

24 September 2021

Australian Securities Exchange Limited
Via ASX Market Announcements Platform

NOTICE OF GENERAL MEETING

AIC Mines Limited (ASX:A1M) will today despatch to its shareholders the following General Meeting documents:

1. Notice of General Meeting
2. Explanatory Statement and Annexure A (Independent Expert's Report)
3. Proxy Form

Copies of these documents are attached to this announcement.

The General Meeting will be held at The Kings Park Room, Vibe Hotel Subiaco, 9 Alvan Street, Subiaco 6008, Western Australia on Monday 25 October 2021 at 11am.

This announcement has been approved for issue by, and enquiries regarding this announcement may be directed to:

Aaron Colleran
Managing Director
Email: info@aicmines.com.au

The ASX takes no responsibility for the contents of this announcement.



ACN 060 156 452

Notice of General Meeting

A General Meeting of the Company will be held at The Kings Park Room, Vibe Hotel Subiaco, Subiaco 6008, Western Australia on 25 October 2021 at 11am.

AIC Mines is taking precautions to facilitate an in-person meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to conduct an in-person meeting the Company will provide an update ahead of the meeting by way of an ASX announcement.

Shareholders are strongly encouraged to vote by lodging the proxy form included with this Notice.

This Notice, the accompanying Explanatory Statement, the Independent Expert Report and the Independent Specialist Report should be read in their entirety.

If you are in doubt as to how you should vote, you should seek advice from your financial or other professional adviser prior to voting.

Independent Expert Report: You should carefully consider the Independent Expert Report accompanying the Explanatory Statement at Annexure A for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act (proposed by Resolutions 1 and 2). The Independent Expert Report concludes that the Proposed Transaction is fair and reasonable to non-associated Shareholders.

Should you wish to discuss the matters in this Notice of General Meeting please contact the Company Secretary on +61 (8) 6269 0110 or by email at info@aicmines.com.au

**AIC Mines Limited
ACN 060 156 452
(Company)**

Notice of General Meeting

Notice is hereby given that a General Meeting of Shareholders of AIC Mines Limited will be held at The Kings Park Room, Vibe Hotel Subiaco, Subiaco 6008, Western Australia on Monday 25 October 2021 at 11.00 am (WST) (**Meeting**).

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined in the Glossary.

Agenda

1 Resolutions

Resolution 1 – Change to Nature and Scale of Activities

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the Eloise Acquisition, as described in the Explanatory Statement.”

Voting Exclusion:

AIC will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- *FMR Investments Pty Ltd (FMR) and any other person who will obtain a material benefit as a result of the Eloise Acquisition (except a benefit solely by reason of being a holder of ordinary securities in AIC);*
- *any associate of FMR or such persons.*

However, this does not apply to a vote cast in favour of Resolution 1 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- *a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
- the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Short Explanation: The Company has entered into the Mine Sale Agreement pursuant to which the Company will acquire 100% of the Eloise Copper Mine and related assets (the **Eloise Acquisition**) from FMR Investments Pty Ltd (**FMR**). If successful, the Eloise Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

Resolution 2 – Issue of Consideration Shares to FMR and the increase of voting power up to 29.9%

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, Shareholder approval is given for:

- the issue and allotment of 80,000,000 Consideration Shares to FMR; and
- the acquisition of a relevant interest in those Consideration Shares by FMR (and of any deemed relevant interest by its associates); and
- the Voting Power of FMR and its associates increasing up to a maximum of 29.9%,

in each case, on the terms and conditions set out in the Explanatory Statement."

Voting Prohibition:

In accordance with item 7, section 611 of the Corporations Act, a vote on this Resolution 2 must not be cast by:

- FMR or any of its associates; or
- the person (if any) from whom the acquisition is to be made and their associates*.

** As the issue of the Consideration Shares will occur through an issue of shares, there is no 'person from whom the acquisition is to be made'. This means that s.611 item 7(a)(ii) does not prevent an associate of AIC from voting in favour of the Resolution.*

Short Explanation: Item 7, section 611 of the Corporations Act, allows a person to acquire shares or a relevant interest in shares, where that acquisition results in that person's or another person's voting power in the Company increasing from 20% or below to more than 20% if shareholder approval is obtained for the acquisition.

Independent Expert Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert Report comments on the fairness and reasonableness of the Eloise Acquisition, the subject of this Resolution, to the non-associated Shareholders of the Company.

Resolution 3 – Issue of Offer Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 160,000,000 Shares at an issue price of \$0.25 each pursuant to the Offer (comprising the Priority Offer and the General Offer) to be made pursuant to a Prospectus, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

AIC will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- *any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed Offer (except a benefit solely by reason of being a holder of ordinary securities in AIC);*
- *any associate of such persons.*

However, this does not apply to a vote cast in favour of Resolution 3 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- *a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and*
 - *the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Short Explanation: In accordance with the Listing Rules, Shareholder approval is required to allow the Company to issue securities in excess of 15% of the total ordinary shares in any 12 month period.

Resolution 4 – Director Participant in General Offer - Mr Aaron Colleran

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is

given for the Company to allot and issue up to 6,000,000 Shares to Mr Aaron Colleran (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusions for Resolution 4:

AIC will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- *Mr Aaron Colleran (and his nominee(s));*
- *any other person who will obtain a material benefit as a result of, the issue of the securities the subject of Resolution 4 (except a benefit solely by reason of being a holder of ordinary securities in AIC);*
- *any associate of such persons.*

However, this does not apply to a vote cast in favour of Resolution 4 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- *a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4 in accordance with directions given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and*
 - *the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Resolution 5 – Director Participant in General Offer - Mr Josef El-Raghy

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 25,000,000 Shares to Mr Josef El-Raghy or his nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusions for Resolution 5:

AIC will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- *Mr Josef El-Raghy (and his nominee(s));*
- *any other person who will obtain a material benefit as a result of, the issue of the securities the subject of Resolution 5 (except a benefit solely by reason of being a holder of ordinary securities in AIC);*
- *any associate of such persons.*

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5 in accordance with directions given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
 - the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Director Participant in General Offer - Mr Brett Montgomery

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 2,354,000 Shares to Mr Brett Montgomery (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusions for Resolution 6:

AIC will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- Mr Brett Montgomery (and his nominee(s));
- any other person who will obtain a material benefit as a result of, the issue of the securities the subject of Resolution 6 (except a benefit solely by reason of being a holder of ordinary securities in AIC);
- any associate of such persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6 in accordance with directions given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6; and

- the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Director Participant in General Offer - Mr Jon Young

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 400,000 Shares to Mr Jon Young (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusions for Resolution 7:

AIC will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- *Mr Jon Young (and his respective nominee(s));*
- *any other person who will obtain a material benefit as a result of, the issue of the securities the subject of Resolution 7 (except a benefit solely by reason of being a holder of ordinary securities in AIC);*
- *any associate of such persons.*

However, this does not apply to a vote cast in favour of Resolution 7 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- *a chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 7 in accordance with directions given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 7; and*
 - *the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.*

BY ORDER OF THE BOARD



Linda Hale
Company Secretary
AIC Mines Limited

Dated 24 September 2021

See the following notes on Voting and Proxies

Attendance and Voting at the Meeting

In accordance with applicable law, the Directors have made a determination that all the Shares of the Company are taken, for the purposes of determining the right of members to attend and vote at the meeting, to be held by persons who held them as at 11.00 am AWST on 23 October 2021. If you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

You may vote by attending the meeting in person or by proxy (see below).

All Resolutions proposed at this Meeting are ordinary resolutions. Ordinary resolutions require the support of more than 50% of those Shareholders voting in person, by proxy, by representative or by attorney.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

All of the Resolutions proposed in the Notice will be decided on a poll.

On a poll, shareholders have one vote for every fully paid ordinary Share held (subject to the restrictions on voting referred to in the Notice of Meeting).

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

In the interests of public health and the safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

Voting by proxy

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

Proxy Forms can be lodged:

Online	At www.investorvote.com.au
By mail:	Computershare Investor Services Pty Limited, GPO Box 242,

Melbourne Victoria 3001, Australia

By fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile: Scan the QR Code available on the proxy form

Custodian voting For Intermediary Online subscribers only (custodians) please visit
www.intermediaryonline.com to submit your voting intentions

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed;
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed;
- subject to the voting prohibitions described in this Notice of Meeting, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6269 0110.

Explanatory Statement

IMPORTANT NOTICE

This Explanatory Statement contains an explanation of, and information about, the Resolutions to be considered at the General Meeting. Shareholders should read this Explanatory Statement in full. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

An Independent Expert Report has also been commissioned by AIC and contains important information to assist Shareholders in deciding how to vote on Resolution 2 regarding the issue of Shares to FMR. A copy of that report is attached to this Explanatory Statement at Annexure A. Shareholders should read that report in its entirety to ensure they have all information relevant on how to vote on Resolution 2.

This Explanatory Statement does not take into account the individual investment objectives, financial situation and needs of individual shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions.

If you are in doubt about what to do in relation to the resolution, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Statement are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Statement is dated 24 September 2021.

RESPONSIBILITY FOR INFORMATION

The information contained in this Explanatory Statement (other than the Independent Expert Report, the Independent Specialist Report and information provided by FMR) has been prepared by AIC and is the responsibility of AIC. FMR does not assume any responsibility for the accuracy or completeness of that information.

FMR has provided the following information concerning it and its intentions:

1. the information contained in the Information Regarding FMR in Section 3 at page 34 of this Explanatory Statement;
2. the information set out in Section 8 under Resolution 2 which relates to FMR's associates, related bodies corporate, voting power and intentions.

None of AIC, its associates or its advisers assumes any responsibility for the accuracy or completeness of the information provided by FMR.

A copy of this Notice of Meeting and Explanatory Statement have been lodged with the ASX pursuant to the Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of these documents.

FORWARD LOOKING STATEMENTS

Certain statements in this Explanatory Statement relate to the future. These statements reflect views only as of the date of this Explanatory Statement. While AIC believes that the expectations reflected in the forward-looking statements are reasonable, neither AIC nor any other person gives any representation, assurance, or guarantee that the occurrence of an event expressed or implied in any forward-looking statements in this Explanatory Statement will actually occur.

THE RESOLUTIONS

At this General Meeting, Shareholders will be asked to vote on Resolutions relating to:

1. The acquisition of the Eloise Assets which will result in the Company making a significant change to the nature and scale of its activities (Resolution 1).
2. The issue of 80,000,000 Consideration Shares to FMR, resulting in the acquisition of greater than a 20% interest in the Company's Shares. An Independents Expert Report has been commissioned by AIC to assist Shareholders in their decision, a full copy of which is provided at Annexure A (Resolution 2).
3. The issue of up to a further 160,000,000 Shares in order to raise up to \$40,000,000, comprising the Priority Allocation and the General Offer (Resolution 3).
4. The issue of up to 33,754,000 Related Party Shares to allow the Directors and the FMR Nominee Director to participate in the General Offer (Resolutions 4 to 7).

ESSENTIAL RESOLUTIONS

Each of Resolutions 1, 2 and 3 are Essential Resolutions all of which are necessary to complete the Eloise Acquisition.

Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail, and Completion of the Eloise Acquisition will not occur.

Resolutions 4 to 7 relate to the ability of AIC's current Directors and FMR's Nominee Director to participate in the General Offer and are not essential to enable the Eloise Acquisition to proceed.

Contents of Explanatory Statement

CHAIRMAN'S LETTER.....	2
SECTION 1 - OVERVIEW OF THE ELOISE ACQUISITION AND THE OFFER	4
SECTION 2 - IMPACT OF THE ELOISE ACQUISITION AND THE OFFER	14
SECTION 3 - IMPORTANT INFORMATION ABOUT FMR	34
SECTION 4 - DETAILED INFORMATION REGARDING THE ELOISE COPPER MINE	36
SECTION 5 - REASONS TO SUPPORT THE ELOISE ACQUISITION AND THE OFFER	44
SECTION 6 - DISADVANTAGES OF SUPPORTING THE ELOISE ACQUISITION AND THE OFFER.....	46
SECTION 7 - APPROVAL OF ELOISE ACQUISITION	48
SECTION 8 APPROVAL FOR ACQUISITION OF GREATER THAN A 20% INTEREST IN AIC SHARES BY FMR51	
SECTION 9 - RESOLUTION 3 - APPROVAL TO ISSUE AIC SHARES TO RAISE CAPITAL	59
SECTION 10 - RESOLUTIONS 4 TO 7 - APPROVAL TO ISSUE SHARES TO RELATED PARTIES	63
SECTION 11 - GLOSSARY.....	68
Schedule 1 Further Terms and Conditions of Eloise Acquisition.....	73
Schedule 2 Terms and Conditions of Performance Incentives.....	78
Schedule 3 Summary of Equity Participation Plan	79
Schedule 4 Eloise Copper Mine - Mineral Resources and Ore Reserve Statement.	81
Schedule 5 Summary of Joint Lead Managers Mandate.....	116
Annexure A Independent Expert Report (including the Independent Specialist Report).....	119

CHAIRMAN'S LETTER

Dear Fellow Shareholders

As announced on 31 August 2021, AIC Copper Pty Ltd a wholly owned subsidiary AIC Mines has entered into an agreement to acquire the Eloise Copper Mine from FMR Investments Pty Ltd. The Eloise Acquisition is subject to certain conditions, which include AIC obtaining shareholder approval for the Eloise Acquisition.

