31 October 2017

ASX Announcement — 31 October 2017

Quarterly Report
For the three months ending 30 September 2017

Aeon Metals Limited

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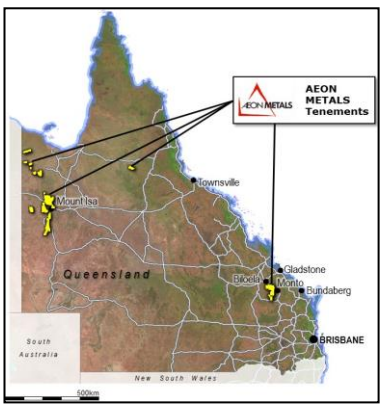
ASX Code - AML

Shares on Issue: 400m
Share Price: $0.195
Market Capitalisation: $78m
Cash (30 Sept 2017): $5.2m

All mineral resources projects located in Queensland:



HIGHLIGHTS

The first round of 2017 drilling at Aeon Metals Ltd ("Aeon" and/or the "Company") 100% owned Walford Creek Project commenced on 4 May 2017 and was completed on 29 July with final assay results reported during the quarter. A total of 39 holes were drilled for 2,349 metres with the focus on mostly shallow extension drilling to east/northeast to identify additional Resources to supplement the already announced Vardy Resource.

Examples of significant intercepts announced during the quarter include:

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
WFRC250: 5m @ 3.52% Cu, 0.12% Co, and 23gt Ag from 102
WFRC259: 26m @ 2.43% Cu, 0.07% Co, and 28gt Ag from 22m
Incl: 12m @ 5.07% Cu, 0.10% Co, and 37gt Ag from 34m
and: 7m @ 7.66% Cu, 0.09% Co, and 49gt Ag from 34m

Importantly, during the quarter the geological team developed a revised Walford Creek geological model (announced 28 July 2017) which exhibits strong characteristics of Zambian Copperbelt style sediment hosted copper-cobalt mineralisation. This has enabled better definition of the potential high-grade copper-cobalt zones along the Fish River Fault ("FRF") and hence improved drill targeting.

This refined targeting has subsequently been implemented in the second round of 2017 drilling which commenced on 22 September 2017. This targeting has proven to be effective with the assay result for the first hole (**WFDD263**) of this current drill campaign announced on 25 October 2017 hitting the mineralised zone on target resulting in high grade intercepts including:

- 9m @ 2.01% Cu, 0.24% Co and 25gt Ag from 143m; plus
- 25m @ 2.20% Cu, 0.16% Co and 18gt Ag from 169m,
  Including bonanza grades of:
  - 10m @ 4.63% Cu, 0.14% Co and 22gt Ag from 184m; incl
  - 2m @ 10.79% Cu, 0.13% Co and 42g/t Ag from 191m.

To date, for this second round of 2017 drilling, 8 diamond core holes have been drilled for approximately 2,021 metres. Drilling is underway on a 9th (WFD271) and likely final hole in view of the impending wet season. All holes have intersected mineralisation.

Walford Creek Project

The first round of 2017 drill campaign commenced at Walford Creek on 4 May and was completed on 29 July with final assay results reported during the quarter. A total of 39 holes were drilled for 2,349 metres with the focus on mostly shallow extension drilling to east/northeast to identify additional Resources to supplement the already announced Vardy Resource. Significant intercepts have been achieved and are shown in Appendix 3.

During the quarter, the geological team developed a revised Walford Creek geological model (announced 28 July 2017), which is closely associated with the Zambian Copperbelt sediment hosted copper-cobalt style mineralisation. Consistent with this, the lower pyrite unit 3 ("Py3") at Walford Creek contains the best copper grades. The Py3 is the first favourable site for mineral bearing hydrothermal fluids, driven from deep within the sedimentary basin to drop their metals (See Figure 1). This has enabled better definition of the high-grade copper-cobalt zones along the Fish River Fault ("FRF") and hence improved drill targeting.

