

FULLY UNDERWRITTEN RIGHTS ISSUE TO RAISE \$10 MILLION

- Rights Issue to fund high priority exploration, working capital and growth
- Hera Project in final stage commissioning

Aurelia Metals Limited (ASX: AMI) (**Aurelia** or **Company**) is pleased to announce a fully underwritten, non-renounceable rights issue pursuant to which eligible shareholders will be entitled to subscribe for 1 new share for every 8 shares held at \$0.234 per share to raise approximately \$10.0 million (**Rights Issue**).

The Rights Issue proceeds will be allocated to an expanded exploration drilling campaign, working capital and the pursuit of potential company growth transactions.

The offer is fully underwritten by Key Pacific Advisory Partners Pty Ltd (**Key Pacific**) and fully sub-underwritten by Aurelia's largest shareholder, Pacific Road Capital Management Pty Ltd as trustee for the YTC Managed Investment Trust (**Pacific Road**).

The Rights Issue will be offered to shareholders at a price of \$0.234 being an 8.5% discount to Aurelia's 30 day volume weighed average price and an 8.2% discount to Aurelia's last close price prior to announcement of this Rights Issue.

Aurelia's Managing Director, Rimas Kairaitis, commented "*We are pleased to offer this opportunity to our shareholders and for the continuing support of our major shareholder Pacific Road. On completion of this Rights Issue, Aurelia will be very well placed to lift its exploration activity, pursue potential company growth transactions as well as retaining a sensible working capital buffer.*"

Hera –Nymagee Project

The Company is in the final stages of commissioning its 100% owned Hera gold-lead-zinc mine which has been constructed on time and budget and has already met key project milestones with first gold production in September and the first lead-zinc concentrate shipment in November. The Hera Project is planned to deliver an estimated annual production of 39,000oz gold and 18,600t of lead-zinc over an initial reserve of 1.8Mt @ 3.6g/t Au, 2.5% Pb, 3.5% Zn and 15g/t silver.

In addition, the Company has recorded several high grade gold-lead-zinc drill intersections which are not yet included in the current Resource and Reserve estimate.

The Company has also recorded a number of highly encouraging copper, lead and zinc and silver drill intersections from exploration drilling beneath, and to the north of the Company's 95% owned Nymagee Copper Deposit.

Rights Issue proceeds will be prioritised to expanding the exploration programme to build on these results, with a view to delivering expanded Resources for both the Hera and Nymagee deposits.

Rights Issue Details

Under the offer, eligible shareholders will be entitled to subscribe for 1 new share for every 8 shares held at \$0.234 per share to raise approximately \$10.0 million. Eligible shareholders may apply for some, or all of their entitlement under the Rights Issue. In the event that some shareholders do not take up their rights (**shortfall**), eligible shareholders will be offered the right to apply for shortfall shares in addition to their existing entitlement.

The record date for the purpose of the Offer is 7.00pm (Sydney time) on Monday 22nd December 2014.

An offer document setting out further details of the Rights Issue will be dispatched to shareholders in due course accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement and apply for additional new shares in excess of their entitlement.

Any eligible shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue offer document.

Shareholders whose registered address is outside of Australia, New Zealand and Singapore will be ineligible to participate in the Rights Issue. A nominee will be appointed to subscribe for shares under the Rights Issue, dispose of those shares and remit any sale proceeds net of expenses to the ineligible shareholders.

Timetable

An indicative timetable for the Rights Issue is presented below:

Ex Date	Thursday, 18 December 2014
Record Date	Monday, 22 December 2014
Offer Document Distributed / Offer Opens	Wednesday, 24 December 2014
Offer Closes	5pm on Wednesday, 21 January 2015
Issue Date	Wednesday, 28 January 2015

Note: All dates (other than the date of the Offer Document and date of lodgment of the Offer Document with ASX) are indicative only. The Company reserves the right, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws, to vary the dates of the Rights Issue, including extending the Closing Date, extending the Issue Date (subject to ASX approval) or accepting late applications, either generally or in particular cases, without notice.

Underwriting Agreement

The Underwriting Agreement may be terminated by Key Pacific in certain circumstances considered standard for an agreement of this type, but which do not include termination rights for material adverse changes in metals or market related prices changes. The key terms of the Underwriting Agreement will be detailed in the offer document.

Pacific Road

Following the close of the Rights Issue, the voting power of Pacific Road in the Company may increase. The exact number of shares that will be issued to Pacific Road will depend on the extent to which other eligible shareholders take up their entitlement under the Rights Issue and participate in any shortfall. Assuming no shareholders take up their rights or any of the shortfall (which the Company believes is highly unlikely), Pacific Road's interest in the Company could increase to 28.89%.

Pacific Road are sub-underwriting 100% of the Rights Issue. Accordingly, Aurelia has negotiated amendments to a number of conditions in the existing subscription agreement between the Company and Pacific Road (details of which were announced on 6 December 2013). If under the Rights Issue Pacific Road subscribes for new shares in the Company for a subscription amount of at least \$4.95 million, Pacific Road's first right to subscribe for further equity issues by AMI up to a remaining amount of \$7.45 million will lapse (however Pacific Road will retain the right to join any future equity raisings with third parties on terms no less favourable than those offered to third parties).

In any event, the Company will continue to be obliged to seek a waiver from the ASX in respect of Listing Rule 6.18 on the same terms as under the original subscription agreement in respect of Pacific Road's anti-dilution rights under that agreement.

Competent Persons Statement – Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a fulltime employee of Aurelia Metals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – Nymagee & Hera Resource Estimate

The Resource Estimation for both Hera and Nymagee deposits has been completed by Mr Dean Fredericksen the Chief Operating Officer of Aurelia Metals Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Dean Fredericksen is a full time employee of Aurelia Metals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Fredericksen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The information on the Nymagee and Hera Resource estimates is extracted from the ASX Reports available on the Aurelia Metals Website:

- Hera Resource Upgrade – 2 June 2011
- Maiden Nymagee Resource Estimate – 22 December 2011

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement – Hera Ore Reserve

The Information in this report relating to Ore Reserves is based on work undertaken by Mr Michael Leak of Optiro Pty Ltd under supervision of Mr Sean Pearce. This report has been compiled by Sean Pearce, who is a Member of the Australasian Institute of Mining and Metallurgy. Sean Pearce is a full time employee of Aurelia Metals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Pearce consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The information on the Hera Ore Reserve is extracted from the ASX Report available on the Aurelia Metals Website:

- Hera DFS Release – 19 September 2011

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.