

This document contains important information and requires your immediate attention to enable you to

**ACCEPT**

## **THE OFFER**

by

**AIC Mines Limited ACN 060 156 452**

to purchase all of your Shares in

**Demetallica Limited ACN 061 595 051**

for

**1 AIC Mines Share for every 1.5 Demetallica Shares**

## IMPORTANT DATES

Announcement Date	Monday, 19 September 2022
Bidder's Statement lodged with ASIC and ASX	Monday, 19 September 2022
Date of Offer (Date the Offer opened)	Wednesday, 5 October 2022
Target's Statement Date	Wednesday, 12 October 2022
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on Monday, 7 November 2022

These dates may vary as permitted under the Corporations Act.

## KEY CONTACTS

### Share Registry

Computershare Investor Services Pty Limited  
452 Johnston St,  
Yarra Falls, Abbotsford VIC 3067  
Call 1300 850 505 (within Australia) or  
+ 61 3 9415 4000 (outside Australia)  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

### Offer Information Line\*

Call 1300 528 219 (from within Australia)  
or +61 3 9415 4822 (from outside Australia)  
between 8.30am and 5pm (Sydney time),  
Monday to Friday.

\*Calls to these numbers may be recorded

## HOW TO ACCEPT THE OFFER

### For Issuer Sponsored Holdings of Shares (Securityholder Reference Number beginning with 'I')

To accept the Offer, complete the Acceptance Form (that has been mailed to you) in accordance with the instructions on it. The Acceptance Form can be returned by either:

- post it to the address on the Acceptance Form; or
- scan it and email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au)

### For CHESS Holdings of Shares (Holder Identification Number beginning with 'X')

To accept the Offer, either contact your Controlling Participant (usually your broker) and instruct them to accept the Offer on your behalf, or complete the Acceptance Form (that has been mailed to you) in accordance with the instructions on it. The Acceptance Form can be returned by either:

- post it to the address on the Acceptance Form; or
- scan it and email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au)

**Acceptances must be received before the end of the Offer Period. The Offer is due to close at 7.00pm (Sydney time) on Monday, 7 November 2022, unless extended.**

Refer to Section 10 of the Bidder's Statement for full details about how to accept the Offer.

**If you require a replacement Acceptance Form or have any questions in relation to the Offer please contact the Offer Information Line on 1300 528 219 (from within Australia) or +61 3 9415 4822 (from outside Australia) between 8.30am and 5pm (Sydney time) Monday to Friday.**

## **1. PURPOSE OF THIS SUPPLEMENTARY BIDDER'S STATEMENT**

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This document is a Supplementary Bidder's Statement under section 643 of the Corporations Act 2001 (Cth) dated 21 October 2022 (**Supplementary Bidder's Statement**). It is the first Supplementary Bidder's Statement issued by AIC Mines Limited ACN 060 156 452 (**AIC Mines** or **Bidder**), in relation to its off-market takeover offer (**Offer**) for all of the fully paid ordinary shares in Demetallica Limited ACN 061 595 051 (**Demetallica**).

This Supplementary Bidder's Statement has been prepared to provide you with information that addresses AIC Mines' concerns in relation to the information provided in the Demetallica Target's Statement dated 12 October 2022 (**Target's Statement**) and the Supplementary Target's Statement dated 18 October 2022 (**Supplementary Target's Statement**).

This Supplementary Bidder's Statement also provides new information for foreign shareholders. AIC Mines is now extending the Offer to Demetallica Shareholders in New Zealand, Malaysia and Hong Kong (**Eligible Foreign Shareholders**), whom AIC Mines has determined are entitled to accept the Offer and receive AIC Mines Shares.

This document supplements, and should be read together with, the Bidder's Statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 19 September 2022 (**Bidder's Statement**).

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document you should consult your financial or legal adviser as soon as possible.

AIC Mines encourages all Demetallica Shareholders to read this Supplementary Bidder's Statement for further information about the Offer and AIC Mines.

