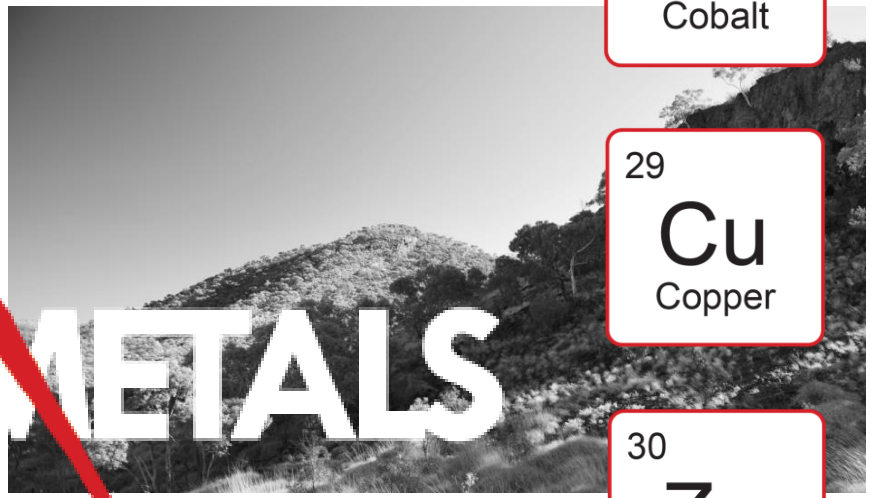


27
Co
Cobalt

29
Cu
Copper

30
Zn
Zinc

AEON METALS

WALFORD CREEK PROJECT DEVELOPMENT

May 2017

IMPORTANT INFORMATION

This document has been prepared by Aeon Metals Limited (Aeon) for the purpose of providing a comprehensive company and technical overview to interested analysts and investors. This document is not a prospectus and should not be considered an offer or an invitation to acquire shares in Aeon or any other financial product.

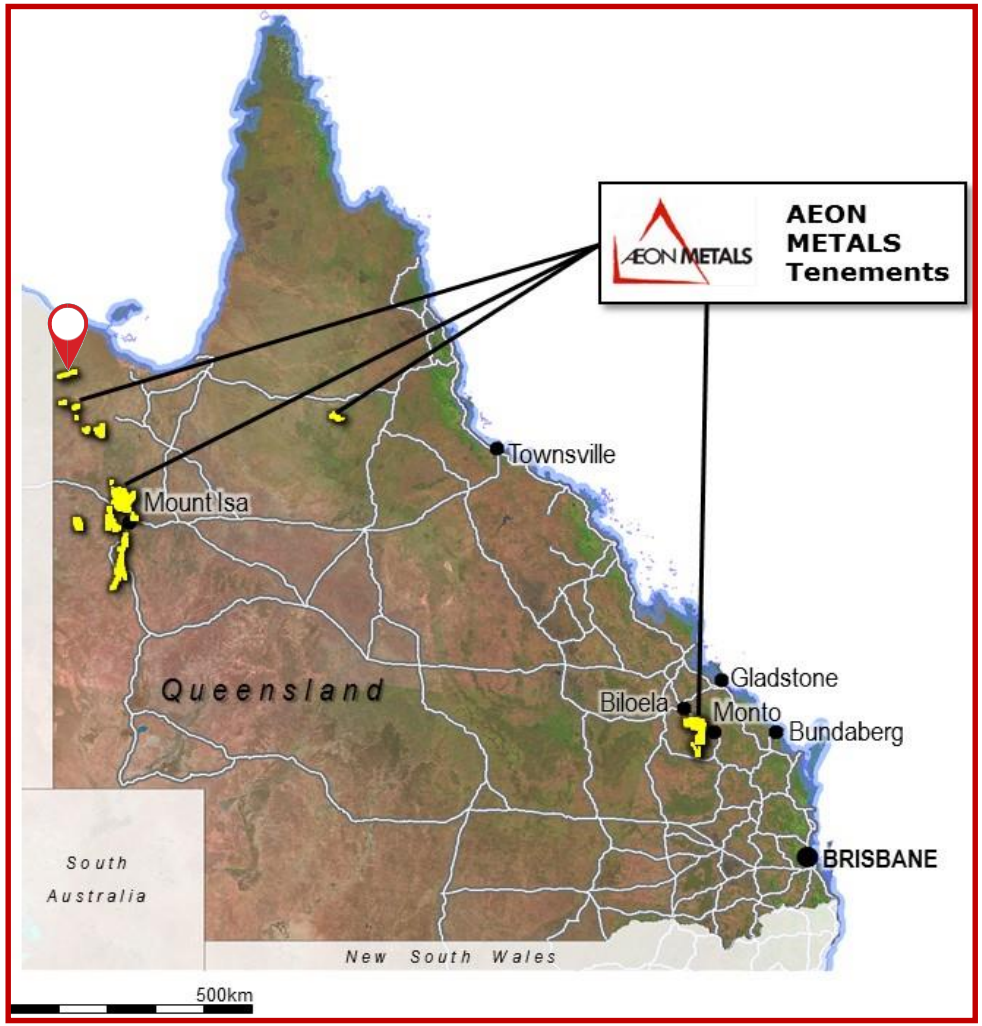
Any statements, opinions, projections, forecasts or other material contained in this document (Information) is presented by Aeon for use only by the company or person to whom it is presented and do not constitute any commitments, representations or warranties by Aeon or its officers, agents, employees or associates. Except as required by law, no responsibility or liability is accepted by Aeon or any of its officers, employees, agents or associates, nor any other person, for the Information or for any action taken by the recipient or any of the recipient's officers, employees, agents or associates on the basis of the Information.

Forward-looking statement, opinions and estimates provided in this Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements include projections, guidance on future earnings and estimates and are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Past performance information given in this Information is given for illustrative purposes and should not be relied upon as (and is not) an indication of future performance. Aeon undertakes no obligation to revise the forward-looking statements included in this Information to reflect any future events or circumstances.

The Information does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. Recipients of this document must make their own independent investigations, consideration and evaluation. By accepting this document, the recipient agrees that if it proceeds further with its investigations, consideration or investment evaluation , it shall make and rely solely upon its own investigations and enquiries, and will not in any way rely upon this document.

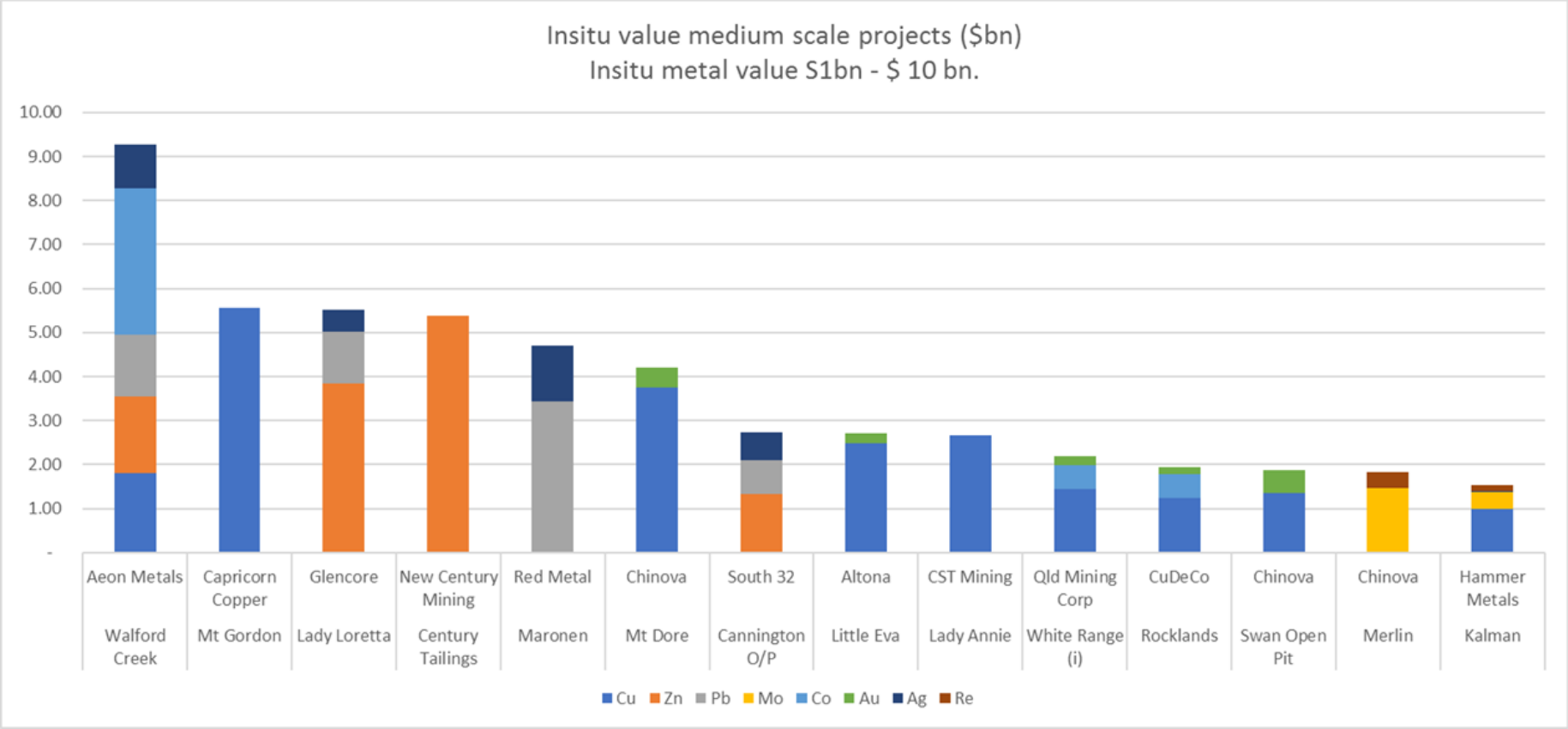
QUEENSLAND ASSET BASE

- ✓ **FLAGSHIP WALFORD CREEK PROJECT 100%**
  - ✓ **Large Global JORC Resource[1]**
    - ✓ 296,000t of copper
    - ✓ **60kt of cobalt**
    - ✓ 623,000t of zinc
    - ✓ 626,000t of lead
    - ✓ 55moz of silver
  - ✓ **PEA completed on high grade subset "Vardy Zone" in Feb 2017.**
  - ✓ **Large scale Cobalt Roasting Scoping Study completed in April 2017 to unlock global cobalt Resource value.**



