Aeris Resources Limited
Suite 2, Level 2
HQ South Tower
520 Wickham Street
Fortitude Valley, Brisbane QLD 4006
www.aerisresources.com.au

AERIS RESOURCES LIMITED

MURRAWOMBIE DEPOSIT

Mineral Resource and Ore Reserve Estimate Statement

30th June 2017

Report Version	Final rev 00

Author/s	Name	Title
	Brad Cox	Competent Person – Mineral Resource estimate
	Ian Sheppard	Competent Person – Ore Reserve estimate

1 PROJECT SUMMARY

1.1 INTRODUCTION AND SETTING

Murrawombie is a sulphide copper gold deposit located on ML1280 in central New South Wales (NSW), Australia. The deposit geology is described as a Besshi style volcanic associated massive sulphide occurrence. It contains economic grades of copper with minor gold and silver.

The area around the Murrawombie Deposit has a long history of mining, commencing with small scale copper mining from 1891 to 1910. Modern exploration and mining commenced in 1989 when systematic grid drilling of the deposit was undertaken, which led to open pit mining of the deposit to a depth of approximately 130m, between 1992 to 2003. Development of an underground was started in 2008 and then suspended due economic conditions. Underground mining has re-commenced on the deposit December 2015.

Murrawombie copper ore is treated at the Tritton ore processing plant by flotation of sulphide minerals to produce a copper concentrate product. Concentrate is transported from the processing plant by truck and then by rail to the port of Newcastle. It is then shipped in 10,000t to 12,000t lots to smelters in the Asia Pacific region. All concentrate is sold under contract to the trader Glencore International.

The reported Murrawombie Mineral Resource estimate is an update of the previous estimate, prepared and reported as at 30 June 2011, (restated in each year since 2011). The updated estimate used for 2017 reporting is based on additional diamond drilling for grade control purposes, updated geological mapping following from opening access to the ore body underground and revision of the geology interpretation. The updated estimate accounts for current mine depletion and the forecast mine position at 30th June 2017.

The reported Ore Reserve estimate is an update of the previous estimate, prepared and reported as at 30 June 2014, (restated in each year since 2014). The updated estimate is supported by the new Mineral Resource and reflects a change in the planned mining methods and depletion due to mining. An Ore Reserve is estimated assuming both open pit mining and underground mining of the deposit. Changes have been made to the open pit design and to the mining method assumed for underground mining. These design changes have resulted in modification of the Ore Reserve estimate.

1.2 LOCATION

The Murrawombie Deposit is located 45 kilometers north-west of the rural township of Nyngan in central NSW and 3 kilometers to the west of the small settlement of Girilambone, Australia, see Figure 1. The Murrawombie mine is 22 kilometers by road to the north of the Tritton ore processing plant and the Tritton underground mine.

The Murrawombie Deposit is located in close proximity to cluster of similar deposits; North East, Larsen, and Hartman's mines, (located 3 kilometers north of Murrawombie underground mine). The more recently discovered and unmined Avoca Tank Deposit is another 2 kilometers further north. Murrawombie Deposit is the largest of these deposits by a significant margin.

The deposit is located on ML1280 and within EL6126. Both leases are held by Tritton Resources. The mining lease, ML1280, was originally established for open pit mining of the Murrawombie pit. Underground mining operations are permitted on the ML.

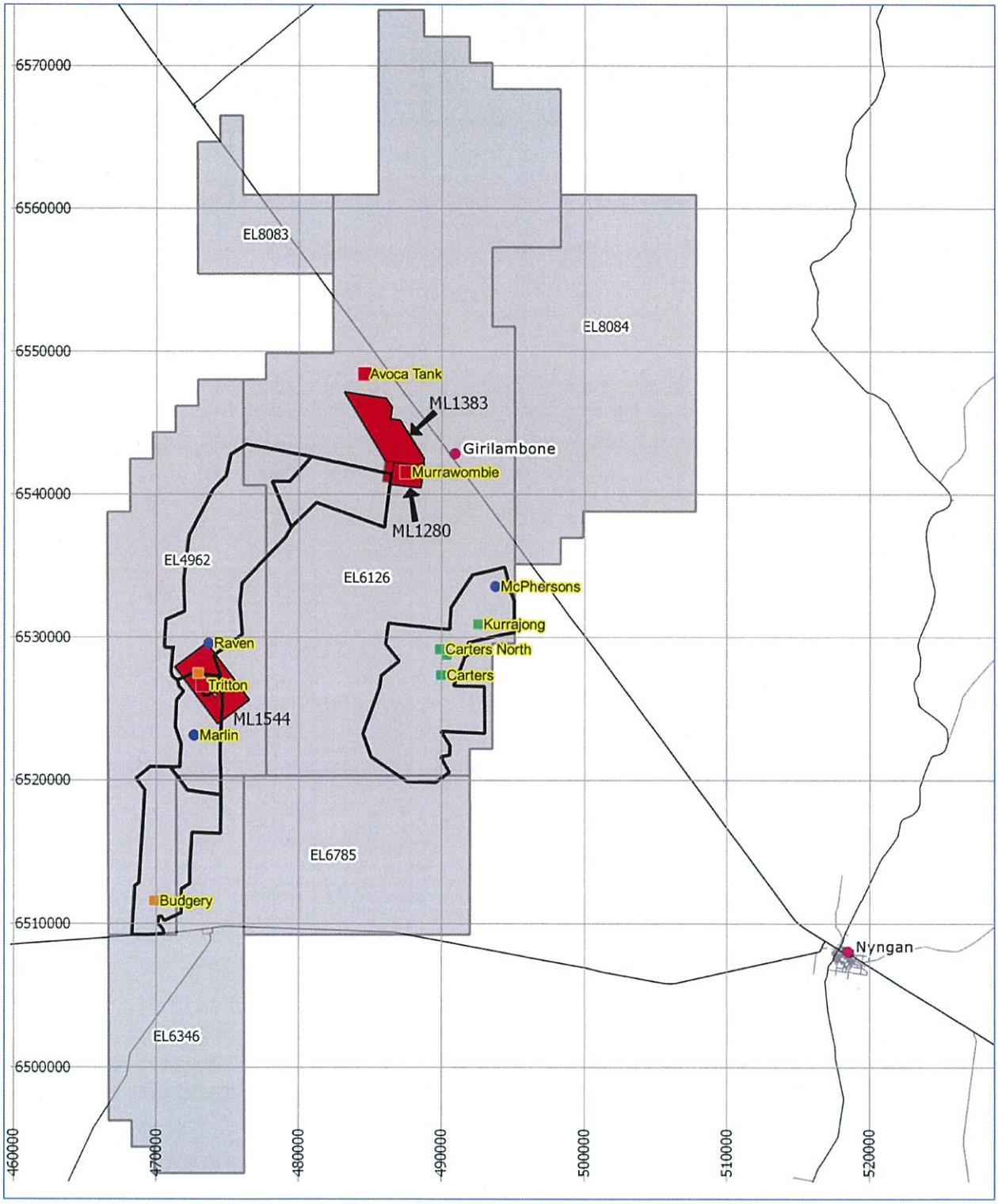

Figure 1: Location and lease outlines for the Murrawombie Deposit

1.3 HISTORY

Copper mining commenced at the Girilambone area in 1881 with the opening of the Girilambone Copper Mine. This mine worked the upper levels of the Murrawombie Deposit. Between 1881 and 1910 it is estimated over 85,000t of ore was mined from Girilambone and various small copper shows within the region.

From 1989 Nord Australex Nominees Pty Ltd ran an exploration program to re-assess the Murrawombie Deposit copper mineralisation by grid drilling. In 1990 Nord extended its coverage by purchasing the exploration licence covering the wider regional area. In 1991 Nord initiated a feasibility study to investigate the construction of a copper ore mining and processing by heap leach operation. Also in 1991, Straits Mining Pty Ltd acquired a 60% share to become a joint venture partner on the project. Straits became the 100% owner upon the withdrawal of Nord and ownership has passed to Aeris Resources through corporate restructure and name change.

In October 1992 project development of the Girilambone Copper Mine commenced with open pit mining of the Murrawombie Deposit. By February 1993 stacking of the heap leach pads had begun and in May 1993, a solvent extraction and electro-winning plant was completed and copper cathode production commenced. Following success from exploration work the northern deposits, (North East, Hartman's and Larsen's), were discovered and mining commenced at these Girilambone north mines in 30 June 1996. Copper production by solvent extraction and electro-winning continued until 2003. Over this period of time, four open pits (three at Girilambone North: Larsen's pit, North East pit and Hartman's pit, and the larger Murrawombie pit), were mined extracting copper oxide ore in the upper, weathered part of the deposits. Mining terminated in the pits when the mineralisation turned to sulphides that could not extract copper by the leach process being used. Sulphide ore types which occur beneath these pits in the unweathered rock masses were not amenable to heap leaching and therefore were not mined.

In 2004 - 2005 a 570kt parcel of sulphide ore was extracted from the base of the Murrawombie open pit. This ore was used to assist with the commissioning of the Tritton ore processing plant, located 22 kilometres to the south by sealed road.

In September 2008 a copper cementation plant was open at the Girilambone site. The plant was constructed as a low cost process to extract the copper remaining in the heap leach pads. Copper cement can be recovered from leach liquor with very low copper content that is not suitable for the solvent extraction method. As the heap leach pads have aged the copper content in leach liquor has continued to decline gradually over time.

In early 2008 a project to mine the sulphide portion of the Murrawombie Deposit from underground was commenced, with ore to be treated in the Tritton ore processing plant that was by then operational. A portal was established off the open pit ramp, (100m below surface), and a decline developed to a depth of 190m below surface. There was limited development completed on the 101 lode that dominates the deposit at this level. However the project was short lived with operations being placed on care and maintenance in November 2008 in response to the global financial crisis (GFC) and a lack of capital funding.

Underground mining at Murrawombie recommenced in December 2015 following closure of the adjacent North East and Larsen's mine. Mining crews and equipment were progressively transferred from North East and Larsen's underground mines to the Murrawombie underground mine development. The closure of the North East and Larsen's underground mines opened spare capacity in the Tritton ore processing plant thus encouraging the re-opening of the Murrawombie underground mine as a replacement source of ore.

2 GEOLOGY

Regionally mineralisation is hosted within early to mid-Ordovician turbidite sediments, forming part of the Girilambone Group. Mineralisation is hosted within greenschist facies, deformed pelitic to psammitic sediments, and sparse zones of coarser sandstones.

The Murrawombie Deposit is considered to represent a stratiform volcanogenic massive sulphide system (Besshi style). Mineralisation varies from massive sulphide bands (pyrite +/- chalcopyrite) to erratic stringer pyrite/chalcopyrite. Mineralisation pinch and swells which is in part a result of bounding graphitic fault zones deforming the mineralised lenses.