Capitalised terms which are not defined in this Supplementary Bidder's Statement have the meaning given to those terms in the Bidder's Statement and the definitions and interpretation set out in Section 12 of the Bidder's Statement also applies to this document unless the context otherwise requires.

## **2. RESPONSE TO DEMETALLICA'S TARGET'S STATEMENTS**

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AIC Mines has completed a detailed review of both the Target's Statement and the Supplementary Target's Statement and has formed the view that they do not fairly assess the merits of the Offer nor do they justify why the Demetallica Directors recommend Demetallica shareholders reject the Offer.

Nothing in the Target's Statement or the Supplementary Target's Statement released by Demetallica changes AIC Mines' view that its Offer of 1 AIC Share for every 1.5 Demetallica Shares is compelling and should be ACCEPTED by Demetallica shareholders. The Offer has only become more compelling as equity market conditions continue to deteriorate given the uncertain global economic outlook.

Demetallica shareholders should note that the Target's Statement and the Supplementary Target's Statement do not dispute the strong strategic transaction rationale nor that they will benefit from becoming a shareholder in a stronger, profitable and well managed copper and gold producer.

The Target's Statement and the Supplementary Target's Statement both fail to address the high likelihood that the Demetallica share price will fall significantly should the Offer not be successful. As a standalone company, Demetallica will be valued as a junior explorer that has yet to complete a scoping study, has no defined path to profitable production and is expected to have less than \$5.0 million cash by the end of the calendar year based on the Demetallica September Quarterly Activities Report.

The Target's Statement and the Supplementary Target's Statement make a number of unsubstantiated claims and material omissions relevant to a Demetallica shareholder independently considering the Offer which AIC Mines feels compelled to provide this response.

These important facts are detailed below and on the following pages.

- **The Offer is not opportunistic and the well promoted Jericho resource update has been taken into account**
- **The Offer delivers exceptional value to Demetallica shareholders**
- **The compelling rationale of the Offer is not disputed**
- **Demetallica is overplaying the significance of the Jericho deposit**
- **Demetallica is running out of cash**

## **2.1 The Offer is not opportunistic and the well promoted Jericho resource update has been taken into account**

AIC Mines has pro-actively sought to engage with Demetallica to achieve an agreed transaction for the benefit of both Demetallica and AIC Mines shareholders.

When it became clear that timely engagement with Demetallica's Board and the realistic prospect of economic agreement was unlikely, AIC Mines decided to allow Demetallica shareholders the opportunity to review and accept the Offer directly.

Furthermore, the Offer already fully reflects our understanding of the pending Jericho resource update.

Since its IPO earlier this year, Demetallica has clearly stated and promoted an Exploration Target for Jericho of 13Mt to 15Mt at between 1.3% - 1.5% Cu and 0.29g/t Au – 0.32g/t Au. Assay results from all of the recent drilling have been released by Demetallica in their ASX announcements, allowing AIC Mines to incorporate this information into its assessment of the Jericho deposit.

As this information has been released to and disseminated by the market, the impending resource update is likely to be already factored into the Demetallica share price and the eventual release of the resource will not lead to any material change in the Demetallica share price or outlook, other than draw attention to the fact that Demetallica does not have a feasible development plan for the deposit.

In addition, AIC Mines has assumed the recent drilling conducted by Demetallica will have upgraded a significant portion of the Jericho resource to Indicated category and that the higher-grade Matilda, Billabong and Jumbuck lodes will form a large proportion of the resource.

***The AIC Mines' assessment of the Jericho resource uses similar economic assumptions to those used at our Eloise mine (specifically a higher cut-off grade) as this more accurately reflects the economic feasibility of mining and processing the resource. A 0.8% cut-off for the Jericho resource, as used by Demetallica, in AIC Mines' view does not reflect current or realistic economics.***

## 2.2 The Offer delivers exceptional value to Demetallica shareholders

AIC Mines is surprised that Demetallica's Target Statement fails to acknowledge or inform you of the tangible value the Offer delivers to Demetallica shareholders.

