



Quarterly Activities Report For the period ended 30 June 2019

About Aeris Resources

Aeris Resources Limited (ASX: AIS) is an established copper producer and explorer with multiple mines and a 1.8 Mtpa copper processing plant at its Tritton Copper Operations in New South Wales, Australia.

In FY2019, Aeris' Tritton Copper Operations produced 26,852 tonnes of copper and in FY2020 is targeting production of 24,500 tonnes of copper.

The Company also has an exciting portfolio of highly prospective exploration projects creating a pipeline for future growth, including advanced projects at its Tritton Copper Operations and the Torrens Project in South Australia.

Aeris' Board and Management team is experienced in all aspects of mining and corporate development.

Aeris has a clear vision to become a mid-tier, multi-operation company – delivering shareholder value through an unwavering focus on operational excellence.

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JUNE QUARTER HIGHLIGHTS

TRITTON COPPER OPERATIONS:

- Full year copper production exceeds guidance: 26,852 tonnes at C1 cash cost of A\$2.78/lb
- Best quarter of the year - June quarter copper production of 7,362 tonnes at C1 cash cost of A\$2.47/lb
- Higher copper grades from both the Tritton and Murrawombie underground mines

EXPLORATION:

- Exploration Target¹ defined for Kurrajong
- Ground based EM surveys continued in the Murrawombie to Avoca Tank corridor
- Positive drilling results at Murrawombie show potential to extend at depth and to the north
- Drilling at Torrens paused:
 - TD10 successfully drilled to target depth
 - Assays from TD07 – encouraging results

CORPORATE:

- Cash and receivables of \$26.6M at quarter end

GUIDANCE:

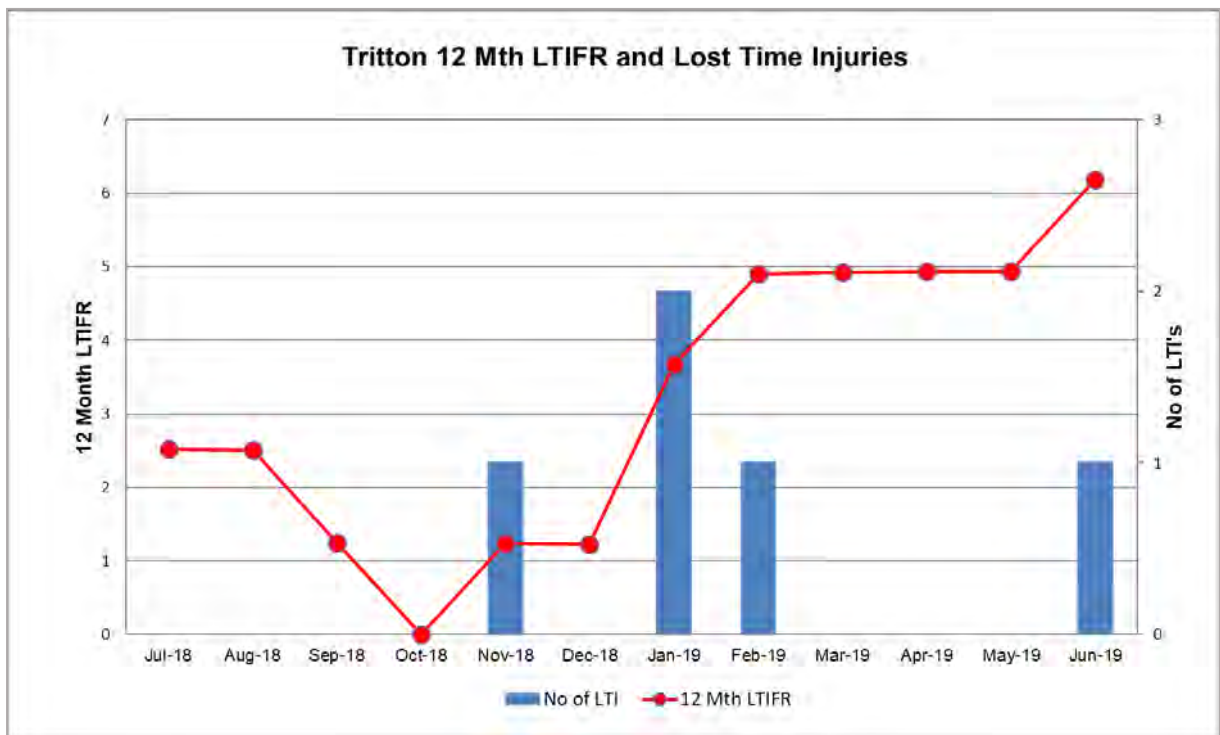
- FY2020 Copper production guidance of 24,500 tonnes at a C1 cash cost of between A\$2.80/lb and A\$2.95/lb

¹ See ASX Release 8 July 2019

Q4 FY2019 Quarterly Activities Report

Safety, Environment and Community

There was one lost time injury in the quarter. An employee sustained a fractured bone while working underground on a paste backfill pipeline. The energy source that contributed to the incident is uncertain and investigation revealed no significant safety system failures.



There were no reportable environmental incidents during the quarter.

Tritton Copper Operations (NSW)

Production and Cost Summary

		SEP 2018 QTR	DEC 2018 QTR	MAR 2019 QTR	JUN 2019 QTR	FY2019 YTD
PRODUCTION						
ORE MINED	TONNES	425,755	396,705	429,502	421,104	1,673,066
GRADE	Cu (%)	1.60%	1.71%	1.57%	1.80%	1.67%
ORE MILLED	TONNES	432,802	395,994	409,543	430,935	1,669,274
GRADE MILLED	Cu (%)	1.64%	1.73%	1.61%	1.80%	1.69%
RECOVERY	Cu (%)	94.73%	94.86%	94.47%	94.83%	94.73%
COPPER CONCENTRATE PRODUCED	TONNES	30,202	28,113	28,259	32,002	118,576
COPPER CONCENTRATE GRADE	Cu (%)	22.30%	23.10%	21.98%	22.97%	22.60%
CONTAINED COPPER IN CONCENTRATE	TONNES	6,736	6,495	6,212	7,352	26,795
COPPER CEMENT PRODUCED	TONNES	17	20	11	9	57
TOTAL COPPER PRODUCED	TONNES	6,753	6,515	6,223	7,362	26,852
OPERATING COSTS (A\$/lb Copper Produced)						
MINING	A\$/lb	1.73	1.70	1.71	1.54	1.67
PROCESSING	A\$/lb	0.44	0.45	0.51	0.48	0.47
SITE G&A	A\$/lb	0.29	0.33	0.27	0.29	0.29
TC/RC'S & PRODUCT HANDLING	A\$/lb	0.60	0.61	0.60	0.55	0.59
INVENTORY MOVEMENTS	A\$/lb	(0.04)	0.10	0.08	(0.11)	0.01
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	A\$/lb	(0.25)	(0.23)	(0.24)	(0.28)	(0.25)
C1 CASH COSTS	A\$/lb	2.77	2.96	2.93	2.47	2.78
ROYALTIES	A\$/lb	0.11	0.09	0.09	0.10	0.10
CORPORATE G&A*	A\$/lb	0.09	0.12	0.05	0.08	0.08
CAPITAL DEVELOPMENT	A\$/lb	0.13	0.15	0.12	0.15	0.14
SUSTAINING CAPITAL**	A\$/lb	0.31	0.35	0.31	0.34	0.33
SUSTAINING EXPLORATION	A\$/lb	-	-	-	-	-
ALL-IN SUSTAINING COSTS (AISC)	A\$/lb	3.41	3.67	3.50	3.14	3.43

