

TRANSFORMATIONAL ACQUISITION OF PEAK MINES FOR US\$58 MILLION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Aurelia Metals Limited (**ASX:AMI**) ("Aurelia" or the "Company") is pleased to announce that it has entered into a binding agreement with TSX-listed New Gold, Inc. ("New Gold") to acquire a 100% interest in Peak Mines ("Peak") in Cobar, New South Wales, for US\$58 million¹ (the "Transaction").

KEY TRANSACTION HIGHLIGHTS:

- **Transformational transaction, significantly increasing the Company's precious and base metals production, with:**
 - **A dominant landholding in a world class basin;**
 - **Two wholly-owned operating mines and processing facilities within 90km by road;**
 - **Two advanced development projects, being Nymagee and Great Cobar;**
 - **Increased commodity diversification with production of gold, silver, copper, lead and zinc;**
 - **Substantial expansion of exploration acreage in the highly prospective Cobar region to approximately 1,385 square kilometers, with a number of near-mine and regional targets identified;**
 - **A material increase in Aurelia's Mineral Resources² and Mineral Reserves with opportunities at both Peak and Hera to extend operating mine life through conversion of resources to reserves.**
- **Value accretive combination of complementary businesses with operating synergies identified**
- **Peak has been in operation for over 25 years with a consistent history of reserve replacement**
- **Group production target for FY18³ (assuming six months of Peak production):**
 - **Gold production 75,000 – 90,000 oz (gold equivalent 125,000 – 140,000 oz⁴)**
 - **AISC⁵ of A\$900-1,100/oz**
 - **Growth capital expenditure of A\$12-20 million**
- **FY19 production outlook of 100,000 - 125,000 oz of gold (gold equivalent of 185,000 - 210,000 oz) at an AISC of A\$900-A\$1,100/oz**

1 Purchase price equivalent to A\$75.5M using RBA official AUD:USD exchange rate of 0.7683 on 9 November 2017

2 Refer to statements on Mineral Resources and Reserves contained in this document.

3 Assumes effective date of sale of 1 January 2018. Refer to important information at the end of this release, including cautionary statements regarding forward looking statements.

4 Gold equivalent is based on payable metal production converted into gold equivalent production using metal prices of US\$1229/oz gold, US\$16.9/oz silver, US\$1800/t Pb, US\$2,500/t Zn and US\$5,500/t Cu. Note that smelter treatment charges, smelter refining charges and transport costs are not included in this equivalent estimate.

5 AISC (All-in Sustaining Cost) is a non-AIFRS definition and includes all site operating costs, concentrate transport and smelter costs, ore and finished goods inventory movements, royalty expenses, sustaining capital expenses, corporate and administration expenses, less by-products credits, calculated on a gold sold basis. Items excluded include growth capital, working capital movements, tax payments and financing cash flows. Base metal sales are accounted for as a by-product credit. The timing of base metal shipments will create volatility in the Company's reported AISC due to timing of base metal by-product credits and concentrate inventory movements.

- **Debt facility commitment of A\$45 million and a A\$25 million environmental performance bond entered into with the Investec Group (“Investec”) to support the financing of the Transaction**
- **Equity raising in the order of A\$70 million to be undertaken to finance the acquisition and to provide working capital**
- **Aurelia’s largest shareholder, Pacific Road Capital Management Pty Ltd as the trustee for the Pacific Road Fund II Managed Investment Trust (“Pacific Road”), is strongly supportive of the transaction, and is committed to subscribe for up to A\$35 million under the equity raising, conditional on shareholder approval, to increase its relevant interest in Aurelia⁶ to 36.7%.**
- **Substantial shareholder, Glencore, is supportive of the acquisition and has indicated that it may participate in the raising to maintain its approximate current level of ownership (current relevant interest of 6.7%)**

Aurelia’s Managing Director and CEO, Jim Simpson, said *“This is a transformative acquisition for Aurelia, delivering a step-change in our production, cash generation and reserves. In the process, it is a major step in realising our strategy of creating a leading gold and base metals production company in the Cobar district.*

Peak is the ideal growth asset for Aurelia, seeing us transform from a single mine company, to a business with two operating mines, two complementary processing facilities, two sources of cash flow from a diversified commodity mix (which now includes copper, along with gold, silver, lead and zinc) and identified growth opportunities and exploration targets.

By applying the operating expertise gained at Hera together with my five years as General Manager at Peak, Aurelia has identified several avenues to improve operating costs and production efficiencies at the Peak operations.

The increased scale of the new Aurelia will also provide us with the opportunity to take a portfolio approach to exploration and growth investments, prioritising capital to optimise shareholders returns.”

TRANSACTION OVERVIEW

Aurelia has entered into a binding agreement with New Gold to acquire 100% of the shares in Peak Gold Asia Pacific Pty Ltd (“PGA”), which, through its wholly owned subsidiary Peak Gold Mines Pty Ltd, owns and operates Peak.

Peak is an attractive gold, copper, lead and zinc mine, which produced 107.4koz of gold and 15mlbs of copper at an AISC of US\$736/oz in CY16⁷.

The Transaction combines two complementary businesses, delivering enhanced scale and diversification. Following completion of the Transaction, Aurelia will operate two wholly-owned producing mines and two processing facilities in the Cobar district:

Operating Mines	Processing Facilities
100% Hera (gold, silver, lead, zinc)	380ktpa gold and lead zinc processing plant
100 % Peak (gold, silver, copper, lead, zinc)	750ktpa gold and copper processing plant

