

aurelia
METALS Ltd.



AURELIA METALS LIMITED
ACN 108 476 384
NOTICE OF ANNUAL GENERAL MEETING

TIME 9.00am (EDST)
DATE 28 November 2016
PLACE The Lachlan 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 ANNUAL GENERAL MEETING

The Company gives notice that the Annual General Meeting will be held at The Lachlan Room, Pullman Quay Grand Sydney Harbour, 61 Macquarie Street, East Circular Quay, Sydney NSW 2000 on Monday, 28 November 2016 at 9.00am (EDST).

BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2016."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above (the **voter**) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a voter and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution (provided that the Shareholder who appointed the proxy is not themselves a voter); or
 - (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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RESOLUTION 2 - ELECTION OF MR MICHAEL MENZIES

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

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Michael Menzies, a Director who was appointed as an additional director on 15 December 2015, and being eligible, is elected as a Director."

RESOLUTION 3 - ELECTION OF MR RUNE SYMANN

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

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Rune Symann, a Director who was appointed as an additional director on 15 December 2015, and being eligible, is elected as a Director."

RESOLUTION 4 - APPROVAL OF PERFORMANCE RIGHTS PLAN

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

"That, for the purpose of ASX Listing Rule 7.2, exception 9 and for all other purposes, the Company's Performance Rights Plan, as described in the Explanatory Memorandum, be approved and the issue of securities under that Performance Rights Plan."

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Performance Rights Plan in respect of which approval is sought under this Resolution. 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.

Voting prohibition statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (e) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (f) a Closely Related Party of such a member.

However, a person described above (the **voter**) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a voter and either:

- (g) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution (provided that the Shareholder who appointed the proxy is not themselves a voter); or
- (h) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 5 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MR JIM SIMPSON

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

"That, for the purposes of ASX Listing Rule 10.14, the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the issue of Performance Rights and Shares to Mr Jim Simpson (and/or his nominee) under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Performance Rights Plan in respect of which approval is sought under this Resolution. 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.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (i) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (j) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (k) the proxy is the Chair of the Meeting; and
- (l) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 6 – APPROVAL OF TERMINATION BENEFITS UNDER THE PERFORMANCE RIGHTS PLAN

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

"That, for all purposes, including Part 2D.2 of the Corporations Act 2001 (Cth), approval is given for the giving of benefits under the Performance Rights Plan to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate, on the terms and conditions in the Explanatory Memorandum."

If any shareholder is an employee or director of the Company or a related body corporate, a potential employee or director, or an associate of an employee or director and wishes to preserve the benefit of Resolution 6 for that person, they should not vote on Resolution 6, or they will lose the benefit as an effect of the Corporations Act (except where the vote is cast by that person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form).

Voting prohibition statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (m) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (n) a Closely Related Party of such a member.

However, a person described above (the **voter**) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a voter and either:

- (o) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution (provided that the Shareholder who appointed the proxy is not themselves a voter); or
- (p) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Shares, if the Resolution is passed and any associates of those persons. 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.

Date 28 October 2016
By order of the Board



Richard Willson
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 Lachlan Room, Pullman Quay Grand Sydney Harbour, 61 Macquarie Street, East Circular Quay Sydney NSW 2000 on Monday, 28 November 2016 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 Saturday, 26 November 2016.

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 Saturday, 26 November 2016).

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

By mail or delivery:	By fax:
Mail: PO Box 535, Applecross WA 6953 Australia	+61 (0) 8 9315 2233
Delivery: 770 Canning Highway, Applecross WA 6153 Australia	

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 Saturday, 26 November 2016.

EXPLANATORY MEMORANDUM

This information forms part of the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the Financial Year ended 30 June 2016, together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at www.aureliametals.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General information

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for a financial year.

The Chair must allow a reasonable opportunity for its Shareholders to ask question about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Proxy voting restrictions

The voting restrictions applicable to Resolution 1 are set out in the "voting prohibition statement" for Resolution 1.

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 1.

2.3 Directors' Recommendation

The Board unanimously recommends that the Shareholders adopt the Remuneration Report and you vote in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR MICHAEL MENZIES

3.1 General information

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without election) past the next annual general meeting of the company. Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting and is then eligible for election.

