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ASX Code - AQR

30 January 2015

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Australian Securities Exchange
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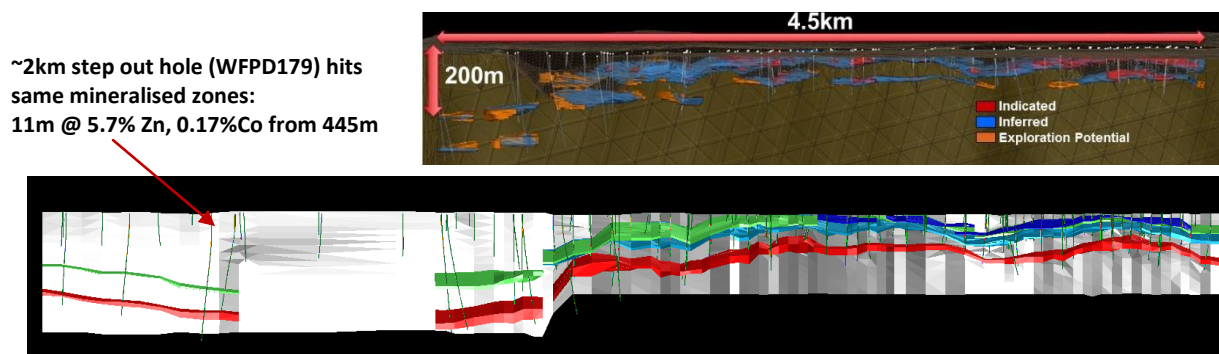
Quarterly Activities Report For the three months ending 31 December 2014

HIGHLIGHTS

- **Final assays for the drilling undertaken in 2014 (6,021m) were received during the quarter. A compilation of results has confirmed:**
 - **the continuity of both the previously identified “Exploration Potential” zones and the mineral system along Fish River Fault strike (*see Figure 1*); and**
 - **the potential to increase the JORC Resource¹ at Walford Creek.**
- **H&S Consultants, a geological specialist in resource estimation, has updated the geological model with the 2014 drill results and is in the process of upgrading the Resource.**
- **Metallurgical consultants, Core Resources, commenced metallurgical testwork in September 2014. An interim metallurgical review is expected in the near future.**
- **The permitting process to advance Walford Creek to Mining Lease status has begun.**
- **Work on a corporate spin-off of the combined Constance Range, Isa North, Isa West and Isa South Projects is progressing and is planned for 2015.**

¹ See 3 April 2014 Announcement for full Resource details

Figure 1: Walford Creek Long Sections – 2012 Resource vs 2014 Mineralised Envelopes (post 2014 drill program)



Walford Creek Project, North West Queensland

Aeon's flagship asset and highest priority tenement holding is the **100% owned Walford Creek Project**, acquired in June 2014. The Walford Creek Project has a clear pathway to project development with the potential for open pit mine development of world scale.

Since the acquisition of Walford Creek Project, Aeon has completed a 6,021m drill campaign, which has confirmed the previous geological and resource model developed after the completion of 9,300m of RC and Diamond in 2012.

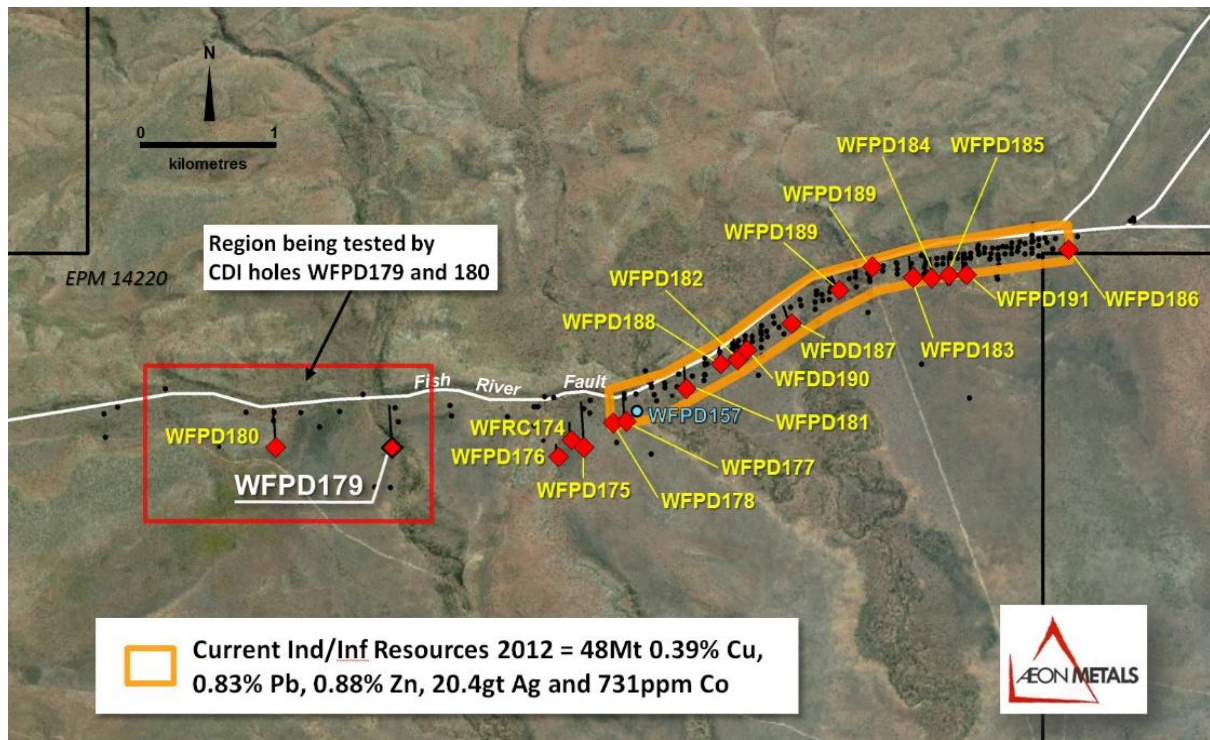
The 2014 drilling was a combination of infill, deeper testing below the current JORC Resource and step out drilling and has generated excellent results with, in some cases, significant widths of high grade base metals mineralisation intersected in areas where no previous resource blocks existed.