See slide 6 for Resource details
See Appendix A for competent persons statement.

NORTHWEST QUEENSLAND RESOURCES



Source: Core Resources

WALFORD CREEK

ADVANCED, LARGE BASE METALS RESOURCE

LARGE SEDIMENT HOSTED MINERAL SYSTEM

- ✓ Mineralisation is both **structurally and lithologically** controlled – Fish River Fault.
- ✓ Potential for **resource extensions** along the strike-length of the Fish River fault & at depth.
- ✓ High grade Vardy Resource supports early development.

VARDY PEA COMPLETED

- ✓ **World class service providers** – Amec Foster Wheeler, AMDAD, H&S.
- ✓ BFS next stage.

Walford Creek Global Resources *(March 2015)*

Walford Creek 2014-5 Resource Estimates						
Category	Mt	Cu %	Pb %	Zn %	Ag g/t	Co %
Indicated	16.3	0.46	0.83	1.02	20.1	0.091
Inferred	57.1	0.39	0.86	0.80	24.5	0.079
Total	**73.3**	**0.40**	**0.85**	**0.85**	**23.5**	**0.081**

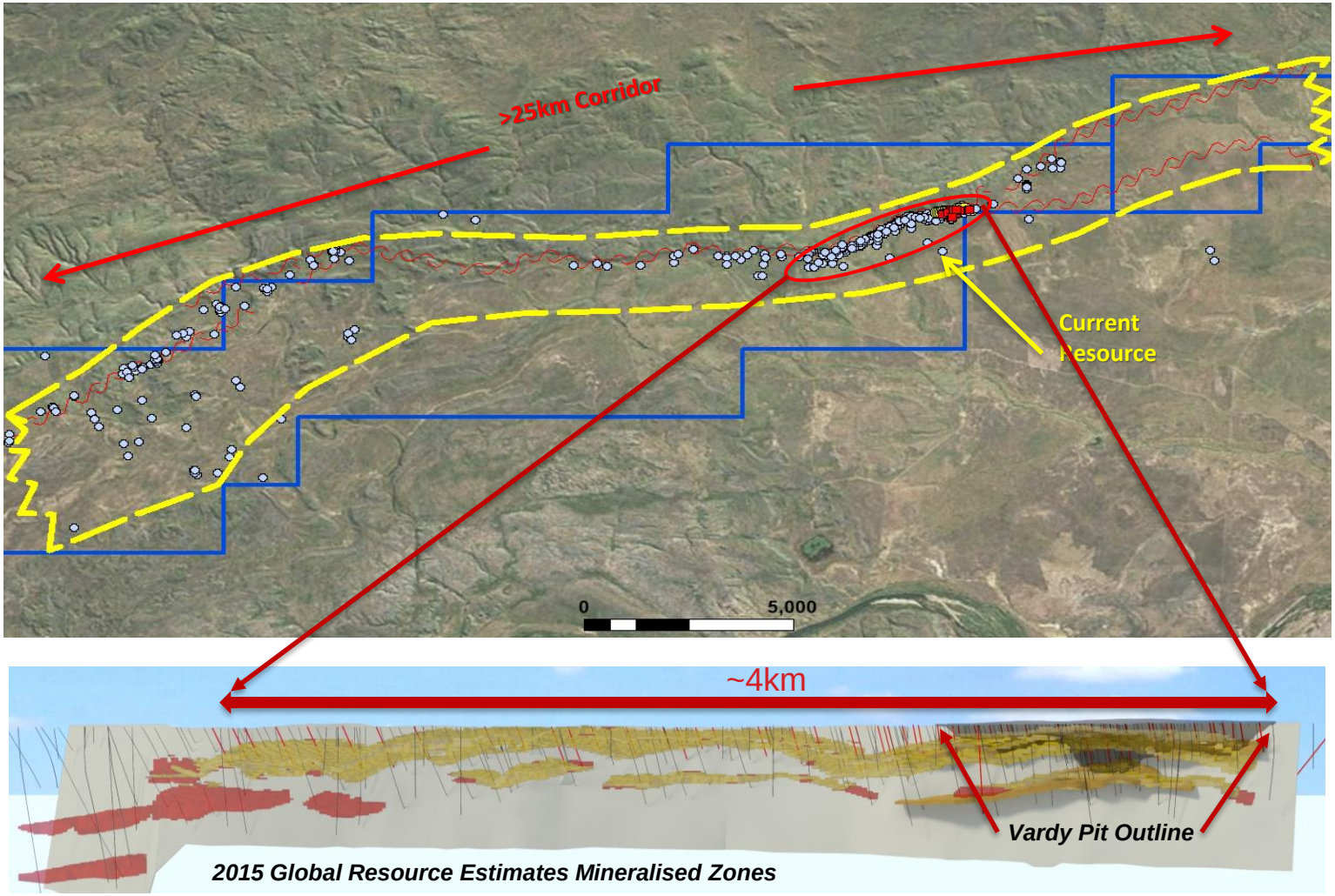
Walford Creek 2014-5 Resource Estimates					
Category	Cu Tonnes	Pb Tonnes	Zn Tonnes	Ag Mozs	Co Tonnes
Indicated	74,700	134,800	166,300	10.5	14,800
Inferred	220,800	491,200	456,900	45.0	44,800
Total	**295,500**	**626,000**	**623,200**	**55.5**	**59,600**

At 0.55% CuEquiv cut-off:
See Appendix A for competent persons statement.

LARGEST AND MOST ADVANCED SULPHIDE COBALT RESOURCE IN AUSTRALA

- ✓ **60kt Cobalt metal** in Global Resource
- ✓ Large scale cobalt roasting Scoping Study completed to unlock this global cobalt Resource value

+25KM MINERALISED FAULT CORRIDOR



HIGH GRADE VARDY RESOURCE

- ✓ **Near surface/close to fault.**
- ✓ On 25 October, 2016 a new high-grade "subset" Resource announced. This was upgraded again in December.
- ✓ The estimate is for a 1km eastern zone, within the 4km Global Resource, now referred to as Vardy.
- ✓ The new Resource opens the possibility of an initial mining development focussed on the Vardy Zone:
  - ✓ High grade Cu & Co
  - ✓ Shallow
  - ✓ Robust economics
- ✓ **PEA announced 15 Feb 2017**

Vardy Resource Statement *(December 2016[1])*

Walford Creek Vardy Resource Statement								
Category	Volume m^3	Mt	Cu %	Pb %	Zn %	Ag g/t	Co %	Pyrite %
Measured	284,625	1.0	1.14	0.84	0.83	25.9	0.17	46.0
Indicated	645,000	2.2	1.26	0.80	0.93	26.4	0.18	42.2
Inferred	1,023,375	3.4	1.28	0.68	0.63	25.0	0.15	36.5
Total	**1,953,000**	**6.6**	**1.25**	**0.74**	**0.76**	**25.6**	**0.16**	**39.8**

Walford Creek Vardy Resource Statement							
Category	Cu kt	Pb kt	Zn kt	Ag Mozs	Co kt	Py kt	Density t/m^3
Measured	11	8	8	0.8	1.6	445	3.40
Indicated	28	18	21	1.9	4.0	932	3.42
Inferred	43	23	21	2.7	5.2	1,244	3.33
Total	**82**	**49**	**50**	**5.4**	**10.8**	**2,621**	**3.37**

