

ASX ANNOUNCEMENT

APPENDIX 4D



28 February 2024 | ASX: AMI

RESULTS FOR ANNOUNCEMENT TO THE MARKET

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

AURELIA METALS LIMITED | ABN 37 108 476 384

Results	31 December 2023	31 December 2022	Increase/(Decrease)
	\$'000	\$'000	%
Revenue	147,291	192,740	(24)
EBITDA (i)	31,019	12,283	153
Net profit/(loss) before income tax	665	(42,667)	102
Net profit/(loss) after income tax	(2,030)	(29,487)	93

Dividends

The Directors have not declared an interim dividend for the half-year ending 31 December 2023 (31 December 2022: Nil).

Net tangible assets per share	31 December 2023	31 December 2022
	Cents	Cents
Net tangible assets per share (ii)	18.9	24.7

Earnings per share	31 December 2023	31 December 2022
	Cents	Cents
Basic profit/(loss) per share	(0.12)	(2.38)
Diluted profit/(loss) per share	(0.12)	(2.38)

- (i) EBITDA (*Earnings Before Interest, Tax, Depreciation and Amortisation*) is a non-IFRS measure used to assess the results of the ongoing business activities of the Consolidated Entity. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner and is unaudited.
- (ii) The net tangible assets per share excludes biodiversity credits and includes leases.

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

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

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COMPANY INFORMATION

AURELIA METALS LIMITED | ABN 37 108 476 384

Directors

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

Results	Position	Date(s) of change
Peter Botten	Independent Non-Executive Chair	
Susie Corlett	Independent Non-Executive Director	
Bruce Cox	Independent Non-Executive Director	
Paul Harris	Independent Non-Executive Director	Resigned 31 January 2024
Helen Gillies	Independent Non-Executive Director	Resigned 31 January 2024
Bob Vassie	Independent Non-Executive Director	
Lyn Brazil	Non-Executive Director	Appointed 17 July 2023
Bradley Newcombe	Alternate Director for Lyn Brazil	From 17 July 2023
Executive Directors		
Bryan Quinn	Managing Director and CEO	
Company Secretary		
Rochelle Carey		

Registered office and principal place of business	Share register
<p>Aurelia Metals Limited Level 17, 144 Edward Street, Brisbane QLD 4000 GPO Box 7, Brisbane QLD 4001</p> <p>Telephone: (07) 3180 5000</p> <p>Email: office@aureliametals.com.au www.aureliametals.com.au</p>	<p>Automic Group Level 5, 126 Phillip Street, Sydney NSW 2000</p> <p>Investor services: 1300 288 664 General enquiries: (02) 8072 1400</p> <p>Email: hello@automic.com.au www.automicgroup.com.au</p>
Auditors	Stock Exchange listing
<p>Ernst & Young 111 Eagle Street Brisbane QLD 4000</p>	<p>Aurelia Metals Limited shares are listed on the Australian Securities Exchange (ASX Code: AMI)</p>

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DIRECTORS' REPORT

The following report is submitted in respect of Aurelia Metals Limited ('Aurelia' or 'the Company') and its subsidiaries, together the consolidated group ('Group'), for the half-year ended 31 December 2023, together with the state of affairs of the Group as at that date.

The Board of Directors submit their report for the half-year ended 31 December 2023.

OPERATIONS AND FINANCIAL REVIEW

1. About Aurelia Metals Limited

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

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

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

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

2. Operating and financial performance

In June 2023 the Company appointed a new CEO and Managing Director and during the first half of FY24, the focus has been on improving operational performance, developing the Federation Project, optimising the value of our infrastructure and mining assets in the Cobar Basin, and leveraging our talented and dedicated workforce. Through their hard work and determination, the operational turnaround is gaining momentum, with further initiatives underway.

Health, Safety and Sustainability

- Group Total 12 month moving average Recordable Injury Frequency Rate (TRIFR) of 8.61 as at 31 December 2023 (30 June 2023: 5.13).
- The 12 month moving average Reportable Environmental Incidents Frequency Rate (REIFR) as at 31 December 2023 of 3.43 (30 June 2023: 2.91).
- Whilst most of the injuries during the period were slips, trips and hand injuries, preventing all injuries remains a priority and key actions are underway to improve performance. This includes increased visible safety leadership and ensuring people take the time to plan and assess hazards adequately before starting work.
- Identification of psychosocial risks commenced with a renewed focus on mental health wellbeing. Compliance with the 'Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces' and the relevant amendments to Acts has commenced.
- A strong focus on Health Safety Environment and Community leading indicators, while renewing and implementing our Fatal Hazard Standards, Critical Controls and Verifications, is also underway.

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Production and Cost Performance

- Group production metrics during the period were lower than the comparator half-year primarily due to the cessation of operations at Hera in March 2023:
 - Ore processed was 31% lower in the half-year at 435kt (HY23: 629 kt ore processed).
 - Group gold production of 31.7koz (HY23: 44.2koz).
 - Group zinc production of 7.5t (HY23: 11.0t)
 - Group lead production of 8.0t (HY23: 10.1t)
 - Group copper production of 0.9t (HY23: 1.1t)
- Group all-in sustaining costs were lower at \$2,146/oz (HY23: \$2,639/oz) due to a combination of improved operating performance at Peak and Dargues in this period, and removal of higher cost production from Hera in the comparator period.
- The Organisational Renewal Program continues to drive improved performance outcomes across the business.

Financial Outcomes

- Cash at bank of \$108.7 million as at 31 December 2023 (30 June 2023: \$38.9 million).
- Financing facility with Trafigura Pte Ltd ("Trafigura") closed in August 2023 comprising:
 - US\$24 million Loan Note Advance (undrawn as at 31 December 2023).
 - A\$65 million Environmental Performance Bond Facility (\$56.8 million utilised as at 31 December 2023).
- EBITDA of \$31.0 million (HY23: \$12.3 million).
- A tax refund of \$17.8 million was received in January 2024.

