



30 April 2014.

Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Quarterly Activities Report For the three months ending 31 March 2014

HIGHLIGHTS

- On 3rd April, Aeon Metals Limited ("Aeon") announced it is to acquire Aston Metals (Qld) Limited ("Aston") from receivers. This Company-transforming, value-accretive acquisition, will provide Aeon with significant scale and sustained growth potential.

Aston's assets consist of:

- Walford Creek Project (previously Nathan Tinkler's flagship base metals project) containing previously unannounced 2012 JORC Indicated and Inferred Resource¹:

Mineral	Category	Tonnes (mt)	Cu (%)	Pb (%)	Zn (%)	Ag (gpt)	Co (ppm)	Cu-Equiv ² (%)
Combined	Indicated	14.7	0.46	0.83	1.04	20.1	920	1.62
	Inferred	33.6	0.36	0.83	0.81	20.5	648	1.33
	Total	48.3	0.39	0.83	0.88	20.4	731	1.42

At 0.5% Cu-Eq cut off based on A\$3.00/lb - Cu, A\$0.75 /lb - Pb, A\$0.75 /lb- Zn, A\$30/oz – Ag. Recovery %: Cu - 95%, Pb/ Zn/ Ag / Co - 75%.

- Resource depth from 20m to approximately 200m.
- Substantial Resource upside with only 5km of a potential 25km mineralised fault corridor drilled.
- Potential for a world scale base metals operation.

¹ See 3rd April announcement for full Resource details.

² See Appendix 3 for Contained Metal Equivalents calculation.

- **4 exploration joint ventures in the Mt Isa area:**
 - An extensive (3,600km²) tenement package located in the world-class Mt Isa minerals province in North West Queensland.
 - Includes contiguous land holding (~170km) along the Mt Isa Fault, bordering north and south of Glencore Xstrata's Isa Mine.

- **Attractive price and transaction structure plus favourable market timing - leveraged to any base metals upswing. Details of acquisition (with secured creditors and receivers and managers) are:**
 - A\$20m non-recourse loan with 12%pa capitalised interest payable after 3 years, secured over Aston.
 - 48.275m AQR shares at 14.5c.
 - Options (unlisted, 3 year) with face value of A\$10m³.

- **Aeon has raised, subject to shareholder approval, A\$8 million capital via an equity placement of 66.7m ordinary shares at A\$0.12 per share. Proceeds from raising to be used for:**
 - Walford Creek - 12,000m drill program, infrastructure study, metallurgical flowsheet, environmental studies, pre-feasibility status.
 - 7B drill program; and
 - Working capital.

- **As a result of the placement, Aeon will be fully funded for these activities to the end of December 2015, at which point the Company is targeting completion of a pre-feasibility study for the Walford Creek Project.**

- **A formal process to seek JV parties for a combined Ben Hur and Greater Whitewash Copper Porphyry Project has been implemented. Corporate advisors are to be mandated shortly to assist with running the formal process, with expressions of interest to be requested in May.**

- **Necessary shareholder approval for the placements is being sought at a General Meeting of Aeon shareholders to be held on 8 May 2014.**

³ Exercise Price to be a 20% premium to the daily VWAP of Aeon shares over the 30 trading days immediately preceding the date of issue of the options. Number of Options will be A\$10 million divided by the foregoing exercise price.

Aeon Metals Limited's Acquisition

Aeon Metals Limited (ASX: AQR, "Aeon") has agreed to acquire Aston Metals (Qld) Ltd ("Aston") from Receivers and Managers. Aston, an unlisted public company, holds an extensive (~3,600km²) exploration tenement portfolio, linked by significant fault architecture, in the world-class Mt Isa mineral province in North West Queensland. The most advanced project within the Aston portfolio is the Walford Creek Project, which is a large base metals project with a significant JORC Indicated and Inferred Resource of 48Mt at 1.42% Cu Equiv⁴.

