Quarterly Activities Report
For the period ended 30 June 2017

About Aeris Resources

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

In FY2017 Aeris' Tritton Copper Operations produced 23,404 tonnes of copper and in FY2018 is targeting production of 27,000 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.

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

OPERATIONS:

- **June Qtr Copper Production of 5,952 tonnes (18% increase from previous Qtr)**
- **FY17 Copper Production of 23,404 tonnes**
- **FY18 Copper Production guidance of 27,000 tonnes**
- **Tritton Ventilation Shaft on track to be operational by end of September Qtr**
- **Grade control drilling at the Murrawombie underground mine identifies higher grade zones, allowing modification of the mining plan**

EXPLORATION:

- **EM survey continued over the Tritton and Kurrajong corridors (50% completed)**
- **Multiple new anomalies have been identified from the EM Surveys, including two within five kilometers of the Tritton Processing Plant**

CORPORATE:

- **Cash and receivables of $13.9M at the end of the quarter**
- **Completion of the Sale of the Blayney Exploration Project**

Managing Director's Commentary on FY2017

During FY2017 we commenced three major capital projects which sets-up the Tritton Copper Operations for the coming years:

- Construction of a Ventilation Shaft at Tritton;
- Commissioning of Murrawombie Underground Mine; and
- A strategic 2 year, $7.5M greenfields exploration program on our Tritton tenement package.

The ventilation shaft will enable Tritton to be extended to at least RL4000m, at production rates of 1mtpa or better. The raisebore for the Tritton Vent Shaft broke through on 20 April. Civil works on the surface have been completed, the vent fans are currently being installed and are targeted to be operational by the end of the September quarter. The 864 metres deep, 5 metre diameter shaft is a world record (length and diameter) for the Atlas Copco 91R raisebore rig and also one of the largest single-pass ventilation shafts in Australia. Originally budgeted to cost more than $11 million, current estimates are now less than $10 million. The success of this project is a testament to all involved.

At the Murrawombie Underground Mine (Murrawombie), we encountered more difficult than expected ground conditions in the upper levels, which was impacting on stope production. The solution has been to change to a bottom-up mining method. This resulted in lower production than planned during the year whilst we developed deeper into the mine. One benefit of the delay in production ramp-up has been the opportunity to undertake additional grade control drilling. This has resulted in some exciting results. The grade control drilling has identified a large high grade zone in the 102 stopes, which has enabled a change in mining extraction from the originally planned bulk mining method through the whole orebody to a combination of low dilution, open stopes in the high grade zone and lower cost, sub-level caving (SLC) for the lower grade areas of the orebody. The first stopes under the new mining method were commenced during the fourth quarter and the mine will ramp-up to full production during FY2018.

In July 2016 the Aeris Board approved a two year, $7.5 million strategic greenfields exploration program, focusing on discovering "Tritton" sized orebodies (+10Mt) (see ASX Announcement dated 28 July 2016). The first stages of this strategic greenfields exploration program involves using high power electromagnetic (EM) geophysics technology. This has involved using moving loop EM technology which is able to "see" 400m-500m below surface, compared to the 200m depth of the equipment previously used on the tenement package, and airborne EM survey, which is able to cover large areas but not "see" as deep. The moving loop EM program commenced in December 2016 and was 50% completed by the end of the financial year. So far three new anomalies have been identified, including two which are within 5km of our Tritton processing infrastructure.

The airborne EM survey was completed in the March 2017 quarter on the northern and southern extremities of the Tritton tenement package, with the latest results also identifying numerous new anomalies which now require further investigation.

Whilst it is early stages in our revitalised greenfields exploration program and more work is required, we are highly encouraged by the results to date and we hope to build on this success in the coming year.

In South Australia, Aeris holds a 70% interest in the Torrens Project (EL5614), an exploration tenement encompassing the Torrens anomaly. The Torrens anomaly is a coincident magnetic and gravity anomaly with a footprint larger than that of Olympic Dam. In April 2017, the South Australian Environment, Resources and Development Court granted native title authority to access and undertake exploration within the area of EL5614. The Joint Venture is now seeking the reissue of two government approvals to finalise access provisions to enable exploration activities on the tenement to recommence. This is another very exciting exploration opportunity for the company in a highly prospective area which has already yielded multiple world-class IOCG deposits.

Copper production at the Tritton Copper Operations for FY2017 was 23,404 tonnes, which disappointingly was lower than our initial guidance. The production challenges related to two key issues: 1) blockages of the paste fill lines at the Tritton Underground Mine, which continued for a number of months during the second and third quarters; and 2) difficult ground conditions in the upper levels of Murrawombie. Both of these issues resulted in lower volumes of ore being produced in the third and fourth quarters, with a corresponding impact on copper production. Rectification plans for both of these issues were initiated and led to ore production levels improving during the fourth quarter. We expect production rates to be back to normal levels by the end of Quarter 1 FY2018, with a copper production target of 27,000 tonnes for FY2018.

The work undertaken in the previous year on the restructuring of our debt facilities paid benefits during the year. The reduced operating cashflows from our lower than planned copper production did not impact on our ability to reinvest capital into the business during the year, particularly on the three major projects mentioned earlier, as we were able to access our US$25M Working Capital Facility. At the end of FY2017, US$15.5M had been drawn down.

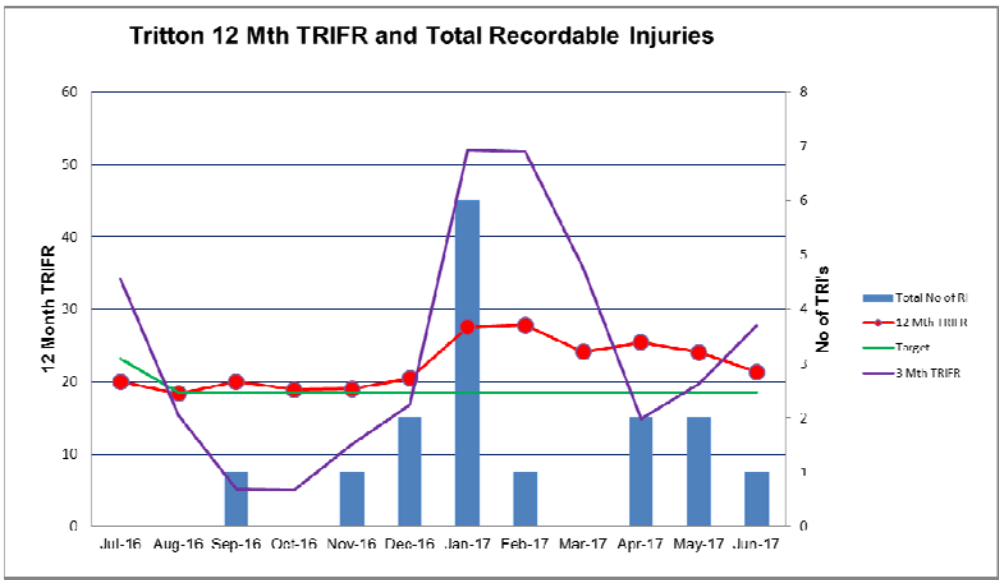
During the first half of the year we saw a substantial upward re-rating in the copper price as the broader market became much more positive on the supply/demand fundamentals for copper. Regular market commentary continues to support this position with many forecasting the copper market to move into a deficit position before the end of the decade. With the fundamentals for copper looking very positive it continues to be our commodity of choice as we explore opportunities to grow the company, both organically and through M&A.

Q4 FY2017 Quarterly Activities Report

Safety, Environment and Community

There was one lost time injury during the quarter. A contract diamond driller was affected by heat in the Tritton Underground Mine.

The spike in soft tissue injuries reported in the previous quarter has diminished with the start of cooler weather. Safety management actions remain focused on how to reduce the summer seasonal jump in injuries.



There were no environmental incidents during the quarter.

Tritton Copper Operations (NSW)