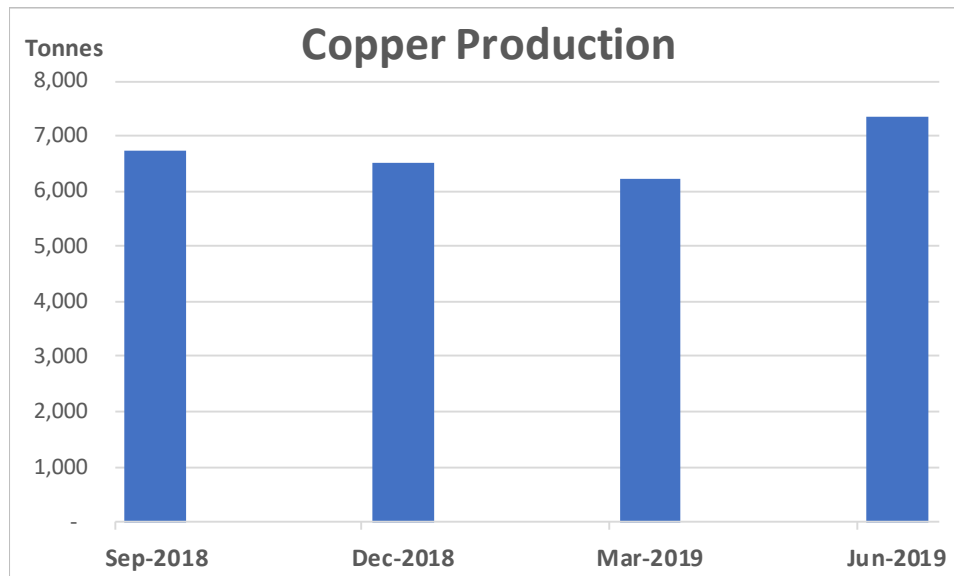
*Includes Share Based Payments

**Includes financing payments (Principal and Interest) on Leased assets

PRODUCTION

The Tritton Copper Operations continued to deliver reliable performance with the June quarter copper production totaling 7,362 tonnes, compared to the previous quarter of 6,223 tonnes. The improved quarter-on-quarter production performance was related to higher copper grades from both the Tritton and Murrawombie underground mines.

Full year copper production of 26,852 tonnes exceeded the July 2018 guidance of 24,500 tonnes. The higher copper production compared to guidance was primarily related to higher copper grades from both the Tritton and Murrawombie underground mines. The higher grades at Tritton were related to stope sequencing and higher grade ore from the upper pillars. At Murrawombie, the copper grades have been reconciling above the Ore Reserve for the areas mined in this last year.



Tritton Underground Mine (Tritton)

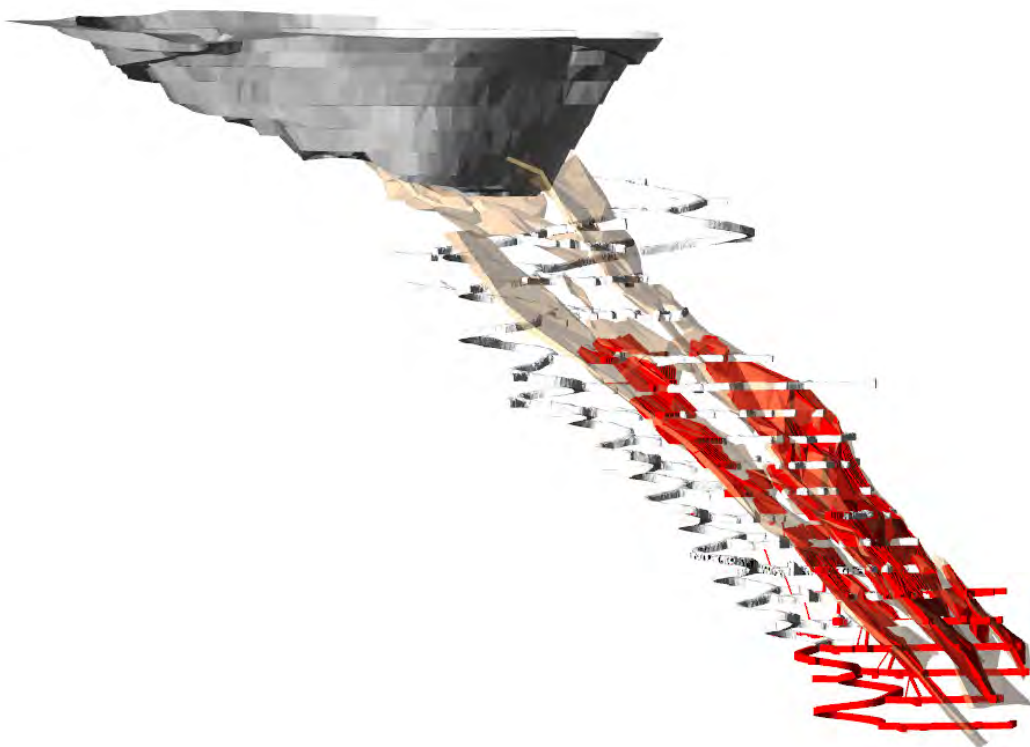
Tritton mine ore production of 307kt was slightly lower compared with the previous quarter (323kt). Copper grades achieved of 1.73%, improved compared to the previous quarter (1.58%). The stope mine sequence in the lower levels of the mine continued to stabilize in the quarter.

Murrawombie Underground Mine (Murrawombie)

Murrawombie ore production of 114kt was higher compared to the previous quarter (106kt). Mine grades of 1.98% also improved compared with the previous quarter (1.53%) due to sequencing of the mine plan.

A major review of stoping sequence and cut-off grade undertaken this financial year improved the geological understanding and the ability to mine more selectively.

Figure 1: Murrawombie Mine Section View



Ore Processing

Ore processed during the quarter was 431kt, an increase on the previous quarter (409kt). Consistent milling operations throughout the year continued to enable good metallurgical performance, with improved copper recovery of 94.83% for the quarter and 94.73% for the financial year.

