



# Emerging Mid-Tier Copper Producer

Equity Raising Presentation

21 September 2018

**Not for release to US wire services or distribution in the United States**

ASX: AIS



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# Important Notice & Disclaimer



## **Forward-Looking Information**

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

## **Competent Persons Statement**

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

Mr Cox confirms that he is the Competent Person for all the Mineral Resource estimates summarised in this Report and he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Cox is a Competent Person as defined by the JORC Code, 2012 Edition, having sufficient experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Cox is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 220544). Mr Cox has reviewed the Report to which this Consent Statement applies. Mr Cox is a full time employee of Aeris Resources Limited.

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

Mr Sheppard has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Sheppard has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Sheppard has rights to 22,418,546 share options that were issued on 15 December 2015 that will vest over five years from the issue date and may be converted to shares over time when various conditions are met. All dollar figures are in Australian dollars unless otherwise indicated.

# Equity Raising



# Equity Raising Overview



<b>Offer Structure and Size</b>	<ul style="list-style-type: none"><li>• \$35.1 million equity raising, comprising:<ul style="list-style-type: none"><li>– An institutional placement to raise approximately \$8.4 million (“Placement”); and</li><li>– A 1 for 2.1 pro-rata accelerated non-renounceable entitlement offer to raise approximately \$26.7 million (“Entitlement Offer”) to existing eligible shareholders. The Entitlement Offer comprises:<ul style="list-style-type: none"><li>– An accelerated institutional component to raise approximately \$20.0 million (“Institutional Entitlement Offer”); and</li><li>– A retail component to raise approximately \$6.7 million (“Retail Entitlement Offer”)</li></ul></li></ul></li><li>• Approximately 175.5 million new Aeris shares (“New Shares”) to be issued</li></ul>
<b>Offer Price</b>	<ul style="list-style-type: none"><li>• Offer Price of \$0.20 per share (“Offer Price”)<ul style="list-style-type: none"><li>– 27.0% discount to TERP<sup>(1)</sup></li><li>– 37.5% discount to the last close price of \$0.320 on 20 September 2018</li><li>– 33.4% discount to the 10 day VWAP of \$0.300</li></ul></li></ul>
<b>Institutional Offer</b>	<ul style="list-style-type: none"><li>• The Institutional Offer comprises both the Placement and the Institutional Entitlement Offer</li><li>• The Institutional Offer will be conducted on Friday, 21 September 2018</li><li>• Entitlements not taken up in the Institutional Entitlement Offer will be offered to eligible institutional investors concurrently with the Institutional Offer</li></ul>
<b>Retail Offer</b>	<ul style="list-style-type: none"><li>• Retail Entitlement Offer to open on Friday, 28 September 2018 and scheduled to close on Tuesday, 9 October 2018</li><li>• Eligible 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<sup>(2)</sup></li></ul>

(1) The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Aeris shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP includes New Shares to be issued under the Placement.

(2) Conditions set out in the Prospectus

# Equity Raising Overview



<b>Ranking</b>	<ul style="list-style-type: none"><li>• New Shares will rank equally in all respects with Aeris's existing shares</li><li>• New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer</li></ul>
<b>Cornerstone Investors</b>	<ul style="list-style-type: none"><li>• Three of the Company's large existing shareholders - Special Portfolio Opportunity V Limited ("SPOV")<sup>(1)</sup>, Bernard Keet and Keet Investments Limited have entered into agreements to subscribe under the Offer</li></ul>
<b>Joint Lead Managers</b>	<ul style="list-style-type: none"><li>• Bell Potter Securities Limited ("Bell Potter") and Euroz Securities Limited ("Euroz") are Joint Lead Managers ("JLMs") and Underwriters of the Entitlement Offer</li></ul>
<b>Underwriting and PAG Support</b>	<ul style="list-style-type: none"><li>• The Entitlement Offer is fully underwritten</li><li>• The JLMs have secured agreement from the Company's largest shareholder, SPOV<sup>(1)</sup>, to sub-underwrite the whole of the Retail Entitlement Offer</li><li>• SPOV have also provided a firm commitment to accept part of their entitlement for not less than for \$7.0 million of New Shares under the Institutional Entitlement Offer</li></ul>

(1) A subsidiary of a fund managed by Pacific Alliance Group ("PAG")

# Indicative Timetable



Key Event	Date <sup>(1)</sup>
Announcement of Equity Raising	21 September 2018
Placement and Institutional Entitlement Offer opens	21 September 2018
Placement and Institutional Entitlement Offer closes	21 September 2018
Trading halt lifted and trading resumes on an ex-entitlement basis	25 September 2018
Record Date for determining Retail Entitlements under the Retail Entitlement Offer	7.00pm Sydney time, 25 September 2018
Retail Entitlement Offer opens and Prospectus and Entitlement and Acceptance Forms despatched to Retail Shareholders	28 September 2018
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	1 October 2018
Quotation of New Shares issued under the Institutional Entitlement Offer	2 October 2018
Retail Entitlement Offer closes	5.00pm Sydney time, 9 October 2018
Quotation of New Shares issued under the Retail Entitlement Offer	17 October 2018
Expected date of despatch of holding statements for New Shares issued under the Retail Entitlement Offer	18 October 2018

(1) The timetable is indicative only and subject to change. Aeris, in conjunction with the JLMs, reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws

# Uses of Proceeds



It is proposed that the net proceeds raised from the Placement and the Entitlement Offer will be applied for the purposes of the repayment of debt and the acceleration of exploration activities.

## FY19 exploration program:

### Torrens Project (AIS 70%)

- Drill program to commence in 1H FY19

### Tritton Copper Operations (AIS 100%)

- Accelerate drilling program at Kurrajong following exceptional results in FY18
- Brownfield exploration at the Tritton Mine
- Aerial and Ground EM programs over the northern half of the Tritton tenement package

Sources	A\$ million
Proceeds from Placement	8.4
Proceeds from Institutional Entitlement Offer	20.0
Proceeds from Retail Entitlement Offer	6.7
<b>Total Sources</b>	<b>35.1</b>

Uses	A\$ million
Repayment of debt	26.1
Exploration at Tritton Project	3.4
Exploration at Torrens Project	3.5
Transaction costs	2.1
<b>Total Uses</b>	<b>35.1</b>

Note: AUDUSD FX rate of 0.72 applied. Due to rounding, some totals may not correspond with the sum of the separate figures.

# Aeris Overview





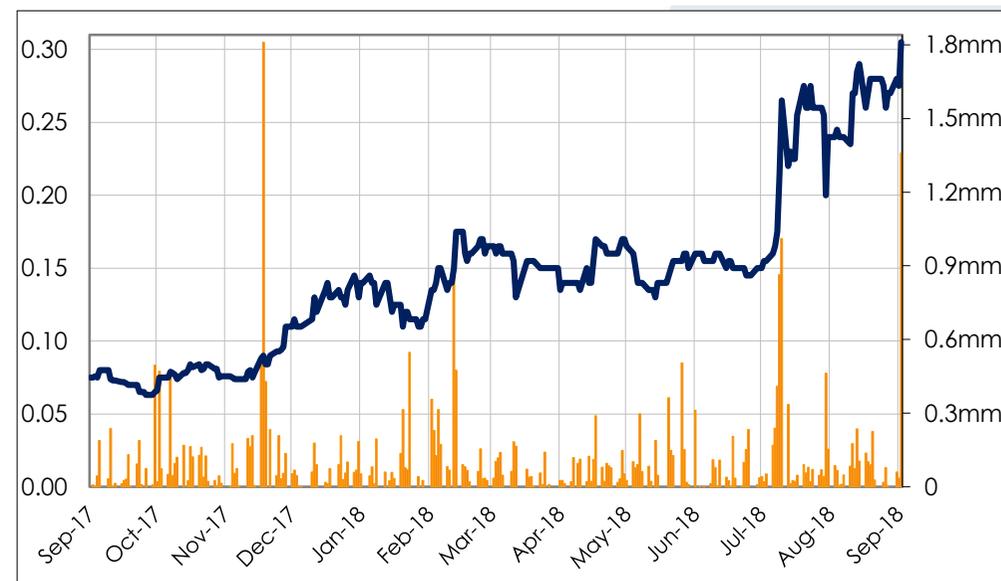
- **Flagship Tritton Copper Operations located in regional hotspot in Western NSW**
  - Historical 5 year, average annual copper production of 27kt, a 19% increase on previous 5 year average
  - Mine plan expected to deliver average annual copper production of 24ktpa over the next 5 years, underpinned by reserves
  - 1.8Mtpa processing plant fed from multiple underground mines with prospective greenfield and brownfield mine life extensions, highlighted by recent encouraging Kurrajong drill results
  - Promising regional exploration opportunities across 1,800km<sup>2</sup> tenement package, with 750kt copper discovered to date in Southern corridor and 4 initial targets identified in Northern area
- **Torrens is a highly prospective IOCG copper-gold project located in Eastern Gawler Craton (SA)**
  - Significant coincident magnetic and gravity footprint, proximate to Olympic Dam and Carrapateena
  - All approvals now secured and a major drilling campaign to commence in first half of FY19 with 8-10 target areas, based on the 28 gravity anomalies identified through recent airborne gravity survey
- **Successful operational turnaround and financial restructure implemented**
  - Future value growth strongly leveraged to copper price and exploration upside
  - Continue prudent capital management to optimise capital structure and add value
- **Company now focused on realising organic and strategic growth opportunities**
  - Attractive mix of organic growth opportunities across existing portfolio
  - Strategy to become a mid-tier, multi-mine copper producer through organic growth and M&A

