25 February 2016 **ASX / MEDIA RELEASE**

AERIS RESOURCES LIMITED
(ASX: AIS)

Appendix 4D (Rule 4.2A.3)
Financial Report
For the half-year period ended 31 December 2015

Results for announcement to the market

(All comparisons are to the half-year ended 31 December 2014)

	$'000	Up/Down	% movement
Revenue	92,197	Up	4%
Gross Profit	(5,424)	Down	159%
Net profit after income tax (NPAT)	28,051	Up	232%

Audit
This report is based on the consolidated half-year financial report which has been reviewed.

Acquisitions and disposals
There were no acquisitions or disposals in the period.

Commentary on results for the period
Please refer to the review of operations and financial result sections detailed in the director's report included in the attached half-year report for the period ending 31 December 2015.

Dividends
The Directors do not recommend payment of a dividend. No dividend was paid during the half year or the corresponding period. Consequently there is no record date.

Net tangible assets per share (fully diluted)
The net tangible assets per share were 0.03 cents for 31 December 2015 and (0.03) cents for 30 June 2015. The comparitave net tangible asset per share was restated to incorporate the fully dilutive impact resulting from the SCB restructure.

Additional 4D disclosures
Additional disclosure requirements can be found in the Directors' Report and consolidated financial report attached to this report.

For further information, please contact:
Mr. Andre Labuschagne
Executive Chairman
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Aeris Resources Limited

ABN 30 147 131 977

Interim report for the period ended 31 December 2015

Directors' Report

Your Directors present their report on the consolidated entity consisting of Aeris Resources Limited (the Company) previously known as Straits Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2015 and where required, the previous corresponding period for the half-year ended 31 December 2014.

Directors

The Directors of the Company in office during the financial period and up to the date of this report were:

Current Directors at date of the report
Willie André Labuschagne
William Edward Alastair Morrison
Michele Muscillo

Principal Activities

The principal activities of the consolidated entity for the period ended 31 December 2015 were the production and sale of copper, gold and silver and the exploration for copper and gold. Other than as referred to in the review of operations, there were no significant changes in those activities during the financial period.

Dividend

The Directors do not recommend payment of a dividend for the period to 31 December 2015. No dividend was paid during the period.

Operating and Financial Review

Operations

During the period under review, the focus on improving operational performance at the Tritton Copper Mine (Tritton) in New South Wales continued. Both the mining operations and processing plant performed strongly with the processing plant setting a new quarterly record of 454,404 tonnes of Copper ore milled in the December quarter, producing 15,254 tonnes of Copper in concentrate in the period (Dec 2014: 14,916 tonnes of Copper in concentrate produced). This follows the record annual production achieved during the 30 June 2015 financial year of 30,245 tonnes of copper metal.

The priority operational focus continued to be centred on improving reliability of the mine equipment fleet. In December 2015, the Company placed orders to purchase a new truck fleet which will replace the current ageing and high cost units. The first two new 63t underground trucks were added to the fleet in December.

Ongoing productivity initiatives focussed on increased production and lower costs are underway.

The total recordable injury frequency rate (TRIFR) has fallen to 20.4 as at 31 December 2015, continuing to further improve on the TRIFR levels of the past two years.

Exploration

The Company currently hold 184,600 hectares in the prospective Tritton VMS district. This is made up of four granted exploration and three mining leases. Six major mafic complexes have been identified within a sequence of sedimentary rocks with a combined strike length of greater than 100km. Numerous anomalies have been identified and remain untested in the Tritton region.

An exploration strategy has been steadily evolving for the region and has been extremely effective in both identifying and testing for VMS sulphide systems as demonstrated by the Company's exploration success at Avoca Tank, Kurrajong, Carters and Budgery.

The quality of the remaining targets in the Tritton region and the potential for further discoveries in this large VMS copper district is excellent. The Company's previous success and the knowledge that Besshi VMS systems like Tritton are characterised by repeats along strike, multiple horizons and lenses and significant depth potential gives the company great confidence for the discovery of additional deposits along the multiple prospective horizons within the Tritton region.

Tritton Deeps

A drilling program has commenced to better define the orebody below 4,200mRL, known as "Tritton Deeps". The Tritton Deeps project is a multi-phase drill program designed to test mineralisation continuity below current drilling information and extend the Mineral Resource Inventory to the 3,800mRL level.

The initial Tritton Deeps Phase 1 drill program has recently been completed with the results announced to the ASX on 2 October 2015 (correction announced 20 October 2015).

The second phase of the Tritton Deeps drilling program has commenced, the intent being to drill out the Tritton orebody to 40m x 40m drill spacing between the 4,200mRL to 4,000mRL.