All final assay results were returned during the quarter with preliminary metallurgy results to be finalised in the next quarter. Significant intercepts² for the 2014 drill program 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
WFDD188 – 32m @ 0.9% Cu, 0.14% Co, 2.0% Pb, 0.9% Zn and 49 g/t Ag from 231m

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

Figure 2: Walford Creek Plan



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 in all disciplines.

This geological resource work combined with the metallurgical work will assist in building the geometallurgical model output. With the benefit of the 2014 drilling and once the geometallurgical model is reviewed, the second phase of drilling, scheduled for early in the 2015 dry season, can be designed.

H&S Consulting was mandated in December to undertake a Resource update utilising the 2014 drill program results. This is forecast to be completed shortly.

The majority of work undertaken during the quarter was metallurgical testwork for Walford Creek by Core Resources in Brisbane. Testwork commenced in September and progress has been made utilising 3 lithological unit core material stored from the 2012 drill program. From these tests information has been generated that indicates a multi component circuit would be utilised to process the ore. Core samples from the 2014 program have been selected for a composite and using the best test conditions from the previous work, a multi stage flotation separation program will be conducted. This commenced in January 2015.

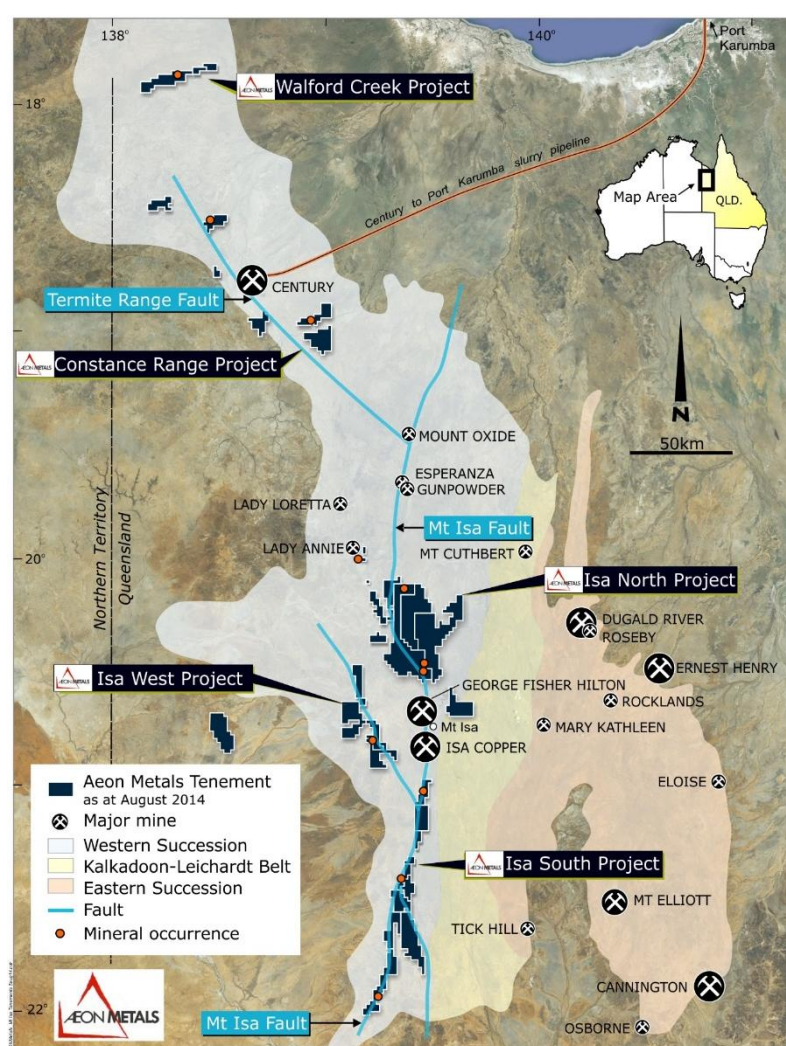
The permitting approval process for Walford Creek commenced during the quarter with a pre-lodgement meeting with the Department of Environment and Heritage Protection.

