

ASX ANNOUNCEMENT

14 November 2022



UPDATED QUARTERLY ACTIVITIES REPORT

Aeon Metals Limited (ASX: AML) (**Aeon** or the **Company**) provides an updated Quarterly Activities Report for the period ending 30 September 2022 to include information required pursuant to ASX Listing Rule 5.3.3.

This ASX release has been authorised by the Aeon Board:

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ABOUT AEON METALS

Aeon Metals Limited (**Aeon**) is an Australian based mineral exploration and development company listed on the Australian Securities Exchange (ASX: AML). Aeon holds a 100% ownership interest in the Walford Creek Copper-Cobalt Project (**Walford Creek Project**) located in north-west Queensland, approximately 340km to the north north-west of Mount Isa.

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

Aeon Metals Limited (ASX:AML) (**Aeon** or the **Company**) is pleased to present its activities report for the quarter ending 30 September 2022.

Highlights:

- Continued, successful exploration drilling at Walford Creek further extended known mineralisation along the Fish River Fault (FRF)
- Completion of the CEI grant funded airborne electromagnetic survey (AEM) highlighted extensive near surface structure to south of the FRF
- Completion of CEI grant funded gravity survey at Sugarbag prospect
- Greg Collins commenced as Exploration Manager

Commenting on the activities for the quarter, Aeon Managing Director, Dr Fred Hess, said:

“Exploration drilling continued to extend the known mineralisation at both Le Mans and Amy west zones along the FRF. The slow turnaround of assay results in conjunction with deeper holes and at times difficult drilling conditions (where some holes had to be abandoned) combined to slow the pace of news flow.

“The recently released results of the high resolution AEM survey build on the 2021 gravity and magnetic survey results provide further evidence of the potential endowment of the Walford creek region. Testing of these newly defined target areas will be a priority for a 2023 drilling campaign.

“The current drilling season is expected to conclude in November when annual monsoonal rains typically restrict heavy equipment access to and around site. An extensive ground-based mapping and sampling program designed to follow-up on the successful geophysical surveys of the past two years will continue once drilling activities cease.

“Funding is again expected to be boosted in the current quarter from the annual refund of R&D work undertaken during the previous financial year, and submission of CEI grant claims.”

2022 Exploration Program

At the Company’s flagship Walford Creek project, 24 holes have been completed year to date (including 4 abandoned holes), for 9,153m. At 30 September 2022, 7,308m metres had been drilled at Le Mans for 19 holes and 1,844m at Amy for 5 holes (refer ASX release dated 23 Sep 2022, “*Drilling success at Walford Creek extends mineralisation at Le Mans*”).

Assay results from eight holes at Le Mans and eight holes at Amy west are pending. The Company anticipates results from a number of these holes will be available in the coming weeks.

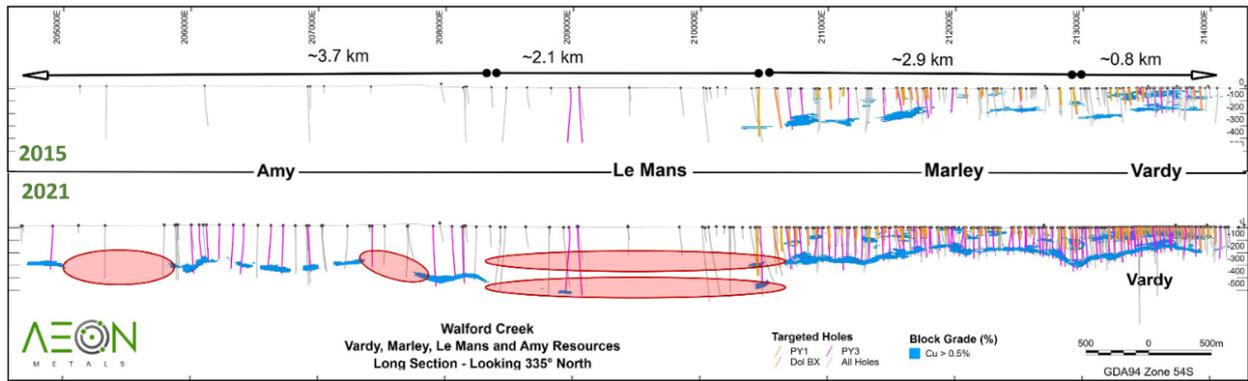


Figure 1: Gaps in existing mineral resources due to lack of drilling

The density of drilling undertaken at Le Mans and Amy west is anticipated to be sufficient to update the existing Mineral Resource Estimate, with completion expected Q1 2023.

