



Aeon Metals Limited

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ASX Code - AQR

31 July 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 30 June 2014

HIGHLIGHTS

- On 3 April, Aeon Metals Limited ("Aeon") announced it was to acquire Aston Metals (Qld) Limited ("Aston") from receivers and on 17 June the purchase of Aston was completed.

This is a company-transforming, value-accretive acquisition, providing Aeon with significant scale, specifically with the large Walford Creek Project, which has the potential for a world scale base metals operation.

- Walford Creek Project drilling commenced on the 23 June. This program is planned to further define and increase the current JORC Resource. As at time of writing approximately 2,080m (1,340m RC pre-collar, 740m DD) has been drilled and core cutting and lab prep commenced this week - see Figure 1 on the next page showing previous, current and proposed drilling.

HIGHLIGHTS (con'd)

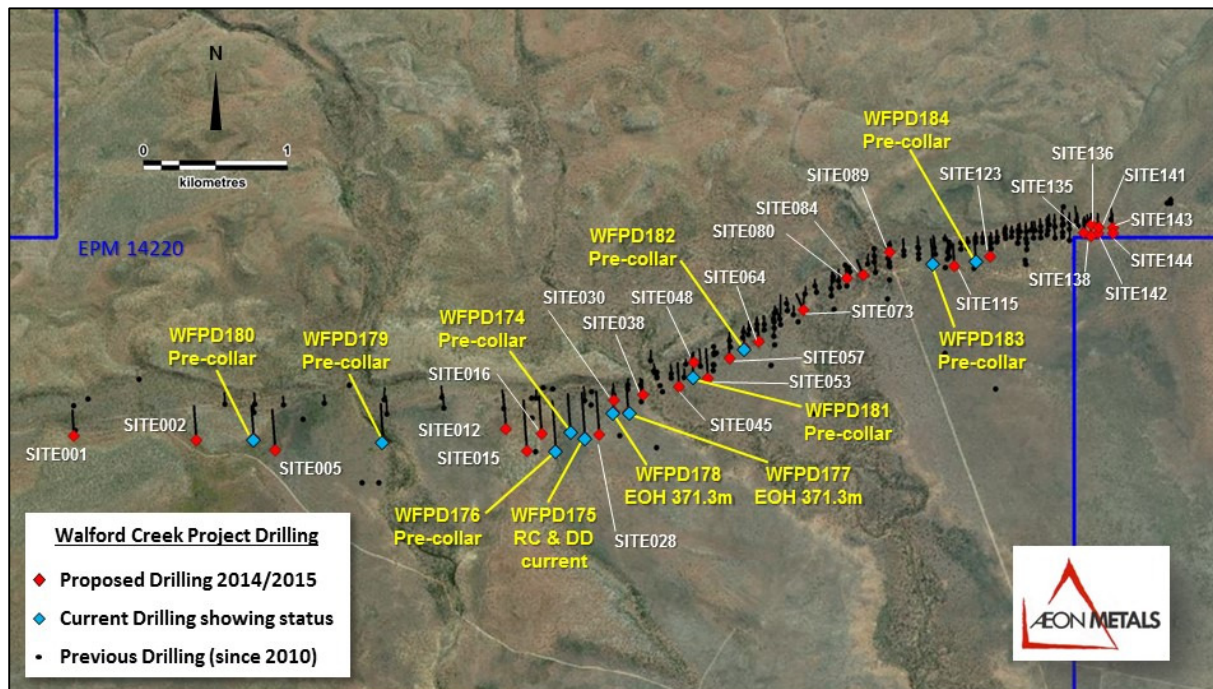


Figure 1: Walford Creek Project Drilling

- Aston, when acquired by Aeon, held, in addition to Walford, an extensive (3,600km²) tenement package located in the world-class Mt Isa minerals province in North West Queensland including a contiguous land holding (~170km) along the Mt Isa Fault, bordering north and south of Glencore Xstrata's Isa Mine. A technical review of Mt Isa tenements, excluding Walford, is now underway as part of JV/sell-down process of the tenement package in the Mt Isa area.
- Drilling commenced at 7B on 4 June and was completed on 18 June. A total 5 holes were drilled for 1,306m consisting of 715m RC and 591m diamond. Visible mineralisation was observed in the core and RC chips as well as very significant structural data which was the main purpose for this drilling. It is expected that this structural data will provide a vector to the postulated deeper mineralisation.
- A formal process to seek JV parties for a combined Ben Hur and Greater Whitewash Copper Porphyry Project is in progress.
- On 8 May shareholder approval was granted for an equity placement of up to 66.7 million ordinary shares at A\$0.12 per share. Up to 15 July, 57,198,460 shares had been issued as part of the placement raising \$6.863 million with a further \$1.136 million committed, but still to be received. Aeon is sufficiently 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.

