
# WALFORD CREEK PROJECT: WORLD CLASS MINERAL SYSTEM UNLOCKED

August 2017

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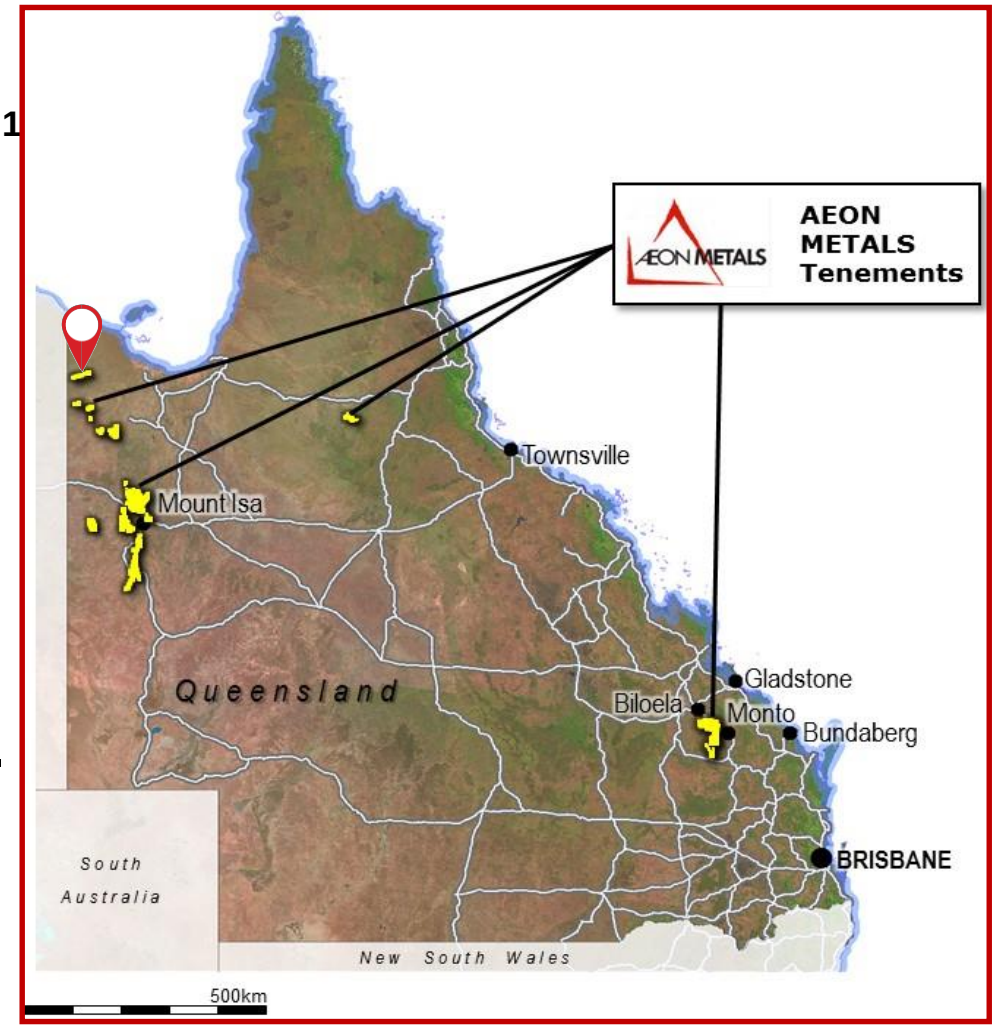
# AEON METALS - QUEENSLAND ASSET BASE

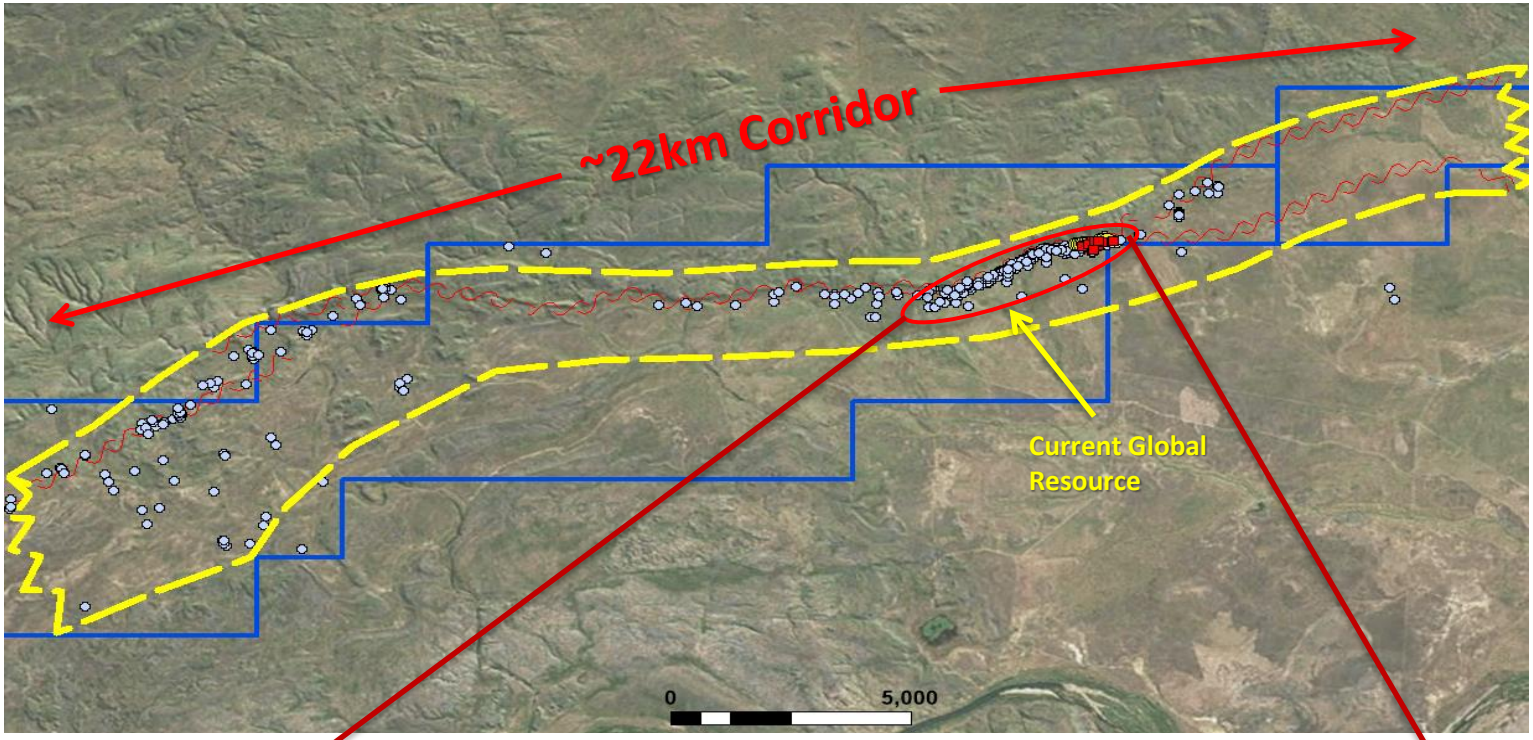
- ✓ **FLAGSHIP WALFORD CREEK PROJECT (100%)**
  - ✓ **Large JORC Global Resource[1]**
    - ✓ 296,000t of copper
    - ✓ 60kt of cobalt
    - ✓ 623,000t of zinc
    - ✓ 626,000t of lead
    - ✓ 55moz of silver
  - ✓ **PEA completed (Feb 2017) on high grade subset "Vardy Resource".**
  - ✓ **Cobalt roasting Scoping Study completed (April 2017).**
  - ✓ **2017 drilling confirms Zambian Copperbelt style geological system.**
  - ✓ **~22km mineralised fault corridor.**

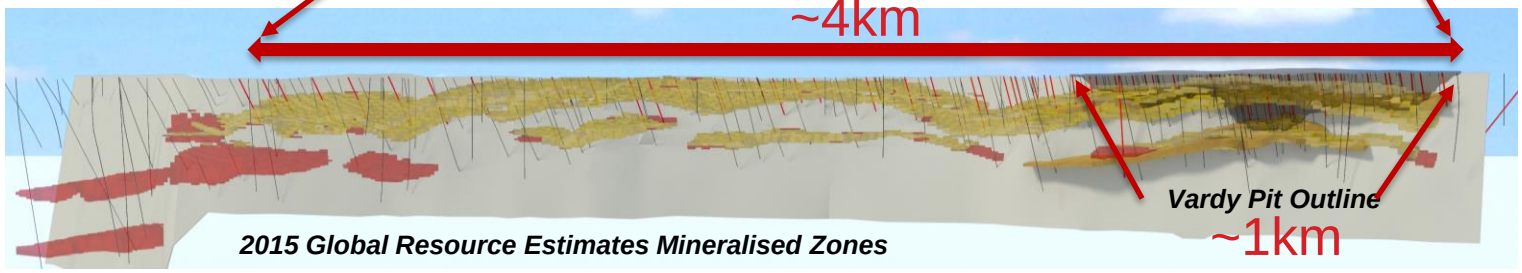



*See slide 6 for Resource details*
*See Appendix 1 for competent persons statement.*

# WALFORD CREEK

# WORLD CLASS MINERAL SYSTEM: ~22KM MINERALISED FAULT CORRIDOR




Historical Drilling

- 1989-1996: WMC, 93 holes (DD/RC) = **16,100m**.
- 2004-2006: Copper Strike, 30 holes (RC) = **3,500m**.
- 2010-2012: Aston Metals, 92 holes (DD/RC) = **15,000m**.
- 2014-2017: Aeon Metals, 88 holes (DD/RC) = **15,200m**.

# ADVANCED, LARGE BASE METALS RESOURCE

## LARGE SEDIMENT HOSTED MINERAL SYSTEM

- ✓ Mineralisation is both **structurally and lithologically** controlled – Fish River Fault and Pyrite Units.
- ✓ **Revised geological model** unlocking material tonnage and high grade Cu-Co potential along the mineralised strike-length (~22km) of the Fish River fault.
- ✓ Resources to be revised to reflect refined geological model and 2017 drill results.

