

Group Production Target Statement

Group

- Higher Group Production Target tonnage of 7.8Mt, a 53% increase from 30 June 2020, underpinned by contributions from the Peak Mine and the Dargues Mine acquisition.

Peak Mine

- 48% growth in Production Target tonnage to 5.6Mt after mining depletion.
- New data and modelling support a Production Target from a portion of the Great Cobar deposit.

Hera Mine

- New 1.0Mt Production Target with 96% of material from the Measured and Indicated portions of the Mineral Resource Estimate.

Dargues Mine

- New Production Target of 1.3Mt after mining depletion.
- 840kt at 5.2g/t gold reported from the Measured and Indicated portions of the Mineral Resource Estimate.

SUMMARY

Aurelia Metals Limited (“Aurelia” or the “Company” or the “Group”) is pleased to report updated Production Targets for its Peak, Hera and Dargues Mines.

The Group’s Production Target tonnage has increased from 5.1Mt at 30 June 2020 to 7.8Mt at 30 June 2021 after allowance for mining depletion (Table 1 and Figure 1). The variance is primarily due to a substantial tonnage uplift at the Peak Mine and the acquisition of the Dargues Mine.

Table 1. Group Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	2,300	230	2.7	0.6	1.9	2.6	17
Indicated portion	3,700	210	2.1	1.1	1.3	1.6	9
Inferred portion	1,800	190	2.0	1.2	0.7	1.1	7
Production Target	7,800	210	2.2	1.0	1.3	1.8	11

Note: Net Smelter Return (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.

A Production Target is a projected estimate of potentially mineable mineralised material based on the application of mining modifying factors. The process and assumptions used to establish the Production Targets for Aurelia’s mining operations are those used to prepare the Group’s Ore Reserve Estimate reported as at 30 June 2021 (refer to the announcement “Group Mineral Resource and Ore Reserve Statement” released on 23 July 2021 which is available to view on www.aureliametals.com.au and www.asx.com.au). Production Targets are derived from Measured, Indicated and Inferred Mineral Resource classifications whereas the Group’s Ore Reserve Estimate

excludes material from the Inferred Mineral Resource classification. The Company has been guided by ASX Listing Rules Chapter 5.16 to 5.19 for the preparation of Production Targets.

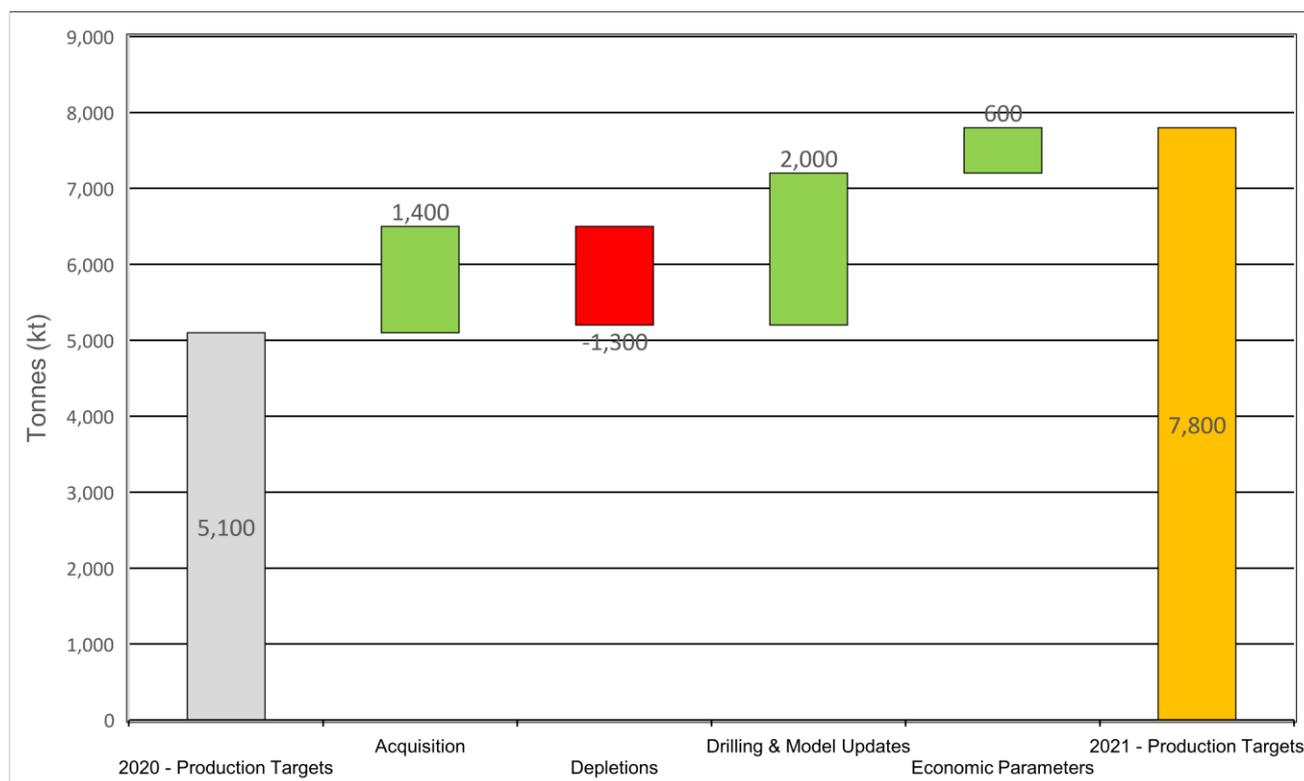


Figure 1. Change in Aurelia Group Production Target tonnage relative to 30 June 2020.

The Company highlights the following cautionary statement in relation to confidence in the estimation of Production Targets that incorporate Mineral Resources from the Inferred classification:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Targets are based on the Company's current expectations of future results and events and should not be solely relied upon by investors when making investment decisions.

The Group Production Target is derived from 28% of the Group's Mineral Resource Estimate tonnage reported at 30 June 2021. Tonnage from the Inferred Mineral Resource classification makes up 23% of the Group Production Target. The Group's Ore Reserve Estimate, reported at 30 June 2021, represents 56% of the Production Target tonnage.

The Production Target tonnage reported for the Peak Mine (Table 2) has grown to 5.6Mt which is a 48% increase relative to the 30 June 2020 estimate. The substantial tonnage uplift is mostly attributable to new data and modelling that supports the inclusion of a portion of the Great Cobar deposit which is the subject of a Pre-feasibility Study (PFS) that is due for completion in the December 2021 quarter.

Table 2. Peak Mine Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	1,300	250	2.7	1.0	1.7	2.1	10
Indicated portion	2,900	210	1.6	1.5	1.5	1.8	10
Inferred portion	1,400	200	1.4	1.5	0.9	1.4	8
Production Target	5,600	220	1.8	1.4	1.4	1.8	10

Note: The Peak Mine Au-Cu Production Target utilises an A\$80/t NSR cut-off for development and A\$140-170/t NSR for stoping depending on the mine area. The Peak Mine Pb-Zn Production Target utilises an 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.