1. Announced to the ASX on 22 December 2016.

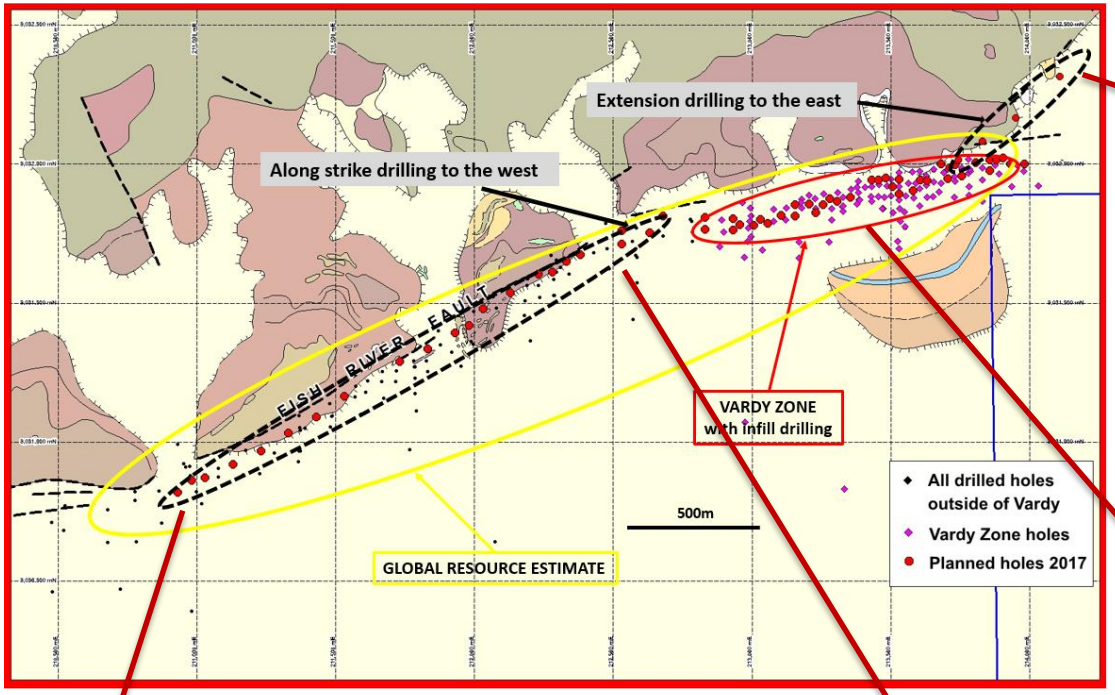
VARDY ZONE PEA SUMMARY

PEA Announced 15 Feb 2017[1,2]

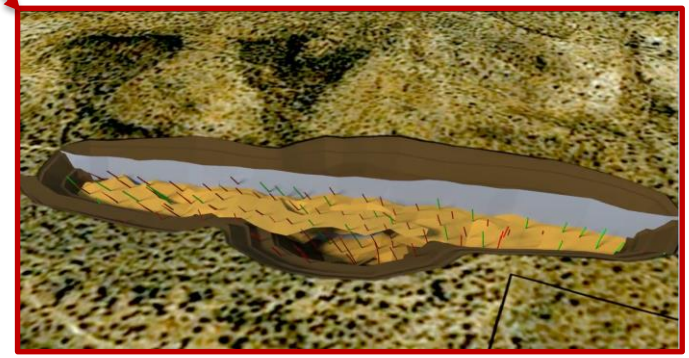
- ✓ 600ktpa throughput plant resulting in life-of mine ("LOM") production of 38kt copper, 29kt zinc, and 3kt cobalt metals in concentrate.
- ✓ Projected life of mine revenue from copper, zinc, silver and cobalt of estimated at $579M.
- ✓ Operating cost of $97/t of ROM production.
- ✓ Estimated capital cost to first production of $97M.
- ✓ Confidence that estimated costs will be reduced.
- ✓ Projected LOM net cash flow of $84M (incl. capital) with average EBITDA of ~$39M per year.
- ✓ Bankable Feasibility Study next stage.
- ✓ Subject to funding and necessary Government approvals aiming for first production Q1-2019.
- ✓ **2017 drill campaign focused on LOM extension and/or expansion.**

1. *Refer to ASX 15 Feb 2017 and 6 March announcements regarding PEA references*
2. *Overall, the level of accuracy of the numbers in the PEA is at level of ±30%.*

2017 DRILL CAMPAIGN

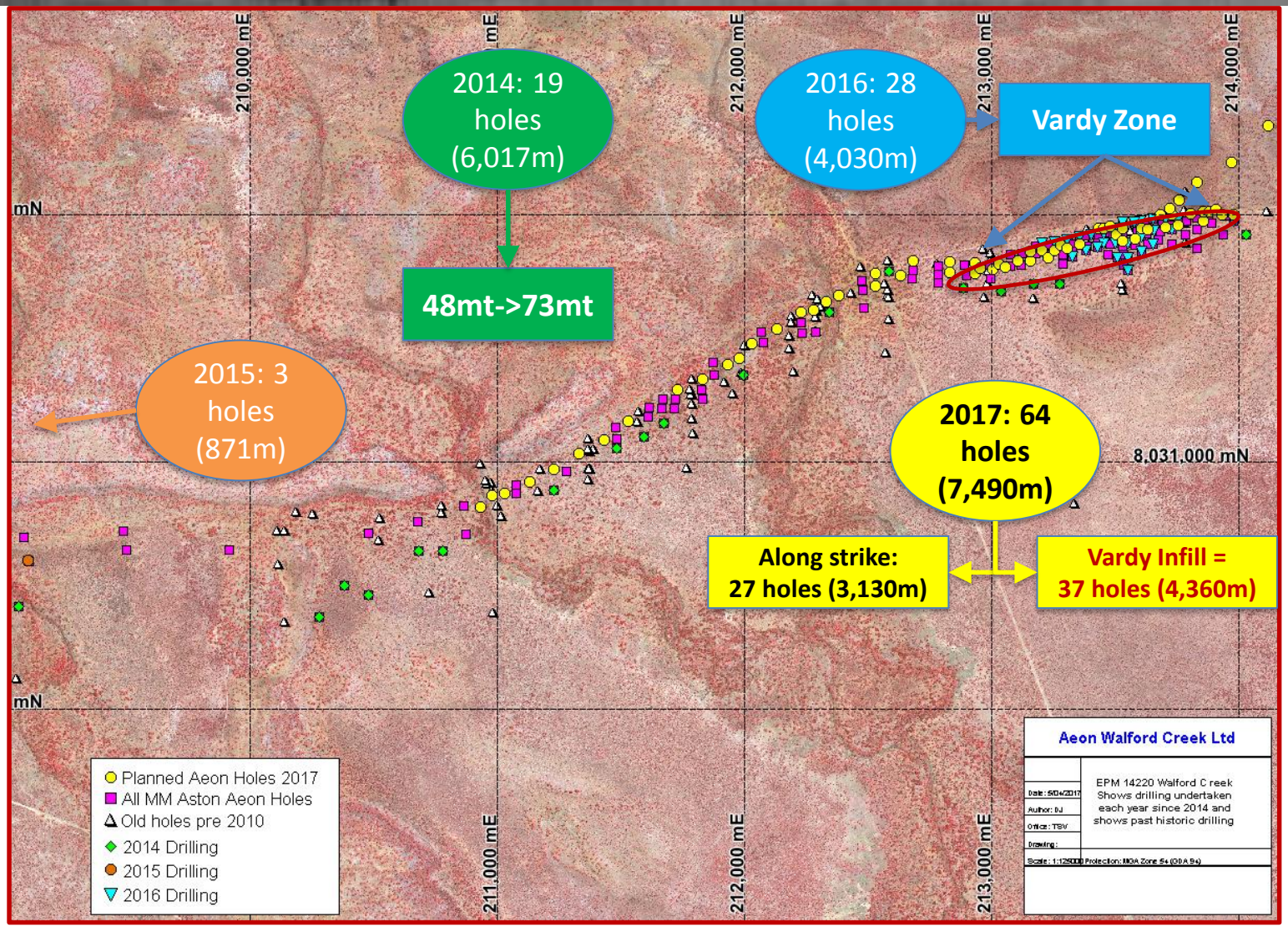


- ✓ Extension drilling to the east.
- ✓ Vardy Infill (~4,360m)



- ✓ Along strike drilling to the west:
  - ✓ Key zones where geological conditions match Vardy Zone
  - ✓ Highly prospective upside for Resource/LOM extension.

DRILL DOLLARS = BOLT ON VALUE



COBALT = POWER STORAGE

Demand

- Cobalt is consumed by major industries with rechargeable lithium-ion batteries becoming a major Co use. *"The problem with existing lead-acid batteries is that they suck"* – Elon Musk
- 2016 global demand = ~93kt
- Batteries were ~11% of Co consumption in 2002, and is now +40%. A new battery "Gigafactory" planned by Tesla could on its own lift Co demand by 30-35kt/pa.

