



Aeon Metals Limited

(formerly Aussie Q Resources Limited)

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ASX Code - AQR

1 July 2015.

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FULLY UNDERWRITTEN RIGHTS ISSUE AND REFINANCED DEBT FACILITY

Aeon Metals Limited ("Aeon " or "the Company") announces that it is undertaking a pro rata, non renounceable entitlement issue ("the Offer") of 43,479,028 shares (subject to adjustment for roundings) at an issue price of 7.5 cents per share ("New Shares") on the basis of 1 New Share for each 7 shares held by shareholders on 10 July 2015 ("Record Date").

The issue will raise \$3,260,927 before costs and the New Shares will rank equally with shares currently on issue. The issue will be fully underwritten by Pitt Capital Partners Ltd, a wholly owned subsidiary of Washington H Soul Pattinson Ltd. The timetable for the issue is set out at the end of this announcement.

Conditional upon completion of the issue, the current limited recourse loan notes facility ("Current Facility") (\$20 million, 12% notes repayable no later than 17 June 2017 with interest capitalising half yearly) provided by funds managed by OCP Asia (Hong Kong) Limited ("OCP Asia") will be repaid and a new limited recourse loan notes facility entered into ("New Facility").

Funds managed by OCP Asia will provide the New Facility which will be for an aggregate of \$27,500,000. The proceeds of the New Facility will be used to repay (i) the outstanding principal under the Current Facility plus accrued interest and transaction costs ("Tranche 1") and (ii) the balance of the proceeds of the New Facility (approximately \$4,850,000) will be available for further work at the Walford Creek Project ("Tranche 2").

The New Facility will be materially on the same terms and conditions of the Current Facility except that interest will capitalise on a quarterly basis, the repayment date is extended by 6 months to 17 December 2017 and there will be a mechanism whereby in the event of early repayment, the noteholder will be assured of an amount which will give the noteholder an internal rate of return of 12% up to the early repayment date.

The Company will also grant 73 million warrants ("New Warrants") on the same terms and conditions as the warrants already issued to funds managed by OCP Asia ("Current Warrants") except that the exercise price will be 9.35 cents per warrant and the warrants will expire on 17 December 2017. It is noted that as a consequence of the rights issue, the exercise price of the Current Warrants will reduce in accordance with an adjustment formula reflecting current market practice.

Provision of Tranche 2 funds will be conditional on shareholders:

- approving the issue of the New Warrants to the extent that the number of warrants exceeds the Company's 15% placement capacity pursuant to ASX listing Rule 7.1; and
- providing approval pursuant to Section 611(7) of the Corporations Act in respect of the Current Warrants and the New Warrants to allow the relevant warrant holders to increase their voting power in the Company to more than 20% through the exercise of these warrants.

Subject to completion of the necessary Independent Expert's Report and valuation, it is expected that these shareholder approvals will be sought in September 2015.

After costs, it is expected that these capital management initiatives will provide approximately \$8 million to Aeon to progress towards bankable feasibility work at the Walford Creek Project to underpin repayment of debt in December 2017 or sooner, and open the project to a wide range of development options to deliver value to Aeon shareholders.

Commenting on these initiatives, Managing Director Hamish Collins said: "The rights issue and loan refinance will enable a well-funded solution to advance Walford Creek towards a Bankable Feasibility Study, including the ability to convert the current Indicated and Inferred Resource to a Measured and Indicated status. The Company is appreciative of the support shown by our major shareholders, OCP Asia and Washington H Soul Pattinson Ltd, to further advance the world scale Walford Creek Project".

Non Renounceable Rights Issue Timetable:

Event	Date
Announcement of the Rights Offer	1 July 2015
Offer Document, Appendix 3B and Section 708AA Cleansing Notice released to the ASX	1 July 2015
Notice sent to Eligible Shareholders	2 July 2015
Ex date (Date from which New Shares commence trading without the Entitlement to participate in the Rights Offer)	8 July 2015
Record Date (Date for determining Entitlements of Eligible Shareholders to participate in the Rights Offer)	10 July 2015 (5:00pm AEST)
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	14 July 2015
Opening Date of Rights Offer	14 July 2015
Closing Date of Rights Offer	27 July 2015 (5:00pm AEST)
New Shares quoted on deferred settlement basis	28 July 2015
Notification to ASX of close of Rights Offer, New Shares taken up and shortfall	30 July 2015
Despatch date (Expected date of dispatch of transaction confirmation statements)	4 August 2015
Normal trading (Expected date for commencement of normal trading on the ASX of New Shares issued under the Rights Offer and Top-Up Offer)	5 August 2015

For further information, please contact:

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