



# Aeon Metals Limited

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ASX Code - AQR

30 April 2015.

Company Announcements Office  
Australian Securities Exchange  
Level 4, Exchange Centre  
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Sydney NSW 2000

## Quarterly Activities Report For the three months ending 31 March 2015

### HIGHLIGHTS

- During the quarter, the Walford Creek Project Resource (Indicated and Inferred) was increased by 52% from 48.3mt to 73.3mt. This includes 27.7Mt @ 0.74% Cu, 1.31% Pb, 1.21% Zn, 31.4g/t Ag and 1,322 ppm Co (at US\$70 cut-off<sup>1</sup>). The aim of 2yr 50% increase in the Resource<sup>2</sup> was therefore exceeded during the first round of drilling.
- Geological continuity confirmed over the full strike length of the current Resource.
- Geological model confirms exploration potential with an extension of the mineralised stratigraphy 2km along strike to the west. Drilling along strike of Resource to commence this quarter.
- Extensive metallurgical test work for Walford Creek ongoing during the quarter. Metallurgical processing options available to extract all metals in saleable products.
- PFS proposals received from a number of parties - Runge Pincock Minarco mandated.
- The permitting process to advance Walford Creek to Mining Lease status has begun. Animal Plant Mineral Pty. Ltd. ("APM") commenced on-site environmental work.
- Investigations into corporate "spin-off" of the combined Constance Range, Isa North, Isa West and Isa South Projects ongoing.

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<sup>1</sup> Reporting of the resource estimates using a dollar value cut-off with metal prices used: US\$5,535/t for copper, US\$1,839/t for lead, US\$2,123/t for zinc, US\$16.5/oz for silver & US\$29,000/t for cobalt. Assumed metal recoveries are: 90% for Cu, 75% for Pb, Zn, Ag & Co.

<sup>2</sup> Refer ASX announcement dated 3 April, 2014: "Targeting **50% increase** in resource and pre-feasibility study by Dec 2015".

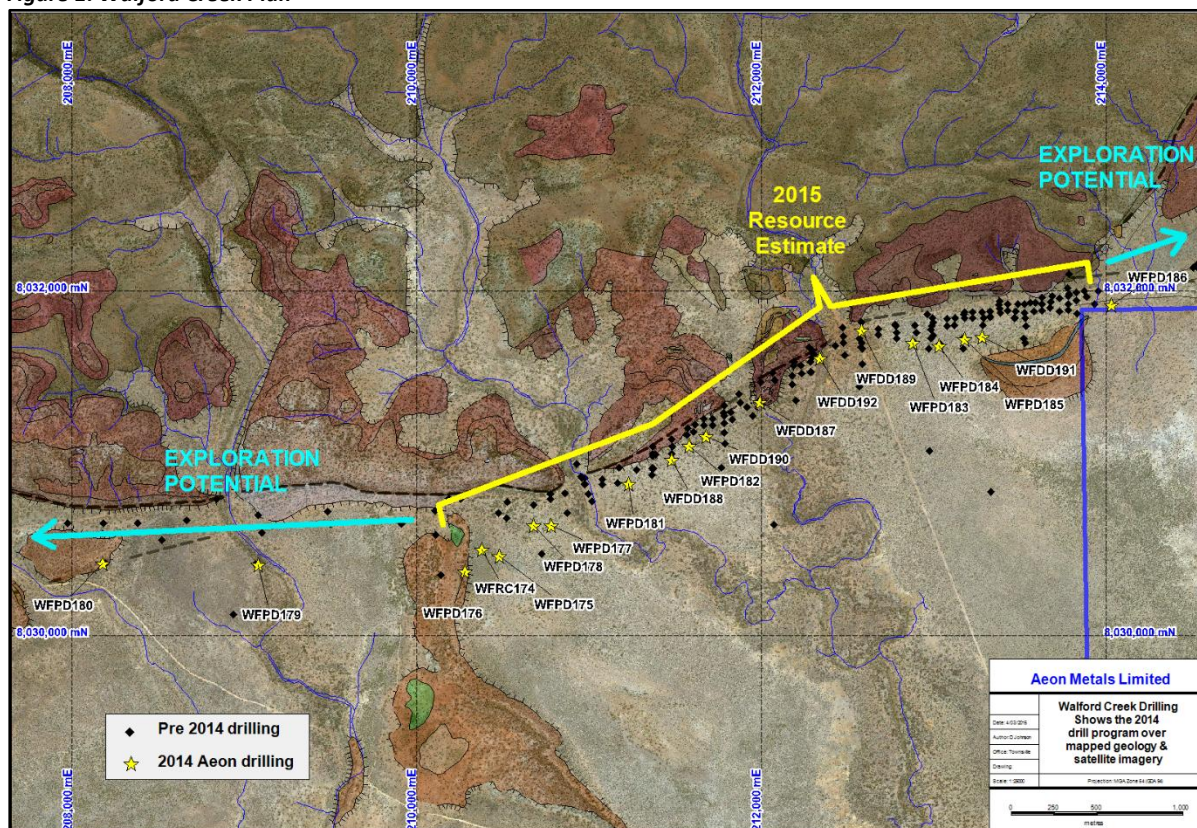
## Walford Creek Project, North West Queensland

