



**Aeon Metals Ltd**

*(formerly Aussie Q Resources Limited)*

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**ASX Code - AQR**

31 January 2013.

Company Announcements Office  
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Sydney NSW 2000

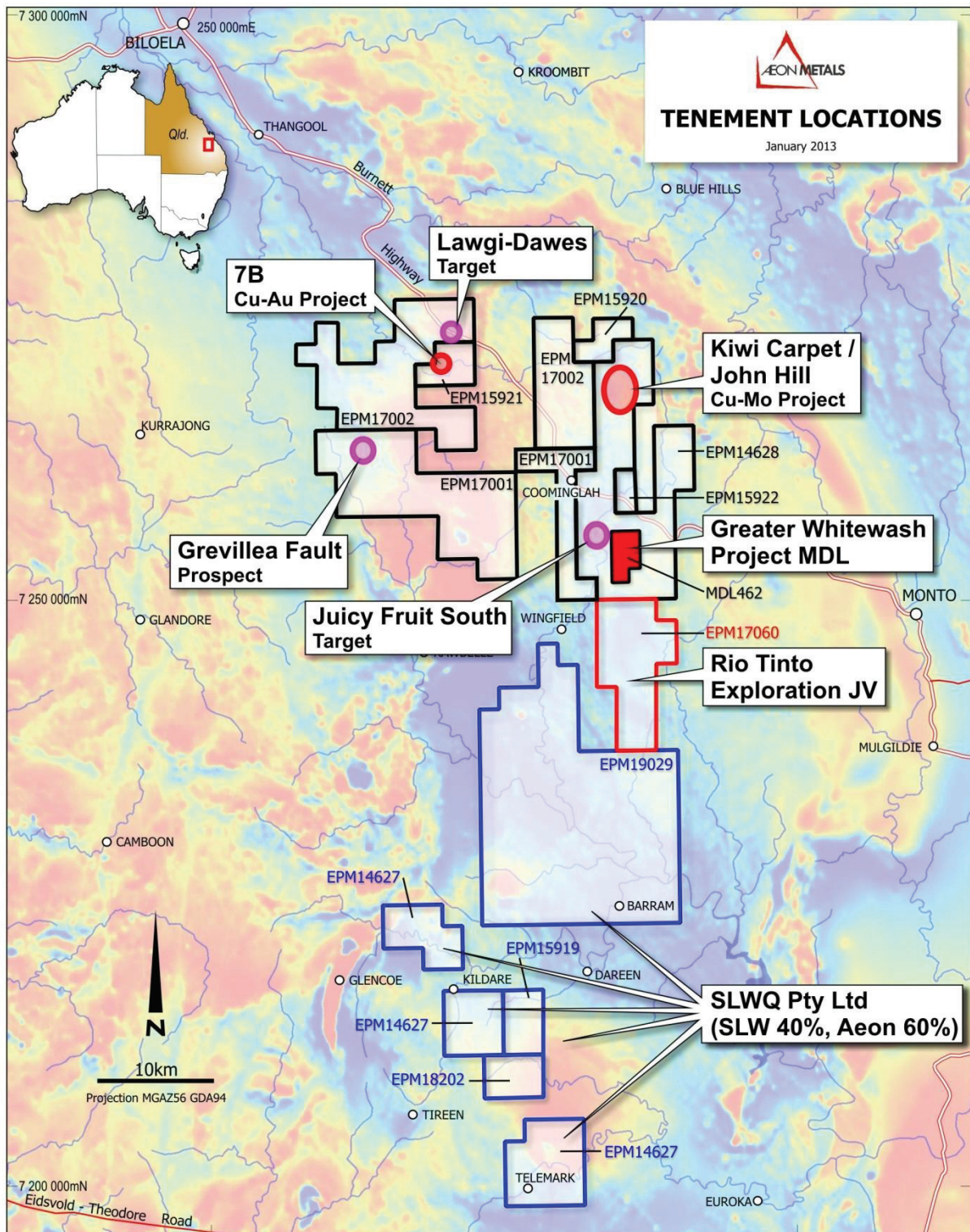
## **Quarterly Activities Report**

### **For the three months ending 31 December 2012**

## **HIGHLIGHTS**

- **Aeon Metals executed an Exploration and Earn-In Joint Venture Agreement with Rio Tinto Exploration Pty Ltd for the exploration and evaluation of Aeon Metals' (100%) tenement EPM 17060.**
- **Transaction completed whereby Aeon Metals increased ownership of SLW Queensland Pty Ltd ("SLWQ") from 35% to 60% and boosted balance sheet by receiving \$675k in cash with issue of 16m shares and up to 13.3m options (6.4m options conditional on shareholder approval) to SLW Minerals ("SLW").**
- **A Mineral Development License ("MDL") covering the Greater Whitewash Project was granted in December.**
- **3 month extensive soil sampling campaign over highly prospective geological targets, combined with magnetic anomalies and old copper workings, defines anomalous copper and copper-gold drill targets at 7B.**
- **Nominee in Queensland Explorer of the Year Award based on John Hill copper-molybdenum porphyry discovery.**

## MAP OF TENEMENT LOCATIONS





## 7B Copper-Gold Project

(EPM 15921)

During the quarter the Company has focused its exploration program on previously underexplored but highly prospective areas of Aeon Metals' tenement package over and above the advanced Greater Whitewash, John Hill, and Kiwi Carpet Projects. The exploration was targeted on specific areas of prospectivity identified via distinct magnetic anomalies, historical stream sediment sampling, known major structural features, and the discovery of historical copper pit workings. Follow up extensive soil sampling campaigns on these specific areas uncovered clear copper and copper-gold anomalies over a large area (approx. 500mx500m) at the 7B Project.

The following diagram shows the resulting elevated gold and copper soil results, old copper pit location, rock chip results, magnetic high, and 2 proposed drill hole locations at 7B. The lead-zinc anomaly and associated anomalous gold in soil to the south may be interpreted as peripheral mineralisation to a 'porphyry' system defined by the combined high copper and gold in soil and rock chips to the north where the two drill holes are planned. Extensive Tertiary basalt cover to the immediate north of main copper – gold anomaly may be obscuring further targets.