Growth

Federation

- Mine development was restarted on 1 August 2023 (refer ASX announcement dated 2 August 2023).
- Growth capital spend of \$29.1 million during the half-year on progressing the establishment of surface infrastructure and 1,080 metres of underground mine development.
- All three raisebore concrete collar foundations were poured and the raisebore contractor mobilised to commence development of the first ventilation / egress shaft.
- The upgrade of Burthong Road which runs from near the Hera site to Federation continued, with 2.25km of a total of 8km sealed.
- The mining lease was granted (refer ASX announcement dated 24 October 2023) and the Hera Environmental Protection Licence was modified to incorporate the Federation Project.

Resource Growth and Exploration

- The 2023 Mineral Resource and Ore Reserve statement was released (refer ASX announcement dated 30 August 2023), declaring a Group Mineral Resource of 27Mt, only 1% less than the 2022 statement despite the removal of Hera inventories, and a Group Ore Reserve of 5.5Mt, an 8% increase over 2022.
- Strong exploration drill results were returned from near-mine drilling at the Peak Mine (refer ASX announcements dated 12 October 2023) and releases subsequent to the period.

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2.1 Profit and financial performance

The Group reports a statutory net loss after tax of \$2.03 million for the half-year ended 31 December 2023. Included in the statutory net loss are some significant items which were not incurred in the ordinary course of business activities. Such items are disclosed in the underlying net profit/(loss). The underlying net profit or loss is presented to improve the comparability of the financial results between periods.

The result for the half-year ended 31 December 2023 in comparison to the prior half-year is summarised below:

Net profit/(loss)	31-Dec-23 \$'000	31-Dec-22 \$'000	Change %
Sales revenue	147,291	192,740	(24)
Cost of sales	(136,548)	(220,344)	38
Gross profit/(loss)	10,743	(27,604)	139
Impairment expense	-	(5,433)	100
Other income and expenses, net	(8,414)	(8,069)	(4)
Net profit/(loss) before income tax and net finance expenses	2,329	(41,106)	106
Net finance expenses	(1,664)	(1,561)	(7)
Net profit/(loss) before income tax	665	(42,667)	102
Income tax (expense)/benefit	(2,695)	13,180	(120)
Net profit/(loss) after income tax	(2,030)	(29,487)	93
Underlying net profit/(loss):	31-Dec-23 \$'000	31-Dec-22 \$'000	Change %
Net profit/(loss) before income tax	665	(42,667)	102
Add back:			
Business restructuring expense	-	4,584	(100)
Impairment expense	-	5,433	(100)
Rehabilitation expense – (reversal)	(1,302)	(90)	(1,347)
Remeasurement of financial liabilities	1,495	(801)	287
Underlying net profit/(loss) before income tax (i)	858	(33,541)	103
Tax effect on underlying (loss) / profits for the period	(139)	12,800	(101)
Prior year (under) / over provisions	(2,556)	380	(773)
Underlying net profit/(loss) after tax (i)	(1,837)	(20,361)	91

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

The items adjusted for are determined not to be in the ordinary course of business. These numbers are not required to be audited.

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2.1 Profit and financial performance (continued)

Total sales revenue for the half-year was \$45.4 million lower than the corresponding prior half-year, primarily driven by the cessation of operations at Hera in March 2023. Lower gold sales revenue was also impacted by lower gold grade at Dargues and lower processing throughput at Peak. The average realised gold price was higher at A\$3,060/oz (HY23: A\$2,570/oz) which offset some of the impact of lower production.

Total costs of sales were \$83.8 million lower at \$136.5 million (HY23: \$220.3 million). This is a result of:

- The cessation of mining activities at Hera which reduced cost of sales by \$55.6 million.
- At Peak and Dargues cost of sales were \$28.2 million lower due to lower mining and processing costs, with increased ROM stockpiles at Dargues.
- Depreciation and amortisation expense (excluding Corporate) decreased by \$19.6 million to \$28.3 million (HY23: \$48.0 million), the majority of the reduction was due to the cessation of operations at Hera.

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

Underlying Group EBITDA	31-Dec-23 \$'000	31-Dec-22 \$'000	Change %
Profit/(loss) before income tax and net finance expenses	2,329	(41,106)	106
Depreciation and amortisation	28,690	47,956	(40)
Impairment expense	-	5,433	(100)
EBITDA (i)	31,019	12,283	153
Business restructuring expense	-	4,584	(100)
Remeasurement of financial liabilities	1,495	(801)	287
Underlying EBITDA (ii)	32,514	16,066	102

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

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

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

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2.3 Cash flow performance

A summary of the Company's cash flow for the half-year ended 31 December 2023, in comparison to the prior half-year, is summarised below:

Group cash flows	31-Dec-23 \$'000	31-Dec-22 \$'000	Change %
Cash flows (used in) / from operating activities	34,328	(904)	3,897
Cash flows (used in) / from investing activities	(35,144)	(28,648)	(23)
Cash flows (used in) / from financing activities	70,556	(23,378)	402
Net movement in cash	69,740	(52,930)	232
Net foreign exchange difference	(17)	(28)	39
Cash at the beginning of the year	38,946	76,694	(49)
Cash at the end of the period	108,669	23,736	358

The net cash inflows from operating activities for the half-year ended amounted to \$34.3 million (HY23 \$(0.9) million). The net cash outflow from investing activities for the half-year ended was \$35.1 million (HY23: \$(28.6) million). The key investing activities include:

- Capital Expenditure for purchase of plant and equipment \$4.4 million and mine development expenditure of \$22.6 million.
- Exploration and evaluation of \$5.2 million (HY23: \$6.8 million).

The net cash inflow from financing activities for the half-year ended includes:

- Proceeds from the retail entitlement component of the equity raising (announced on 31 May 2023) of \$15.6 million received in July 2023 net of fees.
- Finance lease principal repayments of \$1.8 million (HY23: \$5.8 million).
- Cash inflow of \$56.8 million relating to the return of the cash backing from the previous performance bond facility (the outflows were previously treated as cash flow from investing activities due to the cash being restricted).