Financial Results

The Group recorded a profit after tax for the 6 month period to 31 December 2015 of $28.1 million (Dec 2014: loss of $21.3 million). The result was impacted by a number of key factors including:

- Gain on debt restructure of Standard Chartered Bank (SCB) Debt facility positively impacted the result by $45.9 million;
- Revenue from continuing operations amounted to $92.2 million compared to $88.6 million in the previous corresponding period. This was directly due to timing impacts of concentrate sale shipments, with the prior period's revenue at 31 December 2014 not being able to be recognised (ca. 11,003 wmt of Copper with an invoice value of approximately $13.6 million). The increased revenue recognition was however offset by lower copper prices achieved in the period compared to the previous period;
- Cost of goods sold have increased from $79.5 million at December 2014 to $97.7 million at 31 December 2015, due to increased treatment and refining costs and inventory movements as a result of timing of copper shipments and increased amortisation due to increased tonnes mined and sequence of mining activities;
- Foreign exchange impacts on the Restructured US denominated Bridge Loan and Working Capital Facility with SCB as well as Convertible Notes with Credit Suisse ($8.9 million) was lower than in the prior period ($20.5 million), due to the AUD:USD depreciating by 5% in current period compared to 10% in prior period.

Financial Position
The positive net asset position of the Group at 31 December 2015 was $31.597 million (negative net assets at 30 June 2015 were $27.180 million), mainly due to Restructure of the SCB debt which was approved by Shareholders at an Extraordinary General Meeting (EGM) on 15 December 2015.

Restructure of SCB Debt
On 3 August 2015 it was announced that, the company, the Existing Lender Group and Special Opportunity V Limited (PAG SPV), as the New Lender, had entered into binding agreements, which, were subject to the satisfaction of a number of conditions precedent, including shareholders approval.

At the EGM held on 15 December 2015 Straits Resources Limited (now Aeris Resources Limited) shareholders approved all resolutions put forward, including:

- Change of name to Aeris Resources Limited;
- Restructure of the debt with Standard Chartered Bank (SCB); and
- 1 for 10 consolidation of capital (Ordinary shares).

On 15 December 2015, the Company advised that all relevant conditions precedent to the longer term debt structure had been fulfilled by the shareholder approvals received at the EGM, resulting in the completion of the debt restructure on 31 December 2015. The debt restructure being completed resulted in the Company:

- Reducing its Senior Debt with SCB to US$50 million (a 55% reduction);
- Establishing a new 3 year Working Capital Facility for US$25 million with Special Opportunity V Limited (PAG SPV);
- Redeeming at face value, US$1.047 million of the US$7.200 million Convertible Notes held by Credit Suisse International, with the remainder being converted to 24,500,000 (post consolidation) ordinary shares in the Company. Redemption occurred on 4 January 2016 and the ordinary shares were issued on 8 January 2016;
- Granting a price participation structure to SCB whereby SCB will receive a small percentage incremental revenue above a copper price of A$8,000 per tonne;
- Issuing Convertible Redeemable Preference Shares to SCB equivalent to 60% of the issued capital of the Company on a post-refinancing fully diluted basis; and
- Issuing Convertible Non-Redeemable Preference Shares to PAG SPV equivalent to15% of the issued capital of the Company on a post-refinancing fully diluted basis.

The Debt Restructure was formally completed on 31 December 2015.

With this New Funding, its Restructured Senior Debt and concomitant reduced interest repayments, the Company Group's business plan indicates that it will be able to generate sufficient cash flow to:

- Service its obligations in relation to the New Funding;
- Meet its current working capital requirements; and
- Meet its critical capital expenditure requirements, which will help the Company increase its resources/reserves and extend the life of Tritton Copper Operations.

In addition the Company also announced on 6 October 2015 that it has signed a binding agreement with Sandfire Resources NL (ASX:SFR) for the sale of its interest in the Temora and Currumburrama exploration projects in New South Wales for A$2.500 million (payable in Sandfire shares). The completion of this sale will further improve the company's cash flow. The sale was finalised on 4 January 2016 and subsequently all Sandfire shares, received as consideration have been sold.

Events Subsequent to Balance Date

On 4 January 2016 the company announced the completion of sale of Temora and Currumburrama exploration projects.

On 4 January 2016, the company also partially redeemed USD 1.047 million of its Credit Suisse International Convertible Notes and the remainder of the notes were converted into 24,500,000 Ordinary Shares in the Company (on a post consolidated basis) at 8 January 2016.

There has not arisen in the interval between the end of the financial period and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the consolidated entity; the results of those operations; or the state of affairs of the consolidated entity in subsequent financial years.

Outlook

The Company is targeting production of 28,000 tonnes of copper at its Tritton operations in FY2016.

In the year ahead, the focus on maintaining a high level of mining and processing throughput and cost management will continue.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance to the class order.

Signed in accordance with a resolution of the Directors.

