



ASX Announcement — 31 July 2017

Quarterly Report For the three months ending 30 June 2017

Aeon Metals Limited

ABN 91 121 964 725

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NSW 2000, Australia

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Qld 9726, Australia

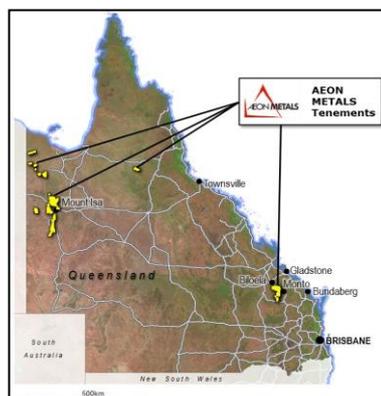
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ASX Code - AML

Shares on Issue: 347m
Share Price: \$0.19
Market Capitalisation: \$66m
Cash (30 June 2017): \$2m

All mineral resources projects
located in Queensland:



HIGHLIGHTS

On 4 May 2017, Aeon Metals Ltd (“Aeon” and/or the “Company”) commenced drilling at the Walford Creek Project (“Walford Creek”) with the initial focus of the 2017 program of extension drilling to the east/northeast to identify additional Resources to supplement the already announced Vardy Resource.

During the quarter, a total of 19 holes were drilled for 2,259 metres consisting of 18 DD holes (WFDD224 to WFDD241) and one RC hole (WFRC242). As at today, 21 diamond drill holes (three with pre-collars) and 17 RC holes have been drilled for 4,283m.

The 2017 drill campaign has been very successful for the many significant intercepts achieved as well as confirming the Walford Creek geological model associated with the Fish River Fault (“FRF”).

Examples of 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 35m

The 2017 drilling has also allowed the geological model to be refined and hence improved drill targeting. Additionally, the first holes drilled to the east/northeast have defined the FRF as having been jogged or offset to the north-east over approximately 200m along an east north east offset. The drilling has confirmed the continuing eastward trend, previously unknown, of the FRF as shown in Figure 1.

On 18 April 2017, a Preliminary Scoping Study addressing “Cobalt Roasting” of the global resource was announced which considers a large scale, 2.5 mtpa open pit mine and onsite processing utilising a concentrator, roaster



Corporate

During the quarter, the Company announced that it had reached agreement to extend the repayment date of its debt to the OCP Asia Group ("OCP") by a further 2 years out until December 2019. Debt of \$27.68 million (plus capitalised interest) is due for repayment on 17 December 2017.

The parties have also agreed that Aeon will have the right to sell down up to an aggregate 49% interest in the Walford Creek project to third parties at a minimum price of \$1 million per percentage point provided the proceeds of such sale are used to repay debt to OCP.

In consideration of the extension of the debt out to December 2019, the Company has agreed;

- a) subject to shareholder approval, to issue to OCP 85 million warrants each expiring on 17 December 2019 ("2017 Warrants") and exercisable at 16 cents.
- b) As with warrants issued to OCP in 2014 and 2015, shareholders will also be asked to give approval under Section 611(7) of the Corporations Act so that any or all of the 2017 Warrants can be exercised at any time notwithstanding the OCP's holding of more than 20% of the Company's issued shares; and
- c) upon any repayment of the debt before the first anniversary of the amendment of the relevant note terms to give effect to the extension, the Company will pay interest up to that first anniversary.

The extension agreement is subject to necessary shareholder approvals which are being sought at a meeting to be held on 11 August 2017.

On 17 June 2017, 63,251,107 unlisted warrants each exercisable at 15.81 cents (ASX: AQRAM) and held by OL Master Limited (a company associated with OCP) expired.

Exploration & Evaluation Expenditure

During the quarter, the Company expended \$753,000 on exploration and evaluation activities.

As at 30 June 2017, the Company had available cash of approximately \$1.9m.

Appendix 5B

The Company's Appendix 5B cash report is attached.