Aston Metals (Qld) Limited Acquisition

Aeon Metals Limited (ASX: AQR, “Aeon”) acquired Aston Metals (Qld) Ltd (“Aston”) from Receivers and Managers on 17 June 2014.

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 Resource¹ of 48Mt at 0.39% Cu, 0.88% Zn, 0.83% Pb, 20.4g/t Ag, 731ppm Co.

Walford Creek Project, North West Queensland

The flagship asset and highest priority tenement holding of the Aston assets 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.

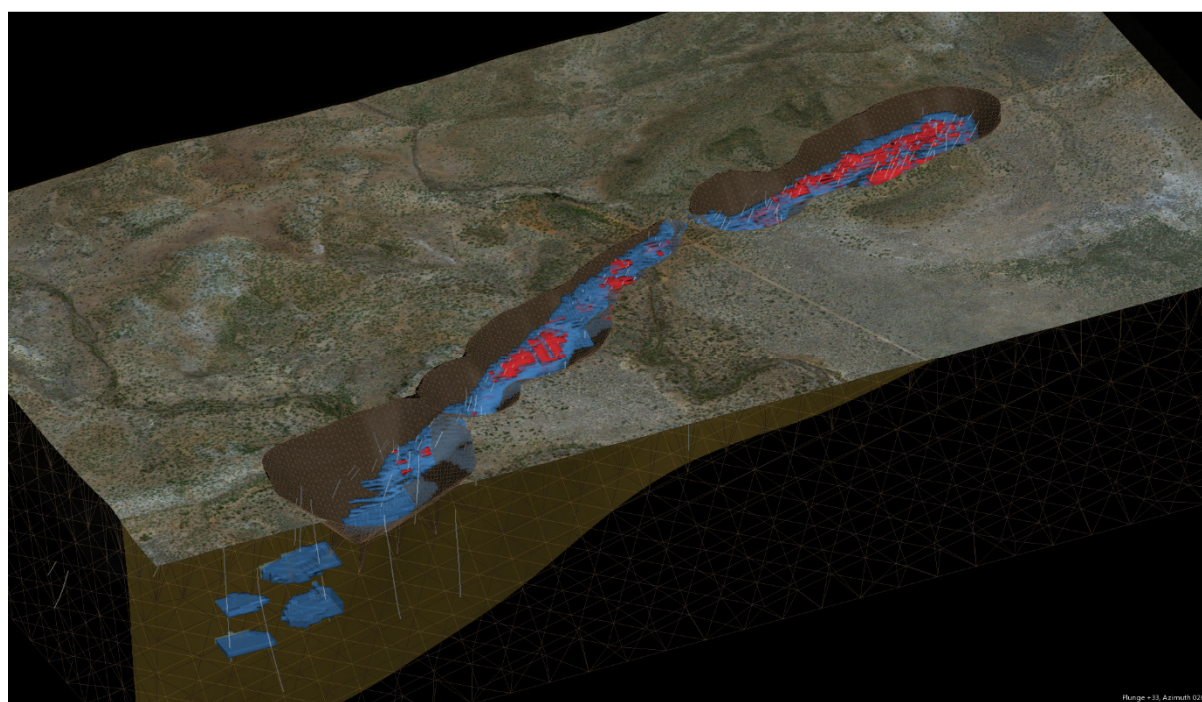


Figure 2: 3D Model of the Walford Creek Prospect displaying the Fish River Fault (brown), the block model showing the Indicated (blue) and Inferred (red) Resource (approximate 4km strike length), the conceptual pit at 20 years and Quickbird satellite imagery draped over the digital terrain model, approximate 5km strike length.

¹ See 3 April 2014 Announcement for full Resource details.

