



Aeon Metals Limited

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ASX Code - AQR

31 October 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 September 2014

HIGHLIGHTS

- **Walford Creek Project 2014 drill program commenced on 23 June 2014. A total of 19 holes have now been completed for 6,021m (1,805m RC and 4,216m Diamond).**
- **This drill program confirms the previous robust geological modelling of the Walford Creek geology and mineralisation.**
- **The drill results to date strongly support the potential to increase the JORC Resource¹ at Walford Creek and demonstrate the continuity of the previously identified "Exploration Potential" zones as well as continuity of the mineral system along strike and more than 1.6km to the West (WFPD179, refer to ASX release dated 22 October 2014).**
- **Metallurgical and resource geological consultants mandated and work has commenced to determine most efficient geometallurgical model.**
- **Walford Creek Project successfully qualified for partial funding under Round 8 of the Future Resources Program, Collaborative Drilling Initiative, administered by the Queensland Department of Natural Resources and Mines. The grant totals a maximum of \$107,250 with funds used to drill 2 holes approximately 1.6km and 2.3km respectively along strike from the Walford Creek Resource.**
- **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.**

¹ See 3 April 2014 Announcement for full Resource details

- During the quarter, 25.1 million shares were issued as the final component of the equity placement of up to 66.7 million ordinary shares at A\$0.12 per share approved by shareholders on 8 May 2014. 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.