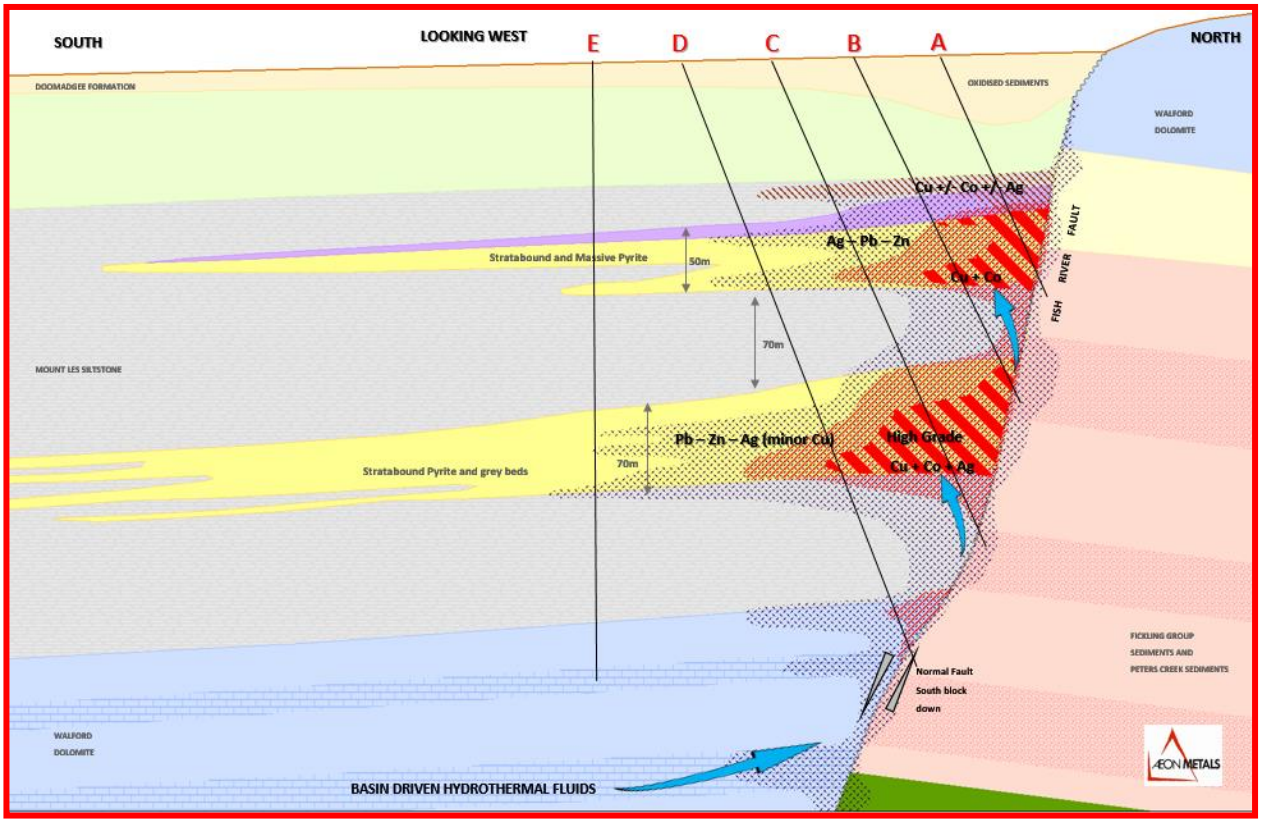


Figure 1: Schematic cross section of Walford Creek showing zonation of metals and drill effectiveness.

The targeting of the high-grade mineralisation schematically represented in Figure 1 shows four possible hole positions on the schematic geological model section (see Appendix 5 for A-E description). They demonstrate the relative effectiveness of each hole to test the high-grade zones associated with the Py1 and Py3.

The second round of drilling, which commenced on 22 September, has recently confirmed the validity of the Zambian Copperbelt style model (see Figure 2) and provides real encouragement to identify more and continuous high-grade copper and cobalt in the Py3 adjacent to the FRF. All holes have intersected mineralisation.

