in the shares and other equity securities of the Company were:

Director	Ordinary Shares	Performance Rights
Susan Corlett	33,731	-
Daniel Clifford	1,565,201	4,613,781
Lawrence Conway	225,850	-
Paul Harris	-	-
Helen Gillies	250,000	-
Robert Vassie	250,000	-
Total	2,324,782	4,613,781

2. 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		Risk & Sustainability	
	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)
Susan Corlett	18	18	6	6	-	-	7	7
Daniel Clifford	18	18	-	-	-	-	-	-
Lawrence Conway	18	18	6	6	-	-	-	-
Paul Harris	18	18	6	6	8	8	-	-
Helen Gillies	5	5	-	-	2	2	3	3
Robert Vassie	5	5	-	-	2	2	3	3
Colin Johnstone	14	14	-	-	6	6	4	3
Michael Menzies	6	5	-	-	4	4	2	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 2021 are:

Audit Committee: Lawrence Conway (Chair), Susan Corlett and Paul Harris

Remuneration and Nomination Committee: Paul Harris (Chair), Helen Gillies and Robert Vassie

Sustainability and Risk Committee: Susan Corlett (Chair), Helen Gillies and Robert Vassie

3. 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 Secretaries, 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.

4. 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.

5. Dividends

On 25 August 2020, the Board of Directors resolved to pay a fully franked dividend of \$0.01 per share related to the year ended 30 June 2020. The total dividend of \$8.7 million was paid in October 2020.

The Board of Directors did not declare a dividend for the year ended 30 June 2021.

6. 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

7. Performance Rights

As at the date of this report, there are 10,523,362 Performance Rights in issue. The Performance Rights are unlisted and have terms as set out below:

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 year end
28-11-16	30-06-20	nil	750,000	-	-	(750,000)	-
04-12-18	30-06-20	nil	770,893	-	-	(770,893)	-
04-12-18	30-06-21	nil	613,421	-	-	(305,452)	307,969
29-11-19	30-06-22	nil	2,812,696	-	-	(341,976)	2,470,720
29-11-19	25-11-20	nil	1,565,201	-	(1,565,201)	-	-
29-11-19	25-11-21	nil	1,565,201	-	-	-	1,565,201
19-11-20	30-06-23	nil	-	1,696,714	-	-	1,696,714
26-12-20	30-06-23	nil	-	4,608,363	-	(125,605)	4,482,758
Total			8,077,412	6,305,077	(1,565,201)	(2,293,926)	10,523,362

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.

8. Future Developments

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

9. Environmental Regulation And Performance

The Directors are not aware of any environmental incidents during the year that would have a materially adverse impact on the Company.

During FY21, the Group was issued with two Penalty Infringement Notices (PIN) and a Warning Letter, as described below:

- A PIN was issued to Big Island Mining Pty Ltd in February 2021 related to non-compliance to the development consent conditions for the Dargues Mine. This non-compliance took place prior to Aurelia taking ownership of the Company from 17 December 2020 (the acquisition date). The \$15,000 PIN was settled by the previous owners;
- A PIN was issued to Hera Resources Pty Ltd following an internal review of water licensing onsite. During the internal review, it was identified that the haulage of surface water from nearby property dams to the Hera Mine was not generally in accordance with Hera's Environmental Assessment. The non-compliance was self-reported to the relevant authorities who concurred with the Company's assessment. A \$15,000 PIN was issued and paid in June 2021; and
- A Warning Letter related to a non-compliance was issued to Hera Resources Pty Ltd related to a concentrate haulage vehicle being operated outside of curfew hours. This was a breach of the Company's development consent conditions and was self-reported to the relevant authorities.

There were several other minor non-compliances to development consent conditions during the year. All minor non-compliances were reported to the relevant authorities as soon as the Company became aware of the incidents. 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.

10. 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.

11. 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 25 of the financial statements.

The Company has obtained an independence declaration from its auditor, Ernst and Young, which forms part of this report. A copy of that declaration is included on the page 108.

Signed in accordance with a resolution of the Directors.



Susan Corlett
Interim Chairman

Brisbane
24 August 2021



Daniel Clifford
Managing Director & CEO

OPERATIONS AND FINANCIAL REVIEW





1. Overview

Aurelia Metals Limited ('Aurelia' or the 'Company') is an Australian gold and base metals mining and exploration company. The Company's gold-dominant position benefits from substantial by-product revenue credits (which include zinc, lead, copper and silver). The Company owns and operates three underground mines (Peak, Hera and Dargues) and processing facilities. The Peak and Hera Mines are located in the mineral rich Cobar Basin in central western New South Wales (NSW), while the Dargues Mine is located in south-eastern NSW.

Aurelia's vision and strategic focus is founded upon several key principles:

Our Strategy		
Simple, durable and returns focused		
Sustainable Progression	Maximise existing infrastructure and assets	Direct capital to the highest return
<ul style="list-style-type: none"> — An organisation that excels through our people and superior performance — A trusted, sustainable and beneficial presence in the areas which we operate 	<ul style="list-style-type: none"> — Leverage off a strategic asset base in the Cobar Basin and regional NSW — Maximise returns via life extensions and operating discipline driving margin 	<ul style="list-style-type: none"> — Growth profile underpinned by financial discipline and tension for the \$'s deployed — Gold dominant, high value asset base, 'copper ready'
Deliver long term value and returns growth		
<ul style="list-style-type: none"> — 4 – 5 mine asset portfolio continuously driving Group cost and Reserve improvement — Cycle proofed mine lives and commodity mix 		

Aurelia's strategy is underpinned by its core values, which guide the way its employees work to ensure the safety and wellbeing of our people, and to the benefit of Shareholders and communities where the Company operates. Aurelia is also committed to minimising environmental and carbon impacts at our operating mine sites and in the development of new projects.

Our Values			
			
Integrity	Certainty	Courage	Performance
We do what's right	We plan and execute well	We step up	We own the result

Aurelia recognises that the achievement of its vision and overall success is reliant on the Company conducting all activities in line with its values, and ethical standards and behaviour in accordance with the law and societal expectations.

The Company continues to advance its strategic growth objectives. During FY22, the Company will advance its priority organic growth projects through staged evaluation studies and regulatory permitting. In addition, the Company will continue to unlock exceptional upside from its highly prospective tenements and landholdings through its exploration and evaluation activities (refer to Section 3 of this report).

2. OPERATING AND FINANCIAL PERFORMANCE

The Company finished FY21 in a strong financial and operating position and is well placed to continue to pursue its strategic objectives. The key highlights from FY21 include:

Sustainability	<ul style="list-style-type: none"> — Major reduction in workplace injuries, with a 58% improvement on Total Recordable Injury Frequency Rate (TRIFR) — Substantial improvement in environmental performance, with an 82% reduction in reportable environmental incidents — Initiatives in the areas of workplace diversity and climate change — Sustained focus on COVID-19 management and response plans
Production and Cost Performance	<ul style="list-style-type: none"> — Achieved FY21 Group production and cost guidance — Group gold production of 104koz at an AISC of \$1,337/oz (FY20: 92koz at \$1,526/oz) <ul style="list-style-type: none"> — Peak gold production of 57koz of gold at an AISC of \$867/oz (FY20: 47koz at AISC of \$1,737/oz) — Hera gold production of 31koz of gold at an AISC of \$1,206/oz (FY20: 45koz at AISC of \$1,150/oz) — Dargues gold production since acquisition of 15koz at an AISC of \$2,483/oz (reflecting the operation's ramp-up phase) — Ore processed at Peak increased 10% to 625ktpa, from FY20 — Ore processed at Hera increased 9% to 446ktpa, from FY20
Growth	<ul style="list-style-type: none"> — Successful completion of the Dargues Mine acquisition and integration — Federation Scoping Study completed, and Feasibility Study (FS) commenced, with enabling works and permitting underway — Highly successful ongoing drill program at the high-grade polymetallic Federation Deposit — Substantial 63% Mineral Resource upgrades across the asset portfolio; including Federation, Great Cobar and Kairos — Significant Ore Reserve growth expected in FY22 with Maiden Ore Reserves targeted for Federation and Great Cobar
Financial outcomes	<ul style="list-style-type: none"> — Strong Balance Sheet maintained, with \$74.5M cash in bank at 30 June 2021 — Net profit before tax increased by 58% to \$71.6 million (FY20: \$45.2 million) — Underlying net profit before tax increased by 108% to \$86.1 million (FY20: \$45.2 million). Refer to section 2.1 for more detail — Record EBITDA result of \$154.1 million (FY20: \$103.4 million), EBITDA margin of 40% (2020: 30%) — Record underlying EBITDA; an increase of 69% to \$168.6 million (FY20: \$99.6 million). Refer to section 2.1 for more detail — Operating cash flow improved by 24% to \$136.6 million (FY20: \$110.5 million) — Refinanced debt facilities to support growth — A new \$115.0 million secured Syndicated Facilities Agreement executed to support the acquisition and integration of the Dargues Mine — Equity raising of \$124.8 million completed through fully underwritten Institutional Placement and Entitlement Offer and a Retail Entitlement Offer — FY20 Final Dividend of \$0.01 per share totaling \$8.7 million paid in October 2020

2. Operating and Financial Performance (continued)

2.1 Profit and financial performance

The Group has achieved a statutory net profit after tax of \$42.9 million for the year ended 30 June 2021. Included in the statutory net profit are some significant once-off transactions which are not in the ordinary course of ongoing business activities. These transactions total \$20.0 million and relate to costs and stamp duty paid for the acquisition of the Dargues Gold Mine.

The net profit result comparison to the prior year is summarised below:

Net Profit	2021 \$'000	2020 \$'000	Change %
Sales revenue	416,477	331,819	26%
Cost of sales	(308,753)	(259,845)	(19%)
Gross profit	107,724	71,974	50%
Business Combinations - Dargues Mine acquisition transaction costs and stamp duty	(20,002)	-	(100%)
Other income and expenses, net	(10,580)	(25,192)	58%
Net profit before income tax and net finance expenses	77,142	46,782	65%
Net finance expenses	(5,528)	(1,575)	(251%)
Net profit before income tax expense	71,614	45,207	58%
Income tax expense	(28,697)	(15,765)	(82%)
Net profit after income tax expense	42,917	29,442	46%

The underlying net profit is presented to improve the comparability of the net profit results between periods.

Underlying net profit:	2021 \$'000	2020 \$'000	Change %
Net profit before income tax expense	71,614	45,207	58%
Add back:			
Business Combinations - Dargues Mine acquisition costs and stamp duty	20,002	-	100%
Fair value adjustment/remeasurement of financial assets and liabilities	(5,472)	(3,887)	(41%)
Underlying net profit before income tax expense¹	86,144	41,320	108%
Current tax on profits for the year	(28,697)	(15,765)	(82%)
Underlying net profit after tax expense¹	57,447	25,555	125%

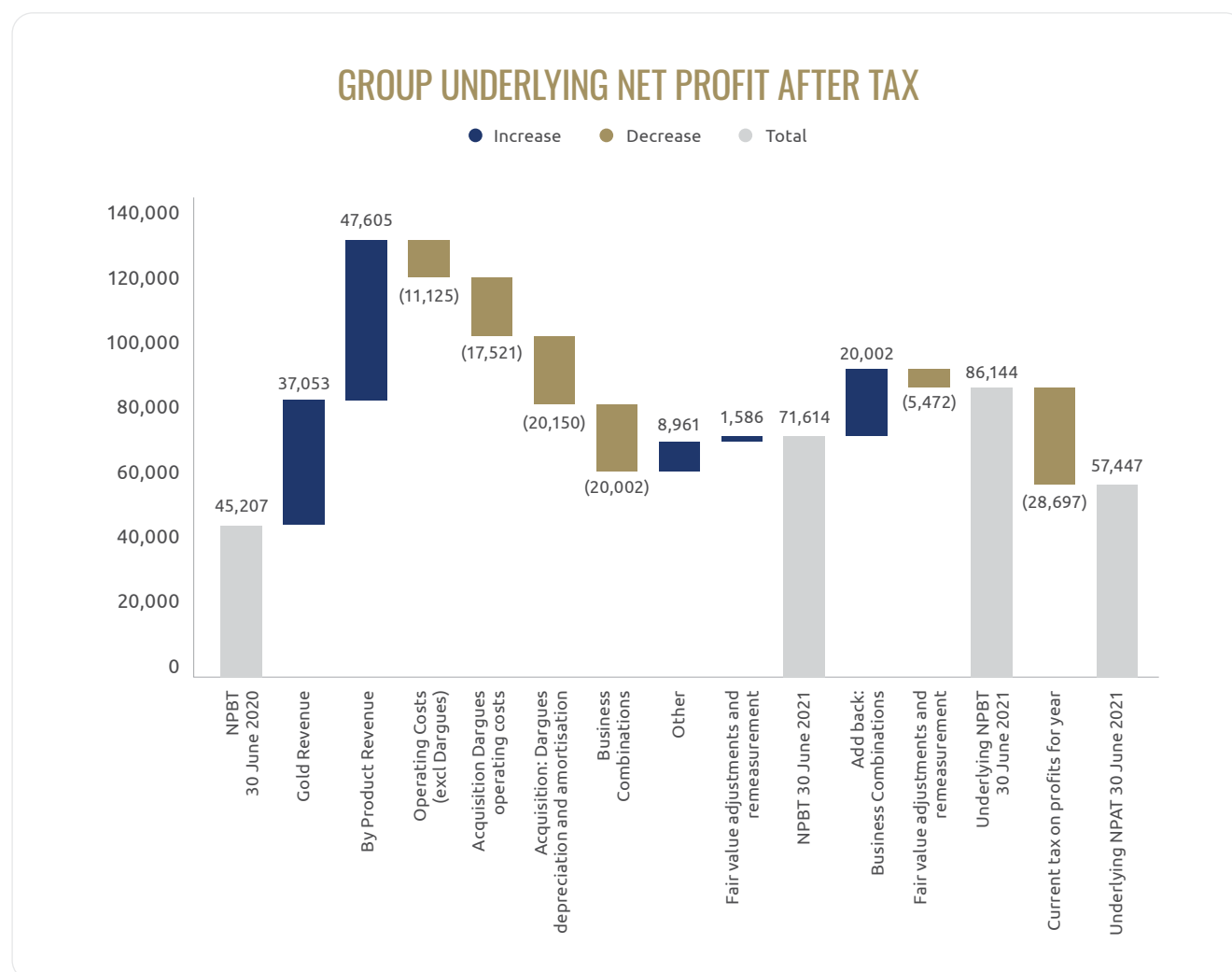
1 Underlying net profit reflects the statutory net profit adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity.

The items adjusted for are determined to be not in the ordinary course of business and relate to transaction and advisory fees and stamp duty expense incurred for the acquisition of the Dargues Mine (which occurred on 17 December 2020) and the fair value adjustment/remeasurements for financial assets and liabilities at 30 June 2021. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner. These numbers are not required to be audited.

2. OPERATING AND FINANCIAL PERFORMANCE (continued)

2.1 Profit and financial performance (continued)

The year-on-year net profitability movements are graphically illustrated below:



Sales revenue from gold sold during the year was \$37.1 million higher than FY21. This was driven by an increase in gold sold (10% higher with 103koz sold during FY21). The average gold price realised during the year was \$2,476/oz (6% higher on average in comparison to FY20). By-product sales revenue was \$47.6 million higher driven by a combination of both higher prices and increased volumes. The increased volumes are a result of higher base-metal ore grades and tonnes processed at both the Peak and Hera mines.

The operating costs for the year, excluding the Dargues Mine, were \$11.1 million higher due to increased activities, in comparison to the prior year. The changes were as a result of:

- an increase in site costs at the Peak Mine of \$9.1 million reflecting the increase in volumes mined and processed during the year;
- site costs at the Hera Mine during FY21 remained largely in line with the year prior despite the increase in volumes; and
- increased transportation costs at Hera related to higher volumes of bulk concentrate.

2. Operating and Financial Performance (continued)

2.1 Profit and financial performance (continued)

The addition of the Dargues Mine from 17 December 2020, contributed total site costs of \$17.5 million. The depreciation and amortisation expense attributable to Dargues is \$20.1 million.

The other significant movements for the year include:

- the once-off transaction costs totalling \$20.0 million related to the acquisition of the Dargues Mine have been added back to the underlying net profit to improve the comparability of performance between the financial years presented;
- fair value adjustment and remeasurement relates to the revaluation of financial assets and liabilities at balance date which have been added back to the underlying net profit to improve the comparability of performance between the financial years presented. The adjustments include a favourable adjustment of \$8.4 million for the Triple Flag (third party royalty) liability related to the Dargues Mine, offset by \$2.8 million which includes the revaluation ordinary shares held in Sky Metals Limited (ASX: SKY); and
- tax expense of \$28.7 million increased by 82% in comparison with the prior year. This was due to higher profits (58%) and recognises that the acquisition and stamp duty costs associated with the Dargues acquisition are not deductible for tax purposes.

The effective tax rate during the period was 42% is elevated in comparison to the notional tax rate. This is largely due to the acquisition and stamp duty costs of \$20.0 million (associated with the Dargues acquisition) being not deductible for tax purposes.

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

Group EBITDA is a metric used to evaluate operating performance. During FY21, the Group achieved a record EBITDA. The EBITDA and underlying EBITDA results in comparison to the prior year are summarised below:

Underlying Group EBITDA	2021 \$'000	2020 \$'000	Change %
Profit before income tax and net finance expenses	77,142	46,782	65%
Depreciation and amortisation	76,927	56,665	(36%)
EBITDA¹	154,069	103,447	49%
Business combinations - Dargues Mine acquisition costs and stamp duty	20,002	-	(100%)
Fair value adjustment/remeasurement of financial assets and liabilities	(5,472)	(3,887)	(41%)
Underlying EBITDA²	168,599	99,560	69%

1 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is a non-IFRS measure.

2 Underlying EBITDA (non-IFRS measure) reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity.

The items adjusted for are determined to be not in the ordinary course of business and relate to transaction and advisory fees and stamp duty expense incurred for the acquisition for the Dargues Mine (on 17 December 2020) and fair value adjustments/remeasurements of financial assets and liabilities at 30 June 2021. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner. These numbers are not required to be audited.

A strong EBITDA margin was delivered, with an underlying EBITDA margin of 40% being recorded. This was a significant improvement in comparison to the prior year underlying EBITDA margin of 30%.

2. Operating and Financial Performance (continued)

2.2 Cash flow performance

FY21 was a growth and capital-intensive period for the Company. Throughout, the Company has been supported by reliable operating cashflows and has maintained a strong balance sheet which places the Company on a strong footing to continue to pursue its strategic objectives.

The Company's cash flow for the year ended is summarised below:

Group cash flows	2021 \$'000	2020 \$'000	Change %
Cash flows from operating activities	136,643	110,531	24%
Cash flows from investing activities	(285,387)	(111,479)	(156%)
Cash flows from financing activities	144,867	(23,689)	712%
Net movement in cash	(3,877)	(24,637)	(84%)
Net foreign exchange difference	(694)	(562)	23%
Cash at the beginning of the year	79,103	104,302	(24%)
Cash at the end of the year	74,532	79,103	(6%)

The net cash inflows from operating activities amounted to \$136.6 million (2020: \$110.5 million) which enabled the Company to:

- invest into the business through organic growth projects, including Federation, Great Cobar, development of the Kairos deposit at the Peak Mine, and extensive exploration activities;
- contribute to the funding for the acquisition of the Dargues Mine and to support the ramp-up and integration of the operation; and
- make a return to Shareholders through a fully franked dividend that was paid in October 2020.

