

# Quarterly Activities Report

## For the period ended 30 September 2023

### Highlights

- Copper equivalent production of 12.9kt for the quarter at AISC of A\$5.44/lb
- Tritton metal production ahead of plan on improved mined grades
- Strong final quarter of production at Jaguar with the operation now on care and maintenance
- Gold production at Cracow in line with plan
- Mining operations at Mt Colin performed well although tonnes processed slightly lower than plan
- Stockman feasibility well advanced
- Drilling at Constellation (Tritton) has extended the mineralisation down-plunge

	Unit	Jun 23 Qtr	Sep 23 Qtr	FY24 Guidance
LTIFR	/mmhrs	1.33	1.04	-
Copper produced	kt	7.9	8.1	28 - 35
Zinc produced	kt	2.9	3.1	1.2 - 1.5
Gold produced	koz	16.5	15.2	48 - 60
Silver produced	koz	130.4	121.3	181 - 227
<b>Cu eq production</b>	<b>kt</b>	<b>13.1</b>	<b>12.9</b>	<b>40 - 50</b>
<b>Operating Costs</b>				
Mining	A\$M	67.5	60.1	202 - 243
Processing	A\$M	24.8	28.9	84 - 101
Site & G&A	A\$M	19.7	12.9	43 - 52
TC/RCs	A\$M	10.2	11.4	28 - 34
Product handling	A\$M	7.5	7.3	24 - 29
<b>Capital Costs</b>				
Sustaining	A\$M	27.8	21.8	76 - 91
Growth	A\$M	7.1	10.1	34 - 41
Exploration	A\$M	3.4	2.6	12 - 15
Projects inc. Stockman	A\$M	2.7	1.1	2 - 3
<b>AISC</b>	<b>A\$M</b>	<b>176.5</b>	<b>154.4</b>	-
<b>AISC</b>	<b>\$/lb Cu eq</b>	<b>6.11</b>	<b>5.44</b>	-

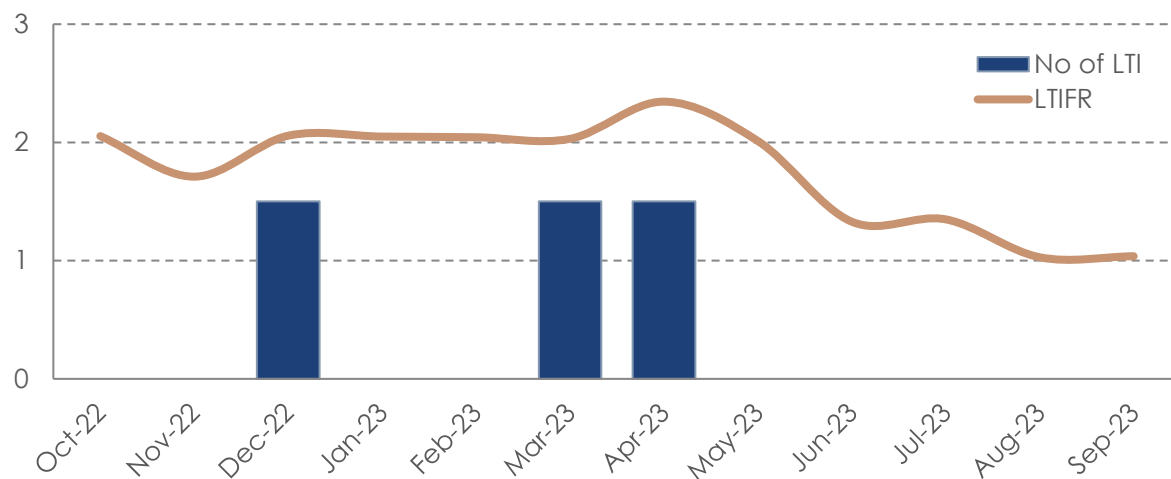
## Group Safety, Environment and Community

Aeris recorded no lost time injuries during the September quarter, bringing the 12 month rolling LTIFR to 1.04.

There were two Reportable Environmental Incidents recorded in the September quarter:

- A tailings booster pump discharge line at Cracow was holed when run over by a scraper working on the TSF2 tailings dam lift project; and
- Expression of water downstream of the South Sediment Dam embankment at Mt Colin.

Figure 1 – Group LTIFR



## Tritton Operations (NSW)

### Key points for quarter:

- Copper, gold and silver production ahead of plan on improved mined grades
- Total copper production of 5.2kt at AISC of A\$5.68/lb
- High-grade copper intersected in drilling at the Constellation deposit, extending the mineralisation down-plunge and along strike