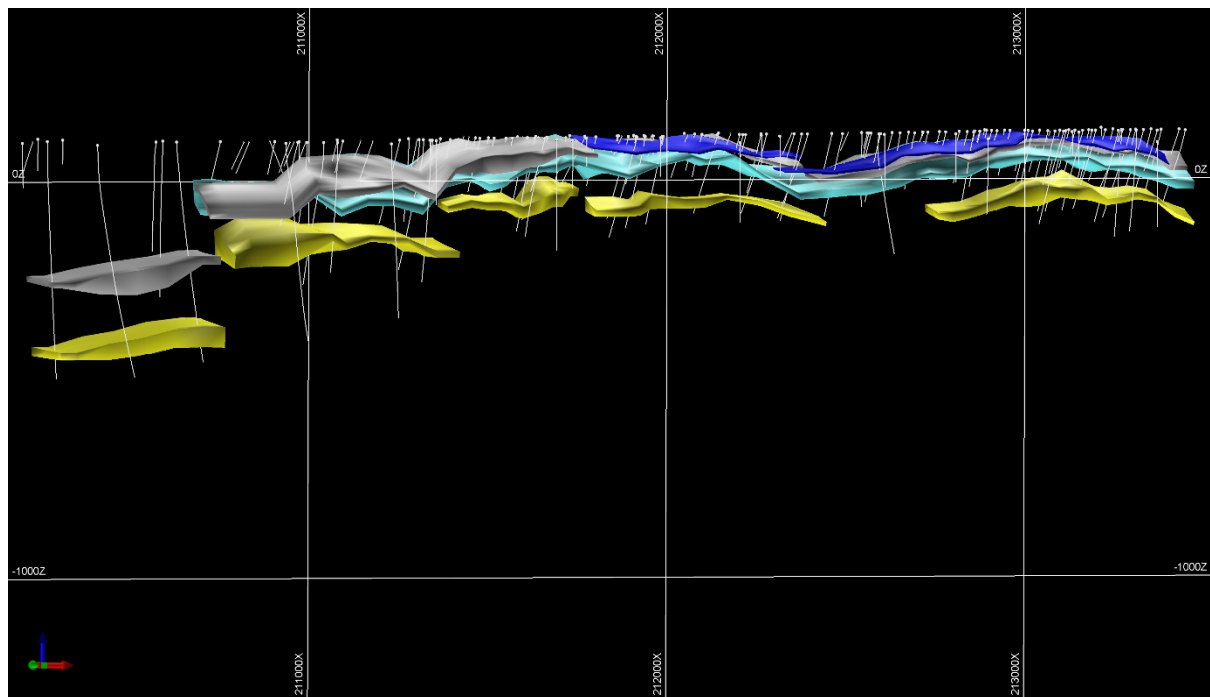


Figure 3: 3D mineral wireframes used in Resource estimation at the Walford Creek Prospect- Chert (Blue), Dolomite Breccia (Cyan), Pyrite Lens 1 (Silver), Pyrite Lens 3 (Gold)

JORC Resource

The results of historic drilling programs was the definition in March 2013 of a JORC Resource² summarised in the following table.

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

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%. The resource estimates are reported at a 0.5% copper equivalent above the -100mRL ie in the top 200m.

The Walford Creek Project has a clear pathway to project development with the potential for open pit mine development of world scale. Walford Creek 2014 drill program commenced on Monday 23 June with an RC rig initially utilised for pre-collar purposes of the deeper western holes.

A second diamond rig commenced drilling on the 5 July and will continue to test the mineralised zones through into September. The early drilling was to get the pre collars completed with the diamond rig to diamond tail these holes. As at time of writing approximately 2,080m (1,340m RC, 740m DD) has been drilled and core cutting and lab prep commenced this week.

This is the start of the planned program 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 2015³.

² See 3 April 2014 Announcement for full Resource details.

³ 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.

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

A data package has been collated for combined Constance Range, Isa North, Isa West and Isa South Projects with the specific purpose of structuring third party involvement to unlock the combined tenement package potential. This tenement package is extensive (covering some 3,600km²) located in the world-class Mt Isa minerals province in North West Queensland. It includes contiguous land holding (~170km) along the Mt Isa Fault, bordering north and south of Glencore Xstrata's Isa Mine.



7B Copper-Gold Project

(EPM 15921)

Drilling commenced at 7B on 4 June and was completed on 18 June. A total of 5 holes were drilled for 1,306m consisting of 715m RC and 591m.

In the main drilling area of Wild Chilli, visible mineralisation was observed in the core and RC chips as well as very significant structural data which was the main reason for this drilling. It is expected that this structural data will provide a vector to the postulated deeper mineralisation.

RC hole 63 intersected significant zinc mineralisation. 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

The acquisition of Aston was completed on 17 June. Transition of administrative functions, financials, personnel, etc is well advanced and near completion. Aston's name was changed to Aeon Walford Creek Limited ("AWCL") on 18 June 2014.

On 8 May 2014, shareholder approval was granted for an equity placement of 66.7m ordinary shares at A\$0.12 per share to raise up to \$8m. Up to 15 July, 57,198,460 shares had been issued as part of the placement raising \$6.863 million with a further \$1.136 million committed, but still to be received. Aeon is now sufficiently 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.