# Aeris Resources Corporate overview



Capital Structure	Current	Pro Forma
Ordinary shares on issue	280.2 million	455.7 million
Convertible preference shares (CPS)	93.4 million	93.4 million
Management options <sup>(1)</sup>	93.4 million	93.4 million
<b>Market capitalisation</b>	<b>\$89.7 million<sup>(2)</sup></b>	<b>\$124.8 million<sup>(3)</sup></b>
Debt (30 June 2018) <sup>(4)</sup>	\$69.4 million <sup>(5)</sup>	\$43.3 million
Cash (30 June 2018)	\$23.3 million	\$30.2 million
<b>Enterprise value</b>	<b>\$135.8 million</b>	<b>\$137.9 million</b>

## Share Price Performance



Shareholding Structure (fully diluted)		
SPOV	140.1m	30.0%
Other shareholders	140.1m	30.0%
Standard Chartered Bank (CPS)	93.4m	20.0%
Management (options)	93.4m	20.0%

## Board and Management

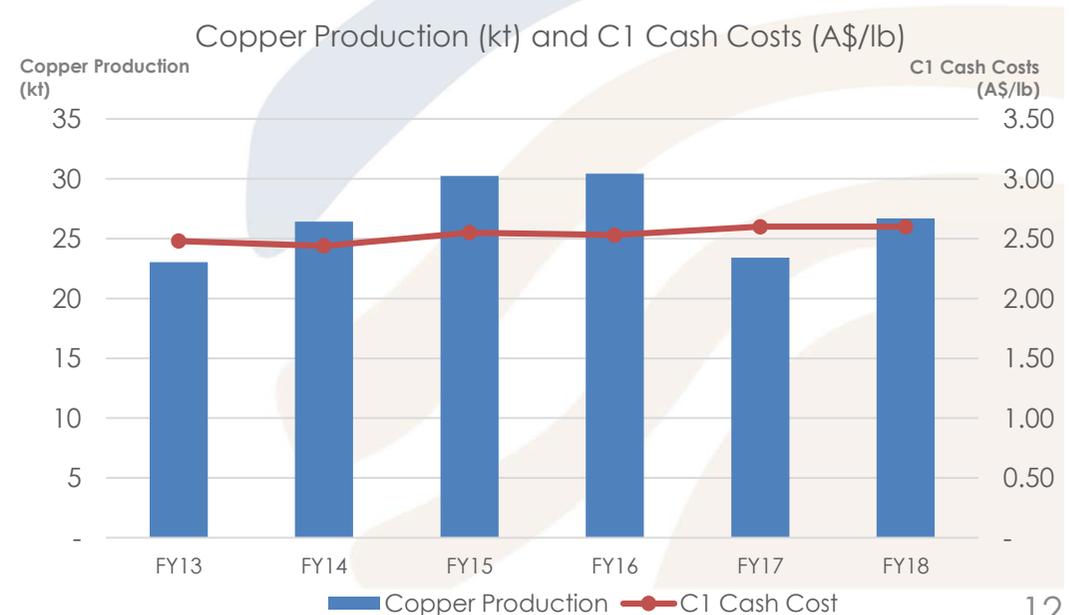
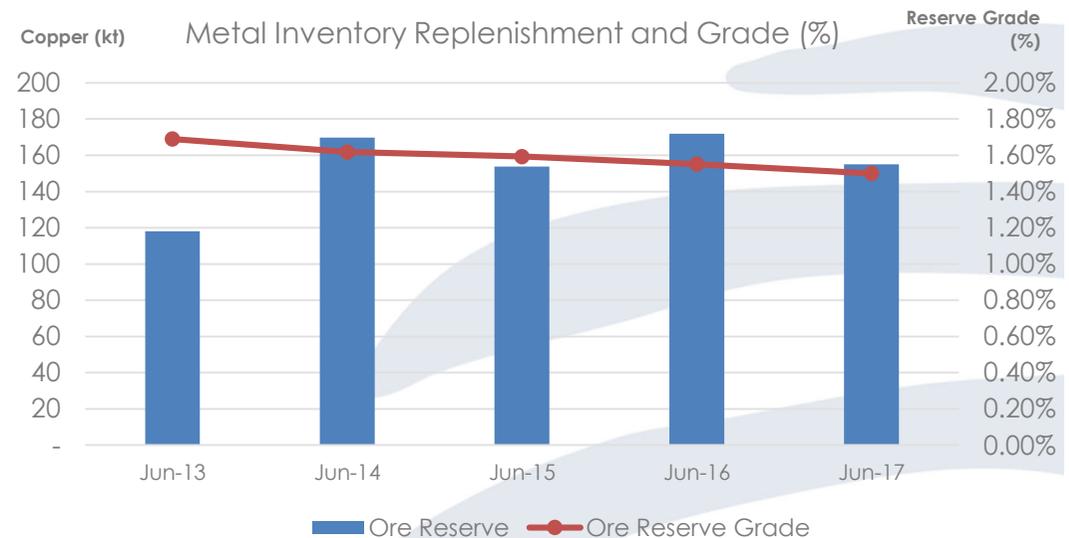
<b>Andre Labuschagne</b> Executive Chairman	<b>Alastair Morrison</b> Non-Executive Director
<b>Rob Brainsbury</b> Chief Financial Officer	<b>Michele Muscillo</b> Non-Executive Director
<b>Ian Sheppard</b> Chief Operating Officer	<b>Marcus Derwin</b> Non-Executive Director

- (1) Management options are subject to vesting conditions over a 5 year period
- (2) Based on current ordinary shares on issue multiplied by last close price of \$0.32 per share on 20 September 2018
- (3) Calculated as current market capitalisation + funds raised under the Placement and Entitlement Offer
- (4) US\$50m converted to A\$ using AUDUSD FX rate of 0.72
- (5) Aeris has option of paying Arranger Fee (included in Debt) of US\$5M in shares

# Aeris Resources Successful operational turnaround implemented



- 5 year, average annual copper production of 27.4kt, a 19% increase on prior 5 year average
- Tritton Deeps and Murrawombie underground mines successfully developed
- Mill throughput increased from 1.27Mtpa in FY13 to 1.6Mtpa in FY18
- Pipeline of new mining projects identified and developed to replenish reserve inventory base
- Exploration programs recommenced with early success at the Kurrajong prospect, located 20km east of Tritton processing infrastructure
- Divestment or closure of non-core assets
- Cost reduction and management through operational enhancements