Figure 1: Plan showing the Walford Creek 2014 Drilling Program

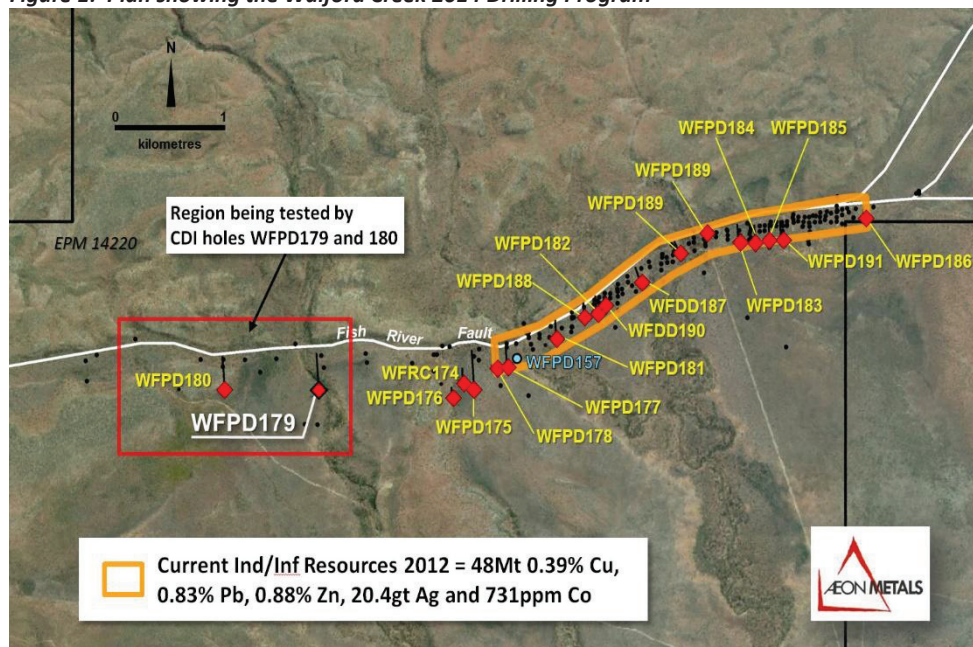
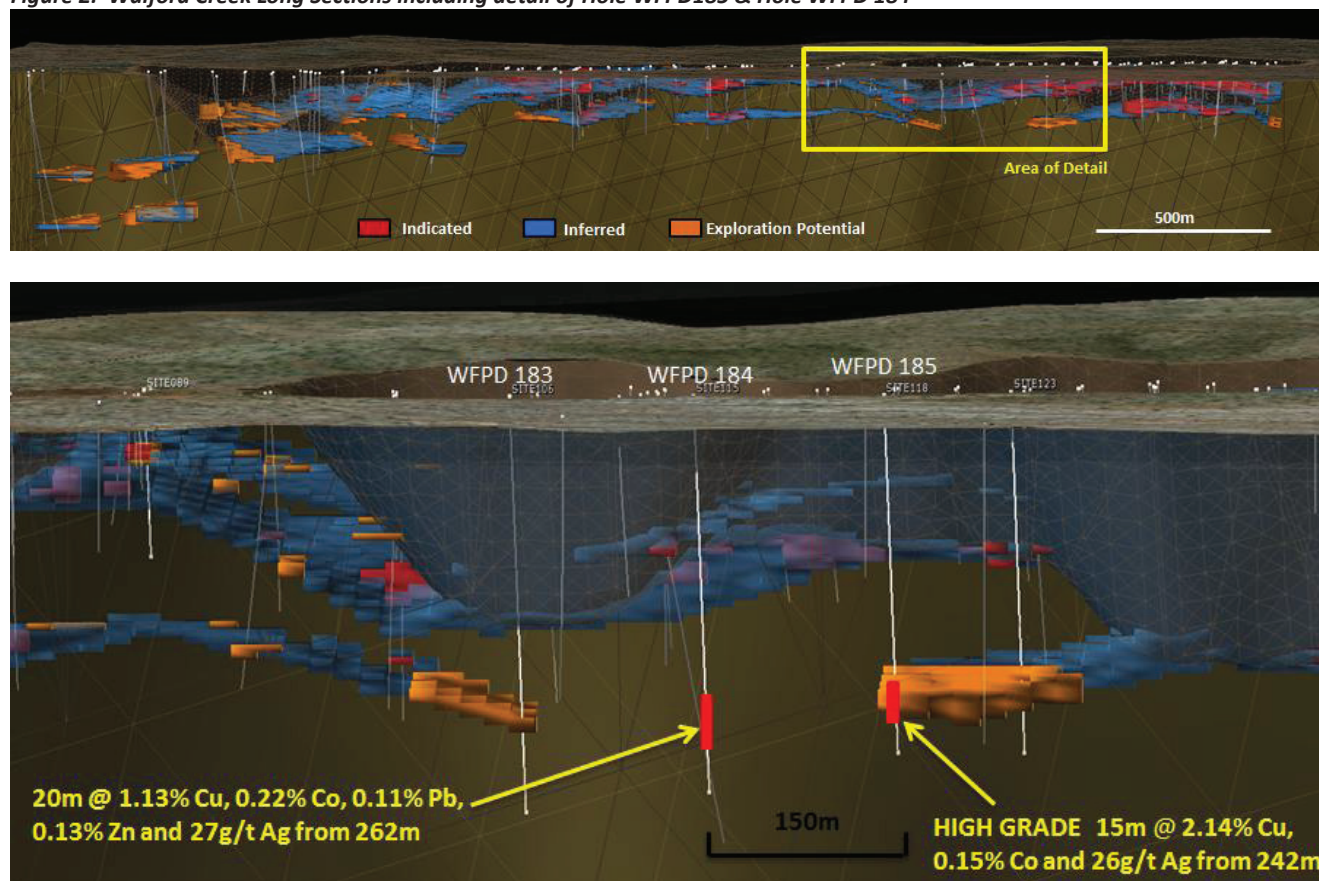


Figure 2: Walford Creek Long Sections including detail of Hole WFPD185 & Hole WFPD 184



Walford Creek Project, North West Queensland

The flagship asset and highest priority tenement holding of the Aston Metals (Qld) Ltd ("Aston") assets acquired in June 2014 is the 100% owned Walford Creek Project. The Walford Creek Project has a clear pathway to project development with the potential for open pit mine development of world scale.

The Walford 2014 drill program commenced on 23 June with pre-collar RC drilling utilised to drill down to the top of the mineralised lenses at which time a diamond rig was used to complete the tail section of each hole. As a result of the geological interpretation and initial assay results, a second diamond rig was mobilized and started on 1 September.