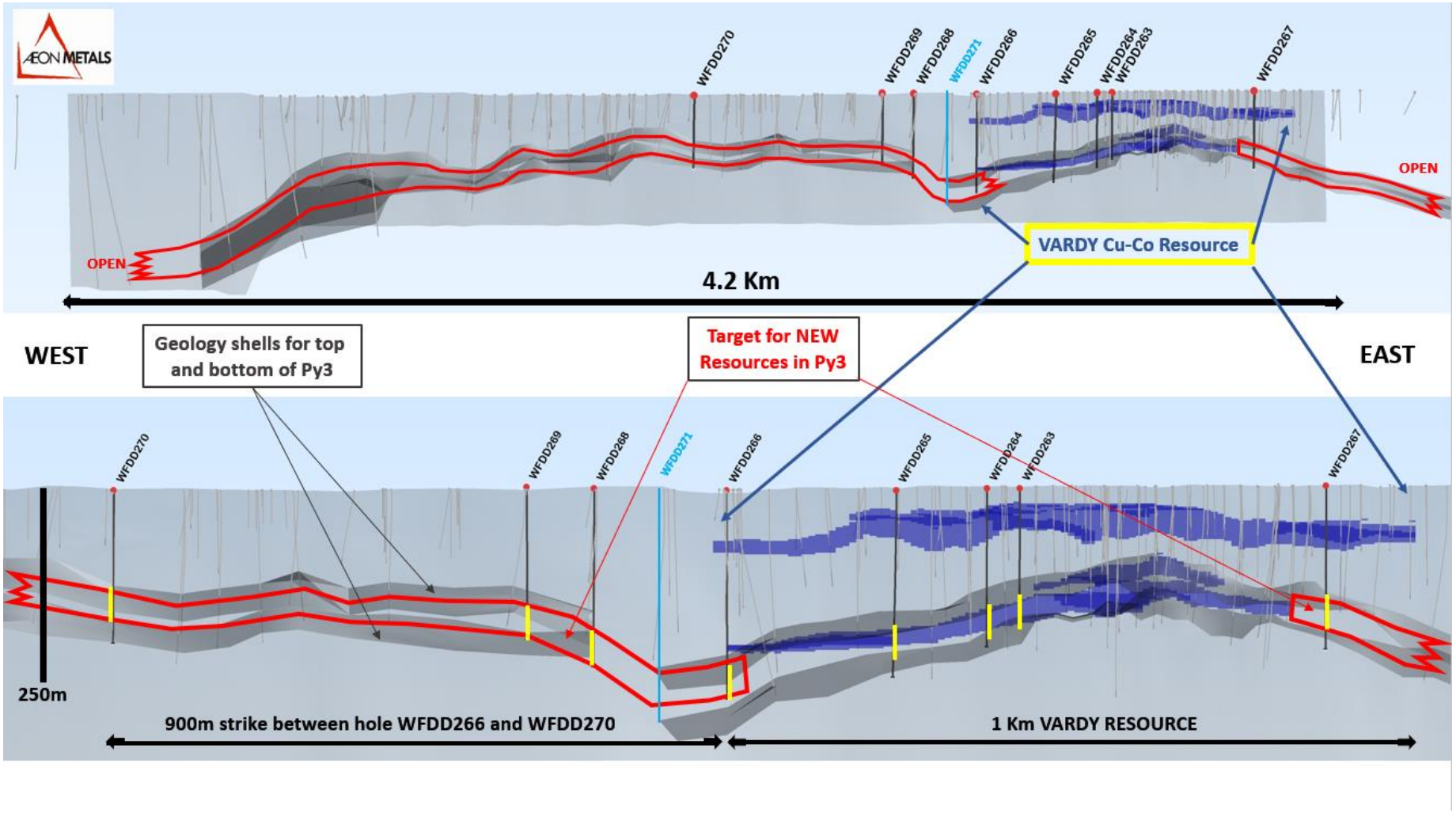


Figure 2: Schematic long section of the Vardy Zone showing approximate Resource blocks (Blue) for the copper-cobalt Resource. The hole traces for completed holes and hole WFDD271 are shown stepped out to the west to test large gaps in the drilling of the lower PY3 unit.

Results for the current drill campaign are expected to be received progressively over the next 6-8 weeks. Once these results are received, the geological model will be updated utilising all of the 2017 drill assay results and a subsequent material upgrade of the high-grade Vardy Resource is likely, a significant milestone for the Company. This Resource upgrade will dictate a rescoping/rescaling of the feasibility items required for expediting project development in 2018.