Net cash outflow from investing activities was \$285.4 million (2020: \$111.5 million). The key investing activities this year comprised:

- acquisition of the Dargues Mine in NSW for cash consideration paid of \$165.3 million;
- sustaining mine capital, excluding lease payments, of \$40.0 million (2020: \$34.1 million);
- growth capital of \$26.3 million (2020: \$36.4 million); and
- exploration and evaluation of \$20.6 million (2020: \$12.2 million);

Net cash outflow from financing activities of \$144.9 million (2020: \$23.7 million) includes the following key activities:

- a dividend payment of \$8.7 million paid in October 2020 (2020: \$17.5 million);
- capital raising activities totalling \$124.8 million (net of fees) to support the acquisition and integration of the Dargues Mine; and
- term loan drawdown of \$45.0 million to support the acquisition and integration of the Dargues Mine.

2. Operating and Financial Performance (continued)

2.3 Group operational summary

The key operating results for the Group are summarised below:

		2021 \$'000	2020 \$'000	Change %
Production volume				
Gold	oz	103,634	91,672	13%
Silver - contained metal	oz	692,133	571,525	21%
Copper - contained metal	t	4,720	6,262	(25%)
Lead - contained metal	t	25,894	21,561	20%
Zinc - contained metal	t	25,059	20,087	25%
Sales volume				
Gold doré and gold in concentrate	oz	102,589	93,174	10%
Silver doré and silver in concentrate	oz	461,426	369,797	25%
Payable copper in concentrate	t	4,356	5,306	(18%)
Payable lead in concentrate	t	22,432	18,390	22%
Payable zinc in concentrate	t	18,341	12,783	43%
Average prices achieved¹				
Gold	A\$/oz	2,476	2,325	6%
Silver	A\$/oz	34	25	38%
Copper	A\$/t	10,927	8,560	28%
Lead	A\$/t	2,676	2,775	(4%)
Zinc	A\$/t	3,613	3,028	19%
All in sustaining cost²				
	\$/oz	1,337	1,526	(12%)

1 After realised hedge gains/ losses

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

The Group's operational performance outcomes for FY21 were underpinned by:

- increased gold production across the Group, with the Peak Mine contributing 57koz, the Hera Mine contributing 31koz and the Dargues Mine contributing 15koz since acquisition by Aurelia;
- significant improvements to ore processing throughput at Peak and Hera, with a 10% and 9% increase respectively;
- meaningful benefit from the polymetallic ore types at both Peak and Hera providing significant by-product credits;
- solid gold recovery rates maintained across the group (Peak 92.7%, Hera 86.3% and Dargues 93.5%);
- stable and consistent operating costs across each of the sites; and
- Group AISC meeting the FY21 guidance target.

2. Operating and Financial Performance (continued)

2.4 Dargues Mine operational summary

On 17 December 2020, Aurelia acquired 100% of the Dargues Mine and regional exploration tenements by way of the acquisition of all shares in Dargues Mine Pty Ltd from Diversified Minerals Pty Ltd. The Dargues Mine is located in NSW, approximately 60km south-east of Canberra.

The mine's development and construction were completed prior to Aurelia's acquisition. The operation produced its first gold concentrate in June 2020, whilst the process plant reached its nameplate annualised capacity of approximately 355ktpa in September 2020.

The purchase consideration for the acquisition included the following elements:

- \$165.3 million in cash paid (before net working capital adjustments);
- \$24.0 million in Aurelia ordinary shares at A\$0.43/share. The Scrip Payment is subject to escrow until at least the release of Aurelia's FY21 Appendix 4E and Financial Reports; and
- a contingent element of up to a maximum of A\$5 million, payable in the form of Aurelia's ordinary shares or cash that is conditional on the addition of incremental JORC compliant Mineral Resources discovered at Dargues up to 30 June 2022.

The key performance metrics for the Dargues Mine, since acquisition, are tabulated below.

Dargues Mine		Period from 17 December 2020 to 30 June 2021
Ore Processed	kt	170,804
Gold grade	g/t	2.93
Gold Recovery	%	93.5
Gold production	oz	15,186
AISC (All In Sustaining Cost)¹	\$/oz	2,483

¹ AISC is a non-IFRS measure.

Throughout the second-half of FY21, underground mining activities continued to ramp-up to design levels. Mine development was prioritised towards decline advance and access to new production areas. By the end of FY21, the operation had demonstrated the monthly development, ore production, backfill placement and mill throughput volumes required to sustain steady state production. Gold head grade in FY21 was lower than expected as a consequence of stoping sequence delays caused by poor local ground conditions and mill feed being supplemented from lower grade sources. Mined ore grades are forecast to increase significantly above FY21 levels as production is delivered from deferred stopes and the mine develops to access higher in-situ grade at depth.

Aurelia's stated strategic objective is to deliver long term value and returns growth. The acquisition of Dargues Mine:

- provided a logical, attractive asset that complements the Hera and Peak mines in NSW, allowing for the diversification of Aurelia's asset base and an enhancement of production scale;
- firmly establishes Aurelia as a mid-cap gold dominant producer, which also benefits from significant by-product credits, bringing group gold production in line with Aurelia's mid-cap ASX gold peers;
- increased Group contained gold in ore reserves by 66% at the time of the acquisition (refer to page 14 of ASX announcement dated 13 November 2020: Strategic Acquisition and Capital Raising);
- improves forecast Group AISC and All In Costs (AIC) over the Life Of Mine (LOM) ranges for Dargues; and
- enhances Aurelia's asset portfolio, whilst also providing avenues for additional financial returns from mine life extension and operating discipline.

2. Operating and Financial Performance (continued)

2.4 Dargues Mine operational summary (continued)

Following signing of the Share Sale Agreement (SSA) for the acquisition, Aurelia moved quickly to undertake an extensional and infill resource drilling program. The program targeted Mineral Resource growth along strike and at depth, as well as providing additional confidence to the existing Mineral Resource estimates.

The results from the program informed the Mineral Resource and Ore Reserve estimates in July 2021, that demonstrated resource growth well in excess of depletion from the commencement of mining. Further assay results remained pending at the time of the release and, as such, the results were not included as part of Aurelia's annual Group Mineral Resource and Ore Reserve Statement.

Aurelia will continue to optimise mine production, implement mine design and process circuit improvements and extend mine life and annual production rate (subject to permitting approvals).

2.5 Peak Mine operational summary

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

Peak Mine		2021 \$'000	2020 \$'000	Change %	
Ore processed	kt	624,565	568,537	10%	
Gold grade	g/t	3.07	2.72	12%	
Copper grade	%	0.95	1.19	(20%)	
Lead grade	%	3.17	2.51	26%	
Zinc grade	%	2.82	1.72	64%	
Gold recovery	%	92.7	93.7	(1%)	
Production Volume					
Gold production	oz	57,080	46,641	22%	
Copper production	t	4,720	6,262	(25%)	
Lead production	t	15,829	12,088	31%	
Zinc production	t	10,791	6,744	60%	
AISC (All in sustaining cost) ¹		\$/oz	867	1,737	(50%)

¹ AISC is a non-IFRS measure.

The upgraded Peak process plant was commissioned in February 2020, allowing the operation to realise greater payability from the various polymetallic ores. The optimisation of the plant, campaign processing of ore types and improved underground material handling rates has allowed the site to increase mill throughput by 10% to 624,565 kt (FY20: 568,537 kt).

The total gold sold during the year was 54,822 oz at an AISC of \$867/oz (FY20: 46,369 oz at an AISC of \$1,737/oz). Higher lead and zinc head grades, coupled with improved throughput resulted in improved lead and zinc production. In turn, this has yielded strong base metal by-product credits that have contributed to the AISC cost result.

During FY21, Aurelia focussed on establishing development access to the lower portion of the Kairos deposit via a decline from the existing Perseverance workings at Peak. Recent activity has involved the establishment of ore drives, the primary ventilation system and secondary egress from the deposit. In June 2021, the first stope ore from Kairos was mined following the completion of the emergency escape way.

Total sustaining capital expenditure for the year was \$17.9 million (FY20: \$30.2 million), largely related to mine development and support capital. Sustaining capital expenditure was lower in comparison to the prior year due to the prioritisation of the development decline to the new Kairos deposit, which was classified as growth capital. Total growth capital expenditure amounted to \$25.2 million.

2. Operating and Financial Performance (continued)

2.5 Peak Mine operational summary (continued)

The Company is committed to continued exploration and resource definition drilling at Peak. Significant additional underground drilling was completed in and around the Kairos deposit during the period, extending the deposit down plunge and along strike. Copper mineralisation was also intercepted immediately to the east of the Kairos deposit, with work ongoing to establish the potential of this area (refer to ASX releases dated 29 March 2021 and 1 July 2021). A substantial infill and extensional drilling program was also completed at Great Cobar during the period, resulting in improved confidence in the existing resources and extensions to mineralisation both up- and down-plunge (refer to ASX release dated 29 June 2021).

2.6 Hera Mine operational summary

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

Hera Mine		2021 \$'000	2020 \$'000	Change %	
Ore processed	kt	445,828	410,495	9%	
Gold grade	g/t	2.48	3.84	(35%)	
Lead grade	%	2.44	2.55	(4%)	
Zinc grade	%	3.46	3.53	(2%)	
Gold recovery	%	86.3	88.3	(2%)	
Production Volume					
Gold production	oz	31,369	45,031	(31%)	
Lead production	t	10,064	9,472	6%	
Zinc production	t	14,268	13,343	7%	
AISC (All in sustaining cost) ¹		\$/oz	1,206	1,150	5%

¹ AISC is a non-IFRS measure.

The operational outcomes realised from the Hera Mine during FY21 were founded upon sustainable incremental plant improvements. This initiative resulted in higher mill operating time and throughput rates (9% increase in ore processed in comparison to FY20) and consistent gold recoveries despite declining feed grade.

As anticipated, the lower gold feed grade was somewhat offset by increased lead and zinc production that provided substantial by-product credits which is expected to continue for the remaining mine life. Sustainment of mine production rates, plant optimisation and throughput rates are being prioritised as ore with lower gold and higher base metal grades are processed in the future.

Underground infill and extensional drilling continued at the Hera Mine during the period, with up-dip areas in the North Pod and Hays North being a particular focus. The identification of gold and base metal mineralisation above the existing stoping areas in the Hays North lens is highly encouraging. The potential for this area to add material to Hera's Life of Mine plan is currently being investigated.

In the near-term, the focus for the Company is to accelerate exploration and evaluation works in relation to the Federation deposit. The Federation Project has the potential to leverage from the established mine infrastructure at the Hera Mine. Given the exceptionally high-grade tenor, Aurelia considers Federation to be one of the most significant discoveries in the region in the last 30 years (refer to section 3.1 for further detail on Federation).

3. Growth and Exploration

Aurelia's exploration and evaluation activities continue to unlock exceptional value. Targeted exploration and resource definition drilling throughout FY21 has delivered exceptional results within Aurelia's highly prospective tenement holding.

The Company is committed to pursuing its growth strategy and will continue to focus on its priority projects throughout FY22.

The Company's preeminent projects and targets are summarised below:

3.1 Federation Project

The Federation deposit, which was discovered in April 2019, is located fifteen kilometres south of the historic copper mining town of Nymagee and 10 kilometres south of Aurelia's operating Hera Mine in central western NSW.

The Federation Project is a base and precious metal deposit that hosts high-grade lead, zinc and gold mineralisation. Federation is an attractive near-term development prospect. Drilling in FY22 is planned to confirm the Project's preferred development pathway and advancing preparatory works.

Project evaluation

Aurelia completed a Scoping Study in March 2021. The study examined possible project development scenarios and identified a preferred configuration to be investigated in more detail at the next study phase. The study leveraged established infrastructure and operating knowledge at the nearby Hera Mine which provided greater confidence in productivity, cost and commercial parameters relative to a full greenfield project development.

Aurelia's Board of Directors approved the commencement of a Feasibility Study (FS) based on the favourable Scoping Study findings and preferred mining method, flowsheet and the ability of the Project to benefit from existing Hera infrastructure to minimise the social and environmental impacts of the Project. The expected timing for the completion of the FS is mid-2022.

In the meantime, Aurelia is establishing additional accommodation capacity at the Hera village. The Company has also lodged an application for the development of an exploration decline to allow infill and extensional drilling from underground platforms and extraction of a 20 kt bulk sample for metallurgical evaluation. The Company also initiated an Environmental Impact Study (EIS) and supporting works program to advance the Project through the NSW regulatory approvals process.

Exploration and Mineral Resource

The Company released an updated Mineral Resource Estimate (MRE) for Federation in February 2021. Since then, the Company has continued an intensive campaign of diamond drilling, with the focus moving to the central and southwestern portions of the deposit, where several significant intercepts were reported (refer to ASX announcement dated 30 June 2021: Federation Returns Best Base Metal Intercepts to date). Results from this program underpinned a further MRE update in July 2021 that reported a 45% tonnage increase relative to the MRE published in February 2021.

The Federation deposit remains open in multiple directions. The Company is undertaking an accelerated drilling program to upgrade MRE confidence from Inferred to Indicated status, with four drill rigs operating at the site in early FY22. This program is expected to underpin the maiden Ore Reserve Estimate in Federation following completion of the FS in mid-2022.

3.2 Great Cobar

Aurelia commenced a surface drilling campaign at the Great Cobar deposit in late September 2020, with the aim of building confidence in the existing Indicated and Inferred MRE and to test high potential extensional targets.

The infill portion of the drill program furnished high grade base metal results (refer to ASX announcement dated 29 March 2021: Great Cobar and Kairos Drilling Update), whilst the drilling activities on areas up and down plunge of the MRE intercepted very significant copper-gold and zinc-lead-silver mineralisation. It also demonstrated that mineralisation extends more than 100 metres below the current MRE, highlighting the potential for further copper mineralisation at depth (refer to ASX announcement dated 28 June 2021: Copper Potential Unlocked at Great Cobar).

Project Evaluation

Aurelia initiated a Prefeasibility Study (PFS) to examine potential future mining scenarios for Great Cobar. The PFS is evaluating the potential for Great Cobar production to be treated at the Peak process plant. The PFS is due for completion in the December quarter of FY22 and assuming a positive outcome, will allow the release of a maiden Ore Reserve for the deposit.

The Company plans to access the Great Cobar deposit via development of an approved exploration decline from the existing New Cobar workings, which are located approximately 1.5 km to the southeast. Aurelia has lodged an EIS to the Department of Planning, Industry and Environment for development consent to mine the deposit and is preparing a response to public and government submissions received during the EIS process.

3. Growth and Exploration (continued)

Exploration and Mineral Resource

Aurelia's recent infill drill program supported an increase to the MRE tonnage for Great Cobar by 43% to 5.8Mt (refer to ASX announcement dated 23 July 2021: Group Mineral Resource and Ore Reserve Statement). The updated MRE is being used for mine design activities being undertaken for the PFS.

3.3 Kairos

The 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.

The Company has established an exploration drilling platform to support an intensive ongoing drilling campaign, with a particular focus on extensions to the deposit at depth and along strike to the north. This has yielded further high-grade intercepts (refer to ASX announcement dated 1 July 2021: Kairos Delivers further high grades).

Future drilling will target both resource upgrade drilling in the middle and upper sections of the lode and resource extensions at depth.

3.4 Dargues

Consistent with Aurelia's stated objective following the announcement of the acquisition of the Dargues Mine, the Company embarked upon a resource upgrade and extensional drilling campaign. Recent results have confirmed multiple zones of gold mineralisation beyond the existing resource footprint (refer to ASX announcement dated 1 July 2021: Gold Mineralisation extended at Dargues).

The Dargues mineralisation remains open in several directions. The areas along strike to the west of the Main Lode and to the east of the Plums Lode also remain very sparsely drill tested and are set to be targeted in FY22.

3.5 Other near-mine and regional exploration

The Company's exploration tenements remain highly prospective. Other near-mine and regional exploration targets will continue to be explored and evaluated based on the ranking of relative prospectivity.

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

4. Safety, Risk and Sustainability

During the year, the Company built upon the momentum established in FY20 following the introduction of Aurelia's Safe Metals strategy. The strategy focuses on improving health and safety outcomes and includes several targeted initiatives that have brought about a significant improvement in the safety outcomes across the business.

The activities during FY21 were directed towards providing certainty of no fatalities and no major environment or community incidents (incidents having a detrimental impact on the environment that would impact Aurelia's reputation and licence to operate).

Aurelia has placed a strong emphasis on leadership standards, measures and systems, along with rigorous reviews of incidents with the aim of preventing repeat occurrences.

The major focus areas during FY21 included:

Fatal Hazard Standards

Several Group standards were developed, supported by Critical Control Verification programs, to define requirements for appropriately engineered work environments, fit for purpose equipment, and a trained workforce.

Environment Catastrophic Hazards

A Group standard was developed to address catastrophic environmental hazards, supported by a Critical Control Verification program.

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. Training was completed for all personnel.

Green Rules

The Rules to Live By were extended to Green Rules which outline a set of non-negotiable rules that prevent environmental harm.

Lead Indicator Program

A program focussing 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.

4. Safety, Risk and Sustainability (continued)

Closeout of Actions

A groupwide approach for the tracking and reporting of actions in the Company's event management system was developed.

High Potential Risk Incidents (HPRI's)

The Group continued to focus on High Potential Risk Incidents (HPRI's) and trends overseen by the Senior Taskforce for Significant Incidents where all HPRI's are fully investigated, and actions implemented with lessons learnt shared across the Group to prevent repeat incidents.

5. Corporate

The increase in corporate costs during the year are indicative of activities undertaken in relation to mergers and acquisitions processes and group growth focussed activities. The corporate costs for the year were \$13.8 million (2020: \$9.2 million).

In addition to this, there was expenditure directly attributable to the acquisition of the Dargues Mine totalling \$20.0 million, which includes stamp duty of \$13.3 million.

5.1 Dividends

On 25 August 2020, the Board of Directors resolved to pay a fully franked dividend of \$0.01 per share related to the year ended 30 June 2020. The total dividend of \$8.7 million was paid in October 2020.

The Board of Directors did not declare a dividend for the year ended 30 June 2021.

5.2 Balance Sheet

The total assets increased during the year to \$656.5 million (30 June 2020: \$343.8 million), representing an 91% increase. This increase is primarily due to the Company's acquisition of Dargues (\$190.5 million) and continued investment in mine development and the pursuit of organic growth through exploration and evaluation activities, focussing on the two preeminent projects of Federation and Great Cobar.

The other main events and movements during the year include:

Assets

- investment in mine development, including Kairos at Peak, totalling \$67.8 million (refer to note 11 of the Financial Statements)
- investment in Property, plant and equipment of \$14.4 million (refer to note 10 of the Financial Statements)
- investment in Exploration and Evaluation totalling \$20.7 million, which includes Federation, Great Cobar, Dargues (since acquisition) and other regional targets (refer to note 12 of the Financial Statements)
- restricted cash of \$8.6 million relates to cash backing as required under the \$50 million Guarantee Facility, which forms part of the Syndicated Facilities Agreement

Liabilities

- interest bearing loans totalling \$34.4 million (net of fees paid) relates to \$45 million loan facility as part of the Syndicated Facilities Agreement drawn down in support of the acquisition of Dargues Mine in December 2020
- other financial liabilities totalling \$43.4 million, includes \$39.2 million recognised for future third party royalties payable on gold sales from the Dargues Mine
- increase in total provisions of \$20.8 million mostly attributable to an increase in rehabilitation provisions for Peak and Hera totalling \$10.3 million and the recognition of the rehabilitation provision for Dargues of \$13.4 million

Equity

- capital raising of \$124.8 million, net of fees, completed in December 2020 to support the acquisition and integration of Dargues Mine

5. Corporate (continued)

5.3 Hedging

The Company acknowledges that a prudent hedging strategy is an important element of financial risk management and overarching enterprise risk management. On 30 June 2021, the Company had the following hedges in place:

a) Mandatory gold hedging

Under the secured Syndicated Facilities Agreement effected on 16 December 2020, Aurelia implemented an initial 12-month gold hedging program which entailed 55koz of gold being hedged at an average price of A\$2,442/oz. Since then, the rolling 12-month program has been maintained.

At 30 June 2021, the Company had hedged 41.6koz of gold at an average price of A\$2,437/oz with monthly maturities (deliveries) through to 30 June 2022.

b) Quotation Period hedging

Aurelia delivers concentrate to customers on the industry standard basis where a provisional payment is received for the provisional metal sold based on the prevailing market price at the time of the shipment.