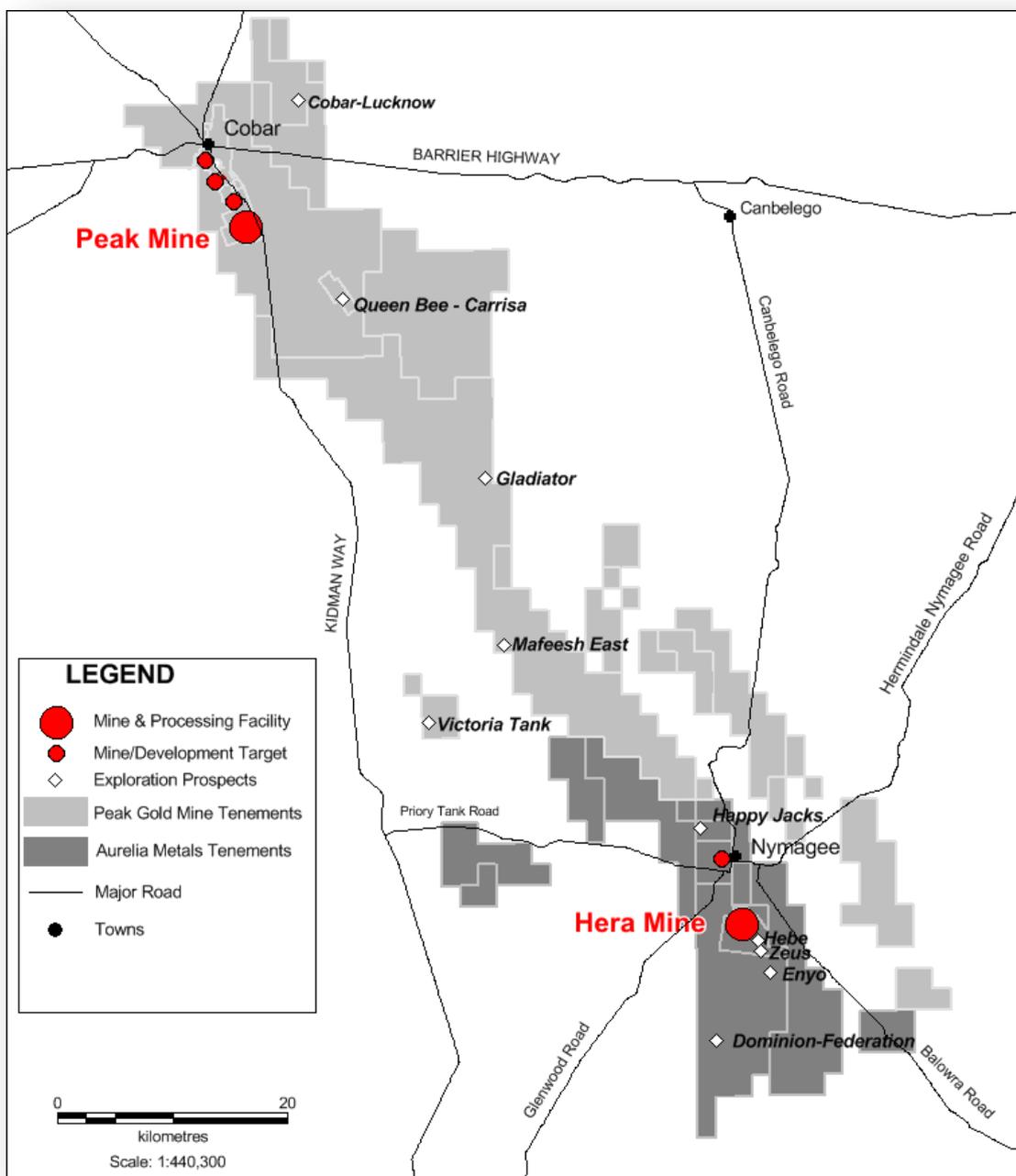
With the addition of Peak, Aurelia is targeting combined FY19 annual production of 100,000 – 125,000 ounces of gold (gold equivalent of 185,000 – 210,000 ounces) and an AISC of approximately A\$1,000/oz, propelling the business into the ranks of ASX mid-tier gold miners.

⁶ Pacific Road has provided a commitment to subscribe to the amount in the Placement that would provide Pacific Road with a relevant interest of 36.7% in Aurelia upon completion of the proposed placement and Share Purchase Plan.

⁷ Historical data has been sourced from New Gold Inc’s regulatory filings in Canada with SEDAR (System for Electronic Document Analysis and Retrieval - www.sedar.com) and from the Company’s website www.newgold.com.

The Transaction will see Aurelia expand the depth of its portfolio of growth and exploration prospects, including a number of near-mine targets identified within the 10km Peak Mines corridor, with exploration and mining permits covering a combined area of approximately 1,385 square km in the Cobar district (see Figure 1.)

Figure 1 – Location map



The Transaction will also result in a greater increase in production for Aurelia, and will deliver further base metals diversification through increased copper production over time from Peak.

Aurelia is targeting production of between 75,000 – 90,000 ounces of gold (125 – 140koz Au Eq.) in FY18, including six months of production from Peak. In FY19, which captures a full 12 months of production from Peak, the outlook is for production of between 100,000 – 125,000 ounces of gold (185 – 210koz Au Eq.). Figure 2 provides a summary of production and cost estimates for Aurelia and its assets:

Figure 2 – Aurelia’s Target Metrics (assuming Transaction date of 1 January 2018)

FY18 Target (i)	Gold Production (oz)	Gold Equivalent Production (iii) (oz)	AISC (ii) (A\$/oz)	Growth Capital A\$M
Hera (12 mths)	40,000 - 45,000	75,000 - 80,000	700 - 800	2 - 5
Peak (6mths)	35,000 - 45,000	50,000 - 60,000	1,100 - 1,300	10 - 15
Group	75,000 - 90,000	125,000 - 140,000	900 - 1,100	12 - 20

FY19 Outlook (i)	Gold Production (oz)	Gold Equivalent Production (iii) (oz)	AISC (ii) (A\$/oz)	Growth Capital A\$M
Hera (12 mths)	40,000 - 45,000	75,000 - 80,000	800 - 900	2 - 5
Peak (12 mths)	60,000 - 80,000	110,000 - 130,000	900 - 1,100	10 - 15
Group	100,000 - 125,000	185,000 - 210,000	900 - 1,100	12 - 20

Note:

(i) Refer to the important information at the end of this release, including cautionary statements regarding forward looking statements.

