**21 August 2018** **ASX/MEDIA RELEASE**

# KURRAJONG CONTINUES TO DELIVER

## Highlights:

- **High grade mineralisation extended 800m down-plunge**
- **TKJD017 17.0m @ 2.59% Cu, 0.30g/t Au, 7g/t Ag**
  **including 5.0m @ 6.09% Cu, 0.83g/t Au, 20g/t Ag**
- **TKJD019 4m massive sulphides with visible chalcopyrite (assays pending)**

**Established Australian copper producer**, Aeris Resources Limited (ASX: AIS) is pleased to announce further outstanding results from recent drilling completed at its Kurrajong prospect (Kurrajong). The initial six hole campaign is part of a broader regional exploration strategy targeting larger (10Mt+) deposits at Aeris' Tritton Copper Operations in New South Wales.

The Kurrajong high grade massive sulphide mineralisation system has now been traced up to 800m down-plunge. The deepest drillhole completed to date, TKJD017 intersected high grade mineralisation (17.0m @ 2.59% Cu) 130m down-plunge from TKJD014 (19.4m @ 2.18% Cu), indicating the mineralised system is not abating at depth and may in fact be increasing in size.

TKJD019, which was targeting up-dip extensions, intersected approximately 4 metres of massive sulphides with visible chalcopyrite (assays pending) approximately 150m up-plunge from TKJD015 (4.6m @ 5.08% Cu and 5.65m @ 2.52% Cu).

A downhole electromagnetic (DHEM) survey was conducted in TKJD017 and detected a strong conductive response in-line with the interpreted position of the massive sulphide shoot, giving confidence in the orientation and continuity of the high grade copper mineralised system.

Executive Chairman, André Labuschagne, said the results from the current six hole drill program have exceeded the Company's expectations, with sulphide mineralisation intersected in five drillholes and massive sulphide intersected in four.

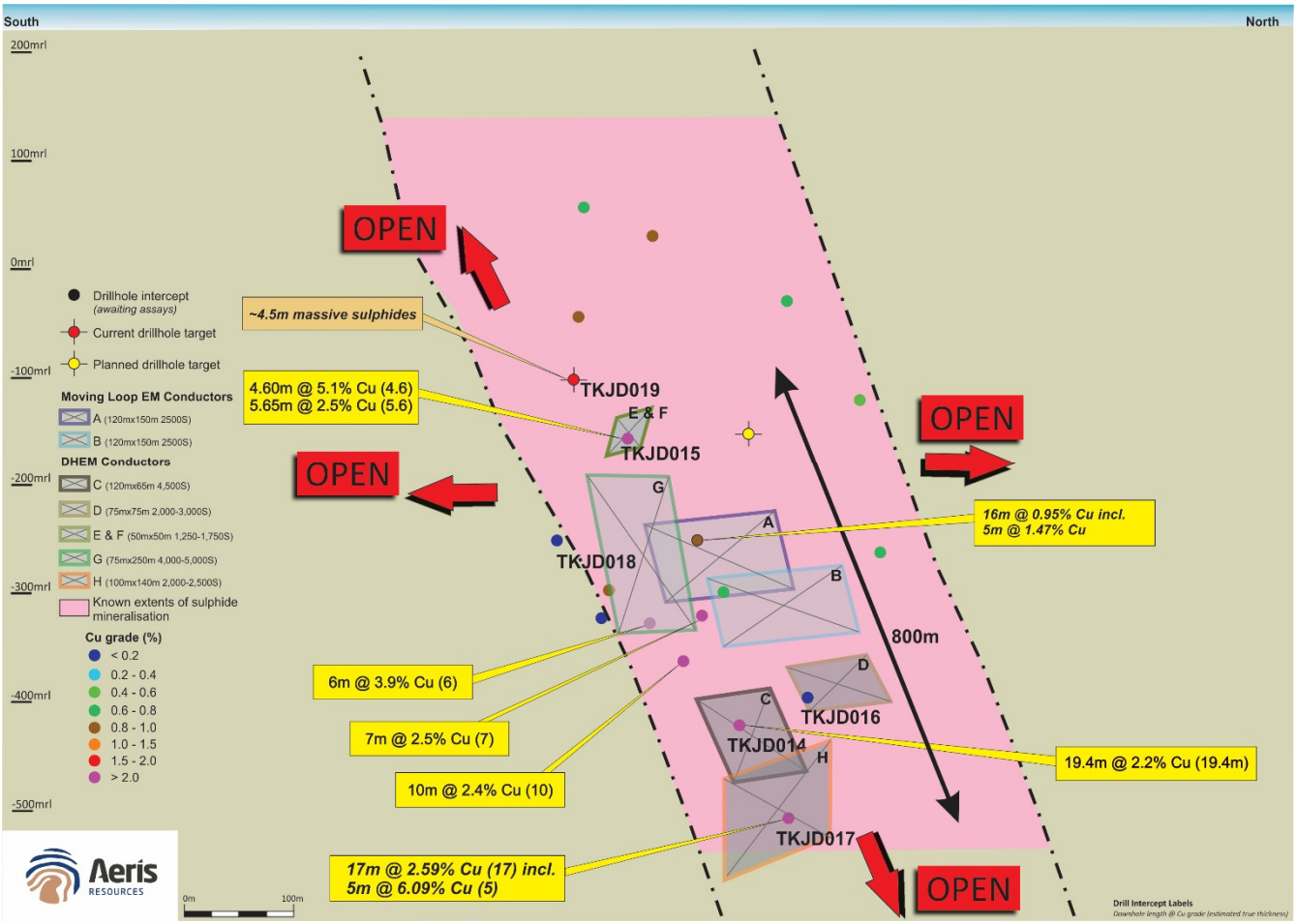
"The massive sulphide envelope has now been traced over 800m down-plunge and mineralisation shows no signs of abating along the plunge direction." Mr. Labuschagne said.

