



ASX Announcement — 30 January 2018

Quarterly Report For the three months ending 31 December 2017

Aeon Metals Limited

ABN 91 121 964 725

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NSW 2000, Australia

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Qld 9726, Australia

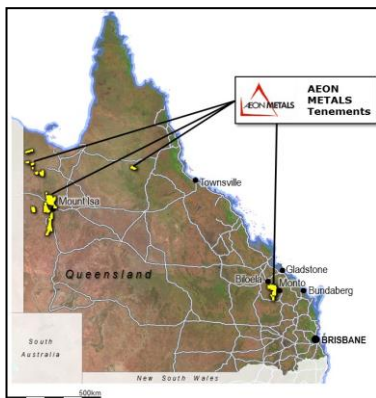
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ASX Code - AML

Shares on Issue: 581m
Share Price: \$0.28
Market Capitalisation: \$162m
Cash (31 Dec 2017): \$16.8m

All mineral resources projects
located in Queensland:



HIGHLIGHTS

The second-round of 2017 drilling at Aeon Metal Ltd's ("Aeon" and/or the "Company") 100% owned Walford Creek Project commenced on 22 September 2017 and was completed on 29 October with final assay results reported during the quarter. The total drilling for the second-round program was 9 holes for 2,347 metres.

The drilling campaign was focussed on targeting the PY3 mineralised unit both within the Vardy Resource (4 holes) and outside and along strike of the Vardy Resource (5 holes). Earlier holes consistent with the geological model had shown that high grade copper-cobalt was found within this PY3 unit with potentially the best copper-cobalt grades at the base of the unit. This was supported by the revised exploration model which suggested that Walford Creek has many similarities to sediment hosted copper-cobalt deposits in Zambia.

The second-round drill program conclusively confirmed this sediment hosted Copper-Cobalt model with outstanding results achieved in all the holes drilled. Examples of significant intersections (see Appendix 3 for full list) for the program included:

Hole WFDD263:

- 25m @ 2.20% Cu, 0.16% Co and 18gt Ag from 169m, including;
 - 10m @ 4.63% Cu, 0.14% Co and 22gt Ag from 184m

Hole WFDD264:

- 31m @ 1.10% Cu, 0.21% Co and 33gt Ag from 186m
- 22m @ 1.26% Cu, 0.25% Co and 36gt Ag from 189m

Hole WFDD265:

- 38m @ 1.07% Cu, 0.15% Co and 26gt Ag from 226m, including;
 - 20m @ 1.41% Cu, 0.16% Co and 25gpt Ag from 244m

Hole WFDD266:

- 36m @ 1.26% Cu, 0.20% Co and 43gt Ag from 275m, including;
 - 20m @ 1.86% Cu, 0.30% Co and 64gpt Ag from 288m

Hole WFDD267:

- 10m @ 1.45% Cu, 0.13% Co, 1.43% Zn and 28g/t Ag from 196m

Hole WFDD268:

- 22m @ 2.00% Cu, 0.31% Co and 37g/t Ag from 201m

Hole WFDD269:

- 13m @ 1.56% Cu, 0.30% Co and 28g/t Ag from 98m

Hole WFDD270:

- 45m @ 2.21% Cu, 0.32% Co and 43g/t Ag from 185m, including;
 - 30m @ 2.99% Cu, 0.44% Co and 50g/t Ag from 188m

As a result of the successful 2017 drill campaigns, on 24 January 2018 the Company announced the results of an updated independent Resource estimation (see 24 January announcement). The updated Resource estimates have two components, namely a Copper Lode Resource and a Cobalt Peripheral Resource. The Copper Lode Resource is over double the size of the previous Vardy Resource (6.6mt @ 1.25% Cu and 0.16% Co) announced in December 2016. This combined with the additional Cobalt Peripheral Resource shows Walford Creek to have one of the highest grade and largest tonnages of cobalt metal content among the cobalt sulphide deposits in Australia.

