



2022 Annual Report

ABN 91 121 964 725

aeonmetals.com.au

Corporate Directory

Directors

Fred Hess
(managing director)

Paul Harris
(non-executive chair)

Ivan Wong
(non-executive director)

Andrew Greville
(non-executive director)

Company Secretary

Lucy Rowe

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Chair's Letter

Dear fellow shareholders,

It is my pleasure to present the Aeon Metals Annual Report for 2022.

It has been a year of great change for global markets and for the Company. Despite the easing of pandemic restrictions, we have also seen a rise in geopolitical tensions and supply chain disruptions across key regions throughout the world. I would like to express my sincere thanks and gratitude to all our employees and contractors for persevering through the long-standing pandemic restrictions and who have continued to adapt to each challenge brought about from these dynamic market conditions. To you all, I say thank you for your dedication and hard work – your efforts have not gone unnoticed.

Throughout the year, we welcomed new members to the Aeon team. Ms Lucy Rowe from Automic Group assumed the role of Company Secretary in August 2022. Lucy is an experienced compliance and corporate governance professional with more than 20 years' experience in the financial services, oil and gas, and IT industries. I am delighted to be able to add her expertise to the Aeon team.

In August, we also appointed Mr Greg Collins as our new Exploration Manager. Mr Collins is an experienced geologist with over 30 years in exploration and mine geology roles and has an impressive record of international and Australian experience particularly in copper and gold exploration. In the short term, Greg will oversee the testing of key regional targets identified from geophysical surveys undertaken over the last two years.

During the past year, we have refined our strategy in advancing the high-grade Walford Creek copper-cobalt project.



As a result of lingering effects of COVID-19 on workforce availability, supply bottlenecks and cost volatility, a decision was made to pause our efforts in completing a comprehensive Pre-Feasibility Study (PFS) on Walford Creek. Instead, we plan to focus on the significant upside exploration potential at Walford Creek in the interim while market forces realign and stabilise. This decision has enabled us to greatly expand our exploration activities under an aggressive drilling program with a renewed focus of increasing the scale of the Walford Creek project. This involves the extension of the known mineral resources along both the Fish River Fault and the addition of new mineral resources along other newly identified target areas.

As the Walford Creek project continues to advance, I am pleased to reaffirm Aeon's commitment to renewable energy supply penetration and environmental safeguarding. We remain proud to be advancing a project set to produce a range of metals integral to the Net Zero emissions by the 2050 benchmark and in support of the movement towards achieving a rapidly decarbonised world.

On behalf of the Aeon Board and management team I wish to thank all our shareholders for your ongoing support and dedication to the Company and its prospects. In May 2022, we raised A\$9.1 million in new equity via a placement and one-for-three entitlement offer. With this capital raise, Aeon is strategically placed to capitalise from existing market opportunities and to progress our dedicated growth strategy.

I would like to finish with an expression of thanks to our previous Exploration Manager, Pete Moorhouse, and Company Secretary, David Hwang, who both stepped down from their respective roles in August 2022. Pete has done an outstanding job in closing out the 2021 drilling campaign and advancing the 2022 drilling campaign to its current position. I would like to say thank you to Pete and David for their dedication and service to the Company and I wish them all the best in their future endeavours. I would also like to express my gratitude to our major shareholder, OCP Asia, for its steadfast and continued support for the business.

I look forward to communicating with all attending shareholders at our 2022 Annual General Meeting.

I wish you all the best in the year ahead.

Yours faithfully,



Paul Harris
Non-Executive Chair
Aeon Metals Limited





Directors' Report

For the year ended 30 June 2022

The directors present their report, together with the financial report of the Group, comprising Aeon Metals Limited (the "Company" or "Aeon") and its controlled entities (together, "the Group") for the year ended 30 June 2022 and the Independent Auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the reporting period are:

- **Dr Fred Hess** (Managing Director)
- **Mr Paul Harris** (Chairperson, Non-Executive Director)
- **Mr Ivan Wong** (Non-Executive Director)
- **Mr Andrew Greville** (Non-Executive Director)

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated. Information on each person's qualifications, experience and special responsibilities is given later in the Directors' report.

Company Secretary

The Company Secretary at the end of the financial period was Mr David Hwang. On 26 August 2022, the Company announced that Mr Hwang has been replaced with Ms Lucy Rowe.

Details of Ms Rowe's skills and experience are detailed later in this Report.

Principal Activities

The principal activities of the Group during the financial period were:

- The exploration and development of the Walford Creek (100% owned) Copper-Cobalt project ("Walford Creek" or the "Project").

The Group's mineral assets otherwise comprise an extensive tenement holding in Queensland, namely:

- A 100% interest in permits comprising:
 - Greater Whitewash Polymetallic Project ("Greater Whitewash");
 - Ben Hur Copper Project ("Ben Hur"); and
 - 7B Copper/Gold Project ("7B").
- A 100% interest in the Forsyth Gold Project.
- Various interests in permits of the Isa North base metals EPMs and MDLs.
- Various interests in permits of the Isa West base metals EPMs.
- Various interests in permits of the Isa South copper-gold EPMs.
- Various interests in permits of the Constance Range base metals EPMs.

There were no significant changes in the nature of the Group's principal activities during the financial period.

Operating and financial review

Operating Results

The loss of the Group amounted to \$3,454,000 (2021: \$6,057,000) including impairment losses of \$366,000 (2021: \$1,144,000).

Dividends

No dividends were paid or declared, and no dividends have been recommended by the Directors (2021: \$Nil).



Review of Operations

Overview

Walford Creek Copper-Cobalt Project hosts one of Australia's highest grade cobalt deposits. The known mineralisation extends over approximately 10 km adjacent to the Fish River Fault (**FRF**). The extensively drilled ~4 km strike of the Marley and Vardy zones hosts a Mineral Resource Estimate (**MRE**) of 39.3 Mt, with over 97% in the Measured and Indicated categories. The sparsely drilled Amy zone to the west hosts an Inferred MRE of 5.1 Mt. Drilling over the 10 km of strike extent highlights the consistency of both the stratigraphy and style of mineralisation leading to greater confidence for further exploration success.

The primary metal products that Walford Creek will yield include copper, cobalt, zinc and nickel. These are some of the key metals required to support the move towards Net Zero Carbon Emissions by 2050. As such, the outlook for the development of Walford Creek is very positive with long term demand strong and the prospect of future higher metal prices to incentivise new developments growing.

Aeon started this year with a fresh outlook on the proposed processing route to recover the valuable metals in the Walford Creek polymetallic deposit. The focus for this year was on moving to complete a Pre-Feasibility Study (**PFS**) on Walford Creek in early 2022, following the successful completion of a Scoping Study in June 2021. The work commenced in the second half of 2021 with a substantial program of metallurgical testwork designed to validate key aspects of the proposed flowsheet.

In conjunction with the technical studies program of work, Aeon completed a comprehensive in-fill drilling program at Walford Creek in November 2021. This was focussed on securing sufficient representative core to complete the metallurgical testwork program while further increasing confidence in the MRE classification. It was considered that the combination of both the technical study and in-fill drilling programs would be sufficient to support project development.

As part of the 2021 site field exploration program, high resolution gravity and magnetic surveys were also completed over the Walford tenement package. These surveys were the first region-scale attempt to identify additional opportunities for hosting mineralisation. The survey results highlighted the known mineralisation and also revealed similar geophysical signatures along fault structures both adjacent to the FRF and elsewhere. In addition to the known mineralisation along the 10 km strike adjacent to the FRF, a further 15 km of similar structure was identified as delivering new prospective drill targets.

Progress against the planned PFS activities continued to be hampered by the lingering effects of Covid-19 on workforce availability. In addition, it became apparent in early 2022 that the cumulative effects on the macro-economic environment of Covid-19 related supply chain bottlenecks, rising inflation, rising energy prices and the general fallout from the February Ukrainian invasion had



heightened global volatility and uncertainty leading to a dampening in general mining investment economics and enthusiasm. Against this backdrop, the decision was made to pause the PFS and instead focus on the significant upside exploration potential at Walford Creek.

This approach had the primary objective of substantially increasing the scale of the Walford Creek Project through an extension of the known mineral resources along both the FRF and in the newly identified target areas. Project scale is vital to driving improved economic outcomes (e.g. lowering opex and/or longer mine life) and also to attracting project development support. With international markets requiring further time to again become comfortable with project development initiatives through stabilisation of both input costs and revenue streams,

leveraging exploration success in the medium term offers the most attractive pathway for Aeon to longer term value creation.

Walford Creek – Fish River Fault Exploration

All of the 2021 drilling was completed within, or adjacent to, the Vardy and Marley zones, while the Amy zone was excluded (see Figure 1). The program commenced with a single, multi-purpose drill rig operating on double shift from 3 June 2021. A second rig was added on 18 September 2021. During the 2021 drilling program, a total of 46 new drill holes were completed in addition to a diamond tail to an historic drill hole. This represents a total of 8,951 metres of drilling that was added to the existing geological dataset used to compile the updated MRE.

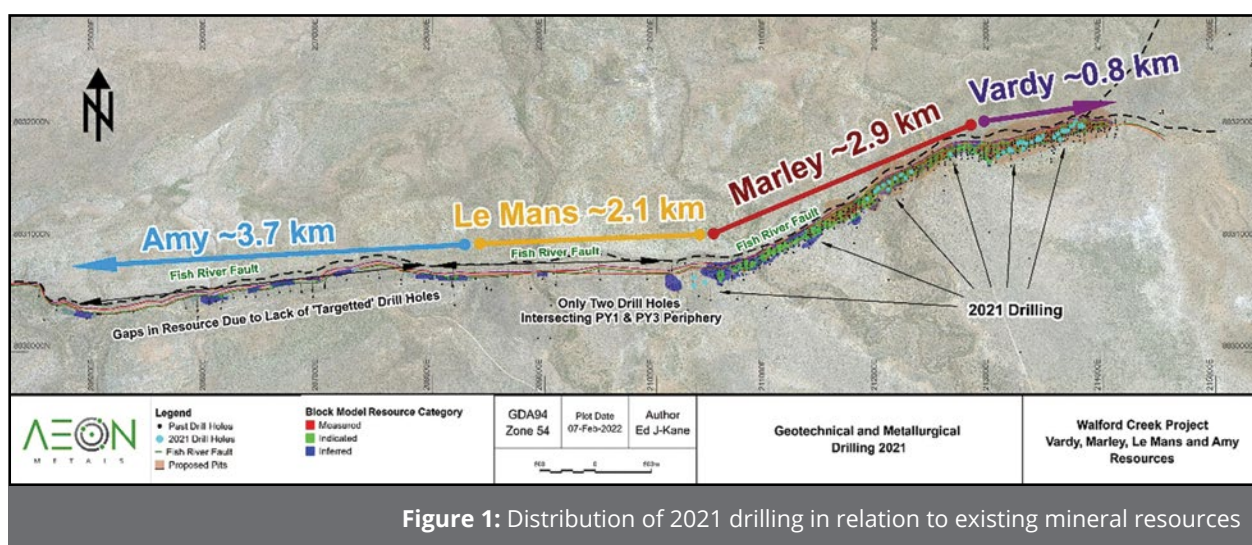


Figure 1: Distribution of 2021 drilling in relation to existing mineral resources

Updated Vardy & Marley Zone Mineral Resource Estimates

The Vardy & Marley MRE now contains **39.3 Mt extending over a strike length of 3.6 km**. Of this, 97% or 38.1 Mt of the total tonnage is classified as Measured and Indicated.

Copper Mineral Resource

The Vardy & Marley Copper MRE increased to **20.1 Mt @ 1.08% Cu, 0.15% Co, 31 g/t Ag, 1.03% Pb, 0.75% Zn and 0.06% Ni**. The corresponding previous Copper Mineral Resource estimate completed in April 2021 was 19.6 Mt @ 1.08% Cu, 0.15% Co, 31 g/t Ag, 1.03% Pb, 0.73% Zn and 0.07% Ni.