The final sale value for the actual metal sold is determined at the end of the Quotation Period (QP) per the sale contract. The typical QP under Aurelia's arrangements with customers is generally 1 to 3 months.

The Company has initiated a program by which it hedges between 0% to 90% of the metal price exposure based on the provisional invoice for contained metal sold. This program is undertaken to minimise any impact from price volatility causing potential for a liability (repayment of sale proceeds to the customer) which may result from a lower metal price being realised at the end of the QP.

At 30 June 2021, the company had 483 tonnes of zinc hedged at a price of US\$2,854 per tonne and 601 tonnes of lead hedged at a price of US\$2,175 per tonne.

6. Material Business Risks

Aurelia Metals 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 period end are outlined below.

6.1 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 A\$, whilst concentrate sales are denominated in US\$. The Company has a foreign exchange price risk when the US\$ price of a commodity is translated back to A\$.

During the financial year, gold sales were 102,589 ounces. The effect on the income statement to an A\$50/oz increase/decrease in gold price would have been an increase or decrease in gold revenue of \$4.1 million.

During the financial year, the Company sold base metal concentrates containing payable lead of 22,432 tonnes, payable zinc of 18,341 tonnes, and payable copper of 4,356 tonnes. An increase or decrease of US\$50/t in the price of lead, zinc and copper would increase or decrease revenue by \$2.3 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.

6. Material Business Risks (continued)

6.2 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 constitute or will be converted into reserves.

Market price fluctuations of metal prices, 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. Reserves may have to be re-estimated based on actual production and cost experience. 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.

6.3 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 metal prices. 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 mineral base of the Company 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.

6.4 Production and cost estimates

The Company routinely prepares internal estimates of future production, cash costs and capital costs of production. The Company has developed business plans which forecast metal recoveries, ore throughput 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 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, metallurgy, labour costs, consumable costs, commodity costs, general inflationary pressures and currency exchange rates.

6.5 Financial solvency

The Company has borrowings amounting to \$36.9 million at balance date and maintains a significant cash balance. Maintaining sufficient liquidity to operate the business is impacted by the operational and financial risk factors identified in this section under 'Material Business Risks'.

With three operating assets and the production of multiple commodities (gold, lead, zinc, copper and silver), the Company has a reduced risk exposure relative to prior years given the spread and separation of risks. Asset diversification can help with reducing financial risk, but it cannot guarantee events or circumstances that may cause financial solvency risk to increase. The Board and management monitors solvency at all times and aims to manage the business with an acceptable level of working capital to mitigate solvency risk.

6. Material Business Risks (continued)

6.6 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. The insurance is maintained in amounts that are believed to be reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

6.7 Management skills and depth

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.

6.8 COVID-19 Measures

The safety and wellbeing of our people and contractors, and the communities where they live and operate, remains Aurelia's core priority. The Company has therefore implemented, and will continue to implement, intervention measures targeted at minimising the risk of potential transmission of COVID-19. These include a range of measures with respect to underground mining, processing plants, accommodation and logistics operations, as well as at site and in corporate offices. The Company has developed COVID-19 Crisis Management Teams and a Pandemic Plan with Trigger Actions for appropriate responses to protect people, communities and assets depending on the nature and locality of COVID-19 cases.

The persistency of the COVID-19 pandemic, although challenging, has not had a material impact on the business, and with no incidents at any Aurelia operations.

The Company has some employees and contractors who reside interstate and who travel to its operating mine sites in NSW to work. Interstate border restrictions and COVID-19 lockdown restrictions are a risk managed by the Company.

As at the date of this report, the pandemic remained ongoing and evolving.

6.9 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 regulation of waste disposal, worker safety, mine development and protection of endangered and other special status species.

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 health, safety and community initiatives at its operations to ensure the health and safety of its employees, contractors and members of the community affected by its operations. However, 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.

Water scarcity

Water can be a scarce commodity in regional NSW. 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.

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

Hera utilises water from a range of water sources, including ground water bores and water from the historic Nymagee underground workings which is located nearby.

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

6. Material Business Risks (continued)

6.9 Environment and Sustainability (continued)

Dargues utilises water from storage facilities located on site which may need to be supplemented by other sources, if required, while additional water security projects are being progressed.

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, 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 where it operates, 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.

6.10 Climate Change

Aurelia acknowledges the potential for climate change to impact our business and is committed to understanding and proactively managing the impact of climate related risks to our business and our environment. The highest priority climate related risks include the following: reduced water availability, changes to legislation and regulation, reputation risk, as well as market changes and shareholder activism. Sustainable environmental considerations, such as energy sources and usage, are also being built into our planning and decision-making processes for our future developments.

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 following significant events occurred after 30 June 2021:

1. On 23 July 2021, the Company released its 2021 Mineral Resource and Ore Reserve Statement and the 2021 Group Production Target Statement.

Future developments

Other likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Company is subject to significant environmental regulation in respect to its exploration, mining and processing activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so it is aware of and complies with all environmental legislation. Other than the matters outlined earlier in the report, the Directors of the Company are not aware of any material breach of environmental legislation for the year under review.



LETTER FROM THE CHAIRMAN 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 FY21 Remuneration Report.

Over the past year, the Company has made significant progress towards its vision of sustainable long term shareholder returns which has been anchored by the delivery of our short-term objectives. In FY21 the focus has been on creating a resilient organisation with stable and reliable performance as a platform for sustainable growth. This has resulted in a number of significant achievements that I am proud to share with you.

Performance

In FY21, Aurelia introduced a robust organisational planning process to connect every employee in the business to the Company's direction and to drive a deep commitment to organisational success.

The Balanced Business Plan (BBP) brings together leaders across the business to address the key risks and opportunities as Aurelia embarks on its next growth phase. Against these factors, the BBP plots projects and initiatives under the five pillars of:

- Health Safety, Environment and Community;
- People and Organisation;
- Operations;
- Growth; and
- Financial Outcomes.

The BBP pillars are underpinned by continuous improvement projects to realise a step change in business performance. This process has given the Remuneration and Nomination Committee the opportunity to link BBP objectives to Aurelia's remuneration and incentive plans.

In FY21 Aurelia's Safe Metals strategy has seen a 58% reduction in workplace injuries and an 82% reduction in reportable environmental incidents. This outstanding result has been achieved through a number of initiatives including the introduction of:

- the Rules to Live By;
- the Green Environmental Rules;
- lead indicator programmes;
- development of fatal hazard standards and Critical Control Verification; and
- investigation and controls for High Potential Risk Incidents to prevent repeat incidents.

Applying the successful BBP process in FY22, we will build upon the significant improvements achieved in safety and environment in FY21 and accelerate initiatives which have commenced across the other key pillars.

This year we also used a research-based approach to take first steps towards other important initiatives in Sustainability, Inclusion and Diversity. The Company has commenced a process to complete a baseline assessment on our carbon footprint to inform our position on climate change and strategies to decarbonise the business. We also conducted 91 confidential one-on-one interviews across the sites and the corporate office to better understand current inclusion and diversity performance. The research results will inform our strategy and the development of measurable targets in FY22 with the Aurelia Board already committing to ensuring 25% of Board members are women (as a minimum).

Through our organic and inorganic growth strategies, the Company achieved a solid finish to FY21 with:

- a strong balance sheet including cash of \$74.5 million;
- successful completion of the Dargues Mine acquisition and integration into the business;
- substantial upgrades in Mineral Resources across the asset portfolio, including Federation, Great Cobar (Cu-Au) and Kairos;
- the Federation Scoping Study completed with the Feasibility Study (FS), enabling works and permitting underway; and
- achieved FY21 Group production guidance and the AISC result was better than guidance.

These outcomes provide the platform for our next phase of growth.

Remuneration and Governance

Following extensive engagement with our stakeholders (including proxy advisors) and to align with our revised governance, remuneration framework and strategy, the Board made a number of changes to remuneration policy and practice.

I'm pleased to report the Company now has a more clearly defined remuneration framework and has updated the Remuneration and Nominations Committee Charter.

We have incorporated suggestions to improve corporate governance (including environmental and social governance) in our activities and have attempted to articulate these areas more clearly in this Report.

The report now provides greater clarity and transparency and includes improved illustrations through graphs and tables. A refined Remuneration philosophy and objectives are articulated and the link between incentives and performance is explained.

There is also greater detail on performance measures, hurdles and assessment including how the Board assesses the more qualitative and discretionary components of rewards.

During the year we introduced a Malus Policy and other initiatives including providing shares to all employees (not just the Senior Leadership Team) through an Employee Share Scheme. This is intended to foster an 'owners' mindset' by aligning employees with the long-term Company strategy and allowing them to share in the Company's success.

The Report also details changes to Non-Executive Director fees to strengthen the Board and to assist in attracting quality Board members in accordance with the Board skills-matrix. To this end, we welcomed new Board members Robert Vassie and Helen Gillies in January 2021, and we are in the process of recruiting a new Chairman.

With three producing assets and two major organic growth projects being advanced, the Company is about to commence an exciting new chapter. In an increasingly competitive labour market, I'm confident our remuneration strategy will enable us to attract and retain the high performing team we need to take us forward while strongly aligning employee interest with sustained gains in shareholder wealth.

I thank you for your interest and support of our Company.



Paul Harris
Chairman – Remuneration and Nomination Committee





REMUNERATION REPORT (AUDITED)

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2021. 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 Aurelia 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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1. Organisational developments and outcomes

1.1. The external environment

The persistency of COVID-19, although challenging, did not have a material impact on the business throughout FY21 (or since the beginning of the pandemic). The Company has established COVID-19 Crisis Management and Incident Management Teams that meet regularly at an executive and operational level, and has a robust Pandemic Plan with trigger action responses to manage scenarios to protect employees, contractors, communities, and assets. This has served the Company well with each of the organisation's divisions continuing to meet performance objectives with minimal disruption.

Given the limited impact of the pandemic on the FY21 performance outcomes, there was no requirement to adjust remuneration as a result. However, Aurelia's Board and Management Team remain cognisant that the pandemic is constantly changing and remain vigilant in proactively identifying and managing any potential business impact.

The labour market for the industry continues to be characterised by labour shortages and businesses are under increasing pressure from an attraction and retention perspective due to strong competition for labour. Aurelia will continue to monitor and adjust its remuneration strategy in response to the current market conditions.

1.2. How have we responded

During the last twelve months, the Company has made significant progress on a range of initiatives aimed at strengthening the foundations for success. Key to this approach has been a fresh focus on leadership capabilities and building a culture founded upon shared vision and values, with an aligned workforce striving for high performance outcomes. This has been supported by a robust performance management system and the remuneration framework.

The Company will continue to refine this framework to ensure there is a clear and articulated link between executive remuneration and Aurelia's strategy and annual plans. This will encompass pillars that we have defined as key to our success, being:

- Health Safety, Environment and Community;
- People and Organisation;
- Operations;
- Growth; and
- Financial Outcomes.

The remuneration framework and the key performance measures related to variable 'at-risk' remuneration is built upon these key drivers.

1.3. Our remuneration philosophy

Aurelia's remuneration philosophy is to provide executives and employees with a combination of remuneration elements, which includes performance-based measures designed to drive a long-term sustainable strategy and short-term performance objectives. This is supported by an overarching framework which prescribes organisational structure and remuneration to enable Aurelia to:

- attract, engage and retain high-calibre employees in order to achieve the Company's current and future business needs; and
- cultivate a performance-based culture whereby competitive remuneration and reward are aligned to business and shareholder objectives.

1. Organisational developments and outcomes (continued)

1.4. Key remuneration developments in FY21

During FY21, the Company has continued to refine the strategies and governance processes which support the Company's remuneration objectives. Some of the activities completed include:

- implementation of a Malus Policy, based on the underlying principle that an executive of the Company should not receive 'at-risk' remuneration if the Board determines that such remuneration would be an inappropriate benefit (refer to Section 8 for further detail);
- increased Total Fixed Remuneration (TFR) for executive KMP following a review of remuneration at peer companies and aligned with increases awarded across the entire workforce;
- externally benchmarked the fee structure for Non-Executive Directors against peers to ensure the Company can attract and retain the highest quality candidates for Board positions;
- increased the Non-Executive Director fee structure effective 1 April 2021, which now provides for fees related to Board sub-committee responsibilities, as summarised in Section 9;
- following Shareholder approval on 19 November 2020, increased the aggregate fee pool available for Non-Executive Directors remuneration from \$750,000 to \$1,000,000 per annum;
- met the 0.5% increase in legislated Superannuation Guarantee (SG) effective from 1 July 2021 (this increase is separate from the annual performance and salary review); and
- introduced an Employee Share Scheme to all employees (previously limited to the Senior Leadership team) to create an 'owner's mindset' by aligning employees with the long-term company strategy and allowing them to share in the Company's success.

With consideration to the strong balance sheet and financial position of the Company, the Board of Directors decided it was neither necessary nor fitting for the Company to claim JobKeeper benefits from the Federal Government notwithstanding the Company's eligibility to make a claim during certain periods of the pandemic.

1.5. Changes to remuneration during the year

Aurelia continues to grow, and with a clear strategy to acquire and/or develop new projects 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.

During the year, the following actions noted in the FY20 Remuneration Report were finalised:

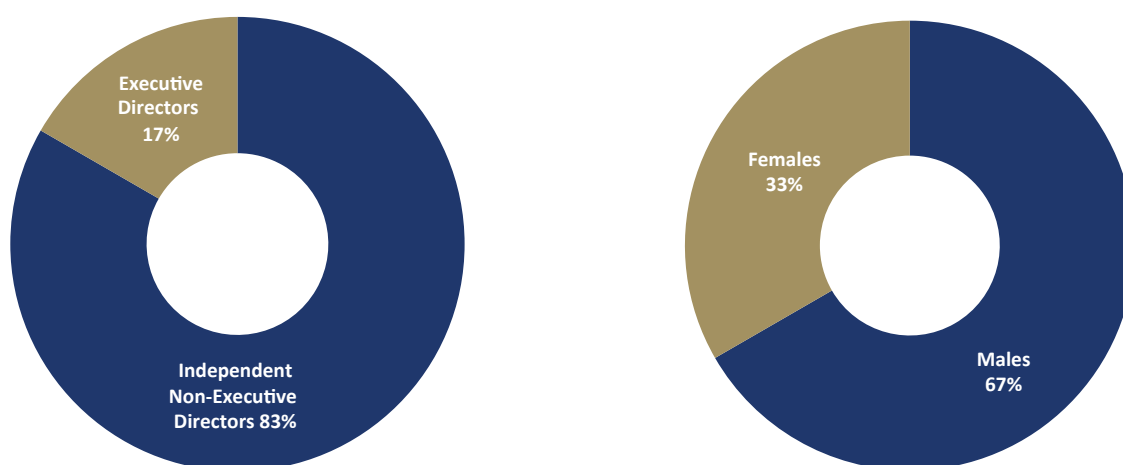
- governance controls and procedures were embedded to ensure termination benefits are restricted to the parameters set forth in the Corporations Act. In the event the Company wishes to award a termination benefit more than the cap defined in Part 2D.2 of the Corporations Act, the Company will seek approval from Shareholders. The Company's executive employment contracts articulate that the value of termination benefits is limited to the maximum amount permitted by the Corporations Act without Shareholder approval;
- upon any executive termination, and where the executive remains eligible, the actual Short-Term Incentive (STI) award will be calculated based on actual performance outcomes on a pro-rata basis for tenure served during the performance period (subject to Board discretion);
- upon any executive termination all Long-Term Incentive (LTI) awards generally lapse. However, in instances where an executive remains eligible, the LTI awards will be tested against the relevant performance conditions, unless otherwise provided for under the plan rules (such as a change of control event) (subject to Board discretion); and
- bolstered the leadership and technical capabilities across the group in line with the Company's strategy to have internal resources support the business from a governance, business effectiveness and growth perspective.

2. Key Management Personnel (KMP)

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

Non-Executive Directors	Position	Term
Susan Corlett	Interim Non-Executive Chairman	Period from 2 March 2021
	Independent Non-Executive Director	Full year
Lawrence Conway	Independent Non-Executive Director	Full year
Paul Harris	Independent Non-Executive Director	Full year
Helen Gillies	Independent Non-Executive Director	Appointed 21 January 2021
Robert Vassie	Independent Non-Executive Director	Appointed 21 January 2021
Executive Directors		
Daniel Clifford	Managing Director & CEO	Full year
Other KMP		
Peter Trout	Chief Operating Officer	Full year
Ian Poole	Chief Financial Officer	Appointed 6 July 2020
	Company Secretary	Appointed 1 July 2020

The composition of Board is illustrated below:



In addition to the above, the following directors served during the year:

Non-Executive Directors	Position	Term
Colin Johnstone	Independent Non-Executive Chairman	Retired 2 March 2021
Michael Menzies	Independent Non-Executive Director	Retired 1 October 2020

3. Remuneration Governance and the role of the Remuneration and Nomination Committee

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 the 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, that was updated in FY21, is published on Aurelia's website (<https://www.aureliametals.com.au>)

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 a Non-Executive Director, who is not the Chairman of the Board.
- Membership is detailed on page 63, under Section 2 of the Directors' Report.
- The Remuneration Committee is responsible for reviewing and making recommendations to the Board in relation to a number of remuneration matters, including the:
 - remuneration arrangements and contract terms for the Managing Director & CEO and other executive KMP;
 - terms and conditions of short-term and long-term incentives for the Managing Director & CEO and other executive KMP, including the targets, performance measures and vesting conditions; and
 - remuneration to be paid to non-executive Directors.

Board

- 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 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 FY21, the Remuneration Committee engaged independent consulting firms PwC and Juno Partners for the purposes of providing advice and analysis with respect to remuneration. The Remuneration Committee did not engage any remuneration consultant during FY20.
- No remuneration recommendations, as defined in section 9B of the Corporations Act 2001, were made by remuneration consultants during FY20 or FY21.

4. 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 in order to achieve the Company's current and future business needs; and
 - cultivate a performance-based culture whereby competitive remuneration and reward 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 relativities 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;
 - future outlook; and
 - the link between remuneration and the successful implementation of the Company's strategy, and achievements of objectives and targets.

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 performance outcomes including the Balanced Business Plan (Section 7.1);
 - 'at-risk' LTIs are linked to the achievement of long term strategic objectives (Section 7.2); and
 - the typical key performance measures applied have been detailed in Sections 7.1.1 and 7.2.1 of this report.
- Aurelia's objective is to build a performance-based culture whereby competitive remuneration and rewards are aligned with Aurelia'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.

5. Managing Director and CEO and other executive KMP remuneration

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

FIXED REMUNERATION (FR)

Remuneration objective is to attract, engage and retain high-calibre personnel.

Considerations include benchmarking data, internal relativities and executive performance.

The purpose of TFR is to provide a base level of remuneration which is market competitive and appropriate.

SHORT-TERM INCENTIVE (STI)

The STI is an 'at-risk' component of Total Remuneration (TR) with a 1-year horizon.

The performance measures consider the individual's performance based on the performance measures (as outlined in the individual's annual achievement and development plan) as well as group performance in the key pillars of: ESG (including HSEC), People and Organisation, Operations, Growth and Financial Outcomes.

The key focus of the performance measures is to build and deliver superior shareholder return.

The key performance measures are set at the beginning of each year with a 1-year performance period.

A number of critical tasks and measures linked to each of the Company's key pillars are identified (refer to section 7.1.1).

The relative weighting is determined based on the role being performed and level within the Company.

LONG-TERM INCENTIVE (LTI)

The LTI is an 'at-risk' component of TR with a 3-year horizon.

The performance measures are designed to support superior shareholder return.

The objective of the LTI is to:

- provide an incentive to the executive KMP which focusses on the long-term performance and growth of the Company
- align the reward of the executive KMP with returns to Shareholders; and
- promote the retention of the Company's executive KMP.

The performance measures are set at the beginning of each year, with a 3-year performance period.