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2.4 Group operational summary

The key operating results for the Group are summarised below:

		31-Dec-23	31-Dec-22	Change %
Production volume				
Gold	oz	31,664	44,173	(28)
Silver	oz	151,238	221,358	(32)
Copper – contained metal	t	878	1,112	(21)
Lead – contained metal	t	7,972	10,152	(21)
Zinc – contained metal	t	7,480	11,026	(32)
Sales volume				
Gold doré and gold in concentrate	oz	30,566	41,492	(26)
Silver doré and silver in concentrate	oz	108,201	197,146	(45)
Payable copper in concentrate	t	994	1,663	(40)
Payable lead in concentrate	t	7,732	9,939	(22)
Payable zinc in concentrate	t	6,568	8,677	(24)
Average prices achieved (i)				
Gold	A\$/oz	3,060	2,570	19
Silver	A\$/oz	35	34	3
Copper	A\$/t	11,871	11,238	6
Lead	A\$/t	3,383	3,326	2
Zinc	A\$/t	3,822	4,920	(22)
All in sustaining cost (ii)	A\$/oz	2,146	2,639	(19)

(i) After realised hedge gains/losses and adjustments on finalisation of concentrate shipments

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

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2.5 Peak Mine operational summary

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

Peak is currently undergoing an operational turnaround, with a focus on lifting development and mining rates, and lowering costs, both on a spend basis and a unit rate basis.

Mine development increased with 1,467m completed during the period, which provides greater optionality and contingency for production.

Mining and processing volumes were lower than the comparison period (HY23) with the focus this half-year on increasing mine development rates and debottlenecking mining production processes.

Peak's total gold produced during the period was 14,248 oz (HY23: 19,716 oz), primarily driven by a lower gold grade. Base metal grades were higher which lifted production in zinc and lead, but the reduced amount of copper ore processed resulted in lower production.

Cost performance improved in the period with the AISC reducing to \$1,820/oz.

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

Peak Mine		31-Dec-23	31-Dec-22	Change %
Ore processed	t	256,931	281,552	(9)
Gold grade	g/t	1.8	2.4	(25)
Silver grade	g/t	19.3	13.6	42
Copper grade	%	0.8	0.7	14
Lead grade	%	3.6	3.1	16
Zinc grade	%	4.1	3.6	14
Gold recovery	%	94.6	92.6	2
Production Volume				
Gold production	oz	14,248	19,716	(28)
Silver production	oz	151,238	102,819	47
Copper production	t	878	1,112	(21)
Lead production	t	7,972	7,141	12
Zinc production	t	7,480	6,509	15
AISC (All-in sustaining cost) (i)	A\$/oz	1,820	2,156	(16)

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

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2.6 Dargues Mine operational summary

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

It is anticipated the Dargues Gold Mine will complete mining and cease production operations during Q1 FY25. Dargues management has taken steps to ensure the strong planned cash contribution from the asset until the end of its mine life is realised. A retention program for both employees and contractors is now in place to provide the workforce with greater incentive to remain at Dargues through to the end of mine operations.

Total gold produced during the half-year was 17,416 ounces. Ore processed was higher than the prior corresponding half-year at 179kt (HY23: 176kt). A total of 16,743 oz of gold sold at an AISC of \$2,034/oz (HY23: 17,633 oz of gold sold at an AISC of \$2,313/oz).

Sustaining capital invested during the half-year was significantly lower at \$0.3 million (HY23: \$6.9 million) excluding sustaining leases, which was largely related to mine development.

The key performance metrics for the Dargues Gold Mine are tabulated below:

Dargues Gold Mine		31-Dec-23	31-Dec-22	Change %
Ore processed	t	178,542	176,450	1
Gold grade	g/t	3.2	3.3	(3)
Gold recovery	%	94.7	95.4	(1)
Production Volume				
Gold production	oz	17,416	17,716	(2)
AISC (All in sustaining cost) (i)	A\$/oz	2,034	2,313	(12)

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

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2.7 Hera Mine

The Hera site is located approximately 100km south-east of Cobar in central-west New South Wales and the mine has closed and the surface facilities are in care and maintenance.

Hera Mine		31-Dec-23	31-Dec-22	Change %
Ore processed	t	-	171,159	(100)
Gold grade	g/t	-	1.4	(100)
Silver grade	g/t	-	23.1	(100)
Lead grade	%	-	1.9	(100)
Zinc grade	%	-	2.9	(100)
Gold recovery	%	-	87.5	(100)
Production Volume				
Gold production	oz	-	6,742	(100)
Silver production	oz	-	118,539	(100)
Lead production	t	-	3,011	(100)
Zinc production	t	-	4,517	(100)
AISC (All in sustaining cost) (i)	A\$/oz	-	3,847	(100)

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

3.0 Growth Projects

Aurelia has established growth objectives and strategies to generate value and long-term returns at each of our mine sites. Our strategies leverage the benefits of existing infrastructure and a prospective tenement holding. The Company is currently developing the Federation Mine, with development of Great Cobar (located within the vicinity of the Peak Mine) to follow.

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3.1 Federation

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

On 31 May 2023, Aurelia announced it had secured a funding solution to enable the restart of development at Federation, with site activities initiated in early June and development recommencing 1 August 2023. This work included:

- finalisation and implementation of the Safety Management System and Remobilisation Plan,
- mobilisation of Redpath's workforce and equipment (from mid-July) which enabled decline development mining to resume on 1 August 2023. Underground mine development totalling 1,080m was completed in the period.
- preparing tenders and executing contracts for multiple work packages including surface shaft raiseboring, public road upgrade construction, bulk materials, electrical and piping installation.
- construction of onsite and offsite infrastructure including surface raisebores, sealing of Burthong Road, site offices.
- optimising the flotation and tailings filtration test work to inform detailed engineering and design work.
- submissions for secondary approvals required under the project's Development Consent are under final review and revision with the Department of Planning and Environment. The Mining Lease was granted in October 2023.

The Federation ore body remains open along strike and at depth. A surface drilling program to target extension opportunities commenced with 6 holes completed, with a second drill underground to complete an infill drilling program to finalise design of the first production area.