For more information, please contact:

Hamish Collins
Managing Director
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APPENDIX 1 - TENEMENT HOLDINGS AS AT 30 JUNE 2017

TENEMENT HOLDER	TENEMENT I.D.	LOCATION	INTEREST HELD
Aeon Metals Limited	EPM 14628	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 15921	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17001	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17002	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17060	West of Monto, Qld	100%
Aeon Metals Limited	MDL 462	Northwest of Monto, Qld	100%
Aussie NQ Resources Pty Ltd	EPM 18359	South of Georgetown, Qld	100%
SLW Queensland Pty Ltd	EPM 19029	West of Monto, Qld	60%
Aeon Walford Creek Limited	EPM 11897	Mount Isa West	80%
Aeon Walford Creek Limited	EPM 11898	Mount Isa West	80%
Aeon Walford Creek Limited	EPM 13412	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 13413	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 13682	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 14040	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 14220	Walford Creek	100%
Aeon Walford Creek Limited	EPM 14233	Mount Isa South	72%
Aeon Walford Creek Limited	EPM 14694	Mount Isa North	80%
Aeon Walford Creek Limited	EPM 14712	Constance Range	80%
Aeon Walford Creek Limited	EPM 14713	Constance Range	80%
Aeon Walford Creek Limited	EPM 14821	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 14854	Walford Creek	100%
Aeon Walford Creek Limited	EPM 14935	Constance Range	80%
Aeon Walford Creek Limited	EPM 15156	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 15186	Constance Range	80%
Aeon Walford Creek Limited	EPM 15911	Mount Isa South	100%
Aeon Walford Creek Limited	EPM 16921	Mount Isa North	100%
Aeon Walford Creek Limited	EPM 17297	Mount Isa South	100%
Aeon Walford Creek Limited	EPM 17300	Mount Isa North	100%
Summit Resources (Aust) Pty Ltd	EPM 17511	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17513	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17514	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17519	Mount Isa North	20%
Aeon Walford Creek Limited	EPM 18395	Mount Isa West	100%
Aeon Walford Creek Limited	EPM 18552	Walford Creek	100%
Aeon Walford Creek Limited	EPM 18769	Mount Isa West	100%



APPENDIX 2 - COMPETENT PERSONS STATEMENT

The data in this report that relates to Mineral Resource Estimates for the Walford Creek Deposit including the Vardy zone 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 Aeon Metals Limited's exploration results is based on information compiled by 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 Limited and consents to the inclusion in the presentation of the exploration results in the form and context in which they appear.

APPENDIX 3 - 2017 DRILL PROGRAM SIGNIFICANT INTERCEPTS TABLE

Hole No.	Easting	Northing	AZI	Dips	Intersect	From	To	Cu	Co	Pb	Zn	Ag	
			degrees	degrees	m	m	m	%	%	%	%	g/t	
WFDD224	213680	8032006	355.00	-65	45.00	31.00	76.00	0.40	0.06	0.74	0.95	28.74	
					Incl	11.00	62.00	73.00	0.42	0.14	0.79	3.08	35.00
WFDD225	213730	8032013	355.00	-72.5	67.00	40.00	107.00	0.40	0.20	0.32	1.92	20.30	
					Incl	16.00	58.00	74.00	0.86	0.50	0.53	0.56	40.60
					Incl	36.00	71.00	107.00	0.36	0.14	0.30	3.50	14.82
WFDD226	213805	8032018	355.00	-69	12.00	54.00	66.00	0.01	0.06	1.19	2.21	25.80	
						26.00	71.00	97.00	1.02	0.26	0.15	0.93	37.54
					incl	14.00	71.00	85.00	1.42	0.31	0.25	0.88	37.00
WFDD227	213855	8032023	355.00	-62	5.00	73.00	78.00	0.50	0.15	0.15	0.97	22.74	
						NB	78.00	84.00	Cross fault and no core return				
					and	4.00	84.00	88.00	0.30	0.11	0.41	3.77	14.80
WFDD228	213727	8032044	355.00	-60	3.00	44.00	47.00	0.43	0.06	0.15	0.05	23.77	
					and	5.00	63.00	68.00	0.12	0.02	0.12	2.29	28.85
WFDD229	213806	8032048	355.00	-70	26.00	36.00	62.00	0.44	0.13	0.22	1.46	30.24	
					Incl	5.00	52.00	57.00	1.12	0.24	0.34	5.27	47.81
					and	2.00	66.00	68.00	1.73				
WFDD230	213903	8032025	355.00	-70	10.00	58.00	68.00	0.08	0.03	0.22	2.48	17.70	
					and	2.00	73.00	75.00	0.01	0.07	0.27	2.70	15.00
					and	16.00	77.00	93.00	1.37	0.30	0.53	1.99	20.53
					incl	7.00	81.00	88.00	2.72	0.37	0.80	1.72	21.70
WFDD231	213949	8032026	355.00	-70	28.00	62.00	90.00	0.35	0.12	0.79	0.92	21.52	
					incl	14.00	67.00	81.00	0.54	0.10	1.34	0.92	20.75
					and	9.00	90.00	99.00	0.05	0.13	0.50	1.50	9.45
WFDD232	214000	8032033	355.00	-70	12.00	85.00	97.00	0.40	0.05	0.14	0.34	19.89	
					and	7.00	100.00	107.00	0.16	0.04	0.04	1.00	4.58

