ASX ANNOUNCEMENT
29th March 2022

WALFORD CREEK 2022 EXPLORATION STRATEGY

Highlights:

- Drilling contractors engaged to provide two multi-purpose drill rigs for aggressive 2022 exploration program at Walford Creek commencing in May.
- Airborne electro-magnetic contractor engaged to complete Collaborative Exploration Incentive funded survey in July 2022.
- 19,000m drilling program focussed on achieving complementary objectives:
    - Mineral Resource expansion along 6 km of strike following the successes from the drilling of Le Mans in 2021 and Amy in 2019 (20 holes planned); and
    - Addition of new Mineral Resources from nearby local targets identified and prioritised using the 2021 high resolution geophysical survey data (initial 12 holes planned).
- Unprecedented opportunity to expand Mineral Resources and add further value to the emerging, world-class Walford Creek Project.

Aeon Metals Limited (ASX: AML) (**Aeon** or the **Company**) is pleased to provide an update on the proposed 2022 exploration activities at its Walford Creek Copper-Cobalt Project (**Walford Creek Project or Walford**) in north-west Queensland.

An extensive recruitment drive has been successful in securing a core field team to execute the 2022 drilling strategy at Walford Creek. Logistical planning has commenced, with the reopening of the Walford Creek Camp facility to occur in April 2022. The company has successfully secured the services of two multi-purpose drill rigs to commence a 19,000 m program in May 2022. The key focus of this program will be Mineral Resource expansion from along strike at Walford Creek and at nearby high-priority exploration targets refined from the 2021 high resolution geophysical survey work.

Aeon was recently awarded a grant from the Queensland Government Collaborative Exploration Incentive (**CEI**) scheme to undertake an airborne electro-magnetic survey (**AEM**) of its Walford Creek tenements, which host the existing Walford Creek Mineral Resources (see AML ASX release dated 18 February 2022). Aeon has now secured the services of a suitable contractor to complete this AEM in July 2022.

This additional high resolution geophysical data set will further enhance the existing targeting information that is based on high resolution magnetic and gravity data sets. Upon completion, Aeon will possess an outstanding high resolution geophysical data set that can be used to guide exploration targeting across the entire Walford Creek tenement package of some 400 km^2.

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.

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An aggressive drilling exploration strategy has been developed to make full use of this outstanding opportunity. With the completion of the Walford Creek Pre-Feasibility Study (**PFS**) expected in coming weeks, the twin objectives of the drilling program will complement the advancement of the Walford Creek study agenda by, in combination, pursuing expansion of the Mineral Resources underpinning the existing Walford Creek development proposal. If successful, either a longer mine life and/or increased scale could be contemplated with each potentially providing a source of substantial additional value to the Walford Creek Project.

Initially, both drill rigs will be 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 is completed, 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 planned CEI funded AEM survey.

At the completion of the 2021 in-fill drilling program at Vardy and Marley, three exploratory holes were drilled stepping out some 150 m to the west of Vardy into the Le Mans zone. These step-out holes demonstrated the previously unrecognised presence of continued mineralisation within the PY1 unit, with a 60 metre periphery zone intersected over 50 metres away from the Fish River Fault **(FRF)**. The Walford Creek geological model, based on the extensive drilling completed to date, anticipates a continuation of the high grade mineralisation within the PY1 adjacent to the fault along the entire 2.1 km strike of this untested zone.

An existing Inferred Mineral **Resource of some 5.1 Mt is already defined for the Amy Zone. The Amy zone has previously yielded the highest-grade intercept recorded at Walford Creek with hole WFDH352 assaying *42m @ 2.55% Cu and 0.29% Co from 332 m. As such, the Amy zone represents another great opportunity to further increase Mineral Resources along strike.

Aeon Managing Director and CEO, Dr Fred Hess, commented:

"While the finalisation of the PFS results is still several weeks away, it is a measure of our growing confidence in the Walford Creek Project that we are able to commit to a substantial exploration program for 2022. Our exploration team is gearing up amidst great anticipation for what promises to be a potentially transformative six months ahead for our Company. The proposed drilling campaign is aggressive in terms of its objectives, yet considered and systematic in its approach, relying on an outstanding geophysical data set and a proven geological model for its guidance.