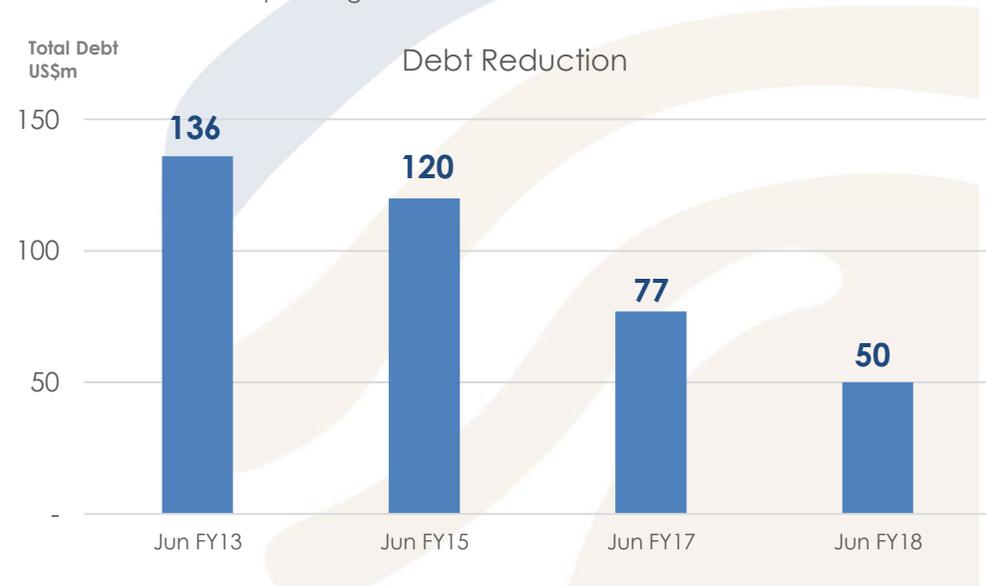
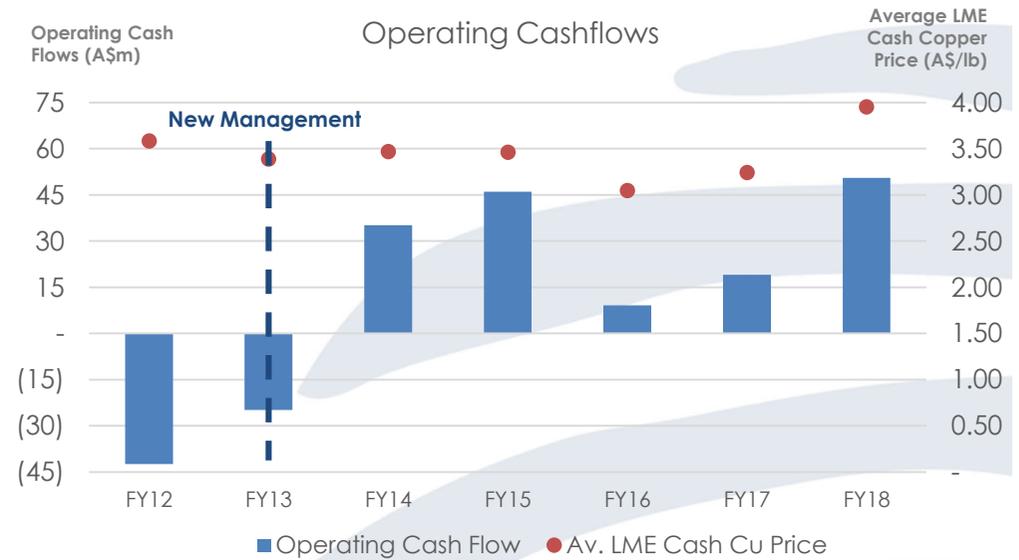
# Financial restructure completed



- Inherited highly over-levered balance sheet
- Completed two major financial restructures in December 2015 and February 2018
- Total debt reduced from US\$136m to US\$50m
- Strong cash flow management and improved operating performance
- Consistent positive operational cash flow achieved

**~\$107m value enhancing financial restructure completed in February 2018**

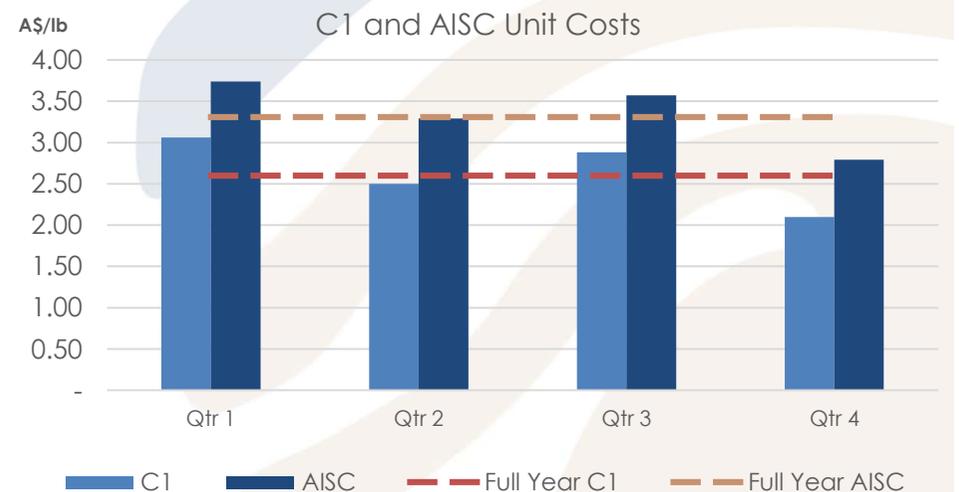
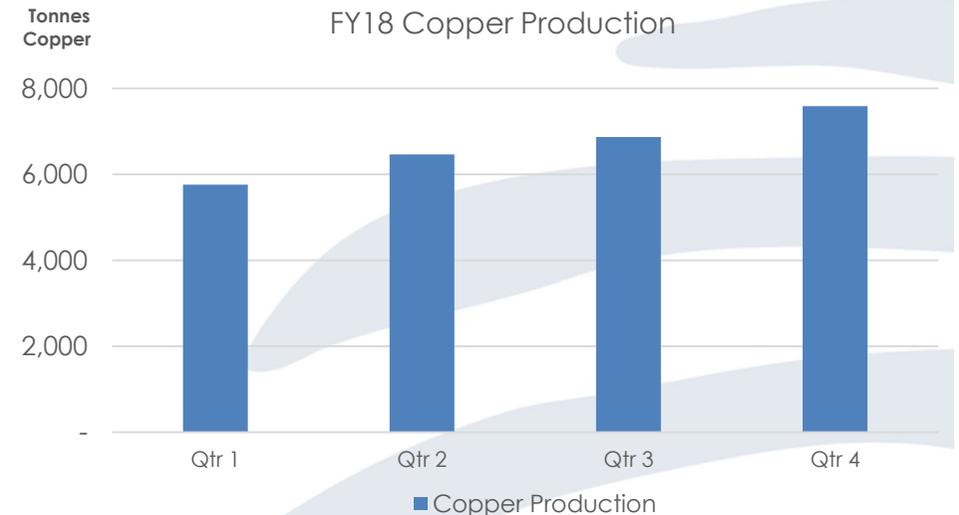
- Senior debt reduced by 53%
- Share capital reduced by 50% for \$1
- Copper price participation cancelled for \$1



# Aeris Resources Strong FY18 results



- FY18 total copper production of 26,686 tonnes at average C1 cash cost of A\$2.60/lb:
  - 14% increase compared to the previous financial year (FY17: 23,404 tonnes; C1 cash cost A\$2.60/lb)
- Cash and cash equivalents increased by \$13.6 million to \$23.3 million
- Diluted EPS 15.1c in FY18 verses -23.3c in FY17
- Exciting drilling results from the Kurrajong prospect, including:
  - 19.4m @ 2.18% Cu, 0.30g/t Au, 7g/t Ag from 676.6m (TKJD014)
  - 4.60m @ 5.09% Cu, 0.79g/t Au, 17g/t Ag from 403.4m (TKJD015)
  - 5.65m @ 2.52% Cu, 0.20g/t Au, 6g/t Ag from 418.1m (TKJD015)
  - 17m @ 2.59% Cu, 0.3g/t Au, 7g/t Ag from 753.0m (TKJD017)
- Airborne gravity survey over Torrens project completed – 28 gravity anomalies identified



