

PEAK MINES ACQUISITION UPDATE AND GLENCORE DEBT REPAYMENT

KEY POINTS

- **Peak Acquisition awaiting Ministerial approval**
- **No issues raised with application but no timelines provided for decision**
- **Conversion right for Company to convert Glencore debt to equity allowed to lapse**
- **Debt repayments of \$54M towards Glencore debt planned by 31 March 18**
- **Remaining Glencore debt of \$30.4M to be refinanced post acquisition of Peak**

ACQUISITION UPDATE

Aurelia Metals Limited (“**AMI**” or the “**Company**”) announced the acquisition of Peak Mines to ASX on 21 November 2017. Since that time, the Company has successfully raised a net \$85.4M in equity and secured debt commitments of A\$85M (A\$45M for the acquisition of Peak and \$40M for the refinancing of Glencore debt and working capital) and a further \$30M Guarantee facility for environmental bonding at Peak and Hera from the Investec Group.

The last material condition precedent for the transaction is NSW Ministerial consent for the change in control of Exploration Licences as a consequence of the transaction. Ministerial approval is pending and no issues have been raised in regards to the application. Unfortunately, the Company has not been advised of any timeline to when the application will be reviewed by the Minister. The Company remains hopeful that approval will be forthcoming, with completion now anticipated in the June 2018 quarter.

The Company maintains an economic interest in Peak Gold Mines from 1 January 2018 (‘locked box’ mechanism), but has no direct managerial control until completion. Consequently, production from the Peak Mines during the March quarter will be reported by New Gold Inc. and will not be attributable to the Company. In accordance with accounting standards, any surplus or deficit of funds generated by Peak Gold Mines during the period from 1 January to completion will be accounted for as an adjustment against the Company’s purchase price.

GLENCORE DEBT REPAYMENT

The Company is pleased to report that due to its financial position, the Board has no current intention of exercising its right to convert any of the Glencore Convertible Note Facilities into shares (as per the agreed mechanism) prior to 31 March 2018.

By 31 March 2018, the Company will repay A\$54M of the outstanding Glencore debt of \$84.4M. The remaining debt of A\$30.4M (Facilities B & F) is interest bearing from 1 April 2018, but does not commence scheduled repayments until 31 March 2019. The remainder of the Glencore debt is planned to be refinanced soon after completion of the Peak Acquisition.

The cash balance at 31 March 2018, after the \$54M Glencore debt repayment and prior to any Investec debt drawdowns, is expected to be approximately \$75M, with the actual balance dependent on month end gold shipments and timing of cash receipts.

Further Information

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