Table 1: Vardy/Marley Copper Mineral Resource (0.5% Cu cut-off)

Category	Mt	Cu %	Pb %	Zn %	Ag ppm	Co %	Ni %	Pyrite %	Density t/m ³
Measured	7.3	1.14	1.07	0.89	28.4	0.15	0.06	42.3	3.46
Indicated	12.1	1.04	1.01	0.66	31.5	0.15	0.07	38.6	3.40
Inferred	0.7	1.05	1.09	0.70	38.9	0.14	0.06	42.7	3.49
Total	20.1	1.08	1.03	0.75	30.6	0.15	0.06	40.1	3.43

Cobalt Peripheral Mineral Resource

The Vardy & Marley Cobalt Peripheral MRE was largely unchanged at **19.2 Mt @ 0.25% Cu, 0.10% Co, 21 g/t Ag, 0.95% Pb, 1.11% Zn and 0.04% Ni**. The corresponding previous Cobalt Peripheral Mineral Resource Estimate completed in April 2021 was 19 Mt @ 0.24% Cu, 0.09% Co, 21 g/t Ag, 0.96% Pb, 1.07% Zn and 0.04% Ni.

Table 2: Vardy/Marley Cobalt Peripheral Mineral Resource (600ppm Co Cut-off on blocks that are outside of Copper Resource)

Category	Mt	Cu %	Pb %	Zn %	Ag ppm	Co %	Ni %	Pyrite %	Density t/m ³
Measured	7.6	0.24	0.87	1.23	19.8	0.10	0.04	43.01	3.38
Indicated	11.1	0.26	0.97	1.03	21.9	0.09	0.04	38.23	3.31
Inferred	0.5	0.23	1.74	0.91	26.9	0.10	0.04	36.61	3.31
Total	19.2	0.25	0.95	1.11	21.2	0.10	0.04	40.08	3.34

The 2021 drilling (see Figure 2) was primarily aimed at producing metallurgical sample and geotechnical data to support the PFS. Holes were designed where possible to also provide infill data for the updated MRE. An improvement in the confidence of the MRE, highlighted by the increase in Measured and Indicated Resource, was achieved through this additional drilling data.

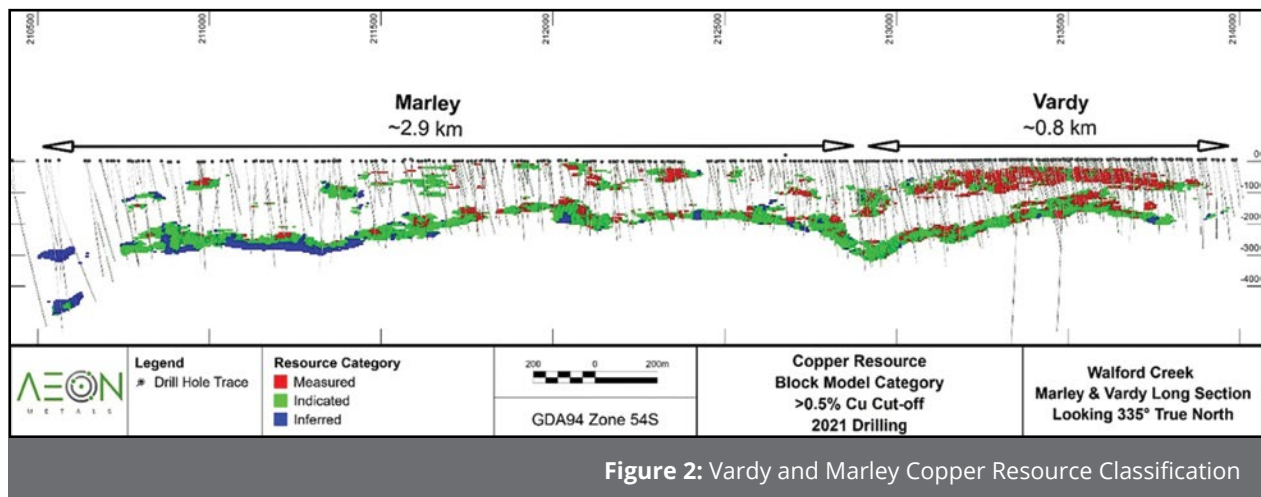


Figure 2: Vardy and Marley Copper Resource Classification



The net result, in terms of a combined Copper Resource and Cobalt Peripheral Resource, saw increases in contained Cu, Co, Zn, Ag, Ni and Pb of 2.5%, 2.1%, 4.8%, 1.9%, 1.6% and 1.9%, respectively, as shown in Table 3.

Table 3: **Vardy/Marley Copper and Cobalt Peripheral Contained Metal Increase**

	Cu kt	Pb kt	Zn kt	Ag Moz	Co kt	Ni kt
Combined Metal 2021	258.0	383.0	346.0	32.3	46.9	20.7
Combined Metal 2022	264.3	390.1	362.6	32.9	47.9	21.0
Increase (actual)	6.3	7.1	16.6	0.6	1.0	0.3
Percentage Increase	2.5%	1.9%	4.8%	1.9%	2.1%	1.6%

The relationship between the different phases of mineralisation at Walford Creek is shown schematically in Figure 3. The massive pyrite hosted high-grade copper/cobalt core tends to be surrounded or encased by a substantial tonnage of massive pyrite mineralisation which hosts cobalt and lower grade chalcopyrite (Cu) mineralisation along with substantial accumulations of argentiferous galena (Pb) and sphalerite (Zn). The PY1 and the DOL units have been combined and modelled together in this resource estimation work.

Walford Dolomite Mineralisation – Vardy and Marley Deepes

Mineralisation at Walford Creek has predominantly been observed, and therefore targeted, within PY1 and PY3 units within the Mount Les Siltstones Formation. Historic drilling typically was terminated at the top of the Walford Dolomite, which underlies the Mount Les Siltstones. A recent review of historic drilling at Walford has highlighted several significant copper intersections, hosted within the Walford Dolomites, in instances where drilling progressed deeper than otherwise typically completed. These have all been previously reported in Aeon's ASX releases and are summarised in Table 4.



The Vardy Deeps target area was defined primarily from a geophysical anomaly from high resolution gravity data collected in Q2 2021 and consists of a dense body that is modelled to be sitting beneath the Vardy MRE within the Walford Dolomite. This feature cannot be explained by the currently known stratigraphy in the area and requires further investigation.

Two exploration holes were completed in the 2021 drilling program, which were designed to advance the Vardy Deeps target for dolomite hosted copper. Results from these holes were documented in AML ASX release dated 11 November 2021. Both of these holes:

- Failed to intercept the base of the Walford Dolomite, instead intercepting the FRF which cuts off the unit before the base was reached.
- Identified two discrete prospective stratigraphic horizons (20 and 30 metres thick), which can be correlated between holes, and hosted minor chalcopyrite mineralisation and hydrothermal alteration textures, yet distal from the FRF.
- Failed to intersect ore grade mineralisation.

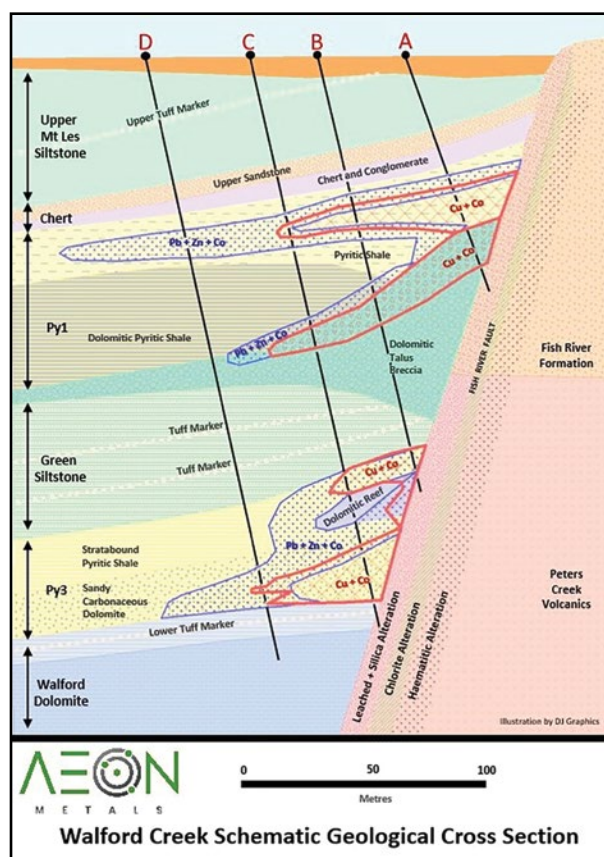


Figure 3: Schematic cross section showing the stylised relationship between the high-grade copper core (red) and the surrounding peripheral cobalt mineralisation (blue) and various locations of drillholes.

Hole A – Copper resource targeted PY1 hole;

Hole B – Peripheral resource targeted PY1 hole & missing copper target on PY3;

Hole C – Copper resource targeted PY3 hole & intersecting edge of peripheral resource in PY1

Hole D – Peripheral PY3 targeted hole & missing peripheral resource in PY1

Table 4: Historic copper drilling intersects within the Walford Dolomite

Total	Intersection (m)	From (m)	Cu (%)
WFDH394	10	209	5.03
WFPD156	9.5	224	2.15
WFDD187	12	218	0.42
WFDH400	3	205	0.4
WFDH401	3	221	4.91
WFDH270	2	225	4.06
WFDH390	3	215	0.8

The drilling delineated two discrete chalcopyrite anomalous and hydrothermally altered stratigraphic units within the Walford Dolomite. Intercepts of these horizons were interpreted to be around 40 metres from the FRF, which is typically beyond the fault bound mineralised copper zones observed elsewhere in the system. Therefore, as with the mineralisation observed at PY3, it is proposed that a target exists where these units sit directly adjacent to the main fault.

The two discrete zones within the Walford Dolomite are deemed significant. It is considered that where these stratigraphically bound units intersect the FRF, the potential for high grade copper could occur. This has direct implications both for the prospectivity beneath the existing mineral deposits, and, within the Walford Dolomite elsewhere within the mineralising system.



Figure 4: Drill core from WFDH375 378.7 metres showing chalcopyrite as matrix infill in the Walford Dolomite (sample is roughly 40 m from the Fish River Fault)



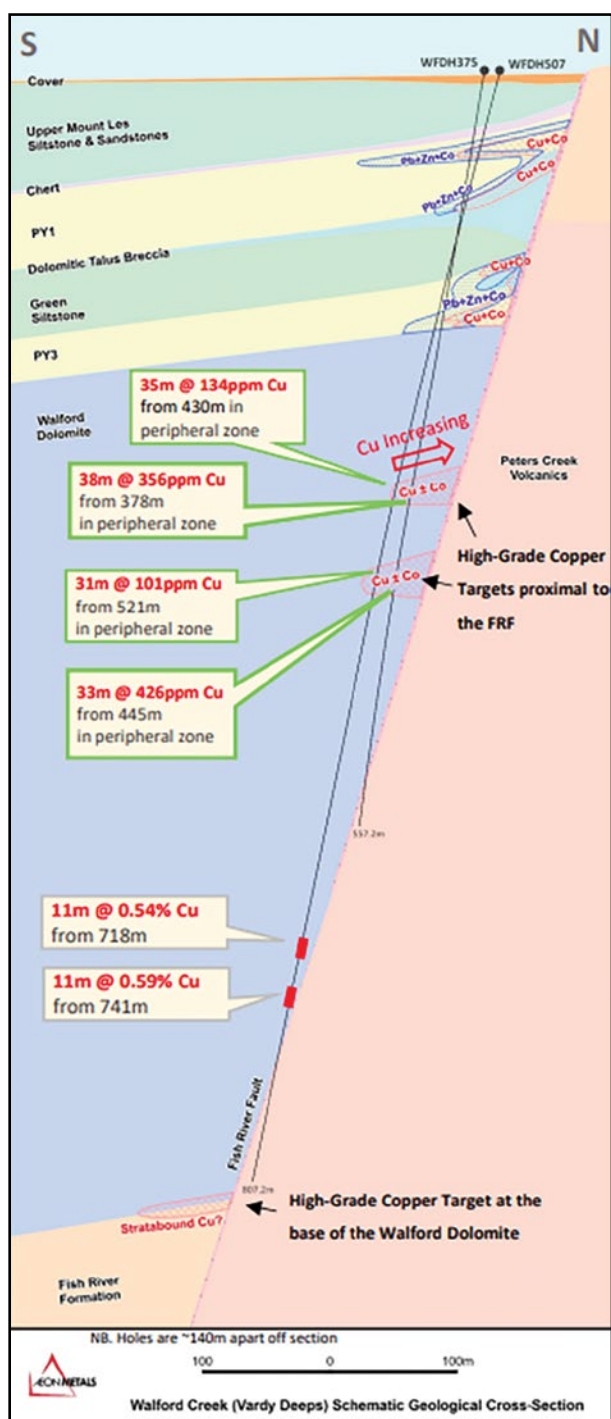


Figure 5: Stylised cross section of Vardy Deeps 2021 Drilling, demonstrating potential for copper mineralisation within the Walford Dolomite.

