Chairman's address AGM 2015

Ladies and Gentlemen

Thank you for being here today for the Ninth AGM of Aurelia Metals Limited, which I now declare open.

At the risk of stating the obvious, these have been very difficult times for Aurelia – its shareholders, its staff and its directors! A 90% loss in market capitalization over 5 months was not on our screen as we addressed how we could finance the rectification of plant operating problems at Hera.

I will resist the temptation of indulging in a blow by blow description of the past 6 months. Rather, I refer to the announcements from the Company since July when we identified the plan to rectify and expand the operations at Hera. That plan required finance, and Glencore's responses to our approach are also covered by announcements over the past several months.

In summary, Glencore resisted a Conversion of their debt, and issued an Event of Default Notice, alleging Aurelia was insolvent. They appointed Administrators which we resisted and instituted urgent Court Proceedings. Before, during and since those proceedings we have been forewarned by Glencore and its representatives of further action against Aurelia. That would have resulted in unacceptable uncertainty for Aurelia and our shareholders.

On Wednesday of last week (25 November), having so far spent more than $1m on legal and other fees associated with these actions and threats, your Board concluded that Aurelia would be better served by bringing the disputes to an end, even though compromise was needed to achieve that position.

The Binding Heads of Agreement between Glencore and Aurelia signed last Wednesday was the product of complex and intense negotiations carried out over many months. Its terms reflect compromise from both sides; including terminating current and threatened legal action, restructuring existing debt and providing new funds needed required to rectify operational issues.

The Agreement is due to be converted into more comprehensive documentation and put to shareholders in the first quarter of 2016. Its adoption will clear the path to returning value to Aurelia.

While some are concerned with this negotiated outcome, I am satisfied that it is a fair reflection of the commercial reality facing Aurelia. Shareholders will be provided with information to enable them to make their own assessment ahead of the General Meeting at which the arrangements are to be considered early in 2016.

We believe in our assets - Hera remains a highly prospective asset that already has recognizable and achievable economic metrics. The ore body remains open and expansion drilling earlier in the 2015 year continued to be encouraging.

The potential to reopen a copper mine at Nymagee and process its output at the Hera site requires further drilling and proving up before it can be assured, and this will not be a priority in the short term. Nevertheless, the Nymagee opportunity is real and we will continue to consider how its value to Aurelia can be maximized.

In our negotiations we were conscious of trying to preserve some of the potential upside at Hera and Nymagee for shareholders. The proposed transaction achieves that objective and I expect that in due course value will be returned to Aurelia's share price.

I want to acknowledge the support of our suppliers and contractors, especially Pybar, during the past few months; it is greatly appreciated. Our major shareholder, Pacific Road has been a great supporter of Aurelia in seeking solutions to the difficult position we were in with Glencore and I want to publically thank them for their efforts.

Our staff at Hera and in Orange have been outstanding in their professionalism and commitment to the project and the Company during this very difficult and uncertain time for both the project and Company. On behalf of the directors I thank you sincerely.

Finally, I anticipate the next year to be challenging and one of transition, as a program for the required improvements at Hera is agreed and actioned within the parameters of the arrangements with Glencore. Successful completion of that work will lay the foundation for better times for Aurelia.

Anthony S Wehby

27 November 2015