

PEAK MINES ACQUISITION COMPLETED

ACQUISITION OF PEAK MINE

Aurelia Metals Limited ("**AMI**" or the "**Company**") is pleased to announce that the acquisition of Peak Mines from New Gold Inc. ("Transaction") has completed today.

The acquisition consisted of a base price of US\$58 million in cash (with US\$3 million pre-paid in November 2017), plus a working capital and net cash adjustment to be calculated post completion. The additional funds to be paid/received via the working capital and net cash adjustment will be agreed between the parties in the near future.

AMI will accrue production from the start of the June 2018 quarter, with production in the March 2018 quarter accruing to New Gold Inc.

INVESTEC DEBT DRAW

Aurelia has drawn A\$45 million from its A\$85M amortising loan facility fully underwritten and provided by Investec Australia Finance Pty Ltd ("Investec") to settle the Transaction. As part of the acquisition and refinancing, Investec will be issuing A\$30M of guarantees to replace outstanding environmental bonding obligations at Peak and Hera respectively.

The remaining A\$40 million of available debt will be used to refinance the outstanding A\$30.4M Glencore debt and provide working capital.

Investec's A\$85M amortising loan facility and A\$30M guarantee facility (together the 'Investec Facilities') will mature in 30 months. The first scheduled repayment is in October 2018, with quarterly amortisation payments thereafter. A quarterly cash sweep mechanism exists from September 2018, whereby 50% of group cash exceeding A\$25 million will be applied as an early repayment against the facilities (up to a maximum sweep repayment of A\$12.5 million).

CASH AND DEBT BALANCES

The Company's closing cash balance at 31 March 2018, prior to the A\$45 million Investec Debt draw and the Transaction payment discussed in this release, was A\$81.6 million and closing Glencore debt balance was A\$30.4 million. Further detail on cash flow during the March 2018 quarter will be contained in the Company's quarterly report, planned for release to ASX on 18 April 2018.

The current debt balance is A\$75.4 million, comprising A\$45 million Investec Debt and A\$30.4 million Glencore debt.

GOLD HEDGING

Under the terms of the Investec Facilities, the Company is committed to hedging a portion of its annual gold production on a rolling quarterly basis. As part of this requirement, hedging was entered into earlier this year in anticipation of the Transaction completion. The Company has entered into gold forward sales of 55,000 oz at an average price of A\$1,700/oz for Peak and 30,000 oz at an average price of A\$1,700/oz for Hera.

Further Information

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