On 6 March 2015, the Company announced an updated and increased Mineral Resource Estimate (reported in accordance with the 2012 JORC Code and Guidelines) for the 100% owned Walford Creek Base Metal Project<sup>3</sup>.

**The new 2015 Inferred and Indicated Mineral Resource is 73mt @ 1.43% Cu Equiv<sup>4</sup>**

In mid-2014, Aeon drilled 19 holes (6,021m) on its Walford Creek licences (see Figure 1 below). Drilling consisted of 17 infill and 2 step-out holes, using a combination of RC percussion and diamond core drilling of the mineralised zones. Using the additional drill hole data, H&S Consultants Pty Ltd ("H&SC") completed the updated Resource estimate, which was announced during the quarter.

**Figure 1: Walford Creek Plan**



The H&SC report, using the same resource modelling methodology as the previous Resource estimates, showed a 52% increase in the size of the Indicated and Inferred Resources including a 13.5% increase in the Indicated Resources.

The new Resource estimates for Walford Creek are as follows:

Mineral	Category	Mt	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Co (ppm)
Combined	Indicated	16.2	0.46	0.83	1.02	20.1	909
	Inferred	57.1	0.39	0.86	0.80	24.5	785
	<b>Total</b>	<b>73.3</b>	<b>0.40</b>	<b>0.85</b>	<b>0.85</b>	<b>23.5</b>	<b>813</b>

<sup>3</sup> See 6 March 2015 ASX announcement for all Resource assumptions and details.

<sup>4</sup> CuEquiv based on 5 March 2015 prices. Refer 6 March 2015 ASX announcement regarding Metal Equivalents.

Mineral	Category	Cu (kt)	Pb (kt)	Zn (kt)	Ag (Moz)	Co (kt)
<b>Combined</b>	Indicated	75	135	166	10.5	14.8
	Inferred	221	491	457	44.9	44.8
	<b>Total</b>	<b>296</b>	<b>626</b>	<b>623</b>	<b>55.4</b>	<b>59.6</b>