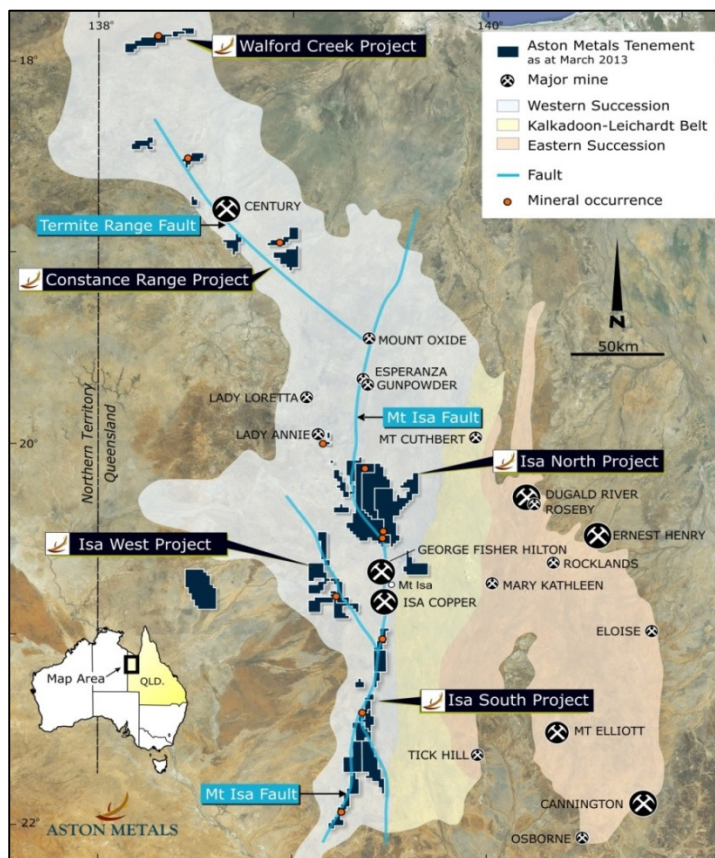
Walford Creek Project, North West Queensland

The flagship asset and highest priority tenement holding of the Aston assets being acquired is the 100% owned Walford Creek Project.

Since 2010, Walford Creek has been held in private hands, with 14,992 metres of drilling undertaken along a 5km zone. The current JORC Resource has been defined along this 5km strike length of the Fish River Fault Zone, which extends for 25km within the Walford Creek Project tenements. The mineralisation is largely structurally controlled, thus there is substantial potential for Resource extensions along the strike-length of the fault.

The Walford Creek Project has a clear pathway to project development with the potential for open pit mine development of world scale. Aeon is planning to drill an additional 12,000 metres within the target to increase the Walford Creek Resource by at least 50% to more than 75Mt and complete a pre-feasibility study (PFS) by December 2015⁵.

A map showing Aston's interest in various exploration permits is provided below:



⁴ See 3rd April announcement for Resource details and current metal equivalent calculation.

⁵ This target is based on exploration work and results to date at Walford Creek. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate the current reported Indicated and Inferred Resource beyond the current 48 Mt at 1.42%Cu Equiv and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

Aeon will acquire Aston, subject to shareholder approval, through a series of complex arrangements due to the involvement of secured creditors and receivers and managers with consideration payable by Aeon as follows:

- \$20m non-recourse loan with 12% pa capitalised interest payable after 3 years, secured over Aston;
- 48.275 million AQR shares at \$0.145 per share; and
- Options (unlisted, 3 year) with face value of \$10m

Ben Hur & Greater Whitewash Porphyry Copper Projects

(EPM 14628)

Due to the size and upside of the combined Ben Hur and Greater Whitewash copper porphyry resources, a strategic decision has been made to seek joint venture parties for this combined Project's package. Corporate advisors are to be mandated shortly to assist with running a formal process, with expressions of interest to be requested in May.

7B Copper-Gold Project

(EPM 15921)

This quarter the Company has completed more soil sampling over the 7B project area. At this stage both final and provisional partial leach soil results indicate coherent gold, silver and arsenic soil anomalies at both the Wild Chilli and Meat Ant areas. These results, combined with ground magnetic survey and IP data, have been used to design a drill program to target deeper ore bodies of blind high grade mineralisation.

Corporate

On 3rd April Aeon announced it has raised, subject to shareholder approval, \$8 million capital via an equity placement to institutional and sophisticated investors of 66.7m ordinary shares at \$0.12 per share.

As a result of the placement, Aeon will be fully funded to the end of December 2015, at which point the Company is targeting completion of a pre-feasibility study for the Walford Creek Project.

Exploration Expenditure

During the quarter, the Company expended \$130,000 on exploration activities.