2.1 RESOURCE ESTIMATION MODEL

The Mineral Resource estimates for the Murrawombie Deposit have been reported using two geology block models:

1. For the estimation of Indicated Mineral Resource material the estimate is based on a grade control model as at 15 April 2017 (mu_gc_bm_2017apr15.mdl). The grade control model is interpreted based on a nominal 0.5% copper interpretation defined by nominal 20m x 20m drill spacing down to 4950mRL below which the drill spacing extends to approx. 40m x 40m. The estimation method used is Ordinary Kriging. Indicated Mineral Resource is reported down to 4655mRL.
2. For the estimation of Inferred Mineral Resource material the estimate is based on the 2011 resource model (mwb_update_08feb2011. Following the completion of the resource model additional geological information has been collected within the Indicated classified material whilst no material changes have occurred within the Inferred regions. Inferred Mineral Resource represents down dip extensions to the dominant mineralised lodes (101 and 102) below 4655mRL. Drill hole spacing are greater than 40m x 40m.

Refer to Figure 32 and Figure 43 which outlines the location of the classified Mineral Resource used for the reporting of the Murrawombie Resource as at 30 June 2017.

2.2 MINERAL RESOURCE CUT-OFF GRADE

A bounding 0.5% copper grade shell is used to constrain grade estimates for the Murrawombie Deposit. A 0.5% copper cutoff grade was selected based on log probability plots of copper mineralisation within and surrounding the Murrawombie system. Geological interpretation has defined multiple mineralised lenses dipping moderately to the east. Two mineralised lodes, 101 and 102 are more significant in size than the remaining lodes. A lower grade halo surrounds the mineralised lodes which encompasses background copper mineralisation with the occasional +0.5% copper intersection which represent isolated intersections of limited continuity. Block grades are interpolated within each domain using ordinary kriging.

Within the bounding 0.5% copper grade shell Mineral Resource is reported at a block cut-off grade of 0.6% copper. Mineral Resource is quoted as material at or above a 0.6% copper block cut-off grade. Application of this cut-off grade excludes blocks below 0.6% copper that exist within the grade shells.

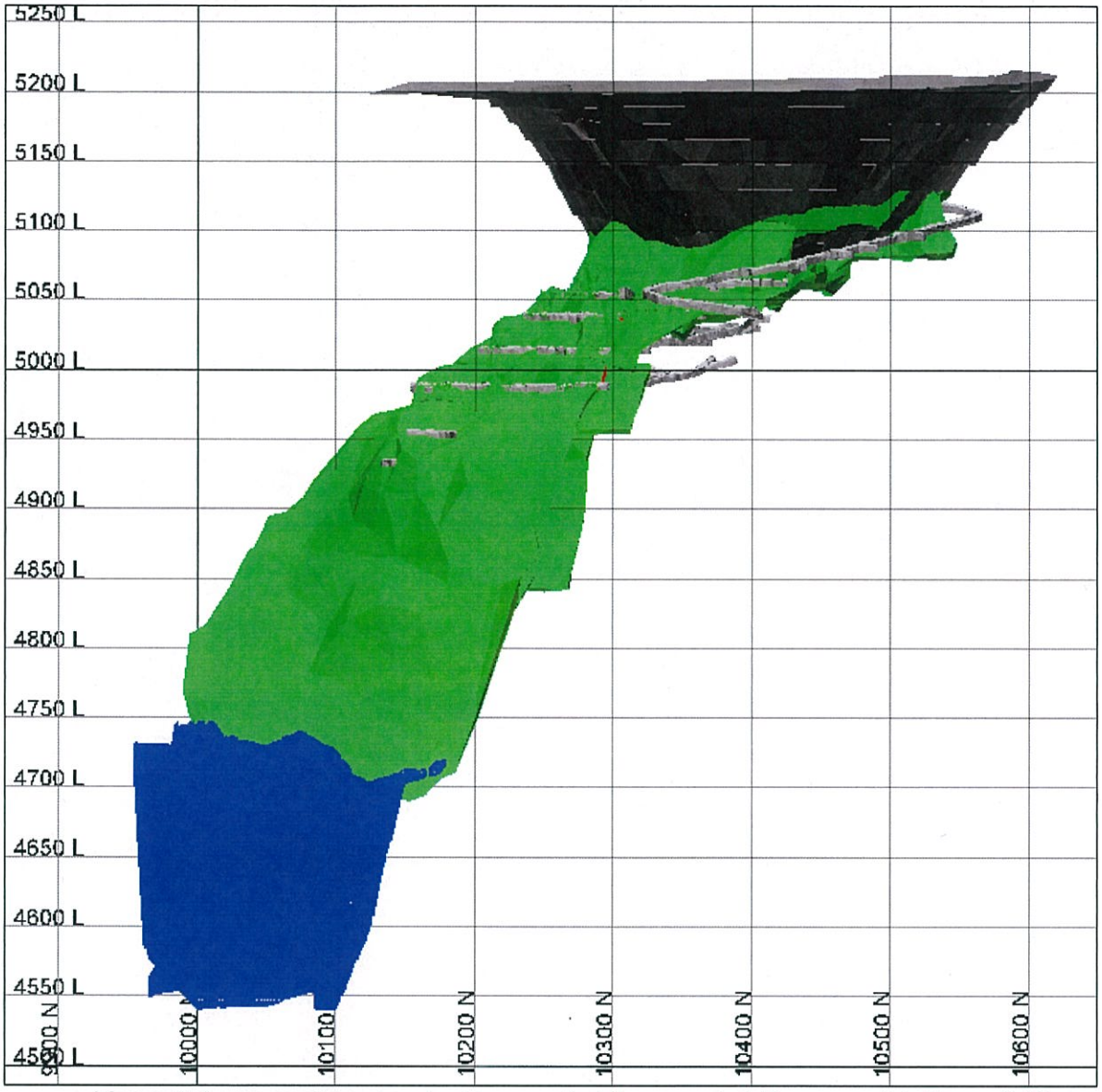

Figure 2: Long section view looking west at the reported Murrawombie Deposit Mineral Resource at 30 June 2017 position (green solids – Indicated, blue solids – Inferred and grey solids – 30 June 2017 depletion wireframes).

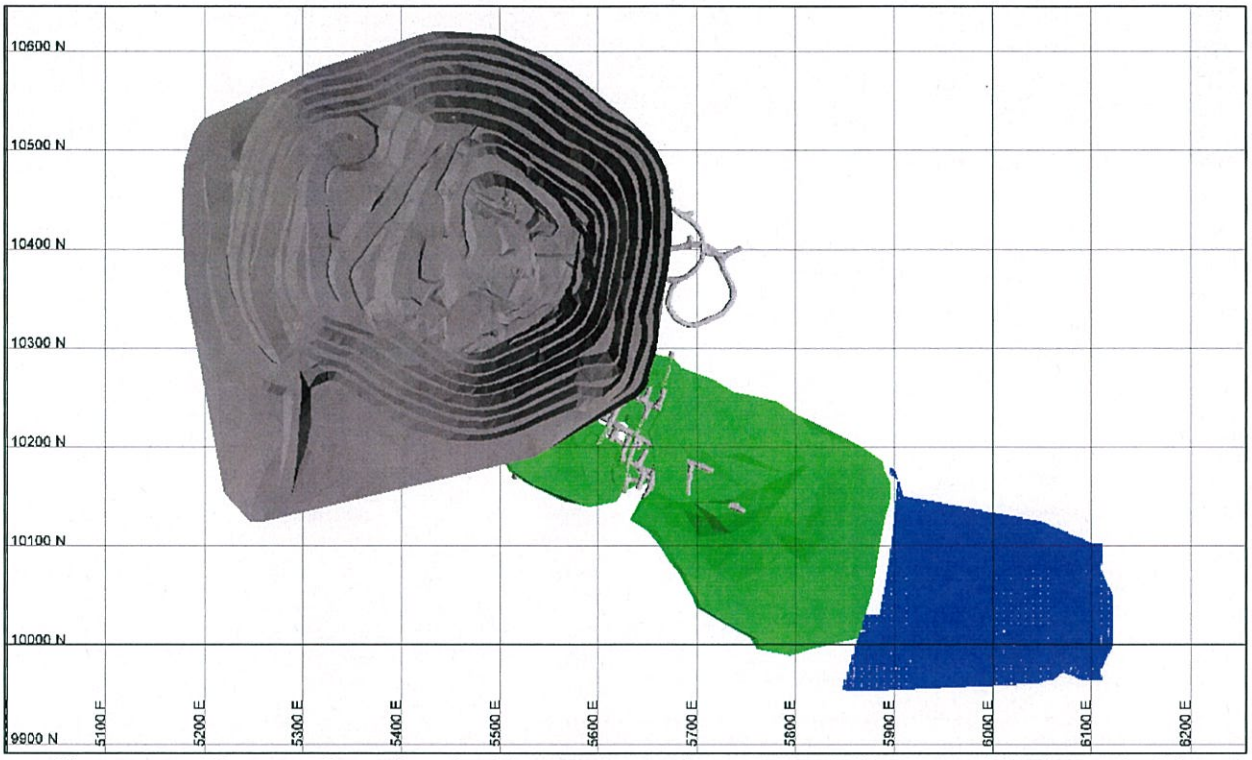

Figure 3: Plan section view looking west at the reported Murrawombie Deposit Mineral Resource at 30 June 2017 position (green solids – Indicated, blue solids – Inferred and grey solids – 30 June 2017 depletion wireframes).

3 MINING

The Murrawombie Deposit will be mined by a combination of underground and open pit methods. Underground mining will extract the majority of the ore. The open pit mining will be an expansion by a small push back of the south eastern wall of the existing pit to recover the remnant shallow resource. The pit expansion will be mined as the last stage of production from the deposit, to avoid complication of simultaneously working above an operating underground mine. No crown pillar will be left to separate open pit and underground workings.

Separate Ore Reserve estimates are reported for the underground and open pit mined ore.

Base of the existing pit void is at 5070mRL (130m below surface). Portal access to the underground mine is located at 5115mRL, (100m below surface).

3.1 UNDERGROUND MINING METHODS

The deposit has multiple lodes of mineralisation that are separated by waste. The lodes are numbered 101 through to 105 and modelled as separate geology domains.

At shallow depth, base of pit down to 4990mRL, only the 101 lode is sufficiently strongly mineralised to support an Ore Reserve. Below this depth the 101 lode narrows and the 102 lode becomes the dominate mineralisation of interest. Underground mining of the 102 lode supports the majority of the Ore Reserve estimate for the deposit, Isolated areas of stoping have also been identified on the 101 and 105 lodes and these contribute minor tonnage to the Ore Reserve.
The 102 is located in the hanging wall position above the other lodes and will be mined first in the extraction sequence. Later time production from the 101 and 105 lode is possible without geotechnical sterilization by 102 lode production.