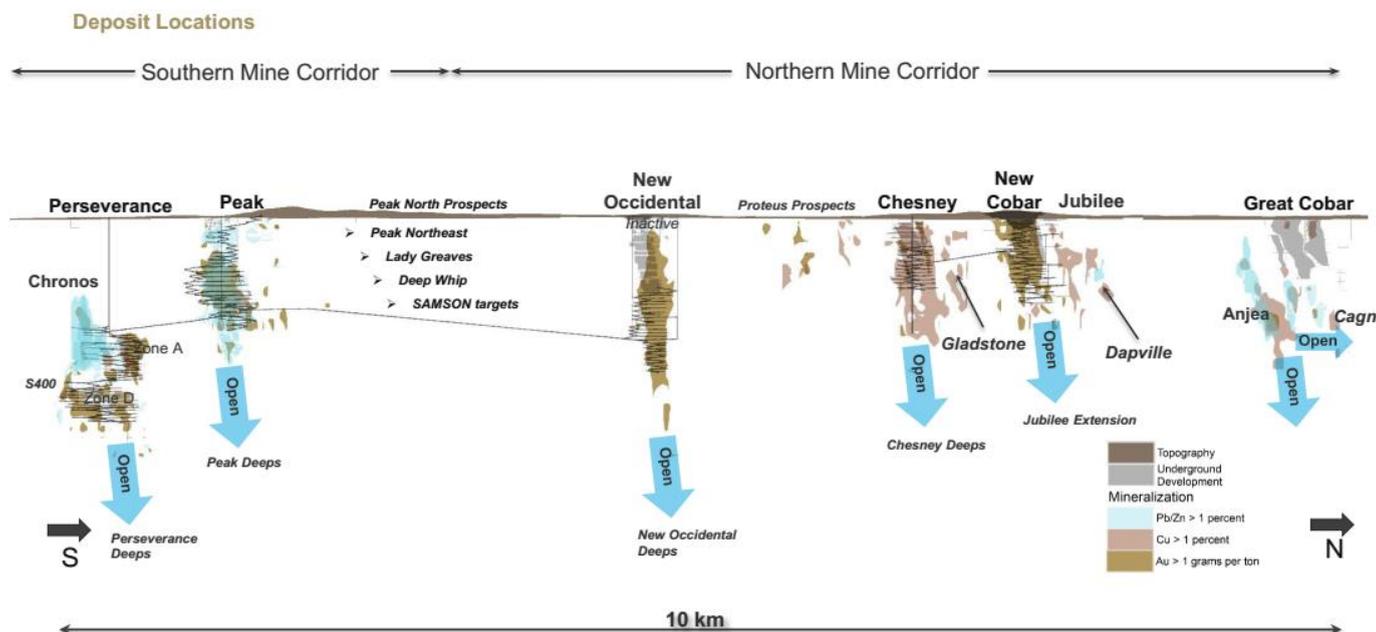
(ii) AISC/oz only relates to “Gold Production (oz)”. AISC (All-in Sustaining Cost) is a non-AIFRS definition and includes all site operating costs, concentrate transport and smelter costs, ore and finished goods inventory movements, royalty expenses, sustaining capital expenses, corporate and administration expenses, less by-products credits, calculated on a gold sold basis. Items excluded include growth capital, working capital movements, tax payments and financing cash flows. Base metal sales are accounted for as a by-product credit. The timing of base metal shipments will create volatility in the Company’s reported AISC due to timing of base metal by-product credits and concentrate inventory movements.

(iii) Gold equivalent is based on payable metal production converted into gold equivalent production using US\$1229/oz gold, US\$16.9/oz silver, US\$1800/t Pb, US\$2,500/t Zn and US\$5,500/t Cu. Note that smelter treatment charges, smelter refining charges and transport costs are not included in this equivalent estimate.

OVERVIEW OF THE PEAK ASSETS

Peak’s assets are located approximately 8 km south of the town of Cobar in central western New South Wales. Peak has operated for over 25 years and has a consistent history of reserve replacement, with deposits currently being mined considered to have potential for extensions (Figure 3).

Figure 3 – Peak Mines deposits (long section)



The ore zones are characterized as gold-rich (with copper/lead/zinc by-product credits) in the southern mine corridor, and copper-rich (with gold/silver/lead/zinc by-product credits) to the north.

Deposits currently mined at Peak comprise the Perseverance, Chronos, Chesney, Jubilee and New Cobar deposits (Figure 3). Chronos and Perseverance are accessed via a shaft and surface decline located at the Peak site. The New Cobar, Jubilee, Chesney ore bodies are accessed via a decline near the base of the New Cobar open pit.

Ore is processed at a gold-copper processing facility located at the Peak mine site (Figure 4). The replacement cost of plant & infrastructure is estimated at A\$390M, which includes A\$60M for underground mobile mining equipment.

Figure 4 – Peak Mine Plant



HISTORICAL PRODUCTION PROFILE

Peak has averaged +100kozpa gold and +8.6Mlbspa copper since commissioning in 1992. Peak’s historical production and all-in sustaining costs (AISC) for the past two years is detailed in Figure 5 below.

Figure 5 - Peak Historical Production and Cost

Peak Historical Performance (i)	Gold Production (koz)	Copper Production (mlbs)	AISC (US\$/oz)
CY16A	107.4	15.0	736
CY17A – 9 months to Sept 17	68.8	10.2	988
CY17 New Gold Guidance	85-95	c.15	975 – 1,015

(i) Peak operates on a calendar year basis. Historical data has been sourced from New Gold Inc’s regulatory filings in Canada with SEDAR (System for Electronic Document Analysis and Retrieval - www.sedar.com) and from New Gold Inc’s website www.newgold.com.

EXPLORATION POTENTIAL

Peak's assets include a substantial package of exploration and mining tenements, covering an area of approximately 991 square km along the Cobar Basin, and extending north-south over a 100 km trend of prospective ground along the eastern margin of the Cobar Basin. See Figure 6 Below.

In the short to medium term, Aurelia’s primary focus for exploration will be the upper and lower extensions to the high grade Chronos orebody, depth extensions to Perseverance orebody, depth extensions to the Peak orebody, depth extensions to the Chesney orebody, lateral extensions to the Jubilee orebody and expanding the resources at Great Cobar which has three discrete orebodies.

Greenfield exploration includes the Queen Bee deposit, Dapville and a number of other prospects as shown in Figure 1.

Figure 6 – Regional Location Map



TRANSACTION FUNDING AND TIMETABLE

Aurelia has identified a total funding requirement of approximately A\$140 million to complete the Transaction, replace all current bonding requirements relating to Peak's operations, fund working capital at Peak, pay for all Transaction costs and stamp duty, and provide corporate working capital which may support a refinancing of the existing debt obligations in the nearer term.

This funding will be provided by a combination of underwritten debt facilities provided by Investec and an equity capital raising in the order of A\$70 million, of which Pacific Road⁸ has committed up to A\$35 million to increase their holding to 36.7%, subject to shareholder approval, and possibly Glencore to approximately maintain their holding at 6.7%, with the remaining sourced from existing and new institutional and sophisticated investors. Sources and Uses of Funds are displayed in Figure 6 below.

