



Aeon Metals Ltd

ABN 91 121 964 725

Level 11, 88 Pitt St, Sydney NSW 2000, Australia

PO Box 8155, GCMC Qld 9726, Australia

P: 61 7 5574 3830 F: 61 7 5574 3568

E: aqr1@bigpond.com

ASX Code - AQR

31 January 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 December 2013

HIGHLIGHTS

- **Maiden JORC compliant Inferred Mineral resource announced at Aeon Metal's ("Aeon") 100% owned Ben Hur Copper Project ("Ben Hur"):**
 - **190,000 tonnes of copper, 2,700,000 ounces of silver and 16.7Mlbs of molybdenum (based on tonnages and grades in announcement)**
 - **Upside with large mineralised shell surrounding resource:**
 - **Extent of the mineralisation largely set by the drilling coverage, instead of defined geological or grade limits.**
 - **With further drilling, there is potential to add to the current interpretation of mineralised volume, both laterally and at depth.**
 - **Infilling may make it possible to model higher grade zones within the mineralised domain.**
 - **Open in all directions.**
- **Combined Ben Hur and Greater Whitewash Mineral Resource estimate now 475,000 tonnes of copper, 14,800,000 ounces of silver and 158Mlbs of molybdenum:**
 - **Underpins ongoing strategy to develop a centralised processing plant to service the combined resource base.**

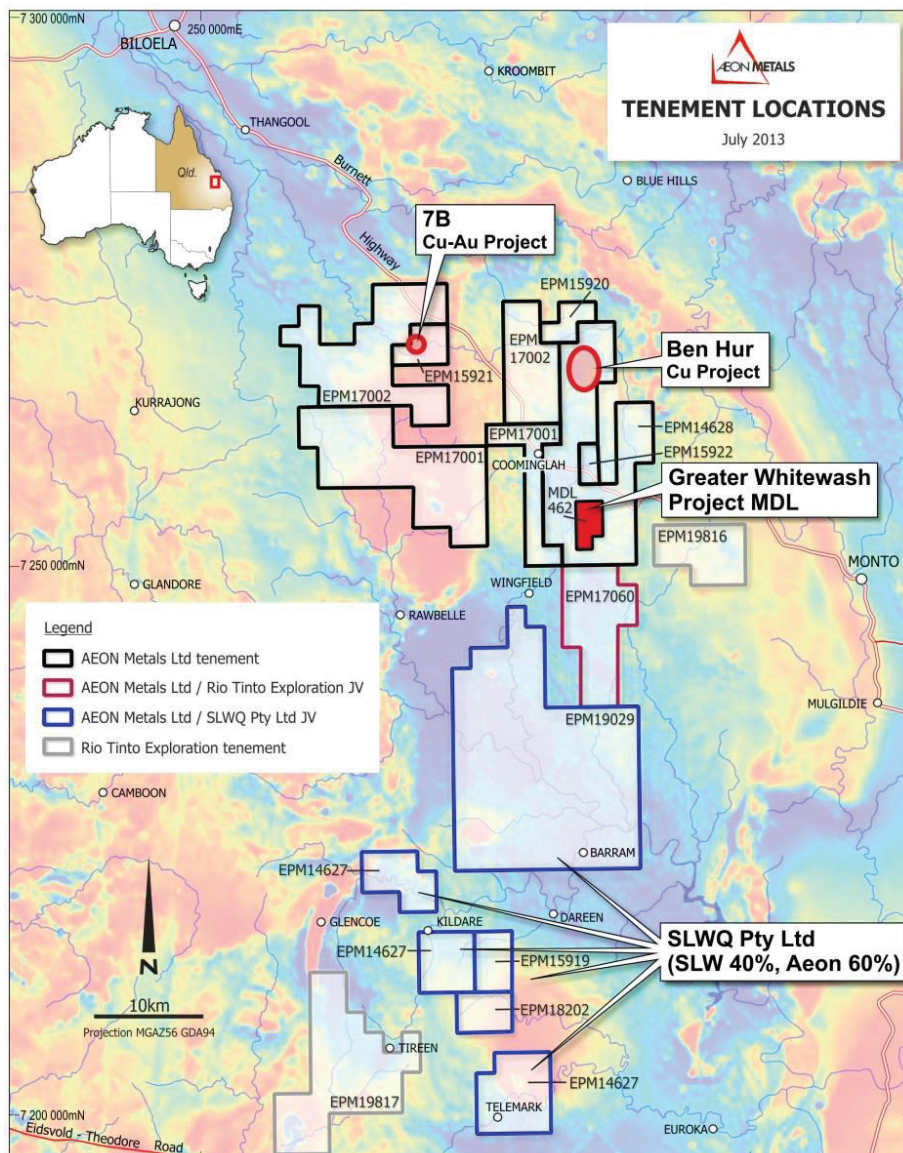
- **Ongoing drilling during the quarter at Aeon Metal's 100% owned 7B Project ("7B"):**
 - **10 holes drilled for 828m during quarter - significant gold, silver, zinc and cobalt all continue to be present.**
 - **Diamond holes logged – geological conclusion is that near surface mineralisation has been re-mobilised from a higher grade and probably larger system at depth.**
 - **The hornfels and evidence of a metal-bearing magmatic source provided by D veins and metal-anomalous microdiorite dykes all suggest an intrusion target at depth thus providing a high priority drill target for porphyry Cu-Au-Mo mineralisation.**
 - **The recognition of Cu mineralisation in association with diorite intrusions at the 7B Project, as typical of most porphyry belts, in addition to Mo with granite-granodiorite, could change the broad geological model for Rawbelle. Many individual prospects have emerged during the several years' exploration at Rawbelle. It is now considered appropriate at this stage to review and collate the data on these projects and develop an up-to-data geological-mineralisation model for the district which would aid in ongoing exploration as well as strategic management decisions.**
 - **Aeon reviewing deeper drilling focused on targeting known vertical highly mineralised magma intrusive.**