First stoping ore from Federation is expected in the first quarter of FY25, with commercial production achieved in the second half of FY25. Ore will be hauled from Federation to be processed through the Peak plant which currently has spare capacity. The Cobar Basin optimisation project currently underway, will assess processing options when the Peak mill is full, which includes restarting the Hera plant currently on care and maintenance.

3.2 Great Cobar

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

The Great Cobar Pre-Feasibility Study (PFS) and maiden Ore Reserve was released in January 2022. The planned mine development would use a layout that incorporates responses from community consultation and information from assessments prepared for the Environmental Impact Statement (EIS) for the New Cobar Complex. Further study work to refine the plan for Great Cobar's development will be completed in FY24.

The Great Cobar Project comprises:

- establishment of a new mining area within the Peak mine which would deliver ore to the Peak Mine process plant
- excavation of twin underground access declines and a return air raise to access the deposit from the existing New Cobar Mine workings
- longhole stoping mining methods with waste rock backfill in the copper dominant portion of the deposit
- a Mineral Resource of 8,400kt of Indicated and Inferred Mineral Resource at average grades of 2.1% copper and 0.6g/t gold, and
- an Ore Reserve estimate of 1,100kt at 2.1% copper, and 1.2g/t gold.

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

The timing of the development of Great Cobar will be sequenced to maximise value from the Peak Mine.

4.0 Exploration and evaluation

Aurelia's exploration and evaluation activities continue to unlock exceptional value. Targeted exploration and resource definition drilling has delivered strong results within Aurelia's highly prospective tenement holding. The Company is committed to investing in future growth and exploration activities have now ramped up again with the finalisation of financing process, with a focus on near-mine and regional exploration targets in the Cobar Basin.

4.1 Cobar District (Peak Mine)

South Mine – Perseverance/Chronos/Peak/Kairos

Exploration activities in the South mine focussed on near mine extensional drilling of known mining areas. Drilling results for the first quarter were announced on 12 October 2023 (see ASX announcement titled "Exploration Update – Peak" released 12 October 2023).

The Perseverance Deeps underground drill program targeted down-dip extensions of the Perseverance Zone D area and intersected several significant intersections and provided valuable information on the continuity of Perseverance Deeps showing a transition from copper-rich ore to gold-rich ore.

The Perseverance Zone A underground drill program targeted northern strike extensions of the Perseverance Zone A lens which is a current stoping area. Drilling intersected several high-grade areas of copper-rich mineralisation and added important information to the current mine design for potential extensions of stoping activities.

The Upper Chronos surface drill program targeted up-dip extensions of the gold and lead-zinc rich Chronos Deposit. Minor mineralisation was intersected during the program and generally closed out the Upper Chronos lens. More significantly, one drillhole was extended beyond the main Upper Chronos structure to test for repeat parallel structures and a second mineralised hanging wall structure was intersected. Further work is required to assess the prospectivity of this structure which will be conducted in FY25.

The Upper Blue Lens surface drill program targeting a mineralised corridor between the surface Blue Lens and Peak North was completed during the half year with assays currently outstanding.

Exploration drilling will return to the Kairos Lens in the coming half year to test for southern strike extensions to the Kairos Lens.

North Mine – Great Cobar/New Cobar/Chesney/Proteus/New Occidental

Exploration activities in the North mine focussed on near mine extensional drilling of known mining areas.

The Chesney South underground drill program targeted the undrilled corridor between the Chesney Deposit and the newly defined Burrabungie Deposit 100m south of the Chesney Deposit to assess continuity of mineralisation between the lenses to support potential development. The program was completed during the current half year and positive drilling results were announced on 12 October 2023 (see ASX announcement titled "Exploration Update – Peak" released 12 October 2023).

Two drilling programs were undertaken at Chesney Deeps North and Chesney Deeps South. Both programs were testing for extensions of mineralisation beyond the current resource below current workings. Visual mineralisation from the North program was very positive and visual mineralisation from the South program was moderate to positive. Assays for the Chesney North drilling program were released to the market after the period (refer ASX announcement dated 18 January 2024).

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The Mt Pleasant surface drill program in the Proteus area was initiated in the current half year to confirm and extend historic drill results 100-150m south of the Burrabungie Deposit. This program is aimed at supporting development decisions south of Chesney and current visual indications are positive. Drilling and assays are expected to be completed in the second half.

Queen Bee

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

The Company gained land access to this area in FY23 and extended land access in late in H1FY24. Further drilling is planned for the second half.

4.2 Nymagee District

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

The Federation deposit was discovered in this area and its prospectivity is described in Section 3.1. During the first half of FY24, Aurelia undertook shallow surface extensional drilling to the current mine design and assays are expected in the coming half year. This program will be followed by a second phase of extensional drilling to re-initiate discovery type drilling for additional lenses late in H2FY24.

Maiden drilling for Aurelia Metals was undertaken at the historic Nymagee Mine during the half year, to assess the integrity of existing spatial data and test for down-dip extensions of existing mineralisation. Drilling was finalised late in the half year, with very positive visual results. Assays are expected in the second half.

As part of the FY24 regional exploration program, surface soils and auger drilling was undertaken at the Lancelot prospect following a successful induced polarisation (IP) survey (see ASX announcement titled "Survey Results" released on 18 January 2023). Assay results are expected in the second half, and if positive will be followed by a regional drilling program to assess the geology and mineralisation of the prospect area.

4.3 Braidwood District (Dargues)

The Dargues region and Braidwood District remains highly prospective. Studies and previous drilling results have been collated to support an Expressions of Interest process that will be undertaken in H2 FY24.

4.4 Other near-mine and regional exploration

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

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

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

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CORPORATE

5.0 Balance sheet

The Group total assets of \$455.9 million at 31 December 2023 represents an increase of \$11.5 million in comparison to the total assets at 30 June 2023 of \$444.4 million.

