



29 May 2019

ASX/MEDIA RELEASE

---

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

**TORRENS EXPLORATION PROJECT**

**Highlights:**

- **Drillhole TD10 has been successfully drilled to target depth of ~1,300m – minor chalcopyrite observed in drill core**
- **Assays received from TD7 – encouraging results**
- **Drilling operations to be paused pending a review of the geological information collected during the drilling campaign**

**Aeris Resources Limited (ASX: AIS) (Aeris or the Company)**, an Australian copper producer and explorer, is pleased to provide an update on its 70% owned Torrens Exploration Project in South Australia.

The current drillhole, TD10 commenced drilling on 24<sup>th</sup> April and reached the target depth of ~1,300m on 28<sup>th</sup> May. Visual observations from the drillhole have shown highly altered K-feldspar and magnetite rich intervals with trace amounts of pyrite and chalcopyrite. The visible pyrite and chalcopyrite are very encouraging from a geological perspective.

A review of the geological information collected from the current drill program along with the recently finalised geophysical interpretation work will now commence. Based on the new information collected the review work will focus on re-evaluating and refining geological target areas for future drilling campaigns. Consequently, drilling operations will be paused whilst the review is undertaken.

Assay results from TD7 reported no significant copper mineralisation with the highest grade interval being 20m @ 0.15% Cu from 542m downhole, though the presence of elevated Cerium concentrations that were intersected toward the bottom of the drillhole were encouraging. Cerium and other rare earth elements (REE) are considered important geochemical vectors toward potential iron-oxide-copper-gold (IOCG) systems.

## **COMPLETION OF DRILLHOLE TD10**

Drilling of TD10 has been completed without incident at very productive drill rates. The revised drillhole procedure to mitigate the risks encountered on the previous two drillholes (TD8 and TD9) has been successful. The Company is very confident the new approach will ensure future drillholes on Lake Torrens will be completed at industry competitive drill productivity rates.

Drillhole TD10 had targeted a significant coincident gravity and magnetic anomaly, and intersected basement at 767m downhole. This drillhole passed through intensely altered host rocks containing variable amounts of K-feldspar, magnetite and hedenbergite. Trace amounts (visual observations) of pyrite and chalcopyrite were identified (assay results pending).

## **ASSAYS FROM DRILLHOLE TD7**

The assay results from TD7 did return some copper mineralization, with the best intersection being 20m @ 0.15% Cu from 542m down hole associated with a magnetite skarn alteration event. Whilst not significant, the presence of copper mineralisation is encouraging. Also of interest was anomalous Cerium concentrations toward the end of the drillhole. The elevated Cerium content coincides with an increase in fracture frequency through the drill core. Cerium and other rare earth elements (REEs) are noted as important accessory minerals associated with IOCG deposits.