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 7.2).

In addition to the above, eligible employees of the Company 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 & CEO was not invited to participate in this plan because his participation in the program would require shareholder approval under the Corporations Act.

5. Managing Director and CEO and other executive KMP remuneration (continued)

The amount and relative proportion of FR, 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) 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) FR (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, TR (FR+ variable STI+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; and
- 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.

The maximum achievement remuneration mix for all three elements of TR are detailed below:

FY21	TFR	% of TR		
Daniel Clifford, Managing Director & CEO	\$727,750	FR 38%	STI 24%	LTI 38%
Peter Trout, Chief Operating Officer	\$512,500	FR 49%	STI 19%	LTI 32%
Ian Poole, Chief Financial Officer	\$419,178	FR 49%	STI 19%	LTI 32%

FY20	TFR	% of TR		
Daniel Clifford, Managing Director & CEO	\$710,000	FR 40%	STI 20%	LTI 40%
Peter Trout, Chief Operating Officer	\$500,000	FR 51%	STI 16%	LTI 33%
Tim Churcher, Chief Financial Officer	\$446,760	FR 51%	STI 16%	LTI 33%

6. Service Agreement key terms

Executives are employed under executive employment agreements with the Company.

Name and Position	Date of Agreement	Term of Agreement	Notice period by Executive	Notice Period by Aurelia	Termination Payments
Existing Executive Directors and KMP					
Daniel Clifford, Managing Director & CEO	25 Nov-19	Open	6 months	6 months	Up to a max of 6 months Fixed Remuneration
Peter Trout, Chief Operating Officer	25 Nov-19	Open	6 months	6 months	Up to a max of 12 months base salary*
Ian Poole, Chief Financial Officer & Company Secretary	12-May-20	Open	3 months	3 months	Up to a max of 3 months Fixed Remuneration

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

7. How performance is linked to the variable 'at-risk' remuneration for the Managing Director and CEO and other executive KMP

The objective of variable remuneration is to support the delivery of superior shareholder returns through the alignment of KMP remuneration outcomes to the short-term and long-term 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).

An underlying objective of each of the plans is to provide meaningful and tangible incentives to drive actions, behaviours, and outcomes to deliver Company strategy, objectives and targets. The plans are founded upon a performance-based at-risk principle, which is aimed towards attracting and retaining employees that actively contribute to the success of the Company.

The Board measures and considers the achievement of targets together with overall business performance and Balanced Business Plan (BBP) outcomes, 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.

7.1 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 performance targets, businesses performance and individual performance.

An outline of the key elements of the FY21 Company's STI plan are as follows:

7.1 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 MD is targeted at 50% of the TFR with an award for outperformance against target of 125%, which would result in a potential maximum of award 67.5% of TFR which is the equivalent of 24% of TR.</p> <p>The STI opportunity for the other KMP is targeted at 30% of the TFR with an award for outperformance against target of 125% which would result in a potential maximum award of 37.5% of TFR which is the equivalent of 19% of TR.</p>																
Performance Period	Performance is measured per financial year (1 July to 30 June).																
Performance criteria	<p>The performance criteria and weighting of individual components are established at the commencement of the new financial year and are determined at the discretion of the Board.</p> <table> <tr> <th colspan="2">FY21</th></tr> <tr> <th>Criteria</th><th>Weighting</th></tr> <tr> <td>Individual Performance</td><td>20.0%</td></tr> <tr> <td>Sustainability, Safety and Environment</td><td>20.0%</td></tr> <tr> <td>Balance Business Plan</td><td>7.5%</td></tr> <tr> <td>Cost & Production Performance</td><td>27.5%</td></tr> <tr> <td>Growth</td><td>25.0%</td></tr> <tr> <td>Total</td><td>100.0%</td></tr> </table>	FY21		Criteria	Weighting	Individual Performance	20.0%	Sustainability, Safety and Environment	20.0%	Balance Business Plan	7.5%	Cost & Production Performance	27.5%	Growth	25.0%	Total	100.0%
FY21																	
Criteria	Weighting																
Individual Performance	20.0%																
Sustainability, Safety and Environment	20.0%																
Balance Business Plan	7.5%																
Cost & Production Performance	27.5%																
Growth	25.0%																
Total	100.0%																
Exercise of discretion	<p>The Board has discretion, considering recommendations from the Remuneration Committee, to adjust overall STI awards or an individual's final STI award.</p> <p>STI payments are paid in cash and are subject to a service condition.</p>																
Payment	<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 4 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 under the good leaver provisions.																
Malus Policy	The Board may, at its discretion, cancel or withhold payment of any award made under the STI for the period if it determines that had the STI payment been made the KMP would have received an "inappropriate benefit".																

7.1.1 FY21 STIP Outcomes

At the beginning of FY21, the Board determined that the following measures would be applicable to the FY21 STIP for the Managing Director & CEO. It should be noted that similar measures and percentages apply to the Managing Director & CEO's direct reports with slight variations based on the individual's role and the degree they can control and influence outcomes. The same principles are also cascaded down throughout the Company. This is applied to ensure that all employees are aligned to the Company's strategy, objectives and performance targets.

The STIP performance measurements may 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 75% of Target Pro-rata between Target and Threshold	100%	Award for outperformance against Target Pro-rata up to maximum of 125%

'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 given the Company and/or the individual has still performed well, and the Company has successfully progressed towards the next phase of business performance and growth.

7.1.1 FY21 STIP Outcomes (continued)

These elements were introduced in FY21, and the application within the FY21 STIP as applicable to the Managing Director & CEO is detailed below.

Measure	Target	Weighting / Award																												
1. Sustainability	These measures relate to:	27.5%																												
	— Safety and environment outcomes - 20%																													
	— Group Balanced Business Plan - 7.5%																													
	Safety and environment outcomes measurements:																													
	<table><tr><th>Performance Measure</th><th>TRIFR*</th><th>Critical Controls</th><th>Lead Indicators**</th></tr><tr><td>Threshold (75% on achievement)</td><td>15% reduction from 30 June 2020 to 30 June 2021 = 18.598</td><td>Critical Control Verification for 2 Fatal Hazards</td><td>70% Compliance to Lead Indicator Program</td></tr><tr><td>Target (100% on achievement)</td><td>30% reduction from 30 June 2020 to 30 June 2021 = 15.316</td><td>Critical Control Verification for 4 Fatal Hazards</td><td>85% Compliance to Lead Indicator Program</td></tr><tr><td>Stretch (125% on achievement)</td><td>45% reduction from 30 June 2020 to 30 June 2021 = 12.034</td><td>Critical Control Verification for 6 Fatal Hazards</td><td>100% Compliance to Lead Indicator Program</td></tr><tr><td>Weighting - % of Total STI</td><td>10.0%</td><td>5.0%</td><td>5.0%</td></tr><tr><td>Outcome</td><td>9.07</td><td>4</td><td>83%</td></tr><tr><td>Award</td><td>12.5%</td><td>5.0%</td><td>4.8%</td></tr></table>		Performance Measure	TRIFR*	Critical Controls	Lead Indicators**	Threshold (75% on achievement)	15% reduction from 30 June 2020 to 30 June 2021 = 18.598	Critical Control Verification for 2 Fatal Hazards	70% Compliance to Lead Indicator Program	Target (100% on achievement)	30% reduction from 30 June 2020 to 30 June 2021 = 15.316	Critical Control Verification for 4 Fatal Hazards	85% Compliance to Lead Indicator Program	Stretch (125% on achievement)	45% reduction from 30 June 2020 to 30 June 2021 = 12.034	Critical Control Verification for 6 Fatal Hazards	100% Compliance to Lead Indicator Program	Weighting - % of Total STI	10.0%	5.0%	5.0%	Outcome	9.07	4	83%	Award	12.5%	5.0%	4.8%
	Performance Measure	TRIFR*	Critical Controls	Lead Indicators**																										
	Threshold (75% on achievement)	15% reduction from 30 June 2020 to 30 June 2021 = 18.598	Critical Control Verification for 2 Fatal Hazards	70% Compliance to Lead Indicator Program																										
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	Weighting - % of Total STI	10.0%	5.0%	5.0%																										
Outcome	9.07	4	83%																											
Award	12.5%	5.0%	4.8%																											
* Total Recordable Injury Frequency Rate (TRIFR) measured on 1 million work hours																														
**Performance against Group lead indicators in accordance with the Lead Indicator Matrix. Lead indicators is about visible leadership through all leaders undertaking proactive verification of safety and environmental compliance to standards i.e. hazard identification and risk assessments have been completed and controls are in place.																														
Group Balanced Business Plan (BBP) measurement:																														
The BBP is a plan that aims to address the key issues and opportunities for Aurelia and its business units. The BBP is generated in way that builds a common employee understanding and commitment. It encompasses the five pillars: ESG (including HSEC), People and Organisation, Operations, Growth and Financial Outcomes.																														
Each year, the BBP focusses the leadership team on the business' objectives (goals), with projects that underpin continuous improvement and to support the goals being achieved, and to realise step change in business performance as we work towards realising our long-term strategy.																														
<table><tr><th>Performance Measure</th><th>Achievement to Group's BBP Outcomes</th></tr><tr><td>Threshold (75% on achievement)</td><td rowspan="3">Assessed against the BBP Scorecard</td></tr><tr><td>Target (100% on achievement)</td></tr><tr><td>Stretch (125% on achievement)</td></tr><tr><td>Weighting - % of Total STI</td><td>7.5%</td></tr><tr><td>Award</td><td>6.8%</td></tr></table>		Performance Measure	Achievement to Group's BBP Outcomes	Threshold (75% on achievement)	Assessed against the BBP Scorecard	Target (100% on achievement)	Stretch (125% on achievement)	Weighting - % of Total STI	7.5%	Award	6.8%																			
Performance Measure	Achievement to Group's BBP Outcomes																													
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Stretch (125% on achievement)																														
Weighting - % of Total STI	7.5%																													
Award	6.8%																													
* Performance against Group lead indicators in accordance with the Lead Indicator Matrix																														
FY21 outcomes in comparison to the BBP provide for an overall result marginally below target. The status of BPP projects and progress at year end were considered as part of award consideration.																														
Award: 29.1%																														

7.1.1 FY21 STIP Outcomes (continued)

Measure	Target	Weighting / Award
2. Production and Cost Performance	Production and cost measures to be at or better than target.	27.5%
	</	

7.1.1 FY21 STIP Outcomes (continued)

Measure	Target	Weighting / Award								
4. Individual Performance	The targets and measures for the Individual Performance category are outlined in each executive KMP Achievement and Development Plan.	20.0%								
	In addition to 'at target' there will be a Threshold and Stretch element to the awarding of any STI, this is reflected in the table below and shall be determined at the Board's discretion.									
	<table><tr><th>Threshold</th><th>Target</th><th>Stretch</th></tr><tr><td>75%</td><td>100%</td><td>125%</td></tr></table>		Threshold	Target	Stretch	75%	100%	125%		
	Threshold		Target	Stretch						
	75%		100%	125%						
	<table><tr><th>Performance Measure</th><th>Weighting - % of Total STI</th></tr><tr><td>Establish a values-based organisational culture with sustainability at its core</td><td>5%</td></tr><tr><td>Lead and oversee the development and execution of Aurelia's organic and inorganic growth strategy</td><td>5%</td></tr><tr><td>Lead and oversee transformation in capability, capacity, systems and processes required to deliver the corporate objectives set by the Board</td><td>5%</td></tr><tr><td>Establish the BBP and oversee group wide performance against its measurable objectives</td><td>5%</td></tr></table>		Performance Measure	Weighting - % of Total STI	Establish a values-based organisational culture with sustainability at its core	5%	Lead and oversee the development and execution of Aurelia's organic and inorganic growth strategy	5%	Lead and oversee transformation in capability, capacity, systems and processes required to deliver the corporate objectives set by the Board	5%
Performance Measure	Weighting - % of Total STI									
Establish a values-based organisational culture with sustainability at its core	5%									
Lead and oversee the development and execution of Aurelia's organic and inorganic growth strategy	5%									
Lead and oversee transformation in capability, capacity, systems and processes required to deliver the corporate objectives set by the Board	5%									
Establish the BBP and oversee group wide performance against its measurable objectives	5%									
Performance assessment completed with consideration to the above performance measures and the accomplishments during the period.										
		Award: 20%								

Upon the completion of the assessment related to the above quantitative and qualitative hurdles, the Board has determined and approved the award of a FY21 STIP to the Company's KMP, as outlined below:

FY21	Total STIP awarded \$	% of Maximum (stretch) STIP awarded	% of Maximum STIP forfeited
Executive Director			
Daniel Clifford	379,021	83%	17%
Other Executive KMP			
Peter Trout	162,514	85%	15%
Ian Poole	129,400	82%	18%

The above FY21 STIP awards are payable in FY22.

7.1.2 FY20 STIP Outcomes

The following measures were applicable to the FY20 STIP:

Measure	Target	Weighting / Award
Safety	Group Total Recordable Injury Frequency Rate (TRIFR) to be at least 15% better than the TRIFR at 30 June 2019 of 11.46.	7.5%
	Award: Group TRIFR at 30 June 2020 was 21.88 = Nil award.	0%
	Develop a program to reduce High Potential Incidents (HPIs)	7.5%
	Award considerations: Implementation of Aurelia Metals Safe Metals, Rollout of Rules to Live By, Introduced the Senior Management Taskforce for Significant Incidents, established a Lead Indicator Program and other safety initiatives to be prioritised in 2021.	7.5%
Unit Costs	All In Sustaining Costs (AISC) to be at or better than budget.	15%
	Award: AISC were above budget = Nil award.	0%
Metal or Gold Equivalent Production	Production to be at or better than budget.	15%
	Award: Actual FY20 gold equivalent production was less than budget = Nil award.	0%
Enhance Reserves	Growth in Ore Reserve life at Hera and Peak and achievement of a successful exploration program.	15%
	Award considerations: Growth in reserve life was achieved, with the Group Ore Reserve total growing by 3% to 4.53Mt after depletion of 0.97Mt. The total addition of Reserves in FY20 was 1.09Mt, and the net growth in reserves was 0.12Mt.	
	A successful exploration program is supported by:	
	<ul style="list-style-type: none"> — high-grade intercepts from multiple areas announced in seven ASX releases — new high-grade discoveries at Federation, Kairos and Peak North announced — delineation of material high-grade resources at Kairos — conversion of significant tonnages of high value resources in Kairos and Chronos to reserves — maiden resource estimate for Federation announced — a pipeline of new near-mine and regional targets established. 	15%
Peak Pb/Zn upgrade	The upgrade to the Peak process plant for the lead/zinc circuit completed on time and on budget.	10%
	Award considerations: The upgrade was completed on time and in line with guidance.	10%
Individual Performance	Discretionary component to be awarded by the Board.	30%
	Award considerations: Performance assessment completed with consideration to key business objectives and accomplishments during the period. This included:	
	<ul style="list-style-type: none"> — relocation of the corporate office to Brisbane QLD — securing the future of the Company through exploration success — the building of a new leadership team and improved internal capabilities to ensure appropriate resourcing to support operational improvement and growth — improved governance, standards and systems with focus on all key pillars of the organisation. 	30%

Upon the completion of the assessment related to the above quantitative and qualitative hurdles, the Board determined and approved the award of a FY20 STIP to the Company's KMP, as outlined below:

FY20	Total STIP awarded \$	% of Maximum (stretch) STIP awarded	% of Maximum STIP forfeited
Executive Director			
Daniel Clifford	147,917	62.5%	37.5%
Other Executive KMP			
Peter Trout	62,500	62.5%	37.5%
Tim Churcher	0	0.0%	100.0%

The above STIP values awarded for FY20 were paid in FY21.

7.2 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:

LTIP Opportunity	<p>The LTIP opportunity is determined by the executive’s role and level (reward grade) within the business. The LTIP opportunity is awarded by:</p> <ul style="list-style-type: none">— a number of Performance Rights based on a percentage of TFR;— number of Performance Rights granted is calculated on a multiple of the individual’s TFR divided by the 30-day VWAP in the Company’s share price at a date determined by the Remuneration Committee; and— the LTIP opportunity for each individual KMP is outlined on page 93.																								
Service Conditions for Performance Rights	<p>Performance Rights are subject to a service condition. This condition is met if the KMP’s employment is continuous during the performance period. The performance period is generally three years. The service condition is aimed at the retention of key personnel and to promote the long-term performance objectives of the Group, including shareholder returns.</p>																								
Performance Criteria	<p>The performance criteria are established prior to the commencement of the new financial year and are determined by at the discretion of the Board.</p> <table><tr><th colspan="2">FY21</th><th colspan="2">FY20</th></tr><tr><th>Criteria</th><th>Weighting</th><th>Criteria</th><th>Weighting</th></tr><tr><td>Absolute TSR</td><td>25%</td><td>Absolute TSR</td><td>25%</td></tr><tr><td>Relative TSR</td><td>25%</td><td>Relative TSR</td><td>25%</td></tr><tr><td>Production Targets</td><td>25%</td><td>Ore Reserves</td><td>25%</td></tr><tr><td>Growth</td><td>25%</td><td>Growth</td><td>25%</td></tr></table> <p>The test date for each criterion is typically three years from the commencement of the performance period. To the extent the performance criteria are satisfied (subject to the Service Conditions), the Performance Rights are taken to have vested and been exercised at nil exercise price and the number of ordinary shares equal to the number of vested Performance Rights is issued. Further detail on the above criteria is included in Section 7.2.1</p>	FY21		FY20		Criteria	Weighting	Criteria	Weighting	Absolute TSR	25%	Absolute TSR	25%	Relative TSR	25%	Relative TSR	25%	Production Targets	25%	Ore Reserves	25%	Growth	25%	Growth	25%
FY21		FY20																							
Criteria	Weighting	Criteria	Weighting																						
Absolute TSR	25%	Absolute TSR	25%																						
Relative TSR	25%	Relative TSR	25%																						
Production Targets	25%	Ore Reserves	25%																						
Growth	25%	Growth	25%																						
Disposal Restrictions	<p>No holding lock applies to Rights that vest under the FY21 LTI plan, as Rights vest only at the end of the Performance Period, provided the Performance Measures have been achieved.</p>																								
Dividends	<p>No dividends are received by executives on unvested Performance Rights.</p>																								
Malus Policy	<p>The Board may, at its discretion, cancel or require the KMP to forfeit any unvested LTI any award made under the LTIP it determines that had the LTI vesting been made the KMP would have received an “inappropriate benefit”.</p>																								

7.2.1 LTIP Performance Rights Issued FY21

During FY21, a total of 3,108,620 Performance Rights (Class FY21) were granted to the Managing Director & CEO and other executive KMP under the Company’s LTIP. The Performance Rights will be tested at the end of the three-year performance period, which ends on 30 June 2023. The performance hurdles related to Class FY21 are detailed below, including relevant threshold and target measures:

LTIP Scorecard	Threshold	Pro-Rata	Target
Vesting % guide	Nil	50%	100%
Absolute TSR*	<p>≤10%</p> <p>Total Shareholder Return (TSR) is the change in the share price over the Performance Period plus any dividends paid during the performance period.</p>	10% - 20%	≥20%
Relative TSR*	<p>≤50 percentile</p> <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 comprise ASX Listed organisations with operations in either gold or base metals as disclosed under section 7.2.2.</p>	0 - 100 percentile	100 percentile
Production Targets – average of each project mine life based on Production Target	<p>≤4 years</p> <p>Measurement against the requirement that all necessary access and approvals are in place to enable the immediate commencement of full-scale mining of the deposits included in the Production Target at 30 June 2023. The Company’s Production Target is generally published annually.</p>	4 years - 5 years	≥5 years
Growth	<p>Measurement will be subject to Board discretion. Growth will be considered with regards to exploration success, growth in high value inventory or a value adding acquisition.</p>		

* The measurement of the performance will be 30-day VWAP of shares up to and including 30 June 2023.