## VARDY PEA COMPLETED

- ✓ High grade (subset) Vardy Resource supports early development.
- ✓ **World class service providers** – Amec Foster Wheeler, AMDAD, H&S.

## Walford Creek Global Resources *(March 2015)*

| Walford Creek 2014-5 Resource Estimates | | | | | | |
|---|---|---|---|---|---|---|
| Category | Mt | Cu % | Pb % | Zn % | Ag g/t | Co % |
| Indicated | 16.3 | 0.46 | 0.83 | 1.02 | 20.1 | 0.091 |
| Inferred | 57.1 | 0.39 | 0.86 | 0.80 | 24.5 | 0.079 |
| **Total** | **73.3** | **0.40** | **0.85** | **0.85** | **23.5** | **0.081** |

| Walford Creek 2014-5 Resource Estimates | | | | | |
|---|---|---|---|---|---|
| Category | Cu Tonnes | Pb Tonnes | Zn Tonnes | Ag Mozs | Co Tonnes |
| Indicated | 74,700 | 134,800 | 166,300 | 10.5 | 14,800 |
| Inferred | 220,800 | 491,200 | 456,900 | 45.0 | 44,800 |
| **Total** | **295,500** | **626,000** | **623,200** | **55.5** | **59,600** |

*At 0.55% CuEquiv cut-off:*
*See Appendix 1 for competent persons statement.*

## LARGEST AND MOST ADVANCED SULPHIDE COBALT RESOURCE IN AUSTRALA

- ✓ **60kt Cobalt metal** in Global Resource
- ✓ Large scale cobalt roasting Scoping Study completed to unlock this global cobalt Resource value

# HIGHER GRADE Cu-Co VARDY RESOURCE

## Higher grade "subset" – Vardy Resource

- ✓ **Near surface/close to fault.**
- ✓ The estimate is for a **1km eastern zone**, within the 4km Global Resource.
- ✓ The Vardy Resource opens the possibility of an initial mining development focused on the Vardy Zone:
  - ✓ **High grade Cu & Co**
  - ✓ **Shallow**
  - ✓ **Robust economics**
- ✓ PEA announced 15 Feb 2017.
- ✓ 2017 drill campaign focussed on Resource expansion and infill.

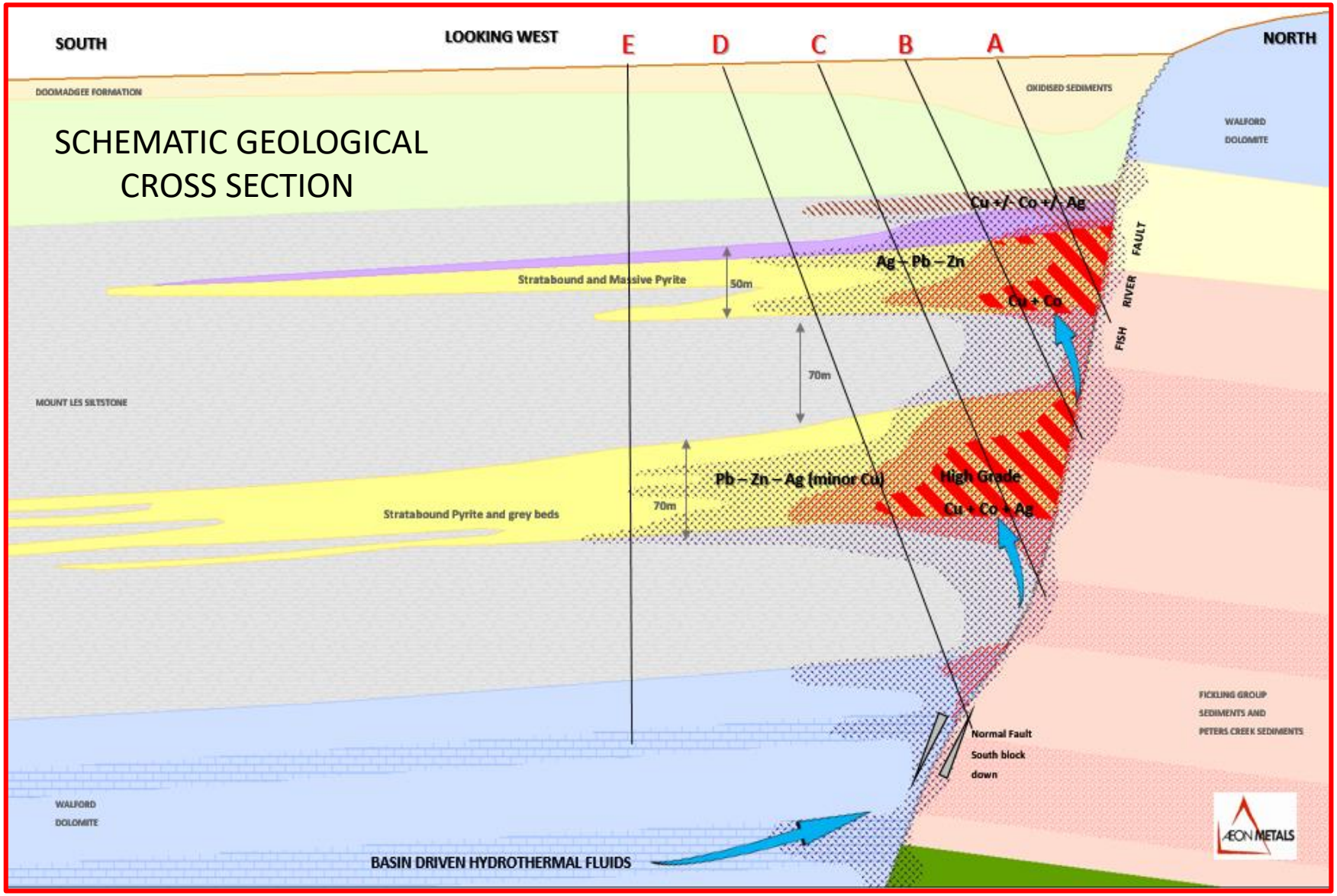
## Vardy Resource Statement *(December 2016[1])*

| Walford Creek Vardy Resource Statement | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Category | Volume $m^3$ | Mt | Cu % | Pb % | Zn % | Ag g/t | Co % | Pyrite % |
| Measured | 284,625 | 1.0 | 1.14 | 0.84 | 0.83 | 25.9 | 0.17 | 46.0 |
| Indicated | 645,000 | 2.2 | 1.26 | 0.80 | 0.93 | 26.4 | 0.18 | 42.2 |
| Inferred | 1,023,375 | 3.4 | 1.28 | 0.68 | 0.63 | 25.0 | 0.15 | 36.5 |
| **Total** | **1,953,000** | **6.6** | **1.25** | **0.74** | **0.76** | **25.6** | **0.16** | **39.8** |

| Walford Creek Vardy Resource Statement | | | | | | | |
|---|---|---|---|---|---|---|---|
| Category | Cu kt | Pb kt | Zn kt | Ag Mozs | Co kt | Py kt | Density $t/m^3$ |
| Measured | 11 | 8 | 8 | 0.8 | 1.6 | 445 | 3.40 |
| Indicated | 28 | 18 | 21 | 1.9 | 4.0 | 932 | 3.42 |
| Inferred | 43 | 23 | 21 | 2.7 | 5.2 | 1,244 | 3.33 |
| **Total** | **82** | **49** | **50** | **5.4** | **10.8** | **2,621** | **3.37** |

*1. Announced to the ASX on 22 December 2016.*

# GEOLOGICAL MODEL UNLOCKED: ZAMBIAN COPPERBELT STYLE



# 2017 DRILL CAMPAIGN – GEOLOGICAL MODEL UNLOCKED

A. Shallow holes from 50m to 80m intercept both possible supergene mineralisation together with strong copper and cobalt mineralisation associated with the Py1 in close proximity to the FRF.