The Le Mans drill section density has improved from variable spacing between 150 – 400m, to an average of 150m. Drilling confirmed continuity of the PY1 and PY3 mineralisation from Marley through Le Mans. Drilling at Le Mans began at the western edge of the Marley deposit, infilling more than 1.2km along strike to the west. This has delivered improved confidence in the along strike continuity and grade of the PY1 and PY3 mineralisation at Le Mans.

At Amy west, visual identification of the targeted PY3 lodes (assays pending) indicate further continuity (refer Figure 2).



Figure 2: Drill core from WFDH548 showing massive to breccia replacement sulphide mineralisation at Amy West

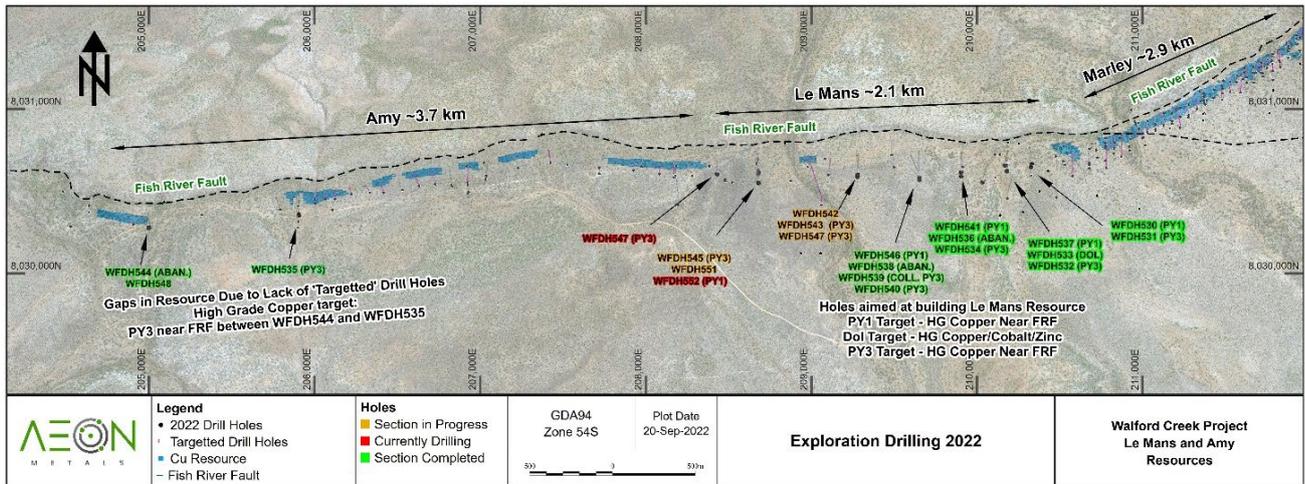


Figure 3: Location of holes drilled up to 20th September 2022

In 2021 Aeon conducted high resolution magnetic and gravity surveys at Walford Creek which identified distinct geophysical signatures associated with the known mineralisation adjacent to the FRF. Several new target areas exhibiting similar geophysical signatures were highlighted (refer ASX release dated 9 August 2021, “New Drill Targets at Walford Creek”). This dataset significantly enhanced Aeon’s understanding of the geology and thus prospectivity of the wider Walford Creek region.

The Walford Creek mineralisation is hosted within stacked pyritic shales identified as the PY1 and PY3 units which are good conductors of electrical current. Electro-Magnetics (**EM**) is an excellent tool for identifying electrical conductors up to several hundred metres below surface. In 1998 the CSIRO collected wide-spaced AEM limited to the Marley-Vardy trend. This data identified a broadly flat-lying, strong conductor that clearly delineates the pyritic shales of the PY1 unit, even at depth.