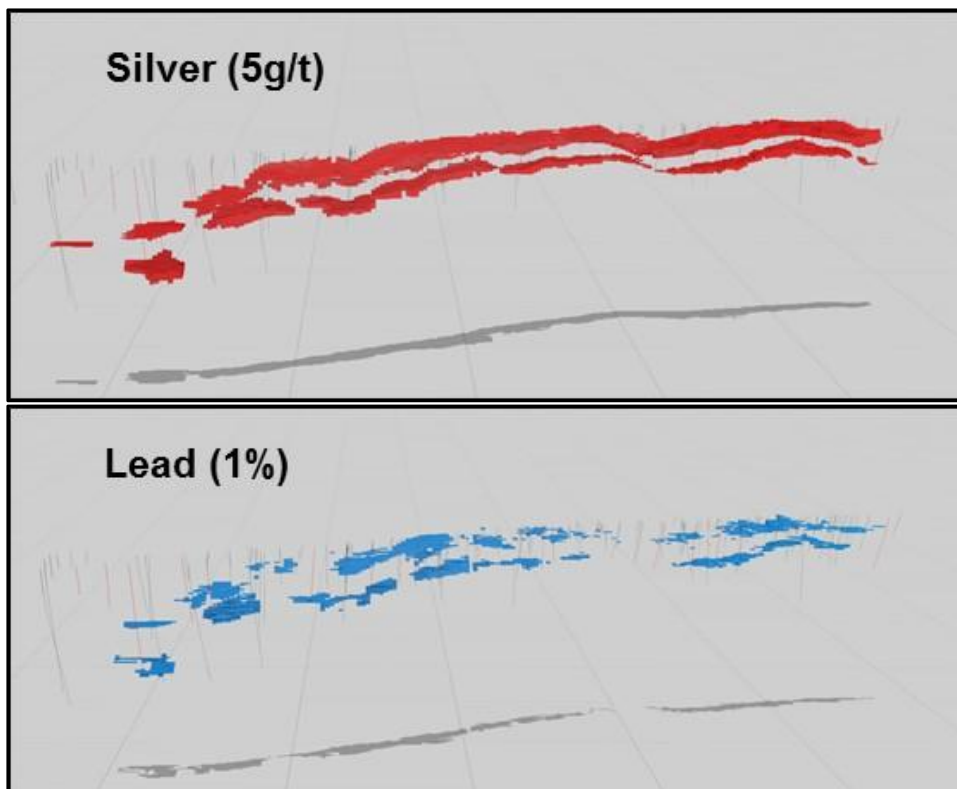
0.55% Cu-Equiv cut off<sup>3</sup>

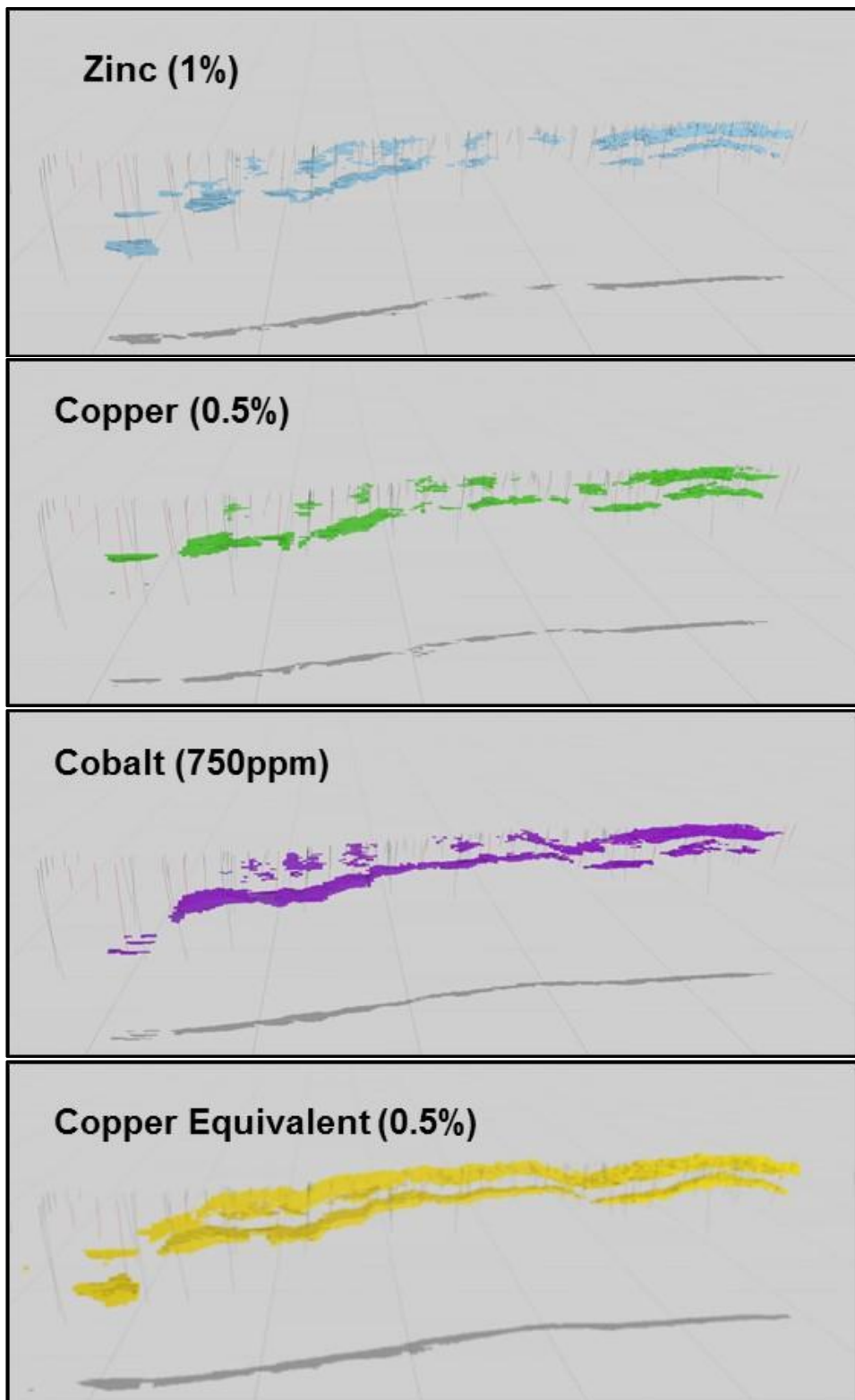
Additionally, reporting of the Resource estimates using a dollar value cut off for the block is included below. Metal prices used are US\$5,535/t for copper, US\$1,839/t for lead, US\$2,123/t for zinc, US\$16.5/oz for silver and US\$29,000/t for cobalt. Assumed recoveries are 90% for Cu, 75% for Pb, Zn, Ag and Co.