"The portfolio of quality exploration targets now defined within the Walford Creek Project area warrants optimism and promises to unlock a step change in project value, even if only partially successful. The extent of known mineralisation in conjunction with the geological continuity observed within the three existing resources provide the platform upon which our increasingly detailed geological understandings have been built to yield a formidable targeting tool for use in what is undoubtedly a target rich environment.

"For even greater encouragement, our recent awakening to the wider occurrence of significant Walford Dolomite hosted copper mineralisation observed at Vardy Deeps opens up a further opportunity to add yet another dimension to the portfolio of Walford Creek Mineral Resources.

"Any resulting step change in the scale of Mineral Resources arising from a successful exploration program has strong potential to deliver a re-rate of the Walford Creek Project and further underpin wider interest in both the project specifically and the mineral province more broadly."

**See AML ASX Announcement dated 30th August 2018 "42 metres at 2.55% Copper and 0.29% Cobalt 4.6km west of current resource*

*** See AML ASX Announcement dated 19th August 2021 "Walford Creek Resource Update*

Near Resource Exploration – Le Mans and Amy – 18 drill holes planned for 2022

The Mineral Resources at the Walford Creek Project currently consist of the well-studied Vardy and adjacent Marley zones, and the lesser studied Amy deposit.

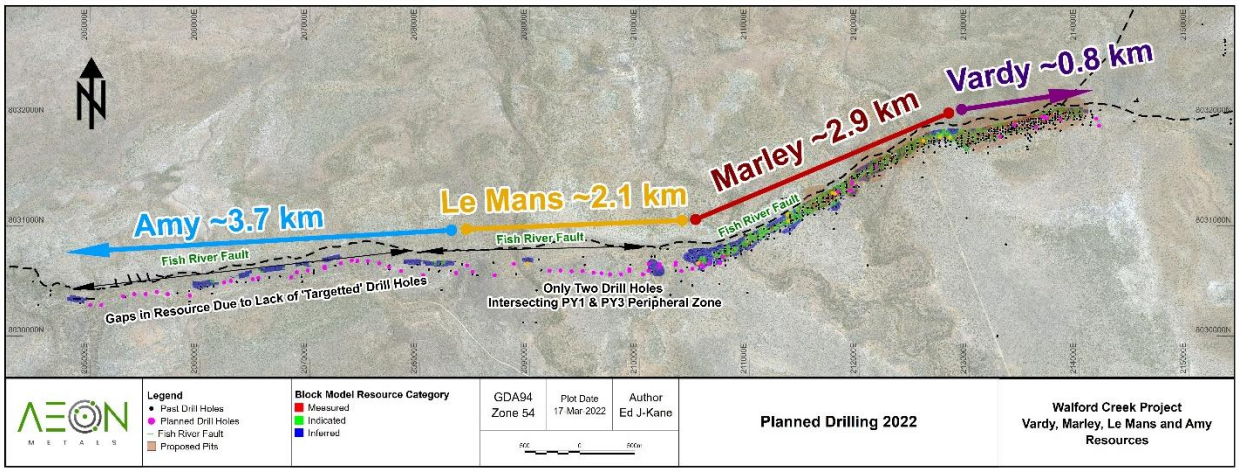

***Figure 1**: Existing resources at Walford Creek and long term planned drilling to link the Amy resource with Vardy and Marley*

These deposits are located on the southern side of the regional FRF over a 10 km strike length. Mineralisation occurs extensively within two distinct stratigraphic units (PY1 and PY3) and is also recognised in the under-explored Walford Dolomite. The higher tenor copper and cobalt mineralisation occurs directly adjacent to the fault and typically extends out 25 metres away from the FRF. Low-grade base metal mineralisation (Cu-Co-Pb-Zn) forms a halo (periphery zone) around the higher tenor mineralisation and typically extends out over 100 metres from the FRF (see Figure 2). This understanding of the halo mineralisation underpinned the discovery and successful drilling of the Amy resource. The continuity of geology and mineralisation has been robustly displayed along strike of the FRF and past drilling has validated and refined Aeon's geological model.

Understanding this spatial relationship of mineralisation is critical to further exploration targeting at Walford.

Drilling of near resource exploration will focus on both the Le Mans Prospect and progressing the understanding of mineralisation observed at Amy. Amy hosts some of the best mineralised intercepts within the project area, including WFDH352 *(*42 metres @ 2.55% Cu, 0.29% Co and 41gt Ag)* and WFDH378 *(***13m @ 3.73%Cu, 0.27%Co and 49gt Ag from 300m including 9m @ 5.1%Cu, 0.36%Co and 59gt Ag)* yet the resource is poorly defined, remaining entirely in the inferred category with significant gaps occurring due to lack of targeted (by the geological model) drilling. Drilling is proposed to establish the extent of these insufficiently explored copper zones.