"Furthermore, several modelled EM conductors are yet to be fully tested. Based on current understanding, the EM conductors are likely to be associated with sulphide mineralisation

indicating there is significant potential to increase the sulphide footprint with additional drilling data."

The Company will now progress a second phase of drilling of up to 12 drillholes.

**Figure 1 – Long section view of the interpreted Kurrajong mineralised envelope showing the location and copper grade from drillhole intersections through the sulphide deposit.**



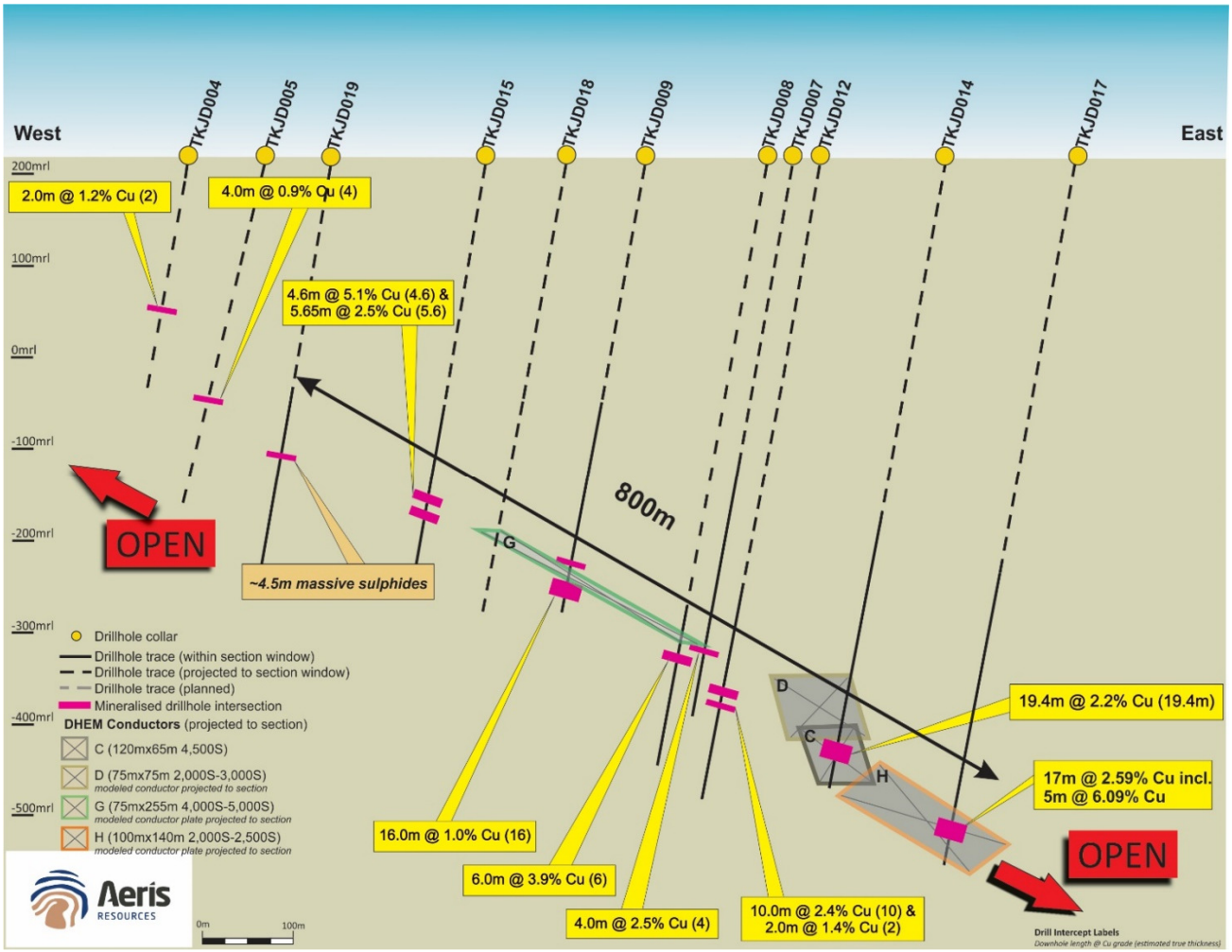

## SIGNIFICANCE OF RESULTS

The Kurrajong prospect is developing into a significant mineralised system with a high grade Cu massive sulphide horizon traced 800m down dip within a larger low grade Cu sulphide envelope (300m x 1,000m).

