



# Company Update

Producing

Exploring

Growing

March 2018

ASX: AIS



# Disclaimer



## Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements or forward-looking information. The words "intend", "may", "would", "could", "will", "plan", "anticipate", "believe", "estimate", "expect", "target" and similar expressions are intended to identify forward-looking statements. These statements are based on certain factors and assumptions and while Aeris considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are given only as at the date of this release and Aeris disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Competent Persons Statement

Competent Person's Statement: The Mineral Resource statement has been prepared by Mr Brad Cox.

Mr Cox confirms that he is the Competent Person for all the Mineral Resource estimates summarised in this Report and he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Cox is a Competent Person as defined by the JORC Code, 2012 Edition, having relevant experience to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Cox is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 220544). Mr Cox has reviewed the Report to which this Consent Statement applies. Mr Cox is a full time employee of Aeris Resources Limited.

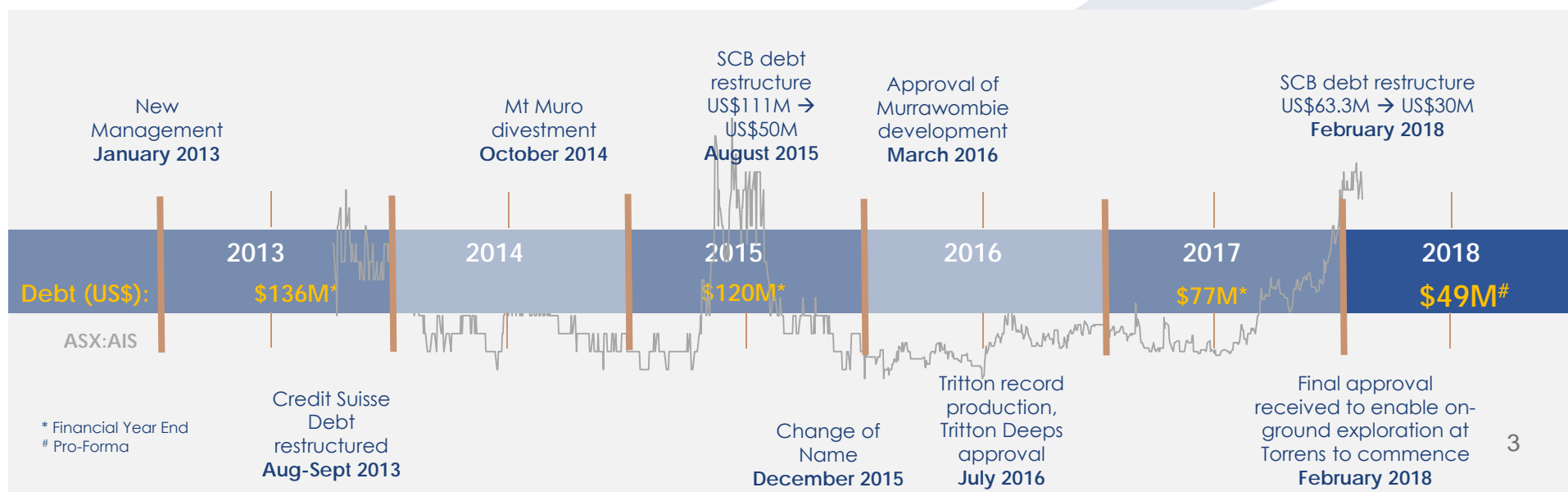
Mr Ian Sheppard, confirms that he is the Competent Person for all the Ore Reserve estimates summarised in this Report and Mr Sheppard has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Sheppard is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Sheppard is a Member of The Australasian Institute of Mining and Metallurgy, No. 105998. Mr Sheppard has reviewed the Report to which this Consent Statement applies. Mr Sheppard is a full time employee of Aeris Resources Limited.

Mr Sheppard has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Sheppard has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Sheppard has rights to 22,418,546 share options that were issued on 15 December 2015 that will vest over four years from the issue date and may be converted to shares over time when various conditions are met. All dollar figures are in Australian dollars unless otherwise indicated.

# Unshackling of a mid-tier copper producer



- Aeris' ability to grow has been restricted by high debt levels and complex capital structure
- This transaction:
  - ✓ Materially reduces debt levels
  - ✓ Simplifies capital structure and halves shares issued on a fully diluted basis
  - ✓ Provides financial flexibility to focus on organic growth opportunities at Tritton and Torrens and explore M&A opportunities



# Significant value enhancing transaction



## 3 Value enhancing events in one transaction (~\$107 million\* excluding price participation)

- ✓ Senior Debt reduced by 53%
  - from US\$63.3 million to US\$30 million (includes US\$5 million Arranger Fee)
- ✓ Share Capital reduced by 50% (for \$1)
  - 467 million (80%) of Convertible Redeemable Preference Shares held by Standard Chartered Bank (SCB) to be redeemed for \$1 and then cancelled
- ✓ Copper Price Participation Agreement with SCB cancelled for \$1
  - Aeris retains full benefit of copper prices above A\$8,000/t

\*\$107 million calculated as follows:

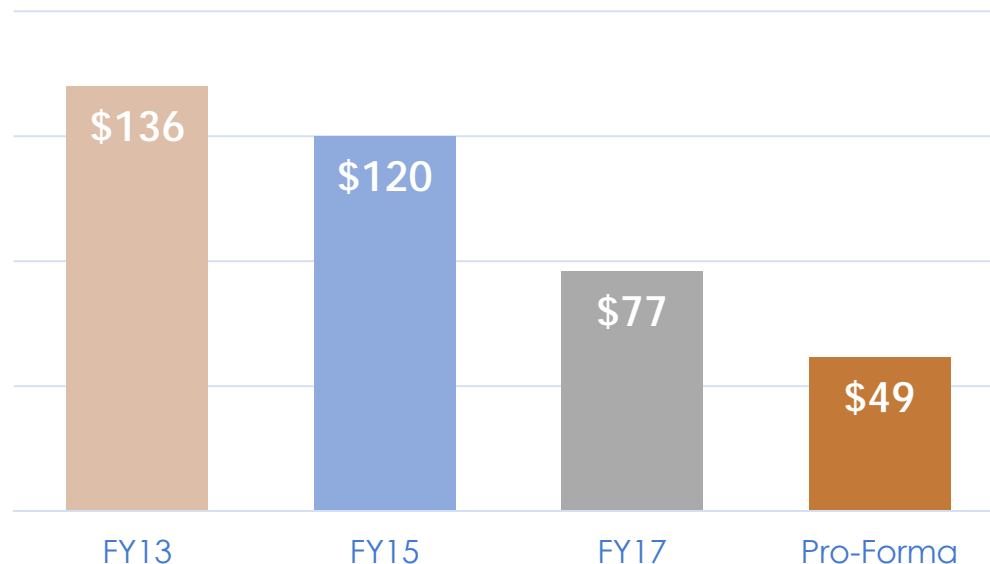
- US\$33 million debt reduction @ AUD/US exchange rate of \$0.78 = \$42 million

- 467 million CRPS cancelled multiplied by closing price of AIS ordinary shares on 27 February 2018 (14 cents) = \$65 million

# Debt reduction over 5 years



Total Debt (US\$ millions)



