

## Early Debt Reduction Plan Agreed

### KEY POINTS

- **Early debt repayment mechanism agreed**
- **First \$10M early debt repayment completed**
- **All early repayments to be applied to Facilities C&E**
- **Early repayment amounts reduce the convertible amount of Facilities B&F**

### DEBT REDUCTION AGREEMENT

Aurelia Metals Limited ("AMI" or the "Company") is pleased to announce that it has come to an agreement with its major lender in Glencore to accelerate debt reduction. The early repayment is based on a healthy cash balance held at 30 June 2017 and confidence on future cash generation.

Repayments are not due until 31 March 2018 (Facilities C&E only) and no interest accrues or is payable until this date. However, at the Company's request, Glencore has agreed to apply a discount to any early repayment to reflect the interest revenue foregone by the Company.

The Company has undertaken an initial \$10 million repayment on 3 August 2017 and has the option, under this mechanism, to continue making early repayments up to 31 March 2018. Early debt repayments will be applied against the outstanding balances of Facilities C&E. The amount of any early debt repayment will reduce the convertible balance of Facilities B&F. All other agreements remain in place (CFADS sweep etc).

Reducing the Company's debt remains a priority and the agreed mechanism improves flexibility in managing cash build over the next year and the repayment obligation date for Facility C&E on 31 March 2018. The reduction in the convertible amount of Facilities B&F is not considered to be materially disadvantageous.

At 30 June 2017, the Company held cash of \$34.8M and debt to Glencore of \$109.614 million (\$37.573M senior debt and \$72.041M convertible debt).

### DEBT SUMMARY (POST \$10M EARLY REPAYMENT ON 3 AUGUST 2017)

	Debt \$k	Repayment Start Date	Maturity	Convertible	Convertible Amount \$k
Facility B	54,403	31-Mar-19 (2)	30-Sep-21	Yes (1)	46,752
Facility C	23,286	31-Mar-18	30-Sep-20	No	0
Facility E	4,155	31-Mar-18	30-Apr-19	No	0
Facility F	17,638	31-Mar-19 (2)	30-Sep-21	Yes (1)	15,158
	<b>99,482</b>				<b>61,909</b>

(1) Convertible into shares five business days prior to 31 March 2018. Conversion price is based on the 60-day volume weighted average price of the Company's ordinary shares prior to the conversion notice. The amount able to be converted will reduce by the total of all early repayment amounts applied to Facilities C&E up to 31 March 2018. The early repayment mechanism is discussed in this ASX release.

(2) Repayment Start Date is reset to 31-Mar-18 and Maturity date is reset to 30-Sep-20, if any portion of debt is converted according to (1) above.

#### Further Information

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