The Offer delivers:

- An immediate, substantial and above average premium relative to Demetallica's pre-Offer share price; and
- Participation in the expected increase in the AIC Mines share price as the Jericho deposit is developed and the benefits of regional consolidation are delivered.



<sup>1</sup> Based on Implied Offer Price on Offer Announcement Date  
Source: IRESS

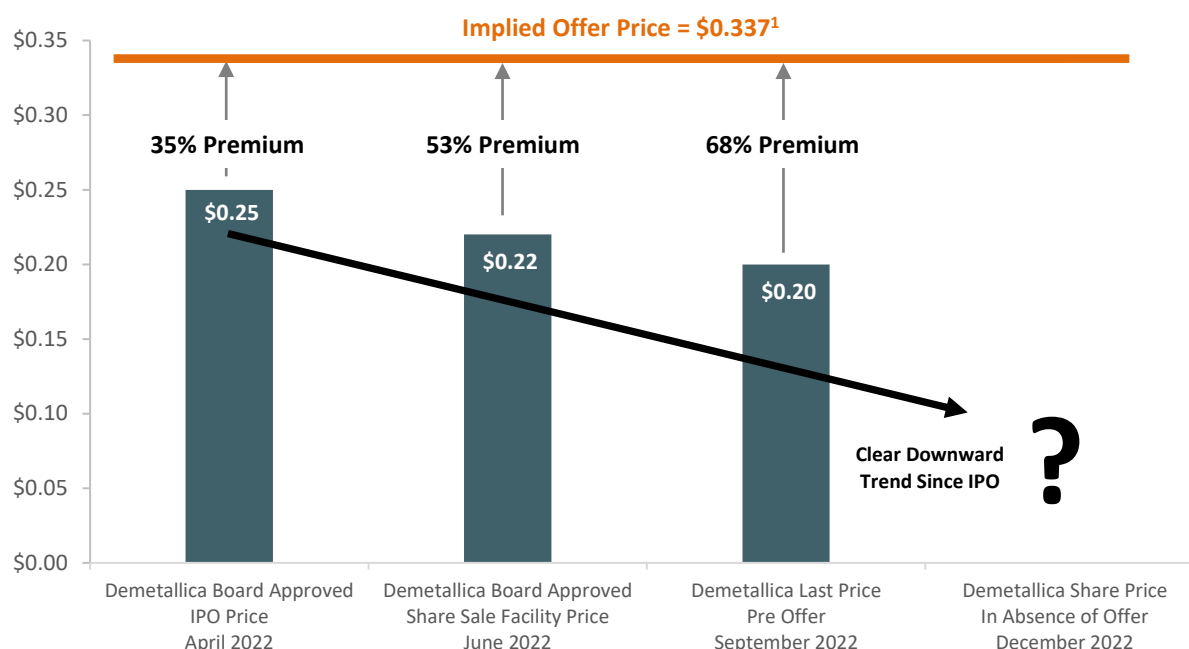
The implied Offer value has remained at a consistent premium to the Demetallica share price since the Offer was announced. This indicates that the Offer fairly values Demetallica and that a competing offer or alternative proposal is highly unlikely.

Accepting the Offer ensures Demetallica shareholders will:

- Avoid the risk that the Demetallica share price will immediately fall significantly in the absence of the Offer; and
- Avoid the additional share price discount likely required for Demetallica to raise equity to replenish its low and reducing cash reserves to fund ongoing exploration activities on a standalone basis.

The Offer compares favourably to other key value benchmarks agreed to by the Demetallica Board:

- IPO Price: The Demetallica Board priced the Demetallica initial public offering at \$0.25 per share in April 2022; and
- Share Sale Facility Price: The Demetallica Board approved the sale of Demetallica shares held by nearly 2,000 Demetallica shareholders at \$0.22 per share on 30 June 2022.



<sup>1</sup> Based on Implied Offer Price on Offer Announcement Date

Furthermore, the Offer, unlike the assertions in Demetallica's Target's Statement, recognises and provides value for Demetallica's full suite of exploration assets.

