



AURELIA METALS LIMITED
ACN 108 476 384
NOTICE OF GENERAL MEETING

TIME 9:00am (EDST)
DATE Friday, 5 January 2018
PLACE The Macquarie Room, Pullman Quay Grand Sydney Harbour
61 Macquarie Street, East Circular Quay
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 6363 5200.

AURELIA METALS LIMITED

ACN 108 476 384

NOTICE OF GENERAL MEETING

The Company gives notice that the General Meeting will be held at The Macquarie Room, Pullman Quay Grand Sydney Harbour, 61 Macquarie Street, East Circular Quay, Sydney NSW 2000 on Friday, 5 January 2018 at 9:00am (EDST).

BUSINESS

RESOLUTION 1 - APPROVAL OF THE TRANCHE 2 CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.1

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the issue of up to 134,402,963 ordinary shares in the capital of the Company, at an issue price of \$0.21 per ordinary share, to professional and sophisticated investors pursuant to the Tranche 2 Conditional Placement, as further described in the Explanatory Memorandum."

Voting exclusion statement: Under ASX Listing Rule 14.11.1, the Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of such person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 - APPROVAL OF THE ISSUE OF SHARES TO PACIFIC ROAD UNDER THE TRANCHE 2 PACIFIC ROAD CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 10.11

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11, and for all other purposes, shareholders approve the issue of up to 233,175,539 ordinary shares in the capital of the Company, at an issue price of \$0.21 per ordinary share, to Pacific Road Capital Management Pty Ltd as trustee for the Pacific Road Fund II Managed Investment Trust, as part of the Tranche 2 Pacific Road Conditional Placement as further described in the Explanatory Memorandum."

Voting exclusion statement: Under ASX Listing Rule 14.11.1, the Company will disregard any votes cast on this Resolution by Pacific Road and any associate of Pacific Road. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 - RATIFICATION OF THE TRANCHE 1 UNCONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.4

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve the issue of 61,200,882 ordinary shares in the capital of the Company, at an issue price of \$0.21 per ordinary share, on 27 November 2017 to professional and sophisticated investors pursuant to the Tranche 1 Unconditional Placement, as further described in the Explanatory Memorandum."

Voting exclusion statement: Under ASX Listing Rule 14.11.1, the Company will disregard any votes cast on this Resolution by any person who participated in the issue, and any associate of such person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – APPROVAL OF FINANCIAL ASSISTANCE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, subject to any procedural requirements under the Corporations Act 2001 (Cth) (**Corporations Act**), for the purposes of s260B of the Corporations Act and for all other purposes, shareholders approve Peak Gold Asia Pacific Pty Ltd and its wholly owned subsidiary Peak Gold Mines Pty Ltd (each an **Obligor**) providing financial assistance to Defiance Resources Pty Ltd to acquire all of the ordinary shares in Peak Gold Asia Pacific Pty Ltd (the **Acquisition**) and the Company and its subsidiaries approving that financial assistance.*

The financial assistance will be in the form of each Obligor:

- (a) guaranteeing all monies owing under a syndicated facility agreement entered, or to be entered, into with Investec Australia Finance Pty Limited (or its related entities) and others (the **Facility Agreement**) and any Finance Document or Transaction Document (each as defined in the Facility Agreement);*
- (b) granting a security interest over all of its present and after acquired property under a General Security Deed to be entered into on or around the date of the Facility Agreement; and*
- (c) doing anything else that is reasonably requested by the Company or the lender(s) under or in connection with the Facility Agreement to provide the financial assistance, including executing all documents necessary to provide the financial assistance, including any document which the directors think necessary, advisable or incidental in connection with the financial assistance and any Finance Document or Transaction Document (each as defined in the Facility Agreement),*

*(the **Financial Assistance**).*

That the Company and its subsidiaries approve the Financial Assistance and direct each Obligor:

- (a) to execute, or accede to, all documents necessary to provide the Financial Assistance, including:*
 - (i) the Facility Agreement;*
 - (ii) the General Security Deed and, if required under the Facility Agreement, a registrable mortgage over mining tenements (if any);*
 - (iii) a security trust deed; and*
 - (iv) any document which the directors of the Company think necessary, advisable or incidental in connection with the Financial Assistance and any*

Finance Document or Transaction Document (each as defined in the Facility Agreement); and

- (b) *to do anything else that is reasonably requested by the Company or the lender(s) under or in connection with the Facility Agreement to provide the Financial Assistance."*
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Date 4 December 2017

By order of the Board

A handwritten signature in black ink, appearing to read 'T. Churcher', with a stylized flourish at the end.