The analysis of the recent AEM survey results has identified a previously unrecognised 14 km long, highly conductive structure that has many features in common with the known mineralisation that abuts the Fish River Fault trend (refer Figure 4). Historically, high conductivity has proven to be a common proxy for sulphide mineralisation at Walford Creek. Importantly, recognition of this structure is new, with no groundwork completed by any previous explorers in the area.

Additionally, several conductive and highly prospective ‘linking structures’ were identified from the survey, further enhancing prospectivity.

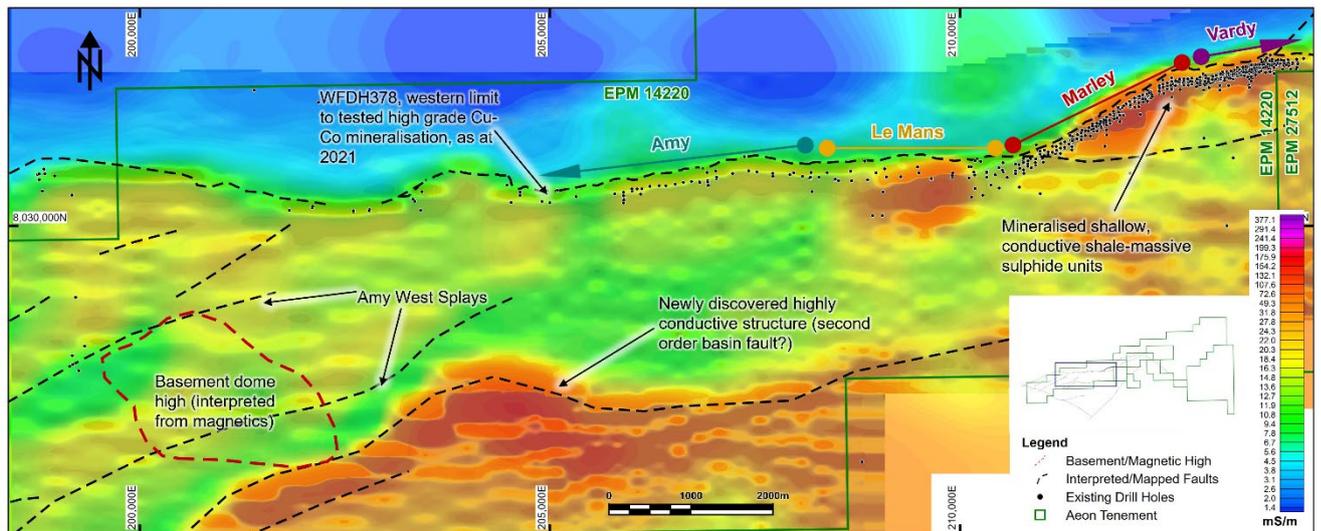


Figure 4: Conductivity over the main Walford Creek mineralised zone

Corporate

In August, Greg Collins replaced Peter Moorhouse in the role of Exploration Manager. Mr Collins is an experienced geologist with over 30 years in exploration and mine geology roles.

At quarter end, Aeon held A\$2.1 million cash and had drawn debt of A\$29.3 million.

ASX Additional Information

ASX listing rule 5.3.1: Exploration and evaluation expenditure during the quarter was A\$3.2 million. Details of exploration activity during the September 2022 quarter are set out in this report and are mostly associated with costs relating to the Walford Creek Project.

ASX listing rule 5.3.2: There were no substantive mining production or development activities during the quarter.

ASX listing rule 5.3.3: There were no mining tenements acquired or disposed of during the quarter.

A list of mining tenements held at the end of the quarter and their location is tabulated in Schedule 1 to this report.

No farm-in or farm-out agreements were entered into during the quarter, Aeon has an agreement with Summit Resources (now 100% owned by Paladin Energy) whereby Aeon has the right to explore, develop and mine base metals on the cooperative area (MDL 511, 510 and 513) with a right to earn 80%; Aeon holds a 60% stake in SLW Queensland, owners of EPM19029 near Monto.

ASX listing rule 5.3.5: Appendix 5B, Section 6.1 – description of payments: During the September 2022 quarter, Aeon paid directors fees of A\$255,000.

Appendix 5B

The Company's Appendix 5B cash report has also been released today.

