

# Prospectus

**Aeris Resources Limited ACN 147 131 977 (Company)**

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## **Retail Entitlement Offer to Eligible Retail Shareholders**

An accelerated non-renounceable Entitlement Offer to Eligible Shareholders of 1 New Share for every 2.1 Shares held at an Offer Price of \$0.20 per New Share to raise approximately \$26.7 million before costs of the Retail Entitlement Offer

Retail Shareholders who apply for their full Retail Entitlement Offer will also be entitled to apply for additional New Shares to be allocated out of any shortfall.

**The Joint Lead Managers and Underwriters of the Entitlement Offer are Bell Potter Securities Limited and Euroz Securities Limited. The Entitlement Offer is fully underwritten.**

**Your Entitlement and Acceptance Form must be received by the Share Registry with your payment by no later than 5.00pm (Sydney time) on Tuesday, 9 October 2018.**

**This document is important and it should be read in its entirety** If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

**Not for distribution in the United States of America or to U.S. persons.**

## Important information

### Key Offer Statistics

Offer Price	\$0.20 per New Share
Ratio	1 New Share for every 2.1 Shares held by Eligible Shareholders as at the Record Date.
Maximum number of New Shares to be issued under the Entitlement Offer <sup>#</sup>	133,444,104
Maximum amount to be raised under the Entitlement Offer <sup>#</sup>	\$26,688,820.80
Number of Shares on issue following the Entitlement Offer <sup>#</sup>	455,711,613

<sup>#</sup> Excludes any New Shares which may be issued in the event that any Vested Options are exercised or any CRPS are converted into Shares prior to the Record Date.

### Key dates for investors

Record Date for determining Retail Entitlements under the Retail Entitlement Offer:	7.00pm Sydney time on Tuesday, 25 September 2018
Prospectus despatched to Retail Shareholders and the Retail Entitlement Offer opens:	Friday, 28 September 2018
Retail Entitlement Offer expected to close	5.00pm Sydney time on Tuesday, 9 October 2018
Commencement of trading of New Shares issued under the Retail Entitlement Offer on ASX:	Wednesday, 17 October 2018
Expected date for despatch of New Shareholding statements for New Shares issued under the Retail Entitlement Offer:	Thursday, 18 October 2018

Further details regarding the timetable for the Offer are set out in section 2.5. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Retail Entitlement Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens.

### Important notice

This Prospectus is dated 21 September 2018 and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Retail Shareholders of continuously quoted securities (as defined in the *Corporations Act*) and has been

prepared in accordance with section 713 of the *Corporations Act*.

### Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Retail Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong having regard to the number of Retail Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places.

Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Retail Shareholders having registered addresses outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Retail Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer. Whilst the Institutional Entitlement Offer will also be made in British Virgin Islands, Ireland and Bermuda, the Retail Entitlement Offer is not open to Retail Shareholders in those jurisdictions.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, United Kingdom, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.14 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

### **New Zealand**

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment

statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **United Kingdom**

Neither the information in this document nor any other document relating to the Retail Entitlement Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the

Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Hong Kong**

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **United States**

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### **How to accept Entitlement to New Shares**

Entitlements to New Shares can be accepted by Eligible Retail Shareholders in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money

by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the internet at [www.aerisresources.com.au](http://www.aerisresources.com.au). If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 7 3034 6200.

### **Enquiries**

If you are an Eligible Retail Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on:

- 1300 730 659 for callers within Australia; or
- + 61 1300 730 659 for overseas callers.

### **Deciding to accept the Offer**

No person named in this Prospectus, nor any other person, guarantees the performance of Aeris, the repayment of capital or the payment of a return on the New Shares.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.7 of this Prospectus and set out in more detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Retail Entitlement Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: [www.aerisresources.com.au](http://www.aerisresources.com.au).

### **Terms used**

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 9.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

### **Forward looking statements**

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such

words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

### **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Retail Entitlement Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Retail Entitlement Offer. The Retail Entitlement Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

### **Competent person statement**

The information contained in this Prospectus that relates to Mineral Resource estimates is based on information compiled by Mr Brad Cox a competent person who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 220544).

Mr Cox is a full time employee of the Company.

Mr Cox has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration in this Prospectus, and the activity being undertaken to qualify as a Competent Person as defined by the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cox has reviewed the Prospectus and consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information contained in this Prospectus that relates to Ore Reserve estimates is based on information compiled by Mr Ian Sheppard a competent person who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 105998).

Mr Sheppard is a full time employee of the Company.

Mr Sheppard has disclosed to the 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 five years from the issue date and may be converted to shares over time when various conditions are met.

Mr Sheppard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration in this Prospectus, and the activity being undertaken to qualify as a Competent Person as defined by the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheppard has reviewed the Prospectus and consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

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## Chairman's letter

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21 September 2018

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares in Aeris Resources Limited (**Entitlement Offer**).

On 21 September 2018 the Company announced its intention to undertake an accelerated non-renounceable entitlement offer of 1 New Share for every 2.1 Shares held on the Record Date at an Offer Price of \$0.20 per Share, to raise up to approximately \$26.7 million before the costs of this Issue. This Offer Price represents a 33% discount to the 10 day volume-weighted average price of Shares (being \$0.300) as at 20 September 2018.

This Entitlement Offer is to be undertaken in conjunction with a placement to institutional investors for 42,034,892 Shares at the Offer Price, raising approximately \$8.4 million (**Placement**). A total of approximately \$35.1 million will be raised between the Placement and the Entitlement Offer.

The Entitlement Offer comprises an accelerated institutional component to raise approximately \$20 million (**Institutional Entitlement Offer**), and a retail component to raise approximately \$6.7 million (**Retail Entitlement Offer**). The Institutional Entitlement Offer will be undertaken on 21 September 2018. This offer document (**Prospectus**) relates to the Retail Entitlement Offer only.

It is proposed that the funds raised from the Placement and the Entitlement Offer will be applied for the purposes of repayment of debt, acceleration of exploration activities and to meet the costs of the Placement and the Entitlement Offer.

A personalised Entitlement and Acceptance Form is attached to this Prospectus and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable and therefore Entitlements will not be tradeable on the ASX or otherwise transferable.

Investment in the Company involves risks, which are summarised in section 1.7 of this Prospectus and explained in further detail in section 6 of this Prospectus.

Bell Potter Securities Limited and Euroz Securities Limited are the Joint Lead Managers and Underwriters of the Entitlement Offer. The Entitlement Offer is fully underwritten, with the Company's largest shareholder, SPOV, having provided a firm commitment to apply for \$7 million of New Shares under the Institutional Entitlement Offer and also agreed to fully sub-underwrite the Retail Entitlement Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Andre Labuschagne  
Chairman  
Aeris Resources Limited

## **1. Investment summary**

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The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

### **1.1 The Entitlement Offer**

The Entitlement Offer is for an accelerated non-renounceable entitlement offer of approximately 133,444,104 New Shares at an Offer Price of \$0.20 per New Share, on the basis of 1 New Share for every 2.1 Shares held by Eligible Shareholders as at the Record Date.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer - an initial offer to Eligible Institutional Shareholders; and
- (b) the Retail Entitlement Offer - an offer to Eligible Retail Shareholders.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

The Entitlement Offer is fully underwritten by the Joint Lead Managers, Bell Potter Securities Limited and Euroz Securities Limited.

The Placement will also be undertaken by the Company at the same Offer Price.

The Offer Price of \$0.20 per New Share represents a 33% discount to the 10 day volume-weighted average price for Shares (being \$0.300) as at 20 September 2018.

The Company has Vested Options and CRPS on issue, which could increase the number of New Shares to be issued if the holders of Vested Options exercise their Vested Options prior to the Record Date or if the CRPS Holders convert their CRPS to Shares prior to the Record Date. However, as outlined in section 5.2, the Company does not expect that any further New Shares will need to be issued as a result of the exercise of rights under the Vested Options or the CRPS.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation of the New Shares is expected to occur on or about 17 October 2018.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

### **1.2 Institutional Entitlement Offer**

The Company proposes to raise approximately \$20 million under the Institutional Entitlement Offer, including \$7 million of New Shares applied for by its largest shareholder, SPOV.

New Shares issued under the Institutional Entitlement Offer will be issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer. The announcement of the results of the Institutional Entitlement Offer will be made on 25 September 2018 and the issue of New Shares under the Institutional Entitlement Offer is expected to occur on 1 October 2018.

### **1.3 Retail Entitlement Offer**

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise approximately \$6.7 million.



Eligible Retail Shareholders who are on the Company register on the Record Date are entitled to acquire 1 New Share for every 2.1 Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Retail Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. Eligible Retail Shareholders who accept their Entitlement in full and do not apply for (and receive) a sufficient number of Additional New Shares from the Retail Entitlement Shortfall Facility will experience a reduction in their percentage holding as a consequence of the conduct of the Placement with the Entitlement Offer. Eligible Retail Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company further diluted. See section 5.4 for further details.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in Section 1.7 and set out in section 6 of this Prospectus.

#### 1.4 **Minimum subscription**

There is no minimum subscription. The Entitlement Offer is fully underwritten. See sections 1.12 and 7.2 for details of the Underwriting Agreement.

#### 1.5 **Purpose of the Offer**

The Entitlement Offer is proposed to raise approximately \$26.7 million (before costs). Together with the Placement, the Company will raise approximately \$35.1 million (before costs).

The Directors intend to apply the proceeds from the Placement, the Entitlement Offer and existing cash reserves of the Company for the purposes of:

- the repayment of debt;
- acceleration of exploration activities at the Tritton Copper Operations and the Torrens Project; and
- the costs of the Placement and the Entitlement Offer.