Integration of the early-stage Demetallica exploration projects in Queensland and South Australia fits well with AIC Mines' strategy to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition.

The combination of AIC Mines and Demetallica's exploration projects creates a complementary exploration portfolio that can be more effectively explored as part of a larger and financially stronger mining company.

## 2.3 The compelling rationale of the Offer is not disputed

The Demetallica Board acknowledge there is commercial merit in combining Demetallica and AIC Mines.

The combination of AIC Mines and Demetallica is a logical consolidation of AIC Mines' Eloise mining and processing infrastructure and the copper resources at Demetallica's Chimera project.

The Eloise processing facility is only 4 kilometres from Demetallica's Jericho copper deposit. Combining these assets will provide the quickest and most efficient means of developing, mining and processing the Jericho deposit and potentially other deposits within the Chimera project. Given the close proximity of the Eloise mine and Chimera project, AIC Mines is the only company that can provide these benefits.

***Under Demetallica ownership, it is unlikely that the Jericho deposit will be advanced in a timely or efficient manner as Demetallica does not have the operational capability or financial capacity to develop the Jericho deposit.***

AIC Mines' operational experience and expertise along with its Eloise processing facility are the key to unlocking the potential of Jericho. Without this input it is highly unlikely that Jericho will be developed in the medium term.

This reality is confirmed by Demetallica's own Target's Statement which fails to provide any credible development alternative for Jericho that won't be value destructive relative to a transaction with AIC Mines.

## **2.4 Demetallica is overplaying the significance of the Jericho deposit**

Jericho does not support a standalone operation and is not a significant scale asset. This is supported by OZ Minerals' decision to exit the Jericho joint venture in December 2021.

***Demetallica mistakenly compare the high-grade Eloise ore reserve and the low-grade Jericho mineral resource and proclaim that Demetallica brings more to the combination than AIC Mines.***

***This is clearly not the case, Jericho is an early-stage project where considerable expenditure is required to complete the necessary technical studies, including resource estimates, mine design, geotechnical, underground ventilation and power studies, capital estimates and metallurgical testwork, that are all required to progress the project towards development.***

AIC Mines' Eloise copper mine has been in production for over 26-years and has a track record of consistently replacing mined reserves. Like most deep underground mines it has a relatively small reserve base that is regularly extended through ongoing exploration and resource definition drilling. This is true of AIC Mines most recent annual Mineral Resources and Ore Reserves estimates released in August 2022:

- Resource definition drilling conducted by AIC Mines since taking ownership of the Eloise Copper Mine in November 2021 successfully increased the Mineral Resource estimate year-on-year in terms of resource tonnes and contained copper, gold and silver. Total Mineral Resource tonnes increased by 7%, contained copper by 11% and contained gold by 7% year-on-year net of mining depletion.
- Similar to the outcome with Mineral Resources, infill drilling and mine planning evaluation successfully increased the Ore Reserve estimate year-on-year in terms of ore tonnes and contained copper, gold and silver. Total Ore Reserve tonnes have increased by 8%, contained copper by 19% and contained gold by 22% year-on-year net of mining depletion of 594,000t grading 2.1% Cu and 0.7g/t Au.
- For further details see AIC Mines ASX announcement "Increase in Mineral Resources and Ore Reserves at Eloise Copper Mine" dated 22 August 2022.

Demetallica seems confused by the straightforward proposition that the Eloise mineralisation continues at depth and eventually crosses into Demetallica tenements at about 1,600m below surface and has asked AIC Mines to provide information relevant to this mineralisation. It is AIC Mine's strong view that there is no prospect of Demetallica ever being able to mine this mineralisation economically.