The underground mine will be accessed by a decline mined at 1 in 7. Mining will use conventional mobile equipment commonly used in Australian mines. Ore and waste are hauled to surface by diesel powered truck. Ore is hauled from the Murrawombie site to the Tritton ore processing plant by road train trucks.

3.1.1 101 Lode Mining

The mining method applied to the 101 lode is up hole bench stoping with rock pillars. Stopes are mined the full width of the ore body and generally 20m between sub levels. Benches are mined in a bottom up sequence using dry rock fill for support of the hanging wall. Attempts to mine by top down sequence with only rock pillars for support was unsuccessfully trialed in 2016 and the extraction was converted to bottom up mining. A significant portion of the 101 lode above 4990mRL has been depleted by mining at 30 June 2017 reporting date.

3.1.2 102 Lode Mining

The Ore Reserve estimate for the 102 lode is based on the use of two mining methods;

- Sub level open stoping with rock fill will be used to extract the higher grade south mining domain.
- Longitudinal retreat sub level cave will be used to extract the lower grade north mining domain.

The same 20 metre sub level interval is designed for both mining domains to allow flexibility in changing between methods if necessary to respond to changes in the resource models following from improved understanding of the deposit geology, (dense grade control drilling, drive sampling and mapping). The need for flexibility in design has become apparent in 2016 - 2017 following from detailed geology mapping of the mineralisation in the 102 lode.

Sub level cave design is a longitudinal retreat from north to south. Extraction drive spacing is 15m horizontal and 20m vertical. Typically there are four drives on a level, although this varies with ore body geometry. The cave retreats towards a central pillar area that defines the edge with the south domain of open stoping. The pillar will be extracted transverse from hanging wall towards the access cross cut as the last stage on each level.

Sub level open stope mining in the south domain will be conventional extraction over 20m level levels and 20m along strike. In thicker parts of the ore body two stopes will be mined across strike. In narrow a single stope across full width is planned. Extraction is planned as bottom up with cemented or dry rock fill. Cemented fill is used where leaving pillars is not attractive. Crown pillars will be left at two locations to allow for production as early as possible. The crown pillars are not extracted. Pillar stopes mined against backfill have a higher rate of dilution and ore loss modifying factors applied to reflect the higher risks of this mining.

The mining method assumed in this estimate is a significant change from the assumption in the in the prior estimate, (2014). Previous estimates assumed primary open stoping with dry fill. Primary stopes were to be mined under a significant crown pillar, leaving adjacent pillars to support the hanging wall. Adjacent pillar stopes and the crown pillar are then to be fired in a mass blast into the primary stope void. Dry fill is introduced via holes from surface to fill the mine void, supporting the hanging wall. Ore from pillars is drawn from under the fill until dilution becomes excessive. This method has been replaced with the 2017 design following technical studies that identified problems with the design.

3.1.3 Other Lodes Mining

The Ore Reserve estimate for the lodes other than 102 is based on the use of sub level open stopes or simple bench stopes with rock pillars. In these lodes the ore grade mineralisation is estimated to occur in isolated blocks that can be mined as individual stopes with adjacent pillars left in low grade mineralisation.

3.1.4 Mining Method Review

Access to the deposit from mine development is allowing detailed grade control drilling and mapping of the mineralisation from within the nominal ore body. This significant improvement in the detailed geology understanding of the deposit is likely to prompt changes in the mine design. It is expected that future Ore Reserve estimates will be subject to revision due to re-design in addition to the depletion due to mining.

3.2 OPEN PIT MINING

Mining of an approximate 70 to 50m wide pushback of the east wall of the open pit will expose 1.6 million tonne of ore in the wall and at the base of the open pit. The relatively narrow push back can be mined using a combination of new ramp in the upper few benches, then connecting to the old ramp located on the western or footwall side of the deposit. This allows effective mining of the narrow push back without need for a new ramp to full depth of the pit, reducing waste to ore strip ratios.

Suitable waste mined from the pit extension will be used to cap the old heap leach pads as part of final mine closure. Waste mining costs for the initial benches are subsidized by closure costs for the adjacent heap leach pads. The closure of the leach pads requires them to be covered with suitable waste rock and this material will have to be recovered from old waste dumps or quarried if it is not mined from the Murrawombie pit expansion.

No crown pillar will be left between open pit expansion and the underground workings. The open pit is to be mined after the completion of the underground when there will be no interaction risks.

Waste and ore mining will be by conventional excavator and truck following light blasting. Trucks of 100 to 120 tonne capacity size and suitably matched excavators will be used.

The Murrawombie pit has been open to a current depth of 130m below surface for longer than ten years with no failure of the walls. Fair to good rock mass conditions are exposed in the current pit and the walls of the pit extension towards the east will be mined in the same rock conditions. A stable pit extension is expected using similar slope design parameters to the current pit.

The previous estimate of open pit Ore Reserve, 2014, was 0.7 million tonne of ore. Changes to the pit design that support the increase to 1.6 million tonne estimate include; the removal of any crown pillar; and use of near surface waste rock as environmental closure cover over the adjacent heap leach pads.

3.3 ORE RESERVE CUT-OFF GRADE

Copper grade (% copper) is applied as the cut-off grade criteria.

At the Murrawombie Deposit the gold and silver content of the ore is not high enough to warrant calculation of a net smelter return that would be the alternative cut-off grade criteria. Gold and silver recovered in the copper concentrate are at grades above payable limits under smelter terms. However the precious metals contribute only approximately 5 to 10% of the value in the ore. This value is included as a simple copper metal equivalent and applied as an adjustment to the copper % cut-off grade.

The gold and silver grades are related to the copper grades in ore, although with no strong correlation.

3.3.1 Open Stope Mining Cut-Off Grade

An Ore Reserve cut-off grade of 1.1% copper is applied to the average diluted whole of stope grade, (i.e. after dilution and ore loss factors are applied). Selected stopes with average grade as low as 0.8% copper may be included in the Ore Reserve where they can be taken at lower cost in the mining sequence and after evaluation indicates they will be economic. The proportion of this material in the Ore Reserve is not material; i.e. 20kt ore.

3.3.2 Sub Level Cave Mining Cut-Off Grade

Cut-off grade policy applied in sub level cave mining is complex. It varies with the geometry of the ore body, the location of particular production drives and the caving characteristics of the ore and surrounding waste. Conventional cut-off grades are not appropriate.

The sub level cave Ore Reserve estimate has been determined by the use of cave modelling simulation software applied to the Murrawombie design. Key software parameters applied were a shut off grade of 0.5% copper and a minimum draw of 500 tonne. Tonnage drawn and average grade for the each of the 1227 draw cones are estimated by the simulation software.

3.3.3 Development Mining Cut-off Grade

Development in ore is designed for each level of the mine as part of the Ore Reserve process. The development design is converted to a solids volume. An estimate of development (or "Jumbo") ore is

made by interrogating the geology block model within this development design solid and reported separately. Development solid volumes are excluded from the stope volumes to avoid double counting.

No dilution and no ore loss factors are allocated to development ore. All the Mineral Resource within the design development is reported as development ore. This is consistent with mine practice where material down to an estimated grade of 0.5% copper can be assigned as ore, once broken in a development heading. The net effect is that the cut-off grade for Ore Reserve derived from design development volumes is the same as the Mineral Resource cut-off grade, i.e. 0.6% copper.

3.3.4 Open Pit Mining Cut-off-Grade.

Open pit quantities are estimated using a cut-off grade of 0.4% copper. The cut-off grade is based on assumed marginal ore processing costs. This assumes more than sufficient ore processing capacity is available at the time of mining. Murrawombie pit is assumed to be mined as the final ore source at the end of operation life, when there will be spare processing capacity.

The open pit Ore Reserve cut-off grade is lower than the 0.5% copper grade applied in the modelling of the mineralised volume, (modelling is focused on best representing grades suitable for underground mining). Mineral Resource block grades internal to the mineralised volume may be less than 0.5% copper. Open pit mining will extract the majority of the mineralised volume as modelled.

3.4 ORE RESERVE ESTIMATION MODIFYING FACTORS

Modifying factors to account for dilution and ore loss are applied in the estimation of Ore Reserves. Different modifying factors are applied to the different mining methods.

3.4.1 Open Stope Mining Modifying Factors

Modifying factors applied vary with the size of the stope, ore lode being mined and if the stope is a pillar mined beside backfill. Factors for the Murrawombie Deposit have been assumed based on historical experience with the mining of similar stopes at the adjacent North East underground mine and the nearby Tritton underground mine. Factors may be altered in future estimates based on specific experience at the Murrawombie underground mine.

Open stopes that extract the full width of ore body, (or bench stope design), in the upper levels, (4952mRL and above), where ore body dip is less than 50 degrees are classified as small standard design. Factors applied are dilution of 11% at nil grade and ore recovery of 90%. These stopes are mined with pillars between stopes and backfilled with dry rock fill in a bottom upwards sequence.

Where the ore body is wider and with steeper dip, (4952mRL and below), extraction may require the use of two open stopes across strike. Primary open stopes are extracted in a bottom up sequence leaving pillars as required for stability. Cemented rock fill will be placed against pillars that are to be extracted as secondary stopes. Factors applied are dilution of 11% at nil grade and ore recovery of 90%.

Secondary stopes that recover pillars left adjacent to backfilled primary stopes are expected to have higher rates of dilution. Factors applied are dilution of 20% and ore recovery of 80%.

Proved and Probable stopes are assigned the same dilution and ore recovery factors. There is no evidence to suggest the need for different factors applied to different category of Ore Reserve.

3.4.2 Sub Level Cave Mining Modifying Factors

The Ore Reserve for the sub level cave is estimated from simulation of cave draw using specialist software. The simulation estimates dilution and ore recovery for sub level cave mining method. No additional modifying factors are applied.

3.4.3 Open Pit Mining Modifying Factors

The Ore Reserve for open pit mining is estimated with; 5% dilution at nil copper grade factor applied; ore recovery factor of 97% applied; additional ore recovery factor of 50% applied where ore is immediately adjacent to the existing pit inside edge and losses due to blast movement into the base of the pit are expected.

3.5 RECONCILIATION DATA

There is insufficient production reconciliation date to report at this time.

4 ORE PROCESSING

The ore mined from the Murrawombie Deposit is processed at the Tritton ore processing plant. Flotation methods are used to produce a copper concentrate product. The Murrawombie ore is blended with ore from the Tritton underground mine to produce a blended copper concentrate.

Operating experience with treating Murrawombie ore over the past year has confirmed laboratory test work that indicated the Murrawombie ore can be treated to produce a good quality copper concentrate. Recovery of copper is approximately 94%. Recovery of silver is approximately 70% and gold is approximately 50%.