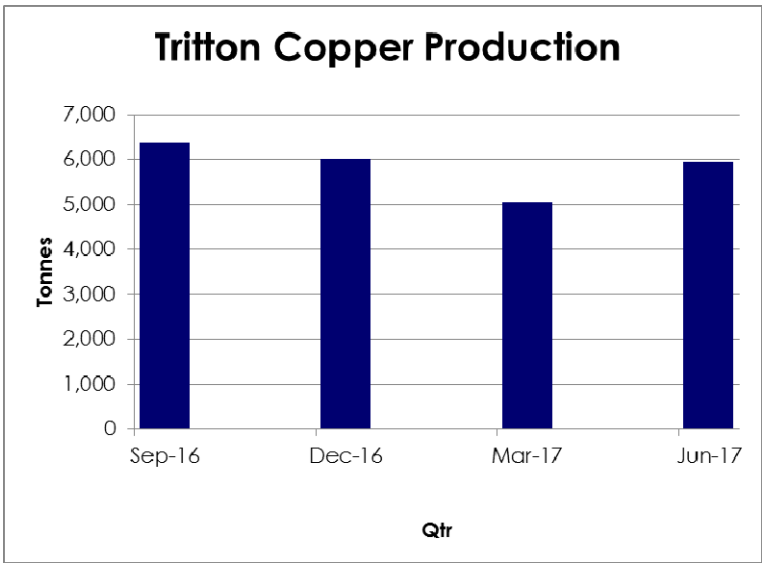
Production and Cost Summary

		SEP 2016 QTR	DEC 2016 QTR	MAR 2017 QTR	JUN 2017 QTR	FY17 TOTAL
PRODUCTION						
ORE MINED	TONNES	400,627	388,716	317,309	350,754	1,457,406
GRADE	Cu (%)	1.67%	1.52%	1.71%	1.74%	1.66%
ORE MILLED	TONNES	408,828	399,648	307,456	351,312	1,467,244
GRADE MILLED	Cu (%)	1.65%	1.58%	1.72%	1.77%	1.67%
RECOVERY	Cu (%)	94.32%	95.11%	94.88%	95.09%	94.84%
COPPER CONCENTRATE	TONNES	27,363	25,428	22,476	24,300	99,567
COPPER CONCENTRATE GRADE	Cu (%)	23.19%	23.55%	22.28%	24.33%	23.35%
CONTAINED COPPER IN	TONNES	6,345	5,988	5,008	5,913	23,354
COPPER CEMENT PRODUCED	TONNES	36	36	40	39	151
TOTAL COPPER PRODUCED	TONNES	6,380	6,024	5,048	5,952	23,404
OPERATING COSTS (A$/lb Copper Produced)						
MINING	A$/lb	1.37	1.22	1.62	1.65	1.45
PROCESSING	A$/lb	0.44	0.44	0.47	0.34	0.42
SITE G&A	A$/lb	0.29	0.34	0.37	0.33	0.33
TC/RC'S & PRODUCT HANDLING	A$/lb	0.48	0.62	0.57	0.64	0.58
INVENTORY MOVEMENTS	A$/lb	(0.57)	0.38	(0.60)	0.61	(0.03)
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	A$/lb	(0.10)	(0.14)	(0.07)	(0.28)	(0.15)
C1 CASH COSTS	**A$/lb**	**1.91**	**2.86**	**2.36**	**3.29**	**2.60**
ROYALTIES	A$/lb	0.06	0.07	0.09	0.08	0.08
CORPORATE G&A*	A$/lb	0.13	0.12	0.09	0.09	0.11
NON-CASH INVENTORY ADJ	A$/lb	0.05	(0.10)	0.16	(0.10)	(0.00)
CAPITAL DEVELOPMENT	A$/lb	0.23	0.33	0.35	0.27	0.29
SUSTAINING CAPITAL**	A$/lb	0.36	0.45	0.43	0.47	0.43
SUSTAINING EXPLORATION	A$/lb	-	-	-	-	-
ALL IN SUSTAINING COSTS (AISC)	**A$/lb**	**2.74**	**3.73**	**3.48**	**4.10**	**3.51**

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

PRODUCTION

Copper production for the June quarter was 5,952 tonnes, producing 23,404 tonnes for FY2017 and meeting the full year guidance of 23,000-24,000 tonnes, as revised in the March 2017 Quarterly Activities Report.



Tritton Underground Mine (Tritton)

Tritton production improved during the quarter as the stope extraction sequence was stabilised. The backlog of unfilled stope voids, that has constrained the stope extraction sequence, hence adversely impacting production throughout the year, was steadily reduced. A series of blockages in the paste backfill pipelines experienced in previous quarters caused the backlog of voids.

A review of the Tritton paste backfill system has resulted in changes to the paste mix recipe and the distribution pipeline. These changes have been successful in stabilising the performance of the paste backfill system. There have been no blockages in the quarter since the changes were implemented.

Murrawombie Underground Mine

Murrawombie development rates continue to increase. Sufficient headings are now available to support two jumbo development crews, who are advancing at approximately 550 metres per month. Development of ore drives on the main 102 lode ore body has commenced on two levels. Grade control drilling was prioritised, with two rigs contracted to provide the necessary geology information. Ventilation and electrical infrastructure installation was completed sufficient to support the increased development activity.

Mining of the 101 lode, in the upper levels, continued at a modest pace. A change to bottom-up mining with dry rock fill support of the hanging wall has allowed extraction of stable stopes. Geology in this lode continues to be quite variable requiring changes in detailed stope design, slowing the extraction rate. Changes in the resource estimation model have resulted in a moderate reduction in the ore to be mined from the 101 lode.

Recent drilling is showing the 102 lode resource extending to the south, providing the opportunity to increase tonnes to be mined and there are also areas of ore being identified at higher grades than previously estimated.

Geology information flow continues to support the revised mine plan for the 102 lode ore body. The higher grade central to southern portion of this lode is to be mined with conventional sub-level open stopes. Backfilling is currently planned to be a combination of cemented rock fill and dry fill. Options for cemented paste backfill are being investigated with the aim of accelerating the production rate from the open stopes. The lower grade northern portion of the 102 lode is to be mined with a sub-level cave method in a longitudinal retreat.

Portions of the 105 lode, located in the footwall of the other lodes, are also showing promise of developing into viable mining areas, providing additional production opportunities in the future.

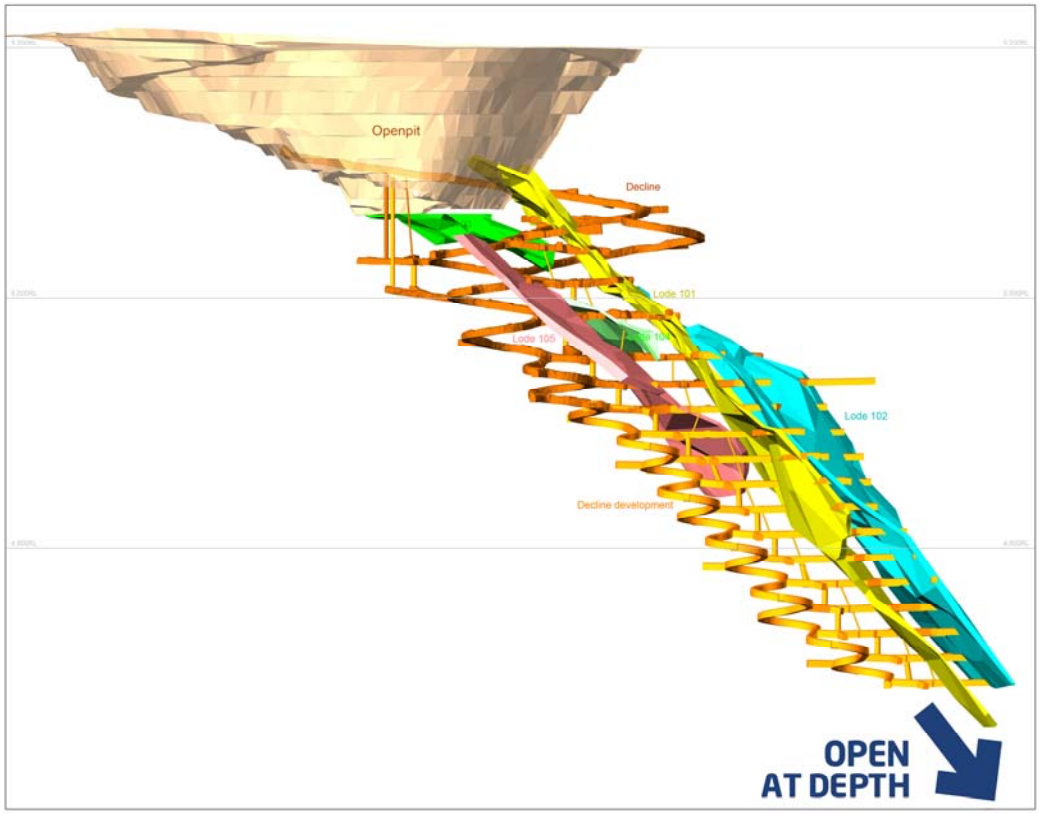


Figure 1: Updated Murrawombie Mine Design

Ore Processing

Ore processed during the quarter at 351,000 tonnes, was 44,000 tonnes above that processed in the previous quarter, reflecting the increasing ore production from both the Tritton and Murrawombie mines.

Consistent milling operations enabled good metallurgical performance with improved copper recovery of 95.09%, compared to the previous quarter.

Investigations have continued in an effort to improve the copper grade in concentrate by taking advantage of the recently installed replacement flotation cells. The new cells allow a reconfiguration of the floatation circuit to provide additional "cleaning" cells. Early results have seen the copper concentrate grade improve.

PROJECTS

Tritton Ventilation shaft

Construction of the new ventilation shaft at the Tritton mine continued during the quarter with the raise bore successfully breaking through the surface on 20 April. Shotcrete lining of the top section of the shaft has been subsequently completed.

The shaft extends from surface to the existing RL4385m exploration drive, a total of 864 metres. The shaft, ventilation fans and associated electrical systems represent a total capital investment of around $10 million (originally budgeted at more than $11 million). This significant investment will enable the Tritton mine to be extended to at least RL4000m at production rates of 1mtpa or better.

Exhaust fan installation is expected to be complete and the fans operating during the first quarter of FY2018.

Figure 2: Ventilation Fans being installed at Tritton Underground Mine

COSTS

C1 unit cash costs for the quarter, at A$3.29/lb, were higher than the previous quarters and impacted by increased mining costs as a result higher volumes of paste fill, in an effort to reduce the unfilled stope void backlog; additional cable bolting; and increased concentrate inventory levels, due to the timing of shipments. Management continued to have a high focus on cost management during the quarter.

All-In-Sustaining Costs (AISC) were impacted by the increased C1 costs and the planned high levels of capex, predominantly related to the Tritton Mine ventilation shaft and the Murrawombie mine development.

Tritton capital expenditure (A$ Million)

	SEP 2016 QTR	DEC 2016 QTR	MAR 2017 QTR	JUN 2017 QTR	FY17 TOTAL
SUSTAINING CAPITAL					
PROPERTY, PLANT AND EQUIPMENT	**3.6**	**4.7**	**3.4**	**4.8**	**16.5**
MINING DEVELOPMENT	**3.2**	**4.4**	**3.9**	**3.5**	**15**
LEASED ASSETS*	**1.4**	**1.3**	**1.4**	**1.4**	**5.5**
EXPLORATION	**-**	**-**	**-**	**-**	**-**
GROWTH					
EXPLORATION	**0.2**	**0.2**	**0.8**	**0.6**	**1.8**
TOTAL	**8.4**	**10.6**	**9.5**	**10.3**	**38.8**

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

OUTLOOK

The copper production guidance for FY2018 is 27,000 tonnes.

Exploration and Project Development

EXPLORATION - TRITTON MINES AND SURROUNDING TENEMENTS

Aeris currently holds 184,600 hectares in the prospective Tritton VMS district (see Figure 3). This is made up of six exploration and three mining leases. Copper mineralisation is hosted within two stratigraphic corridors proximal to major mafic complexes of which six have been identified with a combined strike length of greater than 100km. Numerous anomalies have been identified and remain untested in the Tritton region (see Figures 4 and 5).