Figure 6 – Sources and Uses of Cash

Sources of Funds (A\$m)		Uses of Funds (A\$m)	
Senior Debt Facility	45.0	Acquisition Price	75.5(1)
Guarantee Facility	25.0	Peak environmental bonds	25.0
Equity capital Raising	70.0	Peak working capital	10.0
		Transaction costs	6.9
		Stamp Duty	3.8
		General corporate purposes & working capital	18.8
Total Sources	140.0	Total Uses	140.0

(1) Acquisition price of US\$58M converted into A\$ using an exchange rate of 0.7683

New debt facilities

Aurelia has entered into financing commitments with Investec for new underwritten debt facilities which will be used to settle the Transaction and provide flexibility to restructure its current debt obligations in the first half of 2018. The new facilities proposed will include:

- Senior Debt Facility of A\$45 million which is senior secured over the Peak assets. This will be refinanced by 30 June 2018 through the Corporate Amortising Loan referred to below;
- Guarantee Facility of A\$25 million initially to fund the Performance Bonds required to be provided in relation to Peak's rehabilitation obligations. This Guarantee Facility increases to A\$30 million once draw down of the Corporate Amortising Loan mentioned below occurs, to facilitate refinancing of Aurelia's current cash backed Performance Bond for Hera; and
- Corporate Amortising Loan for A\$85 million. This facility will be used, following satisfaction of the conditions precedent, to refinance the Senior Debt Facility used to fund the Transaction and provide additional debt capacity to restructure existing debt obligations during the first half 2018. As part of this structure, additional banks may be brought into the facility.

From initial drawdown of the Senior Debt Facility to acquire Peak, the maturity of the combined facility is 30 months.

Drawdown of the Debt Facilities is conditional upon completion of documentation and satisfying conditions precedent usual for financings of this nature.

⁸ Pacific Road has provided a commitment to subscribe to the amount in the Placement that would provide Pacific Road with a relevant interest of 36.7% in Aurelia upon completion of the proposed placement and Share Purchase Plan.

Pro-forma debt and gearing

The debt drawn to fund the acquisition of Peak (A\$45.0 million Senior Debt Facility) will exist along with the current debt obligations to Glencore (A\$84.35 million as at 24 October 2017).

The Company most recently published its cash balance on 24 Oct 17 after a voluntary A\$15 million debt repayment. Assuming 24 Oct 17 as the acquisition date, the pro-forma total debt is A\$129.35 million, with cash of approximately A\$37 million, assuming a A\$70 million equity raise.

On the same basis, the pro-forma net debt (debt less cash) is A\$92 million and excludes cash generated from Aurelia's existing operations between 24 October 2017 and 1 January 2018. With an increased asset base, gearing (using net debt divided by net debt plus the market value of equity) is not forecast to materially increase over current levels. The Corporate Amortising Loan for A\$85 million, which refinances the A\$45 million senior debt, is currently planned to have capacity to refinance existing debt obligations if required during the first half of 2018.

Pro-Forma Debt & Cash Position at 24 October 17

	Assuming \$70M placement A\$ million
Existing debt balance (face value) (1)	84
Peak Senior Debt	45
Pro-forma Debt Balance 24 Oct 17	129
AMI Cash balance (1)	19
Equity Raise (pre-costs)	70
Cash funding of Peak Acquisition (2)	(31)
Peak working capital	(10)
Peak transaction costs	(7)
Peak stamp duty costs	(4)
Pro-forma cash balance 24 Oct 17	37
Pro-Forma net debt (24 Oct 17)	92

Note that numbers have been rounded to nearest million dollars.

Cash flow is prior to any funds raised from the SPP.

The cash and debt balances do not reflect Hera cash flow from 24 October 17 to completion of the Peak Acquisition.

(1) As announced to ASX on 24 October 17 after voluntary A\$15M debt repayment.

(2) Equals A\$75.5 million acquisition price less A\$45 million debt funding component.

Equity raising

Aurelia plans to undertake an institutional share placement to raise in the order of A\$70 million to support the Transaction ("Placement"), and offer all eligible shareholders the opportunity to participate through a Share Purchase Plan ("SPP").

The Placement will be conducted in two tranches, comprising:

- **Tranche 1** – an unconditional placement to sophisticated and professional investors utilising Aurelia's ASX Listing Rule 7.1 and ASX Listing Rule 7.1A capacity;
- **Tranche 2**, comprising:
 - A conditional placement to sophisticated and professional investors subject to shareholder approval under ASX Listing Rule 7.1
 - A conditional placement to Pacific Road subject to shareholder approval under ASX Listing Rule 10.11

Shareholder approvals for Tranche 2 will be sought at an extraordinary general meeting to be called by Aurelia in the near future.

Aurelia has received strong support for the Placement and Transaction from existing major shareholders, Pacific Road (33.7% interest) and Glencore (6.7% interest), pursuant to which:

- Pacific Road has provided a firm commitment to subscribe for up to A\$35 million in the Placement, subject to shareholder approval, with the maximum number of shares to be issued to Pacific Road equal to such number which result in Pacific Road obtaining a 36.7% relevant interest in Aurelia upon close of the Placement and SPP.
- Glencore has provided its intention that it may subscribe up to its pro-rata share of the Placement.

Each of Pacific Road and Glencore have also provided their full support for the Transaction in terms of offering the voting support to the resolutions required to be passed at a general meeting of Aurelia shareholders necessary for the Placement for which they are not restricted on voting on.

Pacific Road has provided New Gold with an irrevocable undertaking, in respect of a number of Aurelia shares held by Pacific Road representing 19.9% of total Aurelia shares on issue, to vote in favour of the resolutions (on which it is entitled to vote) proposed to be put to Aurelia shareholders to approve the issue of further Aurelia shares to fund the Transaction.

Hartleys Limited has been appointed as Lead Manager and sole bookrunner to the Placement, and Curran & Co appointed as Co-Manager to the Placement.

Timetable

The Transaction is expected to complete in the first quarter of 2018. Under the terms of the Transaction, the effective economic date for the transfer of ownership of Peak to Aurelia will be 1 January 2018 even where the Transaction completes after that date. Further details of the Transaction arrangements can be found in Appendix A of this announcement.

Event	Date
Trading Halt: Announcement of acquisition of Peak Mines	Tuesday, 21 November 2017
Placement bookbuild	Tuesday 21 November 2017
Announce placement details to ASX & Trading Halt lifted	Wednesday, 22 November 2017
Settlement of Tranche 1 placement	Monday, 27 November 2017
General Meeting to ratify Tranche 1 placement, approve Tranche 2 conditional placement and Tranche 2 conditional placement to Pacific Road Capital*	Around 22 January 2018
Settlement of institutional placement (Tranche 2) – subject to shareholder approval	Late January 2018
Settlement of the Acquisition	Expected to be first quarter of 2018

Note: The above timetable is indicative and is subject to change at Aurelia's sole discretion.

* Further details on the General Meeting and Notice of Meeting will be provided to shareholders in the near future.