The Eloise Copper Mine is a high-grade operating underground mine located 60 kilometres southeast of Cloncurry in North Queensland. It commenced production in 1996 and has since produced approximately 339,000t of copper and 167,000oz of gold. The mine is currently producing at an annual rate of 11,500t of copper and 7,000oz of gold in concentrate. AIC will pay approximately \$27 million to acquire the Eloise Assets subject to certain inventory adjustments on closing. The consideration comprises:

1. A payment of \$5 million in cash and \$20 million in AIC Shares payable on completion; and
2. A contingent payment of \$2 million in cash payable six months after completion if certain production milestones are achieved.

The current owner of the Eloise Copper Mine, FMR, will join AIC as a supportive new major shareholder – on completion of the Transaction, FMR will hold approximately 26.0% - 29.9% of the issued capital of AIC.

Your Board believes that this is a good outcome as it retains the considerable expertise and operational history of FMR at Eloise. AIC will also undertake a capital raising of up to \$40 million to fund the Eloise Acquisition as well as hold sufficient capital for working capital movements, accelerated exploration expenditure and environmental performance bonds.

The Eloise Acquisition will create a new junior copper miner with significant upside. AIC expects to add value through exploration success, resource growth, regional consolidation and improving operational reliability. The Board believes that the Eloise Acquisition is very compelling and provides a number of benefits to AIC shareholders, including:

1. Shareholders will participate in a new growth-focused Australian copper mining company. The increased scale of the Company and improved financial capacity is expected to provide access to growth opportunities which are unlikely to otherwise be available to the Company;
2. A stronger financial platform for exploration and growth. The Eloise Copper Mine is generating free cashflow which AIC will be able to apply to current and new exploration and growth opportunities. It will allow AIC to increase its efforts to add value through exploration, development and further acquisitions in both copper and gold assets within Australia;
3. It is expected that AIC, as a copper miner, will receive more analyst coverage and broker attention which will make it more visible to a wider investment community. Liquidity in the Company's shares is expected to increase, allowing shareholders to more easily buy and sell shares. The improved liquidity is also expected to attract institutional investors who would not have previously invested in AIC.

4. The Eloise Acquisition offers Shareholders exposure to attractive copper market dynamics. The transition to a greener economy is contributing to incremental demand for copper. New technologies required for electrification and decarbonisation, including electric vehicles and wind power, require motors, transformers and cabling, and have higher copper intensities than the technologies being displaced.
5. A supportive new major shareholder in FMR. AIC will retain access to the expertise and operational history relevant to the Eloise Copper Mine that FMR has built up over its 16 years of ownership.

Section 5 of this Explanatory Statement sets out in further detail the reasons to vote in favour of the Resolutions. These reasons should be considered in light of the other information in this Explanatory Statement, including the potential disadvantages of supporting the transactions (as set out in Section 6 of this Explanatory Statement) and the risks associated with the transactions (as set out in paragraph 2.16 in Section 2 of this Explanatory Statement).

BDO, the Independent Expert engaged by the Board to opine on the Proposed Transaction has concluded that the Proposed Transaction is fair and reasonable. The Independent Expert Report is attached to this Explanatory Statement as Annexure A.

For the reasons set out above, the Directors unanimously support the Eloise Acquisition and recommend that you vote in favour of the Resolutions at the General Meeting.

This Explanatory Statement provides important information in relation to the Eloise Acquisition and the Resolutions relating to it on which you, as an AIC Shareholder, will be asked to vote. Your vote is important in order to ensure that the Eloise Acquisition is completed so that the associated benefits can be delivered to Shareholders.

On behalf of the Board, I encourage you to read this Explanatory Statement carefully and vote in favour of the Resolutions at the General Meeting to be held on 25 October 2021. Details of how you may vote at the General Meeting are set out in this Explanatory Statement.

Should you require any further information about the transaction, please contact our Company Secretary on +61 (8) 6269 0110 or by email at info@aicmines.com.au

Yours faithfully



Mr Josef El-Raghy
Chairman
AIC Mines Limited

SECTION 1 - OVERVIEW OF THE ELOISE ACQUISITION AND THE OFFER

Resolutions 1 and 2 relate to a significant acquisition, being the acquisition of the Eloise Copper Mine and its related business and assets (the **Eloise Acquisition**).

Resolution 3 relates to a significant capital raising in connection with (and to satisfy the conditions attached to) the Eloise Acquisition. **The capital raising is not being conducted as a rights issue which means Shareholders will not receive a pro rata allocation of Shares.** An overview of the capital raising (or Offer) is set out at Section 1.7 below.

As stated above, all of Resolutions 1, 2 and 3 are Essential Resolutions.

On 24 August 2021, AIC, through its wholly owned subsidiary AIC Copper Pty Ltd entered into the Mine Sale Agreement with FMR which is subject to various conditions including Shareholder and ASX approval.

An overview of the Eloise Acquisition is set out in this Section 1. For a comprehensive summary of all key terms and conditions of the Mine Sale Agreement see Schedule 1

Eloise Acquisition - Summary of Key Terms

1.1 Mine Sale Agreement

On 24 August 2021 AIC Copper Pty Ltd (AIC's wholly-owned subsidiary), guaranteed by AIC (referred to in this summary collectively as the Company or AIC) entered into the Eloise Copper Mine Sale Agreement with FMR Investments Pty Ltd (**FMR**), pursuant to which the Company agreed to purchase the Eloise Copper Mine business and assets (**Mine Sale Agreement**) with effect from completion.

1.2 Eloise Assets

The Mine Sale Agreement provides for the purchase of the:

- (a) **Business**, being the business relating to the Eloise Copper Mine presently carried on in Queensland by FMR; and
- (b) **Assets** relating to the Business, being plant and equipment, inventory, tenements, business intellectual property, statutory licences, equipment finance contracts, contracts, records and mining information,

(together the **Eloise Assets**).

The **tenements** subject to the Mine Sale Agreement include the following leases granted under the Mining Act, including any applications for and any extensions, renewals, conversions, or substitutions:

- (a) ML90064;

- (c) ML90086;
- (d) ML90155; and
- (e) ML90080.

1.3 Completion

The Completion Date of the Mine Sale Agreement is the first date which:

- (a) falls on a business day on the first day, 15th day, 16th day or last day of a calendar month; and
- (b) is at least five business days after the satisfaction or waiver of the last of the conditions precedent,
- (c) or any other date agreed by the Company and FMR.

1.4 Purchase Price

The purchase price paid by the Company for the Eloise Assets is comprised of:

- (a) the completion payment, being \$5,000,000 (**Eloise Completion Payment**); plus
- (b) the issue of the **Consideration Shares**, being 80,000,000 fully paid ordinary shares in the capital of the Company determined by dividing \$20,000,000 by the Issue Price rounded up to the nearest whole number of shares; and
- (c) if 20,000 dry metric tonnes of copper concentrate or more is produced by the Eloise Copper Mine within six months following completion, then the Company must pay a contingent payment of \$2,000,000 (**Eloise Contingent Payment**).

The Purchase Price is subject to adjustment to reflect any positive or negative differences greater than \$200,000 between the actual value of the Inventory and Run of Mine (**ROM**) stock acquired and the pre-agreed value of the Inventory and the ROM stock. The adjustment will occur after the Completion Date

The closing inventory and ROM stock positions are common post completion adjustments for the sale of operating assets like the Eloise Copper Mine. The aim of the adjustment is to ensure that the asset continues to be operated in the ordinary course up until completion (i.e. transfer of ownership) and that the new owner receives the asset with appropriate consumables (inventory) and work-in-progress (ROM stocks) to continue operations uninterrupted. Any fluctuations in ordinary balances are offset by the adjustment mechanism; that is, an additional payment is made for additional inventory or ROM stocks received, or a reduced payment is made if less inventory or ROM stocks are received. The calculations must be completed after completion as the aim of the adjustment is to ensure ordinary course operation up until completion.

The pre-agreed value of the Inventory and the ROM stock are the average end of month values over the past 24 months are as follows:

- (a) Inventory is \$3,800,000; and
- (b) ROM stock is \$665,625.

Adjustment payments are therefore only made if the value of Inventory at the Completion Date is less than \$3,600,000 or greater than \$4,000,000, or if the value of the ROM stock is less than \$465,625 or greater than \$865,625.

In order to calculate the adjustment, FMR and the Company will jointly undertake a calculation of the value of Inventory, a valuation of the ROM stock and a review of the unpaid goods and services, prepaid goods and services, expenses and outgoings at the Completion Date.

FMR will then prepare an adjustment statement within 10 Business Days after the Completion Date. Within 5 business days of the adjustment statement being agreed the adjustment amount must be settled as follows:

- (a) if the amount is payable by AIC to the FMR, AIC must pay the amount to FMR;
or
- (b) if the amount is payable by FMR to AIC, FMR must pay the amount to AIC.

There is no cap on the maximum adjustment amount. However, the Company's financial and technical due diligence over the past 24 months has shown that the value of the Inventory and the ROM stock have rarely moved outside of a \$200,000 range such that the Company does not expect there to be an adjustment required.

Movements outside the \$200,000 range have happened three times in the last 24 months as recorded in the end of month management accounts. It was \$61,827 above at 30 April 2021, \$43,753 above at 29 February 2020 and \$29,514 below at 31 October 2019.

Additionally, the Mine Sale Agreement imposes a positive obligation on FMR to run the business in the ordinary course up to the Completion Date. On this basis, any possible adjustment amount is likely to be less than \$200,000 (either positive or negative) and hence is not considered material in comparison to the value attributed to the Acquisition.

If, for example the value of Inventory on the Completion Date is \$4,100,000 then the Company will pay FMR \$100,000. In contrast, if for example the value of inventory at the Completion Date is \$3,500,000, then FMR will pay the Company \$100,000.

Further examples are provided in the table below:

Value of Inventory at Completion Date	Adjustment	Payment made by AIC	Payment received by AIC
\$3,400,000	\$200,000	0	\$200,000
\$3,500,000	\$100,000	0	\$100,000
\$3,600,000	0	0	0
\$3,700,000	0	0	0
\$3,800,000	0	0	0
\$3,900,000	0	0	0
\$4,000,000	0	0	0
\$4,100,000	\$100,000	\$100,000	0
\$4,200,000	\$200,000	\$200,000	0

Value of ROM stock at Completion Date	Adjustment	Payment made by AIC	Payment received by AIC
\$300,000	\$165,625	0	\$165,625
\$400,000	\$65,625	0	\$65,625
\$500,000	0	0	0
\$600,000	0	0	0
\$700,000	0	0	0
\$800,000	0	0	0
\$900,000	\$34,375	\$34,375	0
\$1,000,000	\$134,375	\$134,375	0

If an adjustment amount is required, AIC expects it will be less than \$200,000 (either positive or negative) and accordingly, the Company does not consider it to be material in comparison to the value attributed to the Acquisition.

Furthermore, any adjustment payment made by the Company essentially represents additional value, in the form of additional Inventory or ROM stock, that the Company had not otherwise expected to receive. The additional Inventory will be used in the processing of copper ores and the ROM stock will be used to produce additional copper concentrate from which the Company will receive additional value.

As indicated above, the adjustment is unlikely to be material. Regardless of materiality, the net impact to the value of the asset acquired is zero, hence a cap on the adjustment amount is not appropriate. Any positive adjustment that the Company makes is exactly offset by the additional value of assets (inventory and ROM stocks) that the Company will receive. Alternatively, any negative adjustment that the Company benefits from in the purchase price is exactly offset by the Company immediately needing to replenish the inventory or ROM stock position.

As noted above, the purchase price adjustment mechanism is a protection mechanism that ensures the asset is run in the ordinary course leading up to the Completion Date. The Company considers that an adjustment mechanism is in the best interests of the Company.

The Company does not have a termination right pursuant to the Mine Sale Agreement as a result of the value of Inventory or ROM stocks at the Completion Date nor does it require this option. Unusual or material changes in the inventory or ROM stock position do not normally give rise to a termination right in the context of an operating asset transaction and the Company

considers that the Mine Sale Agreement is no different to any other asset sale agreements in this regard.

The Company does have termination rights under the Mine Sale Agreement, which may apply in certain circumstances. A material adverse change to the Eloise business would give the Company the right to terminate the Mine Sale Agreement.

The Company agreed to the adjustment mechanism because it believes it is an appropriate protection mechanism that ensures the asset is run in the ordinary course leading up to the Completion Date. The Company believes that the adjustment mechanism is in its best interests and those of its Shareholders, and does not have the ability under the Mine Sale Agreement to procure a further shareholder approval after the Completion Date of the Acquisition, to approve the ultimate adjustment payment (or benefit).

Purchase price adjustment mechanisms are common practice for the purchase of operating assets. Shareholders have accordingly been supplied with information regarding the purchase price adjustment mechanism and the Company's view that the adjustment is unlikely to be material. Shareholders are also encouraged to read the Independent Experts Report contained in Annexure A which notes that any adjustment payment or benefit does not impact the **value** of the asset acquired. Accordingly the Company believes that Shareholders have sufficient information on which to make an informed decision.

The Company will also need to replace security bonds and financial provisions given by FMR in respect of the Eloise Assets.

FMR will retain ownership of copper concentrate produced before the effective time of Completion.