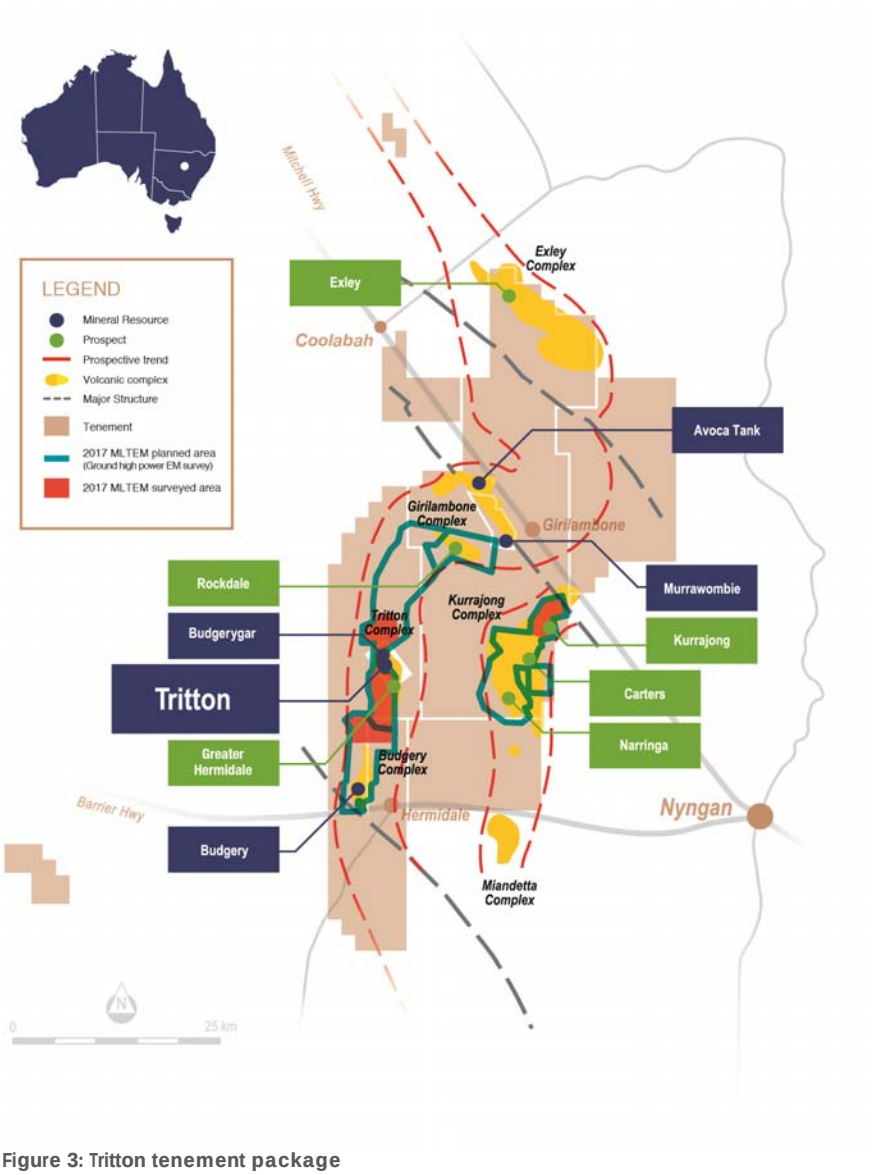


Figure 3: Tritton tenement package

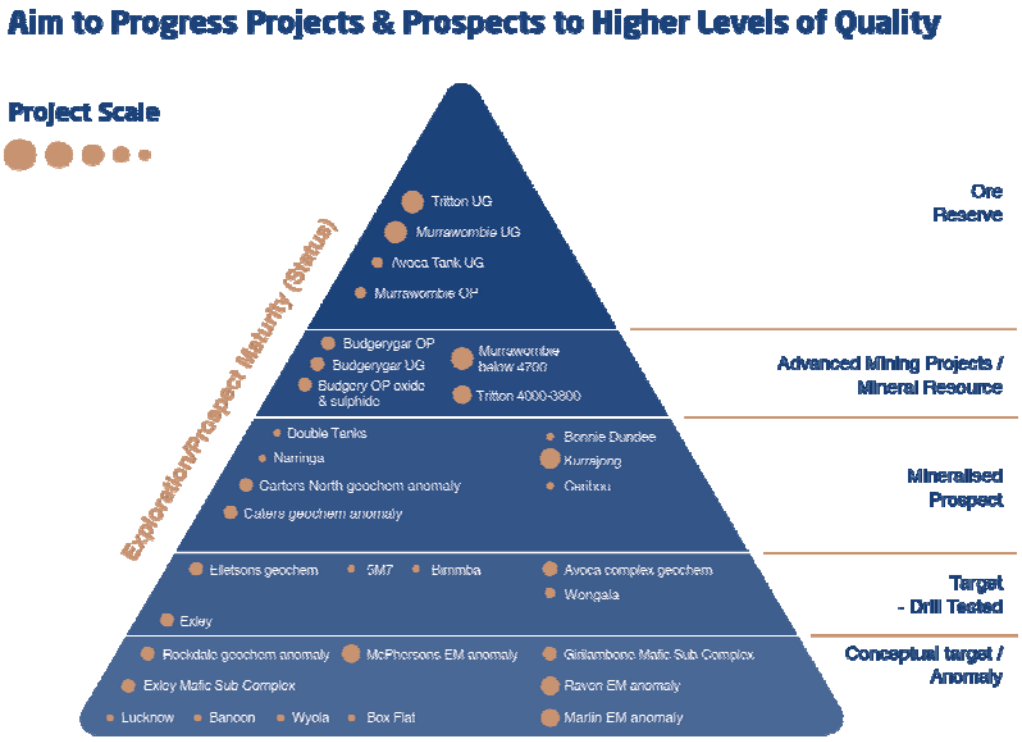


Figure 4: Exploration Projects and Prospects on Tritton tenement package

On 28 July 2016, Aeris announced that it was ramping-up greenfields exploration on its Tritton tenement package and would spend $7.5M over the next two years (See ASX Announcement dated 28 July 2016 for more information). This exploration program is focused on exploring for deeper/concealed mineralised systems within the known Tritton and Kurrajong stratigraphic corridors utilising new high power electromagnetic (EM) geophysical techniques which have the ability to identify a conductive body to depths in excess of 500m below surface.

A Moving Loop Transient EM (MLTEM) survey program commenced in December 2016 and by the end of the financial year was 50% complete. The extent of the MLTEM program is highlighted in Figure 5 (magenta and orange shaded regions) and is designed to detect for large "Tritton" sized orebodies (+10Mt). Known deposits within the Tritton tenement package are directly detectable via EM methods. Extensive EM surveys completed within the tenement package during the mid-1990s led to the discovery of the Tritton deposit.

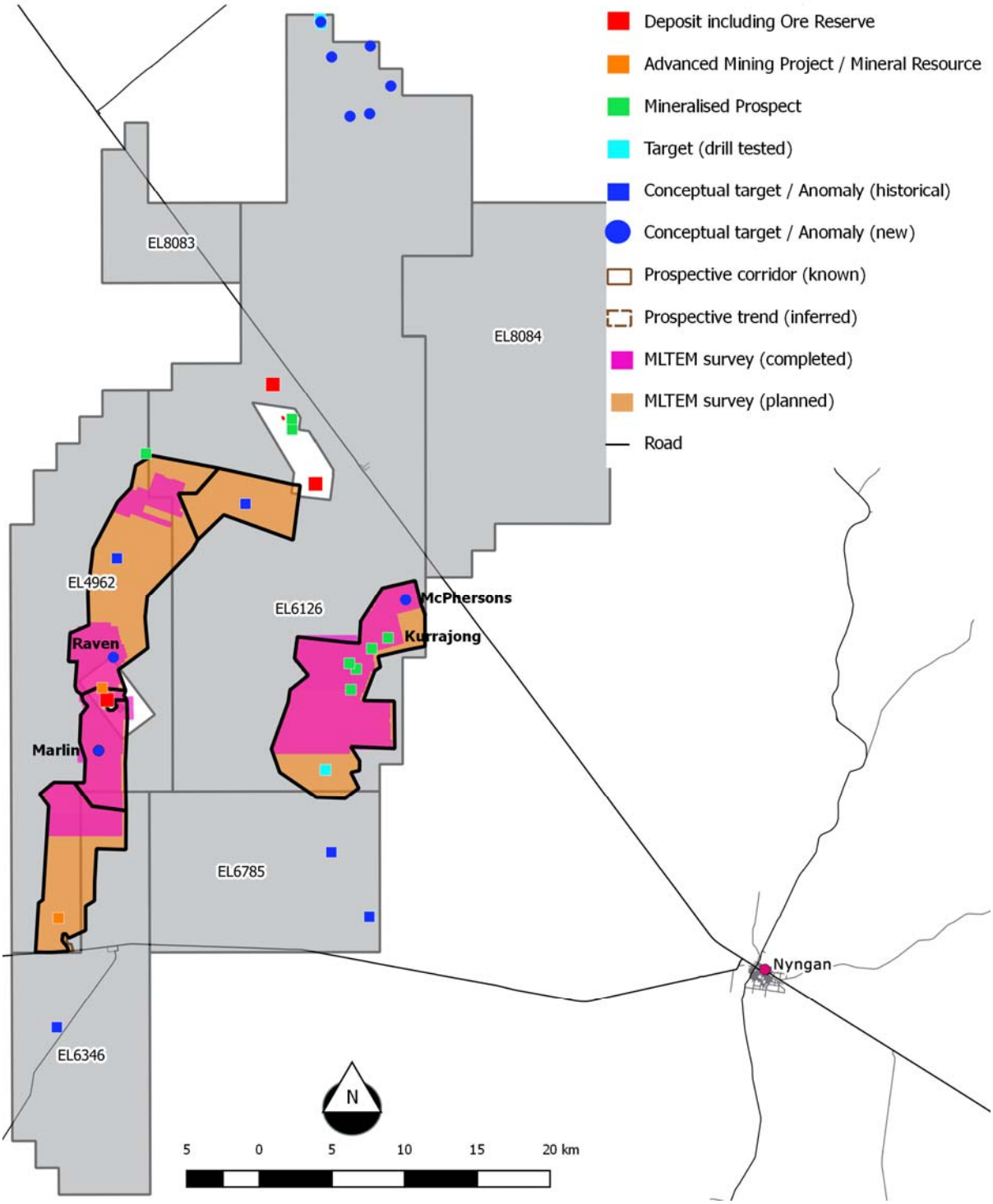


Figure 5: Tritton region showing Aeris Resources Tritton tenement package and prospective corridors for copper mineralised systems. The planned MLTEM geophysical survey coverage is highlighted by shaded orange regions and completed survey areas by shaded magenta regions.