“Other” North West Queensland Tenements

A map showing Aeon's interest in various exploration permits is provided below. This tenement package is extensive (covering some 3,400km²) and 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 Mount Isa Mines.

An Information Memorandum has been collated for the combined Constance Range, Isa North, Isa West and Isa South Projects with the specific objective of facilitating third party involvement to unlock the potential of the combined tenement package.

Figure 3: North West Queensland Tenements (including Walford Creek)



7B Copper-Gold Project

(EPM 15921)

Structural data from the last 2014 drill campaign provided a vector to the postulated deeper mineralisation and consequently further geochemical and geophysical work was undertaken in the quarter.

Diamond drill hole 14B059 was the first cored drill hole in the Meat Ant area and produced evidence that the widespread Zn-Pb-Cu- Au is hosted in a volcanic breccia interpreted as being a submarine hyaloclastite which has been overprinted by strong hydrothermal and metamorphic alteration. It would appear that the breccia has acted as an unconfined aquifer for hydrothermal fluids emanating from the sea floor. Higher grade, possibly massive sulphide mineralisation, may be present at the point where the hydrothermal fluids entered the breccia. This may lie somewhere below the large Zn-Pb soil anomaly.

Corporate

Corporate activity during the quarter:

- On the 25 November 2014, Aeon entered into a Memorandum of Understanding ("MoU") with Armour Energy Limited (ASX Code: AJQ) for the potential future supply of gas from its Carpentaria Basin gas exploration projects as a source of energy for Aeon's Walford Creek Project.
- Paul Harris was appointed to the Board as a non-executive Director on 17 December 2014. Paul has over 25 years of experience in financial markets and investment banking, and has more recently been advising mining corporates regarding strategy, mergers and acquisitions and capital markets.

Exploration Expenditure

During the quarter, the Company expended approximately \$1,123,000 on exploration activities.

As at 31 December 2014, the Company had cash reserves of approximately \$3,461,000.

Appendix 5B

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



Hamish Collins
Managing Director
Aeon Metals Limited

APPENDIX 1 - TENEMENT HOLDINGS AS AT 31/12/14

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 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	Pending
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	Pending
Aeon Walford Creek Limited	EPM 16921	Mount Isa North	20%
Mount Isa Mines Limited	EPM 17297	Mount Isa South	Pending
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%

APPENDIX 2 - COMPETENT PERSONS' STATEMENTS

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 report 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 Limited and consents to the inclusion in the report of the Exploration Targets and Exploration Results in the form and context in which they appear.

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 Metals Limited 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 3 - WALFORD CREEK PROJECT 2014 DRILL PROGRAM SIGNIFICANT INTERSECTS

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
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	8031721	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
WFDD188	211480	8031055	355	-60	15	0.0	0.01	1.2	0.2	42	84	99
					incl 4	0.0	0.02	3.0	0.1	47	88	92
					and 4	0.0	0.02	0.2	1.9	13	211	215
					and 32	0.9	0.14	2.0	0.9	49	231	263
					incl 14	1.2	0.19	2.9	1.4	57	234	248

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")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors – Service Fees	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,123) - - (487)	(3,173) - - (1,040)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	26	64
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received (R&D Tax Incentive)	-	443
1.7	Other (provide details if material) – GST Receipts/Payments – Security Deposits	72 3	(37) 3
Net Operating Cash Flows		(1,509)	(3,740)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3)	- - (9)
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		(3)	(9)
1.13	Total operating and investing cash flows (carried forward)	(1,512)	(3,749)

+ 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)	(1,512)	(3,749)
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
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	(30)	(168)
	– On market purchase of shares for equity based compensation	-	-
	– Reimbursement of overpaid share capital	(200)	(200)
	Net financing cash flows	(230)	2,814
	Net increase (decrease) in cash held	(1,742)	(935)
1.20	Cash at beginning of quarter/year to date	5,203	4,396
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,461	3,461

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	147
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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	\$420
4.2 Development	-
4.3 Production	-
4.4 Administration	\$500
Total	\$920

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	3,461	5,203
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,461	5,203

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	EPM15156 EPM15212 Relinquishment Relinquishment	48 50	43 42
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 (b) Decreases through returns of capital, buy-backs	N/A	N/A	
7.5	*Convertible debt securities (description)	N/A		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.7	Options (description and conversion factor)	Unlisted Options 1,000,000 63,251,107		Exercise price 12.5 15.81	Expiry date 8 February 2016 17 June 2017
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	13,033,333		15	9 November 2014
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: 30/1/15
(Managing Director)

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 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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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.