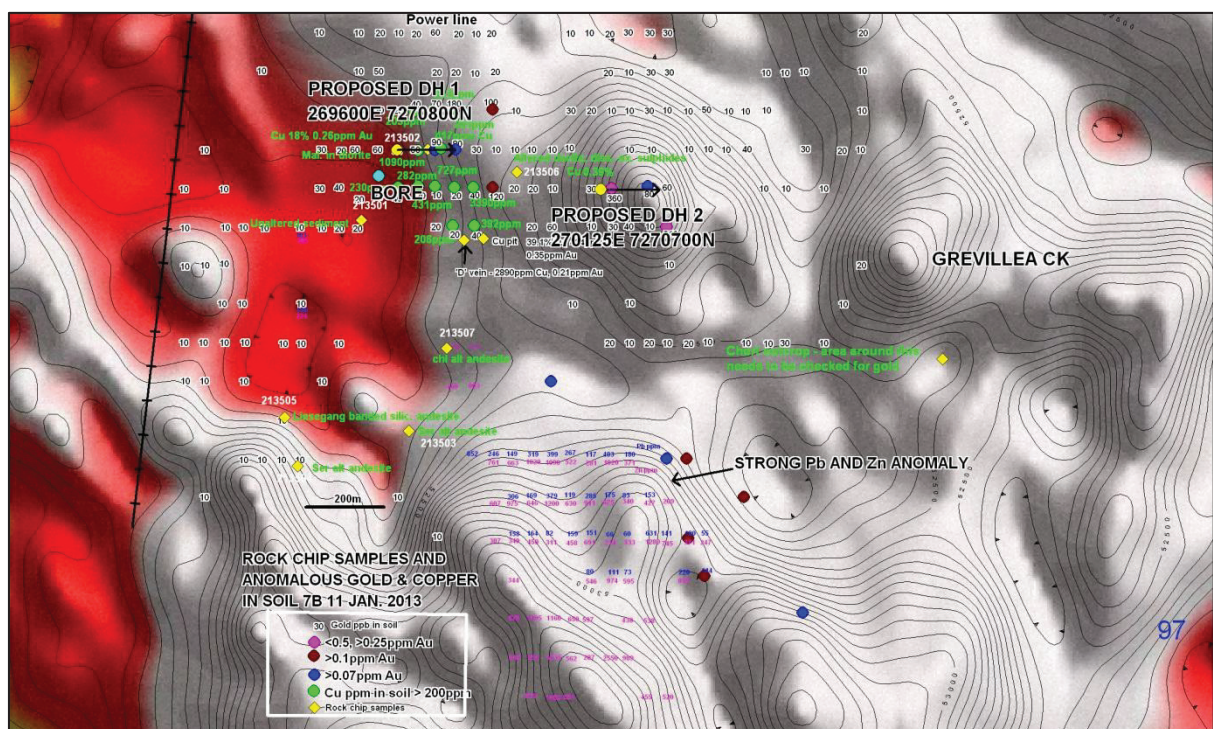


Diagram 1 - 7B Project

## Other Target – Lawgi-Dawes (EPM 17002)

Approximately 1.5km to the north of the 7B Project, there is an intense magnetic low located at Lawgi-Dawes. This feature is completely covered by thin Tertiary basalt flows. Rock chips from a nearby old water bore were sericite altered diorite with Niton XRF analyses showing copper and zinc anomalism on fractures. A proposed drill hole has been designed to target the magnetic low.

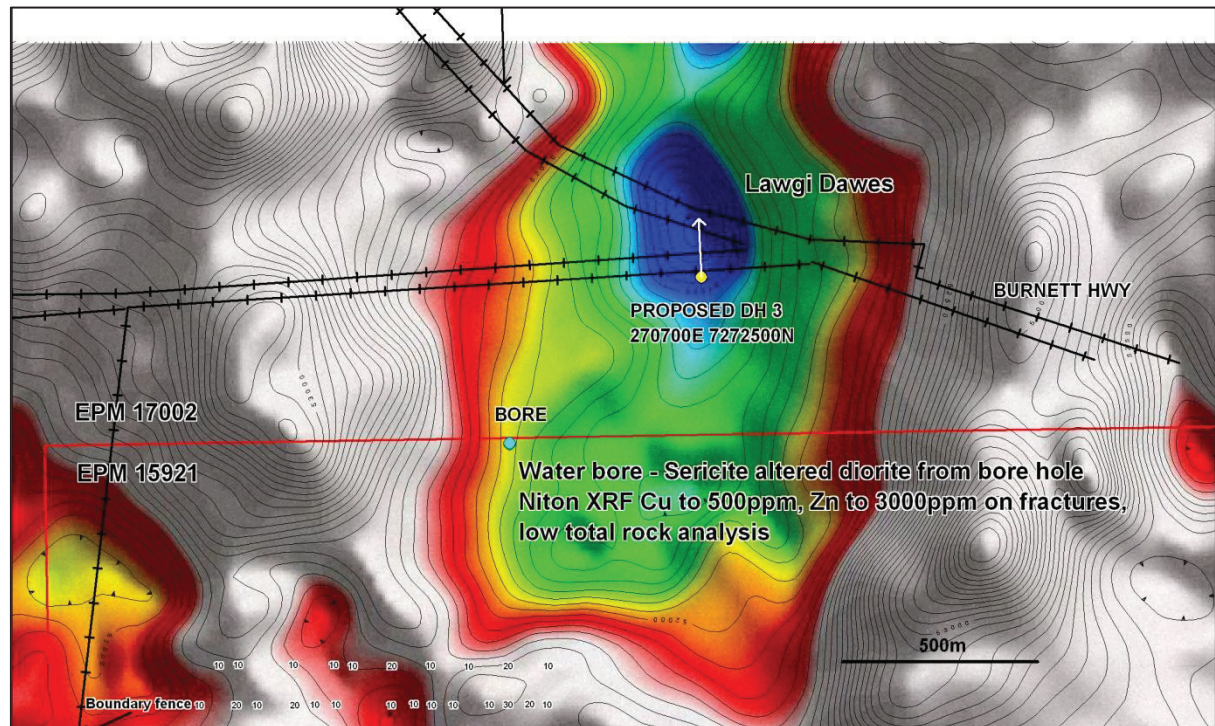


Diagram 2 – Lawgi-Dawes Target

## Greater Whitewash Polymetallic Project (EPM 14628)

A Mineral Development Licence (“MDL”) was lodged over the Greater Whitewash Project in September 2011. This license was granted on 5<sup>th</sup> December 2012 and is effective for a 5 year period from 1 January 2013. The MDL covers a 1005ha area, which includes the Greater Whitewash resource.

The granting of the MDL is an important step in the development of Greater Whitewash as it allows the Company to refine the Project’s metallurgy by use of bulk sampling and corresponding pilot plant work.