Andre Labuschagne
Executive Chairman
25 February 2016

Auditor's Independence Declaration

As lead auditor for the review of Aeris Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aeris Resources Limited and the entities it controlled during the period.

D.G. Smith

Debbie Smith
Partner
PricewaterhouseCoopers

Brisbane
25 February 2016

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Aeris Resources Limited ABN 30 147 131 977
(Previously known as Straits Resources Limited)
Interim report - 31 December 2015

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These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of Aeris Resources Limited (previously known as Straits Resources Limited) and its subsidiaries. The interim financial statements are presented in the Australian currency.

Aeris Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Aeris Resources Limited
HQ South Tower Suite 2.2 Level 2
520-540 Wickham Street
FORTITUDE VALLEY, BRISBANE QLD 4006

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report inclusive of the review of operations and activities on pages 1 to 3, which is not part of these interim financial statements.

The interim financial statements were authorised for issue by the Directors on 25 February 2016. The Directors have the power to amend and reissue the interim financial statements.

All press releases, financial reports and other information are available on our website:
www.aerisresources.com.au

	Notes	**31 December 2015 $'000**	31 December 2014 $'000
Revenue from continuing operations	2	**92,197**	88,611
Cost of goods sold	3	**(97,621)**	(79,484)
Gross profit		**(5,424)**	9,127
Exploration expense	3	**(345)**	(340)
Administration and support	3	**(3,407)**	(3,415)
Other	3	**(7,961)**	(21,053)
Loss before net finance costs		**(17,137)**	(15,681)
Finance income		**-**	2
Finance expenses	3	**(751)**	(5,575)
Net gain on debt restructure	3	**45,939**	-
Profit/(loss) for the period		**28,051**	(21,254)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Income tax relating to components of other comprehensive income	8(a)	**327**	327
Reclassification to net income of net gains on cash flow hedges	8(a)	**(1,093)**	(1,093)
Other comprehensive loss for the period, net of tax		**(766)**	(766)
Total comprehensive income/(loss) for the period		**27,285**	(22,020)
Profit/(loss) is attributable to:			
Owners of Aeris Resources Limited		**28,051**	(21,254)
Total comprehensive income/(loss) for the period is attributable to:			
Owners of Aeris Resources Limited		**27,285**	(22,020)

	Notes	**31 December 2015 Cents**	31 December 2014 Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	10	**24.2**	(18.2)
Diluted earnings per share	10	**3.0**	(18.2)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	**31 December 2015 $'000**	30 June 2015 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**8,857**	24,022
Trade and other receivables		**8,466**	9,475
Inventories		**15,692**	13,073
Other financial assets		**3,302**	2,126
Assets classified as held for sale		**2,500**	-
Total current assets		**38,817**	48,696
Non-current assets			
Receivables		**4,025**	3,996
Exploration and evaluation		**18,489**	19,521
Mine properties in use		**39,900**	43,286
Property, plant and equipment		**41,854**	41,053
Deferred tax assets		**21,849**	21,521
Total non-current assets		**126,117**	129,377
Total assets		**164,934**	178,073
LIABILITIES			
Current liabilities			
Trade and other payables		**25,239**	26,676
Interest bearing liabilities	4	**12,077**	159,340
Provisions	5	**5,679**	4,905
Total current liabilities		**42,995**	190,921
Non-current liabilities			
Interest bearing liabilities	4	**72,774**	2,717
Provisions	5	**17,568**	11,615
Total non-current liabilities		**90,342**	14,332
Total liabilities		**133,337**	205,253
Net assets / (liabilities)		**31,597**	(27,180)
EQUITY			
Contributed equity	6	**353,203**	353,300
Preference Equity	7	**31,560**	-
Reserves	8(a)	**(8,196)**	(7,459)
Accumulated losses	8(b)	**(344,970)**	(373,021)
Total equity		**31,597**	(27,180)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Note	Attributable to owners of Aeris Resources Limited: Contributed equity $'000	Convertible Preference Shares $'000	Other reserves $'000	Accumulated Losses $'000	Total equity $'000
Balance at 1 July 2014		353,300	-	(6,025)	(341,555)	5,720
Profit /(loss) for the period		-	-	-	(21,254)	(21,254)
Other comprehensive loss		-	-	(766)	-	(766)
Total comprehensive income for the period		**-**	**-**	**(766)**	**(21,254)**	**(22,020)**
Transactions with owners in their capacity as owners:						
Employee share schemes - value of employee services		-	-	66	-	66
Balance at 31 December 2014		**353,300**	**-**	**(6,725)**	**(362,809)**	**(16,234)**
Balance at 1 July 2015		353,300	-	(7,459)	(373,021)	(27,180)
Profit /(loss) for the period		-	-	-	28,051	28,051
Other comprehensive loss		-	-	(766)	-	(766)
Total comprehensive income for the period		**-**	**-**	**(766)**	**28,051**	**27,285**
Transactions with owners in their capacity as owners:						
Share buy back	6	(97)	-	-	-	(97)
Issue of preference equity	7	-	31,560	-	-	31,560
Employee share schemes - value of employee services	8	-	-	29	-	29
		(97)	31,560	29	-	31,492
Balance at 31 December 2015		**353,203**	**31,560**	**(8,196)**	**(344,970)**	**31,597**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	31 December 2015 $'000	31 December 2014 $'000
Cash flows from operating activities		
Receipts from customers	**92,842**	95,523
Payments to suppliers and employees	**(94,014)**	(83,691)
Interest paid	**(748)**	(767)
Net cash (outflow)/ inflow from operating activities	**(1,920)**	11,065
Cash flows from investing activities		
Payments for property, plant and equipment and mine properties	**(10,458)**	(16,217)
Proceeds from held for trading financial assets	**156**	-
Payments for exploration expenditure	**(1,468)**	(684)
Cash backed security deposits	**-**	36
Net cash outflow from investing activities	**(11,770)**	(16,865)
Cash flows from financing activities		
Proceeds from borrowings	**1,367**	-
Finance lease payments	**(2,294)**	(1,938)
Borrowing costs	**(684)**	-
Net cash outflow from financing activities	**(1,611)**	(1,938)
Net decrease in cash and cash equivalents	**(15,301)**	(7,738)
Cash and cash equivalents at the beginning of the financial period	**24,022**	12,679
Effects of exchange rate changes on cash and cash equivalents	**136**	488
Cash and cash equivalents at end of period	**8,857**	5,429