Mr Menzies was previously a non-executive director of the Board between 26 March 2013 and 26 June 2015. Mr Michael Menzies was nominated by Glencore (a substantial shareholder of the Company) as one of its representatives on the Board as agreed as part of the Settlement & Funding Agreement between the Company and Glencore as

announced to the ASX on 27 November 2015 and is therefore not considered to be an independent director.

Mr Menzies, having been appointed as a non-executive Director on 15 December 2015 and in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 being eligible, seeks election from Shareholders.

Mr Menzies is a law graduate who has over 35 years of experience in a variety of industrial, operational and managerial roles within the mining industry in Australia and off- shore, in base metals, gold, mineral sands and coal. He has worked with Renison Goldfields CRA Limited and MIM Holdings where he was Executive General Manager Mining. Following a period employed in private equity in project evaluation and investment advice. Mr Menzies has most recently been engaged in mining consultancy work primarily consulting to Glencore.

3.2 **Proxy voting**

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 2.

3.3 **Directors' Recommendation**

The Board considers that Mr Menzies will, if elected, not qualify as an independent director.

The Board, other than Mr Menzies and Mr Wehby (who is not standing for re-election), unanimously recommends the election of Mr Menzies and you vote in favour of Resolution 2.

4. **RESOLUTION 3 – ELECTION OF DIRECTOR – MR RUNE SYMANN**

4.1 **General information**

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without election) past the next annual general meeting of the company. Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting and is then eligible for election.

Mr Rune Symann was nominated by Glencore (a substantial shareholder of the Company) as one of its representatives on the Board as agreed as part of the Settlement & Funding Agreement between the Company and Glencore as announced to the ASX on 27 November 2015 and is therefore not considered to be an independent director.

Mr Symann, having been appointed as a non-executive Director on 15 December 2015 and in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 being eligible, seeks election from Shareholders.

Mr Symann is a finance professional with over 7 years of experience in mergers & acquisitions, financial advisory and project management within the resources, power & automation and financial sectors. Mr Symann's previous experience includes roles with ABB, Ernst & Young and Amundi. Mr Symann is currently employed by Glencore. He holds a bachelor degree in Economics, a Master's degree in International Management from HEC Paris in France and a Master's degree in Finance & Strategic Management from Copenhagen Business School.

4.2 **Proxy voting**

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 3.

4.3 **Directors' Recommendation**

The Board considers that Mr Symann will, if elected, not qualify as an independent director.

The Board, other than Mr Symann and Mr Wehby (who is not standing for re-election), unanimously recommends the election of Mr Symann and you vote in favour of Resolution 3.

5. **RESOLUTION 4 – ADOPTION OF PERFORMANCE RIGHTS PLAN AND ISSUE OF SECURITIES**

5.1 **General information**

Resolution 4 seeks Shareholder approval to amend the Company's Performance Rights Plan (**Plan**) to provide ongoing incentives to employees of the Company.

On 13 September 2011, the Board first adopted the Plan to allow employees to be granted Performance Rights to acquire Shares in the Company. Shareholders first resolved on 18 November 2011 to adopt the Plan. The issue of Performance Rights, and Shares under the Plan was last approved by shareholder at the Annual General Meeting held on 12 November 2014. Since the meeting of 12 November 2014, 1,730,000 Performance Rights and 696,000 Shares upon vesting, have been issued under the Plan.

As explained further below, ASX Listing Rule 7.2, exception 9, enables equity securities which are issued within 3 years following a shareholder approval not to be counted towards a company's placement capacity under ASX Listing Rule 7.1. However, the benefit of the 3 year rule will not apply if there has been a change to any material terms of the relevant employee share plan.

On 18 October 2016, the Plan was amended and the Board adopted a revised version of the Plan. Therefore, rather than wait until 2017 to seek re-approval within the 3 year timeframe contemplated by ASX Listing Rule 7.2, exception 9, the Company has put the approval of the Plan, and the securities to be issued under it, for approval.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

The employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an appropriate method to:

- (a) reward employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate employees and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable employees.