The two deepest drillholes at the Kurrajong prospect (TKJD014 and TKJD017) have intersected the thickest high grade copper sulphide intersections to date. Whilst further drilling is required to gain a more accurate geological understanding of what this could mean, early indications suggest the mineralised system remains strong at depth and potentially could be increasing in size.

Based on geological observations at Kurrajong and elsewhere within the Tritton tenement package, high grade Cu mineralisation is interpreted to form along structural corridors. The high grade massive sulphide mineralisation discovered at Kurrajong is interpreted to represent one such corridor. Within the larger low grade sulphide envelope there remains significant potential to discover further high grade massive sulphide horizons. Mineralisation remains open in all directions.

**Figure 2: Cross section view through the Kurrajong prospect showing the location and copper grade from drillhole intersections through the sulphide deposit.**




## TKJD017

Drillhole TKJD017 was designed to test the interpreted down-plunge extension of the high grade Cu massive/semi-massive sulphide zone intersected by previous drillholes (refer Figures 1 and 2). TKJD017 successfully intersected massive/semi-massive sulphide mineralisation 130m down-plunge from the closest drillhole ((TKJD014 – 19.4m @ 2.18% Cu, 0.30 g/t Au and 7 g/t Ag) (refer to previous ASX announcement 12th June 2018 "*High grade copper intersections at Kurrajong*")).

Drillhole TKJD017 intersected a ~5m massive sulphide dominant interval within a broader ~17m banded/stringer sulphide package from 753m downhole. Assay results returned from the sulphide zone include:

- **17.0m @ 2.59% Cu, 0.30g/t Au, 7g/t Ag from 753.0m including**
- **5.0m @ 6.09% Cu, 0.83g/t Au, 20g/t Ag from 765.0m (massive sulphide interval)**

The size and tenor of the sulphide mineralisation intersected in drillhole TKJD017 is an excellent result. The high grade massive sulphide dominant horizon has now been traced a further 130m down-plunge from TKJD014 (19.4m @ 2.18% Cu). The mineralised system remains open down-plunge and based on the thickness and Cu grade within TKJD014 and TKJD017, the system appears to be increasing in strength at depth. Further drilling will be undertaken to confirm this preliminary observation.

At the completion of drilling TKJD017 a DHEM survey was completed and detected a moderate conductive body (2,000S to 3,000S) coinciding with the sulphide horizon intersected in the drillhole at 753m downhole (refer Figures 1 and 2). The modelled EM plate dimensions (100m strike x 140m dip length) is one of the larger DHEM plates modelled at Kurrajong, extending up-plunge and overlapping the modelled plate from TKJD014 and indicating both intersections are connected. Importantly, the modelled DHEM plate extends below TKJD017 indicating the mineralised system continues at depth.

