



**Demetallica Limited**  
(ACN 061 595 051)

# Supplementary Target's Statement

In response to the offer by AIC Mines Limited (ACN 060 156 452) to acquire all of your ordinary shares in Demetallica Limited.

**The Directors of Demetallica continue to unanimously recommend, in the absence of a superior proposal, that you**

# REJECT

**the Offer from AIC Mines.**

This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately. If you have recently sold all your Demetallica Shares, please disregard this document.

Demetallica Shareholders who require assistance may call the Company Secretary on +61 8 8132 3458 at any time between 8:30am and 4.30pm (AEDT) on Monday to Friday.

**Corporate Advisor**

**ICA Partners** 

**Corporate Broker**

**EUROZ HARTLEYS**

**Legal Advisor**

**STEINEPREIS PAGANIN**   
Lawyers & Consultants

**DEMETALICA LIMITED**  
**ACN 061 595 051**

**SUPPLEMENTARY TARGET'S STATEMENT**

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**1. IMPORTANT INFORMATION**

This document is a supplementary target's statement issued by Demetallica Limited (**Demetallica**) under section 644 of the *Corporations Act 2001* (Cth) (**Supplementary Target's Statement**) and is supplementary to Demetallica's Target's Statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 12 October 2022 (**Original Target's Statement**) in relation to the off-market takeover offer by AIC Mines Limited (ACN 060 156 452) (**AIC**) for all of the fully paid ordinary shares in the capital of Demetallica (**Offer**).

This Supplementary Target's Statement is dated 18 October 2022 and was lodged with ASIC and given to ASX on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Target's Statement.

Please consult your legal, financial or other professional adviser if you do not fully understand the contents of this Supplementary Target's Statement.

A copy of this Supplementary Target's Statement will be available on Demetallica's website at [www.Demetallica.com.au](http://www.Demetallica.com.au) or the ASX announcements platform at [www.asx.com.au](http://www.asx.com.au) (ASX:DRM).

Defined terms used in this Supplementary Target's Statement and not otherwise defined have the same meaning given to those terms in the Original Target's Statement.

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**2. BACKGROUND ON STATEMENT IN ORIGINAL TARGET'S STATEMENT**

The Original Target's Statement contained the following statement (on page 3):

"AIC has released an image<sup>1</sup> inferring that Eloise Deeps extend across the boundary of AIC's tenements into Demetallica's tenements, but have not provided any further information as to the basis for this image or its meaning to the combined group. The image also infers that areas within Demetallica's tenements have been included in AIC's published resource area. Demetallica believes that AIC need to provide Demetallica Shareholders with more information on its knowledge of the potential of Demetallica's assets for its own Eloise Deeps project."

By letter to Demetallica on 13 October 2022, AIC requested Demetallica clarify its reference to "resource" in the above statement.

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<sup>1</sup> AIC Mines, Investor Presentation, 22 March 2022, page 10 "*Eloise Copper Mine Significant Exploration Upside*"

## Eloise Mine Copper Mineral Inventory

The below image is extracted from page 8 of a presentation released to ASX by AIC on 11 November 2021<sup>2</sup> (**November 2021 Presentation**):