Results to date from the MLTEM survey have detected three new bedrock EM conductors (anomalies) whilst also detecting the sulphide rich component of the Kurrajong prospect. Importantly the modeled EM conductors at Kurrajong extend below 500m, providing confidence the technique is successful in detecting conductive bodies to depths significantly greater than EM methods used extensively throughout the mid to late 1990s.

Bedrock EM conductors (Kurrajong corridor)

Finalised MLTEM results over the Kurrajong complex is constrained to the north east corner of the survey area (Figure 6). The survey has detected two EM conductors, the already known Kurrajong Prospect and the McPhersons geochemical anomaly (McPhersons EM Anomaly).

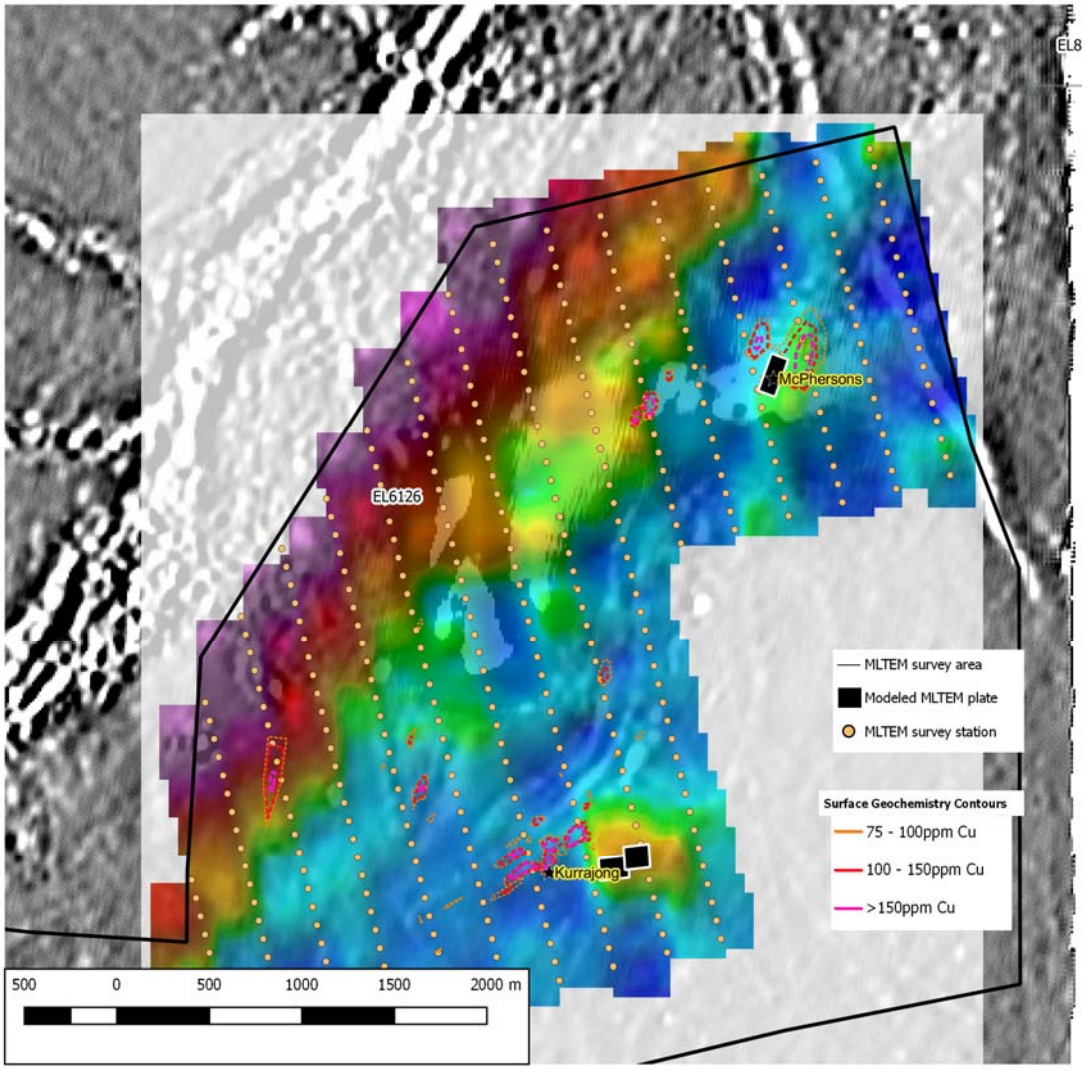


Figure 6: Plan view of the north east corner of the Kurrajong complex showing MLTEM results (CH25 B field Z component) overlain on a magnetic 2VD image (black and white image). Anomalous copper surface geochem contours are also displayed.

The Kurrajong Prospect is defined by a broad surface geochemical anomaly and associated historical workings. An initial shallow RC drill program completed in 1997, targeting oxide mineralisation in the vicinity of the historical workings, returned sporadic zones of elevated copper mineralisation (+1.0% Cu) within broader low grade copper haloes. A second phase of drilling over the prospective area was completed between May 2012 to March 2013 and utilised down hole EM technology to assist with vectoring toward mineralisation. The drill programme targeted down plunge extensions of the previous shallow copper mineralisation. A majority of drill holes intersected a series of stacked sulphide lenses defined by massive/banded pyrite +/- chalcopyrite and in places, stringer pyrite with lesser chalcopyrite (see Figure 7). The mineralised system has been traced from drill intercepts over 500m along strike and down plunge. The modeled EM conductor plates from the current MLTEM survey correlate with the higher grade massive/semi massive sulphide core which is defined from a limited number of drill holes (See Table 1).

Preliminary models defining the dimensions, orientation and depth below surface for the Kurrajong and McPhersons EM conductors has been completed. The Kurrajong EM conductive response is interpreted to represent two stacked moderate strength conductors (1500 to 2000 siemens) positioned approximately 400m below surface with dimensions in the range of 125m (strike) x 150m (depth). The modeled plates correlate favourably with the higher grade sections of the known deposit based on current drill hole information. Both modeled plates are orientated parallel to the regional geology.

HOLE ID	FROM (m)	TO (m)	LENGTH (m)	CU GRADE (%)
TKJD007	567.0	571.0	4.0	2.46
TKJD008	572.0	578.0	6.0	3.92
TKJD012	603.0	613.0	10.0	2.43

Table 1: Drill hole intersections through massive/semi massive mineralisation at the Kurrajong prospect which broadly correlates with the modelled bedrock EM conductors from the current MLTEM survey.

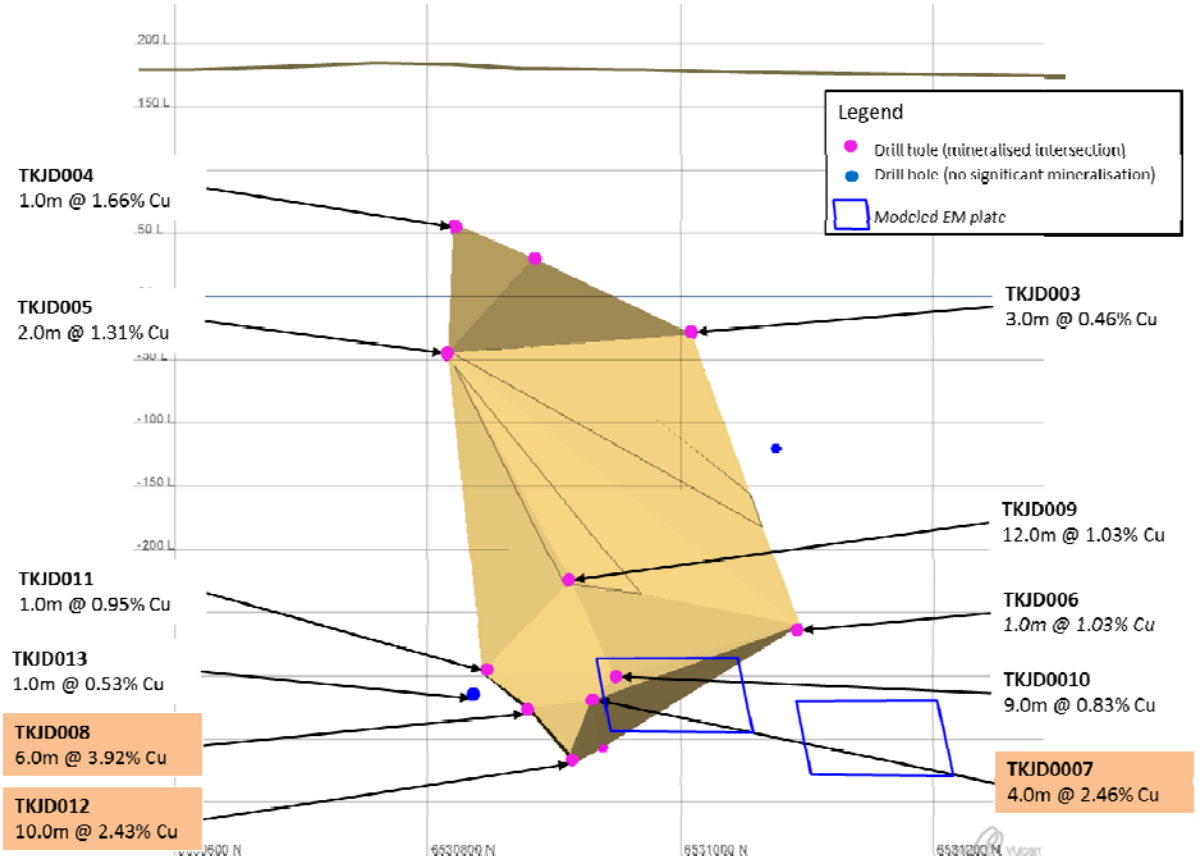


Figure 7: Long section view of the interpreted Kurrajong mineralised envelope showing location, thickness and copper grade from drill hole intersections through the sulphide deposit.