This ASX release has been authorised by the Aeon Board:

For more information, please contact:

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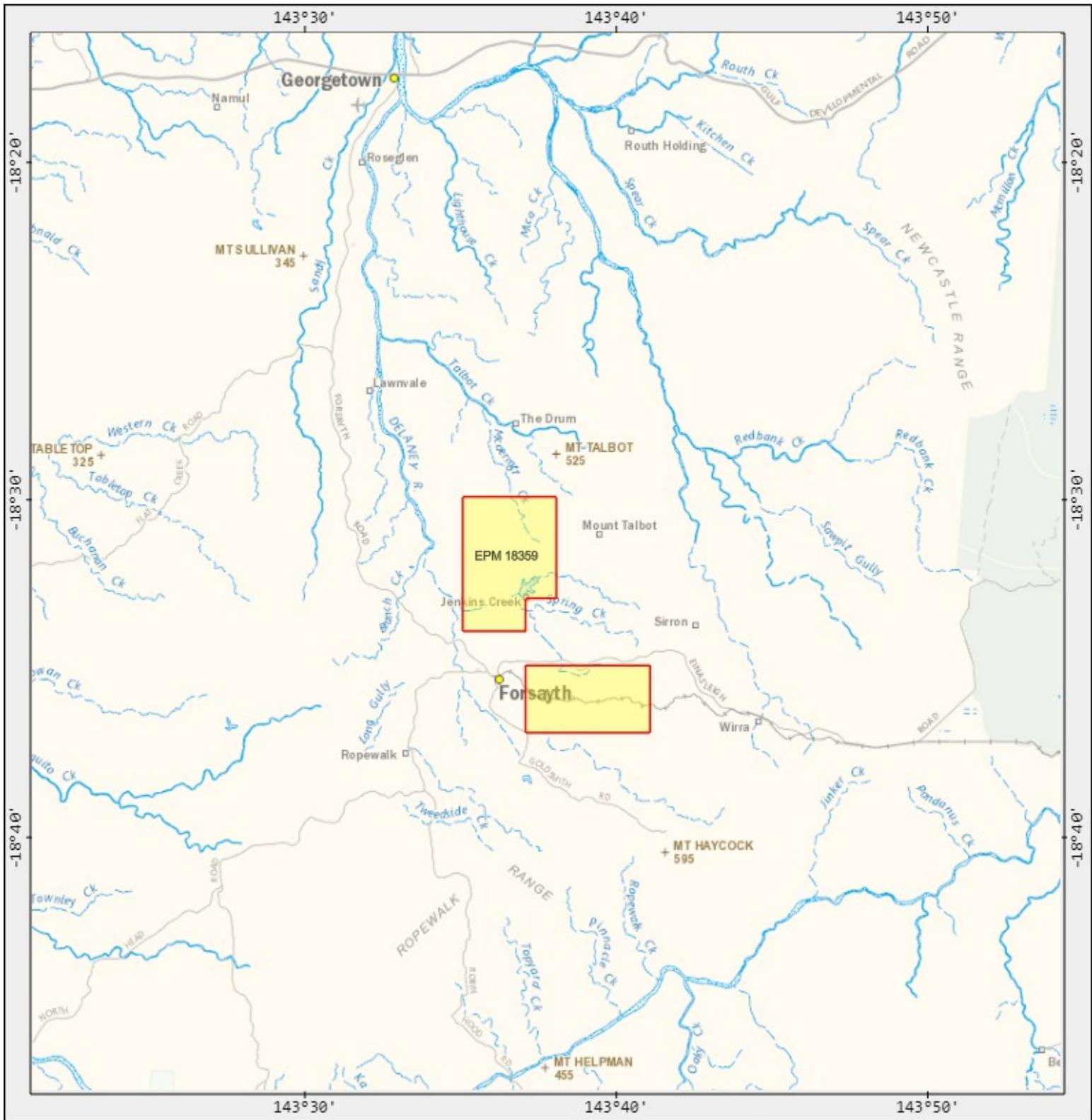
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Aeon's vision: making a difference – creating sustainable value by delivering key metals driving the low carbon future.