In the quarter, a total of 19 holes were completed for 6,021m (1,805m RC and 4,216m Diamond). All final assay results are expected to be returned by early November with preliminary metallurgy results due shortly after. Significant intercepts² to date include:

WFPD177 – 35m @ 1.0% Cu, 0.15% Co, 1.0% Pb, 0.7% Zn, and 37g/t Ag from 291m
WFPD178 – 33m @ 1.7% Zn, 1.3% Pb, and 18g/t Ag from 214m
WFPD179 – 11m @ 5.7% Zn, 0.17% Co, 0.3% Pb, and 8g/t Ag from 445m
WFPD181 – 20m @ 1.0% Cu, 0.24% Co, 2.2% Pb, 2.3% Zn, and 44g/t Ag from 266m
WFPD182 – 32m @ 1.5% Cu, 0.23% Co, and 21g/t Ag from 219m
WFPD184 – 20m @ 1.1% Cu, 0.22% Co, 0.1% Pb, 0.1% Zn, and 27g/t Ag from 262m
WFPD185 – 15m @ 2.1% Cu, 0.15% Co, 0.5% Pb, 0.3% Zn, and 26g/t Ag from 242m

The 2014 Walford drill program has achieved the desired mix of both infill and step out drilling along over 6kms of the Fish River Fault. This significant drill program has identified the continuation of the prospective Mount Les Siltstone west of hole WFPD157 drilled in 2012 and has better constrained the Fish River Fault zone which is believed to have acted as the main fluid channel way for the base metal mineralising fluids.

This is the first phase of the planned program to drill 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. With the benefit of this year's drilling, and once further resource and metallurgical work is completed later this year, the second phase of drilling scheduled for early in the 2015 dry season can be designed.

As a component of the pathway to development, metallurgical (Core Resources), geological resource (H&S Consulting), and environmental (Animal Plant Mineral) consultants were mandated with work well underway with all disciplines. This geological resource work, combined with the metallurgical work, will assist in building the geometallurgical model output.

² See Appendix 3 for 2014 significant intercepts including hole locations.

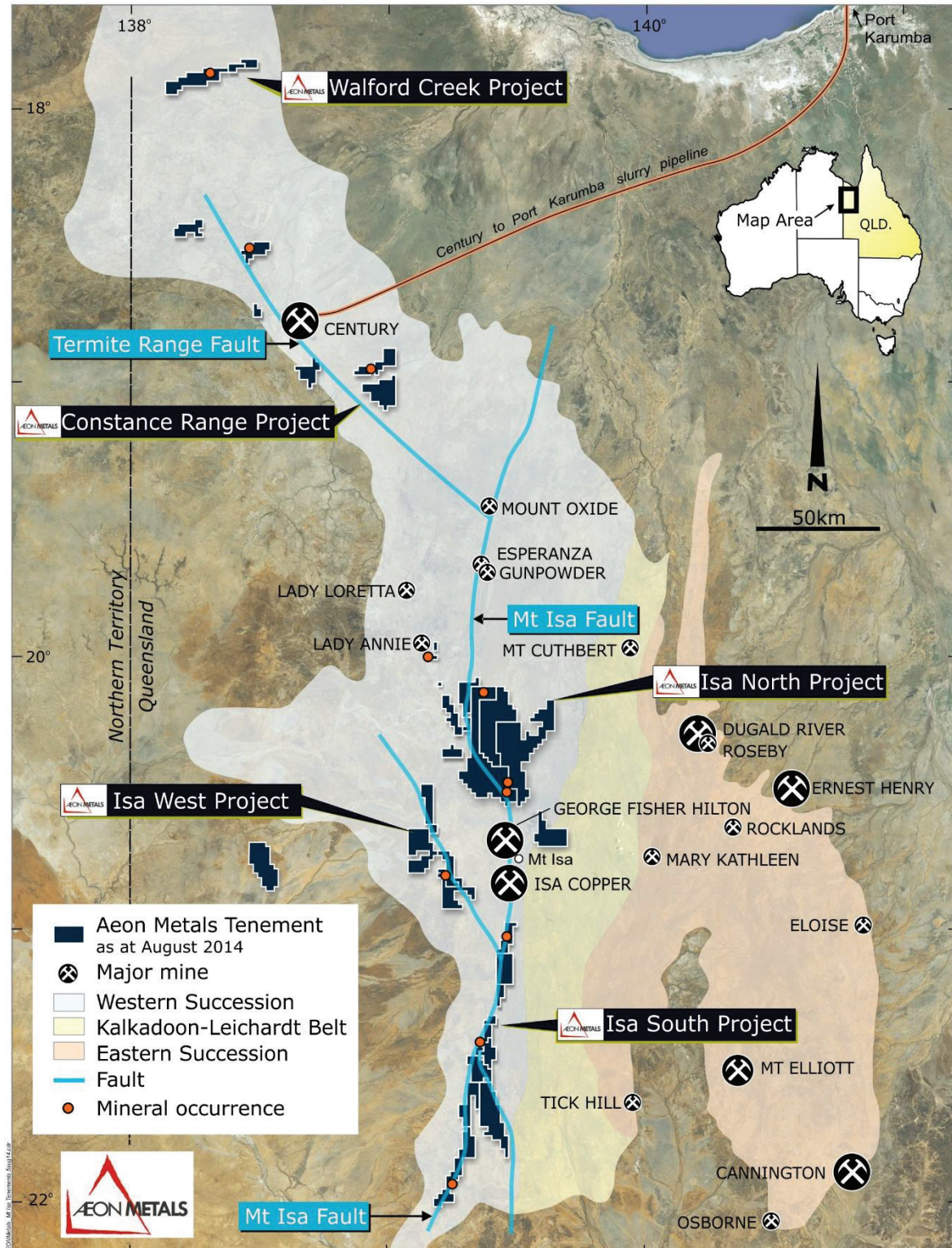
³ This target is based on exploration work and results to date at Walford Creek. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to estimate the current reported Indicated and Inferred Resource beyond the current 48 Mt at 1.42%Cu Equiv and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