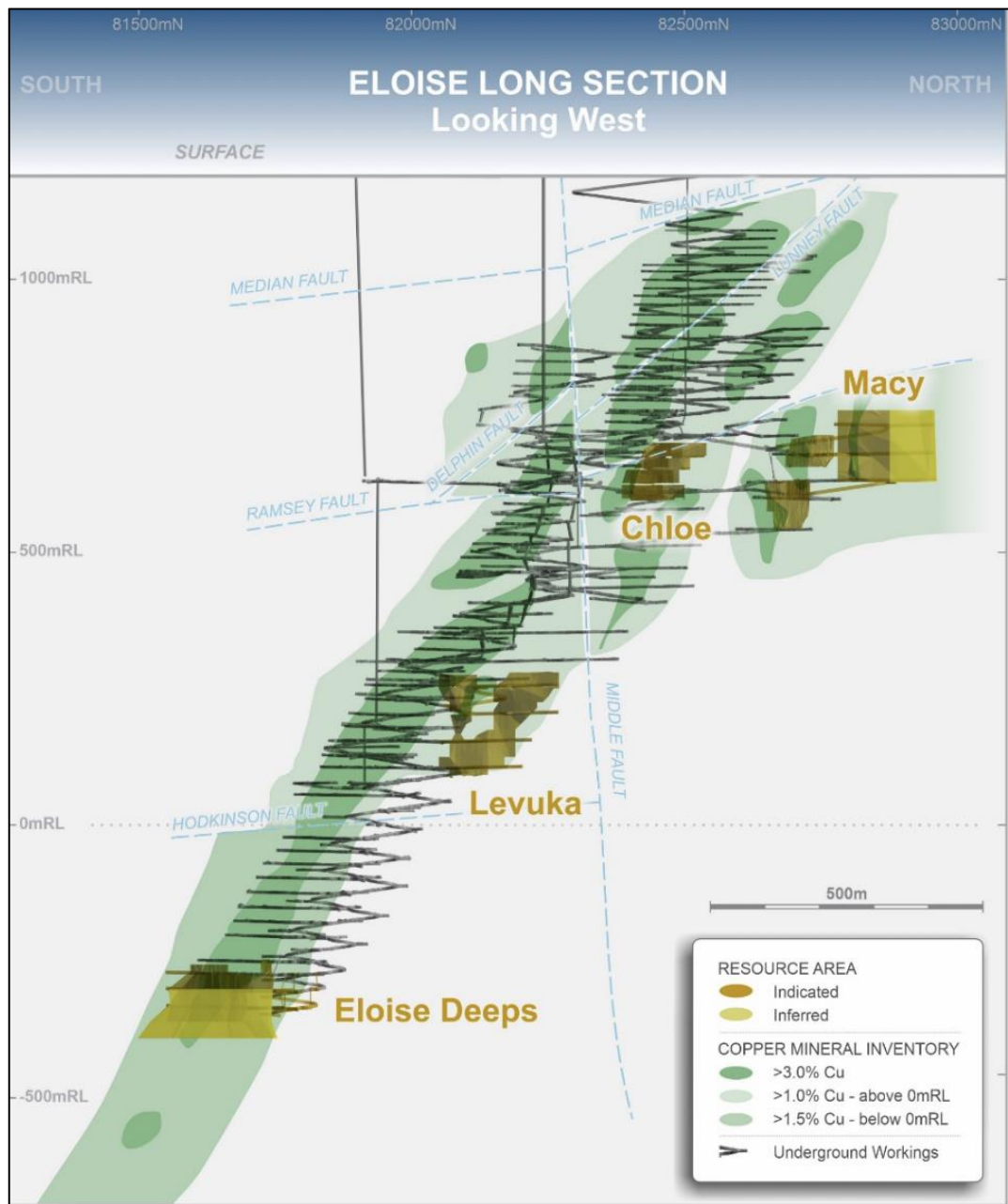


Figure 1: "Eloise Copper Mine Ore Reserves and Mineral Resources" (as at 11 November 2021) extracted from the November 2021 Presentation

The above image depicts AIC's "Copper Mineral Inventory" at the Eloise Copper Mine as at the date of the presentation.

The below image, extracted from page 7 of a presentation AIC released to ASX on 22 March 2022 (**March 2022 Presentation**), relates to AIC's Ore Reserves and Mineral

<sup>2</sup> AIC Mines Investor Presentation to Noosa Mining Unearthed Conference, 11 November 2021, page 8 "Eloise Copper Mine Ore Reserves and Mineral Resources"

Resources<sup>3</sup>. Importantly, it shows the boundary between AIC's mining lease ML 90155 and Demetallica's adjacent tenement EPM 17838.