SCHEDULE 1

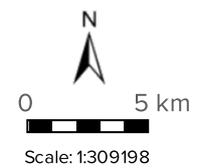
| Tenement ID | Principal Holder | Interest Held | Other Holders | General Locality |
|-------------|----------------------------------|---------------|---|------------------------------------|
| EPM 14712 | Aeon Walford Creek Limited | 80% | Pacific Mines Limited (20%) | 280km WSW of Karumba |
| EPM 14935 | Aeon Walford Creek Limited | 80% | Pacific Mines Limited (20%) | 20km West of Riversleigh |
| EPM 27535 | Aeon Walford Exploration Pty Ltd | 100% | | 50km North of Mt Isa |
| EPM 18359 | Aussie NQ Resources Pty Ltd | 100% | | 35km SSE of Georgetown |
| EPM 14694 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 100km NNW of Mount Isa |
| MDL 510 | Summit Resources (AUST) Pty Ltd | 100% | | 30km N of Mount Isa |
| MDL 511 | Summit Resources (AUST) Pty Ltd | 100% | | 30km N of Mount Isa |
| MDL 513 | Summit Resources (AUST) Pty Ltd | 100% | | 42km NW of Mount Isa |
| EPM 13412 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 45km SSW of Mount Isa |
| EPM 13413 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 50km South of Mount Isa |
| EPM 13682 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 10km West of Dajarra |
| EPM 14233 | Aeon Walford Creek Limited | 72% | Summit Resources (AUST) Pty Ltd (18%), Centaurus Metals Limited (10%) | 25km South of Mount Isa |
| EPM 14821 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 50km SE of Mount Isa |
| EPM 15156 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | 140km South of Mount Isa |
| EPM 15911 | Aeon Walford Creek Limited | 100% | | 80km South of Mount Isa |
| EPM 11898 | Aeon Walford Creek Limited | 80% | Summit Resources (AUST) Pty Ltd (20%) | WNW Mount Isa |
| EPM 18769 | Aeon Walford Creek Limited | 100% | | 100km West of Mount Isa |
| EPM 27435 | Aeon Isa Exploration Pty Ltd | 100% | | 55km SW of Mount Isa |
| EPM 27436 | Aeon Isa Exploration Pty Ltd | 100% | | 55km SW of Mount Isa |
| EPM 27743 | Aeon Isa Exploration Pty Ltd | 100% | | 100km SW of Mount Isa |
| EPM 27744 | Aeon Isa Exploration Pty Ltd | 100% | | 125km SW of Mount Isa |
| EPM 27745 | Aeon Isa Exploration Pty Ltd | 100% | | 100km SW of Mount Isa |
| EPM 19029 | SLW Queensland Pty Ltd | 100% | | 32km SSW of Monto |
| EPM 14628 | Aeon Monto Exploration Pty Ltd | 100% | | Between 30 and 35km West of Monto |
| EPM 15921 | Aeon Monto Exploration Pty Ltd | 100% | | 44km NW of Monto |
| EPM 17001 | Aeon Monto Exploration Pty Ltd | 100% | | 44km NW of Monto |
| EPM 17002 | Aeon Monto Exploration Pty Ltd | 100% | | 44km NW of Monto |
| EPM 17060 | Aeon Monto Exploration Pty Ltd | 100% | | 30km NW of Monto |
| EPM 27604 | Aeon Monto Exploration Pty Ltd | 100% | | 25km NW of Monto |
| EPM 14220 | Aeon Walford Creek Limited | 100% | | 430km NW of Mount Isa |
| EPM 14854 | Aeon Walford Creek Limited | 100% | | 340km NNW of Mount Isa |
| EPM 18552 | Aeon Walford Creek Limited | 100% | | 125km West of Burke |
| EPM 26316 | Aeon Walford Exploration Pty Ltd | 100% | | 30km East of Walford Creek Project |
| EPM 26906 | Aeon Walford Creek Limited | 100% | | 340km NNW of Mount Isa |
| EPM 27311 | Aeon Walford Creek Limited | 100% | | 17km SE of Burketown |
| EPM 27312 | Aeon Walford Creek Limited | 100% | | 50km NE of Doomadgee |
| EPM 27314 | Aeon Walford Creek Limited | 100% | | 10km North of Doomadgee |
| EPM 27315 | Aeon Walford Creek Limited | 100% | | 20km NE of Doomadgee |
| EPM 27512 | Aeon Walford Creek Limited | 100% | | 55km NW of Doomadgee |
| EPM 28402 | Aeon Walford Creek Limited | 100% | | Walford Creek |