WFDD233	213753	8031957	355.00	-60.00	10.00	83.00	93.00	0.03	0.07	1.30	0.94	37.24	
					NB		void of 5m from 93m with no sample return						
					and	8.00	98.00	106.00	0.39	0.09	0.04	0.39	5.10

WFDD234	213855	8031977	355.00	-60.00	6.00	91.00	97.00	2.76	0.32	0.06	0.35	23.60	
					and	4.00	97.00	101.00	0.12	0.18	10.12	2.12	41.05
					and	4.00	122.00	126.00	0.69	0.16	0.20	1.14	14.70
					NB 4m void from 106m then 2m void from 116m and another 2m from 120m								

WFDD235	213703	8031951	355.00	-60.00	8.00	70.00	78.00	0.14	0.09	0.15	3.14	10.36	
					and	11.00	78.00	89.00	0.66	0.27	0.06	0.29	25.40
					and	7.00	153.00	160.00	0.69	0.05	0.05	0.04	7.80

WFDD236	213631	8031942	355.00	-63.50	5.00	67.00	72.00	0.60	0.36	0.14	0.38	24.22	
					NB 21m of no sample / void from 72m to 95m								
					and	16.00	120.00	136.00	2.10	0.11	1.31	0.86	46.65
					incl	5.00	121.00	126.00	5.12	0.14	3.63	0.86	87.33
					NB Mo is exceptionally high over this 16m interval. 0.12% Mo.								

WFDD237	213605	8031946	355.00	-60.00	20.00	30.00	50.00	0.40	0.07	2.53	0.17	19.00	
					and	15.00	55.00	70.00	0.40	0.27	0.42	0.84	17.33
					and	18.00	70.00	88.00	0.01	0.24	0.01	2.20	1.00

WFDD238	213579	8031904	355.00	-60.00	4.00	31.00	35.00	0.50	0.03	0.05	0.03	9.79	
					and	16.00	69.00	85.00	0.03	0.09	0.25	0.87	10.20
					and	27.00	126.00	153.00	3.13	0.25	1.34	0.18	38.36
					incl	9.00	135.00	143.00	6.85	0.18	2.79	0.27	50.38

WFDD239	213531	8031898	355.00	-60.00	6m	23.00	29.00	0.02	0.00	2.38	0.01	33.46	
					and	4.00	30.00	34.00	2.79	0.17	0.07	0.02	22.26
					and	14.00	62.00	76.00	0.00	0.10	0.24	2.94	17.48
					and	12.00	81.00	93.00	0.32	0.25	0.28	0.75	20.67

WFDD240	213481	8031949	355.00	-60.00	20.00	35.00	55.00	4.45	0.20	0.50	0.15	35.85
					NB - Core loss from 43 - 45m and 50 - 51m							

WFDD241	214001	8032003	355.00	-60.00	14.00	112.00	126.00	0.45	0.31	0.17	1.02	26.60	
					NB Loss core in void from 126 to 140m								
					then	9.00	140.00	149.00	0.05	0.09	0.30	0.91	13.03

APPENDIX 4 – DRILL PROGRESS TABLE (Current)