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Contents of the notes to the consolidated financial statements

1 Basis of preparation of half-year report

The interim financial statements are for the consolidated entity consisting of Aeris Resources Limited ('the Company') and its subsidiaries ("the Group").

This condensed consolidated interim financial report for the six month reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this financial report is to be read in conjunction with the annual report of the Group for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The annual report for the year ended 30 June 2015 is accessible at www.aerisresources.com.au.

The half-year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated, under the option available to the Company under Class Order 98/100, issued by the Australian Securities and Investment Commission. The Company is an entity to which the class order applies.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors believe they have reasonable grounds to expect that they will have sufficient funds to settle the Group's liabilities and meet its debts as and when they fall due. In their assessment of going concern the Directors have considered the funding and operational status of the business, including consideration of the following:

- The successful restructure of the SCB debt facility with a reduction to US$50.000 million resulting in a net asset position of $31.597 million as at 31 December 2015 (June 2015: net liability of $27.180 million);
- The establishment of a US$25.000 million debt facility with PAG SPV of which only US$1.000 million was drawn in December;
- Continuing to achieve operational and cost targets of Tritton operations with copper production for the period ended 31 December 2015, with output of 15,107 tonnes, exceeding the original guidance of 14,787 tonnes;
- Ability to manage timing of cash flows to meet the obligations of the business as and when due.

1 Basis of preparation of half-year report (continued)

(i) Significant Transactions

On 3 August 2015 it was announced that, the Company, the Existing Lender Group and Special Opportunity V Limited (PAG SPV), as the New Lender, had entered into binding agreements, which, were subject to the satisfaction of a number of conditions precedent, including Shareholder approvals.

At an Extraordinary General Meeting (EGM) held on 15 December 2015 Straits Resources Limited (now Aeris Resources Limited) shareholders approved all resolutions put forward, including:

- Change of name to Aeris Resources Limited (Aeris);
- Restructure of the debt with Standard Chartered Bank (SCB); and;
- 1 for 10 consolidation of capital (Ordinary shares).

On 15 December 2015, the Company advised that all relevant conditions precedent to the longer term debt structure had been fulfilled by the shareholder approvals received at the EGM, resulting in the completion of the debt restructure on 31 December 2015. The debt restructure being completed resulted in the Company:

- Reducing its Senior Debt with SCB to US$50.000 million (a 55% reduction);
- Establishing a new 3 year Working Capital Facility for US$25.000 million with PAG SPV;
- Redeeming at face value, US$1.047 million of the US$7.200 million Convertible Notes held by Credit Suisse International, with the remainder being converted to 24,500,000 (post consolidation) Ordinary shares in the Company. Redemption occurred on 4 January 2016 and the ordinary shares were issued on 8 January 2016;
- Granting a price participation structure to SCB whereby SCB will receive a percentage of incremental revenue above a copper price of A$8,000 per tonne;
- Issuing Convertible Redeemable Preference Shares to SCB equivalent to 60% of the issued capital of Aeris on a post-refinancing fully diluted basis; and
- Issuing Convertible Non-Redeemable Preference Shares to PAG SPV equivalent to 15% of the issued capital of the Company on a post-refinancing fully diluted basis.