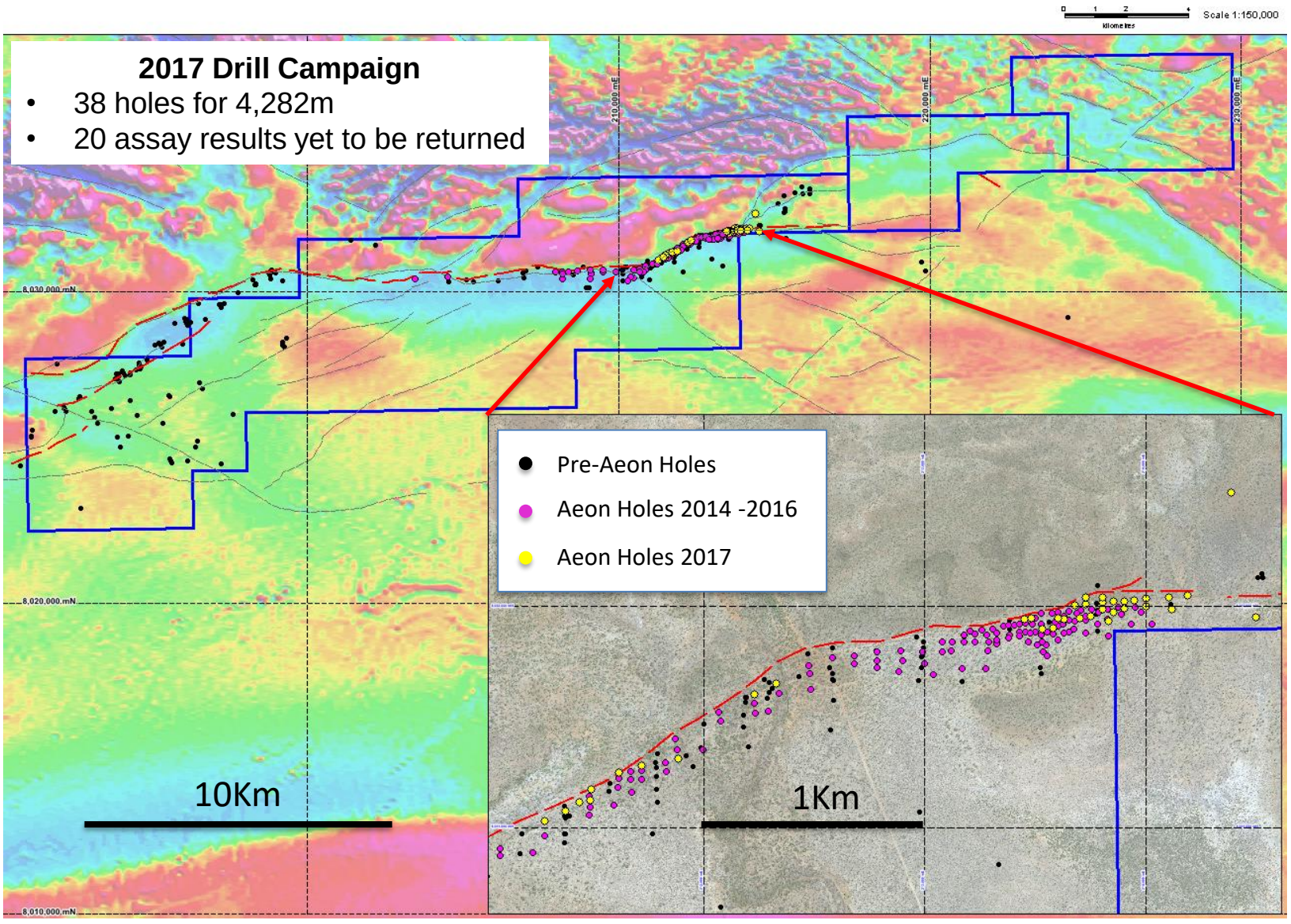
B. Drilled behind the shallow holes. These holes from 70m to 110m can still hit some good grade of both copper, cobalt and flanking lead and zinc in Py1 but can intercept the FRF above the high grade in Py3 (in the green siltstone) thus missing the best copper and cobalt zone.

C. These holes which can range from around 90m to 160m depth depending on depth to the Py1 and Py3 have been the holes which have recently targeted for potential bonanza style copper grades in the Py3 close to the FRF. Holes WFDD236 and WFDD238 are recent examples of the success of this deposit model targeting.

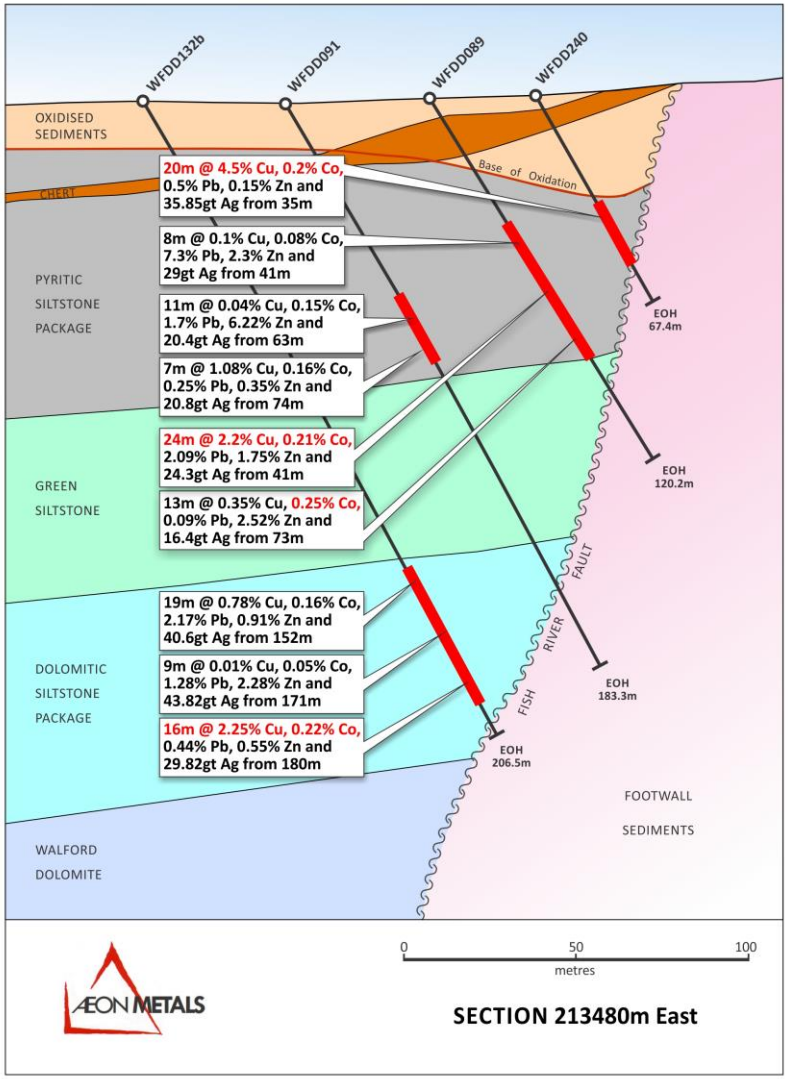
D. These holes have been typically from 150m to greater than 300m and can end up having no mineralisation associated with the Py1 and can still be too far from the FRF to successfully intercept the ‘sweet spot’ in the Py3.

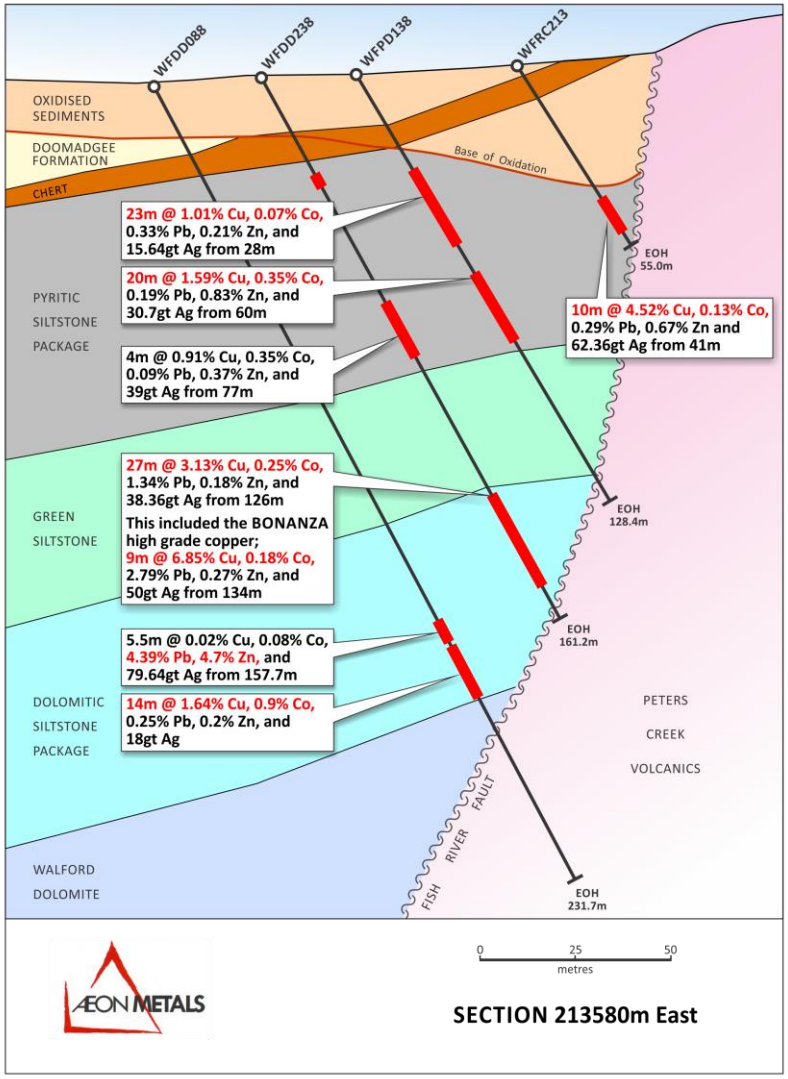
E. Holes drilled too far from the FRF such as many of the WMC vertical holes. These were drilled in part to test the SEDEX Ag-Pb-Zn model. Some angled holes were simply drilled too far south of the fault