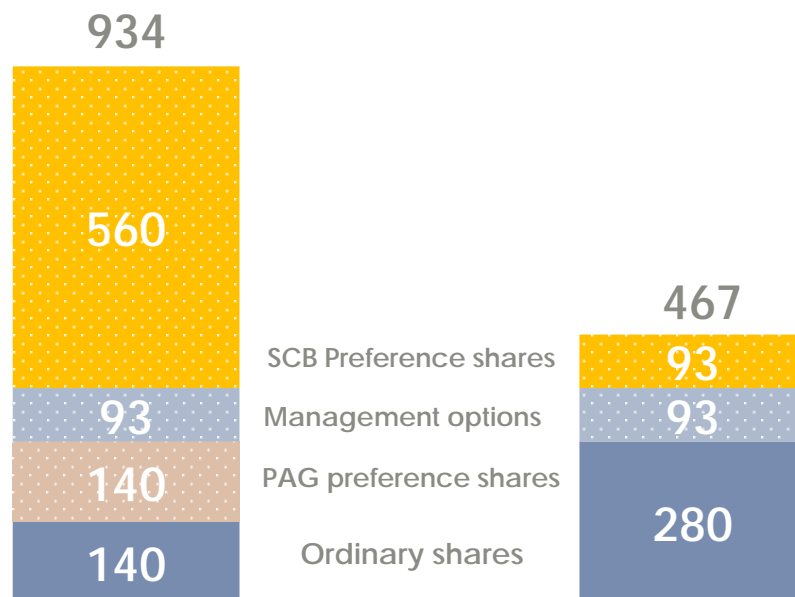
**64%**  
**(US\$87 million)**  
**reduction in**  
**debt since 2013**

- SPOV (a subsidiary of a fund managed by PAG) bought SCB Senior Debt position in December 2017
- Aeris and SPOV agree to restructure Senior Debt from US\$63.3 million to US\$30 million (including US\$5 million Arranger Fee)

# SCB agree to cancel majority of their Preference Shares



Fully Diluted Shares (millions)



**Pre**

**Post**

- SPOV has agreed to convert its 140 million Preference Equity shares to Ordinary shares
- Aeris has bought all but 93 million SCB Preference Shares for \$1 and will cancel

Existing  
shareholders  
effectively  
double their  
holdings in the  
Company



# Company Snapshot



# Company Snapshot



	Current	Pro-forma	Board	
Shares on issue	140.1 million	280.2 million**	Andre Labuschagne	Executive Chairman
Options and Convertible Preference shares	794 million	186.8 million***	Michele Muscillo	Director
Share price#	14 cents	Market dependent	Alastair Morrison	Director
Market Cap fully diluted	\$131 million*		Marcus Derwin	Director

\* Notional fully diluted market capitalisation - includes convertible preference shares with SCB and SPOV plus Management Options

\*\* SPOV preference shares converted

\*\*\*SCB convertible preference shares post restructure and Management options

# closing price 27 February 2018

## Executive Management

Rob Brainsbury

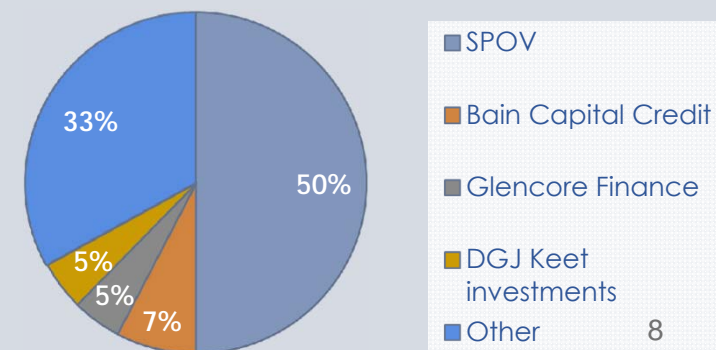
CFO

Ian Sheppard

COO

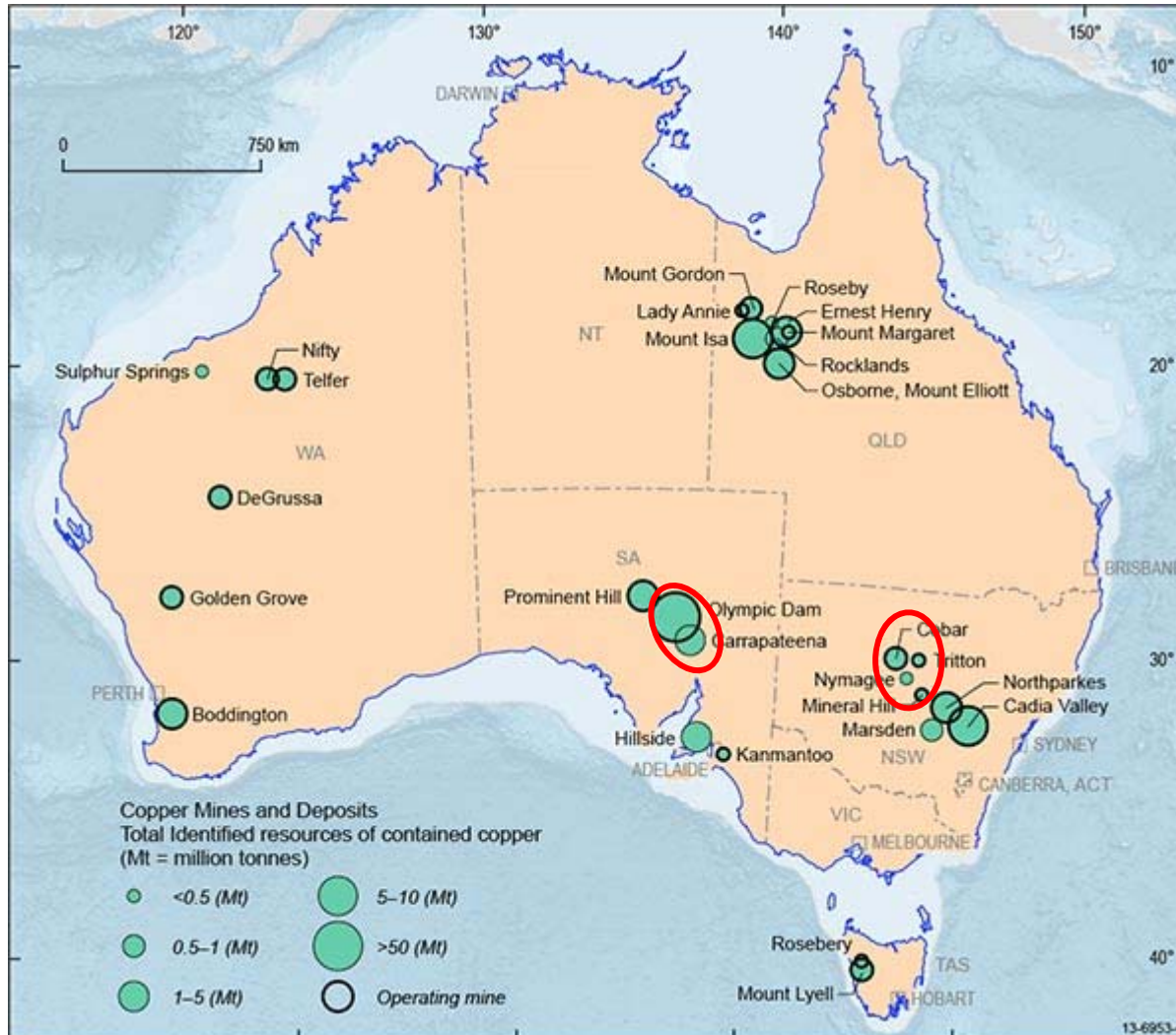
Shareholdings – Fully Diluted		
	Current	Pro-forma
SCB	60%	20%
SPOV	15%	30%
Management	10%	20%
Other	15%	30%

Pro-forma Shareholding (Issued shares)





# Australian producer landscape



- **Tritton Operations**

- ✓ in a proven copper producing district
- ✓ with various producers and explorers in the region