Timothy Churcher
Chief Financial Officer & Company Secretary

NOTES

These Notes form part of the Notice of Meeting.

Time and place of Meeting

Notice is given that the Meeting will be held at The Macquarie Room, Pullman Quay Grand Sydney Harbour, 61 Macquarie Street, East Circular Quay Sydney NSW 2000 on Friday, 5 January 2018 at 9:00am (EDST).

Your vote is important

The business of the Meeting affects your Shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are Shareholders as at 7.00pm (EDST) on Wednesday, 3 January 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

The Corporations Act provides that:

- if proxy holders vote, they must cast all directed proxies as directed;
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

Appointment of proxies

A proxy need not be a Shareholder and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Lodgement of proxy documents

For an appointment of a proxy for the Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the Meeting (that is, by not later than 9:00am (EDST) on Wednesday, 3 January 2018).

The following addresses are specified for the purposes of receipt of proxies:

By mail or delivery:	By fax:
Mail: PO Box 52, Collins St West Vic 8007 Australia	+61 (0) 8 9315 2233
Delivery: Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000	

Voting online

You may also submit your proxy online by visiting www.securitytransfer.com.au.

To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number as shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website. A proxy cannot be appointed electronically if they are appointed under a Power of Attorney or similar authority. The online proxy facility may not be suitable for Shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy. Custodians and other intermediaries may submit their proxy online by visiting www.securitytransfer.com.

Voting by corporate representative

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint a person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting by attorney

A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company in one of the methods listed above for the receipt of Proxy Forms, so that it is received not later than 9:00am (EDST) on Wednesday, 3 January 2018.

Disclaimers

No person is authorised to give any information or make any representation in connection with the Acquisition, the Tranche 1 Unconditional Placement, the Tranche 2 Conditional Placement or the Tranche 2 Pacific Road Conditional Placement which is not contained in this Explanatory Memorandum. Any information or representation not contained in this Explanatory Memorandum, may not be relied on as having been authorised by the Company or the Board in connection with the Acquisition, the Tranche 1 Unconditional Placement, the Tranche 2 Conditional Placement or the Tranche 2 Pacific Road Conditional Placement.

EXPLANATORY MEMORANDUM

This information forms part of the Notice of Meeting.

1. GENERAL BACKGROUND

On 21 November 2017, the Company announced that it had 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 **Acquisition**).

The Acquisition combines two complementary businesses, delivering enhanced scale and diversification. Following completion of the Acquisition, the Company 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

The Acquisition will see the Company 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.

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

Completion of the Acquisition is subject to certain conditions in the share sale and purchase deed for the Acquisition (**Acquisition Agreement**), including Shareholder approval of the Share issuances that are the subject of Resolution 1 and Resolution 2 as set out in this Notice.

The Company will forfeit a deposit of US\$3 million to New Gold if the Acquisition does not complete in certain circumstances. Specifically, if New Gold terminates the Acquisition Agreement where:

- the approval of Shareholders for the Tranche 2 Unconditional Placement and Tranche 2 Pacific Road Unconditional Placement (each defined below) (**Equity Funding Approval CP**) is not obtained by 31 January 2018; or
- if New Gold agrees to waive the Equity Funding Approval CP and allows the Company and Defiance Resources Pty Ltd (a subsidiary of the Company) the opportunity to implement an alternative funding proposal and such alternative funding proposal is not completed by 16 February 2018; or
- all of the conditions in the Acquisition Agreement have been satisfied or waived and the Company and Defiance Resources Pty Ltd have failed to complete the Acquisition on the date required under the Acquisition Agreement, other than solely due to New Gold's default,

the deposit will be forfeited to New Gold.

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

In conjunction with the announcement of the Acquisition, the Company announced an unconditional and conditional placement at an issue price of \$0.21 per Share to a number of sophisticated and professional investors and to Pacific Road, to raise a total of approximately \$70 million (the **Placement**). The purpose of the Placement is to part fund the purchase price for the Acquisition.