**Figure 3: TKJD017 sulphide mineralisation intersection.**

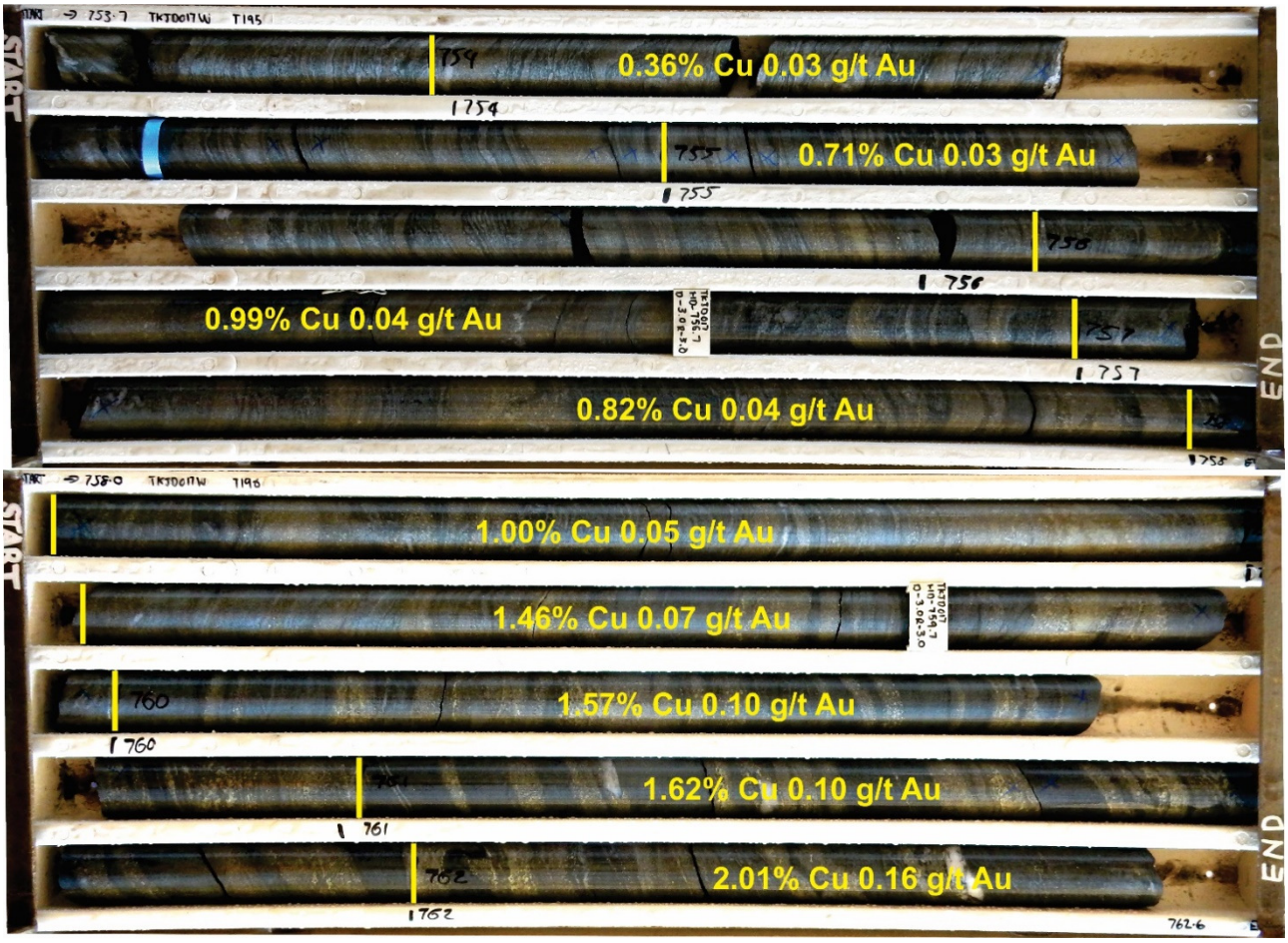
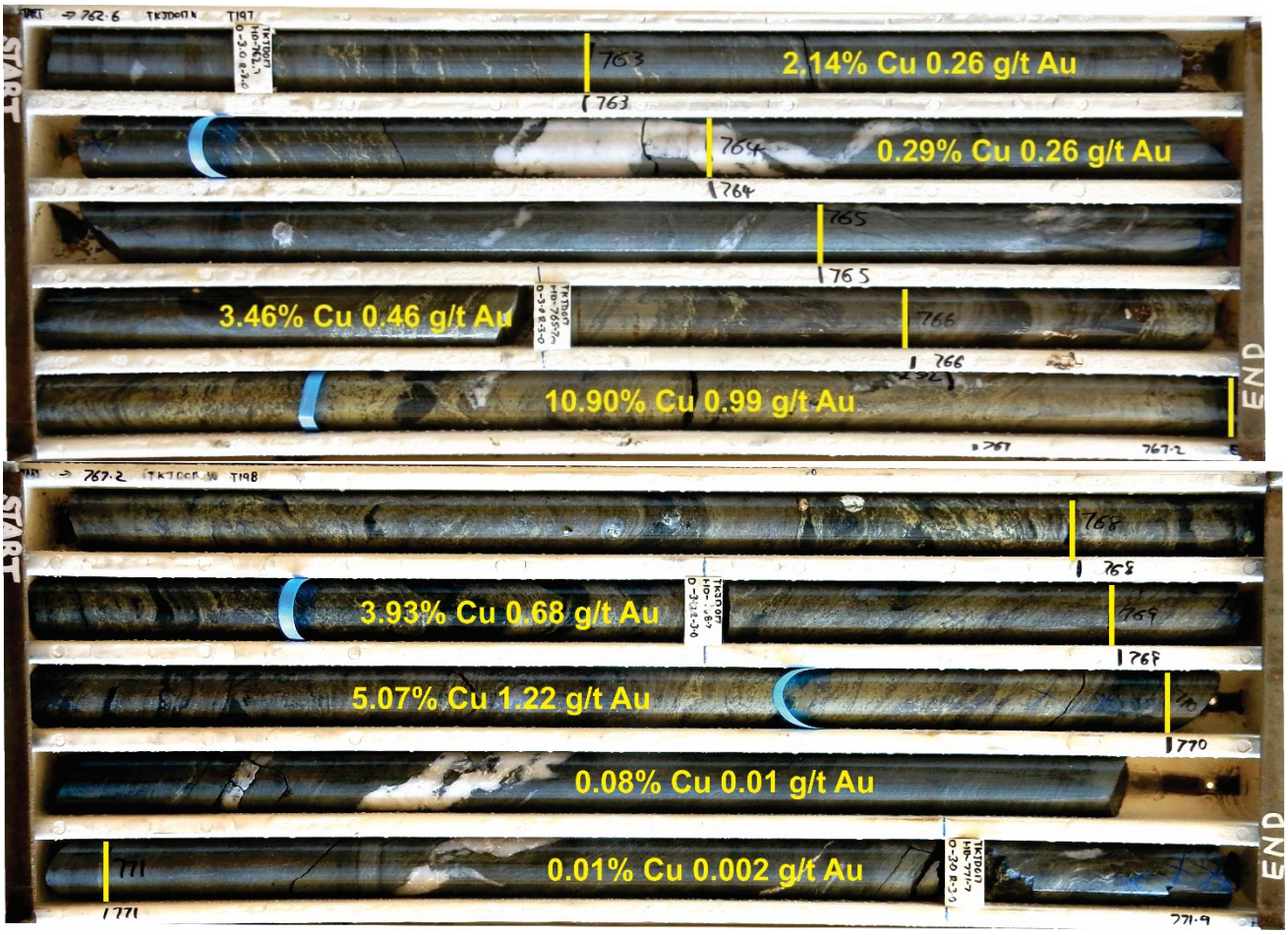