Copper Lode Resource:

Category	Mt	Cu %	Pb %	Zn %	Ag g/t	Co %	Pyrite %
Measured	1.2	1.25	0.89	0.81	26.3	0.16	44.4
Indicated	3.8	1.19	0.69	0.88	23.6	0.14	41.4
Inferred	10.7	1.25	1.09	0.81	37.8	0.16	40.9
Total	15.7	1.24	0.98	0.82	33.5	0.15	41.3

Category	Cu Kt	Pb Kt	Zn Kt	Ag Mozs	Co Kt	Pyrite Kt	Density t/m ³
Measured	14	10	9	1.0	1.8	509	3.40
Indicated	45	26	34	2.9	5.4	1,575	3.40
Inferred	134	118	86	13.1	16.8	4,396	3.35
Total	194	154	129	16.9	24.0	6,480	3.37

(minor rounding errors)

Cobalt Peripheral Resource:

Category	Mt	Cu %	Pb %	Zn %	Ag g/t	Co %	Pyrite %
Measured	1.8	0.13	0.54	1.16	17.4	0.12	47.4
Indicated	6.5	0.17	0.66	1.13	17.8	0.10	39.5
Inferred	9.7	0.16	1.03	0.95	25.2	0.12	37.6
Total	18.0	0.16	0.85	1.03	21.8	0.11	39.2

Category	Cu Kt	Pb Kt	Zn Kt	Ag Mozs	Co Kt	Pyrite Kt	Density t/m ³
Measured	2	10	21	1.0	2.1	853	3.37
Indicated	11	43	73	3.7	6.2	2,548	3.27
Inferred	16	100	92	7.9	11.2	3,645	3.21
Total	30	152	186	12.6	19.5	7,046	3.25

(minor rounding errors)

The significant increase in Resources at Walford Creek now enables optimisation of the previous preliminary economic assessments. Additionally, a drill campaign is forecast to commence in April utilising 3 rigs to drill at least 30,000m to advance the known mineralisation to development status as well as to test the 22 kms of potential extension of the current Resources on the Company's 100% owned tenements.