Production Target tonnages of 1.0Mt for the Hera Mine (Table 3) and 1.3Mt for the Dargues Mine (Table 4) have declined by 24% and 9%, respectively, from 30 June 2020. These variances arose from mining depletion, partially offset by additional mineable tonnage arising from updated economic parameters.

Table 3. Hera Mine Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	750	180	1.4	2.7	4.3	34
Indicated portion	210	160	1.3	2.3	3.6	24
Inferred portion	40	110	1.0	1.1	2.1	27
Production Target	1,000	180	1.4	2.5	4.1	32

Note: The Hera Mine Production Target utilises an A\$80/t NSR cut-off for development and A\$100/t NSR cut-off for stoping. Values have been rounded to two significant figures which may result in rounding discrepancies in the totals.

Table 4. Dargues Mine Production Target at 30 June 2021.

Category	Tonnes (kt)	NSR (\$A/t)	Au (g/t)
Measured portion	230	280	6.1
Indicated portion	610	230	4.9
Inferred portion	420	190	4.0
Production Target	1,300	230	4.9

Note: The Dargues Mine Production Target utilises an 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.

No Production Target is reported for the Federation deposit. An accelerated drilling program is underway to support a Feasibility Study that is expected to be completed in mid-2022. Positive findings from the Feasibility Study would support the declaration of a maiden Ore Reserve at Federation and a future Production Target.

This announcement has been approved for release by the Board of Directors of Aurelia Metals.

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IMPORTANT INFORMATION

This report includes forward looking statements. Often, but not always, forward looking statements can be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of the Company, anticipated production or activity commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs of production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits, and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory environment, environmental conditions including extreme weather conditions, recruitment and retention of key personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law, including any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

PREPARATION AND REPORTING OF PRODUCTION TARGETS

A Production Target is a projected estimate of potentially mineable mineralised material based on the application of mining modifying factors. The process and assumptions used to establish the Production Targets for Aurelia's mining operations are those used to prepare the Group's Ore Reserve Estimate reported as at 30 June 2021 (refer to the announcement "Group Mineral Resource and Ore Reserve Statement" released on 23 July 2021 which is available to view on www.aureliametals.com.au and www.asx.com.au).

Production Targets are derived from Measured, Indicated and Inferred Mineral Resource classifications whereas the Group's Ore Reserve Estimate excludes material from the Inferred Mineral Resource classification. The Company has been guided by ASX Listing Rules Chapter 5.16 to 5.19 for the preparation of Production Targets.

The Company highlights the following cautionary statement in relation to confidence in the estimation of Production Targets that incorporate Mineral Resources from the Inferred classification:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Targets are based on the Company's current expectations of future results and events and should not be solely relied upon by investors when making investment decisions.

The Company's Production Targets are prepared from the Mineral Resource Estimate prepared for each mine and reported at 30 June 2021. The Ore Reserve Estimate for each mine as at 30 June 2021 is wholly included in, and forms a portion of, the Production Target.

The estimated Mineral Resource and Ore Reserve Estimates that underpin the Production Targets have been prepared by Competent Persons in accordance with ASX Listing Rules Appendix 5A. The Inferred portion of the Production Targets is not the determining factor in each mine's viability and does not feature as a significant proportion early in the mine plan.

Material assumptions used to prepare the Ore Reserve Estimate as at 30 June 2021 were also adopted for preparation of the Production Targets. These are described in the 2021 "Group Mineral Resource and Ore Reserve Statement" and Appendix 1 of this statement.

Material from the Measured, Indicated and Inferred classifications of the Mineral Resource Estimate have been assessed for inclusion in the Production Target. Mining shapes that have more than 80% of tonnage from the Measured, Indicated and/or Inferred classifications have been reported in the Production Target. The selected shapes were interrogated against the Mineral Resource block model with the resulting confidence classifications shown in the Production Target tables.

The Production Target is reported from mining shapes that include dilution that has been allocated a confidence classification in the Mineral Resource block model. Dilution is reported in the Production Target under the confidence classification assigned from the Mineral Resource block model. Diluting material may be below the Mineral Resource cut-off value and therefore not reported in the Mineral Resource Estimate.

Mining shapes that inform the Production Target may include some unclassified material. The metal value associated with unclassified material was removed so that the unclassified material tonnage remains in the Production Target as zero grade dilution. Dilution from unclassified material is prorated into the Production Target's Measured, Indicated and Inferred categories based on tonnage.

Prior Production Targets for the Peak and Hera Mines are described in the "Group Mineral Resource and Ore Reserves Statement" released to the ASX on 22 July 2020. The previous Production Target for the Dargues Mine at 30 June 2020 was reported by Aurelia on 13 November 2020 in the "Diversified Minerals – Dargues Gold Mine Mineral Resource and Ore Reserve Statement".

PEAK MINE PRODUCTION TARGETS

The Peak Gold Mine extracts and treats gold bearing lead-zinc and copper sulphide mineralisation. These two dominant mineralisation types are batched and processed separately to maximise metallurgical recovery and metal payability in concentrate products. Separate Production Targets are therefore reported for the Peak Mine to represent the relative contribution of each sulphide feed type (Table 5 and Table 6).

Table 5. Peak Mine Au-Cu Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	940	200	2.4	1.2	0.2	0.2	4
Indicated portion	2,100	190	1.4	1.9	0.0	0.1	5
Inferred portion	1,100	190	1.2	1.9	0.0	0.1	6
Production Target	4,100	190	1.6	1.8	0.1	0.1	5

Note: The Peak Mine Au-Cu Production Target utilises an A\$80/t NSR cut-off for development and A\$140-170/t NSR for stoping depending on the mine area. Values have been rounded to two significant figures which may result in rounding discrepancies in the totals.

Table 6. Peak Mine Pb-Zn Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	340	360	3.7	0.4	5.7	7.1	25
Indicated portion	790	270	2.1	0.3	5.3	6.6	23
Inferred portion	310	230	2.0	0.2	3.8	5.9	17
Production Target	1,400	290	2.5	0.3	5.1	6.6	22

Note: The Peak Mine Pb-Zn Production Target utilises an A\$80/t NSR cut-off for development and A\$155/t NSR for stoping. Values have been rounded to two significant figures which may result in rounding discrepancies in the totals.

The following cautionary statement applies to the Production Target at the Peak Mine:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

The aggregated Production Target of 5,600kt for Peak Mine (Table 2) was prepared from the 2021 Mineral Resource Estimate of 14,000kt. The Production Target represents 40% of the tonnage reported in the Mineral Resource. The Inferred proportion of the Production Target is 26%. The Ore Reserve proportion of the Production Target is 48%.

