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ASX/MEDIA RELEASE

**AERIS RESOURCES LIMITED
(ASX: AIS)**

TORRENS EXPLORATION UPDATE

Key Points:

- Key contracts awarded in preparation for the upcoming diamond drilling program at the Torrens Project in South Australia (Aeris 70%)
- Mobilisation of equipment to commence mid-December and drilling to start in mid-January
- Recent BHP exploration results from EL 5941, which is nearby to Torrens, reaffirms the prospectivity of Iron Ore-Copper-Gold (IOCG) style mineralisation within the Torrens Project region

Established Australian copper producer, Aeris Resources Limited (Aeris or the Company), is pleased to provide an update on the Torrens Project, a joint venture between Aeris Resources Limited (70%) and Kellaray Pty Ltd (30%), a wholly owned subsidiary of Argonaut Resources NL (ASX: ARE).

Two key contracts have been awarded, for drilling and helicopter services, in preparation for the upcoming diamond drilling program at the Torrens Project. Following the award of contracts, the focus is now on mobilising drilling equipment to site, which is due to commence in mid-December. Works have been completed on the access road to Lake Torrens in preparation for the mobilisation of heavy vehicles, with drilling now planned to commence in mid-January.

The Stage 1 diamond drilling program will consist of 8-10 drill holes focusing on the highest priority targets. The Torrens anomaly sits under approximately 400m of cover and drill holes are expected to be between 700m and 1,500m depth.

The Torrens exploration tenement is located over Lake Torrens, an environmentally significant salt lake landform in South Australia. The Joint Venture partners have designed an innovative approach to undertake drilling on the lake, with the explicit purpose of minimising environmental disturbance on Lake Torrens.

The drilling program will be helicopter supported utilising a specialised heli-portable diamond drill rig. Ten 6m x 2.8m raised work platforms will be transported by helicopter onto the lake and bolted together to act as a stable platform on the lake surface. The drill rig will be flown onto the platform in 16 sections and then re-assembled. Personnel, equipment, drill consumables and other materials will be transported via helicopter from the exploration camp to the work platform on the lake surface.

Aeris Resources Executive Chairman, Andre Labuschagne, said the appointment of drilling and helicopter contractors marked the start of an incredibly exciting period for the Torrens Joint Venture.

“Drilling on a salt lake using helicopter support to minimise our footprint presents a number of technical and logistics challenges as well as opportunities,” he said.

“Developing an environmentally-sensitive solution has taken a little longer than we originally anticipated, however it is important to get these details right up-front so that once the equipment and personnel are on site we can focus on drilling.

“BHP’s recent ASX announcement¹ of exploration results from its nearby EL 5941 is very exciting and reaffirms the view of the Joint Venture partners that the Torrens Project is located in a highly prospective IOCG province.”