Production Summary	Unit	Jun 23	Sep 23	FY24 Guidance
		Qtr	Qtr	
Ore Mined	tonnes	393.8	301.2	
Mined Grade	% Cu	1.57	1.59	
Ore Milled	tonnes	372.6	332.1	
Milled Grade	% Cu	1.53	1.63	
Recovery	Cu	95.3%	95.3%	
<b>Copper Produced</b>	<b>kt</b>	<b>5.4</b>	<b>5.2</b>	<b>19 – 24</b>
Gold Produced	koz	1.4	1.0	6 – 7
Silver Produced	koz	39.3	36.9	148 – 185
Cost Summary				
Mining	A\$M	32.7	25.3	113 – 136
Processing	A\$M	7.5	8.7	31 – 37
Site G&A	A\$M	5.1	5.1	22 – 27
TC/RCs	A\$M	4.7	5.4	19 – 23
Product Handling	A\$M	3.9	3.3	16 – 20
By-Product Credit	A\$M	(4.5)	(4.1)	
Royalties	A\$M	1.3	1.6	
Corporate G&A	A\$M	0.5	0.5	
Inventory Movements	A\$M	0.4	1.7	
Sustaining Capital <sup>1</sup>	A\$M	16.4	17.2	57 – 69
<b>All-In Sustaining Costs<sup>2</sup></b>	<b>A\$M</b>	<b>68.1</b>	<b>64.7</b>	
	<b>A\$/lb</b>	<b>5.68</b>	<b>5.68</b>	
Growth Capital	A\$M	5.6	3.0	10 – 12
Exploration	A\$M	2.4	0.6	7 – 9
<b>All-In Costs<sup>2</sup></b>	<b>A\$M</b>	<b>76.1</b>	<b>68.3</b>	
	<b>A\$/lb</b>	<b>6.35</b>	<b>5.99</b>	

1. Includes sustaining capital, capitalised mine development and financing payments (principal and interest) on leased assets
2. All-In Sustaining and All-In Costs are based on copper produced

## Operations

Tritton performed well for the quarter with copper, gold and silver production ahead of plan due to strong mined grades. Total ore mined was lower than forecast due to difficult localised mining conditions at the Tritton and Murrawombie orebodies. Avoca Tank performed well with the copper grade averaging +2.5%, while operations at Budgerygar were focused on developing the next stoping levels.

The Avoca Tank ore body is demonstrating significantly higher grades than the current geological model. An update to the Mineral Resource Estimate is underway and will be released in the coming weeks.

At the processing plant the Jameson cell was successfully commissioned during the quarter, increasing concentrate grade. Optimisation work on the Jameson cell is continuing. Metallurgical recovery was also above plan for the quarter.

## Costs

Costs were managed well during the quarter with all-in sustaining costs under forecast in both absolute terms and on a unit basis. Limited growth capital was incurred, as scheduled, with Avoca Tank and Budgerygar now in production.

## Exploration

Exploration during the quarter focused on the Constellation deposit, located 45km north of the Tritton processing plant. A total of 6 holes were drilled in the current campaign, targeting extensions of the Mineral Resource at depth.

Drilling successfully intersected copper sulphides, extending the known mineralisation 200m down plunge and 80m along strike. Assay results have been received for two of the holes<sup>1</sup>:

- TAKD095 – 25.95m at 3.81% Cu, 1.12g/t Au, 10.3g/t Ag (from 460m)
- TAKD094 – 5.85m at 2.23% Cu, 1.14g/t Au, 3.15g/t Ag (from 387m).

Drill hole TAKD095 targeted a previously untested down-hole electromagnetic (DHEM) plate. The high-grade intersection from TAKD095 is the most significant intersection reported from the primary sulphide domain to-date, suggesting the DHEM plate could define a thick high-grade portion of the deposit. The DHEM plate dimensions are approximately 80m x 100m.