# 2017 DRILL CAMPAIGN



# CROSS SECTION – ZAMBIAN COPPERBELT STYLE

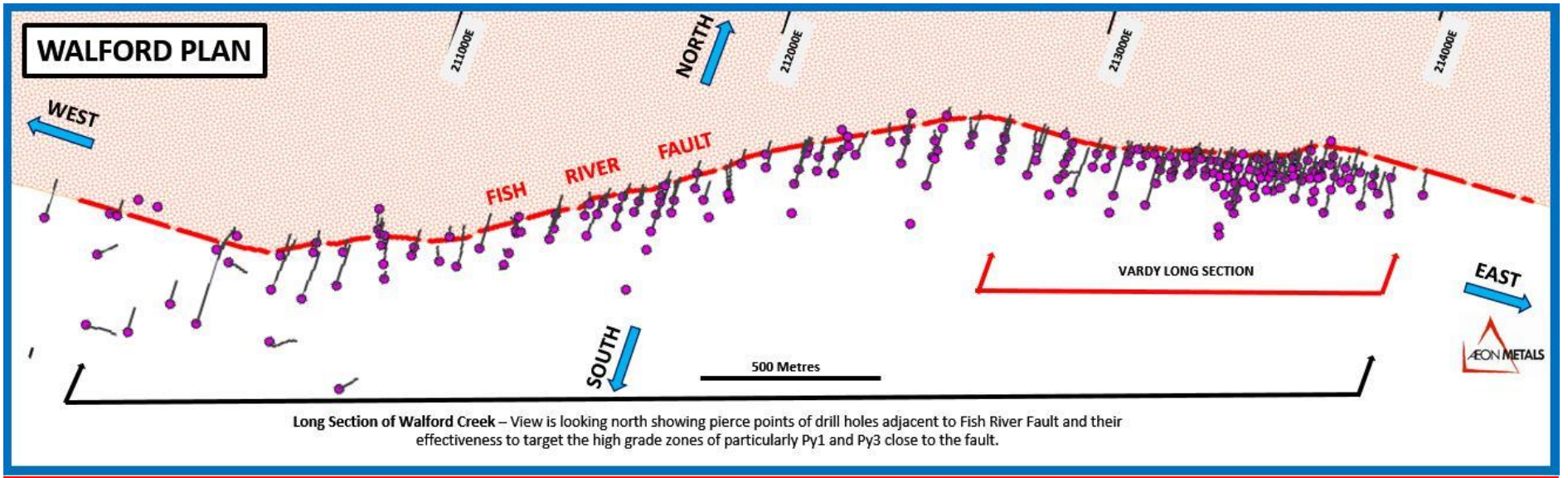


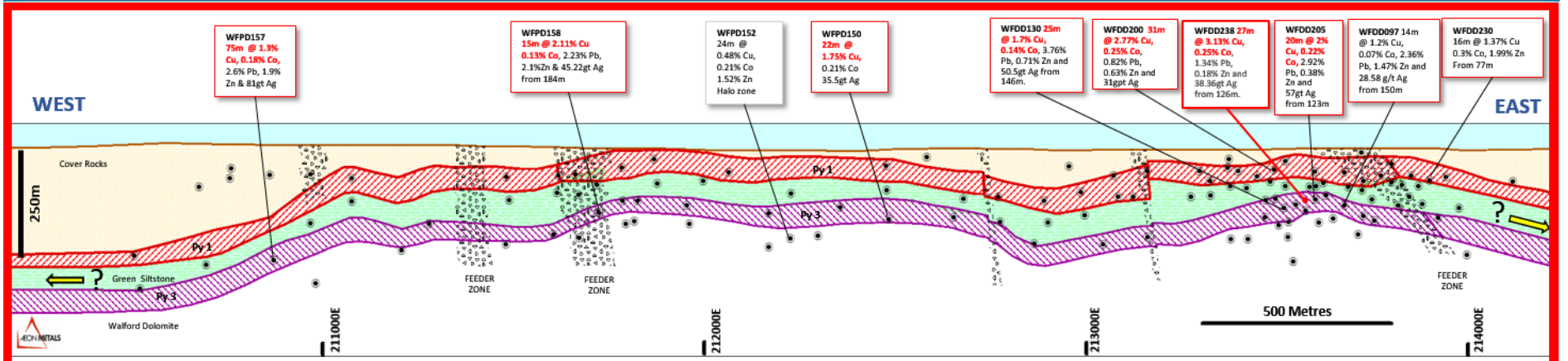
# 2017 SIGNIFICANT INTERCEPT EXAMPLES

- ✓ **2017 significant intercepts to date include:**
  - ✓ WFDD226: **26m @ 1.02% Cu, 0.26% Co** and 38gt Ag from 26m
    - ✓ Incl: **14m @ 1.42% Cu, 0.31% Co**, 0.88% Zn and 37gt Ag from 35m
  - ✓ WFDD230: **16m @ 1.37% Cu, 0.30% Co**, 1.99% Zn and 21gt Ag from 77m
    - ✓ Incl: **7m @ 2.72% Cu, 0.37% Co**, 1.72% Zn and 22gt Ag from 81m
  - ✓ WFDD234: **6m @ 2.76% Cu, 0.32%**, Co and 24gt Ag from 91m
  - ✓ WFDD236: **16m @ 2.10% Cu**, 0.11% Co, 1.31% Pb, 0.86% Zn and 47gt Ag from 120m
    - ✓ Incl: **5m @ 5.12% Cu, 0.14% Co**, 3.63% Pb, 0.86% Zn and 87gt Ag from 121m
  - ✓ WFDD238: **27m @ 3.13% Cu, 0.25% Co**, 1.34% Pb and 38gt Ag from 126m
    - ✓ Incl: **9m @ 6.85% Cu, 0.18% Co**, 2.79% Pb and 50gt Ag from 135m
  - ✓ WFDD240: **20m @ 4.5% Cu, 0.2% Co**, and 36gt Ag from 35

# 4KM GLOBAL RESOURCE: HITTING THE LATERAL SWEET SPOTS




**Long Section of Walford Creek** – View is looking north showing pierce points of drill holes adjacent to Fish River Fault and their effectiveness to target the high grade zones of particularly Py1 and Py3 close to the fault.

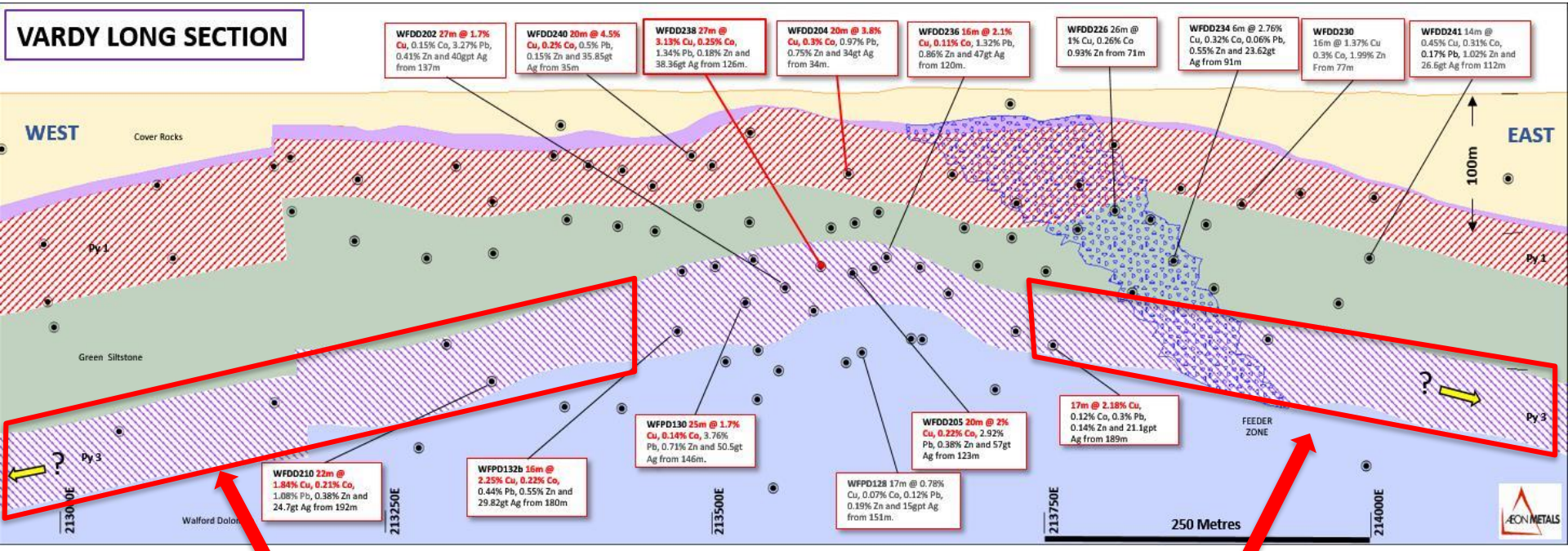



**WALFORD LONG SECTION**

**Long Section of Walford Creek** – View is looking north showing pierce points of drill holes adjacent to Fish River Fault and their effectiveness to target the high grade zones of particularly Py1 and Py3 close to the fault.