SPP

Following completion of Tranche 1 of the Placement, Aurelia will also provide the opportunity for eligible Australian and New Zealand shareholders to participate in a non-underwritten SPP.

Under the SPP, each eligible Australian and New Zealand shareholder who was on Aurelia's share register as a holder of fully paid ordinary shares in Aurelia as at 7:00pm (Sydney time) on 20 November 2017 will have the opportunity to subscribe for up to A\$15,000 of new Aurelia shares, without incurring brokerage or transaction costs.

The issue price for the new Aurelia shares under the SPP will be the same as the Placement price.

Aurelia reserves the right to scale back applications under the SPP. Full details of the SPP will be sent to shareholders in the near future. New Aurelia shares issued under the SPP will rank equally with existing Aurelia shares.

ENDS

For further information, please contact:

Tim Churcher

Chief Financial Officer & Company Secretary

Aurelia Metals Limited

Tel: + 61 2 6363 5200

APPENDIX A

The below is a summary of the key terms of the Share Sale and Purchase Deed in relation to the Transaction ("SSPD"), and related issues and risk considerations.

	Summary
Parties	<p>Defiance Resources Pty Ltd ("Purchaser"), a wholly-owned subsidiary of AMI Metals Limited ("AMI")</p> <p>AMI</p> <p>New Gold Inc ("New Gold")</p>
Purpose	<p>The SSPD sets out the terms on which:</p> <ul style="list-style-type: none"> • New Gold agrees to sell, and Purchaser agrees to purchase, 100% of the shares in Peak Gold Asia Pacific Pty Ltd ("PGAP"); and • AMI guarantees the obligations of Purchaser under the SSPD. <p>PGAP owns all of the issued shares in Peak Gold Mines Pty Ltd ("PGMPL"), which operates the Peak Gold Mines ("the Business").</p>
Purchase Price	<p>US\$58 million in cash, subject to a working capital and net cash adjustment with the working capital adjustment based on a target working capital of US\$2.5 million.</p> <p>This adjustment will be calculated as at 11.59pm on 31 December 2017 ("the Calculation Time").</p>
Deposit	<p>The Purchaser must pay a deposit to New Gold (the "Deposit") no later than 15 days after execution of the SSPD.</p> <p>If the Purchaser does not pay the Deposit by the required time, New Gold may terminate the SSPD.</p> <ul style="list-style-type: none"> • The amount of the Deposit will be US\$3,000,000, unless AMI does not issue: <ul style="list-style-type: none"> ○ by 27 November 2017, pursuant to the upfront unconditional placement of ordinary shares to institutional shareholders which AMI will implement as part of its funding arrangements for the acquisition, the maximum number of ordinary shares which it has approval under Listing Rule 7.1A to issue at the current time; and ○ by 4 December 2017, pursuant to that upfront unconditional placement, the maximum number of ordinary shares which it has approval under Listing Rule 7.1 to issue at the current time, • in which case the Deposit will be US\$4,000,000. • The Deposit will be released to New Gold at completion in part-payment of the Purchase Price. • The Deposit will be forfeited by the Purchaser to New Gold if completion does not occur in the in the following circumstances: • New Gold terminates the SSPD where the Equity Funding Approval CP has not been satisfied by 31 January 2018, or where New Gold allows AMI and the Purchaser the opportunity to implement an Alternative Funding Proposal and that Alternative Funding Proposal is not completed by 16 February 2018 (each as further outlined below); or • the Purchaser breaches its obligation to complete the acquisition under the SSPD following satisfaction or waiver of the conditions precedent. • If completion otherwise does not occur (eg, because the CPs are otherwise not satisfied or waived by the Cut-Off Date referred below), the Deposit is to be returned to the Purchaser.

<p>Conditions precedent ("CPs")</p>	<ul style="list-style-type: none"> • Receipt of Ministerial approval of the change in effective control and, if applicable, the foreign acquisition of substantial control in PGMPL in relation to EL 5933, EL 5982, EL 6127, EL 6149, EL 6401, EL 7355, EL 8060, EL 8523, EL 8548 and EL 8567 pursuant to the conditions of those ELs on terms acceptable to Purchaser, acting reasonably (the "Ministerial Approval CP"); • Approval of AMI's shareholders under Listing Rules 7.1 and 10.11 (as applicable) of an equity placement, to be announced by AMI on or around the date of the SSPD ("Equity Funding Approval CP"); and • New Gold completes certain internal restructuring steps in order to exclude certain current subsidiaries of PGAP other than PGMPL from the transactions contemplated by the SSPD. <p>The Equity Funding Approval CP must be satisfied or waived by 31 January 2018. If the Equity Funding Approval CP will not be satisfied by 31 January 2018, the Purchaser may provide the Seller with details of the Purchaser's and AMI's proposed alternative method of raising the necessary funds to pay the purchase price and adjustments under the SSPD and to comply with the Purchaser's obligations to replace the security bonds issued in respect of the Business (see below) (the "Alternative Funding Proposal"). If New Gold, in its sole discretion, agrees to waive the Equity Funding Approval CP and permit the Purchaser the opportunity to implement the Alternative Funding Proposal, the Purchaser will have until 16 February 2018 to complete that proposal.</p> <p>Otherwise, all conditions precedent must be satisfied by the date which is the later of six months after the date of the SSPD or such later date as may be agreed by the parties ("Cut-Off Date"). New Gold may elect to extend the Cut-Off Date by up to 40 business days if a material adverse change (as defined in the SSPD) occurs and New Gold reasonably believes that it can be cured or addressed within that period of extension.</p>
<p>Termination</p>	<p>Either the Purchaser or New Gold can terminate if:</p> <ul style="list-style-type: none"> • all conditions are not satisfied by Cut-Off Date; • the other (including, in the case of New Gold's right to terminate, AMI) is subject to an insolvency event pre-completion; or • the other does not perform its completion obligations. <p>New Gold can terminate if:</p> <ul style="list-style-type: none"> • the Purchaser does not pay the Deposit by the required time; • the Equity Funding Approval CP is not satisfied by 31 January 2018; or • if New Gold agrees to waive the Equity Funding Approval CP and allows the Purchaser and AMI the opportunity to implement the Alternative Funding Proposal (as outlined above), and the Alternative Funding Proposal is not completed by 16 February 2018, <p>in which case the Purchaser will forfeit the Deposit, which shall be the Purchaser's and AMI's sole liability to New Gold in respect of termination in those circumstances.</p> <p>The Purchaser may terminate if a material adverse change (as defined in the SSPD) affects the Business after the date of the SSPD and before the later of:</p> <ul style="list-style-type: none"> • 31 December 2017; and • the date on which the Ministerial Approval CP is satisfied or waived, <p>and is not cured prior to the day two business days before the date on which completion is to take place (as adjusted, if applicable).</p>
<p>Completion</p>	<p>Subject to New Gold's right referred to above to extend the completion date to seek to cure a material adverse change (as defined in the SSPD), completion will take place:</p> <ul style="list-style-type: none"> • if all CPs are satisfied or waived before 31 December 2017, the later of the first business day of the year beginning 1 January 2018 and five business days after the last CP is satisfied or waived; or • if all CPs are satisfied or waived after the first business day of the year beginning 1 January 2018, on the fifth business day following the date on which all CPs are satisfied or waived.
<p>Conduct of business</p>	<p>The Business must be conducted in the ordinary course between signing and completion, with relatively standard provisions limiting changes to capital structure, material acquisitions and disposals etc.</p>
<p>Locked box</p>	<p>The SSPD contains a locked box arrangement which restricts (subject to limited exceptions) New</p>