The Placement comprised of three components:

- an unconditional issue of Shares (the **Tranche 1 Unconditional Placement**) – under which the Company issued on 27 November 2017, 104 million Shares – raising approximately \$21.8 million;
- a conditional issue of Shares (the **Tranche 2 Conditional Placement**) – under which the Company has agreed to issue to sophisticated and professional investors, subject to obtaining Shareholder approval, up to 134,402,963 Shares (of which up to 40,186,029 may be issued to Glencore); and
- a conditional issue of Shares (the **Tranche 2 Pacific Road Conditional Placement**) – under which the Company has agreed to issue to Pacific Road, subject to obtaining Shareholder approval, up to the number of Shares which would result in Pacific Road and its associate's having a 36.7% relevant interest in Shares upon completion of the Placement and SPP (defined below).

The Tranche 2 Conditional Placement is subject to Shareholder approval under ASX Listing Rule 7.1, which is being sought via Resolution 1. If Resolution 1 is not approved, the Tranche 2 Conditional Placement will not proceed and the funding to be raised under the Tranche 2 Conditional Placement will not be received by the Company.

The Tranche 2 Pacific Road Conditional Placement is subject to Shareholder approval under ASX Listing Rule 10.11, which is being sought via Resolution 2. If Resolution 2 is not approved, the Tranche 2 Pacific Road Conditional Placement will not proceed and the funding to be raised under the Tranche 2 Pacific Road Conditional Placement will not be received by the Company.

If Resolutions 1 and 2 are approved:

- the Equity Funding Approval CP will be satisfied;
- the Tranche 2 Conditional Placement will proceed; and
- the Tranche 2 Pacific Road Conditional Placement will proceed.

If Resolution 3 is approved, the Company's 15% capacity under ASX Listing Rule 7.1 will be refreshed.

If Resolutions 1 to 3 are approved, the base number for determining the Company's 15% capacity under ASX Listing Rule 7.1 will be increased by the number of Shares issued under the Placement.

The Company does not currently have any intention to issue further equity in the next 12 months other than associated with the Placement, the SPP or the Company's employee equity incentive plans. However, the approval of Resolutions 1 to 3 will provide the Company with the required equity funding for the purposes of the Acquisition as well as flexibility to raise additional funds to supplement its funding requirements through further issues of Shares or other Equity Securities, should the Directors consider it to be in the best interests of Shareholders, without the need to obtain prior Shareholder approval.

As noted in the Company's ASX announcement in relation to the Acquisition released to ASX on 21 November 2017, both Pacific Road and Glencore have offered voting support to the resolutions required to be passed at the Meeting necessary for the Placement in respect of which they are not subject to voting restrictions.

Pacific Road has also provided New Gold with an irrevocable undertaking, in respect of a number of Shares held by Pacific Road representing 19.9% of total Shares on issue, to vote in favour of the resolutions (on which it is entitled to vote) to be put to Shareholders to approve the Placement.

For more information about the Placement and the Acquisition, including key risks associated with the Placement and the Acquisition generally, please read the ASX announcement and investor presentation released to ASX on 21 November 2017.

In addition to the Placement, a non-underwritten share purchase plan (**SPP**) has been offered to eligible shareholders in Australia and New Zealand.

2. **RESOLUTION 1 - APPROVAL OF THE TRANCHE 2 CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.1**

2.1 **Shareholder approval**

ASX Listing Rule 7.1 imposes a limit on the number of Equity Securities (eg shares or options to subscribe for shares) which a listed company can issue without shareholder approval. In general terms, a company may not, without prior shareholder approval or unless another exception applies, issue Equity Securities if the Equity Securities will in themselves or when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of fully paid ordinary shares on issue.

Resolution 1 seeks Shareholder approval for the issuance of the Tranche 2 Conditional Placement in accordance with ASX Listing Rule 7.1.

2.2 **Notice requirements for approval under ASX Listing Rule 7.3**

ASX Listing Rule 7.3 requires the following information to be included in this Notice in respect of Resolution 1:

Maximum number of securities to be issued	A maximum of 134,402,963 Shares will be issued and allotted under the Tranche 2 Conditional Placement. The maximum number of Shares indicated above includes 40,186,029 Shares that may be issued to Glencore pursuant to its anti-dilute and top-up rights². As announced on 21 November 2017, Glencore is supportive of the Acquisition and has indicated that it may participate in the Placement. The maximum number of Shares issuable to Glencore is based on the assumption that there is a 100% take-up under the SPP³ and assumes that Glencore will exercise its anti-dilute and top-up rights in full (although it
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² As previously disclosed to the market, Glencore has in place an anti-dilute and top-up right which provides it with the right but not the obligation to maintain its pro-rata holding in the Company.