Due to the size and upside of the combined Ben Hur and Greater Whitewash copper porphyry resources, a strategic decision was made to seek joint venture parties for this combined Project package. This formal process is ongoing. Additionally, a data package has been collated for all Aston tenements, excluding the Walford Creek Project, with the specific purpose of structuring third party involvement to unlock the combined tenement package potential.

Exploration Expenditure

During the quarter, the Company expended approximately \$465,000 on exploration activities.

As at 30 June 2014, the Company had cash reserves of approximately \$4.4M with a further \$1.88M of placement funds received post 30 June, 2014.

Appendix 5B

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

Yours sincerely,



Hamish Collins
Managing Director
Aeon Metals Limited

APPENDIX 1 - TENEMENT HOLDINGS AS AT 30/6/14

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%
Aeon Walford Creek Limited	EPM 11897	Mount Isa West	80%
Aeon Walford Creek Limited	EPM 11898	Mount Isa West	80%
Red Metal Limited	EPM 12653	Mount Isa South	
Aeon Walford Creek Limited	EPM 13412	Mount Isa South	20%
Aeon Walford Creek Limited	EPM 13413	Mount Isa South	20%
Aeon Walford Creek Limited	EPM 13682	Mount Isa South	20%
Aeon Walford Creek Limited	EPM 14040	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 14220	Walford Creek	100%
Aeon Walford Creek Limited	EPM 14233	Mount Isa South	72%
Aeon Walford Creek Limited	EPM 14694	Mount Isa North	80%
Aeon Walford Creek Limited	EPM 14712	Constance Range	80%
Aeon Walford Creek Limited	EPM 14713	Constance Range	80%
Aeon Walford Creek Limited	EPM 14821	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 14854	Walford Creek	100%
Aeon Walford Creek Limited	EPM 14935	Constance Range	80%
Aeon Walford Creek Limited	EPM 15156	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 15186	Constance Range	80%
Aeon Walford Creek Limited	EPM15212	Mount Isa West	80%
Mount Isa Mines Limited	EPM15911	Mount Isa South	100% **
Aeon Walford Creek Limited	EPM 16921	Mount Isa North	20%
Mount Isa Mines Limited	EPM 17297	Mount Isa South	100% **
Aeon Walford Creek Limited	EPM 17300	Mount Isa North	100%
Summit Resources (Aust) Pty Ltd	EPM 17511	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17513	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17514	Mount Isa North	20%
Summit Resources (Aust) Pty Ltd	EPM 17519	Mount Isa North	20%
Aeon Walford Creek Limited	EPM 18395	Mount Isa west	100%
Aeon Walford Creek Limited	EPM 18552	Walford Creek	100%
Aeon Walford Creek Limited	EPM 18769	Mount Isa West	100%

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

**100% JV AWCL earning 100%, transfer of title pending

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 document 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 Competent Persons 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 this document 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 Aeon Metals and consents to the inclusion in this document of the Exploration Targets and Exploration Results in the form and context in which they appear.

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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	9
	– Service Fees		
1.2	Payments for (a) exploration & evaluation	(465)	(1,404)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(468)	(1,363)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	26	54
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	– GST Receipts	(73)	(32)
	Net Operating Cash Flows	(980)	(2,736)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(2)
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	(2)	(2)
1.13	Total operating and investing cash flows (carried forward)	(982)	(2,738)

+ 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)	(982)	(2,738)
1.14	Cash flows related to financing activities Proceeds from issues of shares, options, etc. (Proceeds were received from institutional and sophisticated investors in accordance with placement announced on 3 April 2014. Placement is currently subject to shareholder approval).	4,984	6,274
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	(267)	(312)
	– On market purchase of shares for equity based compensation	-	-
	Net financing cash flows	4,717	5,962
	Net increase (decrease) in cash held	3,735	3,224
1.20	Cash at beginning of quarter/year to date	661	1,172
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,396	4,396

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	264
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

+ 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	30	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	\$1,200
4.2 Development	-
4.3 Production	-
4.4 Administration	\$620
Total	\$1,820

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	4,396	661
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,396	661

+ 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			
	EPM14628	Correction to number of sub blocks	44	43
	EPM17001	Relinquishment	49	44
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	271,917,328	271,917,328	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,796,298 1,489,626 48,275,862 243,333	39,796,298 1,489,626 48,275,862 243,333	12 12 14.5 12
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 63,251,107		Exercise price 15 12.5 15.81	Expiry date 9 November 2014 8 February 2016 17 June 2017
7.8	Issued during quarter	63,251,107		15.81	17 June 2017
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

- 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).
- This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

31/7/14
Date:

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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