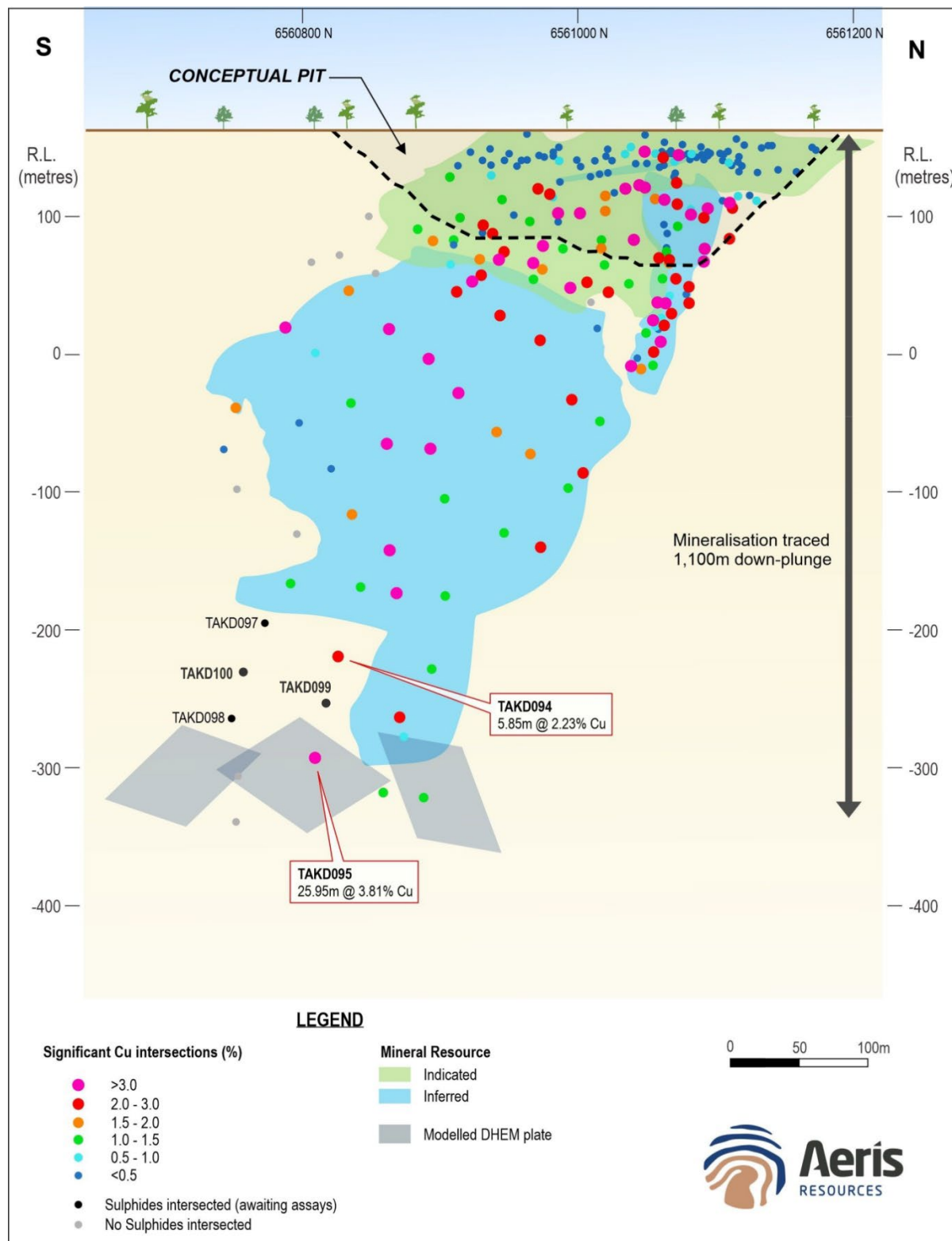
Assay results are pending for the remaining four holes.

A follow-up drill program is being planned for Constellation in early calendar 2024. This program will aim to increase the proportion of the Mineral Resource in the Indicated category as well as expand the overall resource.

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<sup>1</sup> Refer to ASX announcement “High-Grade Copper Intersected at Constellation” dated 20 September 2023

Figure 2 – Long section view looking west showing drill hole pierce points through the Constellation deposit. Drill holes from the current program are labelled.



## Cracow Operations (QLD)

### Key points for quarter:

- Gold production of 12.7koz at AISC of A\$2,398/oz, in line with plan
- Operating and capital costs on plan
- Gold recovery ahead of plan
- Tailings dam lift ahead of schedule

Production Summary	Unit	Jun 23 Qtr	Sep 23 Qtr	FY24 Guidance
Ore Mined	kt	152.7	115.6	
Mined Grade	g/t	2.92	3.29	
Ore Milled	kt	173.3	149.4	
Milled Grade	g/t	2.74	2.84	
Recovery	Au	90.7%	93.3%	
<b>Gold Produced</b>	<b>koz</b>	<b>13.8</b>	<b>12.7</b>	<b>38 - 48</b>
Gold Sold	koz	13.6	12.8	
Cost Summary				
Mining	A\$M	15.8	15.0	50 - 60
Processing	A\$M	6.7	6.4	26 - 31
Site G&A	A\$M	3.2	2.7	12 - 15
By-Product Credit	A\$M	(0.3)	(0.3)	
Royalties	A\$M	2.2	2.1	
Corporate G&A	A\$M	0.4	0.4	
Inventory Movements	A\$M	(0.2)	2.4	
Sustaining Capital <sup>1</sup>	A\$M	2.1	2.0	18 - 22
<b>All-In Sustaining Costs<sup>2</sup></b>	<b>A\$M</b>	<b>29.8</b>	<b>30.7</b>	
	<b>A\$/oz</b>	<b>2,187</b>	<b>2,398</b>	
Growth Capital	A\$M	1.5	7.1	23 - 28
Exploration	A\$M	0.4	1.1	4 - 5
<b>All-In Costs<sup>2</sup></b>	<b>A\$M</b>	<b>31.7</b>	<b>38.9</b>	
	<b>A\$/oz</b>	<b>2,328</b>	<b>3,038</b>	

1. Includes sustaining capital, capitalised mine development and financing payments (principal and interest) on leased assets

2. All-In Sustaining and All-In Costs are based on gold sold

### Operations

Ore mined and milled was in-line with plan, with run of mine ore supplemented with low grade stockpiles. Mining grades improved materially from the previous quarter, to 3.29g/t Au. Metallurgical recovery was above plan and total gold production of 12.7koz was in line with plan.