The estimated sources and intended use of funds are summarised as follows:

<b>Source of Funds</b>	<b>\$m</b>	<b>Use of Funds</b>	<b>\$m</b>
Proceeds from the Placement	8.4	Repayment of debt	26.1
Proceeds from the Institutional Entitlement Offer	20	Exploration at Tritton project	3.4
Proceeds from the Retail Entitlement Offer	6.7	Exploration at Torrens project	3.5
		Costs of the Placement and the Offer	2.1
<b>TOTAL</b>	<b>35.1</b>	<b>TOTAL</b>	<b>35.1</b>

The above statement is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will

be applied. However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

## 1.6 Investment highlights

- Aeris is a top 5 ASX listed independent copper producer with an experienced Board and Management team which has successfully completed a 5 year operational and financial turnaround since a management restructure was undertaken starting in December 2012;
- Aeris's flagship Tritton Copper Operations is located in a regional hotspot in Western NSW:
  - historical 5 year, average annual copper production of 27kt, a 19% increase on previous 5 year average;
  - mine plan expected to deliver average annual copper production of 24ktpa over the next 5 years, underpinned by reserves;
  - 1.8Mtpa processing plant fed from multiple underground mines with prospective greenfield and brownfield mine life extensions, highlighted by recent encouraging drill results in the Kurrajong prospect; and
  - promising regional exploration opportunities across 1,800km<sup>2</sup> tenement package, with 750kt copper discovered to date in the southern corridor and 4 new anomalies recently identified in the northern area;
- The Company has a 70% interest in the Torrens Project in South Australia, a joint venture with Argonaut Resources (ASX: ARE). Torrens is a highly prospective IOCG project located in the Eastern Gawler Craton (SA):
  - significant coincident magnetic and gravity footprint (11km x 6.5km), proximate to Olympic Dam and Carrapateena; and
  - all approvals now secured and a major drilling campaign to commence in first half of FY19 with initial 8 -10 target areas, based on the 28 gravity anomalies identified through a recent airborne gravity survey;
- Successful operational turnaround and financial restructure implemented:
  - this capital raising completes the restructure of the balance sheet of the Company;
  - future value growth strongly leveraged to copper price and exploration upside; and
  - continue prudent capital management to optimise capital structure and add value;
- Aeris is now focused on realising organic and strategic growth opportunities:
  - attractive mix of organic growth opportunities across existing portfolio; and
  - strategy to become a mid-tier multi-mine copper producer through organic growth and M&A activity;
- The raising represents an attractive entry price for investors looking for an opportunity to gain or increase their exposure to copper; and
- Broader long term copper thematic remains positive.

## 1.7 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Commodity Price Risk	The Company derives its revenue mainly from the sale of copper and/or associated minerals. Consequently, the Company's potential future earnings, profitability and growth are likely to be closely related to the demand for and price of copper and associated minerals. As copper is a traded commodity, its long-term price may rise or fall in accordance with demand for copper. The Company has entered into hedging arrangements to partially protect its position against changes in the copper price for deliveries out to February 2019. However, when these arrangements expire, there is no guarantee that the Company will be able to secure replacement hedging arrangements on terms satisfactory to the Company.
Foreign Exchange Risk	A number of the Company's commercial arrangements, including copper sale arrangements and finance arrangements, are based on US dollars. The Company also acquires equipment from overseas using foreign currency. Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation.
Operational and Cost Risk	The Company is a producer of copper which is sold under commercial contracts. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do this will depend largely upon an efficient and successful, operation and exploitation of the resources and associated business activities and management of commercial factors. Operation and exploitation may from time to time be hampered by unforeseen operating risks beyond the control of the Company which can negatively impact on the Company's activities, thereby affecting its profitability and ultimately, the value of its securities.
Development and Exploration Risk	Mineral exploration and development are high risk undertakings and involve significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves and commercial production therefrom. There can be no assurances that the Company's exploration programs described in this Prospectus or those relating to any projects or tenements that the Company may acquire in the future, will result in the discovery of a significant base metal and/or precious metal deposit, and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.
Acquisition Risk	The Company's growth plans require the availability of appropriate and suitable acquisition targets and the Company being able to successfully negotiate the acquisition of those targets. There is no guarantee that that Company will be able to identify and acquire suitable acquisition targets or that successful acquisitions will be able to be efficiently integrated into the operations of the Company. The failure to make and integrate suitable acquisitions could impact the Company's operations and financial results.
Contractual and	The Company's ability to efficiently conduct its operations in a number of

<b>Risk</b>	<b>Details</b>
Joint Venture Risk	<p>respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by the Company and its subsidiaries. As in any contractual relationship, the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations.</p> <p>Any current or future joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.</p>
Additional capital requirements	<p>The Company's capital requirements depend on numerous factors which may require the Company to seek further financing in addition to amounts raised under this Prospectus. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances may require the Company to reduce the scope of its operations and scale back its exploration programs.</p>
Regulatory Risk	<p>The governments of the relevant States and Territories in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of tenements. There is a risk that changes to policy may affect the Company's exploration, development and operational plans or, indeed, its rights and/or obligations with respect to the tenements.</p>
Key Personnel Risk	<p>The Company has a small senior management and technical team. Its ability to deliver on its operating plans and to progress its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of key personnel. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of such personnel.</p>
Environmental	<p>The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations, which the Company proposes to manage by conducting its programs in a responsible manner with regard to the environment.</p>
Native Title and Heritage Risk	<p>In carrying out exploration and/or mining operations, the Company must (where applicable) observe Native Title legislation, Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations.</p>
Economic Risk	<p>Changes in the general economic climate in which the Company operates, and which are beyond the control of the Company, may adversely affect the financial performance of the Company.</p>
Share Market Risk	<p>The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.</p>

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

## 1.8 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 8.3.

## 1.9 **Acceptance of Entitlement to New Shares**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional Entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

## 1.10 **Directors intentions in respect of Entitlements**

Of the Directors who hold Shares in the Company, Marcus Derwin has indicated that he will accept his Entitlement of 87,067 New Shares.

## 1.11 **Lead Manager**

Bell Potter Securities Limited and Euroz Securities Limited have been appointed as the Joint Lead Managers to the Entitlement Offer. Further details of the terms of appointment of the Joint Lead Managers are set out in section 7.1.

The Company has agreed to pay the Joint Lead Managers the fees as set out in section 1.12 in relation to the Underwriting Agreement.

The Company has agreed to reimburse the Joint Lead Managers in respect of expenses incurred incidental to the Placement and the Entitlement Offer as set out in section 1.12 in relation to the Underwriting Agreement. The Company also indemnifies the Joint Lead Managers and related persons against losses, liabilities and claims in respect of the Placement and the Entitlement Offer.

See section 7.1 for more details in relation to the engagement of the Joint Lead Managers.

## 1.12 **Underwriters**

Bell Potter Securities Limited and Euroz Securities Limited have been appointed as the joint underwriters to the Entitlement Offer. Further details of the terms of appointment of the Joint Lead Managers as underwriters are set out in section 7.2.

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are as follows:

- (a) each of the Joint Lead Managers is severally liable for their respective portion of the underwritten amount, which is allocated equally between the Joint Lead Managers;
- (b) the fees payable under the Underwriting Agreement are as follows:

- (1) a management fee equal to 2% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (**Management Fee**);
- (2) an equity raising fee equal to 3% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer plus GST (**Equity Raising Fee**); and
- (3) a discretionary equity raising fee equal to 0.5% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (**Discretionary Fee**),

to be paid in equal proportions between the Joint Lead Managers. The Discretionary Fee is payable at the discretion of the Company and will be communicated to the Joint Lead Managers prior to the settlement date for the relevant component of the Entitlement Offer.

- (c) the Company has agreed to reimburse the Joint Lead Managers in respect of certain expenses incurred;
- (d) the underwriting is conditional upon a number of procedural conditions precedent being satisfied by the Company;
- (e) in addition, the underwriting of the Institutional Entitlement Offer is conditional on SPOV having entered into the Commitment and Sub-Underwriting Agreement (refer to sections 1.13 and 7.3:
- (f) furthermore, the underwriting of the Retail Entitlement Offer is conditional on SPOV performing its obligations under the Commitment and Sub-Underwriting Agreement in relation to its participation in the Institutional Entitlement Offer and also on the Company issuing the New Shares under the Institutional Entitlement Offer;
- (g) the underwriting obligations can be terminated by the underwriters in a number of circumstances where there is a contravention of the agreement or other legal requirements or where an adverse change occurs which materially impacts or is likely to impact, the assets, operational or financial position of the Company or the terms of the Entitlement Offer (further details of which are set out in section 7.2); and
- (h) the Company gives various warranties, indemnities and covenants in favour of the Underwriters that are considered standard for an agreement of this nature.

### 1.13 Firm Commitment and Sub-Underwriting

The Joint Lead Managers have secured agreement from the Company's largest shareholder, SPOV, to provide a firm commitment to subscribe for \$7,000,000 of New Shares under the Institutional Entitlement Offer and to fully sub-underwrite the Retail Entitlement Offer.

The Commitment and Sub-Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Sub-Underwriting Agreement are as follows:

- (a) SPOV will receive a sub-underwriting fee equal to 1% of the final sub-underwritten amount in relation to the Retail Entitlement Offer (but will not receive a fee in relation to its commitment to the Institutional Entitlement Offer);
- (b) the sub-underwriting obligations can only be terminated if the Underwriters obligations under the Underwriting Agreement cease or are terminated.

#### 1.14 **Applying for Additional Shares**

Entitlements not taken up under the Retail Entitlement Offer may become available as Additional New Shares. Eligible Retail Shareholders may, in addition to their Retail Entitlements, apply for New Shares over and above their Retail Entitlement at the Offer Price (**Additional New Shares**) regardless of the size of their present holding.

It is an express term of the Retail Entitlement Offer that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated to them, excess Application Money will be refunded without interest. There is no guarantee that such Eligible Retail Shareholders will receive the number of Additional New Shares applied for, or indeed, any Additional New Shares at all.

The number of New Shares issued under the Retail Entitlement Shortfall Facility will not exceed the Retail Entitlement Shortfall following the Retail Entitlement Offer. The Company reserves the right to scale back any applications for Additional New Shares in their absolute discretion.

The ability for the Company to issue Additional New Shares is dependent upon the extent of any Retail Entitlement Shortfall. Applications for Additional New Shares must be made in the Additional New Shares section on the Entitlement and Acceptance Form accompanying this Prospectus.

As the Retail Entitlement Offer is fully underwritten, the Directors, in conjunction with the Joint Lead Managers, shall allot and issue Additional New Shares in accordance with the allocation policy for the Retail Entitlement Shortfall set out in Section 3.7.

The allocation of Additional New Shares will also be done in a manner which will ensure that no Shareholder (excluding SPOV) or other investor (including the Joint Lead Managers as the Underwriters) will as a consequence of taking up their Entitlement and being issued any Additional New Shares (or New Shares from the Retail Entitlement Shortfall) hold a relevant interest of more than 19.99% of all of the Shares in the Company after the Placement and this Issue. In the case of SPOV, who already hold a relevant interest of more than 19.99%, they will not be permitted to increase their relevant interest from the current level of 50%.

#### 1.15 **Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

Allocation of New Shares applied for under the Retail Entitlement Shortfall Facility will be allocated and allotted in accordance with the allocation policy set out in Section 3.7. Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

## 2. Details of the Offer

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### 2.1 Offer to Eligible Shareholders

The Entitlement Offer is for an accelerated non-renounceable entitlement offer of approximately 133,444,104 New Shares at an Offer Price of \$0.20 per New Share, on the basis of 1 New Share for every 2.1 Shares held by Eligible Shareholders as at the Record Date.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer - an initial offer to Eligible Institutional Shareholders; and
- (b) the Retail Entitlement Offer - an offer to Eligible Retail Shareholders.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

The Institutional Entitlement Offer and the Retail Entitlement Offer are both underwritten by the Joint Lead Managers, Bell Potter Securities Limited and Euroz Securities Limited, with sub-underwriting provided by the Company's largest shareholder, SPOV.