**See AML ASX Announcement dated 30th August 2018 "42 metres at 2.55% Copper and 0.29% Cobalt 4.6km west if current resource*

**** See AML ASX Announcement dated 17th October 2018 "High Grade Continues 5.7km West of Amy*

Figure 2 illustrates a schematic cross section demonstrating the typical distribution of metals in relation to the geology at the Walford deposits. The high-grade copper core is presented in red, and the surrounding peripheral cobalt mineralisation is shown in blue.

Four theoretical drill holes are depicted in Figure 2, over a 100-meter section. These are designed to target Walford style mineralisation. To test the potential of high-grade fault bound Cu-Co mineralisation in PY1 and PY3, holes A and C (respectively) must be executed precisely. These target holes delineate the resource. Holes B and D will likely only return anomalous Cu-Co metal values. It is important to note that the high-grade Cu-Co is fault-bound and therefore requires accurately drilled target holes to delineate a resource.

The impact on results from implementing this model targeted approach is presented in Figure 3 which differentiates targeted PY1 drillholes (type A, presented in orange), and targeted PY3 drill holes (type C, presented in purple), and all other drillholes that failed to test the target (grey), overlaying these with the copper block model (grade >0.8%).

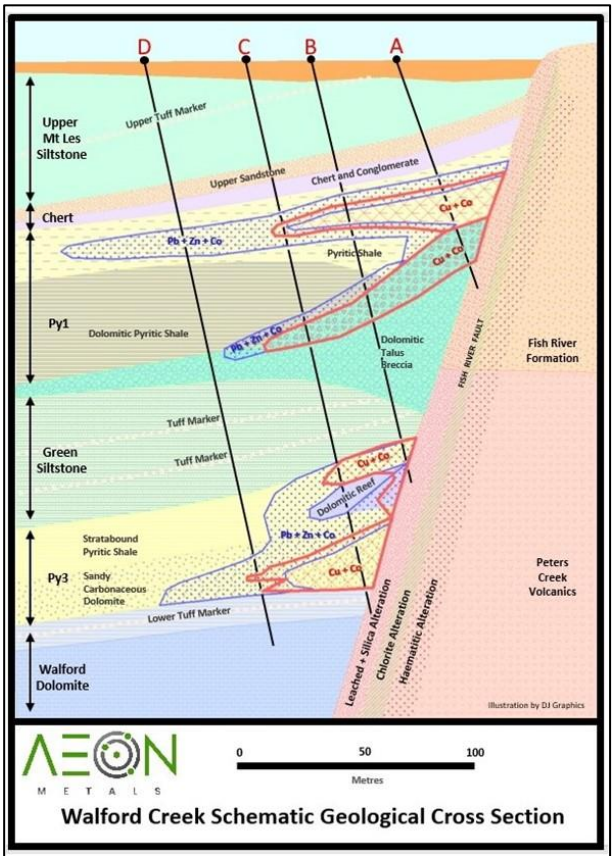

***Figure 2**: Schematic section looking 245 degrees with typical walford geology and mineralisation distribution. Theoretical drilling shows **Hole A – "Targeted PY1 hole"**, Hole B – Periheral PY1, misses PY3, **Hole C-Targeted PY3 hole**, Hole D – Peripheral PY3 hole.*