Murrawombie ore is hauled from a surface stockpile at Murrawombie underground mine to the Tritton ore processing plant by road train truck on sealed road.

5 MINERAL RESOURCE ESTIMATE

5.1 RESULTS

The Murrawombie Mineral Resource Estimate is reported to the 30th June 2017 mining depletion position (Table 1). Underground mining at Murrawombie recommenced in December 2015 after a hiatus since November 2008 when the operation was placed on care and maintenance during the GFC.

Table 1: Reported Mineral Resource for Murrawombie as at 30 June 2014 [1, 2, 3, 4]

Resource Category	Tonne (kt)	Copper (%)	Contained Copper (kt)
Measured	0	0.0	0
Indicated	5,700	1.6	89
Total M&I	**5,700**	**1.6**	**89**
Inferred	800	1.3	10
Total	**6,600**	**1.5**	**100**

1. Mineral Resources are quoted as INCLUSIVE of Ore Reserve.
2. Mineral Resource is reported at a 0.6% Cu cut-off grade.
3. Discrepancy in summation may occur due to rounding.
4. Estimate is constrained by the survey stope and development positions for Murrawombie as at end June 2017.

5.2 CHANGE FROM PREVIOUS PUBLIC REPORT

Material changes to the Murrawombie Deposit Mineral Resource from the previous reporting period include mine depletion, additional drilling data resulting in spatial changes to the mineralised system and a revised geological interpretation. Mine production in the period reported between each model from 30 June 2016 to 30 June 2017 is approximately 173 thousand tonne at 1.52% copper for 2.6 thousand tonne contained copper.

Grade control drilling has been used to revise the geology interpretation of the deposit. There are significant changes in the model relative to the previously reported 2011 resource model. Differences primarily relate to a greater level of geological understanding from underground mapping and increased drill density resulting in more accurate mineralised wireframes constraining the higher grade mineralised zones as opposed to previous interpretations which bulked out the mineralised envelopes to incorporate some lower grade drill intersections.

No grade control drilling has intersected the mineralised system down dip within the Inferred Mineral Resource defined from the 2011 resource model (below 4700mRL). Conceptually the geological

interpretation and ore solids modelled from the 2011 resource model are valid below 4700mRL, although spatially may not be in an optimal position. The reported tonnes and grade within the Inferred Mineral Resource below 4700mRL is considered appropriate for the purposes of reporting. Inferred Mineral Resource reported above 4700mRL has been omitted from the reported figures, as a result of grade control drilling and an updated geological interpretation.

Table 2: Change in Mineral Resource estimate since previous public report [1, 2, 3, 4]

Estimate	Resource Category	Tonne (kt)	Copper (%)	Contained Copper (kt)
June 2017	Measured	0	0.0	0
	Indicated	5,700	1.6	89
	Total M&I	**5,700**	**1.6**	**89**
	Inferred	830	1.3	10
	Total	**6,600**	**1.5**	**100**
June 2016	Measured	0	0.0	0
	Indicated	6,500	1.4	92
	Total M&I	**6,500**	**1.4**	**92**
	Inferred	2,000	1.2	20
	Total	**8,100**	**1.4**	**110**
difference	Measured	0	0.0	0
	Indicated	-820	0.2	-2
	Total M&I	**-820**	**0.2**	**-2**
	Inferred	-690	0.0	-8
	Total	**-1,500**	**0.2**	**-10**

1. Mineral Resources are quoted as INCLUSIVE of Ore Reserve.
2. Cut-off grade: 0.6% Cu cut-off applied.
3. Discrepancy in summation may occur due to rounding.
4. Estimate is constrained by a combination of surveyed and forecast stope and development positions as at 30 June 2017.

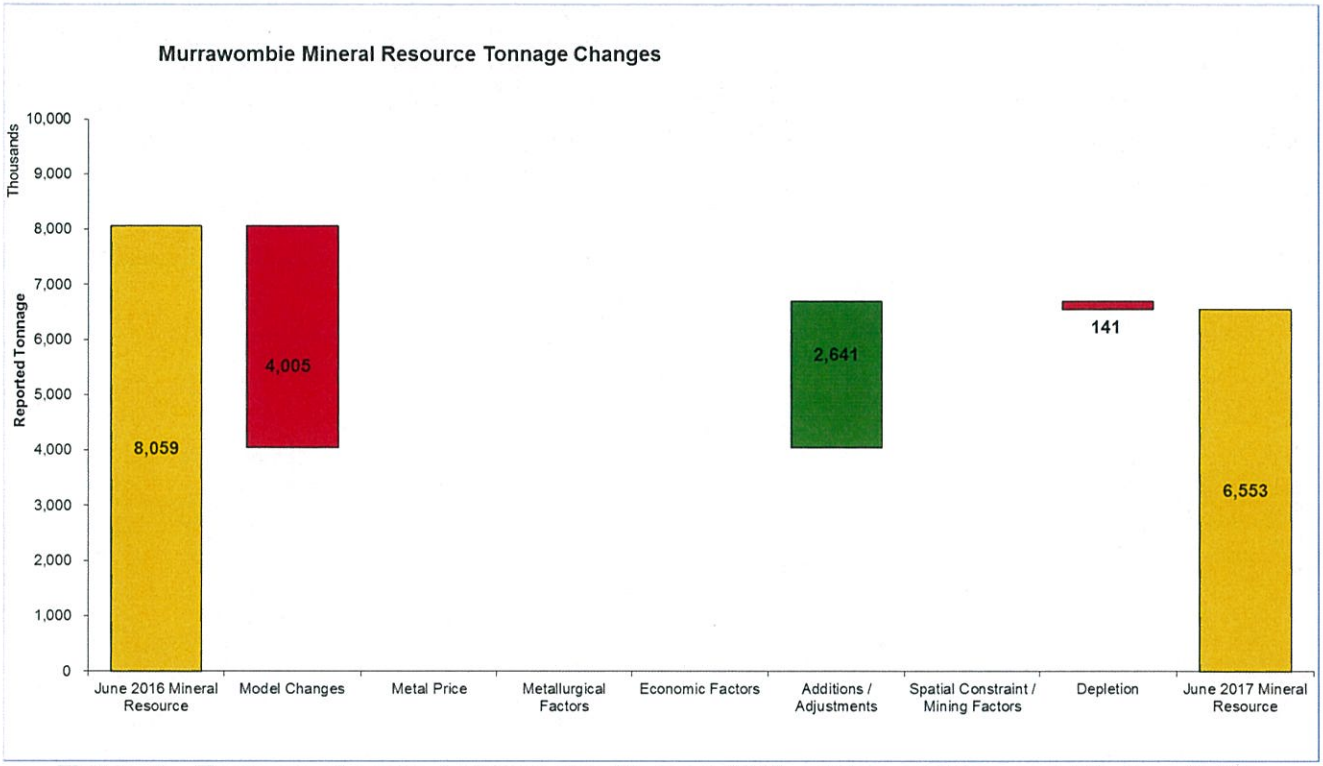

Figure 4: Tonnage changes between the 30 June 2016 mining position and 30 June 2017 mining position at the Murrawombie Deposit. Figures are reported from raw data and rounded to nearest 1kt.

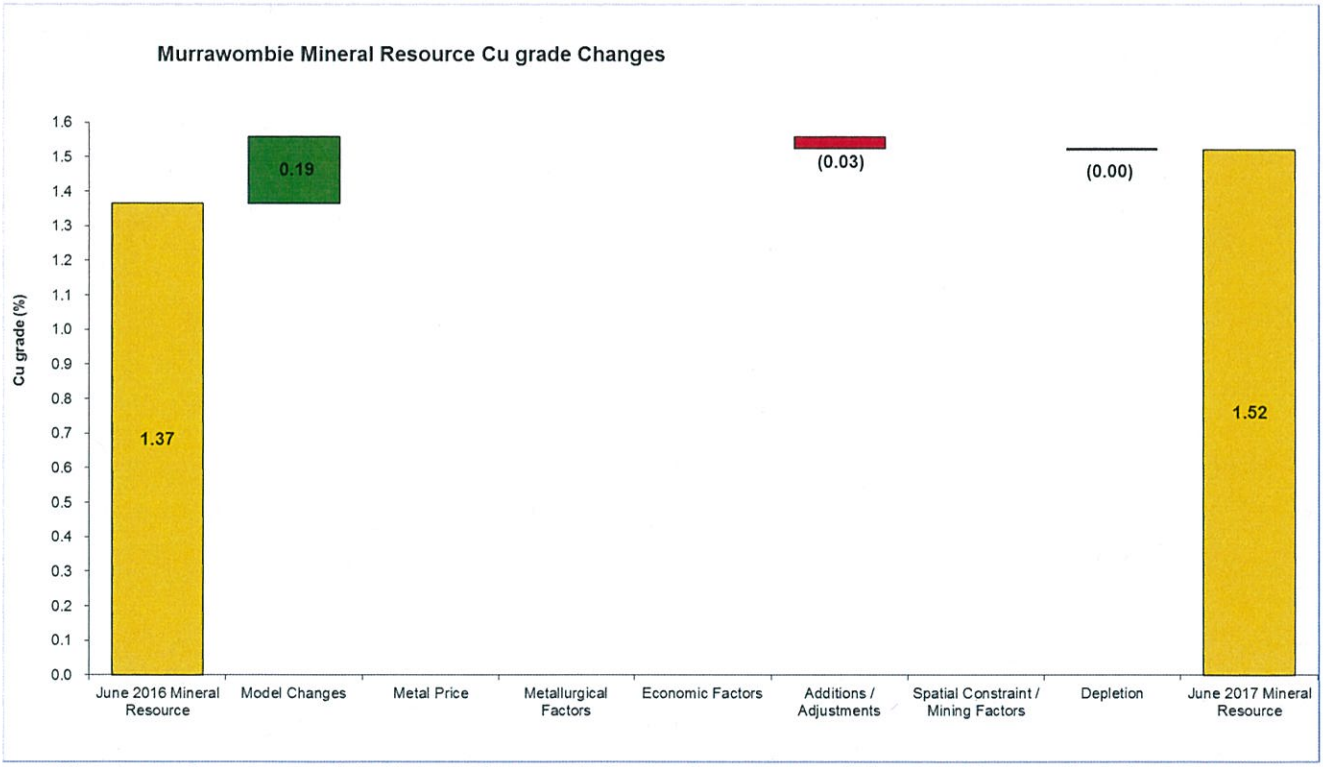

Figure 5: Copper grade changes between the 30 June 2016 mining position and 30 June 2017 mining position at the Murrawombie Deposit. Figures are reported from raw data and rounded to nearest 0.01% Cu.