Supply

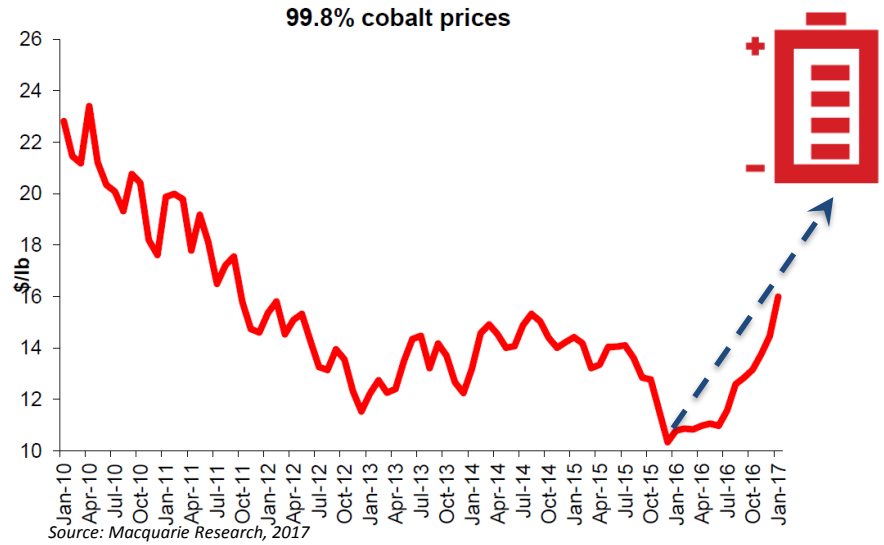
- The DRC contains more than 50% of the world's cobalt resources and produces +60% of the world's cobalt. This is forecast to increase.
- China reliance on the DRC for Co (~93%).
- Challenges for ethical production.

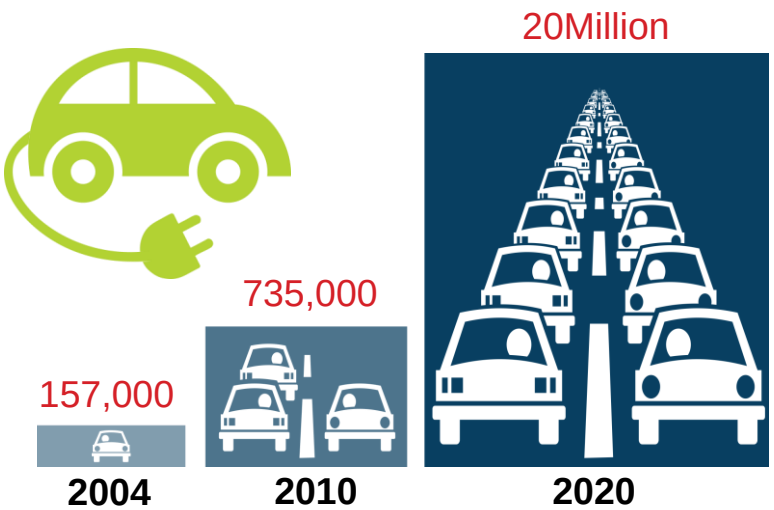
Walford Creek Global Co Resource:

73.3mt @ 0.081% Co = ~60kt.

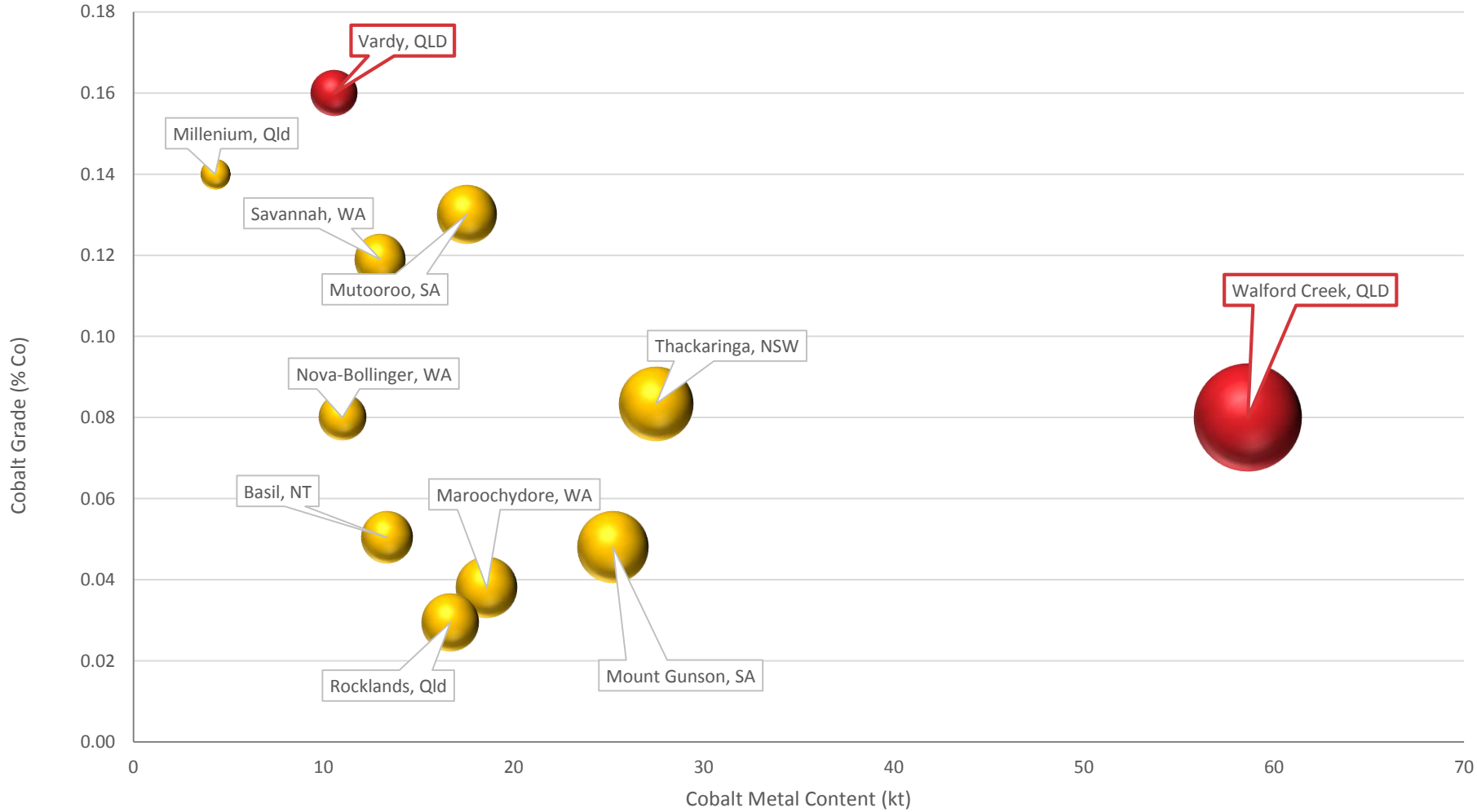
High grade component in Vardy Zone:

6.6mt @ 0.16% Co = ~11kt



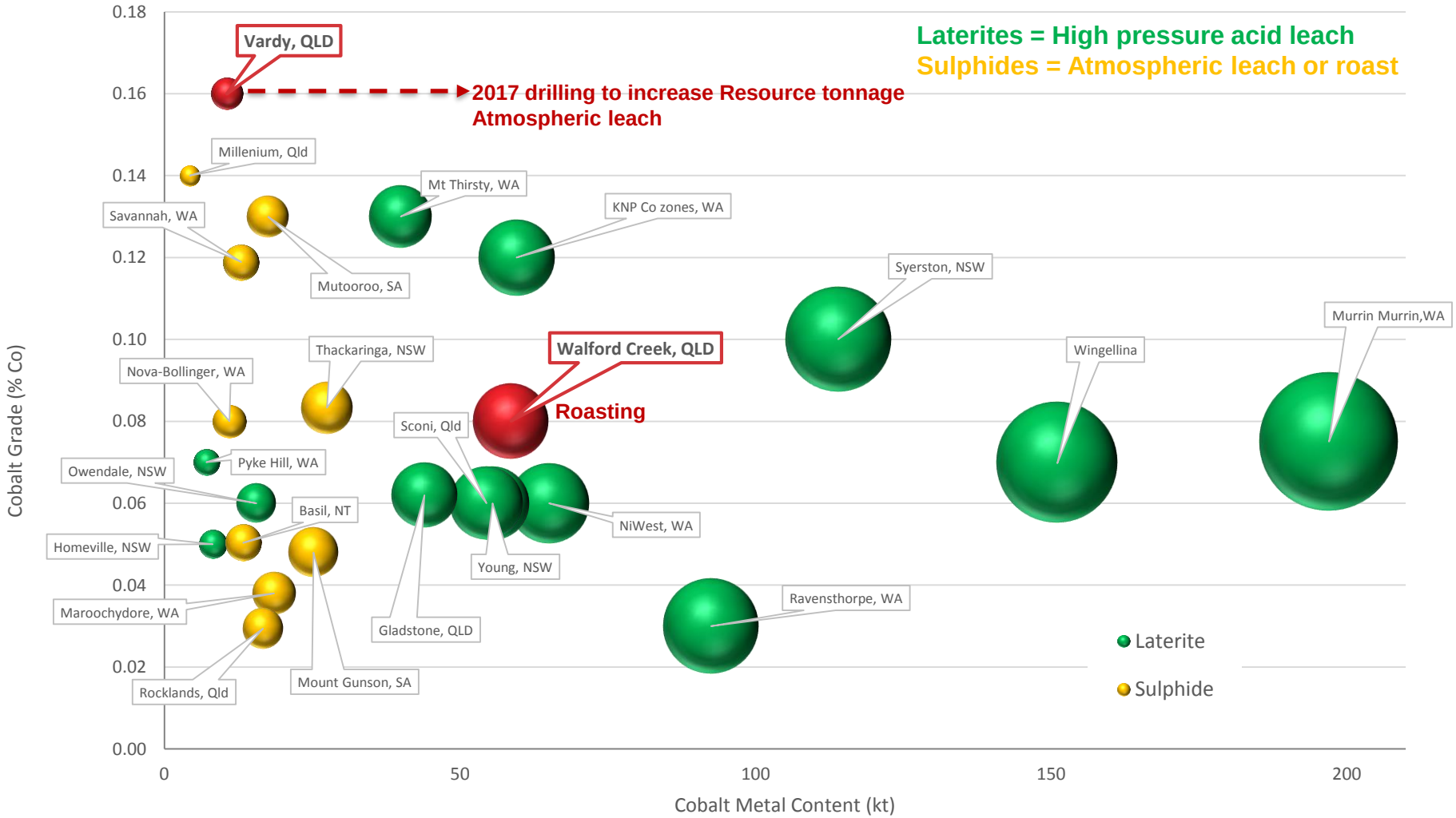


LARGEST COBALT SULPHIDE RESOURCE IN AUSTRALIA X 2



Source: Company announcements, Terra Studio. Copper-cobalt sulphide mineral resources only. Bubble size relates to cobalt metal content.