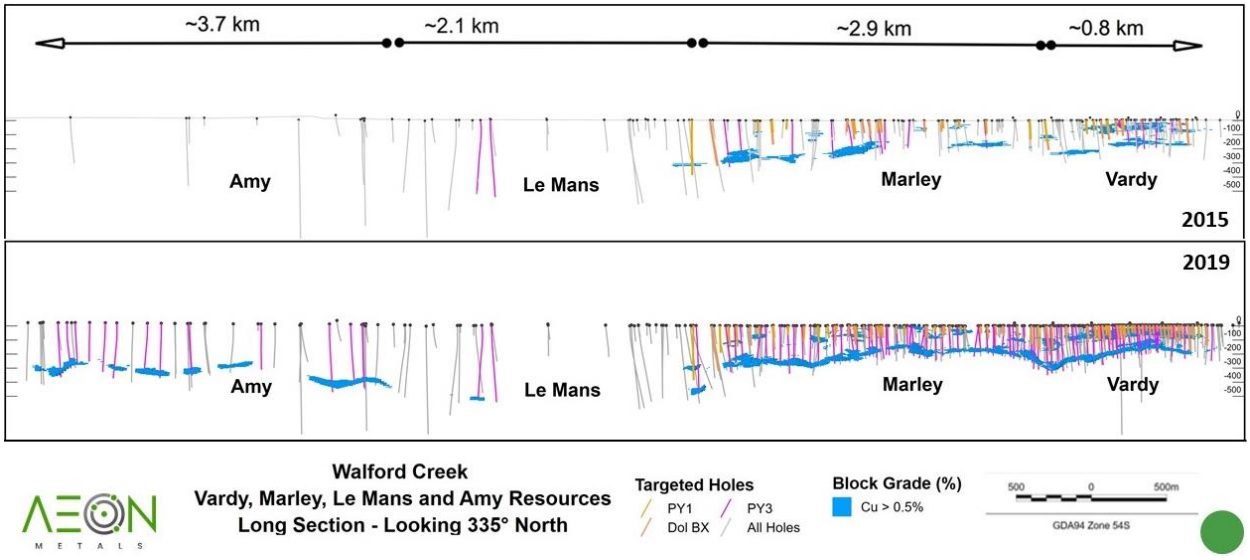

Figure 3**: All Resources (>0.5% Cu) at 2015 and 2019. Drill holes shown as grey traces, or **purple traces when classified as "Targeted PY3" and orange traces wih classified "Targetted PY1".

First pass reconnaissance drilling of three drill holes were completed in 2021 in the underexplored Le Mans zone. These preliminary holes failed to hit the target zone, however they intersected a significant 60-metre-thick mineralised sequence within the PY1 unit over 50 metres from the FRF. The presence of lower tenor base metal mineralisation distal from the fault suggests a higher tenor mineralisation proximal to the FRF. An example of this is provided in the cross sections of Figures 4

and 5, where initial drilling from Le Mans is compared to sections 213550mE and 213230mE within the Vardy Deposit.

At Vardy 213550mE, drill hole WFDD202 intercepted 20 metres @ 0.52% CuEq, around 55 metres from the FRF in PY1. Drilling to the north (WR26 and WFDH445) within 25 metres from the FRF intersected 60 metres @ 1.79% CuEq and 28.2m @ 3.55% Cu Eq respectively.

At Vardy 212320mE, drill hole WFDD265 intercepted 22 metres @ 0.44% CuEq, approximately 100 metres from the FRF in PY1. Drill hole WFPD139 to the north, drilled 25 metres from the FRF intersected 84 metres at 1.54% CuEq. Additionally on the same section, drill hole WFDH494 intercepted 13 metres at 0.55% CuEq, around 43 metres from the FRF in PY3. Drilling within 25 metres of the fault returned 43 metres @ 1.85% CuEq in hole WFDD265, and 25.4 metres @ 2.40% CuEq in hole WFDH416.

See AML ASX release dated 11th February 2022 “Step-out drilling identifies potential Vardy repeat at Le Mans” for full details on the above drill results.

Following the geological model, these initial Le Mans drill holes have intersected the periphery zone of halo mineralisation. The tested geological model suggests that high tenor mineralisation will occur closer to the FRF.

The 2022 exploration drilling will focus on extending the Marley zone west through the Le Mans zone towards the Amy resource by drilling targeted holes, along with the further delineation of high grade copper within Amy. An initial 18 planned holes will target both PY1 and PY3 horizons.

