

FINANCIAL RESULTS FOR THE INTERIM PERIOD 6 MONTHS TO 31 DECEMBER 2017

KEY POINTS

Continued improvements at the Hera Mine, relative to the prior corresponding period, and strong base metal prices, have delivered a solid interim performance:

- **321% increase in reported profit of \$18.3M**
- **34% increase in sales revenue to \$69.0M**
- **82% increase in operating cash flow to \$34.0M**
- **Net debt reduced by 66% to \$32.2M (after tranche 1 equity raising completed)**

Aurelia's Managing Director & CEO, Jim Simpson comment: "We have delivered a first half profit of \$18.3 million, which is similar to the entire profit we generated last financial year. This strong performance is being delivered by increased metal production at a time of higher prices, lower smelter charges and lower operating costs. The Hera operating cash flow of \$34M in the half enabled the business to repay \$25M of Glencore Debt, and provides a strong foundation for the integration of Peak Mines into Aurelia. The acquisition of Peak is planned to increase our gold production and add copper to our existing base metal mix of lead and zinc. The final step to complete the acquisition is Ministerial consent for the transfer of the Peak exploration licences and we expect this to occur in the March 2018 quarter."

INTERIM FINANCIAL RESULTS

Aurelia Metals Limited ("**AMI**" or the "**Company**") is pleased to report its financial results for the six months to 31 December 2017. Key financial metrics relative to the prior corresponding period were:

- Sales revenue increased by 34% to \$68.963 million
- EBITDA increased by 52% to \$31.320 million
- Reported profit increased by 321% to \$18.327 million
- Net Debt (using face value of debt) reduced by 66% to \$32.190 million. The reduction in net debt includes the \$20.7 million raised in Tranche 1 of the equity raising, but does not include \$64.7 million raised in Tranche 2 and the SPP (completed on 12 January 2018).

The improved performance was delivered by improvements at the Hera processing facility and increased base metal grades and prices:

- Increased processing throughput, up 8% to 197,433 tonnes
- Increased gold recovery, up 4% to 89.9%
- Increased gold production, up 13% to 25,637 oz
- Increased Lead and Zinc grades (up 43% and 35% respectively) leading to 41% increase in concentrate production of 21,445 tonnes.
- Average zinc price received up 31%, Lead price up 14% and gold price received down 2%.

On the 21 November 2017, the Company announced the acquisition of Peak Mines for US\$58 million. Funding is to be provided by equity (net \$85.4 million raised, with \$20.7 million raised in the period to 31 December 2017 and \$64.7 million raised in January 2018) and a \$115 million debt facility from the Investec Group (For further information please see Appendix 4D and Interim Financial Statements to 31 Dec 17, released to ASX on 19 Feb 18).

Further Information

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