The tonnage reported in the Peak Mine Production Target increased by 48% relative to the prior (30 June 2020) estimate, as illustrated in Figure 2. The most significant changes are caused by mining depletion and updated data and geological modelling that supports the inclusion of a portion of the Great Cobar deposit. A PFS examining future potential mining scenarios for the Great Cobar deposit is due for completion in the December 2021 quarter and, assuming a positive outcome, is expected to support the declaration of a maiden Ore Reserve for the deposit.

NSR cut-off values used for the Production Target differ slightly from those reported in the previous estimate, reflecting updated economic parameters, metallurgical performance through the upgraded process plant and the most recent Life of Mine Plan prepared for the Peak Mine.

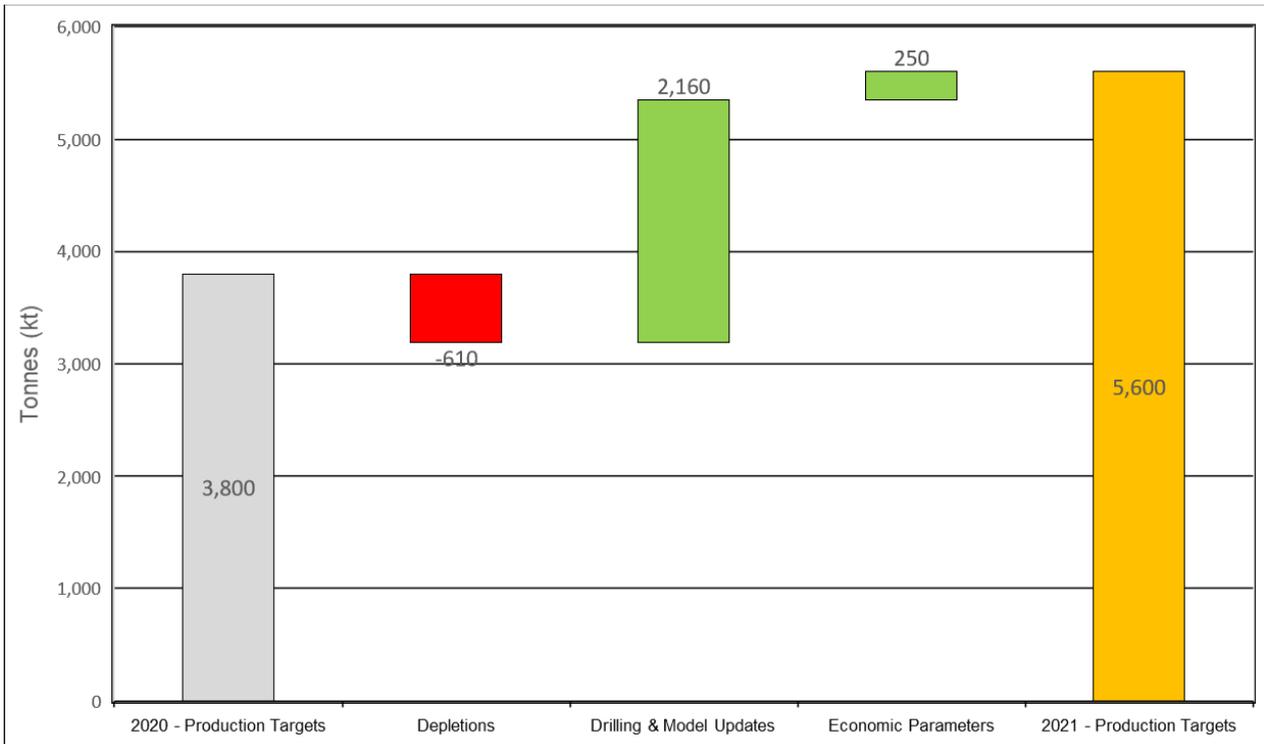


Figure 2. Change in Peak Mine Production Target tonnage relative to 30 June 2020.

Long sections of the mining shapes reported in the Production Target are presented in Figure 3 and Figure 4.



Figure 3. Long section facing west of the Peak North Mine Production Target areas.