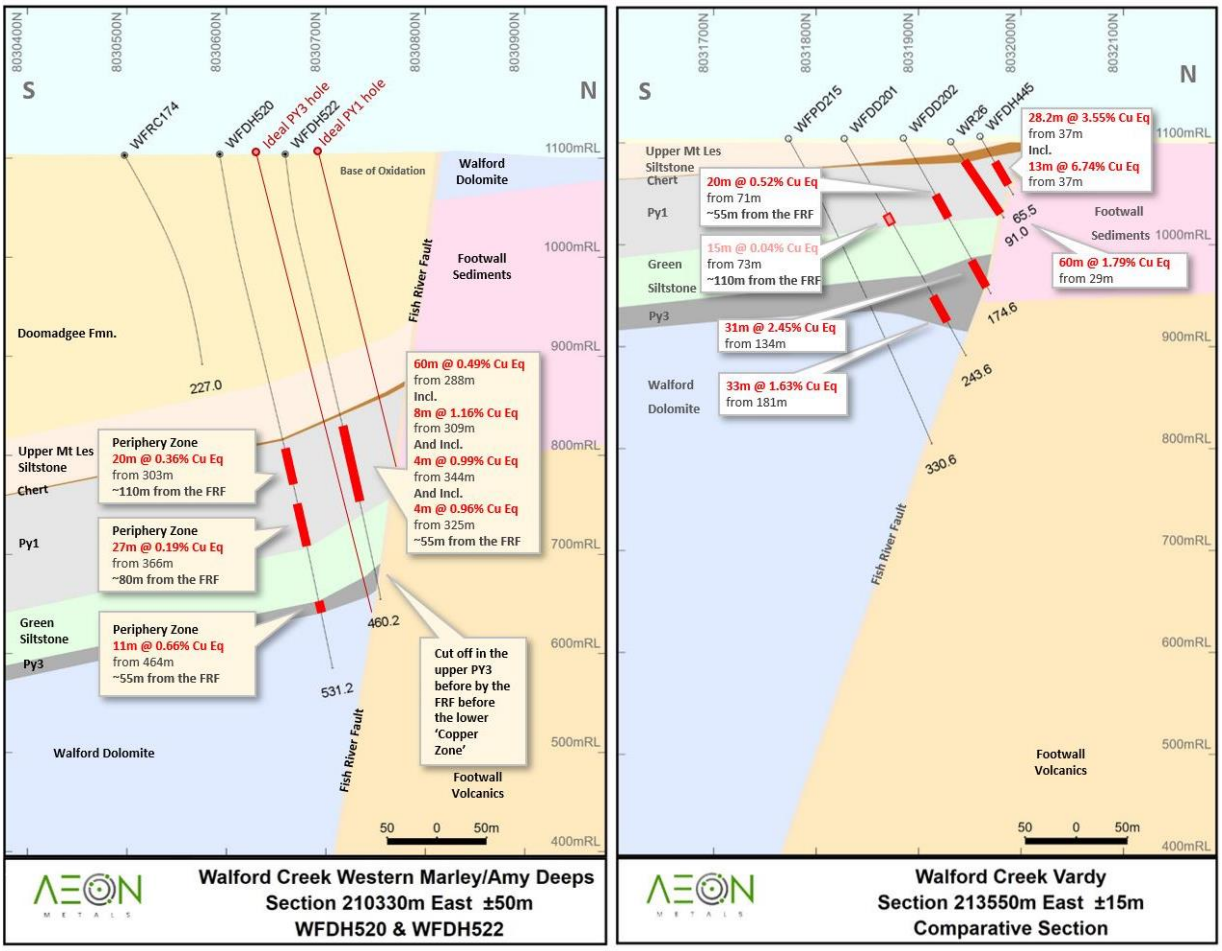

***Figure 4**: 2021 drilling of peripheral PY1 and PY3 zone at Le Mans with proposed 2022 drilling shown, compared to Vardy section 213550mE*