**Figure 3: TKJD017 sulphide mineralisation intersection (continued)**




## TKJD019

Drillhole TKJD019 was designed to test the up-plunge extents of the high grade massive/semi-massive Cu sulphide zone intersected in TKJD015 (4.6m @ 5.09% Cu and 5.65m @ 2.52% Cu).

Drillhole TKJD019 intersected a 4m thick massive sulphide interval containing visual chalcopyrite within a pyrite matrix (assays pending) from 340.5m down hole. The massive sulphide intersection is located approximately 150m up-plunge from TKJD015 and increases the known extents of the high grade Cu corridor 800m down-plunge (refer Figures 1 and 2). The drillhole intersection is an excellent result, with massive sulphide mineralisation intersected 300m below surface. The interpreted up-plunge extents of the massive sulphide horizon have not been drill tested in previous drill programs.

A DHEM survey is intended to be completed in the coming week and will assist in defining the extents of the conductive body peripheral to the intersected massive sulphide horizon.

**Figure 4: TKJD019 massive sulphide mineralisation intersection.**


**TKJD016**

TKJD016 assay results and DHEM surveying have been completed and finalised. The drillhole targeted an off-hole DHEM plate northwest from TKJD014. The drillhole deviated further than expected and intersected the margin of the modelled plate, rather than the centre of the plate, as planned. The drillhole intersected a broad zone of stringer sulphide mineralisation containing <10% contained sulphides (visual estimate). Assay results through the interval returned 45.4m @ 0.14% Cu.

The DHEM survey results from TKJD016 constrained the existing modelled DHEM plates defined from TKJD014, reaffirming earlier observations that TKJD016 has not adequately tested the modeled DHEM plate. The DHEM plate remains a legitimate drill target and will be tested at a future date.

**TKJD018**

Drillhole TKJD018 was designed to target an off-hole DHEM plate modelled 150m along strike (south) and down dip from TKJD015 (4.6m @ 5.08% Cu and 5.65m @ 2.52% Cu). Although the drillhole did not intersect sulphide mineralisation it has assisted in defining the southern extents of the high grade massive sulphide mineralisation.