Walford Creek Regional Exploration

Regional exploration targets were refined in 2021 following extensive project wide magnetic and gravity surveys conducted in Q2 2021. The objective is to systematically test these targets progressively over the coming two years. These targets are shown in Figure 6 and are summarised below.

Amy West Splay

Some of the best copper intersections within the Walford Creek Project area are located at the west of the Amy deposit, including drillhole WFDH378 which intersected 13m @ 3.73% Cu, 0.27% Co and 49g/t Ag from 300m, including 9m @ 5.1% Cu, 0.36% Co and 59g/t Ag. The recently acquired higher resolution geophysics have better delineated an additional structural target that is potentially the mineralised continuation of the FRF.

Dog Leg

The Dog Leg prospect is located around 15 km to the east of Walford Creek. The area is under cover, masking the geology. The 2021 magnetics and gravity surveys helped map the continuation of the FRF beneath this cover sequence. The area has been subjected to limited drilling historically, with only one drill hole, WFDH483, being drilled to date. This hole intersected the favourable PY3 horizon close to surface and a 20 m wide zone with sporadic chalcopyrite veining further down the hole as noted in AML ASX release dated 21 November 2019. Magnetic and gravity responses show similarities to those observed at Vardy and occur along the FRF.

Marley South airborne electromagnetic (AEM) targets

Two discrete AEM targets exist south of the existing deposit trend. These targets form along interpreted structures running parallel to the FRF, which were better defined by the 2021 acquired magnetics data.

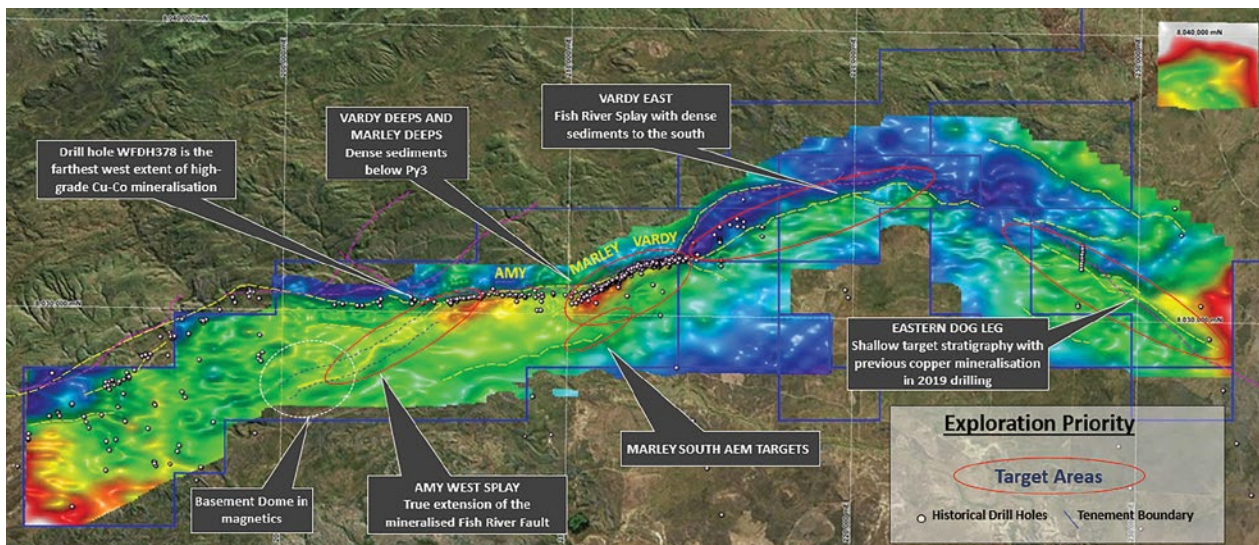


Figure 6: Walford Creek priority regional target portfolio shown on 2021 gravity data

Vardy East Fish River Fault continuation

This target is where the FRF continues east from the Vardy deposit. This structural zone was well defined by the 2021 acquired geophysics. Additionally, magnetic lows and gravity highs adjacent to the FRF are observed, along with a series of correlating airborne electro-magnetic anomalies. The results of the 2021 drilling have increased the prospectivity of this target, as much of the lithology is interpreted as Walford Dolomite. The recent findings at Vardy Deeps increases the prospectivity of this area, and drilling will be considered following the observations for potential dolomite hosted mineralisation after further drilling at Vardy Deeps.

Walford Regional Exploration Airborne Electromagnetic Survey

In 2021, Aeon completed high resolution magnetic and gravity surveys which provided valuable additional targeting data for regional exploration within the Walford Creek Project area. This data has been used both to “fingerprint” the existing known Mineral Resources, as well as refine the structural architecture of the project area.

AEM is considered to be an additional primary tool for refining targets and maximising the chances of drilling success. Wide spaced AEM data was previously collected by CSIRO in 1998 at the Walford Creek Project, with coverage extending only to the Amy-Vardy trend. These AEM results identified a broadly flat-lying, strong conductor that clearly delineates the pyritic shales of the PY1 unit, even at depth.

In July/August 2022, Aeon flew a new CEI-funded high resolution AEM survey. The survey objective is to assist in mapping the PY1 horizon, with the additional benefit of refining the location of the FRF and its associated splays that are masked by sediments to the east of Walford

Creek. The current geological model emphasises the importance of identifying these structures and stratigraphic units to the targeting of high-grade mineralisation.

2022 Exploration program

Aeon successfully secured the services of two multi-purpose drill rigs that commenced a 19,000 m program in May 2022. The focus of this program will be Mineral Resource expansion along strike at Walford Creek and at nearby high-priority exploration targets refined from the 2021 high resolution geophysical survey work.

Initially, both drill rigs were assigned to expanding the Mineral Resources west of the recently updated Marley/Vardy deposits into the Le Mans zone and beyond into the Amy zone. Once the AEM survey results are analysed, one or both drill rigs will move to initial drill testing of the satellite targets identified following the 2021 magnetic and gravity surveys as well as any additional targets generated from the AEM survey.

Importantly, this will be the first time that exploration drilling at Walford Creek will have had the benefit of being guided by such a comprehensive suite of geophysical data informed by the geophysical signatures of an extensive existing drilling data set.

A two-phased approach will be taken to assessing the regional targets within the Walford Creek Project area. The first phase will consist of approximately 4,000 metres, distributed between the regional targets as shown in Table 5. Up to an additional 3,500 drilling metres will be allocated on a priority basis following initial results from phase one.

Table 5: Phase 1 Regional drilling metre allocation

	Proposed Holes	Proposed Metres
Amy West Splays	4	1600
Dog Leg	4	1200
Marley South and West	4	1200
Total	12	4000

Walford Creek Metallurgical Studies

Given the substantial body of previous testwork undertaken on the selective flotation of base metal and pyrite concentrates, PFS-level testwork on bulk flotation proceeded efficiently during the year. The primary grind size has increased since liberation is now driven by sulphide / non-sulphide mineral separation rather than the more challenging separation of the individual metal sulphides from each other and the non-sulphide gangue.

Flotation and comminution testwork was completed for all ore types, representing both open pit and underground ore which will be mined within the first 10 years of operation. Further flotation testwork is scheduled to be completed for the later mine life ore type of Amy. Bulk flotation is followed by oxidative leaching to extract the key metals into solution.

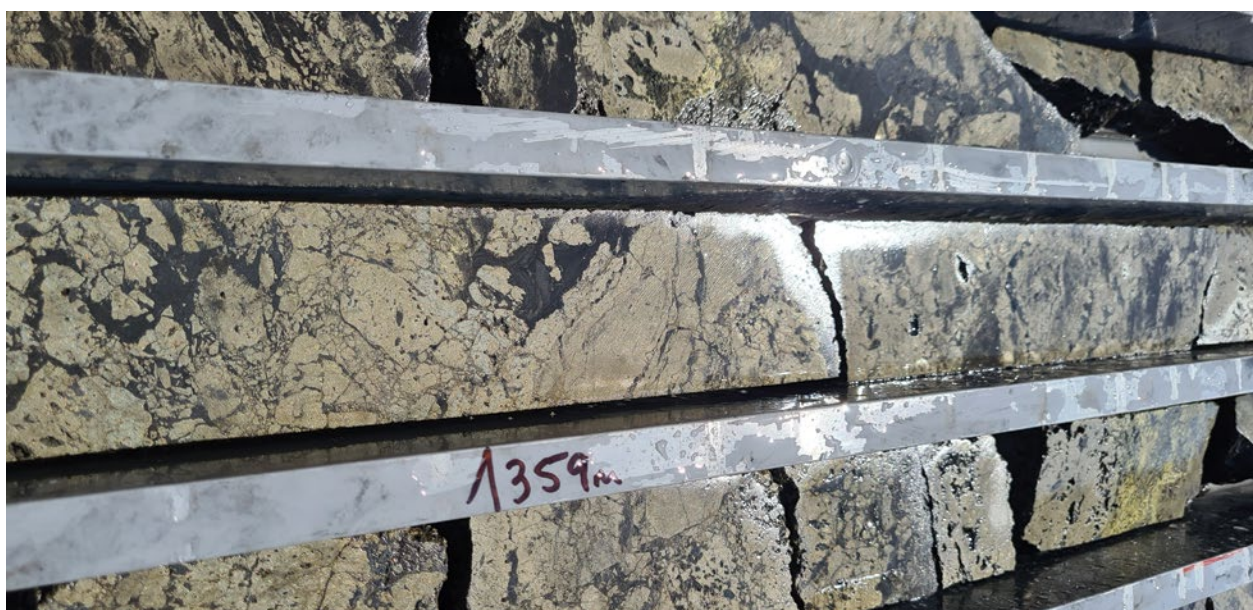
The leach testwork program is largely completed with leach optimisation of most ore types and blends now well understood. A promising feature of the pressure leaching at our modest temperature of 150°C and 15 atmospheres of pressure is the relative insensitivity of leach operation to the variations in composition and mix of the flotation ore types.

Pressure leaching conditions are well defined using both smaller scale batch and larger scale continuous autoclave configurations. The objective of the larger scale testwork was to confirm leach conditions for the expected bulk concentrate composition over the initial 10 years of the life of mine. The larger scale testwork also generated larger volumes of pregnant leach solution for downstream testwork.

Metallurgical testwork for the solid / liquid separation, copper solvent extraction and impurity removal stages is largely completed. Solid / liquid separation will employ filters rather than the counter-current decantation proposed in the Scoping Study (2021). This has several advantages including lower capital cost, improved metal recovery, higher solution tenors, lower water usage, and dry stacked tailings (smaller tailings footprint, facilitates co-disposal with mine waste and reduces environmental risks).