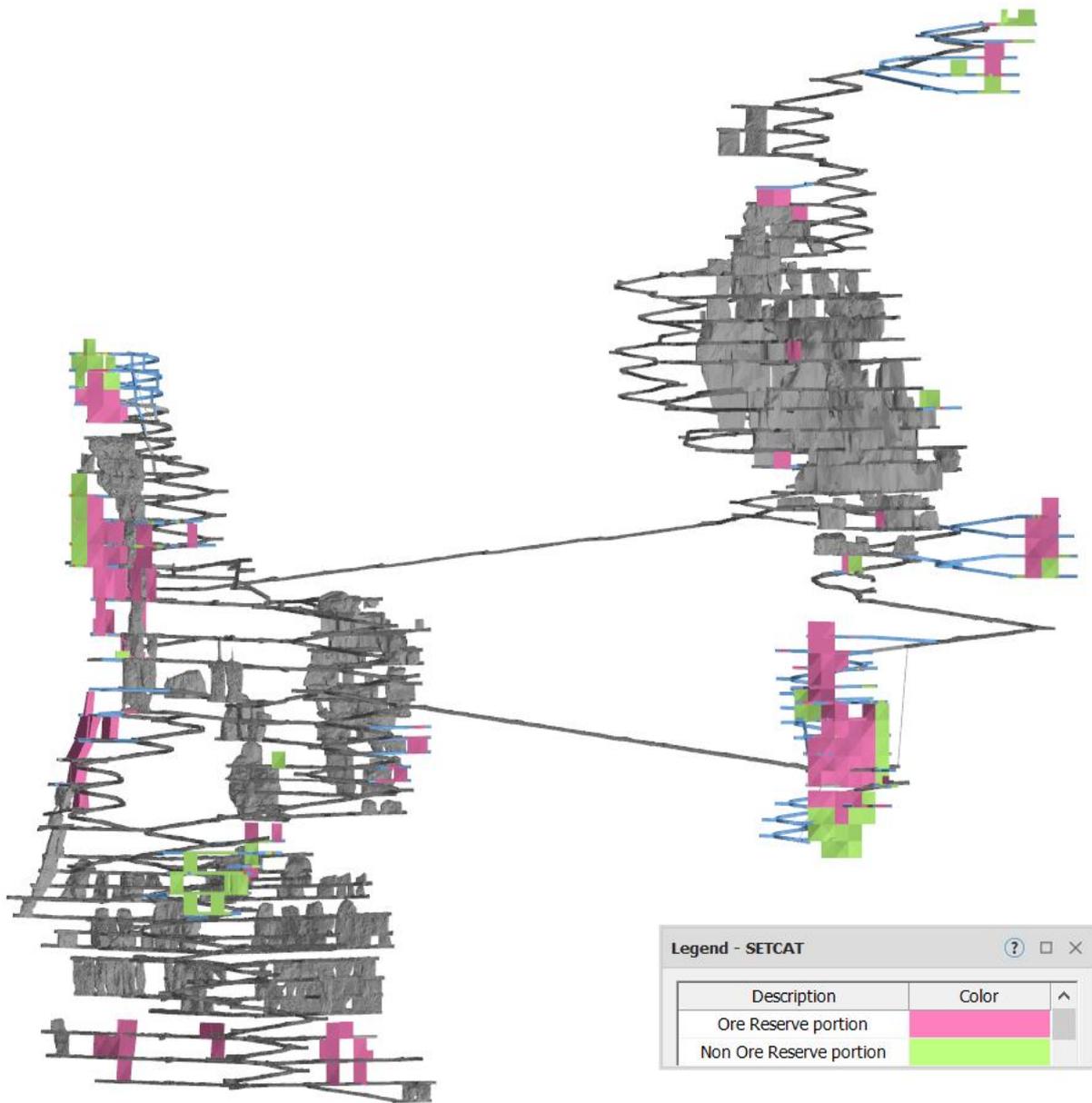


Figure 4. Long section facing west of the Peak South Mine Production Target areas.

HERA MINE PRODUCTION TARGET

A Production Target of 1,000kt for the Hera Mine (Table 7) was prepared from the 2021 Mineral Resource Estimate of 1,700kt with 59% of the Mineral Resource tonnage reported in the Production Target. The Inferred proportion of the Production Target is 4%. The Ore Reserve proportion of the Production Target is 94%.

Table 7. Hera Production Target as at 30 June 2021.

Category	Tonnes (kt)	NSR (A\$/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (g/t)
Measured portion	750	180	1.4	2.7	4.3	34
Indicated portion	210	160	1.3	2.3	3.6	24
Inferred portion	40	110	1.0	1.1	2.1	27
Production Target	1,000	180	1.4	2.5	4.1	32

Note: The Hera Mine Production Target utilises an A\$80/t NSR cut-off for development and A\$100/t NSR cut-off for stoping. Values have been rounded to two significant figures which may result in discrepancies in the totals.

The following cautionary statement applies to the Production Target at the Hera Mine:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

Three quarters of the Production Target tonnage and the greatest grade values are reported from the higher confidence Measured portion of the Mineral Resource Estimate, reflecting the mature state of the Hera Mine.

The tonnage reported in the Hera Mine Production Target has decreased by 24% relative to the prior (30 June 2020) published estimate, as illustrated in Figure 5. The tonnage reduction attributable to mining depletion and updated geological data and modelling was partly offset by favourable economic and metallurgical recovery assumptions.

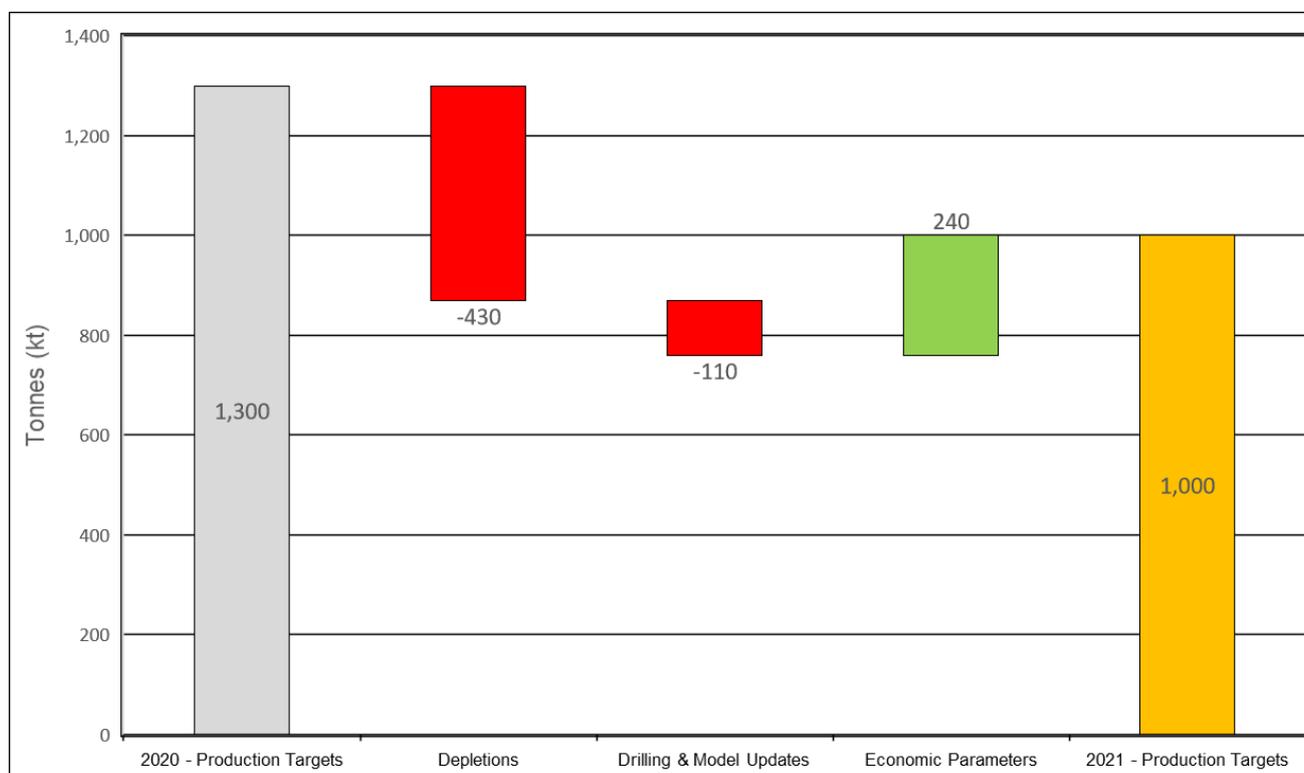


Figure 5. Change in Hera Mine Production Target tonnage relative to 30 June 2020.

The Production Target is reported using the lower NSR cut-off value adopted for the most recent Life of Mine Plan for the Hera Mine which incorporated an updated mine design, decreased development mining requirements and the latest economic and metallurgical recovery assumptions.

A long section of the mining shapes reported in the Production Target is presented in Figure 6.