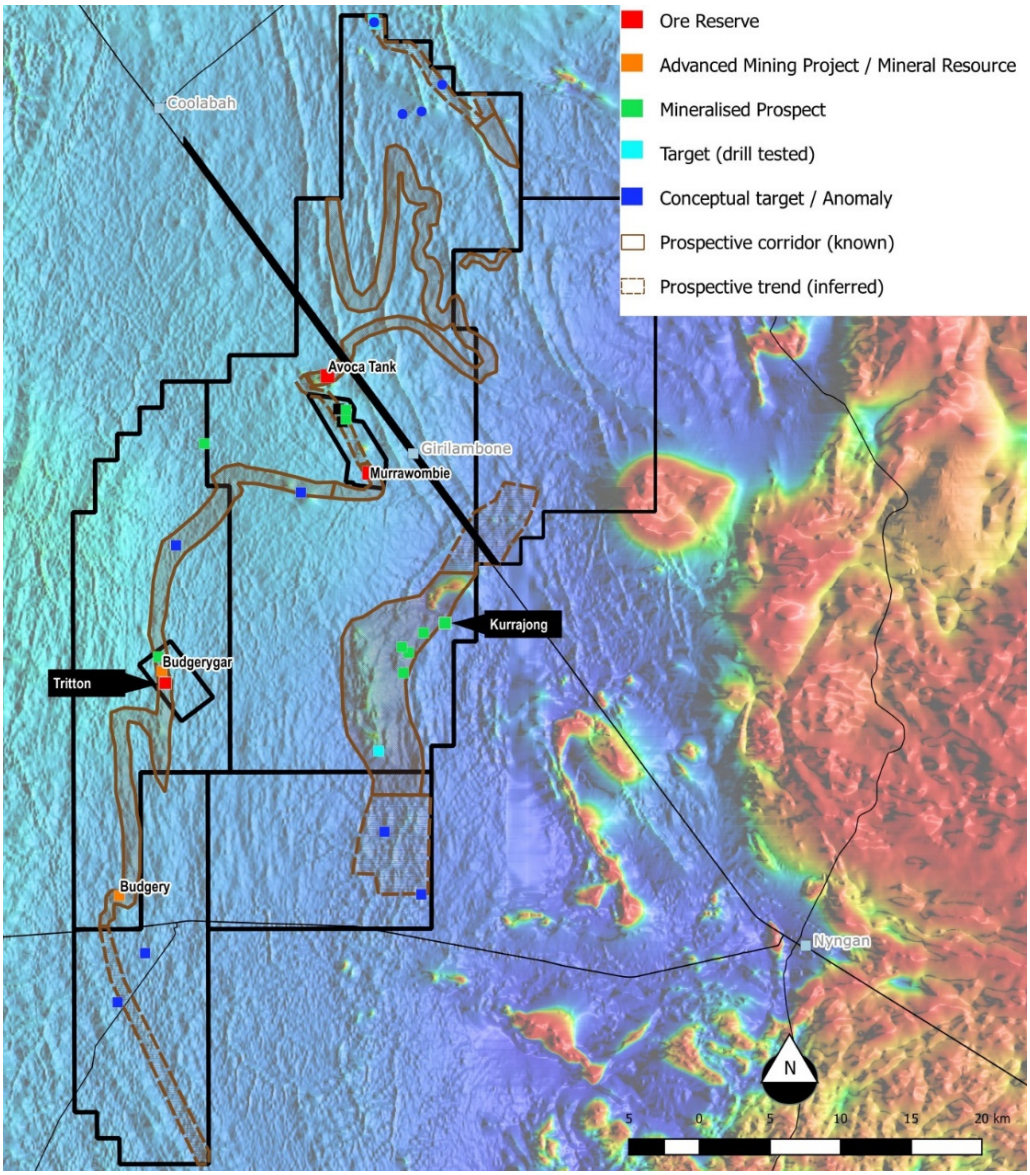
A DHEM survey completed on TKJD018 detected a large (75m strike x 250m dip length) and strongly conductive (4,000S to 5,000S) EM plate (refer DHEM Conductor "G" in Figure 1) which coincides with the interpreted high grade sulphide horizon.

## THE PATH FORWARD

The massive sulphide envelope has now been traced over 800m down-plunge. Mineralisation shows no signs of abating along the plunge direction. Furthermore, several modelled EM conductors are yet to be fully tested. Based on current understanding, the EM conductors are likely to be associated with sulphide mineralisation indicating there is significant potential to increase the sulphide footprint with additional drilling data.

The next stage of the drill program (up to 12 drillholes) has commenced with the first objective being to focus on further defining the up-plunge extents to the high grade copper sulphide mineralisation (above and surrounding TKJD019). Once the up-plunge extents and strike continuity are tested, the focus will move progressively down-plunge targeting EM plates (DHEM and MLTEM) and interpreted plunge extensions to the massive sulphide mineralised zone. Targets will include the DHEM off-hole anomaly (refer DHEM Conductor "D" in Figure 1) detected along strike and above TKJD014 which TKJD016 intersected the margin of. The sulphide occurrence (stringer/banded sulphides) intersected by TKJD016 is not considered strong enough to match the strength of the modelled conductor.

**Figure 5: Plan view of the Tritton tenement package showing the location of the Kurrajong Prospect. Background image is the regional TMI RTP imagery.**



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**APPENDIX A:**

**Table 1 – Drillhole details and significant assay results**

| Hole ID | Northing | Easting | Dip | Azimuth | Depth (m) | From (m) | To (m) | Interval (m) | Est. true width (m) | Cu (%) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TKJD016 | 6,530,843 | 493,275 | -65 | 315 | 745.9 | 627.6 | 673.0 | 45.4 | 45.4 | 0.14 | 0.04 | 0.9 |
| TLKD017 | 6,530,792 | 493,449 | -65º | 314º | 850 | 753.0 | 770.0 | 17.0 | 17.0 | 2.59 | 0.30 | 7 |
| TKJD018 | 6,530,648 | 492,922 | -65º | 314º | 600 | Assays pending | | | | | | |
| TKJD019 | 6,530,710 | 492,678 | -65º | 314º | 445 | Assays pending | | | | | | |

*Easting and northing coordinates are reported in AGD66 Zone 55 grid.
*Azimuth values are recorded as magnetic azimuths.