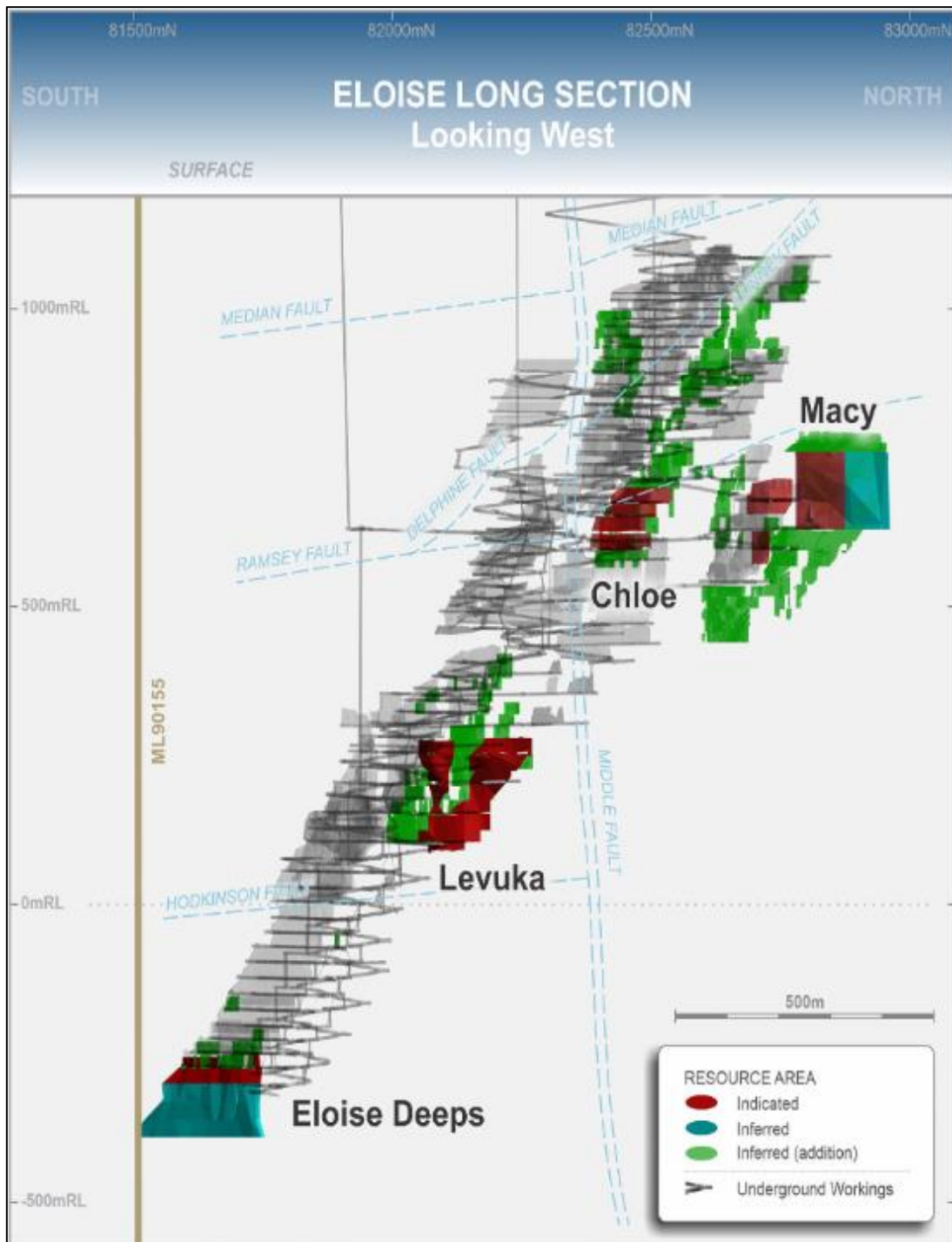


Figure 2: Image extracted from page 7 of the March 2022 Presentation

In the same March 2022 Presentation, AIC also included the following image on a slide entitled "Eloise Copper Mine Significant Exploration Upside"<sup>4</sup>:

<sup>3</sup> AIC Mines Investor Presentation, 22 March 2022, page 7 "Eloise Copper Mine Ore Reserves and Mineral Resources"

<sup>4</sup> AIC Mines Investor Presentation, 22 March 2022, page 10 "Eloise Copper Mine Significant Exploration Upside"