“Other” Northwest Queensland Tenements

A map showing Aston's interest in various exploration permits is provided below (see Figure 3).

A data package has been collated for combined Constance Range, Isa North, Isa West and Isa South Projects with the specific purposes of structuring third party involvement to unlock the combined tenement package potential. This tenement package is extensive (covering some 3,400km²) 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.

Figure 3: Aeon's Mt Isa Tenements



7B Copper-Gold Project

(EPM 15921)

Drilling commenced at the Company's Gladstone 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 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. Consequently, Aeon will now undertake further geophysical work to better define the target prior to further deep drilling. This geophysical work will consist of magnetic data interpretation as well as a SAM EM program.

Corporate

Corporate activity during the quarter:

- The transition of administrative functions, financials, personnel, etc related to the acquisition of Aston Metals was completed.
- The Walford Creek Project successfully qualified for partial funding under Round 8 of the Future Resources Program, Collaborative Drilling Initiative, administered by the Queensland Department of Natural Resources and Mines. Under the terms of the grant, which totals a maximum of \$107,250, Aeon will use these funds to drill specific holes referred to as WFPD179 and WFPD180 (see Figure 1). These holes are approximately 1.6km and 2.3km respectively along strike from the Walford Creek Resource⁴ and were completed during the quarter.
- On 8 May, shareholder approval was granted for an equity placement of up to 66.7m ordinary shares at A\$0.12 per share to raise up to \$8m. During the last quarter the final 25,135,869 shares were issued in 2 allotments pursuant to this authority. 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.

The Company's 2014 Annual General Meeting is to be held on 24 November 2014. The Notice of Meeting has been provided to shareholders and a copy is available on the Company's website.

The Company's 2014 Annual Report is also available on the Company's website and copies have been mailed to those shareholders who requested one.

⁴ See 3 April 2014 Announcement for full Resource details.

Exploration Expenditure

During the quarter, the Company expended approximately \$2,050,000 on exploration activities.

As at 30 September 2014, the Company had cash reserves of approximately \$5,203,000.

Appendix 5B

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

A handwritten signature in black ink, appearing to read 'H. Collins', is positioned above the printed name and title.

