



ASX Announcement — 31 July 2018

Quarterly Report For the three months ending 30 June 2018

Aeon Metals Limited

ABN 91 121 964 725

Level 7, 88 Pitt Street, Sydney,
NSW 2000, Australia

P.O. Box 8155, GCMC.
Qld 9726, Australia

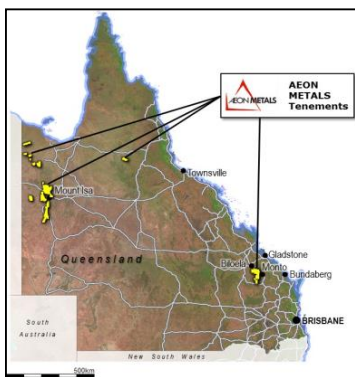
P: +61 7 5574 3830
F: +61 7 5574 3568

W: aeonmetals.com.au
E: info@aeonmetals.com.au

ASX Code - AML

Shares on Issue: 586m
Share Price: \$0.365
Market Capitalisation: \$214m
Cash (30 June 2018): \$12.7m

All mineral resources projects
located in Queensland:



Aeon Metals Ltd (“Aeon” or “the Company”) commenced a 30,000m drill program at the Company’s 100% owned Walford Creek Project in April and that program remained the focus of activity during the quarter.

The 2018 drilling program, still in progress, consists of:

1. Drilling inside the current Resource (~20,000m) to increase tonnes and grade as well as to upgrade the confidence level of the JORC Resource in order to facilitate Project Development; and
2. Drilling along strike from the current Resource (~10,000m) to target known stratigraphic mineral zones beyond the defined Resource and drill targets generated from the seismic program completed in June 2018.

The current drilling program is now expected to finish late September and the feasibility of extending the exploration portion of the program into October while the dry season persists is being considered.

During the quarter, 15,193m of drilling was completed in 77 holes. This comprises completed holes, some pre-collars yet to be diamond tailed and holes still underway at the end of the quarter. In addition, 7 water bore holes were completed for 655.5m in the area of the proposed Vardy open pit.

The drilling inside of the Resource has focused on both infill and ‘close off’ holes and, by the end of the month, has progressed into the Marley Resource.

Drilling has to date confirmed the geological interpretation of previous drilling and the wireframing for the Resource that was based off that interpretation. Infill holes targeting untested gaps in the Resource and particularly the Py3 have consistently supported typical grades for that zone. ‘Close off’ holes which are completed for Resource wireframing will enable more definitive interpretation of Resource block sizes.

A sample of significant assay intercepts announced to date¹ include:

Resource

WFDD272: 14m @ 1.33% Cu, 0.19% Co and 35g/t Ag from 186m

WFRC274: 13m @ 1.03% Cu, 0.08% Co and 30g/t Ag from 168m

WFPD280: 33m @ 1.60% Cu, 0.08% Co and 28g/t from 145m

Incl 17m @ 2.72% Cu, 0.10% Co, 3.66% Pb, and 33g/t from 161m

WFPD281: 21m @ 1.38% Cu, 0.23% Co, 2.02% Pb, and 33g/t from 171m

WFPD283: 19m @ 1.37% Cu, 0.17% Co, and 18g/t from 199m

Exploration

WFPD273: 22m @ 5.70%Pb, 1.20% Zn and 57g/t Ag from 247m. (Peripheral)

WFPD292: 18m @ 1.39% Cu, 0.11% Co and 32g/t from 390m

Incl 7 398m @ 2.35% Cu, 0.19% Co, and 38g/t from 405m

WFDH304: 19m @ 1.20% Cu, 0.10% Co, and 23g/t from 348m

The Company has also announced a number of visual assessments of significant mineralisation intercepts during the quarter and reference should be made to these announcements including the cautionary statements included in the announcements.

Exploration drilling outside of the Resource has progressed well with significant hits particularly into the Py3 unit returning very encouraging results, given the lack of drilling away from the Resource and consequently less information for planning. The pending completion of data processing from the seismic program completed in June (32.14km of seismic), will assist in the interpretation of the drilling undertaken to date outside of the Resource and is expected to assist in the planning of further drill targets. As can be seen from the results of holes WFPD273, WFPD292 and recent hole WFDH304, resource level grades are being recorded from the Py3 unit on wide spaced holes. This is confirming the exploration team's view that this is a large basin scale mineral system whose boundaries have yet to be defined.

The Company is also progressing a Feasibility Study for the mining and processing of both the Copper Lode and Cobalt Peripheral Resources. The Study is refining metallurgical process parameters set out in the 18 April 2017 Cobalt Roasting Scoping Study, which includes a concentrator to produce separate copper, lead and zinc concentrates, and a roaster to produce a cobalt rich calcine, sulphuric acid, and possibly zinc and silver.