- **Torrens Project**

- ✓ Perfectly located between two major deposits in a known IOCG region

Source: Geoscience Australia

# PRODUCING

## Tritton Copper Operations



# Tritton Operations overview

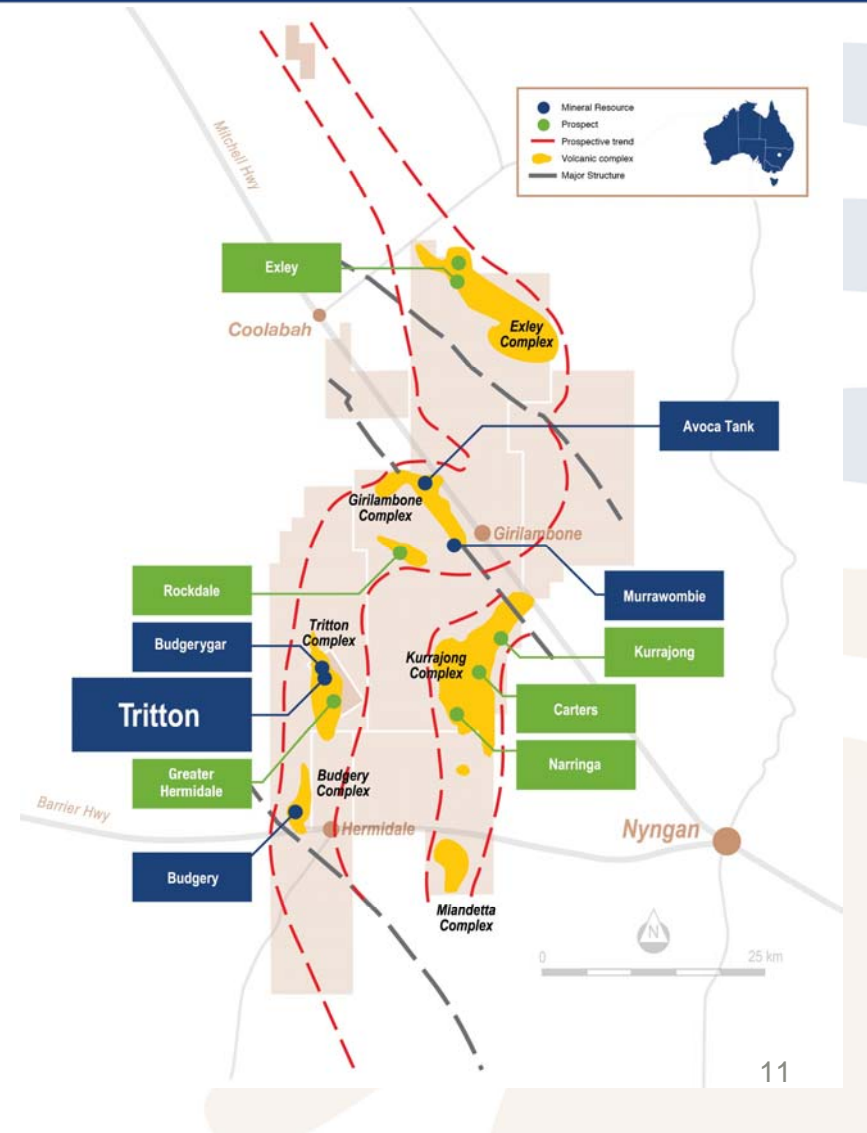
*Proven producer with extensive exploration portfolio*



## Key Statistics

Overview	Ownership:	<ul style="list-style-type: none"> <li>Aeris (100%)</li> </ul>
	Location:	<ul style="list-style-type: none"> <li>Nyngan, NSW, Australia</li> </ul>
	Commodity:	<ul style="list-style-type: none"> <li>Copper (Silver and Gold by-product)</li> </ul>
	Product Type:	<ul style="list-style-type: none"> <li>Concentrate</li> </ul>
	Mine Type:	<ul style="list-style-type: none"> <li>Underground</li> <li>Long hole open stoping</li> </ul>
	Reserves and Resources	<ul style="list-style-type: none"> <li>Ore Reserves: 10.5mt @ 1.5% Cu *</li> <li>Mineral Resources: 21mt @ 1.5% Cu *</li> </ul>
	Status:	<ul style="list-style-type: none"> <li>FY2018 Copper Production Guidance of 27,000 tonnes</li> </ul>
	Employees:	<ul style="list-style-type: none"> <li>350 (inclusive of contractors)</li> </ul>

Production & Operations	Start-up:	<ul style="list-style-type: none"> <li>First production 2005</li> </ul>
	Milling Capacity:	<ul style="list-style-type: none"> <li>Target 1.8mtpa (running above nameplate 1.6mtpa capacity)</li> </ul>
	Copper Recovery:	<ul style="list-style-type: none"> <li>c. 95%</li> </ul>
	2017 Copper Conc. Prod:	<ul style="list-style-type: none"> <li>100kdm<sup>t</sup></li> </ul>
	2017 Copper Conc. Grade:	<ul style="list-style-type: none"> <li>c. 23.4% Cu</li> </ul>
	2017 Cu-in-Conc. prod:	<ul style="list-style-type: none"> <li>23.4kt**</li> </ul>
	AISC/C1:	<ul style="list-style-type: none"> <li>FY17: A\$3.51/lb (U\$2.65/lb)/ A\$2.60/lb (U\$1.96/lb)</li> </ul>
	Mine Life:	<ul style="list-style-type: none"> <li>5 year Life of Mine Plan</li> </ul>
	Logistics:	<ul style="list-style-type: none"> <li>Transported from site by rail c. 700km to the deepwater Port Waratah, Newcastle</li> </ul>



\* As at 30 June 2017

\*\* Includes 150t copper contained in copper cement



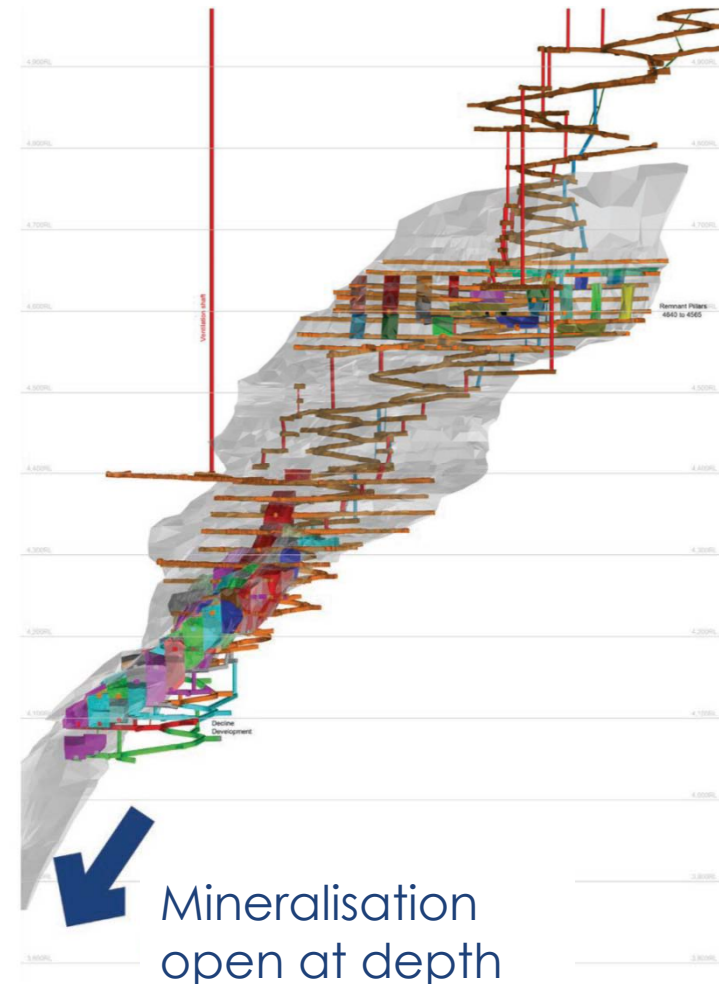
# Tritton Underground Mine



- Baseload ore source – 1.1mtpa-1.2mtpa
- \$10 million Ventilation Shaft - commissioned
- Remnant pillars (high grade) - in production
- Fleet renewal – ongoing
- Mineralisation extends at depth – brownfields exploration potential to extend mine life