5.2 **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is ASX Listing Rule 7.2 (Exception 9) which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the issue date, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 4 will be to allow the Directors to grant Performance Rights to employees of the Company pursuant to the Plan during the period of 3 years after the meeting (or a longer period, if allowed by ASX), and to issue Shares to those employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

5.3 **Terms of the Plan**

A summary of the terms of the Plan is provided in Schedule 1 to this Explanatory Memorandum. A copy of the Plan will be made available free of charge to any Shareholder on request.

5.4 **Voting exclusion**

A voting exclusion statement is included in this Notice.

5.5 **Proxy voting**

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 4.

6. **RESOLUTION 5 – APPROVAL OF ISSUANCE OF PERFORMANCE RIGHTS TO MR JIM SIMPSON**

6.1 **General information**

Mr Jim Simpson was appointed as Managing Director of the Company on 1 August 2016 and assumed the role of Chief Executive Officer on 1 September 2016.

Mr Simpson's remuneration package for the 2017 financial year includes:

- (a) Total Fixed Remuneration (**TFR**) of \$450,000 per annum (salary and superannuation) subject to annual review;
- (b) a short term incentive of up to 25% of total TFR; and
- (c) a long term equity incentive, consisting of 4,500,000 Performance Rights, which are subject to Shareholder approval being obtained and to the performance hurdles described below being met.

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of the Resolution 5 is to have Shareholders approve the proposed grant of Performance Rights under the Plan to the Mr Simpson and the issue of ordinary fully paid Shares (if any) on the vesting of Performance Rights. In accordance with ASX Listing Rule 7.2 (Exception 14), if approval for the issue of Performance Rights is given under ASX Listing Rule 10.14, a separate approval is not required under ASX Listing Rule 7.1.

The issue of Performance Rights is aligned to the Company's remuneration strategy to reward high performance and achievement of the Company's long term financial and strategic objectives.

The vesting of Performance Rights is at the discretion of the Board and incorporate performance conditions which trigger vesting for target performance levels.

The number of Performance Rights proposed to be issued to Mr Simpson is the maximum amount of Performance Rights that will vest if he satisfies what the Board considers stretch or outstanding performance.

The Performance Rights issued to Mr Simpson will be split over three annual testing dates, starting at 30 June 2018 and ending on 30 June 2020. It is the Board's intention that any future issue of Performance Rights will be issued in a single tranche and will be performance tested over a single three year period.

In accordance with the Company's remuneration strategy and standard industry practice, the number of Performance Rights vesting for the various performance levels is based on a multiple of the executive's Total Fixed Remuneration divided by the 30 day VWAP of Shares in the Company at the date of grant of the Performance Rights. In the case of Mr Simpson, the Board has used a price of \$0.15/Share as a base to calculate the number of Performance Rights to be issued.

The maximum number of Performance Rights that are able to be vested for the three year period is 4,500,000, being the maximum number of Performance Rights for which shareholder approval is sought.

Vesting Conditions will apply to the Performance Rights, as outlined in Schedule 2. In the Board's view, the Vesting Conditions that must be satisfied before Performance Rights are exercised link the ultimate value of the Performance Rights to the continued growth of the Company's earnings and shareholder returns and therefore provide a major incentive for Mr Simpson to ensure the Company continues its strong performance.

6.2 **Technical information required by ASX Listing Rule 10.15**

ASX Listing Rule 10.15 requires that the following information regarding the issue of Performance Rights be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 10.14:

- (a) A maximum of 4,500,000 Performance Rights will be issued to Mr Jim Simpson. Depending on satisfaction of the Vesting Conditions in respect of the Performance Rights, up to 4,500,000 Shares may be issued to Mr Simpson.
- (b) No consideration is payable by Mr Simpson at the time of grant of the Performance Rights or upon the allocation of Shares to which Mr Simpson may become entitled to on the vesting of some or all of the Performance Rights. The grant of Performance Rights has performance hurdles attached to it as set out above.
- (c) No individuals have been entitled to receive securities in the Company since the last approval under ASX Listing Rule 10.14.
- (d) The only person referred to in ASX Listing Rule 10.14 currently entitled to participate in the Plan is Mr Simpson.
- (e) A voting exclusion statement is included in the Notice of Meeting.
- (f) No loan has been or will be provided to Mr Simpson in relation to the issue of the Performance Rights;
- (g) The Performance Rights will be issued to Mr Simpson no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (h) There will be no funds raised by the Company as a result of the issue of the Performance Rights to Mr Simpson or upon the allocation of Shares to which Mr Simpson may become entitled to on the vesting of some or all of the Performance Rights.