The metallurgical testwork program has been designed by engineering consultant Wood PLC and commenced in February 2018 with the delivery of 1.6 tonnes of material derived from the 2017 drilling program to ALS in Burnie to undertake the flotation testwork.

The mineral processing portion of this work is near completion and includes:

- Comminution testwork
- Flotation testwork including;
 - Locked cycle tests
 - Bulk tests
 - Variability tests
 - Thickening and filtration

¹ Reference should be made to the relevant ASX announcements for full details of these results.

As a result of the flotation testwork, a 373kg sample of cobalt concentrate has been produced and has recently been air freighted to Outotec's Frankfurt facilities where a pilot plant roasting testwork program will be undertaken. The analysis of the four composites dispatched are given in table below:

Description	Cu	Fe	Co	Zn	As	S	Pb	Ag
	%	%	%	%	%	%	%	ppm
Co Composite 1	0.40	35.1	0.08	1.20	0.35	42.6	0.40	26
Co Composite 2	0.36	36.9	0.24	1.42	0.63	45.5	0.47	40
Co Composite 3	0.50	34.3	0.34	0.57	0.74	40.0	0.27	47
Co Composite 4	0.73	33.0	0.68	0.29	1.30	40.4	0.22	62

Once this pilot plant roast is completed, the calcined product will be sent to Outotec's Finland facility where a final leaching testwork program, including batch tests, pilot leach, thickening and filtration will be completed to produce a variety of cobalt products, zinc precipitate and evaluate silver recovery.

The long lead environmental work items required to obtain an Environmental Authority for the development of the Walford Creek Project continued during the quarter with work on the following:

- Drilling of 3 production type water bores and 4 monitoring holes to assess groundwater and aquifer characteristics in the vicinity of the proposed Vardy Resource open mine pit. The water bores and monitoring holes are to be used to develop groundwater monitoring programs and plans for a mining operation.
- Draft Flora and Fauna Report.
- Waste rock drainage kinetics.
- Dust monitoring setup for long term base line assessment.
- Stygofauna study.

No significant exploration work was undertaken on the Company's other exploration tenements during the quarter.

Corporate

On 12 June, the Company announced the appointment of Mr Tim Benfield as General Manager, Walford Creek Project. Tim has over 25 years' experience as a mining engineer in the mining industry and has held senior positions in both international and domestic resource companies. Tim's key role will be to co-ordinate all Walford Creek Feasibility items including amongst others; mining, metallurgy, environmental, infrastructure and logistics, as well as manage the permitting, construction and operation of the Walford Creek Project.

Exploration & Evaluation Expenditure

During the quarter, the Company expended approximately \$2.38M on exploration and evaluation activities.

As at 30 June 2018, the Company had available cash of approximately \$12.7m.



31 July 2018

Appendix 5B

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

For more information, please contact:

Hamish Collins
Managing Director

info@aeonmetals.com.au
www.aeonmetals.com.au

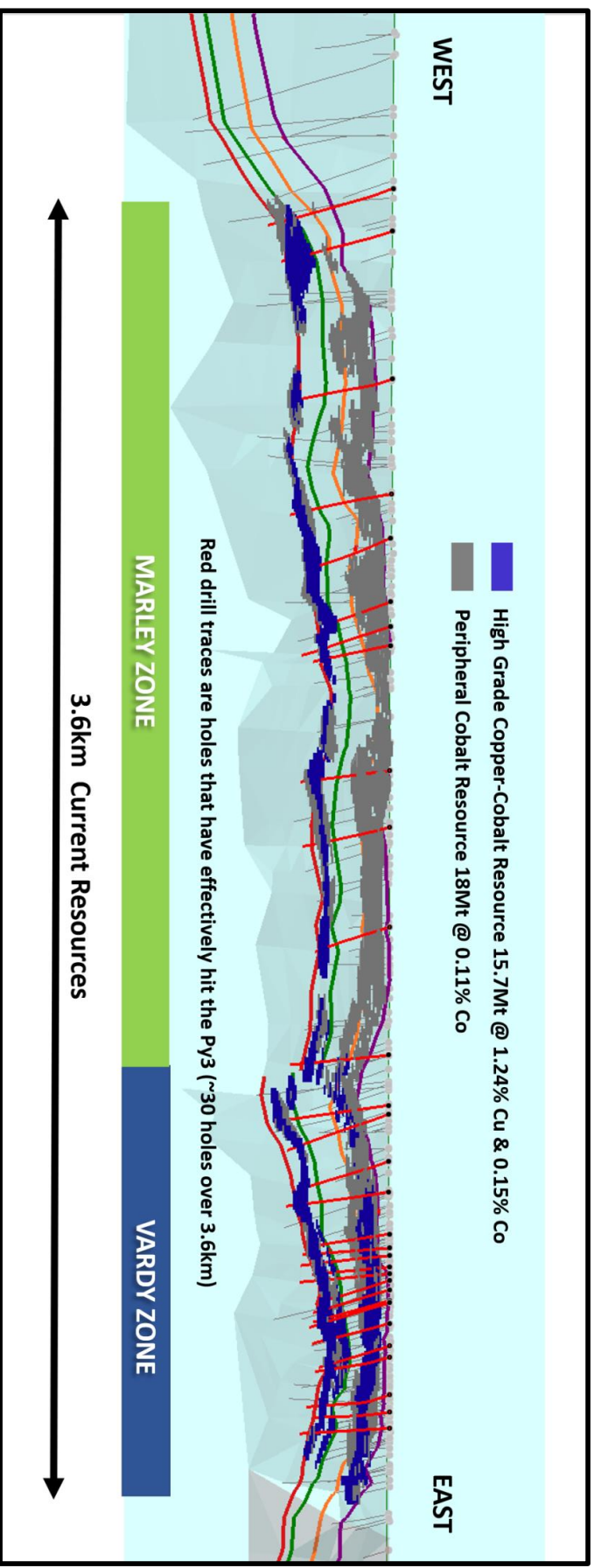


Figure 2: Current Walford Creek Project Resources² over 3.6km.

² See 24 January 2018 ASX Announcement for details of Walford Creek Project Resource.

APPENDIX 1 - TENEMENT HOLDINGS AS AT 30 JUNE 2018

TENEMENT HOLDER	TENEMENT I.D.	LOCATION	INTEREST HELD
Aeon Metals Limited	EPM 14628	Northwest of Monto, Qld	100%
Aeon Metals Limited	EPM 15921	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%
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 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%
Aeon Walford Creek Limited	EPM 13412	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 13413	Mount Isa South	80%
Aeon Walford Creek Limited	EPM 13682	Mount Isa South	80%
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	EPM 15911	Mount Isa South	100%
Aeon Walford Creek Limited	EPM 16921	Mount Isa North	100%
Aeon Walford Creek 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%

APPENDIX 2 - COMPETENT PERSONS STATEMENT

The information in this report that relates to Aeon Metals Limited's exploration results 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 results in the form and context in which they appear.



APPENDIX 3 – 2018 DRILL PROGRAM SIGNIFICANT INTERCEPTS TO DATE

	Easting	Northing	AZI degrees	Dips degrees	Intersect		From	To	Cu	Co	Pb	Zn	Ag
					m		m	m	%	%	%	%	g/t
WFDD272	212632	8031757	3	-80.00	11		97	108	0.64	0.14	0.00	0.00	15
					And	3	183	186	0.00	0.05	4.42	1.40	44
						14	186	200	1.33	0.19	0.35	0.52	35
					And	7	208	215	0.67	0.08	0.90	0.12	23
WFPD273	206123	8030453	0	-80.00	33		240	273	0.08	0.06	4.06	0.90	42
					Incl	22	247	269	0.10	0.08	5.70	1.20	57
WFRC274	213484	8031920	185	-82.00	10		17	27	0.00	0.00	0.74	0.00	107
					And	3	32	35	0.02	0.06	2.00	2.16	31
					And	21	50	71	0.00	0.09	0.12	3.10	13
					And	8	58	66	0.02	0.13	0.50	5.15	17
					And	5	66	71	0.00	0.09	0.09	1.88	11
					And	2	81	83	6.14	0.06	0.00	0.17	15
					And	13	168	181	1.03	0.08	1.66	0.44	30
WFRC276	213430	8031842	0	-82.00	11		176	187	0.68	0.09	0.17	0.10	14
WFRC279	213380	8031830	0	-84.00	3		186	189	0.65	0.10	0.08	0.36	20
					And	4	190	194	0.03	0.03	5.00	0.21	29
WFPD280	213430	8031894	0	-82.00	18		23	41	0.67	0.14	0.14	0.23	20
					Incl		9	30	1.07	0.20	0.10	0.38	20
					And	26	51	77	0.23	0.12	0.36	3.52	17
					Incl	8	59	67	0.03	0.13	0.70	7.55	19
					And	33	145	178	1.60	0.08	2.20	0.71	28
					Incl	17	161	178	2.72	0.10	3.66	0.22	33
					And	2	178	180	0.35	0.06	47.00	0.16	137
WFPD281	213380	8031878	0	-82.00	10		41	51	0.47	0.11	0.13	0.46	16
					And	13	69	82	0.00	0.14	0.21	2.91	17
					And	9	83	92	1.83	0.21	0.19	0.74	15
					And	2	154	156	1.53	0.17	0.11	0.41	22
					And	4	156	160	0.01	0.04	0.88	3.23	26
					And	21	171	192	1.38	0.23	2.02	0.84	33

