

LETTER TO SHAREHOLDERS

16 December 2014

Dear Shareholder

On 16 December 2014, Aurelia Metals Limited (ASX: AMI) (**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**).

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:

- are registered as a holder of fully paid ordinary shares (Shares) at 7.00 pm (Sydney time) on 22 December 2014 (**Record Date**);
- have an address on Aurelia's share register in Australia, New Zealand or, if the Shareholder is an "Accredited Investor", Singapore; and
- are not in the United States and are not US Persons and are not acting for the account or benefit of US Persons.

Shareholders who are not Eligible Shareholders are "Ineligible Shareholders". In certain circumstances, Aurelia may choose (but is not obliged) to treat an Ineligible Shareholder as an Eligible Shareholder.

Acceptance

A personalised Entitlement & Acceptance Form will be sent to you together with the Offer Booklet for your use if you are an Eligible Shareholder.

Eligible Shareholders may apply for some or all of their entitlement under the Rights Issue. Fractional entitlements to New Shares are rounded up to the nearest whole New Share. In the event 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.

If you wish to apply for New Shares under the Rights Issue or Shortfall, you should nominate the number of New Shares you wish to apply for on your Entitlement & Acceptance Form.

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 Booklet and date of lodgement of the Offer Booklet 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.

No prospectus

The Rights Issue is being undertaken under section 708AA of the Corporations Act, meaning that the Company will not issue a prospectus for the Rights Issue. Instead, an Offer Booklet detailing the terms of the Rights Issue will be released on the ASX and sent to Eligible Shareholders on or about Wednesday, 24 December 2014, together with a personalised Entitlement and Acceptance Form.

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