COSTS

C1 cash costs for the quarter, at A\$2.47/lb were lower than the previous quarter (A\$2.93/lb) primarily due to increased copper tonnes produced (higher copper ore grades) and positive inventory movement. The full year C1 cash cost is A\$2.78/lb, at the lower end of the guidance range provided in July 2018 (A\$2.75/lb to A\$2.90/lb).

All-In Sustaining Costs (AISC) for the quarter of A\$3.14/lb also decreased from the previous quarter (A\$3.50/lb), mainly due to the impact of the lower C1 cash costs. AISC for FY2019 was A\$3.43/lb.

Capital expenditure at the Tritton Copper Operations for the quarter was \$9.2 million, including \$1.3 million on exploration.

Tritton Capital Expenditure (A\$ Million)

	SEP 2018 QTR	DEC 2018 QTR	MAR 2019 QTR	JUN 2019 QTR	FY2019
SUSTAINING CAPITAL:					
PROPERTY, PLANT AND EQUIPMENT	2.4	2.5	1.9	3.3	10.1
MINING DEVELOPMENT	2.0	2.1	1.6	2.4	8.1
LEASED ASSETS*	2.2	2.5	2.4	2.2	9.3
GROWTH:					
EXPLORATION	1.3	1.8	0.5	1.3	4.9
TOTAL	7.9	8.9	6.4	9.2	32.4

*Represents the finance lease payments (principal and interest) incurred in the quarter

OUTLOOK

The copper production guidance for FY2020 is 24,500 tonnes at a C1 cash cost between A\$2.80 and A\$2.95 per pound.

Exploration and Project Development

GREENFIELDS EXPLORATION – TRITTON TENEMENT PACKAGE

The Tritton tenement package covers 2,160km² in central western New South Wales. To date over 750,000 tonnes of copper, including the Current Mineral Resource deposits¹, has been discovered within the bottom half of the tenement package within a 50 kilometre corridor adjacent to a stratigraphic unit referred to as the Budgery Sandstone. Geological mapping has extended the known extents of the Budgery Sandstone unit a further 65 kilometres through the northern half of the tenement package, with potential to extend for a further 40 kilometres.

Airborne electromagnetic survey

Data processing and finalisation of the survey data was completed in the quarter from the airborne electromagnetic (AEM) survey flown over a large section of the northern half of the Tritton tenement package in December 2018 (Figure 2). The December 2018 AEM survey, covering 617km², was flown using the innovative SKYTEM™ 312 airborne EM system, which is designed and optimised to test for deep conductive bodies. A total of 25 new mid-to-late time EM anomalies have been identified from the December 2018 AEM survey. Of these 25 new anomalies, 9 are considered high priority targets (Figure 2).

Systematic and focused greenfields exploration over the northern half of the tenement package has been limited to date. The results from the AEM survey confirms the Company's view that there is significant potential to discover additional copper sulphide deposits in the northern half of the Tritton tenement package. The number of EM anomalies identified to date on the northern half of the tenement now totals 29, including 4 anomalies detected from the initial AEM VTEM-Max™ survey completed in January 2017.

During the quarter, field checks were completed over each electromagnetic (EM) anomaly and preliminary geophysical modelling commenced. Once the geophysical modelling is completed each EM anomaly will be ranked according to prospectivity, in preparation for first pass ground-based moving loop EM (MLTEM) surveying, which will commence in the September quarter.

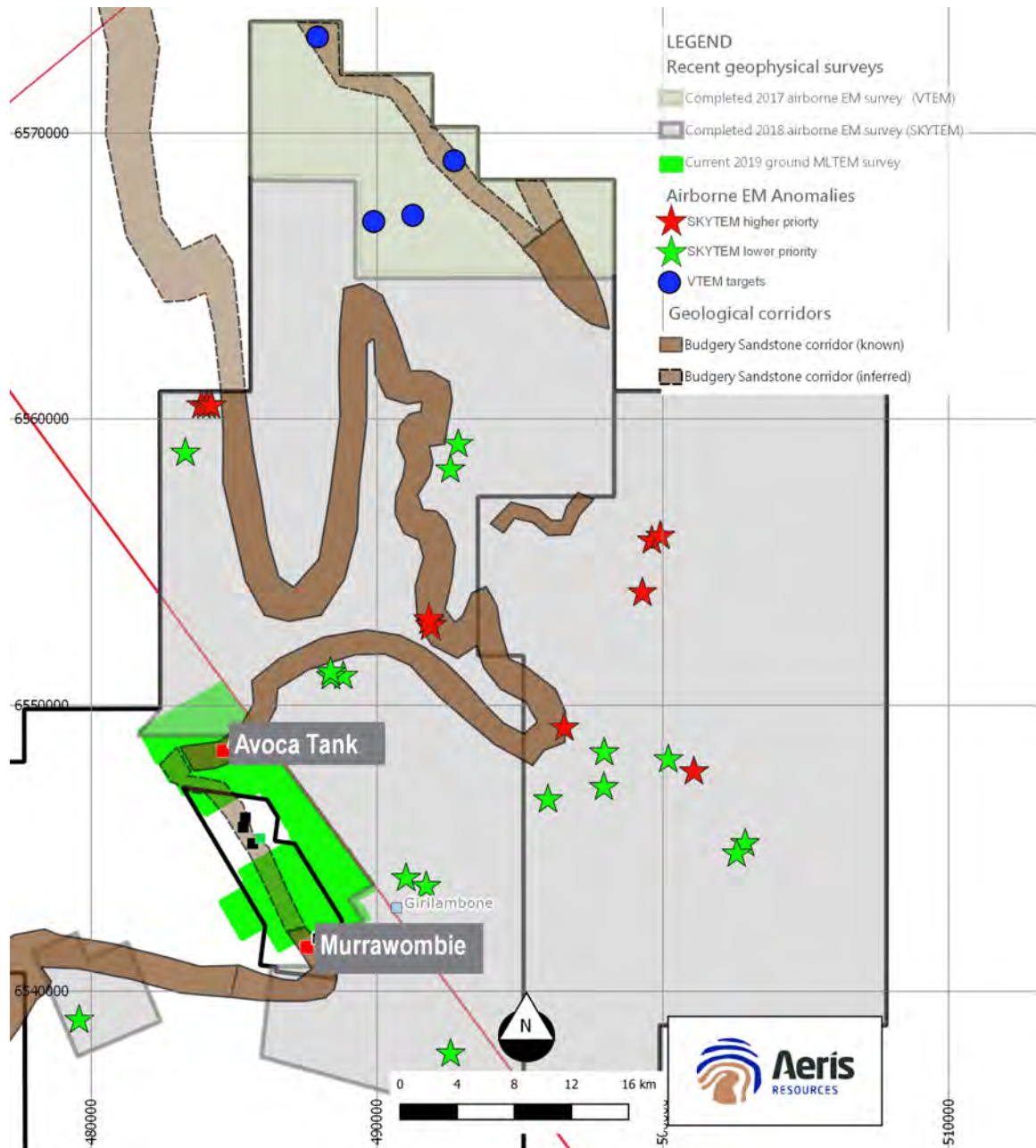
Ground based electromagnetic survey

During the quarter the MLTEM surveying continued between the Murrawombie to Avoca Tank corridor (Figure 2). The ground between Murrawombie and Avoca Tank is considered highly prospective with seven separate copper sulphide mineralised systems previously discovered along the 7.5 kilometre corridor.