With this New Funding, its Restructured Senior Debt and concomitant reduced interest repayments, the Company's business plan indicates that it will be able to generate sufficient cash flow to:

- Service its obligations in relation to the New Funding;
- Meet its current working capital requirements; and
- Meet its critical capital expenditure requirements, which will help the Company increase its resources/reserves and extend the life of the Tritton Copper Operations.

In addition the Company also announced on 6 October 2015 that it has signed a binding agreement with Sandfire Resources NL (ASX:SFR) for the sale of it's interest in the Temora and Currumburrama exploration projects in New South Wales for A$2.500 million (payable in Sandfire shares). The completion of this sale will further improve the company's cash flow. The sale was finalised on 4 January 2016 and subsequently all shares have been disposed of.

1 Basis of preparation of half-year report (continued)

(ii) Impact of standards issued but not yet applied by the entity

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affect any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The Company has not early adopted any amendments, standards or interpretations that have been issued but are not yet effective.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Company.

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The standard applies to reporting periods beginning on or after 1 January 2018. The new hedging rules align hedge accounting more closely with the Company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed the impacts of the new accounting standard on the Company's financial statements.

AASB15 *Revenue from Contracts with Customers*, will replace AASB 118 *Revenue* which covers revenue recognition of contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard applies to reporting periods beginning on or after 1 January 2017. The Company has not yet estimated the impact of the new rules on the Company's financial statements.

IFRS 16 *Leases* addresses the recognition, measurement, presentation and disclosures of leases. This standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's *Leases* approach to lessor accounting substantially unchanged from its predecessor, AASB 117 *Leases*. This standard applies to annual reporting periods beginning on or after 1 January 2019. The Company has not yet assessed the impact for the Company of this new standard.

2 Revenue

	31 December 2015 $'000	31 December 2014 $'000
From continuing operations		
Sales revenue		
Mining activities	**90,988**	87,428
Other revenue		
Other revenue from ordinary activities	**1,209**	1,183
	92,197	88,611

3 Expenses

	31 December 2015 $'000	31 December 2014 $'000
Profit/loss before income tax includes the following specific expenses:		
Cost of production		
Mining and Processing activities	**81,775**	68,085
Depreciation		
Plant and equipment	**2,945**	2,444
Plant and equipment under finance leases	**1,679**	1,170
Total Depreciation	**4,624**	3,614
Amortisation		
Mine properties	**11,222**	7,785
Total Cost of goods sold	**97,621**	79,484
Exploration expense		
Exploration expenditure	**345**	340
Total Exploration Expense	**345**	340
Finance costs - net		
Interest and finance charges paid / payable	**751**	5,348
Unwinding of discounts on provisions	**-**	227
Total Finance Expenses	**751**	5,575
Other		
Net foreign exchange losses	**8,965**	19,505
(Gain)/loss on fair value of listed securities held for trading	**(1,321)**	1,495
Loss on disposal of fixed assets	**317**	53
Total Other Expenses	**7,961**	21,053
Gain on restructure		
Net gain on restructure	**(45,939)**	-

3 Expenses (continued)

	31 December 2015 $'000	31 December 2014 $'000
Administration and support		
Corporate depreciation	**40**	83
Corporate	**3,367**	3,332
Total Administration and support	**3,407**	3,415

4 Interest bearing liabilities

Current

	31 December 2015 $'000	30 June 2015 $'000
Secured		
Bank loans	**1,378**	146,321
Lease liabilities	**3,400**	3,552
Total secured borrowings	**4,778**	149,873
Unsecured		
Convertible notes	**7,299**	9,467
Total unsecured borrowings	**7,299**	9,467
Total current interest bearing liabilities	**12,077**	159,340

Non Current

	31 December 2015 $'000	30 June 2015 $'000
Secured		
Bank loans	**69,022**	660
Lease liabilities	**3,752**	2,057
Total secured borrowings	**72,774**	2,717
Total non-current interest bearing liabilities	**72,774**	2,717

4 Interest bearing liabilities (continued)

SCB Bridge Loan and Working Capital Facility

On 3 August 2015 it was announced that, the Company, the Existing Lender Group and Special Opportunity V Limited (PAG SPV), as the New Lender, had entered into binding agreements, which, were subject to the satisfaction of a number of conditions precedent, including the Shareholder approvals. At an Extraordinary General Meeting (EGM) held on 15 December 2015, Aeris Resources Limited (formerly Straits Resources Limited) shareholders approved all resolutions put forward resulting in the completion of the debt restructure on 31 December 2015.

The debt restructure being completed reduced its Senior debt to US$50.000 million (55% reduction). SCB have also been issued with fully paid redeemable cumulative convertible preference shares (CRPS) (note 7) and is entitled to a Copper Price Participation payment, included in provisions (note 5).

