

PRELIMINARY QUARTERLY REPORT for the period ending 31 March 2016

PREAMBLE

Aurelia Metals Ltd ('Aurelia', 'AMI' or 'the Company') has set out below its preliminary Hera Project production report for the quarter ended 31 March 2016. This report has been prepared on a preliminary basis, and disclosure brought forward, to enable Aurelia to issue a Cleansing Statement under the Corporations Act in relation to \$13.5m of converting notes proposed to be issued to Glencore Australia ('Glencore') as part of the completion of the funding agreement.

HERA PROJECT PRODUCTION

The Company has delivered record quarterly gold production for the March 2016 quarter, with gold production of approximately 13,000 oz. This performance was delivered by high gold head grades together with a continuous improvement in gold recovery. Actual production figures are shown for January and February 2016, with selected preliminary data shown for March. Detailed final data and financials will be reported as normal before the end of April 2016.

Note: This production report is preliminary only. Final production figures remain subject to change.

Aurelia Metals Limited Production - Preliminary Data					Prelim.
	Units	Jan	Feb	Mar	Mar 16 Qtr
Ore Mined	t	24,012	27,644	28,000	79,656
Ore Mined Grade - Gold	g/t	7.62	5.87		
Ore Mined Grade - Silver	g/t	10.5	11.4		
Ore Mined Grade - Lead		2.02%	2.14%		
Ore Mined Grade - Zinc		1.61%	1.48%		
Ore Processed	t	26,773	25,935	30,800	83,509
Ore Processed Grade - Gold	g/t	6.74	6.42		
Ore Processed Grade - Silver	g/t	10.78	11.89		
Ore Processed Grade - Lead		1.97%	2.42%		
Ore Processed Grade - Zinc		1.83%	1.67%		
Recovery - Gold	%	78.6%	81.9%		
Recovery - Silver	%	85.0%	85.4%		
Recovery - Lead	%	85.0%	87.3%		
Recovery - Zinc	%	91.5%	92.7%		
Gold Production	oz	4,560	4,386	4,200	13,146
Silver Dore Production	oz	1,624	1,759		
Concentrate produced	DMT	1,699	1,860		
Gold Sold	oz	3,955	5,125	4,812	13,892
Concentrate shipped	dmt	4,886	0	0	4,886
Payable Lead Sold	t	1,195	0	0	1,195
Payable Zinc Sold	t	931	0	0	931
Payable Silver Sold	oz	4,722	0	0	4,722

CORPORATE

As per separate announcement dated today, the conditions precedent to the Glencore Funding Agreements have all been satisfied. As a result:

- The claims forming the basis of the legal disputes with subsidiaries of Glencore have been waived and released and the legal actions on foot are expected to be formally dismissed and settled in the upcoming days
- All current debt repayments are deferred for at least two years, subject to certain upside repayments
- Interest is suspended on most finance facilities for at least two years
- Subsidiaries of Glencore to provide additional funding of a net \$21.5 million through additional loans and credit support (\$5 million of which has already been provided)

At 31 March 2016 the Company held cash in bank of \$11.7 million (\$3 million is restricted)

- Preliminary March 16 Qtr revenue of \$26 million and Preliminary Site EBITDA of \$9 million
- This compares to December 15 Qtr revenue of \$17 million and Site EBITDA of \$3 million