1.5 Conditions Precedent

Completion of the Mine Sale Agreement is conditional upon:

- (a) the Minister or their delegate giving FMR an indicative approval, being an approval under section 23 of the *Mineral and Energy Resources (Common Provisions) Act 2014* (MERC Act), in respect of each tenement, and any conditions contained in the indicative approval being satisfactory to the Company, acting reasonably;
- (b) the resolution of AIC Shareholders being approved for the issue of the Consideration Shares to FMR for all purposes (including for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 11.1.2 and approvals required to raise capital);
- (c) the financiers in respect of each equipment finance contract consenting in writing to the assignment or novation of the respective finance contract to the Company or to FMR paying out the equipment finance contract at or prior to completion, and releasing FMR from any obligations arising after completion under the equipment finance contracts;
- (d) each party to certain contracts agreeing to assign, novate, or otherwise transfer the benefit and burden of those contracts, to the Company from completion (or

on terms otherwise acceptable to the parties acting reasonably) or entering into new arrangements on terms acceptable to AIC;

- (e) AIC conducting a capital raising pursuant to which no less than \$30,000,000 is raised;
- (f) AIC re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the Eloise Acquisition and receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms reasonably acceptable to the Company;
- (g) no less than 80% of employees accepting the offer of employment and certain key employees entering into service agreements with the Company subject to completion occurring;
- (h) the schedules to the Corporate Services Agreement being agreed between the parties; and
- (i) no material adverse change having occurred in relation to the business since the date of the agreement.

The parties are required to use reasonable endeavours to satisfy the Conditions Precedent and keep the other party informed of any circumstances which may result in a Condition Precedent being unsatisfied.

1.6 Board Representation – FMR's Nominee Director

FMR will have the right from completion to nominate one director to the board of directors of AIC. This right continues while FMR continues to hold at least 10% of the ordinary shares in AIC.

Capital Raising – The Offer

1.7 Offer

As stated above, it is a condition precedent to the Mine Sale Agreement that AIC conducts a capital raising to raise no less than \$30,000,000.

Accordingly, AIC is seeking to raise between \$30,000,000 (Minimum Subscription) and \$40,000,000 (Maximum Subscription) by issuing up to 160,000,000 Shares at the Issue Price.

The Offer will be structured as follows:

- (a) a Priority Allocation of up to 20,000,000 Shares to AIC's Minority Shareholders; and
- (b) a General Offer of 140,000,000 Shares open to the public and to AIC Shareholders in respect of the balance, including any potential shortfall from the Priority Allocation.

AIC will issue a Prospectus for the Offer, which it expects to lodge with ASIC on or about 27 September 2021.

Priority Allocation Policy

The Priority Allocation is not being conducted as a rights issue. Accordingly Shareholders will not receive an automatic pro rata allocation of Shares.

The Directors in consultation with the Joint Lead Managers will allocate Shares under the Priority Allocation at their sole discretion in a way that is fair and equitable to Minority Shareholders having regard to their current holdings in the Company.

General Offer Allocation Policy

The Directors in consultation with the Joint Lead Managers will allocate Shares under the General Offer at their sole discretion with a view to:

- (a) identifying new potential long term cornerstone investors;
- (b) ensuring no Shareholder has a Relevant Interest in more than 20% of the Company;
- (c) ensuring an appropriate Shareholder base for the Company going forward;
- (d) facilitating participation for Substantial Shareholders who will not receive an allocation pursuant to the Priority Allocation.

The Company's ability to conduct the Offer is subject to Shareholder's approving Resolution 3. Further information is provided for that purpose in the explanation for Resolution 3 in Section 9..

1.8 Lead Manager

The Company has appointed Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd as Joint Lead Managers (**Joint Lead Managers**) to manage the Offer. The terms of the Joint Lead Manager Mandate are detailed in Schedule 5.

At this stage, the Offer is not expected to be underwritten.

The Joint Lead Managers will receive the following fees:

- (a) a management fee of 1.5% (plus GST) of gross proceeds raised pursuant to the General Offer;
- (b) a selling fee of 4.0% (plus GST) of gross proceeds raised pursuant to the Offer less Contributed Proceeds;
- (c) a selling fee of 2.0% (plus GST) of Contributed Proceeds.

"Contributed Proceeds" refers to the gross amount received under the Offer from the following Substantial Shareholders of the Company:

- (a) Nordana Pty Ltd;

- (b) El-Raghy Kriewaldt Pty Ltd;
- (c) Brahman Pure Alpha Pte Ltd;
- (d) Brahman Capital Management Pte Ltd; and
- (e) Gold Elegant (HK) Investment Limited.

In addition, the Company will pay Canaccord Genuity (Australia) Limited a corporate advisory fee equal to 0.5% (plus GST) of gross proceeds.

The Company expects the fees payable to the Joint Lead Managers to be between \$1,600,000 and \$2,200,000.

As set out in Section 2.3 of this Explanatory Statement, FMR's Nominee Director (Mr Jon Young) is a Director of Wealth Management at Canaccord. However he has not and will not be involved in advising the Company in relation to the General Offer or in carrying out the work of the Joint Lead Managers to manage the General Offer, except to the extent of providing input in relation to the nature, value and merits of the Eloise Assets and background on the Eloise Acquisition. Mr Young is familiar with these matters from his long term role as chairman of FMR (see further detail in Section 2.3).

1.9 Use of Funds

The purpose of the Offer is to provide funds for the Eloise Acquisition and costs and expenditure related to the Eloise Acquisition as set out in the table below.

The Company expects the Offer funds (net of costs), together with existing cash reserves to provide sufficient working capital for the first two years following completion of the Eloise Acquisition and its Re-admission.

Funds Available	Minimum Subscription	Maximum Subscription
Cash reserves (as at 30 June 2021)	\$4,285,000	\$4,285,000
Funds raised from the Offer	\$30,000,000	\$40,000,000
Total funds available	\$34,285,000	\$44,285,000

Use of Funds	Minimum Subscription		Maximum Subscription	
Eloise Completion Payment	\$5,000,000	14.6%	\$5,000,000	11.3%
Financial Assurances (Eloise Environmental Bond)	\$6,800,000	19.8%	\$6,800,000	15.4%
Exploration Expenditure - Eloise ¹	\$5,000,000	14.6%	\$6,000,000	13.5%

Exploration Expenditure – Lamil, Marymia and new projects ²	\$4,285,000	12.5%	\$7,985,000	18.0%
Fees and Costs (Eloise Acquisition and Offer)	\$3,200,000	9.3%	\$3,800,000	8.6%
Working Capital ³	\$10,000,000	29.2%	\$14,700,000	33.2%
TOTAL	\$34,285,000	100%	\$44,285,000	100%

Notes:

1. AIC is planning to increase both surface and underground drilling at Eloise targeting both extensions to the known resource areas and the discovery of new satellite lodes within the Eloise mining tenements.
2. At the Maximum Subscription, the Company will have the ability to acquire new exploration projects.
3. If required to be paid, the Eloise Contingent Payment would be funded from cashflow from the Eloise Copper Mine or Working Capital.

The above tables are a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

Indicative Timetable

Indicative Timetable	Date
This Notice and Explanatory Statement sent to Shareholders	24 September 2021
Prospectus (for the Offer) lodged with ASIC	27 September 2021
Opening date of Priority Offer	7 October 2021
Opening date of General Offer	7 October 2021
General Meeting	25 October 2021
Closing date of Offer	25 October 2021
Issue of Shares under the Offer (including Related Party Shares, if approved)	29 October 2021
Issue of Consideration Shares to FMR	29 October 2021

Re-instatement to official quotation on ASX (including Shares issued under the Offer)	5 November 2021

**The timetable is indicative only and is subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on timing of the completion of the transactions as they progress.*

SECTION 2 - IMPACT OF THE ELOISE ACQUISITION AND THE OFFER

2. Impact of Resolutions on AIC

2.1 Rationale for Eloise Acquisition

AIC's Board has chosen to proceed with the Eloise Acquisition and the related Offer for the following reasons:

- (a) It is in line with the Company's growth strategy – to target late-stage Australian gold and copper projects where the Company can add value through exploration and development. The Eloise Acquisition creates a new junior miner with the ability to add value through exploration success, resource growth, operational reliability and regional consolidation.
- (b) It is a great time to be a copper producer – with strong demand and price outlook for copper.
- (c) It has excellent exploration potential – current reserves and resources support a robust mine life with clear potential to extend beyond 5 years.
- (d) It is located in one of the most significant copper producing regions of the world – providing opportunity for additional bolt-on acquisitions and regional consolidation.
- (e) It delivers a supportive new major shareholder – the considerable expertise and operational history within FMR is retained.

2.2 Impact on Issued Capital

A pro forma issued capital table demonstrating the impact of the Eloise Acquisition and issue of the Consideration Shares (and all other Resolutions contemplated in the accompanying Notice) is set out below:

	Shares (Number)	Price	Shares (Cumulative)	% (Relative to Current Shares on issue)	% (After issue of all Shares contemplated by this Notice).
Current (as at the date of this Notice).	68,715,018	Various	68,715,018	NA	22.3%
Offer Shares (Resolution 3)	160,000,000	Issue Price	228,715,018	233%	51.7%

(including the Related Party Shares subject to Resolutions 4 to 7 ¹)					
Consideration Shares to FMR (Resolution 1 and 2)	80,000,000	Issue Price	308,715,018	116%	26.0%
AIC Shares on issue post transactions	308,715,018	100%	308,715,018		100%
Further Shares to be issued if Performance Incentives vest and are exercised (fully diluted basis)					
Current Performance Incentives ²	7,150,000	NR	7,150,000	10.4%	2.3%
Proposed Performance Incentives - to be issued as a result of the Eloise Acquisition and Offer	Nil	-	Nil	-	-

Notes to table:

1. The Related Party Shares are Shares that will be issued pursuant to the General Offer if Shareholders approve the participation of certain of the current Directors (Messrs Colleran, El-Raghy and Montgomery) and FMR's Nominee Director (Mr Jon Young) or their nominee(s). As such, the Related Party Shares are not in addition to the Offer Shares. If any of Resolutions 4 to 7 are not approved, the impacted Director(s) will not be able participate in the General Offer; meaning those Shares will simply become available for other investors to take up under the General Offer.
2. The Performance Incentives have all been issued pursuant to AIC's Equity Participation Plan (**Plan**) (adopted and approved by Shareholders on 31 May 2019). The Performance Incentives are 'performance securities' for the purpose of the ASX Listing Rules with each vested incentive exercisable into one Share. As at the date of this Notice, only 4,000,000 of these Performance Incentives have vested. For a summary of the terms and conditions of the Plan and Performance Incentives see Schedule 2 and Schedule 3.

2.3 Appointment of FMR's Nominee Director - Mr Jon Young

Under the terms of Mine Sale Agreement, FMR has the right to nominate one director to AIC's Board for so long as it holds at least a 10% interest in AIC. FMR have nominated Mr Jonathan (Jon) Young for that purpose.

Rule 19.2 of AIC's Constitution provides that the directors may appoint any individual to be a director, either as an addition to the existing directors or to fill a casual vacancy, but so that the total number of directors does not exceed the maximum number fixed under its constitution (i.e. 12). A director appointed under rule 19.2, who is not a managing director, holds office until the conclusion of the next AGM following his or her appointment.

Accordingly, AIC's board have resolved that Mr Young will be so appointed, subject to and contemporaneously with completion of the Eloise Acquisition. If Shareholders do not approve the Essential Resolutions, Mr Young will not be appointed.

If Shareholders approve the Essential Resolutions, Mr Young will be appointed, and Shareholders will also be asked to confirm his re-election at AIC's next AGM.

Mr Young holds a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Chartered Accountants Australia and New Zealand.

Mr Young is Chairman of FMR and is a Director, of Wealth Management at Canaccord Genuity Australia.

Mr Young has over 30 years' experience in financial services and has been advising clients with Canaccord Genuity (formerly Patersons) since 2001. Canaccord Genuity is a leading, full service financial services firm with operations in two principal segments of the securities industry: wealth management and capital markets.

For 12 years, until the sale of the underground mining contractor Barminto Limited in August 2007, Mr Young served as Non-executive Chairman of the Barminto Group of companies, including Barminto Limited where he continued to serve as an alternate director until November 2018 when Barminto was acquired by Ausdrill Limited (now Perenti Global Limited).

Mr Young is also a non-executive director of ASX-listed Barra Resources Limited and was previously a non-executive director of ASX-listed Breakaway Resources Limited

As at the date of this Notice, Mr Young has a relevant interest in 107,143 AIC Shares.

Subject to Shareholders approving Resolution 7, Mr Young may participate in the General Offer, which could result in the issue of up to 400,000 AIC Shares to Mr Young or his nominee(s). Further information in relation to Mr Young's potential participation in the General Offer is included in the explanation for Resolution 7.

Other than in connection with his proposed appointment as a Director, and his possible participation in the General Offer, Mr Young has no other interest in the Eloise Acquisition (or in matters ancillary to it including the Corporate Services Agreement).

2.4 Impact on AIC's Assets and Equity Interests

If the Eloise Acquisition and Offer proceed AIC's consolidated total assets are expected to increase by an amount approximately equal to the book value of the assets and goodwill acquired (approximately \$40.0 million) and the amount raised by the Offer (\$30.0 million - \$40.0 million) after Offer costs (\$1.6 million - \$2.2 million) less the initial cash consideration paid for the acquisition (\$5.0 million).

If the Eloise Acquisition and Offer proceed AIC's total equity interests are expected to increase by an amount equal to the net proceeds raised by the Offer and the value of the Consideration Shares. This will be offset by certain transaction costs.

A pro forma balance sheet for AIC's expected financial position following completion of the Eloise Acquisition and Offer is provided at paragraph 2.11 below.