The main events and movements during the half-year ended include:

Assets	<ul style="list-style-type: none"> Cash at bank position of \$108.7 million (HY23: \$23.7 million) Current tax asset balance of \$17.8 million represents an income tax refund receivable which was received in January 2024. Continued investment in exploration and evaluation totalling \$5.2 million (HY23: \$6.5 million) (refer to Note 9 of the Financial Statements). Overall exploration expenditure reduced with the completion of the exploration program at Federation and the asset transitioning to development. Mine properties assets totalling \$156.8 million at 31 December 2023 (30 June 2023: \$143.1 million). Investment in property, plant and equipment of \$4.4 million (HY23: \$6.9 million) includes acquired mobile plant and equipment for the Federation mine and Peak mine.
Liabilities	<ul style="list-style-type: none"> The Company had no drawn debt as at 31 December 2023. Derivatives and other financial liabilities totalling \$9.1 million pertains to future third party royalties payable and Trafigura warrants issued (HY23: \$8.3 million) (refer to note 12 of the Financial Statements). Decrease in total rehabilitation provisions of \$8.0 million is mostly attributable to a reassessment of key inputs including discount rates and inflation rates at 31 December 2023. As part of the financing package, in August 2023 Trafigura were issued 120 million warrants with an exercise price of \$0.25 and a term of 4 years. This is classified as a current financial liability.
Equity	<ul style="list-style-type: none"> The equity raise of A\$40 million announced on 31 May 2023 was completed in July 2023 with receipt of the remaining proceeds of \$15.5 million (net of fees) from the retail entitlement offer. No dividends were paid or declared during the half-year ended.

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5.1 Financing

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

- US\$24 million Loan Note Advance (“Loan Note”) facility to contribute funding to the construction of Federation, and
- A\$65 million Environmental Bond Facility (“Bond Facility”) to provide rehabilitation bonding. As at 31 December \$56.8 million has been utilised.

The Facilities have a term of 4 years from the date of financial close (22nd August 2023). The Loan Note has an interest rate of SOFR (Secured Overnight Financing Rate) + 6.0% and the Bond Facility has an interest rate of 6.0%. The Facilities have no financial covenants, no hedging requirements and have early repayment flexibility. Trafigura has been granted 120 million warrants over Aurelia shares with an exercise price of A\$0.25/share and a 4 year term.

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

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

5.2 Dividends

The Board of Directors did not declare an interim dividend for the half-year ended 31 December 2023 (31 December 2022: Nil).

5.3 Corporate costs

Corporate costs include head office, group professional services and compliance costs, as well as other operating and business development costs. The corporate costs for the half-year were \$7.9 million (HY23: \$8.1 million).

5.4 Hedging

The Company acknowledges that a prudent hedging strategy is an important element of financial risk management and overarching enterprise risk management.

At 31 December 2023, the Company had the following hedges in place.

Commodity	Unit	31 December 2023		30 June 2023	
		Quantity	Contract price	Quantity	Contract price
Gold	oz	20,675	US\$3,071	-	-
Lead	t	3,452	US\$3,316	-	-
Zinc	t	3,132	US\$3,791	-	-

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SAFETY, RISK AND SUSTAINABILITY

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

The FY23 Annual Report includes details on our objectives and initiatives within the focus areas of risk, safety, people, community, climate change and environment.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Apart from the items as noted elsewhere in this report, there were no significant changes in the nature of activities of the Company during the half-year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no significant events that occurred after 31 December 2023 other than the resignation of two Independent Non-Executive Directors on 31 January 2024:- Ms Helen Gillies and Mr Paul Harris.

On behalf of the Board,



Peter Botten AC CBE

Chair



Bryan Quinn

Managing Director and Chief Executive Officer

28 February 2024

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Auditor's independence declaration to the directors of Aurelia Metals Limited

As lead auditor for the review of the half-year financial report of Aurelia Metals Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Kellie McKenzie
Partner
28 February 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31-Dec-23 \$000	31-Dec-22 \$000
Sales revenue	4	147,291	192,740
Cost of sales	5	(136,548)	(220,344)
Gross profit/(loss)		10,743	(27,604)
Corporate administration expenses		(7,924)	(8,066)
Rehabilitation reversal of expense / (expense)		1,302	801
Share based reversal of expense / (expense)		251	(17)
Impairment loss		-	(5,433)
Other expenses		(2,043)	(787)
Profit/(loss) before income tax and net finance expenses		2,329	(41,106)
Finance income	4	2,165	663
Finance costs		(3,829)	(2,224)
Profit/(loss) before income tax expense		665	(42,667)
Income tax benefit/(expense)	6	(2,695)	13,180
Profit/(loss) after income tax expense		(2,030)	(29,487)
Other comprehensive income Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax		(31)	1,080
Total comprehensive profit/(loss) for the year		(2,061)	(28,407)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the parent			
Basic earnings per share (cents per share)		(0.12)	(2.38)
Diluted earnings per share (cents per share)		(0.12)	(2.38)

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

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31-Dec-23 \$000	30-Jun-23 \$000
Assets			
Current assets			
Cash and cash equivalents		108,669	38,946
Trade and other receivables		6,964	7,677
Inventories		24,089	29,230
Prepayments	18	3,916	5,221
Derivative financial instruments		972	69
Income tax receivable		17,814	21,177
Total current assets		162,424	102,320
Non-current assets			
Property, plant and equipment	7	104,701	118,287
Mine properties	8	156,828	143,074
Exploration and evaluation assets	9	14,879	9,667
Right of use assets	13	2,883	4,943
Restricted cash		505	56,833
Financial assets		663	718
Prepayments	18	3,763	-
Deferred tax asset	6	9,240	8,558
Total non-current assets		293,462	342,080
Total assets		455,886	444,400