While a range of autoclave operating conditions were studied to optimise valuable metal extraction, the selection of the current design leach conditions does not result in significant silver or lead extraction to the pregnant leach solution.

The Scoping Study (2021) contemplated the production of zinc metal by electrowinning. Subsequent analysis suggests that the production of zinc sulphate is both simpler and has the potential to yield a premium to LME zinc metal pricing. The primary market for zinc sulphate is as a trace element additive to fertiliser. Currently all of Australia's domestic consumption of zinc sulphate is imported from overseas, typically China.



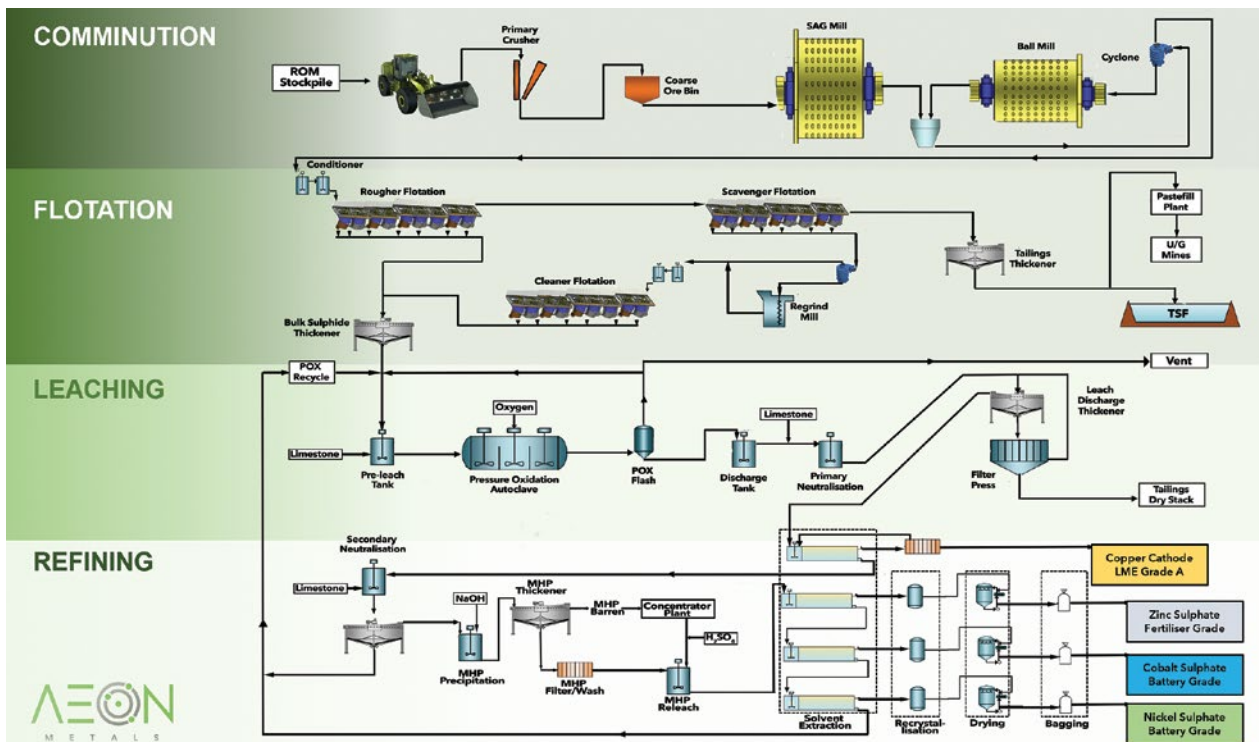


Figure 7: Walford Creek Metallurgical Flowsheet

Competent Persons Statements

The data in this report that relates to Mineral Resource Estimates for the Walford Creek 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 report 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 other northeast Queensland tenements is based on information compiled by Mr Greg Collins who is a Member of the Australian Institute of Mining and Metallurgy 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 Collins is a fulltime employee of AEON Metals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Exploration Results and Mineral Resources for the southeastern Queensland tenements is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (Australasia) Pty Ltd. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC, 2012). Mr Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate

During July 2021, the maturity date of the OCP Asia loan facility was extended by two years to 17 December 2023.

Also during July 2021, Aeon raised \$10.2 million (before costs) in a placement to new and existing sophisticated and professional investors, and existing eligible shareholders on the same terms via a Share Purchase Plan.

In December 2021, Aeon received Federal Government R&D grant funds of \$1.17 million for research and development work already completed. This grant was associated with the selection, design and operation of metallurgical processes that seek to produce high grade concentrates consistently and at maximum recovery. The Company intends to lodge a further R&D claim for FY2022.

In May 2022, Aeon raised \$9.1 million (before costs) in a placement to new and existing sophisticated and professional investors, and existing eligible shareholders on the same terms via placement to new and existing sophisticated and professional investors and a rights issue for existing Aeon shareholders. \$4.1 million of the raise was received after the year end once shareholder approval had been given.

Financial Position

The net assets of the Group at 30 June 2022 were \$69.6 million (2021: \$58.6 million) including cash of \$2.0 million (2021: \$0.5 million).

The financial statements have been prepared on a going concern basis, refer to note 2.

Significant Changes in State of Affairs

Other than the matters noted above there have been no other significant changes in the state of affairs.

Events Since the End of the Financial Year

The Coronavirus (Covid-19) pandemic is ongoing and is continuing to develop but is not having a significant impact after the reporting date.

On 4 August 2022, the Company announced it had issued 102,299,450 shares at 4 cents per share.

Other than the items noted above, there have not been any additional significant subsequent events to note.

Future Developments, Prospects and Business Strategies

The Company's priority is to advance Walford Creek towards the development of a world class base metals mine as well as continue to explore on priority exploration tenements. In order to do this Aeon's strategy at Walford Creek includes extension drilling and then completing a PFS. A PFS sets the Project parameters (plant throughput, product outputs, operating and capital costs, etc) enabling a decision to advance towards a final Feasibility Study and project development. The Company recognises that opportunities for third party involvement with the development of Walford Creek Project have potential to enhance value and will be progressed accordingly.

Environmental regulation

The exploration undertaken on the Company's combined tenements in Queensland to date has not created significant environmental issues. However, environmental issues will arise as and when the Group moves into development and production and these issues will be thoroughly assessed at the time any mining authority is sought. Usual measures are undertaken pre and post drilling to ensure that the environmental impact is minimised. This includes re-contouring and re-seeding affected areas and capping drill collars. The work undertaken to date has produced minimal impact on the environment. No issues regarding compliance were encountered during the reporting period.

Directors' meetings

During the financial year ended 30 June 2022, fourteen (14) Meetings of the Board of Directors were held. Attendances by each Director during the period were as follows:

Director	Number eligible to attend	Number attended
Fred Hess	14	14
Paul Harris	14	14
Ivan Wong	14	14
Andrew Greville	14	13

During the period, there were two meetings of the Audit Committee, and both were attended by all Directors that were in office at the time.

Indemnification and insurance of officers and auditors

The Company has agreed to indemnify the current directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of the conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving wilful breach of duty in relation to the Company. The directors have not included details of the amount of the premium paid in respect of the directors' liability and legal expenses insurance contracts; as such disclosure is prohibited under the terms of the contract. The Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an auditor.

Information on Directors and Company Secretary at the year end



Fred Hess
(age 65)

Managing Director

(appointed 25 June 2021)

Qualifications

- B.Sc. (Hons) Ph.D. University of Queensland, MAusIMM

Experience

Dr Hess has more than 41 years' experience in mining project development, operations and senior management across the Asia Pacific region. His experience covers open cut and underground mine development and operation across both base and precious metals. Most recently Fred was Managing Director of PanAust Limited.

Interest in Shares and Options

- 11,517,241 shares held (as of the date of this report). 11,000,000 of these shares are funded by a limited recourse loan and considered to be options. Of the 11,517,241 shares, 2,500,000 are held by Fred Hess, 517,241 by Hess Family Super Pty Ltd, 4,250,000 by Tander Wealth Fund Pty Ltd ATF and 4,250,000 by Biddy Wealth Fund Pty Ltd.

Directorships held in other listed entities in the last 3 years

- Ironbark Zinc Ltd.



**Paul
Harris**
(age 54)

Non-Executive Chair

(appointed 17 December 2014)

Qualifications

- M.Eng (Mining), University of New South Wales
- B.Comm (Finance), University of New South Wales
- Graduate Diploma in Applied Finance and Investments from the Securities Institute of Australia
- Graduate of the Australian Institute of Company Directors (GAICD)

Experience

Mr Harris has over 30 years' experience in the financial markets and investment banking, more recently advising mining corporates on strategy, mergers and acquisitions and capital markets. His most recent position was Managing Director, Head of Metals and Mining at Citi, having previously worked for many years at Merrill Lynch and Bankers Trust.

Interest in Shares and Options

- 5,114,566 shares held (as of the date of this report). 4,750,000 of these shares are funded by a limited recourse loan and considered to be options (as of the date of this Report). Of the 5,114,566 shares, 4,767,858 are held by Hollach Capital Pty Ltd and 346,708 by Wunulla Holdings Pty Ltd.

Directorships held in other listed entities in the last 3 years

- Aurelia Metals Ltd and Highfield Resources Ltd.



**Ivan
Wong**
(age 59)

Non-Executive Director

(appointed 1 July 2016)

Qualifications

- B.Sc. Hons

Experience

Mr Wong has strong IT background and over 29 years' experience in running various businesses in Australia. Mr. Wong is currently an Executive Director of Great Pacific Financial Group which was established in 1992. Via its subsidiary / related companies it has been involved in many business operations/ventures since establishment. Currently its core business is in mortgage finance, loan management and property management. Previously it had businesses in financial services, IT services, property information, property development and hotel investment and management services.

Interest in Shares and Options

- 19,114,302 shares held Pty Ltd (as of the date of this report). 2,250,000 of these shares are funded by a limited recourse loan and considered to be options. Of the 19,114,302 shares, 16,000,000 are held by SLW Minerals Corporation Pty Ltd, 2,767,241 by Great Pacific Investment 347,061 by Teresa Yi Yin Wong.

Directorships held in other listed entities in the last 3 years

None.



Non-Executive Director

(appointed 15 May 2020)

Qualifications

- B.Eng (Mining), University of Queensland, MAICD

Experience

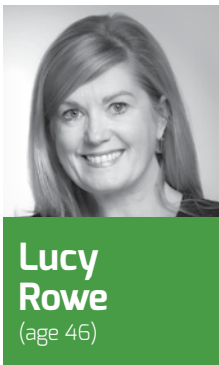
Mr Greville is a senior international mining executive with over 38 years' experience and a track record of success. His expertise is particularly strong in the fields of business development, mergers and acquisitions, product marketing and strategy.

Interest in Shares and Options

- 2,767,241 shares held, all by Alg Family A/C (as of the date of this report). 2,250,000 of these shares are funded by a limited recourse loan and considered to be options.

Directorships held in other listed entities in the last 3 years

- Rimfire Pacific Mining Ltd, Tulla Resources Plc, Nova Royalty Corporation and Ballymore Resources Ltd.



Company Secretary

(appointed 26 August 2022)

Qualifications

- Bachelor of Arts, University of Sydney
- Graduate Diploma of Legal Studies, University of NSW

Experience

Ms Rowe is an experienced compliance and governance professional, with over 20 years' experience. Lucy has held the position of Company Secretary of a number of listed and unlisted public companies over the last 13 years.

Interest in Shares and Options

- No shares are held by Lucy Rowe.

Directorships held in other listed entities in the last 3 years

None.

Remuneration Report – audited

Principles of compensation

This report details the nature and amount of remuneration for each Director of the Company and Group and for key management personnel of the Group.

The Board establishes appropriate remuneration for Directors and remuneration levels and incentive structures for key management personnel. Key management personnel (KMP) are those who have authority and responsibility for planning, directing and controlling the activities of the Group.