5.3 STATEMENT OF COMPLIANCE WITH JORC CODE REPORTING

This Mineral Resource statement has been compiled in accordance with the guidelines defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

5.3.1 Competent Person Statement

I, Brad Cox confirm that I am the Competent Person for the Murrawombie Deposit Mineral Resources Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having relevant experience to the style of mineralisation and type of deposit described in the Report and to the activity for which I am accepting responsibility.
- I am a Member of the Australasian Institute of Mining and Metallurgy, (AusIMM membership No.220544).
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of Aeris Resources Limited.

I verify that the Murrawombie Deposit Mineral Resource is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources.

5.3.2 Competent Person Consent

I consent to the release of the Murrawombie Deposit Mineral Resources as at 30 June 2017 by the directors of Aeris Resources Limited.

Signature of Competent Person **Brad Cox, AusIMM member No. 220544** Bradley Cox	**Date** 10/10/2017
Signature of Witness Scott J Curtis	Witness Name and Address Stephen Curtis Brisbane

6 JORC CODE, 2012 EDITION – TABLE 1 REPORT: MURRAWOMBIE DEPOSIT

6.1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• All diamond core samples are based on ½ core, pre-collar RC samples in waste zones taken as 4m composites and re-spit to 1m samples when return assays or geology indicate copper or gold mineralisation. Recent grade control holes from 30 June 2016 onward are full core samples. • Dedicated RC holes samples are taken at 1m intervals. • All diamond core is aligned, measured and metre marked. • All diamond core has been photographed. • Diamond and RC pre-collars conducted by Aeris Resources are completed to industry standards. Aeris Resources have assumed early percussion drilling programs (pre Aeris Resources) were conducted at Industry standards at the time of drilling (mid 1970's). • For diamond drilling samples overseen by Aeris Resources they are taken at geological boundaries to maximum of 1.4 metre and a minimum of 0.5 metre. Within mineralised zones 1 metre sample intervals are applied. Samples extend to 50 metres outside of mineralised zones. • Diamond core drilled from surface are NQ2 in size from RC pre-collars. Underground grade control holes completed pre 30 June 2016 are NQ2 for down holes and LTK60 for up holes. All grade control holes completed from 30 June 2016 onwards are LTK60. Exploration drill holes sampled by Aeris Resources for the Murrawombie Deposit within the primary sulphide mineralisation, are analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-40%) ALS method ME-ICP41. All Cu samples greater than or equal to 1 % were re-submitted for an ore digest ME-OG46. Additional Au analysis by fire assay fusion with an AAS finish, 30g charge (suitable for Au 0.01-100ppm) ALS method Au-AA22. All Au samples greater than or equal to 1 g/t were re-submitted for an ore grade fire assay 30g charge, Au-AA25. All diamond Grade Control holes and Face samples are assayed using ore grade digest, methods ME-OG46 for Cu, Fe, Ag, Zn, Pb and S with Au FA using method Au-AA25 from ALS Orange, NSW.
Drilling techniques	• All available drilling was used for the Murrawombie Deposit Mineral Resource interpretation and estimation as at 15 April 2017. • For the current Murrawombie Deposit Mineral Resource all available drilling was used to develop the interpretations. This included the early percussion and open pit grade control holes, the underground grade control holes used before the underground access closure in 2008 and all grade control holes completed following the recommencement of mining activities in FY2016.
Drill sample recovery	• All diamond core for the MTD and TMWD series have recovery measurements recorded by the drilling company and confirmed by Aeris Resources. RC pre-collar sample recoveries were not recorded nor required to be recorded as all material estimated is defined by core below 5060mRL (~140 metre from surface and a mixture of percussion, RC and diamond above 5060mRL). • RQD measurements are taken on all core drilled by Aeris Resources prior to all sampling.

Criteria	Commentary
	• Industry standard drilling practices resulted in good sample recoveries for RC chips and on average good sample recoveries for diamond core. Small number of sample intervals within mineralisation contained small zones of missing sample. • Lower recoveries mainly occurred in the mineralised zone especially when the chalcopyrite/pyrite mineralisation was massive and at times friable. Due to the lower recoveries there could be a sample bias (low) for these sections of the diamond drill hole.
Logging	• All diamond core and RC chips are geologically logged by company geologists. Selected diamond drill holes are also geotechnically logged. Where holes were able to maintain an orientation mark alpha and beta angles were measured for main structural features. Logging is to the level of detail to support the Murrawombie style of mineralisation (VMS-Besshi style). • Logging of both RC and diamond core recorded lithology, alteration, mineralisation, degree of oxidation, fabric/structure and colour. All exploration core was photographed and digitally stored, including underground grade control holes. • All RC intervals are stored in plastic chip trays, labelled with intervals and hole number. Core is stored in core trays and labelled similarly. • All RC and core samples were logged in full and face samples are logged for colour, lithology, alteration and structure if possible.
Sub-sampling techniques and sample preparation	• Half core samples were collected on average at 1 metre intervals, minimum sample length is 0.5 metre and maximum length is 1.4 metre. • RC samples for waste sections are collected at 1m intervals, with a 1 metre split and bulk residual collected on the drill rig. The bulk residual samples are composited to 4 metre intervals by spear sampling. If RC composites returned above background copper or gold values, the stored original 1 metre split was sent to the laboratory for analysis. • Full core samples are taken from all grade control drilling completed since 30 June 2016. Full core samples are considered to better represent the grade given the sometimes erratic nature of mineralisation within the core and broken ground (sample selection bias). • Samples taken are appropriate for the Murrawombie mineralisation style (Copper VMS – "Besshi style"). • Sample blanks and industry standards are routinely submitted for the resource definition drill holes conducted by Aeris Resources only. Pulps are retained and re-submitted to test for reproducibility where required. • No field duplicates have been collected for the Murrawombie Primary mineralisation. • The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• All assay results for drill holes drilled by Aeris Resources were conducted at accredited assay laboratories. Samples from the drill holes in the Murrawombie Deposit Mineral Resource estimate are primary sulphide. They were analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-40% - ALS method ME-ICP41). • All Cu samples greater than or equal to 1% Cu were re-submitted for an aqua regia digest using ICP-AES analysis (ALS method ME-OG46). Au analysis was performed from 30g fire assay fusion with an AAS finish (suitable for Au 0.01-100ppm - ALS method Au-AA22). All Au samples greater than or equal to 1 g/t were re-submitted for an ore grade fire assay 30g charge (ALS method Au-AA25). • Laboratory QA/QC samples including the use of blanks, duplicates, standards (commercial and site made certified reference

Criteria	Commentary
	materials are used) and replicates (as part of in-house procedures).
Verification of sampling and assaying	• Significant mineralised intersections are reviewed by the logging geologist and senior geologist. • No twinned holes were conducted. • All Aeris Resources geological data is logged directly into Aeris Resources logging computers following the corporate geology codes. Data is transferred to the corporate AcQuire database and validated on entry. Down hole survey data is validated and checked for potential deviation from magnetic mineralisation before data entry. • No adjustments to assay data were made. If survey data is affected by mineralisation, the survey is omitted and a general trend being applied based on the survey above and below the affected value.
Location of data points	• All recent surface drill hole collars have been surveyed by using a DGPS or by a local survey contractor. • All pre 2003 holes are surveyed by theodolite. • All underground drill hole collars are surveyed with a theodolite by company surveyors. Surveys are entered into the Aeris AcQuire database. A 3D topographic surface was generated and nearby infrastructure is picked up by company and contract surveyors. • 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 has 5000 metre added. • Quality and accuracy of the drill collars are suitable for resource work and resource evaluation for Proved and Probable reserve.
Data spacing and distribution	• The Murrawombie surface resource delineation drilling was conducted on a nominal 100 metre x 100 metre to 50 metre x 50 metre grid with infill grade control drilling conducted on a nominal 20 metre x 20 metre spacing. • The underground grade control drilling pre 30 June 2016 was completed between 5060mRL to 4975mRL (underground development levels 1 and 2 are at 5050mRL and 5030mRL). At the recommencement of grade control drilling in 30 June 2016, drilling has occurred between 5060mRL and 4965mRL. • The Murrawombie mineralisation is deemed sufficient to define both geology and grade continuity for a Mineral Resource estimate and Ore Reserve evaluation. • 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. • For the resource estimate composites have been generated at 1 metre intervals.
Orientation of data in relation to geological structure	• This deposit may have minor BIAS due to the "fan" nature of the underground drilling used in the upper section of the resource estimation. • No significant material issues due to sampling BIAS is expected due to the extensive geological knowledge and mining history of the resource based on the initial underground development up to mine closure in 2008, and from mining of the oxide resource as an open pit in the early to mid-1990's along with mining similar mineralisation styles within the Tritton Copper Operation field for the last 20 + years.
Sample	• Chain of Custody is managed by the Company. Samples are stored on site in polyweave bags containing approximately 5 samples.

Criteria	Commentary
security	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	1. External reviews and audits have been conducted by AMC in 2010 and 2013. No fatal flaws or significant issues with the past Murrawombie models were identified.

6.1.2 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	• All assay results are logged against unique sample numbers. A sampling sheet detailing sample numbers and core / RC intervals is completed prior to sampling commencing. During the sampling process each sample interval is cross-referenced to the sample number and checked off against the sampling sheet. Pre-numbered bags are used to minimize errors. Assay data is received via email in a common electronic format and verified against the AcQuire database. • Data validation checks are run by the database manager and checked by the logging geologist.
Site visits	• Brad Cox (Aeris Resources – Geology Manager) has made numerous site visits since 2014 and has reviewed drill core and geology interpretations during this period.
Geological interpretation	• The confidence in the Murrawombie geology model is reasonable due to underground exposure, open pit mining history and recent close spaced grade control drilling. The geological model is considered appropriate for this style of deposit. The geological setting is close to a traditional "Besshi style" VMS mineralised system. • Surface drill holes generally intersect the mineralisation at good angles. Current underground grade control holes for the upper two levels are at oblique angles. • The deposit is tabular in nature with good visible mineralisation. Geological risk for alternative interpretation is still possible; the impact of different interpretations will not greatly affect the position of grade distribution. The risk is reduced as the existing grade control drilling infills and drills out areas of the deposit. • Surveyed geological mapping of mineralised zones and core logging were used to guide estimation domain contacts. Estimation domains are based on a nominal 0.5% Cu shell. • Factors that may affect grade and geology could be due to localised folding and faulting. These factors will only affect the grade and