# Tritton Copper Operations

## Established copper mine in highly prospective region



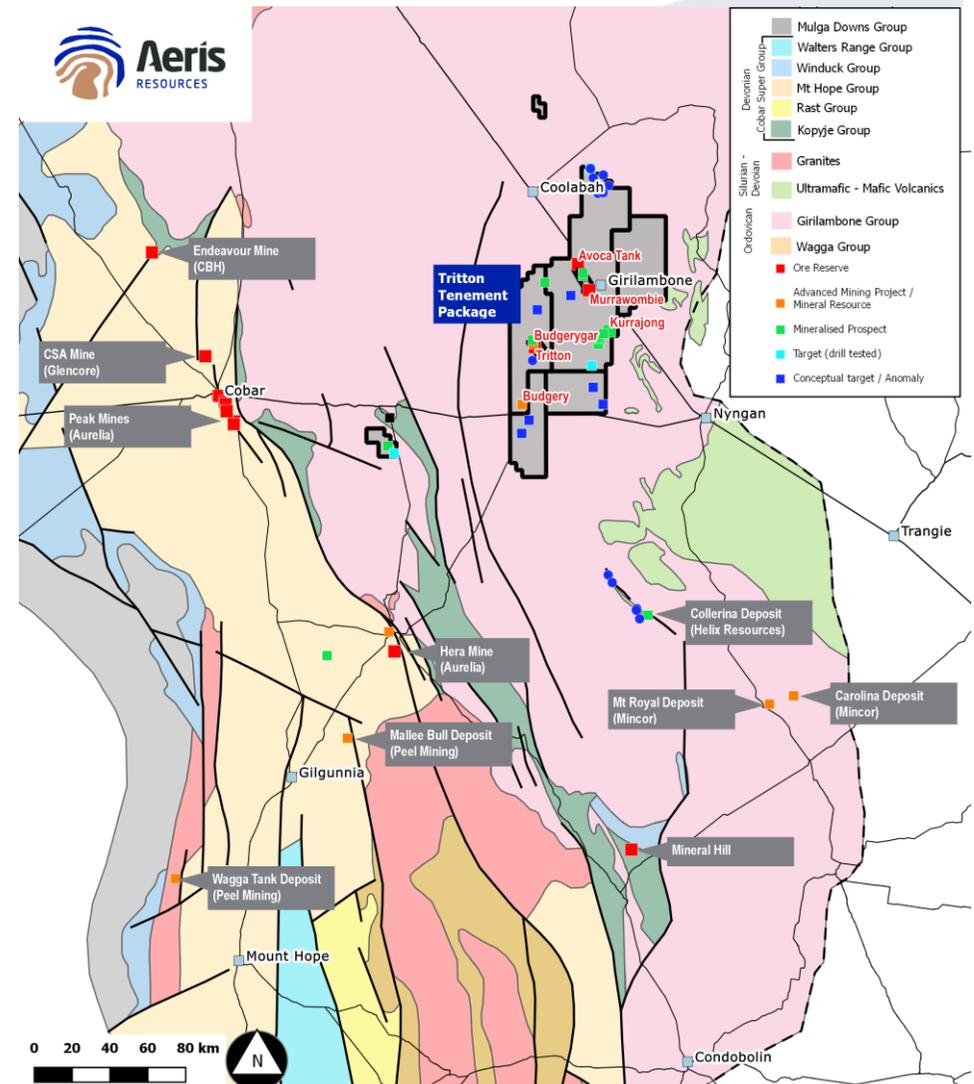
### Tritton Copper Operations

- Tritton deposit is a >20Mt copper dominant system
- UG long hole open stoping from Tritton and Murrawombie mines
- First production in 2005 with >320kt Cu produced to date
- Copper concentrate shipped from Port Waratah (Newcastle) under offtake arrangement with Glencore

### Western NSW Region (Girilambone and Cobar Basins)

- Strategic position in prolific mining district renowned for vertical continuity and clustering of deposits
- Highly endowed region with notable producers and explorers:
  - CSA (Glencore)
  - Peak Mines (Aurelia)
  - Mallee Bull / Southern Nights (Peel)
- >50% Tritton tenement package under-explored

### Regional Map – Western NSW



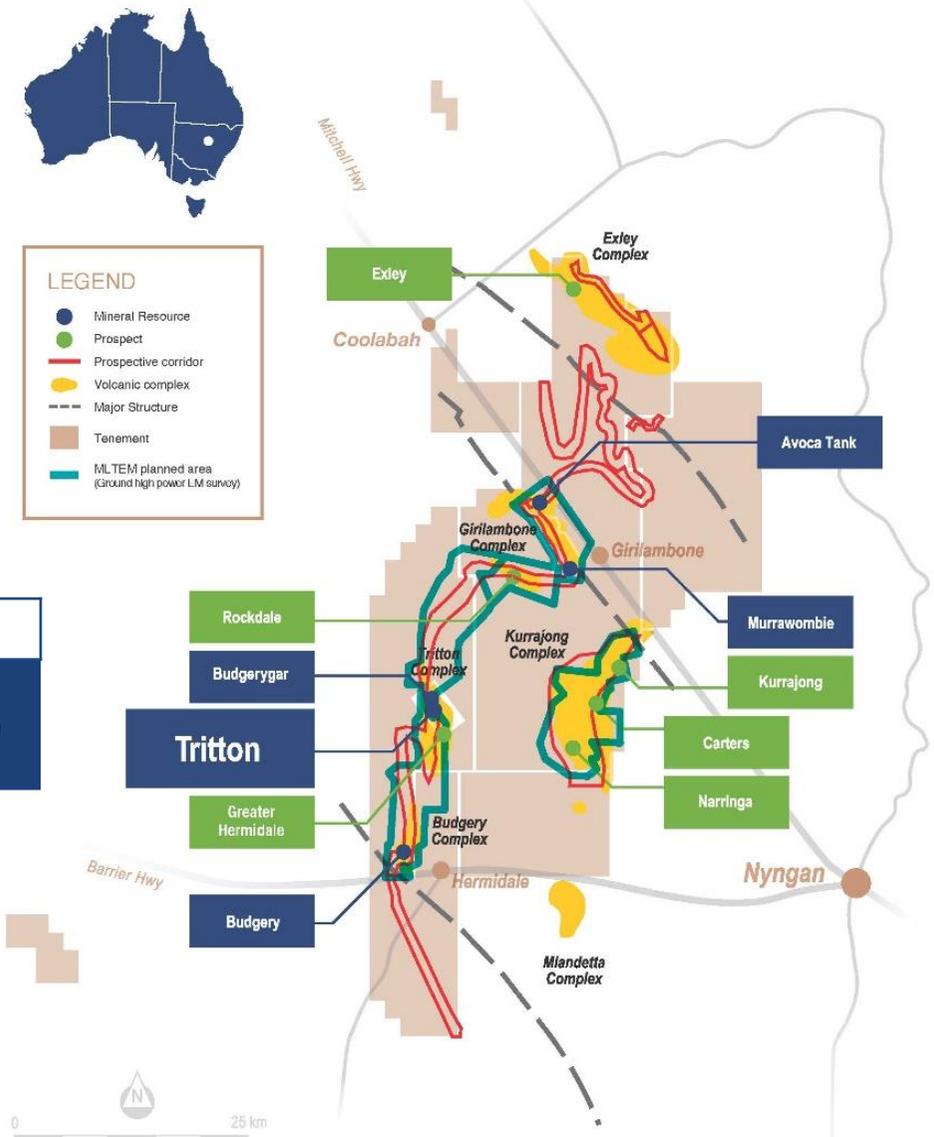
# Tritton Copper Operations

## 5 year mine plan producing 24ktpa, underpinned by reserves



- 5 year mine plan averaging Cu production of 24ktpa:
  - 1.65Mtpa average annual processing rate
  - Capex and exploration funded through operating cashflows
  - Gold production 5koz+ pa
- Underpinned by existing reserves of 10.5Mt at 1.5% Cu for 150kt Cu metal<sup>(1)(2)</sup>
- Mining primarily from existing UG operations at Tritton and Murrawombie, supplemented by new mining areas from FY20

Tritton LoM Mining Areas	Ore Reserves <sup>(1)</sup>		Mine Plan	
	Cu Metal (kt)	Cu Grade (%)	Development	Production
Tritton UG	82	1.6%	Developed	FY19-FY22
Murrawombie UG	41	1.4%	Developed	FY19-FY22
Avoca Tank UG	18	2.5%	FY19- FY20	FY20
Budgery UG/OP	n/a <sup>(2)</sup>	n/a <sup>(2)</sup>	FY20-FY21	FY22-FY23
Murrawombie OP	14	0.9%	FY22	FY23