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	31-Dec-23 \$000	30-Jun-23 \$000
Liabilities			
Current liabilities			
Trade and other payables		33,945	28,479
Interest bearing loans and borrowings	10	4,448	3,635
Provisions	11	8,199	7,724
Lease liabilities	13	2,388	3,041
Other financial liabilities	12	4,611	6,803
Derivative Financial Instruments	12,18	4,490	-
Total current liabilities		58,081	49,682
Non-current liabilities			
Provisions	11	70,205	78,164
Interest bearing loans and borrowings	10	3,636	4,047
Lease liabilities	13	822	1,969
Other financial liabilities	12	22	713
Total non-current liabilities		74,685	84,893
Total liabilities		132,766	134,575
Net assets		323,120	309,825
Equity			
Issued share capital		372,625	357,018
Share based payments reserve	15	12,753	13,919
Hedge reserve	15	(31)	-
Retained earnings		(62,227)	(61,112)
Total equity		323,120	309,825

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

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INTERIM CONDENSED CONSOLIDATED CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Issued share capital \$000	Share based payment reserve \$000	Hedge reserve \$000	Retained earnings/ accumulated (losses) \$000	Total \$000
Balance at 1 July 2022		334,659	13,122	(1,964)	(8,891)	336,926
Total loss for the period		-	-	-	(29,487)	(29,487)
Other comprehensive income		-	-	1,080	-	1,080
Total Comprehensive Income		-	-	1,080	(29,487)	(28,407)
Transactions with owners in their capacity as owners						
Share-based payments		-	17	-	-	17
Balance at 31 December 2022		334,659	13,139	(884)	(38,378)	308,536
Balance at 1 July 2023		357,018	13,919	-	(61,112)	309,825
Total loss for the period		-	-	-	(2,030)	(2,030)
Other comprehensive income	15	-	-	(31)	-	(31)
Total Comprehensive Income		-	-	(31)	(2,030)	(2,061)
Transactions with owners in their capacity as owners						
Shares issued, net of costs		15,607	-		-	15,607
Share based payments	15	-	(251)			(251)
Transfer expired warrants			(915)		915	-
Balance at 31 December 2023		372,625	12,753	(31)	(62,227)	323,120

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 \$000	31-Dec-22 \$000
Cash flows from operating activities		
Receipts from customers	145,436	182,387
Payments to suppliers and employees	(111,123)	(187,981)
Proceeds/(payments) for hedge settlements and foreign exchange	458	6,080
Interest received	2,164	662
Interest paid	(2,595)	(2,701)
Income tax refund	(12)	649
Net cash flows (used in) / from operating activities	34,328	(904)
Cash flows from investing activities		
Payments for the purchase of property, plant and equipment	(4,455)	(6,914)
Payments for mine capital expenditure	(22,572)	(11,438)
Payments for exploration and evaluation	(5,212)	(6,845)
Payments for royalties	(2,905)	(3,451)
Net cash flows used in investing activities	(35,144)	(28,648)
Cash flows from financing activities		
Proceeds from issue of shares	16,436	-
Payments for transaction costs related to issuance of securities	(849)	-
Payment of the principal element of leases	(1,799)	(5,831)
Proceeds/(payments) for facility cash cover and security bonds	56,366	(10,229)
Repayment of borrowings and equipment loans	(1,858)	(7,318)
Proceeds of equipment loans	2,260	-
Net cash flows from/(used in) financing activities	70,556	(23,378)
Net increase in cash and cash equivalents	69,740	(52,930)
Net foreign exchange difference	(17)	(28)
Cash and cash equivalents at beginning of the year	38,946	76,694
Cash and cash equivalents at end of the period	108,669	23,736

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NOTES TO FINANCIAL STATEMENTS

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

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

The financial report of Aurelia Metals Limited and its subsidiaries for the half-year ended 31 December 2023 was authorised for issue on 28 February 2024, in accordance with a resolution of the Directors.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Operating segments and performance

The segment information for the reportable segments is as follows:

HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Peak Mine \$000	Hera \$000	Dargues Mine \$000	Corporate and Elimination \$000	Total \$000
Revenue	4	96,329	195	50,767	-	147,291
Site EBITDA		19,396	(1,318)	21,014	-	39,092
Reconciliation of profit before tax expense:						
Depreciation and amortisation expense						(28,349)
Corporate costs						(7,924)
Interest income and expense, net						(1,664)
Share based reversal / (expense)						251
Impairment loss						-
Exploration and evaluation expenses						(36)
Other income and expenses, net						(2,007)
Rehabilitation reversal / (expense)						1,302
Income tax expense	6					(2,695)
Net loss after income tax						(2,030)

	Peak Mine \$000	Hera \$000	Dargues Mine \$000	Corporate and Elimination \$000	Total \$000
Segment assets and liabilities					
Total assets	184,967	110,627	38,563	121,729	455,886
Total liabilities	(69,549)	(27,286)	(19,313)	(16,618)	(132,766)

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Operating segments and performance (continued)

HALF-YEAR TO 31 DECEMBER 2022

	Note	Peak Mine \$000	Hera Mine \$000	Dargues Mine \$000	Corporate and Elimination \$000	Total \$000
Revenue	4	107,217	39,862	45,661	-	192,740
Site EBITDA		11,790	(5,880)	14,443	-	20,352
Reconciliation of profit before tax expense:						
Depreciation and amortisation expense						(47,956)
Corporate costs						(8,066)
Interest income and expense, net						(1,561)
Share based expenses						(17)
Impairment loss						(5,433)
Exploration and evaluation expenses						(403)
Other income and expenses, net						(384)
Gain on commodity derivatives and foreign exchange						801
Income tax benefit						13,180
Net loss after income tax						(29,487)

	Peak Mine \$000	Hera Mine \$000	Dargues Mine \$000	Corporate and Elimination \$000	Total \$000
Segment assets and liabilities					
Total assets	208,981	102,252	80,015	89,891	481,139
Total liabilities	(10,877)	(55,308)	(36,435)	(69,983)	(172,603)

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Summary of Significant Accounting Policies

3.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual Financial Statements, and should be read in conjunction with the Group's annual financial statements at 30 June 2023.

The financial report has been prepared on a historical cost basis, except for derivative instruments and investments which are measured at fair value.