7.2.2 Relative TSR comparator group

For the purposes of the Relative TSR element of the LTIP, the Board has chosen the following comparator group, being business of similar size in the gold and base metals sector: Alkane Resources Limited (ASX: ALK), AngloGold Ashanti Limited (ASX: AGG), Bellevue Gold Limited (ASX: BGL), Capricorn Metals Limited (ASX: CMM), Chalice Gold Mines Limited (ASX: CHN), Gold Road Resources Limited (ASX: GOR), OceanaGold Corporation Limited (ASX: OGC), Pantoro Limited (ASX: PNR), Ramelius Resources Limited (ASX: RMS), Red 5 Limited (ASX: RED), Sandfire Resources Limited (ASX: SFR), Silver Lake Resources Limited (ASX: SLR), St Barbara Limited (ASX: SBM), Western Areas Limited (ASX: WSA) and Westgold Resources Limited (ASX: WGX).

7.2.3 LTIP Outcomes during FY21

There were no LTIP grants related to the KMP that vested or had a performance period ending 30 June 2021. A total of 307,969 Performance Rights related to Class 18B had a performance period ending 30 June 2021. None of these Performance Rights were granted to current KMP. The vesting outcome was determined after year end and will be recorded in the next reporting period.

7.2.4 Performance Rights for compensation for incentives foregone

Being applicable to the incumbent Managing Director & CEO only, in recognition of previous equity incentives foregone, a total of 1,565,201 Performance Rights vested on 25 November 2020, which was the 12-month anniversary of the start of employment with the Company. The Performance Rights vested on the condition that the Managing Director & CEO remained an employee of a Group entity as at the Testing Date. The shares issued upon the vesting of the Performance Rights are subject to a 12-month holding lock.

Further to the above, a total of 1,565,201 Performance Rights will vest on 25 November 2021, which is the 24-month anniversary of the start of employment with the Company, subject to the Managing Director & CEO remaining an employee of a Group entity as at the Testing Date.

The issue of the above noted Performance Rights were approved by Shareholders at the Annual General Meeting held on 29 November 2019.

7.2.5 LTIP Performance Rights which remain untested

The total number of Performance Rights granted to the Managing Director & CEO and other executive KMP that are yet to vest (as at 30 June 2021) are detailed below:

Performance Rights Tranches	Total	Relevant Date or Testing Date
Class 19A	1,970,678	30-Jun-22
Class 19C	1,565,201	30-Nov-21
Class FY21	3,108,620	30-Jun-23
Total KMP Performance Rights	6,644,499	

7.2.6 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 year end
Class 16C*	28-11-16	30-06-20	Nil	750,000	-	-	(750,000)	-
Class 18A*	04-12-18	30-06-20	Nil	770,893	-	-	(770,893)	-
Class 18B	04-12-18	30-06-21	Nil	613,421	-	-	(305,452)	307,969
Class 19A	29-11-19	30-06-22	Nil	2,812,696	-	-	(341,976)	2,470,720
Class 19B	29-11-19	30-11-20	Nil	1,565,201	-	(1,565,201)	-	-
Class 19C	29-11-19	30-11-21	Nil	1,565,201	-	-	-	1,565,201
Class FY21	19-11-20	30-06-23	Nil	-	1,696,714	-	-	1,696,714
Class FY21	26-12-20	30-06-23	Nil	-	4,608,363	-	(125,605)	4,482,758
Total				8,077,412	6,305,077	(1,565,201)	(2,293,926)	10,523,362
Total KMP Performance Rights				6,359,473	3,108,620	(1,565,201)	(1,258,393)	6,644,499
Total Non-KMP Performance Rights				1,717,939	3,196,457	-	(1,035,533)	3,878,863
Total				8,077,412	6,305,077	(1,565,201)	(2,293,926)	10,523,362

* the vesting outcomes of Class 18B were determined after year end. Therefore, the movement related to a total of 307,969 Performance Rights will be recorded in the next reporting period.

7.3 Details of Share Based Compensation to the Managing Director and CEO and other executive KMP

Details on Rights over ordinary shares in the Company that were granted as compensation to members of the Key Management Personnel and details on Rights that vested during the reporting period are as follows:

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 year end
Managing Director & CEO								
Daniel Clifford								
Class 19A	30-06-22	1,351,866	29-11-19	0.310	n/a	-	-	1,351,866
Class 19B	30-11-20	1,565,201	29-11-19	0.400	0.425	(1,565,201)	-	-
Class 19C	30-11-21	1,565,201	29-11-19	0.400	n/a	-	-	1,565,201
Class FY21	30-06-23	1,696,714	19-11-20	0.303	n/a	-	-	1,696,714
		6,178,982				(1,565,201)	-	4,613,781
Other KMP								
Peter Trout								
Class 19A	30-06-22	618,812	29-11-19	0.290	n/a	-	-	618,812
Class FY21	30-06-23	776,665	26-12-20	0.285	n/a	-	-	776,665
		1,395,477				-	-	1,395,477
Ian Poole								
Class FY21	30-06-23	635,241	26-12-20	0.285	n/a	-	-	635,241
		635,241				-	-	635,241

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

8. Malus Policy

The underlying principle of the policy, implemented during FY21, 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.

In such instances, the Board reserves the right to adjust or cancel some or all the Executive's performance-based 'at-risk' remuneration.

9. Non-Executive Directors' 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 Director of Aurelia.

The Remuneration Committee is responsible for reviewing and advising the Board on Director remuneration. Guidance is obtained as required from independent industry surveys and other sources to ensure that Directors' 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.

Aurelia has three operating assets and has had significant exploration success with two highly prospective projects in the pipeline – Federation and Great Cobar. The aggregate amount approved by Shareholders will provide the flexibility for the expansion of the Board and their skillset.

During the year, the Non-Executive Director fee structure was also externally benchmarked and reviewed against peers. To ensure that the Company can attract and retain the highest quality candidates for Board positions, the fee structure was increased effective 1 April 2021. This has coincided with attracting two new and experienced Board members (whilst the recruitment for a new Chairman is nearing completion) and recognises the increase in the number of Committees and the increased complexity and spread of Director responsibility.

The fee structure now provides for fees related to Board committee responsibilities.

Structure

The aggregate fee pool available for Non-Executive Directors 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 \$*	To 31 March 2021 Fee per annum \$*
Chair of the Board of Directors	200,000	160,000
Non-Executive Director	100,000	100,000
Chair of a Board Committee	15,000	Nil
Member of a Board Committee	10,000	Nil

*Inclusive of superannuation

10. Remuneration of Key Management Personnel

The following table details the remuneration received by Directors and KMP of the Company during FY21.

FY21	Short Term					Post-Employment	Share-based payment	Total	'at-risk'
	Base Salary / Directors Fees	Allowances	Non-monetary Benefits	Termination and accrued leave paid	STIP Payment	Super-annuation	Amortised Value		
	\$	\$	\$	\$	\$ *	\$	\$	\$	%
Non-Executive Directors									
Susan Corlett ¹	124,282	-	-	-	-	11,807	-	136,089	0%
Lawrence Conway	103,750	-	-	-	-	-	-	103,750	0%
Paul Harris	106,427	-	-	-	-	-	-	106,427	0%
Robert Vassie ²	45,155	-	-	-	-	4,145	-	49,300	0%
Helen Gillies ³	45,155	-	-	-	-	4,145	-	49,300	0%
Colin Johnstone ⁴	106,667	-	-	-	-	-	-	106,667	0%
Michael Menzies ⁵	25,000	-	-	-	-	-	-	25,000	0%
Sub-total	556,436	-	-	-	-	20,097	-	576,533	0%
Managing Director & CEO									
Daniel Clifford	701,980	39,794	7,200	-	379,021	25,000	830,285	1,983,280	61%
Other executive KMP									
Peter Trout	486,958	-	7,200	-	162,514	25,000	118,294	799,966	35%
Ian Poole ⁶	397,384	-	7,200	-	129,400	24,729	41,845	600,558	29%
Sub-total	1,586,322	39,794	21,600	-	670,935	74,729	990,424	3,383,804	49%
Total	2,142,758	39,794	21,600	-	670,935	103,827	990,424	3,960,337	42%

1 Ms Susan Corlett was appointed as Interim Chairman on 2 March 2021.

2 Mr Robert Vassie was appointed as Independent Non-Executive Director on 21 January 2021.

3 Ms Hellen Gillies was appointed as Independent Non-Executive Director on 21 January 2021.

4 Mr Colin Johnstone retired on 2 March 2021.

5 Mr Michael Menzies retired on 1 October 2020.

6 Mr Ian Poole was appointed as Company Secretary on 1 July 2020 and Chief Financial Officer on 6 July 2020.

*Payments related to the 2021 STI Plan will be paid in FY22.

10. Remuneration of Key Management Personnel (continued)

The following table details the remuneration received by Directors and KMP of the Company during FY20.

FY20	Short Term					Post-Employment	Share-based payment	Total	'at-risk'
	Base Salary / Directors Fees	Fees for executive services	Non-monetary Benefits	Termination and accrued leave paid	STIP Payment	Super-annuation	Amortised Value		
	\$	\$	\$	\$	\$ *	\$	\$	\$	%
Non-Executive Directors									
Colin Johnstone ¹	160,000	284,000	-	-	-	-	-	444,000	0%
Michael Menzies ²	100,000	57,000	-	-	-	-	-	157,000	0%
Lawrence Conway	95,662	-	-	-	-	4,338	-	100,000	0%
Susan Corlett ³	91,324	111,150	-	-	-	8,676	-	211,150	0%
Paul Harris ⁴	100,000	55,688	-	-	-	-	-	155,688	0%
Paul Espie ⁴	45,662	-	-	-	-	4,338	-	50,000	0%
Sub-total	592,648	507,838	-	-	-	17,352	-	1,117,838	0%
Managing Director & CEO									
Daniel Clifford ⁶	412,363	-	-	-	147,917	14,583	661,072	1,235,935	65%
Other executive KMP									
Peter Trout ⁷	284,327	-	-	-	62,500	14,583	40,416	401,826	26%
Tim Churcher ⁸	410,198	-	9,301	531,980	-	25,000	116,915	1,093,394	11%
Sub-total	1,106,888	-	9,301	531,980	210,417	54,166	818,403	2,731,155	38%
Total	2,142,758	507,838	9,301	531,980	210,417	71,518	818,403	3,848,993	27%

1 Mr Colin Johnstone fulfilled duties as Interim Executive Chairman & CEO from 2 May 2019 to 24 November 2019.

2 Mr Michael Menzies fulfilled duties as Interim Executive Director & COO in period 2 May 2019 to 23 October 2019.

3 Ms Susan Corlett provided services in an executive capacity in the areas of geology, greenfield and brownfield exploration, resources, reserves and mine planning during the leadership transition period from April to November 2019.

4 Mr Paul Harris provided services in an executive capacity in investor relations during the leadership transition period from April to November 2019. Mr Harris was the Lead Independent Director from 2 May 2019 to 24 November 2019.

5 Mr Paul Espie resigned on 29 November 2019.

6 Mr Daniel Clifford appointed as Managing Director and CEO on 25 November 2019.

7 Mr Peter Trout was appointed as Chief Operating Officer on 25 November 2019.

8 Mr Tim Churcher's termination date was 1 July 2020. The termination payment of \$395,928 represents the average 12 months base salary for the 3 years prior. The accrued leave paid totalled \$136,052. The amounts were provided for in FY21 and were paid in July 2020.

*Payments related to the 2020 STI Plan were paid in FY21.

11. Shareholdings of Directors and other KMP

The shareholdings of Directors and other KMP for FY21 is presented below and includes shares held directly, indirectly, and beneficially by the Directors and other KMP.

FY21	Balance start of year	Performance Rights vested	Other changes during year	Balance end of year
Directors				
Susan Corlett	33,731	-	-	33,731
Daniel Clifford	-	1,565,201	-	1,565,201
Lawrence Conway	171,429	-	54,421	225,850
Paul Harris	-	-	-	-
Robert Vassie ¹	-	-	*250,000	250,000
Helen Gillies ²	-	-	*250,000	250,000
Colin Johnstone ³	1,250,000	-	(1,250,000)	-
Michael Menzies ⁴	833,929	-	(833,929)	-
Executives				
Peter Trout	-	-	2,362	2,362
Tim Churcher	562,500	-	(562,500)	-
Ian Poole	-	-	2,362	2,362
Total	2,851,589	1,565,201	(2,087,284)	2,329,506

1 Appointed 21 January 2021

2 Appointed 21 January 2021

3 Retired 2 March 2021

4 Retired 1 October 2020

*Shares acquired on market

Mr Conway and Mr Johnstone acquired shares during the period through the Retail Entitlement Offer dated 20 November 2020. Shares acquired by Ms Gillies and Mr Vassie were acquired on market. The Company does not currently have a plan in place that would pay all or part of Non-Executive Directors fees in shares.

The other changes in the shares of Mr Johnstone and Mr Menzies is to remove their shareholding from the shareholding of directors and other KMP following their retirement.

All equity transactions with KMP, other than those arising from the exercise of remuneration related Performance Rights, or the Employee Tax Exempt Share Plan 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.

11. Shareholdings of Directors and other KMP (continued)

The shareholdings of Directors and other KMP for FY20 is presented below and includes shares held directly, indirectly, and beneficially by the Directors and other KMP:

FY21	Balance start of year	Performance Rights vested	Other changes during year	Balance end of year
Directors				
Colin Johnstone	1,000,001	-	249,999	1,250,000
Daniel Clifford ¹	-	-	-	-
Lawrence Conway	171,429	-	-	171,429
Susan Corlett	33,731	-	-	33,731
Paul Espie ²	150,000	-	(150,000)	-
Paul Harris	-	-	-	-
Michael Menzies	633,929	-	200,000	833,929
James Simpson ³	-	5,541,964	(5,541,964)	-
Executives				
Peter Trout ⁴	-	-	-	-
Tim Churcher	-	562,500	-	562,500
Total	1,989,090	6,104,464	(5,241,965)	2,851,589

1 Appointed 25 November 2019

2 Resigned 29 November 2019

3 Resigned 22 May 2019

4 Appointed 25 November 2019

AUDITOR'S INDEPENDENCE DECLARATION



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 2021, 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; and
- b) no contraventions of 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' in a cursive, stylized font.

Ernst & Young

A handwritten signature in black ink that reads 'K McKenzie' in a cursive, stylized font.

Kellie McKenzie
Partner
24 August 2021

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021	Note	2021 \$000	2020 \$000
Sales Revenue	3	416,477	331,819
Cost of sales	4	(308,753)	(259,845)
Gross Profit		107,724	71,974
Acquisition and integration costs	29	(20,002)	-
Corporate administration expenses	4	(13,804)	(9,240)
Exploration and evaluation expenditure written off	12	(1,002)	(2,600)
Share based expense	22	(936)	(1,351)
Commodity derivatives loss	4	-	(14,360)
Other expenses	4	(671)	(4,259)
Other income	3	5,833	6,618
Profit before income tax and net finance costs		77,142	46,782
Finance income	3	314	795
Finance costs	4	(5,842)	(2,370)
Profit before income tax expense		71,614	45,207
Income tax expense	5	(28,697)	(15,765)
Profit after income tax expense		42,917	29,442
Other Comprehensive Income Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax		2,492	-
Total comprehensive income for the year		45,409	29,442
Earnings per share for Profit attributable to the ordinary equity holders of the parent			
Basic earnings per share (cents per share)	21	3.97	3.37
Diluted earnings per share (cents per share)	21	3.93	3.34

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021	Note	2021 \$'000	2020 \$'000
Assets			
Current Assets			
Cash and cash equivalents	6	74,532	79,103
Trade and other receivables	7	17,478	6,768
Inventories	8	29,432	24,763
Current tax asset		9,442	-
Prepayments		2,792	1,498
Derivative financial instruments	23	2,672	-
Total current assets		136,348	112,132
Non-current assets			
Property, plant and equipment	10	170,458	104,538
Mine properties	11	287,035	92,337
Exploration and evaluation assets	12	39,318	15,610
Right of use assets	15	12,674	13,209
Restricted cash	6	8,604	-
Financial assets	9	2,025	4,787
Deferred tax assets	5	-	1,163
Total non-current assets		520,114	231,644
Total assets		656,462	343,776
Liabilities			
Current Liabilities			
Trade and other payables	13	47,300	28,682
Interest bearing loans and borrowings	16	15,097	-
Provisions	14	9,782	10,573
Other financial liabilities	17	6,253	-
Current tax liabilities		-	3,568
Lease liabilities	15	6,354	6,318
Derivative financial instruments	23	79	-
Total current liabilities		84,865	49,141
Non-current liabilities			
Provisions	14	74,084	52,514
Other financial liabilities	17	37,162	-
Interest bearing loans and borrowings	16	19,319	-
Deferred tax liabilities	5	13,129	-
Lease liabilities	15	6,613	7,217
Total non-current liabilities		150,307	59,731
Total liabilities		235,172	108,872
Net assets		421,290	234,904
Equity			
Contributed equity	18	334,659	185,878
Share based payments reserve	19	11,342	10,406
Hedge reserve	19	2,492	-
Retained earnings	20	72,797	38,620
Total equity		421,290	234,904

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021	Note	Issued share capital \$'000	Share based payments reserve \$'000	Hedge reserve \$'000	Retained earnings/ accumulated losses \$'000	Total \$'000
Balance at 1 July 2019		185,878	9,055	-	26,646	221,579
Total profit for the period		-	-	-	29,442	29,442
Transactions with owners in their capacity as owners						
Share-based payments	22	-	1,351	-	-	1,351
Dividend payments	18	-	-	-	(17,468)	(17,468)
Balance at 30 June 2020		185,878	10,406	-	38,620	234,904
Balance at 1 July 2020		185,878	10,406	-	38,620	234,904
Total profit for the period		-	-	-	42,917	42,917
Other comprehensive income	19	-	-	2,492	-	2,492
Total Comprehensive Income		-	-	2,492	42,917	45,409
Transactions with owners in their capacity as owners						
Shares issued, net of costs		148,781	-	-	-	148,781
Share-based payments	22	-	936	-	-	936
Dividend payments	18	-	-	-	(8,740)	(8,740)
Balance at 30 June 2021		334,659	11,342	2,492	72,797	421,290

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

CASH FLOW STATEMENT

For the year ended 30 June 2021	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from customers		409,562	332,726
Payments to suppliers and employees		(237,685)	(217,032)
Payments for hedge settlements and foreign exchange		(4,580)	-
Interest received		314	794
Interest and finance charges paid		(6,514)	(2,027)
Income tax paid		(24,454)	(3,930)
Net cash flows from operating activities	24	136,643	110,531
Cash flows from investing activities			
Payment for business acquisition		(165,252)	-
Payments of stamp duty and other acquisition costs		(20,001)	-
Payments for the purchase of property, plant and equipment		(14,903)	(40,146)
Payments for mine capital expenditure		(51,543)	(33,321)
Payments for exploration and evaluation		(20,631)	(12,157)
Payments for facility cash cover and security deposits		(8,605)	-
Payments for deferred acquisition and royalty costs		(4,452)	(2,611)
Payments on settlement of gold forwards		-	(26,402)
Payment for equity investment		-	(200)
Payments on foreign exchange		-	389
Proceeds from the sale of property, plant and equipment		-	2,969
Net cash flows used in investing activities		(285,387)	(111,479)
Cash flows from financing activities			
Proceeds from the issue of shares, net of costs		124,811	-
Proceeds from borrowings		45,000	-
Dividend payment to Shareholders	18	(8,740)	(17,468)
Principal element of lease payments		(8,104)	(6,221)
Repayment of loan and borrowings		(8,100)	-
Net cash flows from/(used) in financing activities		144,867	(23,689)
Net decrease in cash and cash equivalents		(3,877)	(24,637)
Net foreign exchange difference		(694)	(562)
Cash and cash equivalents at beginning of the year		79,103	104,302
Cash and cash equivalents at end of the year		74,532	79,103

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

NOTES TO FINANCIAL STATEMENTS

1. Corporate information

Aurelia Metals 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
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
Dargues Gold Mines Pty Ltd*	12 January 2006
Big Island Mining Pty Ltd*	3 February 2005

*Acquired on 17 December 2020 through the acquisition of the Dargues Mine

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 Metals Limited and its subsidiaries for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 24 August 2021.