HOLE ID	gda94_East	gda94_North	gda94_RL	azimuth(grid)	dip	max_depth
WFDD224	213680.0	8032006.0	107.1	0.0	-65.0	78.3
WFDD225	213730.0	8032012.0	106.5	0.0	-72.5	109.8
WFDD226	213805.0	8032018.0	106.8	1.0	-70.0	110.9
WFDD227	213854.0	8032024.0	107.1	0.0	-65.0	105.5
WFDD228	213728.0	8032041.0	107.1	0.0	-65.0	81.5
WFDD229	213806.0	8032042.0	107.1	0.0	-70.0	84.7
WFDD230	213905.0	8032025.0	107.4	0.0	-70.0	102.6
WFDD231	213948.0	8032027.0	107.4	0.0	-70.0	102.5
WFDD232	214000.0	8032036.0	107.1	0.0	-70.0	115.2
WFDD233	213753.0	8031959.0	105.9	0.0	-60.0	150.3
WFDD234	213855.0	8031975.0	106.2	0.0	-60.0	151.7
WFDD235	213704.0	8031948.0	105.6	0.0	-60.0	165.0
WFDD236	213630.0	8031942.0	105.6	0.0	-63.5	141.1
WFDD237	213605.0	8031946.0	105.9	0.0	-60.0	117.2
WFDD238	213579.0	8031904.0	105.3	0.0	-60.0	161.2
WFDD239	213531.0	8031898.0	105.6	0.0	-60.0	156.4
WFDD240	213481.0	8031949.0	106.8	0.0	-60.0	67.4
WFDD241	214001.0	8032003.0	106.5	0.0	-67.0	158.0
WFRC242	214105.0	8032043.0	106.2	0.0	-60.0	100.0
WFRC243	214190.0	8032053.0	105.3	0.0	-60.0	78.0
WFRC244	214389.0	8032519.0	101.6	304.0	-60.0	80.0
WFRC245	214499.0	8031951.0	103.2	355.0	75.0	180.0
WFPD246	214119.0	8031987.0	105.3	7.0	-72.0	96.0
WFRC248	211615.0	8031250.0	103.8	0.0	-60.0	60.0
WFRC247	213830.0	8031936.0	105.6	10.0	-66.0	52.0
WFRC249	211718.0	8031281.0	101.9	2.0	-60.0	80.0
WFRC250	211370.0	8031076.0	101.9	0.0	-63.0	132.0
WFRC251	211881.0	8031311.0	101.3	0.0	-73.0	214.0
WFRC252	211483.0	8031124.0	101.6	0.0	-62.0	120.0
WFRC253	211489.0	8031171.0	103.8	2.0	-65.0	57.0
WFRC254	211279.0	8031028.0	101.6	0.0	-72.0	120.0
WFRC255	211433.0	8031115.0	102.2	0.0	-61.0	99.0
WFRC256	212228.0	8031605.0	100.4	0.0	-60.0	51.0
WFRC257	212328.0	8031650.0	98.0	3.0	-60.0	60.0
WFPD258	213806.2	8031990.2	106.0	9.0	-78.0	169.6
WFRC259	213453.0	8031945.0	106.0	0.0	-60.0	50.0
WFRC260	213904.0	8031992.0	105.0	5.0	87.0	76.0
WFPD261	212347.0	8031585.0	98.0	0.0	-66.0	186.0

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AEON METALS LIMITED	
ABN	Quarter ended ("current quarter")
91 121 964 725	30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(753)	(3,011)
(b) development	-	-
(c) production	-	-
(d) staff costs	(347)	(1,190)
(e) administration and corporate costs	(95)	(718)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	96
1.5 Interest and other costs of finance paid	-	(28)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	8	67
1.9 Net cash from / (used in) operating activities	(1,176)	(4,784)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(2)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	21	21
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	21	19

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	3	5
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3	5

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,066	6,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,176)	(4,784)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	21	19
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3	5
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,914	1,914

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,914	3,066
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,914	3,066

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	173
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Included are the payment of Superannuation and Directors fees to the directors H. Collins, P. Harris, S. Lonergan and I Wong. Additionally the fees paid to S. Lonergan for secretarial services are included.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	30	30
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The company maintains an ANZ Credit Card Facility totalling \$30,000, with a rate of 18.24%PA on purchases. This facility is split evenly across three separate cards, and the full \$30,000 is undrawn.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	435
9.2 Development	-
9.3 Production	-
9.4 Staff costs	260
9.5 Administration and corporate costs	360
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,055

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 14628	Relinquished 11 Sub-blocks	100	100
	EPM 17001	Relinquished 9 Sub-blocks	100	100
	EPM 17002	Relinquished 18 Sub-blocks	100	100
	EPM 17060	Relinquished 2 Sub-blocks	100	100
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Managing Director)

Date:31 July 2017.....

Print name:Hamish Collins.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.