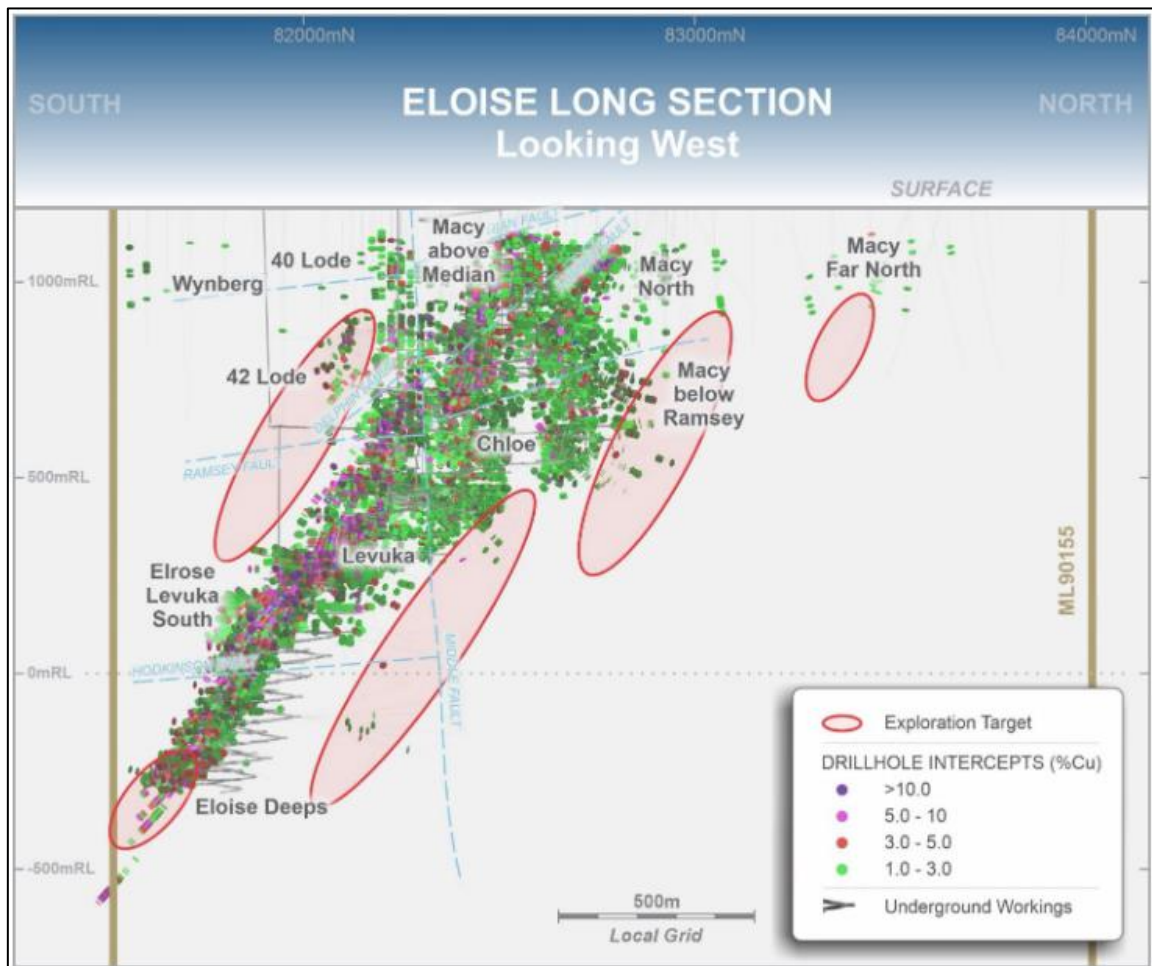


Figure 3: Image extracted from page 10 of the March 2022 Presentation. The drill hole shown crossing the Mine Lease boundary is understood by Demetallica to be ED159 drilled, with permission, by the former owners of the Eloise Mine.

Demetallica considered these images, and other information known to it in relation to drilling results at the Eloise Copper Mine prior to releasing its Original Target's Statement. As shown in Figure 4 on the following page, using materials available to it, Demetallica has been able to determine the tenement boundary between AIC Mines' ML 90155 and Demetallica's own tenement EPM 17838 that was not shown on Figure 1.