¹ 30 June 2018 Mineral Resource 20.7Mt @ 1.5% Cu for 310kt Cu metal.

The MLTEM survey is designed to test for conductive bodies to depths of 500 metres below surface. By quarter end approximately 80% of the planned survey area had been covered. Interpretation and finalisation of the survey results will be completed in the September quarter.

Figure 2: Plan view showing the airborne EM survey coverage and potential bedrock conductors through the northern extents of the Tritton tenement package. Magenta/red colours define higher priority targets. The current MLTEM (ground based) survey area is defined by the green shaded region.



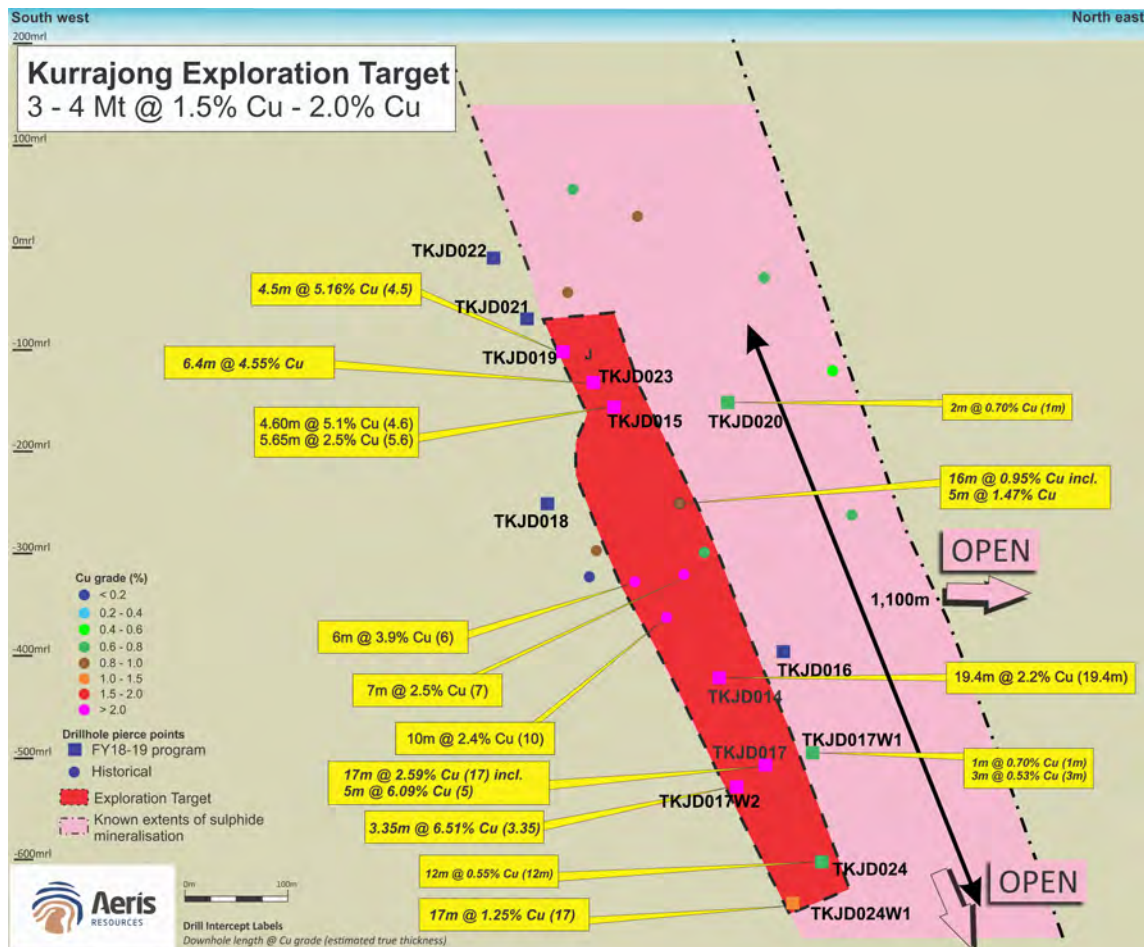
Kurrajong Deposit

Following the completion of a 14 hole drill program (see ASX Release of 15 January 2019 “Kurrajong Update – More high grade copper intersections”) the Company has defined an initial Exploration Target² for Kurrajong ranging between 3 to 4 million tonnes at a copper grade between 1.5% to 2.0%.

The geology of the Kurrajong deposit is similar to other sulphide systems discovered within Aeris’ Tritton tenement package. Kurrajong is a laterally extensive sulphide system, containing dominantly pyrite with lesser chalcopyrite which has been traced over 300 metres along strike and extends down plunge 1,100 metres. Drilling completed at the Kurrajong deposit has not defined the limits of the sulphide system down plunge or along strike to the north.

The Company has now commenced obtaining the necessary regulatory approvals to allow further drilling to occur at Kurrajong with the aim to progress the Exploration Target to an Inferred Mineral Resource.

Figure 3: Longsection view showing the Kurrajong Exploration Target.