The Company is also undertaking the Placement at the Offer Price to raise an additional \$8.4 million, for a total amount received of \$35.1 million.

The Offer Price of \$0.20 per New Share represents a 33% discount to the 10 day volume-weighted average price for Shares (being \$0.300) as at 20 September 2018.

The Company has 44,370,041 Vested Options and 93,410,609 CRPS currently on issue, and the Entitlement Offer would be increased by a total of 21,128,592 New Shares if holders of Vested Options exercise their Vested Options prior to the Record Date and by an additional 44,481,243 New Shares if CRPS Holders convert their CRPS prior to the Record Date. However, the Company has received notification that no Vested Options are to be exercised and that no CRPS are to be converted before the Record Date (see sections 2.12 and 2.13 for details). Accordingly, the number of New Shares to be issued should not increase.

On the same date as announcing the Entitlement Offer, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 17 October 2018.

### 2.2 Institutional Entitlement Offer

The Company proposes to raise approximately \$20 million under the Institutional Entitlement Offer.

New Shares issued under the Institutional Entitlement Offer will be issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer. The announcement of the results of the Institutional Entitlement Offer will be made on 25 September 2018 and the issue of New Shares under the Institutional Entitlement Offer is expected to occur on 1 October 2018.

### 2.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise approximately \$6.7 million.

Eligible Retail Shareholders who are on the Company register on the Record Date are entitled to acquire 1 New Share for every 2.1 Shares held on the Record Date (**Retail Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.



The Retail Entitlement Offer is non-renounceable. Accordingly, Retail Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Retail Shareholders may subscribe for all or part of their Retail Entitlement. Eligible Retail Shareholders who only accept their Entitlement, in full, without applying for Additional New Shares under the Retail Entitlement Shortfall Facility will experience a reduction in their percentage holding of 9.22% as a consequence of the Placement. Eligible Retail Shareholders can apply for an appropriate number of Additional New Shares to either avoid or minimise the dilution of their percentage holding. Eligible Retail Shareholders who do not take up all of their Retail Entitlements will have their percentage shareholding in the Company diluted by up to 38.51%.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in Section 1.7 and set out in section 6 of this Prospectus.

## 2.4 Minimum subscription

There is no minimum subscription. The Retail Entitlement Offer is fully underwritten. See sections 1.12 and 7.2 for details of the Underwriting Agreement.

## 2.5 Important dates

<b>Announcement of Entitlement Offer Lodgement of Appendix 3B</b>	Before market open 21 September 2018
<b>Lodgement of Prospectus with ASIC and ASX</b>	Before market open 21 September 2018
<b>Institutional Entitlement Offer opens</b>	21 September 2018
<b>Announcement of results of the Entitlement Offer</b>	Before market open 25 September 2018
<b>Trading halt lifted and Existing Shares commence trading on an ex rights basis</b>	25 September 2018
<b>Record Date for the Offer</b>	25 September 2018 (7.00pm Sydney time)
<b>Prospectus and Entitlement and Acceptance Form despatched to Shareholders</b>	28 September 2018
<b>Opening Date of Offer (9am Sydney time)</b>	28 September 2018
<b>Settlement of the Institutional Entitlement Offer and the Placement</b>	1 October 2018
<b>Updated Appendix 3B for New Shares issued under the Institutional Entitlement Offer lodged (if required)</b>	1 October 2018 (no later than 12.00pm Sydney time)
<b>Quotation of New Shares issued under the Institutional Entitlement Offer</b>	2 October 2018
<b>Last day to extend Retail Entitlement Offer close date</b>	4 October 2018
<b>Closing Date of Offer</b>	9 October 2018 (5.00pm Sydney time)
<b>Announcement of results of the Retail Entitlement Offer</b>	12 October 2018
<b>Updated Appendix 3B for New Shares issued under the Retail Entitlement Offer lodged (if required)</b>	16 October 2018 (no later than 12.00pm Sydney time)

<b>Commencement of trading of New Shares on ASX</b>	17 October 2018
<b>Expected date of despatch of holding statements for New Shares</b>	18 October 2018

*The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Joint Lead Managers, reserves the right to alter this timetable at any time.*

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Entitlement Offer without prior notice; or
- (b) vary any of the important dates set out in this Prospectus, including extending the Entitlement Offer.

## 2.6 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors in consultation with the Joint Lead Managers, will allocate the Retail Entitlement Shortfall between Eligible Shareholders who apply for Additional New Shares, the Underwriters and SPOV in accordance with the allocation policy in section 3.7.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

## 2.7 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be listed for Official Quotation by the ASX. If granted, Quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants and is expected to occur on or about 17 October 2018. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until Official Quotation is granted.

Should the New Shares not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all Application Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

## 2.8 CHESS

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

## 2.9 No rights trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly will not be traded on the ASX.

## 2.10 Lead Manager

Bell Potter and Euroz have been appointed as the Joint Lead Managers to the Entitlement Offer. Further details of the appointment of the Joint Lead Managers are set out in section 7.1.

## 2.11 Underwriting

The Offer is fully underwritten by the Joint Lead Managers. Further details regarding the appointment of the Joint Lead Managers as Underwriters are set out in sections 1.12 and 7.2.

The Retail Entitlement Offer is also sub-underwritten by SPOV, the Company's largest shareholder. Further details regarding the appointment of SPOV as a sub-underwriter are set out in sections 1.13 and 7.3.

## 2.12 Option Holders

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Vested Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

Details of the Vested Options are set out in section 5.2.

If all holders of Vested Options were to elect to exercise their Vested Options prior to the Record Date, and become eligible to participate in the Offer, a further 21,128,592 (approximately) New Shares may be issued under this Prospectus. However, the holders of the Vested Options have notified the Company that they will not exercise their Vested Options prior to the Record Date, therefore no additional New Shares will be issued under the Prospectus on account of the exercise of the Vested Options.

## 2.13 CRPS Holders

CRPS Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to convert their CRPS under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

If all holders of CRPS were to convert their CRPS into Shares prior to the Record Date, and become eligible to participate in the Retail Entitlement Offer, a further 44,481,243 (approximately) New Shares may be issued under this Prospectus. Details of the CRPS are set out in section 5.2.

However, the conversion of the CRPS into Shares takes effect on the 5th business day after notice of conversion has been received by the Company and, as at the date of this Prospectus, the Company has not received a notice of conversion from the CRPS Holders. In addition, the CRPS Holders have advised the Company that they do not propose to convert any of the CRPS prior to the Record Date. Therefore no additional New Shares will be issued under the Prospectus on account of the conversion of CRPS.

## 2.14 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only. Eligible Retail Shareholders are Retail Shareholders on the Record Date who:

- (a) have a registered address in Australia, New Zealand, United Kingdom, Singapore and Hong Kong or is a Shareholder that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

## 2.15 Ineligible Shareholders

The Retail Entitlement Offer will only be made to those shareholders with registered addresses in Australia, New Zealand, United Kingdom, Singapore and Hong Kong.

The Retail Entitlement Offer will be made in New Zealand, United Kingdom, Singapore and Hong Kong as these are jurisdictions in which the Company has sought advice or is otherwise satisfied that it may make the Retail Entitlement Offer without breach of the relevant jurisdictions law and regulations.

We note that the Institutional Entitlement Offer will be made in British Virgin Islands, Bermuda and Ireland, being jurisdictions in which the Company has sought advice or is otherwise satisfied that it may make the Institutional Entitlement Offer without breach of the relevant jurisdictions law and regulations. As the remaining number of Retail Shareholders in those jurisdictions will be small (if any), the Retail Entitlement Offer will not be made in those jurisdictions.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong (including those additional jurisdictions in which the Institutional Entitlement Offer will be made, being British Virgin Islands, Ireland and Bermuda) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, shareholders having registered addresses outside Australia, New Zealand, United Kingdom, Singapore and Hong Kong.

This Prospectus and Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Retail Entitlement Offer. The distribution of this Prospectus and Entitlement and Acceptance Form in jurisdictions outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Prospectus and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular the Retail Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

## 2.16 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong, except to beneficial Shareholders in another country (other than the United States) where the Company may

determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

#### 2.17 **Electronic prospectus**

An electronic version of this Prospectus is available on the Internet at [www.aerisresources.com.au](http://www.aerisresources.com.au).

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

### 3. How to apply

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#### 3.1 Your choices as an Eligible Retail Shareholder

The number of New Shares to which each Eligible Retail Shareholder is entitled (**Retail Entitlement**) is calculated as at the Record Date of **7:00pm Sydney time on 25 September 2018** and is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Retail Entitlements for each separate holding.

Eligible Retail Shareholders may:

- (a) take up their Retail Entitlement in full, refer to section 3.2;
- (b) take up their Retail Entitlement in full, and apply for Additional New Shares under the Retail Entitlement Shortfall Facility (refer to Section 3.3);
- (c) take up part of their Retail Entitlement, in which case the balance of their Retail Entitlement would lapse (refer to Section 3.4); or
- (d) allow their Retail Entitlement to lapse (refer to Section 3.5).

Ineligible Shareholders may not take up any of their Retail Entitlement.

Please note that the Retail Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 2.15). Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in Section 6.

The Company reserves the right to reject any Application that is received after the Closing Date. Unless extended in the discretion of the Company in consultation with the Joint Lead Managers, the Closing Date for acceptance of the Retail Entitlement Offer is **5:00pm (Sydney time) on 9 October 2018**.

#### 3.2 How to accept your Retail Entitlement in full

If you wish to accept the whole of your Retail Entitlement, complete and return the Entitlement and Acceptance Form which is attached to this Prospectus in accordance with the instructions set out on the Form and forward the completed Form together with payment for the full amount so as to reach the Share Registry by no later than **5.00pm (Sydney time) on 9 October 2018**. Payment may be made by cheque, bank draft or BPAY®. The Offer Price of \$0.20 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to "Aeris Resources Limited - Rights Issue Account" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

<b>Link Market Services Limited</b>	<b>OR</b>	<b>Link Market Services Limited</b>
<b>Aeris Resources Limited Offer</b>		<b>Aeris Resources Limited Offer</b>
c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138 <b>(Hand delivery only. Do not use this for postal delivery)</b>		c/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form, however, your payment must be received by no later than **5:00pm (Sydney time) on 9 October 2018**. It is your responsibility to ensure that your BPAY payment is received by the Company's share registry by no later than 5:00pm on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should take this into consideration when making payment.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Prospectus. The amount payable on acceptance will not vary during the period of the Retail Entitlement Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

### 3.3 How to accept your Retail Entitlement in full and apply for Additional New Shares

If you wish to accept all of your Retail Entitlement and also apply for Additional New Shares under the Retail Entitlement Shortfall Facility, complete the accompanying Entitlement and Acceptance Form for New Shares and also the Top Up section in accordance with the instructions set out in the Form.