# 1KM VARDY RESOURCE

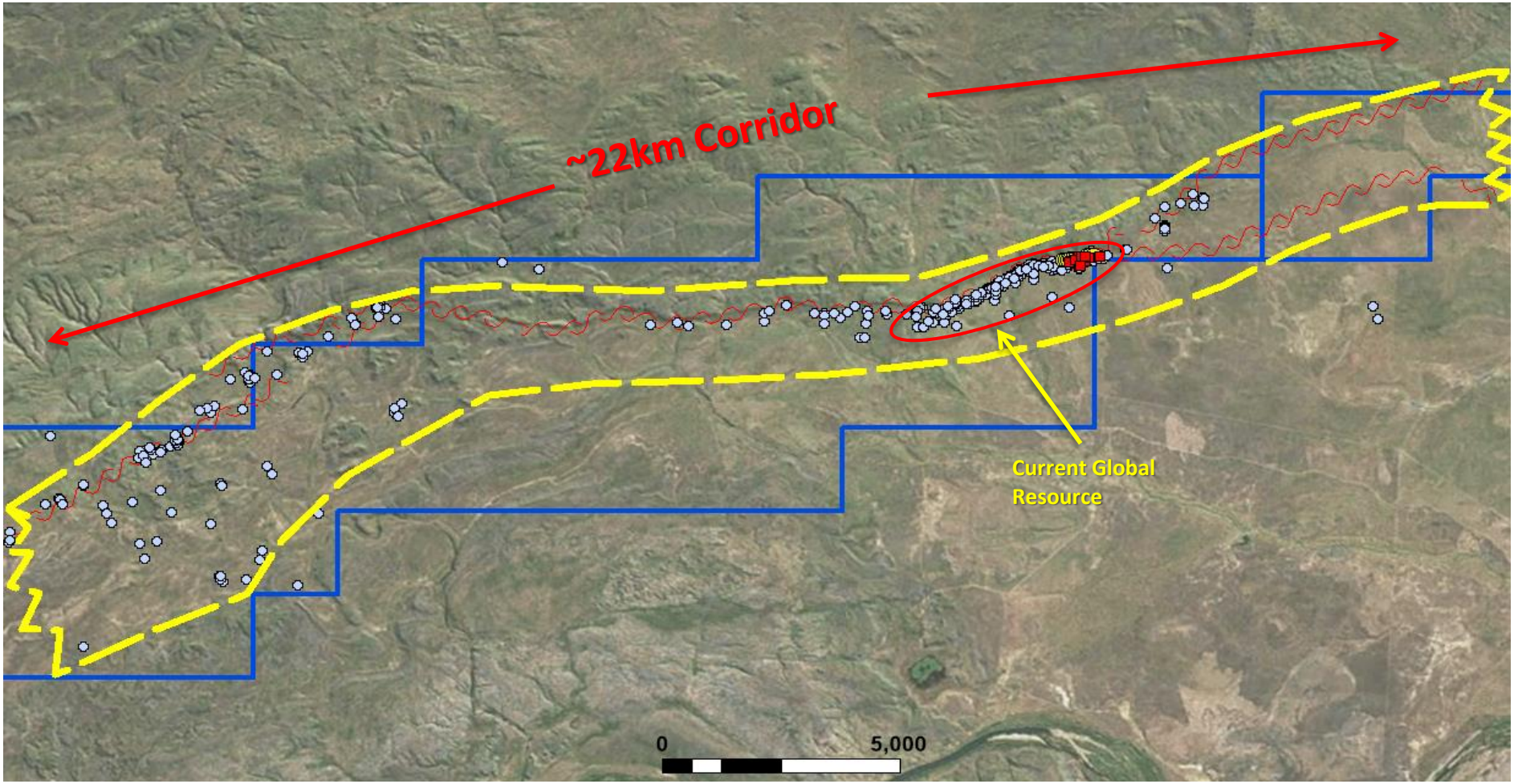
## HITTING THE LATERAL SWEET SPOTS




Only 4 holes testing Py3 adequately

Only 2 holes testing Py3 adequately

# WORLD CLASS TONNES AND GRADE SCALE POTENTIAL



# COBALT = POWER STORAGE

## Demand

- Cobalt is consumed by major industries with rechargeable lithium-ion batteries becoming a major Co use. *"The problem with existing lead-acid batteries is that they suck"* – Elon Musk
- 2016 global demand = ~93kt
- Batteries were ~11% of Co consumption in 2002, and is now +40%. A new battery "Gigafactory" planned by Tesla could on its own lift Co demand by 30-35kt/pa.

## Supply

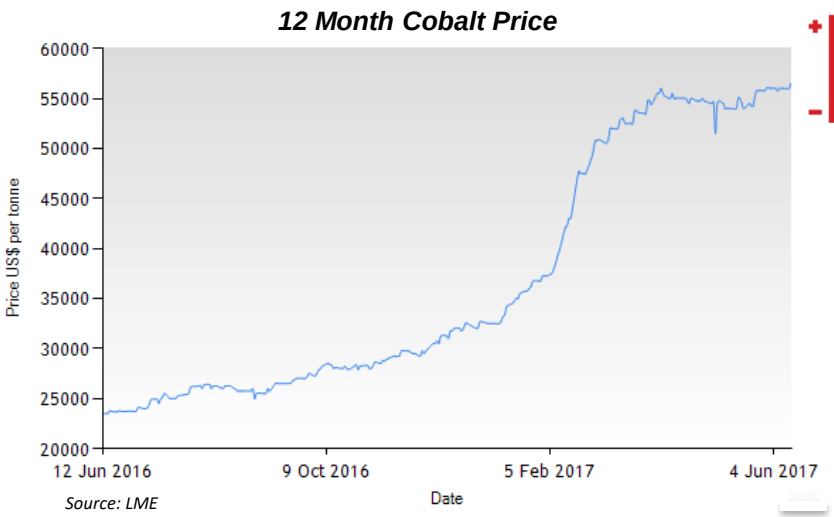
- The DRC contains more than 50% of the world's cobalt resources and produces +60% of the world's cobalt. This is forecast to increase.
- China reliance on the DRC for Co (~93%).
- Challenges for ethical production.