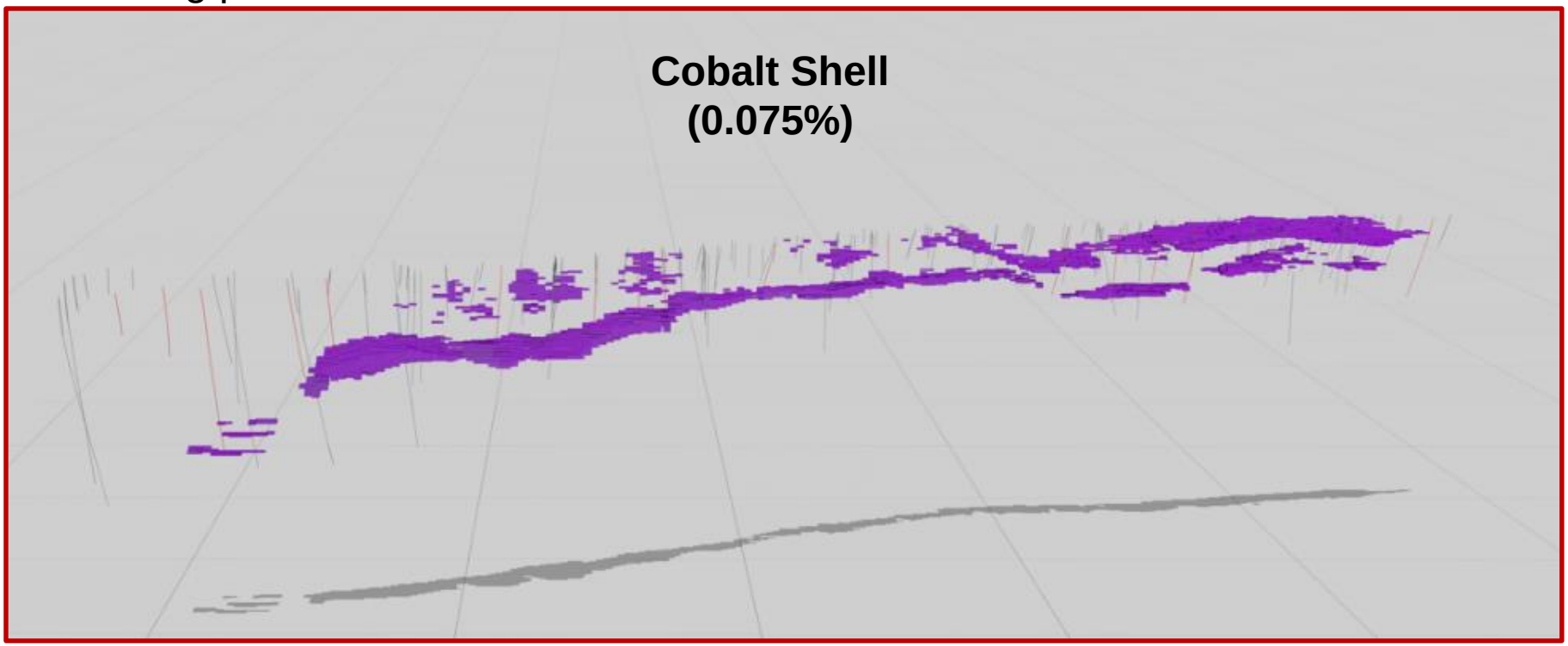
AUSTRALIAN LATERITES VS SULPHIDES



Source: Company announcements, Terra Studio. Bubble size relates to cobalt metal content

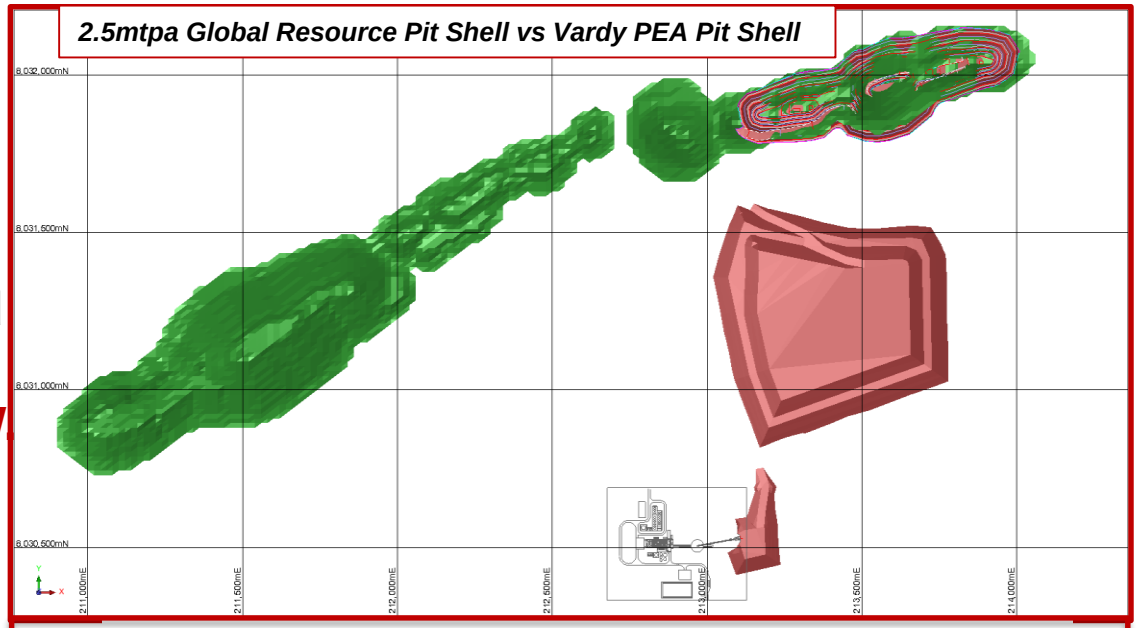
60KT COBALT RESOURCE

- ✓ Cobalt consistent throughout current Walford Global Resource.
- ✓ Cobalt occurs within pyrite lenses.
- ✓ Cobalt value accounts for ~$4.4b or 37% of the in-situ metal value of the Global Resource
- ✓ Scoping Study completed in April 2017 to assess economic extraction utilising roasting process.

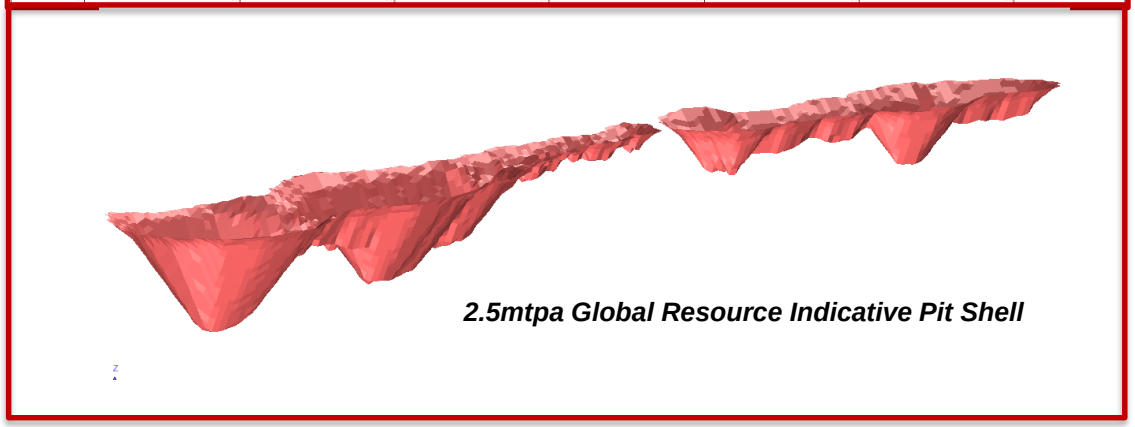


COBALT ROASTING SCOPING STUDY SUMMARY

- ✓ Optimised open pit for 2.5Mtpa ROM ore over 15 years;
- ✓ Conventional float mill to produce copper, zinc, lead and pyrite concentrates.
- ✓ The pyrite concentrate processed through an onsite roaster to produce **cobalt metal via SX/EW.**
- ✓ Cogen plant enables electricity to be produced onsite.
- ✓ An acid plant will also be built producing sulphuric acid.
- ✓ **Produce over 15 years on average approx:**
  - ✓ **1.2ktpa of cobalt,**
  - ✓ **8ktpa of copper**
  - ✓ **15ktpa of zinc;**
  - ✓ **13ktpa of lead;**
- ✓ **Generate ~1.3Mtpa of sulphuric acid.**