In order to apply for Additional New Shares under the Retail Entitlement Shortfall Facility you must be an Eligible Retail Shareholder and must have first taken up your Retail Entitlement in full.

Amounts received by the Company in excess of the Offer Price multiplied by your Retail Entitlement (**Excess Amount**) will be treated as an Application to apply for as many additional New Shares as your Excess Amount will pay for in full.

If you apply for Additional New Shares under the Retail Entitlement Shortfall Facility and your Application is successful (in whole or in part), your Additional New Shares will be issued at the same time that other New Shares are issued under the Retail Entitlement Offer. The basis on which the Directors will allocate and issue Additional New Shares under the Retail Entitlement Shortfall Facility is set out in Section 3.7.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date of the Retail Entitlement Offer.

### 3.4 How to accept your Retail Entitlement in part

Eligible Retail Shareholders may accept their Retail Entitlement in part and allow the balance to lapse.

If you wish to take up only a part of your Retail Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares that you wish to apply for and follow the other steps in accordance with section 3.2.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If the Company receives an amount that is less than the Offer Price multiplied by your Retail Entitlement (**Reduced Amount**), your payment will be treated as an Application for as many New Shares as your Reduced Amount will pay for in full.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer may be offered under the Retail Entitlement Shortfall Facility or issued to the Joint Lead Managers (as the Underwriters) or SPOV (as a sub-underwriter). See sections 1.14 and 3.7 for further details.

### 3.5 **If you do not wish to accept any of your Retail Entitlement**

Eligible Retail Shareholders do not have to accept any of their Retail Entitlement.

If you do not wish to accept any of your Retail Entitlement, do not take any further action and your Retail Entitlement will lapse and any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer may be offered under the Entitlement Shortfall Facility or issued to the Joint Lead Managers (as the Underwriters). See sections 1.14 and 3.7 for further details.

### 3.6 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong; and
- (c) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

### 3.7 **Allotment and allocation policy**

A Retail Entitlement Shortfall will exist if any Eligible Retail Shareholder does not take up their full Retail Entitlement. Additional New Shares applied for will only be allocated and issued if a Retail Entitlement Shortfall exists – resulting in the Retail Entitlement Offer being undersubscribed.

Allocation and allotment of any Additional New Shares applied for will be made in accordance with the following policy:

- (a) the Directors will allocate the Entitlement Shortfall Shares to Eligible Retail Shareholders that have applied to take up their full Retail Entitlements and in addition have indicated that they wish to take up Additional New Shares as provided for in Section 3.3.
- (b) AERIS reserves the right to allocate Additional New Shares to Eligible Retail Shareholders who wish to take up Additional New Shares at its discretion. In exercising its discretion AERIS will have regard to facilitating the increase in the number of Shareholders with marketable parcels of Shares.
- (c) Once Directors have exhausted the allotment and allocation of Additional New Shares under the Retail Entitlement Shortfall Facility to Eligible Retail Shareholders, the Company will call on the Joint Lead Managers (as the Underwriters) to take up the remaining New Shares under the Retail Entitlement Shortfall in accordance with its underwriting obligations under the Underwriting Agreement. These remaining New Shares will be allocated by the Underwriters to SPOV as the sub-underwriter to the Retail Entitlement Offer. New Shares taken up by the Joint Lead Managers



(as the Underwriters) and SPOV will be issued at approximately the same time as all other New Shares are issued under the Retail Entitlement Offer.

- (d) No Related Party (except for SPOV as a sub-underwriter of the Retail Entitlement Offer) or Eligible Retail Shareholder associated with the Directors will participate in the Retail Entitlement Shortfall Facility.
- (e) The Company will not allocate or issue Additional New Shares under the Retail Entitlement Shortfall Facility, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Retail Shareholders wishing to apply for Additional New Shares must consider whether or not the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (f) There is no guarantee that Eligible Retail Shareholders will be successful in being allocated any of the Additional New Shares that they apply for. The Company may reject any Application for Additional New Shares or allocate fewer Additional New Shares than applied for by Applicants for Additional New Shares in accordance with the policy set out above. The Directors reserve the right at their discretion to place a maximum on the number of Additional New Shares that will be issued to Eligible Retail Shareholders who apply for Additional New Shares.

## 4. Company Information

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### 4.1 Introduction

Aeris Resources Limited (**Aeris or Company**) is one of Australia's largest independent copper producers by volume produced.

The Company's flagship asset is the Tritton Copper Operations (Tritton) in Western NSW which operates two underground mines and a 1.8mtpa processing facility and is surrounded by an 1,800km<sup>2</sup> highly prospective tenement package which to date has discovered 750,000 tonnes of copper.

Aeris also holds a 70% interest in the exciting Torrens Project (EL5614) in South Australia through a Joint Venture with Argonaut Resources (ASX: ARE). The Torrens Project contains a regionally significant coincident magnetic and gravity anomaly (11km x 6.5km) with a footprint larger than Olympic Dam. In February 2018 the final regulatory approval was received, enabling on-ground exploration activities, including up to 70 drill holes, to commence. The Joint Venturers are planning to commence drilling at the Torrens Project before the end of calendar 2018.

The Company recently completed a five year operational and financial turnaround and is now focused on delivering on its strategic objective to become a mid-tier, multi-mine copper producer – through organic growth and M&A.

### 4.2 Company Update

#### (a) Operational Matters

Aeris produced 26,686 tonnes of copper (target: 27,000 tonnes) for the year ending 30 June 2018, a 14% increase compared to the previous financial year (FY2017: 23,404).

Ore production from the Tritton Underground Mine was impacted during the first half of the year due to stope sequencing. This was reversed during the second half as sequencing moved back on plan and the higher grade stopes were mined.

The Murrawombie Underground Mine ramped up to full production during the financial year. A revision of the geology model was completed during the period, incorporating grade control drilling information and mapping of development drives inside the orebody. The updated information has resulted in a change in mining method with stopes now designed to target more selective mining of higher grade areas of the orebody.

Approximately 1.6 million tonnes of ore was processed during the year with a copper recovery rate of more than 95%.

Aeris completed three major capital investment projects at its Tritton Copper Operations (**Tritton**) in FY2018, each representing a strategic investment in the future of Tritton:

- The Tritton Underground Mine ventilation shaft was commissioned in September 2017. This essential infrastructure ensures that production at Tritton can be maintained at more than one million tonnes per year as mining moves deeper;
- The Murrawombie Underground Mine which provides a second source of ore to the 1.8Mtpa Tritton processing plant attained full production levels during the year; and
- The geophysical survey portion of the two-year, \$7.5 million greenfields exploration program which commenced in the first half of FY2017 was completed during the period under review.

The ongoing greenfields exploration program also identified a further 65 kilometres of geological trend, and multiple new anomalies for further exploration in FY2019.

Drilling recently re-commenced at the Kurrajong prospect, which is approximately 20 kilometres from the Tritton processing plant. A six hole drilling program has been completed with excellent results including 17.0m @ 2.59% Cu (TKJD017), 19.4m @ 2.18% Cu (TKJD014), 4.65m @ 5.09% Cu (TKJD015) and 5.65m @ 2.52% Cu (TKJD015). High grade mineralisation has now been extended 800m down-plunge. A further twelve hole drill program is scheduled for FY2019.

Brownfields exploration at the Tritton deposit has identified a number of opportunities to extend the life of this operation, including extensions to the orebody, which remains open at depth. Further drilling and evaluation will be undertaken in FY2019.

At the Torrens Project an airborne geophysical survey was completed in April 2018 and identified 28 gravity anomalies. Drilling is scheduled to commence before the end of calendar 2018.

#### (b) Financial Result

For the year ended 30 June 2018 Aeris reported a Net Profit attributable to members of \$55.3 million (a 266% increase on the prior year) and Net cash inflows from Operations of \$50.5 million (165% increase on FY2017). The improved financial result was supported by higher copper prices and higher copper production, resulting in a 40% increase in Revenue compared to the prior period, and in March 2018 the Company completed a corporate and debt restructure which:

- Reduced senior debt by 53% from US\$63.3 million to US\$30 million;
- Reduced Aeris' share capital by 50%, with 467 million (80%) of Convertible Redeemable Preference Shares held by Standard Chartered Bank (SCB) redeemed for \$1 and subsequently cancelled; and
- Cancelled the Copper Price Participation Agreement with SCB for \$1, allowing Aeris to retain the benefit of copper prices above \$8,000/t.

### 4.3 The Directors

The Directors of Aeris bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

The following persons are directors of the Company as at the date of this Prospectus:

#### **Andre Labuschagne - Executive Chairman**

André Labuschagne is an experienced mining executive with a career spanning more than 25 years, primarily in the gold industry.

He has held various executive roles in South Africa, PNG, Fiji and Australia for a number of leading gold companies, including Emperor Gold Mines, DRD Gold and AngloGold Ashanti. Previously as the Managing Director of ASX-listed gold company Norton Gold Fields Limited, Mr Labuschagne led the company's growth to a significant Australian gold producer, prior to its sale to a major Chinese gold company in 2012.

Mr Labuschagne holds a Bachelor of Commerce degree from Potchefstroom University in South Africa.

#### **Marcus Derwin - Non-Executive Director**

Marcus is a highly experienced corporate executive and Board director, with an extensive background in corporate transformation activities. He brings international experience, across a diverse range of industry sectors. His professional career has encompassed a combination of advisory and principal executive capacities, including managing a \$A2Bn global Alternative Assets portfolio over 5 years and also the formation and management of a \$A550m LIC. Additionally, he has advised boards – both public and private and worked within and alongside executive teams on implementation, stakeholder management and recapitalisation strategies. Marcus' professional background includes senior roles at AMP, National Australia Bank, Allco Equity Partners, PwC and KPMG.

Mr Derwin holds a Bachelor of Business degree from the Queensland University of Technology, a Masters of Commerce degree from the University of New South Wales and is a member of the Institute of Chartered Accountants (ICA), Australia and New Zealand.

#### **Alastair Morrison - Non-Executive Director**

Alastair Morrison is a highly experienced investment professional. Mr Morrison has worked in private equity for over 30 years in the UK and Asia and has broad experience in growing companies across a range of industrial sectors.

He was a founding Managing Director of Standard Chartered Private Equity and with Standard Chartered Bank from April 2002 until March 2014. Prior to joining Standard Chartered Bank he spent 20 years at 3i Group, the leading European private equity house, where he was Director for 3i Asia Pacific that he co-founded in 1997.

