

FUNDING UPDATE

Aeon Metals Limited (**Aeon or the Company**) provides an update in relation to recent funding initiatives.

Highlights:

- Indicative, non-binding and confidential non-dilutionary funding proposals received
- Aeon plans to progress these indicative funding proposals, including with a view to delivering sufficient interim funds through to target completion of the Walford Creek PFS in 2Q 2020
- R&D grant in excess of A\$1.5 million expected, subject to ATO final assessment, to be received in December for research work already completed
- Updated Walford Creek Mineral Resource estimates expected this week

Aeon has received a number of indicative, non-binding and confidential non-dilutionary funding proposals from various strategic and project financing counterparties with respect to both short and/or long term financing arrangements (**Indicative Funding Proposals**). While the Indicative Funding Proposals remain non-binding, and there is no certainty that funding will eventually be obtained under any of them, a number have the potential to significantly reduce Aeon's overall funding requirements with respect to the progression and planned development of the Walford Creek Project.

The Company plans to progress engagement with potential counterparties with respect to the Indicative Funding Proposals.

One of the Indicative Funding Proposals is an offer from Aeon's major shareholder and lender, OCP Asia (Singapore) Pte Ltd, to increase the limit on its existing loan facility (currently fully drawn and maturing in December 2020) (**OCP Facility**). Under this offer, the OCP Facility limit would increase by up to A\$4 million with all other material facility terms remaining unchanged.

This increased OCP Facility would be expected to provide sufficient funds to take Aeon through to completion of the current Pre-Feasibility Study (**PFS**) on the Walford Creek Project, which is expected in 2Q 2020. It should be noted that Aeon's current intention is only to seek to agree, finalise and draw on the increased OCP Facility should the Company not progress to final documentation and execution on an appropriate and suitably attractive funding arrangement with a different counterparty(s), or if such an event occurs on a longer time frame than currently targeted.

Aeon also advises that it is expecting, subject to Australian Tax Office final processing, a R&D grant in excess of A\$1.5 million to be received in December for research work already completed. This grant is associated with the selection, design and operation of metallurgical processes that seek to produce high grade concentrates consistently and at maximum recovery.

This ASX release has been authorised for and on behalf of the Aeon Board by:

Hamish Collins, Managing Director and CEO

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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 has completed a Scoping Study in October 2019 on the development of a 3.5Mtpa open pit and underground mining operation at the Walford Creek Project producing approximately 146kt copper and 22kt cobalt (plus zinc, lead, silver and nickel) for sale to global metal markets. This Scoping Study demonstrated that the Walford Creek Project represents a technically robust and highly economic mine development. A Pre-Feasibility Study (**PFS**) is targeted for completion in Q2 CY2020.

In relation to that Scoping Study released on 21 October 2019, the Company confirms that all the material assumptions underpinning the production target therein and the forecast financial information derived from the production target continue to apply and have not materially changed.