## **SIGNIFICANCE OF THE DRILLING RESULTS**

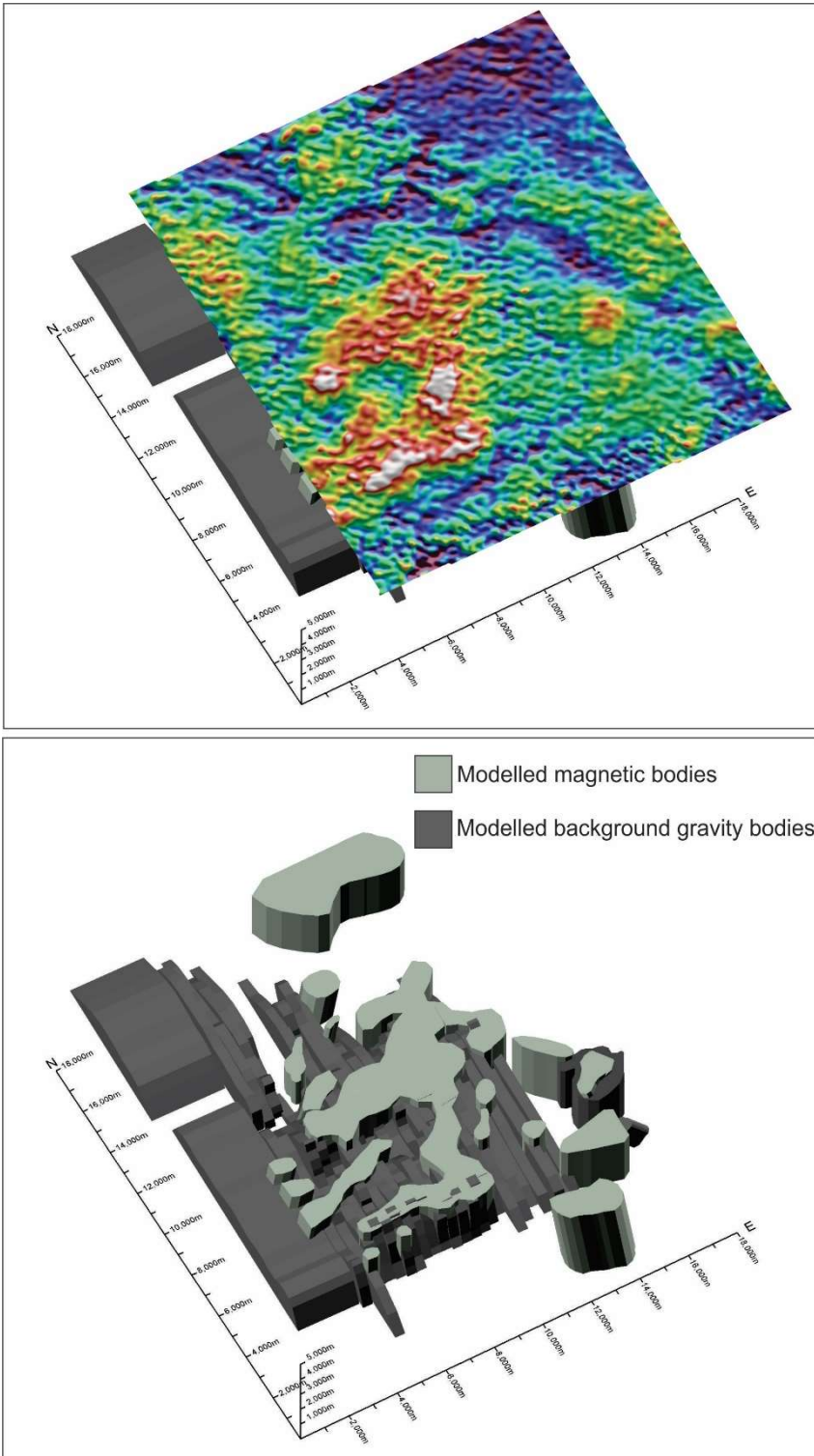
The two successfully completed drill holes from the current drill program (TD7 and TD10) have provided invaluable geological information to assist with the continued understanding and refinement of the geological and geophysical models used for future targeting.

## **UPDATED GEOPHYSICAL INTERPRETATION**

A detailed interpretation of the airborne Falcon gravity gradiometric survey flown over the project area in March 2018 was recently finalised. The Falcon survey was designed to enhance the gravity and magnetic geophysical signatures over the tenement, both of which are the primary datasets used to interpret the basement rocks which host IOCG mineralisation within the eastern Gawler Craton.

The geophysical interpretation from the Falcon Survey supports earlier observations that the Torrens project remains highly prospective for IOCG mineralisation. Areas of interest considered most likely to host an IOCG system are located within a broad spread of magnetic rich and moderately dense rocks (Figure 1). This background environment combined with the depth of the target zone (+450m from surface) makes the target anomalies more difficult to interpret than previously anticipated.

Figure 1 – Oblique view looking north east at the Torrens project area showing A) shallow gravity response from the Falcon survey and B) modelled basement gravity (dark grey) and magnetic (light grey) bodies.



The broad underlying magnetic high and moderately dense basement represents an early alteration phase characterised by a range of minerals including magnetite, which predates IOCG emplacement. The formation of an IOCG deposit occurs during a subsequent fluid event, which importantly converts the magnetic and dense magnetite to hematite, a non-magnetic and dense mineral. Geophysically, this manifests as a zone(s) of reduced magnetism located coincident to a gravity high.