Mr Morrison holds an M.A. degree in Politics, Philosophy and Economics and M.Phil degree in Management Studies from Oxford University. Mr Morrison is a member of both the Audit Committee and the Remuneration Committee.

#### **Michele Muscillo - Non-Executive Director**

Mr Muscillo is a Partner specialising in corporate law with HopgoodGanim Lawyers. He is an admitted Solicitor and has a practice focusing almost exclusively on mergers and acquisitions, and capital raising.

He has a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal.

In his role with HopgoodGanim Lawyers, Mr Muscillo has acted on a variety of corporate transactions including initial public offerings, takeovers and other acquisitions. Michele's experience brings to the Board expertise on corporate regulation, governance and compliance matters.

#### **General**

No Directors are nominees or representatives of a substantial shareholder. Mr Derwin is a nominee of Standard Chartered Bank, who are the holders of the CRPS.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in sections 1.10 and 8.5.

#### **4.4 Senior Management**

The following persons form the senior management of the Company as at the date of this Prospectus:

##### **Andre Labuschagne - Executive Chairman**

Refer to section 4.3 for details.

##### **Robert Brainsbury - Chief Financial Officer and Joint Company Secretary**

Robert Brainsbury has more than 30 years' experience in the mining and mining services sectors.

He has held senior roles with companies including Rio Tinto, Xstrata, MIM Holdings and BIS Industrial Logistics.

Prior to joining Aeris Resources, Robert was the Chief Financial Officer and Company Secretary at Norton Gold Fields Limited.

Mr Brainsbury is a qualified accountant and holds a Bachelor of Business degree with majors in Accounting and Marketing.

**Ian Sheppard - Chief Operating Officer**

Ian Sheppard is a member of the Australian Institute of Mining and Metallurgy and has more than 30 years' experience in mine operations, technical studies and business development gained in gold, base metals and iron ore.

He has worked in Australia, Canada and Papua New Guinea, most recently holding General Manager roles with Norton Gold Fields Limited and PanAust Limited. Prior to this he spent more than seven years with Ok Tedi Mining in Papua New Guinea as General Manager and Executive Manager with responsibility for operations, technical services, business development and exploration.

Mr Sheppard holds a degree in Mining Engineering from the University of New South Wales, a Masters in Mineral Economics from Curtin University of Technology, as well as a First Class Mine Managers Certificate from Western Australia.

## 5. Effect of the Offer on the Company

### 5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the audited balance sheet as at 30 June 2018.

The pro-forma balance sheet shows the effect of the Offer as an underwritten offer and as if the Offer (under this Prospectus) had been made on 30 June 2018. The pro-forma balance sheet assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2018.

The significant effects of the Placement and the Entitlement Offer (assuming the Placement and Entitlement Offer are fully subscribed) will be to:

- (a) reduce the debts of the Company by \$26.1 million;
- (b) increase cash reserves by approximately \$7.0 million (after the reduction of debt by \$26.1 million and payment of the cash expenses of the Offer which are estimated to be \$2.1 million); and
- (c) increase the number of issued ordinary shares by 175,478,996 to 455,711,613.

Eligible Retail Shareholders who accept their Entitlement in full and do not apply for (and receive) a sufficient number of Additional New Shares under the Retail Entitlement Shortfall Facility will experience a reduction in their percentage as a consequence of the conduct of the Placement with the Entitlement Offer. If an Eligible Retail Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted further by the Offer. See section 5.4 for further details.

	30 June 2018 Actual	Adjustment	30 June 2018 Pro Forma Balance sheet
	A\$000's	A\$000's	A\$000's
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	23,332	6,996	30,232
Receivables	9,662		9,662
Inventories	16,309		16,309
Investments held for trading	3,722		3,722
<b>Total current assets</b>	<b>53,025</b>	<b>6,900</b>	<b>59,925</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	7,190		7,190
Mine properties in use	51,137		51,137
Property, plant and equipment	50,700		50,700
Deferred tax assets	4,591		4,591
Exploration and evaluation	17,855		17,855

<b>Total non-current assets</b>	131,473	0	131,473
<b>TOTAL ASSETS</b>	184,498	6,900	191,398
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25,984		25,984
Loans	812		812
Lease Liabilities	6,463		6,463
Derivative financial instruments	1,905		1,905
Provisions	7,334		7,334
<b>Total current liabilities</b>	42,498	0	42,498
<b>NON-CURRENT LIABILITIES</b>			
Loans	67,489	(26,066)	41,423
Lease liabilities	7,876		7,876
Provisions	11,636		11,636
<b>Total non-current liabilities</b>	87,001	(26,066)	60,935
<b>TOTAL LIABILITIES</b>	129,499	(26,066)	103,433
<b>NET ASSETS</b>	<b>54,999</b>	<b>32,966</b>	<b>87,965</b>
<b>SHAREHOLDERS EQUITY</b>			
Contributed equity	388,180	32,966	421,146
Preference equity	4,208		4,208
Reserves	(8,630)		(8,630)
Accumulated losses	(328,759)		(328,759)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	54,999	32,966	87,965

## 5.2 Capital structure

The share capital structure of Aeris immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Number	%
Ordinary Shares on issue at the date of this Prospectus	280,232,617	61.49
Ordinary Shares issued under the Placement	42,034,892	9.22
Maximum number of New Shares under Prospectus <sup>1</sup>	133,444,104	29.29
<b>Total:</b>	<b>455,711,613</b>	<b>100</b>

Notes:

1. If any of the Vested Options or CRPS are exercised or converted prior to the Record Date, additional New Shares will be issued under the Offer under this Prospectus. Refer below for details.

As at the date of this Prospectus, the Company has 93,410,609 Existing Options on issue, of which 44,370,041 are Vested Options, as follows:

No of options issued	No of options vested	Holder	Exercise price	Expiry date
37,364,244	17,748,016	Andre Labuschagne (executive chairman)	\$Nil	31 December 2021
22,418,546	10,648,810	Robert Brainsbury (CFO/company secretary)	\$Nil	31 December 2021
22,418,546	10,648,810	Ian Sheppard (COO)	\$Nil	31 December 2021
11,209,273	5,324,405	John Miller (GM - Tritton Operations)	\$Nil	31 December 2021

If all holders of Vested Options were to elect to exercise their Vested Options prior to the Record Date, and become eligible to participate in the Offer, a further 21,128,592 (approximately) New Shares may be issued under this Prospectus. However, the Company has obtained confirmation in writing from each of the Option Holders that they will not be exercising their Vested Options before the Record Date. Accordingly, no additional New Shares will be issued under this Prospectus on account of the exercise of the Vested Options.

The remaining 49,040,568 Existing Options on issue which have not vested are not capable of exercise as at the date of this Prospectus.

As at the date of this Prospectus, the Company also has 93,410,609 CRPS on issue. These CRPS are held by Standard Chartered Bank, Singapore Branch and are capable of redemption and conversion in accordance with the terms of those CRPS. If all holders of CRPS were to elect to convert their CRPS into Shares prior to the Record Date, and become eligible to participate in the Offer, a further 44,481,243 (approximately) New Shares may be issued under this Prospectus. The conversion of the CRPS into Shares does not take effect until the 5th business day after notice of conversion has been received by the Company and, as at the date of this Prospectus, the Company has not received a notice of conversion from the CRPS Holders. In addition, the CRPS Holders have indicated to the Company that they do not intend to convert any CRPS to Shares before the Record Date. Therefore no additional New Shares will be issued under the Prospectus on account of the conversion of CRPS.

### 5.3 Present shareholder position

The substantial Shareholders of the Company prior to the date of this Prospectus are as follows:

Name	Shares	%
SPOV	140,115,913	50.00%
BCC Launchpad Ireland Holdings Designated Activity Company	21,466,373	7.66%

### 5.4 Potential effect of the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer

Whilst the Retail Entitlement Offer is a fully underwritten pro-rata offer, the conduct of the Placement in conjunction with the Entitlement Offer means that all Eligible Retail Shareholders will have their percentage



interest in the Company diluted if they only accept their Entitlement and do not apply for (and receive) a sufficient number of Additional New Shares from the Retail Entitlement Shortfall Facility. If Eligible Retail Shareholders take up their Entitlements in full without receiving Additional New Shares, the voting power of Eligible Retail Shareholders will be reduced by a maximum of 9.22%.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company further diluted. Given the terms of the Offer, the maximum possible dilution to an Eligible Retail Shareholder's interest in the Company would be 38.51%. In addition, the proportional shareholdings of Retail Shareholders who are not resident in Australia, New Zealand, United Kingdom, Singapore or Hong Kong may be diluted as those Shareholders are not entitled to participate in the Retail Entitlement Offer. The holdings of those Ineligible Shareholders will be diluted by a maximum of 38.51%.

Accordingly, Eligible Retail Shareholders can reduce the extent of the dilution of their voting power in the Company by accepting their Entitlement in full and applying for Additional New Shares under the Retail Entitlement Shortfall Facility.

If no Eligible Shareholders were to take up their Entitlements under the Entitlement Offer, the Joint Lead Managers (as the Underwriters) would be obliged to receive 175,478,996 New Shares under the Placement and the Entitlement Offer, to be shared equally between Bell Potter and Euroz. Neither Bell Potter nor Euroz currently hold any Shares, Vested Options or CRPS, therefore the total number of shares held by Bell Potter would become 87,739,498 for voting power of 19.25% and the total number of shares held by Euroz would become 87,739,498 for voting power of 19.25%.

In addition to this, the Company's largest shareholder, SPOV has agreed to:

- (a) accept its Entitlements under the Institutional Entitlement Offer to the amount of \$7 million;
- (b) sub-underwrite the whole of the Retail Entitlement Offer.

SPOV currently holds 140,115,913 Shares (with no Vested Options or CRPS) with voting power in the Company of 50%.

By accepting its Entitlements under the Institutional Entitlement Offer to the amount of \$7,000,000, SPOV will receive 35,000,000 New Shares under the Institutional Entitlement Offer. However, as a consequence of the conduct of the Placement, SPOV's voting interest will be reduced to 41.48% upon completion of the Institutional Entitlement Offer.

By sub-underwriting the Retail Entitlement Offer, SPOV could receive a maximum of 33,554,700 New Shares under the Retail Entitlement Offer and increase its voting power to 45.79% upon completion of the Retail Entitlement Offer, which is still a reduction of its voting power from 50% as at the date of this Prospectus.

As a result of SPOV receiving a maximum number of 68,554,700 New Shares under the Entitlement Offer, this will reduce the maximum number of New Shares available to be issued to the Joint Lead Managers (as the Underwriters) to 106,924,296 New Shares, being a maximum number of 53,462,148 New Shares for Bell Potter and a maximum number of 53,462,148 New Shares for Euroz. This would result in a maximum voting power in the Company of 11.73% for Bell Potter and 11.73% for Euroz.