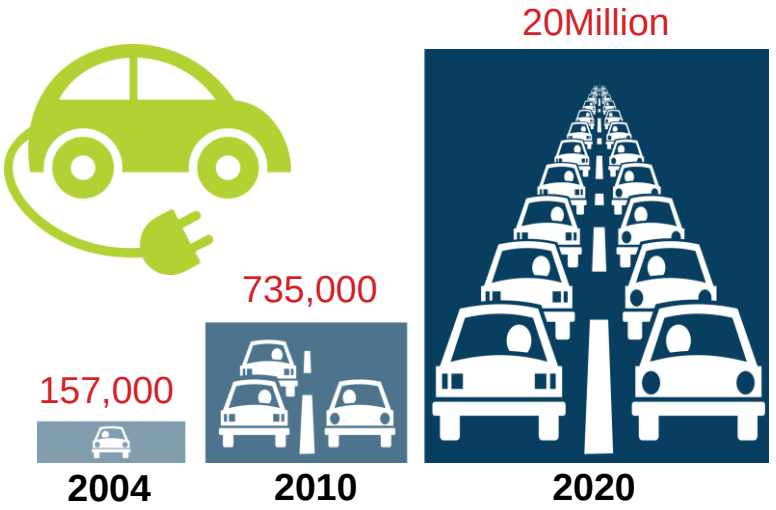
**Walford Creek Global Co Resource:**

**73.3mt @ 0.081% Co = ~60kt.**

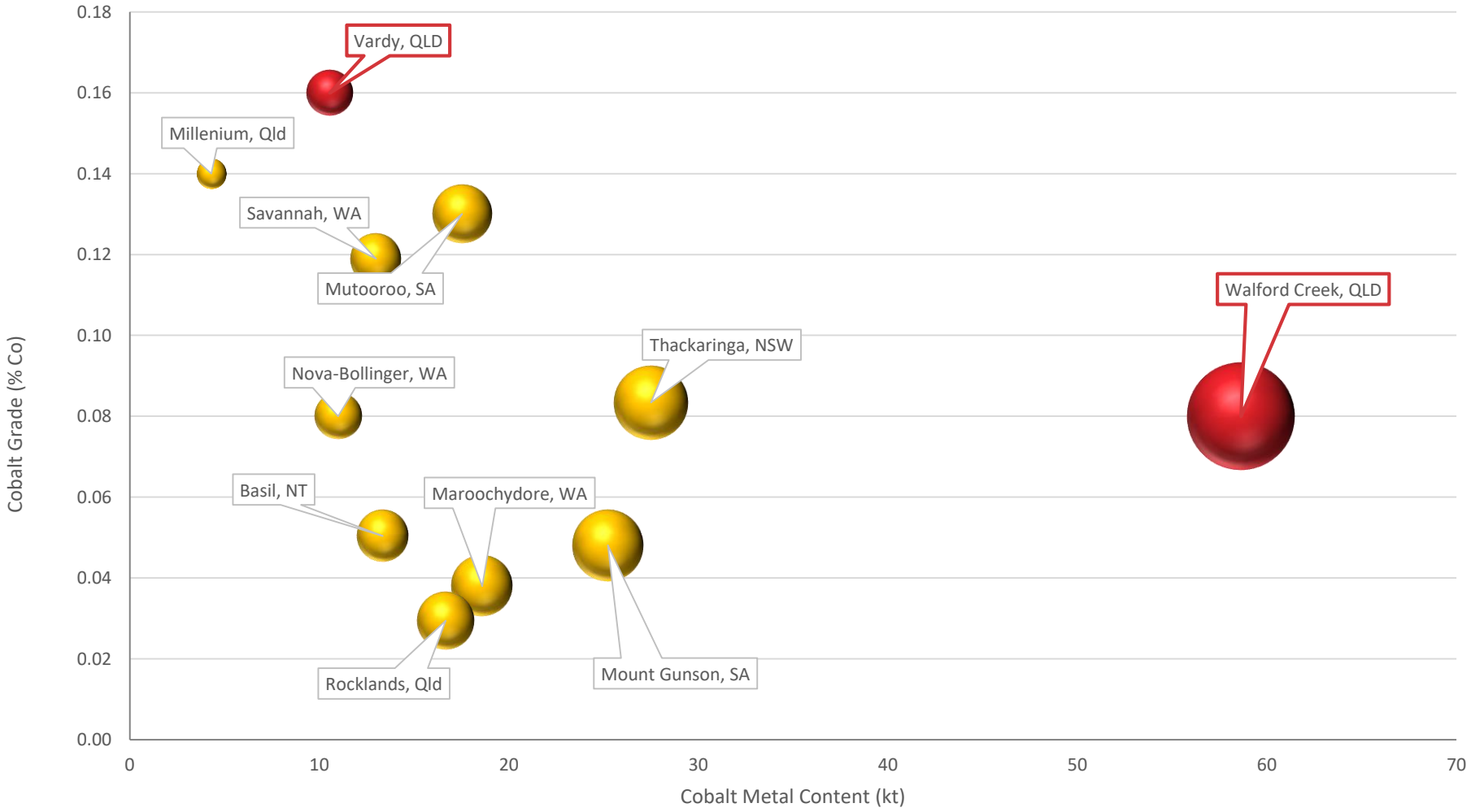
**High grade component in Vardy Zone:**

**6.6mt @ 0.16% Co = ~11kt**



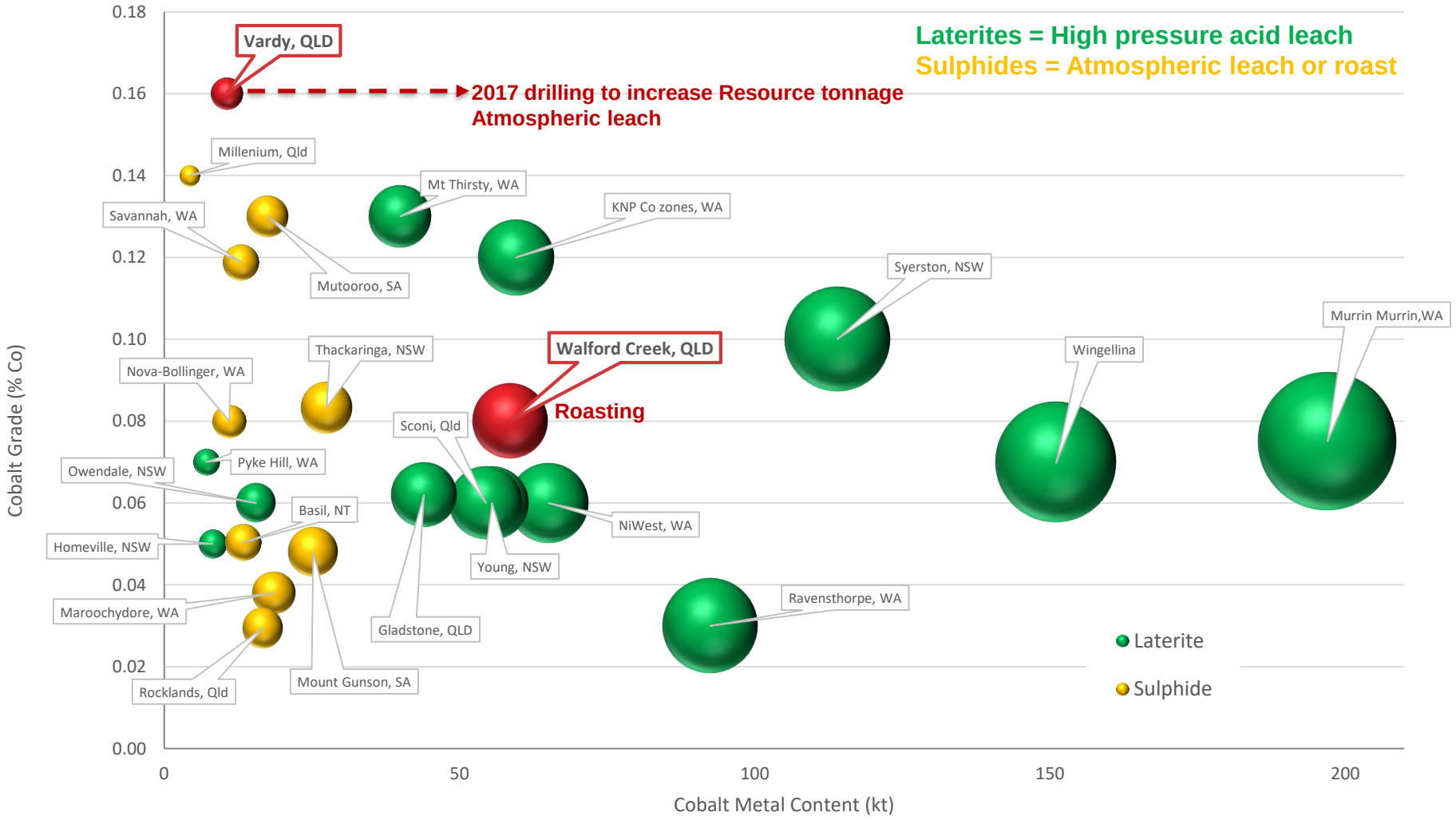



# LARGEST COBALT SULPHIDE RESOURCE IN AUSTRALIA X 2




*Source: Company announcements, Terra Studio. Copper-cobalt sulphide mineral resources only. Bubble size relates to cobalt metal content.*

# AUSTRALIAN LATERITES VS SULPHIDES




*Source: Company announcements, Terra Studio. Bubble size relates to cobalt metal content*

# NEXT STEPS

## Project Development:

- Global & Vardy Resource revised to reflect refined geological model and 2017 drill results.
- Rescoping/rescaling assessment of project development:
  - Inclusion of high grade PY3 tonnes;
  - PY3 infill and expansion (along strike) drilling requirements; and
  - Metallurgical flowsheet for increased scale - possible use of roasting for improved cobalt recoveries.
- PY3 focused drill program.
- BFS items completed.
- Target 2019 first production.

WORLD CLASS MINERAL SYSTEM

Cu-Co METAL LEVERAGE

MARKET TIMING

# BOARD OF DIRECTORS & MANAGEMENT

**PAUL HARRIS**
CHAIRMAN

M.Eng (Mining) University ofNSW,
B.Comm (Finance)
Grad Dip Applied Finance and Investments,
Graduate of Australian Institute of Company Directors.

25 years' experience in financial markets and Resources investment banking. Recent position was Managing Director, Head of Metals and Mining at Citi.

**HAMISH COLLINS**
MANAGING DIRECTOR

B.Eng (Mining) Hons University of NSW,
Grad Dip Applied Finance and Investments.

24 years' combined experience in mining industry and mining investment banking, including mergers & acquisitions and project financing.

**STEPHEN LONERGAN**
NON-EXEC DIRECTOR

LL.B (Hons) Australian National University,
LL.M McGill University

More than 30 years involvement as director, legal counsel and/or company secretary in the for companies in the Australian and international mining industry. Mr Lonergan has been Company Secretary of Aeon Metals Limited since 28 September 2006.

**IVAN WONG**
NON-EXEC DIRECTOR

BSc Hons

More than 20 years experience in running various businesses in Australia. Mr Wong has well established connections in China.

**DAN JOHNSON**
EXPLORATION MANAGER

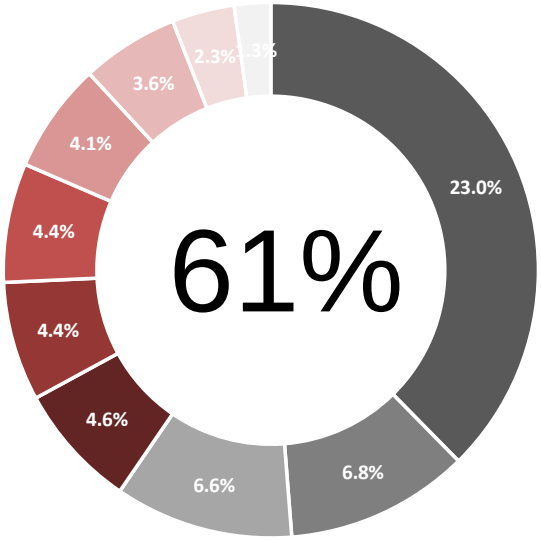
BSc (Hons) in Geology Exeter University

More than 30 years experience in exploration management in Australia and overseas.

# CAPITAL STRUCTURE & SHAREHOLDER REGISTER

| $0.19 | 347.83M | $65.9M | $3.0M | $33.5M |
|---|---|---|---|---|
| SHARE PRICE (A$) [1] | SHARES OUTSTANDING | MARKET CAP (A$) [1] | CASH (A$) [4] | LIMITED RECOURSE VENDOR DEBT[5] (A$) |
| | 73M [2,3] VENDOR WARRANTS | | | |

## TOP 10 SHAREHOLDERS[1]




## TOP 5 SHAREHOLDERS[1]

| | |
|---|---|
| CS Third Nominees (OCP Holdings) | 23.0% |
| Bliss Investments | 6.8% |
| Washington H Soul Pattinson & Company | 6.6% |
| SLW Minerals Corporation | 4.6% |
| Goody Investments | 4.4% |
| **TOTAL TOP 5** | **45.4%** |

1. As at 27 July 2017
2. 73M with strike of $0.094 for face value of ~$6.86M. Expiry 17 Dec 2017
3. EGM on 11 Aug 2017 to approve a further 85M Warrants associated with loan extension to Dec 19
4. As at 31 March 2017
5. Inclusive of capitalised interest as per 17 March 2017.

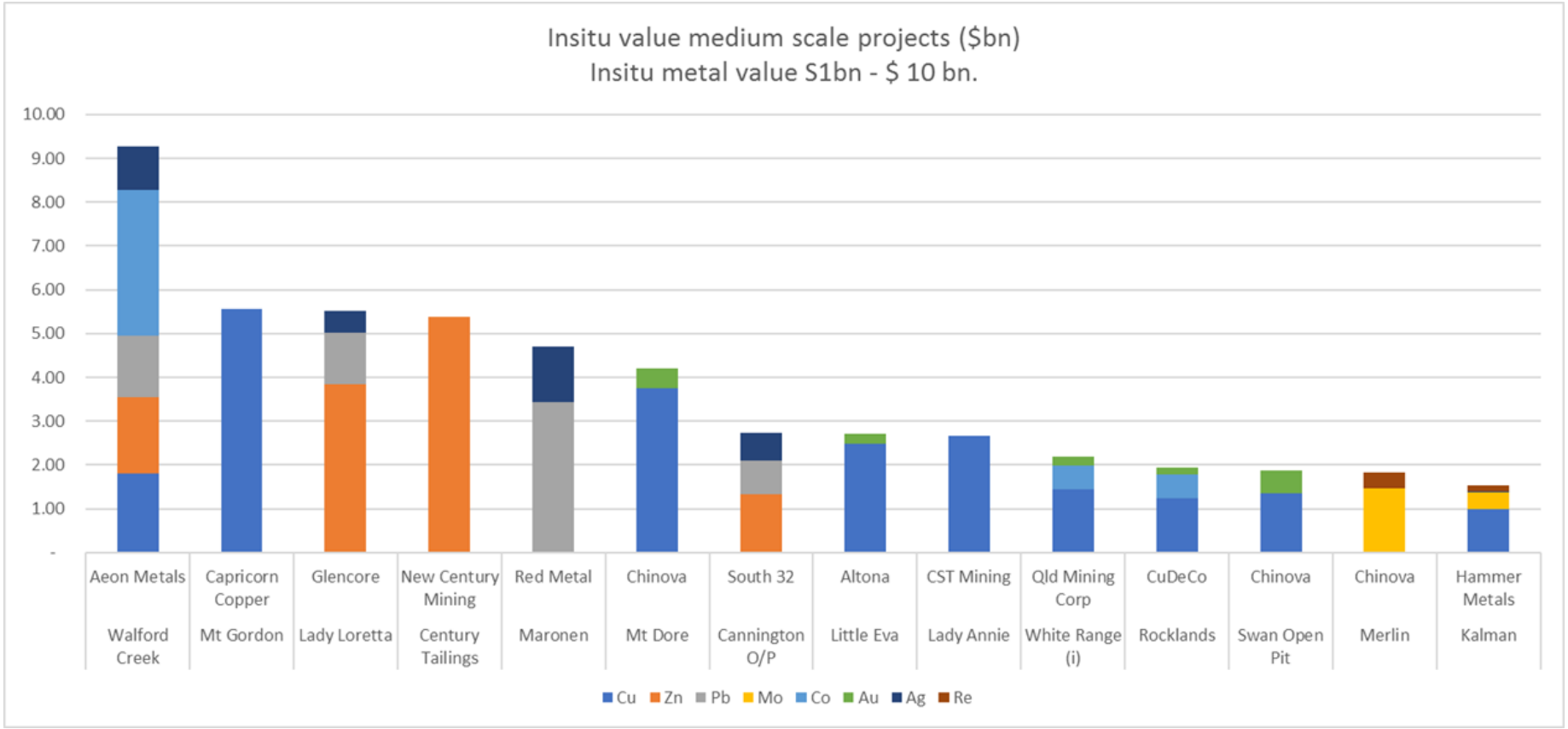
# APPENDICES

# APPENDIX 1: COMPETENT PERSON STATEMENT

The data in this report that relates to Mineral Resource Estimates for the Walford Creek Deposit and Vardy Zone Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the presentation of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Exploration Targets and Exploration Results for the Walford Creek Deposit and Vardy Zone Deposit is based on information compiled Mr Dan Johnson who is a Member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Dan Johnson is a full-time employee of Aeon Metals and consents to the inclusion in the presentation of the Exploration Targets and Exploration Results in the form and context in which they appear.

