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ASX/MEDIA RELEASE

FY22 PRODUCTION UPDATE

Established Australian copper-gold producer and explorer, Aeris Resources Limited (ASX: AIS) (Aeris or the Company) is pleased to provide an update on FY22 production and AISC performance at its Tritton Copper Operations and Cracow Gold Operations.

Tritton Copper Operations:

- FY22 copper production was 18,581t at AISC A\$5.10/lb
FY22 copper production guidance: 18,500t – 19,500t @ AISC \$4.60/lb - \$4.85/lb

Cracow Gold Operations:

- FY22 gold production was 53,920oz @ AISC A\$1,911/oz
FY22 gold production guidance: 56koz – 59koz @ AISC \$1,775/oz - \$1,825/oz

Comments from Aeris' Executive Chairman, Andre Labuschagne:

"Our turnaround strategy at Tritton continues to deliver with 5,126t of copper produced in the June quarter, enabling the production guidance to be achieved. Unfortunately, Cracow again underachieved on its production targets, primarily due to lower gold grades realised. Despite a challenging operating environment, including COVID impacts, a tight labour market and inflation related price increases, there were numerous significant achievements for Aeris in FY22.

Tritton recognized the need to change operating strategy mid-year and has delivered improved production performance. Life extension (Budgerygar and Avoca Tank) and exploration projects (Constellation) at Tritton were progressed during the year and the Golden Plateau deposit at Cracow is an evolving exploration story that we are quietly excited about.

And let's not forget the transformational acquisition of Round Oak Minerals, which means we start FY23 with four operating mines, a long-life development project in Stockman, strong cash balance and no debt. Our focus is now well and truly on delivering across our portfolio in FY23."



Tritton FY22:

During the second quarter of FY22 we recognised that the operating strategy of “fill the mill” was impacting production targets due to low-grade ore feed from the Tritton mine. As a result, the Tritton team has implemented changes to the mine plan, including increased cut-off grade for stope designs and a focus on dilution control. Over the last 6 months we have seen this updated operating strategy take effect, resulting in FY22 copper production being within guidance. This new strategy of focusing on ore “quality over quantity” will accelerate in FY23 with new, high-grade ore sources at Budgerygar and Avoca Tank coming on-line.

AISC was slightly above the top end of our guidance, primarily as a result of cost and labour market pressures, which are impacting the whole industry, but which we are working hard to contain. New employment policies to reduce labour turnover have been introduced and group-wide purchasing initiatives to reduce input costs are being implemented.

Importantly, we also progressed life extension projects at Tritton during the year to set the operation up for the future. Drilling continued at the exciting Constellation deposit with a maiden Mineral Resource declared in December 2021 and an update planned for the coming weeks. Development of the Budgerygar and Avoca Tank deposits advanced in FY22 with both mines scheduled to contribute to production this financial year. As well as improving head grade, these new ore sources will allow greater production flexibility and reduced variability.

Cracow FY22

Our Cracow Gold Operations had a challenging year. Mined gold grades underperformed compared to internal targets for FY22 due to the geology models overestimating grades in areas outside the high-grade core of our Western Vein Field deposits. Unfortunately, as a result, FY22 production guidance was not achieved. A significant amount of work has been undertaken to address these issues, with geological models rebuilt to increase grade confidence and improve production planning for FY23. Productivity in remanent mining areas was also lower than anticipated and planning assumptions for these areas have been revised.

The lower FY22 gold production was also the major contributor to the higher than targeted AISC. In absolute \$ terms, opex and sustaining capex were below internal targets, reflecting a strong focus on cost management by the site team. Like Tritton, Cracow was also impacted by labour availability and general cost inflation.

In FY22, we continued to focus on life extension opportunities at Cracow and pleasingly, we have more priority targets now than when the operation was acquired two years ago. Drilling at the historic Golden Plateau deposit returned encouraging high-grade drill intersections and a maiden Mineral Resource is planned for Q1 FY23. Golden Plateau offers the potential for a new, high-grade production source for Cracow in the near term to offset declining grades in the Western Vein Field.



This announcement is authorised for lodgement by:

Andre Labuschagne
Executive Chairman

ENDS

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ABOUT AERIS:

Aeris Resources is a mid-tier base and precious metals producer. Its copper-dominant portfolio comprises four cash operating assets, a long-life development project and a highly prospective exploration portfolio, spanning Queensland, Western Australia, New South Wales and Victoria, with headquarters in Brisbane.

Aeris has a strong pipeline of organic growth projects, an aggressive exploration program and continues to investigate strategic merger and acquisition opportunities. The Company's experienced board and management team bring significant corporate and technical expertise to a lean operating model. Aeris is committed to building strong partnerships with its key community, investment and workforce stakeholders.