## 2.5 Demetallica is running out of cash

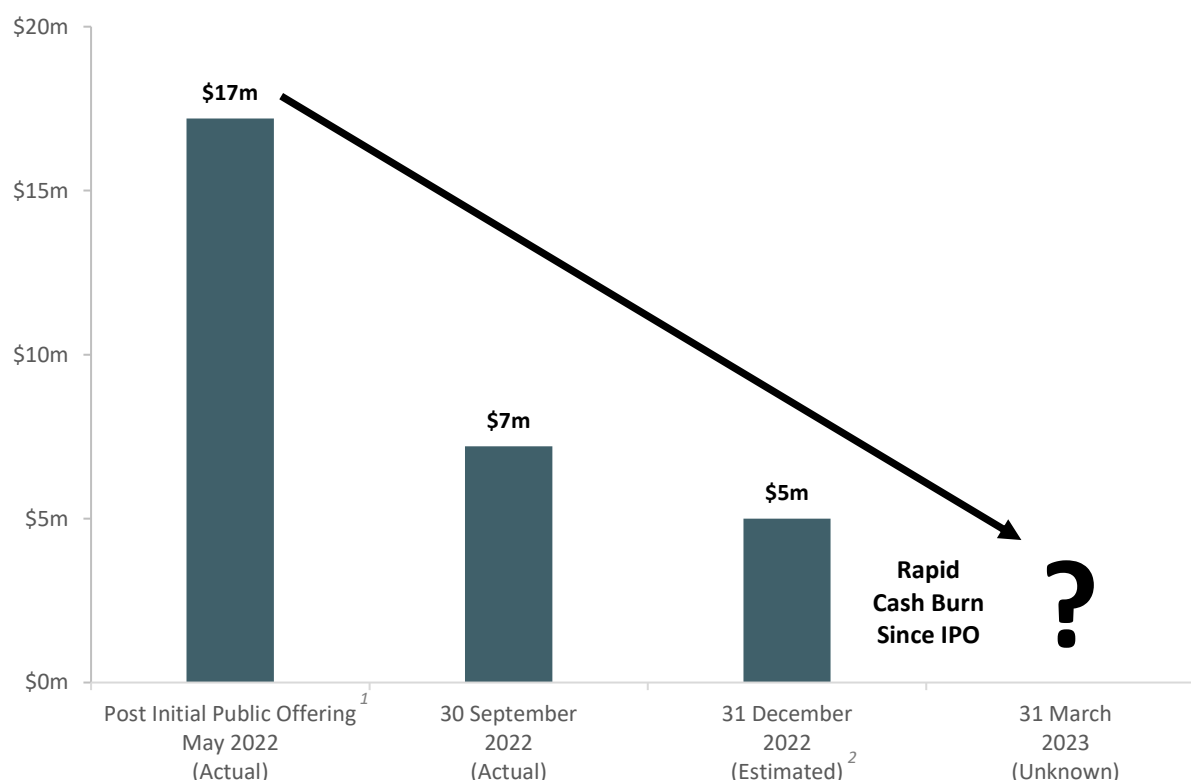
Demetallica's cash position has fallen dramatically since completion of the IPO (and associated transactions) with more than \$10 million spent in 5 months.

At 30 September 2022, Demetallica's available cash position was approximately \$7 million<sup>1</sup> and given Demetallica's overhead expenses of approximately \$2 million annually<sup>2</sup>, current expenditure rates and costs in relation to the Offer is expected to fall to less than \$5 million by year end.<sup>3</sup>

Based on Demetallica's current expenditure rates and Demetallica's publicly stated plans, including potentially undertaking very deep and expensive exploration drilling at Jericho as well as undertaking a scoping study at Jericho, it is highly likely that Demetallica will require additional near-term funding.<sup>4</sup>

As a standalone exploration company, this will almost certainly require dilutive equity raisings which could be extremely challenging given current global uncertainty and weak equity conditions.

The Offer enables you to pragmatically avoid this risky and value destructive situation.



<sup>1</sup> And associated transaction

<sup>2</sup> Based on historical expenditure rates and assumed costs in relation to the Offer

<sup>1</sup> Demetallica cash position as at 30 September 2022 as per Demetallica September quarterly cashflow report less approximately \$1 million of reported joint venture partner project funding.

<sup>2</sup> Annualised based on Demetallica quarterly cashflow reports in 2022.

