



Aeon Metals Limited

ABN 91 121 964 725

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W: aeonmetals.com.au
E: info@aeonmetals.com.au

ASX Code - AML

11 January 2018.

Dear Shareholder,

On 5 January 2018 your Company (“Aeon” or “the Company”) announced a Share Purchase Plan (“SPP”) to enable shareholders with registered addresses in Australia or New Zealand as at 7.00 pm (Sydney time) on 4 January 2018 the opportunity to subscribe for up to \$5,000 of shares in the Company at 28 cents per share. Your personalised Application Form is enclosed.

The issue price represents a 12.4% discount to Aeon’s weighted average ASX market price over the last 5 days on which Aeon shares have been traded prior to this announcement. Importantly, this is the same price at which the Company completed a \$30 million institutional placement in December 2017. The purchase of shares under the SPP does not incur brokerage or other costs. There is no minimum subscription and eligible shareholders can apply for any number of shares up to the maximum of \$5,000.

The SPP will close at 7.00pm (Sydney time) on Friday, 2 February 2018 and it is expected the shares will be issued on Thursday, 8 February 2018.

The proceeds of the SPP up to \$5 million will be used to further paydown debt owed to the OCP Asia Group (“OCP”) and any excess over \$5 million will be used for working capital. In December 2017 the Company made a repayment of \$15.5 million to OCP leaving a current balance of approximately \$14.15 million. A further paydown of \$5 million will mean that the remaining balance can be substantially repaid with funds (\$13.6 million) should OCP exercise its 85 million Aeon warrants, each exercisable at 16 cents on or before 17 December 2019.

Aeon has an exciting year ahead. Before the end of January we expect to announce an upgraded copper cobalt Resource at Walford Creek and this is at a time when copper and cobalt prices are strong and have positive supply demand outlook generated in large part by the world automotive industry’s switch to electric vehicles. Once the current wet season finishes in north west Queensland, Aeon will recommence infill and exploration drilling and this is likely to produce outstanding results akin to those which were reported from the 2017 drilling program. The Company is also working on metallurgical, environmental and processing issues required for the Project Feasibility Study.

In considering whether to take up this offer, you should be aware of the risk that the market price for Aeon shares may change between the date of this offer and the date when the shares are issued to you. This could have the effect that the market value of the shares when you receive them could be less than the subscription price of 28 cents.

The Directors believe the offer is attractive given the outlook for the Company and all Directors intend to take up their full entitlement under the SPP.

Up to date information regarding the Company is available on the Company's web site
www.aeonmetals.com.au.

Sincerely

A handwritten signature in blue ink, appearing to read "Paul Harris", is displayed on a light blue rectangular background.

Paul Harris
Chairman

**AEON METALS LIMITED
2018 SHARE PURCHASE PLAN
TERMS AND CONDITIONS**

The following are the Terms and Conditions applicable to the Share Purchase Plan (SPP) approved by the Directors of Aeon Metals Limited (ACN 121 964 725) as announced on 5 January 2018. The offer under the SPP is dated 11 January 2018. By accepting the offer to acquire shares under this SPP, you agree to be bound by these Terms and Conditions and the Constitution of the Company.

Eligibility

Each shareholder who is entered in the Company register of members as at 7:00 pm Sydney time on **4 January 2018** (Record Date) and who has a registered address in Australia or New Zealand (a Participant) is eligible to participate in the SPP. Each offer to all Participants is made on the same terms and conditions.

Participation optional

Participation in the SPP is optional and you should seek independent advice from a licensed adviser if you are unsure whether you should participate in the SPP.

Number of shares that can be purchased

You may apply for any number of shares at 28 cents per share up to a maximum of \$5,000 at the issue price of 28 cents per share.

ASIC Class Order 09/425 requires that each shareholder may only purchase up to A\$15,000 worth of shares under the SPP. This value is the same for all shareholders, irrespective of how many shares you hold on the Record Date. This limit also applies to you even if you receive more than one offer from the Company (for example, if you are both a sole and joint eligible shareholder, or if you are a shareholder with more than one holding under a separate account, you can only apply for shares under the SPP up to the maximum value of A\$15,000).

Trustees and Nominees

A trustee or nominee who is expressly noted on the Company share register as holding shares on account of a beneficiary may apply, on behalf of each such beneficiary, for shares up to the maximum amount. On application for these shares the Custodian must provide to the Company the certifications specified in ASIC Class Order CO 09/425.