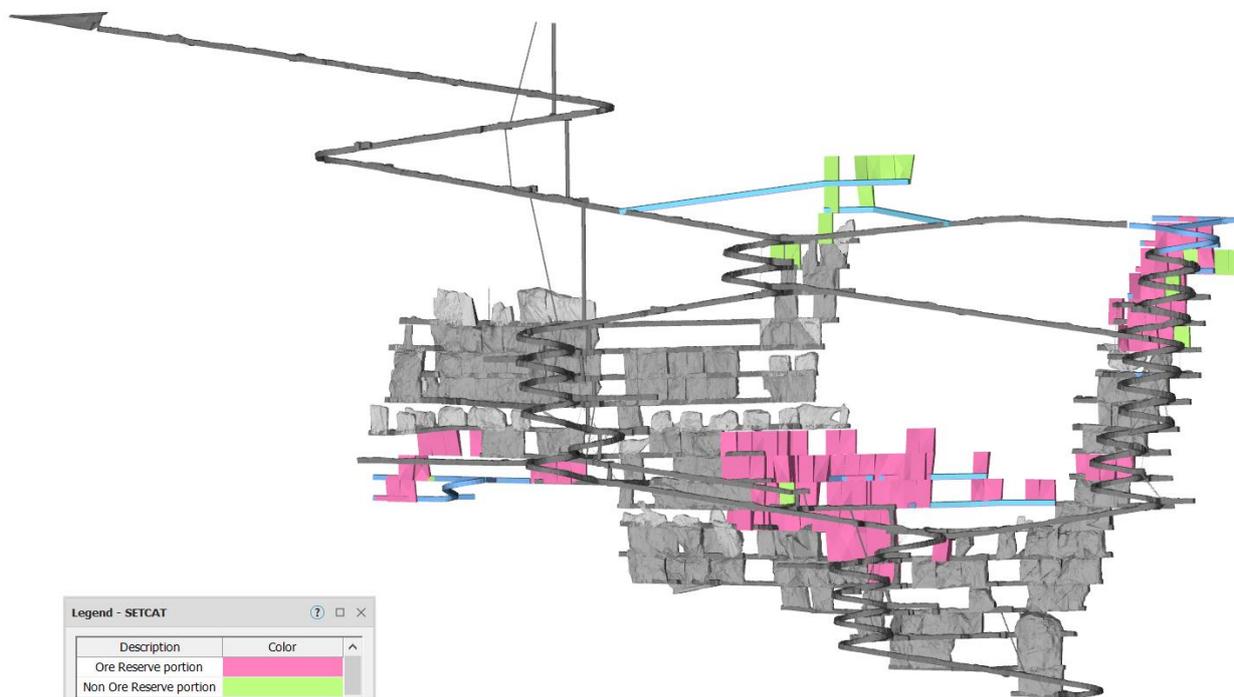


Figure 6. Long section facing west of the Hera Mine Production Target areas.

DARGUES MINE PRODUCTION TARGET

A Production Target of 1,300kt for the Dargues Mine (Table 8) has been prepared from the 2021 Mineral Resource Estimate of 2,100kt. 62% of the Mineral Resource tonnage is reported in the Production Target. The Ore Reserve proportion of the Production Target is 59%.

Table 8. Dargues Mine Production Target at 30 June 2021.

Category	Tonnes (kt)	NSR (\$A/t)	Au (g/t)	Au (koz)
Measured portion	230	280	6.1	46
Indicated portion	610	230	4.9	96
Inferred portion	420	190	4.0	54
Production Target	1,300	230	4.9	200

Note: The Dargues Mine Production Target utilises an A\$80/t NSR cut-off for development and A\$135/t NSR cut-off for stopping. Values are reported to two significant figures which may result in rounding discrepancies in the totals.

The following cautionary statement applies to the Production Target at the Dargues Mine:

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

Notably, 840kt of the Production Target having a gold grade of 5.2g/t is reported from the Measured and Indicated portions of the Mineral Resource Estimate, equating to 72% of the contained gold. The Inferred proportion of the Production Target is 32% by tonnes and 28% of the contained gold.

The tonnage reported in the Production Target has decreased by 100kt (7%) relative to the prior 30 June 2020 estimate, as illustrated in Figure 7. Mining depletion accounted for 290kt reduction in the Production Tonnage. The adoption of a NSR cut-off value, instead of a gold grade cut-off, triggered mine design changes that yielded a 160kt increase in the Production Target tonnage that partly offset the depletion loss.

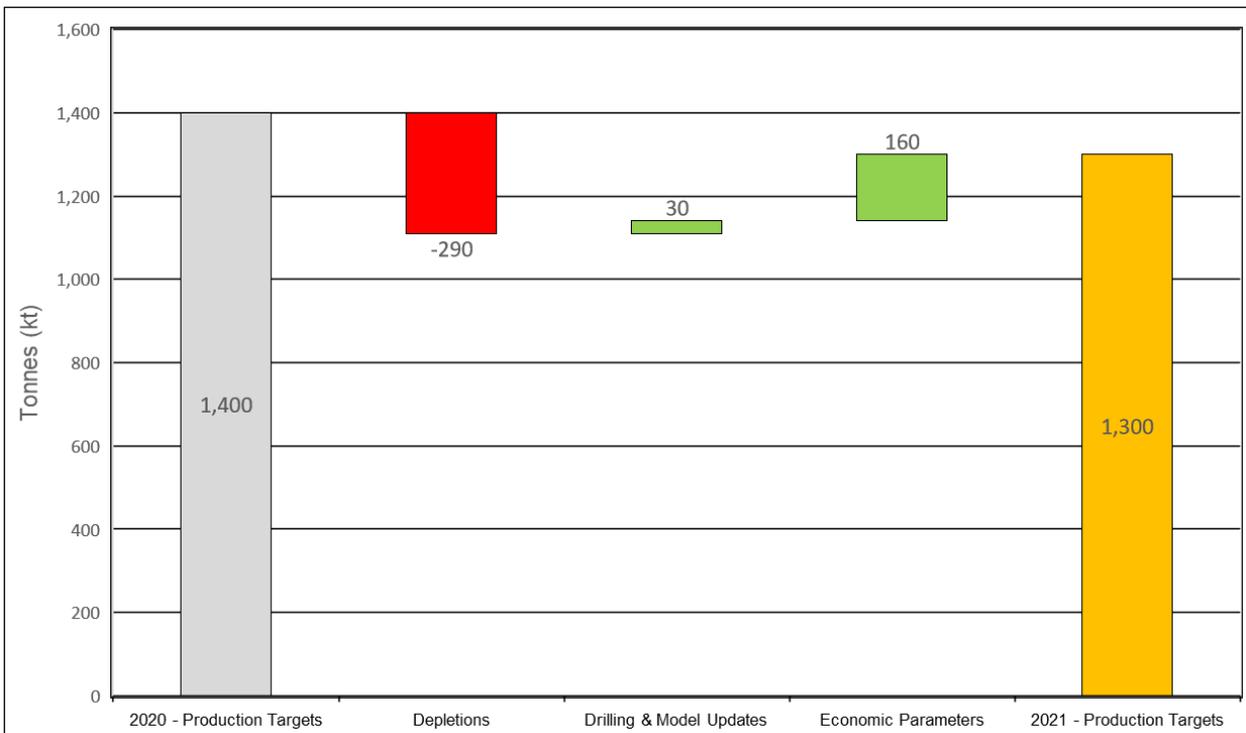


Figure 7. Change in Dargues Mine Production Target tonnage relative to 30 June 2020.