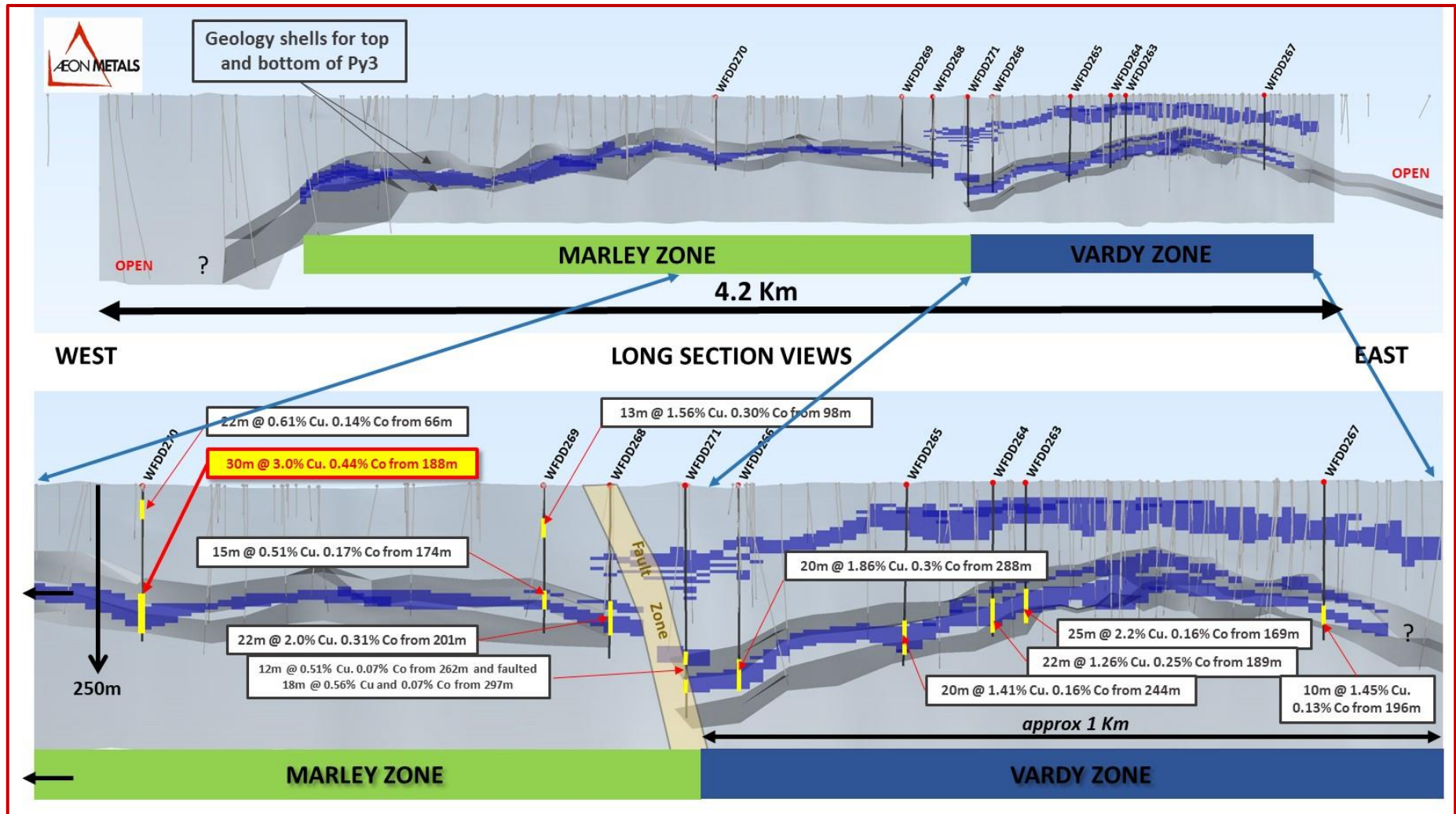


Figure 1: Schematic long section of the Marley and Vardy Zones showing approximate Resource blocks (Blue) for the Copper Lode Resource (Cobalt Peripheral Resource not shown). Second round 2017 drill hole significant intercept assays also shown.

During December Aeon was awarded two government grants for its Walford Creek Project under the first round of the Collaborative Exploration Initiative (“CEI”). The grants are designed to stimulate investment in under-explored parts of north-west Queensland and they are administered by the Queensland Department of Natural Resources and Mines.

The first grant of **\$135,000** will be used to fund a tenement wide seismic survey with a 2D line aimed at exposing structure and stratigraphy along the entire strike (East to West) of the Fish River Fault (“FRF”) and additional 2D lines perpendicular to the FRF. These perpendicular North-South lines will assist in refining drill targets for testing. The first line will be undertaken across the Vardy Zone where the most detailed drilling has been undertaken. This template of information will assist with the interpretation of other proposed seismic lines.

The second grant of **\$50,000** will be used in a proof of concept approach focussed on drill testing the targets identified in the seismic survey and will utilise Aeon Metals’ geological model to the west and east of the Walford Creek Cu-Co-Zn-Pb-Ag deposit.

Both grants represent 50% of total work costs for both the initial seismic work and then the follow up drilling. A further 25% of costs is available if the work is completed and reported on or before 10 August 2018.

Corporate

On 20 November 2017, the Company held its 2017 AGM and all resolutions put to the Meeting were approved.

On 5 December 2017, OCP Asia Group (“OCP”), through subsidiaries OL Master Limited and OL Master (Singapore Fund 1) Pte Limited (formerly named OL Master (Singapore) Limited), exercised 73 million warrants each at 9.35 cents. The warrant holders elected not to pay the exercise moneys in cash but by reduction in the limited recourse debt (\$22.83 million plus capitalised interest) then owed by the Company to the warrant holders.

On 15 December the Company placed 107.2 million shares at 28 cents to sophisticated and institutional investors to raise \$30 million before costs. The proceeds from the Institutional Placement will be used for a range of Company defining purposes including;

- Expanded drill program for 2018;
- Bankable Feasibility Study items; and
- Strengthen balance sheet – on 29 December the Company made a debt repayment of \$15.5 million to OCP.

Exploration & Evaluation Expenditure

During the quarter, the Company expended approximately \$924,000 on exploration and evaluation activities.

As at 31 December 2017, the Company had available cash of approximately \$16.8m.

Appendix 5B

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

For more information, please contact:

Hamish Collins
Managing Director

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www.aeonmetals.com.au

APPENDIX 1 - TENEMENT HOLDINGS AS AT 31 December 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	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 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 SECOND DRILL PROGRAM SIGNIFICANT INTERCEPTS