³ In practice, the level of take-up pursuant to a share purchase plan is expected to be considerably lower than 100%.

	may elect to not utilise its rights in full or not at all). As such, the actual number of Shares to be issued to Glencore will depend on the number of Shares that Glencore decides (in its absolute discretion) to subscribe for under the Placement.
Date by which the entity will issue the securities (which must be no later than three months after the date of the meeting)	The Company will issue and allot the Shares as soon as practicable following Shareholder approval (and expects that to occur on the 4th Business Day after the date on which Shareholder approval is obtained) and, in any event, no later than three months after the date on which the Shareholder approval is obtained.
Issue price	\$0.21 per Share.
Name of person to whom securities will be issued	Professional and sophisticated investors identified by the Company and Hartleys Ltd. Glencore may also participate in the Tranche 2 Conditional Placement pursuant to the exercise of its anti-dilution and top up rights. The persons to whom securities will be issued are not related parties of the Company.
The terms of the securities	Fully paid and rank equally in all respects with the Company's existing Shares on issue.
Intended use of funds	The funds are intended to be used to part fund the Acquisition.
The issue date or a statement that allotment will occur progressively	Refer above to proposed date of issue.
Voting exclusion statement	A voting exclusion statement relating to Resolution 1 is included in the Notice. A person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of that person, will be excluded from voting on Resolution 1.

2.3 Proxy Voting

The Chair intends to vote undirected proxies provided to him in favour of Resolution 1.

2.4 Directors' Recommendation

The Board, other than Mr Michael Menzies and Mr Rune Symann, believes that Resolution 1 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 1.

Mr Michael Menzies and Mr Rune Symann are nominees of Glencore, and in light of Glencore's potential participation in the raising, have abstained from making a recommendation to Shareholders in respect of Resolution 1.

3. **RESOLUTION 2 - APPROVAL OF THE ISSUE OF SHARES TO PACIFIC ROAD UNDER THE TRANCHE 2 PACIFIC ROAD CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 10.11**

3.1 **Pacific Road**

Pacific Road Capital Management Pty Ltd (PRCM) is a Sydney-based private equity manager investing in the global mining industry. The Pacific Road Resources Funds are private equity funds managed or advised by PRCM. The Pacific Road Resources Funds provide expansion and buyout capital for mining projects, mining related infrastructure, and mining services located throughout resource-rich regions of the world. The Pacific Road Resources Funds invest in mining projects, related infrastructure and services businesses, as a direct investor or joint venture partner.

The PRCM team, located in Sydney, Australia, and Vancouver, Canada, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining sector, including considerable operating, project development, transactional and investment banking experience.

Further information on the Pacific Road Resources Funds and PRCM can be found at www.pacroad.com.

3.2 **Tranche 2 Pacific Road Conditional Placement**

Pacific Road, a major shareholder of the Company, has indicated to the Company that it is highly supportive of the Acquisition and has agreed to participate in the Tranche 2 Pacific Road Conditional Placement, subject to Shareholder approval, the funds of which will be used by the Company to part fund the purchase price for the Acquisition.

As at the date of the announcement of the Acquisition (being 21 November 2017), Pacific Road and its associates had a relevant interest in approximately 33.7% of the Company's voting shares. Under the Tranche 2 Pacific Road Conditional Placement, Pacific Road has agreed to subscribe for such number of Shares, up to a maximum of 233,157,495 Shares⁴, which would result in Pacific Road's and its associates' relevant interest in the Company's voting shares increasing (in accordance with item 9 of section 611 of the Corporations Act) to 36.7% (on a fully diluted basis) at the time of issue.

Pacific Road also has one nominee director on the Board of the Company, currently Mr Paul Espie. Aurelia and Pacific Road have reached an agreement that would facilitate Pacific Road nominating an additional director to Aurelia's Board, subject to shareholder approval as required by Aurelia's Constitution and the ASX Listing Rules. As at the date of

⁴ The maximum number of Shares issuable to Pacific Road is based on the assumption that there will be a 100% take-up under the SPP. In practice, the level of take-up pursuant to a share purchase plan is expected to be considerably lower than 100%. In addition, the maximum number of Shares assumes Glencore will elect to exercise its anti-dilute and top-up rights in full (although it has no obligation to do so). As such, the actual number of Shares to be issued to Pacific Road is expected to be less than the maximum for which approval is being sought.

this Notice of Meeting, Pacific Road has not nominated a candidate nor disclosed to Aurelia if or when it might do so.