Recent surface mapping within the Kurrajong complex confirms the broad stratigraphic units identified at Kurrajong trend toward the McPhersons EM Anomaly. Both the Kurrajong Prospect and the McPhersons EM Anomaly are located within or adjacent to basic – intermediate volcanic units which manifest as magnetic highs. The McPhersons bedrock EM conductor is of similar size and conductance to the Kurrajong modeled plates.

Preliminary modeling of the McPhersons EM response defined a moderate strength conductive plate (1000 to 2000 siemens) with dimensions in the range of 200m (strike) x 150m (depth) from 350m to 400m below surface.

A fixed loop EM (FLEM) survey will be completed over each EM conductor to refine the modeled plate spatial location and dimensions further to assist with prospect ranking and drill targeting. Modeled EM plate parameters (size/signal strength) will be considered in conjunction with the geological setting (stratigraphy/proximity to magnetic embayments) and surface geochemistry results. EM anomalies positioned higher on the prospectivity ranking will be prioritised for follow up exploration work including detailed prospect scale EM surveying and a first pass drill program.

Bedrock EM conductors (Tritton corridor)

MLTEM results to date within the Tritton corridor are centralised around Tritton, extending 9km south and 5km north of Tritton (Figure 8). Two EM conductors have been identified. The Raven EM Anomaly is located 2.5km north of Tritton and is interpreted to occur within the same stratigraphic package hosting the Tritton deposit. The Marlin EM Anomaly is located 3.5km south of Tritton within the extensive Greater Hermidale geochemical anomaly which extends periodically over a 5km strike length. A number of small highly conductive cover units occur throughout the area shown as magenta/red shaded regions in Figure 8.

Preliminary modeling has been completed on both the Raven and Marlin EM conductors to define their spatial location and dimensions. The Raven conductive model is defined as a large 500m (strike) x 100m (depth) plate from 350m to 400m below surface. The plate is orientated parallel to the regional trend and dipping steeply to the west. The Marlin EM response is defined by a 300m (strike) x 300m (depth) plate located approximately 200m below surface. The interpreted orientation is striking northeast which is oblique to the interpreted regional trend (north-south).

A fixed loop EM (FLEM) survey will be completed over each EM conductor to refine the modeled plate spatial location and dimensions further to assist with prospect ranking and drill targeting. Modeled EM plate parameters (size/signal strength) will be considered in conjunction with the geological setting (stratigraphy/proximity to magnetic embayments) and surface geochemistry results. EM anomalies positioned higher on the prospectivity ranking will be prioritised for follow up exploration work including detailed prospect scale EM surveying and a first pass drill program.

Airborne EM Survey

During the March 2017 quarter a helicopter-borne EM geophysical survey (VTEM-Max survey), covering 977 line kilometres, was also conducted across the northern and southern extremities of the Tritton tenement package. The VTEM-Max survey was flown on 200m line spacings over three discrete areas within the Tritton tenement package. Each area is interpreted to represent along strike extensions from known stratigraphic corridors hosting the current Mineral Resource/advanced deposits within the Tritton and Kurrajong corridors. The intent of the survey was to identify conductive bedrock conductors within 300m from surface.

The results from the VTEM-Max survey were finalised during the current quarter with multiple EM anomalies being identified, which require follow up work to assess their prospectivity. A majority of the EM anomalies have been detected toward the northern end of the tenement package, which is interpreted to represent the northern extension of the Tritton stratigraphic corridor (Figure 9). Further work is required to verify whether the anomalies may represent a

conductive sulphide body, however at this early stage it indicates there is considerable prospectivity within this portion of the tenement, which historically has not been explored as extensively.

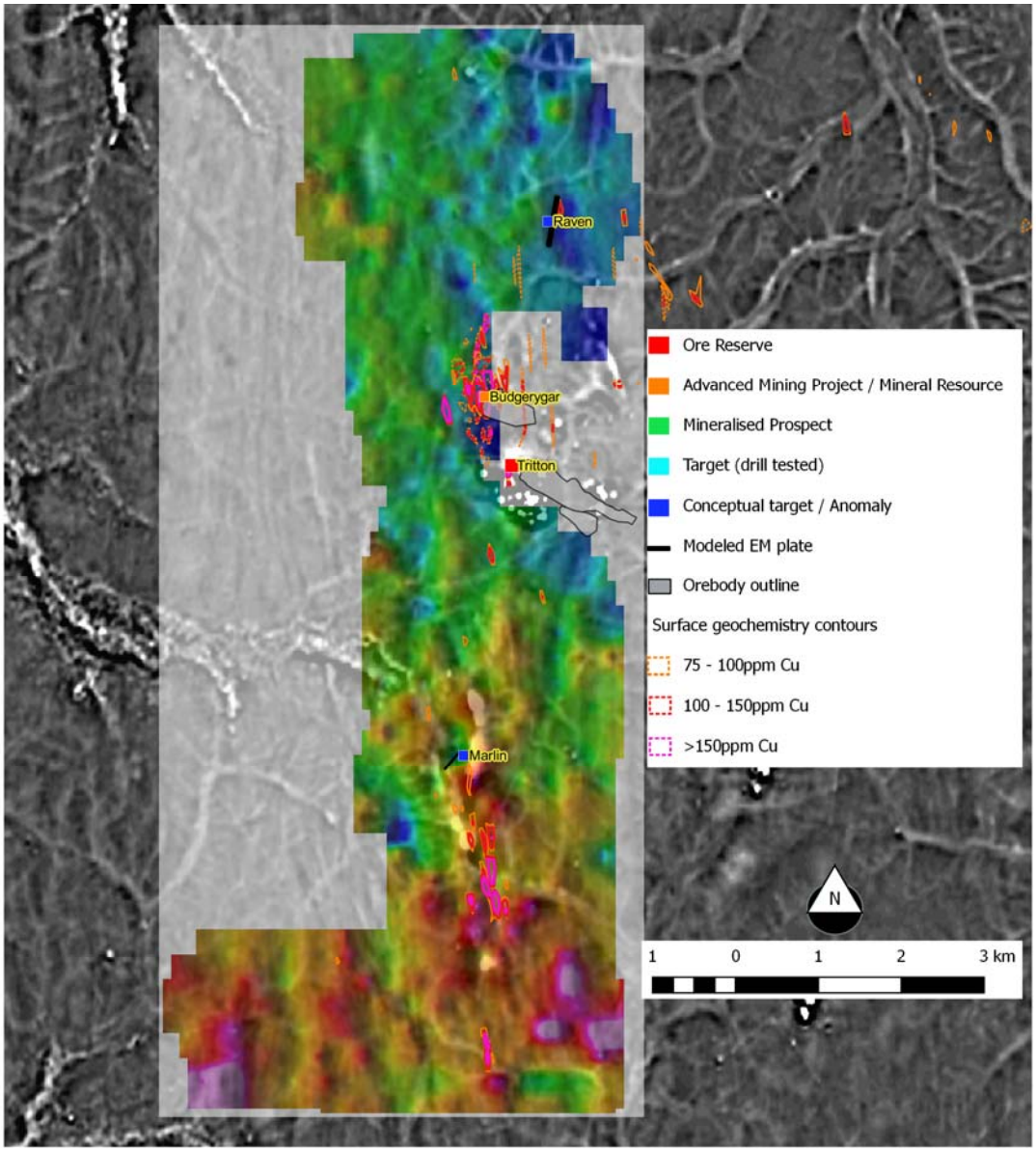


Figure 8: Plan view showing MLTEM results within the Tritton corridor (CH23 B field Z component). The Raven EM conductor is located north of Tritton while the Marlin EM conductor is located south of Tritton within the Greater Hermidale geochemical anomaly.