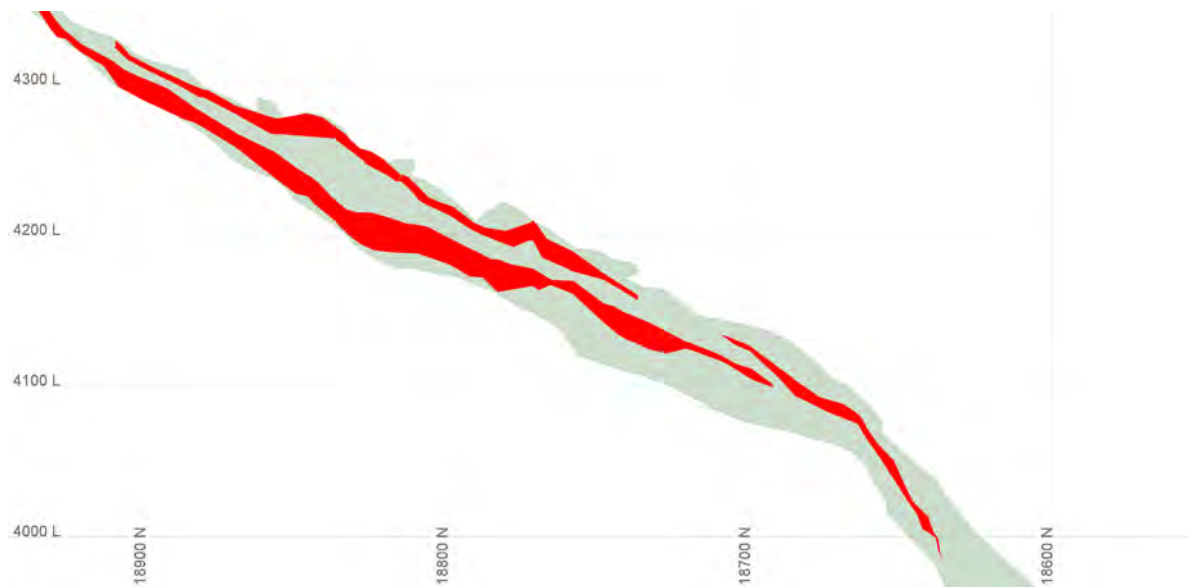
² See ASX Release 8 July 2019

BROWNFIELDS EXPLORATION – TRITTON

The Tritton copper sulphide deposit is a regionally significant mineralised system which has been traced over 2 kilometres down plunge. Over recent years as the mining front advances (4,300mRL – 4,110mRL) progressively deeper into the mineralised system the deposit geometry has changed. The upper 1,200 metres of the deposit (above 4,300mRL) was characterised by a tabular (~20m thick) north-south striking massive/semi-massive sulphide deposit with average copper grades varying from 3% Cu to 5% Cu. Below 4,300mRL the deposit has evolved into a thick (~80 metres) lensoidal east – west trending banded sulphide dominate system with copper grades becoming progressively lower grade, averaging between 1.5% Cu to 2.0% Cu.

Although the copper tenor of the mineralised system has reduced below 4,300mRL, within the larger sulphide assemblage a series of higher-grade copper lenses ($\geq 2\%$ Cu) have been identified from underground level development and drill hole intersections. During the quarter preliminary geological modelling of the higher-grade copper shoots has been completed in preparation for drill testing in the September quarter. If the geological interpretation is supported by the upcoming drill program there is scope to model additional high-grade shoots.

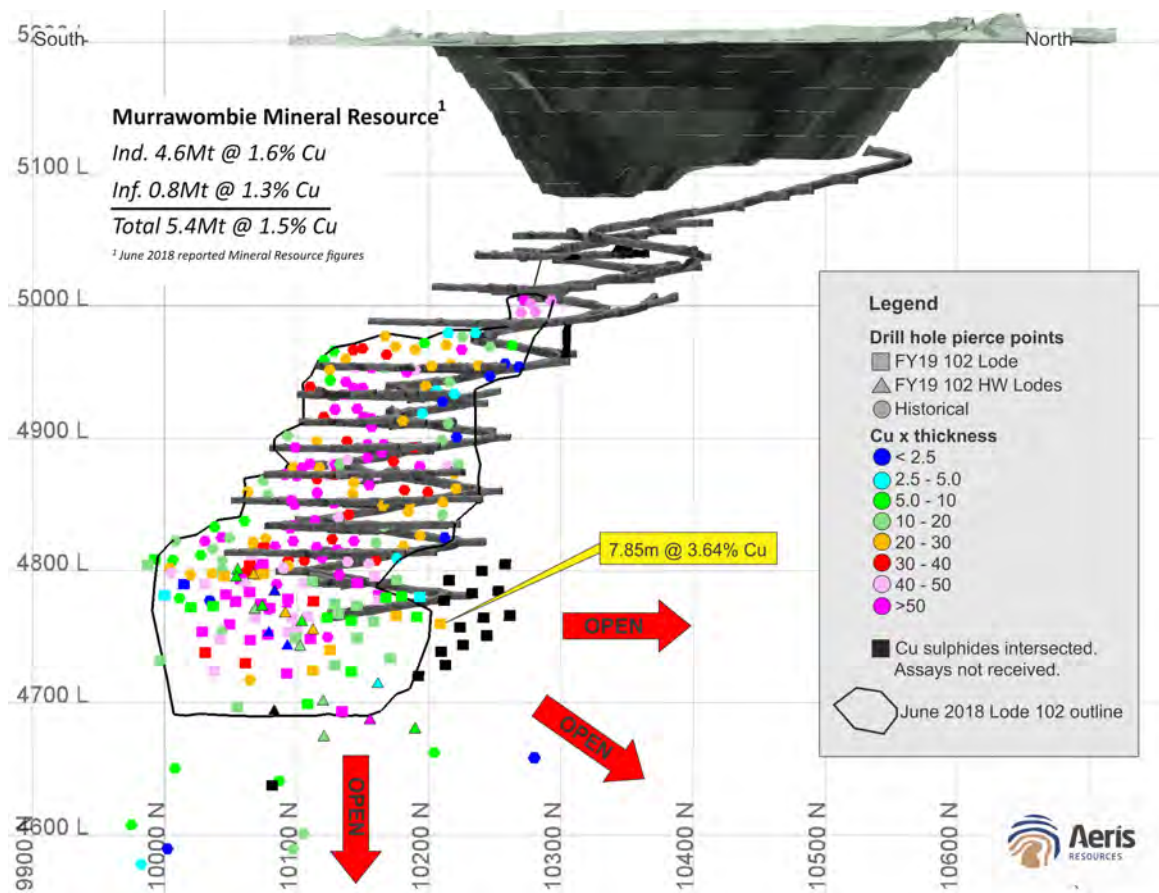
Figure 4: Cross section through the Tritton deposit below 4,400mRL showing the interpreted high grade ($\geq 2\%$ Cu) copper shoots (shaded red regions) within the broader Tritton orebody (light grey shaded region).



BROWNFIELDS EXPLORATION – MURRAWOMBIE

At the Murrawombie deposit underground drilling began testing strike extensions outside of the known mineralised footprint toward the base of the Indicated Mineral Resource. In total 15 drill holes were completed by quarter end with each drill hole intersecting sulphide mineralisation. The additional drilling has extended the mineralised system approximately 60m further north and remains open along strike and down plunge. Assay results were received for one of the fifteen drill holes (MWGC408) which returned 7.85m @ 3.64% Cu.

