

SUBSTANTIAL POWER COST SAVINGS FOR WALFORD CREEK

Highlights

- Primary energy system for the Walford Creek Project to be solar power.
- LOI signed with Sun Cable to provide a solar energy plus battery storage solution, with full back-up diesel generation capacity, under a BOO arrangement.
- Key benefits include: a substantial reduction in projected life-of-mine carbon emissions, removal of upfront power capital expenditure, substantial life-of-mine power operating cost savings and the assurance of full back-up diesel generation capacity.

Aeon Metals Limited (**Aeon** or **the Company**) advises that it has selected a solar energy primary power solution for its 100%-owned Walford Creek Copper-Cobalt Project in north-west Queensland (**Walford Creek Project**).

As outlined in its June 2020 Quarterly Activities Report (see Aeon ASX release dated 31 July 2020), Aeon has been undertaking a detailed assessment of a third-party provided solar plus diesel power solution as part of the current Pre-Feasibility Study (**PFS**) on the Walford Creek Project. This process has resulted in the adoption of that solution for incorporation in the PFS.

The planned energy system provides solar generation capacity, with an accompanying battery storage facility, alongside full back-up/supplementary diesel generation capacity. The system is to be constructed at the Walford Creek Project and delivered under a Build-Own-Operate (**BOO**) structure.

The system is to be provided by Sun Cable Pty Limited (**Sun Cable**). Sun Cable is an Australian-based company specialising in solar energy developments. Its largest current project is planned to produce approximately 20% of Singapore's electricity requirements through solar power, sourced from Northern Australia and transmitted via High Voltage Direct Current cables. Major investors in Sun Cable include Grok Ventures (the family investment firm of Mike and Annie Cannon-Brookes) and Squadron Energy (a company of Tattarang).

Aeon has executed a non-binding Letter of Intent (**LOI**) with Sun Cable in relation to the provision of this energy system for the Walford Creek Project via BOO arrangement.

The key benefits to Aeon of adopting this power solution and delivery mechanism include:

- A substantial reduction in projected carbon emissions associated with the life-of-mine operations, with a forecast renewable energy penetration of over 90%;
- Removal of almost all pre-production capital cost associated with power generation;
- Substantial power operating cost savings across the life-of-mine, even after allowance for capital amortisation and operating margin under the BOO structure; and
- Full back-up diesel generation capacity delivering strong baseload assurance and swing capacity.

This ASX release has been authorised for and on behalf of the Aeon Board by:

Hamish Collins, Managing Director and CEO

For more information, please contact:

Investors

Hamish Collins
Managing Director

+61 2 9232 2298

info@aeonmetals.com.au

www.aeonmetals.com.au

Media

Michael Vaughan
Fivemark Partners

+61 422 602 720

ABOUT AEON METALS

Aeon Metals Limited (**Aeon**) is an Australian based mineral exploration and development company listed on the Australian Securities Exchange (ASX: AML). Aeon holds a 100% ownership interest in the Walford Creek Copper-Cobalt Project (**Walford Creek Project**) located in north-west Queensland, approximately 340km to the north north-west of Mount Isa.

Aeon completed a Scoping Study on the Walford Creek Project in October 2019. A Pre-Feasibility Study is targeted for completion in 1Q 2021.