As at 31 March 2014, the Company had cash reserves of \$661,000.

Appendix 5B

The Company's Appendix 5B cash report is attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'H. Collins', written in a cursive style.

Hamish Collins
Managing Director
Aeon Metals Limited

APPENDIX 1 - TENEMENT HOLDINGS AS AT 31/3/14

TENEMENT HOLDER	TENEMENT I.D.	LOCATION	INTEREST HELD
Aeon Metals Limited	EPM 14628	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 15920	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 15921	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 15922	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17001	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17002	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 17060	West of Monto, Qld	100% with RTX*
Aeon Metals Limited	MDL 462	Northwest of Monto, Qld	100%
Aussie NQ Resources Pty Ltd	EPM 18359	South of Georgetown, Qld	100%
SLW Queensland Pty Ltd	EPM 14627	Southwest of Monto, Qld	60%
SLW Queensland Pty Ltd	EPM 15919	Southwest of Monto, Qld	Relinquished in Dec Qtr
SLW Queensland Pty Ltd	EPM 18202	Southwest of Monto, Qld	60%
SLW Queensland Pty Ltd	EPM 19029	West of Monto, Qld	60%

*100% with Rio Tinto Exploration Pty Ltd, earning 70%

APPENDIX 2 – COMPETENT PERSONS

The information in this report that relates to Aeon Metals exploration targets and mineral resources is based on information compiled by Mr Martin l’Ons who is a Member of the Australian Institute of Geoscientists and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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. Mr Martin l’Ons is a self-employed consultant who consults to Aeon and has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The data in this report that relates to Mineral Resource Estimates for the Walford Creek Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) 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 Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the presentation of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Exploration Targets and Exploration Results for the Walford Creek Deposit is based on information compiled 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 Aston Metals Queensland Limited and consents to the inclusion in the presentation of the Exploration Targets and Exploration Results in the form and context in which they appear.

APPENDIX 3 – CONTAINED METAL EQUIVALENTS

It is the Company's opinion that all the elements included in the metal equivalents calculation below have a reasonable potential to be recovered. The following metal prices were used for the calculation of copper equivalent - A\$3.53/lb - Cu, A\$1.05/lb - Pb, A\$1.06/lb- Zn, A\$23/oz – Ag, A\$15.7/lb – Co.

Cu Equiv Formula = Copper grade + (Pb grade*(Pb price/Cu price) + (Zn grade*(Zn price/Cu price) + Ag grade*((Ag price/0.0625)/Cu price) + (Co grade*(Co price/Cu price).

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

AEON METALS LIMITED

ABN

91 121 964 725

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	9
- Service Fees	-	-
1.2 Payments for (a) exploration & evaluation	(130)	(939)
(b) development	-	-
(c) production	-	-
(d) administration	(261)	(895)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
- GST Receipts	28	41
Net Operating Cash Flows	(356)	(1,756)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(356)	(1,756)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(356)	(1,756)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,290
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	– Capital Raising Costs	-	(45)
	– On market purchase of shares for equity based compensation	-	-
	Net financing cash flows	-	1,245
	Net increase (decrease) in cash held	(356)	(511)
1.20	Cash at beginning of quarter/year to date	1,017	1,172
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	661	661

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	160
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Transactions include the payment of Consultancy fees to the associated entities of the Director, J. Goody, the Payment of Superannuation and Directors fees to the Directors, E. Newman, H. Collins & T. Mann, as well as the reimbursement of ordinary expenditure incurred by Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

The company has a corporate credit card facility for the purpose of the company expenses. There are four cards issued with a combined credit limit of \$30,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	21	9

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	\$400
4.2 Development	-
4.3 Production	-
4.4 Administration * *Assumes placements are approved at EGM on 8 May 2014.	\$975
Total	\$1,375

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	661	1,017
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	661	1,017

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A		
7.3	*Ordinary securities	182,112,209	182,112,209	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A		
7.5	*Convertible debt securities (description)	N/A		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor)	Unlisted Options 13,333,333 1,000,000		Exercise price 15 12.5	Expiry date 9 November 2014 8 February 2016
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	Debentures (totals only)	N/A			
7.12	Unsecured notes (totals only)	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2014
(Director/Company secretary)

Hamish Collins

Print name:

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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