# APPENDIX 2: NORTHWEST QUEENSLAND RESOURCES




*Source: Core Resources, March 2017*

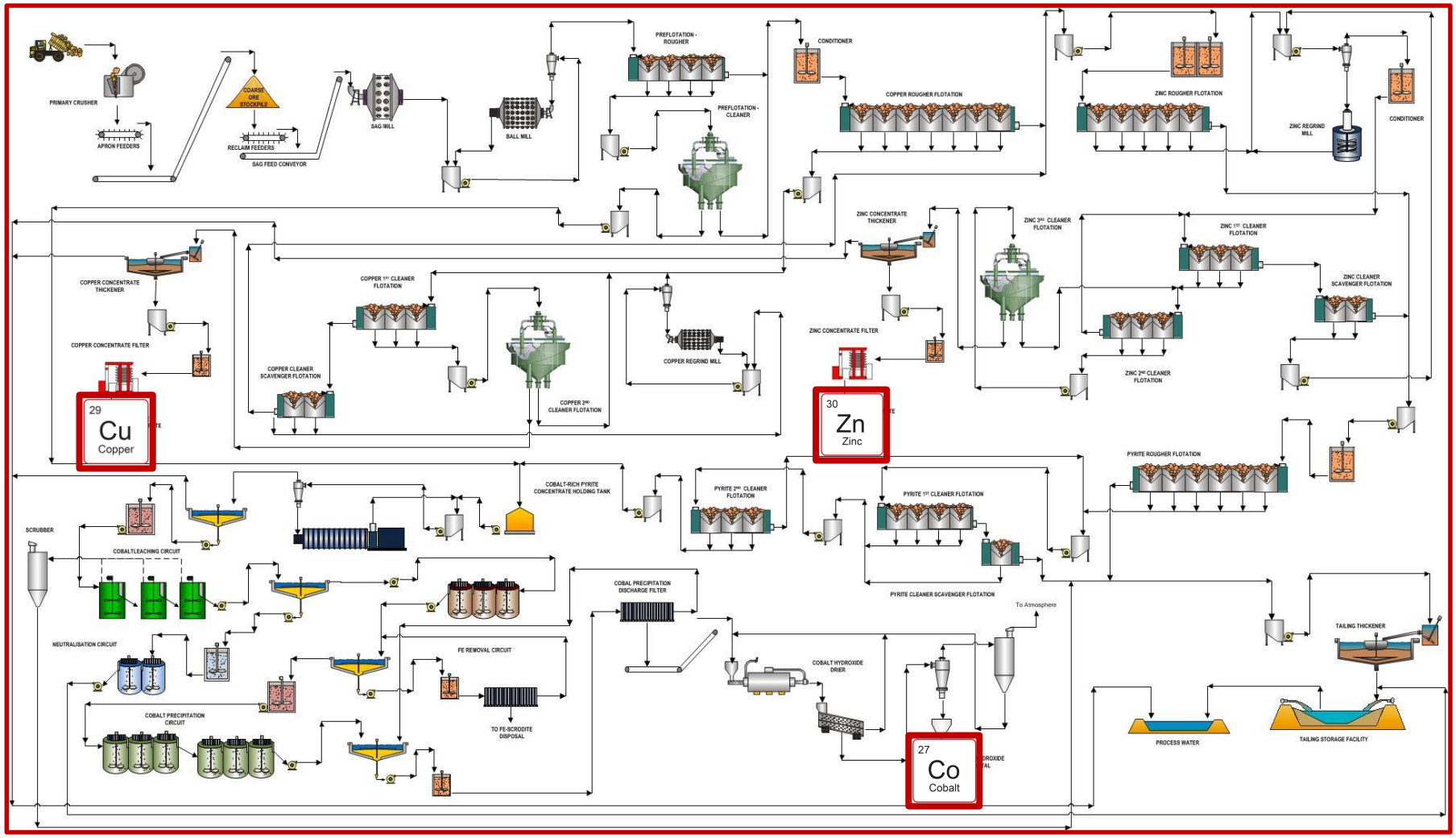
# APPENDIX 3: VARDY PEA SUMMARY

## PEA Announced 15 Feb 2017[1,2]

- ✓ 600ktpa throughput plant resulting in life-of mine ("LOM") production of 38kt copper, 29kt zinc, and 3kt cobalt metals in concentrate.
- ✓ Projected life of mine revenue from copper, zinc, silver and cobalt estimated at $579M.
- ✓ Operating cost of $97/t of ROM production.
- ✓ Estimated capital cost to first production of $97M.
- ✓ Confidence that estimated costs will be reduced.
- ✓ Projected LOM net cash flow of $84M (incl. capital) with average EBITDA of ~$39M per year.
- ✓ Bankable Feasibility Study next stage.
- ✓ Subject to funding and necessary Government approvals aiming for first production Q1-2019.
- ✓ **2017 drill campaign focused on LOM extension and/or expansion.**

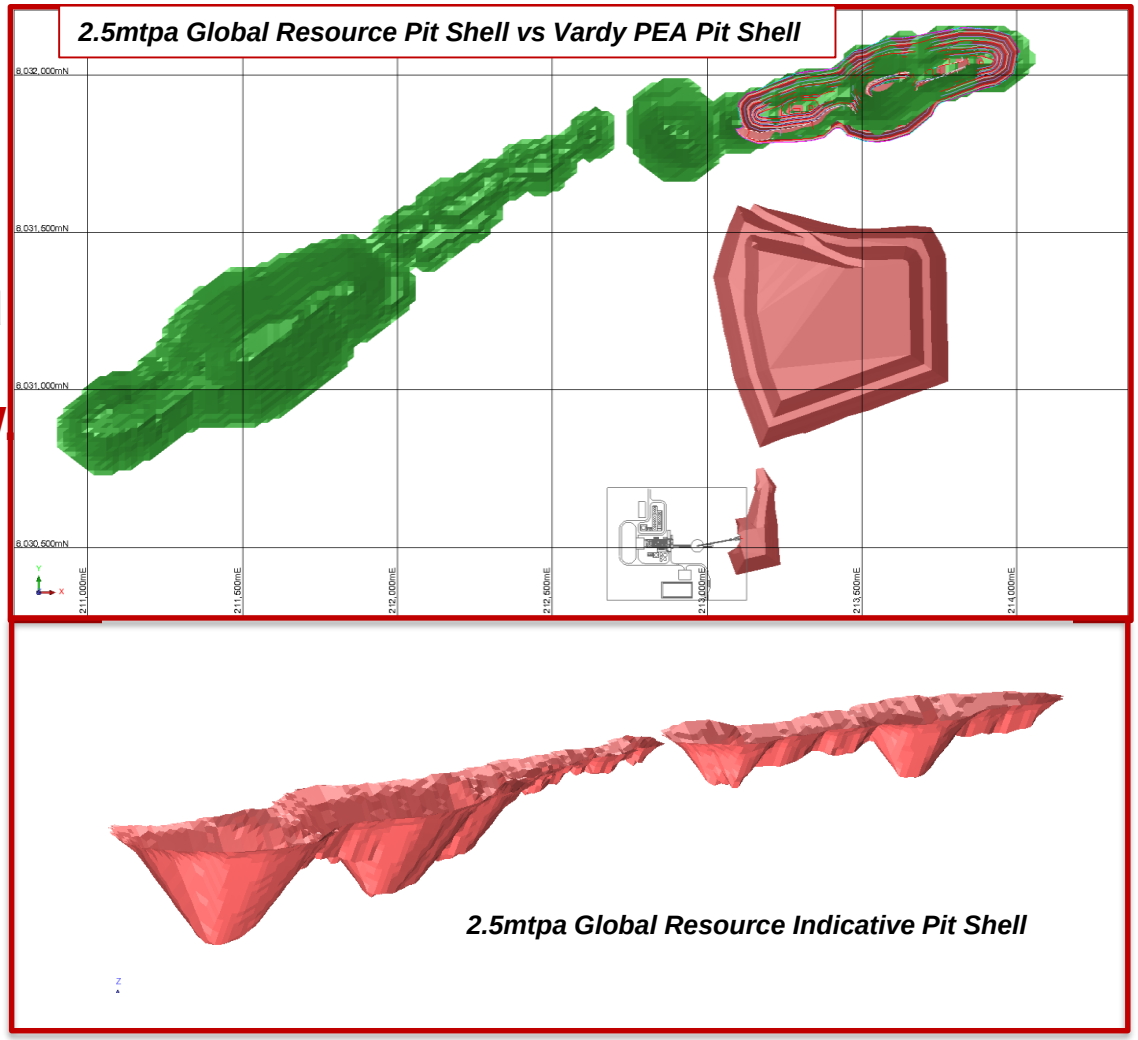
1. *Refer to ASX 15 Feb 2017 and 6 March announcements regarding PEA references*
2. *Overall, the level of accuracy of the numbers in the PEA is at level of ±30%.*