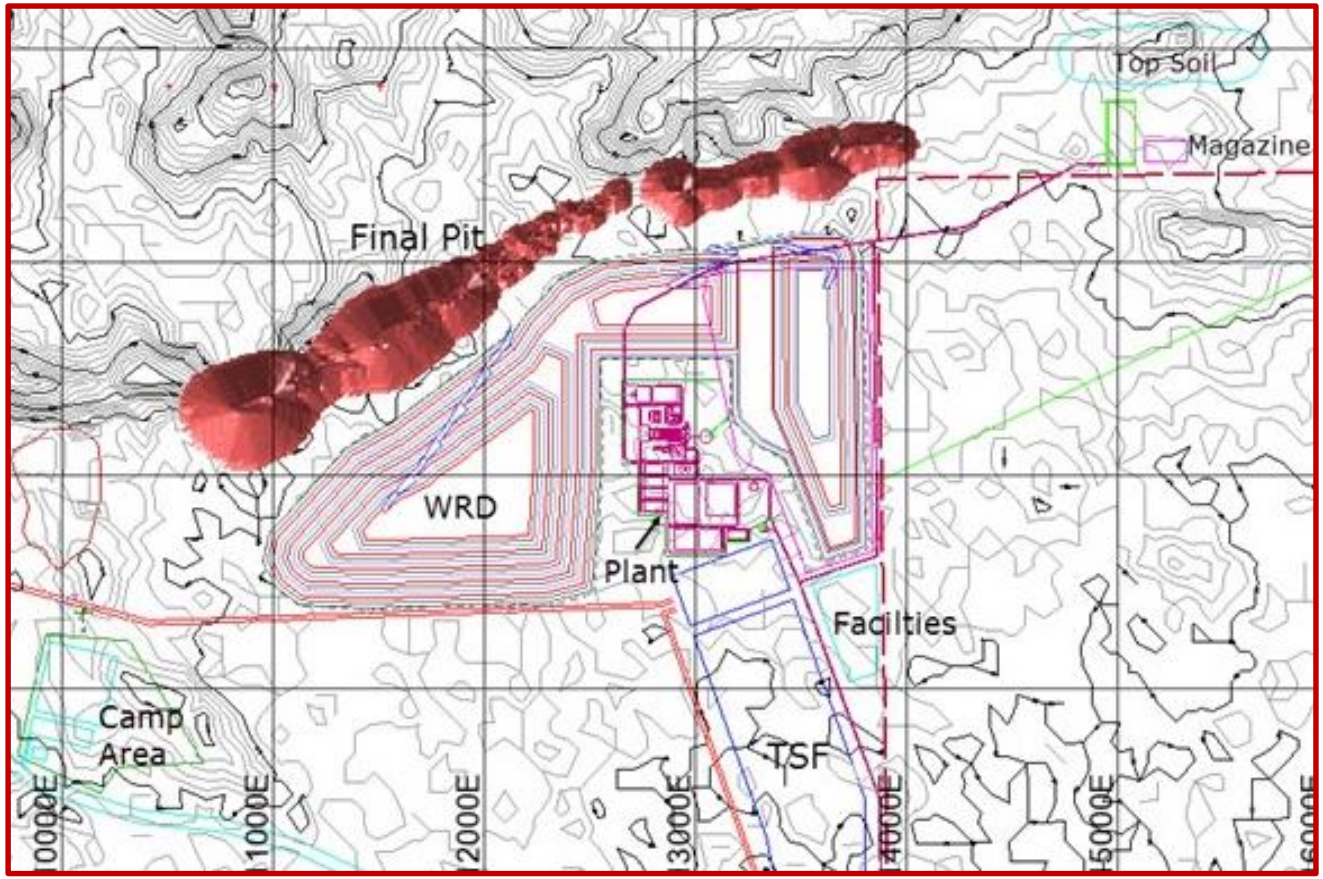
2.5mtpa Global Resource Pit Shell vs Vardy PEA Pit Shell



2.5mtpa Global Resource Indicative Pit Shell

COBALT ROASTING SCOPING STUDY SUMMARY

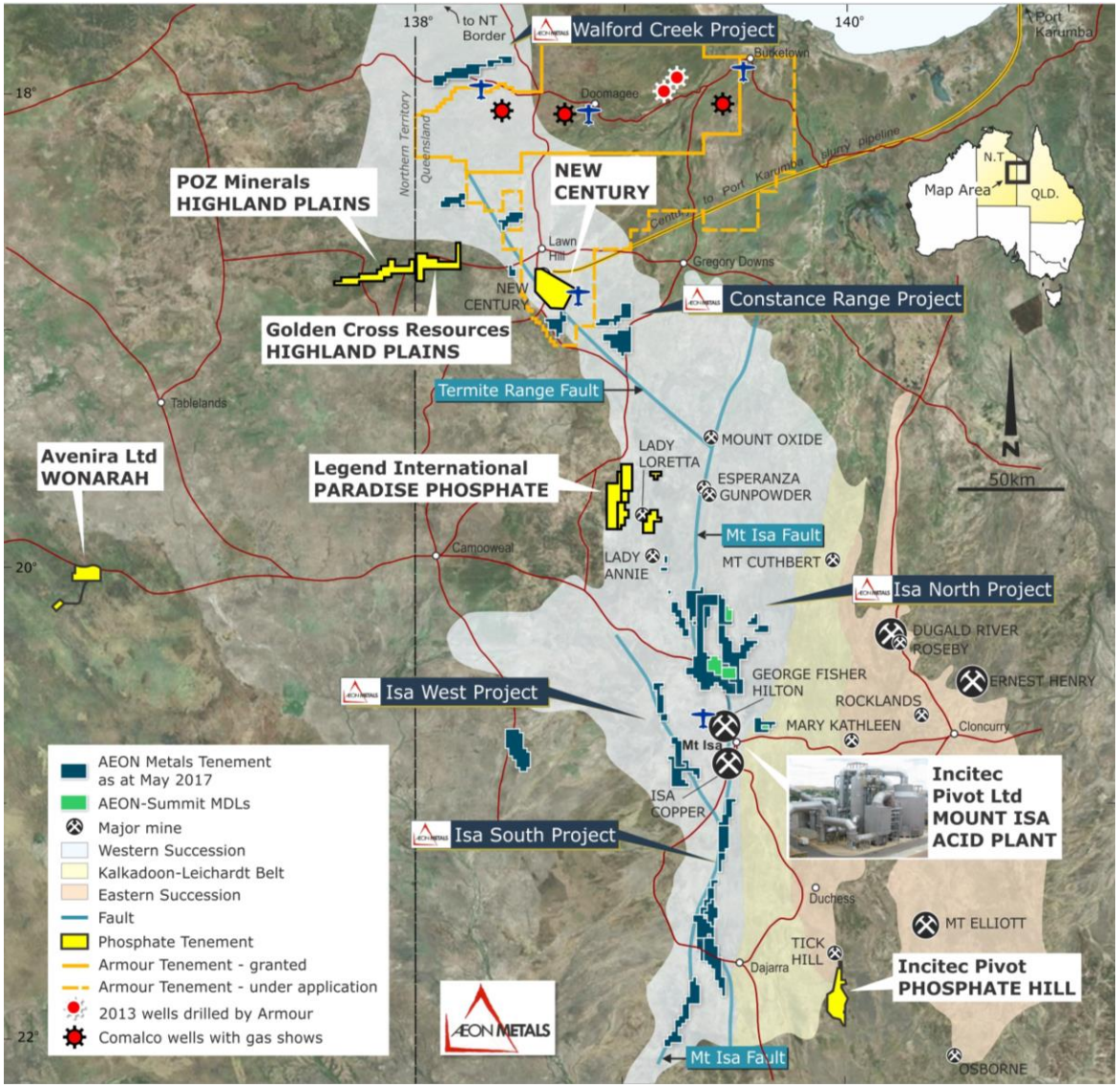
- ✓ Operating cost of $74/t of ROM production.
- ✓ Estimated total capital cost is ~A$668M, including A$33M mining pre-strip costs and A$55M contingency.
- ✓ Payback period is ~3 years.
- ✓ Robust financial metrics which include an after tax NPV_8% of ~A$458M and an IRR of ~19%.



INDICATIVE 2.5MTPA "ROAST" SITE LAYOUT

POSSIBLE ACID SOLUTION

- ✓ The addition of sulphuric acid to phosphate rock to produce the high value (~A$820/t) phosphoric acid product enables the reduction of volume, materially enhances the margin and by default significantly boosts the value of the acid.
- ✓ An example of this is as follows:
  - ✓ 1.3Mtpa Sulphuric Acid + 1.9Mtpa Phosphate = 470ktpa Phosphoric Acid
- ✓ All Cobalt Roasting technical components **conventional in nature**.
- ✓ All the ingredients in place.



