



Notice of Annual General Meeting

and **Proxy Form**

Annual General Meeting of **Aeon Metals Limited**
ACN 121 964 725 to be held at **The Grace Hotel, Corner
of York & King Streets, 77 York Street, Sydney NSW 2000**
on **Friday, 21 October 2016** at **10.00am** Sydney time.

aeonmetals.com.au

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Aeon Metals Limited, A.C.N. 121 964 725 (the "Company" or "Aeon"), will be held at **The Grace Hotel, Corner of York & King Streets, 77 York Street, Sydney NSW 2000 on Friday, 21 October 2016 commencing at 10.00 am** for the purpose of transacting the following business.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 7.00 pm (Sydney time) on 19 October 2016.

If you are unable to attend the Annual General Meeting, you are requested to complete the form of proxy enclosed with this Notice of Meeting ("Proxy Form"). This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below by no later than 10.00 (Sydney time) on 19 October 2016 (being 48 hours before the commencement of the Annual General Meeting). Any Proxy Form received after that time will not be valid for the scheduled Annual General Meeting.

In Person:	Boardroom Pty Limited Level 12 / 225 George Street Sydney NSW 2000
Postal address:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
Fax number:	+612 9290 9655
Online:	www.votingonline.com.au/amlagm2016

Agenda

Financial Reports

To receive and consider the annual Financial Statements of the Company for the year ended 30 June 2016 including the Directors' Report and the Independent Audit Report.

The Financial Statements are contained in the Company's 2016 Annual Report which is available on the Company's website www.aeonmetals.com.au. Copies of the Annual Report are being posted to shareholders who have requested a printed copy. Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to these Financial Statements.

Resolution 1

Adoption of Remuneration Report

To receive and consider the Remuneration Report and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report be adopted"

Voting Exclusion

Pursuant to Section 250OR of the *Corporations Act 2001* a vote on this resolution must not be cast (in any capacity) by or on behalf of any member of the key management personnel details of whose remuneration are included in the remuneration report or a closely related party of such a member. However, a person aforesaid, may cast a vote on the resolution if the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution and the vote is not cast on behalf of a person aforesaid.

Explanatory Note

The Remuneration Report is contained in the Directors' Report in the 2016 Annual Report. It is a requirement of the Corporations Act that this Report be provided to shareholders and voted upon by a vote which is advisory only and does not bind the Directors or the Company. However, if 25% or more of the votes that are cast, are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all of the Company's Directors who are subject to a re-election requirement must go up for re-election. At the 2015 AGM 3.88% of the proxy votes cast were against the adoption of the Remuneration Report.

Resolution 2

Election of Mr Paul Harris as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Paul Harris be re-elected a Director of the Company."

Explanatory Note

Mr Harris was re-elected to the Board at the 2015 AGM as was Mr Thomas Mann. The Company's Constitution requires that one of these two Directors (selected by lot) should retire at this AGM and Mr Harris has been so selected. Mr Harris is considered to be a non-independent Director due to a consultancy arrangement he has with the OCP Asia Group which is the Company's largest shareholder. Details of Mr Harris's qualifications and experience are set out in the 2016 Annual Report.

Resolution 3

Election of Mr Ivan Wong as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Ivan Wong be re-elected a Director of the Company.”

Explanatory Note

Mr Wong was appointed to the Board as a Director on 1 July 2016 as an additional Director. The Company's Constitution provides to the effect that Mr Wong must retire at this AGM and is eligible for re-election. Mr Wong is considered to be a non-independent Director. Details of Mr Wong's qualifications and experience are set out in the 2016 Annual Report.

Resolution 4

Election of Mr Stephen Lonergan as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Stephen Lonergan be re-elected a Director of the Company.”

Explanatory Note

Mr Lonergan was appointed to the Board as a Director on 7 September 2016 to fill a vacancy on the retirement of Mr John Goody. The Company's Constitution provides to the effect that Mr Lonergan must retire at this AGM and is eligible for re-election. Mr Lonergan is considered to be an independent Director. Details of Mr Lonergan's qualifications and experience are set out in the 2016 Annual Report.

Resolution 5

Approval of Additional 10% Placement Capacity for Shares

To consider and, if thought fit, to pass, the following resolution as a special resolution:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Note in relation to this Resolution contained in the Notice for this Meeting.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Note

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue shares, options, convertible securities and performance rights and other securities defined as equity securities in the ASX Listing Rules (“Equity Securities”) up to 10% of its issued capital over a period up to 12 months after its Annual General Meeting (“10% Placement Capacity”). The Company is an Eligible Entity because it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300 million. Shareholders last approved the 10% Placement Capacity at the 2013 AGM but this authority expired on 13 November 2014. No shares were issued under the authority of that 10% Placement Capacity. The Company seeks the 10% Placement Capacity for the next 12 months by approval of this Resolution.

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue, during the period up to 12 months after this AGM, without subsequent shareholder approval and without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being shares (ASX Code: AML).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of shares on issue 12 months before the date of issue or agreement as increased or decreased in accordance with ASX Listing Rule 7.1.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of shares under ASX Listing Rule 7.1 or 7.4.