The re-stated loan is subject to a seven year term, the company is required to make a bullet payment of all outstanding monies occurring at the end of the term. The debt accrues cash interest at a rate of 5% per annum (following a cash interest holiday of two years), which is payable in accordance with the agreed payment structure between the company, SCB and PAG SPV as set out in the Inter-Creditor Deed. If payment of the cash interest on the Senior debt cannot be made by the company the amount owing will be capitalised. PIK interest accrues at a rate of 10% per annum in the first year, 12.5% in the second year and 7.5% per annum for the remaining five years of the seven year term.

PAG SPV Facility

Under the finalised restructure the shareholders approved the issuance of loan notes (US$25.000 million) by the company to PAG SPV. The loan is intended to fund the company's working capital and growth projects at its Tritton Copper Operations. PAG SPV will also be issued cumulative non-redeemable preference shares (CNRPS) (note 7).

The US$25.000 million is available in two tranches:

- US$15.000 million - available for general working capital purposes and certain approved capital expenditure (Tranche 1), and;
- US$10.000 million - available for general working capital purposes (Tranche 2).

Tranche 2 is subject to evidence to the satisfaction of PAG SPV that resource drilling on Tritton Deeps has been successful and both the Company and PAG SPV have approved capital expenditure for the development of Tritton Deeps.

The facility has a 3-year term and is secured by the same security and guarantee arrangements as provided for the SCB Senior Debt. Cash interest accrues at 5% per annum and PIK accrues at 6% (compounding every 3 months). An establishment fee of 2% was payable on 31 December 2015 and has been debited against the loan and will be amortised over the term of the loan. At 31 December 2015 the company had drawn down US$1.000 million.

4 Interest bearing liabilities (continued)

Credit Suisse International Convertible Notes (CSICVN)
The CSICVN, with an aggregate face value of US$7.200 million, is to be partially redeemed (at face value) for a cash payment of US$1.047 million following the completion of the restructure with the balance of the CSICVN converted into 24,500,000 Shares (on a post consolidation basis). It was also agreed that US$0.200 million on account of accrued and unpaid interest will be cash settled.

Redemption of the US$1.047 million occurred on 4 January 2016 and the conversion of the 24,500,000 shares into ordinary shares occurred on 8 January 2016, as per the agreed terms. At 31 December 2015 the above did not result in a cash impact.

Lease Liabilities
Certain vehicles and equipment acquired by the Company are funded by finance lease and hire purchase arrangements provided by a number of financial institutions. The leases are secured by the assets being financed. Acquisition of plant and equipment by means of finance leases totalled $3.231 million (30 June 2015: $3.378 million).

Lease liabilities are effectively secured as the rights to the leased assets are recognised in the financial statements and revert to the lessor in the event of default.

Other
Residential housing loans are secured over the residential properties. These loans have no recourse to the Parent entity or other members of the Company.

5 Provisions

	31 December 2015			30 June 2015		
	Current $'000	**Non-current $'000**	**Total $'000**	Current $'000	Non-current $'000	Total $'000
Employee benefits	**5,432**	**1,004**	**6,436**	4,743	1,001	5,744
Copper price participation provision	**-**	**6,105**	**6,105**	-	-	-
Other provisions	**247**	**-**	**247**	162	-	162
Provision for rehabilitation and dismantling	**-**	**10,459**	**10,459**	-	10,614	10,614
	5,679	**17,568**	**23,247**	4,905	11,615	16,520

The copper price participation provision is an estimated provision for the Copper Price Participation Payment payable under the new debt restructure agreement with SCB over the life of the mine and based on current market consensus Copper Price and AUD/USD forecasts. The Group is required to pay the Copper Price Participation Payment every 3 months where the volume weighted average copper price in the quarter, expressed in Australian Dollars is above a copper price of A$8,000 per tonne.

This liability is estimated at A$6.105 million using broker consensus forward prices for copper as at 31 December 2015 and the AUD:USD exchange rate of 70 cents, over the current planned Life of Mine and using a discount rate of 12.30%.

6 Contributed equity

(a) Share capital

Ordinary share capital	31 December 2015 Shares	31 December 2014 Shares	31 December 2015 $'000	31 December 2014 $'000
Ordinary shares - fully paid	**115,616,703**	1,217,730,293	**353,203**	353,300

Movements in ordinary share capital

	31 December 2015 Shares	Issue price	31 December 2015 A$'000
Opening Balance	**1,217,730,293**		**353,300**
Issues of ordinary shares during the period			
Share consolidation	**(1,095,956,474)**		**-**
Share buy back	**(6,157,116)**		**(97)**
	115,616,703		**353,203**

	31 December 2014 Shares	Issue price	31 December 2014 A$'000
Opening Balance	1,164,150,159		353,300
Issues of ordinary shares during the period			
Shares issues for consideration:			
Employee exempt plan issue	53,580,134	$0.00	-
	1,217,730,293		353,300

At an Extraordinary General Meeting (EGM) held on 15 December 2015 Straits Resources Limited (now Aeris Resources Limited) shareholders approved all resolutions put forward, including a 1 for 10 consolidation of capital (ordinary shares) and the restructure of the debt with SCB.

