



ASX Announcement — 19 May 2017

WALFORD CREEK DRILLING UPDATE

Aeon Metals Limited

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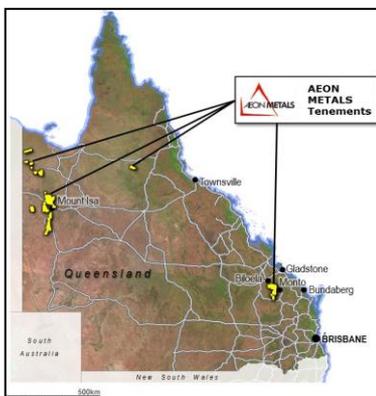
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ASX Code - AML

Shares on Issue: 347m
Share Price: \$0.15
Market Capitalisation: \$52m
Cash (31 Mar 2016): \$3m

All mineral resources projects
located in Queensland:



Aeon Metals Limited (“Aeon” or “the Company”) advises that three diamond holes have now been completed at Walford Creek as part of its 2017 drilling program. The initial focus of the program is extension drilling to the east and north east to identify additional Resources to supplement the already announced Vardy Resource.

The three holes, WFDD224, WFDD225 and WFDD226 have all intersected sulphide mineralisation associated with the Upper Pyrite unit 1 and have intercepted the footwall Fish River Fault splaying in a general east-nor-easterly direction. Following the re-interpretation of this eastern end of the Vardy zone in 2016, the likelihood of a series of splay faults was surmised based on the previous drilling, reinterpretation of the lithological units immediately east of Vardy and from the limited outcrop which further to the east suggests several fault structures. This is interpreted as a classic splay or horse-tail fault architecture. What this drilling is now investigating is the nature of the faulted blocks between these splay faults and what thickness of likely Mount Les Siltstone, the unit that hosts the pyrite lens is. The current geological interpretation based on the visual logging of the drill core is that a 30m to >60m wedge of brecciated sulphide rich material exists beneath the chert layer and the Fish River Fault. The base of the chert horizon occurs at an average shallow depth of about 30 metres down hole.

These mineralised intercepts are interpreted as a continuation of the Pyrite Lens 1 which hosted the high grade mineralisation intercepted in the 2016 drilling on the northern margin of the Vardy Zone.

The 2017 extension drilling will continue to incrementally follow out this mineralised unit and define the bounding faults as shown schematically in the accompanying Figure 1. The mineralisation continues to be open at present.

The first core has been transferred to Mt Isa and is currently being sampled for Specific Gravity details prior to cutting and then transport to the laboratory.

The Company remains confident in its strategy to pursue the mineralisation out to the north east and is very encouraged by the core logged to date.

For more information, please contact:

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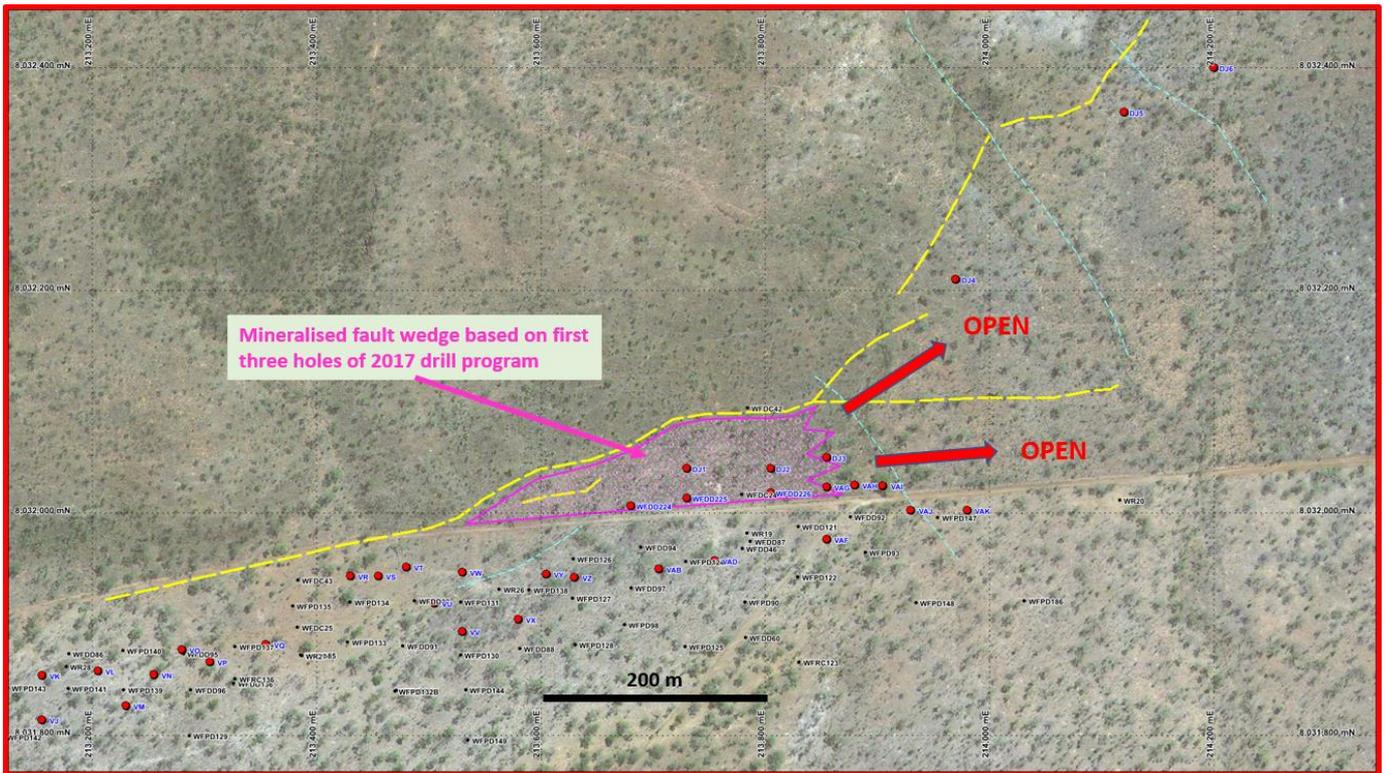


Figure 1: Shows holes WFDD224, WFDD225 and WFDD226 with the newly interpreted fault architecture at this eastern end of the defined Vardy Resource

Additional hole details are shown in Table 1. The visual geological logging of the drill core suggests a mineralised wedge likely bounded by the northern Fish River Fault and at least one other easterly trending fault structure previously considered to be the likely bounding northern Fish River Fault. A block or wedge of Mount Les Siltstone has now been intersected in the first three holes and this suggests a faulted up thrown block of Py1 material rich in sulphides. No visual estimates have been made based on the poly-metallic nature and brecciated character of the rocks intercepted in these early holes.

Table 1: Completed holes at Walford Creek May 2017

Proposed Hole	Hole ID	Easting	Northing	RL	Azi	Dip	Depth
VAA	WFDD224	213680	8032006	107.338	0	-65	78.3m
VAC	WFDD225	213730	8032013	105.253	0	-72.5	109.8m
VAE	WFDD226	213805	8032018	106.547	0	-69	110.9m



APPENDIX 1 - COMPETENT PERSONS STATEMENT

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