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 acquisition costs which are measured at fair value.

The financial report has been presented in Australian dollars, which is the functional currency of the Company.

Going concern

The financial report has been prepared on the 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.

Basis of consolidation

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

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns;
- when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - the contractual arrangement with the other vote holders of the investee;
 - rights arising from other contractual arrangements; and
 - the Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

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. Corporate information (continued)

Foreign currency and translation

Functional and Presentation Currency

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

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.

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 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 a gold refinery customer based in Perth and other counterparties with the largest customer accounting for 38% of the total sales revenue (2020: 68%). The concentrate revenue arises from sales to various customers with the largest customer accounting for 14% of total sales revenue (2020: 22%).

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.

2. Operating segments and performance (continued)

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 incurred for the acquisition of Dargues Mine on 17 December 2020;
- 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.

2.5. Segment information

The segment information for the reportable segments is as follows:

Year ended 30 June 2021	Note	Peak Mine \$'000	Hera Mine \$'000	Dargues Mine ¹ \$'000	Corporate & Elimination \$'000	Total \$'000
Sales revenue	3	245,214	138,924	32,339	-	416,477
Site EBITDA		110,950	58,425	14,816	-	184,191
Reconciliation of profit before tax expense:						
Depreciation and amortisation expense						(76,467)
Corporate costs						(13,804)
Acquisition and integration costs and stamp duty expense ¹						(20,002)
Interest income and expense, net						(5,528)
Share based expenses	22					(936)
Exploration costs expensed						(1,002)
Other income and expenses, net						5,833
Loss on commodity derivatives and Foreign exchange						(671)
Income tax expense	5					(28,697)
Profit after income tax						42,917
Segment assets and liabilities						
Total assets		213,229	74,691	275,643	92,899	656,462
Total liabilities		(74,551)	(35,085)	(69,037)	(56,499)	(235,172)

¹ Dargues Mine was acquired on 17 December 2020

2. Operating segments and performance (continued)

2.5. Segment information (Continued)

Year ended 30 June 2020	Note	Peak Mine \$'000	Hera Mine \$'000	Corporate & Elimination \$'000	Total \$'000
Sales revenue	3	185,366	146,453	-	331,819
Site EBITDA		60,214	68,097	-	128,311
Reconciliation of profit before tax expense:					
Depreciation and amortisation expense					(56,665)
Corporate costs					(8,912)
Interest income and expense, net					(1,575)
Share based expenses	22				(1,351)
Exploration costs expensed					(2,600)
Other income and expenses, net					2,359
Loss on commodity derivatives and Foreign exchange					(14,360)
Income tax expense	5				(15,765)
Profit after income tax					29,442
Segment assets and liabilities					
Total assets		203,562	72,846	67,368	343,776
Total liabilities		(71,914)	(30,560)	(6,398)	(108,872)

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	2021 \$000	2020 \$000
Sales revenue			
Gold		253,574	216,521
Copper		45,857	41,972
Lead		50,141	38,277
Zinc		51,778	25,960
Silver		15,127	9,089
Total sales revenue from contracts with customers		416,477	331,819
Other income			
Sundry income		361	2,731
Fair value adjustments/remeasurement of financial assets and liabilities			
Fair value adjustment of financial assets	9	(2,762)	3,887
Remeasurement of financial liabilities	17	8,234	-
		5,472	3,887
Total other income		5,833	6,618
Total finance income		314	795

3. Sales revenue and other income (continued)

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 refinery (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.

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 2021, the amount of deferred revenue is \$0.7 million (2020: \$0.5 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 2021; 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 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	2021 \$'000	2020 \$'000
Cost of sales			
Site production costs		204,385	178,964
Transport and refining		18,343	15,719
Royalty		12,089	9,439
Inventory movement		(2,531)	(615)
		232,286	203,507
Depreciation and amortisation		76,467	56,338
Total cost of sales		308,753	259,845
Corporate administration expenses			
Corporate administration expenses		13,344	8,913
Corporate depreciation		460	327
Total corporate administration expenses		13,804	9,240
Commodity derivative loss			
Loss on gold forward contracts ²		-	14,360
Total loss on commodity derivatives		-	14,360
Other expenses			
Loss on disposal of fixed assets		18	4,143
Unrealised foreign exchange loss		192	177
Realised foreign exchange loss/(gain)		461	(61)
Total other expenses		671	4,259
Finance costs			
Interest expense ³		4,434	1,108
Interest on lease liabilities	15	699	774
Unwinding of discount	14	709	488
Total finance costs		5,842	2,370

2 In prior years, the Company had entered into derivative commodity contracts for the forward sale of gold that had not been hedges. All of these gold forwards were settled at 30 June 2020.

3 Interest expense includes establishment fees for a new secured Syndicated Facilities Agreement, interest on concentrate prepayments and other interest expenses.

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 2021 and 2020 are:

5.1. Income tax expense

	2021 \$000	2020 \$000
Current income tax		
Current tax on profits for the year	10,050	10,005
Adjustments in respect of current income tax of previous year	3,106	1,800
Deferred tax:		
Deferred tax movements for the year	15,541	3,960
Income tax expense reported in the statement of profit or loss and other comprehensive income	28,697	15,765

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

	2021 \$000	2020 \$000
Accounting profit before income tax	71,614	45,207
Prima facie income tax expense @ 30%	21,484	13,562
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Stamp duty and other non-assessable items	4,832	403
Prior year under provisions	3,106	1,800
Temporary differences not previously recognised	(725)	-
Income tax expense	28,697	15,765

5.3. Deferred tax balances

The net deferred tax liability of \$13.2 million (2020: asset of \$1.2 million), relates to the following:

	2021 \$000	2020 \$000
Recognised deferred tax balances		
Provisions	22,903	19,331
Mine properties	(27,904)	(13,241)
Inventories	(743)	(1,728)
Exploration and evaluation expenditure	(10,348)	(4,617)
Other	2,161	(3,124)
Property, plant and equipment	802	4,542
Net deferred tax (liability)/asset	(13,129)	1,163

The deferred tax balance includes a deferred tax asset of \$4.0 million recognised on acquisition of the Dargues Mine.

5. Income tax (continued)

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.

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 re-assessed 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.

6. Cash and cash equivalents

	2021 \$000	2020 \$000
Cash at banks	74,258	78,729
Short term deposits	274	374
Cash and cash equivalents	74,532	79,103

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 not available for day to day operations and is therefore excluded from cash and cash equivalents. The Group has \$8.6 million (2020: Nil) held as restricted cash by the banking syndicate providing the Guarantee Facility as part of the secured Syndicated Facilities Agreement (refer to Note 16 for further information).

7. Trade and other receivables

	2021 \$000	2020 \$000
Trade receivables	8,131	4,073
GST receivable	6,326	2,579
Other receivables	3,021	116
	17,478	6,768

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 were 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 a between one and three months post-shipment, and final payment is due within 30 days from the end of the QP.

Other receivables

The Share Sale Agreement for the acquisition of the Dargues Mine provides for a Net Working Capital Adjustment. The estimated net receivable of \$3.1 million, has been recognised at 30 June 2021 (refer to Note 29 for further detail).

8. Inventories

	2021 \$000	2020 \$000
Finished concentrate	14,720	4,211
Finished gold doré	620	1,829
Metal in circuit	1,429	2,615
Ore stockpiles	4,452	8,785
Materials and supplies	8,211	7,323
Total current inventory	29,432	24,763

8. Inventories (continued)

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.

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. Stockpile tonnages are verified by periodic surveys.

9. Financial assets

	Note	2021 \$000	2020 \$000
Movement in carrying value of listed equity investment			
Opening balance		4,787	700
Fair value adjustment	3	(2,762)	3,887
Purchase of placement shares		-	200
Closing balance		2,025	4,787

At 30 June 2021 the Company held 18,410,000 fully paid ordinary shares (2020: 18,410,000 shares) in Sky Metals Limited (ASX: SKY). The fair value adjustment at 30 June 2021 was determined based on the quoted market share price of Sky Metals Limited as at 30 June 2021.

Recognition and measurement

Investments are classified as financial assets and comprise of quoted equity instruments which the Group intends to hold for the foreseeable future. The equity instruments are not held for trading but rather intended to be held over the long-term as a strategic investment. The Group elects to measure investments at either fair value through the profit and loss or fair value through other comprehensive income on an investment-by-investment basis.

10. Property, plant and equipment

	2021 \$000	2020 \$000
Plant and equipment at cost	254,869	171,943
Property at cost	5,999	764
Accumulated depreciation	(90,410)	(68,169)
	170,458	104,538
Movement in property, plant and equipment		
Carrying value at the beginning of the year	104,538	85,351
Acquisition of Dargues Mine	74,390	-
Additions/expenditure during the year	14,443	44,727
Depreciation for the year	(22,432)	(16,909)
Transfer to mine properties	(336)	-
Assets written off	(126)	(1,502)
Assets disposed or sold	(19)	(7,129)
Closing balance	170,458	104,538

Recognition and measurement

Property, plant and equipment is 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 its 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.

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.

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.

11. Mine properties

	2021 \$000	2020 \$000
Mine properties at cost	551,810	310,523
Accumulated depreciation and impairment	(264,775)	(218,186)
	287,035	92,337
Movement in mine properties		
Carrying value at the beginning of the year	92,337	87,748
Acquisition of Dargues Mine	170,321	-
Development expenditure during the year	67,765	36,308
Transfer from exploration and evaluation	2,732	-
Depreciation for the year	(46,456)	(31,719)
Transfer from property, plant and equipment	336	-
Closing balance	287,035	92,337

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 mines (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 and concessions 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.

11. Mine properties (continued)

Assessment of impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Indicators reviewed include, but are not limited to, the operating performance of the Cash Generating Unit ("CGU"), future business plans, assumptions around future commodity prices, exchange rates, production rates and production costs. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and the impairment loss recognised in the Statement of Profit or Loss.

The recoverable amount is the greater of fair value less costs to sell (FVLCD) and value in use (VIU). It is determined for an individual asset, unless the asset's VIU cannot be estimated to be close to its FVLCD and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The Group considers each of its mine sites to be a separate CGU. The FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs, using market-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including expansion projects, based on the latest life of mine plans.

These cash flows are discounted using a real post-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

The determination of FVLCD for each CGU are Level 3 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.

The impairment review conducted at 30 June 2021 concluded no impairment.

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 Cash-Generating Unit (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 value in use.

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.

12. Exploration and evaluation assets

	2021 \$000	2020 \$000
Exploration and evaluation assets at cost	64,927	40,271
Accumulated exploration and evaluation written off	(25,609)	(24,661)
Closing balance	39,318	15,610
Movement in exploration and evaluation assets		
Carrying value at the beginning of the year	15,610	5,878
Acquisition of Dargues Mine	6,698	-
Expenditure during the year	20,744	12,332
Transfer to mine properties	(2,732)	-
Expenditure written off during the year	(1,002)	(2,600)
Closing balance	39,318	15,610

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.

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, an impairment expense of \$1.0 million was recognised (2020: \$2.6 million).

KEY JUDGEMENTS - IMPAIRMENT

The consolidated entity performs impairment testing on specific exploration assets as 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.

13. Trade and other payables

	2021 \$000	2020 \$000
Trade payables and accruals	42,445	24,563
Other payables	4,855	4,119
	47,300	28,682

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

The increase in trade payables is partly attributable to the inclusion of trade payables and accruals for Dargues Gold Mines.

14. Provisions

	2021 \$000	2020 \$000
Current		
Employee	7,007	7,305
Mine rehabilitation	1,619	-
Deferred acquisition costs	1,035	2,630
Other	121	638
Total current provisions	9,782	10,573
Non-Current		
Mine rehabilitation	72,793	49,986
Deferred acquisition costs	983	2,166
Employee	308	362
Total non-current provisions	74,084	52,514
Total provisions	83,866	63,087

14. Provisions (continued)

At 30 June 2021	Employee \$'000	Mine Rehabilitation \$'000	Deferred acquisition \$'000	Other \$'000	Total \$'000
Opening balance	7,667	49,986	4,796	638	63,087
Acquisition of Dargues Mine	-	13,428	-	-	13,428
Re-measurement of provision	3,124	10,301	323	1,219	14,967
Discount unwinding charged to Income Statement	-	697	12	-	709
Amounts paid/utilised during the year	(3,476)	-	(3,113)	(1,736)	(8,325)
Closing balance	7,315	74,412	2,018	121	83,866

At 30 June 2020	Employee \$'000	Mine Rehabilitation \$'000	Deferred acquisition \$'000	Other \$'000	Total \$'000
Opening balance	7,777	43,701	5,534	727	57,739
Re-measurement of provision	2,895	5,834	1,836	1,656	12,221
Discount unwinding charged to Income Statement	-	451	37	-	488
Amounts paid/utilised during the year	(3,005)	-	(2,611)	(1,745)	(7,361)
Closing balance	7,667	49,986	4,796	638	63,087

Employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements for current employees. The balance also includes the annual leave and long service leave balance related to previous employees who transferred from Aurelia to PYBAR (as a result of the transition to contract mining from 1 February 2020). Aurelia remains liable for the benefits earned by these employees up to the date of transfer.

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.

As part of the Syndicated Facilities Agreement, the Company has a \$50 million Credit Facility for the purpose of providing Letters of Credit for the Company's environmental guarantee obligations. At 30 June 2021, Letters of Credit totalling \$47.7 million have been drawn (30 June 2020: \$43.1 million), offset by a total of \$8.6 million (2020: Nil) held by the banks as restricted cash to back the Letters of Credit.

In the current year, the Company engaged 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 the benchmarked rates as well as other amounts related to the rehabilitation related to our operating mine sites and land holdings.

Deferred acquisition costs

This relates to deferred acquisition costs on the purchase of Hera Mine. The Group records deferred acquisition costs at fair value using the discounted cash flow methodology based on the two year Australian government bond rate of 0.05% (2020: three year Australian government bond rate 0.39%).

Other provisions

Other provisions relate to electricity provisions.

14. Provisions (continued)

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 assessments. 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.

Deferred acquisition costs in relation to Hera

The Company measures the deferred acquisition costs 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.

Other provisions

The provision for electricity represents the total estimated liability at year end. The liability is settled using electricity certificates bought in advance and included in current assets (prepayments)

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. An increase/(decrease) in CPI by 50 basis points will result in a \$2.9 million (2020: \$2.5 million) increase/(decrease) in the profit or loss and equity.

15. 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:

	2021 \$000	2020 \$000
Right of use assets		
Carrying value at the beginning of the year	13,209	16,945
Additions	7,505	2,800
Depreciation expense	(8,040)	(6,536)
Carrying value at the end of the year	12,674	13,209

Recognition and measurement

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

	2021 \$000	2020 \$000
Lease liabilities		
Current	6,354	6,318
Non-current	6,613	7,217
Closing balance	12,967	13,535
Movement in lease liabilities		
Carrying value at the beginning of the year	13,535	16,945
Additions	7,542	2,799
Interest expense	699	774
Payments	(8,809)	(6,983)
Carrying value at the end of the year	12,967	13,535
The following are the amounts recognised in profit or loss		
Depreciation expense for right-of-use assets	8,040	6,536
Interest expense on lease liabilities	699	774
Expense relating variable lease payments (included in cost of sales)	78,479	109,417
Expense relating to short term leases and low value assets (included in cost of sales)	15	51
	87,233	116,778

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.

15. Leases (continued)

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.

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.

16. Interest bearing loans and borrowings

	Effective interest rate %	2021 \$000	2020 \$000
Current			
Term loan facility	BBSY +4	16,200	-
Less: Borrowing costs paid		(1,103)	-
		15,097	-
Non-current			
Term loan facility	BBSY +4	20,700	-
Less: Borrowing costs paid		(1,381)	-
		19,319	-
Total interest-bearing liabilities		34,416	-

On 16 December 2020, Aurelia entered a new secured Syndicated Facilities Agreement totaling \$115 million. The facilities comprise a \$45 million term loan (fully drawn), a \$20 million working capital facility (undrawn) and a \$50 million credit facility (\$47.7 million utilised). The drawn amounts from the term loan were applied for the acquisition of the Dargues Mine on 17 December 2020. The banking syndicate providing the facilities comprise ANZ, NAB and BNP Paribas.

The loan is secured by a floating charge over all assets of the Group and is repayable in full by September 2023.

Under the term loan facility, a mandatory gold hedging program was effected which initially comprised gold forwards of 55,000oz with maturities over a twelve-month period. During the term of the facility, the Company must maintain gold hedging for a minimum of 20% of the Group's forecast gold production in each twelve-month period.

The purpose of the credit facility is to provide for the bank guarantee and environmental bond requirements for the Group.

The new Syndicated Facilities Agreement replace the previous funding arrangements which included a \$30 million working capital facility (undrawn) and a \$50 million bond facility.

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 to.

17. Other financial liabilities

	Note	2021 \$000	2020 \$000
Current			
Third party royalty liability		6,253	-
		6,253	-
Non-Current			
Third party royalty liability		32,912	-
Contingent consideration liability		4,250	-
		37,162	-

		Third party royalty liability	Contingent liability consideration
Movement in carrying value of other financial liabilities			
Recognition at acquisition of Dargues Mine		48,914	4,105
Payments during the year		(1,370)	-
Remeasurement of liability/FV adjustment through profit & loss	3	(8,379)	145
Closing balance at 30 June 2021		39,165	4,250

17.1. 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 Mine on 17th December 2020, as a going concern, Aurelia Metals 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 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 the 5-year government bond rate plus risk adjustment based on the information available as at reporting date.

The royalty liability is subject to periodic remeasurement for changes in the following assumptions:

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

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.

17.2. Contingent consideration liability

In accordance with AASB 3 Business Combinations, the Group is required to recognise a contingent consideration liability assumed in a business combination at the acquisition date.

The Company acquired Dargues Mine on 17th December 2020. The total purchase consideration of \$190.5 million includes a contingent component of up to a maximum of A\$5 million, which may be settled by Aurelia ordinary shares based (or cash at Aurelia's option) which is due on the addition of incremental JORC compliant Mineral Resources discovered at Dargues up to 30 June 2022.

Recognition and measurement

The contingent consideration liability was recognised at fair value at acquisition and subsequently remeasured at fair value through profit and loss at the reporting date.

18. Contributed equity

18.1. Movements in ordinary shares on issue

30 June 2021		Date	Number	\$'000
Opening balance			873,983,797	185,878
Shares issued from Placement and Institutional Entitlement Offer	(i)	25-Nov-20	217,006,547	93,313
Shares issued on vesting of performance rights	(ii)	30-Nov-20	1,565,201	-
Shares issued from Retail Entitlement Offer	(iii)	10-Dec-20	85,957,026	36,962
Shares issued as equity consideration	(iv)	17-Dec-20	55,813,954	24,000
Employee Share Scheme	(v)	6-May-21	413,350	-
Share issue costs	(vi)		-	(5,494)
Closing balance			1,234,739,875	334,659

30 June 2020		Date	Number	\$'000
Opening balance			867,879,333	185,878
Shares issued upon exercise of options	(vii)	30-Aug-19	5,541,964	-
Shares issued on vesting of performance rights	(viii)	11-Feb-20	562,500	-
Closing balance			873,983,797	185,878

- (i) On 25 November 2020, the Company completed a Placement and Institutional Entitlements Offer. The proceeds raised were applied towards to the acquisition of the Dargues Mine. The shares were issued at \$0.43 per share.
- (ii) Shares issued upon the vesting of 1,565,201 Performance Rights for no consideration. These shares issued will be held in escrow for a period of 12 months from grant date (refer to note 22.3 for further detail).
- (iii) On 10 December 2020, the Company completed the retail component of the Entitlement Offer (the Retail Entitlement Offer). The proceeds raised were applied towards to the acquisition of the Dargues Mine. The shares were issued at \$0.43 per share.
- (iv) On 17 December 2020, a total of 55,813,954 shares were issued as part of the purchase consideration for the acquisition of the Dargues Mine. The shares were issued at \$0.43 per share (Refer to note 29 for further detail).
- (v) On 6 May 2021, a total of 413,350 shares were issued under the Employee Share Scheme for no consideration, 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, which depending on the individual's taxable income in the relevant year, may be tax exempt (refer to note 22.2 for further detail).
- (vi) Share issue costs of \$5.494 million relates to the Entitlement Offers made during the year.
- (vii) Vesting of employee Performance Rights (Class 16B, Class 16C, Class 18A) for no consideration. A Total of 2,541,964 shares are held in escrow for a period of 12 months from 31 August 2019 (refer to note 22.3 for further detail).
- (viii) Vesting of employee Performance Rights (Class 16B) for no consideration (refer to note 22.3 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.