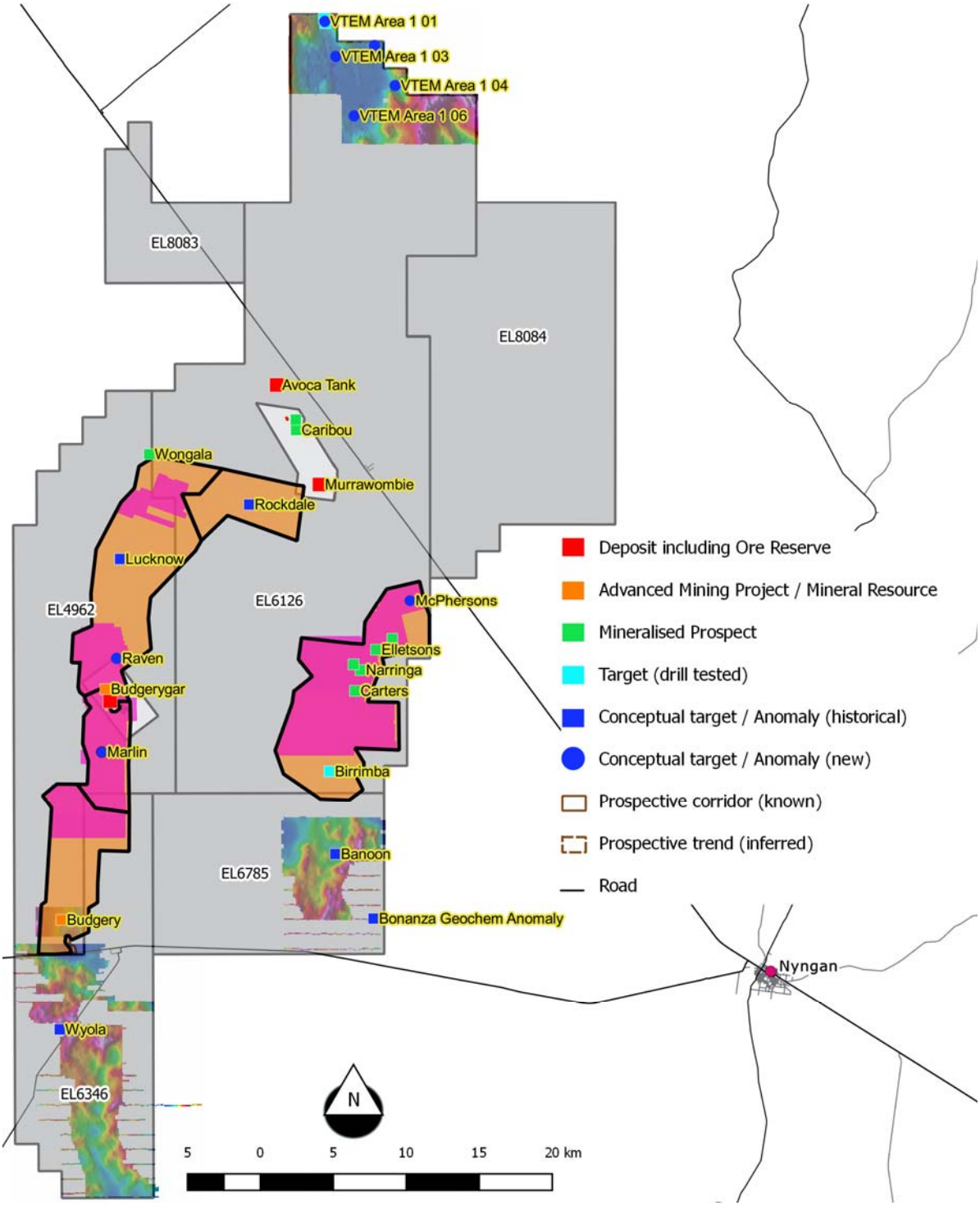


Figure 9: Plan view showing 2017 VTEM-Max geophysical survey results at the northern extremity of the Tritton stratigraphic corridor.

Regional geology compilation

In conjunction with the focused MLTEM survey within the known stratigraphic corridors, work is being undertaken to understand the geological architecture further afield. During the quarter a regional mapping and historical data compilation program commenced, focusing on the structural and lithological features within the interpreted extensions of the Tritton and Kurrajong corridors. Copper deposits discovered within the tenement package to date are localised within the Tritton and Kurrajong stratigraphic corridors. The projection of each corridor is understood through the central portion of the tenement, however beyond this their location is not well understood, predominately from poor outcrop/increased cover and paleao-channels masking bedrock trends from magnetic imagery. Importantly this area covers approximately 50% of the current tenement package.

The intent is to identify and trace the outcropping lithological units within the favourable horizons along strike to identify and project the prospective corridors and provide a more detailed understanding of the structural framework.

Surface outcrop exposures are limited to a series of resistant quartzite/chert units within the Kurrajong extensions and a regionally continuous sandstone unit within the Tritton corridor, referred to as the Budgery Sandstone. The Budgery sandstone unit is a significant marker unit which has been traced intermittently throughout the known corridor from Budgery through to Murrawombie. The unit represents a correlatable marker horizon from which the inferred stratigraphic position of the known deposits can be made. The regional mapping will result in a more detailed geological interpretation, which will be used in conjunction with historical data (geophysics, surface geochem and geological interpretations) to refine prospective areas for follow up work, including the anomalies identified from the VTEM-Max survey.

TORRENS PROJECT, SOUTH AUSTRALIA

The Torrens Project (EL5614) is a joint venture between Aeris Resources (70% interest) and Kelaray Pty Ltd (a wholly owned subsidiary of Argonaut Resources NL (ASX: ARE)) and is exploring for iron-oxide copper-gold (IOCG) systems.

EL5614 is located within the highly prospective Stuart Shelf Region of South Australia and lies within 50 kilometres of Oz Minerals' Carrapateena deposit and 75 kilometres from BHP's Olympic Dam mine (See Figure 10). The Torrens Anomaly, a large regionally significant coincident magnetic and gravity anomaly with a footprint in excess 160km^2 (larger footprint than Olympic Dam) is located within EL5614 (See Figure 11).

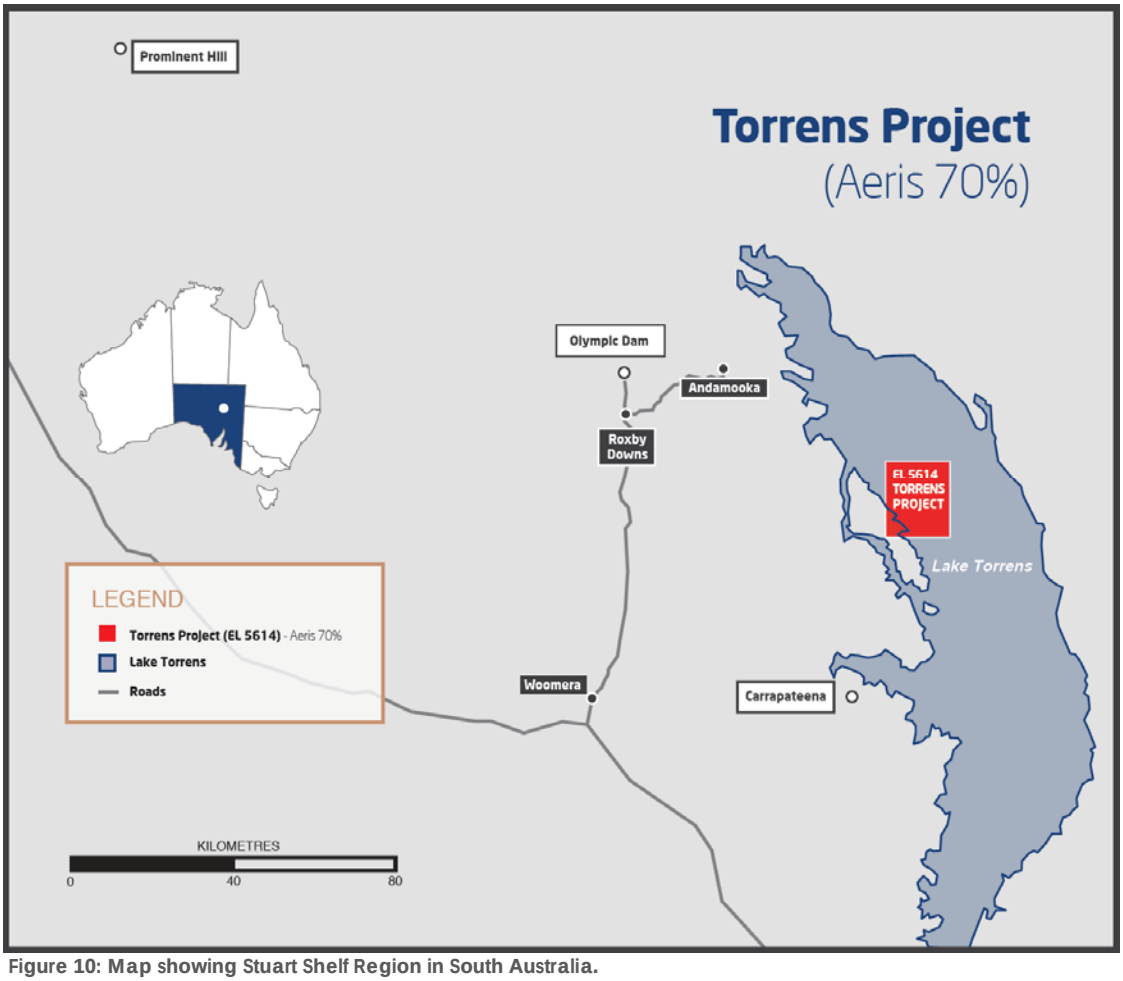


Figure 10: Map showing Stuart Shelf Region in South Australia.

Limited drilling, totalling six drill holes between 1977 and 2008 defined a large magnetite dominant with lesser hematite alteration system interpreted to form the distal component of a large IOCG system. Zones of anomalous copper mineralisation (≥0.1% Cu) were intersected from several drill holes with the most significant mineralised zone associated with TD2 (246m @ 0.1% Cu).

Prior to recommencing on-ground exploration the Torrens Joint Venture requires heritage approval and an approved environment protection and rehabilitation (PEPR) application. Both documents are in preparation and submission planned in the forthcoming quarter.