<sup>3</sup> Estimated based on Demetallica cash position as at 30 September 2022 of approximately \$7 million less proportion of annualised overhead costs, staff costs and exploration expenditure in 2022.

<sup>4</sup> Based on Demetallica expenditure to date, scoping study plans as stated in Demetallica's ASX announcements in August and September 2022 and item 8.7 of Demetallica September quarterly cashflow report for 2022 that indicated only approximately three quarters of funding remaining.

### **3. INFORMATION ON AIC MINES**

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AIC Mines released its Quarterly Activities Report for the period ending 30 September 2022 on 20 October 2022. A summary of this report is provided below.

#### **3.1 Production for the Quarter Ending 30 September 2022**

Eloise produced 9,828dmt of concentrate containing 2,629t of copper at an AISC of A\$5.35/lb of copper sold after by-product credits in the September 2022 Quarter (see Table 1 below). Production was lower than the previous quarter mainly due to low truck availability and limited access to the Deeps due to reduced dewatering capacity in the Deeps. Both factors have subsequently been addressed.

Ore mined during the Quarter was predominantly from the Chloe and Levuka orebodies. The average mined grade of 1.75% Cu was below the average reserve grade of 2.10% Cu as a result of limited access to the Deeps (+3% Cu).

Mine production was restricted during the Quarter due to poor truck availability. To improve truck availability, replacement hire trucks arrived on site at the end of the Quarter to supplement the fleet while two AIC Mines trucks undergo full rebuilds. The first of these trucks left site for rebuild in August 2022 and is due back in November 2022 when the second truck will leave for rebuild.

Unit costs were negatively impacted by low throughput and the lower grade processed during the Quarter.

#### **3.2 Financial Performance for the Quarter Ending 30 September 2022**

Eloise produced 2,530t of payable copper and sold 2,334t of copper during the Quarter at an average price of A\$11,389/t generating \$27.2 million in revenue post revenue deductions and including gold and silver by-product credits. Operating cashflow for the Quarter was \$6.2 million and post capital investment, net mine cashflow was negative \$10.4 million. Cashflow was impacted by lower production, the lower copper price and major capital expenditure related to construction of the new tailings dam (TD5). With the bulk of the TD5 construction works now complete, net mine cashflow is expected to improve markedly in the coming quarters.

Capital investment at Eloise in the Quarter totalled \$16.6 million. Significant items included:

- \$6.7 million related to construction of TD5. As at the end of September \$10.8 million has been invested with the project tracking underbudget. A further \$3.5 million is due to be spent in the December Quarter to complete the build which then provides tailings storage capacity through to 2027;
- \$5.9 million in underground mine development;
- \$1.7 million related to resource definition drilling and near-mine exploration; and
- \$1.5 million in major project capital – predominantly mine development in the Eloise Deeps.

This significant capital investment during the Quarter ensures that Eloise will be strongly positioned to optimise for future long-term production at a lower and robust cost profile.

Cash received during the Quarter related to the provisionally priced concentrate shipments in June, July and August 2022 of which 90% of the shipment values were received with the remaining amounts subject to finalisation of the quotational periods and shipment assays. Finalisation amounts for March, April and May 2022 were also received during the Quarter. In order to maintain a robust cash position, 85% of September production was presold during the Quarter.

The Eloise AISC of A\$5.35/lb copper sold during the Quarter was higher than the June 2022 Quarter primarily due to lower production.

Towards the end of the Quarter Eloise has seen cost pressures moderating with diesel prices softening and transport costs related to the seaborne trade of copper concentrates declining from historically high levels. Although Eloise sells its copper concentrate domestically to the Mt Isa Smelter it is subject to a freight rate equalisation charge which is based off ocean freight rates between Townsville and primary Asian refiners. Lower ocean freight rates therefore translate to lower costs for Eloise concentrate.