6.3 **Proxy voting**

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 5.

6.4 **Directors' Recommendation**

- (a) Mr Simpson declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution.
- (b) The Board (other than Mr Simpson) recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the grant of Performance Rights to Mr Simpson will align the interests of Mr Simpson with those of Shareholders;
 - (ii) the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Simpson; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.
- (c) in forming their recommendations, each Director considered the experience of Mr Simpson, the current market price of Shares, the current market practices when

determining the number of Performance Rights to be granted as well as any exercise price and Vesting Conditions of those Performance rights; and

- (d) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

7. RESOLUTION 6 – APPROVAL OF TERMINATION BENEFITS UNDER THE PLAN

7.1 General information

SHAREHOLDERS ARE NOT BEING ASKED TO APPROVE ANY INCREASE OR CHANGES TO THE EXISTING REMUNERATION ARRANGEMENTS AND ENTITLEMENTS OF KEY MANAGEMENT PERSONNEL DESCRIBED IN THE REMUNERATION REPORT.

The Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office with the Company (or any of its related bodies corporate) if the benefit is approved by shareholders or an exemption applies (for example, where the benefit does not exceed the payment limits set out in the Corporations Act, including where a benefit does not exceed one year's average base salary). The term 'benefit' has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan.

Under the rules of the Plan, upon the cessation of employment with the Company (or any of its related bodies corporate) of a participant in the Plan, the Board will have the absolute discretion to determine (amongst other things) whether unvested Performance Rights will become capable of being exercised or vest.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

7.2 Participants

This Resolution applies to persons who hold a managerial or executive office with the Company. Where the person who participates is a member of the Company's key management personnel, his or her remuneration details will be included in the Company's Remuneration Report each year.

At the date of this Notice of Meeting, participants under the Plan include Mr Jim Simpson, the Managing Director and Chief Executive Officer.

7.3 Approval

The Company is therefore seeking shareholder approval for the exercise of the Board's discretions in respect of any current or future participant in the Plan who holds:

- a managerial or executive office in the Company (or any of its related bodies corporate) at the time of their cessation of employment or at any time in the three years prior to their cessation of employment; and
- Performance Rights under the Plan at the time of their leaving.

Provided member approval is obtained, the value of these benefits may be disregarded when applying subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The Board's current intention is to only exercise this discretion where the employee's cessation of employment is without fault on their part.

The approval sought is to enable the Company to operate its remuneration programmes to support the Company's strategy. In particular, the approval will enable the Board to:

- deliver current key management personnel the benefits to which they are contractually entitled;
- attract and retain future key management personnel on market competitive terms and
- ensure key management personnel are treated fairly on cessation of employment, having regard to their contribution to the Company and the circumstances in which they are ceasing employment.

The Company's guiding remuneration policy and philosophy, and the arrangements that have been put in place for key management personnel are set out in the Remuneration Report.

The Company is conscious of the need to strike an appropriate balance between ensuring fair treatment of key management personnel on cessation of employment and avoiding excessive termination payouts. Careful consideration was given to this when setting the Plan treatment for key management personnel.

If Shareholder approval is obtained, this will not guarantee that a key management personnel will receive any of the termination benefits described above. The Company's purpose in seeking Shareholder approval is to preserve the discretion of the Board to determine the most appropriate termination package for key management personnel at the time cessation occurs.