At the Torrens Project the geophysical responses which may relate to an IOCG mineralised event are subtle and difficult to interpret from the underlying strongly magnetic and moderately dense basement rocks which dominate the geophysical response. In contrast to other known IOCG mineralised deposits discovered elsewhere in the eastern Gawler Craton, their geophysical signatures are characterised by a greater degree of contrast between the mineralised system and the less magnetic/dense background signature.

Whilst the number of target anomalies remains high, the Company recognises that a number of those anomalies may end up as “false positives”. There are various reasons why a “false positive” may occur, including as a result of geophysical data noise, difficulty in data interpretation, or magnetite rich skarn formation. To drill each anomaly will require a large number of drill holes for adequate testing, which is cost prohibitive. The most prudent course of action is for the Company to undertake further geological work to re-evaluate the target areas and ensure further drill programs continue to focus on the most prospective targets.

## **THE PATH FORWARD**

Prospectivity within the project area remains high. The current geological work completed has indicated the geophysical responses associated with an IOCG mineralised system are more subtle than previously thought. Further technical geological work is required to refine the geological interpretation to ensure the most prospective anomalies are prioritised for targeting.

In addition, several areas currently outside of the permissible area for drilling (see Figure 2), one of which is located on land immediately west of Lake Torrens, show encouraging geophysical characteristics. The Company will commence the process for obtaining the necessary regulatory approvals to allow drilling to occur within each of these areas.

The unique pontoon supported drilling platform has been successful in enabling drilling on the surface of Lake Torrens. Operating costs per hole however have been higher than originally targeted. Whilst the technical review is being undertaken the Company will also take the opportunity to rigorously review operational practices and costs.

ENDS



**For further information, please contact:**

Mr. Andre Labuschagne

Executive Chairman

Tel: +61 7 3034 6200, or visit our website at [www.aerisresources.com.au](http://www.aerisresources.com.au)

**Media:**

Peta Baldwin

Cannings Purple

Tel: 0455 081 008

[pbaldwin@canningspurple.com.au](mailto:pbaldwin@canningspurple.com.au)