The financial report is presented in Australian dollars, which is the functional currency of the Company. All values are rounded to the nearest thousand (\$'000), except when otherwise indicated under the option available to the Company under ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

3.2 Going Concern

At the date of signing this financial report, the Directors have prepared the report 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 and at amounts stated in the financial report.

To ensure the Group can meet its working capital and sustaining and expansionary capital expenditure requirements in the ordinary course of business, the Group routinely monitors its available cash and liquidity. On 31 May 2023 the Company announced a new ~A\$100 million financing package from Trafigura Pte Ltd, comprising a US\$24 million (~A\$36 million) Loan Note advance and a A\$65 million performance bond facility, with a term of four years. Accompanying this new facility was a A\$40 million equity raise which was completed in early July 2023. Financial close on the Trafigura facilities was achieved in August 2023. To the extent necessary, the Group considers financing and other capital management strategies, to ensure appropriate funding for its current operations and future growth ambitions.

3.3 New accounting standards and interpretations

The 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 2023, except for the adoption of new standards effective as of 1 July 2023 which had no material impact. The Group has not early adopted any standard, interpretation or amendment that has been issued but not effective.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. 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.

	31-Dec-23 \$000	31-Dec-22 \$000
Gold	92,369	105,766
Copper	13,935	15,680
Lead	20,660	32,688
Zinc	16,650	32,120
Silver	3,677	6,486
Total sales revenue by commodity	147,291	192,740

	31-Dec-23 %	31-Dec-22 %
Australia	20	20
China	70	65
Malaysia	10	12
South Korea	-	3
Total sales revenue by geographical location	100	100

	31-Dec-23 \$000	31-Dec-22 \$000
Finance income	2,165	663
Total finance income	2,165	663

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Cost of sales

	31-Dec-23 \$000	31-Dec-22 \$000
Cost of sales		
Site production costs	88,793	143,220
Transport and refining	9,864	16,301
Royalty	4,108	6,015
Inventory movement	5,434	6,852
	108,199	172,388
Depreciation and amortisation	28,349	47,956
Total cost of sales	136,548	220,344

6. Income tax

The Group is a tax consolidated group at balance date.

The major components of income tax expense for the half-year ended 31 December 2023 and 2022 are:

6.1 Income tax expense

	31-Dec-23 \$000	31-Dec-22 \$000
Current income tax		
Current tax on profits/(losses) for the period	-	(19,954)
Adjustments in respect of current income tax of previous year	2,556	(174)
Deferred tax:		
Deferred tax movements for the period	139	6,948
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	2,695	(13,180)

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Income tax (continued)

6.2 Numerical reconciliation of income tax expense to prima facie tax payable

	31-Dec-23 \$000	31-Dec-22 \$000
Accounting profit before income tax	665	(42,667)
Prima facie income tax expense @ 30%	200	(12,800)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Share based payments and other non-assessable items	-	5
Prior year under provisions	2,556	118
Previously unrecognised temporary differences	-	(378)
Other	-	(125)
Permanent differences	(61)	-
Income tax expense/(benefit)	2,695	(13,180)

6.3 Carry forward tax losses

The Group recognises a deferred tax asset for deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profits will be available. At each reporting date, the Group assesses the level of expected future cash flows from the business, and the probability associated with realising these cash flows, and determines whether the deferred tax assets of the Group should continue to be recognised. The Group has assessed that it is probable that the current Group's carry forward tax losses of \$9.2 million (tax effected) will be utilised to offset future taxable profits once the Cobar region operations are in full production.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Property, plant and equipment

	31-Dec-23 \$000	30-Jun-23 \$000
Plant and equipment at cost	282,736	278,735
Property at cost	7,198	7,224
Accumulated depreciation	(173,492)	(155,931)
Impairment provision	(11,741)	(11,741)
	104,701	118,287
Movement in property, plant and equipment		
Carrying value at the beginning of the period	118,287	156,027
Additions/expenditure during the year	4,455	10,958
Depreciation for the year	(18,036)	(35,190)
Impairment loss recognised during the year	-	(1,637)
Transfer to mine properties	-	(11,150)
Assets disposed or derecognised	(5)	(721)
Closing balance	104,701	118,287

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Mine properties

	31-Dec-23 \$000	30-Jun-23 \$000
Mine properties at cost	717,103	694,532
Accumulated depreciation and impairment	(560,275)	(551,458)
	156,828	143,074
Movement in mine properties		
Carrying value at the beginning of the year	143,074	123,533
Impairment loss recognised during the year	-	(3,796)
Development expenditure during the year	22,572	15,122
Transfer from exploration and evaluation	-	57,620
Depreciation for the year	(8,818)	(60,555)
Transfer from property, plant and equipment	-	11,150
Closing balance	156,828	143,074

At 31 December 2023, an impairment assessment was conducted and there were no impairment indicators for the Dargues, Peak, Federation or Hera CGUs.

9. Exploration and evaluation assets

	31-Dec-23 \$000	30-Jun-23 \$000
Exploration and evaluation assets	14,879	9,667
Movement in exploration and evaluation assets		
Carrying value at the beginning of the year	9,667	71,728
Expenditure during the half-year ended	5,212	10,972
Transfer to mine properties	-	(57,620)
Impairment / expenditure written off during the year	-	(15,413)
Closing balance	14,879	9,667

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. Interest bearing loans and borrowings

	31-Dec-23 \$000	30-Jun-23 \$000
Current		
Term loan facility	-	-
Other loans	4,448	3,635
	4,448	3,635
Non-current		
Term loan facility	-	-
Other loans	3,636	4,047
	3,636	4,047
Total interest-bearing liabilities	8,084	7,682

11. Provisions

	31-Dec-23 \$000	30-Jun-23 \$000
Current		
Employee benefits	6,793	6,486
Mine rehabilitation	497	501
Other	909	737
Total current provisions	8,199	7,724
Non-Current		
Employee benefits	534	423
Mine rehabilitation	69,671	77,741
Total non-current provisions	70,205	78,164
Total provisions	78,404	85,888

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. Derivatives and other financial liabilities

	31-Dec-23 \$000	30-Jun-23 \$000
Current		
Third party royalty liability	4,611	6,803
Trafigura warrants – derivative financial liability	4,284	-
Commodity hedge liability	206	-
Total current derivatives and other financial liabilities	9,101	6,803
Non-Current		
Third party royalty liability	-	713
Sub-lease security deposit	22	-
Total non-current derivatives and other financial liabilities	22	713
Total derivatives and other financial liabilities	9,123	7,516

The third-party royalty liability is subject to periodic remeasurement of changes in the following assumptions:

- Gold price
- Life of mine assumptions and related changes in sales volumes
- Foreign currency exchange rate

The derivative financial liability is subject to periodic remeasurement at fair value using Black-Scholes methodology.