NEXT STEPS

Vardy Development:

Drilling results to start flowing early June.

Corporate:

- **Cobalt roasting and acid assessment in parallel to Vardy development.**

QUALITY RESOURCE BASE

Cu-Co METAL LEVERAGE

COUNTER CYCLICAL

BOARD OF DIRECTORS & MANAGEMENT

PAUL HARRIS
CHAIRMAN

25 years' experience in financial markets and Resources investment banking. Recent position was Managing Director, Head of Metals and Mining at Citi.

HAMISH COLLINS
MANAGING DIRECTOR

24 years' combined experience in mining industry and mining investment banking, including mergers & acquisitions and project financing.

STEPHEN LONERGAN
NON-EXEC DIRECTOR

More than 30 years involvement as director, legal counsel and/or company secretary in the for companies in the Australian and international mining industry. Mr Lonergan has been Company Secretary of Aeon Metals Limited since 28 September 2006.

IVAN WONG
NON-EXEC DIRECTOR

More than 20 years experience in running various businesses in Australia. Mr Wong has well established connections in China.

DAN JOHNSON
EXPLORATION MANAGER

More than 30 years experience in exploration management in Australia and overseas.

CAPITAL STRUCTURE & SHAREHOLDER REGISTER

$0.16
SHARE PRICE (A$) [1]

347.83M
SHARES OUTSTANDING

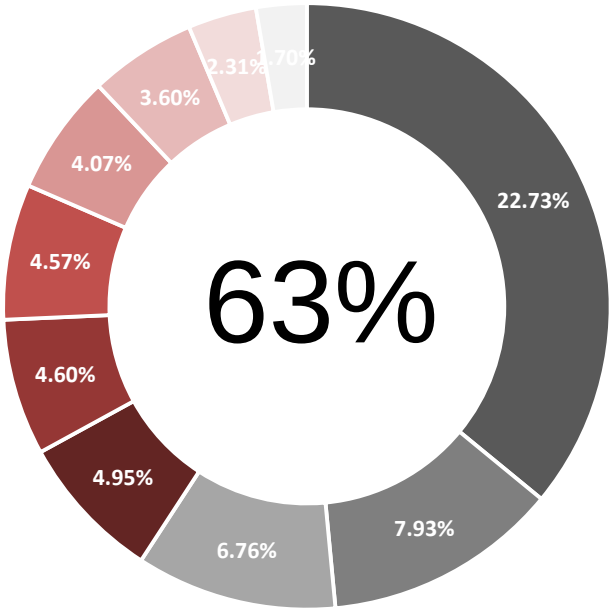
136.25m [2]
VENDOR WARRANTS

$55.5M
MARKET CAP (A$) [1]

$3.0M
CASH (A$) [3]

$33.5M
LIMITED RECOURSE VENDOR DEBT[4] (A$)

TOP 10 SHAREHOLDERS[1]



TOP 5 SHAREHOLDERS[1]

HSBC Custody Nominees (OCP Holdings)	22.73%
Washington H Soul Pattinson & Company	7.93%
Bliss Investments	6.76%
Goody	4.95%
SLW Minerals Corporation	4.60%
TOTAL TOP 5	**46.38%**

1. As at 16 May 2017
2. Tranche 1: 63.25M with strike of $0.158 for face value of $10M. Expiry 17 June 2017
   Tranche 2: 73.00M with strike of $0.094 for face value of ~$6.86M. Expiry 17 Dec 2017
3. As at 31 March 2017
4. Inclusive of capitalised interest as per 17 March 2017.

APPENDICES

APPENDIX 1: COMPETENT PERSON STATEMENT

The data in this report that relates to Mineral Resource Estimates for the Walford Creek Deposit and Vardy Zone 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 Resources in the form and context in which they appear.

The information in this report that relates to Exploration Targets and Exploration Results for the Walford Creek Deposit and Vardy Zone Deposit is based on information compiled 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 and consents to the inclusion in the presentation of the Exploration Targets and Exploration Results in the form and context in which they appear.

APPENDIX 2: ASSUMPTIONS

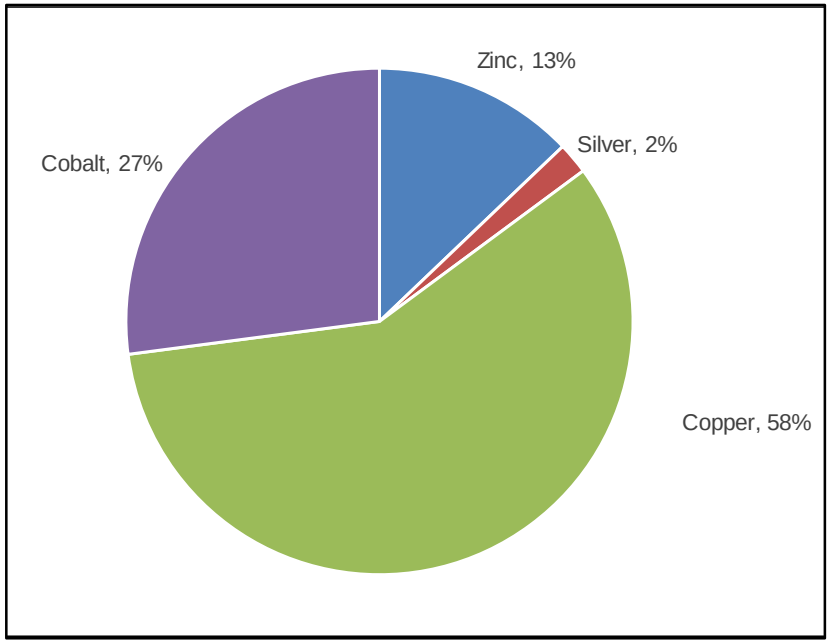
Economic and Commodity Price Assumptions	
Item	Value
Exchange Rate (US$:A$)	0.725
Commodity Prices	
Copper (US$/lb)	3.30
Zinc (US$/lb)	1.25
Lead (US$/lb)	0.86
Silver (US$/oz)	20.00
Cobalt (US$/lb)	20.41

APPENDIX 3: VARDY – METRIC ESTIMATES

Key Project Production Metrics – LOM						
Commodity	2019	2020	2021	2022	2023	2024
Grade						
Copper (%)	1.73	1.11	1.14	0.94	0.92	1.04
Zinc (%)	0.59	1.11	1.55	0.70	1.60	0.79
Lead (%)	0.75	0.76	0.46	0.79	1.08	1.31
Silver(g/t)	27.50	24.54	20.79	27.58	27.48	28.07
Cobalt (ppm)	1,805	2,092	1,848	1,779	2,118	1,397

Concentrate Production Profile – Six Years						
Commodity	2019	2020	2021	2022	2023	2024
Metal Recovery (%)						
Copper	97.15	95.54	95.65	94.76	94.66	75.17
Zinc	57.26	77.52	84.02	64.39	84.69	65.73
Cobalt	48.4	48.4	48.4	48.4	48.4	48.4
Concentrate						
Copper (t)	40,917	27,823	28,390	25,684	25,789	22,897
Zinc (t)	4,317	9,338	13,582	5,427	14,492	6,145
Cobalt (t)	1,362	1,578	1,394	1,342	1,598	1,029