A long section of the mining shapes reported in the Production Target is presented in Figure 8.

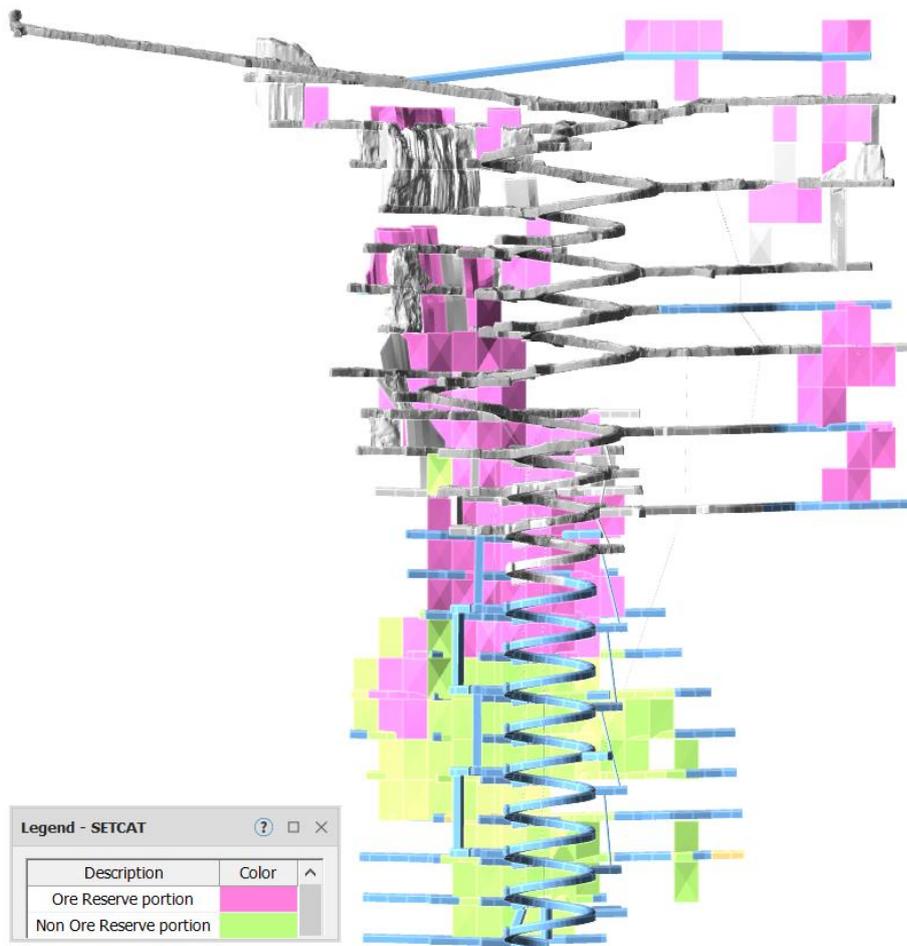


Figure 8. Long section facing north of the Dargues Mine Production Target areas.

APPENDIX 1 – MATERIAL ASSUMPTIONS

PEAK MINE

Mineral Resource Estimate for Conversion to Production Target

The Peak Mine Production Target is prepared from the Mineral Resource Estimate reported at 30 June 2021. The Mineral Resource Estimate is inclusive of the Production Targets.

Operational Status

The Peak Mine is an operating mine. It has a current Life of Mine plan and annual budget that has considered material matters relating to the ongoing operation of the Peak Mine.

Cut-off Parameters

A NSR cut-off of A\$80/t was applied for development material. The stoping cut-off varies by mine area to reflect the relative complexity of the different mining areas (Table 9). The economic viability of the cut-off values has been demonstrated through cashflow modelling completed for the Life of Mine plan and annual budget.

Table 9. NSR cut-off values used for the Peak Mine Production Target.

Mineralisation Type	Deposit	NSR Cut-off (A\$/t)
Lead-zinc	Great Cobar	160
	All others	155
Copper	Jubilee	140
	S400	160
	Perseverance Deeps	170
	Great Cobar	155
	All others	150

Marginal cut-off values are assessed during the Life of Mine planning process. Cut-off values consider the full cost of development, stoping, haulage and processing activities. Costs beyond the mine gate including concentrate haulage, port facilities, shipping, treatment charges, penalties and royalties are netted from revenues of gold and concentrates in the NSR calculation.

Mining Factors or Assumptions

The Life of Mine plan and annual budget include material from the Inferred Mineral Resource classification that is also included in the Production Target. The inclusion of the Inferred material is not material to the viability of the operation.

Peak Mine uses a combination of uphole and downhole stoping with rockfill, progressing in a bottom up sequence. This mining method and Peak's mine development design was used for the Production Target.

Stope shapes are a combination of current mine design shapes and stope shapes created using Deswik's CAD Stope Optimiser (SO) software. The mine design shapes were used in preference and updated using the Stope Optimiser shapes if changes to the geological modelling caused material changes to the stope shapes.

Settings used in the SO include hangingwall and footwall dilution assumptions (Table 10) and a minimum mining width of 2m. Stope strike lengths and heights vary across the operation and have

been aligned with the current designs. Sublevel intervals vary from 25m to 50m across the mine areas.

Table 10. External dilution thickness allowances by deposit.

Deposit	Hangingwall	Footwall
Perseverance	1.0m	1.0m
S400	1.5m	0.5m
Kairos	1.0m	0.5m
Great Cobar	0.4m	0.5m
Others	0.5m	0.5m

The following additional mining dilution and recovery factors have been applied. Development has 15% mining dilution applied and 100% recovery. Down-hole stoping has 5% mining dilution applied with 95% recovery. Up-hole stoping has 2% mining dilution applied with 75% recovery. Sill pillar mining has 2% mining dilution applied with 60% recovery.

Metallurgical Factors or Assumptions

Material is assumed to be processed through the existing Peak Mine ore processing facility with a nominal throughput rate of 800ktpa. Gold and silver are recovered in a gravity circuit using Knelson concentrators. The recovered concentrate is treated in an intensive leach reactor and smelted to produce doré bars. Gold, silver and copper are also recovered as copper concentrate in a flotation circuit. Lead, zinc and silver are also recovered as concentrate through a flotation circuit.

Metallurgical assumptions (Table 11) are based on current operational performance. The main deleterious elements present at the Peak Mine deposits are silica (SiO₂), iron (Fe), sulphur (S) and bismuth (Bi). Rhyolitic rocks have up to 80% silica and contribute to airborne contaminants as well as being a contaminant in the concentrate. Iron is present in most of the sulphides treated and it also dilutes the concentrate. Sulphur is estimated and high concentrations are monitored for the prediction of sulphide dust explosions. Pyrrhotite is an iron sulphide and increases cyanide consumption as it oxidises easily. Pyrrhotite also tends to plate other minerals and can obstruct gold, lead and zinc from processing efficiently. Bismuth is a penalty in the concentrate and high levels can be present in the copper deposits.