US\$ Cut Off	Mt	Cu %	Pb %	Zn %	Ag g/t	Co ppm
50	43.6	0.57	1.08	1.06	27.5	1091
60	34.1	0.66	1.20	1.14	29.4	1221
70	27.7	0.74	1.31	1.21	31.4	1322
80	22.6	0.80	1.44	1.28	33.5	1417
90	18.7	0.86	1.57	1.35	35.6	1485

(minor rounding errors)

The following figures show the shells aligned with respective metals and grade:





#### **“Along Strike” Exploration**

In addition, the two exploration holes funded under a “Collaborative Drilling Initiative” grant, drilled 1.2km and 2km west of the current Walford Creek deposit, successfully confirmed the existence of the same mineralised stratigraphic zones as those within the main Walford Creek deposit. The Company believes that new mineral occurrences can be found along the Fish River Fault corridor and outside of the current Resource area. The drilling from both the 2014 campaign together with previous drilling undertaken by companies including Western Mining Corporation and Pasminco, highlights the potential of this highly prospective region along strike from the Resource.

As a result of this data assessment and remodelling, 2,000m of drilling is proposed along strike to west of the Resource. This work will commence in May.



Four target areas have been identified for this 2015 drill program. Targets 1, 2 and 3 are shown in Figure 3.

1. **The Zinc** – 2km west of Resource.  
Identified in WFPD179 (11m @ 5.7% Zn) during the 2014 drill season. Hole planned to 600m RCDD. See Figure 2 and 3 showing hole cross section and plan.
2. **The Jog** - 3.5km west of the 2014 CDI hole WFPD180. 400m RCDD hole planned.
3. **The Bend** - 4.5km west of WFPD180. Strong surface copper in soils. 400m RCDD hole planned.
4. **Lead Hill** – 14km west of Resource Area. Area shows significant Pb/Zn potential. Three holes currently planned for a total of 600m RC. See Figure 4.