Exploration expenditure at the Marymia and Lamil projects during the Quarter totalled \$1.9 million. AIC Mines earned a 50% interest in the Lamil joint venture following completion of the Stage 1 earn-in expenditure requirement. Completion of Stage 1 triggered a milestone payment from AIC Mines to Rumble. AIC Mines completed this requirement by issuing 544,573 AIC Mines shares to Rumble and subscribing for 962,094 Rumble shares at a cost of \$250,000.

AIC Mines finished the Quarter with \$22.1 million in cash at bank and \$6.8 million in cash on account for the Eloise performance bond.

Subsequent to the Quarter an updated estimated rehabilitation cost (ERC) decision was received from the Queensland Department of Environment and Science. The updated ERC of \$16.3 million (from \$6.8 million previously) is based on an increased area of disturbance at Eloise. The increase more accurately reflects the true area of disturbance at Eloise and is a result of a more open and consultative relationship between AIC Mines and the Department of Environment and Science. The area of disturbance includes the new tailings dam (TD5) area but the ERC does not incorporate the estimated rehabilitation cost of TD5. This amount will be added on final permitting for TD5.

AIC Mines currently has a cash-backed \$6.8 million performance bond in place with Queensland Treasury. AIC Mines plans to replace the cash-backed bond and fund the increased amount (i.e. \$9.5 million) by way of a secured financing facility, at commercial interest rates, provided by its offtake partner Trafigura Pte Ltd. The financing facility will effectively free up the \$6.8 million currently held against the performance bond, improving AIC Mines' working capital position.

**Table 1. Eloise Production and Cost Data for the June and September 2022 Quarters.**

Eloise Production and Cost Metrics	Units	September 2022 Quarter	June 2022 Quarter
Underground development - capital	m	485	609
Underground development - operating	m	480	215
Total development	m	964	824
Ore Mined	kt	150.2	155.7
Copper grade mined	%	1.75%	2.25%
Tonnes processed	kt	153.3	139.2
Copper grade processed	%	1.80%	2.29%
Copper Recovery	%	95.2%	95.7%
Concentrate produced	dmt	9,828	10,814
Copper in concentrate	t	2,629	3,049
<b>Payable copper produced</b>	<b>t</b>	<b>2,530</b>	<b>2,940</b>
Gold produced	oz	1,305	1,392
Silver produced	oz	22,349	28,404
<b>Copper sold</b>	<b>t</b>	<b>2,334</b>	<b>2,880</b>
<b>Achieved copper price</b>	<b>A\$/t</b>	<b>11,389</b>	<b>11,687</b>
Achieved copper price	A\$/lb	5.17	5.30
Gold sold	oz	1,203	1,541
Achieved gold price	A\$/oz	2,692	2,627
Silver sold	oz	18,632	27,918
Achieved silver price	A\$/oz	33	31
<b><u>Cost Summary</u></b>			
Mining	A\$/lb prod	1.45	1.20
Processing	A\$/lb prod	1.38	1.12
Site Admin and transport	A\$/lb prod	0.72	0.52
TC/RC and shipping	A\$/lb prod	0.58	0.62
Ore stockpile adjustments	A\$/lb prod	(0.03)	(0.02)
By-product credits	A\$/lb prod	(0.64)	(0.76)
<b>C1 Cash Cost</b>	<b>A\$/lb prod</b>	<b>3.45</b>	<b>2.69</b>
C1 Cash Cost	A\$/lb sold	3.74	2.74
Royalties	A\$/lb sold	0.24	0.27
Metal in Circuit and finished goods	A\$/lb sold	(0.28)	0.08
All-in Sustaining Capital <sup>1</sup>	A\$/lb sold	1.65	1.61
<b>All-in Sustaining Cost</b>	<b>A\$/lb sold</b>	<b>5.35</b>	<b>4.70</b>
All-in Capital <sup>2</sup>	A\$/lb sold	1.58	0.94
<b>All-in Cost</b>	<b>A\$/lb sold</b>	<b>6.93</b>	<b>5.64</b>
Depreciation & Amortisation	A\$/lb prod	0.98	1.08

1. All-in Sustaining Capital includes PPE, Resource Definition and 80% of underground mine development capital

2. All-in Capital includes major project capital and 20% of underground mine development capital

## **4. EXTENSION OF OFFER JURISDICTION**

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### **4.1 Notice to Demetallica's shareholders resident outside Australia**

This Supplementary Bidder's Statement does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Supplementary Bidder's Statement may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to existing Demetallica shareholders to the extent permitted below.