Criteria	Commentary
	geology locally and will not have a significant impact globally.
Dimensions	• The Murrawombie resource occurs as several discrete/stacked tabular lenses covering an area approximately 750 metre north–south and 750 metre east–west with mineralisation starting from near surface. Fresh mineralisation begins at approximately 140 metre below surface. • The tabular lenses have strike lengths ranging from 50 metre to 250 metre and down dip extents ranging from 90 metre to 900 metre with an over added length of approximately 1100 metres. The lenses vary in true width from 2 metre to 30 metres, with an average true width between 5 metres to 10 metres. • Internal non mineralised zones of material between the mineralised lenses vary between sub 2 metre to +10 metre. The overall thickness of the mineralised package including the internal non-mineralised horizons varies between 2 metres to 60 metres. The current Murrawombie resource has been interpreted to a depth of approximately 650 metres below the current surface and is still open at depth. The current resource is closed off along strike.
Estimation and modelling techniques	• The estimation technique used for estimating grade was ordinary kriging (OK). The software package used for grade estimation and geological interpretation was Surpac. Variography analysis was conducted internally using Isatis software for the 2017 grade control model. Variography and estimation was carried out for Cu, Au, Ag, Zn, Fe, S and density. Estimation was either performed in 2 passes or 3 depending on the search size and dimensions of the estimation domain. Estimation pass 1 was generally set at 70% of the variogram range, estimation pass 2 set at 140% of variogram range and estimation pass 3 was designed to populate all remaining blocks within the estimation domain. A majority of Indicated Mineral Resource classified blocks are associated with estimation pass 1. • All estimates within each estimation domain are validated against declustered composites. Mean grade estimates that fall within 5% of the declustered composite mean grade are considered acceptable. If the difference is outside a 5% tolerance then the estimation and/or decluster cell size is reviewed and changes made if necessary. • Gold and silver were estimated which is a potential by-product credit within the copper concentrate. • Block model parent cell size dimensions are 5mN x 5mE x 5mZ with sub celling down to 1.25mN x 1.25mE x 1.25mZ. Each estimation domain has been flagged and modelled separately. • Block model parent cell size dimension takes into account both the drill spacing and the orientation of the estimation domains to ensure that parent cell centroids are an appropriate size to be captured within the ore solids (wireframes). • No assumptions have been applied to the model for selective mining unit. • No correlation has been made between variables. • Top-cuts were applied to certain elements within specific domains after reviewing the summary statistics, histogram distributions and log probability plots. • Block model volume validation was validated against estimation domain wireframes for each domain. Block model validation for grade was conducted both by visually expecting model sections by northings at 20 metre increments, by benches at 10 metre increments and exposed underground ore development.

Criteria	Commentary
Moisture	• Tonnages are estimated on a dry basis.
Cut-off parameters	• The nominal 0.5% copper cut-off grade used for the mineralised interpretation was chosen as this appears to reflect the natural background grade cut off.
Mining factors or assumptions	• The only consideration to the mining method is the minimum interpreted width (2 metres). Otherwise no other mining assumptions have been applied to the Murrawombie model. • The model is setup for mining evaluation and stope delineation. Material not estimated is set to zero.
Metallurgical factors or assumptions	• The dominant copper mineral associated with the Murrawombie Deposit is chalcopyrite. Material mined from Murrawombie underground mine will be processed at the Tritton ore processing plant. • Processing recoveries for Murrawombie are currently being assessed and current indications expect the Murrawombie ore to have a 94.5%recovery, which is consistent with the Tritton Copper Operation field average.
Environmental factors or assumptions	• Waste from processing is disposed at the current tailings storage facility at Tritton Copper Operations (or utilised as paste fill). Waste from underground development is planned to be stored within the Murrawombie pit and/or as backfill in the mining process. Any potentially acid forming waste will be encapsulated within the waste dump on the surface or placed underground as stope backfill. • No significant environmental impacts have been identified for the Murrawombie underground mine.
Bulk density	• Bulk density for the Murrawombie resource model for waste material type has been assign by the average values measured across the field. Density for material within mineralised domains has been estimated using OK. • Bulk density for the resource has been measured using the Archimedes Principle Method' (weight in air v's weight in water). • Bulk density has been estimated by the actual measurements for fresh ore material. For material oxide and transitional material have not been flag. The main purpose for the current model is for underground evaluation of "Primary" copper – chalcopyrite.
Classification	• Classification of the resource estimate has been guided by confidence in the geological interpretation, drill density, underground development. Indicated Mineral Resource is constrained to areas with a sound understanding of the geology based on geological mapping and drill data ≤40 metre x 40 metres spaced. Inferred Mineral Resource represents the extensions to the mineralised bodies based on the 2016 resource update interpretation. Drilling data is spaced > 40 metre x 40 metres. • The drill and input data density is comprehensive in its coverage for this style of mineralisation and estimation techniques to allow reasonable confidence for the tonnage and grade distribution to the levels of Indicated and Inferred. • The updated Murrawombie geology interpretation/model and resource estimate appropriately reflects the competent persons understanding of the geological and grade distributions.
Audits or reviews	• External reviews and audits have been conducted by AMC for early generations of the Murrawombie resource model pre JORC 2012. No fatal flaws or significant issues were identified at the time.

Criteria	Commentary
Discussion of relative accuracy/ confidence	1. The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC code. 2. The statement relates to a global estimate of the tonnes and grade. 3. Mine to mill reconciliations for the FY2017 year have shown that Ore Reserves has estimated within 5% of tonnes and grade which is considered an acceptable level of variance given the style of mineralisation and grade distribution. Reconciliations demonstrate the current models provide good confidence in the estimation and the estimation process used for the Murrawombie Resource.

7 ORE RESERVE ESTIMATE

7.1 RESULTS FOR UNDERGROUND

The Murrawombie Deposit Ore Reserve estimate as at 30 June 2017 is reported in **Table 3**. It is reported according to JORC 2012.

Table 3 Ore Reserve estimate for Murrawombie Deposit to be mined underground as at 30 June 2017

Estimate	Classification	Cut Off Cu%	Tonnes (kt)	Cu %	Cu (kt)
Underground	Proved	1.1	30	1.2	0.4
	Probable	1.1	2,900	1.4	40
	Total	**-**	**3,950**	**1.4**	**40**

1. Ore Reserves are reported as Inclusive of the supporting Mineral Resource estimate.
2. Discrepancies in summation will occur due to rounding.

7.2 RESULTS FOR OPEN PIT

Table 4 Ore Reserve estimate for Murrawombie Deposit to be mined open pit as at 30 June 2017

Estimate	Classification	Cut Off Cu%	Tonnes (kt)	Cu %	Cu (kt)
Open Pit	Proved		-	-	-
	Probable	0.4	1600	0.9	14
	Total	**-**	**1600**	**0.9**	**14**

1. Ore Reserves are reported as Inclusive of the supporting Mineral Resource estimate.
2. Discrepancies in summation will occur due to rounding.

7.3 CHANGES FROM PREVIOUS ESTIMATE

7.3.1 Underground Ore Reserve

The Ore Reserve estimate presented in this report is a significant revision for the underground. The changes result from re-design of the proposed mining method. In addition some depletion of the Mineral Resource has taken place due to mining.

The previous Ore Reserve estimate was made in 2014 and has been re-stated without revision at 30 June in each subsequent year, until this report.

Table 5 Change in Ore Reserve from previous estimate for Murrawombie Deposit to be mined underground

Estimate	Classification	Tonnes (kt)	Cu %	Cu (kt)
30 June 2017	Proved	30	1.2	0.4
	Probable	2.900	1.4	40
	Total	**3,950**	**1.4**	**40**
30 June 2014	Proved	-	-	-
	Probable	3,300	1.3	40
	Total	**3,300**	**1.3**	**40**
difference	*Proved*	*+30*	*+1.2*	*+0.4-*
	Probable	*-400*	*+0.1*	-
	Total	***-370***	***+0.1***	***+0.4***

7.3.2 Open Pit Ore Reserve

The Ore Reserve estimate presented in this report is a change from the previous estimate due to modification of the pit design to allow removal of the crown pillar separating underground workings, cost saving from use of near surface waste for environmental final cover of the Murrawombie heap leach pads, and a change in the cut-off grade assumption.

Table 6 Change in Ore Reserve from previous estimate for Murrawombie to be mined by open pit.

Estimate	Classification	Tonnes (kt)	Cu %	Cu (kt)
30 June 2017	Proved	-	-	-
	Probable	1600	0.9	14
	Total	**1600**	**0.9**	**14**
30 Jun 2014	Proved	-	-	-
	Probable	700	1.2	10
	Total	**700**	**1.2**	**10**
difference	*Proved*			
	Probable	*900*	*-0.3*	*+4*
	Total	***900***	***-0.3***	***+4***

7.4 STATEMENT OF COMPLIANCE WITH JORC 2012 REPORTING

This Ore Reserve statement has been compiled in accordance with the guidelines defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

7.4.1 Competent Person Statement

I, Ian Sheppard, confirm that I am the Competent Person for the Murrawombie Ore Reserve section of this Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which I am accepting responsibility.
- I am a Member of The Australasian Institute of Mining and Metallurgy, No. 105998.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of Aeris Resources Limited.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Sheppard has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Sheppard has rights to 22,418,546 share options that will vest over the next four years and may be converted to shares over time when various conditions are met.

I verify that the Ore Reserve section of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Ore Reserve.

7.4.2 Competent Person Consent

With respect to the sections of this report for which I am responsible – Murrawombie Deposit Ore Reserve Estimate - I consent to the release of the Mineral Resources and Ore Reserves Statement as at 30 June 2017 for Murrawombie Deposit.

Signature of Competent Person Ian Sheppard Ian Sheppard Member No.105998 AusIMM	Date 10/10/2017
Signature of Witness Stephen J Curtis	Witness Name and Address Stephen Curtis Brisbane

Expert input

A number of persons have contributed key inputs to the Ore Reserves determination. These are listed below.

In compiling the Ore Reserve the Competent Person has reviewed the supplied information for reasonableness, but has relied on this advice and information to be correct.

