



Debt Restructure Presentation

Producing

Exploring

Growing

28 February 2018

ASX: AIS



Disclaimer



Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements or forward-looking information. The words "intend", "may", "would", "could", "will", "plan", "anticipate", "believe", "estimate", "expect", "target" and similar expressions are intended to identify forward-looking statements. These statements are based on certain factors and assumptions and while Aeris considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are given only as at the date of this release and Aeris disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Competent Persons Statement

Competent Person's Statement: The Mineral Resource statement has been prepared by Mr Brad Cox.

Mr Cox confirms that he is the Competent Person for all the Mineral Resource estimates summarised in this Report and he has 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). Mr Cox is 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 he is accepting responsibility. Mr Cox is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 220544). Mr Cox has reviewed the Report to which this Consent Statement applies. Mr Cox is a full time employee of Aeris Resources Limited.

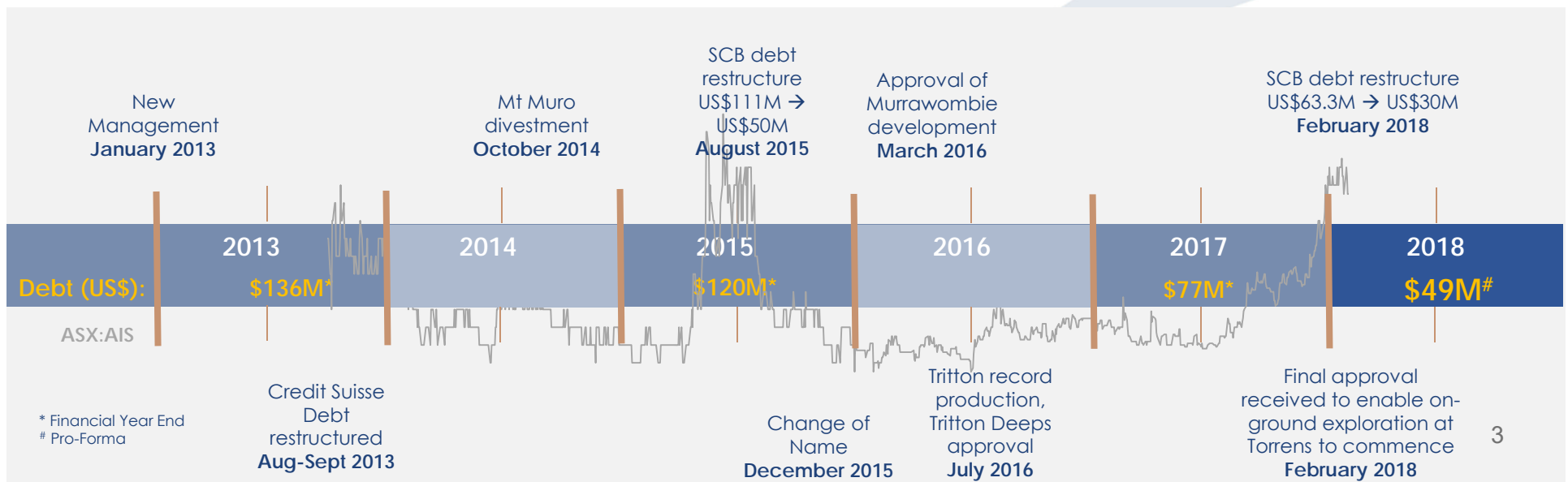
Mr Ian Sheppard, confirms that he is the Competent Person for all the Ore Reserve estimates summarised in this Report and Mr Sheppard has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Sheppard is 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 he is accepting responsibility. Mr Sheppard is a Member of The Australasian Institute of Mining and Metallurgy, No. 105998. Mr Sheppard has reviewed the Report to which this Consent Statement applies. Mr Sheppard is a full time employee of Aeris Resources Limited.

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. 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 were issued on 15 December 2015 that will vest over four years from the issue date and may be converted to shares over time when various conditions are met. All dollar figures are in Australian dollars unless otherwise indicated.

