



# Aeon Metals Limited

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ASX Code - AML

2 August 2019

Lauren Osbich  
Compliance Adviser, Listings Compliance (Sydney)  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Ms Osbich,

## **Aeon Metals Limited ('AML'): Appendix 5B Query**

I refer to your letter dated 31 July 2019 and I set out below your questions and AML's responses:

1. *Does AML expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

AML is a mining exploration entity which has discovered a substantial base metals Resource at Walford Creek. Until the Walford Creek Resource comes into commercial production, AML expects to continue to have negative operating cash flows.

2. *Has AML taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

AML has a number of alternatives to raise further cash to fund its operations. Steps toward this include completion of the 2019 drilling program at Walford Creek and announcement of a revised scoping study of the Walford Creek development later this year. The Company believes it is highly likely these steps will be successful in enabling the raising of sufficient funds to continue operating the Company.

3. *Does AML expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

AML expects to be able to continue its operations and to meet its business objectives on the basis that the economic value of the Walford Creek Resource is substantial and is attractive to a range of investors. If unforeseeable timing issues delay funding, the Company has the capacity to reduce expenditures, other than for a fixed cash burn rate of currently some \$240,000 per month.

4 Please confirm that AML is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.

So confirmed.

5 Please confirm that AML's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AML with delegated authority from the board to respond to ASX on disclosure matters.

The responses to the questions above have been unanimously approved by the Board of AML.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'S. Lonergan', with a large, stylized flourish at the end.

Stephen J Lonergan  
Director and Company Secretary



31 July 2019

Mr Stephen Lonergan  
Company Secretary  
Aeon Metals Limited  
Suite 32, Level 7, 88 Pitt Street  
Sydney, NSW, 2000

By email: [steve.lonergan@aeonmetals.com.au](mailto:steve.lonergan@aeonmetals.com.au)

Dear Mr Lonergan

### **Aeon Metals Limited ('AML'): Appendix 5B Query**

ASX refers to AML's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that AML has reported:

- negative net operating cash flows for the quarter of \$3,545,000;
- cash at the end of the quarter of \$7,031,000; and
- estimated cash outflows for the next quarter of \$4,600,000.

It is possible to conclude, based on the information in the Appendix 5B that if AML were to continue to expend cash at the rate indicated by the Appendix 5B, AML may not have sufficient cash to continue funding its operations.

In view of that, ASX asks AML to respond separately to each of the following questions and requests for information:

1. Does AML expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AML taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AML expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AML is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that AML's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AML with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEST Monday, 5 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AML's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AML's obligation is to disclose

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the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and Listing Rule 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to AML’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AML’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AML’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

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**Lauren Osbich**  
Compliance Adviser, Listings Compliance (Sydney)