7.4 **Value of benefits**

The amount and value of the termination benefits that may be provided to a key management personnel in accordance with this approval cannot be ascertained with certainty in advance. This is because various matters will, or are likely to, affect that value, including:

- the circumstances in which the key management personnel ceases employment and the extent to which they served the applicable notice period;
- the key management personnel's base salary at the time the relevant awards were made and the time they ceased employment;
- the key management personnel's length of service and the portion of any relevant performance periods for equity awards that have expired at the time they cease employment;
- the number of unvested Performance Rights or other equity entitlements that the key management personnel holds at the time they cease employment and the number that the Board determines to vest, lapse or leave on foot;
- the Company's share price when the value of any equity based termination entitlements is determined and the terms of those entitlements (including performance conditions); and
- any other factors the Board considers relevant when exercising its discretion, including where appropriate its assessment of the performance of the key management personnel up to the date of cessation.

In the case of Mr Simpson, however, further information is available as set out in the explanatory notes to Resolution 5. In particular, using a price of \$0.15 per Share, as the basis for calculating the Performance Rights to be issued, the maximum number of performance rights that are able to be vested for the 4 year period currently contemplated is 4,500,000. The actual number that may vest upon cessation of employment (if any) will depend on many of the factors outlined above. Accordingly, the value of any consequent benefit that Mr Simpson may receive on early vesting upon cessation of employment cannot be presently ascertained.

7.5 **Proxy voting**

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 6.

7.6 **Directors' Recommendation**

The Directors (with Mr Simpson abstaining) recommend that shareholders vote in favour of Resolution 6.

Mr Simpson does not make a recommendation in relation to this resolution given his personal interest in the matter.

8. **RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

8.1 **General information**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 7, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 8.2 below).

The effect of Resolution 7 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary Shares on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

8.2 **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012, and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately A\$52.4 million (based on a price of \$0.135 per share, being the closing price at 12 October 2016).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: AMI).

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became Shares in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 or 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.

- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

8.3 **Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

(a) **Minimum price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 8.3(a)(i) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Capacity as non-cash consideration, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

(b) **10% Placement Period**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue ("A" in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on issue ("A" in ASX Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.07 50% decrease in issue price	\$0.14 Issue price	\$0.27 100% increase in issue price
387,991,188 Current variable "A"	Shares issued – 10% voting dilution	38,799,119	38,799,119	38,799,119
	Funds raised	\$2,520,643	\$5,237,881	\$10,475,784
581,986,782 50% increase in variable "A"	Shares issued – 10% voting dilution	58,198,678	58,198,678	58,198,678
	Funds raised	\$3,782,914	\$7,856,822	\$15,713,643
775,982,376 100% increase in variable "A"	Shares issued – 10% voting dilution	77,598,238	77,598,238	77,598,238
	Funds raised	\$5,043,885	\$10,475,762	\$20,951,524

The number of Shares on issue ("A" in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions

- (i) There are currently 387,991,188 Shares on issue as at the date of this Notice of Meeting.
- (ii) The issue price set out above is the closing price of the Shares on ASX on 12 October 2016.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (v) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (vi) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for ongoing operation and/or development of the Hera and Nymagee projects, the advancement of the Company's other exploration projects and for working capital; or
- (ii) as non-cash consideration for:
 - (A) the ongoing operation and/or development of the Hera and Nymagee Projects and the advancement of the Company's other exploration projects; or
 - (B) the acquisition of new resources assets,in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under the ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to factors that include, but are not limited to, the following:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on Monday, 30 November 2015 (**Previous Approval**).

The total number of Equity Securities in the Company on issue 12 months prior to the Meeting, being 28 November 2015, is set out in the table below.

Number	+Class
387,991,188	Ordinary Shares
1,600,000	35 cent Options, expiring 29-11-2015
1,100,000	45 cent Options, expiring 29-11-2015
570,000	Performance Rights, expiring 15-03-2016
70,000	Performance Rights (Class A)
64,000	Performance Rights (Class B)
380,000	Performance Rights (Class C)
48,000	Performance Rights (Class D)

The Company has issued no Shares in the 12 month period prior to the Meeting.

The total number of Equity Securities has been calculated including all unquoted Options and Performance Rights.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3 of this Explanatory Memorandum.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

8.4 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

8.5 Proxy voting

In accordance with the wishes of the Board, the Chair (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 7.

8.6 Directors' Recommendation

The Board believes that Resolution 7 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of the Resolution.