Unshackling of a mid-tier copper producer



- Aeris' ability to grow has been restricted by high debt levels and complex capital structure
- This transaction:
 - ✓ Materially reduces debt levels
 - ✓ Simplifies capital structure and halves shares issued on a fully diluted basis
 - ✓ Provides financial flexibility to focus on organic growth opportunities at Tritton and Torrens and explore M&A opportunities



Significant value enhancing transaction



3 Value enhancing events in one transaction (~\$107 million* excluding price participation)

- ✓ Senior Debt reduced by 53%
 - from US\$63.3 million to US\$30 million (includes US\$5 million Arranger Fee)
- ✓ Share Capital reduced by 50% (for \$1)
 - 467 million (80%) of Convertible Redeemable Preference Shares held by Standard Chartered Bank (SCB) to be redeemed for \$1 and then cancelled
- ✓ Copper Price Participation Agreement with SCB cancelled for \$1
 - Aeris retains full benefit of copper prices above A\$8,000/t

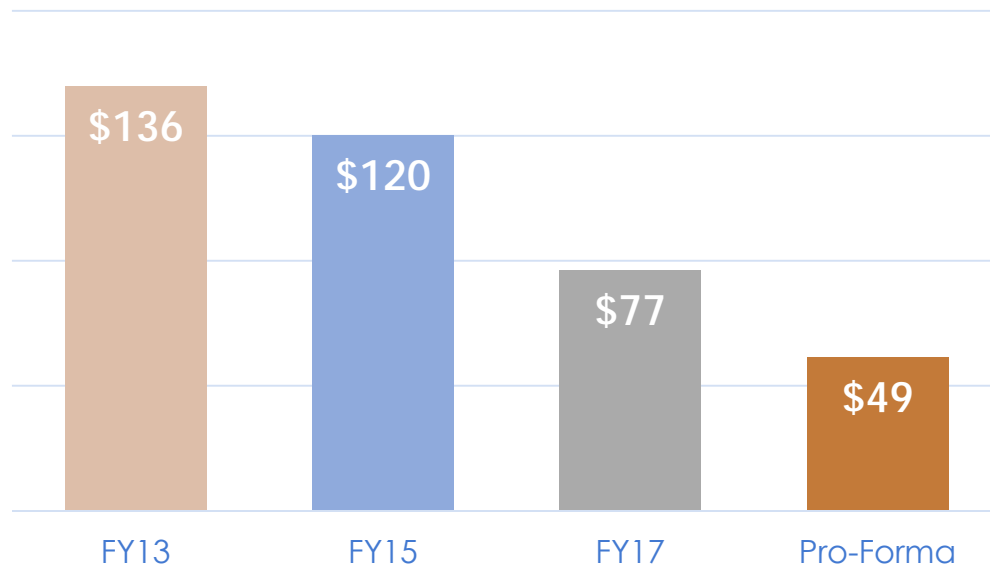
*\$107 million calculated as follows:

- US\$33 million debt reduction @ AUD/US exchange rate of \$0.78 = \$42 million
- 467 million CRPS cancelled multiplied by closing price of AIS ordinary shares on 27 February 2018 (14 cents) = \$65 million

Debt reduction over 5 years



Total Debt (US\$ millions)



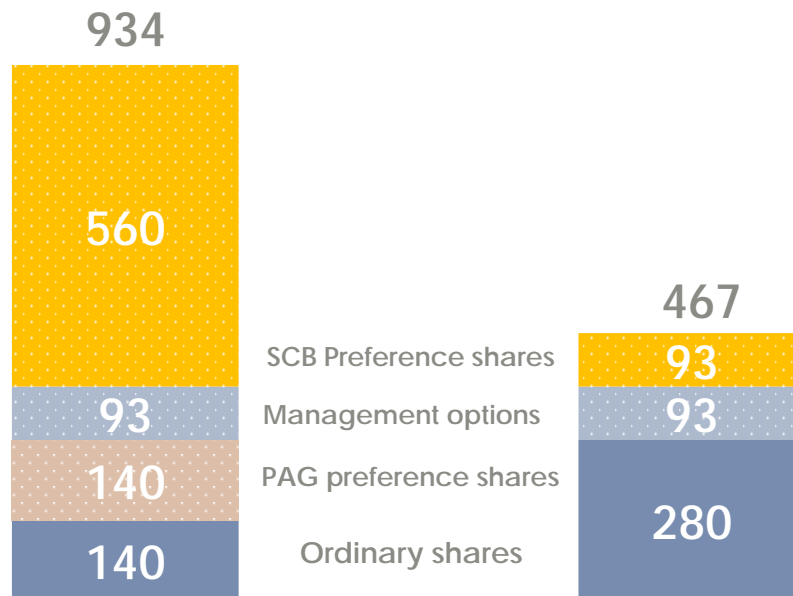
64%
(US\$87 million)
reduction in
debt since 2013