(1) As at 30 June 2017

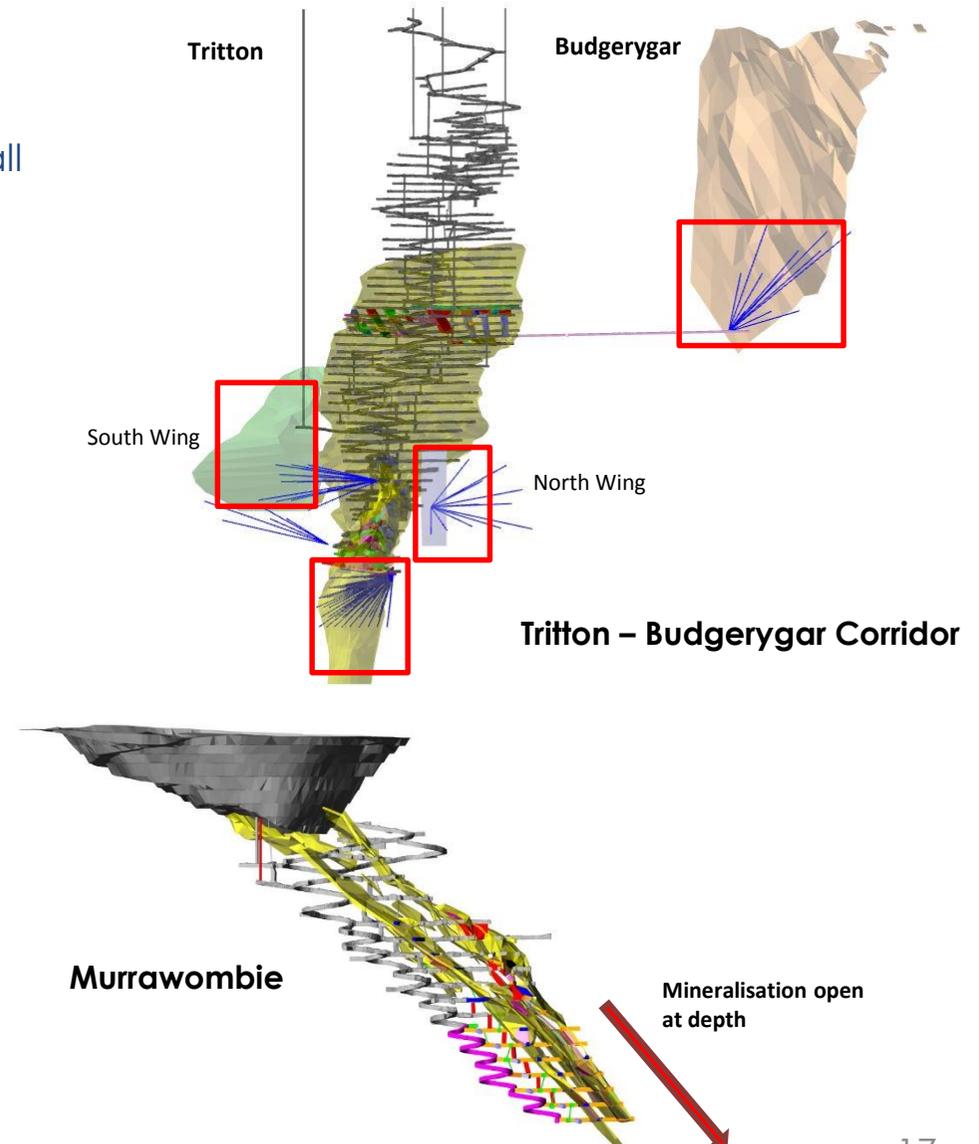
(2) 5 year plan is reserve backed with the exception of Budgery Pit (Mineral Resource)

# Tritton Copper Operations

## Near-mine exploration potential to extend mine life



- Exploration has been limited due to capital constraints over last 5+ years
- Strong down-dip continuity is a feature common across all known deposits within tenement package:
  - Tritton traced down-dip 2km and still remains open
- Tritton Mine:
  - Mineralisation continues at depth
  - Mineralisation traced along strike (North and South wings)
- Budgerygar Deposit:
  - Near-mine Mineral Resource not in mine plan of 1.6Mt @ 1.5% Cu (20kt Cu)
  - Potentially mined from Tritton
  - Tritton to Budgerygar corridor prospective but little drilling to date
- Murrawombie Mine:
  - Mineralisation continues at depth but little drilling to date
- Key focus for FY19 is:
  - i. Tritton at depth and wings
  - ii. Tritton - Budgerygar corridor

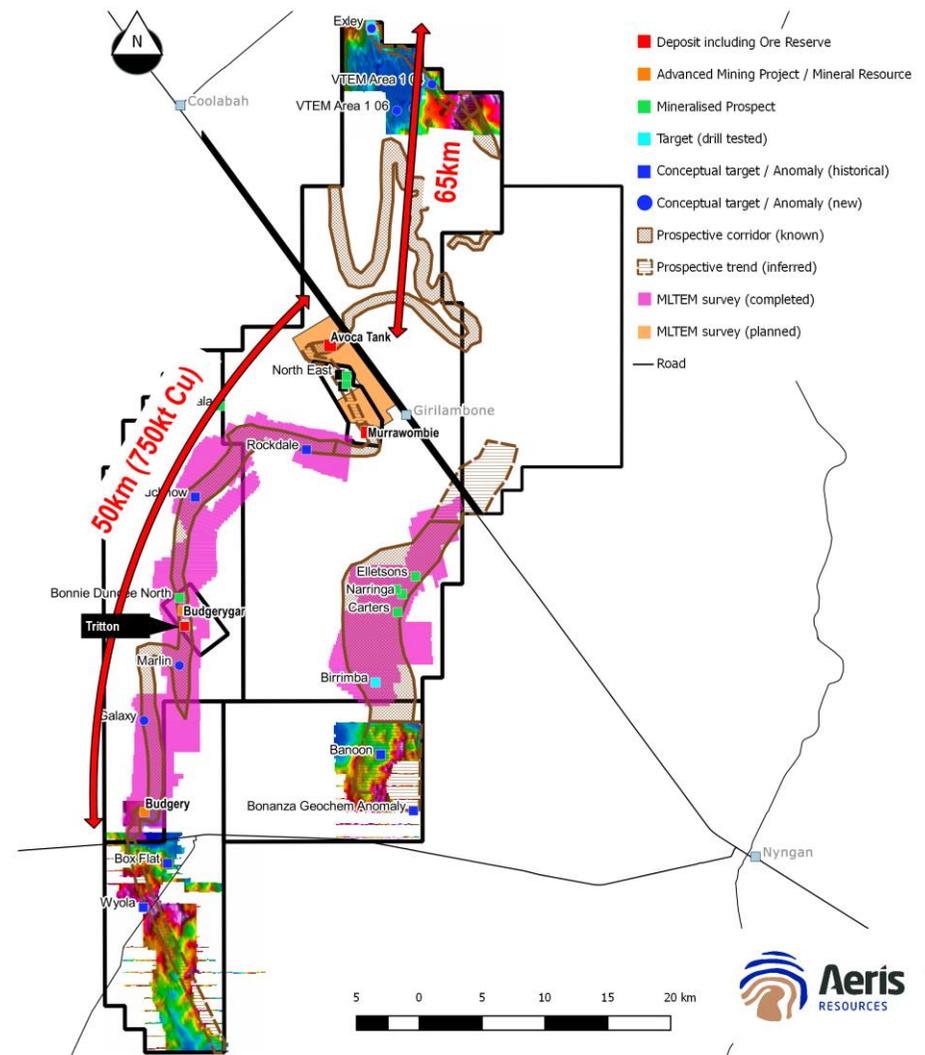


# Tritton Copper Operations

## Regional exploration opportunities across highly prospective corridors



- Greenfield exploration strategy is focused on discovering Tritton-scale orebodies (i.e. +10Mt)
- Airborne EM and ground based EM surveying technology now able to see deeper and identify new anomalies (i.e. Kurrajong)
- Southern half highly endowed and producing strong results from restart drilling at Kurrajong:
  - To date, 750kt of Cu has been discovered along a geological trend of 50km of strike
- Northern half historically underexplored:
  - Recent mapping extended prospective geological corridor by 65km
  - Airborne EM program in early 2017 identified 4 new EM anomalies at northern extremity of tenements
- Key activities of FY19 for exploration:
  - Second phase drill program at Kurrajong (up to 12 additional holes)
  - Airborne EM over remainder of northern half of tenement package
  - Ground EM over the 4 new anomalies identified in the 2017 airborne EM program