**Competent Persons Statement – Exploration Results**

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

**About Aeris**

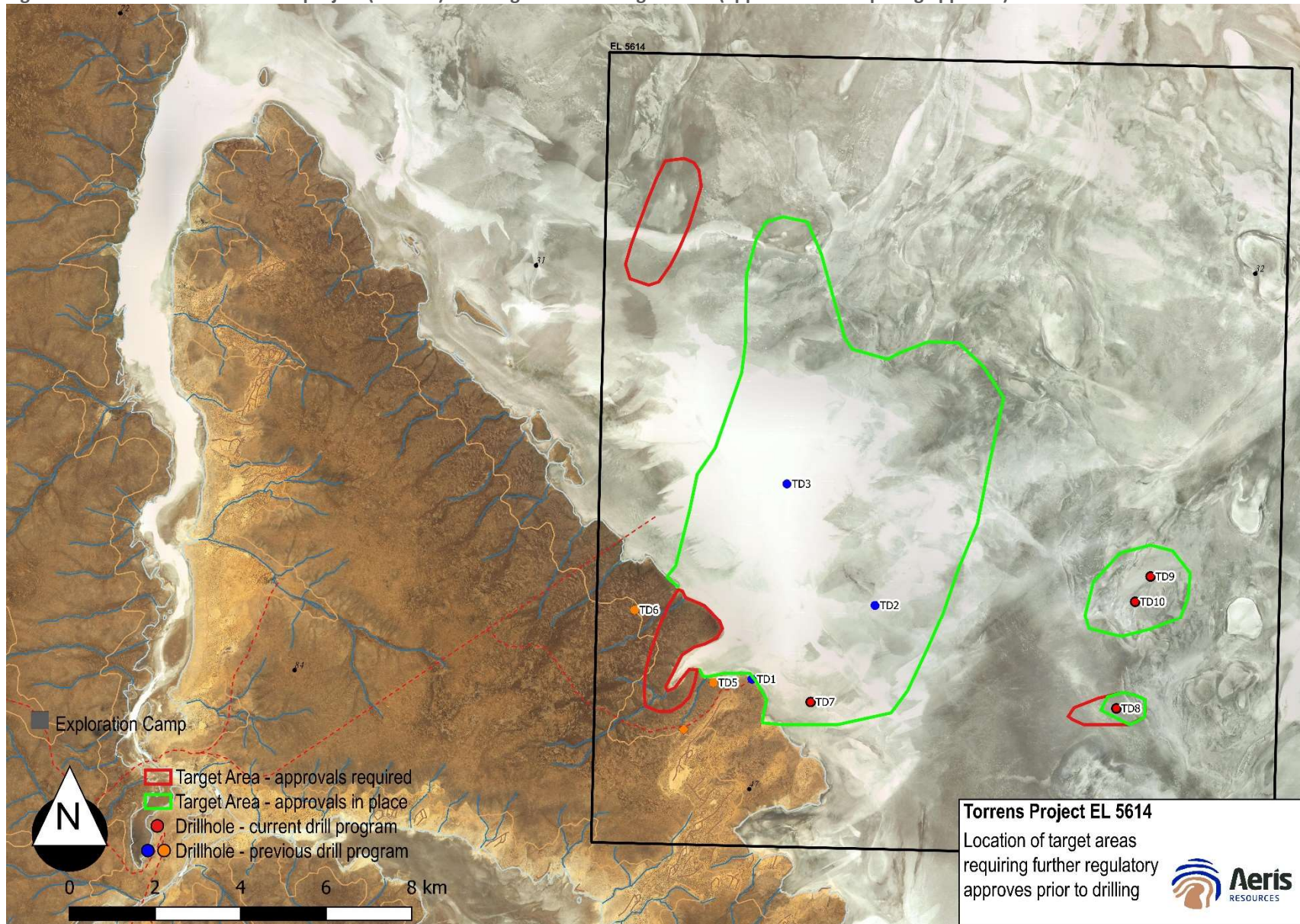
Aeris Resources Limited is an established mining and exploration company listed on the Australia Securities Exchange (ASX: AIS).

The Company's flagship asset, the Tritton Copper Operations (Tritton) in New South Wales, produced 26,686 tonnes of copper in FY2018 and is targeting production of 25,500 tonnes of copper in FY2019. Tritton includes multiple underground mines (Tritton and Murrawombie) and a 1.8 million tonne per annum processing plant. Tritton also has a pipeline of advanced mining projects and a highly prospective tenement package covering 2,160km<sup>2</sup>, on which to date over 750,000 tonnes of copper has been discovered.

The Company also has 70% of the exciting Torrens Exploration Project (Torrens) in South Australia. Torrens is defined by a coincidental magnetic and gravity anomalous zone with a footprint larger than Olympic Dam. Stage 1 diamond drilling program, targeting IOCG style mineralisation, commenced in Q1 2019.

Aeris' Board and Management team is experienced in all aspects of mining and corporate development. The Company has a clear vision to become a mid-tier, multi-operation company – delivering shareholder value through an unwavering focus on operational excellence.

Figure 2 – Plan view of the Torrens project (EL 5614) showing the broad target areas (approved and requiring approval).



## APPENDIX A:

**Table 1 – Drillhole details**

Hole ID	Northing	Easting	Dip	Azimuth	Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)
TD7	6,589,450	752,350	-70°	173°	858.60	542	562	20	0.15
TD10	6,591,810	759,940	-90°	0°	1280.0	N/A	N/A	N/A	N/A

\* Easting and northing coordinates are reported in GDA94 Zone 53 grid.

\* Azimuth values are recorded as magnetic azimuths.

\* Copper interval reported above a 0.10% Cu cut-off grade.