3.3 Shareholder approval

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

ASX have confirmed to the Company that as a result of Pacific Road's level of shareholding of the Company (as at the date of the announcement of the Acquisition), ASX considers Pacific Road to be a party that in ASX's opinion requires approval under ASX Listing Rule 10.11.2. Therefore, Shareholder approval pursuant to ASX Listing Rule 10.11 is required for the Tranche 2 Pacific Road Conditional Placement.

Resolution 2 seeks Shareholder approval for the issuance of the Tranche 2 Pacific Road Conditional Placement in accordance with ASX Listing Rule 10.11.

If approval for Resolution 2 is given under ASX Listing Rule 10.11, the Shares issued under Tranche 2 Pacific Road Conditional Placement will not count towards the Company's 15% limit under ASX Listing Rule 7.1, and approval under ASX Listing Rule 7.1 is not required.

3.4 Notice requirements for approval under ASX Listing Rule 10.13

ASX Listing Rule 10.13 requires the following information to be included in this Notice in respect of Resolution 2:

Name of person to whom securities will be issued	Pacific Road Capital Management Pty Ltd as trustee for the Pacific Road Fund II Managed Investment Trust.
Maximum number of securities to be issued	The number of Shares that will be issued to Pacific Road will be the number of Shares that will result in Pacific Road's and its associates' relevant interest in the Company's voting shares being equal to 36.7% (on a fully diluted basis) at the time of issue, in accordance with item 9 of section 611 of the Corporations Act. The maximum number of Shares issuable to Pacific Road is 233,175,539 Shares for which approval is being sought. This maximum number is based on the assumption that there will be a 100% take-up under the SPP. In practice, the level of take-up pursuant to a share purchase plan is expected to be considerably lower than 100%. In addition, the maximum number of Shares issuable to Pacific Road also assumes that Glencore will elect to exercise its anti-dilute and top-up rights in full under the Tranche 2 Conditional Placement (although it has no obligation to do so). As such, the actual number of Shares to be issued to Pacific Road is expected to be less than the maximum for which approval is

	being sought.
Date by which the entity will issue the securities (which must be no later than one month after the date of the meeting)	The Company will issue and allot the Shares as soon as practicable following Shareholder approval (and expects that to occur on the 4th Business Day after the date on which Shareholder approval is obtained) and, in any event, no later than one month after the date on which the Shareholder approval is obtained.
Relationship of person that requires the approval to be obtained	Pacific Road is a substantial Shareholder of the Company. As set out in paragraph 3.3 above and based on Pacific Road's current shareholding of the Company, ASX has confirmed that, in ASX's opinion, Pacific Road is a person to whom ASX Listing Rule 10.11.2 applies and as a result, Shareholder approval under ASX Listing Rule 10.11 is being sought by the Company.
Issue price	\$0.21 per Share.
The terms of the securities and issue	Shares to be issued and allotted fully paid and will rank equally in all respects with the Company's existing Shares on issue.
Voting exclusion statement	A voting exclusion statement relating to Resolution 2 is included in the Notice. Pacific Road and any of its associates will be excluded from voting on Resolution 2.
Intended use of funds	The funds are intended to be used to part fund the Acquisition.

3.5 Proxy Voting

The Chair intends to vote undirected proxies provided to him in favour of Resolution 2.

3.6 Directors' Recommendation

The Board, other than Mr Paul Espie, believes that Resolution 2 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 2.

Mr Paul Espie is a nominee of Pacific Road, and has abstained from making a recommendation to Shareholders in respect of Resolution 2.

4. **RESOLUTION 3 - RATIFICATION OF THE TRANCHE 1 UNCONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.4**

4.1 **Shareholder approval**

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of securities made without approval under ASX Listing Rule 7.1, and provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be treated as having been issued with Shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder approval is now sought for the issues of securities set out below, pursuant to ASX Listing Rule 7.4, to reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1.