Table 7 Expert contribution to Ore Reserve

Expert Person / Organization	Area of Expertise
Brad Cox	Mineral Resource geology and resource estimating block Model
Wayne Race	Mine design underground
Pells Sullivan Meyrick	Geotechnical stability analysis for open pit, underground
CORE Process Engineering	Metallurgy of ore processing
AMDAD Consulting	Open pit optimisation and design

7.5 JORC 2012 SECTION 4, ESTIMATION AND REPORTING OF ORE RESERVES

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	1. The Ore Reserve estimate is based on the 30 June 2017 Mineral Resource, supported by the Murrawombie digital block model; as at 15 April 2017 (mu_gc_bm_2017apr15.mdl). Mr Brad Cox is the competent person responsible for Mineral Resource estimation. The 30 June 2017 Mineral Resource is a significant revision incorporating information from additional diamond drilling, underground mapping and reinterpretation of the geology. 2. Ore Reserves are quoted as INCLUSIVE of the supporting Mineral Resources from which they are derived.
Site visits	1. Mr Ian Sheppard, competent person for the Murrawombie Ore Reserve, has visited the Murrawombie project site on several occasions, including walking inspections of the decline, stoping operations and visual inspection of the current open pit.
Study status	1. Murrawombie Deposit Ore Reserve has been derived with support from studies and practical experience better than feasibility study standard. These studies have included geotechnical investigation of the rock mass and evaluation of stability of proposed stopes, mineral processing testing and assessment of metal recoveries to concentrate, mine design and commercial analysis. Modifying factors applied in the Ore Reserve estimate have been derived from these studies and experience from current underground mining operations worked by the Company in similar rock mass adjacent to the Murrawombie deposit. Ore processing over the year ending 30 June 2017 has confirmed the expectations regards metal recovery from the ore. Significant underground development for access to the ore body has been completed with geotechnical conditions meeting expectations. Limited stoping in the 102 lode has shown that geotechnical conditions in the ore body are meeting expectations. Mine plans and cost estimates have been developed at operating budget level of precision, exceeding the standard of a feasibility study. 2. Murrawombie open pit Ore Reserve has been derived with support from studies at pre-feasibility standard or better. These studies have included; geotechnical investigation of the rock mass for evaluation of pit slope stability; pit optimisation and design; metallurgical investigation of the ore; environmental and cultural impact. There is evidence supporting all key assumptions in the pre-feasibility study; the current pit has been stable for 20 years at similar slope angles to those planned for the expansion; 570k tonne of Murrawombie pit ore has previously been successfully processed through the Tritton ore processing plant. Development approval for the pit expansion has been received from the State and local council. 3. Ore processing of the Murrawombie Deposit ore has been confirmed from experience from treatment of ore through the Tritton ore processing plant and Ore Reserve estimate is supported to better than feasibility study standard. The 2017 Tritton Operations Life of Mine plan shows when the Murrawombie underground mine and Murrawombie pit expansion project ore production is expected to be processed. There is sufficient capacity in the Tritton ore processing plant and no capital expenditure is necessary on processing plant.

Criteria	Commentary
	4. Pre-concentration of the Murrawombie Deposit ore using ore sorting machines (x ray transmission sensing) has been investigated to conceptual study standard. This technology may be applied in the future and may impact future estimates of reserve. This Ore Reserve estimate does not rely on the pre-concentration and assumes all ore, as mined, is processed at the Tritton ore processing plant.
Cut-off parameters	***These comments refer to Murrawombie underground mine, where mining is by sub level open stope.*** 1. The 30 June 2017 Ore Reserve uses copper grade, Cu%, as the cut-off grade criteria. 2. A cut-off grade of 1.1% Cu has been applied. Stopes are designed within the Mineral Resource grade shell at 0.6% Cu with the aim of rejecting as much mineralisation less than 1.1% Cu as practical. Sub grade mineralisation that must be included within the stope design is included in the Ore Reserve. Dilution from surrounding rock and from backfill is accounted within the modifying factor for dilution. Dilution is assumed to have nil copper content. The stope average diluted grade must exceed the 1.1% copper cut-off grade to be accepted. Stopes with grade below the cut-off grade may be included in the Ore Reserve when they are adjacent to higher grade stopes and where they can be mined at marginal cost. The quantity of Ore Reserve included from sub grade stopes is not material in this estimate; i.e. 20k tonne ore. 3. Where access development tunnel designs are available, all Mineral Resource inside these development design shapes and above 0.6% copper is converted directly to Ore Reserve without modification. A lower marginal cost of production applies to this material equivalent only to the cost of ore processing. Mining costs will be incurred irrespective of a decision to process this material or not. Hence a lower cut-off grade of 0.6% copper is applied. No dilution or ore loss factors are applied to Mineral Resource contained within the development shapes in the estimation of Ore Reserve. 4. Gold and silver grades in the ore are moderately important as economic by- products. However, gold and silver values are not sufficient to justify use of a more complex net smelter return cut-off grade criteria. Gold and silver grades are weakly correlated with copper grade in ore. Average gold grade of 0.3g/t and silver grade of 9g/t in the Ore Reserve is estimated. These grades are sufficient after recovery to copper concentrate of 50% for gold and 75% for silver to be payable by smelters at 90%. We estimate the economic value of the precious metals to be equivalent to 0.17% copper in ore. This copper equivalent is considered in the estimate of break-even cut-off grade. 5. There are no significant impurities in the mineralisation that require inclusion in the cut-off grade criteria.
Cut-off parameters	***These comments refer to Murrawombie underground mine where mining is by sub level cave.*** 1. The Ore Reserve uses copper grade as the cut-off grade criteria.

Criteria	Commentary
	2. Sub level cave production grades have been estimated using simulation software. Cave draw shut off grade of 0.5% copper was applied with a minimum draw of 500 tonne per cave ring. Results of the draw for each ring were evaluated and those rings which produced ore with average grade less than 0.5% copper in total were rejected where it was technically possible to do so inside the caving sequence. 3. Dilution and ore recovery modifying factors are not explicitly applied in the estimation of sub level cave Ore Reserve. The results of simulation of the cave draw have been accepted as an appropriate estimate of mined grade and tonnage.
Cut-off parameters	***These comments refer to Murrawombie open pit project*** 1. The Ore Reserve uses copper grade as the cut-off grade criteria. 2. An open pit mining cut-off grade of 0.4% copper has been applied. This value includes an estimate for the economic value of the by-product gold and silver.
Mining factors or assumptions	***These comments refer to Murrawombie underground mine where mining is by sub level open stope*** 1. The Mineral Resources have been converted to Ore Reserve by a process of detailed stope and development design. Stope designs are guided by use of the MSO software package that assist with identification of contiguous minable areas of the resource, however only manually designed stopes are included in the Ore Reserve estimate. The MSO software is used to exclude narrow and uneconomic zones from the extremities of the deposit. The Life of Mine plan and associated commercial modelling has been used to confirm that the Ore Reserve can be mined economically over time. 2. The sub level open stope method has been selected for areas of the deposit that has sufficient copper grade to warrant the use of a selective and higher cost mining method. 3. The mining method will use sub level open stopes mined with sub level at 20 metre separation. Primary stopes are mined and backfilled with either rock fill. The fill will be cemented when required to support extraction of adjacent pillar stopes. Mining sequence is bottom up with crown pillars left as required to separate stoping areas. Crown pillars are excluded from the Ore Reserve as being not recoverable. 4. Stopes above the 4952mRL level generally have a shallow dipping hanging wall and are smaller average size than stopes at lower levels. These small stopes are reviewed with respect to the need for different modifying factors; i.e. more conservative factors applied.

Criteria	Commentary
	5. Geotechnical stability analysis of the proposed underground mine stoping method has been completed using data from logging and laboratory testing of three diamond drill holes, as well as review of geology resource drill hole logs. Stability of the stopes has been estimated using the Mathews stability graph method. Cable bolting of the mined stopes will be used to improve the stability of the hanging walls when necessary. Dilution estimates are based on the stability analysis and company experience with similar extraction methods at the adjacent North East underground mine and the nearby Tritton underground mine. 6. The Ore Reserve is based on engineer designed stopes, pillars and development drives. Dilution and ore loss factors are applied separately to; primary stopes; pillar stopes; small stopes. Ore Reserve estimates for development and stope ore may include a volume of material that is below the cut-off grade and which is considered impractical to exclude from the reserve design. Such internal diluting material is inclusive to the design ore volume and estimate of grade. 7. Mining dilution from external to the stope design ore volume is assumed to have nil grade, modifying factors applied are; • Primary stopes; 11% • Pillar stopes; 20% • Small stope; 11% (may be increased when warranted for an individual stope) 8. Mining recovery of ore from stope modifying factors applied are; • Primary stope; 90% • Pillar stope; 80% • Small stope; 90% 9. For Murrawombie open pit the Ore Reserve assumes 10% dilution and 10% ore loss. Nil copper grade is assumed for the dilution. Selective mining with excavator under geology visual control of a wide and flat dipping ore body will result in moderate dilution and ore loss. 10. Inferred Mineral Resources have not been used in the Murrawombie underground mine studies that support the Ore Reserve estimate.
Mining factors or assumptions	***These comments refer to Murrawombie underground mine where mining is by sub level cave*** 1. The Mineral Resources have been converted to Ore Reserve by a process of development layout design followed by simulation of the cave draw. The Life of Mine plan and commercial modelling has been used to confirm that the Ore Reserve can be mined economically over time. 2. No modifying factors are applied to the estimate from the simulation cave draw.

Criteria	Commentary
	3. The sub level cave mining method has been selected for the bulk mining at low cost of the lower grade portions of the deposit, located on the northern side. The higher rate of dilution from this method compared to open stoping is more than compensated by the reduction in production cost. We assume that all capital development and ore body access costs are allocated to the higher grade open stope ore, so the sub level cave is free carried with respect to mine capital and overhead costs. This allows for a low production cost that is economic after dilution. 4. Inferred Mineral Resources have not been used in the Murrawombie underground studies that support the Ore Reserve estimate.
Mining factors or assumptions	***These comments refer to the Murrawombie open pit expansion project.*** 1. The Mineral Resources have been converted to Ore Reserve by a process of pit optimisation and detailed design. The Life of Mine plan and commercial modelling has been used to confirm that the Ore Reserve can be mined economically over time. 2. Mining dilution factor of 5% additional tonnage at nil grade is applied. 3. Mining recovery factor of 97% is applied to all ore blocks. 4. An additional recovery factor of 50% is applied to all ore blocks located immediately adjacent to the existing open pit inside wall, where blast movement may cause loss of ore into the pit void. 5. Small quantities of Inferred Mineral Resource have been included in the pit optimisation that supports the pit design and Ore Reserve estimate. The Inferred Mineral Resource is less than 2% of the total Mineral Resource within the pit.
Metallurgical factors or assumptions	1. The Murrawombie ore will be treated at the existing Tritton ore processing plant located 24 kilometers by road from the proposed mine. Copper, gold and silver metal will be recovered to a copper concentrate by sulphide flotation. 2. The sulphide flotation treatment method is proved on Murrawombie ore. 570kt of Murrawombie primary sulphide ore from the base of the current pit was successfully treated through the Tritton Ore processing plant in 2005 (at plant commissioning). Ore mined from the underground in FY2017 has been successfully treated in the Tritton ore processing plant, achieving better than expected recovery and copper concentrate quality. 3. Laboratory scale flotation tests that simulate the grind size and flotation circuit of the Tritton ore processing plant have been conducted on two (2) samples of Murrawombie mineralisation recovered from diamond drill core intersecting the proposed underground mine area. The conclusion from the tests is that Murrawombie underground ore can be successfully treated in the Tritton ore processing plant to produce a saleable copper concentrate with 24% copper. Average recovery of 89% of copper for underground ore is a moderate estimate based on this limited test work.