## APPENDIX B:

### *Competent Persons Statement – Exploration Results*

*The information in this report that relates to Exploration Results is based on information compiled by Bradley Cox, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Bradley Cox is a full time employee of Aeris Resources. Bradley Cox has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Bradley Cox consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### JORC Code, 2012 Edition – Table 1
### Section 1 Sampling Techniques and Data
### Kurrajong prospect (current drill program)

| Criteria | Commentary |
|---|---|
| ***Sampling techniques*** | Drilling<br>1. All samples have been collected from diamond drill core.<br>2. Samples taken over a mineralised interval are collected in a fashion to ensure a majority are 1.0m in length, whist the HW and FW sample are as close to 1.0m as possible. A majority of samples are collected at 1.0m intervals. HW and FW intervals are taken as close to 1.0m.<br>Downhole EM surveying<br>1. All downhole EM surveys (DHEM) were completed by a contractor.<br>2. Geophysical equipment included:<br>a. Crone PEM receiver (Crone Z and XY downhole probes)<br>b. ORE_HPTX Transmitter<br>c. Base frequency 0.83Hz<br>d. Current ~180A<br>e. Loop area ~720,000m$^2$<br>f. Dipole moment 1.295x10$^8$<br>3. A 900mx800m loop size was used for both DHEM surveys<br>3. Station spacing varied from 2m, 5m and 10m. 2m spaced surveys were completed over mineralised zones. |
| ***Drilling techniques*** | 1. Drilling results reported are via diamond drill core. Drillholes are collared using PQ diameter to below the base of strong weathering (approx 30m). HQ diameter core is used to complete the remaining drillhole. |
| ***Drill sample recovery*** | 1. Core recoveries are recorded by the drillers on site at the drill rig. Core recoveries are checked and verified by an Aeris Resources field technician and/or geologist.<br>2. Diamond drill core is pieced together as part of the core orientation process. During this process depth intervals are recorded on the core and checked against downhole depths recorded by drillers on core blocks within the core trays.<br>3. Historically core recoveries are very high within and outside zones of mineralisation. Diamond core drilled to date from the current drill program have recorded very high recoveries and is in line with the historical observations. |
| ***Logging*** | 1. All diamond drill core is logged by an Aeris Resources geologist. Drill core is logged to an appropriate level of detail to increase the level of geological knowledge and further the geological understanding at each prospect.<br>2. All diamond core is geologically logged, recording lithology, |

| Criteria | Commentary |
|---|---|
| | presence/concentration of sulphides, alteration, and structure.<br>3. All geological data recorded during the core logging process is stored in Aeris Resources AcQuire database.<br>4. All diamond drill core will be photographed and digitally stored on the company network.<br>5. Core is stored in core trays and labelled with downhole meterage intervals and drillhole hole ID. |
| ***Sub-sampling techniques and sample preparation*** | 1. All samples collected from diamond drill core are collected in a consistent manner. Samples are cut via an automatic core sore, and half core samples are collected on average at 1 metre intervals, with a minimum sample length of 0.4m and a maximum length of 1.4 metres.<br>2. No field duplicates have been collected.<br>3. The sample size is considered appropriate for the style of mineralisation and grain size of the material being sampled. |
| ***Quality of assay data and laboratory tests*** | 1. All samples are sent to ALS Laboratory Services at their Orange facility.<br>2. Samples are analysed by a 3 stage aqua regia digestion with an ICP finish (suitable for Cu 0.01-1%) – ALS method ME-ICP41. Samples with Cu assays exceeding 1% will be re-submitted for an aqua regia digest using ICP-AES analysis – ALS method ME-OC46. Au analysis will be performed from a 30g fire assay fusion with an AAS finish (suitable for Au grades between 0.01-100ppm) – ALS method Au-AA22. If a sample records an Au grade above 100ppm another sample will be re-submitted for another 30g fire assay charge using ALS method Au-AA25.<br>3. QA/QC protocols include the use of blanks, duplicates and standards (commercial certified reference materials used). The frequency rate for each QA/QC sample type is 5%. |
| ***Verification of sampling and assaying*** | 1. Logged drillholes are reviewed by the logging geologist and a senior geologist. All geological data is logged directly into Aeris Resources logging computers following the standard Aeris Resources geology codes. Data is transferred to the AcQuire database and validated on entry.<br>2. Upon receipt of the assay data no adjustments are made to the assay values. |
| ***Location of data points*** | 1. Drillhole collar locations are collected on a hand held GPS unit with an accuracy of approximately +/- 5m.<br>2. All drillhole locations are collected in Australian Geodetic Datum 66 zone 55.<br>3. Quality and accuracy of the drill collars are suitable for exploration results.<br>4. Downhole surveys taken during the Kurrajong drilling are completed by the drill contractor using a Reflex gyroscopic tool measuring azimuth and dip orientations every 30m or shorter intervals if required. |
| ***Data spacing and distribution*** | 1. TKJD014 was designed to test the down dip extent of the sulphide envelope 150m down dip from current intersections.<br>2. TKJD015 is designed to intersect the high grade mineralisation approximately 150m up dip from previous drill intersections.<br>3. The drill spacing at Kurrajong is appropriate to assess the potential size of a mineralised system. Infill drilling (nominally 80mx80m) would be required to define an Inferred Mineral Resource. |
| ***Orientation of data in relation to geological structure*** | 1. All drillholes are designed to intersect the target at, or near right angles.<br>2. Each drillhole completed has not deviated significantly from the planned drillhole path.<br>3. Drillhole intersections through the target zones are not biased |