## TRITTON



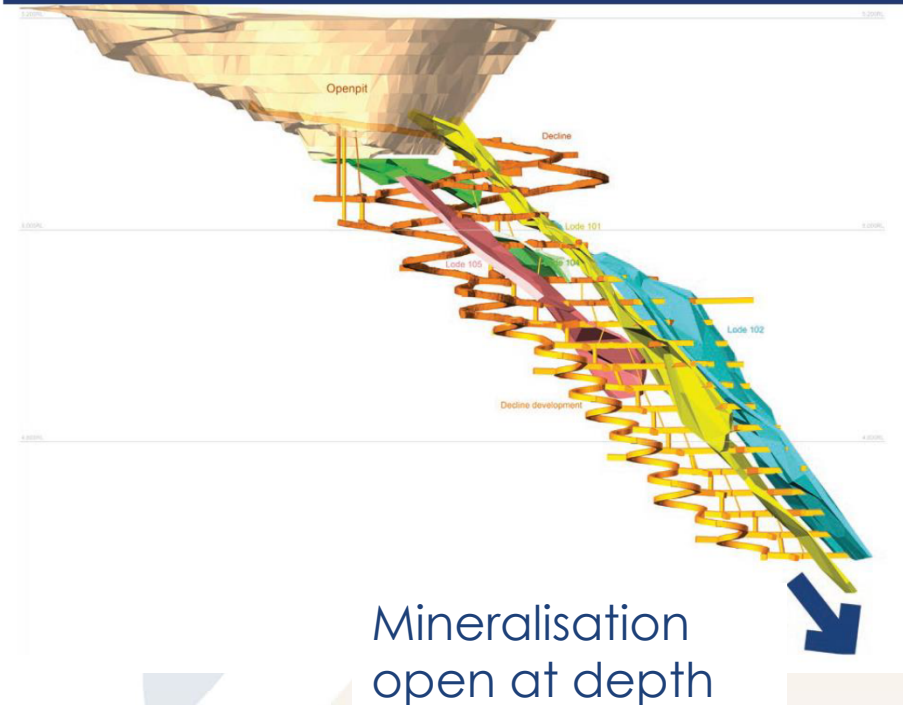
# Murrawombie Underground Mine



- Development commenced FY2017
- Grade control drilling improved understanding of geology and grades
- Higher grades targeted for LOM
- Potential Upside - extensions at depth



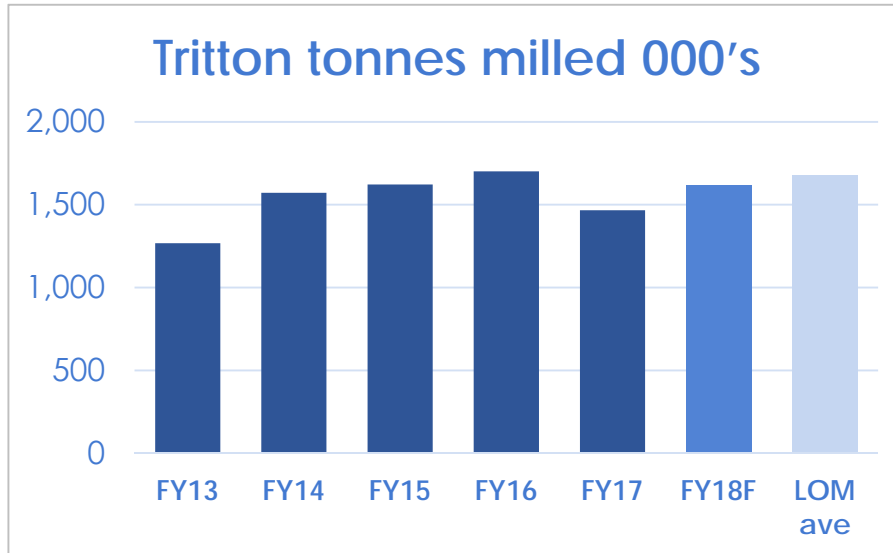
## MURRAWOMBIE



# 1.8mtpa Processing Plant



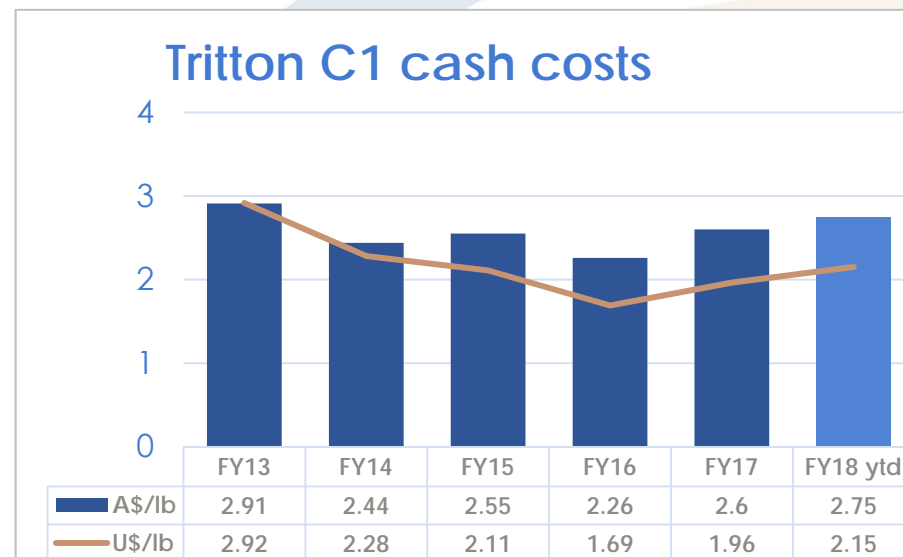
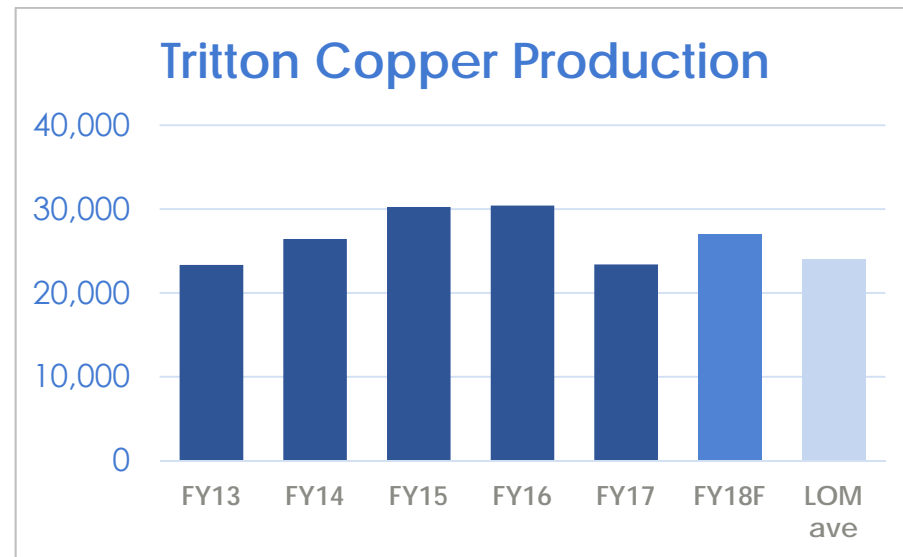
- **Float cell replacement** – delivering improved concentrate quality
- **Further infrastructure upgrades** –including crusher replacement



# LOM plan (5+ years)



- Ore Reserves: 10.5mt @ 1.5% Cu \*
- Mineral Resources: 21mt @ 1.5% Cu \*
  
- 5 year reserve life
  - 1.6 mtpa processed
  - Producing average 24ktpa
  
- Feed from
  - Tritton underground
  - Murrawombie underground
  - Avoca tank underground
  - Murrawombie open cut
  - Budgery open cut
  