Criteria	Commentary
	4. The recovery of metal to copper concentrate is estimated at; a. Copper 93% for open pit, 94% for underground, based on FY2016 experience. b. Gold 75% c. Silver 60% d. Concentrate grade: 25% copper 5. The Ore Reserve assumes that no allowances are required for deleterious elements in the copper concentrate. This is supported by metallurgy testing and recent plant performance results. 6. Copper concentrate from Murrawombie ore will be blended with concentrate from Tritton underground mine into parcels of 11,500 tonne to suit shipping and smelter customer requirements.
Environmental	1. The Murrawombie Deposit is located on ML1280. The site is already significantly disturbed by previous mining and heap leach processing operations. The Murrawombie pit and Murrawombie underground mine will not increase the disturbance or environmental impact at the site. 2. Mine Operations Plans have previously been approved for Murrawombie underground mining and Murrawombie open pit expansion. 3. Tailing from ore treatment will be disposed to the existing Tritton Resources tailing storage facility.
Infrastructure	1. The Murrawombie underground mine project site has existing infrastructure installed to support previous mining operations and maintained for use by the adjacent North East / Larsons underground mine. Infrastructure includes change facilities, offices, workshops, electrical power, water, and road access. Sufficient skilled labour is available in region to support the mine and accommodation is available in the town of Nyngan located within 50 kilometers distance from the mine. Land on which the Murrawombie underground mine is located is freehold lease owned by Tritton Resources Pty Ltd.
Costs	1. Capital cost estimates for the Murrawombie underground mine project have been made to better than feasibility study level as part of preparing the operations budget. Engineering design and cost estimation for underground development has been completed by Tritton Resources staff using cost experience from the previous year. 2. Murrawombie open pit extension requires no capital infrastructure or equipment purchase. Estimation of mine waste mining costs that will be capitalized has been made by Tritton Resources staff using their view of Australian industry rates for contract mining. 3. Murrawombie underground mine operating cost estimates are based on experience at the existing Tritton and North East / Larsons underground mines operated by Tritton Resource and using similar equipment to that planned for Murrawombie

Criteria	Commentary
	underground mine. Accuracy is considered to be ±15%. 4. Murrawombie open pit extension operating cost estimates are based on Australian contract mining rates for small open pit mining. Accuracy is considered to be ±15%. 5. There are no known deleterious elements that will impact capital or operating costs in either an underground mine or the open pit extension. 6. Metal price assumptions for copper, gold and silver are Aeris Resources corporate long term assumptions derived from a variety of market sources. The assumptions vary between open pit and underground due to timing of when the technical and commercial studies were completed. 7. Exchange rates used in the studies that support the Ore Reserve estimate are Aeris Resources corporate long term assumptions derived from a variety of market sources. The assumptions vary between open pit and underground due to timing of when the technical and commercial studies were completed. 8. Copper concentrate treatment and refining charges assumed in the Ore Reserve are market forecast; a. Underground as at 2017; USD$92/t concentrate smelting and USD9.2c/lb copper refining. b. Open pit as at long term average forecast; USD$85/t concentrate smelting and USD8.5c/lb copper refining. 9. NSW government royalty of 4% is payable on revenue less deductible items. After deductions, the effective royalty rate on revenue is approximately 3% for Tritton Resources. No private royalties will apply.
Revenue factors	1. For Murrawombie underground mine the metal price assumptions used in the study that supports the Ore Reserve are; a. Copper price of USD$5910/tonne b. Gold price of USD$1270/oz c. Silver price of USD$18/oz d. AUD:USD exchange rate of 0.73 e. Copper treatment charge of USD$92.5/t f. Copper refinery charge of USD9.25c/lb g. Standard Tritton Resources contract smelter terms for payable metal, copper payable of 96.5% h. Assumptions were current at 30 June 2017 2. For Murrawombie open pit extension the metal price assumptions used in the study that supports the Ore Reserve are different to

Criteria	Commentary
	the underground since the project is scheduled for production at a later date after the end of the underground; a. Copper price of USD$6500/tonne b. Gold price of USD$1300/oz c. Silver price USD$19.50/oz d. Copper treatment charge of USD$85/tonne e. Copper refinery charge of USD8.5c/lb f. Copper payable of 96.5% g. AUD:USD exchange rate 0.753 h. Assumptions were current 30 June 2017
Market assessment	1. The world market for copper concentrate is large compared to production from Murrawombie. The Murrawombie copper concentrate will be a clean product with low impurities and demand for this product from copper smelters is expected to remain high. All copper concentrate is sold under Life of Mine contract to Glencore International AG.
Economic	1. For Murrawombie open pit the optimisation study that supports the Ore Reserve estimate has estimated that the project will generate positive cash of AUD$37 million 2. For Murrawombie underground mine the Tritton Copper Operations Life of Mine plan and associated commercial modelling estimates a positive net present value at 7% discount rate. It is not practical to separate the valuation of Murrawombie underground from the Tritton underground mine that operates cooperatively at the same time. 3. Valuation of both the open pit extension and the underground are most sensitive to metal price assumptions and operating cost assumptions.
Social	1. The Murrawombie Deposit is located on existing Mining Lease. Approval to mine both underground and open pit mines has been received from Bogan Shire Council and NSW state government. The Murrawombie underground mine will be additions to the existing Tritton Copper Operations, based in the township of Nyngan in the Bogan Shire, NSW. Strong community support for the continued operation of Tritton Resources has been evidenced in regular community consultation sessions. There are no known objections from the community against the Tritton Copper Operations. Tritton Resources owns the land on which Murrawombie Deposit is located.
Other	1. No material natural risks have been identified for the project. 2. All copper concentrate produced by Tritton Resources from the Murrawombie underground mining project will be sold to Glencore International AG under an existing Life of Mine contract. 3. The Murrawombie Deposit is located on a Mining Lease; ML1280.
Classification	1. The Murrawombie underground Ore Reserve is classified as Probable since it is a conversion of Indicated Mineral Resource.

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>2. The Murrawombie open pit extension Ore Reserve is classified as Probable since it is a conversion of Indicated Mineral Resource.

3. The classification of the Ore Reserve as Probable is appropriate reflection of the overall status of the project technical studies in the opinion of the competent person, Mr Ian Sheppard.

4. No Probable Ore Reserve has been derived from Measured Mineral Resources.</td></tr>
<tr><td>Audits or reviews</td><td>1. No audits of the Ore Reserve have been completed.</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>1. For Murrawombie underground mine;
<table>
<tr><th>Criteria</th><th>Risk Rating</th><th>Comment</th></tr>
<tr><td>Mineral Resource estimate for conversion to Ore Reserves</td><td>High</td><td>There has been limited mining from the deposit by underground methods and hence no reconciliation data is available to compare to the resource estimate. As more geology information has become available from dense grade control drilling and geology mapping of underground drives the geology block model has been significantly revised. This effect may continue as more grade control drilling is completed an the performance of the model is unknown and remains a high risk.</td></tr>
<tr><td>Classification</td><td>Low</td><td>All Probable Ore Reserve based on Indicated Mineral Resource. No complications from modifying factors.</td></tr>
<tr><td>Site visit</td><td>Low</td><td>Site visits completed and existing decline inspected.</td></tr>
<tr><td>Study status</td><td>Medium to high</td><td>Studies that support Ore Reserve estimate are at better than feasibility level. A full year of experience with mine development and stoping of the 101 lode and limited stoping in the 102 lode has confirmed many of the assumptions used in the Ore Reserve estimate. Flexibility in the mining method to be applied is required to adjust to the changing geology models results in the risk being higher than low.</td></tr>
<tr><td>Cut-off grade</td><td>Low</td><td>Cut-off grades for open stoping for this project are estimated as the breakeven grade. This allows for maximum ore to be extracted from a small ore body where there is spare processing capacity at the Tritton ore processing plant. Low cut off grades improves the probability of good estimation of the ore grade. In addition the lower grade allows for good ore body continuity which improves stope design. Sub level cave mining is a bulk method seeking to extract the majority of the orebody and not sensitive to conventional cut-off grade.</td></tr>
<tr><td>Mining factors</td><td>Low for stoping
High for SLC</td><td>For open stoping the dilution and ore loss factors are derived from experience with similar mining methods in adjacent mines with similar rock mass conditions. For sub level cave mining the net mining production at diluted grade is estimated from simulation software using parameters advised by experts in the use of the software. Actual conditions in the cave may vary substantially and so results can be significantly different in practice.</td></tr>
<tr><td>Metallurgy factors</td><td>Low</td><td>Experience with processing Murrawombie ore in the last year has confirmed that planned metal recovery can be achieved to good quality copper concentrate.</td></tr>
</table></td></tr>
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Criteria	Commentary		
	Environmental	Low	Located on existing Mining Lease. Only requires amendments to current approvals to proceed.
	Infrastructure	Low	All required infrastructure is in place.
	Costs	Low	Estimates are based on current experience at adjacent mines.
	Revenue Factors	High	Copper metal price has high annual variability. Murrawombie underground mine will have moderate margins and operations could be suspended during periods of extended low metal price.
	Market assessment	Low	Life of Mine concentrate sale contract is in place.
	Economics	Medium	Risk reflects impact of metal price variability and modest grade.
	Social	Low	No problems are expected in achieving approval for re-start of mining operations and Tritton Resources has strong community support.

2. For Murrawombie open pit extension

Criteria	Risk Rating	Comment
Mineral Resource estimate for conversion to Ore Reserves	Low	Relatively dense drilling of the deposit for an Indicated Resource categorisation to be mined by open pit. Previous open pit mining of sulphide ore was successful in achieving similar grades to those modelled.
Classification	Low	All Probable Ore Reserve based on Indicated Mineral Resource. No complications from modifying factors.
Site visit	Low	Site visits completed and existing pit inspected.
Study status	Medium	Studies at pre-feasibility level support the Ore Reserve. Progression to feasibility level of studies may reveal technical hazards not currently recognised and or cause cost estimates to be revised upwards.
Cut-off grade	Low	Once exposed for mining the breakeven cut-off grade of ore is very low for open pit mining since all costs are sunk. Ore cut-off recovers all Mineral Resource. Mining can be very selective.
Mining factors	Low	Dilution and ore loss factors are considered low risk for open pit mining with selective mining practices.
Metallurgy factors	Medium	Additional laboratory test work is required to build statistical confidence in the estimates of recovery.
Environmental	Low	Located on existing Mining Lease. Only requires amendments to current approvals.
Infrastructure	Low	All required infrastructure is in place.
Costs	Low	Estimates based on current industry data.
Revenue Factors	Medium	Copper metal price has high annual variability.
Market assessment	Low	Life of Mine concentrate sale contract in place.
Economics	Low	Relatively robust economics provided capital is available to finance waste mining.
Social	Low	No problems are expected in achieving approval for re-start of mining operations and Tritton Resources has strong community support.