The number of New Shares to be received by the Joint Lead Managers, and their corresponding maximum voting power, will be further reduced by the Keet Agreements and an institutional bookbuild to be undertaken by the Joint Lead Managers for the shortfall under the Institutional Entitlement Offer.

The calculations in this section 5.4 assume that none of the Vested Options are exercised and none of the CRPS are converted and participate in the Retail Entitlement Offer. See section 5.2 for further detail.

## 6. Risk factors

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### 6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate.

The New Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to the future performance of the Company. As with any equity investment, substantial fluctuations in the value of your investment may occur.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Prospectus.

### 6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is an established copper producer which is subject to a number of risks as outlined below and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) Dilution

Shareholders should be aware that:

- (1) as a result of the Placement, Shareholders who accept only their Entitlement and do not apply for any Additional New Shares under the Retail Entitlement Shortfall Facility will have their interest in the Company diluted;
- (2) to the extent that Shareholders do not accept their Entitlements in full, a Retail Entitlement Shortfall will arise and will be allocated to the Underwriters (and any sub-underwriters) all or part of any Retail Entitlement Shortfall may be placed by the Company with the Underwriters (and any sub-underwriters, including SPOV), in which case their interest in the Company may be significantly diluted (see section 5.2 for further details);
- (3) Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong will not be able to participate in the Retail Entitlement Offer and the holdings of those Ineligible Shareholders will be diluted by the Entitlement Offer.

Given the terms of the Entitlement Offer, including the fact that it is fully underwritten and is being conducted in conjunction with the Placement, the interests of a Shareholder in the Company may be diluted by up to 38.51% in the event that they are not eligible to participate or elect not to accept their Entitlement in full.

If an Eligible Shareholder accepts their Entitlement in full and does not apply for Additional New Shares (or applies for Additional New Shares but does not receive any Additional New Shares), their interests in the Company may be diluted by up to 9.22%. Both of these calculations assume that none of the Option Holders exercise their Vested Options and none of the CRPS Holders convert their CRPS and participate in the Retail Entitlement Offer

Acceptance of Entitlements or the allocation of any Retail Entitlement Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Retail Entitlement Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(e) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

(f) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

### 6.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited those risks described below.

(a) Products Sales and Commodity Price Risk

Aeris derives its revenues mainly from the sale of copper and/or associated minerals. Consequently, Aeris's potential future earnings, profitability and growth are likely to be closely related to the demand for and price of copper and associated minerals.

Copper is a traded commodity in Australia and its long-term price may rise or fall.

Additionally, Aeris's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions.

These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring Aeris's products to market.

Aeris has entered into hedging arrangements to partially protect its position against changes in the copper price for deliveries out to February 2019. When these arrangements expire, there is no guarantee that the Company will be able to secure replacement hedging arrangements on terms satisfactory to the Company.

(b) Exchange Rate Risk

A number of the Company's commercial arrangements, including copper sale arrangements and finance arrangements, are based on US dollars. The Company also acquires equipment from overseas using foreign currency. Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation. Further, the future value of the Company's Shares may fluctuate in accordance with movements in the exchange rates and interest rates.

(c) Operations and Costs Risk

The Company is a producer of copper which is sold under commercial contracts. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do so will depend largely upon an efficient and successful, operation and exploitation of the resources and associated business activities and management of commercial factors.

Operation and exploitation may from time to time be hampered on occasions by unforeseen operating risks, as would any other industry. For example, force majeure events, power outages, critical equipment or pipe failures, and environmental hazards such as noise, odours, hazardous substances spills, other weather events, industrial accidents and other accidents, unforeseen cost changes and other incidents beyond the control of Aeris can negatively impact on the Company's activities, thereby affecting its profitability and ultimately, the value of its securities.

Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions; seasonal weather patterns; equipment difficulties and failures, technical difficulties and failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding.

(d) Uncertainty of Development of Projects and Exploration Risk

Mineral exploration and development are high risk undertakings and involve significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves and commercial production therefrom. There can be no assurances that the Company's exploration programs described in this Prospectus or those relating to any projects or tenements that the Company may acquire in the future, will result in the discovery of a significant base metal and/or precious metal deposit, and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Aeris's potential future earnings, profitability and commercialisation of base metal and/or precious metal reserves and resources will be dependent on the successful discovery and subsequent extraction of those resources to the extent that may be required to fulfil commercial obligations.

Successful commodity development and production is dependent on obtaining all necessary consent and approvals and the successful design, construction and operation of efficient gathering, processing and transportation facilities. No assurance can be given that the Company will be able to obtain all necessary consents and approvals in a timely manner, or at all.

(e) Acquisition Risk

The Company's growth plans require the availability of appropriate and suitable acquisition targets and the Company being able to successfully negotiate the acquisition of those targets. There is no guarantee that that Company will be able to identify and acquire suitable acquisition targets or that successful acquisitions will be able to be efficiently integrated into the operations of the Company. The failure to make and integrate suitable acquisitions could impact the Company's operations and financial results.

(f) Regulatory Risk and Government Policy

The availability and rights to explore and produce base metal and/or precious metal, as well as operational profitability generally, can be affected by changes in government policy that are beyond the control of Aeris.

The governments of the relevant States and Territories in which Aeris has interests conduct reviews from time to time of policies in connection with the granting and administration of petroleum tenements. Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration, development or operational plans or, indeed, its rights and/or obligations with respect to the tenements.

(g) Health and Safety Risk

As with any mining project, there are health and safety risks associated with the Company's operations in Australia. The Company manages these risks, through the application of structured health and safety management systems. As the operator of plant and equipment, the Company has specific legislative obligations to ensure that its personnel and contractors operate in a safe working environment.

(h) Insurance Risk

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(i) Competition Risk

Aeris is one of a large number of exploration and mining companies that operate in the base metals and precious metals industry in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with other base metals and precious metals exploration and mining companies in the search for reserves and resources of base metals and precious metals.

(j) Business Risks

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues, natural disasters, and potentially adverse tax consequences, any of which could adversely impact on the success of Aeris's operations.

(k) Contractual and Joint Venture Risks

Aeris's ability to efficiently conduct its operations in a number of respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by Aeris and its subsidiaries. As in any contractual relationship, the ability for Aeris to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for Aeris to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by Aeris that a legal remedy will ultimately be granted on appropriate terms.

Additionally, some existing contractual arrangements have been entered into by Aeris and its subsidiaries may be subject to the consent of third parties being obtained to enable Aeris to carry on all of its planned business and other activities and to obtain full contractual benefits.

No assurance can be given that any such required consent will be forthcoming. Failure by Aeris to obtain such consent may result in Aeris not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent.

A number of the Company's projects are already the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

(l) Tenements

A failure to adhere to the requirements to exceed certain levels of expenditure on tenements held by Aeris (or its subsidiaries) in various jurisdictions may make certain tenements subject to possible forfeiture. All granted tenements are currently in good standing and, in accordance with normal industry practice, Aeris surrenders some or all un-prospective parts of its tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.

In respect of granted tenements, no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements.

(m) Unforeseen Expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

(n) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on such factors as:

- the continuation of receipt of operating revenue from its operations;
- the outcome of the Company's exploration programs; and
- the availability of third party debt finance;

the Company may require further financing in addition to amounts raised under this Prospectus.

Any additional equity financing will dilute shareholdings and debt financing (if available) and may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

(o) Contractors

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(p) Reliance on Key Personnel

The Company has a small senior management and technical team. Its ability to deliver on its operating plans and to progress its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of key personnel. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of such personnel.

(q) Employees

The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

Labour disputes could also lead to lost production and/or increased costs.

(r) Environmental Risks

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

(s) Native Title and Heritage Risk

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.



## 7. Material Contracts

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### 7.1 Mandate Agreement

The Company has entered a mandate with Bell Potter Securities Limited and Euroz Securities Limited pursuant to which Bell Potter and Euroz have been appointed as Joint Lead Managers to the Placement and the Entitlement Offer (**Mandate Agreement**).

The Company has agreed to pay the Joint Lead Managers:

- (a) a management fee equal to 2% of the gross funds raised under the Placement and the Entitlement Offer (**Management Fee**);
- (b) an equity raising fee equal to 3% of the gross funds raised under the Placement and the Entitlement Offer (**Equity Raising Fee**); and
- (c) a discretionary equity raising fee equal to 0.5% of the gross funds raised under the Placement and the Entitlement Offer (**Discretionary Fee**),

to be paid in equal proportions between the Joint Lead Managers.

The Discretionary Fee is payable at the discretion of the Company and required to be communicated to the Joint Lead Managers prior to the settlement date for the Retail Entitlement Offer.

The Company has agreed to reimburse the Joint Lead Managers in respect of expenses incurred incidental to the Placement and the Entitlement Offer, with expenses in excess of \$5,000 requiring approval by the Company. The Company has also agreed to indemnify the Joint Lead Managers and related persons against losses, liabilities and claims in respect of the Placement and the Entitlement Offer.

These fees and reimbursement of expenses are as reflected in the terms of the Underwriting Agreement.

Fees payable to sub-underwriters or brokers will be payable by the Joint Lead Managers.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company.

The Joint Lead Managers or the Company may terminate the Mandate Agreement at any time by notice to the other party.

The Mandate Agreement is replaced by the terms of the Underwriting Agreement upon execution of the Underwriting Agreement.

### 7.2 Underwriting Agreement

The Company has engaged the Joint Lead Managers, Bell Potter Securities Limited and Euroz Securities Limited, as the joint underwriters for the Entitlement Offer under the underwriting agreement dated 21 September 2018 (**Underwriting Agreement**).

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are as follows:

- (a) each of the Joint Lead Managers is severally liable for their respective portion of the underwritten amount, which is allocated equally between the Joint Lead Managers;
- (b) the fees payable under the Underwriting Agreement are as follows:

- (1) a management fee equal to 2% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (**Management Fee**);
- (2) an equity raising fee equal to 3% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (**Equity Raising Fee**); and
- (3) a discretionary equity raising fee equal to 0.5% of the gross funds raised under the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (**Discretionary Fee**),

to be paid in equal proportions between the Joint Lead Managers. The Discretionary Fee is payable at the discretion of the Company and will be communicated to the Joint Lead Managers prior to the settlement date for the relevant component of the Entitlement Offer.