**JORC Code, 2012 Edition – Table 1**  
**Section 1 Sampling Techniques and Data**  
**2019 Phase 1 drill program**

Criteria	Commentary
<b>Sampling techniques</b>	<p>Drilling</p> <ol style="list-style-type: none"> <li>1. All samples have been collected from diamond drill core.</li> <li>2. Samples taken over the entire basement interval at nominal 3.0m lengths. Sample lengths are adjusted to suit lithology in a fashion to ensure a majority are 3.0m in length.</li> <li>3. The minimum sample length is 0.4m. The maximum sample length is 1.4m.</li> </ol>
<b>Drilling techniques</b>	<ol style="list-style-type: none"> <li>1. All drilling results reported are from diamond drill core within the basement rocks which host potential IOCG mineralisation. Drilling through the basement rocks is via diamond drill core (NQ diameter).</li> <li>2. Downhole survey data was collected via a north seeking gyroscope.</li> </ol>
<b>Drill sample recovery</b>	<ol style="list-style-type: none"> <li>1. Core recoveries are recorded by the drillers on site at the drill rig. Core recoveries are checked and verified by a Torrens project field technician and/or geologist.</li> <li>2. Diamond drill core is pieced together as part of the core orientation process. During this process depth intervals are recorded on the core and checked against downhole depths recorded by drillers on core blocks within the core trays.</li> <li>3. Core recoveries are very high within the basement. Isolated occurrences of core loss occurred in the cover sequences. Diamond core drilled to date from the current drill program have recorded very high recoveries which is in line with the historical observations.</li> </ol>
<b>Logging</b>	<ol style="list-style-type: none"> <li>1. All diamond drill core is logged by a suitably experienced geologist. Drill core is logged to an appropriate level of detail to increase the level of geological knowledge and further the geological understanding at each prospect.</li> <li>2. All diamond core is geologically logged, recording lithology, presence/concentration of sulphides, alteration, veining, structure, density, magnetic susceptibility and geotechnical parameters.</li> <li>3. All geological data recorded during the core logging process is stored in Aeris Resources AcQuire database.</li> <li>4. All diamond drill core is photographed wet and dry and digitally stored on the company network.</li> </ol>

Criteria	Commentary
	5. Core is stored in core trays and labelled with downhole meterage intervals and drillhole ID.
<b><i>Sub-sampling techniques and sample preparation</i></b>	<ol style="list-style-type: none"> <li>1. All diamond drill core samples are collected in a consistent manner. Samples are cut via an automatic core saw. Samples are cut with the retention of approximately 2/3 of the diamond drill core. Retaining a greater proportion of the drill core is considered appropriate to ensure the maximum amount of structural information can be collected retrospectively after sampling is completed (if required).</li> <li>2. No field duplicates have been collected.</li> <li>3. The sample size is considered appropriate for the style of mineralisation and grain size of the material being sampled.</li> </ol>
<b><i>Quality of assay data and laboratory tests</i></b>	<ol style="list-style-type: none"> <li>1. Samples from TD7 have been completed and assayed. Sampling from TD10 has not commenced. Sample and assay protocols for TD10 will follow the same methodology as applied to TD7.</li> <li>2. Sample preparation protocols include drying each composited 3m sample, crushing to 90% passing 2mm and pulverising to 90% passing 75µm. For samples weighing greater than 3kg following crushing the sample will be split (rotary splitter) and a sub sample less than 3kg collected for pulverisation.</li> <li>3. ME-MS61 is the assay protocols applied for the current drill program. ME-MS61 is four acid digest reporting 48 elements.</li> <li>4. QA/QC protocols include the use of blanks and standards (commercial certified reference materials used). The frequency rate for each QA/QC sample type is 3%.</li> </ol>
<b><i>Verification of sampling and assaying</i></b>	<ol style="list-style-type: none"> <li>1. Logged drillholes are reviewed by the onsite technical team. All geological data is logged directly into Aeris Resources logging computers following the standard Aeris Resources geology codes. Data is transferred to the Acquire database and validated on entry.</li> <li>2. Upon receipt of the assay data no adjustments are made to the assay values.</li> </ol>
<b><i>Location of data points</i></b>	<ol style="list-style-type: none"> <li>1. Drillhole collar locations are collected on a hand held GPS unit with an accuracy of approximately +/- 5m.</li> <li>2. All drillhole locations are collected in Geocentric Datum of Australia 1994 (GDA94 Zone 53).</li> <li>3. Quality and accuracy of the drill collars are suitable for exploration results.</li> <li>4. Downhole surveys are taken by the drill contractor using a north seeking gyroscopic tool measuring azimuth and dip orientations every 30m or shorter intervals if required.</li> </ol>