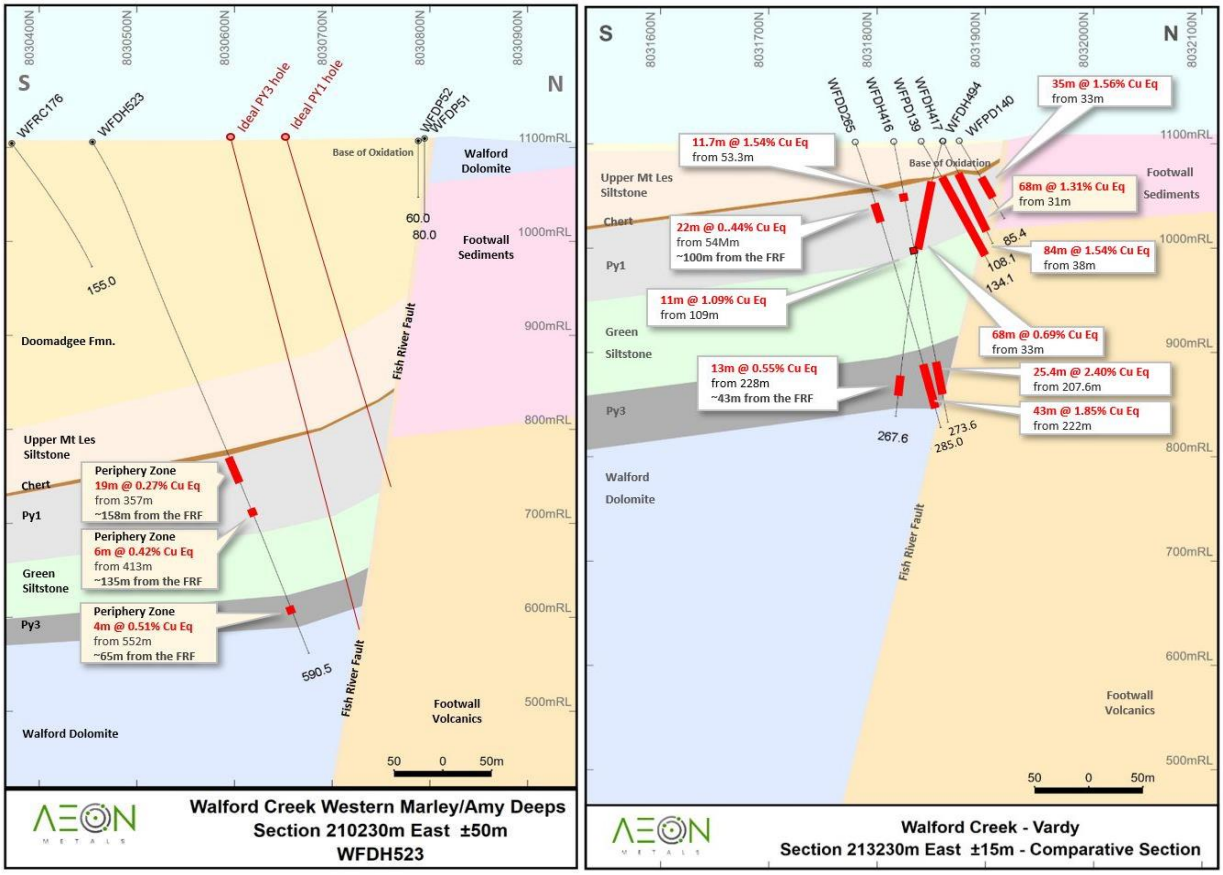

***Figure 5**: 2021 drilling of peripheral PY1 and PY3 zone at Le Mans with proposed 2022 drilling shown, compared to Vardy section 213230mE*

Walford Dolomite Mineralisation – Vardy and Marley Deeps – 2 drill holes planned for 2022

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 1.

Hole No.	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

***Table 1**: Historic copper drililng intersects within the Walford Dolomite*

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 mineral resource within the Walford Dolomite. This feature cannot be explained by the currently known stratigraphy in the area and requires further investigation.