## Costs

All-in sustaining costs were in line with plan. The mill shutdown was completed successfully, at lower than budgeted costs. Construction commenced on the tailings dam lift at TSF2 with capital expenditure of \$7.1 million by quarter end. The project is progressing well and is approximately one month ahead of schedule.

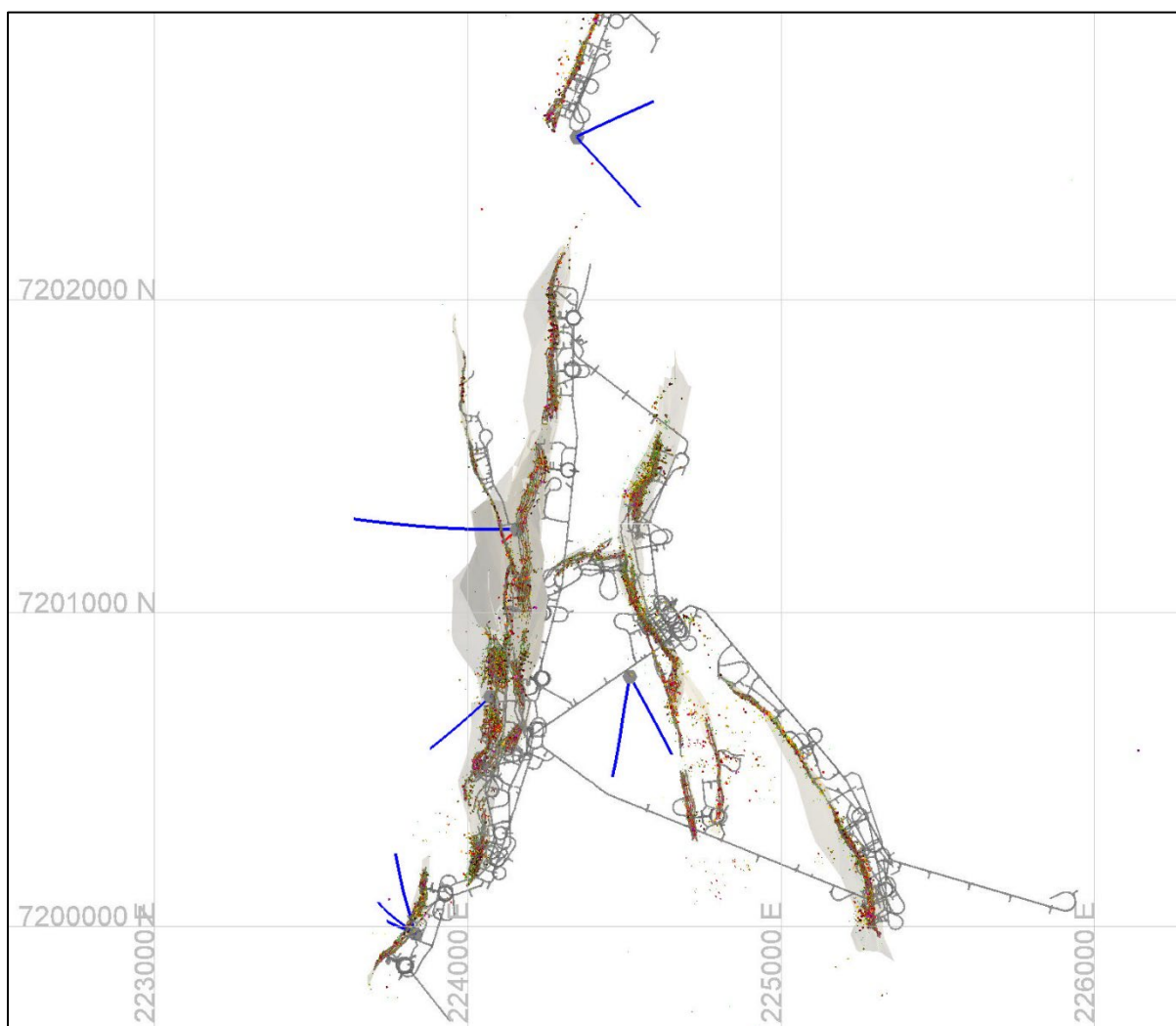
## Exploration

During the quarter exploration activities were focused on drill testing near mine exploration targets within the underground mining infrastructure footprint at the Western Vein Field.

Updated geological interpretations across the Western Vein Field identified opportunities to discover additional gold mineralization, either along new structures or isolated “pockets” along known structures.

By quarter end 5 drill targets were tested via a first-pass drill program (refer to Figure 3). In most cases, drilling successfully intersected the interpreted structures. Assay results from the drill program are pending and further drilling will be planned once received.