Executive Summary

The November maiden JORC Mineral Resource announcement at Ben Hur has enabled the Company to aggressively pursue the strategy of combining the Company's 3 advanced exploration assets (Greater Whitewash Copper/Molybdenum Project, Ben Hur Copper Project; and 7B Copper/Gold Project) for the purpose of developing a centralised processing plant to service the combined resources base.

The combined Resources have contained metal of approximately 475,000 tonnes of copper, 14,800,000 ounces of silver and 158Mlbs of molybdenum and are all within a 15km radius of each other. This is assisted by the fact that the location of the projects is close to major infrastructure (power, sealed highway, water) and only 150km by highway to Gladstone port. The next steps are to advance metallurgy, associated process flowsheet, and assess infrastructure requirements for the development of large, low cost, copper project.

This quarter the Company also completed a successful 10 hole (9 new and 1 hole deepening) drill campaign at 7B (828m) with results continuing to show significant copper grade mineralisation from surface. Additionally, logging of the two diamond holes (48 & 49) drilled in late September was completed in the quarter. This has enabled the Company to better understand the large mineralised geological system.



Ben Hur Copper Project

(EPM 14628)

On 12 November, 2013 Aeon announced a maiden Ben Hur JORC compliant Mineral Resource estimate for the John Hill copper-silver-molybdenum deposit within the Ben Hur Project. It contains 190,000 tonnes of copper, 2,700,000 ounces of silver and 16,665,000lbs of molybdenum (at a 0.24% copper cut-off). The Mineral Resource estimate was completed by geological consultant SRK Consulting in accordance with the guidelines of the JORC Code (2012 edition). The Resource comprises:

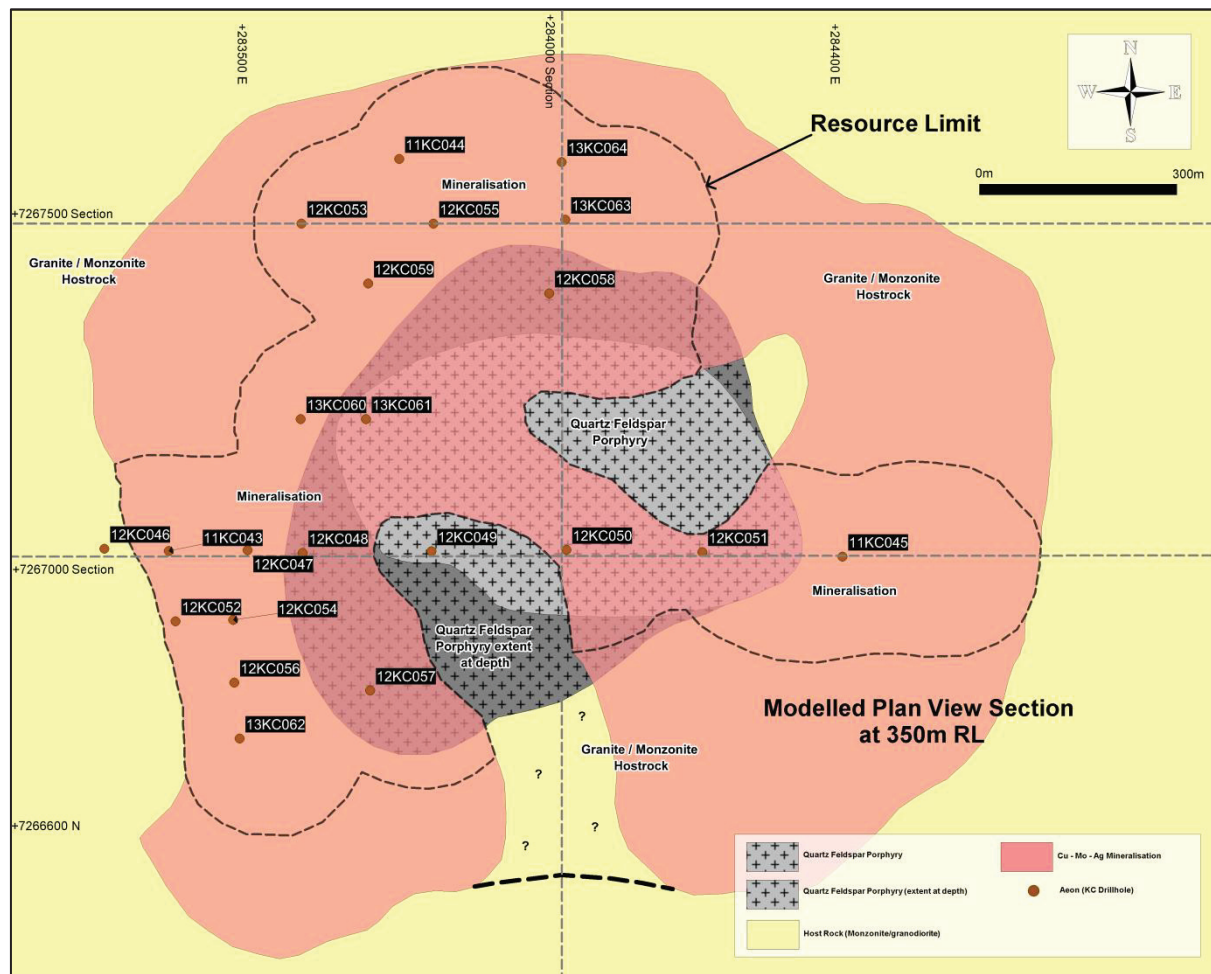
JORC Classification (@ 0.24% Cu cut-off)	Tonnage (Mt)	Cu Grade (%)	Mo Grade (%)	Ag Grade (g/t)	Cu (t)	Mo (Mlb)	Ag (Moz)
Inferred	62	0.30	0.012	1.30	190,000	16.7	2.7

Complete grade tonnage results are given in the 12 November ASX announcement noting the fresh component of the Resource comprises:

JORC Classification (@ 0.24% Cu cut-off)	Tonnage (Mt)	Cu Grade (%)	Mo Grade (%)	Ag Grade (g/t)	Cu Equiv ¹ (%)	Cu (t)	Mo (Mlb)	Ag (Moz)
Inferred	52	0.30	0.013	1.40	0.36	160,000	16.7	2.3

1. See Metal Equivalents assumptions in 12 November announcement.

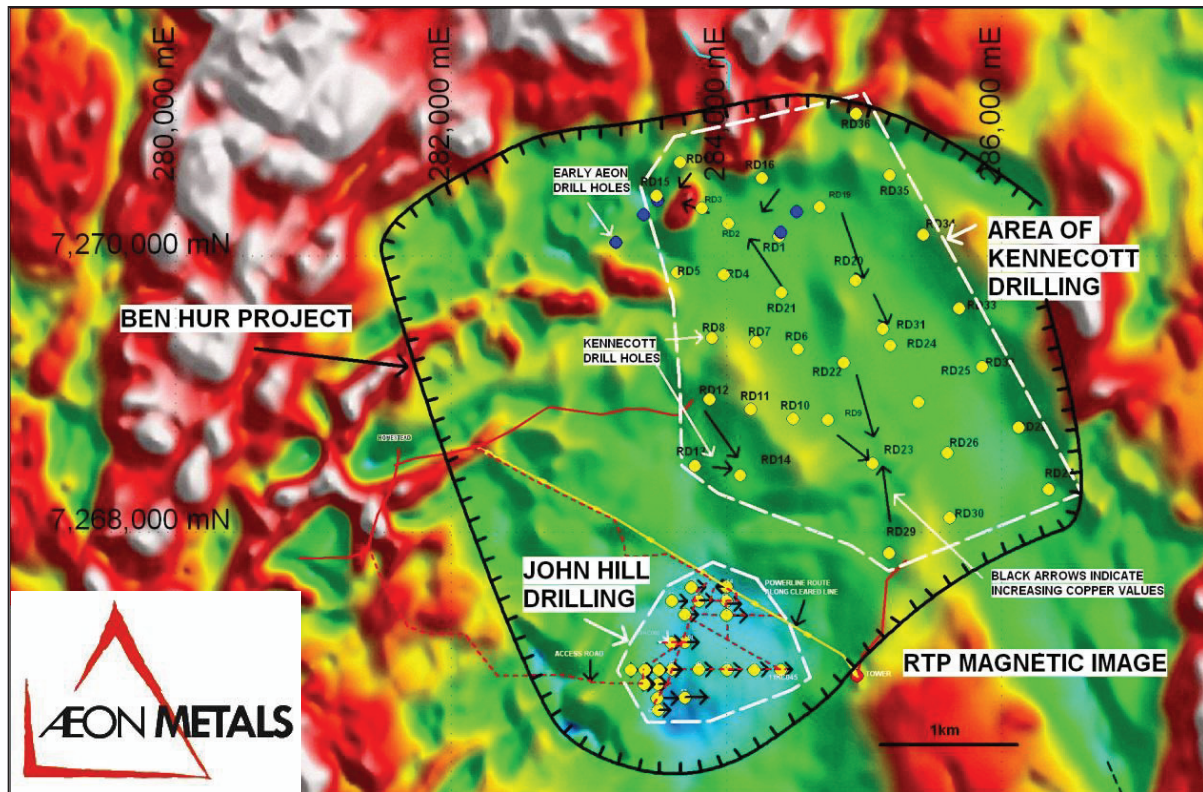
The bulk of mineralisation occurs as a halo of disseminated sulphide and stockwork quartz veins, hosted by monzo-granodiorite marginal to a quartz-feldspar porphyry seen below in the plan diagram showing the current outlines of the John Hill deposit:



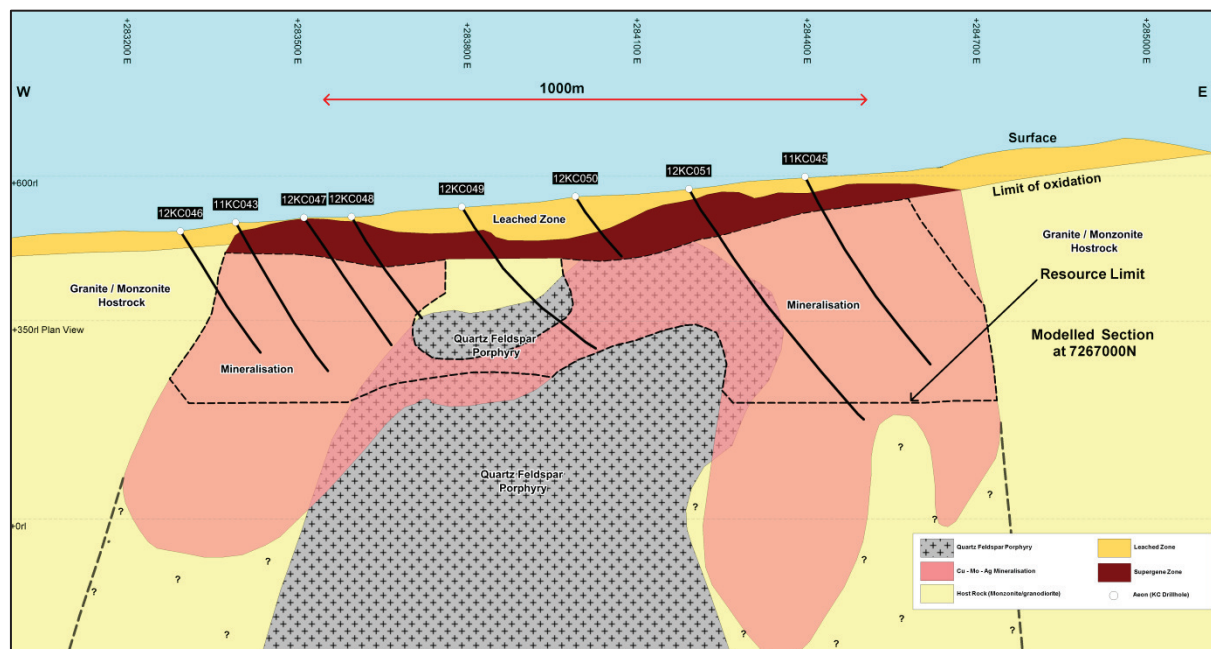
SRK considers that some upside remains with the extent of the John Hill deposit largely set by the drilling coverage, instead of defined geological or grade limits. With further drilling, there is potential to add to the current interpretation of mineralised volume, both laterally and at depth.

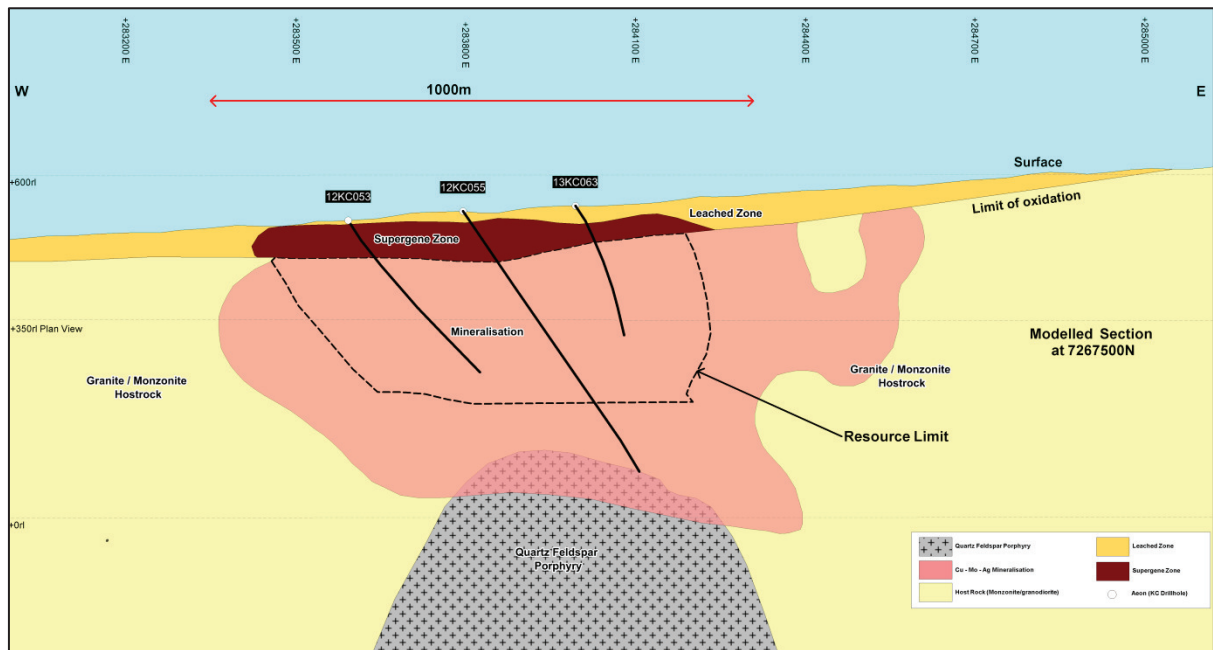
The following diagram shows that the known mineralisation at Ben Hur is 6.3km long and 2km wide.