A comparison of the consolidated total asset and total equity positions, before and after completion of the Eloise Acquisition and Offer is provided in the table below.

	Current	Pro Forma
	As at 30 June 2021	Post Eloise Acquisition and Offer As at 30 June 2021
Consolidated total assets	\$8.822 million	\$72.266 million if the Minimum Subscription is completed. \$81.696 million if the Maximum Subscription is completed.
Total equity interests	\$8.022 million	\$54.831 million if the Minimum Subscription is completed. \$64.228 million if the Maximum Subscription is completed.

2.5 Impact on AIC's Revenue, Expenditure and Profit

Revenue forecasts for mining companies are uncertain, due mainly to the volatility of commodity prices, and accordingly AIC is unable to provide investors with reliable revenue, profit, or cash flow projections or forecasts.

Historic information from the Eloise Copper Mine business unit is provided below.

	For the full year ended 30 June 2021 \$'000	For the full year ended 30 June 2020 \$'000
Revenue from ordinary activities	132,928	83,187
Add: Changes in inventories	5,403	(777)
Less: Expenditure	119,388	97,897
Net Profit (Loss) Before Tax	18,943	(15,487)

The loss incurred in the year ended 30 June 2020 related to a period of low copper prices (with the copper price falling below US\$2.50/lb in April and May 2020) and also the Eloise Copper Mine operations were suspended from 18 November 2019 to 23 January 2020 to complete works to improve the controls to manage the risk of any potential air blasts at the top of the sublevel cave.

The impact that this is expected to have on revenue, expenditure and profitability of AIC is set out in the table below.

	AIC Current For the full year ended 30 June 2021 \$'000	AIC Pro Forma Post Eloise Acquisition and Offer For the full year ended 30 June 2021 \$'000
Revenue from ordinary activities	237	133,165
Add: Changes in inventories	0	5,403
Less: Expenditure	4,615	124,003
Net Profit (Loss) Before Tax	(4,378)	14,565

2.6 Effect on control

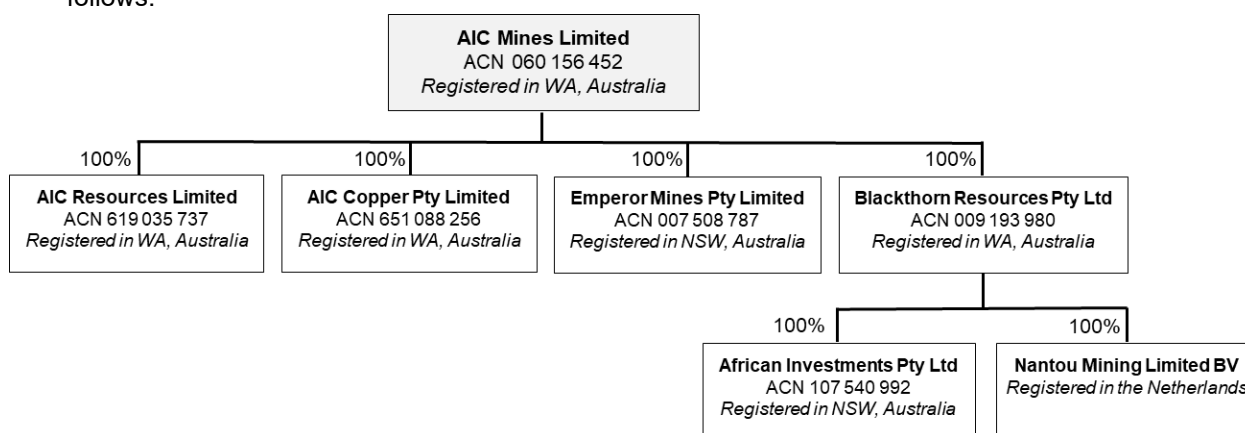
The Eloise Acquisition also results in FMR becoming AIC's largest shareholder. If the Eloise Acquisition proceeds, FMR will acquire a significant shareholding in AIC (representing between approximately 26.0% - 29.9% of AIC's issued capital) depending on the number of Shares issued pursuant to the Offer) and will be entitled to appoint a Nominee Director to AIC's board provided FMR continues to hold at least 10% of the ordinary shares in AIC. Given the current size of AIC's board, this will result in FMR being able to appoint one director out of a total post-transaction board of 5 directors.

Details regarding FMR's intentions with respect to the future running of AIC are set out at paragraph 3.5 of Section 3 (Information Regarding FMR) of this Explanatory Statement.

The Independent Expert Report (attached as Annexure A) also provides an assessment of the impact of the Eloise Acquisition.

2.7 Impact on AIC Group Structure

Upon completion of the Eloise Acquisition, the corporate structure of AIC is anticipated to be as follows:



The Eloise Assets will be held in AIC Copper Pty Ltd.

2.8 Re-admission to quotation

The Eloise Acquisition (which also requires a capital raising at least equivalent to the Minimum Subscription) will constitute a change to the nature and scale of the Company's business and will require shareholder approval under Chapter 11 of the ASX Listing Rules. ASX has advised that as a result of the Eloise Acquisition and Offer it will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Accordingly, trading in AIC's Shares is currently suspended. Once AIC has complied with this requirement (following completion of the Offer and the Eloise Acquisition) the current trading suspension will be lifted and its Shares will be re-admitted to quotation on the official list of ASX.

2.9 Intentions if the Acquisition is not approved

If the Conditions Precedent under the Mine Sale Agreement are not satisfied or waived, or if all of the Essential Resolutions are not passed, the Eloise Acquisition and the capital raising will not proceed. In this event the Company will continue to explore its Marymia and Lamil projects and will seek alternative investment opportunities to build Shareholder value.

2.10 ASX Waivers and In-Principle Advice Applications

To prepare for the Eloise Acquisition and the Offer, AIC applied to ASX for:

- (a) A waiver from ASX Listing Rule 10.13 to the extent necessary to permit the issue of the Related Party Shares (if Shareholders approve Resolutions 4 to 7 enabling the Directors to participate in the General Offer), to allow the issue of those Shares to be made no later than 3 months after the date on which Shareholders approve the issue of those Shares. Without this waiver, the Shareholder approval obtained for the purposes of ASX Listing Rule 10.11 would only permit the issue of the Related Party Shares within a timeframe of one month, which may be insufficient to enable AIC to complete the Eloise Acquisition.

ASX agreed to grant the waiver on the condition that this Notice and Explanatory Statement clearly state that the Related Party Shares must be issued no later than 3 months after the date of the Meeting, and the terms of the waiver are included in the Prospectus in respect of the Offer.

- (b) In-Principle Advice in respect of AIC's ability to satisfy the re-admission requirements, in particular ASX Listing Rule 1.1, Condition 1 (which provides that an entity's structure and operations must be appropriate for a listed entity) and ASX Listing Rule 1.19 (which provides that admission to the official list is at ASX's absolute discretion).

In a letter dated 20 August 2021 ASX confirmed that based on the facts known to it at the time, ASX is not aware of any reason that would cause AIC not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 or that would cause ASX to exercise its discretion to refuse admission to the official list under Listing Rule 1.19, and that ASX would likely grant re-admission to AIC subject to the following conditions being met:

- (i) The Company providing accounts for the Eloise Copper Mine which comply with ASX Listing Rule 1.3.5 being tier 1 general purpose financial statements for the most recent financial year, to the satisfaction of ASX; and
- (ii) ASX being satisfied with the disclosure in the Company's Prospectus regarding the appointment of the FMR Nominee Director as a Director of the Company.

2.11 Pro forma balance sheet

AIC's pro forma balance sheet as at 30 June 2021 showing the impact of the Eloise Acquisition and the Offer is set out below as if those transactions had occurred on 30 June 2021.

	Notes	As at 30 June 2021 \$'000	Minimum Subscription Adjustments \$'000	Pro-forma 30 June 2021 \$'000	Maximum Subscription Adjustments \$'000	Pro-forma 30 June 2021 \$'000
Assets						
Current Assets						
Cash and cash equivalents	1	4,285	23,405	27,690	32,835	37,120
Inventory	2	0	3,800	3,800	3,800	3,800
Prepayments		539	0	539	0	539
Trade and other receivables		144	0	144	0	144
Financial assets at fair value through profit and loss		2,175	0	2,175	0	2,175
Total Current Assets		7,143	27,205	34,348	36,635	43,778
Non-Current Assets						
Capitalised exploration and evaluation expenditure	3	1,653	9,354	11,007	9,354	11,007
Plant and equipment	4	26	21,073	21,099	21,073	21,099
Goodwill	5	0	5,812	5,812	5,812	5,812
Total Non-Current Assets		1,679	36,239	37,918	36,239	37,918
Total Assets		8,822	63,444	72,266	72,874	81,696
Liabilities						
Current Liabilities						
Trade and other payables	6	652	1,596	2,248	1,629	2,281
Borrowings	7	0	2,922	2,922	2,922	2,922
Employee provisions	8	148	883	1,031	883	1,031
Contingent Payment	9	0	2,000	2,000	2,000	2,000
Total Current Liabilities		800	7,401	8,201	7,434	8,234
Non-Current Liabilities						
Borrowings	7	0	1,409	1,409	1,409	1,409
Provision for rehabilitation	10	0	7,554	7,554	7,554	7,554
Employee provisions	8	0	271	271	271	271

Total Non-Current Liabilities	0	9,234	9,234	9,234	9,234
Total Liabilities	800	16,635	17,435	16,668	17,468
Net Assets	8,022	46,809	54,831	56,206	64,228
Equity					
Contributed equity	25,868	48,405	74,273	57,835	83,703
Share based payment reserve	773	0	773	0	773
Accumulated losses	-18,619	-1,596	-20,215	-1,629	-20,248
Total Equity	8,022	46,809	54,831	56,206	64,228

The values used for the pro forma consolidated statement of financial position are outlined in the notes below. These values are subject to change once valuations are performed as at the acquisition date.

Following implementation of the Eloise Acquisition, a detailed valuation of the identifiable assets, liabilities and contingent liabilities of the Eloise Copper Mine will be undertaken to ascertain the appropriate allocation of the purchase price and any goodwill or bargain purchase arising on acquisition. Therefore, the actual impact of acquisition accounting may vary from that presented in the pro forma consolidated statement of financial position above.

1. Cash raised by Offer less costs less \$5 million cash consideration for Eloise Copper Mine.
2. Assumed value of inventory to be acquired based on 24-month average. The purchase price will be adjusted if value of inventory acquired is less than \$3,600,000 or greater than \$4,000,000.
3. Calculated with reference to Purchase Price Allocation in Mine Sale Agreement.
4. Carrying value of plant & equipment as per Eloise Copper Mine audited financial statements at 30 June 2021.
5. The residual amount arising after comparison of the fair value of the purchase consideration with the pro forma values attributed to the net identifiable assets (including contingent liabilities) acquired.
6. Estimate of transaction costs.
7. Carrying value of mobile equipment finance leases (hire purchase liabilities) as per Eloise Copper Mine audited financial statements at 30 June 2021.
8. Carrying value of employee leave provisions as per Eloise Copper Mine audited financial statements at 30 June 2021.
9. Contingent Payment as per Mine Sale Agreement
10. Assumed no change to the FMR estimate of the financial commitment in respect of rehabilitating the Eloise Copper Mine, as per Eloise Copper Mine audited financial statements at 30 June 2021

AIC's Half Year Financial Report 30 June 2021 was released to the ASX on 20 August 2021 and is available at the Company's website: www.aicmines.com.au/investors/company-announcements/

2.12 Historical Financial information - Eloise Copper Mine Business Unit

The Eloise Copper Mine business unit is not a separate reporting entity within FMR. As such, special purpose financial accounts have been constructed for the FMR business unit that comprises the Eloise Copper Mine.

These accounts have been audited and will be used by the Investigating Accountant to prepare an Independent Limited Assurance Report on the pro forma historical financial information of the Company to be included in the Prospectus to be issued by the Company which it expects to lodge with ASIC on or about 27 September 2021.

AIC is acquiring the individual assets that form the Eloise Copper Mine and not a corporate entity that contains these assets. As such, AIC will acquire the Eloise Copper Mine on a cash-free, debt-free basis, subject to the assumption of certain liabilities as part of the Eloise Acquisition.

FMR has lodged bonds with the State of Queensland amounting to \$6,799,000 in relation to the Eloise Copper Mine tenements. AIC will need to replace these bonds. Part of the proceeds from the Offer (i.e. \$6,799,000) will be used to satisfy this requirement.

2.13 Other Financial Information of AIC

AIC has a financial year end of 31 December each year.

Shareholders should refer to AIC's audited annual financial statements for the year ended 31 December 2020 (set out in the Company's 2020 Annual Report released on 30 March 2021) and its audit-reviewed half year financial statements for the half year ended 30 June 2021 (set out in the Company's Half Year Financial Report released on 20 August 2021) for more detailed disclosures in relation to the historical performance and financial position of the Company.

Copies of these reports are available on the Company's website at www.aicmines.com.au/investors/company-announcements/

2.14 Previous Security Issues

In the 6 months prior to the date of this Notice, the Company has not issued any Shares.

In the 6 months prior to the date of this Notice, the Company has issued 250,000 Performance Incentives (with each incentive (once vested) exercisable into one Share). These Performance Incentives were issued on 30 July 2021 and will vest at any time up to 30 July 2024 when the 60 day VWAP of the Company's share price is \$0.60 or more. Once vested, each Performance Incentive is exercisable into Shares on a one-for-one basis. For details of the vested Performance Incentives, refer to Schedule 2.