GLOSSARY

\$	Means Australian dollars.
10% Placement Capacity	Has the meaning given to that term in section 8.1 of the Explanatory Memorandum.
Annual General Meeting or Meeting	Means the annual general meeting convened by this Notice.
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.
Closely Related Party	(Of a member of the Key Management Personnel) means: <ul style="list-style-type: none">• a spouse or child of the member;• a child of the member's spouse;• a dependent of the member or the member's spouse;• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;• a company the member controls; or• a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) for the purposes of the definition of "closely related party" in the Corporations Act.
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).
Eligible Entity	Means an entity that, at the date of the relevant general meeting: <ul style="list-style-type: none">• is not included in the S&P/ASX 300 Index; and• has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.
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.
Key Management Personnel	Has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Notice or Notice of Meeting	Means this notice of meeting including the Notes, Explanatory Memorandum and the Proxy Form.
Options	Means an option to acquire a Share.
Performance Rights	Means a performance right issued under the Plan.
Plan	Means the employee incentive scheme titled Aurelia Metals Limited Performance Rights Plan, key terms of which are summarised in Schedule 1.
Proxy Form	Means the proxy form accompanying and forming part of this Notice.
Remuneration Report	Means the remuneration report set out in the Director's Report section of the Company's annual report for the financial year ended 30 June 2016.
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 Registrars Pty Limited.
Vesting Conditions	Means any performance or vesting conditions in respect of Performance Rights issued under the Plan.

SCHEDULE 1

KEY TERMS OF PLAN

The Company has established the Aurelia Metals Limited Performance Rights Plan (**Plan**).

The key terms of the Plan are summarised below:

- (a) The Board of the Company will administer the Plan in accordance with the Plan Rules and the Board has a broad discretion to determine which employees are eligible to participate in the Plan (**Eligible Participants**).
- (b) Under the Plan, the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and Vesting Conditions as the Board determines.
- (c) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the number of Performance Rights being offered (each entitling its holder to one Share upon vesting of that Performance Right);
 - (ii) any applicable Vesting Conditions;
 - (iii) the period or periods during which the Performance Rights will be tested to determine the vesting of the Performance Right;
 - (iv) any amount that will be payable upon vesting of a Performance Right;
 - (v) any other relevant conditions to be attached to the Performance Rights or the Shares; and
 - (vi) any other matters required to be specified by the Corporations Act, any applicable ASIC instrument or the ASX Listing Rules.
- (d) A Performance Right granted under the Plan will not vest unless the Vesting Conditions (if any) have been satisfied and the Board has notified the Eligible Participant.
- (e) Once the Board has notified the Eligible Participant that the Vesting Conditions (if any) attached to the Performance Right have been satisfied, the Performance Rights will be taken to have vested and exercised and Shares equal to the number of vested Performance Rights will be issued to the Eligible Participant as soon as practicably possible.
- (f) A Performance Right will lapse upon the earlier to occur of:
 - (i) failure to meet the Performance Right's Vesting Conditions;
 - (ii) where the Participant purports to transfer a Performance Right other than in accordance with the terms of the Plan;
 - (iii) where, in the opinion of the Board, an Eligible Participant acts fraudulently or dishonestly or is in breach of its obligations to a group company and the Board deems the Performance Right to have lapsed; or
 - (iv) where, in the opinion of the Board, Performance Rights vest as a result of the fraud, dishonesty, or breach of obligations of another person and, in the opinion of the Board, the Performance Rights would not otherwise have vested and the Board deems the Performance Right to have lapsed.

SCHEDULE 2

PERFORMANCE RIGHTS VESTING CONDITIONS

(i) Relevant Dates for testing of Vesting Conditions

The issue of Performance Rights to Mr Simpson will be divided into three tranches and tested for Vesting Conditions in accordance with the rules of the Plan. The first tranche will be tested over two years as an interim measure to reflect the Company's critical business objectives to June 2018. The second tranche will be tested over three years and the third tranche will be tested over four years.

Performance Rights Tranches	Number of Performance Rights to be tested	Relevant Date or Testing Date
Tranche 1	1,500,000	30-Jun-18
Tranche 2	1,500,000	30-Jun-19
Tranche 3	1,500,000	30-Jun-20
Maximum Number of Performance Rights	4,500,000	

The effective testing date for the Performance Rights is the Relevant Date, with the testing to occur within 90 days after that date. Performance Rights will lapse after testing if they do not vest. There is no re-testing.