- Potential upside to extend mine life
  - Tritton extensions at depth
  - Budgerygar access from Tritton
  - Tritton wings
  - Murrawombie extensions at depth
  - Avoca tank to be tested at depth



\* As at 30 June 2017

Note: FY 2018 YTD C1 Cash Costs as at 31 December 2017



# EXPLORING & GROWING

- Brownfields Exploration
- Greenfields Exploration
- Mergers & Acquisitions



# Exploration Projects



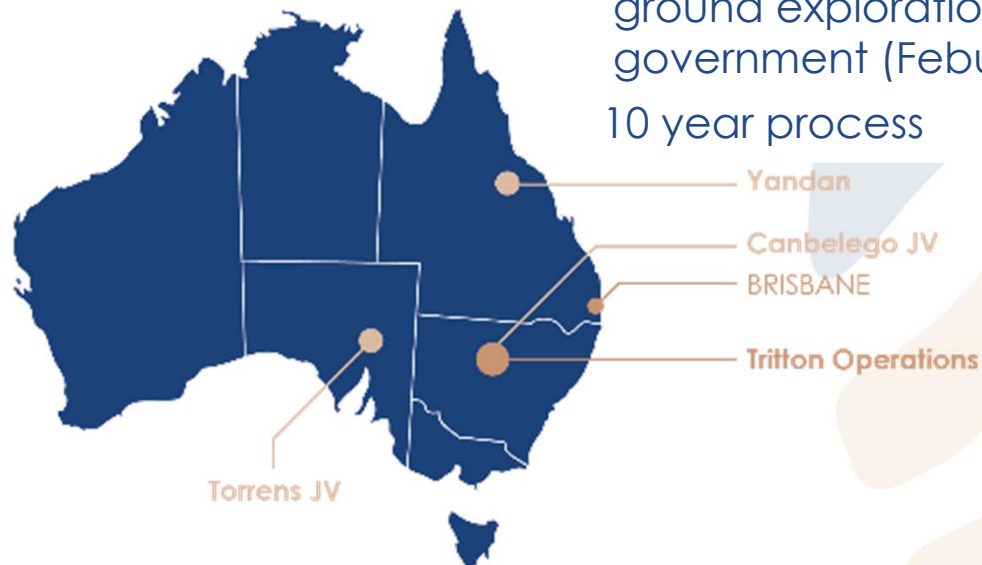
*Exploration focused within two key areas*

## Tritton Tenement Package

- 6 exploration licences covering ~1,800km<sup>2</sup> of prospective ground for base metal deposits within the Girilambone Basin
- Mineral rich corridor with 750kt Cu discovered within the Tritton tenement package since modern exploration commenced in the 1980s

## Torrens Project

- Prospective for large IOCG type deposits in the mineral rich Gawler Craton which hosts the world class Olympic Dam (75km north west) and Carrapateena (50km south)
- Large 120km<sup>2</sup> co-incident gravity and magnetic footprint
- Final approval to recommence on-ground exploration received from SA government (February 2018) following 10 year process