Compensation levels have been, and will be, set to be in line with Australian mineral exploration entities of equivalent size and comparable operations in order to attract and retain suitably qualified and experienced key management personnel but also having regard to the prevailing financial capacity of the Company. No external remuneration consultants were used during the year.

Dr Hess' salary since being appointed as Managing Director and CEO was \$400,000 per annum plus a superannuation contribution by the Company. Other key terms of Dr Hess' agreement include an annual cash payment of up to 33% of base remuneration, evaluated on the delivery of the Walford Creek PFS in the 1st half of 2022 (50%), board discretion (40%) and a safety target of zero LTIs (10%).

Dr Hess' service agreement may be terminated at any time by the Company giving to the employee not less than three months' prior written notice. In the event of termination, the Company must pay Dr Hess an amount equal to the remuneration payable for as much of the notice period as the employee is not so retained. The Company may terminate Dr Hess' service agreement immediately in certain events including serious misconduct and material breach of contract.

The agreement may be terminated at any time by Dr Hess giving to the Company not less than three months prior written notice.

All non-executive Directors receive directors' fees coupled with statutory superannuation as required and, when providing additional services to the Group, they are paid at normal commercial rates for their work. Neither non-executive Directors nor key management personnel are entitled to any retirement benefits.

Directors' incentive shares funded by limited recourse loans issued during the year ended 30 June 2022 were approved at the 2020 AGM. The grant of shares was designed to incentivise the Directors by participating in future growth and prosperity of the Company through share ownership and in recognition of their contribution to the Company. The Directors will only benefit from these shares and the associated loans if the Company's share price increases beyond 25% premium above the share issue price. The Directors will not be permitted to sell these shares at a price less than the issue price plus 25%. When sold, the loan amount per share will be repaid to the Company.

All remuneration paid to Directors and key management personnel is valued at cost to the Group and is expensed or capitalised as appropriate.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years.

<i>In thousands of AUD</i>	2022	2021	2020	2019	2018	2017
Net loss attributable to owners of the company	\$(3,454)	\$(6,057)	\$(5,402)	\$(4,015)	\$(13,892)	\$(8,241)
Dividends paid	–	–	–	–	–	–
Change in share price	\$(0.052)	\$(0.013)	\$(0.130)	\$(0.135)	\$0.210	\$0.080

Directors' and executive officers' remuneration

Details of the nature and amount of remuneration of each director of the Company, and each of the named Company executive and other key management personnel of the Group are:

		Short-term			Long-term	Post- employments	Share- based payments		
		Salary & fees \$	Severance pay \$	Cash bonus \$	Leave entitlements \$	Super- annuation benefits \$	Options & rights \$		
In AUD								Total \$	Performance based on percentage of remuneration
Directors									
Non-executive directors									
Paul Harris	2021	218,475	—	—	—	—	294,828	513,303	0%
	2022	197,100	—	—	—	—	—	197,100	0%
Ivan Wong	2021	59,361	—	—	—	5,639	145,944	210,944	0%
	2022	59,091	—	—	—	5,909	—	65,000	0%
Fred Hess ⁽ⁱ⁾	2021	41,170	—	—	—	3,911	—	45,081	0%
	2022	—	—	—	—	—	—	—	0%
Andrew Greville	2021	59,361	—	—	—	5,639	145,944	210,944	0%
	2022	59,091	—	—	—	5,909	—	65,000	0%
Executive directors									
Fred Hess ⁽ⁱ⁾	2021	114,919	—	—	—	7,661	—	122,580	0%
	2022	400,378	—	66,000	10,949	31,402	—	508,729	13%
Hamish Collins ⁽ⁱⁱ⁾	2021	295,652	412,674	—	—	38,649	294,828	1,041,803	0%
	2022	—	—	—	—	—	—	—	0%
Total	2021	788,938	412,674	—	—	61,499	881,544	2,144,655	0%
	2022	715,660	—	66,000	10,949	43,220	—	835,829	8%

(i) On 12 March 2021 appointed Interim Managing Director and CEO and on 25 June 2021 appointed permanent Managing Director and CEO.

(ii) On 26 March 2021 Mr Collins resigned as a director.

Short-term remuneration includes salaries and fees and consultancy fees paid to non-executive Directors and associated related parties for services provided by the Director. The remuneration disclosed above represents the cost to the Group for the services provided by Directors.

Details of incentive-based remuneration

On 17 September 2021, shareholders approved the issue of 8.5 million fully paid ordinary shares to Fred Hess or his nominee respectively, to be funded by limited recourse loans. These were issued at 5.8 cents per share on 5 October 2021, the recourse on the loan is limited to the shares issued, the loans are interest free and repayable on 5 October 2024. 3,500,000 of the loan funded shares were to vest upon the announcement of a PFS in the first half of 2022 with the remaining 5,000,000 of the loan funded shares vesting upon the announcement of a DFS in the second half of 2022. On 22 April 2022 the Company announced that the PFS would be paused with renewed focus on exploration, due to the pause in the PFS it has been deemed there is a 0% likelihood of the loan funded shares vesting and therefore no expense has been recognised.

Dr Hess' agreement includes an annual cash payment of up to 33% of base remuneration, evaluated on the delivery of the Walford Creek PFS in the 1st half of 2022 (50%), board discretion (40%) and a safety target of zero LTI's (10%). For the current financial year, Fred was awarded the following: delivery of the Walford Creek PFS in the 1st half of 2022 (0%), board discretion (40%) and a safety target of zero LTI's (10%), being a total of \$66,000.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Non-executive directors

An amount of \$500,000 is available for payment of non-executive Directors' fees.

Key Management Personnel transactions

Key management persons, or their related parties made no transactions that were more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Equity instruments

Incentive Shares (accounted for as options)

The movement during the reporting period in the number of incentive shares in Aeon Metals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is:

Directors	Held at 1 July 2021	Granted as compensation	Other changes	Held at 30 June 2022
Paul Harris	4,750,000	–	–	4,750,000
Ivan Wong	2,250,000	–	–	2,250,000
Fred Hess	2,500,000	8,500,000 ⁽ⁱ⁾	–	11,000,000
Andrew Greville	2,250,000	–	–	2,250,000
Total	11,750,000	8,500,000	–	20,250,000

(i) Details of these shares can be found on page 19, as noted, the PFS vesting condition was not met and the DFS vesting condition is deemed to have a 0% chance of being met. These shares will therefore be cancelled at a later date in line with the terms of the Plan and cannot be traded.

The incentive shares held by each key management person are subject to a holding lock whereby that when sold, the loan amount per share will be repaid to the Company. The sale of the above shares are not permitted at a price less than the issue placement price plus 25%.

Movements in shares

The movement during the reporting period in the number of ordinary shares in Aeon Metals Limited held directly, indirectly or beneficially, by each key management person, including their related parties, is:

Directors	Held at 1 July 2021	Purchases	Incentive shares granted	Disposals/ Other	Held at 30 June 2022
Paul Harris	4,942,152	172,414	–	–	5,114,566
Ivan Wong	18,597,061	517,241	–	–	19,114,302
Fred Hess	2,500,000	517,241	8,500,000	–	11,517,241
Andrew Greville	2,250,000	517,241	–	–	2,767,241
Total	28,289,213	1,724,137	8,500,000	–	38,513,350

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 96% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

This concludes the Remuneration Report which has been audited.

Auditor's independence declaration

The auditor's independence declaration, as required under s307C of the Corporations Act 2001, is included on page 23 of the financial report and forms part of the Directors' Report for the year ended 30 June 2022.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services, as disclosed in note 29 to the financial statements, do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence, as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Dr Fred Hess
Managing Director

Dated at Sydney this 30th day of September 2022.



WFOH 598

1359m

1360m

WFDH548
HD:360.7
D:3.0
R:2.9
O:1

0.2m loss

Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF AEON METALS LIMITED

As lead auditor of Aeon Metals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aeon Metals Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'Gareth Few', is written in a cursive style.

Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 30 September 2022

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Financial Statements

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Assets			
Cash and cash equivalents	11	2,000	527
Trade and other receivables	12	224	183
Other investments	13	53	53
Prepayments		95	89
Total current assets		2,372	852
Property, plant and equipment	14	319	270
Other assets		35	46
Exploration and evaluation assets	15	96,515	84,180
Total non-current assets		96,869	84,496
Total assets		99,241	85,348
Liabilities			
Trade and other payables	16	1,374	1,702
Employee benefits	17	213	262
Provisions	18	50	50
Loans and borrowings	19	–	24,758
Total current liabilities		1,637	26,772
Loans and borrowings	19	27,991	–
Total non-current liabilities		27,991	–
Total liabilities		29,628	26,772
Net assets		69,613	58,576
Equity			
Share capital	20	122,956	108,465
Reserves	20	3,453	3,453
Accumulated losses		(56,767)	(53,318)
Total equity attributable to owners of the Company		69,642	58,600
Non-controlling interests		(29)	(24)
Total equity		69,613	58,576

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Other income		7	2
Administrative expenses		(1,835)	(2,156)
Impairment loss	15	(366)	(1,144)
Employee benefit expenses	8	(1,261)	(2,765)
Results from operating activities		(3,455)	(6,063)
Finance income		1	6
Finance costs		-	-
Net finance income	7	1	6
Loss before income tax		(3,454)	(6,057)
Income tax expense	10	-	-
Loss for the period		(3,454)	(6,057)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(3,454)	(6,057)
Loss attributable to:			
Owners of the Company		(3,449)	(6,055)
Non-controlling interests		(5)	(2)
Loss for the period		(3,454)	(6,057)
Total comprehensive Loss attributable to:			
Owners of the Company		(3,449)	(6,055)
Non-controlling interests		(5)	(2)
Total comprehensive Loss for the period		(3,454)	(6,057)
Loss per share			
Basic loss per share (cents per share)	22	(0.42)	(0.93)
Diluted loss per share (cents per share)	22	(0.42)	(0.93)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Attributable to owners of the Company				Non-Controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Equity Compensation reserve \$'000	Accumulated losses \$'000	Total \$'000		
Balance at 1 July 2020		108,465	2,531	(47,939)	63,057	(22)	63,035
Total comprehensive loss for the period							
Loss for the period		-	-	(6,055)	(6,055)	(2)	(6,057)
Total comprehensive loss for the period		-	-	(6,055)	(6,055)	(2)	(6,057)
Transactions with owners of the Company, recognised directly in equity							
<i>Contributions by and distributions to owners of the company</i>							
Issue of options	20	-	1,598	-	1,598	-	1,598
Expired options	20	-	(676)	676	-	-	-
Total contributions by and distributions to owners of the company		-	922	676	1,598	-	1,598
Balance at 30 June 2021		108,465	3,453	(53,318)	58,600	(24)	58,576
Balance at 1 July 2021		108,465	3,453	(53,318)	58,600	(24)	58,576
Total comprehensive loss for the period							
Loss for the period		-	-	(3,449)	(3,449)	(5)	(3,454)
Total comprehensive loss for the period		-	-	(3,449)	(3,449)	(5)	(3,454)
Transactions with owners of the Company, recognised directly in equity							
<i>Contributions by and distributions to owners of the company</i>							
Issue of ordinary shares	20	15,218	-	-	15,218	-	15,218
Capital Raising Cost	20	(904)	-	-	(904)	-	(904)
Shares issued for services	20	177	-	-	177	-	177
Total contributions by and distributions to owners of the company		14,491	-	-	14,491	-	14,491
Balance at 30 June 2022		122,956	3,453	(56,767)	69,642	(29)	69,613

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Cash flows from operating activities			
Other income		–	50
Cash paid to suppliers and employees		(3,118)	(2,423)
Cash used in operations		(3,118)	(2,373)
Interest received		1	6
Net cash used in operating activities	21	(3,117)	(2,367)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(124)	(4)
Payments for exploration activities (net of grants received)		(9,600)	(2,527)
Net cash used in investing activities		(9,724)	(2,531)
Cash flows from financing activities			
Proceeds from issue of shares	20	15,218	–
Proceeds from borrowings		–	3,000
Payment of capital raising costs	20	(904)	–
Net cash from financing activities		14,314	3,000
Net increase/(decrease) in cash and cash equivalents		1,473	(1,898)
Cash and cash equivalents at 1 July		527	2,425
Cash and cash equivalents at 30 June	11	2,000	527

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

1. Corporate Information

The financial statements of Aeon Metals Limited ('the Company' or 'Aeon') and its controlled entities ('the Group') for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 30 September 2022.