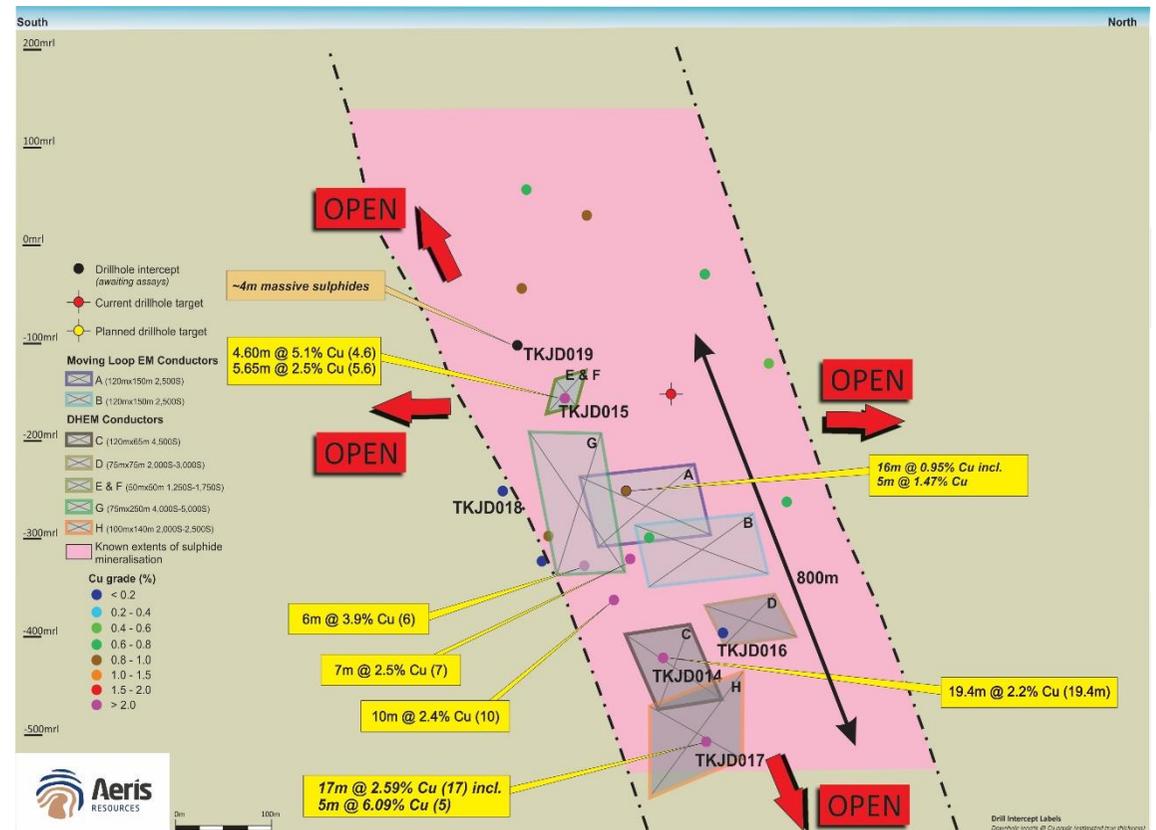


# Tritton Copper Operations

## Highly encouraging drill results at Kurrajong prospect



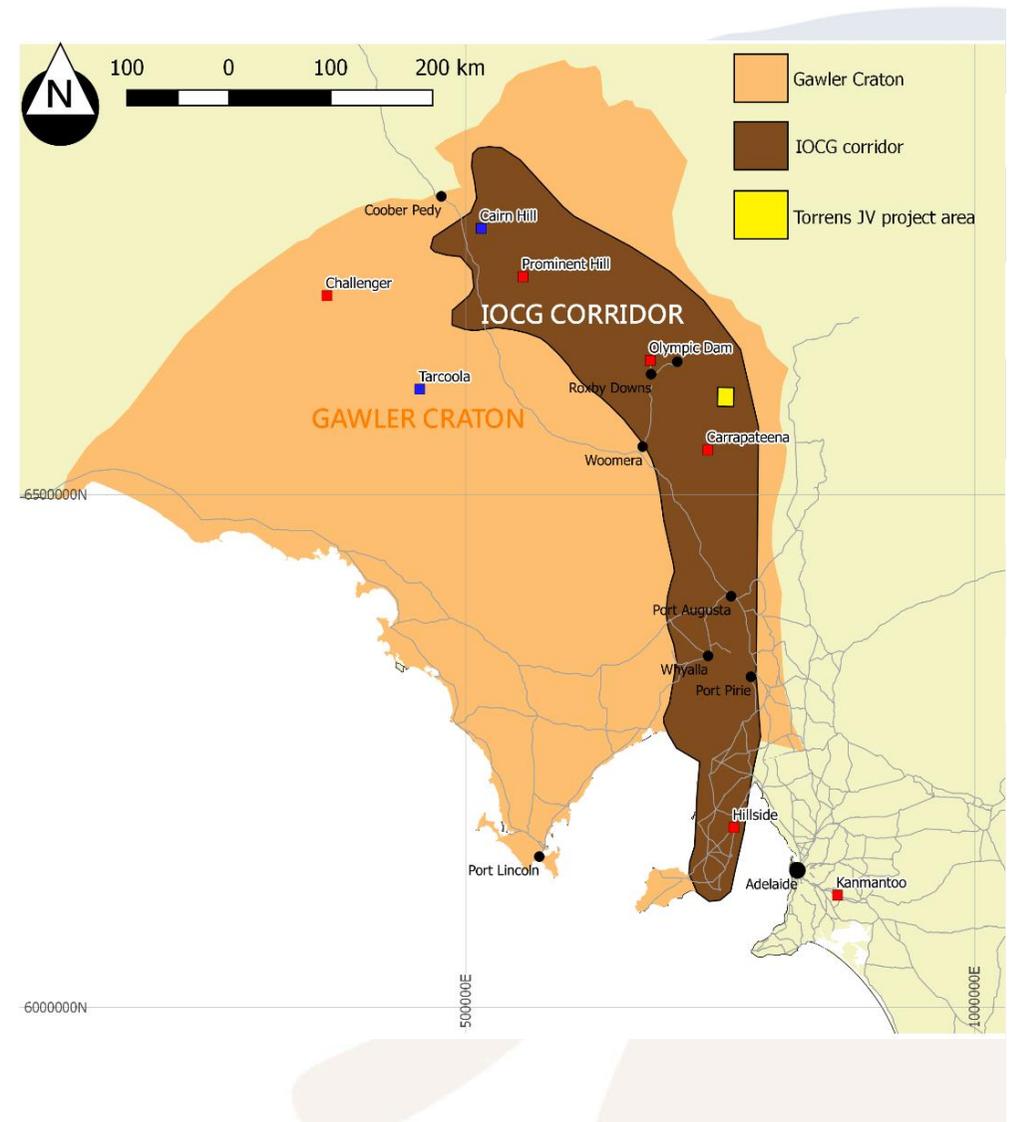
- Kurrajong prospect located 20km east of Tritton processing infrastructure
- Exploration program to date:
  - 2012-13 drill campaign confirmed mineralisation
  - 2017 MLTEM survey
  - 2018 initial 6 drill hole campaign
- Highlights of recent campaign include:
  - TKJD014: 19.4m @ 2.18% Cu, 0.3g/t Au, 7g/t Ag
  - TKJD015: 4.60m @ 5.09% Cu, 0.79g/t Au, 17g/t Ag  
5.65m @ 2.52% Cu, 0.2g/t Au, 6g/t Ag
  - TKJD017: 17m @ 2.59% Cu, 0.3g/t Au, 7g/t Ag
  - TKJD019: 4m massive sulphides with visible chalcopyrite (assay results pending)
- High grade mineralisation now traced over 800m down-plunge and downhole EM surveys infer extension of strike (still open in all directions)
- Second phase drilling program of up to 12 holes commenced with drill results to be announced periodically