**Figure 3 – Plan view of the Western Vein Field showing underground exploration holes completed within the quarter (blue lines). The known high-grade structures are shown by the semi-transparent grey wireframes.**



## North Queensland Operations (QLD)

### Key points for quarter:

- Mining operations at Mt Colin performed to plan at slighter better than planned copper grades
- Re-scheduling of toll processing runs by the Ernest Henry Processing Plant (EHM) resulted in 127kt being milled in the quarter, 18kt less than plan
- Copper production of 2.4kt for the quarter at improved AISC of A\$3.66/lb
- Ore stockpiles of 70kt at EHM at quarter end

Production Summary	Unit	Jun 23 Qtr	Sep 23 Qtr	FY24 Guidance
Ore Mined	kt	104.1	106.9	
Mined Grade	% Cu	2.02	2.01	
Ore Milled	kt	105.6	127.4	
Milled Grade	% Cu	2.18	1.96	
Recovery	Cu	86.2%	95.2%	
<b>Copper Produced</b>	<b>kt</b>	<b>2.0</b>	<b>2.4</b>	<b>8 - 10</b>
Gold Produced	koz	0.9	1.1	4 - 5
Cost Summary				
Mining	A\$M	10.7	10.9	34 - 41
Processing	A\$M	5.5	5.9	25 - 30
Site G&A	A\$M	2.9	1.7	7 - 8
TC/RCS	A\$M	1.5	1.8	7 - 9
Product Handling	A\$M	1.8	1.9	7 - 9
By-Product Credit	A\$M	(3.8)	(1.3)	
Royalties	A\$M	1.5	1.3	
Corporate G&A	A\$M	0.3	0.3	
Inventory Movements	A\$M	0.1	(3.4)	
Sustaining Capital <sup>1</sup>	A\$M	0.0	(0.1)	0
<b>All-In Sustaining Costs<sup>2</sup></b>	<b>A\$M</b>	<b>20.6</b>	<b>19.0</b>	
	<b>A\$/lb</b>	<b>4.71</b>	<b>3.66</b>	
Exploration	A\$M	0.2	0.5	0
<b>All-In Costs<sup>2</sup></b>	<b>A\$M</b>	<b>20.8</b>	<b>19.5</b>	
	<b>A\$/lb</b>	<b>4.76</b>	<b>3.75</b>	

1. Includes sustaining capital, capitalised mine development and financing payments (principal and interest) on leased assets
2. All-In Sustaining and All-In Costs are based on copper produced



## **Operations**

Ore mined was in-line with plan, with mined copper grade slightly above. Mining of the cave section in the upper levels of the mine is progressing well.

Ore milled was ahead of tonnes mined with additional stockpiled material processed but slightly lower than forecast due to timing of the two processing runs at EHM. Metallurgical recovery was considerably higher than plan, with a total of 2.4kt of copper produced during the quarter.

At the end of the quarter, approximately 70kt of stockpiled ore remained at EHM.

## **Costs**

Costs were managed well during the quarter with all-in sustaining costs of A\$3.60/lb, below forecast levels.

Approximately 86kt of the ore processed at EHM was pre-sold in Q4 FY23 (provisional payment received), offsetting revenues received this quarter.

## **Exploration**

No material exploration activities were undertaken in North Queensland during the quarter.

## Jaguar Operations (WA)

### Key points for quarter:

- Strong final quarter of production, approximately double planned metal output
- 3.1kt of Zn produced for the quarter at AISC of A\$3.17/lb Zn (AISC includes workforce separation costs)
- Operation now on care and maintenance

Production Summary	Unit	Jun 23 Qtr	Sep 23 Qtr	FY24 Guidance
Ore Mined	tonnes	69.0	55.2	
Mined Grade	% Zn	3.91	7.05	
Ore Milled	tonnes	93.3	66.8	
Milled Grade	% Zn	3.64	5.92	
Recovery	Zn	85.0%	78.2%	
<b>Zinc Produced</b>	<b>kt</b>	<b>2.9</b>	<b>3.1</b>	<b>1.2 - 1.5</b>
Copper Produced	kt	0.5	0.6	0.2 - 0.3
Gold Produced	koz	0.4	0.4	0.2 - 0.3
Silver Produced	koz	91	84	33 - 42
Cost Summary				
Mining	A\$M	8.3	8.8	5 - 6
Processing	A\$M	5.1	7.8	3 - 4
Site G&A	A\$M	8.5	3.4	2 - 3
TC/RCS	A\$M	4.0	4.3	2 - 3
Product Handling	A\$M	1.8	2.0	1 - 2
By-Product Credit	A\$M	(9.7)	(12.6)	
Royalties	A\$M	0.4	1.0	
Corporate G&A	A\$M	0.7	0.0	
Inventory Movements	A\$M	11.3	4.2	
Sustaining Capital <sup>1</sup>	A\$M	9.2	2.7	1 - 2
<b>All-In Sustaining Costs<sup>2</sup></b>	<b>A\$M</b>	<b>39.6</b>	<b>21.6</b>	
	<b>A\$/lb</b>	<b>6.21</b>	<b>3.17</b>	
Growth Capital	A\$M	0.1	0.0	1 - 2
Exploration	A\$M	0.4	0.5	1 - 2
<b>All-In Costs<sup>2</sup></b>	<b>A\$M</b>	<b>40.1</b>	<b>22.1</b>	
	<b>A\$/lb</b>	<b>6.29</b>	<b>3.24</b>	

1. Includes sustaining capital, capitalised mine development and financing payments (principal and interest) on leased assets

2. All-In Sustaining and All-In Costs are based on zinc produced

### Operations

Jaguar had a strong final quarter of production with mined and milled tonnages higher than plan, resulting in metal production significantly above guidance. Final ore processing was completed in September and the site has now transitioned to care and maintenance. A team of 8 people will remain on site to manage ongoing activities including mine dewatering at Bentley and Jaguar.