Aeon Metals Limited is the Group's ultimate parent company, and is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the year was exploration and evaluation of mineral permits in Australia.

The Registered Office of the Company is Level 5, 126 Philip Street, Sydney NSW 2000.

2. Basis of preparation

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Basis of Preparation

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

New standards and interpretations

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year ended 30 June 2022. The new and revised Standards and Interpretations did not have any significant impact.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Going concern

The annual consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 30 June 2022, the Group incurred a net loss before tax of \$3.5 million (2021: \$6.1 million) and net cash outflow from operating and investing activities of \$12.8 million (2021: \$4.9 million).

The cash flow forecast prepared for the assessment of Going Concern factors in a number of estimates and assumptions in relation to the timing and quantum of planned exploration expenditure. The planned expenditure foresees the need to raise capital during the forecast period in order to execute the Group's stated aim of progressing the Walford Creek Project.

The above matters give rise to a material uncertainty that may cast significant doubt over the ability of the Group to continue as a going concern.

The Directors regularly monitor the Company's cash position on an ongoing basis and have demonstrated a successful track record of raising capital and funding when required.

In May 2022, Aeon raised \$9.1 million (before costs) in a placement to new and existing sophisticated and professional investors, and existing eligible shareholders on the same terms via a rights issue. Of the \$9.1 million, \$4.1 million was received in early August 2022 after shareholder approval.

The Company understands it will require further funding to continue its progress as planned. The Directors believe that additional funding arrangements will be successful.

Should the Group be unable to execute the forecast strategy, which includes raising capital, it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Financial instruments at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 5.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Class Order 2016/191 dated 1 April 2016 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than delay in completing the PFS there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 20 for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

Basis of consolidation**Transactions eliminated on consolidation**

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Acquisitions

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write-off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation rates used for each class of depreciable assets are:

- | | |
|------------------------------------|---------|
| ● Computer equipment | 20%–67% |
| ● Mining and exploration equipment | 5%–67% |
| ● Plant and equipment | 5%–50% |
| ● Motor vehicles | 10%–25% |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the entity has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operation in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and revaluation expenditure to mining property and development assets within property, plant and equipment.

Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets measured at both an individual asset and a collective level. All assets are individually assessed for specific impairment.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written-off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The future benefit calculated is discounted to determine its present value. Revisions to this calculated value are recognised in profit or loss in the period in which they arise.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

Right-of-use assets

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Finance income

Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability on the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of the warrants.

Segment Reporting

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4. New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2021, and have not been applied in preparing these consolidated financial statements. None of the new standards and amendments to standards are expected to have a material effect on the Group. The Group does not plan to adopt these standards early.

5. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss and held-to-maturity investments is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

Share-based payment transactions

The fair value of employee share options and warrants, including shares issued to Directors and employees as incentives, is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility of the Company's share prices, adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial liabilities

The fair value of limited recourse notes is determined based on discounted cash flows and an appropriate effective interest rate.

6. Operating segments

The Group's only operation is exploration for minerals in Queensland, Australia. The Group's Board reviews the internal financial statements on a monthly basis which are prepared on the same basis as these financial statements.

The Group's operations are all based in one geographic segment, being Queensland, Australia and the Group's operations are in the exploration and evaluation phase, so it has no products or services nor any major customers.

7. Finance income and finance costs recognised in profit or loss

	2022 \$'000	2021 \$'000
Interest income	1	6
	1	6

8. Other expenses

	2022 \$'000	2021 \$'000
Wages and salaries expense	(1,136)	(1,100)
Superannuation expense	(125)	(67)
Share based payments	-	(1,598)
	(1,261)	(2,765)

9. Expenses by nature

	2022 \$'000	2021 \$'000
Employee benefits expense – including superannuation	(1,261)	(1,167)
Depreciation expense	(64)	(68)
Consultancy expense	(901)	(1,373)
Impairment loss	(366)	(1,144)
Share based payments	-	(1,598)
Other expenses	(870)	(715)
	(3,462)	(6,065)

10. Income tax

	2022 \$'000	2021 \$'000
Income tax recognised		
Current tax expense		
Current year	-	-
Deferred tax expense	-	-
	-	-
<i>Reconciliation of effective tax rate</i>		
Loss for the year	(3,449)	(6,057)
Total tax expense	-	-
Loss excluding tax	-	-
	(3,449)	(6,057)
Tax using the Company's domestic tax rate of 25 percent (2021: 26 percent)	(862)	(1,574)
Non-assessable income	1	403
Losses not brought to account	861	1,171
	-	-
Unrecognised deferred tax assets		
Deductible temporary differences	(23,676)	(20,592)
Tax losses	26,973	23,140
	3,297	2,548

From 1 July 2019 Aeon Metals Limited, as head entity, and its subsidiaries elected to form a tax consolidated group.

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

11. Cash and cash equivalents

	2022 \$'000	2021 \$'000
Bank balances	2,000	527
	2,000	527

Refer to note 24 for further information on financial instruments.

12. Trade and other receivables

	2022 \$'000	2021 \$'000
Other debtors	6	-
GST receivable	218	183
	224	183

Refer to note 24 for further information on financial instruments.

13. Other Investments

	2022 \$'000	2021 \$'000
Current investments		
Term deposit	53	53
	53	53

The term deposit had an average interest rate of 0.29% (2021: 1.41%) and matures on 31 December 2022.

Refer to note 24 for further information on financial instruments.

14. Property, plant and equipment

<i>In thousands of AUD</i>	Computer equipment	Mining and exploration equipment	Plant and equipment	Motor vehicles	Property improvements	Total
Cost						
Balance at 1 July 2020	85	459	79	132	171	926
Additions/(Disposals)	3	–	1	–	–	4
Balance at 30 June 2021	88	459	80	132	171	930
Balance at 1 July 2021	88	459	80	132	171	930
Additions/(Disposals)	1	(17)	111	–	–	95
Balance at 30 June 2022	89	442	191	132	171	1,025
Depreciation						
Balance at 1 July 2020	(80)	(299)	(47)	(116)	(50)	(592)
Charge for the year	(3)	(32)	(8)	(4)	(21)	(68)
Disposals	–	–	–	–	–	–
Balance at 30 June 2021	(83)	(331)	(55)	(120)	(71)	(660)
Balance at 1 July 2021	(83)	(331)	(55)	(120)	(71)	(660)
Charge for the year	(3)	(27)	(9)	(3)	(22)	(64)
Disposals	–	18	–	–	–	18
Balance at 30 June 2022	(86)	(340)	(64)	(123)	(93)	(706)
Carry amounts						
At 1 July 2020	5	160	32	16	121	334
At 30 June 2021	5	128	25	12	100	270
At 1 July 2021	5	128	25	12	100	270
At 30 June 2022	3	102	127	9	78	319

15. Exploration and evaluation of assets

	2022 \$'000	2021 \$'000
Balance at 1 July	84,180	79,953
Additions, including capitalised interest and fees	13,870	6,729
R&D claim received	(1,169)	(1,358)
Impairment losses	(366)	(1,144)
Balance at 30 June	96,515	84,180

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Included in additions is an amount of \$3,233,000 (2021: \$2,1714,000) relating to capitalised interest and fees, this represented 100% of interest and fees.

The impairment loss of \$366,000 (2021: \$1,144,000) relates to all other exploration and evaluation assets except for Walford Creek, this is due to Walford Creek being the main focus of the Company. Whilst these assets have been impaired it is still the intention of the Company to further these projects in the future.

16. Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	565	1,271
Accrued expenses	809	431
	1,374	1,702

Refer to note 24 for further information on financial instruments.

17. Employee Benefits

	2022 \$'000	2021 \$'000
PAYG liability	57	43
Liability for annual leave	131	130
Liability for long service leave	23	86
Liability for superannuation	2	3
	213	262

18. Provisions

	Site restoration \$'000	Total \$'000
Balance at 1 July 2021	50	50
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Balance at 30 June 2022	50	50

	Site restoration \$'000	Total \$'000
Current	50	50
Non-current	-	-
	50	50

Site Restoration

A provision of \$50,000 was made in respect of the Group's obligations in respect of environmental remediation. The required work is completed throughout the year on an ongoing basis. There has been no change to the provision in the current year. The provision has been capitalised to the Exploration and Evaluation assets at Note 15.

19. Loans and borrowings

	2022 \$'000	2021 \$'000
Current		
Limited recourse notes	-	24,758
	-	24,758
Non-current		
Limited recourse notes	27,991	-
	27,991	-

Refer to note 24 for further information on assets pledged as security and financing arrangements.

Refer to note 24 for further information on financial instruments.

Reconciliation of movement in loans and borrowings

	2022 \$'000	2021 \$'000
Outstanding at 1 July	24,758	19,044
New loan during the year	-	3,000
Accrued interest and fees during the year	3,233	2,714
Outstanding at 30 June	27,991	24,758

In July 2021, the Company announced that it has reached an agreement with OCP Asia Group to extend the maturity date on its existing loan facility by 24 months (to 17 December 2023).

The Company has accrued interest of \$3,233,000 during the year ended 30 June 2022. These transactions have been capitalised against the exploration and evaluation assets in accordance with AASB 123 (Borrowing costs) which requires borrowing costs directly attributable to the production of a qualifying asset, to form part of the cost of the asset.

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	Currency	Rate	Year of maturity	2022		2021	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Limited recourse notes	AUD	12.00%	Dec 2023	27,991	27,991	24,758	24,758
Total interest-bearing liabilities				27,991	27,991	24,758	24,758

The amortised cost of the notes was calculated using a discounted cashflow based on an effective interest rate of 13%.

20. Capital and reserves

Share capital

	2022		2021	
	No. of ordinary shares (thousands)	\$'000	No. of ordinary shares (thousands)	\$'000
On issue at 1 July	691,670	108,465	677,570	108,465
Shares issued for cash	301,271	15,218	-	-
Incentive shares issued for services	8,500	-	14,100	-
Shares issued for services	3,791	177	-	-
Share issue costs	-	(904)	-	-
On issue at 30 June	1,005,232	122,956	691,670	108,465

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

Issuance of ordinary shares for the year to 30 June 2022

Date	No. of shares issued	Price per share \$	Total consideration \$	Purpose
23 July 2021	86,206,898	0.0580	5,000,000	Placement
25 August 2021	12,155,172	0.0580	705,000	Placement
24 September 2021	77,586,207	0.0580	4,500,000	Placement
2 October 2021	8,500,000	-	-	Share based payment*
8 December 2021	3,790,847	0.0466	176,653	Payment for services
21 May 2022	76,950,000	0.0400	3,078,000	Placement
1 June 2022	48,372,435	0.0400	1,934,897	Placement
	313,561,597		15,394,551	

* Incentive shares – recorded in equity compensation reserve (see below).

Year Ended 30 June 2022

8,500,000 shares were granted to employees and directors as incentive for services, these shares were provided through a limited recourse loan arrangement. As these shares' vesting conditions either were not met or have 0% chance of being met, these shares will be cancelled at a later date in line with the terms of the Plan and cannot be traded.

Year Ended 30 June 2021

14,100,000 shares were granted to employees and directors as incentive for services, these shares were provided through a limited recourse loan arrangement.

Equity compensation reserve

The equity compensation reserve records the fair value of incentive shares and warrants issued. When an option or warrant expires, or it is exercised, the fair value of the affected instrument is transferred to retained earnings.