The Company issued these Performance Incentives pursuant to AIC's Equity Participation Plan (Plan) (adopted and approved by Shareholders on 31 May 2019). The Performance Incentives are 'performance securities' for the purpose of the ASX Listing Rules.

For a summary of the terms and conditions of the Plan and Performance Incentives see Schedule 3.

2.15 Related parties

Subject to completion of the Eloise Acquisition, it is proposed that Mr Jon Young (the Non-Executive Chairman of FMR) will be appointed as a Non-Executive Director. On this basis, Mr Young is a related party by virtue of being a person who is likely to become a related party of AIC in the future.

Mr Jon Young's qualifications and experience are set out at paragraph 2.3 in this Section above.

2.16 Risk factors and other dependencies

Shareholders should be aware that if the Eloise Acquisition is approved and Completion occurs, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from the Eloise Acquisition.

The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company, associated with the Eloise Acquisition is set out below.

The Directors aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

Many of these risks are common to base and precious metal mining and exploration companies operating in Australia.

While some common risk factors are set out below, it is not possible to produce an exhaustive list. The following sets out a summary of the key risks relevant to the Company and its operations.

Risks relating to the change in nature and scale of activities

(a) Completion risk

The Mine Sale Agreement is conditional on a number of conditions being satisfied before the acquisition can proceed. These conditions are outlined in paragraph 1.5 of Section 1 (Overview of the Eloise Acquisition and the Offer) of this Explanatory Statement. A number of these conditions involve cooperation by third parties, or the exercise of discretion by third parties, and are therefore not entirely within the control of AIC or FMR. There is accordingly a risk that the conditions precedent cannot be satisfied and, in turn, that the Eloise Acquisition does not complete.

If the Eloise Acquisition is not completed, the Company will incur costs relating to advisers and other costs without any material benefit being achieved.

(b) Termination risk

The Mine Sale Agreement is also subject to termination rights (which are outlined at paragraph 1.1 of Schedule 1 of this Explanatory Statement). This includes an automatic termination if the conditions are not fully satisfied by 31 December 2021 (unless a later date is mutually agreed by the parties).

The early termination of the agreement, for any reason, will mean that transactions cannot proceed, which will adversely affect the growth prospects, operating results and financial performance of the Company. It will also mean that costs associated with the Eloise Acquisition and the Offer will have been wasted.

(c) Re-quotation of Shares on ASX

The Eloise Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official

list of ASX. Accordingly, trading in AIC's securities was suspended from 25 August 2021.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its securities on the ASX. Should this occur, the securities will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the proposed transactions may not proceed if ASX exercises that discretion.

Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

(d) Shareholder approvals

Shareholders must vote in favour of all of the Essential Resolutions in order for the Eloise Acquisition (and the related Offer) to proceed. If Shareholder approval is not obtained for all, or any of the Essential Resolutions, the transactions cannot proceed.

Risks in respect of the Eloise Acquisition

(e) Integration Risk

The Eloise Acquisition may consume a large amount of management time and attention, and the transaction may fail to meet strategic objectives, or achieve expected financial and operational performance.

The integration of a business with substantial assets such as the Eloise Copper Mine carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Eloise Acquisition, and the ability to realise the expected benefits of the acquisition, is dependent on the effective and timely integration of the Eloise Copper Mine operation into AIC's existing business operations. A failure to fully integrate the Eloise Assets, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of AIC.

(f) Due Diligence Risk

AIC has undertaken extensive enquiries into the assets and liabilities, financial position and performance, profits and losses and prospects of the Eloise Assets in deciding whether to pursue the Eloise Acquisition and is satisfied that the Acquisition is in the interests of the Company and its Shareholders.

There is a risk that such analyses, and the estimates and assumptions made by AIC during the course of the analyses, leads to conclusions or forecasts that are inaccurate or which will not be realised in due course. To the extent that the

actual results achieved by AIC differ from those indicated by AIC's analysis of the Eloise Acquisition, there is a risk the profitability and future earnings of the operations of AIC may differ from the estimates and forecasts made by AIC.

There is a risk that the due diligence conducted has not identified issues that would have been material to the decision to enter into the Eloise Acquisition. A material adverse issue which was not identified prior to the completion of the acquisition could have an adverse impact on the financial performance or operations of the Eloise Assets.

The due diligence process relied in part on the review of financial and operational information provided by FMR. Despite making reasonable efforts, AIC has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. If any of the data or information provided to and relied upon by AIC in its due diligence process proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of AIC may be materially different to the financial position and performance expected by AIC.

The information reviewed by AIC includes forward looking information. While AIC has been able to review some of the foundations for the forward-looking information relating to the Eloise Assets, forward looking information is inherently unreliable and based on assumptions that may change in the future.

(g) FMR Shareholding

The majority of the consideration payable by AIC to FMR under the Eloise Acquisition is new shares in AIC. As a result, FMR will have an interest in AIC of approximately 26.0 % - 29.9% if the Eloise Acquisition completes. Further, FMR has the right to appoint one director to AIC's Board for so long as it holds at least 10% of AIC's Shares.

Although FMR will not control AIC as a result of the acquisition, it will be able to vote the AIC Shares it holds (subject to applicable laws) in relation to matters requiring shareholder approval, including the election of directors, significant corporate transactions and certain issues of equity securities. In this regard FMR's interests may not always be aligned with those of other shareholders in AIC. FMR's interest in AIC may also mean that its support for any proposal by a third party to acquire all of the shares in AIC may potentially be important for that proposal to be successful, given FMR will be able to block special resolutions.

(h) Historical Liabilities

If the Eloise Acquisition completes, AIC may become directly or indirectly liable for any liabilities that FMR has incurred in the past in connection with the Eloise Assets, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which AIC may not have post-closing recourse under the Mine Sale Agreement. These could include liabilities relating to environmental claims or breaches, contamination, regulatory actions and health and safety claims.

Such liabilities may adversely affect the financial performance or position of AIC.

(i) **Counterparty and contractual risk**

The ability of AIC to achieve its stated objectives will depend on the performance by the parties of their obligations under the Mine Sale Agreement and other agreements related to the Eloise Acquisition. If any party defaults in the performance of their obligations, it may be necessary for AIC to approach a court to seek a legal remedy, which can be costly.

If the Eloise Acquisition completes, there can be no guarantee as to the ongoing financial capacity of FMR. In these circumstances, if a warranty or other claim was made under an agreement in respect of the Eloise Acquisition, there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed could materially adversely affect AIC's financial position and distributions.

The existing contractual arrangements entered into by FMR in relation to Eloise may be subject to the consent of third parties being obtained to novate or transfer those contractual arrangements to AIC. No assurance can be given that any such required consent will be forthcoming. Failure by AIC to obtain such consent may result in AIC not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent.

(j) **Employees**

AIC will make offers of employment to all FMR employees at the Eloise Copper Mine to transfer to AIC on terms and conditions that are the same or substantially similar to and, considered on an overall basis, no less favourable than the terms and conditions of their employment with FMR. AIC will also put in place a process to ensure that it engages with employees prior to completion of the Eloise Acquisition in order to facilitate the acceptance of offers of employment. However, there is a risk that not all employees will accept the offers of employment from AIC and there could be an associated workforce shortage at the Eloise Copper Mine.

Industry Specific Risks

(k) **Operational and Cost Risk**

If the Eloise Acquisition completes, AIC will become a producer of copper concentrate which is sold under commercial contract. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do so will depend largely upon an efficient and successful, operation and exploitation of the resources and associated business activities and management of commercial factors.

Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations,

obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The mining and exploration activities of the Company may be affected by a number of factors, including but not limited to geological conditions; force majeure events; power outages; adverse/seasonal weather patterns; critical equipment failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; labour shortages; industrial and other accidents; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding and unforeseen cost changes beyond the control of the Company can negatively impact on the Company's activities, thereby affecting its profitability and the value of its securities.

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, underground access, wall failures, rock bursts, seismicity and cave ins. Unforeseen geological and geotechnical difficulties could impact production and/or require additional operating or capital expenditure to rectify problems and thereby have an adverse effect on the Company's financial and operational performance.

(l) Product Sales and Commodity Price Risk

If the Eloise Acquisition completes, AIC will derive revenues mainly from the sale of copper and to a lesser extent gold and silver. Consequently, AIC's potential future earnings, profitability and growth are likely to be closely related to the demand for, and price of copper, gold and silver. The long-term price of these commodities may rise or fall.

Additionally, AIC's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities it produces. Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions. These factors may cause volatility which in turn, may affect the Company's ability to finance its future activities.

AIC may enter into hedging arrangements from time to time to partially protect against changes in commodity prices.

(m) Production and Cost Estimates

The ability of AIC to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The Eloise Copper Mine, as with other mines, is subject to uncertainty with ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents, other unforeseen circumstance such as unplanned mechanical failure of plant or equipment.

AIC has prepared estimates of future production and associated operating and capital costs for the Eloise Copper Mine. No assurance can be given that such estimates will be achieved. Costs of production may also be affected by a variety of factors, including ore grade; metallurgy; labour and other input costs; general inflationary pressures and currency exchange rates. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on AIC's future cash flows, profitability, results of operations and financial condition.

(n) **Eloise Ore Reserves and Mineral Resources**

The Ore Reserves and Mineral Resources are estimates only and are expressions of judgement based on industry practice, experience and knowledge. Estimates of Ore Reserves and Mineral Resources are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Ore Reserves and Mineral Resources are accurate or that the indicated level of copper, gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques.

Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of the Mineral Resources constitute or will be converted into Ore Reserves. Actual Ore Reserves and Mineral Resources may differ from those estimated, which could have a positive or negative effect on AIC's financial performance.

Commodity price fluctuations as well as increased production and capital costs may render the Eloise Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Ore Reserves may have to be recalculated based on actual production experience. Any of these factors may require AIC to reduce its Ore Reserves and Mineral Resources, which could have a negative impact on AIC's financial results and the expected operating life of the Eloise Copper Mine.

For information on the Eloise Ore Reserves and Mineral Resources please refer to Schedule 4.

(o) **Replacement of Ore Reserves**

AIC will need to continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. There is no assurance that current or future exploration programs will be successful. Also, if a discovery is made, it may take several years from the initial phases of drilling until production is possible.

(p) **COVID-19**

The global economic outlook is facing uncertainty due to the current COVID-19 (novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. While to date COVID-19 has not had any material impact on the Company's operations or the Eloise Copper Mine, should any Company personnel or contractors be infected or if there is an outbreak of Covid-19 which results in the Government forcing a lockdown it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

(q) **Exploration Risk**

Mineral exploration, mining and development are high risk undertakings and there can be no assurance that the tenements currently held by AIC or acquired by AIC in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

(r) **Additional Requirements for Capital**

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(s) **Dependence Upon Key Personnel**

AIC has a core team of executives whose loss could influence AIC's progress in pursuing its exploration and acquisition programs within the time frames and cost structures envisaged. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment. There is no guarantee that the key personnel of AIC will be successful in their objectives despite their considerable experience and previous success.

(t) **Litigation Risk**

AIC is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Any litigation, arbitration, proceeding or criminal or government prosecution of a material nature in which AIC or its subsidiaries are directly or indirectly involved could divert management time and have a material impact on the business or financial position of AIC.

AIC is currently a party to legal proceedings in the Supreme Court of British Columbia. The legal proceedings relate to the disputed sale of shares by AIC (formerly Intrepid Mines Limited) in a listed Canadian company in October 2017.

The plaintiff (Christopher Anderson) has made a breach of contract claim which AIC is contesting. The proceedings are currently in the discovery phase. A trial is scheduled for 10 days in January 2022. The outcome of such proceedings and the costs of the litigation may adversely affect AIC's financial position.

(u) **Acquisition Risk**

The Company's growth plans, in part, require the availability of appropriate and suitable project acquisitions and the Company being able to successfully negotiate the acquisition of additional projects. There is no guarantee that that Company will be able to identify and acquire suitable projects or that successful acquisitions will be able to be efficiently integrated into the operations of the Company.

(v) **Regulatory Risk**

The availability and rights to explore and produce copper concentrate and precious metals, as well as operational profitability generally, can be affected by changes in government policy that are beyond the control of AIC. The governments of the relevant States in which AIC has interests conduct reviews from time to time of policies in connection with the granting and administration of exploration and mining tenements.

Changing attitudes to environmental impacts, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration, development or operational plans or, indeed, its rights and/or obligations with respect to the tenements.

(w) **Water Sources**

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of the Company's operations. There is no guarantee that there will be sufficient future rainfall to support the Company's future water demands in relation to its operations, and this could adversely affect production and the Company's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that the Company will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions.

(x) **Weather Conditions**

Some of the Company's operations may be subject from time to time by severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production.

(y) **Health and Safety Risk**

There are general health and safety risks associated with the Company's operations. The Company manages these risks, through the application of

structured health and safety management systems. As the operator of plant and equipment, the Company has specific legislative obligations to ensure that its personnel and contractors operate in a safe working environment.

(z) Environmental Risks and Environmental Impact

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company intends to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

AIC could be subject to claims due to environmental damage arising out of current or former activities at sites that AIC owns or operates, including new projects. This could subject AIC to potential liability and have a material adverse effect on AIC's financial and operational performance.

(aa) Native Title and Heritage Risks

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia.

There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations.