18.2. Dividends made and proposed

Dividend Paid	2021 \$000	2020 \$000
Dividend paid	8,740	17,468
Total	8,740	17,468

A fully franked dividend of 1 cent per fully paid ordinary share was paid on 2 October 2020 related to the financial year ended 30 June 2020. The Directors did not recommend the payment of a dividend for the financial year ended 30 June 2021.

The franking account balance at the end of the financial year is \$54 million (2020: \$37 million). The Company currently does not have a share buy-back plan or a dividend reinvestment plan.

19. Reserves

	2021 \$000	2020 \$000
Share based payment reserve	11,342	10,406
	11,342	10,406

Movements in reserves	2021 \$000	2020 \$000
Movement in share base payments reserve		
Opening balance	10,406	9,055
Share based payment expense	936	1,351
Closing balance	11,342	10,406

OCI items net of tax: Cash flow hedge reserve	2021 \$000	2020 \$000
Opening balance	-	-
Commodity forward contracts	2,492	-
Closing balance	2,492	-

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 23.1 for further detail).

Hedge effectiveness

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognised in the cash flow hedge reserve within equity. 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. When a hedge becomes ineffective the cumulative amount recognised in equity is released to 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.

During the year, the Company introduced 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.

20. Retained earnings

Movements in retained earnings were as follows:	2021 \$000	2020 \$000
Opening balance	38,620	26,646
Profit after tax for the year	42,917	29,442
Dividend paid	(8,740)	(17,468)
Closing balance	72,797	38,620

21. Earnings per share (EPS)

	2021 \$000	2020 \$000
Profit attributable to owners of Aurelia Limited used to calculate basic and diluted earnings	42,917	29,442
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,082,354	872,729
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,090,726	880,684
Basic earnings per share (cents per share)	3.97	3.37
Diluted earnings per share (cents per share)	3.93	3.34

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.

22. Share based payment arrangements

Share based payments expense	2021 \$000	2020 \$000
Expense from employee performance rights plan	760	1,351
Expense from employee share plan	176	-
Total	936	1,351

22.1. Employee performance rights plan

The Company has established 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 is 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.

22. Share based payment arrangements (continued)

22.2. Employee share plan

During the year, the Company implemented the Employee Share Plan, which provides eligible employees with an opportunity to acquire ordinary shares in the Company, with a grant value of \$1,000, potentially on a tax-free basis. In FY21, the plan provided each eligible employee with 2,362 fully paid ordinary shares.

22.3. 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.

Performance rights on issue	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Opening balance issued	8,077,412	-	9,197,171	-
Granted during the year	6,305,077	-	6,868,177	-
Vested during the year	(1,565,201)	-	(6,104,464)	-
Lapsed during the year	(2,293,926)	-	(1,883,472)	-
Closing balance issued	10,523,362	-	8,077,412	-

Performance Rights	2021 Number	2020 Number	
2016 Class 16C	-	750,000	Unvested
2018 Class 18A	-	770,893	Unvested
2018 Class 18B	307,969	613,421	Unvested
2020 Class 19A	2,470,720	2,812,696	Unvested
2020 Class 19B	-	1,565,201	Unvested
2020 Class 19C	1,565,201	1,565,201	Unvested
2021 Class FY21	6,179,472	-	Unvested
Total	10,523,362	8,077,412	

Subsequent to the balance sheet date, the LTIP outcomes for Performance Rights under Class 18B were determined. The movement will be displayed in the next reporting period.

22.4. Fair value determination

During the year, the Company issued a total of 6,305,077 performance rights (2020: 6,868,177 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.

22. Share based payment arrangements (continued)

22.5. 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 circumstance 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.

23. 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 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.

23. Financial risk management objectives and policies (continued)

The Group holds the following financial instruments:

	Notes	2021 \$000	2020 \$000
Financial assets			
Cash at bank	6	74,532	79,103
Trade and other receivables	7	17,478	6,768
Restricted cash	7	8,604	-
Listed equity investments	9	2,025	4,787
Derivative financial instruments - hedges		2,672	-
Balance at year end		105,311	90,658
Financial liabilities			
Interest bearing loans and borrowings	16	34,416	-
Trade and other payables	13	47,300	28,682
Third party royalty liability	17	39,165	-
Lease liabilities	15	12,967	13,535
Contingent consideration	17	4,250	-
Deferred acquisition cost	14	2,018	4,796
Derivative financial instruments - hedges		79	-
Balance at year end		140,195	47,013

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 acquisition royalty.

Accounting policies in respect of these financial assets and liabilities are documented within the relevant notes to the 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. In the current year, the Group implemented hedge accounting whereas in previous years derivative commodity contracts were not designated as hedges.

23.1. Cash flow hedges – commodity price risk

The Group sells gold and base metal concentrate to overseas customers. The volatility in commodity prices led to the decision to enter commodity forward contracts. In addition to this, the syndicated loan facility has mandatory gold hedging of a minimum of 20% of the Group's gold production in each 12-month period. At 30 June 2021, the Company had hedged 41,598 oz of gold with monthly maturities through to 30 June 2022.

23. Financial risk management objectives and policies (continued)

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 is holding the following gold forward contracts at 30 June 2021:

	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)		2,442	2,435	2,427	2,422	2,382
Ounces	41,598	4,900	14,700	11,948	6,600	3,450

23.2. 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 2021, the Company had \$36.9 in debt (2020: nil) and held \$74.5 million (2020: \$79.1 million) of available cash.

23.3. 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.

2021	<1 Yr \$000	1-2 Yrs \$000	2-3 Yrs \$000	3-4 Yrs \$000	>4 Yrs \$000	Contracted cash flow of liability \$000	Carrying value of liability \$000
Loans and borrowings	16,200	20,700	-	-	-	36,900	36,900
Lease liabilities	6,810	4,384	2,254	264	-	13,712	12,967
Deferred acquisition costs	1,034	804	180	-	-	2,018	2,018
Trade and other payables	47,300	-	-	-	-	47,300	47,300
Third party royalty liability	6,253	5,835	5,995	10,125	14,018	42,226	39,165
Contingent consideration	5,000	-	-	-	-	5,000	4,250
Total	82,597	31,723	8,429	10,389	14,018	147,156	142,600

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

2020	<1 Yr \$000	1-2 Yrs \$000	2-3 Yrs \$000	3-4 Yrs \$000	>4 Yrs \$000	Contracted cash flow of liability \$000	Carrying value of liability \$000
Lease liabilities	6,318	3,937	2,134	1,342	222	13,953	13,535
Deferred acquisition costs	2,633	1,120	643	419	-	4,815	4,796
Trade and other payables	28,682	-	-	-	-	28,682	28,682
Total	37,633	5,057	2,777	1,761	222	47,450	47,013

23. Financial risk management objectives and policies (continued)

23.4. 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. At balance date, there were no significant concentrations of credit risk given the sound credit worthiness of customers and bank used having investment grade credit ratings.

The total trade and other receivables outstanding as at 30 June 2021 was \$17.5 million (2020: \$6.8 million).

No receivables are considered past due or impaired. Cash and cash equivalents at 30 June 2021 was \$74.5 million (2020: \$79.1 million).

23.5. Market risk exposures

23.5.1. 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 foreign currency exposure to revenue not converted at time of sale in the period to a 5% change in US\$ exchange rate was an approximately \$0.2 million (2020: \$0.3 million) sensitivity in profit/loss and equity.

The cash balance at year end includes US\$2.8 million (2020: US\$4.4 million) held in US\$ bank accounts. An increase/decrease in AUD: USD foreign exchange rates of 5% will result in \$0.1 million (2020: \$0.3 million) increase/decrease in US\$ currency bank account balances.

23.5.2. 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\$ or A\$ over part of the group's future metal production.

The Group's management has developed and enacted a hedging policy focused on the management of commodity risk. At 30 June 2021 the Group had gold forward contracts for 41,598 ounces with an average price of \$2,426/oz, as well as 483 tonnes of zinc hedged at a price of US\$2,854 per tonne and 601 tonnes of lead hedged at a price of US\$2,175 per tonne.

During the financial year, gold and gold in concentrate sales were 102,589 ounces (2020: 93,174 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 \$4.1 million (2020: \$4.7 million).

During the financial year, the company sold concentrate containing payable lead of 22,432 tonnes (2020: 18,390 tonnes), payable zinc of 18,341 tonnes (2020: 12,783 tonnes) and payable copper of 4,356 tonnes (2020: 5,306 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 \$2.0 million (2020: \$2.7 million).

23. Financial risk management objectives and policies (continued)

23.5.3. 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.

An increase/(decrease) in interest rates by 50 basis points will result in a \$0.2 million (2020: \$0.3 million) increase/(decrease) 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.

23.5.4. 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 \$0.1 million (2020: \$0.2 million) change in the investment.

23.5.5. 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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

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 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.

	Notes	2021 \$000	2020 \$000
Interest bearing loans and borrowings	16	34,416	-
Trade and other payables	13	47,300	28,682
Less: cash at bank	6	(74,532)	(79,103)
Net debt/(cash)		7,184	(50,421)
Equity		421,290	234,904
Capital and net debt		428,474	184,483
Gearing ratio		2%	(27%)

Syndicated Facilities Agreement covenants

The Company has an established Environmental Bond Facility which provides for covenants which includes a Cash Cover Ratio, a Forward Cover Ratio, and a minimum cash balance. During the year, the Company has complied with and satisfied the covenant obligations.

The Group continues to monitor the 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 financial statements approximate their fair values.

23. Financial risk management objectives and policies (continued)

23.5.6. 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 OCI.

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
2021	Level 1 \$000	Level 2 \$000	Level 3 \$000
Assets			
Derivative financial instruments	-	2,672	-
Listed equity investments	2,025	-	-
Liabilities			
Derivative financial instruments	-	79	-
Deferred acquisition costs	-	-	1,035
Contingent consideration liability	-	-	4,250

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
2020	Level 1 \$000	Level 2 \$000	Level 3 \$000
Assets			
Listed equity investments	4,787	-	-
Liabilities			
Deferred acquisition costs	-	-	(4,796)

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 2021.
- Deferred acquisition costs: are revalued at each reporting period to fair value by using the discounted cash flow methodology. Inputs include forecast gravity gold production applicable to the royalty of 63,174 ounces (2020: 33,026 ounces). Future royalty revenue is estimated using an assumed future average gold price of A\$2,258/oz (2020: A\$2,321/oz). The discount rate used was the two-year government bond rate of 0.05% (2020:0.39%).
- 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.

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.

24. Reconciliation of profit after tax to net cash flows

	2021 \$000	2020 \$000
Reconciliation of profit after tax to net cash flows used in operating activities:		
Net profit after tax	42,917	29,442
Adjustments for:		
Depreciation and amortisation	76,927	56,665
Acquisition and integration costs	20,002	-
Fair value adjustment/remeasurement of financial assets and liabilities	(5,472)	(3,887)
Income tax expense net of tax payments	4,243	1,796
Exploration and evaluation assets written off	1,002	2,600
Share based payments	936	1,351
Loss on revaluation of commodity derivatives and foreign exchange differences	273	14,476
Loss on scrapping of plant and equipment	(18)	4,143
Interest expense (unwinding of discount)	708	488
Changes in assets and liabilities		
Increase/(decrease) in trade and other payables	18,686	(1,194)
Increase in other liabilities	6,252	-
Increase in prepaid borrowing costs	(2,483)	-
(Decrease)/increase in provisions	(869)	5,635
(Increase)/decrease in receivables	(11,896)	517
Increase in other receivables	(8,604)	-
Increase in inventories	(4,669)	(1,447)
Increase in prepayments	(1,292)	(54)
Net cash flows from operating activities	136,643	110,531

25. Auditors' remuneration

The auditor of Aurelia Metals Limited is Ernst & Young.

Fees to Ernst & Young (Australia)	2021 \$000	2020 \$000
Fees for auditing the statutory financial report of the parent covering the Group	328	556
Fees for other services		
Business combinations tax advisory and other tax advisory services performed for the consolidated entity	482	95
Business combinations financial advisory services performed for the consolidated entity	429	-
Tax compliance services performed for the consolidated entity	31	78
Total fees to Ernst & Young (Australia)	1,270	729

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

26. 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.

	2021 \$000	2020 \$000
Current assets	85,382	99,005
Non-current assets	204,525	7,346
Total assets	289,907	106,351
Current liabilities	124,786	78,055
Non-current liabilities	43,447	819
Total liabilities	168,233	78,874
Net assets	121,674	27,477
Issued capital	334,659	185,878
Reserves	13,834	10,406
Accumulated losses	(226,819)	(168,807)
Total Shareholders' equity	121,674	27,477
Loss for the year	(58,013)	(1,340)
Total comprehensive loss for the year	(60,505)	(1,340)

26.1. Commitments

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

	Parent 2021 \$000	Parent 2020 \$000
Payable not later than 12 months	5,630	-

26.2. Contingent liabilities

The parent company has recognised a contingent liability of \$4.25 million related to the contingent consideration component for the purchase consideration for the acquisition of Dargues Mine (refer to Note 17 and note 29 for further detail).

27. Commitments and contingencies

27.1. Capital commitments

The commitments to be undertaken are as follows:

	2021 \$000	2020 \$000
Payable not later than 12 months	31,792	1,299

The increase in the capital commitments is due to significant expenditure related to Federation project and mine sustaining commitments for the Dargues Mine and the Peak Mine.

27. Commitments and contingencies (continued)

27.2. Exploration and mining

The commitments to be undertaken are as follows:

	2021 \$000	2020 \$000
Payable not later than 12 months	4,926	4,363

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

27.3. Guarantees

The Group has a \$50 million Credit Facility as part of the Syndicated Facilities Agreement. Under the facility, Letters of Credit with an aggregate value of \$47.8 million (30 June 2020: \$43.1 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.

27.4. Contingent liabilities

The Group has recognised a contingent liability of \$4.25 million related to the contingent consideration component for the purchase consideration for the acquisition of the Dargues Mine (refer to Note 17 and note 29 for further detail).

28. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. These have been disclosed on pages 104 and 105 in the Remuneration Report.

28.1. Transactions with other related parties

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

- Directors' fees totalling \$106,667 were paid to Lazy 7 Pty Ltd, a company of which Colin Johnstone is a Director (2020: Directors fees \$160,000, Executive fees for Acting CEO role for the period from 1 July 2019 to 25 November 2019, \$284,000);
- Directors' fees totalling \$25,000 were paid to Kilorin Pty Ltd, a company of which Michael Menzies is a Director (2020: Directors fees \$100,000, Executive fees \$57,000); and
- Directors' fees totalling \$106,427 were paid to Hollach Services Pty Ltd, a company of which Paul Harris is a Director (2020: Directors fees \$100,000, Executive fees \$55,688).

28.2. Other related party transactions

There were no other related party transactions during the year (2020: nil).

29. Acquisition of Dargues Mine

Summary of acquisition

On 17 December 2020, the Group acquired 100% of the voting shares of Dargues Mine Pty Ltd from privately held company Diversified Minerals Pty Ltd. The operation is located in South - Eastern NSW and consists of an underground mine and a newly constructed processing plant which reached nameplate capacity in September 2020.

Provisional values were disclosed in the interim report as at 31 December 2020, and have been remeasured but still remain provisional at 30 June 2021. From the date of acquisition to 30 June 2021 Dargues Mine Pty Ltd contributed \$32.3 million to group revenue and \$14.8 million to Group profit. If the acquisition of Dargues Mine had taken place at the beginning of the year, Group revenue and profit before tax for the 2021 year would have been \$462.5 million and \$84.3 million, respectively (based on the FY21 financial performance of the acquired entities prior to acquisition).

	Note	Provisional value 31 December 2020 \$'000	Provisional value 30 June 2021 \$'000
Cash at bank		372	322
Trade and other receivables		5,275	2,989
Inventories		2,188	2,452
Prepayments		127	104
Property, plant and equipment	10	76,139	74,390
Mine properties	11	172,757	170,321
Exploration assets	12	-	6,698
Right of use assets		6,758	6,948
Deferred Tax Asset	5	-	4,028
Total Assets		263,616	268,252
Trade payables and accruals		11,197	8,469
Provisions	14	6,433	13,428
Lease liabilities		6,758	6,948
Other financial liabilities	17	48,914	48,914
Total Liabilities		73,302	77,759
Net assets value		190,314	190,493
Purchased consideration transferred			
Cash consideration, net of estimated net working capital adjustment		162,209	162,387
Scrip consideration fair value		24,000	24,000
Contingent consideration at fair value		4,105	4,106
Total consideration		190,314	190,493

29. Acquisition of Dargues Mine (continued)

The Contingent consideration requires the Group to issue up to a maximum of \$5 million in Aurelia ordinary shares based on the addition of incremental JORC compliant Mineral Resources discovered at Dargues up to 30 June 2022. The consideration may be settled in shares. The fair value of the contingent consideration at acquisition date is \$4.1 million (fair value at 30 June 2021: \$4.25 million) and has been recognised as a financial liability (refer to note 17). A Net Working Capital Adjustment has been recognised as a receivable at 30 June 2021 (refer to Note 7).

Total acquisition and integration costs of \$20.0 million (consisting of transaction related costs of \$6.7 million and stamp duty of \$13.3 million) have been expensed and are included in the corporate and administrative expenses in the Statement of Profit or Loss and are part of operating cash flows in the Statement of Cash flows.

Recognition and measurement

The acquisition method of accounting is used to account for all business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

30. New Accounting policies and interpretations

30.1. Changes in accounting policy and disclosures

30.1.1. IFRIC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision for configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement. The Group assessed the impact of the decision which resulted in a change in its accounting policy in respect of configuration and customization costs in implementing SaaS arrangements.

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Accounting policy - Software-as-a-Service (SaaS) arrangements

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are now recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are now recognised as expenses over the duration of the SaaS contract. Previously some costs had been capitalised and amortised over its useful life.

Impact of change in accounting policy

For the current year, costs amounting to \$0.4 million that would previously have been capitalised (under the previous policy) were expensed resulting in the classification as cash flows from operating activities in the Statement of Cash flows instead of previous classification as cash flows from investing activities. The costs capitalised in previous years were not material.

The rest of accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021, except for the adoption of new standards applicable from 1 July 2020.

The following new accounting pronouncements became effective in the current reporting period:

- amendments to AASB 7, AASB 9 and AASB 139 Interest Rate Benchmark Reform;
- amendments to AASB 101 and AASB 108 Definition of Material;
- conceptual Framework for Financial Reporting issued on 29 March 2018; and
- amendments to IFRS 16 COVID-19 Related Rent Concessions.

The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

30. New Accounting policies and interpretations (continued)

30.1.2. Amendments to AASB 3 Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. This amendment was considered in the accounting process for the business combination entered during the reporting period.

30.2. Accounting standards and interpretations issued but not yet effective

The following table sets out new Australian Accounting Standards and Interpretations that have been issued but are not yet mandatory and which have not been early adopted by the Company for the annual reporting period ending 30 June 2021.