As part of the debt restructure the shareholders approved that all shares (ESAP shares) issued pursuant to the existing incentive plan for the senior management of the Company be bought back and cancelled by the Company in accordance with the Corporations Act. The buy back price per ESAP share was set at $0.105 per ESAP Share and determined by the Board with reference to an independent valuation (which took into account matters such as the remaining term of the relevant employee loans and the share price volatility) and totalled $0.097 million.

7 Preference Equity

(a) Convertible preference shares

Movements in convertible redeemable preference shares

	31 December 2015 Shares	31 December 2015 A$'000
Opening Balance	**-**	**-**
Issues of convertible redeemable preference shares	**560,463,653**	**25,248**
Issue of convertible non redeemable preference shares	**140,115,913**	**6,312**
	700,579,566	**31,560**

Following the approvals obtained at the Extraordinary General Meeting (EGM) held on 15 December 2015 Straits Resources Limited (now Aeris Resources Limited) and the completion of the Restructure of the debt with Standard Chartered Bank (SCB), the company:

(a) Issued Convertible Redeemable Preference Shares (CRPS) to SCB equivalent to 60% of the issued capital of Aeris on a post-refinancing fully diluted basis; and
(b) Issued Convertible Non-Redeemable Preference Shares (CNRPS) to PAG SPV equivalent to 15% of the issued capital of Aeris on a post-refinancing fully diluted basis.

The CRPS are fully paid redeemable cumulative convertible preference shares in the capital of the company and have been issued with an aggregate face value of US$40.000 million which reflects the amount that the Senior Debt of the Company will be reduced by the issue of the CRPS upon finalisation of the restructure. The CRPS accrue a unfranked dividend at 5% per annum and to be accrued if not settled upon which interest of 5% per annum will accrue. The deferred amount and interest will cease to accrue and be written off if the CRPS's are converted or will cease to accrue and be paid in cash if the CRPS are redeemed. The CRPS have been independently valued and is accounted for at its fair value of $25.248 million.

The CRPS may be redeemed by the company during the CRPS redemption period, unless already converted; otherwise all CRPS mandatorily convert into Shares on the fifth anniversary of their issue.

The CNRPS mirror the CRPS in as far as possible in respect to dividends, voting rights and general rights. The CNRPS have no redemption option by the company. The CNRPS has been issued with an aggregate face value of US$1, notional value of US$10.000 million.The CNRPS have been independently valued and is accounted for at its fair value of $6.312 million.

At 31 December 2015 the above did not have a cash impact and is considered a non cash transaction.

8 Reserves and retained earnings

(a) Reserves

	31 December 2015 $'000	30 June 2015 $'000
Cash flow hedges	**765**	1,531
Share-based payments	**482**	453
Acquisition revaluation reserve	**(9,443)**	(9,443)
	(8,196)	(7,459)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	31 December 2015 $'000	30 June 2015 $'000
Balance 1 July	**(373,021)**	(341,555)
Net profit/(loss) for the period	**28,051**	(31,466)
Closing Balance	**(344,970)**	(373,021)

9 Events occurring after the balance sheet date

On 4 January 2016 the Group announced the completion of sale of Temora and Currumburrama exploration projects.

On 4 January 2016, the Group had also partially redeemed US$1.047 million of its CSICVN and the remainder of the CSICVN were fully converted into equity at 8 January 2016.

Apart from the matters disclosed in this report, there has not been any other matter or circumstance that has significantly affected the operations of the consolidated entity between the date of this report and the end of financial period.

10 Earnings per share

(a) Reconciliation of earnings used in calculating earnings per share

	31 December 2015 $'000	31 December 2014 $'000
Basic and diluted earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**28,051**	(21,254)

(b) Weighted average number of shares used as denominator

	31 December 2015 Number	31 December 2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**115,075,418**	116,415,016
Adjustments for calculation of diluted earnings per share:		
Amounts uncalled on partly paid shares and calls in arrears	**700,579,566**	-
Options	**93,900,508**	-
Convertible notes	**25,400,000**	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**934,955,492**	116,415,016

The weighted average number of ordinary shares has been restated for comparability purposes, in terms of the requirements of IAS 33, to reflect the effect of the share consolidation.