To the extent that a trustee or nominee holds shares on account of a beneficiary resident outside Australia or New Zealand, it is the responsibility of the registered holder to ensure that any acceptance complies with all applicable foreign laws.

Withdrawing your subscription

Contributions may not be withdrawn, in whole or part, during or after the offer period. Any acceptance to participate in this SPP is irrevocable.

Offer is non-renounceable

The offer of shares under the SPP is non-renounceable which means that Participants cannot transfer their entitlement to purchase shares under the SPP to another person.

No transaction costs

No brokerage or other transaction costs are payable by Participants.

Open and Close of offer

The offer will open on **11 January 2018** (Opening Date) and close at 7:00 (Sydney time) on **2 February 2018** (Closing Date) (subject to the Company's right to vary the Closing Date).

Application Form

Applications to participate in the SPP must be made using the enclosed Application Form or by making payment by Bpayⁱ and must be received by the Company's Share Registry with the correct payment no later than the Closing Date. By returning the Application Form or by making payment by Bpay, you agree to be bound by these Terms and Conditions.

Issue price

The issue price for each share under the SPP will be 28 cents per share. This represents a 12.4% discount over the volume weighted average ASX market price for the Company's shares over the 5 ASX trading days immediately prior the announcement of the SPP.

The market price of the Company shares may change after the shares are offered under the SPP. However this will not affect the price at which the Participant will receive Company shares under the SPP. This means that the issue price for shares under the SPP may be higher or lower than the market price of Company shares at the date of allotment.

If a Participant subscribes for more shares than provided for in the Application Form, the excess amount paid will be refunded to the Participant without interest.

ⁱ © Registered to BPAY Ltd ABN 69 079 137 518

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Shares to be offered

Shares allotted under the SPP will rank equally in all respects with existing fully paid ordinary shares.

Promptly after allotment, application will be made by the Company for shares allotted under the SPP to be listed for quotation on the official list of Australian Securities Exchange. This is expected to occur on or about **8 February 2018**. Transaction Confirmation Statements will be despatched to Issuer Sponsored and CHESS participants for shares allotted under the SPP.

No brokerage, commissions, stamp duty or other transaction costs will be payable by any Participant for application for, or allotment of, shares under the SPP.

Change of Offer

The Company may change, suspend or terminate the SPP or these Terms and Conditions at any time whether because of a change of law, ASIC requirements or policy of the ASIC or any other circumstance relevant to the SPP or the Company. If the Company does this, it will make the requisite disclosures to the market. Failure to notify shareholder of changes to, suspension or termination of the SPP or these Terms and Conditions will not invalidate the change, suspension or termination.

The Company reserves the right to issue no shares under the SPP or fewer shares than an eligible shareholder applies for under the SPP if the Company believes the issue of those SPP shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule. No interest will be paid on money refunded. The Company's rights to change, suspend or terminate the SPP may be exercised by the Board of the Company (Board) or any delegate of the Board.

Variations, waivers and resolution of disputes

The Company reserves the right to:

- (a) vary the closing date and share issue date for the SPP;
- (b) waiver compliance with any of these Terms and Conditions;
- (c) refuse to allot shares where it believes there has been a breach of these Terms and Conditions; and
- (d) settle in any matter it thinks fit any disputes or anomalies which may arise in connection with the SPP.

Dispute Resolution

The Company may settle any dispute in relation to the SPP or the Terms and Conditions of the SPP in any matter it thinks fit, whether generally or in relation to any shareholder, applications or shares. The Company's decision will be conclusive and binding.

Applications and notices

Applications and notices given to the Company for the SPP must be in writing and in such form as the Company may from time to time require. Such applications and notices will be effective on receipt by the Company subject to:

- a. these Terms and Conditions; and
- b. in the case of applications, acceptance by the Company before the closing date for cash payments

Applications must be received 7:00 pm (Sydney time) on **2 February 2018**. Applications received after that time may not be accepted.

Right to Scaleback

The Company has the right if circumstances so require to scale back the number of shares applied for pursuant to the SPP so the number of shares to be issued will not exceed the maximum number permitted to be issued under the ASX Listing Rules or as otherwise required by applicable law. Any scale back shall be done on a fair and equitable basis as may be determined by the Company in its discretion. Factors that the Company may take into account in determining any scale back include, but are not limited to, the amount applied for by each shareholder under the Plan, the number of shares held at the Record Date and whether the shareholder remains on the register on the Closing Date. Application moneys in respect of shares not issued will be refunded to applicants. No interest will be paid on money refunded.