Finally, the Company moved its premises in Mount Isa to a single location in Commercial Road to increase the Company's capacity to store core from the Walford Project and, in addition, allow better facilities for processing of that core. This includes some cutting for metallurgical purposes followed by bagging and expulsion of oxygen from the bag using a nitrogen flush.

Corporate

During the quarter the Company placed 39.2million shares at 14 cents to sophisticated and institutional investors to raise $5.5million before costs. The placement was oversubscribed enabling Aeon to upsize the offer. The Aeon Board was happy to broaden the Share Register with a good mix of domestic and international long-term resource focused institutional investors along with new and existing sophisticated investors participating in the placement. Bell Potter Securities Limited was the Manager of the issue. The shares were issued on 17 August 2017.

On 8 May 2017 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 17 December 2019 ("Repayment Extension"). The debt of $27.68 million (plus capitalised interest) was due for repayment on 17 December 2017. In consideration of the Repayment Extension, the Company agreed, subject to shareholder approval, to issue to OCP 85 million warrants each expiring on 17 December 2019 ("2017 Warrants") and exercisable at 16 cents. As with warrants issued to OCP in 2014 and 2015, the Company also agreed to seek shareholder 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 ("Section 611 Approval"). A General Meeting of shareholders held on 11 August approved the issue of the 2017 Warrants and the Section 611 Approval. The Meeting also approved an Employee Incentive Share Plan, Incentive Share Loan Extensions for 2 Directors and the issue of 2.5 million Incentive Loan Shares to each of the Directors. The 2017 Warrants, the Incentive Loan Shares for Directors and 3.3 million shares under the Employee Incentive Share Plan were issued on 17 August 2017.

The Company's 2017 AGM will be held on 20 November 2017. The AGM Notice and Annual Report to shareholders were released on 17 October 2017.

Exploration & Evaluation Expenditure

During the quarter, the Company expended approximately $1,110,000 on exploration and evaluation activities.

As at 30 September 2017, the Company had available cash of approximately $5.2M.

Appendix 5B

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

For more information, please contact:

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APPENDIX 1 - TENEMENT HOLDINGS AS AT 30/9/17

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	20%
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 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

Note: JORC Table 1 information in relation to these holes is available in the relevant ASX announcements of these holes.

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	-65.00	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	-72.50	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	-69.00	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	-62.00	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	-60.00	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	-70.00	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	-70.00	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	-70.00	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	-70.00	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

WFRC242	214105	8032043	355.00	-60.00	6.00		94.00	100.00	0.09	0.00	0.05	1.97	23.50

WFRC243	214190	8032053	355.00	-60.00	No significant mineralisation in pre-collar								
WFRC244	214400	8032525	299.00	-60.00	6.00		66.00	72.00	0.17	0.00	0.00	0.00	1.36
WFRC245	214499	8031951	350.00	-75.00	No significant mineralisation								
WFPD246	214119	8031987	2.00	-72.00	No significant mineralisation in pre-collar								
WFPD247	213830	8031936	355.00	-60.00	No significant mineralisation in pre-collar. Hole deviated.								
WFRC248	211615	8031250	5.00	-66.00	No significant mineralisation in pre-collar								
WFRC249	211718	8031281	357.00	-60.00	16.00		12.00	28.00	0.06	0.03	0.01	1.32	7.33
					and	15.00	52.00	67.00	0.27	0.04	0.47	0.18	8.64
WFRC250	211370	8031075	355.00	-63.00	34.00		82.00	116.00	0.69	0.06	0.10	1.14	10.26
					Incl	16.00	100.00	116.00	1.30	0.06	0.06	1.50	12.96
					Incl	5.00	102.00	107.00	3.52	0.12	0.07	3.79	22.70
WFRC251	211881	8031311	355.00	-73.00	4.00		62.00	66.00	0.03	0.24	1.14	8.95	16.47
WFRC252	211483	8031124	355.00	-62.00	16.00		12.00	28.00	0.06	0.03	0.01	1.32	7.33
					and	15.00	52.00	67.00	0.27	0.04	0.47	0.18	8.64
WFRC253	211492	8031172	358.00	-65.00	14.00		31.00	45.00	0.23	0.04	0.04	0.10	5.80
					Incl	5.00	38.00	43.00	0.37	0.06	0.03	0.16	8.68
WFRC254	211279	8031027	355.00	-72.00	5.00		60.00	65.00	0.31	0.08	0.06	0.14	26.93
					and	8.00	85.00	93.00	0.09	0.13	6.90	0.27	24.63
					Incl	5.00	87.00	92.00	0.10	0.15	10.00	0.38	31.92
WFRC255	211436	8031113	355.00	-61.00	13.00		44.00	57.00	0.48	0.07	0.48	1.08	10.54
					Incl	6.00	49.00	55.00	0.60	0.11	0.49	1.13	14.37
WFRC256	212228	8031606	355.00	-60.00	12.00		21.00	33.00	0.39	0.07	0.13	0.05	10.36
WFRC257	212330	8031649	357.00	-60.00	22.00		26.00	48.00	0.57	0.12	0.74	0.36	17.27
WFPD258	213806.2	8031990.2	4.00	-78.00	40.00		64.00	104.00	0.09	0.08	0.35	0.47	10.00
					Incl	15.00	88.00	103.00	0.20	0.10	0.35	0.47	10.00
					And	19.00	147.00	166.00	0.53	0.14	5.44	1.67	54.68