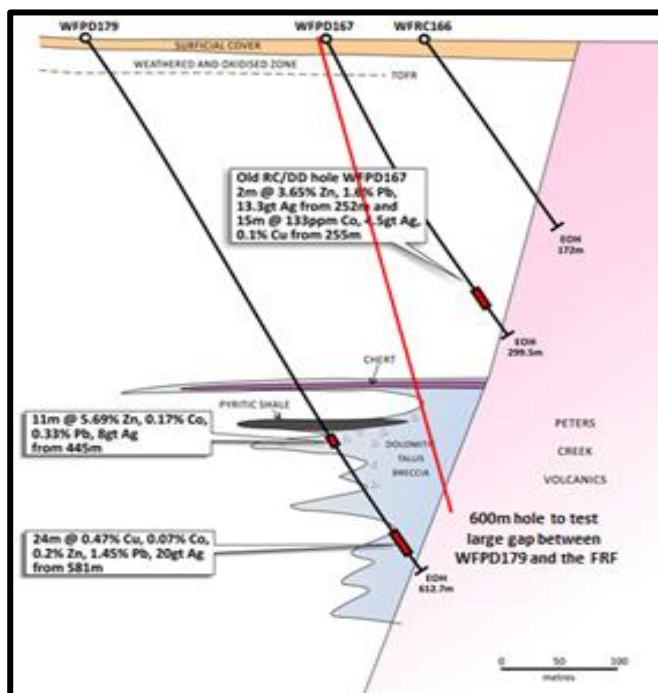


Figure 2: "The Zinc" proposed hole X-Section

Figure 3: Walford Creek Eastern Region 2015 Drill Plan

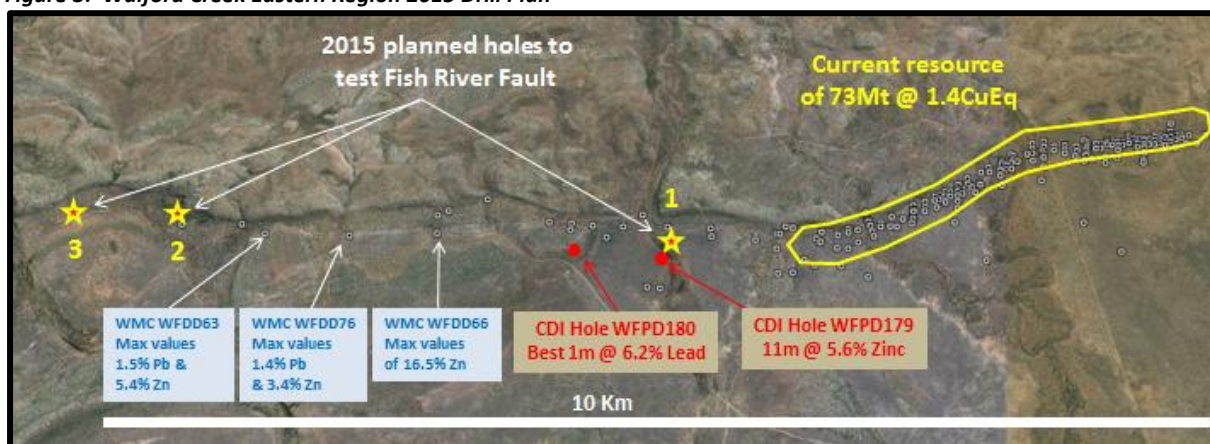
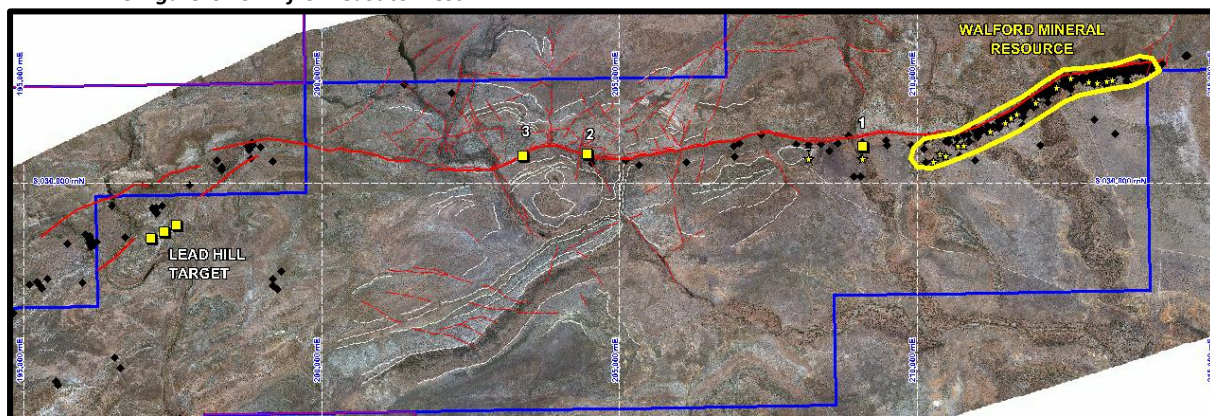
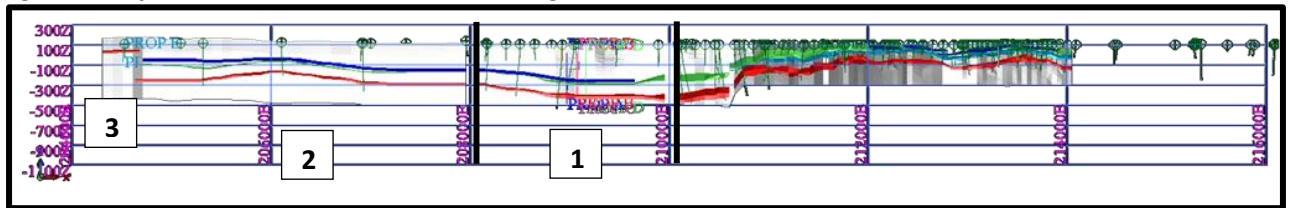


Figure 4: Walford Creek 2015 Drill Plan showing Lead Hill relative to Resource and main Fish River Fault drilling  
The Figure is 20km from east to west.