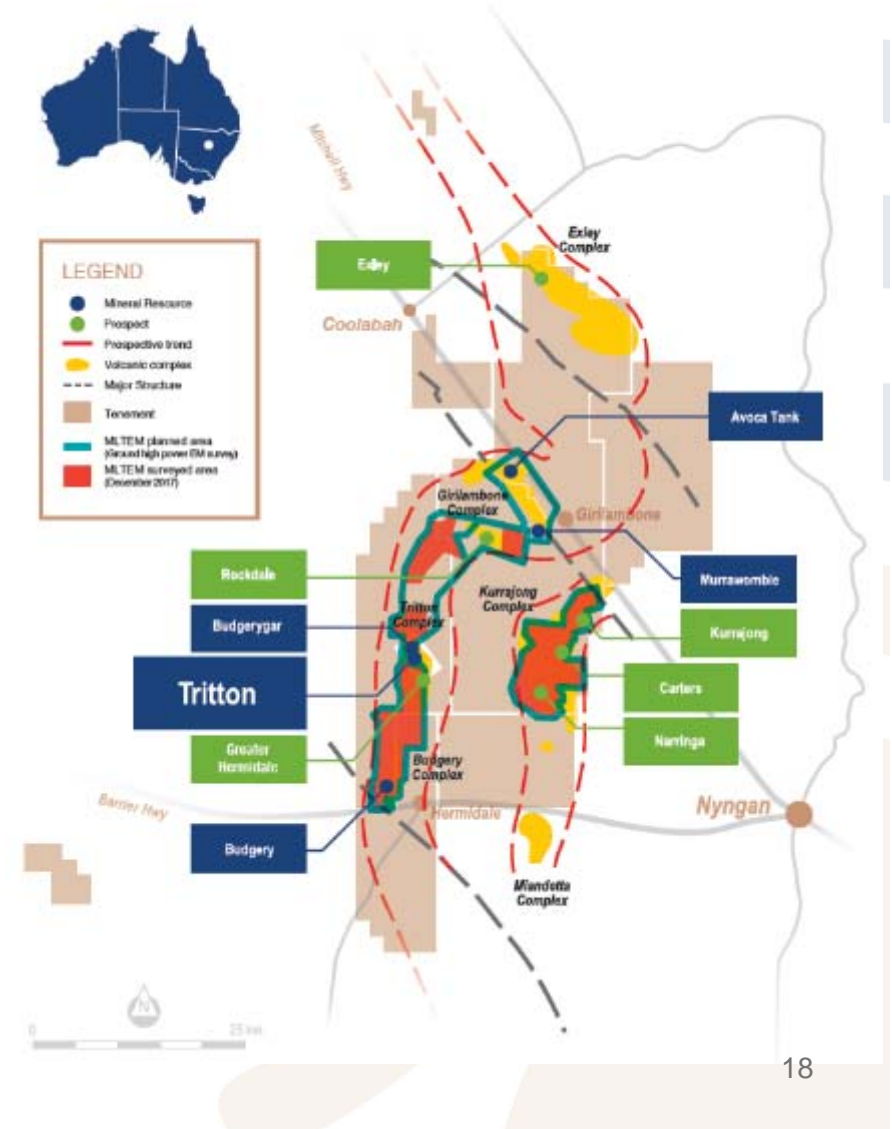


# Tritton Tenement Package

## *Growth Strategy*

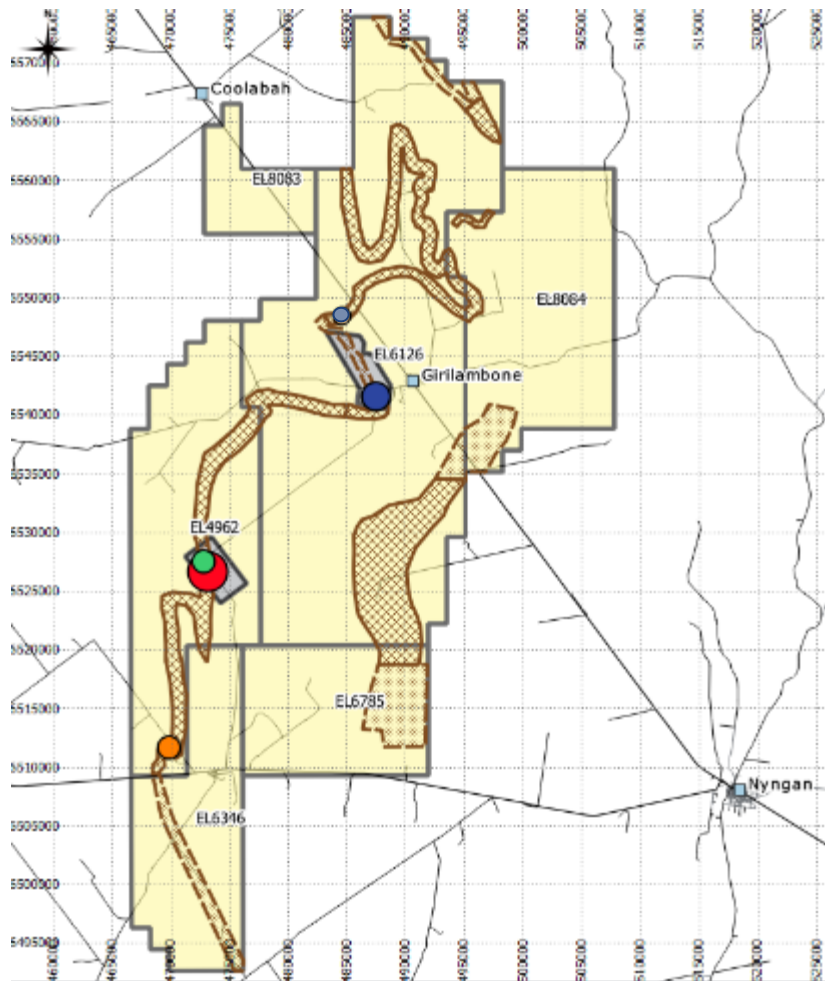


- Exploration targeting Cu rich mineralisation within a highly prospective tenement package
- Proven exploration model delivering results
  - 48Mt Mineral Resource discovered from exploration methods looking within 250m from surface
  - Contained within <50% of the prospective corridor
- Current exploration strategy is focused on:
  - Brownfields exploration
  - Greenfields exploration
    - applying new high power EM technologies to detect mineralisation down to 500m
    - campaign underway covering ground between Budgery to Avoca Tank
  - Work underway to extend the prospective corridor across the entire tenement package
    - Open up ground within northern half of tenement for focused exploration



# Tritton Tenement Package

*Brownfields Exploration within a highly endowed field*



- Tritton Deposit**  
Large mineralised system traced over 1.6km down plunge. Production commenced in 2005 and the deposit remains open down dip.  
Mineral Resource 9.9Mt @ 1.6% Cu for 155kt Cu metal<sup>1</sup>
- Murrawombie Deposit**  
Mining underground below open pit. Multiple stacked sulphide lodes traced over 700m down plunge. Mining recommenced in 2016.  
Mineral Resource 6.6Mt @ 1.5% Cu for 100 kt Cu metal<sup>1</sup>
- Budgery Deposit**  
Combination of near surface oxide Cu and deeper sulphide Cu mineralisation. Remains open at depth with multiple untested DHEM targets  
Mineral Resource 2.0Mt @ 1.1% Cu for 22kt Cu metal<sup>1</sup>
- Budgerygar Deposit**  
Near surface large sulphide system with multiple lenses containing Cu 600m along strike from Tritton. Drill tested to 650m below surface and remains open down dip.  
Mineral Resource 1.6Mt @ 1.5% Cu for 20kt Cu metal<sup>1</sup>
- Avoca Tank Deposit**  
Small high grade massive sulphide lenses. Drill tested to 400m below surface and remains open down dip.  
Mineral Resource 0.9Mt @ 2.6% Cu for 24kt Cu metal<sup>1</sup>

<sup>1</sup> This information taken from reported 30 June 2017 reported Mineral Resource figures included in 2017 Annual Report released by Aeris Resources to ASX on 10 October 2017.

**Total Mineral Resource: 21.0Mt @ 1.5% Cu for 320kt Cu metal**

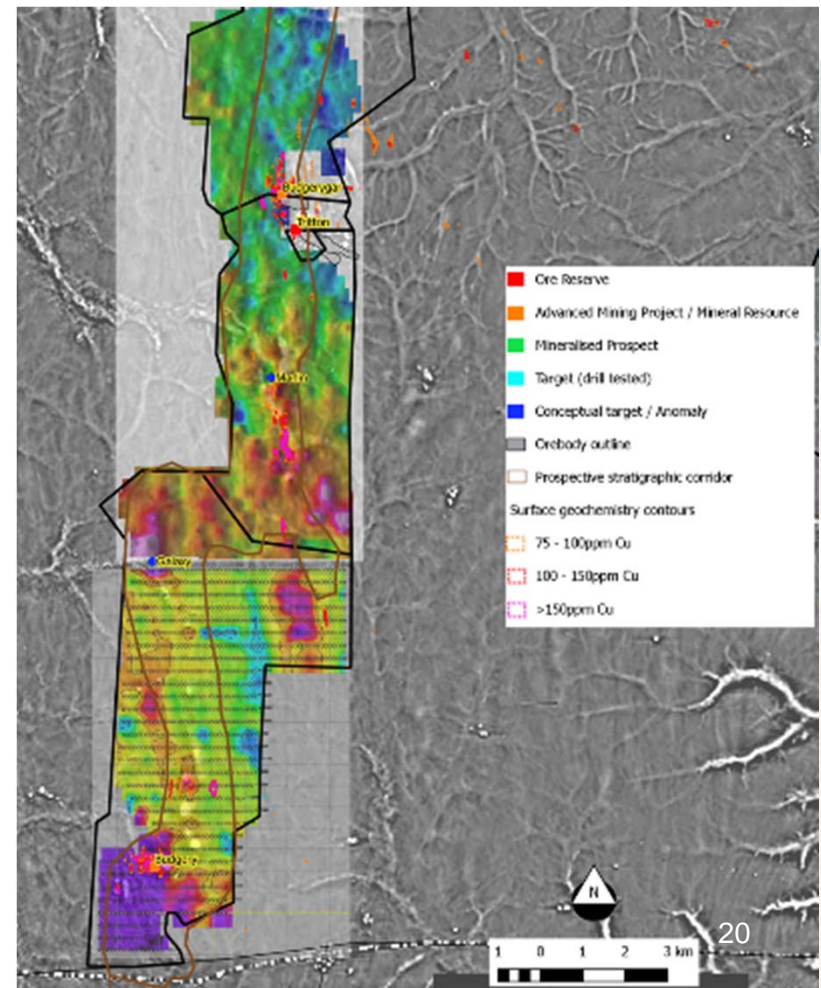
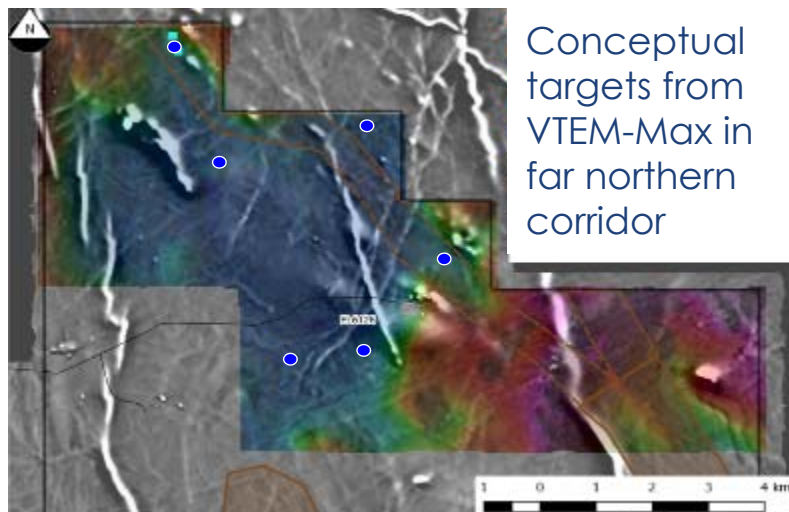


# Tritton Tenement Package

## Greenfields Exploration 2017 - 2019



- High power EM (MLTEM) surveys over Budgery to Avoca Tank & Kurrajong (detect mineralisation to 500m)
  - 80% complete. Multiple EM conductors detected
  - Initial drill program will commence in March Qtr 2018 targeting 2 MLTEM conductors
- Completed regional mapping to define prospective corridor across northern half tenement (GEx Trend)
  - *Extended prospective corridor by 60km (+100% increase)*
- Complete targeted EM surveys within GEx Trend
  - *Initial VTEM-Max survey detected 6 potential bedrock EM anomalies (~20% coverage of GEx Trend)*