## John Hill Copper-Molybdenum Project (EPM 14628)

Aeon Metals was a nominee for Queensland Explorer of the Year Award based on the maiden drill campaign in Jan 2012 and the subsequent new John Hill discovery. Based on the 2012 drill campaign (17 holes) John Hill has been identified as a large mineralised copper system with the presence of an extended chalcocite supergene zone.

The next step is to undertake a drill campaign to incorporate both known mineralisation at John Hill and Kiwi Carpet (see Kennecott drill holes in figure below), an area which covers approximately 12km<sup>2</sup>, with objective to delineate a large tonnage copper-molybdenum resource base.

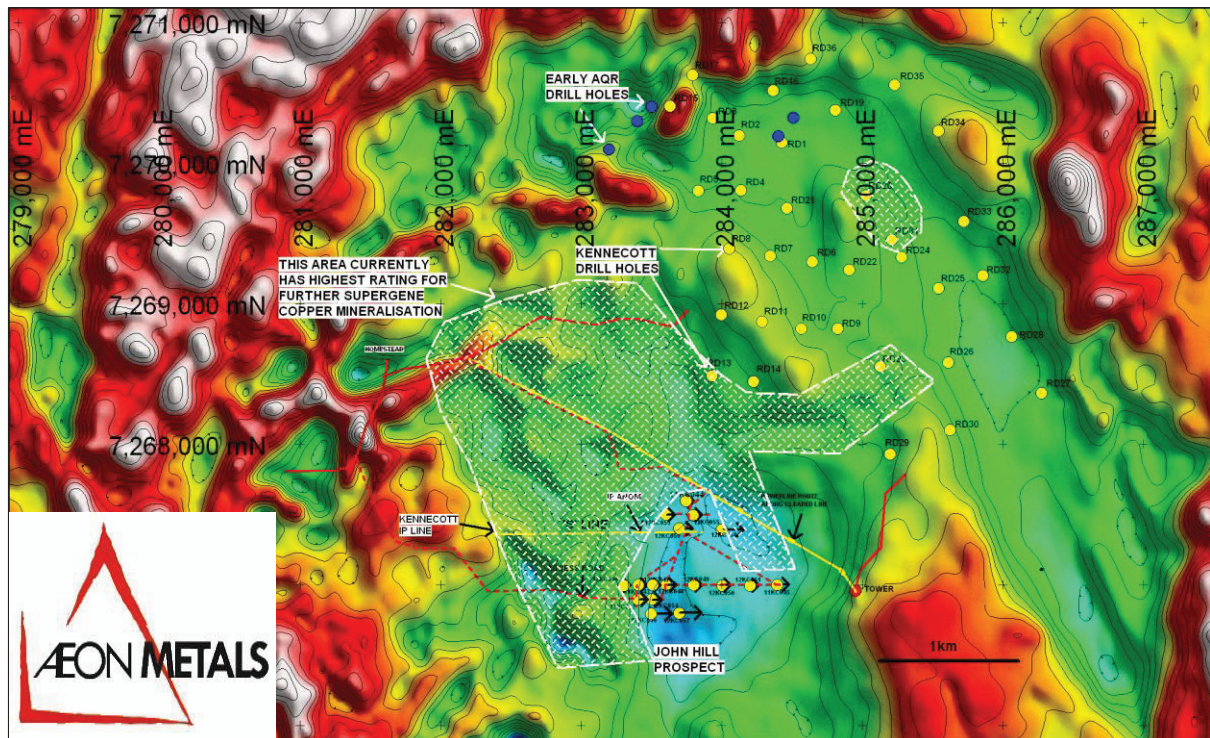


Diagram 3 – John Hill/Kiwi Carpet Project

## Corporate

### Rio Tinto Exploration Pty Ltd Letter of Intent for EPM 17060

Aeon Metals executed an Exploration and Earn-In Joint Venture Agreement with Rio Tinto Exploration Ltd for the exploration and evaluation of Aeon Metals' (100%) tenement EPM 17060. Key terms for the transaction can be found in the 9<sup>th</sup> November announcement. This transaction highlights the prospectivity of the mineralised province for multiple large base metal ore bodies such as Aeon Metals' (100%) Greater Whitewash Polymetallic Project, which lies on the geological north-south structure approximately 3km from the border of EPM 17060.