(bb) Climate Change Risk

AIC has exposure to a range of climate change risks. The impacts of climate change may affect political, policy and legal developments, technology, AIC's assets, the costs of inputs and raw materials, its productivity (due to potentially increased costs of capital), the markets for its products, the communities in which AIC operates and AIC's reputation.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower carbon economy. Any changes to government regulation or policy relating to climate change, including net zero initiatives or other regulation or policy relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact AIC's costs and operational efficiency.

Acute physical risks include increased severity of extreme weather events and chronic risks may also result from longer term changes in climate patterns.

(cc) **Insurance Risk**

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. If the Eloise Acquisition completes, AIC intends to extend this coverage to include the Eloise operations. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage or obtain new insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(dd) **Competition Risk**

AIC is one of a large number of exploration and mining companies that operate in the base and precious metals industry in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with other base and precious metals exploration and mining companies in the search for reserves and resources.

(ee) **Joint Venture Risks**

A number of the Company's projects are the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements.

Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

(ff) **Tenement Forfeiture Risk**

A failure to adhere to the requirements to exceed certain levels of expenditure on tenements held by AIC (or its subsidiaries) may make certain tenements subject to possible forfeiture. All granted tenements are currently in good standing and, in accordance with normal industry practice, AIC surrenders some or all non-prospective parts of its tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas. In respect of granted tenements, no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements. In Western Australia there is a process for mandatory relinquishment of tenement area over time. As a result, AIC may be required to relinquish areas that it considers are prospective.

(gg) **Ability to Utilise Tax Losses**

AIC has a total carried forward tax loss balance of \$67,145,889 and carried forward capital losses of \$198,392,999 as at 31 December 2020. These tax

losses are subject to Australian tax loss recoupment rules and there is no guarantee that the Company will be able to utilise these tax losses.

SECTION 3 - IMPORTANT INFORMATION ABOUT FMR

The Mine Sale Agreement for the sale of the Eloise Assets is between AIC and FMR Investments Pty Ltd (**FMR**) as trustee for the FMR Unit Trust (**FMR Trust**).

Under the terms of the Mine Sale Agreement, FMR will be issued with 80,000,000 AIC Shares (**Consideration Shares**).

The Consideration Shares will be issued directly to FMR.

3. Information about FMR

3.1 General

FMR was incorporated in Western Australia on 14 July 1989. It is a private company limited by shares and is the trustee of the FMR Trust.

As at the date of this Notice, Bremerton Pty Ltd ATF the Bartlett Family Trust (an associate of FMR) has a relevant interest in 250,000 Shares. For more information about the issue of the Consideration Shares to FMR please see Section 8.3.

3.2 Business activities

FMR owns and operates a private mining and investment business and the beneficiaries of the FMR Trust are interests associated with mining identities Peter Bartlett and Ron Sayers. The FMR business was founded in 1989 by Peter Bartlett and was formerly known as Barmenco Investments Pty Ltd as trustee of the Barmenco Unit Trust.

FMR originally owned specialist underground mining contractor Barmenco until a restructure in 2004 and subsequent sale of a majority interest in Barmenco in 2007.

Along with the Eloise Assets, FMR currently owns and operates the Gordon Sirdar gold mine located 55 kilometres northeast of Kalgoorlie, the Greenfields gold processing plant located in Coolgardie, Western Australia and has interests in several other mining joint ventures in the West Australian Goldfields.

3.3 Directors

Each of the following are appointed to the board of directors of FMR:

- (a) Peter Bartlett;
- (b) Jon Young (Chair);
- (c) Charles Watson; and
- (d) Bob Colville.

3.4 Company Secretary and other Officers

Each of the following are executives of FMR:

- (a) Charles Watson as the company secretary;
- (b) John Farr as the General Manager - Operations; and
- (c) Dean Mills as the Finance Manager.

3.5 FMR's Future Intentions for AIC

The Company understands that the current intentions of FMR based on information currently known to FMR, are as set out below:

- (a) to be a strategic investor in AIC and to work co-operatively with AIC to transition the operation of the Eloise Copper Mine to AIC (including as provided for in the Corporate Services Agreement);
- (b) to nominate one of its representatives (Jon Young) as a non-executive director of AIC. Further details about Mr Young are set out in paragraph 2.3 of the Eloise Acquisition and the Offer in Section 2 of this Explanatory Statement;
- (c) not to change the business of AIC;
- (d) other than as specifically provided for in the Mine Sale Agreement (in relation to the addition of new employees) not to change the employment of the present employees of AIC;
- (e) not to redeploy the fixed assets of AIC;
- (f) not to change the existing financial or dividend policies of AIC;
- (g) not to inject further capital into AIC (although FMR may choose to participate in any future capital raisings undertaken by AIC); and
- (h) not to transfer any property between AIC (and its Associates) and FMR (and its Associates) other than pursuant to its rights and obligations under the Mine Sale Agreement and the Corporate Services Agreement.

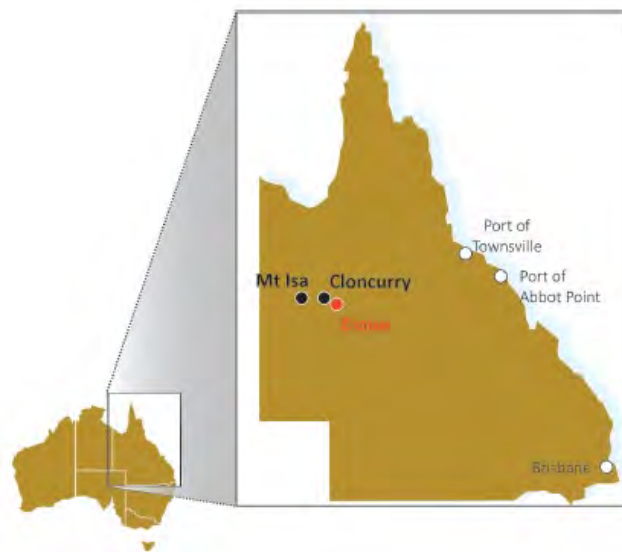
FMR supports AIC management's current strategy for the Company including as set out in this Explanatory Statement.

SECTION 4 - DETAILED INFORMATION REGARDING THE ELOISE COPPER MINE

4. Eloise Copper Mine

4.1 Overview

The Eloise Copper Mine is located in North Queensland, 60 kilometres SE of Cloncurry and 155 kilometres ESE of Mt Isa. The mine is accessible by the Landsborough Highway to within 12km west of the mine. Access thereafter is via a well-maintained unsealed access road.



The mine has an extensive production history. It was commissioned in 1996 and has since mined approximately 12.5Mt of ore grading 2.8% Cu and 0.8g/t Au to produce 339,000t Cu and 167,000oz Au in concentrate.

Current operations consist of an underground mine accessed via decline. The upper levels of the mine (above 1,190m below surface) are extracted by longhole open stoping and the lower levels are extracted by sublevel caving, together producing approximately 700,000tpa ore. Eloise is an owner-miner operation with a mining contractor used only for underground development.

Processing is via conventional crushing, grinding and sulphide flotation with capacity to treat 750,000tpa.

Power for the processing plant is provided by an on-site diesel power station. Metallurgically the ore is very consistent as the ore mineralogy at Eloise is almost exclusively chalcopyrite. Processing achieves high copper recoveries (generally 94% - 95%) and produces a clean concentrate. The concentrate has significant by-product credits from gold and silver. The concentrate is currently sold under contract with Trafigura Pte Ltd.

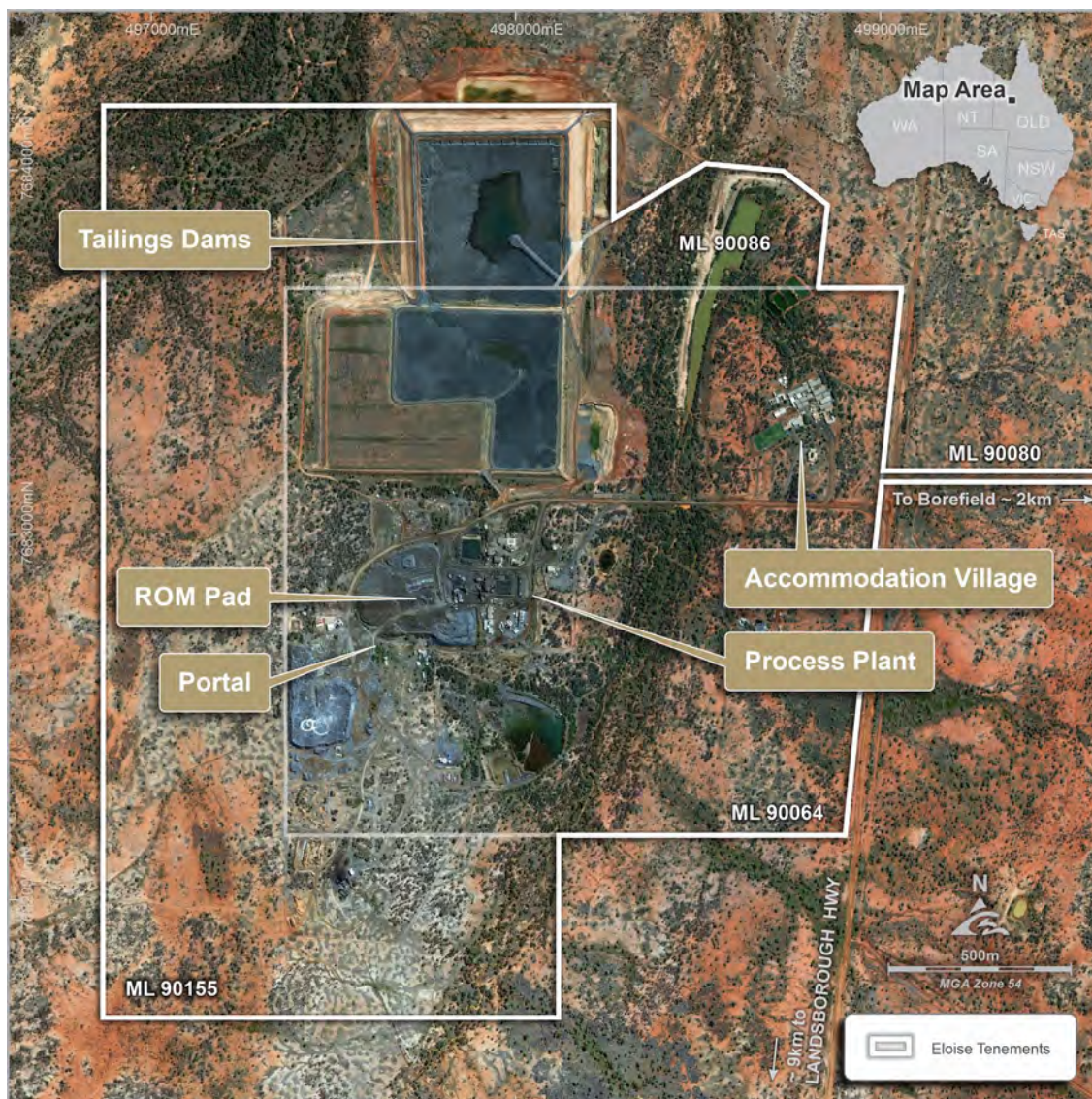


Figure 2. Eloise site layout and tenements.

4.2 Infrastructure

Infrastructure included in the acquisition includes a 750,000tpa copper concentrator, offices, warehouse, mobile plant, 220 room accommodation village for FIFO workforce, bore-field and diesel generators with 12MW total generating capacity.

4.3 Mining Leases

The tenement package being acquired consists of four mining leases covering an area of 5 square kilometres

Tenement	Status	Expiry	Current Ownership	AIC Ownership on Completion
ML 90064	Active	31 August 2025	FMR Investments Ltd	100%

ML 90086	Active	31 December 2021 (renewal lodged)	FMR Investments Ltd	100%
ML 90155	Active	31 March 2022	FMR Investments Ltd	100%
ML 90080	Active	31 October 2026	FMR Investments Ltd	100%

4.4 Geology and the Geological Interpretation

The Eloise copper-gold deposit lies within Early-Middle Proterozoic rocks of the Cloncurry-Selwyn zone, of the Eastern Fold Belt, of the Mount Isa Inlier (see Figure 3). The lithologies have been tentatively assigned to the Table Creek Volcanics and Mount Norma Quartzite members of the Soldiers Gap Group.

At Eloise, this sequence comprises north-south striking arenitic meta-sediments and ortho-amphibolite's located on the sub-vertical eastern limb of the Middle Creek Anticline, coincident with a regional northerly trending shear zone, the "Levuka Shear". The deposit is located under 60 metres of Mesozoic sediment cover of the Eromanga Basin.

Mineralisation is hosted within a strongly foliated meta-sedimentary sequence comprising arenites and schists (see Figure 3). The metasediment sequence also contains a coarse-grained amphibolite body possibly representing an early intrusion of gabbroic composition. Mineralised zones occur as steeply plunging lenticular bodies with strike lengths between 100 m and 200 m and attaining a maximum width of 25 m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500 m and remains open at depth.

Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.