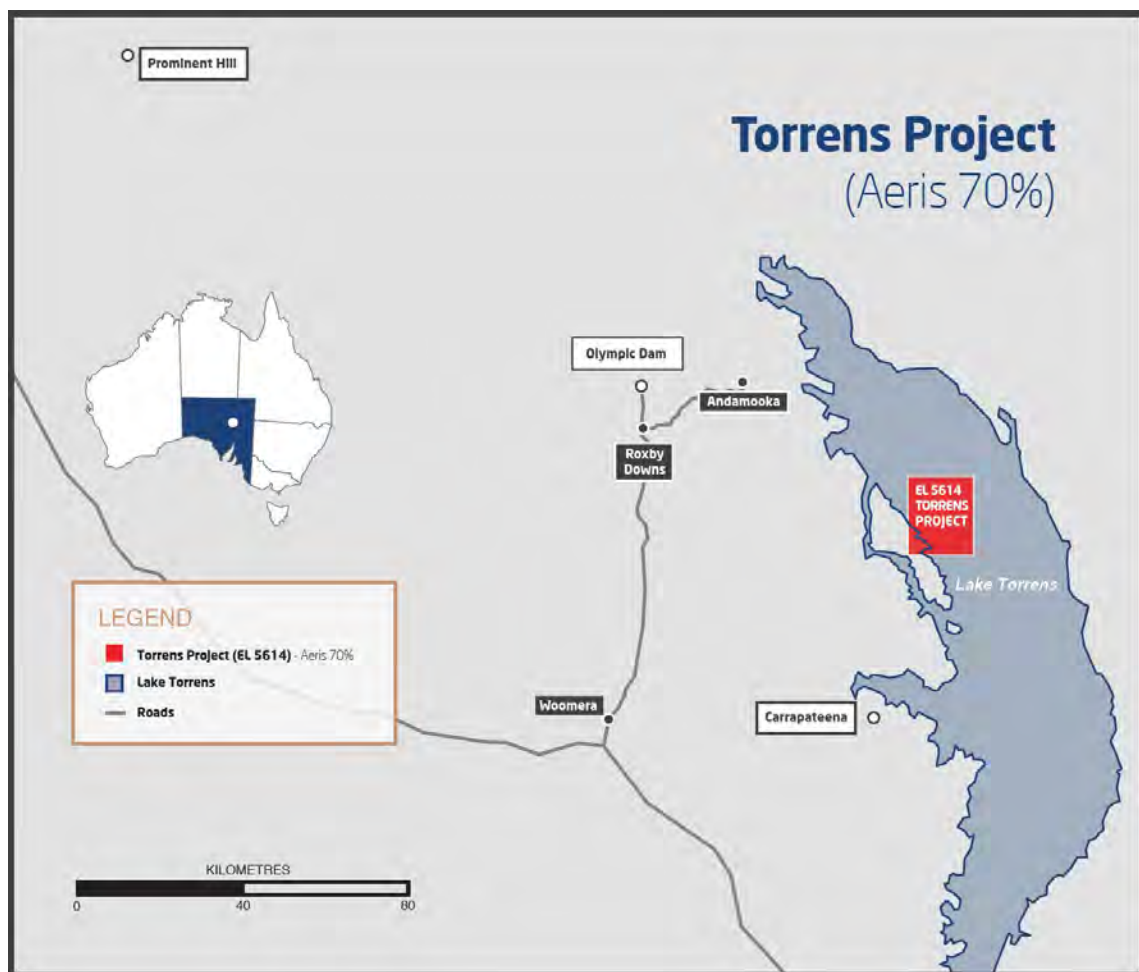
Figure 5: Long section view showing drill hole pierce points through the main Murrawombie 102 lode.



TORRENS PROJECT, SOUTH AUSTRALIA

The Torrens Project (EL5614), a joint venture between Aeris Resources (70% interest) and Kelaray Pty Ltd (a wholly owned subsidiary of Argonaut Resources NL), is exploring for iron-oxide copper-gold (IOCG) systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located on Lake Torrens, near the eastern margin of South Australia's Gawler Craton and lies within 50 kilometres of Oz Minerals' Carrapateena deposit and 75 kilometres from BHP's Olympic Dam mine.

Figure 6: Map showing location of EL 5614 (The Torrens Project).



The Torrens Project is defined by a regionally significant coincident magnetic and gravity anomalous zone, with a footprint greater than that of Olympic Dam. Within the Torrens Project area, geophysical modelling/interpretation has identified 28 geophysical anomalies based on gravity and magnetic geophysical datasets.

Limited drilling, totalling 6 drillholes between 1977 to 2008, defined a large magnetite dominant with lesser hematite alteration system interpreted to form the distal component of an iron oxide copper gold (IOCG) system. Zones of anomalous copper mineralisation ($\geq 0.1\%$ Cu) were intersected from several drillholes with the most significant mineralised zone associated with TD02 (246 metres @ 0.1% Cu).

During the quarter drill hole TD10 was successfully drilled to target depth (1,280 metres). TD10 targeted a broad coincident gravity and magnetic anomaly approximately 8.5 kilometres from the lake shoreline. The drill hole intersected basement at 767 metres below surface and passed through intensely altered basement rocks dominated by variable amounts of K-feldspar, magnetite and hedenbergite. Trace amounts (visual observations) of pyrite and chalcopyrite were identified (assays pending). A complete geological assessment of TD10 will be completed in the September quarter once all available data has been received and interpreted.

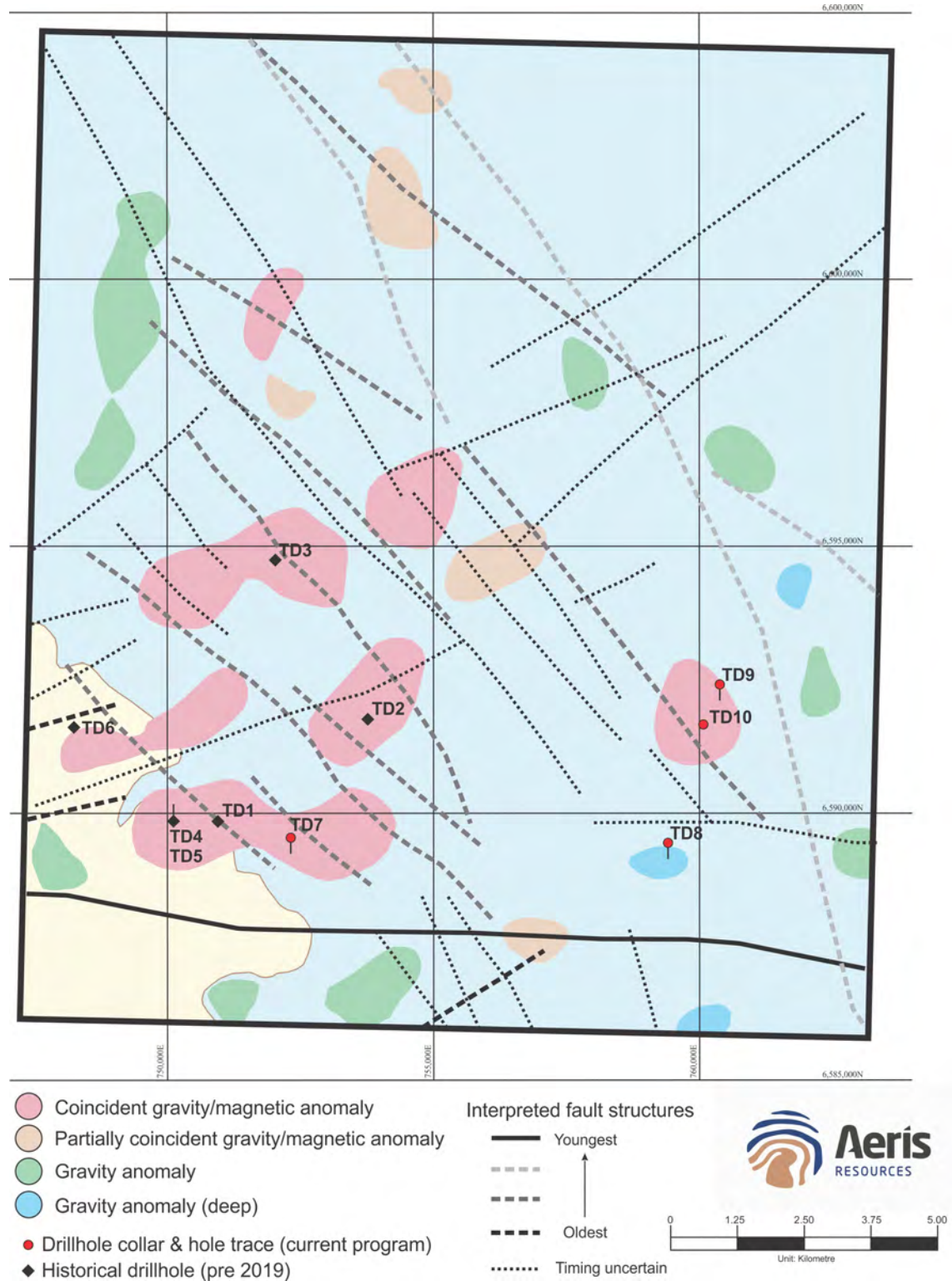
Importantly the revised drilling methodology adopted for TD10 was successful in mitigating the risks associated with the artesian aquifer intersected in drill holes TD08 and TD09. The Company is confident the new approach will ensure future drill holes will be successfully completed on Lake Torrens.