Title	Application date of standard	Application date for Group
Classification of Liabilities as Current or Non-current - Amendment to AASB 101	1 January 2023	1 July 2023
Reference to the Conceptual Framework – Amendments to AASB 3	1 January 2022	1 July 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to AASB 116	1 January 2022	1 July 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to AASB 137	1 January 2022	1 July 2022
AIP AASB 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022	1 July 2022
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to AASB 112	1 January 2023	1 July 2023
Definition of Accounting Estimates - Amendments to AASB 108	1 January 2023	1 July 2023
Disclosure of Accounting Policies - Amendments to AASB 101 and IFRS Practice Statement 2	1 January 2023	1 July 2023

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

31. COVID-19 Outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

As a result of the outbreak, there is additional uncertainty in estimating the impact of the outbreaks near term and longer-term effects or Government's varying efforts to combat the outbreak and support businesses.

This being the case the value of certain assets and liabilities recorded in the Statement of Financial Position determined by reference to fair or market values at 30 June 2021 may have changed by the date of this report.

These include the recoverable amount of quoted investments.

As at the date of this report, such implications remain ongoing and evolving.

32. Events after the reporting period

The following significant events occurred after 30 June 2021:

— On 23 July 2021, the Group released its Mineral Resource & Ore Reserves Statement as at 30 June 2021.

There have been no other matters or events that have occurred after 30 June 2021 that have significantly affected or may significantly either the Group's operations or results of those operations of the Group's state of affairs.



DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Aurelia Metals Limited, I 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 2021 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 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 2021.

On behalf of the Board,

Susan Corlett
Interim Chairman

24 August 2021

Daniel Clifford
Managing Director & CEO

24 August 2021

AUDITOR'S REPORT



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 2021, the consolidated statement of 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 2021 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	How our audit addressed the key audit matter
<p>At 30 June 2021, the Group's consolidated statement of financial position included \$347m of Mine Properties and Property, Plant and Equipment.</p> <p>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) (refer to Note 11 of the financial statements for the Group's assessment of CGUs). If any such indicators exist, the Group estimates the recoverable amount of the non-current assets in the relevant CGU.</p> <p>The Group determined there were:</p> <ul style="list-style-type: none"> ▶ no indicators of impairment for its Peak CGU at 30 June 2021; and ▶ indicators of impairment for the Hera and Dargues CGUs at 30 June 2021 and as such performed an impairment assessment for these CGU. <p>Based on the impairment assessment performed for the Hera and Dargues CGUs, no impairment was identified at 30 June 2021.</p> <p>Changes to key cashflow forecast assumptions, such as commodity prices, forecast foreign exchange rates and discount rate, or a failure to identify impairment indicators could lead the Group to incorrectly fail to test the recoverable amount of the CGUs or incorrectly measure the recoverable amount of a CGU at balance date.</p> <p>As a result, we considered the impairment testing of the Group's CGUs and the related disclosures in the financial report to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Assessed whether the Group's determination of CGUs was in accordance with Australian Accounting Standards. ▶ Considered 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 those CGUs for which impairment indicators were present: <ul style="list-style-type: none"> ▶ Assessed whether the valuation methodology applied by the Group to measure recoverable amount of a CGU met the requirements of Australian Accounting Standards. ▶ Tested the mathematical accuracy of the impairment model. ▶ Involving our valuation specialists, assessed the key cashflow forecast assumptions such as commodity price, discount rates, inflation rates and foreign exchange rates with reference to external observable market data. ▶ Compared future production forecasts in the impairment models to published 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 approved budgets and forecasts and results of the current and previous periods.



Why significant

How our audit addressed the key audit matter

- ▶ Performed sensitivity analyses and evaluated the effect on the CGUs recoverable amount of reasonably possible changes in key forecast assumptions.
- ▶ We agreed the carrying amounts subject to impairment testing to the financial statements and compared this amount to the recoverable amount to confirm no impairments should be recorded.
- ▶ Assessed the adequacy of the financial report disclosures contained in Note 10 and Note 11 of the financial report.



Acquisition of Dargues Mine

Why significant

On 17 December 2020 the Group completed the acquisition of Dargues Gold Mines Pty Ltd.

The accounting for the acquisition was considered a key audit matter due to the judgment required by the Group in measuring the fair values of the following assets and liabilities acquired and components of the consideration which will be paid in the future:

- ▶ Property, plant and equipment.
- ▶ Mine properties.
- ▶ Rehabilitation provision.
- ▶ Third party royalty liability, and
- ▶ Deferred tax assets and liabilities.

Note 30 to the financial statements discloses the acquisition accounting performed by the Group.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ Evaluated the qualifications, competence and objectivity of the external valuation experts used by the Group to determine the fair value of mine properties and property plant and equipment.
- ▶ Involved our rehabilitation specialists in the assessment of the fair value assigned to rehabilitation provision as follows:
 - ▶ Examined the mine closure plans to understand the planned timing and rehabilitation strategy.
 - ▶ Assessed the cost estimates used in the rehabilitation calculations with reference to recent market data and historical mining costs.
 - ▶ Tested the mathematical accuracy of the rehabilitation net present value calculations and assessed the discount rate applied.
- ▶ Involved our valuation specialists in the assessment of the valuation methodology applied by the Group's external experts to Property, plant and equipment and Mine Properties.
- ▶ Involved our taxation specialists in the assessment of the tax effects of the acquisition accounting.
- ▶ Considered the classification of the financial assets acquired and liabilities assumed and the fair value on acquisition.
- ▶ Considered the assumptions used to calculate future consideration payable, including consistency with those used to calculate the fair value of the identified assets.
- ▶ Assessed the adequacy of the disclosures in relation to the acquisition.



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 2021 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 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 pages 84 to 107 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Aurelia Metals Limited for the year ended 30 June 2021, 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.

Ernst & Young

Kellie McKenzie
Partner
Brisbane
24 August 2021

UNAUDITED PERIODIC CORPORATE REPORT VERIFICATION PROCEDURE

1. Purpose

We are committed to providing clear, concise, timely and effect disclosure in our corporate reports. This Procedure sets out the process undertaken by Aurelia Metals to verify the integrity of any Periodic Corporate Report we release to the market that is not audited or reviewed by an external auditor.

2. Scope

This Procedure applies to Aurelia Metals Limited and all its subsidiaries (Aurelia Metals).

This Procedure applies to any Aurelia Metals periodic corporate report, including:

- annual directors' report;
- annual half yearly financial statements;
- quarterly activity report;
- quarterly cash flow report;
- integrated report;
- sustainability report; and
- any similar periodic report prepared for the benefit of investors,

provided that the respective report has not been subject to audit or review by an external auditor (each a **Periodic Corporate Report**)

This Procedure should be read in conjunction with Aurelia Metals' Continuous Disclosure Policy and Shareholder Communications Policy.

3. Responsibilities

Aurelia Metals' management has developed practices and guidance material so that the Company can satisfy itself that our Periodic Corporate Reports are accurate, balanced and provide investors with appropriate information to make informed investment decisions.

This Procedure is intended to ensure that all applicable laws, regulations and company policies have been complied with, and that appropriate approvals are obtained before a Periodic Corporate Report is released to the Market.

4. Requirements

Aurelia Metal's process for verifying unaudited Periodic Corporate Reports is as follows:

- each Periodic Corporate Report is prepared by, or under the supervision of, subject-matter experts;
- material statements in each Periodic Corporate Report are reviewed by the relevant functional heads so that the functional head is satisfied that they are accurate, not misleading, and meet Aurelia Metals' corporate policy and regulatory requirements, and that the Periodic Corporate Report contains no Material omissions;
- information about Aurelia Metals' mineral resources and ore reserves are only included in a report if the information complies with the ASX Listing Rules;
- information in a Periodic Corporate Report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of Aurelia Metals (taken as a whole) must be approved by the Board; and
- each draft Periodic Corporate Report is reviewed by the Corporate Affairs Manager, the Chief Financial Officer & company Secretary and the Managing Director before its release.

5. Procedure status and review

This procedure was approved by the Aurelia Metal's Committee on 21 June 2021.

The Audit Committee will review this Procedure as required having regard to the changing circumstances of the Company.

Revision	Date	Change Description
1	21 June 2021	New Procedure — Endorsed by Audit Committee

COMPETENT PERSONS STATEMENTS

Hera and Federation Mineral Resource Estimates

Compilation of the drilling database, assay validation and geological interpretations for the Hera and Federation Mineral Resource Estimates were completed by Adam McKinnon, BSc (Hons), PhD, MAusIMM, who is a full-time employee of Aurelia Metals Limited. The Hera and Federation Mineral Resource Estimates were prepared by Timothy O'Sullivan, BSc (Hons), MAusIMM, who is a full-time employee of Aurelia Metals Limited. Both Dr McKinnon and Mr O'Sullivan have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr McKinnon and Mr O'Sullivan consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Hera Ore Reserve Estimate

The Ore Reserve Estimate was compiled by Justin Woodward, BEng (Mining), MAusIMM, who is a full-time employee of Aurelia Metals Limited. Mr Woodward has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodward consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Peak Mineral Resource Estimate

Compilation of the drilling database, assay validation and geological interpretations for the Peak Mineral Resource Estimate were completed by Chris Powell, BSc, MAusIMM, who is a full-time employee of Peak Gold Mines Pty Ltd. The Mineral Resource Estimate has been prepared by Mr Powell who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Powell consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Peak Ore Reserve Estimate

The Ore Reserve Estimate was compiled by Justin Woodward, BEng (Mining), MAusIMM, who is a full-time employee of Aurelia Metals Limited. Mr Woodward has sufficient experience which is relevant to the style of mineralisation and type of deposit under

consideration and to the activity for which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodward consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Dargues Mineral Resource Estimate

Compilation of the drilling database, assay validation and geological interpretations for the Dargues Mineral Resource Estimate was completed under the supervision of Timothy O'Sullivan, BSc (Hons), MAusIMM, who is a full-time employee of Aurelia Metals Limited. The Mineral Resource Estimate for Dargues was prepared by Mr O'Sullivan. Mr O'Sullivan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Sullivan consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Dargues Ore Reserve Estimate

The Ore Reserve Estimate was compiled by Justin Woodward, BEng (Mining), MAusIMM, who is a full-time employee of Aurelia Metals Limited. Mr Woodward has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodward consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Nymagee Mineral Resource Estimate

Compilation of the drilling database, assay validation and geological interpretations for the Mineral Resource update were completed by Adam McKinnon, BSc (Hons), PhD, MAusIMM, who is a full time employee of Aurelia Metals Limited. The Mineral Resource Estimate has been prepared by Arnold van der Heyden, BSc, MAusIMM (CPGeo), MAIG, who is an employee of H&S Consultants Pty Ltd. Both Dr McKinnon and Mr van der Heyden have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr McKinnon and Mr van der Heyden consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

SHAREHOLDER INFORMATION

Additional ASX Information as at 17 September 2021

Twenty Largest Shareholders of Ordinary Shares

Holder Name	Shareholding	Issued Capital %
HSBC Custody Nominees (Australia) Limited	255,431,177	20.69
Citicorp Nominees Pty Limited	162,279,879	13.14
J P Morgan Nominees Australia Pty Limited	116,305,558	9.42
Diversified Minerals Pty Ltd	55,813,954	4.52
BNP Paribas Noms Pty Ltd <DRP>	53,103,593	4.30
National Nominees Limited	47,000,892	3.81
Brazil Farming Pty Ltd	26,300,000	2.13
First Samuel Ltd (ANF ITS MDA Clients A/c)	21,609,496	1.75
BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/c)	18,826,487	1.52
HSBC Custody Nominees (Australia) Limited (NT-Commonwealth Super Corp A/c)	16,498,055	1.34
Federation Mining Pty Ltd	14,766,625	1.20
BNP Paribas Nominees Pty Ltd (IB Au Noms retail client DRP)	13,158,648	1.07
Snowy Mountain Pty Ltd (Mountain Lodge Super A/c)	8,500,000	0.69
AEGP Super Pty Ltd (AEGP Superannuation Fund A/c)	7,000,000	0.57
UBS Nominees Pty Ltd	6,886,717	0.56
Anchorfield PTY Ltd (Brazil Family FNDN A/c)	5,500,000	0.45
Jetosea Pty Ltd	5,388,841	0.44
Baohua Pty Ltd (Zheng Family A/c)	4,469,499	0.36
Netwealth Investments Limited (WRAP Services A/c)	4,265,005	0.35
Mr Carl Eric Holt & Mrs Lorraine Holt (Holt Super Fund A/c)	4,190,000	0.34
Total	847,300,426	68.62
Balance of share register	380,516,442	31.38
Total issued capital	1,234,816,868	100.00

Distribution of fully paid ordinary shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1- 1,000	494	180,084	0.01%
1,001 - 5,000	2,138	6,001,083	0.49%
5,001 - 10,000	1,163	9,546,436	0.77%
10,001 - 100,000	3,506	130,529,660	10.57%
Over 100,000	717	1,088,559,605	88.16%
Totals	8,018	1,234,816,868	100.00%

Substantial holders

Substantial Shareholders as disclosed in the substantial holding notices given were as follows:

Holder Name	Number of Shares	% Issued Share Capital
Mitsubishi UFJ Financial Group Inc	70,846,395	5.74%
Commonwealth Bank of Australia Limited	62,949,878	5.10%
Total	133,796,273	10.84%

Unquoted performance Rights

The only class of unquoted equity securities on issue is Performance Rights. The Performance Rights on issue have been issued under the Company's Long-Term Incentive Plan. The number of performance Rights on issue is set out in the table below:

Class	Number of holders	Number of Performance Rights	Testing dates
Class 19A	5	2,470,720	30-06-22
Class 19C	1	1,565,201	30-11-21
Class FY21	22	6,115,916	30-06-23
Total		10,151,837	

Voting rights

Ordinary shares on issue carry voting rights on a one for one basis. Performance Rights on issue do not carry voting rights.

Unmarketable parcels

There are 889 holders of less than a marketable parcel of ordinary shares based on the closing share price on 17 September 2021 of \$0.31.

Restricted Securities

A total of 57,379,155 ordinary shares are restricted securities or are subject to voluntary escrow.

SCHEDULE OF TENEMENT INTERESTS

Tenement	Name	Location	Holder	Expiry date	Size (km ²)
EL7447	Box Creek	Nymagee, 90km south of Cobar, western NSW	Defiance Resources Pty Ltd	2/02/2026	145.0
EL7524	Barrow	25km WNW of Nymagee	Defiance Resources Pty Ltd	3/05/2026	60.9
EL7529	Lyell	20km west of Nymagee	Defiance Resources Pty Ltd	3/05/2026	8.7
EL4232	Nymagee	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd (Ausminindex Pty Ltd 5%)	Renewal pending	14.5
EL4458	Nymagee	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd (Ausminindex Pty Limited 5%)	Renewal pending	11.6
ML53	Nymagee Mine	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd	31/12/2026	0.1
ML90	Nymagee Mine	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd	31/12/2026	0.3
ML5295	Nymagee Mine	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd	31/12/2026	3.3
ML5828	Nymagee Mine	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd	31/12/2026	0.02
PLL847	Nymagee Mine	Nymagee, 90km south of Cobar, western NSW	Nymagee Resources Pty Ltd	31/12/2026	0.1
EL6162	Hera	Nymagee, 90km south of Cobar, western NSW	Hera Resources Pty Ltd	26/11/2024	130.0
ML1686	Hera Mine	Nymagee, 90km south of Cobar, western NSW	Hera Resources Pty Ltd	16/05/2034	13.1
ML1746	Hera Mine (Extension)	Nymagee, 90km south of Cobar, western NSW. North extension of ML1686	Hera Resources Pty Ltd	7/12/2037	0.6
EL8060	Nymagee North	15km N of Nymagee, western NSW	Peak Gold Mines Pty Ltd	20/02/2024	37.9
EL8523	Margaret Vale	7km NE of Cobar, western NSW	Peak Gold Mines Pty Ltd	1/03/2023	46.9
EL8548	Narri	25km SE of Cobar, western NSW	Peak Gold Mines Pty Ltd	3/04/2023	125.7
EL6401	Rookery East	50km SE of Cobar western NSW	Peak Gold Mines Pty Ltd	5/04/2024	17.5
EL5933	Peak	Cobar, western NSW	Peak Gold Mines Pty Ltd	Renewal pending	277.5
EL8567	Kurrajong	15km N of Nymagee, western NSW	Peak Gold Mines Pty Ltd	22/05/2023	61.2
EL7355	Nymagee East	15km E of Nymagee, western NSW	Peak Gold Mines Pty Ltd	24/06/2027	72.8
EL6149	Mafeesh	55km S of Cobar, western NSW	Peak Gold Mines Pty Ltd	17/11/2026	14.6
EL5982	Normavale	35km SW of Nymagee, western NSW	Peak Gold Mines Pty Ltd (75%) and Zintoba Pty Ltd (25%)	29/08/2026	26.2
EL6127	Rookery South	Cobar-Nymagee, western NSW	Peak Gold Mines Pty Ltd (88.2%) and Lydail Pty Ltd (11.8%)	24/09/2023	286.0
CML6	Central Area	Cobar, western NSW	Peak Gold Mines Pty Ltd	27/02/2034	1.3
CML7	Coronation-Beechworth	Cobar, western NSW	Peak Gold Mines Pty Ltd	28/06/2025	11.9
CML8	Peak-Occidental	Cobar, western NSW	Peak Gold Mines Pty Ltd	16/09/2033	12.5
CML9	Queen Bee	Cobar, western NSW	Peak Gold Mines Pty Ltd	26/09/2027	5.3
MPL854	The Dam	Cobar, western NSW	Peak Gold Mines Pty Ltd	29/09/2022	0.04
ML1483		Cobar, western NSW	Peak Gold Mines Pty Ltd	27/01/2029	0.5
ML1805	Spains Tank	Cobar, western NSW	Peak Gold Mines Pty Ltd	14/05/2041	0.9
EL6012	Booths Reward	20km north of Gundagai, NSW	Big Island Mining Pty Ltd	22/10/2023	11.3
EL6548	Eurodux	5km north of Braidwood, NSW	Big Island Mining Pty Ltd	5/04/2023	58.8
EL8373	Booths Reward Sth	18km north of Gundagai, NSW	Big Island Mining Pty Ltd	20/05/2022	11.3
EL8243	Gundagai	7km NNW of Gundagai, NSW	Big Island Mining Pty Ltd	7/03/2023	22.5
EL8244	Tumut	12km east of Tumut, NSW	Big Island Mining Pty Ltd	7/03/2023	11.2
EL8372	Majors Creek	5km south of Braidwood, NSW	Big Island Mining Pty Ltd	20/05/2027	227.9
ML1675	Dargues Reef	12km SSW of Braidwood, NSW	Big Island Mining Pty Ltd	12/04/2045	3.1

COMPANY INFORMATION

AURELIA METALS LIMITED

ABN 37 108 476 384

DIRECTORS

Susan Corlett	Interim Non-Executive Chairman
Daniel Clifford	Managing Director & CEO
Lawrence Conway	Non-Executive Director
Helen Gillies	Non-Executive Director
Paul Harris	Non-Executive Director
Robert Vassie	Non-Executive Director

COMPANY SECRETARIES

Ian Poole
Gillian Nairn

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Aurelia Metals Limited
Level 17, 144 Edward Street, Brisbane QLD 4000
GPO Box 7, Brisbane QLD 4001

Telephone: (07) 3180 5000
Email: office@aureliametals.com.au

STOCK EXCHANGE LISTING

Aurelia Metals Limited shares are listed on the Australian Securities Exchange (ASX Code: AMI)

SHARE REGISTER

Automic Group
Level 5, 126 Phillip Street, Sydney NSW 2000

Investor services: 1300 288 664
General enquiries: (02) 8072 1400
Email: hello@automic.com.au

www.automicgroup.com.au

AUDITORS

Ernst & Young
111 Eagle Street
Brisbane QLD 4000

WEBSITE

www.aureliametals.com.au



Level 17, 144 Edward Street, Brisbane QLD 4000

Telephone: (07) 3180 5000

Email: office@aureliametals.com.au

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