(ii) Vesting Conditions of Performance Rights

The Vesting Conditions applying to the Performance Rights to be granted is at the discretion of the Board and will be based on measures including the Company's relative total shareholder return (**TSR**), the growth in processing throughput capacity at the Hera operation, growth in Mine Inventory and a restructuring of the Company's balance sheet, including a reduction in the amount of net debt.

Subject to the rules of the Plan, the Performance Rights will only vest on a Relevant Date if Mr Simpson remains an employee of the Company, up to and including the Relevant Date.

The number of Performance Rights which vest on the Relevant Date will depend on the extent to which the Vesting Conditions have been satisfied for the relevant period.

Upon the Vesting Conditions having been satisfied (as determined and ratified by the Board), Mr Simpson will be allotted a number of Shares for nil value equal to the number of vested Performance Rights.

The Vesting Conditions will be at the discretion of the Board and will be based on factors including:

Relative TSR Performance: The Company's relative TSR measured against a comparator group of companies,

Process Throughput Performance: Growth in the throughput capacity of the Hera processing plant,

Mine Inventory Performance: Growth in the Hera Operation's Mineable Inventory, and

Balance Sheet Restructure: Increase in the Company's capacity to appropriately restructure its balance sheet and share ownership structure.

The achievement of performance measures will be based on the performance from the Grant Date to the Relevant or Testing Date.

SCHEDULE 3

ISSUES OF EQUITY SECURITIES SINCE 28 NOVEMBER 2015

Date	Quantity	Class	Recipients	Issue price	Form of consideration
Issued on 1 April 2016 (Appendix 3B dated 1 April 2016)	108,000,000 (27.6% of the total number of equity securities on issue as at 28 November 2015)	Options ¹ (exercisable at \$0.04 per option)	Glencore Australia Finance Holdings Pty Ltd (Glencore)	\$Nil	Non-cash Consideration: Options issued as part consideration for the entry by the Company into an amended funding package with Glencore and certain of its related bodies corporate as set out in the notice of meeting dated 10 February 2016. Current value ² = \$0.095 per option
Issued on 30 November 2015 (Appendix 3B dated 1 December 2015)	50,000,000 (12.8% of the total number of equity securities on issue as at 28 November 2015)	Options (exercisable at \$0.0125 per option)	Pybar Holdings Pty Ltd (Pybar) & Pacific Road Capital Management as trustee for the YTC Managed Investment Trust (Pacific Road)	\$Nil	Non-cash Consideration: Options issued as part consideration for the entry by the Company into a funding package with Pacific Road and as consideration for deferred payment terms with Pybar as set out in the ASX announcement dated 28 September 2015. Current value ² = \$0.1225 per option

¹ These options may only be exercised by Glencore if the Company converts any of Facility A into shares.

² "Current value" in respect of quoted Equity Securities is based on the closing price of the Shares (\$0.135) on ASX on the trading day prior to the date of this Notice.



AURELIA METALS LIMITED

ACN: 108 476 384

REGISTERED OFFICE:

PO BOX 7058
ORANGE NSW 2800



SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX A2020

South Sydney NSW 1235

The Trust Building, Suite 511

155 King Street

Sydney NSW 2000 AUSTRALIA

T: +61 3 9628 2200 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

Code:

AMI

Holder Number:

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.

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 Annual General Meeting of the Company to be held at 9:00am EDST on Monday 28 November 2016 at The Lachlan 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

1. Adoption of the Remuneration Report

2. Election of Mr Michael Menzies

3. Election of Mr Rune Symann

4. Approval of Performance Rights Plan

5. Approval of Issue of Performance rights to Mr Jim Simpson

6. Approval of Termination Benefits under the Performance Rights Plan

7. Approval of 10% Placement Capacity

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 Saturday 26 November 2016.

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AMIPX1281116





My/Our contact details in case of enquiries are:

Name:

Number:

()

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:

- a) 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
- b) 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
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PRIVACY STATEMENT

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