Torrens Project located in a highly prospective IOCG province

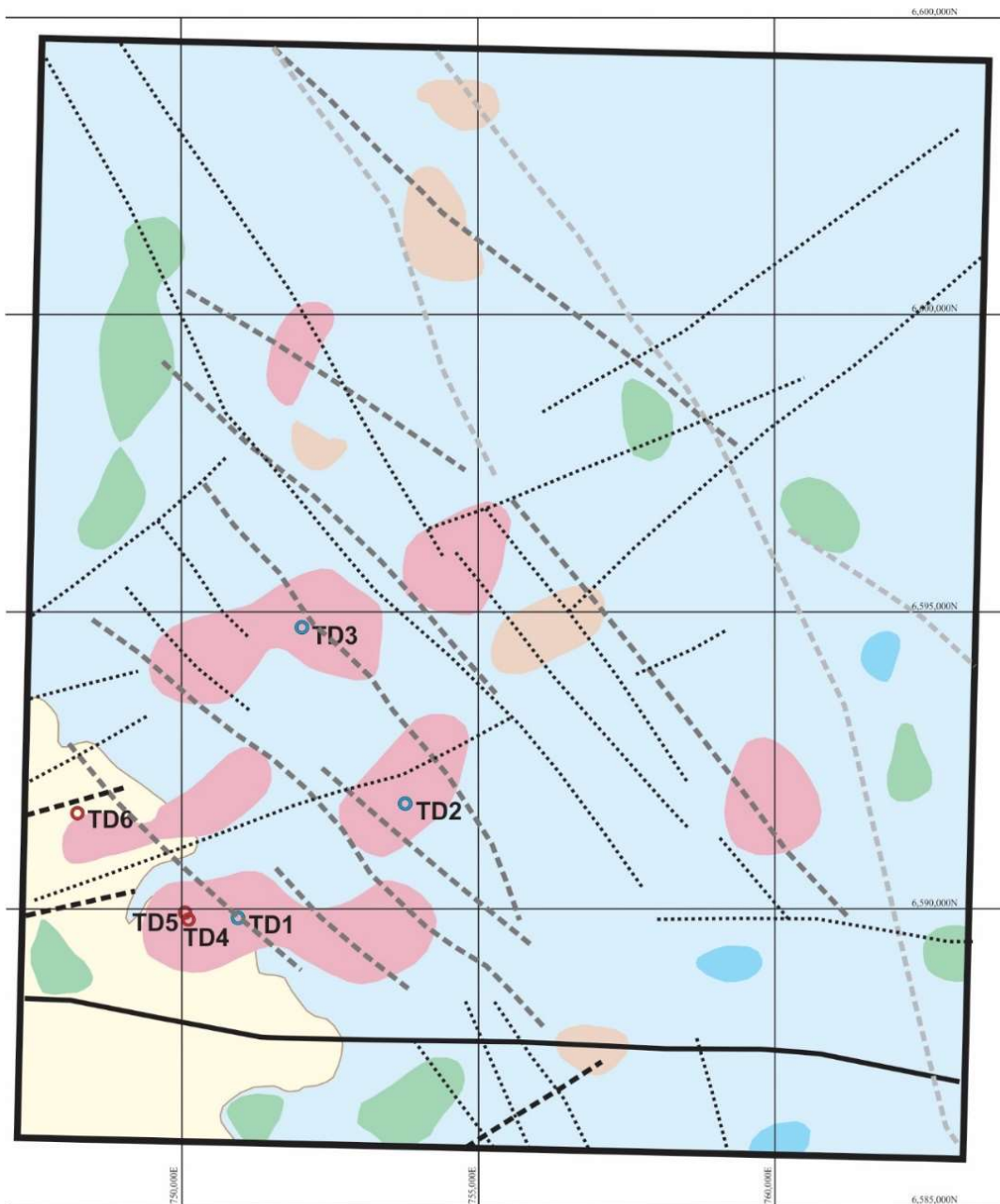
Located within the Stuart Shelf region of South Australia, the Torrens Project lies 50 kilometres from Oz Minerals’ Carrapateena deposit and 75 kilometres from BHP’s Olympic Dam mine, and covers a large magnetic and gravity anomaly with a footprint greater than Olympic Dam. The Torrens Anomaly is a large regionally significant coincident magnetic and gravity anomaly with a footprint in excess 120km².

Within the Torrens Project area, geophysical modelling/interpretation has identified 28 geophysical anomalies based on gravity and magnetic geophysical datasets. Of the 28 anomalies identified, 12 are based on gravity only². BHP’s recently announced discovery relates to a discrete gravity anomaly located approximately 45 kilometres southwest from Torrens.

Limited drilling, totalling 6 drill holes between 1977 and 2008, defined a large magnetite dominant with lesser hematite alteration system interpreted to form the distal component of a large IOCG system. Zones of anomalous copper mineralisation ($\geq 0.1\%$ Cu) were intersected from several drill holes with the most significant mineralised zone associated with TD2 (246m @ 0.1% Cu).

¹ BHP copper exploration program update 27th November 2018

² A gravity only anomaly in the Eastern Gawler Craton can be associated with a range of different geological rock/alteration features including but not limited to an IOCG system.