Hole No.	Easting	Northing	AZI	Dips	Intersect	From	To	Cu	Co	Pb	Zn	Ag	
			degrees	degrees									m
WFDD263	213804	8031972	0.00	-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
WFDD264	213357	8031856	0.00	-81.00	13.00	168.00	181.00	0.02	0.02	0.90	1.47	17.45	
					And	31.00	186.00	217.00	1.10	0.21	0.76	0.67	32.70
					Incl	22.00	189.00	211.00	1.26	0.25	0.88	0.36	35.89
					Incl	5.00	202.00	207.00	2.18	0.49	0.45	0.32	41.65
					Incl	8.00	209.00	217.00	0.90	0.12	0.31	1.94	28.97
WFDD265	213224	8031780	0.00	-71.00	10.00	64.00	74.00	0.00	0.05	0.09	1.15	15.00	
					And	38.00	226.00	264.00	1.07	0.15	0.55	0.51	25.50
					Incl	20.00	244.00	264.00	1.41	0.16	0.19	0.36	24.60
					And	2.00	277.00	279.00	0.04	0.01	0.10	5.12	10.50
WFDD266	212975	8031745	5.00	-75.00	5.00	100.00	105.00	0.02	0.05	0.52	7.12	22.00	
					And	35.00	109.00	144.00	0.05	0.08	0.57	5.03	19.10
					And	4.00	144.00	148.00	2.27	0.39	0.11	0.32	28.80
					And	2.00	160.00	162.00	0.08	0.08	0.13	4.50	41.00
					And	2.00	236.00	238.00	2.00	0.04	0.00	0.00	5.00
					And	7.00	268.00	275.00	0.06	0.12	2.08	2.84	22.30
					And	36.00	275.00	311.00	1.24	0.20	0.39	0.25	43.00
					Incl	20.00	288.00	308.00	1.86	0.30	0.53	0.28	63.90
WFDD267	213854	8031963	0.00	-78.00	3.00	61.00	64.00	0.00	0.04	0.03	1.33	9.00	
					And	7.00	108.00	115.00	0.02	0.06	0.03	1.06	12.00
					And	8.00	181.00	189.00	0.01	0.02	0.93	1.31	31.50
					And	10.00	196.00	206.00	1.45	0.13	0.24	1.42	28.00
					And	13.00	206.00	219.00	0.10	0.02	0.02	1.26	6.00
WFDD268	212779	8031795	0.00	-78.00	22.00	201.00	223.00	2.00	0.31	0.11	0.16	36.70	
WFDD269	212682	8031779	0.00	-78.00	13.00	98.00	111.00	1.56	0.30	0.26	0.43	28.00	
					And	15.00	174.00	191.00	0.20	0.34	0.19	0.14	0.09

WFDD270	212077	8031478	0.00	-76.00	22.00	66.00	88.00	0.61	0.14	0.15	2.52	12.80
					And	45.00	185.00	230.00	2.21	0.32	1.50	43.20
					Incl	3.00	185.00	188.00	0.16	0.10	20.80	90.00
					Incl	30.00	188.00	218.00	2.99	0.44	0.19	49.80
					Incl	2.00	225.00	227.00	4.06	0.19	0.13	34.60

WFDD271	212890	8031762	0.00	-76.00	5.00	120.00	125.00	0.00	0.02	0.07	1.21	12.00
					And	4.00	160.00	164.00	0.00	0.08	0.20	14.00
					And	6.00	171.00	177.00	1.26	0.02	0.04	5.00
					And	12.00	262.00	274.00	0.51	0.07	0.50	30.00
					And	18.00	297.00	315.00	0.56	0.07	0.05	14.50



APPENDIX 4 – 2017 SECOND ROUND DRILLING TABLE

Hole_ID	gda94 East	gda94 North	gda94 RL	Azimuth (grid)	Dip	Max Depth
WFDD263	213405	8031873	107	0	-78	209.6
WFDD264	213357	8031856	107	0	-81	234.7
WFDD265	213224	8031780	106	0	-71	285.0
WFDD266	212975	8031745	105	5	-75	315.6
WFDD267	213854	8031963	105	0	-78	240.6
WFDD268	212779	8031795	105	0	-78	266.5
WFDD269	212682	8031779	105	0	-78	227.5
WFDD270	212077	8031478	105	0	-76	241.3
WFDD271	212890	8031762	105	0	-76	357.7



AEON METALS

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	31 December 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	(924)	(2,034)
(b) development	-	-
(c) production	-	-
(d) staff costs	(257)	(612)
(e) administration and corporate costs	(127)	(652)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	45
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)	(86)	(77)
1.9 Net cash from / (used in) operating activities	(1,361)	(3,330)

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	30,016	35,516
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	6,825	6,825
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,501)	(1,787)
3.5 Proceeds from borrowings	2	2
3.6 Repayment of borrowings	(22,325)	(22,325)
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	13,017	18,231

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,159	1,914
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,361)	(3,330)
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)	13,017	18,231
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	16,815	16,815

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	16,815	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)	16,815	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	194
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	705
9.2 Development	-
9.3 Production	-
9.4 Staff costs	301
9.5 Administration and corporate costs	115
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,121

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	-	-	-	-
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:30 January 2018.....

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.