Table 11. Metallurgical recovery assumptions used for the Peak Mine Production Target.

Metal	Recovery
Gold	80-95%
Silver	60-80%
Copper	75-95%
Lead	60-88%
Zinc	60-68%

Environmental

Peak Gold Mines Pty Ltd (PGM) (a subsidiary of Aurelia Metals) owns and operates the Peak Mine which includes several active underground and open cut deposits or complexes. The Peak Mine has all environmental, statutory and social approvals and licenses required to operate. The Development Consent for the Peak mining complex and all associated mining, processing and auxiliary infrastructure and activities was granted on 22 February 2022. The Development Consent for the New Cobar open cut was granted on 4 July 2000. The Development Consent for the New Cobar

underground was granted on 19 July 2004. All Development Consents have been granted for ongoing operations and do not expire.

Regulatory approvals for the construction of an exploration decline to the Great Cobar project has been granted. A State Significant Development application for Development Consent to mine the Great Cobar deposit has been made and is pending determination.

PGM currently holds several mining leases including Consolidated Mining Leases (CML) 6, 7, 8 and 9, ML 1483 and ML 1805 and Mining Purposes Lease (MPL) 854. All mining related activities and infrastructure are contained within these mining leases. All mining related infrastructure is contained within land owned by PGM. The mining lease areas include land not owned by PGM. CML 6 expires in 2034. CML 7 expires in 2025. CML 8 expires in 2033. CML 9 expires in 2027. ML 1483 expires in 2029. ML 1805 expires in 2041. MPL 854 expires in 2022.

Infrastructure

The surface infrastructure required for the extraction of the Production Target is in place or has been identified from study programs.

Ongoing sustaining capital and underground infrastructure including declines, level accesses, escapeways, ventilation accesses and rises are required for the full extraction of the Production Target. These works have been included in the Life of Mine plan and annual budget.

The Company is conducting various studies that may recommend additional infrastructure.

Costs

Capital and operating costs have been estimated based on historical and forecast costs as part of Life of Mine plan and annual budget preparation.

No allowance has been made for deleterious elements. All deleterious elements are expected to remain within tolerances and no penalties have been applied to cashflow estimations.

Revenue Factors

The metal price and exchange rate assumptions used in the preparation of the Production Target (Table 12) have been benchmarked against industry peers and based on consensus forecasts.

Table 12. Metal price and exchange rate assumptions used for the Peak Mine Production Target.

Metal	Unit	US\$
Gold	oz	1,325
Silver	oz	17.50
Copper	t	6,724
Lead	t	2,050
Zinc	t	2,469
A\$/US\$		0.73

Market Assessment

PGM has in place all necessary contracts and approvals for the transportation of concentrate to customers. The transport contracts are renewable on standard commercial terms. The concentrate offtake agreements are generally renegotiated annually.

Gold and silver doré products are shipped to a receiving mint for refining under a refining agreement and the refined metals are either delivered into hedge book commitments and contracts or sold directly into the spot gold market.

Peak Mine's containerised concentrates are trucked to Hermidale, NSW, then rail-hauled to Port Botany before being transferred to ships and sold into markets in Asia.

Economic

The Life of Mine plan and annual budget process involves the preparation of cashflow models. The material inputs to these models are based on the information presented in the statement and underpin the stated Production Target. The cashflow models demonstrate a positive Net Present Value (NPV).

HERA MINE

Mineral Resource Estimate for Conversion to Production Target

The Hera Mine Production Target is prepared from the Mineral Resource Estimate reported at 30 June 2021. The Mineral Resource Estimate is inclusive of the Production Target.

Operational Status

The Hera Mine is an operating mine. It has a current Life of Mine plan and annual budget that has considered material matters relating to the ongoing operation of the Hera Mine.

Cut-off Parameters

A NSR cut-off of A\$100/t was applied for material to be extracted by stoping methods and A\$80/t for development. The stoping cut-off value adopted for the Production Target reflects a reduced requirement for development mining and higher proportion of stoping production from established mining levels. The economic viability of the lower cut-off value has been demonstrated through cashflow modelling completed for the Life of Mine plan and annual budget.

Cut-off values consider the cost of development, stoping, haulage and processing activities. Costs beyond the mine gate including concentrate haulage, port facilities, shipping, treatment charges, penalties and royalties are netted from revenues of gold and concentrate in the NSR calculation.

Mining Factors or Assumptions

The Life of Mine plan and annual budget include material from the Inferred Mineral Resource classification that is also included in the Production Target. The inclusion of the Inferred material is not material to the viability of the operation.

Hera uses a bottom-up longhole stoping mining method with rockfill. This mining method and Hera's mine development design was used for the Production Target.

Stope shapes were created using Deswik's SO software with 0.4m hangingwall and footwall dilution allowances and 15m strike length at a minimum 2m mining width. Additional mining dilution and recovery factors were then applied. For development, 15% mining dilution and 100% recovery was assumed. 10% mining dilution with 95% recovery was applied to down-hole stopes while 2% mining dilution with 75% recovery was used for up-hole stopes. Sill pillar mining used 2% mining dilution with 60% recovery.

Metallurgical Factors or Assumptions

The Production Target is predicated on material being treated through the Hera ore processing facility at a nominal throughput rate up to 480ktpa. The processing facility incorporates gravity, flotation and concentrate leach circuits to produce a gold and silver doré and a lead-zinc concentrate.

Metallurgical assumptions are based on current operation processing criteria (Table 13).

Table 13. Metallurgical recovery assumptions used for the Hera Mine Production Target.

Metal	Recovery
Gold	62-94%
Silver	91%
Lead	95%
Zinc	95%

The main deleterious elements present in the Hera deposits are silica (SiO₂), iron (Fe) and arsenic.

Environmental

Hera is an operating mine with all environmental, statutory and social approvals and licenses to operate. The original Development Consent for the Hera Mine and all associated mining, processing and auxiliary infrastructure and activities was granted on 31 July 2012. Several modifications have been subsequently approved, most recently for Modification 6 which allows the transport of ore and waste between Hera Mine and Peak Mine, acceptance of a Federation bulk ore sample, development of a borrow pit and extension to mine life was approved on 18 June 2021. The Development Consent associated with Modification 6 expires on 31 December 2025.

The Hera Deposit is located on ML1686 and ML1746. The land comprising ML1686 is part of “The Peak” property which is a perpetual lease held by Aurelia (or its subsidiaries). ML1746 grants Aurelia the rights to the Hera deposit 100m below ground level. This encompasses the northern area approved by MP10_0191 MOD4. There are no surface rights associated with ML1746. ML1686 is a granted mining lease that expires in 2034. ML1746 is a granted mining lease that expires in 2037.