4.2 **Notice requirements for approval under ASX Listing Rule 7.4**

ASX Listing Rule 7.5 requires the following information to be included in this Notice in respect of Resolution 5:

Number of securities issued	61,200,882 Shares.
Issue price	\$0.21 per Share.
Date of issue	27 November 2017.
Terms of the securities	Fully paid and rank equally in all respects with the Company's existing Shares on issue.
Name of person to whom securities were issued	Professional and sophisticated investors identified by the Company and Hartleys Ltd. The persons to whom securities were issued are not related parties of the Company.
Use or intended use of funds	The funds are intended to be used to part fund the Acquisition.
Voting exclusion statement	A voting exclusion statement relating to Resolution 3 is included in the Notice. Any person who participated in the issue and any of their associates will be excluded from voting on Resolution 3.

4.3 **Proxy Voting**

The Chair intends to vote undirected proxies provided to him in favour of Resolution 3.

4.4 **Directors' Recommendation**

The Board believes that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 3. This will enable the Company to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 during a 12-month period without seeking further Shareholder approval.

5. **RESOLUTION 4 – APPROVAL OF FINANCIAL ASSISTANCE**

5.1 **Shareholder approval – Company as Proposed Holding Company**

If the proposed Acquisition occurs, the Company will become the ultimate holding company of Peak Gold Asia Pacific Pty Ltd (**PGAPL**) and Peak Gold Mines Pty Ltd (**PGM**) (the **Obligors**, and each an **Obligor**).

It is proposed that the Obligors give financial assistance for the Acquisition and the Company is seeking shareholder approval under section 260B of the Corporations Act.

As the Company is a listed holding company, it is a requirement of section 260B(2) of the Corporations Act that the Financial Assistance is approved by a special resolution of the members of the Company before the Financial Assistance is given. The Company seeks that approval.

5.2 **Particulars of the Proposed Financial Assistance**

- (a) The Company and certain of its subsidiaries have entered, or will enter into a, A\$115 million Syndicated Facility Agreement arranged by Investec Australia Finance Pty Limited (the **Arranger**), to provide facilities which may be used, among other things, to fund the cash component of the Acquisition purchase price and related costs, provide bonds or guarantees in connection with obligations of the Obligors, the Company and its subsidiaries, to refinance debt of the Company and its subsidiaries and have funds available for working capital purposes.
- (b) As is the case with the Company's current funding arrangements, and many similar funding arrangements of other companies, it is a requirement of the Arranger that the obligations under the Facility Agreement, and related finance documents, be guaranteed and secured by certain of the Company's wholly-owned subsidiaries, including the Obligors upon completion of the Acquisition.
- (c) It is therefore proposed that each Obligor give the Financial Assistance described in Resolution 4.
- (d) As the Company will be a listed holding company of PGAPL and PGM, it is a requirement of section 260B(2) of the Corporations Act that the Financial Assistance be approved by a special resolution of the members of the Company. It is a peculiarity of the drafting of the Corporations Act that such a resolution is required in this situation even though it is ultimately the Company (through a subsidiary) making the Acquisition and is therefore benefiting from the grant of the proposed Financial Assistance for the Acquisition, and even though the proposed Financial Assistance is clearly in the interests of the Company and its shareholders.

5.3 **Reasons for the Proposal to Give Financial Assistance**

- (a) The Arranger requires that the Obligors give the proposed Financial Assistance. In the view of the directors, such a requirement is consistent with usual requirements of an acquisition finance and is a necessary part of obtaining finance on favourable terms. Obtaining finance of such a large amount without that requirement would have been very difficult, and would have resulted in funding being obtained on terms which would have been more restrictive and expensive.
- (b) If the Obligors do not give the proposed Financial Assistance within a specified period after entry into the Facility Agreement, a condition to funding may not be met and / or a default may occur and allow the lenders to cancel and / or terminate the facilities and require immediate repayment of any amounts lent. It

would be necessary for the Company to try to replace and / or refinance the facility and / or to try to renegotiate the Facility Agreement, in each case on significantly more restrictive and expensive terms.

5.4 Advantages of the Proposed Financial Assistance

The proposed Financial Assistance will benefit the Company, enabling it to raise funds on favourable terms to fund the cash component of the Acquisition purchase price and related costs, provide bonds or guarantees in connection with obligations of the Obligors, the Company and its subsidiaries, to refinance debt of the Company and its subsidiaries and have funds available for working capital purposes.