Aeon - Forsyth Region location map



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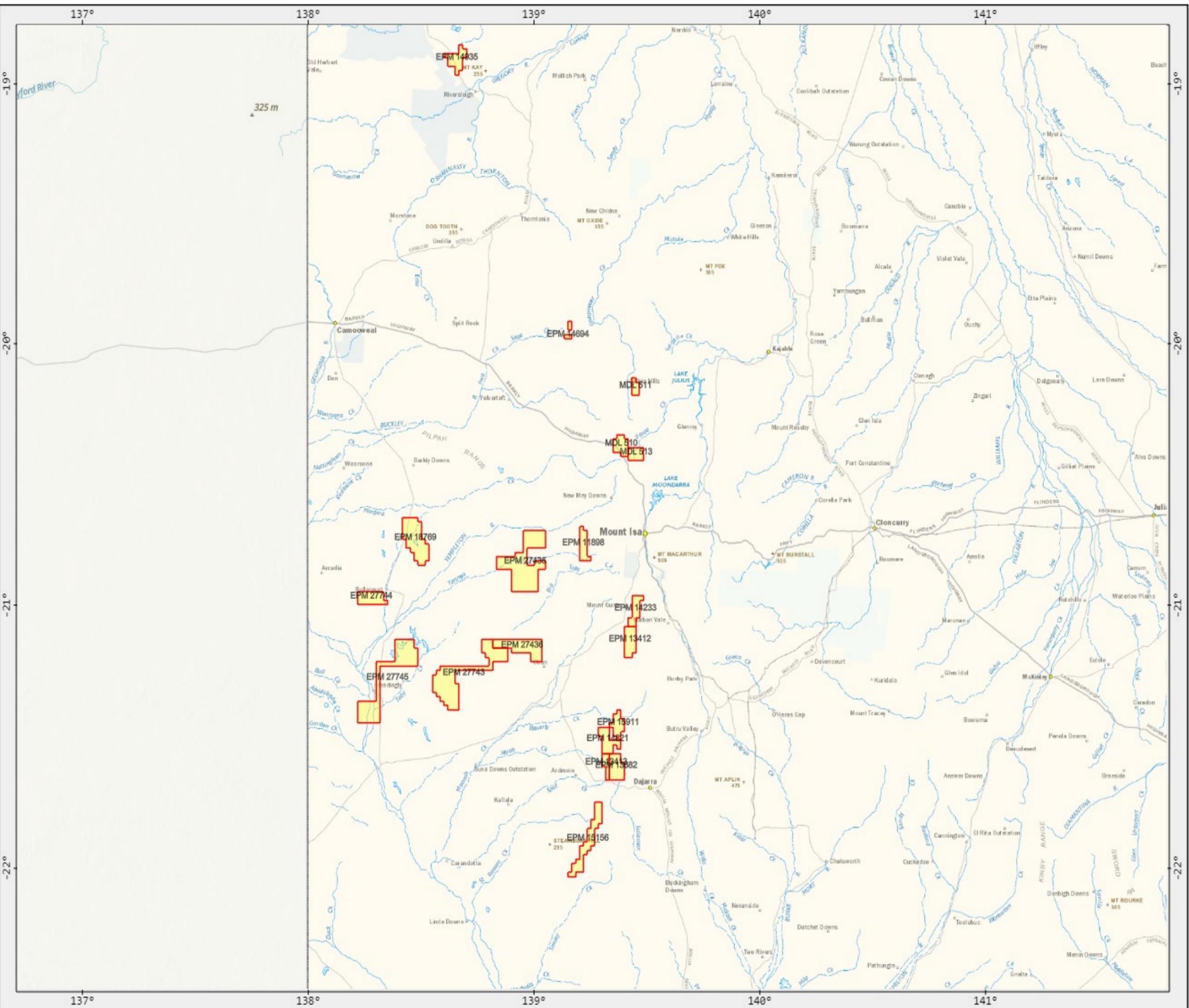
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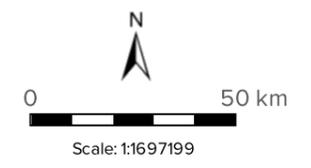
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Aeon - Mount Isa Region location map