11 Segment information

(a) Description of segments

Business segments

The Company's Strategic Steering Committee, consisting of the Chief Executive Officer, the Chief Financial Officer and Chief Operating Officer examined the Company's performance and determined that there are two reportable segments of its business, Tritton operations and Other (representing corporate activities and non-core exploration assets).

Geographical segments

The Consolidated Entity only operated in Australia as at 31 December 2015 and 31 December 2014.

11 Segment information (continued)

(b) Segment information provided to the directors of Aeris Resources Limited

2015	Tritton Operations $'000	Other $'000	Total Continuing Operations $'000	Consolidated $'000
Segment Revenue				
Sales to external customers	**90,988**	**-**	**90,988**	**90,988**
Total sales revenue	**90,988**	**-**	**90,988**	**90,988**
Other revenue	**1,157**	**52**	**1,209**	**1,209**
Total segment revenue	**92,145**	**52**	**92,197**	**92,197**
Adjusted EBITDA	**(2,898)**	**554**	**(2,344)**	**(2,344)**
Segment assets and liabilities				
Segment assets	**184,105**	**164,163**	**348,268**	**348,268**
Intersegment elimination	**(58,997)**	**(146,186)**	**(205,183)**	**(205,183)**
Unallocated assets	**-**	**-**	**21,849**	**21,849**
Total assets	**125,108**	**17,977**	**164,934**	**164,934**
Segment liabilities	**260,990**	**77,530**	**338,520**	**338,520**
Intersegment elimination	**(139,199)**	**(65,984)**	**(205,183)**	**(205,183)**
Total liabilities	**121,791**	**11,546**	**133,337**	**133,337**
Other segment information				
Depreciation and amortisation	**15,846**	**40**	**15,886**	**15,886**
Acquisition of property, plant and equipment, intangibles and other segment assets	**15,478**	**38**	**15,516**	**15,516**

2014	Tritton Operations $'000	Other $'000	Total Continuing Operations $'000	Consolidated $'000
Segment Revenue				
Sales to external customers	87,428	-	87,428	87,428
Total sales revenue	87,428	-	87,428	87,428
Other revenue	1,183	-	1,183	1,183
Total segment revenue	88,611	-	88,611	88,611
Adjusted EBITDA	(2,048)	(3,220)	(5,268)	(5,268)
Segment assets and liabilities				
Segment assets	**202,100**	**159,925**	**362,025**	**362,025**
Intersegment elimination	(58,997)	(136,975)	(195,972)	(195,972)
Unallocated assets	-	-	21,193	21,193
Total assets	143,103	22,950	187,246	187,246

11 Segment information (continued)

(b) Segment information provided to the directors of Aeris Resources Limited (continued)

2014	**Tritton Operations** $'000	**Other** $'000	**Total Continuing Operations** $'000	**Consolidated** $'000
Segment liabilities	**301,438**	**98,014**	**399,452**	**399,452**
Intersegment liabilities	(108,120)	(87,852)	(195,972)	(195,972)
Total liabilities	193,318	10,162	203,480	203,480
Other segment information				
Acquisition of property, plant and equipment, intangibles and other segment assets	16,901	-	16,901	16,901
Depreciation and amortisation	11,398	83	11,481	11,481

(c) Other segment information

(i) Adjusted EBITDA

The Strategic Steering Committee of Aeris Resources Limited assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as impairment, losses recognised on refinancing and effects of foreign exchange which primarily reflects the gains/losses on the translation of the USD borrowings.

A reconciliation of adjusted EBITDA to operating loss before income tax from continuing operations is provided as follows:

	31 December 2015 $'000	31 December 2014 $'000
Adjusted EBITDA (continuing operations)	**(2,344)**	(5,268)
Finance costs	**(751)**	(5,575)
Gain on restructure of SCB facility	**45,939**	-
Unwinding of hedge reserve	**1,093**	1,093
Other	**-**	(23)
Depreciation and amortisation	**(15,886)**	(11,481)
Profit/(loss) before income tax from continuing operations	**28,051**	(21,254)

12 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015:

12 Fair value measurements (continued)

At 31 December 2015	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Financial assets at fair value through profit or loss				
Australian listed equity securities	**3,302**	**-**	**-**	**3,302**
Total financial assets	**3,302**	**-**	**-**	**3,302**

At 30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets at fair value through profit or loss				
Australian listed equity securities	2,126	-	-	2,126
Total financial assets	2,126	-	-	2,126

Valuation Methodology

Investments classified as held for trading are fair valued by comparing to the published price quotation in an active market.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 12 to 25 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the period ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Andrè Labuschagne
Director

Brisbane
25 February 2016

Independent auditor's review report to the members of Aeris Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aeris Resources Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Aeris Resources Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aeris Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aeris Resources Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

D.G. Smith

Debbie Smith
Partner

Brisbane
25 February 2016