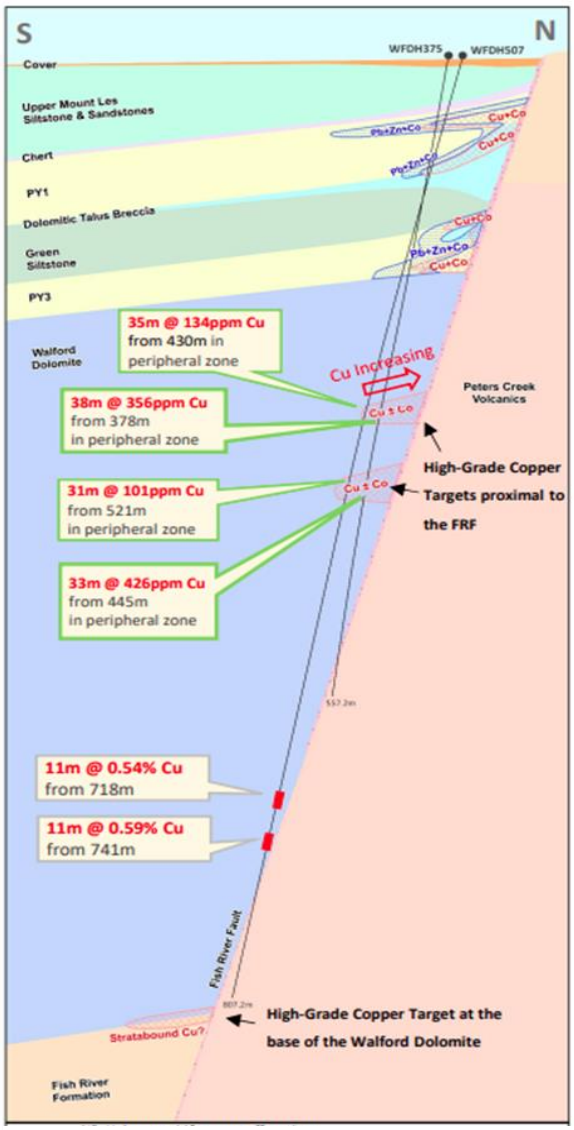

Figure 6: *Stylised cross section of Vardy Deeps 2021 Drilling, demosntrating potenital for copper mineralisaion within the Walford Dolomite.*

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.

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 faut 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.

Two further holes are proposed in the 2022 drilling campaign to test this concept.

Walford Project Regional Exploration Targets – An initial 12 holes planned for 2022

Regional exploration targets were refined in 2021 following extensive project wide magnetic and gravity surveys conducted in Q2 2021. These were largely outlined in AML ASX release dated 9 August 2021. Subsequent drilling at Vardy Deeps has increased the priority for several of these targets, and drill hole planning has now occurred. The objective is to systematically test these targets progressively over the coming 2 years. These targets are shown in Figure 7 and are summarised below.

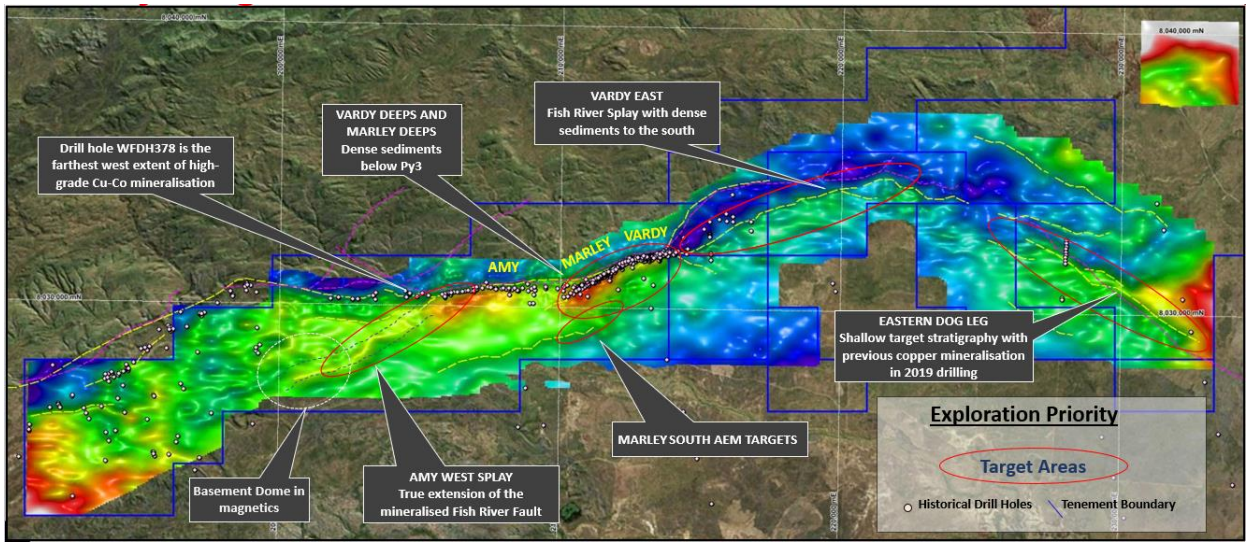

***Figure 7**: Walford priority regionl target portfolio shown on 2021 gravity data*

1. Amy West Splay

Some of the best copper intersections within the project area are located at the west of the Amy deposit, including drillhole WFDH378 which intersected **13m @ 3.73%Cu, 0.27%Co and 49gt Ag from 300m including 9m @ 5.1%Cu, 0.36%Co and 59gt Ag. The recently acquired higher resolution geophysics has better delineated an additional structural target that is potentially the mineralised continuation of the FRF. An initial 4 drill holes are planned to establish lithological and structural positioning.