# Torrens Project (Aeris 70%)



# Torrens Project

*Gawler Craton – World class IOCG province*



- The Gawler Craton covers ~440,000km<sup>2</sup> of central South Australia
- Along the eastern margin the Olympic IOCG corridor is prospective for IOCG type deposits

## Hosts 3 world class IOCG deposits

### Olympic Dam

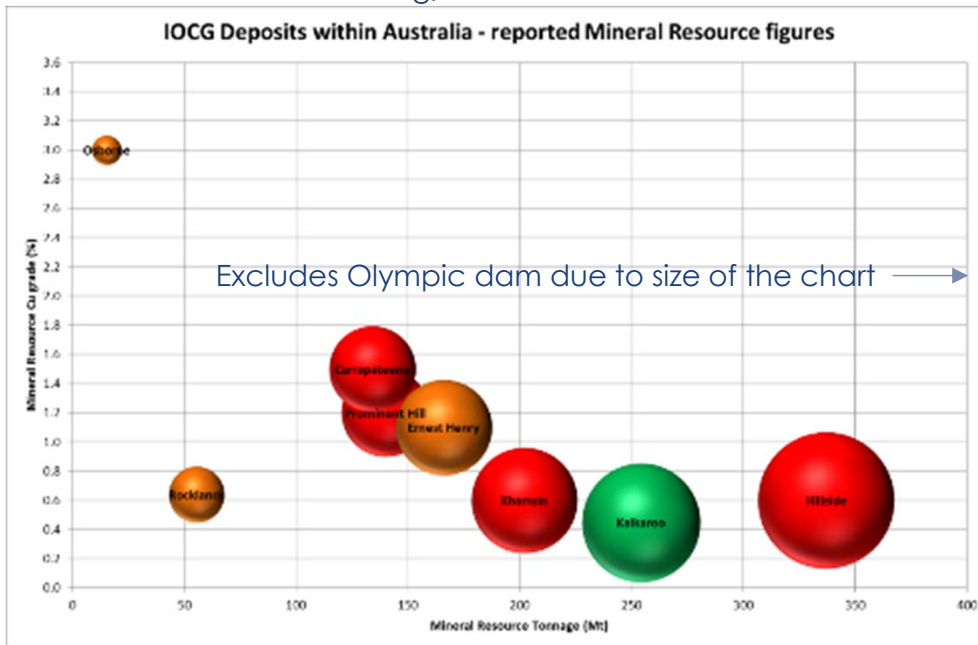
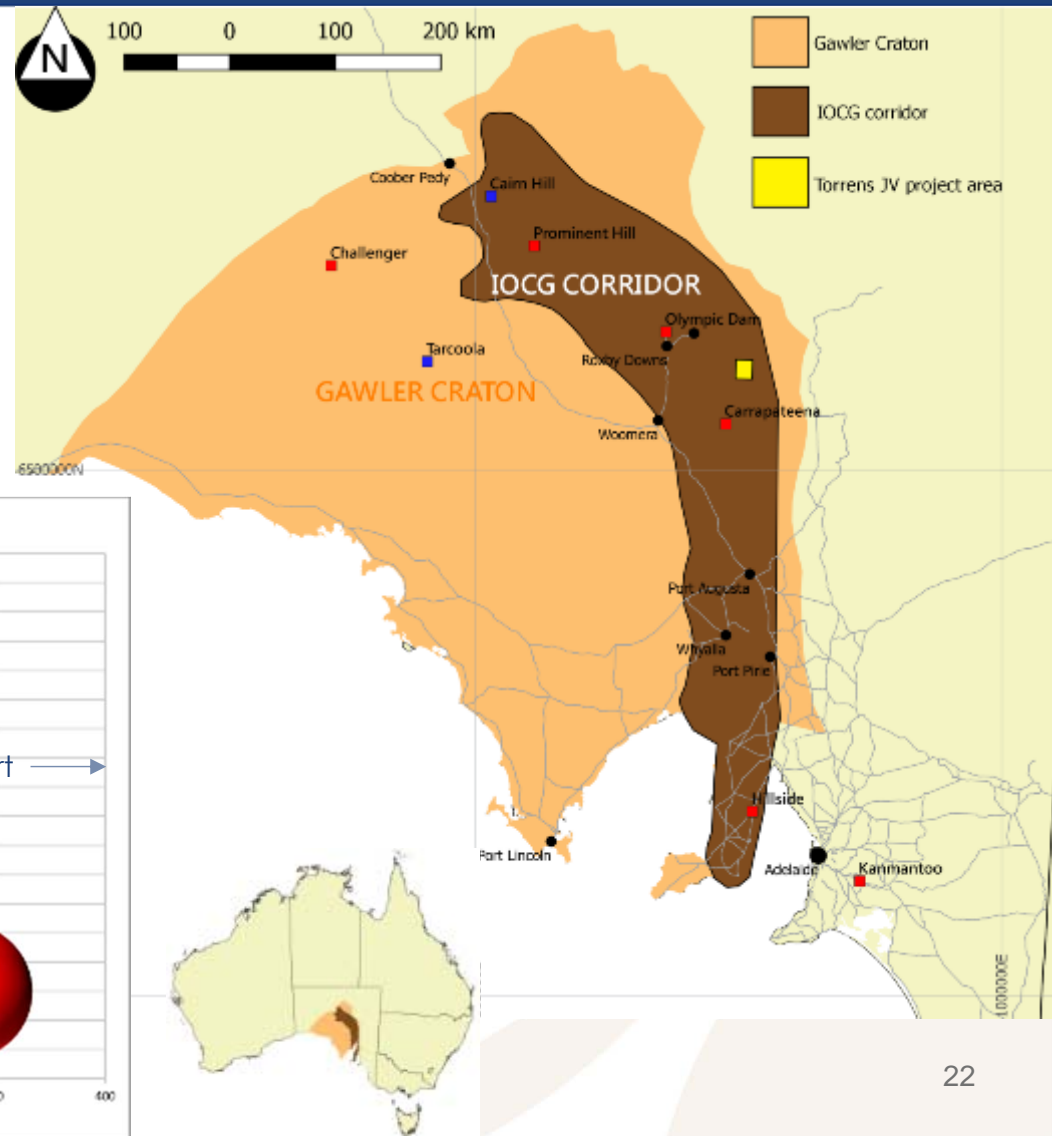
10,100Mt @ 0.8% Cu & 0.3 g/t Au

### Prominent Hill

140Mt @ 1.2% Cu & 0.5 g/t Au

### Carrapateena

130Mt @ 1.5% Cu & 0.6 g/t Au



# Torrens Project

## Torrens Geophysical Footprint



- Torrens Project contains multiple gravity anomalies
- Largest gravity anomaly footprint 11km x 6.5km
- Olympic Dam gravity anomaly covers a smaller footprint 6km x 3.5km
- Olympic Dam mineralised envelope matches gravity high anomaly