Share based payments

Year Ended 30 June 2022

On 17 September 2021, shareholders approved the issue of 8.5 million fully paid ordinary shares to Fred Hess, or his nominee respectively, to be funded by limited recourse loans. These were issued at 5.8 cents per share on 5 October 2021. The recourse on the loan is limited to the shares issued, the loans are interest free and repayable on 5 October 2024. 3,500,000 of the loan funded shares were to vest upon the announcement of a PFS in the first half of 2022 with the remaining 5,000,000 of the loan funded shares vesting upon the announcement of a DFS in the second half of 2022. On 22 April 2022 the Company announced that the PFS would be paused with renewed focus on exploration, due to the pause in the PFS it has been deemed there is a 0% likelihood of the loan funded shares vesting and therefore no expense has been recognised.

Year Ended 30 June 2021

On 4 August 2020, 2.0 million fully paid ordinary shares, through limited recourse loans provided by the company, were extended by three years to 4 August 2023. In accordance with AASB 2 the modification of terms are required to be valued and accounted for as options. An increase in the fair value of \$94,000 was calculated using the Black Scholes model.

On 12 August 2020, 14.1 million ordinary shares were purchased by participants in the Company's Share Incentive Plan through limited recourse loans provided by the company. The limited recourse loans are limited to shares issued, is interest free and repayable within 3 years. The fair value of these shares of \$915,000 was calculated using the Black Scholes model.

On 12 August 2020, 5.0 million fully paid ordinary shares, through limited recourse loans provided by the company, were extended by three years to 18 August 2023. In accordance with AASB 2 the modification of terms are required to be valued and accounted for as options. An increase in the fair value of \$298,000 was calculated using the Black Scholes model.

On 14 August 2020, 2.5 million fully paid ordinary shares, through limited recourse loans provided by the company, were extended by three years to 18 August 2023. In accordance with AASB 2 the modification of terms are required to be valued and accounted for as options. An increase in the fair value of \$155,000 was calculated using the Black Scholes model.

On 14 August 2020, 1.5 million fully paid ordinary shares, through limited recourse loans provided by the company, were extended by three years to 8 February 2024. In accordance with AASB 2 the modification of terms are required to be valued and accounted for as options. An increase in the fair value of \$136,000 was calculated using the Black Scholes model.

	No. of incentive shares (thousands)	Weighted average exercise price \$	No. of incentive shares (thousands)	Weighted average exercise price \$
	2022	2022	2021	2021
Outstanding at 1 July	34,600	0.16	26,100	0.16
Granted during the year	8,500	0.058	14,100	0.16
Expired during the year	-	-	(5,600)	(0.16)
Exercised during the year	-	-	-	-
Outstanding at 30 June	43,100	0.14	34,600	0.16

Inputs for measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Director incentive shares	Employee incentive shares	Director incentive shares
	2022	2021	2021
Number of incentive shares	8,500,000	5,100,000	9,000,000
Grant date	17 Sept 2021	12 Aug 2020	12 Aug 2020
Fair value at grant date	\$Nil	\$0.065	\$0.065
Share price at grant date	5.9 cents	15.0 cents	15.0 cents
Exercise price	5.8 cents	15.5 cents	15.5 cents
Expected volatility	N/A	67%	67%
Expected life	3 years	3 years	3 years
Risk-free interest rate	N/A	0.27%	0.27%
Dividend yield	N/A	0%	0%
Estimated share to vest	0%	100%	100%

The expected share price volatility has been calculated based on Aeon Metals Limited's historical share price performance.

21. Reconciliation of cash flows from operating activities and non-cash financing activities

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Loss for the year		(3,454)	(6,057)
Adjustments for:			
Depreciation	14	64	68
Impairment of exploration and evaluation assets	15	366	1,144
Loss on sale of asset		11	-
Shares issued for services	20	177	-
Share-based payments	20	-	1,598
		(2,836)	(3,247)
Change in trade and other receivables		-	48
Change in prepayments		(6)	(15)
Reclassification of exploration costs		64	94
Change in trade and other payables		(277)	747
Change in provisions and employee benefits		(62)	6
Net cash used in operating activities		(3,117)	(2,367)

22. Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted (options have no dilutive effect) earnings per share at 30 June 2022 was based on the loss attributable to ordinary shareholders of \$3,454,000 (2021: \$6,055,000) and a weighted average number of ordinary shares outstanding of 822,288,000 (2021: 690,042,000), calculated as follows:

Loss attributable to ordinary shareholders (basic and diluted)

	2022 \$'000	2021 \$'000
Loss for the year	(3,454)	(6,055)
Loss attributable to ordinary shareholders	(3,454)	(6,055)

Weighted average number of ordinary shares (basic and diluted)

	2022 thousands	2021 thousands
Issued ordinary shares at 1 July	657,070	651,469
Effect of shares issued	165,218	-
Weighted average number of ordinary shares at 30 June	822,288	651,469

	2022 cents per share	2021 cents per share
Basic and diluted loss per share	0.42	0.93

23. Operating Leases

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows.

	2022 \$'000	2021 \$'000
Less than one year	14	15
Between one and five years	-	-
More than five years	-	-
	14	15

The Group leases one premise under operating leases. The lease is under a 12-month contract which expires in December 2022. The rental payment on this lease is \$2,253 per month.

To determine the operating lease classification, the Group considered that the land title did not pass, the rent paid to the landlord for the building is increased to market rent at regular intervals, and the entity does not participate in the residual value of the building. Accordingly, it was judged that substantially all the risks and rewards of the building are with the landlord. Based on these qualitative factors it was concluded that the leases are operating leases.

24. Financial instruments

Financial risk management

The Group's financial assets consist mainly of deposits with banks.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity, other than deposits with Australian regulated banks and trade and other receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Note	Carrying amount	
		2022 \$'000	2021 \$'000
Interest bearing investments	13	53	53
Trade and other receivables	12	224	183
Cash and cash equivalents	11	2,000	527
		2,277	763

Impairment losses

	2022 \$'000	2021 \$'000
Neither past due nor impaired	224	183
Past due 1 – 30 days	-	-
Past due 31 – 90 days	-	-
Past due 91 + days	-	-
	224	183

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group managed liquidity risk by monitoring forecast cash flows and ensuring that adequate cash in operating accounts is maintained. The Group has access to a \$30,000 credit card facility (2021: \$30,000). At 30 June 2022 the undrawn amount is \$30,000 (2021: \$30,000).

At 30 June 2022 the Group has payables of \$1,308,000 (2021: \$1,702,000) due within 3 months.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, include estimated interest payments and exclude the impact of netting agreements.

30 June 2022

	Carrying Amount \$'000	Contractual cash flows					
		Total \$'000	2 months or less \$'000	2-12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Liabilities							
Limited recourse notes ⁽ⁱ⁾	27,991	33,797	-	-	33,797	-	-
Trade payables	1,374	1,374	1,374	-	-	-	-
	29,365	35,171	1,374	-	33,797	-	-

(i) 33,797,000 of the contractual cash flow payable in 1-2 years relates to a limited recourse loan secured over the assets of Aeon Walford Creek Limited.

30 June 2021

	Carrying Amount \$'000	Contractual cash flows					
		Total \$'000	2 months or less \$'000	2-12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Liabilities							
Limited recourse notes	24,758	26,160	-	26,160	-	-	-
Trade payables	1,702	1,702	1,702	-	-	-	-
	26,460	27,862	1,702	26,160	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Board monitors interest rates and equity prices and regularly reviews cashflow requirements.

The Group has no exposure to currency fluctuations and considers its exposure to interest rates and equity prices is minimal.

Interest rate risk

Profile

At the end of the reporting period the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group was as follows:

	Interest rate	Carrying amount	Interest rate	Carrying amount
	2022	2022	2021	2021
Fixed rate instruments				
Financial liabilities(i)	12%	27,991	12%	24,758
		27,991		24,758
Variable rate instruments				
Financial assets	0.01%	2,000	0.34%	529
Amortised cost	0.24%	53	0.13%	53
		2,053		582

(i) The coupon rate on the limited recourse loan is 12% p.a. however the effective interest rate has been determined to be 13% at the date of entering into the agreement.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cashflow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the reporting period would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Variable rate instruments	
	2022 \$'000	2021 \$'000
Profit or loss		
100bp increase	13	22
100bp decrease	(13)	(22)

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board ensures costs are not incurred in excess of available funds and as required will seek to raise additional funding through issues of shares for the continuation of the Group's operations. There were no changes in the Group's approach to capital management during the year.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

Fair Value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2022		2021	
	Carrying amount \$'000	Fair value	Carrying amount \$'000	Fair value
Assets carried at amortised costs				
Interest bearing investments	53	53	53	53
Trade and other receivables	224	224	183	183
Cash and cash equivalents	2,000	2,000	527	527
	2,277	2,277	763	763
Liabilities carried at amortised cost				
Trade and other payables	(1,374)	(1,374)	(1,702)	(1,702)
Limited recourse notes	(27,991)	(27,991)	(24,758)	(24,758)
	(29,365)	(29,365)	(26,460)	(26,460)

25. Commitments and contingencies

There are no contractual commitments or contingent liabilities at 30 June 2022 (2021: Nil).

26. Related parties

Key management personnel compensation

The key management personnel compensation comprised:

	2022 \$'000	2021 \$'000
Short-term employee benefits	781,660	788,938
Severance pay	-	412,674
Long-term employment benefits	10,949	-
Post-employment benefits	43,220	61,499
Share based payments	-	881,544
	835,829	2,144,655

The compensation disclosed above represents an allocation of the key management personnel's estimated compensation from the Group in relation to their services rendered to the Group.

Key management personnel and director transactions

There were no related party transactions during the year other than transactions with key management personnel as part of their remuneration.

27. Group entities

	Country of incorporation	2021 %	2020 %
Parent entity:			
Aeon Metals Limited	Australia		
Significant subsidiaries:			
Aussie NQ Resources Pty Ltd	Australia	100	100
SLW Queensland Pty Ltd	Australia	60	60
Aeon Walford Creek Ltd	Australia	100	100
Aeon Isa Exploration Pty Ltd	Australia	100	100
Aeon Monto Exploration Pty Ltd	Australia	100	100
Aeon Walford Exploration Pty Ltd	Australia	100	100

28. Events Since the End of the Financial Year

The Coronavirus (Covid-19) pandemic is ongoing and is continuing to develop but is not having a significant impact after the reporting date.

On 4 August 2022, the Company announced it had issued 102,299,450 shares at 4 cents per share.

Other than the items noted above, there have not been any additional significant subsequent events to note.

29. Auditors' remuneration

	2022 \$'000	2021 \$'000
Audit and review of financial statements		
Auditors of the Company – BDO and related network firms		
Group	80,640	68,500
Controlled entities and joint operations	7,500	5,000
Total audit and review of financial statements	88,140	73,500
Non-audit services		
Auditors of the Company – BDO and related network firms		
Taxation compliance services	26,208	32,531
R&D compliance services	40,000	30,000
Total non-audit services	66,208	62,531
Total services provided by BDO and related network firms	154,348	136,031

30. Parent entity disclosures

As at, and throughout, the financial year ended 30 June the parent entity of the Group was Aeon Metals Limited.

