

Updated Appendix 5B

Aeon Metals Limited (ASX: AML) (**Aeon** or the **Company**) notes that the Company's Appendix 5B lodged on 19 July 2021 has been updated to include the OCP facility in Items 7.1, 7.4 and 7.6.

There are no other changes.

Please find **attached** updated Appendix 5B.

This ASX release has been authorised by the Aeon Board:

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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 Polymetallic Project (**Walford Creek Project**) located in north-west Queensland, approximately 340km to the north north-west of Mount Isa.

Aeon completed a Scoping Study in June 2021 on the development of a 3.0Mtpa open pit and underground mining operation at the Walford Creek Project producing approximately 243kt copper and 33kt cobalt (plus zinc, silver and nickel) for sale to global metal markets. A Pre-Feasibility Study is targeted for completion in Q1 CY2022.

For further detail in relation to the Scoping Study, refer to Aeon ASX release dated 30 June 2021, *Walford Creek Revised Scoping Study Results*. Aeon confirms that all the material assumptions underpinning the production target therein and the forecast financial information derived from the production target continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AEON METALS LIMITED

ABN

91 121 964 725

Quarter ended ("current quarter")

30 June 2021

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 (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(260)	(880)
(e) administration and corporate costs	(425)	(1,562)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,408
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(685)	(1,028)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(4)
(d) exploration & evaluation (if capitalised)	(961)	(3,864)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(961)	(3,868)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	3,000
3.6	Repayment of borrowings	-	-
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	-	3,000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,226	2,476
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(685)	(1,028)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(961)	(3,868)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,000

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	580	580

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	317	174
5.2	Call deposits	263	2,052
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)	580	2,226

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	182
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The amounts above relate to directors' fees.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities ⁽ⁱ⁾	26,157	26,157
7.2 Credit standby arrangements ⁽ⁱⁱ⁾	30	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	26,187	26,157
7.5 Unused financing facilities available at quarter end		30
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>⁽ⁱ⁾ The company has a limited recourse loan with OCP Asia Group ("OCP") amounting to \$26,157,000 which is fully drawn, the interest rate is 12.00%, is calculated quarterly and capitalised to the loan. The loan is secured over the assets of Aeon Walford Creek Limited. The loan currently matures on 17 December 2021 but as announced on 15 July 2021 the company has reached an in-principle agreement with OCP to extend this date by 24 months to 17 December 2023.</p> <p>⁽ⁱⁱ⁾ The company maintains an ANZ Credit Card Facility totalling \$30,000, with a rate of 17.74%PA on purchases not paid for within the relevant period. This facility is split across five separate cards, and the full \$30,000 is undrawn.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(685)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(961)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,646)
8.4 Cash and cash equivalents at quarter end (item 4.6)	580
8.5 Unused finance facilities available at quarter end (item 7.5)	30
8.6 Total available funding (item 8.4 + item 8.5)	610
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.37
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. As announced on 19 July 2021, the company has raised \$9.5m via a two-tranche placement. The first tranche of \$5m is expected to complete on 26 July 2021. The second tranche will be completed following receipt of shareholder approval which will be sought in due course. A SPP that could raise up to \$3m was also announced on 19 July 2021.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, see answer 2

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date:22 July 2021.....

Authorised by:By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.