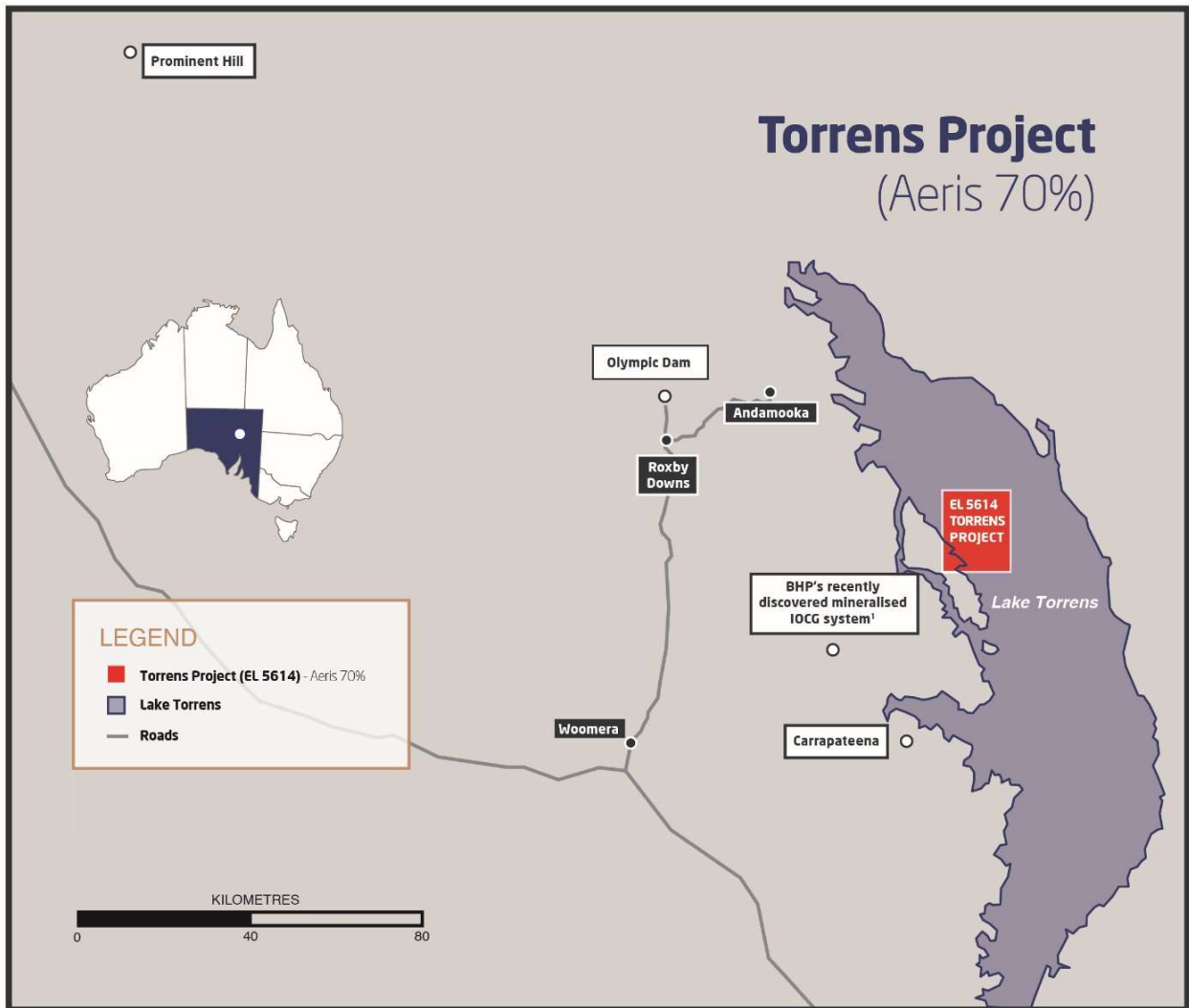


- Coincident gravity/magnetic anomaly
- Partially coincident gravity/magnetic anomaly
- Gravity anomaly
- Gravity anomaly (deep)
- WMC Drillhole Collar
- Torrens JV Drillhole Collar

Interpreted fault structures

- Youngest
- ↑
- Oldest
- Timing uncertain





¹ Refer to BHP ASX announcement "BHP Copper exploration program update" 27 November 2018

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