



Aeon Metals Limited

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Market Announcements Office,
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Sydney

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Consultancy Arrangement between Paul Harris and the OCP Asia Group

Further to the Company's announcement on 6 June 2016 that Paul Harris is to be considered a non-independent Director due to his consulting relationship with the OCP Asia Group (OCP), the following additional detail is provided in relation to how the fee payable by OCP under the consultancy arrangement is affected by the Company's share price.

The fee is to be calculated by reference to a specific AUD amount ("**Specified Amount**"), the quantum of which is approximately the same as the annual remuneration payable to Mr. Harris in respect of his role as Chairman and Director. The Specified Amount is subject to adjustment based on the performance of the Company's share price in relation to the current maturity date of the OCP loan notes in December 2017, in accordance with the following formula:

Specified Amount x (A/B)

Where:

A = the volume weighted average share price of the Company over the 10 trading days prior to 17 December 2017 and the 10 trading days following 17 December 2017.

B = 0.0728.

Mr Harris's obligations pursuant to the consultancy arrangement with OCP are subject to express limitations which seek to ensure compliance with the Corporations Act, the ASX Listing Rules and his fiduciary duties as a director of the Company.

The other Board members believe that this arrangement aligns Mr Harris's personal interests with those of the Company and its shareholders. The other Board members believe that the skills and experience of Mr Harris are valuable to the Company and that Mr Harris's remuneration arrangement with OCP further incentivises him to add value to the Company.

Yours Faithfully,

Stephen J Lonergan
Director and Company Secretary