## Costs

Costs were higher than guidance on the back of significantly higher mining and processing tonnages but below forecast unit cost rates.

### Brownfield Exploration – Jaguar Deposit

An updated Mineral Resource Estimate (MRE) was completed at the Jaguar deposit during the quarter, following the completion of an updated geological interpretation.

The Jaguar deposit was discovered in 2002 with underground mining occurring over a 7 year period from 2007 to 2014. The decision to cease mining operations at the Jaguar deposit was largely based on bringing the higher margin Bentley deposit into production.

The updated Jaguar deposit MRE totals 840kt @ 2.28% Cu, 4.66% Zn and 61g/t Ag, for 19kt Cu metal, 39kt Zn metal and 1.65Moz Ag metal. The updated MRE incorporates results from an updated geological interpretation.

Significant potential remains to increase the Jaguar mineralised footprint with further drilling, most notably down-plunge from the current Mineral Resource. In addition, there is potential to define mineralisation along two parallel favourable stratigraphic horizons, one of which contains the mined “Farside” copper sulphide lens.

**Table 1: 2023 Jaguar Mineral Resource<sup>12345</sup>**

2023 JAGUAR DEPOSIT MINERAL RESOURCE ESTIMATE								
Resource Category	Cut-off grade	Tonnes (kt)	Cu (%)	Zn (%)	Ag (g/t)	Cu metal (kt)	Zn metal (kt)	Ag metal (koz)
Measured	\$100 NSR	260	2.26	3.82	56	6	10	465
Indicated		480	2.41	5.79	73	12	28	1,140
Inferred		100	1.70	1.26	16	2	1	50
<b>Total</b>		<b>840</b>	<b>2.28</b>	<b>4.66</b>	<b>61</b>	<b>19</b>	<b>39</b>	<b>1,650</b>

<sup>1</sup> Refer to ASX announcement “Correction – Jaguar Deposit Mineral Resource Update” dated 12<sup>th</sup> July 2023

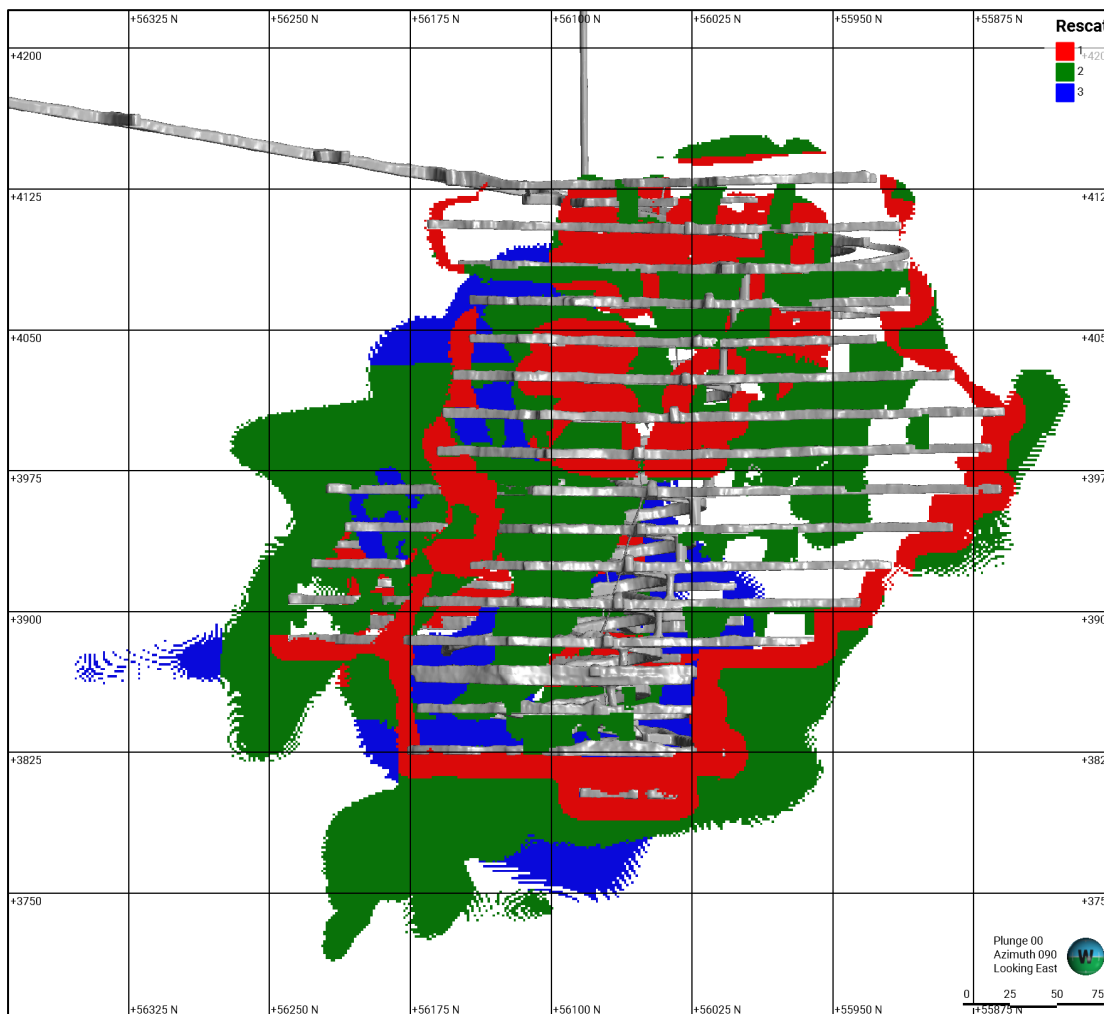
<sup>2</sup> Mr John Hamill MAusIMM MAIG CP (Geo) takes Competent Person responsibility for this Mineral Resource Estimate in accordance with the JORC Code (2012)

