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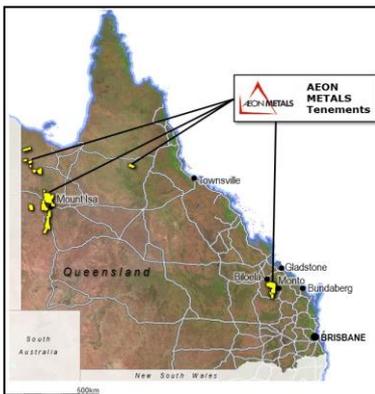
Shares on Issue: 673m

Share Price: \$0.25

Market Capitalisation: \$168m

Cash (31 March 2019): \$2.6m

All mineral resources projects
located in Queensland:



Excellent Walford Creek Metallurgy Results

Aeon Metals Ltd (“Aeon” or “the Company”) is pleased to provide an update on the progress of the metallurgical testwork for the Pre-Feasibility Study (“PFS”) on the Company’s 100%-owned Walford Creek Project.

HIGHLIGHTS

- Comminution testwork results similar to previous parameters for Vardy PY3. Supports standard front-end of primary crusher, screening, then SAG/ball milling in closed circuit with a cyclone cluster. Primary grind size of 60 microns.
- Flotation circuit finalised. This will consist of a pre-float for ~10% of the cobalt/pyrite mineral, followed by copper, lead, zinc and cobalt/pyrite flotation. Additional variability work is planned to confirm parameters for the Marley Resource.
- Excellent indicative copper recoveries to concentrate of approx. 90%. A marketable copper concentrate grading at approx. 24% Cu.
- Indicative cobalt recoveries to pyrite concentrate (pre float and cobalt/pyrite concentrate) of approx. 75%.
- Recent focus on cobalt pyrite processing routes that minimise or eliminate excess acid production. This would deliver clear benefits through reduced project scope, potentially lower upfront capital and greater economic leverage to primary metal production.
- Results in this area have been very positive and it is expected that one of two routes (or a combination) will be utilised for the PFS: (i) limited roasting followed by atmospheric oxidative leach; or (ii) pressure oxidation.
- Work continues to finalise all metallurgical testwork and process flowsheet design for the Walford Creek PFS.

Aeon Managing Director, Hamish Collins, commented on the results:

“The recent met testwork confirms the world-class nature of the Walford Creek Project. The results demonstrate that a fairly standard flotation circuit is set to deliver excellent copper flotation recoveries and produce a marketable copper concentrate.”

“Further, the work on cobalt pyrite processing options has also produced some very positive results. It is now expected that by adopting an alternative route, we will be able to greatly simplify project scope and lower risk, while potentially also realising additional economic benefits.”

Comminution

Additional comminution testwork has been conducted to define the comminution parameters in the Vardy PY1 Resource. The results are similar to previous results for Vardy PY3 and support a standard circuit consisting of a primary crusher, screening, followed by a SAG/Ball mill in closed circuit with a cyclone cluster. Primary grind size is expected to be 60 microns. Additional variability work is planned to confirm parameters in the Marley Resource.

The amenability of the ore to ore sorting has been investigated with the aim of removing part of the gangue material prior to grinding, and to provide the ability to upgrade the ore stream. The evaluation showed that the ore is amenable to sorting/upgrading using a Scantec real time analyser and it is anticipated that ore sorting could readily form part of the process flow sheet.

Flotation circuit

Sufficient testwork has now been carried out to define the flotation circuit. Additional variability work is also being carried out on the Marley Resource as part of the PFS.

The flotation circuit will consist of a pre float for ~10% of the cobalt/pyrite mineral, followed by copper, lead, zinc and cobalt/pyrite flotation. Testwork results show:

- Indicative copper recoveries to concentrate are approx. 90%.
- A marketable copper concentrate of approx. 24% Cu can be produced.
- Indicative cobalt recoveries to the pyrite concentrate (pre float + cobalt/pyrite concentrate) are approx. 75%.



Figure 1: Copper concentrate



Figure 2: Copper flotation froth

Roasting

The pilot roasting of the pyrite concentrate sample was completed by Outotec in Germany on 15 May 2019. The pilot roast was set at 650°C following assessment of batch roast testwork done for roasting between 550°C and 850°C. Data is currently being analysed.

Leaching/purification

Preliminary acid leach of roaster calcine at the Outotec facility in Germany has consistently achieved cobalt recoveries from cobalt calcine of 90%. Further optimisation and a pilot hydrometallurgical testwork, including precipitation and purification of cobalt rich solutions, is now underway at the Outotec facilities in Finland.

Alternative cobalt pyrite process route

As discussed in Aeon's March 2019 Quarterly Activities Report, alternative metallurgical investigation work is in progress in order to assess a cobalt pyrite concentrate processing route that does not produce excess acid requiring shipping off site. This has the obvious potential to deliver considerable benefits to the overall Walford Creek Project through reduced project scope, lower upfront capital and greater economic leverage to primary metal production.

Alternative testwork has been undertaken to test comparative cobalt recoveries utilising alternative metallurgical extraction methods. Results to date have been very positive. As a result, it is expected that one, or a combination, of the following pyrite concentrate processing routes will be utilised for the PFS:

- **Atmospheric oxidative leach:** A combination of a small roaster to roast only some of the pyrite concentrate and then oxidative acid leach of the remaining pyrite concentrate with the sulphuric acid produced. This configuration would generate enough sulphuric acid (the roaster would be a scaled-down version of what was previously envisaged) for the leach circuit and remove the need to transport sulphuric acid from site for sale/disposal. Indicative results for cobalt extraction from the recent acid leach testwork undertaken by ALS Burnie are approx. 60%. This is a significantly lower capital cost option to a roast-only option.
- **Pressure Oxidation ("POX"):** Six pressure oxidation tests (low pressure (9bar) and temperature (180°C)) have been conducted at ALS Burnie. This resulted in cobalt extraction from pyrite concentrate of greater than 95%. Variability testwork is currently underway.

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