### SLW Queensland Pty Ltd ("SLWQ") (Aeon 60%, SLW Minerals 40%)

(EPMs 14627, 15919, 18202, 19029)

In November, Aeon Metals announced a transaction with SLWQ and SLW Minerals Corporation Pty Ltd ("SLW") via a multi-party deed whereby Aeon Metals received \$675k in cash and increased

ownership in SLWQ from 35% to 60% via issue of new SLWQ shares to Aeon Metals. As part of the transaction, a \$2m loan from SLW to SLWQ was extinguished and 16m Aeon Metals shares were issued to SLW, along with up to 13.33m options exercisable at 15c. The issue of 6,409,967 of these options is conditional on shareholder approval, which is being sought at a General Meeting called for 6 February 2013.

SLWQ is a private company with 2 shareholders, Aeon Metals and SLW. SLW is a private investment vehicle comprising a 50:50 joint venture between Australian (Great Pacific Financial Group) and Chinese investors.

The transaction has enabled the Company to extend its control of the overall base metals province and extended strike to the south, bordering Rio Tinto JV EPM 17060. It also boosted the cash balance enabling the Company to continue to implement the strategic growth plan.

## Exploration Expenditure

During the quarter, the Company expended approximately \$154,000 on exploration activities.

As at 31 December 2013, the Company had cash reserves of approximately \$834,000.

## Appendix 5B

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

Yours sincerely,



Hamish Collins  
**Managing Director**  
Aeon Metals Limited

*The information in this report that relates to exploration results and mineral resources is based on information compiled by Mr. John Goody, Executive Director of Exploration, Aeon Metals Limited ("Aeon") and supervised 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 2004 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 which it appears.*

# Appendix 5B

## Mining 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

Name of entity

AEON METALS LIMITED (FORMERLY AUSSIE Q RESOURCES LIMITED)

ABN

91 121 964 725

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors		
	- Service Fees	32	46
1.2	Payments for (a) exploration & evaluation	(154)	(440)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(222)	(526)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- GST Payments	22	27
	<b>Net Operating Cash Flows</b>	<b>(316)</b>	<b>(880)</b>
<b>Cash flows related to investing activities</b>			
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)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(316)</b>	<b>(880)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(316)	(880)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	675	675
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	-	-
	- On market purchase of shares for equity-based compensation	-	-
	<b>Net financing cash flows</b>	<b>675</b>	<b>675</b>
	<b>Net increase (decrease) in cash held</b>	<b>359</b>	<b>(205)</b>
1.20	Cash at beginning of quarter/year to date	475	1,039
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>834</b>	<b>834</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to 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	143
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

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

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

The company has a corporate credit card facility for the purpose of 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	30	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	340
<b>Total</b>	<b>540</b>

### 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	834	475
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>834</b>	<b>475</b>

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter (Number of sub blocks)	Interest at end of quarter (Number of sub blocks)
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 15921	Partial relinquishment for 6 sub blocks lodged but not yet approved	11	11
	EPM 15922	Partial relinquishment for 5 sub blocks lodged but not yet approved	7	7
	EPM 17001	Partial relinquishment for 51 sub blocks lodged but not yet approved	100	100
	EPM 17002	Partial relinquishment for 50 sub blocks lodged but not yet approved	99	99
	EPM 17060	Partial relinquishment for 20 sub blocks approved	40	20
	EPM 18202	Partial relinquishment for 17 sub blocks approved – Held by SLW Queensland Pty Ltd	23	6
6.2 Interests in mining tenements acquired or increased	MDL 462	Granted on 5/12/2012	100%	100%

## 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 <b>Preference + securities</b> (description)	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.3	<b>+Ordinary securities</b>	168,822,440	168,822,440		
7.4	Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	16,000,000	16,000,000	4.2	4.2
7.5	<b>+Convertible debt securities</b> (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	<b>Options</b> (description and conversion factor)	Unlisted options each exp 9/11/14 and ex at 15 cents		<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	6,923,366		15	9 November 2014
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	<b>Debentures</b> (totals only)	N/A			
7.12	<b>Unsecured notes</b> (totals only)	N/A			

+ See chapter 19 for defined terms.



## 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: .....  
(Director/~~Company secretary~~)

31/1/2013  
Date: .....

Print name: .....  
Hamish Collins

## 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 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, 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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+ See chapter 19 for defined terms.