	<p>Gold from extracting cash or assets from PGAP or PGMPL after the Calculation Time, so that the Purchaser receives the effective economic benefit of the Business from that time. Furthermore, New Gold must procure that no form of related party debt is extended by the New Gold group to PGAP and PGMPL after the Calculation Time other than to enable PGAP and PGMP to satisfy liabilities to third parties in the ordinary course of business. Any related party debt which is extended for that purpose after the Calculation Time must be repaid by PGAP and/or PGMPL to the New Gold group within 7 days following completion.</p>
Existing performance bonds	<p>A number of cash and non-cash security bonds have been issued with respect to the Business, principally as security in relation to obligations with respect to mining tenements. The SSPD provides for these non-cash bonds to be replaced as soon as reasonably practicable following completion (with the Purchaser indemnifying New Gold against losses incurred arising from calls on such securities between completion and their replacement). Cash security bonds issued with respect to the Business will remain in place, with an adjustment in respect of them made through the price adjustment mechanism.</p>
Tax indemnity	<p>New Gold indemnifies Purchaser for any tax or duties payable by PGAP or PGMPL which relates to any period up to and including the Calculation Time, or any act or matter occurring before the Calculation Time, except to the extent a provision is made in the completion accounts prepared for the purposes of calculating the working capital adjustment.</p>
Seller warranties	<p>New Gold provides Purchaser with warranties covering matters such as: capacity and authority to undertake the transaction; ownership of shares; incorporation status of PGAP and PGMPL; adequacy of business records; no default under material contracts; no notices of termination received under material contracts; preparation of accounts in accordance with accounting standards; mining tenements being in good standing; no material breach of mining tenements; no breach of environmental authorisations which would have a material adverse effect (as defined in the SSPD); no material breach of environmental laws; compliance in all material respects with industrial instruments; no notice of claims, investigations or breaches of workplace health and safety legislation; no failure to comply with laws which would have a material adverse effect on the Business; no litigation which would have a material adverse effect on the Business; solvency of New Gold, PGAP and PGMPL; no recent industrial disputes; payment of taxes and compliance with tax laws; no breach of anti-corruption laws; and that the due diligence materials, when taken as a whole, are materially accurate and not misleading (though this due diligence warranty and the other warranties do not apply to forward-looking information).</p> <p>New Gold's warranties are subject to customary qualifications and agreed limitations, such as matters disclosed in due diligence or disclosed in specified public registers or which are within Purchaser's knowledge prior to signing. Some of New Gold's warranties are given on a knowledge-qualified basis.</p>
Purchaser/AMI warranties	<p>The Purchaser and AMI provide New Gold with warranties covering matters such as capacity and authority to undertake the transaction; and that the Purchaser will have necessary funding available at completion (including that neither the Purchaser nor AMI has any reason to believe that the debt and equity commitments contemplated in the equity and debt support letters provided to New Gold prior to signing the SSPD will be unavailable or withdrawn).</p>
Claims regime	<p>Customary regime which limits New Gold's liability to Purchaser under the SSPD, including in relation to New Gold's warranties.</p> <p>The regime includes: minimum claim amounts; time limits on warranty claims; liability caps for certain warranties; maximum aggregate liability cap (equal to 100% of the base purchase price and a 40% sub-cap for claims other than with respect to title warranties, New Gold's tax indemnity and certain other matters); and exclusions for matters such as change in law, change in accounting policy, and indirect losses and matters for which provision is made in the working capital adjustment.</p> <p>New Gold has the right to assume the conduct of claims by third parties which result in a claim against New Gold under the SSPD.</p>
Transitional services	<p>Under a Transitional Services Agreement which is to come into effect at completion, New Gold has agreed to sub-licence on a short-term basis certain software which was being provided by New Gold group entities to the Business prior to completion (pursuant to certain New Gold group contracts to which the Business will no longer have access after completion). New Gold's obligation to provide the sub-licences is subject to it obtaining any necessary third party consents, with AMI to pay agreed service charges to New Gold along with any charges referable to obtaining the third party consents.</p>

APPENDIX B

Peak Mineral Resources and Mineral Reserves

Peak Copper-Gold Resources (Measured and Indicated) at 31 December 2016 are estimated at 7.2 million tonnes at 2.67g/t Au and 1.54% Cu, with Inferred Resources estimated at 4.2 million tonnes at 1.39g/t Au and 1.81% Cu. Inferred Lead-Zinc Resources at 31 December 2016 are estimated at 1.5 million tonnes at 0.69g/t Au; 0.34% Cu; 34.6g/t Ag; 5.78% Pb and 6.42% Zn. Peak Reserves at 31 December 2016 are estimated at 2.7 million tonnes at 2.83g/t Au and 1.32% Cu.

This information is reported on the basis of a Foreign Estimate and as such, is not reported in accordance with the JORC Code 2012.

Peak Mineral Resources (inclusive of Mineral Reserves) at 31 December 2016

		Tonnes kt	Au g/t	Cu %	Ag g/t	Au koz	Cu Mlb	Ag koz	*Gold koz
Mineral Resources	Measured	2,500	3.98	1.18	8.9	310	64	700	450
	Indicated	4,800	2.00	1.73	6.9	310	180	1,100	700
	M&I	7,200	2.67	1.54	7.6	620	250	1,800	1,200
	Inferred	4,200	1.39	1.81	6.6	190	170	880	560

Peak Lead and Zinc Inferred Mineral Resources at 31 December 2016

Mineral Resources	Tonnes kt	Au g/t	Cu %	Ag g/t	Pb %	Zn %	Au koz	Ag koz	Cu Mlb	Pb Mlb	Zn Mlb
Inferred Pb-Zn	1,510	0.69	0.34	34.6	5.78	6.42	34	1720	11	214	189

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for Mineral Resources.