# APPENDIX 3: VARDY PROCESSING FLOWSHEET



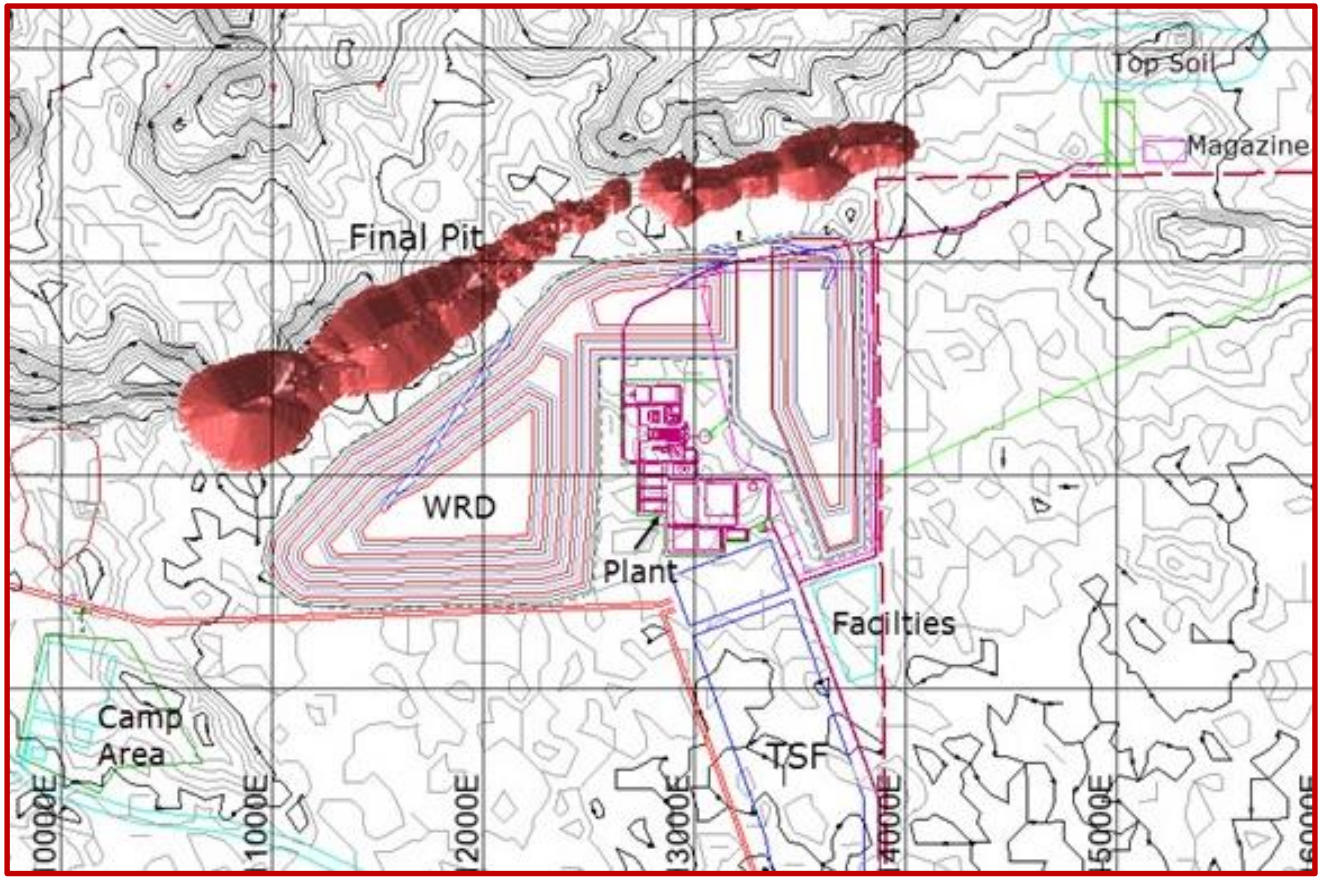
# APPENDIX 4: COBALT ROASTING SCOPING STUDY SUMMARY

- ✓ Optimised open pit for 2.5Mtpa ROM ore over 15 years;
- ✓ Conventional float mill to produce copper, zinc, lead and pyrite concentrates.
- ✓ The pyrite concentrate processed through an onsite roaster to produce **cobalt metal via SX/EW.**
- ✓ Cogen plant enables electricity to be produced onsite.
- ✓ An acid plant will also be built producing sulphuric acid.
- ✓ **Produce over 15 years on average approx:**
  - ✓ **1.2ktpa of cobalt,**
  - ✓ **8ktpa of copper**
  - ✓ **15ktpa of zinc;**
  - ✓ **13ktpa of lead;**
- ✓ **Generate ~1.3Mtpa of sulphuric acid.**



# APPENDIX 4: COBALT ROASTING SCOPING STUDY SUMMARY

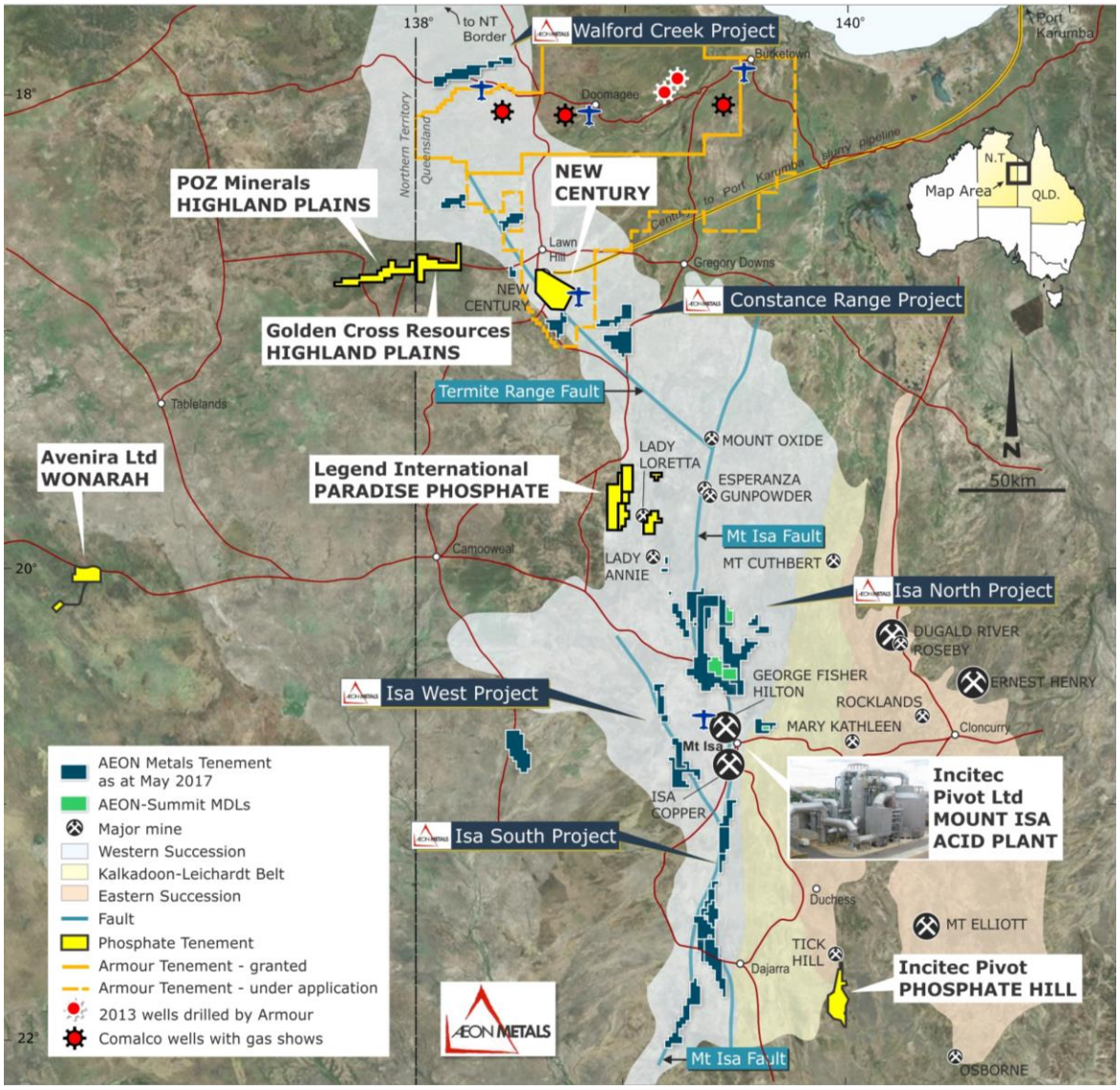
- ✓ Operating cost of $74/t of ROM production.
- ✓ Estimated total capital cost is ~A$668M, including A$33M mining pre-strip costs and A$55M contingency.
- ✓ Payback period is ~3 years.
- ✓ Robust financial metrics which include an after tax $NPV_8$% of ~A$458M and an IRR of ~19%.




***INDICATIVE 2.5MTPA "ROAST" SITE LAYOUT***

# APPENDIX 4: COBALT ROASTING POSSIBLE ACID SOLUTION

- ✓ The addition of sulphuric acid to phosphate rock to produce the high value (~A$820/t) phosphoric acid product enables the reduction of volume, materially enhances the margin and by default significantly boosts the value of the acid.
- ✓ An example of this is as follows:
  - ✓ 1.3Mtpa Sulphuric Acid + 1.9Mtpa Phosphate = 470ktpa Phosphoric Acid
- ✓ All Cobalt Roasting technical components **conventional in nature**.
- ✓ All the ingredients in place.



# APPENDIX 4: COBALT ROASTING/PHOSPHATE FLOWSHEET