Assay results from drill hole TD07 were returned during the quarter. Minor copper mineralisation was intersected with the best intersection being 20m @ 0.15% Cu from 542 metres down hole and associated with a magnetite dominated skarn alteration assemblage. Additionally, elevated Cerium concentrations occur toward the end of the drill hole which broadly coincides with an increase in fracture frequency through the drill core. Cerium and other rare earth elements (REEs) are noted as important accessory minerals associated with IOCG deposits within the Gawler Craton.

At the completion of TD10 the drill program was paused to enable the processing of the geological data collected during the program, in-conjunction with reviewing the finalised geophysical interpretation work completed during the quarter. Geological work will focus on re-evaluating and refining geological target areas for future drill campaigns. Demobilisation of the exploration camp commenced in June and by quarter end was almost complete.

Aeris' share (70%) of exploration expenditure at the Torrens Project for the June quarter was \$1.4 million.

Figure 7: Torrens project area showing the location of interpreted geophysical anomalies based on the 2018 FALCON airborne gravity and aeromagnetic survey.



Corporate

CASH

At the end of the June quarter, Aeris had useable cash and receivables of \$26.6 million, an increase of \$2.7 million on the previous quarter.

(A\$ Million)	JUN 2019 QTR	MAR 2019 QTR
Useable Cash - Aeris Corporate and Tritton	22.5	17.5
Tritton - Copper concentrate receivables	4.1	6.4
Aeris/Tritton - Useable Cash and Receivables	26.6	23.9

There were no hedge settlements during the quarter as the copper swap contract finalised in March 2019 and was not renewed.

Aeris' total debt at the end of the period was approximately US\$30 million (Tranche A facility – US\$20 million and Tranche B facility – US\$10 million) and represents a reduction in the Group's debt of US\$20 million during the FY2019 financial year and more than US\$100 million since the start of 2013.

Corporate capital expenditure for the quarter was nil.

For further information contact:

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or go to our website at www.aerisresources.com.au

References in this report to “Aeris Resources Limited”, “Aeris” and “Company” include, where applicable, its subsidiaries.

Competent Persons Statement – Exploration Results

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Bradley Cox, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Bradley Cox is a full-time employee of Aeris Resources. Bradley Cox has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Bradley Cox consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A

JORC Code, 2012 Edition – Table 1 (*Supporting documentation for information relating to the Murrawombie deposit*)

Section 1 Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	Commentary
Sampling techniques	<ol style="list-style-type: none"> All samples have been collected from diamond drill core. Samples taken over a mineralised interval are collected in a fashion to ensure a majority are 1.0m in length, whilst the HW and FW sample are as close to 1.0m as possible. Diamond core samples represent sawn half NQ core. Samples are cut via an Almonte automatic core saw. Assay standards and blanks are inserted periodically throughout drill core samples at a rate of 5% (5% of samples will represent standards and 5% of samples will represent blanks). Half core diamond drill core samples are dried and crushed (jaw crusher) to 90% passing a nominal 2mm and then pulverised to 80% passing 75µm. This sample preparation protocol is considered appropriate to produce a homogenous sample for assaying methods (refer to quality of assay data and laboratory tests section for summary of assay techniques).
Drilling techniques	<ol style="list-style-type: none"> Drilling results reported are via diamond drill core which are collared from underground development headings. The drill hole diameter is NQ.
Drill sample recovery	<ol style="list-style-type: none"> Core recoveries are recorded by the drillers on site at the drill rig. Core recoveries are checked and verified by an Aeris Resources field technician and/or geologist. Diamond drill core is pieced together as part of the core orientation process. During this process depth intervals are recorded on the core and checked against downhole depths recorded by drillers on core blocks within the core trays. Historically core recoveries are very high within and outside zones of mineralisation. Diamond core drilled to date from the current drill program have recorded very high recoveries and is in line with the historical observations.
Logging	<ol style="list-style-type: none"> All diamond core is geologically and geotechnically logged by company geologists. Logging is to the level of detail to support the Murrawombie style of mineralisation. Logging of diamond core includes lithology, alteration, mineralisation, degree of oxidation, fabric/structure and colour.