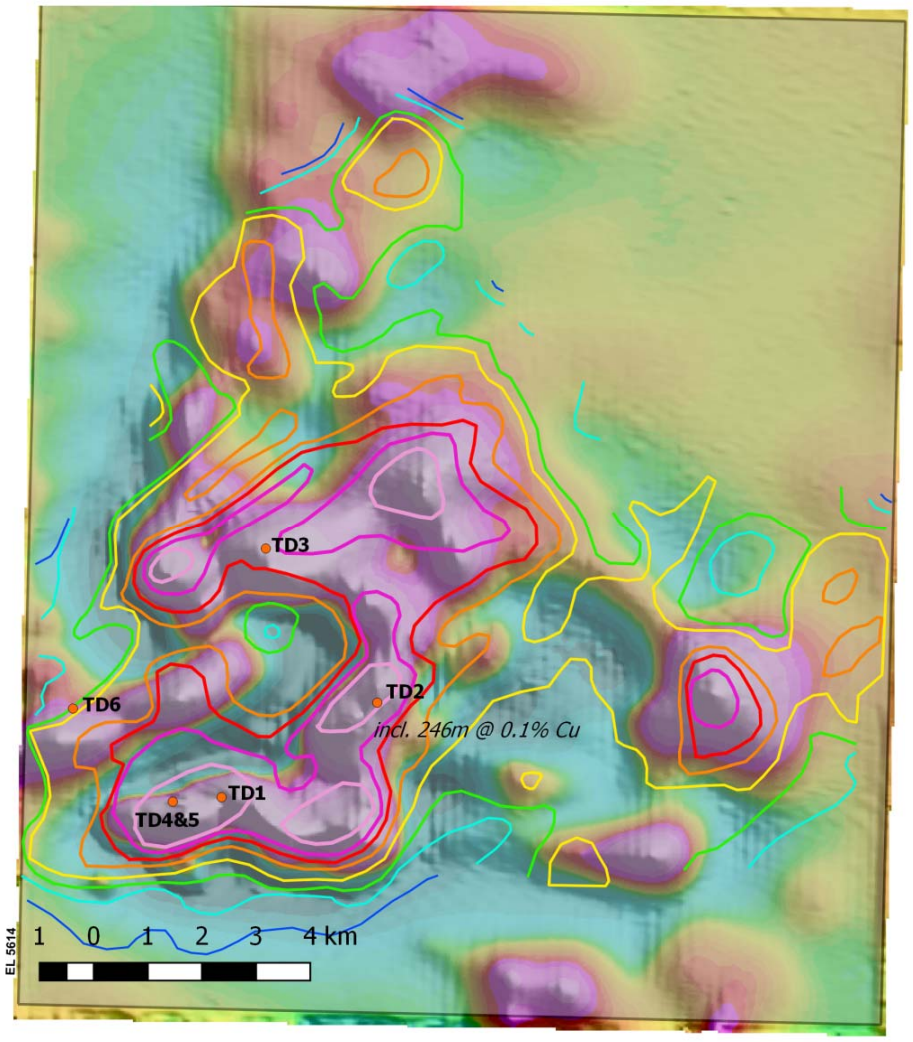


Figure 11: Magnetic RTP 1VD image of Torrens Anomaly, overlain with residual gravity contours

Corporate

CASH

At the end of the June quarter, Aeris had useable cash and receivables of $13.9 million, an increase of $6.8 million on the previous quarter.

$million	JUN 2017 QTR	MAR 2017 QTR
Useable Cash - Aeris Corporate and Tritton	9.7	5.0
Tritton - Copper concentrate receivables	4.2	2.1
Aeris/Tritton - Useable Cash and Receivables	**13.9**	**7.1**

During the quarter Aeris completed the sale of the Blayney Exploration Project.

No funds were drawn down during the quarter from the US$25 million Working Capital Facility with Special Portfolio Opportunity V Limited (PAG SPV). Drawdowns at 30 June 2017 totalled US$15.5 million.

Corporate capital expenditure for the quarter was nil.

For further information contact:

Mr. Andre Labuschagne – Executive Chairman and Chief Executive Officer

(07) 3034 6200

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.

Appendix:

Competent Persons Statement – Exploration Results

The information in this report that relates to Exploration Results 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.

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data (Tritton Tenement Package)

Criteria	Commentary
Sampling techniques	1. Airborne electromagnetic geophysical survey was completed by a commercial contractor – UTS Geophysics. o Survey specifications include: ▪ Line spacing: 200m ▪ Station spacing: 2-10m ▪ Transmitter loop size: 34.6m diameter (4 turns) ▪ Transmitter base frequency: 25Hz ▪ Effective transmitter loop area: 3,760m^2 ▪ Peak current: 183 A ▪ Pulse width: 7.19 ms ▪ Wave form shape: trapezoid ▪ Peak dipole moment: 688,261 nIA ▪ Average transmitter-receiver loop terrain clearance: 36m above the ground o Receiver: ▪ X coil diameter: 0.32m ▪ Number of turns: 245 ▪ Effective coil area: 19.69m^2 ▪ Z-coil diameter: 1.2m ▪ Number of turns: 100 ▪ Effective coil area: 113.04m^2 2. Ground based moving loop transient electromagnetic survey (MLTEM) is being conducted by a commercial contractor – HPEM Geophysical Services. The survey is ongoing and expected to be completed toward the end of CY 2017. o Survey specifications include:

Criteria	Commentary
	▪ Receiver: SMARTem24 or GDD NordidEM ▪ Sensor/Probe: LANDTEM HT SQUID B-field sensor – ZXY 3D component ▪ Sensor positioning: SLINGRAM only position. 150m NNW or W offset from loop edge (300m of central in loop position) ▪ Loop: 300m x 300m single turn ▪ Max current: ~175A to 250A ▪ Line spacing: 300m ▪ Station spacing: 100m ▪ Frequency/ramp: 0.5Hz, 500 msec TB, ~0.5 – 1.0 ms ramp ▪ Stacking/noise: 128 stacks, noise <1pT
Location of data points	1. Airborne electromagnetic survey o Navigation system used was a Geotech PC104 utilising a Novatel's WAAS enabled GPS receiver. Positional accuracy or circular error probability is 1.8m o The flight path, recorded by the acquisition program as WGS 84 latitude/longitude, was converted into GDA94 Map Grid of Australia zone 55 coordinate system in Oasis Montaj o Quality and accuracy of the survey data is suitable for target definition and integration into existing geology models 2. Ground based MLTEM survey o Data is acquired in GDA94 Map Grid of Australia zone 55 o Quality and accuracy of the survey data is suitable for target definition and integration into existing geology models.
Orientation of data in relation to geological structure	Survey lines for both the airborne and ground EM surveys are orientated perpendicular to the regional geology trend.
Audits or reviews	1. Sample data is processed and interpreted by an experienced external geophysist contractor. 2. Results from the MLTEM survey are provided by the geophysist contractor on a frequent basis (fortnightly). The results from both electromagnetic surveys have been reviewed in detail from a site based audit between Aeris Resources geology staff and the external geophysist contractor.

Section 2 Reporting of Exploration Results (Tritton Tenement Package)

Criteria	Commentary
Mineral tenement and land tenure status	1. The Tritton Regional Tenement package is located approximately 45km northwest of the township of Nyngan in central western New South Wales. 2. The Tritton Regional Tenement package consists of 6 Exploration Licences and 3 Mining Leases. The mineral and mining rights are owned 100% by the company. 3. All six Exploration Licences are in good standing. EL4962 is in the first year of its 5 year term. EL6126 is in the first year of its 5 year term. EL6785 is in the second year of its 5 year term. EL6346 is in the third year of its 3 year term. Renewal of this licence will occur November 2017. The company is not aware of any reason why EL6346 will not be renewed. EL8083 and EL8084 are in the final year of their licence term (3 year term). Renewal of this licence will occur May 2018. The company is not aware of any reason why both tenements will not be renewed.
Exploration done by other parties	1. Regional exploration has been completed over the currently held tenement package by Utah Development Co in the early 1960's to early 1970's. Australian Selection P/L completed exploration throughout the 1970's to late 1980's prior to NORD Resources throughout the late 1980's and 1990's. This included soil sampling and regional magnetics which covered the Avoca, Greater Hermidale, Belmore and Thorndale project areas. Principally exploration efforts were focused on the discovery of oxide copper mineralisation. NORD Resources also completed some shallow reverse circulation (RC) drilling over the Avoca Tank Resource. Subsequent exploration efforts have been completed by Tritton Resources Pty Ltd with the drilling over a number of RC drill holes within the Greater Hermidale region in the late 1990's similarly focused on heap leachable oxide copper mineralisation, prior to the acquisition of the Tritton Resources Pty Ltd by Straits Resources Limited in 2006.
Geology	1. Regionally mineralisation is hosted within early to mid-Ordovician turbidite sediments, forming part of the Girilambone group. Mineralisation is hosted within greenshist facies, ductilly deformed pelitic to psammitic sediments, and sparse zones of courser sandstones. 2. Sulphide mineralisation at Tritton is stratiform and classified as a "Besshi style" volcanogenic massive sulphide. Mineralisation is dominated by banded to stringer pyrite – chalcopyrite, with a massive pyrite-chalcopyrite unit along the hanging wall contact. Alteration assemblages adjacent to mineralisation is characterised by an ankerite footwall and silica sericite hanging wall.
Data aggregation methods	1. EM anomalies defined from both survey methods were processed and modeled by an independent geophysist consultant. The methodology and output results are considered to be of industry standard.
Relationship between mineralisation	1. The airborne EM survey was designed to 1) test the effective coverage over the Tritton tenement package i.e. conductive cover renders the survey ineffective & 2) test for EM anomalies which may be associated with a VMS sulphide body to 300m below surface.

Criteria	Commentary
widths and intercept lengths	2. The ground based MLTEM survey is designed to test for EM bedrock conductors to depths in excess of 500m below surface.
Diagrams	1. Relevant diagrams are included in the body of the report.
Balanced reporting	1. The reporting is considered balanced and all material information associated with the electromagnetic surveys has been disclosed.
Other substantive exploration data	1. There is no other relevant substantive exploration data to report.
Further work	1. The MLTEM survey is ongoing. Potential bedrock conductors will be targeted for a localised fixed loop EM survey to more accurately define conductor(s) dimensions. 2. Geology mapping over the GeX trend (includes the Exley complex and anomalies defined from the airborne EM survey) is ongoing. Results from the mapping will be used to understand the stratigraphic position of the airborne EM anomalies to assist with prospectivity prioritisation and provide areas for follow-up on ground exploration.