- SPOV (a subsidiary of a fund managed by PAG) bought SCB Senior Debt position in December 2017
- Aeris and SPOV agree to restructure Senior Debt from US\$63.3 million to US\$30 million (including US\$5 million Arranger Fee)

SCB agree to cancel majority of their Preference Shares



Fully Diluted Shares (millions)



Pre

Post

- SPOV has agreed to convert its 140 million Preference Equity shares to Ordinary shares
- Aeris has bought all but 93 million SCB Preference Shares for \$1 and will cancel

**Existing
shareholders
effectively
double their
holdings in the
Company**

Key Restructure highlights



Balance sheet de-levered via significant debt restructure and refinancing

- ✓ Senior Debt reduced from US\$63 million to US\$30 million with option to reduce by further US\$5 million through issue of shares in lieu
- ✓ SCB Senior Debt facility extinguished and replaced with new SPOV facility

Significant value transferred to Aeris shareholders

- ✓ 50% reduction in fully diluted shares on issue through cancellation of 467 million convertible redeemable preference shares held by SCB
- ✓ Price Participation Agreement with SCB cancelled for \$1, providing full exposure to copper price upside above A\$8,000/t
- ✓ As part of the restructure Aeris proposes to enter into a copper hedging program for 1,000t of copper per month over 12 months and has secured the necessary consents from its financiers to do so

Simplified capital structure with enhanced funding certainty

- ✓ SPOV Working Capital facility extended until Quarter 1 2020
- ✓ Environmental bonding facility guaranteed by SPOV for 3 years
- ✓ SPOV convertible preference shares voluntarily converted to ordinary shares

Vital step in unlocking Aeris' full potential and delivering growth strategy

- ✓ Flexibility to optimise Tritton mine plan to maximise shareholder value
- ✓ Funding capacity to continue investment in organic growth and exploration activities
- ✓ Greater optionality to pursue value-accretive M&A opportunities



Company Snapshot



Company Snapshot



	Current	Pro-forma	Board	
Shares on issue	140.1 million	280.2 million**	Andre Labuschagne	Executive Chairman
Options and Convertible Preference shares	794 million	186.8 million***	Michele Muscillo	Director
Share price#	14 cents	Market dependent	Alastair Morrison	Director
Market Cap fully diluted	\$131 million*		Marcus Derwin	Director

* Notional fully diluted market capitalisation - includes convertible preference shares with SCB and SPOV plus Management Options

** SPOV preference shares converted

***SCB convertible preference shares post restructure and Management options

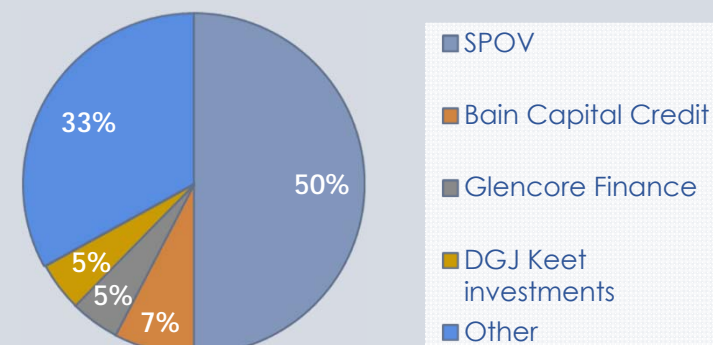
closing price 27 February 2018

Executive Management

Rob Brainsbury	CFO
Ian Sheppard	COO

Shareholdings – Fully Diluted		
	Current	Pro-forma
SCB	60%	20%
SPOV	15%	30%
Management	10%	20%
Other	15%	30%

Pro-forma Shareholding (Issued shares)