13. Leases

	31-Dec-23 \$000	30-Jun-23 \$000
Right of use assets		
Carrying value at the beginning of the year	4,943	19,414
Additions	-	3,695
Re-measurement / modifications	(226)	(5,762)
Terminations	-	(4,528)
Depreciation expense	(1,834)	(7,876)
Carrying value at the end of the year	2,883	4,943

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. Leases (continued)

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

	31-Dec-23 \$000	30-Jun-23 \$000
Lease liabilities		
Current	2,388	3,041
Non-current	822	1,969
Closing balance	3,210	5,010

	31-Dec-23 \$000	30-Jun-23 \$000
Movement in lease liabilities		
Carrying value at the beginning of the year	5,010	19,489
Additions	-	3,695
Re-measurement	-	(5,762)
Terminations	-	(3,037)
Interest expense	115	557
Payments	(1,915)	(9,932)
Carrying value at the end of the period	3,210	5,010

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. Contributed equity

14.1 Movements in ordinary shares on issue

31 December 2023		Date	Number	\$'000
Opening balance (1 July 2023)			1,501,942,995	357,018
Retail component of equity raising	(i)	5 July 23	182,842,337	16,456
Share Issue Costs	(ii)	5 July 23	-	(849)
Shares issued on vesting of performance rights	(iii)	29 Aug 23	457,875	-
Shares issued to Managing Director	(iv)	16 Nov 23	4,524,197	-
Closing balance			1,689,767,404	372,625

30 June 2023		Date	Number	\$'000
Opening balance (1 July 2022)			1,237,056,457	334,659
Shares issued on vesting of performance rights	(v)	29 Aug 22	380,759	-
Institutional component of equity raising	(vi)	9 June 23	261,818,451	23,564
Share issue costs	(vii)	9 June 23	-	(1,205)
Employee share scheme	(viii)	13 June 23	2,687,328	-
Closing balance			1,501,942,995	357,018

- (i) On 5 July 2023, the Company completed the retail placement and entitlement offer component of the A\$40 million equity raising announced on 31 May 2023. The shares were issued at \$0.09 per share.
- (ii) The share issue costs relating to the retail component of equity raise.
- (iii) On 29 August 2023, the Company issued 457,875 shares on the vesting of Employee Performance Rights.
- (iv) On 16 November 2023, a total of 4,524,197 shares were issued to the Managing Director, as approved by shareholders at the 2023 AGM.
- (v) On 29 August 2022, the Company issued 380,759 shares on the vesting of Employee Performance Rights.
- (vi) On 9 June 2023, the Company completed the institutional placement and entitlement offer component of the A\$40 million equity raising announced on 31 May 2023. The shares were issued at \$0.09 per share.
- (vii) The share issue costs relating to the institutional component of equity raise.
- (viii) On 13 June 2023, a total of 2,687,328 shares were issued under the Employee Share Scheme for no consideration.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. Reserves

Movement in share base payments reserve	31-Dec-23 \$000	30-Jun-23 \$000
Opening balance	13,919	13,122
Share based payment expense	(251)	797
Transfer (warrants)	(915)	-
Closing balance	12,753	13,919

Movement cash flow hedge reserve	31-Dec-23 \$000	30-Jun-23 \$000
Opening balance	-	(1,964)
Cash flow hedge - commodity forward contracts	(31)	1,964
Closing balance	(31)	-

16. Commitments and contingencies

16.1 Capital Commitments

The Group had capital commitments of \$48.1 million as at 31 December 2023 (30 June 2023: \$34.5 million).

16.2 Guarantees

At 31 December 2023, the previous Environmental Bond Facility as part of the secured Syndicated Facilities Agreement had been repaid, and under the new agreement with Trafigura, no cash backing is required. \$56.8 million of the Trafigura performance bond facility has been utilised.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

17. 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 are measured at fair value through profit or loss.

31 December 2023	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Assets			
Trade receivables at fair value	2,326	-	-
Listed equity investments	663	-	-
Derivative financial instruments	-	972	-
Liabilities			
Derivative financial instruments		4,490	
Deferred consideration	-	-	-

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

Derivative financial instrument liabilities are fair-valued at each reporting date. Refer to Note 18 for further information.

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18. Debt Facilities

A derivative financial liability was recognised in August 2023 in relation to the warrants granted under the new Trafigura Loan Note and Bond Facility. The derivative financial liability is subject to periodic remeasurement at fair value using Black-Scholes methodology and key inputs include the current share price, risk free rate and volatility and the movement will be recognised in Other income/expenses each period.

The initial fair value of the warrants of \$2.8 million and other transaction costs have been recognised as a prepaid expense and will be amortised over the term of the Loan Note facility.

19. Events after the reporting period

Since 31 December 2023 and until the signing of this report, there has been the resignation of two Independent Non-Executive Directors on 31 January 2024:- Ms Helen Gillies and Mr Paul Harris.

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DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:
 - a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the notes; and
 - c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial half-year ending 31 December 2023.

On behalf of the Board,



Peter Botten AC CBE
Chair



Bryan Quinn
Managing Director and Chief Executive Officer
28 February 2024

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Independent auditor's review report to the members of Aurelia Metals Limited

Conclusion

We have reviewed the accompanying half-year financial report of Aurelia Metals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Ernst & Young

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

Kellie McKenzie
Partner
Brisbane
28 February 2024