<sup>3</sup> The cut-off grade applied to the Jaguar deposit MRE has been derived from the Net Smelter Return (NSR) calculations applied to the Bentley deposit.

<sup>4</sup> The Competent Person considers that the Mineral Resource has reasonable prospects for eventual economic extraction at the cut-off grade specified and a selective underground mining method.

<sup>5</sup> Numbers may not sum due to rounding.

**Figure 4 – Long section view of the 2023 Jaguar deposit Mineral Resource classification looking east. Note the mineralised lenses are stacked. An Inferred lens is located behind the Measured and Indicated lens.**

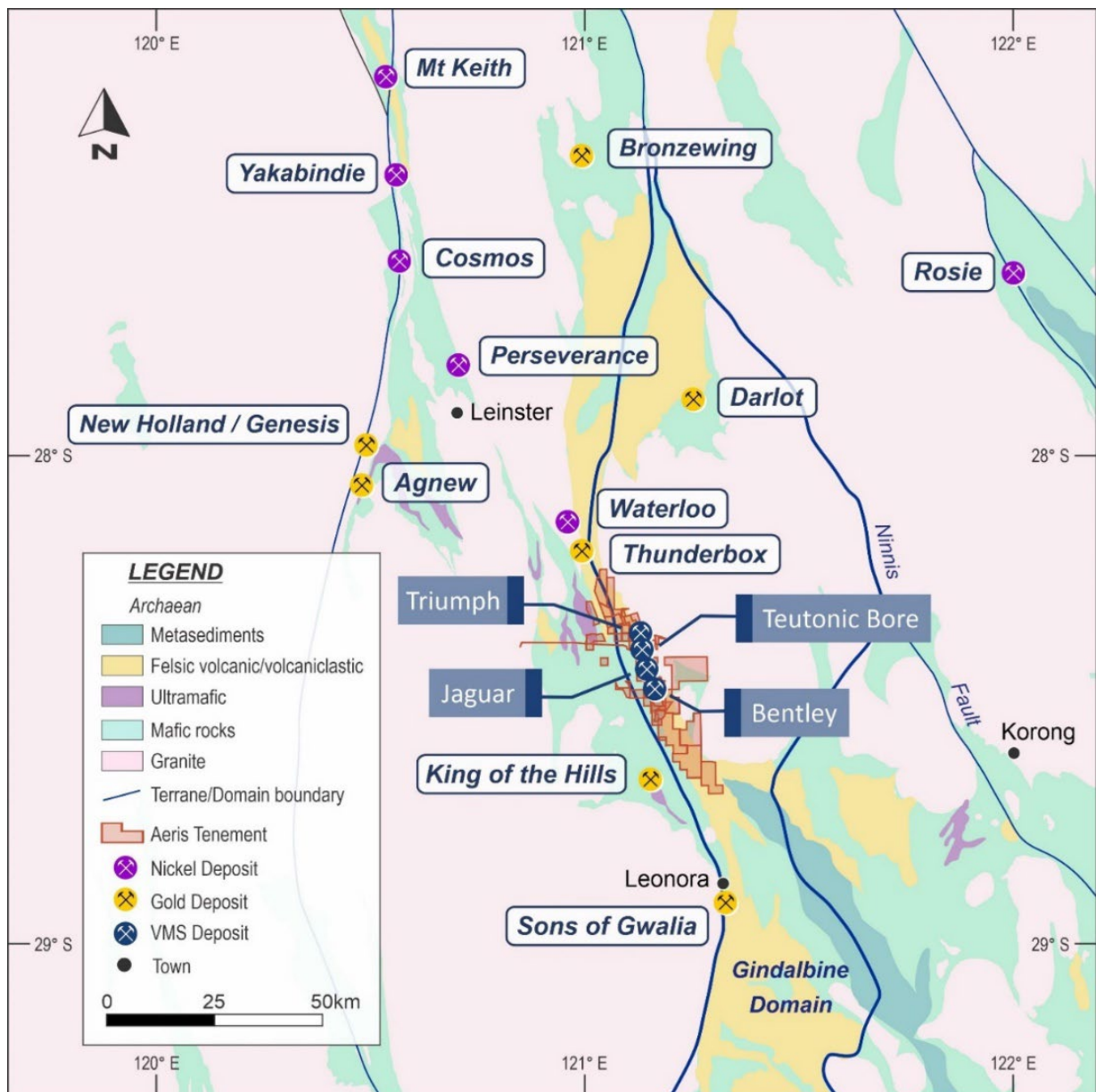


### Greenfield Exploration

The Jaguar exploration tenement package is also highly prospective for gold mineralisation. The regional gold endowment is in excess of 25Moz, with several multi-million ounces deposits located within 50km of the Jaguar tenement package.

Within the quarter, exploration efforts shifted focus toward gold prospectivity. Although a vast majority of the exploration over the tenement package to-date has focused primarily on base metal mineralisation, some early-stage gold focused exploration has been completed by previous explorers. The notable stand-out target is a 2km gold anomaly referred to as the "Heather Bore" prospect. This gold anomaly is interpreted to occur along the structural corridor that hosts Northern Star's Thunderbox deposit, 8km to the north.

Figure 5 – Simplified regional geology across the broader Jaguar Operation showing significant gold deposits.



## Stockman Project (VIC)

### Key points for quarter:

Feasibility study and permitting activities continued during the quarter, including:

- Metallurgical drilling at Wilga and Currawong ore bodies completed and assayed
- Interim feasibility study revalidation completed – draft report being prepared
- Next stage work plan to advance the project development being finalised (including metallurgical test work program)
- Balance of secondary environmental permitting and license approvals progressing.

Aeris expects to update the market on feasibility progress in the December quarter.

## Other Projects

### Canbelego Joint Venture (Aeris 30%)

Aeris, through subsidiary Tritton Resources Pty Ltd, holds a 30% interest in the Canbelego Project (EL 6105) in NSW, a joint venture (JV) with Oxley Resources (70% interest), a subsidiary of Helix Resources (ASX:HLX). Exploration activities and management of the exploration licence are undertaken by our JV partner.

No exploration activities were undertaken at the Canbelego Project during the quarter.

### Torrens Joint Venture (Aeris 70%)

During the quarter, the transaction to divest Aeris' interest in the Torrens Joint Venture, in return for a 2.5% royalty, was completed.