Tritton Operations overview

Proven producer with extensive exploration portfolio



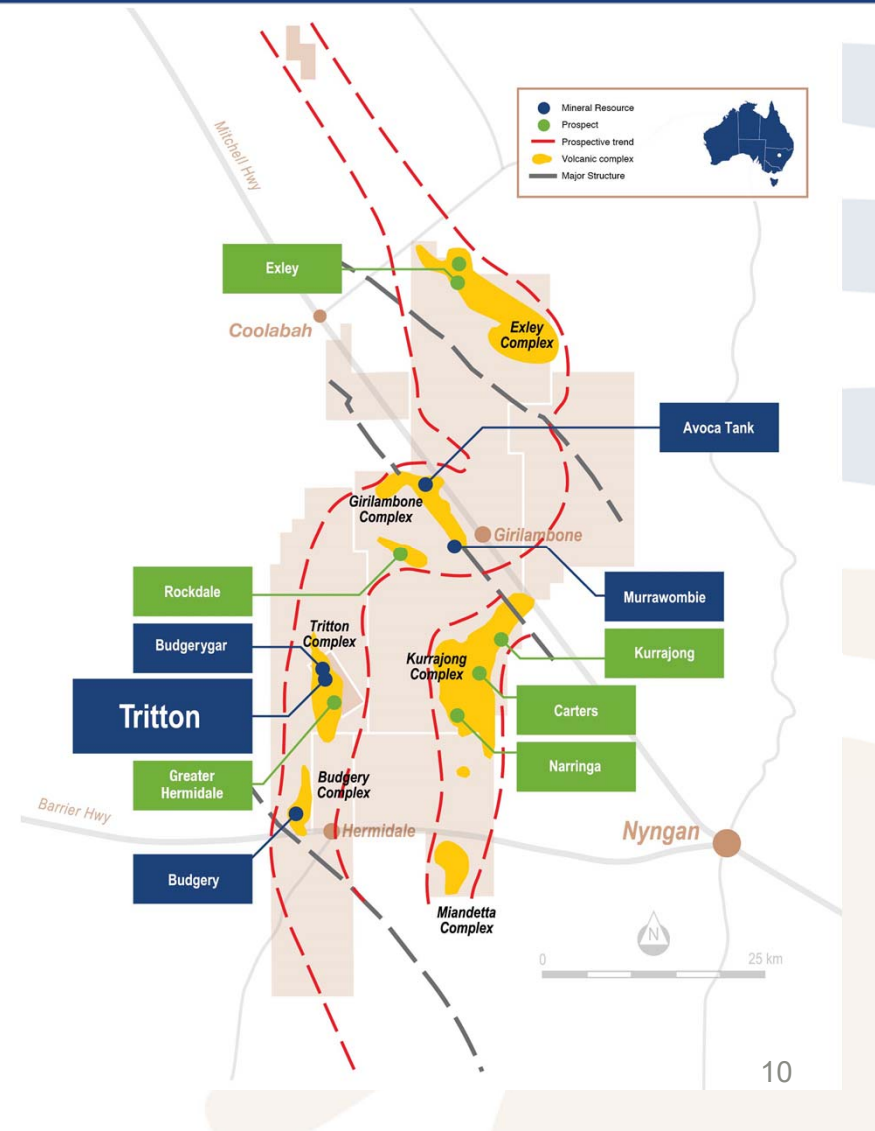
Key Statistics

Overview	Ownership:	▪ Aeris (100%)
	Location:	▪ Nyngan, NSW, Australia
	Commodity:	▪ Copper (Silver and Gold by-product)
	Product Type:	▪ Concentrate
	Mine Type:	▪ Underground ▪ Long hole open stoping
	Reserves and Resources	▪ Ore Reserves: 10.5mt @ 1.5% Cu * ▪ Mineral Resources: 21mt @ 1.5% Cu *
	Status:	▪ FY18 Copper Production Guidance of 27,000 tonnes
	Employees:	▪ 350 (inclusive of contractors)

Production & Operations	Start-up:	▪ First production 2005
	Milling Capacity:	▪ Target 1.8mtpa (running above nameplate 1.6mtpa capacity)
	Copper Recovery:	▪ c. 95%
	2017 Copper Conc. Prod:	▪ 100kdmmt
	2017 Copper Conc. Grade:	▪ c. 23.4% Cu
	2017 Cu-in-Conc. prod:	▪ 23.4kt**
	AISC/C1:	▪ FY17: A\$3.51/lb / A\$2.60/lb
	Mine Life:	▪ 5 year Life of Mine Plan
	Logistics:	▪ Transported from site by rail c. 700km to the deepwater Port Waratah, Newcastle