Criteria	Commentary
	<ol style="list-style-type: none"> 3. All geological data recorded during the core logging process is stored in Aeris Resources AcQuire database. 4. All diamond drill core will be photographed and digitally stored on the company network. 5. Core is stored in core trays and labelled with downhole meterage intervals and drillhole hole ID.
<p>Sub-sampling techniques and sample preparation</p>	<ol style="list-style-type: none"> 1. All samples collected from diamond drill core are collected in a consistent manner. Samples are cut via an automatic core saw, and half core samples are collected on average at 1m intervals, with a minimum sample length of 0.4m and a maximum length of 1.4m. 2. No field duplicates have been collected. 3. The sample size is considered appropriate for the style of mineralisation and grain size of the material being sampled.
<p>Quality of assay data and laboratory tests</p>	<ol style="list-style-type: none"> 1. All samples are sent to ALS Laboratory Services at their Orange facility. 2. Samples are analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-1%) – ALS method ME-ICP41. Samples with Cu assays exceeding 1% will be re-submitted for an aqua regia digest using ICP-AES analysis – ALS method ME-OC46. Au analysis will be performed from a 30g fire assay fusion with an AAS finish (suitable for Au grades between 0.01-100ppm) – ALS method Au-AA22. If a sample records an Au grade above 100ppm another sample will be re-submitted for another 30g fire assay charge using ALS method Au-AA25. 3. QA/QC protocols include the use of blanks, duplicates and standards (commercial certified reference materials used). The frequency rate for each QA/QC sample type is 5%.
<p>Verification of sampling and assaying</p>	<ol style="list-style-type: none"> 1. Logged drillholes are reviewed by the logging geologist and a senior geologist. All geological data is logged directly into Aeris Resources logging computers following the standard Aeris Resources geology codes. Data is transferred to the AcQuire database and validated on entry. 2. Upon receipt of the assay data no adjustments are made to the assay values.
<p>Location of data points</p>	<ol style="list-style-type: none"> 1. All underground drill hole collars are surveyed by company surveyors. Surveyed co-ordinates are entered into the Aeris AcQuire database. 2. A local Murrawombie Mine Grid is used. Rotation of the grid is 41.7° to the west from AMG North (True North). The Mine Grid RL

Criteria	Commentary
	<p>has 5,000 metre added.</p> <ol style="list-style-type: none"> <li data-bbox="491 414 1476 481">3. Quality and accuracy of the drill collars are suitable for resource work and resource evaluation for Proved and Probable reserve.
Data spacing and distribution	<ol style="list-style-type: none"> <li data-bbox="491 504 1476 638">1. Underground grade control drill spacing varies from a nominal 40m x 40m spacing to 20m to 20m spacing. The drill holes referenced to in the body of the text are nominally spaced ~20m x ~20m. <li data-bbox="491 660 1476 772">2. The Murrawombie mineralisation is deemed sufficient to define both geology and grade continuity for a Mineral Resource estimate and Ore Reserve evaluation. <li data-bbox="491 784 1476 896">3. Samples are collected at 1 metre intervals and/or to geology breaks. The minimum sample interval is 0.5 metre and the maximum sample interval is 1.4 metre.
Orientation of data in relation to geological structure	<ol style="list-style-type: none"> <li data-bbox="491 911 1476 1052">1. The drill holes referenced in the body of text are drilled from the footwall to the mineralised system. The angle at which each drill hole intersects mineralisation varies and there is no drilling bias for these particular drill holes.
Sample security	<ol style="list-style-type: none"> <li data-bbox="491 1113 1476 1433">1. Chain of Custody is managed by the Company. Samples are stored on site in polyweave bags containing approximately 5 samples. These bags are securely tied, then loaded and wrapped onto a pallet for dispatch to the laboratory. The samples are freighted directly to the laboratory with appropriate documentation listing sample numbers and analytical methods requested. Samples are immediately receipted by the lab on arrival, with a notification to the Company Senior Geologist of the number of samples that have arrived.
Audits or reviews	<ol style="list-style-type: none"> <li data-bbox="491 1449 1476 1512">1. Data is validated when uploading into the company Acquire database. <li data-bbox="491 1534 1085 1568">2. No formal audit has been conducted.

Section 2 Reporting of Exploration Results (Supporting documentation for information relating to the Murrawombie deposit)

(Criteria listed in the proceeding section applies to this section).

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ol style="list-style-type: none"> 1. The Murrawombie deposit is located within Mining Licence 1280 which is located within Exploration Licence 6126. Both the Mining Licence and Exploration Licence are wholly owned by Tritton Resources Pty. Ltd. a wholly owned subsidiary of Aeris Resources Ltd. 2. At the time of reporting there were no known impediments to mining or exploration activities within each licence.
<i>Exploration done by other parties</i>	<ol style="list-style-type: none"> 1. There is a long history of exploration at and locally around the Murrawombie deposit dating back to the late 1800's. Modern exploration dating back to the late 1960s included extensive geological mapping and drill testing of the oxide mineralisation (Utah Development Company). Nord Resources Pty. Ltd. acquired the project in 1989 and completed an extensive drill program to drill out and define the oxide mineralised system. Mining of the oxide Mineral Resource occurred from 1992 to 2001. Exploration over the Murrawombie deposit post open pit mining has been limited to approximately 10 surface holes testing down plunge mineralisation below the known mineralised extents.
<i>Geology</i>	<ol style="list-style-type: none"> 1. There is some conjecture regarding the genetic model for copper sulphide mineralisation within the Girilambone basin. At different periods over the last 20 years the genetic model was moved from a structurally controlled deposit to a VMS "Besshi style" in more recent years. Geological mapping and various deposits over the last 2 years has highlighted relationships between sulphide mineralisation and a complex structural history. The Murrawombie deposit is now consisted to represent a structurally controlled replacive type deposit. 2. Copper mineralisation at Murrawombie is contained within a series of tabular north-south striking pyrite dominant sulphide envelopes dipping moderately to the east. Current and planned mining activities are focused on the two dominant lenses (101 and 108 lodes). Each lode is ~ 150 metres to 200 metres in length with thicknesses varying from less than 5m to in-excess of 30m. The 102 lode down plunge dimension has been traced ~400 metres while the 108 lode has been traced ~200m down plunge. Both lodes remain open down plunge and along strike to the north. 3. Sulphide minerals include pyrite (dominate sulphide mineral). Copper mineralisation is associated with chalcopyrite. Minor amounts of gold and silver occur throughout the sulphide

Criteria	Commentary
	packages.
<i>Drill hole information</i>	1. All relevant drill hole data is included in the main body of the report and Appendix 1.
<i>Data aggregation methods</i>	<ol style="list-style-type: none"> 1. Exploration results have been reported via a length weighted methodology. Composite intervals are reported using a nominal 0.5% Cu cut-off with a maximum of up to 3.0 metres of internal dilution (<0.5% Cu). 2. No top cuts have been applied to the assay data. 3. No metal equivalent values have been reported.
<i>Relationship between mineralisation widths and intercept widths</i>	<ol style="list-style-type: none"> 1. The mineralised lodes strike north – south and dip moderately to the east. Drill holes reported in the main body of the report intersect the mineralised system at varying angles. 2. The geometry of the mineralised system is well known and it is possible to determine true thickness from drill hole intersections. 3. Copper mineralisation is variable within the mineralised lodes and the intervals are determined once assay results have been received.
<i>Diagrams</i>	1. See body of the report
<i>Balanced reporting</i>	1. Drill holes referenced in the report listed in the report are associated with drilling outside of the current Mineral Resource. All drill holes completed by quarter end which target mineralisation outside of the Mineral Resource (along strike) have been reported.
<i>Other substantive exploration data</i>	1. See body of the report
<i>Further work</i>	1. Future work is discussed in the body of the text.