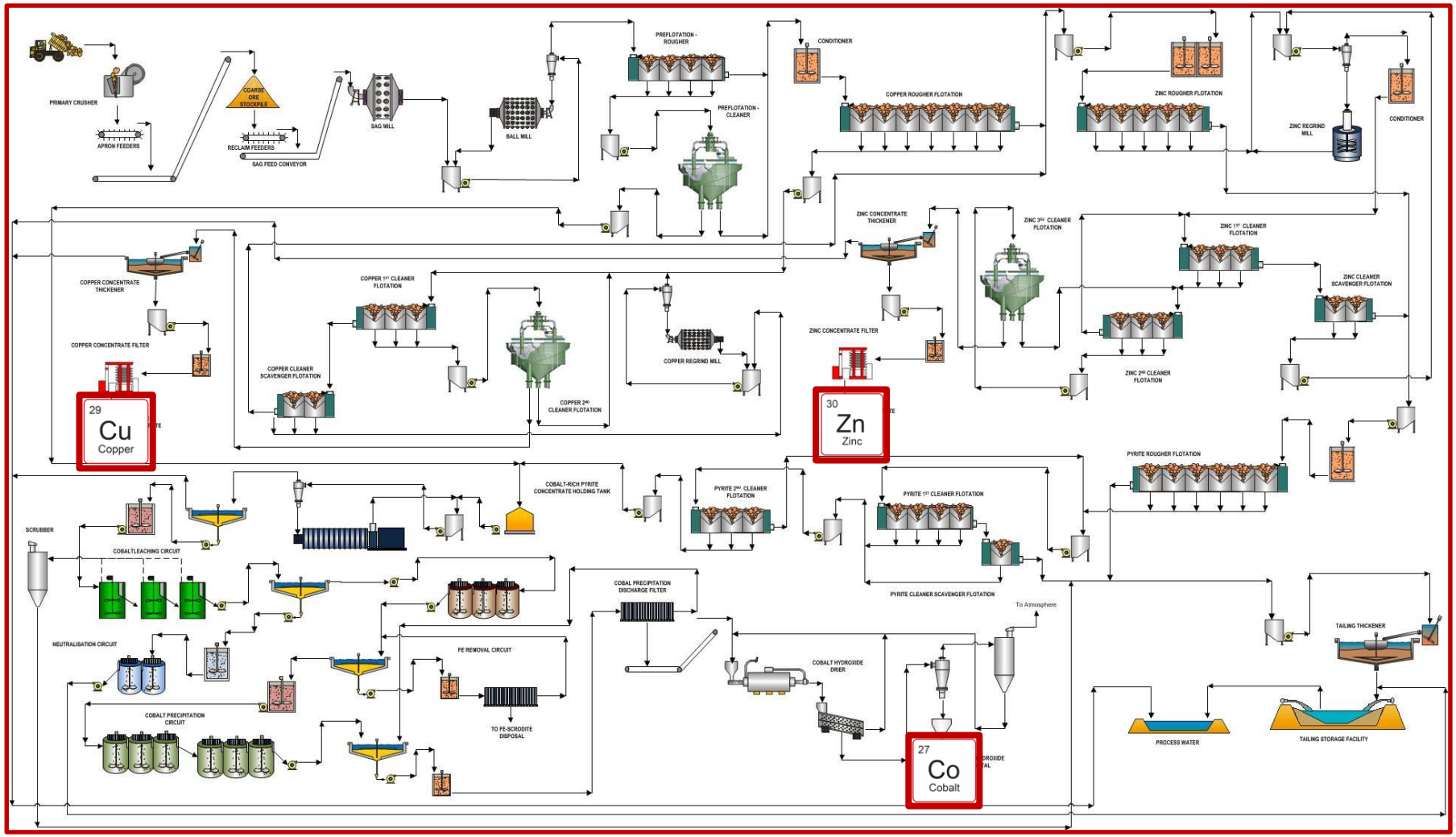
Contained Metal							
Commodity	2019	2020	2021	2022	2023	2024	**Total**
Copper (t)	10,102	6,340	6,514	5,356	5,248	4,598	**38,158**
Zinc (t)	2,013	5,140	7,808	2,712	8,141	3,034	**28,848**
Cobalt (t)	524	607	537	517	615	396	**3,196**



Life of Mine Concentrate Revenue Split[1]

1. See Appendix 2 for Economic and Commodity Price Assumptions

APPENDIX 4: VARDY PROCESSING FLOWSHEET



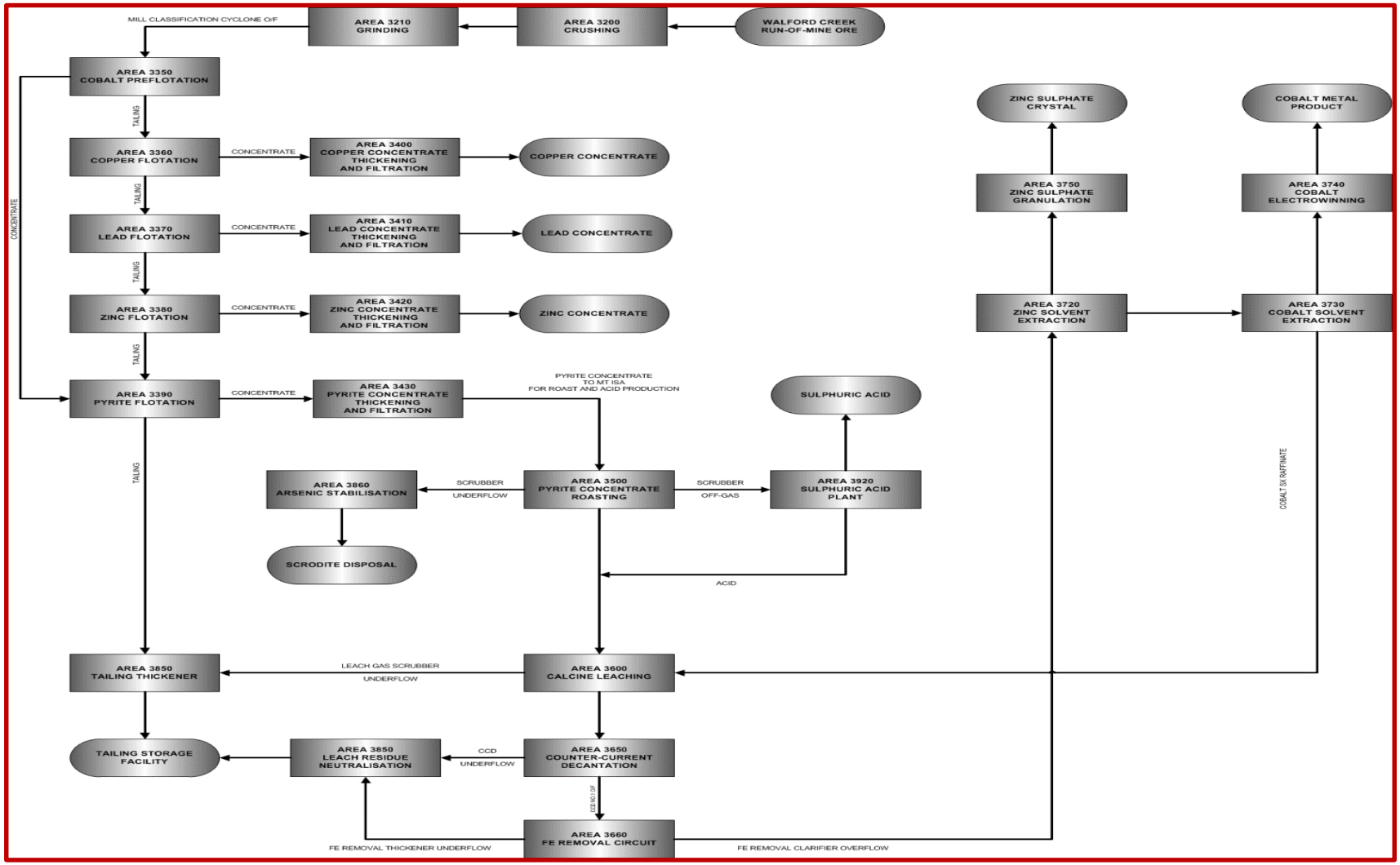
APPENDIX 3: COBALT ROASTING – METRIC ESTIMATES

Recoveries by Production Year									
	Recovery (%)								
	Copper	Lead	Zinc		Cobalt	Silver			Pyrite
	Cu Conc	Pb Conc	Zn Conc	Zn Precip	Co Cathode	Cu Conc	Pb Conc	Zn Conc	Pyrite Conc
YR2	60%	64%	35%	51%	67%	5%	11%	3%	84%
YR3	92%	67%	45%	32%	65%	9%	9%	4%	59%
YR4	89%	43%	72%	13%	67%	12%	4%	6%	71%
YR5	74%	33%	73%	15%	67%	9%	3%	8%	84%
YR6	38%	0%	48%	40%	68%	3%	0%	11%	93%
YR7	45%	49%	56%	27%	59%	2%	10%	8%	74%
YR8	48%	59%	57%	25%	56%	2%	12%	7%	69%
YR9	85%	42%	64%	18%	80%	5%	9%	10%	70%
YR10	74%	52%	70%	16%	59%	4%	14%	10%	69%
YR11	69%	77%	69%	18%	63%	5%	16%	7%	83%
YR12	81%	81%	74%	11%	61%	7%	13%	7%	72%
YR13	90%	70%	72%	15%	67%	12%	9%	6%	78%
YR14	91%	57%	59%	26%	62%	14%	5%	5%	80%
YR15	92%	76%	74%	11%	55%	15%	7%	6%	75%
YR16	93%	81%	71%	57%	264%	14%	8%	6%	346%

	Contained Metal				
	Copper	Zinc	Lead	Cobalt	Silver
	kt	kt	kt	kt	kozs
YR1	2.77	5.10	9.19	0.422	203
YR2	14.64	8.76	14.97	1.398	331
YR3	15.30	17.91	6.89	2.353	333
YR4	7.88	20.17	4.78	1.252	315
YR5	1.75	12.62	0.00	0.706	299
YR6	2.01	11.30	8.21	0.589	364
YR7	2.05	11.21	11.00	0.568	375
YR8	5.13	15.50	6.43	0.923	400
YR9	4.97	18.58	8.57	0.807	409
YR10	5.40	17.53	26.31	0.871	520
YR11	6.93	21.57	35.62	0.910	497
YR12	14.44	20.62	17.74	1.840	484
YR13	17.00	13.14	11.08	2.400	523
YR14	18.96	22.01	26.71	2.381	1003
YR15	2.45	3.64	5.15	0.284	115

1. See Appendix 2 for Economic and Commodity Price Assumptions

APPENDIX 5: COBALT ROASTING PROCESSING FLOWSHEET



APPENDIX 6: COBALT ROASTING/PHOSPHATE FLOWSHEET