# Torrens Project (AIS 70%) Potential major new copper-gold project in the Eastern Gawler Craton



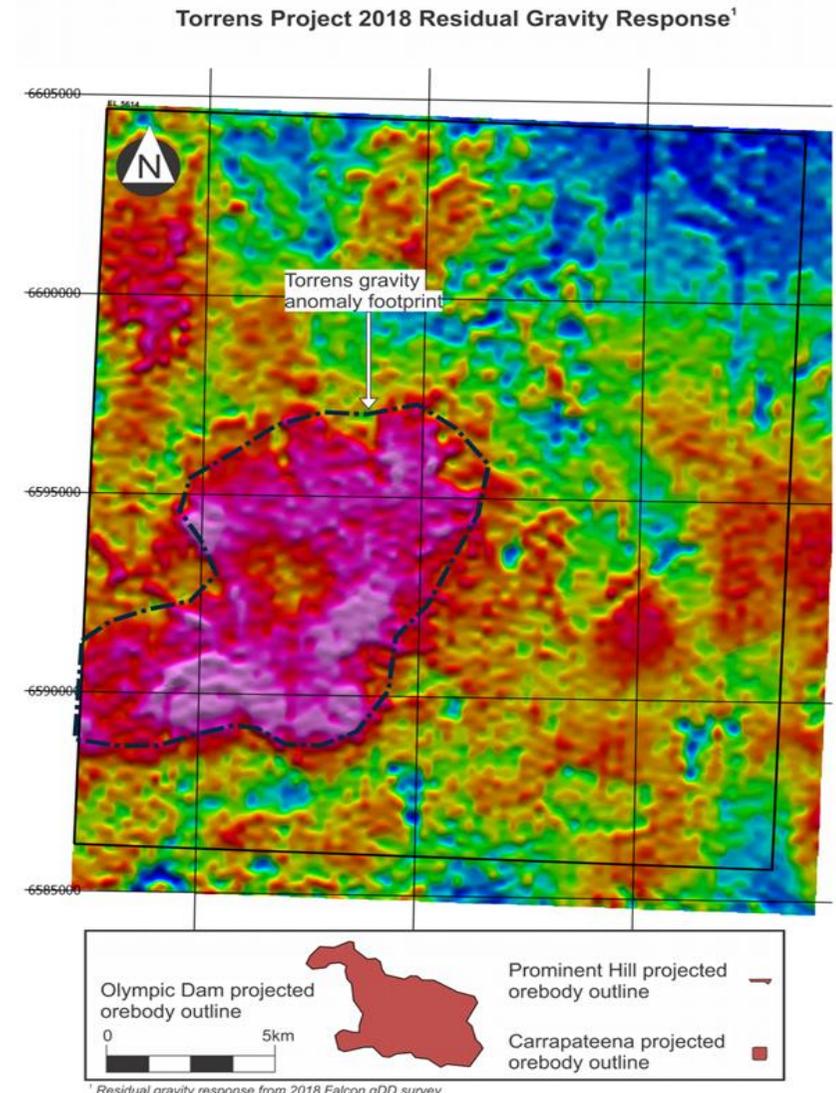
- Aeris holds a 70% interest and is the manager of the Torrens Project through a JV with Argonaut Resources (30%)
- Torrens located on Eastern Gawler Craton IOCG corridor in South Australia, which hosts several large scale deposits and world class copper-gold operations:
  - Olympic Dam
  - Carrapateena
  - Prominent Hill
- Torrens Project contains a regionally significant coincident magnetic and gravity footprint (11km x 6.5km):
  - Bigger footprint than Olympic Dam (6km x 3.5km)
  - In total 28 gravity anomalies identified from latest geophysical survey
- All regulatory approvals recently secured to commence major new drill program in first half FY19
- Approval permit for drilling of up to 70 deep diamond drill holes



# Torrens Project (AIS 70%) Multiple anomalies across large-scale IOCG system



- Limited historical drilling has intersected mineralisation typical of an IOCG system:
  - 6 drill holes drilled between 1977 and 2008
  - Holes assayed and core maintained
- Defined a large magnetite dominant with lesser hematite alteration system interpreted to form the distal component of a large IOCG system:
  - Zones of anomalous copper mineralisation ( $\geq 0.1\%$  Cu) intersected from several drill holes
  - Significant intersection from previous drill campaign (hole TD2) intersected a broad zone of low grade mineralisation including 246m @ 0.1% Cu
- Represents rare potential tier 1 Australian copper exploration target

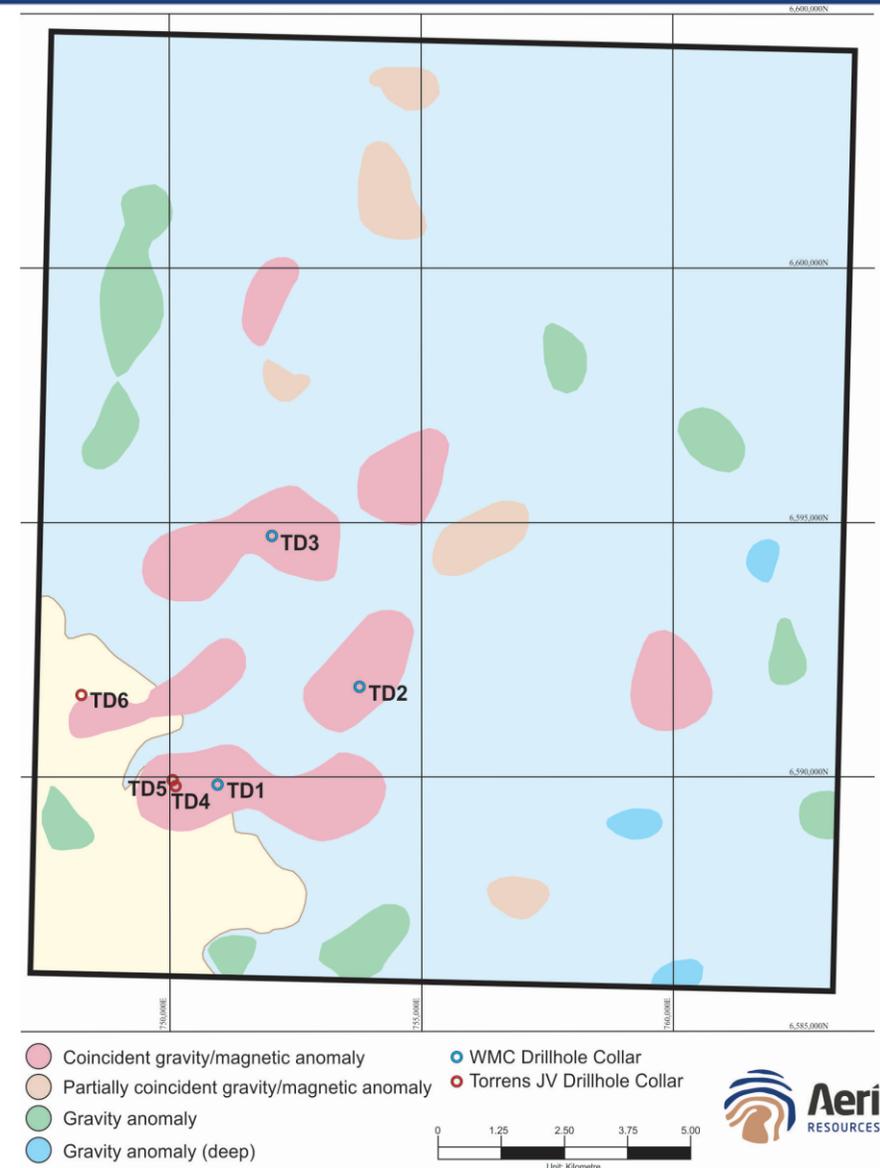


# Torrens Project (AIS 70%)

## Multiple anomalies across large-scale IOCG system



- Regional airborne gravity survey completed March 2018:
  - 28 gravity anomalies identified<sup>(1)</sup>
  - Refine drill targets in conjunction with geophysical and structural interpretations
  - Drill targets to be selected based on geophysical anomalies and structural interpretations
- Drilling to commence in first half of FY19:
  - Staged drill campaign
  - Stage 1 drill program targeting 8-10 priority targets
  - 20-30 holes 700m to 1500m below surface
  - 18-24 month program
  - Drill results to be released periodically
  - Aeris FY19 budget of A\$3.5m (total JV budget A\$5m)