| Criteria | Commentary |
| --- | --- |
| ***Sample security*** | 1. Drillholes have not been sampled in their entirety. Sample security protocols follow current procedures which include: samples are secured within calico bags and transported to the laboratory in Orange, NSW via a courier service or with company personal. |
| ***Audits or reviews*** | 1. Data is validated when uploading into the company AcQuire database.<br>2. No formal audit has been conducted. |

## Section 2 Reporting of Exploration Results
## Kurrajong prospect (current drill program)

| Criteria | Commentary |
|---|---|
| ***Mineral tenement and land tenure status*** | 1. The Tritton Regional Tenement package is located approximately 45km northwest of the township of Nyngan in central western New South Wales.<br>2. The Tritton Regional Tenement package consists of 6 Exploration Licences and 3 Mining Leases. The mineral and mining rights are owned 100% by the company.<br>3. The Kurrajong prospect is located within EL6126. EL6126 is in good standing and no known impediments exist. |
| ***Exploration done by other parties*** | 1. Regional exploration has been completed over the currently held tenement package by Utah Development Co in the early 1960's to early 1970's. Australian Selection P/L completed exploration throughout the 1970's to late 1980's prior to NORD Resources throughout the late 1980's and 1990's. This included soil sampling and regional magnetics which covered the Avoca, Greater Hermidale, Belmore and Thorndale project areas. Principally exploration efforts were focused on the discovery of oxide copper mineralisation. NORD Resources also completed some shallow reverse circulation (RC) drilling over the Avoca Tank Resource. Subsequent exploration efforts have been completed by Tritton Resources Pty Ltd with the drilling over a number of RC drillholes within the Greater Hermidale region in the late 1990's similarly focused on heap leachable oxide copper mineralisation, prior to the acquisition of the Tritton Resources Pty Ltd by Straits Resources Limited in 2006. |
| ***Geology*** | 1. Regionally mineralisation is hosted within early to mid-Ordovician turbidite sediments, forming part of the Girilambone group. Mineralisation is hosted within greenschist facies, ductile deformed pelitic to psammitic sediments, and sparse zones of courser sandstones.<br>2. Sulphide mineralisation within the Tritton tenement package is dominated by banded to stringer pyrite – chalcopyrite, with a massive pyrite-chalcopyrite unit along the hanging wall contact. Alteration assemblages adjacent to mineralisation is characterised by an ankerite footwall and silica sericite hanging wall. |
| ***Drillhole information*** | 1. All relevant information pertaining to each drillhole has been provided. |
| ***Data aggregation methods*** | 1. All historical assay results reported represent length weighted composited assays. Compositing was applied to intervals which nominally exceeded 0.5% Cu with a maximum of 3.0m internal dilution. No top cutting of assay results were applied. |
| ***Relationship between mineralisation widths and intercept lengths*** | 1. Drillholes are designed to intersect the target horizon across strike at or near right angles.<br>2. For some historical drillhole intercepts at Kurrajong true width estimates were provided. True width estimates are based on an assessment of the drillhole trace and interpreted mineralised body in 3D to determine the true thickness of the drillhole intersection. |
| ***Diagrams*** | 1. Relevant diagrams are included in the body of the report. |
| ***Balanced reporting*** | 1. The reporting is considered balanced and all material information associated with the electromagnetic surveys has been disclosed. |
| ***Other substantive exploration data*** | 1. There is no other relevant substantive exploration data to report. |

| Criteria | Commentary |
| --- | --- |
| ***Further work*** | 1. Drilling and DHEM surveys are continuing at the Kurrajong prospect to further define the extent of mineralisation. DHEM surveys will be used to identify potential conductive bodies which may represent a sulphide occurrence to assist with drill targeting. |