2. 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. The 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. An initial 4 drill holes are planned to test the specific geophysical signatures observed. The CEI funded AEM survey will assist in better understanding this area.

3. 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. An initial 4 drill holes are planned to establish lithological and structural positioning, and structural fertility.

4. 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.

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 2. Up to an additional 3,500 drilling metres will be allocated on a priority basis following initial results from phase one.

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

***Table 2**: Phase 1 Regional drilling metre allocation*

Walford Regional Exploration Airborne Electromagnetic Survey (Majority CEI funded)

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 2022, Aeon will fly a new CEI-funded high resolution 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.

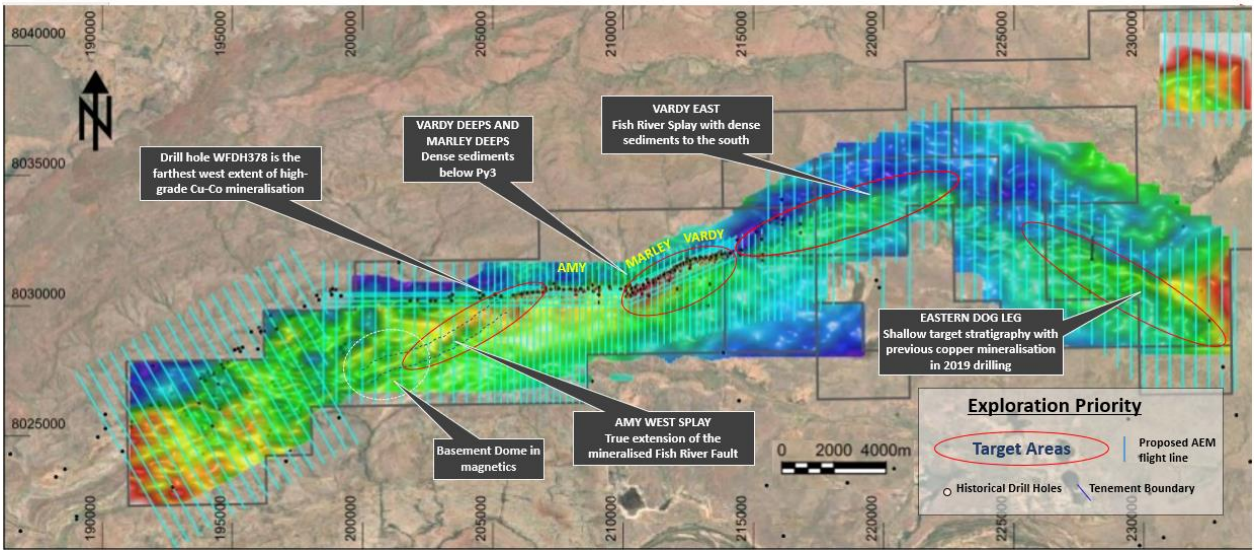

***Figure 8**: Walford Project priority target areas with proposed CEI funded AEM lines overlying 2021 gravity data*

Aeon were successful in applying for $200,000 in funding from the Queensland government CEI scheme to subsidise this survey.

This will allow approximately 1,000 line-kilometres of high-resolution data to be acquired. The footprint for this data acquisition will encompass coverage of the entire the FRF and associated structures. The proposed survey lines, in relation to the existing regional targets at the Walford Creek Project, are shown in Figure 8.

Relevant data sources - AML ASX releases

30th August 2018 "42 metres at 2.55% Copper and 0.29% Cobalt 4.6km West of current resource"

17th October 2018 "High Grade Continues 5.7km West of Amy"

24th September 2019 "Amy Exploration Update"

19th April 2021 "Walford Creek Resource Update"

30th June 2021 "Walford Creek Revised Scoping Study Results"

9th August 2021 "New Drill Targets at Walford Creek"

11th November 2021 "Vardy Deeps Exploration Update"

11th February 2021 "Step-out drilling identifies potential Vardy repeat at Le Mans zone"

21st March 2022 "Walford Creek Resource Upgrade"

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.

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

Appendix 1: Competent Person's Statement

The information in this report that relates to Exploration Results for the Walford Creek Deposit is based on information compiled Mr Andrew Moorhouse who is a Member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Moorhouse is a full-time employee of AEON Metals Limited and consents to the inclusion in the presentation of the Exploration Targets and Exploration Results in the form and context in which they appear.