(1) Refer to ASX announcement released 17 July 2018



## FY19 objectives

1. Achieve Tritton FY19 production guidance of 24.5kt of copper at C1 Cash Cost of A\$2.75-2.90/lb
2. Continue brownfield drilling to extend depth at Tritton
3. Continue drilling at Kurrajong prospect seeking to define extent of mineralisation
4. Progress mining lease application for Avoca Tank mine
5. Airborne and ground EM surveys across northern half of Tritton tenement package and prioritise 4 anomalies identified for drilling
6. Commence major drilling program at the large Torrens IOCG project in South Australia

## Strategic growth initiatives

1. Realise value from attractive portfolio of organic growth opportunities
2. Continue exploration on the highly prospective Tritton tenement package to build the Mineral Resource inventory and leverage existing infrastructure at the Tritton Copper Operations
3. Unlock value potential of Torrens Project
4. Pursue strategic M&A opportunities to complement existing portfolio and transform Aeris into a mid-sized, multi-mine base and precious metals company

# Appendices



# Appendix

## Board and Management



### Name & Management Description



**Andre Labuschagne**  
*Executive Chairman*

- Experienced mining executive with a career spanning more than 25 years, primarily in the gold industry
- 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 Managing Director of Norton Gold Fields Limited where he 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



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

- Highly experienced investment professional who has worked in private equity for over 30 years in the UK and Asia
- Previously founding Managing Director of Standard Chartered Private Equity and prior to that spent 20 years at 3i Group where he was Director of 3i Asia Pacific
- Holds a M.A. degree in Politics, Philosophy and Economics and M.Phil degree in Management Studies from Oxford University



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

- Mr Muscillo is a Partner specialising in corporate law with HopgoodGanim Lawyers
- In his role with HopgoodGanim Lawyers, Mr Muscillo has acted on a variety of corporate transactions including initial public offerings, takeovers and acquisitions. Michele's experience brings to the Board expertise on corporate regulation, governance and compliance matters
- Holds a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal



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

- Mr Derwin is a highly experienced corporate executive with extensive background in corporate transformation activities with international experience across a diverse range of industry sectors
- Mr Derwin's previous roles have included senior positions with AMP, NAB, Allco Equity Partners, PwC and KPMG
- Mr Derwin has been appointed as a nominee of SCB under its entitlement as part of the Restructuring Deed entered between Aeris, SCB and PAG in August 2015



**Rob Brainsbury**  
*Chief Financial Officer*

- Over 30 years experience in the mining and mining services sectors
- Held senior roles with companies including Rio Tinto, Xstrata, MIM Holdings and BIS Industrial Logistics
- Prior to joining Aeris Resources, Mr Brainsbury was 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*

- Most recently held General Manager roles with Norton Gold Fields Limited and PanAust Limited
- Prior to this he spent over seven years with Ok Tedi Mining in PNG as General Manager and Executive Manager with responsibility at various times for operations, technical services, business development and exploration
- Member of the Australian Institute of Mining and Metallurgy and has more than 30 years of experience in mine operations, technical studies and business development gained in gold, base metals and iron ore
- Mr Sheppard graduated from University of NSW in 1984 with a degree in Mining Engineering and also has a Masters in Mineral Economics from Curtin University of Technology

# Appendix

## Reported Mineral Resource



### Tritton Tenement Package (30 June 2017)<sup>(1)</sup>

Project	Cut-off (%Cu)	Measured			Indicated			Inferred			Total Resource		
		Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)
Tritton	0.6	3,700	1.8	69	3,700	1.3	49	2,000	1.2	20	9,400	1.5	140
Tritton (pillars)	0.6	-	-	-	490	2.6	13	-	-	-	490	2.6	13
Murrawombie	0.6	-	-	-	5,700	1.6	89	800	1.3	10	6,600	1.5	100
Budgerygarr	0.6	-	-	-	-	-	-	1,600	1.5	20	1,600	1.5	20
Budgergy	0.5	-	-	-	1,700	1.1	19	300	0.9	3	2,000	1.1	22
Avoca Tank	0.6	-	-	-	770	2.9	23	100	1.0	0	900	2.6	24
Stockpile	-	11	1.2	0	-	-	-	-	-	-	11	1.2	0
<b>Total</b>		<b>3,700</b>	<b>1.8</b>	<b>69</b>	<b>12,400</b>	<b>1.6</b>	<b>190</b>	<b>5,000</b>	<b>1.3</b>	<b>60</b>	<b>21,000</b>	<b>1.5</b>	<b>320</b>

(1) Discrepancies in summation may occur due to rounding.

Mineral Resource cut-off grades: 0.6% Cu Tritton, 0.6% Cu Murrawombie, 0.6% Cu Avoca Tank, 0.6% Cu Budgerygarr and 0.5% Cu Budgergy

### Other Projects (30 June 2017)<sup>(1)(2)</sup>

Project	Cut-off (g/t Au)	Measured					Indicated					Inferred				
		Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)	Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)	Tonnes (kt)	Cu grade (%)	Au grade (g/t)	Cu metal (kt)	Au metal (koz)
Yandan	0	-	-	-	-	-	-	-	-	-	-	4,000	-	2.4	-	300
<b>Total</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>2.4</b>	<b>-</b>	<b>300</b>	

(1) Reported Mineral Resource figures for the Yandan Project are reported from three domains which represent high grade epithermal vein systems. All block estimates within each domain have been reported (0 g/t Au cut-off).

(2) Discrepancies in summation may occur due to rounding.

# Appendix

## Reported Ore Reserve



### Tritton Tenement Package (30 June 2017)<sup>(1)(2)(3)</sup>

Project	Type	Cut-off (%Cu)	Proven			Probable			Ore Reserve		
			Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)	Tonnes (kt)	Cu grade (%)	Cu metal (kt)
Tritton	Underground	1.1 & 1.5	3,000	1.7	51	2,200	1.4	31	5,200	1.6	82
Murrawombie	Underground	1.0	30	1.2	0.4	2,900	1.4	40	2,950	1.4	41
Murrawombie	Open Pit	0.5	-	-	-	1,600	0.9	14	1,600	0.9	14
Avoca Tank	Underground	1.2	-	-	-	700	2.5	18	700	2.5	18
Stockpile			10	1.2	0	-	-	-	10	1.3	0
<b>Total</b>			<b>3,100</b>	<b>1.7</b>	<b>51</b>	<b>7,400</b>	<b>1.4</b>	<b>100</b>	<b>10,500</b>	<b>1.5</b>	<b>150</b>

(1) Discrepancies in summation may occur due to rounding.

(2) 1.1% Cu cut-off grade assigned to Tritton underground. 1.5% Cu cut-off grade associated to Tritton pillars.

(3) Mineral Resources are quoted as INCLUSIVE of Ore Reserve.

# Appendix

## Key Risks



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:

### **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.

# Appendix

## Key Risks



### **Contractual and Joint Venture Risk**

The Company'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 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. 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.

### **Additional capital requirements**

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.

### **Regulatory Risk**

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.

### **Key Personnel Risk**

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.

### **Environmental**

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.

### **Native Title and Heritage Risk**

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.

### **Economic Risk**

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.

### **Share Market Risk**

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.

# Appendix

## International Offer Restrictions



This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Bermuda**

The Company is not making any invitation to persons resident in Bermuda for exchange control purposes to subscribe for any securities.

### **British Virgin Islands**

The New Shares will not be offered to the public in the British Virgin Islands and may be offered from outside the British Virgin Islands. The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands.

### **Hong Kong**

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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.

### **Ireland**

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

# Appendix

## International Offer Restrictions



### **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.

### **Singapore**

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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.

### **United Kingdom**

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