The Measured and Indicated (M&I) Mineral Resources are exclusive of those Mineral Resources modified to produce the Mineral Reserves.

Totals may not add up due to rounding.

As per NI 43-101 requirements, rounding of estimated quantities and grades has been used to reflect the order of accuracy of the estimates. For Mineral Resources, rounding to two significant figures has been applied to tonnage and grade estimates. Mineral Resources are estimated at variable Net Smelter Returns (NSR) cut-off grades between A\$ 113/t and A\$ 150/t with NSR's based on the following assumptions: Gold price of US\$ 1,350/oz; Silver price of US\$ 17/oz; Copper price of US\$ 3.00/lb; A\$/US\$ exchange rate of 0.77; Treatment charge of US\$ 90/t concentrate; Refining charge of US\$ 0.09/t concentrate; and Freight of US\$ 100/t concentrate.

*Gold equivalent calculations are based on a gold price of US\$ 1,250/oz, Copper price of US\$ 2.75/lb and Silver price of US\$ 15/oz.

Peak Mineral Reserves at 31 December 2016

		Tonnes kt	Au g/t	Cu %	Ag g/t	Au koz	Cu Mlb	Ag koz	*Gold koz
Mineral Reserves	Proven	1,370	3.18	1.36	10.3	140	41	453	231
	Probable	1,390	2.48	1.28	8.9	111	39	401	198
	Total	2,760	2.83	1.32	9.6	251	80	854	429

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for Mineral Reserves.

Totals may not add up due to rounding.

As per NI 43-101 requirements, rounding of estimated quantities and grades has been used to reflect the order of accuracy of the estimates. For Mineral Reserves, rounding to three significant figures for tonnes and Proven Mineral Reserve grades and two significant figures for Probable Mineral Reserve grades has been applied to the estimates.

Mineral Reserves are estimated at variable NSR cut-off grades between A\$ 80/t and A\$ 146/t with Net Smelter Returns based on the following assumptions: Gold price of US\$ 1,250/oz; Silver price of US\$ 15/oz; Copper price of US\$ 2.75/lb; A\$/US\$ exchange rate of 0.77; Treatment charge of US\$ 90/t concentrate; Refining charge of US\$ 0.09/t concentrate; and Freight of US\$ 100/t concentrate.

*Gold equivalent calculations are based on a gold price of US\$ 1,250/oz, Copper price of US\$ 2.75/lb and Silver price of US\$ 15/oz.

Peak Mineral Resources and Mineral Reserves

This announcement contains Peak mineral resource and reserves information and is reported on the basis of a foreign estimate and as such, is not reported in accordance with the JORC Code 2012.

ASX Listing Rules 5.12.2 to 5.12.7 specifies the additional information that must be provided in a market announcement that contains a foreign estimate. This information is provided below.

The information provided in relation to Foreign Estimates was extracted from New Gold's Annual Information Form for the year ended 31 December 2016 filed with the Canadian Securities Administrators dated 30 March 2017 and is publicly available at www.sedar.com. The information has been reported by New Gold in accordance with Canadian National Instrument 43-101 (NI43-101) under the supervision of the Qualified Persons named on page 7 of New Gold's Annual Information Form. Each of the Qualified Persons is an employee

of New Gold. NI 43-101 is a national instrument for the Standards of Disclosure for Mineral Projects within Canada. These standards are described in New Gold's current NI 43-101 Technical Reports which are available at www.sedar.com. Further details on the Peak Mines' Mineral Resource and Mineral Reserve estimates were sourced from Peak Gold Mines' Mineral Resources and Mineral Reserves Report dated 13 January 2017. These foreign estimates are the most recent Mineral Reserve and Mineral Resource estimates on the Peak Mines deposit provided by New Gold.

Aurelia believes that the categories of mineralisation reported under NI 43-101 are similar to the JORC Code 2012 categories. Aurelia considers the Foreign Estimates to be material to the Company given its intention to increase its annual rate of gold production, lower Aurelia's cost profile and to extend mine life through the acquisition of Peak Mines. This is consistent with Aurelia's growth strategy to establish Aurelia as a strong precious and base metals producer and to expand its exploration acreage in the prospective Cobar region.

Aurelia considers that the foreign estimates provided by New Gold are sufficiently reliable and consistent with current industry standard estimation methodologies. Information relating to key assumptions, mining and processing parameters, and methods used to prepare the foreign estimates are presented in New Gold's current NI 43-101 Technical Reports at www.sedar.com in conjunction with historic NI 43-101 reports.

The foreign estimates reported by New Gold on 13 January 2017 have not currently been superseded by any later estimates. Following completion of the acquisition (estimated to be in the first quarter of 2018), it is Aurelia's intention to undertake an evaluation of the data to verify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with Appendix 5A (JORC Code 2012). The evaluation work is planned to be undertaken in CY18 and reported in the Company's Annual Mineral Resources and Ore Reserves Statement in 2018.

Cautionary Statement

- The foreign estimates are not reported in accordance with the JORC Code
- A Competent Person has not yet done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code however Aurelia notes the similarity of the Canadian NI 43-101 standards and the Australasian Code (JORC Code)
- It is uncertain that following evaluation and/or further exploration work that these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

Competent Persons Statement – Peak Resources and Reserves Estimate

Mr James Simpson confirms that the information in this market announcement that relates to the Peak Mines Mineral Resources and Mineral Reserves provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Aurelia as a foreign estimate. Mr James Simpson is a full time employee of Aurelia and is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr James Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix C

Hera Resources and Reserves

On 31 July 2017, Aurelia Metals Ltd (or the "Company") released an updated Mineral Resource Estimate and Ore Reserves Statement for its 100% owned Hera gold-lead-zinc-silver Project.

Hera Resources (Measured, Indicated and Inferred) at 30 June 2017 are estimated at 2.9 million tonnes at 2.8g/t Au; 2.6% Pb and 3.8% Zn.

Hera Reserves at 30 June 2017 are estimated at 1.47 million tonnes at 3.53g/t Au, 2.7% Pb and 4% Zn.

The Mineral Resource Estimate has been completed in accordance with the guidelines of the JORC Code (2012 Edition). The Ore Reserve Estimate is derived from the Mineral Resource Estimate.