					Incl	10.00	147.00	157.00	0.30	0.14	10.00	1.63	69.15
					This Includes	5.00	152.00	157.00	0.20	0.18	18.39	2.28	92.00
					And	6.00	157.00	163.00	1.04	0.11	0.34	1.78	30.00
					NB 5m @ 0.29% Mo from 161m								
WFRC259	213453	8031945	355.00	-60.00	26.00		22.00	48.00	2.43	0.07	0.40	0.14	28.24
					Incl	12.00	34.00	46.00	5.07	0.10	0.50	0.16	37.25
					And	7.00	34.00	41.00	7.66	0.09	0.08	0.06	49.06
WFRC260	213904	8031992	0.00	-87.00	No significant results. Hole lifted and swung								
WFPD261	212347	8031585	355.00	-66.00	6.00		70.00	76.00	0.02	0.14	3.40	3.53	23.34
					And	14.00	159.00	173.00	0.00	0.03	0.38	2.91	27.21
					Then	13.00	173.00	EOH	0.64	0.12	0.08	0.09	13.37
					Incl	5.00	176.00	181	0.95	0.26	0.06	0.10	18.85
WFPD262	213804	8031972	7.00	-78.00	26.00		163.00	189.00	0.39	0.13	5.24	2.90	61.97
					Incl	15.00	163.00	178.00	0.12	0.11	9.00	4.58	80.43
					And	6.00	178.00	184.00	1.15	0.16	0.11	0.93	36.28
WFPD263	213804	8031972	7.00	-78.00	9.00		143.00	152.00	2.00	0.24	0.18	0.20	24.90
					And	9.00	152.00	161.00	0.00	0.03	0.64	3.17	36.28
					And	25.00	169.00	194.00	2.20	0.16	0.14	0.11	17.62
					Incl	10.00	184.00	194.00	4.63	0.14	0.17	0.16	21.70

APPENDIX 4 – 2017 DRILL PROGRESS TABLE

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
WFPD262	213804.0	8031972.0	105	12.0	-78.0	204.4

APPENDIX 5 – GEOLOGICAL MODEL DESCRIPTION

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

+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 September 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	(1,110)	(1,110)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(355)	(355)
	(e) administration and corporate costs	(525)	(525)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	9	9
1.9	**Net cash from / (used in) operating activities**	**(1,969)**	**(1,969)**

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

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	-	-
	(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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	5,500	5,500
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	(286)	(286)
3.5	Proceeds from borrowings	-	-
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**	**5,214**	**5,214**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,914	1,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,969)	(1,969)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,214	5,214
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,159**	**5,159**

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	5,159	5,159
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)**	**5,159**	**5,159**

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	172
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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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	1,140
9.2	Development	-
9.3	Production	-
9.4	Staff costs	300
9.5	Administration and corporate costs	445
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,885**

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 17002	Relinquished 3 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: ..... Date: 31 October 2017
(Managing Director)

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.