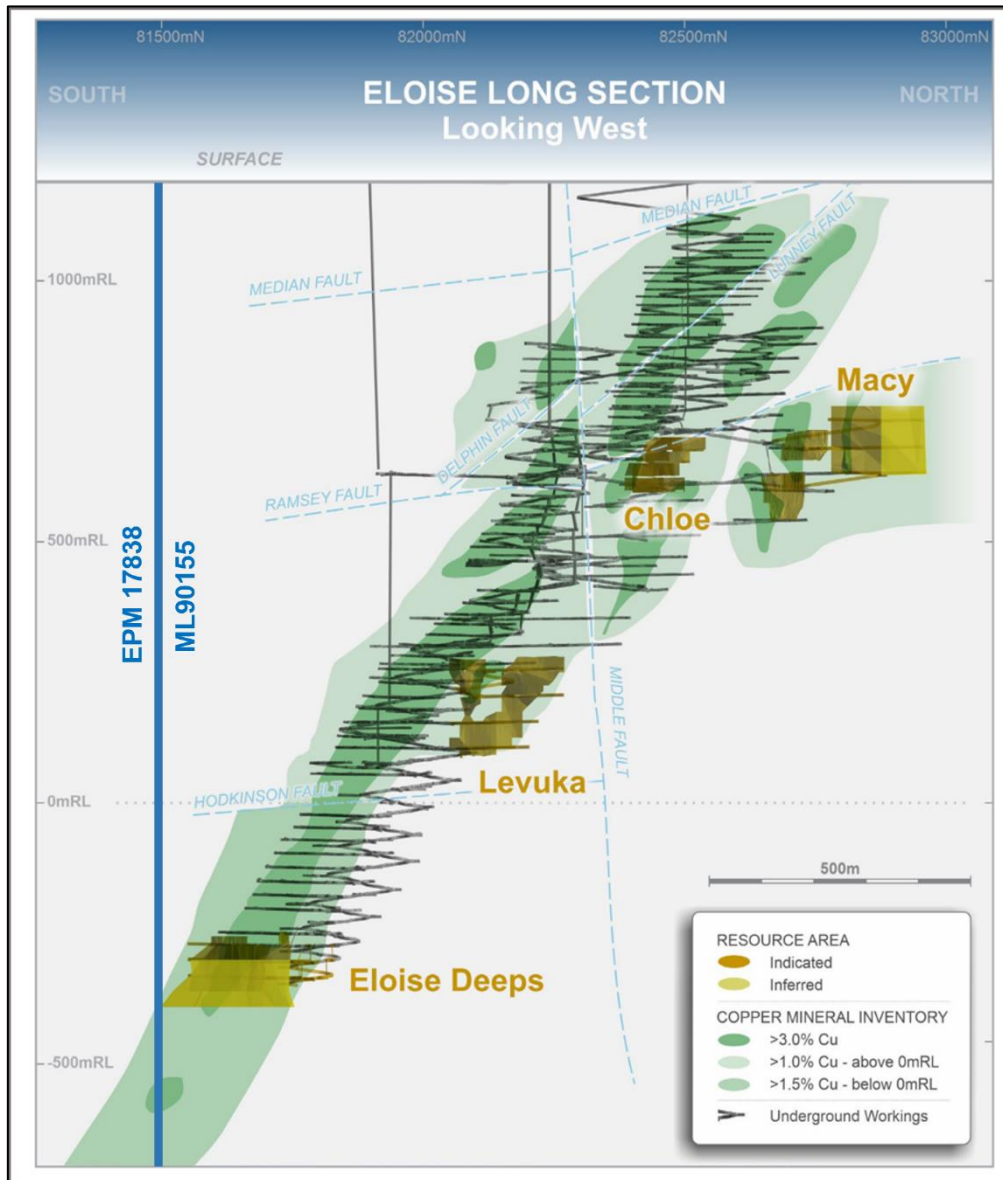


Figure 4: Tenement boundary line as added by Demetallica to Figure 1, showing the boundary between AIC and Demetallica tenements.

Demetallica referred to AIC's "resource" (not Resource as defined by JORC and defined in Section 12 of the Original Target's Statement) in its statement on page 3 of the Original Target's Statement.

Demetallica accepts that it should have used the terminology "Copper Mineral Inventory" (as AIC used in its ASX released presentations - evidenced in Figure 1) when referring to AIC's image showing down plunge continuity of Copper Mineral Inventory. Figure 4 shows that that copper mineralisation projects into Demetallica's tenement EPM 17838.

As stated in the Original Target's Statement, Demetallica remains of the view that AIC should further inform Demetallica Shareholders of the information it has that is relevant in relation to its knowledge of the potential of Demetallica's assets for its Eloise Deeps mine area.

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**3. DIRECTORS' AUTHORISATION**

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of Demetallica.

Signed for and on behalf of Demetallica:

A handwritten signature in black ink, appearing to read 'R Higgins', with a long horizontal flourish extending to the right.

**Dr Roger Higgins**  
**Chair**  
**For and on behalf of Demetallica Limited**