Hamish Collins
Managing Director
Aeon Metals Limited

APPENDIX 1 - TENEMENT HOLDINGS AS AT 30/9/14

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	Relinquishment lodged
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 AWC earned 100%, transfer of title pending

APPENDIX 2 – COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Aeon Metals Limited's 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 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 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 by 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 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 – WALFORD CREEK PROJECT 2014 DRILL PROGRAM SIGNIFICANT INTERSECTS TO DATE

Hole No.	Easting	Northing	Azimuth degrees	Dips degrees	Intersect m	Cu %	Co %	Pb %	Zn %	Ag g/t	From m	To m
WFPD175	210480	8030460	355	55	7	0.5	0.07	0.7	0.2	26	520	527
					and 14		0.02	0.9	1.8	13	530	544
					and 26	0.3	0.26	0.2	0.2	16	546	572
					and 7	0.3	0.06			8	586	593
WFPD177	210780	8030640	355	55	35	1.0	0.15	1.0	0.7	37	291	326
					incl 22	1.2	0.17	1.4	0.8	44	302	324
					incl 3			2.7	4.6	80	305	308
					incl 8	1.4	0.26	2.8	0.4	58	314	322
					incl 2			9.3	1.1	79	314	316
WFPD178	210680	8030640	355	55	33			1.3	1.7	18	214	247
					incl 9			3.0	2.0	20	214	223
					incl 6			6.9	2.1	28	217	223
WFPD179	209062	8030414	355	55	11		0.17	0.33	5.69	8	445	456
					and 24	0.47	0.07	1.45	0.2	20	581	605
WFPD181	211230	8030880	355	55	10		0.01	0.7	0.2	27	102	112
					and 5		0.09	0.1	0.7	4	171	176
					and 2		0.19	0.3	1.3	15	180	182
					and 20	1.0	0.24	2.2	2.3	44	266	286
WFPD182	211580	8031100	355	-55	32	1.5	0.23			21	219	251
					incl 10	2.0	0.15			26	219	229
					incl 12	1.9	0.31			26	239	251
					and 4		0.05	1.6	4.1	71	216	220
WFPD184	213037	8031691	355	60	4	0.0	0.05	0.1	2.2	10	105	109
					and 6	0.0	0.04	2.0	0.6	34	160	165
					and 9	0.0	0.06	3.6	2.7	53	253	262
					and 20	1.1	0.22	0.1	0.1	27	262	282
WFPD185	213168	8031720.7	355	60	13	0.0	0.02	0.9	1.0	24	229	242
					and 15	2.1	0.15	0.5	0.3	26	242	257
WFPD187	211994	8031355	355	55	2			2.7		16	14	16
					and 18	0.4	0.08	2.6	0.3	50	189	207
					incl 3	0.4	0.08	12.4	0.4	80	197	200
					and 13	0.4	0.03	0.6	1.3	7	217	230

JORC Table 1 information in relation to each of the above holes is set out in the Company's announcement dated 10 October 2014.

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 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
	– Service Fees	-	-
1.2	Payments for (a) exploration & evaluation	(2,050)	(2,050)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(553)	(553)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	38	38
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received (R&D Tax Incentive)	443	443
1.7	Other (provide details if material)	-	-
	– GST Receipts	(109)	(109)
		(2,231)	(2,231)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(6)	(6)
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)	-	-
		(6)	(6)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(2,237)	(2,237)

+ 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)	(2,237)	(2,237)
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).	3,182	3,182
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	(138)	(138)
	– On market purchase of shares for equity based compensation	-	-
	Net financing cash flows	3,044	3,044
	Net increase (decrease) in cash held	807	807
1.20	Cash at beginning of quarter/year to date	4,396	4,396
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,203	5,203

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	250
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	2	28

Estimated cash outflows for next quarter

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

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	5,203	4,396
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,315	4,396

+ 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	EPM13412 Relinquishment EPM13413 Relinquishment EPM13682 Relinquishment	35 45 63	28 27 43
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	304,353,197	304,353,197	
7.4	Changes during quarter (a) Increases through issues 4,000,000 15,669,203 3,000,000 9,466,666 (b) Decreases through returns of capital, buy-backs 300,000	4,000,000 15,669,203 3,000,000 9,466,666 300,000	12 12 19.5 12 15	12 12 19.5 12 15
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 13,033,333 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	N/A			
7.9	Exercised during quarter	300,000		15	
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 ~~not~~* (delete one) give a true and fair view of the matters disclosed.



31 October 2014

Sign here: Date:
(Director/Company secretary)

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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