- (c) The Company has agreed to reimburse the Joint Lead Managers in respect of expenses incurred incidental to the Placement and the Entitlement Offer, with expenses in excess of \$5,000 requiring approval by the Company. The Company also indemnifies the Joint Lead Managers and related persons against losses, liabilities and claims in respect of the Placement and the Entitlement Offer;
- (d) The Underwriters will not be required to take up New Shares to the extent that to do so would cause the Underwriters to have to give notice under or cause of breach of the FATA, FIRB policy or the takeover provisions of the Corporations Act provided that this will not prevent the Underwriting from needing to comply with its obligations to procure subscribers for New Shares under the Underwriting Agreement;
- (e) The underwriting is conditional upon a number of conditions precedent, including:
  - (1) procedural conditions including the lodgement of documentation with ASIC and ASX, compliance with timetables and delivery of shortfall notices;
  - (2) the underwriting of the Institutional Entitlement Offer is conditional on SPOV having entered into the Sub-Underwriting Agreement (refer to sections 1.13 and 7.3;
  - (3) the underwriting of the Retail Entitlement Offer is conditional on SPOV performing its obligations under the Sub-Underwriting Agreement with respect to participation in the Institutional Entitlement Offer and to the Company issuing the New Shares under the Institutional Entitlement Offer;
- (f) the Underwriters can appoint sub-underwriters in consultation with the Company;
- (g) the Underwriters are to undertake an institutional bookbuild (as to volume but not price) in relation to the shortfall from the Institutional Entitlement Offer;
- (h) the underwriting obligations can be terminated by the Underwriters in a number of circumstances including if:
  - (1) a material statement in the offer materials is or becomes misleading or deceptive in a material respect, or the offer material omits any material information it is required to contain, or any expression of an opinion or intention in the offer materials is not fairly and properly supported in a material respect or there are no reasonable grounds for making any material statement in the offer materials relating to future matters;
  - (2) quotation of the New Shares is not granted within the required timeframe;
  - (3) a delay in the timetable without the prior consent of the Underwriters;
  - (4) an alteration in the capital structure of the Company without the consent of the Underwriters;

- (5) a director or member of the senior management of the Company is charged with an indictable offence or found to have engaged in fraudulent conduct;
  - (6) a change in the board or senior management of the Company occurs;
  - (7) the Company suffers an insolvency event;
  - (8) the Company fails to comply with any law or material agreement which is likely to prohibit or materially restrict the business of the Company or this Entitlement Offer;
  - (9) a person brings an application to the Takeovers Panel in relation to the Entitlement Offer or the Company;
  - (10) ASIC or any person issues or threatens to issue proceedings in relation to the Entitlement Offer or commences any formal inquiry or investigation into the Entitlement Offer;
  - (11) any adverse change occurs which materially impacts or is likely to impact, the assets, operational or financial position of the Company;
  - (12) any debt facility is terminated or amended without the consent of the Underwriters, or there is default under any debt or financing arrangement, including any default or review event which results in acceleration of the repayment of the debt;
  - (13) the S&P/ASX200 index is at a level that is 10% or more below its level on the trading day prior to announcement of the Entitlement Offer; and
  - (14) where the Company is prevented from allotting or issuing the New Shares under the ASX Listing Rules or any other laws;
- (i) the underwriting obligations can also be terminated by the Underwriters in a number of circumstances where the Underwriters determine that the circumstances could have a material adverse effect on the success of the Entitlement Offer, or on the business, financial position or prospects of the Company, or could lead to a contravention by the Underwriters or liability for the Underwriters under the Corporations Act including circumstances relating to a change in law, a change of control of the Company, hostilities or market disruption in identified major countries;
  - (j) the right of termination is separate for each of the Joint Lead Managers. A remaining underwriter is not obligated to assume the obligations of a terminating underwriter, but can elect to assume those obligations or can nominate a replacement underwriter to assume those obligations;
  - (k) the Company indemnifies the Joint Lead Managers and related persons against losses, liabilities and claims in respect of the Placement and the Entitlement Offer; and
  - (l) the Company gives various warranties, representations and covenants in favour of the Underwriters that are considered standard for an agreement of this nature.

### 7.3 SPOV Commitment and Sub-Underwriting Agreement

The Joint Lead Managers have entered into an agreement with SPOV to provide a firm commitment to participate in the Institutional Entitlement Offer and to sub-underwrite the Retail Entitlement Offer under a sub-underwriting confirmation and firm commitment letter dated 21 September 2018 (**Commitment and Sub-Underwriting Agreement**).

The Commitment and Sub-Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Commitment and Sub-Underwriting Agreement are as follows:

- (a) SPOV agrees to subscribe for \$7,000,000 of New Shares (being 35,000,000 New Shares) under the Institutional Entitlement Offer (**Entitlement Firm Commitment**);
- (b) SPOV agrees to sub-underwrite the Retail Entitlement Offer to a maximum amount of \$6,710,940 of New Shares (being 33,554,700 New Shares)(**Sub-Underwriting Firm Commitment**), representing the entirety of the New Shares available under the Retail Entitlement Offer;
- (c) the Sub-Underwriting Firm Commitment is separate to any eventual allocation of New Shares to SPOV under the Placement or the Entitlement Offer;
- (d) SPOV will receive a sub-underwriting fee equal to 1% of the final amount of the Sub-Underwritten Firm Commitment (but will not receive a fee in relation to its Entitlement Firm Commitment);
- (e) the sub-underwriting obligations can only be terminated if the Underwriters obligations under the Underwriting Agreement cease or are terminated.

#### 7.4 **Keet Agreements**

The Company has entered into the Keet Agreements, under which each of Bernard Keet and DGJ Keet Investments Limited, being existing shareholders of the Company, have agreed to subscribe for 3,084,270 New Shares and 13,776,939 New Shares respectively (for an aggregate of 16,861,209 New Shares) in acceptance of their Entitlements under the Institutional Entitlement Offer and subscription (by DGJ Keet Investments Limited) for an additional 3,309,214 New Shares.

The Keet Agreements are subject to the lodgement of a prospectus in relation to the Entitlement Offer on or before 25 September 2018.

These agreements cannot be terminated by either party except unless a prospectus for the Entitlement Offer is not lodged by 25 September 2018 or unless the Underwriting Agreement is terminated by any of the Underwriters.

## 8. Additional information

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### 8.1 Transaction specific prospectus

Aeris is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Entitlement Offer, the effect of the Entitlement Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2018; and
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2018 and ending on the date of lodgement of this Prospectus with ASIC.

### 8.2 ASX Information and Share information

The ASX Announcements that the Company has made since 28 August 2018 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: [www.aerisresources.com.au](http://www.aerisresources.com.au).

The highest and lowest prices of the Shares on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	32.5	23.5	28.5
Three months	32.5	14.5	22.8
Six months	32.5	13.0	20.0

The last market sale price of Shares as at 20 September 2018 was \$0.320.

The Offer Price of \$0.20 represents a discount of 37.5% to the last market price of Shares on 20 September 2018, being the last trading day before lodgement of this Prospectus.

### 8.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

#### 8.4 Corporate Governance

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: [www.aerisresources.com.au](http://www.aerisresources.com.au).

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

#### 8.5 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
  - (1) its formation or promotion;
  - (2) the Entitlement Offer; or
- (c) the Entitlement Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
  - (1) the formation or promotion of the Company; or
  - (2) the Entitlement Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Entitlement Offer.

Director	No of Shares	No of Options	No of Options vested
Andre Labuschagne	140,000	37,364,244*	17,748,016
Marcus Derwin	183,500	Nil	-
Alistair Morrison	Nil	Nil	-
Michele Muscillo	Nil	Nil	-

\*Options have an exercise price of \$nil and an expiry date of 31 December 2021.

## 8.6 Directors Fees

The total maximum remuneration of non-executive Directors is set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$700,000 per annum.

A Director may be paid fees or other amounts as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two financial years.

Directors' remuneration for the financial year ended 30 June 2018:

Director	Salary/Fees/Non-cash benefits	Equity Settled Shares	Superannuation	Total
Andre Labuschagne	\$716,117	\$216,334	\$25,000	\$957,451
Marcus Derwin	\$60,000	Nil	Nil	\$60,000
Alistair Morrison	\$60,000	Nil	Nil	\$60,000
Michele Muscillo	\$60,000	Nil	Nil	\$60,000

Directors' remuneration for the financial year ended 30 June 2017:

Director	Salary/Fees/Non-cash benefits	Equity Settled Shares	Superannuation	Total
Andre Labuschagne	\$783,572	\$267,364	\$32,104	\$1,083,040
Marcus Derwin	\$60,000	Nil	Nil	\$60,000
Alistair Morrison	\$60,000	Nil	Nil	\$60,000
Michele Muscillo	\$60,000	Nil	Nil	\$60,000



The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.10.

## 8.7 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees; and
- (c) the issue of options.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) employment agreement with Andre Labuschagne and remuneration payable pursuant to that agreement;
- (b) letter of appointment with the non-executive Directors being Alastair Morrison, Michele Muscillo and Marcus Derwin;
- (c) the issue of 37,364,244 Existing Options to Andre Labuschagne (together with the issue of Existing Options to other key management personnel) approved at the Extraordinary General Meeting of Shareholders on 15 December 2015; and
- (d) the engagement of HopgoodGanim Lawyers, where Michele Muscillo is a partner, as legal advisors to the Company, who undertake work on normal commercial terms.

The Board considers that the remuneration and benefits under (a) and (b) are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required. The issue of Options under (c) has been approved by shareholders.

### Payment of Non-Executive Director fees

Each of the Non-Executive Directors of the Company (being Marcus Derwin, Alistair Morrison and Michele Muscillo) are entitled to be paid a directors' fee in the amount of \$60,000 per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

## 8.8 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Entitlement Offer; or
- (c) the offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Bell Potter is one of the Joint Lead Managers and Underwriters to the Entitlement Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.1 and the Underwriting Agreement as set out in section 7.2 above.

Euroz is one of the Joint Lead Managers and Underwriters to the Entitlement Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.1 and the Underwriting Agreement as set out in section 7.2.

HopgoodGanim Lawyers are acting as legal adviser to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$200,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian legal advisers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

PricewaterhouseCoopers are the auditors to the Company. PricewaterhouseCoopers does not make any statement in this Prospectus. Amounts may be paid to PricewaterhouseCoopers in accordance with its normal time based charges.

Treadstone Resource Partners is named in the corporate directory as corporate advisor to the Company, in respect of which it is entitled to receive reasonable fees in accordance with market rates from time to time. Treadstone Resource Partners does not make any statement in this Prospectus.

## 8.9 Limitation on foreign ownership

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non-resident's right to hold or vote the Company's Shares.

#### 8.10 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

#### 8.11 **Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

#### 8.12 **Privacy**

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Aeris group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link, except in limited circumstances. If you wish to access, update or correct your personal information held by Link or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

#### **8.13 Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$2.1 million.

#### **8.14 Consents and disclaimers**

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Bell Potter has given and has not withdrawn its consent to be named in this Prospectus as one of the Joint Lead Managers and Underwriters to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Euroz has given and has not withdrawn its consent to be named in this Prospectus as one of the Joint Lead Managers and Underwriters to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers have given and have not withdrawn their consent to be named in this Prospectus as legal advisers to the Offer in the form and context in which they are named. They take no responsibility for any part of the Prospectus other than references to their name.