	2022 \$'000	2021 \$'000
Results of the parent entity		
Loss for the year	(3,454)	(5,935)
Other comprehensive income	–	–
Total comprehensive income for the year	(3,454)	(5,935)
Financial position of parent entity at year end		
Current assets	2,368	849
Non-current assets	96,678	84,422
Total assets	99,046	85,271
Current liabilities	1,442	26,695
Non-current liabilities	27,991	–
Total liabilities	29,433	26,695
Net assets	69,613	58,576
Total equity of parent entity comprising:		
Share capital	122,956	108,465
Reserves	3,453	3,453
Accumulated losses	(56,796)	(53,342)
Total equity	69,613	58,576

Directors' Declaration

In the opinion of the directors of Aeon Metals Limited ("the Company"):

- a) the consolidated financial statements and notes set out on pages 25 to 50 and the remuneration report on pages 19 to 21 are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director (who performed the duties of the chief executive officer and chief financial officer) for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



Dr Fred Hess

Managing Director

Dated at Sydney this 30th day of September 2022

Independent Auditor's Report



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To the members of Aeon Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aeon Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
<p>Exploration and evaluation assets are a key audit matter due to:</p> <p>The significance of the exploration and evaluation activities to the Group's business and the carrying value of these assets, being the largest group of assets on the balance sheet; and</p> <p>The significance of management's estimates and assumptions regarding the recoverability of carrying values in accordance with AASB 6.</p> <p>Details of the exploration and evaluation assets are disclosed in Note 15.</p>	<p>To address the key audit matter, our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in AASB 6; Reviewing the Group's tenement licences to assess the rights to tenure are current; Testing a sample of the Group's additions to areas of interest for the year and agreeing additions to underlying records - including capitalised interest and borrowing costs; Analysing management's assessment of the recoverability of assets through successful development and exploitation of the areas of interest, or by their sale, by evaluating the Group's documentation of planned activities including tenements expenditure commitments as per the approved work programs issued by the QLD Department of Natural Resources, Mines and Energy;



- Evaluating internal budgets and cash flow projections for consistency with management's stated intentions for continuing exploration and evaluation activities in the areas of interest and critically assessing feasibility of these intentions with regard to available cash;
- Holding discussions with Management regarding their assessment of the future recoverable value of the exploration and evaluation expenditure;
- Together with BDO valuation specialists, assess the reasonableness of the discount rate applied by management for the impairment model; and
- Consider management's conclusion on the impairment of non-core exploration & evaluation assets and recalculating the impairment loss recognised.

Other information

The directors are responsible for the other information. The other information comprises the information the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report under the heading 'Remuneration Report' for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Aeon Metals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Gareth Few
Director

Sydney, 30 September 2022

Additional Information

Additional information, required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is set out below.

Substantial Shareholders

The names of substantial holders and the number of shares in which each has a relevant interest as disclosed in substantial shareholders' notices given to the Company as at 17 October 2022, are as follows:

Shareholder	Number
OCP Group	506,950,823

Equity Securities (as at 17 October 2022)

The number of holders of each class of equity securities is as follows:

Ordinary Shares (AML) 2,348

Voting Rights

At a General Meeting of shareholders, in respect of shares, one vote per member on a show of hands and one vote per share on a poll.

Distribution of Equity Security Holders (as at 17 October 2022)

Category	Holders (Fully paid ordinary shares)
1-1,000	134
1,001-5,000	260
5,001-10,000	391
10,001-100,000	1,637
100,001-9,999,999,999	661
Totals	3,083

Holder of Unmarketable Parcels (as at ASX closing on 17 October 2022)

The number of shareholders holding less than a marketable parcel of ordinary shares based on a market price A\$0.028 of is 1134.

Securities Exchange

The Company is listed on the Australian Stock Exchange. The home exchange is Sydney.

Other Information

Aeon Metals Limited, incorporated and domiciled in Australia, is a public listed company limited by shares.

Top 20 Shareholders (as at 17 October 2022)

Shareholder	Number of Ordinary Shares held	Percentage of Capital held
1 CITICORP NOMINEES PTY LIMITED	515,550,485	48.379%
2 BLISS INVESTMENT MANAGEMENT PTY LTD	40,096,860	3.763%
3 L&M GROUP LIMITED	22,053,559	2.070%
4 SLW MINERALS CORPORATION PTY LIMITED	16,000,000	1.501%
5 SOSAWILL PTY LTD <SOSAWILL SUPER FUND A/C>	11,764,764	1.104%
6 BACK9 INVESTMENT MANAGEMENT PTY LTD <SANTANA NO 2 INVESTMENTS A/C>	8,172,431	0.767%
7 MOYA PTY LTD <JAAM A/C>	8,045,195	0.755%
8 SLG AUSTRALIA PTY LIMITED	7,970,352	0.748%
9 BACK9 INVESTMENT MANAGEMENT PTY LTD <SANTANA NO 1 INVESTMENTS A/C>	7,841,000	0.736%
10 FRERE & ASSOCIATES PTY LIMITED <DERICK FRERE SUPER FUND A/C>	7,590,129	0.712%
11 MISS JESSICA JANE WONG	7,281,776	0.683%
12 HEZI INVESTMENTS PTY LTD <HEZI INVESTMENTS A/C>	6,750,000	0.633%
13 MR DEVIN WESLEY HALL	6,719,726	0.631%
14 AVERILL HOLDINGS PTY LIMITED <AVERILL SUPER FUND A/C>	5,832,077	0.547%
15 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,556,237	0.521%
16 Group:	5,035,716	0.473%
LOUISE MAREE COLLINS	4,000,000	0.375%
LOUISE MAREE COLLINS	1,000,000	0.094%
LOUISE MAREE COLLINS	35,716	0.003%
17 SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	5,000,000	0.469%
18 KORN ENTERPRISES PTY LTD <THE G & C KORN FAMILY A/C>	5,000,000	0.469%
19 KBR CAPITAL PTY LTD	5,000,000	0.469%
20 SPRINGWOOD HOLDINGS (QLD) PTY LTD <HUNG FAMILY DT NO 5 A/C>	5,000,000	0.469%
Total Securities of Top 20 Holdings	702,260,307	65.900%
Total of Securities	1,065,639,926	

On-market buy-back

There is no current on-market buy-back.

Mining Tenements

As at 19 October 2022, the Company and its subsidiaries held the following interests in mining tenements:

Tenement	Location	Interest held	Joint Venture Partner	
EPM 18359	South of Georgetown, Qld	100%		
EPM 19029	West of Monto, Qld	100%		
EPM 11898	Mount Isa West	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 13412	Mount Isa South	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 13413	Mount Isa South	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 13682	Mount Isa South	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 14220	Walford Creek	100%		
EPM 14233	Mount Isa South	72%	Summit Resources (Aust) Pty Ltd & Centaurus Metals Ltd	18% 10%
EPM 14694	Mount Isa North	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 14712	Constance Range	80%	Pacific Mines Ltd	20%
EPM 14821	Mount Isa South	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 14854	Walford Creek	100%		
EPM 14935	Constance Range	80%	Pacific Mines Ltd	20%
EPM 15156	Mount Isa South	80%	Summit Resources (Aust) Pty Ltd	20%
EPM 15911	Mount Isa South	100%		
EPM 18552	Walford Creek	100%		
EPM 18769	Mount Isa West	100%		
EPM 26906	Walford Creek	100%		
EPM 26316	Walford Creek	Farm In	Footprint Resources Pty Ltd	
EPM 27311	Walford Creek	100%		
EPM 27312	Walford Creek	100%		
EPM 27512	Walford Creek	100%		
EPM 14628	Northwest of Monto, Qld	100%		
EPM 15921	Northwest of Monto, Qld	100%		
EPM 17001	Northwest of Monto, Qld	100%		
EPM 17002	Northwest of Monto, Qld	100%		
EPM 17060	West of Monto, Qld	100%		
EPM 27314	Walford Creek	100% (application)		
EPM 27315	Walford Creek	100% (application)		
EPM 27604	Northwest of Monto, Qld	100%		
EPM 27535	North of Mount Isa	100%		
EPM 27435	Mount Isa West	100%		
EPM 27436	Mount Isa West	100%		
EPM 27743	Mount Isa West	100%		
EPM 27744	Mount Isa West	100%		
EPM 27745	Mount Isa West	100%		
EPM 28402	Walford Creek	100%		
MDL 510	Mount Isa North	100%		
MDL 511	Mount Isa North	100%		
MDL 513	Mount Isa North	100%		

Mineral Resources

The Company's Mineral Resources are disclosed elsewhere in this Report and as the Company is not engaged in mining, these have not been subject to any material changes since they were announced.

The Company's governance arrangements and internal controls in place, with respect to its estimates of Mineral Resources and the estimation process, are as follows:

Governance and Internal controls

The Company maintains thorough QAQC protocols for conducting exploration, site practice, sampling, safety, monitoring and rehabilitation, which are documented in the Company's various standard operating procedures.

Drilling methods vary according to the nature of the prospect under evaluation. These can include auger, air core or reverse circulation drilling for unconsolidated formations; to reverse circulation (hammer) and diamond core drilling (HQ & NQ) for hard rock formations. Resource estimations are based on downhole geochemical assaying and the interpretation of that data based on robust geological models. Assay samples are collected predominantly over one metre intervals through all mineralised zones but can be selectively assayed over barren geological domains. The resource work combines the geochemical assay results with the logged geology.

QAQC controls for all acquired data is undertaken by both Company geologists and via external laboratory checks.

Assay samples are acquired by various methods depending on the drilling technique being adopted. RC samples are acquired by a three-tier riffle splitter or cone splitter at the drill site or may be spear sampled if the sample is wet. In this situation at Walford, it is generally the case that the drilling method coverts to HQ Triple Tube core drilling to improve recoveries particularly through mineralised zones. The core is oriented, where possible, by Reflex ACT 3 tool and structural data recorded in the database.

Diamond core is cut in half and the half-core crushed and assayed predominantly over one metre intervals. In cases where metallurgical sample is required, half-core is put aside for this later testing and a quarter cut core sample is analysed in this instance. The cutting and sampling of half core is statistically considered more accurate than only sampling quarter core.

An appropriate analytical method using a 4-acid digest with ICP finish has been adopted over the recent drill campaigns. All above grade results from the 4-acid digest are analysed for Cu, Pb, Zn, S and Ag by AH/OE method. This method for higher precision uses a multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids. It is analysed by inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. All assaying has been carried out by an accredited assaying laboratory in Mount Isa, Townsville or Brisbane, Queensland. Aeon has an extensive and rigorous QAQC programme that incorporates industry standard blanks, external commercial reference standard material and field duplicates. At the laboratory, laboratory duplicates are taken and secondary lab checks undertaken. All the geochemical assay data is statistically validated both by the laboratories own QAQC methods and by the Company undertaking its own independent reviews.

All drill hole collars are DGPS-surveyed by an external operator, after an initial pick-up by hand-held GPS by company employees. Downhole directional surveys are completed usually every 30m downhole by the Independent Drilling Company during drilling.

Drill hole sample logging captures a suite of lithological, alteration, mineralogical and structural data, at varying intervals downhole. The field data is captured via digital input onto a laptop and secured on the on-site database. Following digital data validation in-house the data is then sent for offsite secure data storage and cross checking by an external database manager whose system undertakes confirmatory database validation.

Drill plans and sections generated from the drilling are used to constrain wireframe mineralisation models, upon which resource estimations are made. Resource estimations for Walford Creek have been calculated by an independent third-party consultant, Simon Tear of H&S Consultants Pty Ltd and have been reported under JORC 2012 rules.

Officers and offices

Company Secretary

Lucy Rowe
(BA, BA, Grad Dip Legal Studies)

Principal Registered Office

C/O Automic Pty Ltd

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Ph: (07) 5574 3830

Location of Share Registry

Boardroom Pty Limited

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Level 12, 225 George Street
Sydney NSW 2000

Ph: 02 9290 9600

ASX Code

AML

Website

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Corporate Governance Statement

The Corporate governance statement which will be approved at the same time as the Annual Report can be found at <http://www.aeonmetals.com.au/about-us/#corporategovernance>



Core Logging Progress Board

WFDH556 - TRAY #27					
Core ID	mm	Recovery	S.G.	Lith	Structure/Photos
#27	#27	#27	#27	#27	#
1030	1030	1030	1030	1030	
✓	✓	✓	✓	✓	

WFDH557 - TRAY #5					
Core ID	mm	Recovery	S.G.	Lith	Structure/Photos
#5	#5	#5	#5	#5	#
1030	1030	1030	1030	1030	
✓	✓	✓	✓	✓	





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