Olympic Dam projected orebody outline



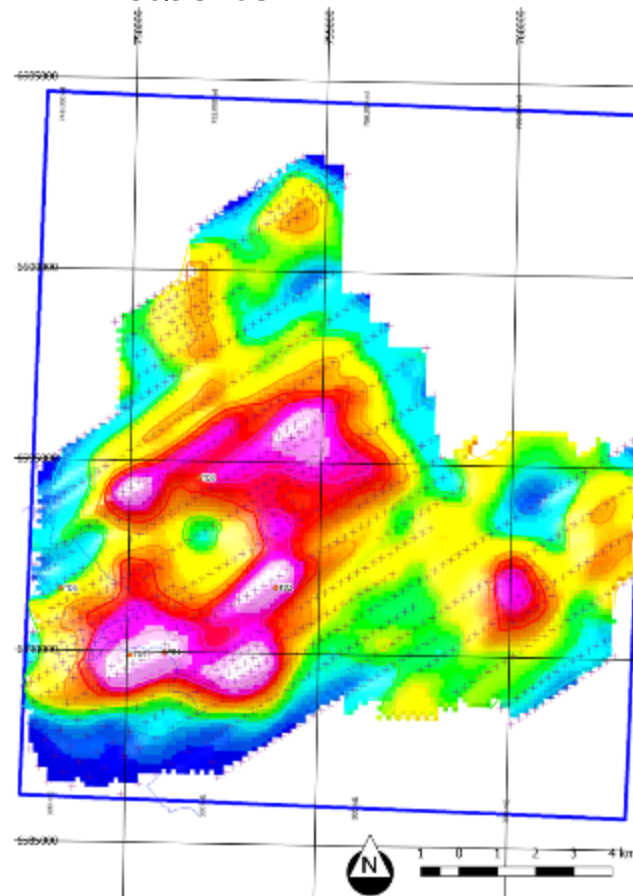
Prominent Hill projected mineralised outline



Carrapateena projected mineralised outline

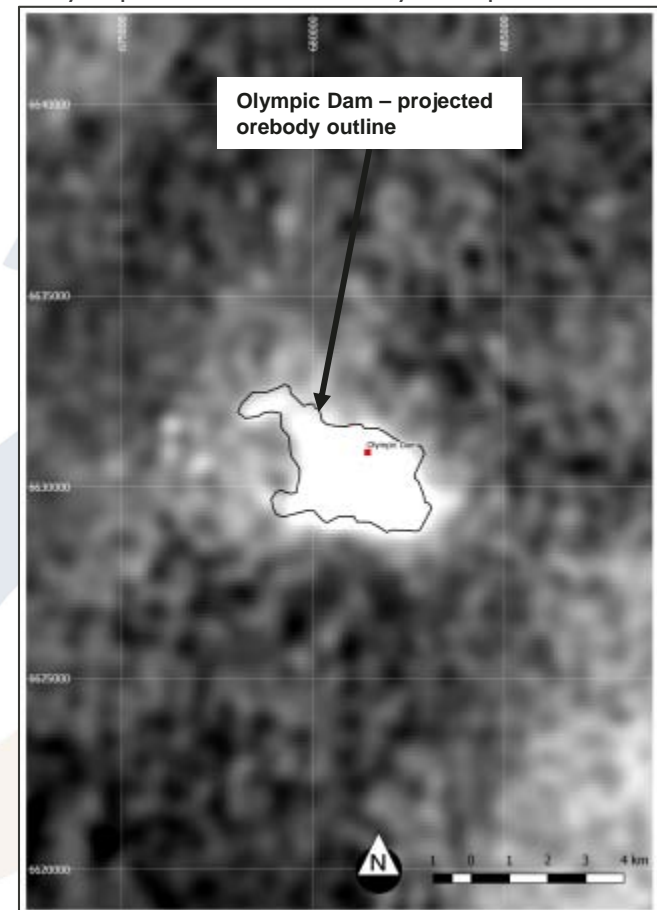


Torrens Project Gravity Response <sup>1</sup>



<sup>1</sup> Amalgamation of multiple ground based gravity surveys across tenement

Olympic Dam Gravity Response <sup>2</sup>



<sup>2</sup> South Australian 2006 Falcon Gravity Survey dataset



# Torrens Project

*The way forward – planned exploration*



- Regional airborne gravity survey (FY2018 Q3)
  - Acquire a high quality & detailed dataset quickly without requiring ground access
  - Assist with interpreting underlying geology
  - Refine drill targets in-conjunction with magnetic & structural interpretations
- Drill program (FY2019)
  - Conceptually ~10 geophysical targets identified to date
  - Sustained first pass drill campaign (~20-30 holes)
  - Planned drilling 700m to 1,500m below surface





# SUMMARY



# Investment rationale: Poised for growth



- ✓ **Production** - Established copper producer (27kt guidance for FY2018)
- ✓ **Strong Foundations** - Tritton Copper Operations performing with 5+ years Life of Mine Plan and exploration upside
- ✓ **Experienced Board and management team** - Proven track record with clear vision and strategy
- ✓ **Tritton Exploration** – exciting brownfield opportunities and early results promising on current greenfield exploration work
- ✓ **Torrens Project** – significant potential, approvals in place – close to drill ready
- ✓ **Price leverage** - Strong leverage to copper price upside and exploration success
- ✓ **Future** – Following capital and debt restructure, now in a position explore growth opportunities

**To become a mid-sized, multi-mine company, delivering shareholder value through an unwavering focus on operational excellence**

# Thank you.

CLEAR GROWTH OPPORTUNITIES • PROVEN TEAM • **SHARED VISION**



**Aeris**  
RESOURCES

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# Appendices



# Reported Mineral Resource

## Tritton Tenement Package (30 June 2017<sup>1</sup>)



Project	Cut-off (%Cu)	Measured			Indicated			Inferred			Total Resource		
		Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)
Tritton	0.6	3,700	1.8	69	3,700	1.3	49	2,000	1.2	20	9,400	1.5	140
Tritton (pillars)	0.6	-	-	-	490	2.6	13	-	-	-	490	2.6	13
Murrawombie	0.6	-	-	-	5,700	1.6	89	800	1.3	10	6,600	1.5	100
Budgerygar	0.6	-	-	-	-	-	-	1,600	1.5	20	1,600	1.5	20
Budgery	0.5	-	-	-	1,700	1.1	19	300	0.9	3	2,000	1.1	22
Avoca Tank	0.6	-	-	-	770	2.9	23	100	1.0	0	900	2.6	24
Stockpile	-	11	1.2	0	-	-	-	-	-	-	11	1.2	0
<b>Total</b>		<b>3,700</b>	<b>1.8</b>	<b>69</b>	<b>12,400</b>	<b>1.6</b>	<b>190</b>	<b>5,000</b>	<b>1.3</b>	<b>60</b>	<b>21,000</b>	<b>1.5</b>	<b>320</b>

<sup>1</sup> Discrepancies in summation may occur due to rounding

# Reported Ore Reserve Tritton Tenement Package (30 June 2017<sup>1,2,3</sup>)



Project	Type	Cut-off (%Cu)	Proven			Probable			Ore Reserve		
			Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)
Tritton	Underground	1.1 & 1.5	3,000	1.7	51	2,200	1.4	31	5,200	1.6	82
Murrawombie	Underground	1.0	30	1.2	0.4	2,900	1.4	40	2,950	1.4	41
Murrawombie	Open Pit	0.5	-	-	-	1,600	0.9	14	1,600	0.9	14
Avoca Tank	Underground	1.2	-	-	-	700	2.5	18	700	2.5	18
Stockpile			10	1.2	0	-	-	-	10	1.3	0
<b>Total</b>			<b>3,100</b>	<b>1.7</b>	<b>51</b>	<b>7,400</b>	<b>1.4</b>	<b>100</b>	<b>10,500</b>	<b>1.5</b>	<b>150</b>

*1 Discrepancies in summation may occur due to rounding*

*2 1.1% Cu cut-off grade assigned to Tritton underground. 1.5% Cu cut-off grade associated to Tritton pillars.*

*3 Mineral Resources are quoted as INCLUSIVE of Ore Reserve.*

# Reported Mineral Resource Other Projects (30 June 2017 <sup>1,2</sup>)



Project	Cut-off (g/t Au)	Measured					Indicated					Inferred				
		Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)	Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)	Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)
Yandan	0	-	-	-	-	-	-	-	-	-	-	4,000	-	2.4	-	300
<b>Total</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	<b>4,000</b>		<b>2.4</b>		<b>300</b>

<sup>1</sup> Reported Mineral Resource figures for the Yandan Project are reported from three domains which represent high grade epithermal vein systems. All block estimates within each domain have been reported (0 g/t Au cut-off)

<sup>2</sup> Discrepancies in summation may occur due to rounding