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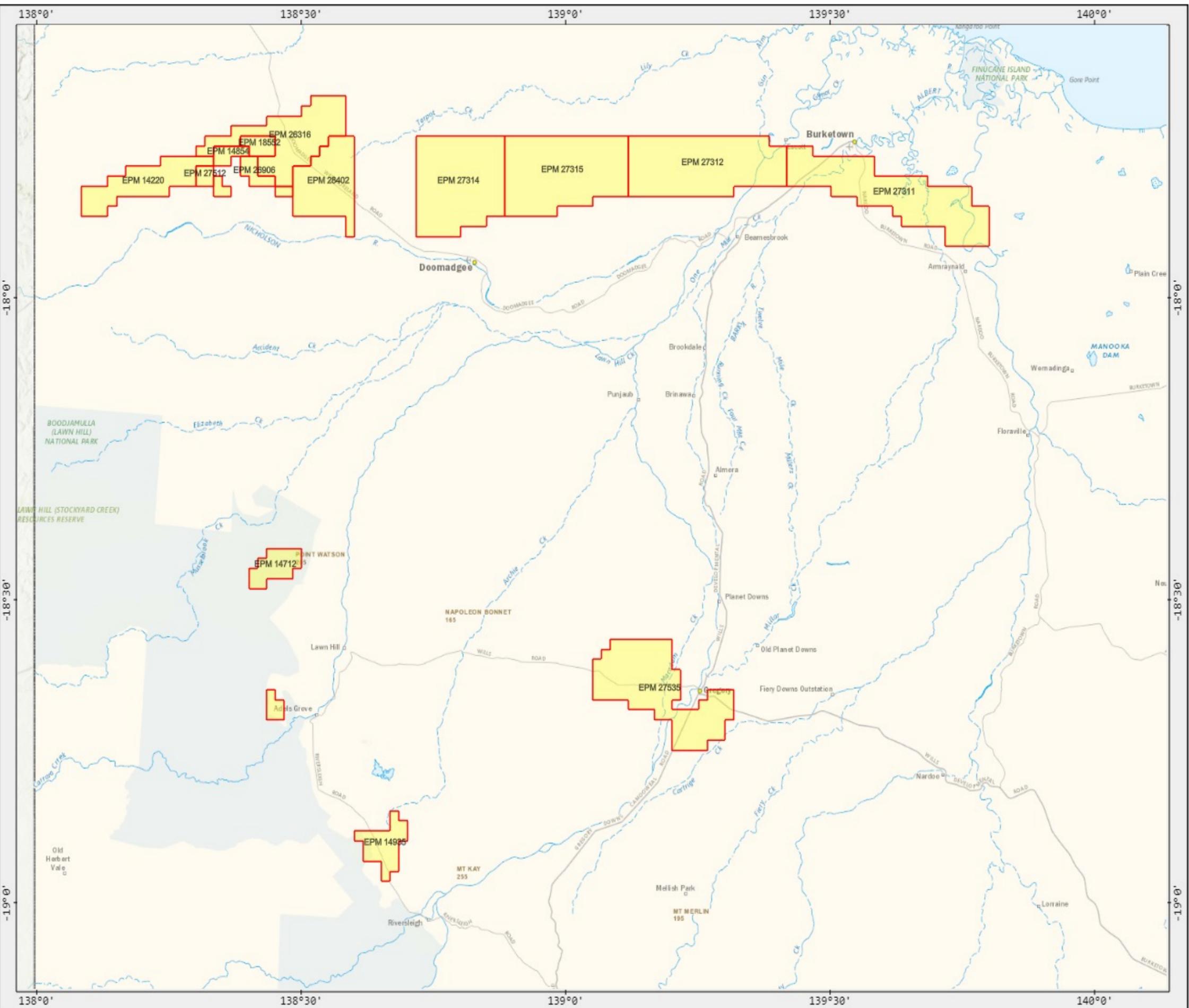
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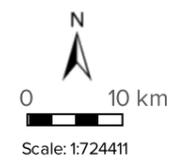