## Corporate

### Strategic Actions

For FY24, the Aeris team is focused on stabilisation of the business and improving consistency of operating performance. A number of leadership changes have been implemented including the transfer of the Cracow Operations GM to Tritton, to drive better compliance to plan. With the transition of Jaguar to care and maintenance, a review of costs across the business has also resulted in a reduction in support roles in the corporate office.

### Cash and Receivables

At the end of the quarter, Aeris increased useable cash and receivables to \$43.4 million with a closing cash balance of \$21.9 million. Cash flow from operations was impacted by additional payments made during the quarter to reduce the balance of operational trade creditors, using funds from operations and the WHSP debt facility.

(A\$ Million)	Jun 2023 Qtr	Sep 2023 Qtr
Closing cash	19.5	21.9
Jaguar - concentrate receivables	0.8	11.5
Mt Colin	0.0	1.6
Cracow - gold dore	0.1	0.3
Tritton - concentrate receivables	9.1	8.1
<b>Useable Cash and Receivables</b>	<b>29.5</b>	<b>43.4</b>

(A\$ Million)	Jun 2023 Qtr	Sep 2023 Qtr
Opening cash	45.3	19.5
Cash flow from operations	18.5	0.1
Cash flow from capital expenditure	(44.3)	(32.0)
Cash flow from financing	0.0	34.3
Closing cash	19.5	21.9

### Debt and Hedging

To ensure sufficient working capital liquidity to deliver on FY24 plans, Aeris secured a \$50 million debt facility with its major shareholder, Washington H Soul Pattinson (WHSP). The facility is non-dilutive to shareholders, with no equity or production-linked components. The WHSP Facility replaces the ANZ \$20 million Working Capital Facility. For further details see ASX Announcement "Corporate Update and FY24 Guidance" dated 2 August 2023. Drawdown of \$40 million was completed on 7 August 2023.

The Company had no hedges in place at the end of the quarter.

Authorised for lodgement by:

Andre Labuschagne  
Executive Chairman

**ENDS**

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Executive Chairman

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**About Aeris**

Aeris Resources is a mid-tier base and precious metals producer. Its copper dominant portfolio comprises three operating assets, a mine on care and maintenance, a long-life development project and a highly prospective exploration portfolio.

Aeris has a strong pipeline of organic growth projects, an aggressive exploration program and continues to investigate strategic merger and acquisition opportunities. The Company's experienced board and management team bring significant corporate and technical expertise to a lean operating model. Aeris is committed to building strong partnerships with its key community, investment and workforce stakeholders.

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