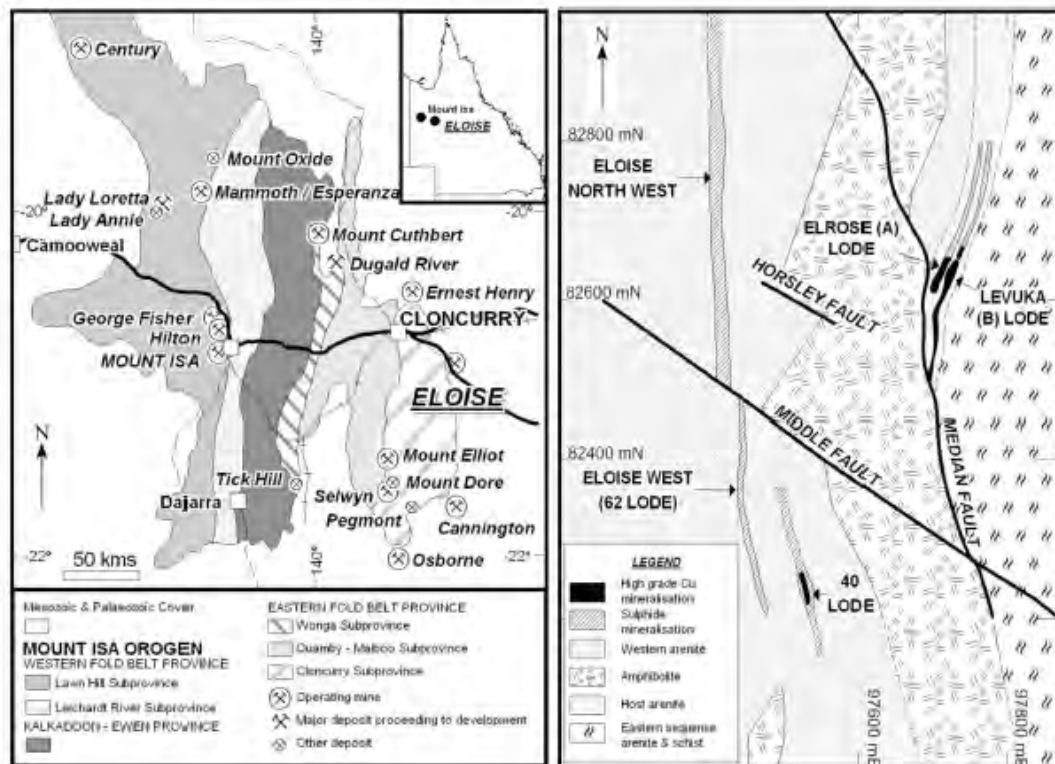


Figure 3 Regional geology (after Blake, 1997) and local geology (Hodkinson et.al., 2003).

The main controls to the Eloise mineral system are structural, and mineralisation occurs as a series of en echelon sub vertical lodes. The known structural framework has been defined from underground face and development mapping, visual observation and core logging. The interpretation is represented a series of continuous wireframed domains. A nominal 1% Cu cut-off grade is used to interpret the mineralised boundaries, although some intercepts below 1% Cu have been included for continuity purposes.

Up to five separate lodes or zones are interpreted within each resource area. Post-mineralisation faulting has created a series mineralised compartments, approximately 400m x 400m in size. The five ore zones are interpreted and continued into each fault block compartment.

The framework for the Eloise Mineral Resources comprised of 8 domains, modelled between 81,500m N and 82,850m N. The dip extent extends from 1,150m RL to -450m RL. The lenses have variable strike and dip continuity. The plan width of the lenses varies between approximately 2m and 40m.

4.5 Ore Reserve

Ore Reserves at Eloise total 1,424,000t containing 30,300t of copper and 26,700oz of gold as at 30 June 2021 (see Table A below). The Ore Reserves are reported and classified in accordance with the JORC Code (2012).

Table A. Eloise Ore Reserves as at 30 June 2021

Reserve Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	-	-	-	-	-
Probable	1,424,000	2.1	0.6	30,300	26,700
Total	1,424,000	2.1	0.6	30,300	26,700

The Ore Reserves Estimate is reported using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded up to the nearest 1,000 tonnes.

Competent Persons Statement: The information in this report that relates to the Eloise Ore Reserve is based on information, and fairly represents information and supporting documentation compiled by Benjamin McNerney who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code. Mr McNerney is a full-time employee of FMR Investments Pty Ltd and is based at the Eloise Copper Mine. Mr McNerney consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

4.6 Mineral Resource

Mineral Resources at Eloise total 2,696,000t containing 65,500t of copper and 60,100oz of gold (inclusive of Ore Reserves) as at 30 June 2021 (see Table B below). The Mineral Resources are reported and classified in accordance with the JORC Code (2012).

Table B. Eloise Mineral Resources as at 30 June 2021

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Contained Copper (t)	Contained Gold (oz)
Measured	-	-	-	-	-
Indicated	1,308,000	2.5	0.7	32,500	28,500
Inferred	1,338,000	2.4	0.7	33,000	31,600
Total	2,696,000	2.4	0.7	65,500	60,100

Mineral Resources are inclusive of Ore Reserves.

There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves.

Mineral Resources are estimate using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded up to the nearest 1,000 tonnes.

Competent Persons Statement: The information in this report that relates to the Eloise Mineral Resource is based on information, and fairly represents information and supporting documentation compiled by Matthew Thomas who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Thomas is a full-time employee of FMR Investments Pty Ltd and is based at the Eloise Copper Mine. Mr Thomas consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further details of the Eloise Ore Reserve and Mineral Resource refer to Appendix D of the Independent Specialist Report.

4.7 Exploration Upside

The exploration potential of the Eloise tenement holding was one of the main features that attracted AIC to the acquisition. Exploration expenditure has been constrained over the past 3 – 5 years. AIC plans to reinvigorate the exploration effort at Eloise and is very confident that it will be able to increase the resource and reserve base.

AIC is planning to increase both surface and underground drilling at Eloise. AIC's exploration strategy for Eloise will focus on both extensions to the known resource areas and the discovery of new satellite lodes within the Eloise mining tenements.

Previous geophysical surveys have identified electromagnetic conductors in the Far West Corridor, the West Corridor (including Macy North, TD Prospect, Emerson and Wynberg), the

East Corridor (including Levuka-Elrose extension and Nobbies) and Far East Corridor (Jericho lode extensions).

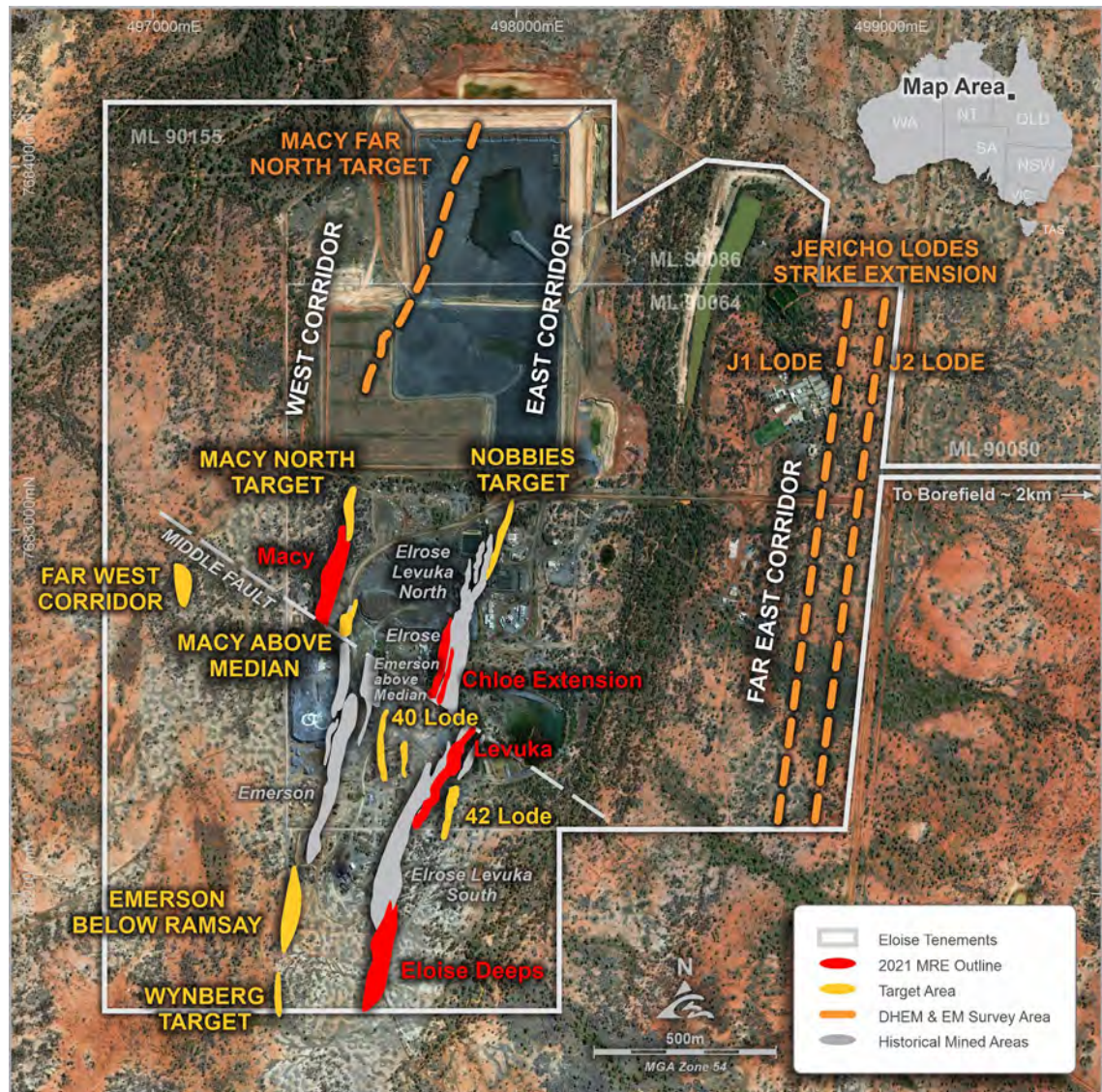


Figure 4 Plan showing surface projection of Eloise exploration target areas

4.8 Historic Production Results

The mine has an extensive production history. It was commissioned in 1996 and has since mined approximately 12.5Mt of ore grading 2.8% Cu and 0.8g/t Au to produce 339,000t Cu and 167,000oz Au in concentrate.

Current annual production is approximately 40,000dmt of high-quality copper concentrate containing approximately 11,000t Cu and 6,000oz Au. Recent performance has improved upon this position and in the June 2021 Quarter the mine produced approximately 10,500dmt of concentrate containing approximately 2,900t Cu and 1,770oz Au (equivalent to an annualised rate of 42,000dmt of concentrate containing approximately 11,500t Cu and 7,000oz Au). AIC believes it can increase the annual production rate to approximately 45,000dmt of concentrate

containing approximately 12,500t Cu and 6,500oz Au through improved operational reliability and higher mined grades. AIC is targeting a C1 operating cost of approximately A\$3.30/lb Cu (equivalent to US\$2.50/lb Cu at A\$:US\$ exchange rate of 0.75) after gold and silver credits.

Table C. Eloise Historic Production Information

	Units	FY20	FY21
Ore Mined	T	519,074	662,775
Ore Milled	T	499,719	622,795
Cu feed grade	%	1.74	1.88
Au head grade	g/t	0.49	0.54
Concentrate Produced	Dmt	30,315	40,089
Concentrate Cu grade	%	27.4	27.5
Concentrate Au grade	g/t	4.8	4.9
Cu produced in concentrate	T	8,321	11,038
Au produced in concentrate	Oz	4,632	6,314
C1 Cash Costs	A\$/lb	3.85	3.32
All-in Sustaining Costs	A\$/lb	4.79	3.92

AIC's Business Model - Post Eloise Acquisition

4.9 Business Model

AIC's business model is to explore for, develop and mine copper and gold resources in Australia.

AIC has an experienced management team focused on building a new Australian mid-tier gold and copper miner through exploration, development and acquisition.

The Company's strategy has been to target late-stage Australian gold and copper projects where it can add value through exploration and development.

Following completion of the Eloise Acquisition, the Company's proposed business model will be to operate the Eloise Copper Mine and to continue to explore and develop AIC's Existing Projects, being the Marymia and the Lamil gold and copper exploration projects.

AIC will continue seek out exploration and acquisition opportunities, focusing on gold and copper projects in Australia.

4.10 Key Dependencies of the Business Model

AIC's business model depends on being able to continue to produce copper concentrate at the Eloise Copper Mine and transport it efficiently to market for a viable sales price. It also depends

on discovery success at its exploration prospects at the Eloise Copper Mine and at its Existing Projects in Western Australia.

In order to achieve this, AIC:

- (a) has established processing infrastructure at the Eloise Copper Mine to produce copper concentrate;
- (b) has a pipeline of exploration prospects which could develop into additional resources to allow AIC to extend the mine life at the Eloise Mine;
- (c) has (subject to completion of the Acquisition occurring on the Completion Date) entered into a copper concentrate offtake contract for Eloise Copper Mine with the current offtaker, Trafigura, on similar terms to the current contract;
- (d) has established logistics arrangements for the transportation of the Eloise Copper Mine copper concentrate to customers under the offtake contract;
- (e) has a pipeline of exploration prospects at its Existing Projects in Western Australian which could develop into copper or gold resources sufficient for stand-alone processing or toll-treating at a nearby processing facility;
- (f) is raising funds to provide adequate working capital to operate the Eloise Copper Mine;
- (g) is raising funds to satisfy expenditure requirements, exploration and operating costs for the Existing Projects; and
- (h) is entering into the Corporate Services Agreement with FMR to supply transitional support for management accounting, management of the concentrate offtake contract, assistance with procuring insurances, provision of document management and Enterprise Resource Planning software and services and oversight of mobile equipment and fixed plant maintenance.