As at the date of this Notice, the Company has the capacity to issue 52,174,894 Equity Securities under ASX Listing Rule 7.1.

If shareholders approve Resolution 5 on the Agenda of this Meeting, the Company will have the capacity to issue 34,783,262 Equity Securities under ASX Listing Rule 7.1A.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

1. The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) if the Equity Securities are not issued within 5 ASX trading days of the date in (a) above, the date on which the Equity Securities are issued.
2. The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Meeting and expiring on the first to occur of the following:
 - (a) 12 months after the date of this Meeting; and
 - (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX ("10% Placement Capacity Period").

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

3. Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. There is a risk that the market price for Equity Securities issued under the 10% Placement Capacity may be significantly lower on the issue date than on the date of approval under ASX Listing Rule 7.1A. In addition, Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

4. If this Resolution 5 is approved by shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing shares would be as shown in Table 1 below. Table 1 shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A (2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice. Table 1 indicates the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table 1

Variable A in Listing Rule 7.1A.2		7.5 cents Issue Price (50% decrease)	15 cents Issue Price	30 cents Issue Price (100% increase)
Current Variable A 347,832,628 shares	10% Voting Dilution	34,783,262	34,783,262	34,783,262
	Funds raised	\$2,608,744	\$5,217,489	\$10,434,978
50% increase in Current Variable A 521,748,942 shares	10% Voting Dilution	52,174,894	52,174,894	52,174,894
	Funds raised	\$3,913,117	\$7,826,234	\$15,652,468
100% increase in Current Variable A 695,665,256 shares	10% Voting Dilution	69,566,525	69,566,525	69,566,525
	Funds raised	\$5,217,489	\$10,434,978	\$20,869,957

The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under Listing Rule 7.1.

Table 1 incorporates the following assumptions:

- ▶ The current shares on issue are the shares on issue as at 19 September 2016.
 - ▶ The issue price set out above (15 cents) is the closing price of the Company's shares on the ASX on 16 September 2016.
 - ▶ The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
 - ▶ The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
 - ▶ The calculations above do not show the dilution that any one particular shareholder will be subject to. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - ▶ This Table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
5. The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration in which case the Company may use funds raised for working capital, in particular for the exploration and development of the Company's Walford Creek Project. If the Equity Securities under the 10% Placement Capacity are issued for non-cash consideration that issue may be for the acquisition of new resources or capital assets and, in such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

6. It has not been decided whether the capacity to allot Equity Securities under the 10% Placement Capacity will be utilised. The allottees of the Equity Securities which may be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company. The Company will determine the allottees at the time of any issue under the 10% Placement Capacity, having regard to the following factors:
 - ▶ the purpose and quantum of the issue;
 - ▶ alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
 - ▶ the effect of the issue of the Equity Securities on the control of the Company;
 - ▶ the timeliness of the completion of an issue under the 10% Placement Capacity compared to other alternative fundraising mechanisms;
 - ▶ the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - ▶ prevailing market conditions; and
 - ▶ advice from corporate, financial and broking advisers (if applicable).
7. The Company has previously obtained approval under ASX Listing Rule 7.1A, the last such approval being at its 2013 AGM.
8. A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.
9. In the 12 months preceding this Meeting, the Company issued a total of 20,825,106 Equity Securities. This total represented 4.34% of the total number of Equity Securities on issue at the commencement of that 12 month period.
10. In the 12 months preceding this Meeting, the Company has issued the following Equity Securities
 - ▶ 30 October 2015: 20,825,106 options expiring on 17 December 2017 each exercisable at 9.35 cents issued to OL Master (Singapore) Pte Limited as part consideration for the 2015 re financing arrangements by the OCP Asia Group. The accounting value of this non cash consideration (determined from the Company's Half Year Financial Report for the 6 months ending 31 December 2015) is \$704,996.

By order of the Board



Stephen J Lonergan

Company Secretary

Dated: 19 September 2016



aeonmetals.com.au



ALL CORRESPONDENCE TO:

By Mail:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

By Fax:

+61 2 9290 9655

Online:

www.boardroomlimited.com.au

By Phone:

1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (Sydney time) on Wednesday 19 October 2016.**

TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/amlagm2016

STEP 2: ENTER your Postcode OR Country of Residence (if outside Australia)

STEP 3: ENTER your Voting Access Code (VAC):



TO VOTE BY SMARTPHONE

Scan the QR Code using a smartphone QR reader app.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2: VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3: SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: Where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: This form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4: LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Sydney time) on Wednesday 19 October 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

ONLINE www.votingonline.com.au/amlagm2016

BY FAX + 61 2 9290 9655

BY MAIL Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

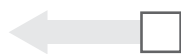
IN PERSON Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Aeon Metals Ltd

ACN 121 964 725



YOUR ADDRESS

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an 'X' and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

STEP 1: APPOINT A PROXY

I/We being a member/s of **Aeon Metals Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **The Grace Hotel, Corner of York & King Streets, 77 York Street, Sydney NSW 2000 on Friday, 21 October 2016 at 10:00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2: VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Paul Harris as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Ivan Wong as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Stephen Lonergan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional 10% Placement Capacity for Shares (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3: SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name: Contact Daytime Telephone: Date: / / 2016