Aeon - Doomadgee General location map

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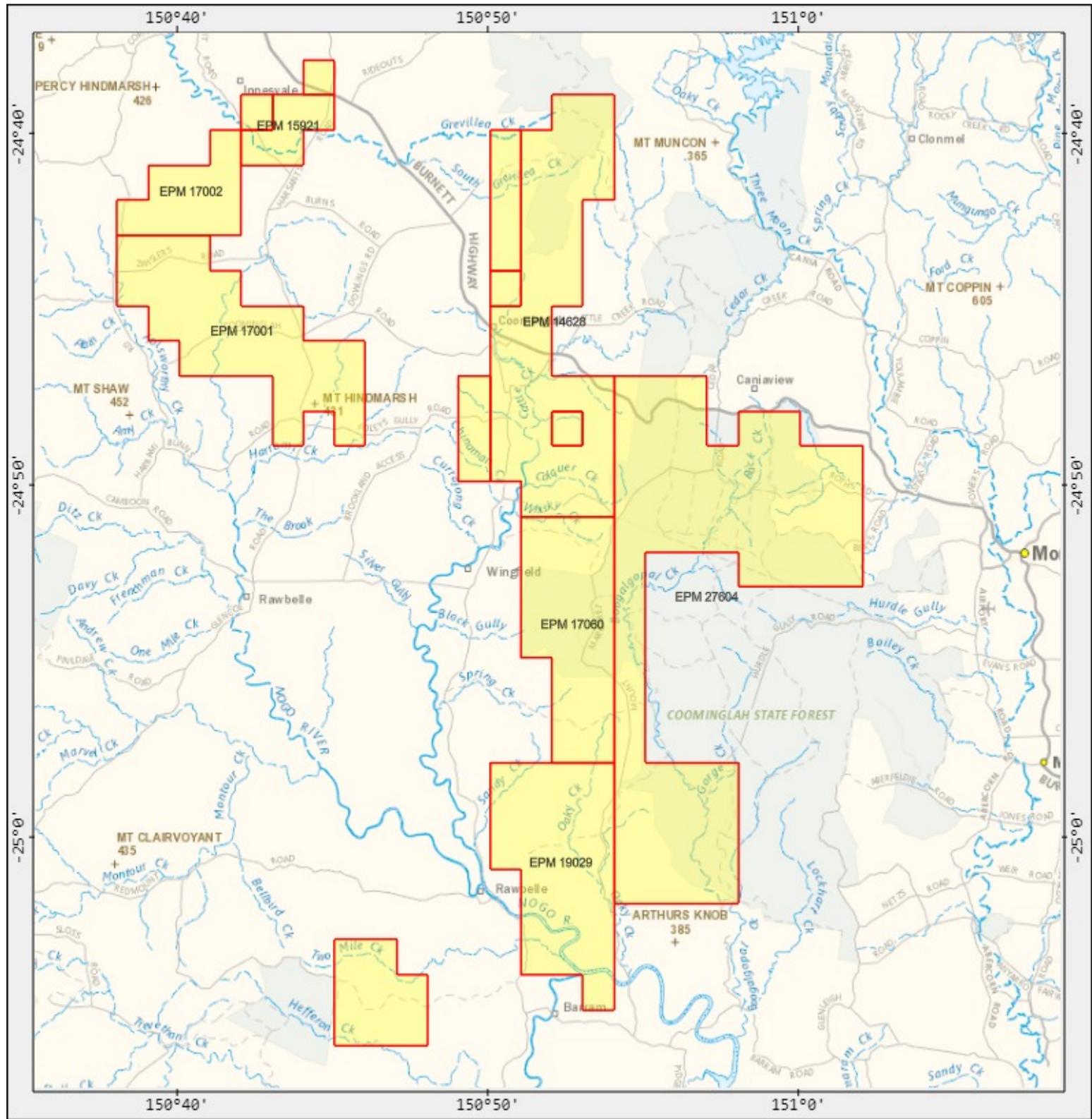
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AEON - Rawbelle Region location map



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