5.5 Effect of the Proposed Financial Assistance on the Interests of the Obligors and their Shareholders

The effect on the interests of the Obligors and their respective shareholders of giving the Financial Assistance will be that each Obligor will guarantee, and grant all asset security to secure, all amounts owing under the Facility Agreement and any related finance documents.

5.6 Effect of the Proposed Financial Assistance on the Obligors' Ability to Pay their Creditors

The Financial Assistance will not materially prejudice the Obligors' ability to pay their creditors.

5.7 Other Information Material to Decision

The provision of Financial Assistance by the Obligors will not have any material adverse effect on the Company.

5.8 Proxy Voting

The Chair intends to vote undirected proxies provided to him in favour of Resolution 4.

5.9 Directors' Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 4.

GLOSSARY

\$	Means Australian dollars.
Acquisition	Means the acquisition of Peak from New Gold as announced by the Company to the ASX on 21 November 2017.
Acquisition Agreement	Means the share sale and purchase deed for the Acquisition.
ASX	Means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	Means the listing rules of ASX.
Board	Means the current board of directors of the Company.
Business Day	Means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Chair	Means the chair of the Meeting.
Company	Means Aurelia Metals Limited (ACN 108 476 384).
Constitution	Means the Company's constitution.
Corporations Act	Means the <i>Corporations Act 2001</i> (Cth).
Director/s	Means a current director, or the current directors, of the Company (as the context requires).
Equity Securities	Means a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an "Equity Security".
Explanatory Memorandum	This explanatory memorandum accompanying, and forming part of, the Notice.
Financial Assistance	Has the meaning as set out in Resolution 4.
General Meeting or Meeting	Means the extraordinary general meeting convened by this Notice.
Glencore	Means Glencore Australia Holdings Pty Ltd.
New Gold	Means New Gold Inc.
Notice or Notice of Meeting	Means this notice of meeting including the Notes, Explanatory Memorandum and the Proxy Form.
Pacific Road	Means Pacific Road Capital Management Pty Ltd as trustee for the Pacific Road Fund II Managed Investment Trust.
Peak	Means Peak Mines in Cobar, New South Wales.
PGAPL	Means Peak Gold Asia Pacific Pty Ltd.
PGM	Means Peak Gold Mines Pty Ltd.

Placement	Means the Tranche 1 Unconditional Placement, the Tranche 2 Conditional Placement and the Tranche 2 Pacific Road Conditional Placement.
Proxy Form	Means the proxy form accompanying and forming part of this Notice.
relevant interest	Has the meaning set out in the Corporations Act.
Resolution/s	Means the resolutions set out in this Notice, or any one of them (as the context requires).
Share	Means a fully paid ordinary share in the capital of the Company.
Shareholder	Means the registered holder of a Share.
Share Registry	Means Security Transfer Australia Pty Limited.
Tranche 1 Unconditional Placement	Has the meaning set out in paragraph 1 of the Explanatory Memorandum.
Tranche 2 Conditional Placement	Has the meaning set out in paragraph 1 of the Explanatory Memorandum.
Tranche 2 Pacific Road Conditional Placement	Has the meaning set out in paragraph 1 of the Explanatory Memorandum.
US\$	Means U.S. dollars.
voting share	Has the meaning set out in the Corporations Act.

«EFT_REFERENCE_NUMBER»

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AURELIA METALS LIMITED

ACN: 108 476 384

REGISTERED OFFICE:

SUITE 5, LEVEL 2
60 - 62 MCNAMARA ST
ORANGE NSW 2800

+

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

Code:

AMI

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 9:00am EDST on Friday 5 January 2018 at The Macquarie Room, Pullman, Quay Grand Sydney Harbour, 61 Macquarie Street, East Circular Quay, Sydney NSW 2000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

For Against Abstain*

1. APPROVAL OF THE TRANCHE 2 CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.1
2. APPROVAL OF THE ISSUE OF SHARES TO PACIFIC ROAD UNDER THE TRANCHE 2 PACIFIC ROAD CONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 10.11
3. RATIFICATION OF THE TRANCHE 1 UNCONDITIONAL PLACEMENT IN ACCORDANCE WITH ASX LISTING RULE 7.4
4. APPROVAL OF FINANCIAL ASSISTANCE

☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:00am EDST on Wednesday 3 January 2018.

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AMI

AMIPX2050118

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