The John Hill deposit is a small component of the overall Ben Hur Project and lies 1km south of the area drilled by Kennecott (1970's). Kennecott drilled 59 holes all of which were shallow, targeting the copper oxide mineralisation.



Upside also exists from infill drilling. The present drill spacing is sparse, with typically 100m or 200m between holes, and at this spacing, it is difficult to confidently interpret continuity between high grade intersections. **Infilling may make it possible to model higher grade zones within the mineralised domain.**





7B Copper-Gold Project (EPM 15921)

A Stage 3 drill campaign at the 7B Project commenced during in August and was completed during the quarter. 27 holes (Holes 32-58) have now been drilled in Stage 3 for approximately 2,464m with 10 holes drilled for 828m drilled during the quarter. Total drilling at 7B (Stages 1-3) since the first drill hole in February 2013 is now 5,464m, covering an area of 2,500m North-South and 900m East-West and with a focus on the Wild Chilli mineralised area. The Stage 3 drill campaign, which included both reverse circulation and diamond drilling, was completed during the quarter.

The Stage 3 campaign was designed to expand the known mineralisation discovered in Stage 1 and 2 campaigns, as well as targeting new opportunities within close proximity to the known sheeted vein style lodes within the Wild Chilli area. Both strategies have been successful:

- a step out of the Wild Chilli lode achieved;
- new areas of discovery within close proximity that will require further follow-up drilling.