* As at 30 June 2017

** Includes 150t copper contained in copper cement



Investment rationale: Poised for growth



- ✓ **Production** - Established copper producer (27kt guidance for FY18)
- ✓ **Strong Foundations** - Tritton Copper Operations performing with 5+ years Life of Mine Plan and exploration upside
- ✓ **Experienced Board and management team** - Proven track record with clear vision and strategy
- ✓ **Tritton Exploration** – exciting brownfield opportunities and early results promising on current greenfield exploration work
- ✓ **Torrens Project** – significant potential, approvals in place – close to drill ready
- ✓ **Price leverage** - Strong leverage to copper price upside and exploration success
- ✓ **Future** – Following capital and debt restructure, now in a position explore growth opportunities

To become a mid-sized, multi-mine company, delivering shareholder value through an unwavering focus on operational excellence

Thank you.

CLEAR GROWTH OPPORTUNITIES • PROVEN TEAM • **SHARED VISION**



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Appendices



Key restructure terms



Senior Debt

- SCB has sold its US\$63.3 million Senior Debt facility (including accrued interest) to Special Portfolio Opportunity V Limited (SPOV) (a subsidiary of a fund managed by PAG)
- SPOV and Aeris have agreed to restructure this debt to a new US\$30 million Senior Debt facility (including US\$5 million Arranger Fee)
- Facility term of 2 years and an interest rate of 12.5% per annum
- If Aeris has not reduced the Senior Debt by a minimum of US\$20 million within the first 6 months, the interest rate increases by an additional 3.0% per annum on the balance of the facility above US\$10 million
- US\$5 million Arranger Fee payable to SPOV, either in cash (via an addition to the Senior Debt facility) or Aeris shares (at Aeris' election), based on the lesser of the 30-day VWAP for the period prior to the execution of the restructure agreements or the 30 day VWAP prior to the election to convert

Convertible Preference Shares

- 560 million convertible redeemable preference shares held by SCB reduced to 93 million (467 million redeemed for \$1 and cancelled)
- 140 million convertible preference shares held by SPOV to be converted to ordinary shares

Working Capital Facility

- SPOV Working Capital facility size maintained at US\$25 million (US\$15.5 million (excluding capitalised interest) drawn as at 28 February 2018)
- Facility maturity date extended to match that of new Senior Debt facility (ca Quarter 1 2020)

Environmental Bonding Facility

- Existing environmental bond facility provided by SCB to remain in place and be guaranteed by SPOV for 3 years
- Aeris to cashback bond over 3 years

Price Participation Agreement

- SCB agrees to cancel existing Copper Price Participation Agreement for \$1

Pro forma issued capital



Item	Current (million)	Pro Forma * (million)	Movement (million)	Note
Ordinary Shares	140.1	280.2	140.1	1
Convertible Preference Shares	700.6	93.4	-607.2	2
Management Options	93.4	93.4	0	
Fully Diluted Shares on Issue	934.1	467.0	-467.1	

Notes

1. Ordinary shares increased by 140.1 million to reflect voluntary conversion of convertible preference shares to ordinary shares by SPOV
2. Convertible preference shares reduced by 607.2 million to reflect:
 - a) cancellation of 467.1 million shares outstanding by SCB; and
 - b) conversion of 140.1 million shares by SPOV to ordinary shares.

* Excludes any additional shares to be issued if Aeris elects to repay US\$5 million Arranger Fee through the issuance of new shares

Pro forma debt structure



Item	31 Dec 2017 (US\$million)	Pro Forma (US\$million)	Movement (US\$million)	Note
Senior Facility#	63.3	25.0	-38.3	1
Arranger Fee	0.0	5.0	5.0	
Total Senior Debt	63.3	30.0	-33.3	
Working Capital Facility#	19.5	17.9	-1.6	2
Other Debt#	1.3	1.3	0.0	
Total Debt	84.1	49.2	-34.9	3

Includes Capitalised Interest

Notes

- Existing SCB Senior Debt facility refinanced by SPOV and reduced by US\$33.3 million to US\$30 million (including US\$5 million Arranger Fee). Aeris can elect to pay the US\$5 million Arranger Fee through the issue of shares
- Existing SPOV Working Capital facility maintained with maturity date extended to ca Quarter 1 2020
- Aeris held \$17.9 million in useable cash and receivables as at 31 December 2017