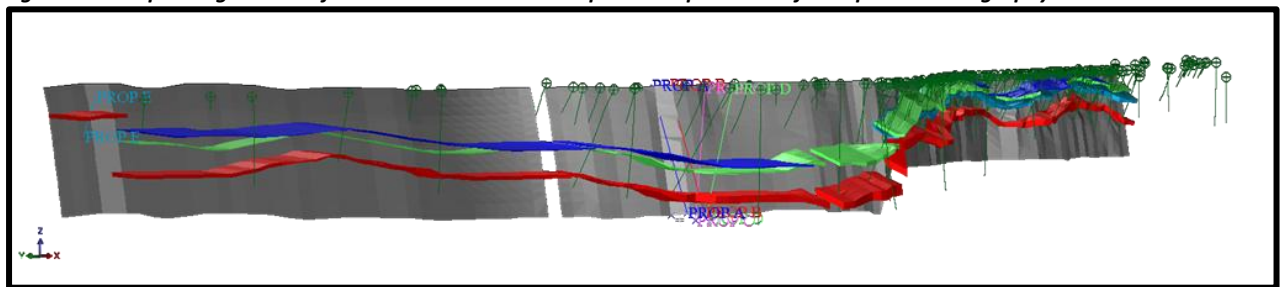


Figures 5 and 6 below show the E-W long section of the mineralisation and the interpreted exploration potential with the planned exploration hole options included.

**Figure 5: Walford Creek 2015 Eastern Drill holes in Long Section**



**Figure 6: Oblique long section of the mineralisation and exploration potential of interpreted stratigraphy**



As a component of the pathway to development, metallurgical (Core Resources), geological resource (H&S Consulting), and environmental (Animal Plant Mineral) consultants were mandated in the last quarter with work well underway in all disciplines.

The majority of work undertaken during the quarter was metallurgical test work for Walford Creek by Core Resources in Brisbane. Extensive metallurgical test work has been ongoing during the quarter.

Progress has been made utilising 3 lithological units using core material stored from the 2012 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 were selected for a composite and using the best test conditions from the previous work and, a multi stage floatation separation program is being conducted.

The permitting approval process for Walford Creek commenced during the quarter with a pre lodgement meeting with the Department of Environment and Heritage Protection. On site environmental base line studies are also well underway.