WFRC282	213332	8031801	0	-78.00	3		198	201	0.47	0.06	0.16	0.12	25
WFPD173	208179	8030593	0	-75.00	3		232	235	0.00	0.02	0.00	0.77	1
					And	28	263	291	0.00	0.01	0.00	0.23	3
					Incl	2	283	285	0.00	0.02	0.00	1.30	5
					And	17	350	367	0.06	0.03	3.18	2.91	42
					Incl	12	351	363	0.05	0.03	4.01	3.02	47
WFPD283	213280	8031824	0	-79.00	3		37	40	0.01	0.01	1.09	4.70	5
					And	6	106	112	1.17	0.08	0.18	0.11	6
					And	19	199	218	1.37	0.17	0.53	0.35	18
WFRC284	208103	8031830	180	-83.00	7		39	46	0.71	0.00	0.04	0.50	6
					And	5	81	86	0.02	0.05	0.58	2.35	32
					And	3	91	94	0.05	0.06	5.88	2.54	32
					And	9	94	103	0.67	0.13	0.26	0.17	15
WFPD285	213179	8031855	180	-73.00	21		35	56	0.30	0.05	0.78	2.76	22
					Incl	3	38	41	0.30	0.03	3.73	12.12	51
					And	2	54	56	0.00	0.05	0.64	4.34	34
					And	10	73	83	0.14	0.06	4.60	1.17	27
					And	7	87	94	1.10	0.04	0.06	0.02	5
					And	17	94	111	0.16	0.10	0.37	1.12	16
					And	12	234	246	0.10	0.03	0.69	0.30	19
WFPD286	213180	8031790	0	-82.00	3		47	50	0.03	0.00	0.05	1.02	3
					And	25	52	77	0.01	0.02	0.03	0.10	11
					And	5	108	113	0.00	0.07	0.12	0.47	14
					And	5	228	233	0.04	0.02	1.13	0.51	18
					And	39	233	272	0.51	0.06	0.06	0.22	16
WFPD288	213301	8031812	0	-80.00	15		204	219	0.72	0.10	0.21	0.12	13
					Incl	7	204	211	1.00	0.11	0.22	0.08	23
					And	5	220	225	0.02	0.02	1.99	0.83	23
WFPD292	208170	8030582	0	-83.00	2m		368	370	0.00	0.03	0.75	3.38	4
					And	16	374	390	0.02	0.02	0.48	1.66	15
					Incl	9	381	390	0.04	0.03	0.69	2.19	16
					And	18	390	408	1.39	0.11	0.63	0.51	32
					Incl	7	398	405	2.35	0.19	0.29	0.63	38
WFPD296	213127	8031786	0	90.00	6		112	118	0.00	0.06	0.07	0.36	14
					And	3	222	225	0.06	0.03	1.38	0.66	29
					Then	21	225	246	0.57	0.09	0.29	0.27	25
WFDH304	206924	8030552	0	-75.00	19		348	367	1.20	0.10	1.16	1.32	23
					Incl	2	359	361	3.28	0.17	10.08	6.17	58

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, 01/05/13, 01/09/16

Name of entity

AEON METALS LIMITED

ABN

91 121 964 725

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,380)	(4,677)
(b) development	-	-
(c) production	-	-
(d) staff costs	(367)	(1,359)
(e) administration and corporate costs	(291)	(1,283)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	76	191
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(202)	(142)
1.9 Net cash from / (used in) operating activities	(3,164)	(7,270)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(72)	(257)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(72)	(257)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	36,594
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	6,825
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,808)
3.5	Proceeds from borrowings	3	5
3.6	Repayment of borrowings	81	(23,301)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	84	18,315

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,854	1,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,164)	(7,270)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(257)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	84	18,315
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,702	12,702

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,702	15,584
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,702	15,584

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
172
-

Included are the payment of Superannuation and Directors fees to the directors H. Collins, P. Harris, and I Wong. Additionally, the fees paid to S. Lonergan for secretarial services are included.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	30	30
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The company maintains an ANZ Credit Card Facility totalling \$30,000, with a rate of 17.74%PA on purchases. This facility is split evenly across three separate cards, and the full \$30,000 is undrawn.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	5,700
9.2	Development	-
9.3	Production	-
9.4	Staff costs	580
9.5	Administration and corporate costs	513
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	6,793

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 11898 EPM 16921	Relinquished 2 Sub-Blocks Relinquished 10 Sub- Blocks	100 100	100 100
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Managing Director)

Date 31 July 2018

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.