Hera Resource Estimate at 30 June 2017

		Tonnes kt	Au g/t	Pb %	Zn %	Ag g/t	NSR A\$
Mineral Resources	Measured	605	3.0	2.8	4.0	24	260
	Indicated	1,729	3.0	2.3	3.4	16	242
	Inferred	599	1.9	3.2	4.6	46	231
	Total	2,934	2.8	2.6	3.8	24	244

The Mineral Resources Estimate has been based on a cut-off value of A\$120/t and Net Smelter Returns (NSR) based on the following assumptions: Gold: price US\$ 1,400/oz; Silver: price US\$ 18.8/oz; Zinc: price US\$ 2,500/t; Lead: price US\$ 2,280/t; Transport: US\$ 103/t; A\$/US\$ exchange rate : 0.74.

Tonnage estimates have been rounded to nearest 1,000 tonnes.

A full summary of the Resource Estimate is included in the ASX release dated 31 July 2017.

Hera Reserves Estimate at 30 June 2017

		Tonnes kt	Au g/t	Pb %	Zn %	Ag g/t	NSR A\$
Ore Reserves	Probable	1,476	3.53	2.74	4.05	20.9	269
	Total	1,476	3.53	2.74	4.05	20.9	269

The Ore Reserve Estimate has been based on a cut-off value of A\$160/t and Net Smelter Returns (NSR) based on the following assumptions: Gold: price US\$ 1,220/oz ; Silver: price US\$ 17/oz; Zinc: price US\$ 2,600/t; Lead: price US\$ 2,150/t; Transport: US\$ 103/t; A\$/US\$ exchange rate : 0.76.

Tonnage estimates have been rounded to the nearest 1,000 tonnes.

A full summary of the Resource Estimate is included in the ASX release dated 31 July 2017.

Competent Persons Statement – Hera Resource Estimate

Compilation of the drilling database, assay validation and geological interpretations for the resource update were completed by Adam McKinnon, BSc (Hons), PhD, MAusIMM, who is a full time employee of the Company. The resource estimate has been prepared by Rupert Osborn, BSc, MSc, MAIG, who is an employee of H&S Consultants Pty Ltd. Both Dr McKinnon and Mr Osborn have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr McKinnon and Mr Osborn consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Competent Persons Statement – Hera Ore Reserves Estimate

The Ore Reserves were compiled by Jim Simpson, CEO of Aurelia Metals Ltd. Mr Simpson has sufficient experience which is relevant to the style of mineralisation, type of deposit and mining method under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Simpson is a chartered professional and member of the AusIMM and also a registered mining engineer of Queensland, New South Wales and Western Australia.

Technical guidance and review has been provided Mr Anthony Allman MAusIMM CP(Min), RPEQ, Director of Antcia Consulting Pty Ltd.

Nymagee Mineral Resources Estimate

The Company reported a Mineral Resource Estimate for the Nymagee to ASX on 22 December 2011. The Mineral Resource (see table below) was reported in accordance with the JORC Code (2004 Edition) and prepared by Competent person Dean Frederickson (who was a full time employee at the time of the resource statement).

Nymagee Resources (Measured, Indicated and Inferred) at December 2011 are estimated at 8.1 million tonnes at 1.2% Cu; 0.3% Pb; and 0.7% Zn.

Nymagee Deposit Mineral Resources Estimate (AMI – 95%) – December 2011

		Material Type	Cut-off Grades	Tonnes Mt	Cu	Pb	Zn	Ag
					g/t	%	%	g/t
Mineral Resources	Measured		-	-	-	-	-	-
	Indicated	Shallow Cu	0.3% Cu	5.15	1.0	0.1	0.2	5
		Deep Cu	0.75% Cu	1.98	1.8	0.3	0.6	11
		Pb-Zn-Ag	5% Pb+Zn	0.36	0.5	4.4	7.8	41
	Inferred	Deep Cu	0.75%	0.60	1.3	0.1	0.2	8
Total				8.10	1.2	0.3	0.7	9

Tonnage estimates have been rounded to the nearest 1,000 tonnes.

Competent Persons Statement – Nymagee Resource Estimate

The Resource Estimation for the Nymagee deposits has been completed by Dean Fredericksen who is a Member of the Australasian Institute of Mining and Metallurgy (and who was a full time employee of the Company at the time of the resource statement). Mr Dean Fredericksen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The information on the Nymagee Resource Estimate is extracted from the ASX Reports available on the Aurelia Metals Website.

Maiden Nymagee Resource Estimate – 22 December 2011

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

IMPORTANT INFORMATION

Notice and disclaimer

Certain information in this presentation in relation to Peak - including in relation to historical production, resources and reserves, costs, financial information and life of mine plans - has been sourced from New Gold Inc. (New Gold) and its subsidiaries. Aurelia has formed its own assessment of that information; however, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy of that information. The resources value for Peak includes reserves and measured, indicated and inferred resources estimated and disclosed according to Canadian NI 43-101 standards. The reserves and resources estimates and disclosures for Peak do not purport to be JORC compliant.

This announcement contains information about PGA and Peak which are wholly-owned by New Gold. Certain of this information has been obtained from New Gold and/or its advisers as part of the transaction process which Aurelia has limited opportunity to independently verify. Accordingly, investors should be aware that neither Aurelia, nor any of its directors, officers, employees or advisors makes any representation or warranty as to the fairness, accuracy, completeness or adequacy of such information.

This release should be read in conjunction with the associated investor presentation released to ASX.

This announcement is not financial product or investment advice, a recommendation to acquire new shares or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for shares. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Aurelia is not licensed to provide financial product advice in respect of an investment in shares.

Forward looking statements

This announcement contains certain "forward-looking statements". Forward-looking statements are often identifiable by use of the expressions "expect", "anticipate", "forecast", "guidance", "estimate", "intend", "may", or similar terms. Indications of, or statements regarding, future matters, including future production and operating performance, are also forward-looking statements.

The forward-looking statements in this announcement are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements are, by their nature, subject to various risks and uncertainties, both known and unknown, which may be outside of the control of the Company and its directors, officers, employees and advisors, and should not be relied upon as an indicator or guarantee of future performance. No representation or assurance (express or implied) is given by the Company or its directors, officers, employees and advisors (or any of them), that forward-looking statements included in this announcement will occur. Actual results and performance may vary, including materially, from any forward-looking statements and the assumptions on which such statements are based.

Forward-looking statements in this announcement are stated as at the date of this announcement. Subject to any continuing obligations under applicable law, including the listing rules of the ASX, each of the Company, its directors, officers, employees or advisers disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this announcement to reflect any change in expectations in relation to any forward-looking statements or any changes in events, conditions or circumstances on which any such statement is based.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person acting for the account or benefit of a person in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws is available.