

Chair's Address

Ladies and Gentlemen,

All indicators are that this will be our first and last Demetallica AGM. Of course, I refer to the corporate takeover process currently underway. While incomplete it will very probably result in Demetallica being removed from the ASX.

Demetallica's shareholders will represent around 20% of the expanded AIC register, contributing significantly to the future of AIC Mines through integration of Demetallica's quality exploration portfolio and, within that, the sizeable Jericho copper deposit.

Your directors continue to recommend acceptance of the AIC Mines Offer to propel uptake to the 90% target threshold. I note AIC has received acceptances for 66% of Demetallica shares. The Directors see no practical reason or value-proposition for Demetallica shareholders to continue to hold shares in what will become a wholly-controlled subsidiary of AIC Mines.

Acquisition of Jericho and the Eloise Mine extensions of Eloise Deeps into Demetallica's tenements provide the opportunity to transform AIC Mines' Eloise copper mine. Eloise will have access to some 20Mt of copper resources all located within 20km of the Eloise process plant. An extended 10 year life-of-mine is foreseen for Eloise, producing a sought after high-grade copper concentrate. There is considerable untested potential for additional copper resources on the tenements. With expected upward trends in copper pricing Eloise should be able to generate healthy profits for shareholders.

At Demetallica we are proud to have created a circumstance where the Company's mineral assets offer material value to a third party. This value is evidenced by the very healthy offer premium received, relative to Demetallica's pre-bid share price.

This is an outcome due in no small way to the expertise and professionalism of our technical and management team, ably led by Andrew Woskett. Some of the team may continue to contribute to the advancement of Demetallica's projects from within AIC Mines. To those departing the Company I wish you the best for your future prospects. To shareholders intending to remain with the AIC group I wish you success with your investment. To my fellow directors I extend my thanks for their support and integrity over the past several years in both Demetallica and its predecessor company Minotaur Exploration.

I bid you good day.

Dr R Higgins
Chair