Infrastructure

All surface infrastructure required for the full extraction of the Production Target is in place.

Limited ongoing sustaining capital is required for the full extraction of the Production Target. The required works have been included in the Life of Mine plan and annual budget.

Costs

Capital and operating costs have been estimated based on historical and forecast costs as part of Life of Mine plan and annual budget preparation.

No allowance has been made for deleterious elements. All deleterious elements are expected to remain within tolerances and no penalties have been applied to cashflow estimations.

Production of the first 250,000 ounces of gravity gold from the Hera deposit is subject to a 4.5% royalty payable to CBH Resources Ltd. as part of the purchase of the project.

Revenue Factors

The metal price and exchange rate assumptions used in the preparation of the Production Target (Table 14) have been benchmarked against industry peers and based on consensus forecasts.

Table 14. Metal price and exchange rate assumptions used for the Hera Mine Production Target.

Metal	Unit	US\$
Gold	oz	1,325
Silver	oz	17.50
Lead	t	2,050
Zinc	t	2,469
A\$/US\$		0.73

Market Assessment

The Hera Mine has in place all necessary contracts and approvals for the transportation of bulk concentrate to customers. The transport contracts are renewable on standard commercial terms. A life of mine offtake agreement exists for the lead-zinc concentrate.

Gold and silver doré products are shipped to a receiving mint for refining under a refining agreement and the refined metals are either delivered into hedge book commitments and contracts or sold directly into the spot gold market.

Economic

The Life of Mine plan and annual budget process involves the preparation of cashflow models. The material inputs to these models are based on the information presented in the statement and underpin the stated Production Target. The cashflow models demonstrate a positive NPV.

DARGUES MINE

Mineral Resource Estimate for Conversion to Production Target

The Dargues Mine Production Target is prepared from the Mineral Resource Estimate reported at 30 June 2021. The Mineral Resource Estimate is inclusive of the Production Target.

Operational Status

The Dargues Mine is an operating mine. It has a current Life of Mine plan and annual budget that has considered material matters relating to the ongoing operation of the Dargues Mine.

Cut-off Parameters

A NSR cut-off of A\$135/t was applied for material to be extracted by stoping methods and A\$80/t for development. The economic viability of the cut-off value has been demonstrated through cashflow modelling completed for the Dargues Life of Mine plan and annual budget.

Marginal cut-off values are assessed during the Life of Mine planning and annual budget preparation process. Cut-off values consider full operating costs which include development, stoping, haulage, processing and administration. Costs beyond the mine gate including concentrate haulage, port facilities, shipping, treatment charges, penalties and royalties are netted from gold revenues in the NSR calculation.

Mining Factors or Assumptions

The Life of Mine plan and annual budget include material from the Inferred Mineral Resource classification that is also included in the Production Target. The inclusion of the Inferred material is not material to the viability of the operation.

Dargues uses a combination of uphole and downhole stoping with hydraulic fill, progressing in a bottom up sequence. This mining method and Dargue's mine development design was used for the Production Target.

Stope shapes were created using Deswik's SO software with 0.4m hangingwall and footwall dilution allowances and 15m strike length at a minimum 2m mining width. Additional mining dilution and recovery factors were then applied. For development, 15% mining dilution and 100% recovery was assumed. 2% mining dilution with 95% recovery was applied to down-hole stopes while 2% mining dilution with 90% recovery was used for up-hole stopes. Sill pillar mining used 10% mining dilution with 85% recovery.

Some manually designed stope shapes were prepared in areas of greater geological complexity. These shapes used the operational mining dilution and recovery estimates for the various stoping types. These include remnant stoping (30% mining dilution, 70% recovery), longitudinal stoping (15% mining dilution, 95% recovery), transverse stoping (10% mining dilution, 95% recovery), and narrow stoping (25% mining dilution, 95% recovery).

Dargues is a relatively new operation with all required mine infrastructure requirements in place.

Metallurgical Factors or Assumptions

The processing plant has been operating since April 2020 and achieved design capacity. Gold is recovered to a pyrite rich concentrate using conventional crushing, grinding and flotation methods. The concentrate is filtered for transport to overseas customers.

No deleterious elements have been identified in the deposit.

Gold recovery is estimated on a fixed tailings grade basis and is supported by metallurgical test work and plant production data. Metallurgical recovery assumptions are shown in Table 15.

Table 15. Metallurgical recovery assumptions used for the Dargues Mine Production Target.

Metal	Recovery
Gold	80-98%

Environmental

Big Island Mining Pty Ltd (BIM), a subsidiary of Aurelia, owns and operates the Dargues Mine. The Dargues Mine received approval on 2 September 2011 pursuant to the Environmental Planning and Assessment Act 1979 (EP&A Act). Following two appeals to the Land and Environment court, the Court subsequently granted Development Consent on 7 February 2012. Modification 1 for the use of paste fill at Dargues Mine was subsequently approved on 12 July 2012 (MP10_0054). Modification 2 (MP10_0054 MOD2) to regularise changes to the layout of the Dargues Mine was approved on 24 October 2013. Modification 3 (MP10_0054 MOD3) for additional infrastructure at the Dargues Mine and extension of the mine life was approved on 10 August 2016. Modification 4 (MP10_0054 MOD4) to alter the location of the heavy vehicle crossing over Spring Creek was approved on 23 May 2019. The Development Consent (MP10_0054 MOD4) is due to expire on 30 June 2025.

The Dargues deposit is located on ML 1675. The land comprising ML 1675 is owned by BIM. ML 1675 is a granted mining lease that expires in 2045.

Infrastructure

All surface infrastructure required for the full extraction of the Production Target is in place.

Ongoing sustaining capital and infrastructure underground including declines, level accesses, escapeways, vent accesses and rises are required for the full extraction of the Production Target. These works have been included in the Life of Mine plan and annual budget.

Costs

Capital and operating costs have been estimated based on historical and forecast costs as part of the Life of Mine Plan and annual budget preparation process.

No allowance has been made for deleterious elements.

A third party royalty applies to gold production and this charge has been incorporated into cashflow modelling.

Revenue Factors

The metal price and exchange rate assumptions used in the preparation of the Production Target (Table 16) have been benchmarked against industry peers and based on consensus forecasts.

Table 16. Metal price and exchange rate assumptions used for the Dargues Mine Production Target.

Metal	Unit	US\$
Gold	oz	1,325
A\$/US\$		0.73

Market Assessment

The Dargues Mine has in place all necessary contracts and approvals for the transportation of concentrate to customers. The transport contracts are renewable on standard commercial terms. A new concentrate offtake agreement was established in June 2021 following a tender with various international traders.

Economic

The Life of Mine plan and annual budget process involves the preparation of cashflow models. The material inputs to these models are based on the information presented in the statement and underpin the stated Production Target. The cashflow models demonstrate a positive NPV.