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data – Torrens Project (WMC drill program 1977-1982)
***information included in Table 1 was taken from historical WMC reports which covered regional drill programs encompassing areas within and outside of the Torrens Project.**

Criteria	Commentary
Sampling techniques	1. Pre-collar intervals were sampled on 2m intervals. Diamond core samples below the pre-collar were sampled in various ways depending on lithologies and the extent of mineralisation. Cover sequence drill core was double-chip sampled (8 chips per 2m sample), but where mineralised it was sawed and half core used for analysis on one metre intervals. Chip samples with significant assays may have been subsequently sawed and re-submitted as half core samples. Crushed basement core samples were composited over 6m intervals for analysis of certain elements and again, where a high result was obtained the individual 1m and 2m samples were submitted.
Drilling techniques	1. Heavy duty Longyear 44 rig used to drill all three WMC drill holes within the tenement. General comments regarding the drill methods used are as follows "Usual drill practice was to pre-collar the holes by percussion drilling and to diamond drill at NQ core size to about 800m, then reduce to BQ core size. Percussion drilling depths depended on the capacity of the rig and the water flows encountered within the Arcoona Quartzite. Depths of 300m to 400m have been achieved, but pre-collars generally were shallower than this in the early years of the program".
Drill sample recovery	1. Core loss was recorded in pre-collar samples. No mention of core loss within diamond core intervals. Observation of core photos through the diamond core intervals showed competent core with no recorded core loss (recorded on core blocks). 2. Diamond core through the low grade mineralised horizons do not show an increase in fracture intensity (susceptible to core loss). 3. Core recovery reference "acceptable core recoveries (greater than 95%) have been achieved in all holes."
Logging	1. All drill holes were logged by company geologists working for WMC. 2. Each drill hole has been geological logged.
Sub-sampling techniques and sample preparation	1. Pre-collar intervals were sampled on 2m intervals. Diamond core samples below the pre-collar were sampled in various ways depending on lithologies and the extent of mineralisation. Cover sequence drill core was double-chip sampled (8 chips per 2m sample), but where mineralised it was sawed and half core used for analysis on one metre intervals. Chip samples with significant assays may have been subsequently sawed and re-submitted as half core samples. Crushed basement core samples were composited over 6m intervals for analysis of certain elements and again, where a high result was obtained the individual 1m and 2m samples were submitted. 2. The sample intervals are appropriate for the style of mineralisation

Criteria	Commentary
	(IOCG). 3. No documentation observed regarding QA/QC protocols. 4. The sample size through the mineralised zones is based on best practice industry standards. The composited sample techniques through the basement rocks away from mineralisation would not be considered best practice now. Sampling through these areas was specifically designed to identify whether mineralisation exists and if so sample (half core) at 1 metre intervals. Given the large target size and disseminated/veined nature of mineralisation it is not expected the composited sample intervals would not detect mineralisation. 5. The half core sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	1. All assays were conducted at accredited assay laboratories (Comlabs Pty Ltd – Adelaide with supplementary samples sent to WMC laboratories in Kalgoorlie and Ballarat). 2. Cover sequence samples were assayed for Cu, Pb, Zn and Co. Basement samples (unmineralised) assayed for Cu, Pb, Zn, Co, Ag. 6m composited basement (unmineralised) samples were assayed for Au, Fe, Mo, Sn, W, La, Ce, Ba and F. Base samples (mineralised) assayed for Cu, Pb, Zn, Co, Ag. 3. Assay methods used include AAS (Acid digestion with AAS finish) for Cu, Pb, Zn, Co and Ag. XRF for Ba, Ce, La, Mo, Sn, W, Fe. AAS (aqua-regia digestion, organic solvent extract and AAS on 30g charge) for Au. SIE (Fusion, selective ion electrode determination of total fluorine) for F. 4. Detail limits in ppm are as follows Cu (2), Pb (4), Zn (2), Co (4), Ag (1), Ba (10), Ce (20), La (20), Mo (2), Sn (4), W (10), Fe (0.1?), Au (0.05) and F (50).
Verification of sampling and assaying	1. Mineralised intersections have been viewed from core photographs and verified the higher grade assays are correct geologically. 2. No twinning holes were completed. 3. Core logging occurred on hard copy paper which was subsequently entered to a WMC database. An extract of the WMC database (MS Access format) has been uploaded to Acquire for viewing/interrogation by Aeris Resources. 4. No adjustment to assay data is made.
Location of data points	3. Drill hole collar co-ordinates are rounded to the nearest 1.0m. Historical documentation does not record the method used to survey collar co-ordinates. Subsequent field visits by the current JV partners have verified the collar locations as being accurate. 4. All hole locations are collected in Australian Geodetic Datum 66 zone 55. 5. Quality and accuracy of the drill collars are suitable for aircore exploration results.

Criteria	Commentary
Data spacing and distribution	1. All three holes represent regional first pass drill testing and therefore sample sampling is irrelevant.
Orientation of data in relation to geological structure	1. All holes were drilled vertically. 2. The style of mineralisation targeted would represent a broad zone of mineralisation extending hundreds of metres in each direction (strike, across strike and down dip). The IOCG systems have a larger Z dimension (down dip) and are typically orientated sub vertically. 3. There is no evidence to suggest the results are biased with respect to their orientation in relation to mineralisation.
Sample security	1. Drill core samples are stored at the South Australian core library in Adelaide.
Audits or reviews	1. No external audits or reviews were undertaken. 2. The results were reviewed internally within the exploration team.

Section 2 Reporting of Exploration Results – Torrens Project.

Criteria	Commentary
Mineral tenement and land tenure status	1. The Torrens Project (EL5614) is a joint venture between (Aeris Resources 70% and Argonaut Resources 30%). 2. The Torrens Project is located approximately 180km north of Port Augusta and 70km east-southeast of Roxby Downs. The total area is approximately 295km^2, of which approximately 92% is over Lake Torrens National Park lands and the remainder covers pastoral lands. 3. The Torrens Project is located over Native Title land. The JV party was granted native title authority to access and undertake exploration within EL5614 on 31st March 2017. 4. The JV party has is seeking government approval to recommence on-ground exploration. Relevant documentation has been submitted to the government. 5. EL5614 is in the second year of a 5 year term. EL5614 is in good standing.
Exploration done by other parties	1. Initial exploration over the tenement area was conducted by WMC during the 1970s to mid 1980s. Exploration activities included geophysical surveys (gravity and magnetics) and drilling (3 drill holes within the current tenement boundary). The current JV party have completed a ground based gravity geophysical survey and limited drilling (3 holes). On-ground exploration during the current JV party tenure occurred during the mid to late 2000s.
Geology	1. The Torrens Project lies within the IOCG province of the Stuart Shelf in central South Australia. The IOCG province is a Palaeoproterozic and Mesoproterozoic tectonic and lithostratigraphic domain that extends for some 700km along the eastern margin of the Gawler Craton. The Gawler Craton is separated from another cratonic block to the east, the Curnamona Province by Neoproterozoic continental super crustal rocks

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>preserved in the early Palaeozoic Adelaide fold belt. The giant Olympic Dam IOCG deposit occurs beneath 300-400 metres of Neoproterozoic and Cambrian sedimentary rocks near the north eastern margin of the Gawler Craton. The basement near Olympic Dam is dominated by the youngest cratonic rock associations including the Gawler Range Volcanics and the broadly contemporaneous Hiltaba Suite “I” type granitoids. The crustal architecture of the province is dominated by regional north west and north east trending major basement structures, the intersections of which appear to have acted as loci for IOCG mineralisation and hydrothermal fluid flow. There is a regional association of IOCG mineralisation with high level Hiltaba Granite / Gawler Range Volcanic magmatic events and a proximal association with near vent bi-modal volcanism and associated sedimentation, hydrothermal brecciation, intense iron metasomatism, sodium depletion, and alteration vectors involving amphiboles (chlorite), sericite, carbonate, haematite, K-feldspar and silica. The Stuart Shelf is bounded to the south by the uplands of the Gawler Range Volcanics and on the east by the Torrens Hinge Zone, which lies approximately along the western shore of Lake Torrens.</td></tr>
<tr><td>Drill hole information</td><td>
<table>
<tr><th>HOLEID</th><th>EAST (m)</th><th>NORTH (m)</th><th>RL (m)</th><th>DEPTH (m)</th><th>Azimuth</th><th>Dip</th></tr>
<tr><td>TD1</td><td>750,943.9</td><td>6,589,193.0</td><td>32</td><td>498</td><td>0</td><td>-90</td></tr>
<tr><td>TD2</td><td>751,798.5</td><td>6,591,766.0</td><td>30.94</td><td>891</td><td>0</td><td>-90</td></tr>
<tr><td>TD3</td><td>752,003.5</td><td>6,594,710.0</td><td>30.92</td><td>733.4</td><td>0</td><td>-90</td></tr>
<tr><td>TD4</td><td>750,070.0</td><td>6,592,900.0</td><td>40.14</td><td>1198</td><td>353</td><td>-60</td></tr>
<tr><td>TD5</td><td>750,070.0</td><td>6,592,900.0</td><td>40.14</td><td>1189</td><td>353</td><td>-60</td></tr>
<tr><td>TD6</td><td>748,230.0</td><td>6,591,610.0</td><td>40.16</td><td>1154.3</td><td>323</td><td>-65</td></tr>
</table>
*TD5 is a wedge of TD4 from approx. 600m down hole from TD4

The composite interval referenced in the text relates to a broad low grade mineralised horizon. The composite interval broadly applied a nominal 0.05% Cu cut-off.</td></tr>
<tr><td>Data aggregation methods</td><td>1. The weighted average composited assay value referenced in the text does not have top cuts applied. There are no high grade anomalous values within the dataset. Samples are all 1m in length.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>1. Mineralisation within the Torrens Project is likely to be sub vertical in nature. The drill hole intersection recorded in the text is taken from a drill hole which is sub vertical and therefore may be preferentially drilling parallel to the mineralised system. The mineralised intersection is peripheral to a higher grade system (if present). There is not enough information to determine the orientation of the low grade mineralised zone with respect to the drill hole orientation at this point in time.</td></tr>
<tr><td>Diagrams</td><td>1. Refer to figures within the body of the report.</td></tr>
<tr><td>Balanced</td><td>1. The reporting is considered balanced and all material information</td></tr>
</table>

Criteria	Commentary
reporting	associated with the electromagnetic surveys has been disclosed.
Other substantive exploration data	1. There is no other relevant substantive exploration data to report.
Further work	1. Exploration within EL5614 is at an early stage. Further work will focus on additional geophysical (gravity) and drill hole data to progress the geological understanding and assist with vectoring toward a higher grade mineralised IOCG system.