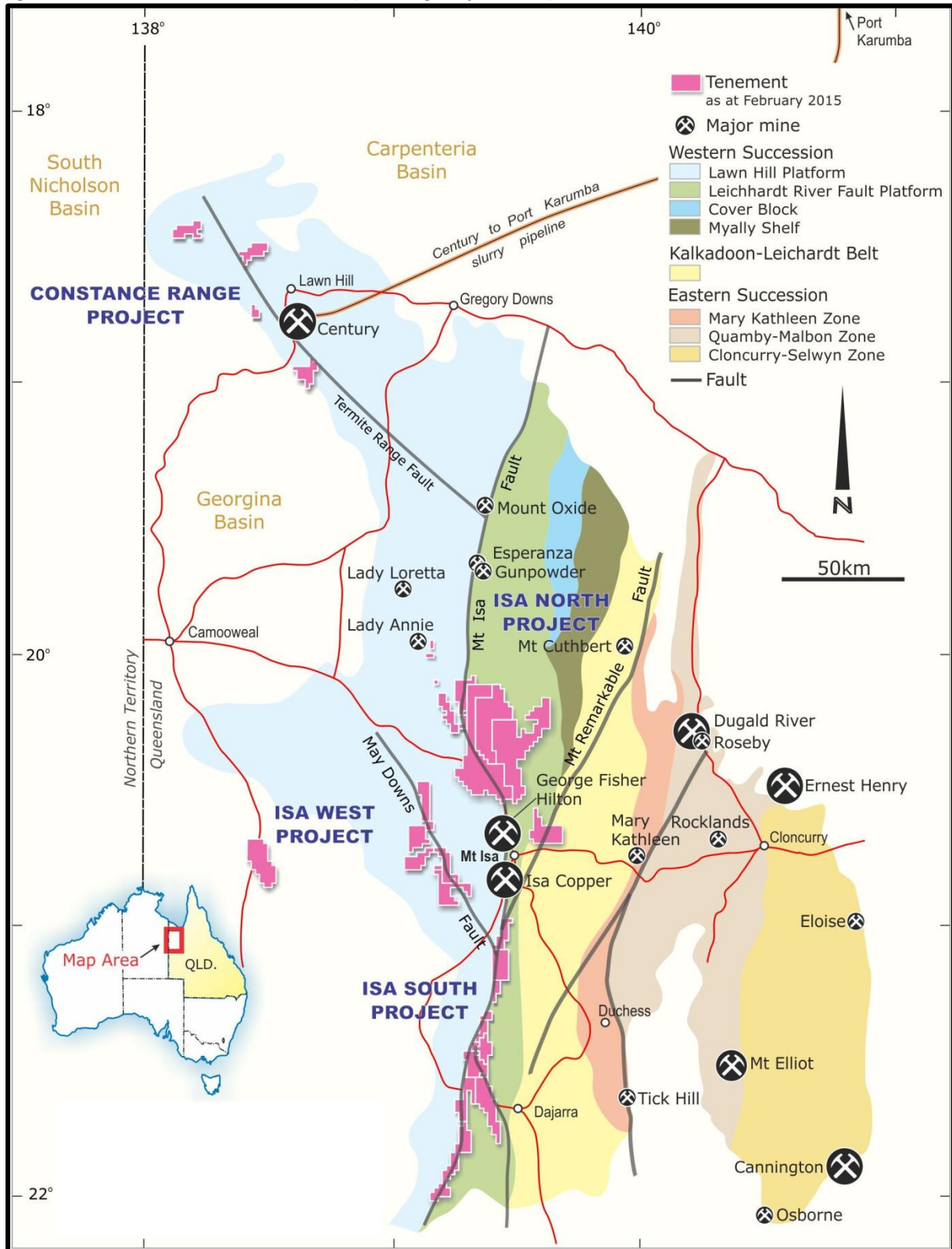
## **“Other” Northwest Queensland Tenements**

A map showing Aeon's interest in various exploration permits is provided in Figure 7. This tenement package is extensive (covering some 3,400km<sup>2</sup>) 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 7: Northwest Queensland Tenements (excluding Walford Creek)



## Exploration Expenditure

During the quarter, the Company expended approximately \$436,000 on exploration activities.

As at 31 March 2015, the Company had cash reserves of approximately \$2,791,000.

## 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 31/3/15

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
SLW Queensland Pty Ltd	EPM 18202	Southwest of Monto, Qld	Relinquished
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	
Summit Resources (Aust) Pty Ltd	EPM 13412	Mount Isa South	20%
Summit Resources (Aust) Pty Ltd	EPM 13413	Mount Isa South	20%
Summit Resources (Aust) Pty Ltd	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 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 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 Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in this 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 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 this 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 geologist 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 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 March 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors – Service Fees	-	-
1.2	Payments for (a) exploration & evaluation	(436)	(3,609)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(334)	(1,374)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	22	86
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	78	41
	– Security Deposits	-	3
<b>Net Operating Cash Flows</b>		<b>(670)</b>	<b>(4,410)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(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)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>(9)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(670)</b>	<b>(4,419)</b>

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+ 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)	(670)	(4,419)
1.14	<b>Cash flows related to financing activities</b> 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).	-	2,982
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	-	(168)
	– On market purchase of shares for equity based compensation	-	-
	<b>Net financing cash flows</b>	-	2,814
	<b>Net increase (decrease) in cash held</b>	(670)	(1,605)
1.20	Cash at beginning of quarter/year to date	3,461	4,396
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,791	2,791

### 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	230
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 Directors, J. Goody & T. Mann, the payment of Superannuation and Directors fees to the Directors, E. Newman, H. Collins, T. Mann & P. Harris, 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.



## 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	750
4.2 Development	-
4.3 Production	-
4.4 Administration	520
<b>Total</b>	<b>1,270</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	2,791	3,461
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>2,791</b>	<b>3,461</b>

+ 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	Nil		
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	<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		
7.3	<b>*Ordinary securities</b>	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	<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		

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.7	<b>Options</b> (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	N/A			
7.11	<b>Debentures</b> (totals only)	N/A			
7.12	<b>Unsecured notes</b> (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: .....  
(Director)

30 April 2015  
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 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.

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 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.