PricewaterhouseCoopers has given and has not withdrawn its consent to be named in this Prospectus as the auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Treadstone Resource Partners has given and has not withdrawn its consent to be named in this Prospectus as a corporate adviser in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

8.15 **Directors' statement**

This Prospectus is issued by Aeris Resources Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Aeris Resources Limited by



.....  
Andre Labuschagne  
Director

## 9. Definitions and glossary

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Terms and abbreviations used in this Prospectus have the following meaning:

<b>Acceptance</b>	An acceptance of Entitlements
<b>Acceptance Money</b>	The Offer Price multiplied by the number of New Shares applied for
<b>Additional New Shares</b>	New Shares that may be issued to Shareholders who apply for New Shares under the Entitlement Shortfall Facility
<b>Applicant</b>	A person who submits an Entitlement and Acceptance Form in accordance with this Prospectus
<b>Application Money</b>	The aggregate amount payable for the New Shares applied for by an Applicant, calculated as multiplying the Offer Price by the number of New Shares applied for
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited and the Australian Securities Exchange
<b>ASX Listing Rules</b>	The official listing rules of the ASX
<b>ASX Settlement</b>	ASX Settlement Pty Ltd
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement
<b>Bell Potter</b>	Bell Potter Securities Limited
<b>Business Day</b>	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
<b>Closing Date</b>	The date by which valid acceptances must be received by the Share Registry being Tuesday, 9 October 2018 or such other date determined by the Board and the Joint Lead Managers
<b>Company or Aeris</b>	Aeris Resources Limited ACN 147 131 977
<b>Constitution</b>	The Constitution of the Company
<b>Corporate Governance Principles and Recommendation</b>	Corporate Governance Principles and Recommendation 3rd Edition initially released by the ASX Corporate Governance Council in March 2014
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Creep Rule</b>	The rule under item 9 of section 611 of the Corporations Act which enables a person to increase their holding by not more than 3% during any 6 month period.
<b>CRPS</b>	Convertible Redeemable Preference Shares on issue in the Company from time to time
<b>CRPS Holders</b>	The holders of the CRPS
<b>Directors or Board</b>	The Board of directors of Aeris from time to time
<b>Eligible Shareholder</b>	An Eligible Institutional Shareholder or Eligible Retail Shareholder
<b>Eligible Institutional Shareholder</b>	A Shareholder who: (a) is an institutional or sophisticated Shareholder on the

	commencement of the Institutional Entitlement Offer with a registered address in either Australia, New Zealand, British Virgin Islands, United Kingdom, Ireland, Bermuda, Singapore and Hong Kong; and (b) has received an offer under the Institutional Entitlement Offer (either directly or through a nominee).
<b>Eligible Retail Shareholder</b>	A Retail Shareholder of the Company on the Record Date whose registered address is in Australia, New Zealand, United Kingdom, Singapore or Hong Kong.
<b>Entitlement and Acceptance Form or Form</b>	An entitlement and acceptance form in the form accompanying this Prospectus
<b>Entitlements</b>	The entitlement to subscribe for New Shares under the Entitlement Offer
<b>Entitlement Offer</b>	The pro rata, non-renounceable offer to Eligible Institutional Shareholders and Eligible Retail Shareholders to subscribe for 1 New Share for every 2.1 Shares at an Offer Price of \$0.20 per New Share and includes both the Institutional Entitlement Offer and the Retail Entitlement Offer
<b>Euroz</b>	Euroz Securities Limited
<b>Existing Options</b>	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
<b>Fractional Entitlement</b>	The extent that the Entitlement Offer results in an Entitlement to a fraction of a New Share
<b>Group</b>	The Company and each of its wholly owned subsidiaries
<b>Ineligible Shareholders</b>	Shareholders as at the Record Date who are not Eligible Shareholders
<b>Institutional Entitlement</b>	Entitlements under the Institutional Entitlement Offer
<b>Institutional Entitlement Offer</b>	The offer of Shares to Eligible Institutional Shareholders under the Entitlement Offer
<b>Joint Lead Managers</b>	Bell Potter and Euroz
<b>Keet Agreements</b>	Subscription Agreements between the Company and each of Bernard Keet and DJG Keet Investments Limited dated 19 September 2018 in relation to the subscription for New Shares representing their Entitlement plus additional New Shares under the Institutional Entitlement Offer
<b>Law</b>	The <i>Corporations Act</i> or any relevant and applicable law in Australia
<b>New Shares</b>	The Shares offered under this Prospectus
<b>Offer Price</b>	\$0.20 for each New Share applied for
<b>Official List</b>	The official list of entities that ASX has admitted and not removed
<b>Official Quotation</b>	Quotation on the Official List
<b>Opening Date</b>	Friday, 28 September 2018
<b>Option Holders</b>	The holders of Existing Options
<b>Options</b>	Options on issue in the Company from time to time
<b>Placement</b>	a placement by the Company of 42,034,892 Shares to

	institutional investors at the Offer Price, raising approximately \$8.4 million
<b>Prospectus</b>	This Prospectus dated 21 September 2018 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
<b>Record Date</b>	7.00pm Sydney time on Tuesday, 25 September 2018
<b>Register</b>	Company Register of Aeris
<b>Relevant Interest</b>	Has the meaning given to that term in the <i>Corporations Act</i>
<b>Retail Entitlement</b>	Entitlements under the Retail Entitlement Offer
<b>Retail Entitlement Offer</b>	The offer of New Shares in accordance with this Prospectus as part of the Entitlement Offer
<b>Retail Entitlement Shortfall</b>	The shortfall between the number of New Shares applied for under the Retail Entitlement Offer and the number of New Shares offered to Eligible Retail Shareholders under the Retail Entitlement Offer
<b>Retail Entitlement Shortfall Facility</b>	The facility described in section 1.14 under which Eligible Retail Shareholders may apply for Additional New Shares in excess of their Entitlement
<b>Retail Shareholder</b>	A Shareholder of the Company on the Record Date who is not an Eligible Institutional Shareholder
<b>Securities</b>	Has the same meaning as in section 92 of the <i>Corporations Act</i>
<b>Share Registry or Link</b>	Link Market Services Limited
<b>Shares</b>	The ordinary shares on issue in Aeris from time to time
<b>Shareholders</b>	The holders of Shares from time to time
<b>SPOV</b>	Special Portfolio Opportunity V Limited, a subsidiary of a fund managed by PAG
<b>Sub-Underwriting Agreement</b>	Has the meaning given in section 7.3
<b>Underwriters</b>	Bell Potter and Euroz
<b>Underwriting Agreement</b>	Has the meaning given in section 7.2
<b>US Securities Act</b>	The US Securities Act of 1933, as amended
<b>Vested Options</b>	Existing Options which have vested in favour of the Option Holder as at the date of this Prospectus



## Appendix A

### (ASX Announcements)

Date	Title of Announcement
20.09.2018	Trading Halt
17.09.2018	Restructure of Contingent Instrument Facility
17.09.2018	Torrens Project Update - JV Partners Agree Stage 1 Drill Program
03.09.2018	Change of Directors Interest Notice

## Corporate Directory

<b>Directors</b>	<b>Legal Advisers to the Offer</b>	<b>Auditors</b>
<p>Andre Labuschagne (Executive Chairman)</p> <p>Marcus Derwin (Non-Executive Director)</p> <p>Alistair Morrison (Non-Executive Director)</p> <p>Michele Muscillo (Non-Executive Director)</p>	<p>HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.hopgoodganim.com.au</p>	<p>PricewaterhouseCoopers 480 Queen Street Brisbane QLD 4000  Tel: 1300 799 615 www.pwc.com.au</p>
<b>Administration and Registered Office</b>	<b>Joint Lead Manager and Underwriter</b>	<b>Joint Lead Manager and Underwriter</b>
<p>Suite 22, Level 2 HQ South Tower 520 Wickham Street Fortitude Valley QLD 4006 Tel: +61 7 3034 6200 Fax: +61 7 3034 6290 www.aerisresources.com.au</p>	<p>Bell Potter Securities Limited <i>101</i> Collins Street Melbourne, Victoria 3000  Tel: +61 3 9256 8700  www.bellpotter.com.au</p>	<p>Euroz Securities Limited Level 18 Alluvion 58 Mounts Bay Road Perth, Western Australia 6000  Tel: +61 8 9488 1400  www.euroz.com</p>
<b>Share Registry</b>	<b>Corporate Advisor</b>	
<p>Link Market Services Limited Level 21, 10 Eagle Street, Brisbane QLD 4000 Tel: 1300 730 659 (within Australia) +61 1300 730 659 (outside Australia)</p>	<p>Treadstone Resource Partners Level 26, 6 O'Connell Street Sydney NSW 2000 Tel: +61 2 9210 5600 www.treadstonepartners.com.au</p>	



ABN 30 147 131 977

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: AIS
Website: www.linkmarketservices.com.au

SRN/HIN:
Entitlement Number:
Number of Eligible Shares held as
at the Record Date, 7:00pm (Sydney time )
on 25 September 2018:
Entitlement to New Shares
(on a 1 New Share for 2.10 basis):
Amount payable on full acceptance
at A\$0.20 per Share:

Offer Closes
5.00pm (Sydney time): 9 October 2018

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 2.10 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.20 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 21 September 2018. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Aeris Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®. Payment must be received via BPAY® before 5.00pm (Sydney time) on 9 October 2018. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5.00pm (Sydney time) on 9 October 2018.



Biller Code: [XXXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ABN 30 147 131 977

Please detach and enclose with payment



SRN/HIN:
Entitlement Number:

Form with three boxes: A Number of New Shares accepted, B Number of additional New Shares, C Total number of New Shares subscribed for. Includes a plus sign and equals sign between the boxes.

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Aeris Resources Limited - Rights Issue Account” and crossed “Not Negotiable”.

Form with five boxes: Drawer, Cheque Number, BSB Number, Account Number, Amount of Cheque. Amount of Cheque box includes A\$ symbol.

Form with three boxes: E CONTACT DETAILS – Telephone Number, Telephone Number – After Hours, Contact Name.

## AERIS RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand, United Kingdom, Singapore and Hong Kong. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

### ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of AERIS Resources Limited.

### HOW TO APPLY FOR NEW SHARES

#### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.20.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

#### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

##### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

##### B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of AERIS Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

##### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

##### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "AERIS Resources Limited - Rights Issue Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, AERIS Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

##### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

### 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

AERIS Resources Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

#### Hand Delivery

AERIS Resources Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (Sydney time) on 9 October 2018. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. AERIS Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the AERIS Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday.**