Criteria	Commentary
<b>Data spacing and distribution</b>	<ol style="list-style-type: none"> <li>1. The current drill program is designed to test geophysical and geological targets. Each drillhole was designed to intersect a different target.</li> </ol>
<b>Orientation of data in relation to geological structure</b>	<ol style="list-style-type: none"> <li>1. All drillholes are designed to transect stratigraphy to maximise the geological information and intersect and travel through the target area.</li> <li>2. Both drillholes did not deviate significantly from the planned drillhole path.</li> </ol>
<b>Sample security</b>	<ol style="list-style-type: none"> <li>1. Drillholes are not be sampled along the entire drillhole, only the basement interval.</li> <li>2. Sample security procedural protocols include: Each sample is assigned a unique sample number which is written onto calico bags. Samples will be dispatched to the laboratory and a dispatch sheet sent to the laboratory electronically. Upon receipt of the samples the laboratory staff will cross reference samples received against the sample despatch.</li> </ol>
<b>Audits or reviews</b>	<ol style="list-style-type: none"> <li>1. Data is validated when uploading into the company Acquire database.</li> <li>2. No formal audit has been conducted.</li> </ol>

## Section 2 Reporting of Exploration Results

### 2019 Phase 1 drill program

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ol style="list-style-type: none"> <li>1. The Torrens Project is held within exploration tenement EL5614. The project is located within the Stuart Shelf region of South Australia approximately 75 kilometres southeast from Roxby Downs.</li> <li>2. The Torrens Project is a joint venture between Straits Exploration (Australia) 70%, a wholly owned subsidiary of Aeris Resources Limited and Kelaray Pty Ltd 30% a wholly owned subsidiary of Argonaut Resources NL.</li> <li>3. EL5614 is in good standing and no known impediments exist.</li> </ol>
<b>Exploration done by other parties</b>	<ol style="list-style-type: none"> <li>1. Several geophysical surveys (gravity and magnetics) were flown over EL5614 dating back to the 1970s. WMC drilled three drillholes (TD1, TD2 and TD3) from the late 1970s to early 1980s. More recently the joint venture parties completed additional geophysical surveys and completed three drillholes (TD4, TD5 and TD6) between 2007 to early 2008. More recently an airborne Falcon geophysical survey was flown over the entire tenement. The dataset was heavily utilised to assist with drill targeting for the current drill program which commenced in January 2019.</li> </ol>

Criteria	Commentary
<b>Geology</b>	<ol style="list-style-type: none"> <li>The Torrens project is located on the eastern margin of the Gawler Craton within the interpreted IOCG (iron oxide copper gold) mineralised corridor. Basement rocks intersected from the drillholes completed within the tenement to date have been interpreted as Wallaroo group sediments. Proterozoic and younger cover sequences unconformably overly Wallaroo Group basement unit. The thickness of cover varies from approximately 400m along the western margin of the tenement and becomes increasingly thicker further offshore within Lake Torrens.</li> </ol>
<b>Drillhole information</b>	<ol style="list-style-type: none"> <li>All relevant information pertaining to each drillhole has the current phase 1 drill program has been provided.</li> </ol>
<b>Data aggregation methods</b>	<ol style="list-style-type: none"> <li>No data aggregation methods have been applied within this announcement.</li> </ol>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ol style="list-style-type: none"> <li>Drillholes are designed to intersect the target horizon across strike at a high angle to the bedding contacts.</li> </ol>
<b>Diagrams</b>	<ol style="list-style-type: none"> <li>Relevant diagrams are included in the body of the report.</li> </ol>
<b>Balanced reporting</b>	<ol style="list-style-type: none"> <li>The reporting is considered balanced and all material information associated with the drill program has been disclosed.</li> </ol>
<b>Other substantive exploration data</b>	<ol style="list-style-type: none"> <li>There is no other relevant substantive exploration data to report.</li> </ol>
<b>Further work</b>	<ol style="list-style-type: none"> <li>The phase 1 drill program will continue at the Torrens project systematically testing drill targets.</li> </ol>