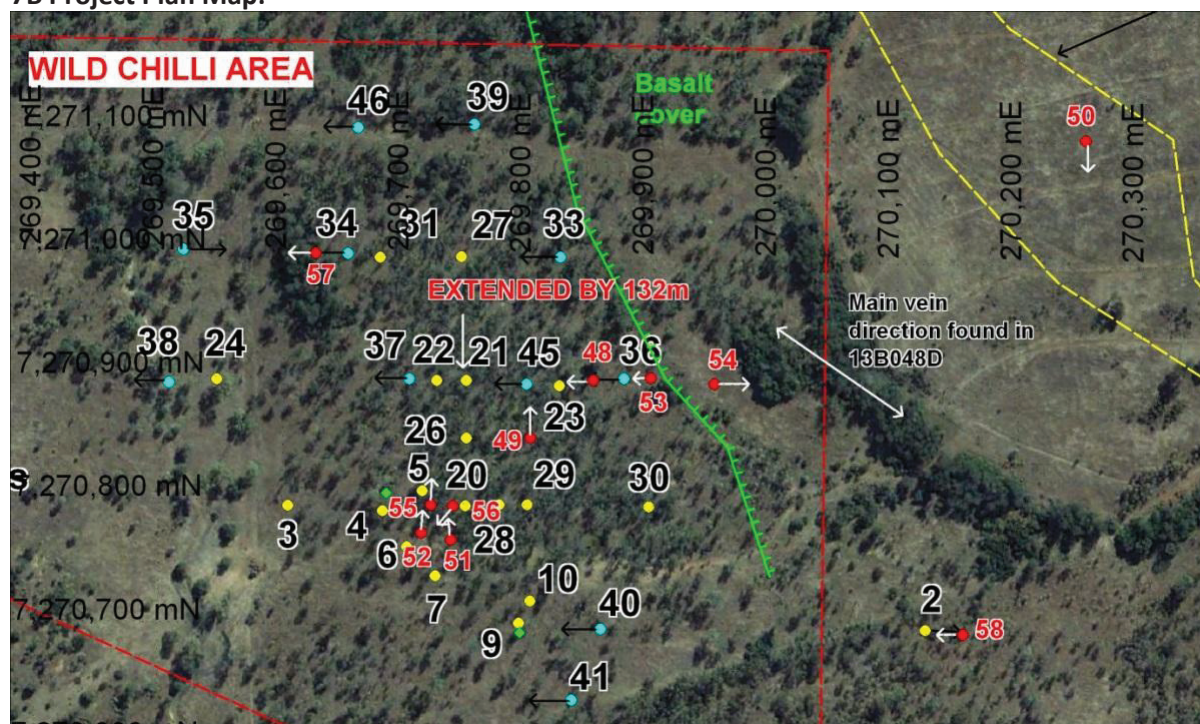
The Stage 3 drilling included 2 diamond holes which were logged during the quarter. This has enabled the Company to conclude that hornfels and evidence of a metal-bearing magmatic source provided by D veins and metal-anomalous microdiorite dykes all suggest an intrusion target at depth thus providing a high priority drill target for porphyry Cu-Au-Mo mineralisation. The Company is designing a drill program focused on targeting this primary mineralisation.

The recognition of Cu mineralisation in association with diorite intrusions at the 7B Project, as typical of most porphyry belts, in addition to Mo with granite-granodiorite, could change the broad geological model for Rawbelle.

Many individual prospects have emerged during the several years exploration at Rawbelle.

It is now considered appropriate at this stage to review and collate the data on these prospects and develop an up-to-date geological-mineralisation model for the district which would aid in ongoing exploration as well as strategic management decisions.

7B Project Plan Map:



Corporate

Due to the drop in corporate and asset valuations the Company has continued to pursue copper asset and corporate mergers and acquisitions. Aeon wishes to be an active party in this regard and believes it has the management expertise and proven skills in identifying value and structuring to act quickly on any “corporate growth” transaction. Additionally, a strategic decision has been taken to review Joint Venture proposals for Ben Hur following renewed interest due to the announcement of the Ben Hur Resource during the quarter.

Exploration Expenditure

During the quarter, the Company expended approximately \$426,000 on exploration activities.

As at 31 December 2013, the Company had cash reserves of approximately \$1,017,000.

Appendix 5B

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

Yours sincerely,

Hamish Collins
Managing Director
Aeon Metals Limited

TENEMENT HOLDINGS AS AT 31/12/13

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%

The information in this report that relates to 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.

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 December 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
	- Service Fees	6	9
1.2	Payments for (a) exploration & evaluation	(426)	(809)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(247)	(635)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- GST Receipts	11	14
Net Operating Cash Flows		(646)	(1,400)
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)	(646)	(1,400)

+ 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)	(646)	(1,400)
	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	(646)	(155)
1.20	Cash at beginning of quarter/year to date	1,663	1,172
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,017	1,017

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	167
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

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	26	4

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	350
Total	600

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	1,017	1,663
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,017	1,663

+ 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 (Number of sub blocks)	Interest at end of quarter (Number of sub blocks)
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPM 14627 EPM 15919	Partial relinquishment Relinquishment lodged but not yet approved	33 100% 28 0%
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: 31 / 1 / 2014
(Director)

Print name: Hamish Collins
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+ 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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+ See chapter 19 for defined terms.