### **4.2 Hong Kong**

This Supplementary Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Demetallica. The contents of this Supplementary Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Supplementary Bidder's Statement, you should obtain independent professional advice.

This Supplementary Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Supplementary Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this Supplementary Bidder's Statement may be distributed to no more than 50 persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Supplementary Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Supplementary Bidder's Statement is for the exclusive use of Demetallica shareholders in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Supplementary Bidder's Statement in Hong Kong. Only the person to whom a copy of this Supplementary Bidder's Statement has been issued may take action in response to this Supplementary Bidder's Statement. The Offer is personal to the person to whom this Supplementary Bidder's Statement has been delivered, and an acquisition or subscription for securities under the Offer will only be accepted from such person.

This Supplementary Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Supplementary Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Supplementary Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Supplementary Bidder's Statement is addressed.

#### **4.3 Malaysia**

This Supplementary Bidder's Statement concerns a takeover offer for Demetallica, an Australian corporation, pursuant to the laws of Australia. No approval from, or recognition by, the Securities Commission of Malaysia has been, or will be, obtained in relation to any offer of the Shares. The Shares may not be issued or transferred in Malaysia except to persons who are shareholders of Demetallica in compliance with the Offer.

#### **4.4 New Zealand**

This Supplementary Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law.

The offer of Shares is being made to existing shareholders of Demetallica in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

#### **4.5 Appointment of Foreign Nominee**

If you are a resident of a jurisdiction other than Australia (and its external territories), New Zealand, Malaysia or Hong Kong, or your address shown in Demetallica's register of members is a place outside Australia (and its external territories), New Zealand, Malaysia or Hong Kong or you are acting on behalf of such a person then you are an **"Ineligible Foreign Shareholder"**.

AIC Mines has appointed, and ASIC has approved the appointment of, Argonaut Securities Pty Ltd ACN 108 330 650 AFSL No. 274099 (**Nominee**) as the foreign holder nominee for the purposes of section 619(3) of the Corporations Act.

The Nominee will receive and sell the AIC Shares to which Ineligible Foreign Shareholders who accept the Offer would have been entitled.

Please see section 10.11 of the Bidder's Statement for further details.

## 5. ADDITIONAL INFORMATION

### 5.1 ASIC modifications and exemptions

This Supplementary Bidder's Statement includes or is accompanied by statements that are made in, or based on, statements made in documents lodged with ASIC or ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. A list of all such documents is set out below:

Date lodged	Demetallica ASX Announcement
18 October 2022	Demetallica Supplementary Target's Statement
12 October 2022	Demetallica Target's Statement
4 October 2022	Demetallica September 2022, Quarterly Activities, Appendix 5B, Cash Flow Report
27 September 2022	Demetallica Full Year Statutory Accounts – 30 June 2022
22 July 2022	Demetallica June 2022, Quarterly Activities, Appendix 5B, Cash Flow Report
30 June 2022	Sale of Unmarketable Parcels of Shares
24 May 2022	Demetallica Prospectus

As required by Class Order 13/521, AIC Mines will make available a copy of the documents containing these statements (or relevant extracts from these documents) free of charge to Demetallica Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts), Demetallica Shareholders may contact AIC Mines by sending an email to [info@aicmines.com.au](mailto:info@aicmines.com.au).

### 5.2 Lodgement

A copy of this document was lodged with ASIC on 21 October 2022. This document will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

### 5.3 Approval of Supplementary Bidder's Statement

This document has been approved by a resolution passed by the directors of the Bidder.

Signed for and on behalf of AIC Mines Limited ACN 060 156 452.



**Josef El-Raghy**

Chairman