



# Aeon Metals Limited

ABN 91 121 964 725

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

P.O. Box 8155, Gold Coast MC. Qld 9726, Australia

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

W: [aeonmetals.com.au](http://aeonmetals.com.au)

E: [info@aeonmetals.com.au](mailto:info@aeonmetals.com.au)

**ASX Code - AML**

## 2016 Annual General Meeting

### Chairman's Address to the Meeting

I welcome shareholders and guests to this 2016 AGM of Aeon Metals Limited.

The last 12 months have been very positive for the Company. On the day after last year's AGM, the closing price for Aeon shares was 3.8 cents and yesterday we closed at 15 cents. The Company has also made considerable progress at Walford Creek in the last 12 months which the Managing Director will explain in more detail. I would like to present on behalf of the Board the broad strategy being pursued to maximise shareholder value.

#### Walford Creek

Aeon has delineated a large, copper Resource at Walford Creek which, happily, also has other recoverable metals which significantly boost the copper equivalent calculation. The mineralisation contains significant tonnages of zinc, silver, lead and, in particular, cobalt which makes the deposit one of Australia's largest of this strategic metal. The great news for 2016 is that within the 73.3 mt of Indicated and Inferred Resource, there appears to be a higher copper/cobalt grade zone close to the Fish River fault and the 2016 drilling campaigns (20 diamond holes in May/June 2016 and 9 holes in September/Oct2016) suggests that this might provide aggregate tonnage of sufficiently high grade to start a successful mining operation. We are still awaiting the assays for the September/October campaign and our current optimistic view on these holes is based solely on visual assessment. The core from all the holes arrived in Mt Isa on 9 October, core processing (SG's and core cutting) is still underway and the material will be progressively delivered to the assay lab. We have sought priority turnaround and as stated in the last ASX announcement the assay results are currently likely in early to mid-November. If assay results are provided by the lab on a piecemeal basis, we will of course release them as they are received.

Before conducting further drilling in September, we had tasked our external geological consultant to review the current reported Resource. This is still in progress and the report is imminent. Whatever the result, it will necessarily be affected by the results of the September/October holes when the assays are available. The objective of this Resource work is to determine if a high grade copper and cobalt domain can be established over the area close to the Fault. A higher grade, shallow, starter Resource could lower capital costs and significantly speed development time.

## MMG Discussions

With the Century Mine (about 136 km from Walford) now closed, we have been working to determine which of the Century assets would be attractive to Aeon, mainly to expedite development of Walford. Discussions with MMG are confidential, incomplete and insufficiently definite for any substantive report to shareholders and, in any case, progressive public reporting is likely to be detrimental to Aeon's negotiating position. From Aeon's perspective, there are complexities arising from Century's remediation timelines and obligations and the chain of responsibility legislation in Queensland. Aeon is hopeful that an arrangement can be negotiated to maintain a processing hub at Century, which will benefit, Aeon shareholders, the local communities and the Queensland Government, but there is no certainty of any outcome.

## Walford PEA

The Company started work on a Preliminary Economic Analysis of Walford in mid 2015 with the aim to have it completed in mid 2016 but the Board now believes that it is not possible to complete a realistic study until it is known whether a higher grade, shallow starter Resource is available at Walford and what, if any, of the Century facilities might be available for processing Walford material.

## 2017 Debt Refinancing

In December 2017, the Company's limited recourse debt of some \$27.6 million plus interest will be due for repayment. This is owed to the OCP Asia Group (OCP) which has a substantial shareholding of 21.8% in Aeon and if its entire holding of warrants was exercised this could rise to 43.8%. With the continuing support of OCP and an investment grade opportunity emerging at Walford Creek, the Directors have been in discussion with OCP and are optimistic that a refinancing can be achieved on sustainable terms. Both Aeon and OCP are far better off by working together and maintaining Walford in Aeon as an ASX listed entity. The presence of OCP on Aeon's share register and the financial resources of OCP provide considerable encouragement to the Directors and opens opportunities for shareholders which are rarely available in equivalent size resource companies in current market conditions. Currently, Aeon's holds approximately \$5 million of cash due to a refinancing and entitlements issue in 2015 which was backed by OCP.

Despite our strong cash position, the Board is determined to maintain a culture of minimising unnecessary expenditure and otherwise getting value for money. All our 2016 drilling programs have come in under budget.

Last, but certainly not least, I advise that I will be retiring as a Director and Chairman of Aeon on 18 November 2016. The Board has this morning agreed that Paul Harris will be the new Chairman and I wish my successor and the Board all the best for the challenges ahead.

I leave the Company in good hands and on the cusp of significant development.

Thank you

Tom Mann  
Chairman

*The data in this report that relates to Mineral Resource Estimates for the Walford Creek Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) 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 Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the presentation of the Mineral Resource Estimates in the form and context in which they appear.*

*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.*