LETTER TO OPTION HOLDERS

16 December 2014

Dear Option Holder

I am writing to you in relation to your option holding in Aurelia Metals Limited (ASX: AMI) (**Aurelia**).
On 16 December 2014, Aurelia announced a fully underwritten, non-renounceable rights issue pursuant to which eligible shareholders will be entitled to subscribe for 1 new share (**New Share**) for every 8 shares held at $0.234 per share to raise approximately $10.0 million (**Rights Issue**).

The Rights Issue is non-renounceable which means that the entitlements to participate in the offer are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. 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**).

This letter is to inform you about the Rights Issue, so that you have adequate opportunity to exercise some, or all, of your options prior to the Record Date if you wish to be eligible to participate in the Rights Issue.

Use of Proceeds

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

Details of the Rights Issue

The rights will be offered to Eligible Shareholders (defined below) 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.

The New Shares will be fully paid and will rank equally with the Company's existing issued shares. The maximum number of New Shares to be issued under the Rights Issue is 42,977,243 (subject to the effect of rounding) which will raise approximately $10.0 million in gross proceeds. As the Rights Issue is fully underwritten, it will result in total issued shares in Aurelia of 386,795,190 (subject to the effect of rounding).

Eligibility

Eligible shareholders are Aurelia shareholders who:

1.0 are registered as a holder of fully paid ordinary shares (**Shares**) at 7.00 pm (Sydney time) on Monday 22 December 2014 (**Record Date**);

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2.0 have an address on Aurelia's share register in Australia, New Zealand or, if the Shareholder is an "Accredited Investor", Singapore; and

3.0 are not in the United States and are not US Persons and are not acting for the account or benefit of US Persons.

Pursuant to the terms of your options, you are not entitled to participate in the Rights Issue unless you exercise the options you hold and shares are issued to you in respect of those options before 7.00 pm (Sydney time) on the Record Date.

If you wish to participate in the Rights Issue in respect of your options, your options must be currently exercisable and you should exercise those options in accordance with the terms of the options by delivering a notice of exercise together with payment of the exercise price (if applicable) at least three (3) business days prior to the Record Date. This should enable Aurelia time to process your notice of exercise of the options and issue you shares before the Record Date. You cannot otherwise participate in the Rights Issue in respect of your options.

If you do not wish to participate in the Rights Issue in respect of your options, you do not need to take any action.

For further information on the Rights Issue, you can contact Aurelia on +61 2 6363 5200 from 9.00am to 5.00pm (Sydney time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board, we thank you for your continued support.

Yours Faithfully

Richard Willson
Company Secretary