Questions

If you have any questions about the SPP or your entitlement, please contact the Company at:

Level 1,
27-29 Crombie Avenue
Bundall Qld 4217 Australia
Phone 07 5574 3830
Fax 07 5574 3568
Mail: PO Box 8155 Gold Coast Mail Centre Qld 9726
Email info@aeonmetals.com.au
Website www.aeonmetals.com.au



Share Purchase Plan – Application Form

Record Date: 7pm (AEDT) 4 January 2018

Opening Date: 11 January 2018

Closing Date: 7pm (AEDT) 2 February 2018

Issue Price \$0.28 per share
(Refer to the Terms and Conditions for further details on the Issue Price)

A Offer Details

This is an important document which requires your immediate attention. If you are in doubt as to how to deal with this document please contact your professional adviser.

Before applying for shares in Aeon Metals Limited (**Aeon Metals**) (**New Shares**) under the Share Purchase Plan (**SPP**) you should read the SPP Terms and Conditions and the Declarations and Acknowledgments on the back of this Application Form. Terms not defined in this Application Form have the same meaning as in the SPP Terms and Conditions. By making a BPAY payment or completing and returning this Application Form with a cheque or money order, you agree to be bound by the constitution of Aeon Metals Limited and the SPP Terms and Conditions (including the eligibility requirements) and you make all of the acknowledgments, representations, declarations and certifications contained in the SPP Terms and Conditions.

This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. Please see over.

If you do not wish to purchase New Shares under the SPP, there is no need to take any action.

B Offer Choice

Choice 1

If you wish to select choice 1 please mark the box below.

Offer for A\$5,000.00

OR

Choice 2

If you wish to select choice 2 please specify the value applied for below.

= A\$ _____ (Subject to a maximum of \$5,000.00)

The number of shares allotted in the SPP (subject to any scaleback) will be the amount of your application divided by 28c, rounded up to the nearest whole share.

C Payment Details

Payment may only be made by BPAY, cheque or money order. Cash will not be accepted via the mail or at the Aeon Metals Share Registry. Payments cannot be made at any bank.

The amount of your payment received by BPAY, cheque or money order prior to the close, divided by the Issue Price and in accordance with one of the Offer Choices above, will be deemed to be the total number of New Shares you are applying for.

THIS FORM CONTINUES OVERLEAF

Payment Option 1 - BPAY



Biller Code:
Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au
® Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution.
- If paying by BPAY you do not need to return the Application Form, but will be deemed to have submitted an Application Form.

Payment Option 2 - Cheque

Record cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- Only cheques or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or money order must be made payable to "Aeon Metals Limited" and crossed "Not Negotiable".
- Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.
- Payments must be made via cheque or money order accompanying the Application Form.

D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

E Custodians

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To do so please contact Boardroom Pty Limited as below. To apply for New Shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate from Boardroom Pty Limited. Custodians must comply with the requirements of ASIC Class Order CO 09/425 and provide evidence satisfactory to Aeon Metals of the distinct holdings when accepting the offer. Each beneficial holder on whose behalf a custodian submits an application must be named in the custodian certificate and be a holder as at 5.00pm on the Record Date.

F Enquiries

If you are unsure how to complete this form or require a custodian certificate please contact the Aeon Metals Shareholder Information Line on 1300 737 760 or +61 2 9290 9600 if outside Australia.

G Declarations and Acknowledgments

By lodging this form with your cheque, money order, or being deemed to have lodged this form in conjunction with the BPAY payment, you acknowledge and confirm that you have read, understood and agree to and make all representations contained in the SPP Terms and Conditions. That is, by lodging this form with your cheque, money order or, being deemed to have lodged this form in conjunction with the BPAY payment, you represent that the total application price for the following does not exceed \$5,000.00:

- the New Shares you are applying for;
- any other New Shares or interests you are applying for under this SPP, or Aeon Metals Shares or interests in the class issued that you acquired under a similar arrangement in the 12 months before this application;
- any other New Shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- any other Aeon Metals Shares or interests in the class of shares issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, and which resulted in you holding a beneficial interest in the Aeon Metals Shares or interests in the class.

Any personal information collected by Aeon Metals on this application form will be dealt with in accordance with applicable privacy requirements.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

**Application Forms and cheques, money orders or payment via BPAY
must be received no later than 7:00pm on 2 February 2018.**

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

MAILING ADDRESS

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000