SECTION 5 - REASONS TO SUPPORT THE ELOISE ACQUISITION AND THE OFFER

5. Reasons to support the Eloise acquisition and the offer

This section sets out some of the reasons why AIC Shareholders may wish to vote in favour of the Resolutions at the Meeting. These reasons should be considered in light of the other information in this Explanatory Statement, including the potential disadvantages of supporting the Eloise Acquisition and the Offer (as set out in the next Section) and the risks associated with the Eloise Acquisition (as set out in paragraph 2.16 of the Impact of the Eloise Acquisition and the Offer in Section 2).

5.1 Creation of a new, growth-focused Australian copper miner

The Eloise Acquisition and Offer will enable AIC shareholders to participate in a new growth-focused Australian copper mining company. The increased scale of the Company and improved financial capacity is expected to provide access to growth opportunities which are unlikely to otherwise be available to the Company

5.2 Stronger financial platform for exploration and growth

The Eloise Copper Mine is generating free cashflow which AIC will be able to apply to current and new exploration and growth opportunities. It will allow AIC to increase its efforts to add value through exploration, development and further acquisitions in both copper and gold assets within Australia.

5.3 Enhanced scale and increased market presence

AIC will have enhanced scale and increased market presence. It is expected that AIC, as a copper miner, will receive more analyst coverage and broker attention which will make it more visible to a wider investment community. Liquidity in the Company's shares is expected to increase, allowing shareholders to more easily buy and sell shares. The improved liquidity is also expected to attract institutional investors who would not have previously invested in AIC.

5.4 Attractive copper market fundamentals

The Eloise Acquisition offers shareholders exposure to attractive copper market dynamics. Copper is a critical metal to the global economy given its wide range of end-uses. Importantly the transition to a greener economy is contributing to incremental demand for copper. New technologies required for electrification and decarbonisation, including electric vehicles and wind power, require motors, transformers and cabling, and have higher copper intensities than the technologies being displaced.

5.5 A supportive new major shareholder

The majority of the consideration paid for the Eloise Copper Mine is AIC Shares ensuring that the interests of both the buyer (AIC) and seller (FMR) are aligned. This further allows AIC to retain access to the considerable expertise and operational history relevant to the Eloise Copper Mine that FMR has built up over its 16 years of ownership.

5.6 The Independent Expert has concluded that the Eloise Acquisition is fair and reasonable

BDO have prepared an Independent Expert Report in connection with the Eloise Acquisition and have concluded that it is fair and reasonable . A full copy of that report is attached to this Explanatory Statement at Annexure A.

5.7 Directors' Recommendation

The Board unanimously recommend that eligible Shareholders vote in favour of the Eloise Acquisition and the issue of the Consideration Shares to FMR. Each Director intends to vote all Shares they own or control the right to vote, in favour of Resolutions 1 and 2.

SECTION 6 - DISADVANTAGES OF SUPPORTING THE ELOISE ACQUISITION AND THE OFFER

6. Disadvantages of supporting the Eloise acquisition and the offer

Shareholders are advised that they should balance the reasons to support the Eloise Acquisition and the Offer against the potential disadvantages of supporting the transaction. The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote at the Meeting:

6.1 Change to Company Focus

AIC will be expanding the focus of its activities to include copper mining, which may not be consistent with the objectives of all Shareholders

6.2 Dilution

The Eloise Acquisition will result in the issue of the Consideration Shares and the Offer Shares, all of which will have a dilutionary effect on the holdings of Shareholders. Existing shareholders will be collectively diluted to holding between 25.5% of AIC under the Minimum Subscription scenario and 22.2% under the Maximum Subscription scenario. (Calculated on the basis that the AIC Shares under the Offer have first been issued).

6.3 Significant shareholder with board representation

FMR will hold shares representing 26.0% - 29.9% of voting power (depending on the number of Shares issued pursuant to the Offer) and will be entitled to have a non-executive director on AIC's Board.

6.4 Transaction Costs

In connection with the Eloise Acquisition, the Company has been required to engage a number of advisers, lawyers and experts to facilitate and report on the Eloise Acquisition, which represent sunk, but necessary, costs to the Company.

6.5 Additional risk exposure

AIC shareholders are currently exposed to certain risks by virtue of having an equity interest in AIC. If the Eloise Acquisition completes AIC Shareholders will maintain a level of exposure to these risks and will become exposed to additional risks associated with having an equity interest in the Eloise Copper Mine and with the implementation of the acquisition more generally. Some of the key risks are set out in Section 2.16 of the Eloise Acquisition and the Offer in Section 2 of this Explanatory Statement.

Shareholders' attention is drawn to the assessment of the Eloise Acquisition and the Offer conducted by the Independent Expert and set out in the Independent Expert Report (and in particular sections 13.4 and 13.5 of that report).

The risks to Shareholders and disadvantages of approving the issue of the Consideration Shares, as described by the Independent Expert, include inheriting risks that are associated with operating a producing mine asset. These risks include commodity price fluctuations and several project specific risks. These risks are detailed in the Independent Specialist Report contained in Appendix 3 to the Independent Expert Report.

SECTION 7 - APPROVAL OF ELOISE ACQUISITION

7. Resolution 1 - Approval of Eloise Acquisition

7.1 Shareholder Approval - Listing Rule 11.1.2

As noted above, AIC is proposing to complete the Eloise Acquisition and to conduct the Offer in connection with (and to satisfy the conditions to) that acquisition.

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to a significant change to the nature or scale of its activities. The combined effect of the Eloise Acquisition and the Offer will involve a significant change to both the nature and the scale of AIC's activities for these purposes and, as such, ASX has imposed a requirement under Listing Rule 11.1.2 that AIC obtain shareholder approval to these transactions.

Resolution 1 seeks the required shareholder approval to the Eloise Acquisition under and for the purposes of Listing Rule 11.1.2.

(Resolution 2, whilst also relating to the Eloise Acquisition, specifically approves the issue of the Consideration Shares for the purpose of section 611, item 7 of the Corporations Act, which is further discussed under the explanation for Resolution 2 set out in Section 8 of this this Explanatory Statement).

If Resolution 1 is passed, AIC will be able to proceed with the Eloise Acquisition and will be able to achieve its strategic objectives (outlined in Section 4 at paragraph 4.9 of the 'Detailed Information Regarding the Eloise Copper Mine')and be able to realise each of the advantages outlined in the 'Reasons to Support the Eloise Acquisition' in Section 5 of this Explanatory Statement.

If Resolution 1 is not passed, AIC will not be able to proceed with the Eloise Acquisition. If this is the case AIC will continue with its current business model. It will continue to explore and develop its Existing Projects, being the Marymia and the Lamil gold and copper exploration projects and it will continue to seek out exploration and acquisition opportunities, focusing on gold and copper projects in Australia, where it believes it can add value through exploration and development. To effectively pursue these objectives, it is likely that AIC will need to raise additional equity capital. Additionally, the transaction costs incurred to date in connection with the Eloise Acquisition and the Offer will be wasted. As at the date of this Notice, these costs are estimated to be approximately \$280,000.

7.2 Re-compliance and Re-admission - Listing Rule 11.1.3

Additionally, where there is a change to the nature or scale of activities, ASX has the discretion under Listing Rule 11.1 to require an entity to meet the requirements on Chapters 1 and 2 of the Listing Rules as though it were applying for admission to the Official List. ASX has imposed this requirement on AIC.

Accordingly, trading in AIC's Shares is currently suspended and will remain suspended until AIC re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Eloise Acquisition.

ASX has absolute discretion in deciding whether or not to re-admit AIC to the official list and to quote its securities. The Eloise Acquisition may not proceed if ASX exercise that discretion.

Accordingly Shareholders should take account of these uncertainties in deciding whether or not to buy or sell the Company's Shares.

The Eloise Acquisition is conditional on AIC obtaining all necessary regulatory and Shareholder approvals to effect the acquisition and satisfying all other requirements of ASX for the reinstatement to official quotation of the Company's Shares on the ASX (among other things).

7.3 Material information

Shareholders' attention is drawn to the following material information provided elsewhere in this Explanatory Statement to assist them in their decision on how to vote on Resolution 1:

- (a) A summary of the key terms and conditions of the Eloise Acquisition - see Section 1.1 of the Overview of the Eloise Acquisition and the Offer in Section 1 of this Explanatory Statement;
- (b) A summary of the Offer (include use of funds) and Indicative Timetable - see Sections 1.2 and 1.3 of the Overview of the Eloise Acquisition and the Offer in Section 1 of this Explanatory Statement;
- (c) Information regarding the impact of the Eloise Acquisition, the Offer and the Resolutions on AIC, including impact on capital structure, control, AIC's finances and other key metrics - see the 'Impact of the Eloise Acquisition and the Offer on AIC' in Section 2 of this Explanatory Statement;
- (d) Information regarding FMR and its intentions - provided in the 'Important Information Regarding FMR' in Section 3 of this Explanatory Statement;
- (e) Detailed information regarding the Eloise Copper Mine and AIC's business model post the Eloise Acquisition - see the 'Detailed Information Regarding Eloise and Business Model' at Section 4.9 in Section 4 of this Explanatory Statement;
- (f) Specific information regarding the voting power that will be acquired by FMR and its associates - see the explanation for Resolution 2 included in Section 8 of this Explanatory Statement.

7.4 Additional Information

Shareholders are also provided with the additional information set out below which is relevant to the decision on how to vote on this Resolution.

(a) Related Party Issues

With the exception of the FMR Nominee Director, Mr Jon Young neither FMR nor any of its associates or officers are related parties of the Company or hold a substantial interest in the Company's securities.

As at the date of this Notice, Mr Young (the FMR Nominee Director) has a relevant interest in 107,143 Shares.

As at the date of this Notice, Bremerton Pty Ltd ATF the Bartlett Family Fund (an associate of FMR) has a relevant interest in 250,000 Shares.

The Eloise Acquisition was negotiated on arms' length terms.

(b) **Directors' interests in the Eloise Acquisition**

None of the Company's existing Directors have any interest in the Eloise Acquisition.

(c) **Fees paid or payable in connection with finding, arranging or facilitating the Eloise Acquisition**

Other than as disclosed in this Notice, there are no fees payable to any person in connection with finding, arranging, or facilitating the Eloise Acquisition

7.5 Recommendation

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 1.

SECTION 8 APPROVAL FOR ACQUISITION OF GREATER THAN A 20% INTEREST IN AIC SHARES BY FMR

8. Resolution 2 - Approval for acquisition of greater than a 20% interest in AIC Shares by FMR

8.1 Shareholder approval sought

AIC is seeking Shareholder approval for Resolution 2 referred to in the accompanying Notice for the purposes of Item 7 of s.611 of the Corporations Act.

8.2 Background

The background and an explanation of the key conditions and material terms of the Eloise Acquisition and Mine Sale Agreement are set out in Section 1 (Overview of the Eloise Acquisition and the Offer) of this Explanatory Statement.

Information regarding the vendor, FMR is set out in Section 3 (Information About FMR) of this Explanatory Statement.

Most importantly, the approval of Resolutions 1, 2 and 3 will enable AIC to acquire the Eloise Assets, which include the operating and profitable Eloise Copper Mine.

Under the Corporations Act, a person cannot acquire an interest in a listed company if, as a result, their (or someone else's) voting power will exceed or increase beyond 20% unless it fits within an exception. One exception is where the acquisition is approved by shareholders in general meeting. Given that the number of Consideration Shares will result in FMR (and its associates) acquiring voting power in AIC in excess of 20%, Resolution 2 provides the specific approvals required by the Corporations Act to enable the issue of the Consideration Shares to proceed.

8.3 Details of Consideration Shares proposed to be issued to FMR

Shareholders are advised of the following information (as prescribed by the ASX Listing Rules and the information required by Regulatory Guide 74) in relation to the proposed Consideration Shares:

Time of issue	The Consideration Shares will be issued on the date on which the Mine Sale Agreement completes (see paragraph 1.3 of Section 1 (Overview of the Eloise Acquisition and the Offer) of this Explanatory Statement). In any event the Consideration Shares will not be issued any later than three months after the date of the Meeting.

Issue Price	The Consideration Shares will be issued at the Issue Price of \$0.25 (being the same price at which Shares will be issued under the Offer).
Rights attaching to the Consideration Shares	The Consideration Shares issued will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of AIC's Constitution.
Identity of "acquirer" of Consideration Shares and their "associates"	The Consideration Shares will be issued to FMR. For the purpose of section 611(7) of the Corporations Act, FMR's associates are: • Mr Peter Mervyn Bartlett and Mr Ronald George Sayers (being directly or indirectly the controllers of FMR and beneficiaries of the FMR Trust); and • other bodies corporate and entities controlled by Mr Bartlett and Mr Sayers, being Bremerton Pty Ltd as trustee for the P M Bartlett Family Trust, Nebraska Pty Ltd as trustee for the R.G Sayers Family Trust and Cherry Garden Nominees Pty Ltd, (together the FMR Associates).
Maximum extent of the increase in voting power and resulting voting power of the "acquirer" and its "associates".	As at the date of this Notice, Bremerton Pty Ltd as trustee for the P M Bartlett Family Trust has a relevant interest in 250,000 AIC Shares. The issue of the Consideration Shares will result in FMR and the FMR Associates having a voting power of 29.9% immediately after the issue according to the Minimum Subscription scenarios. This represents the maximum extent and increase of voting power by each of FMR and its associates. If however the full Maximum Subscription is raised, FMR and the FMR Associates will have a voting power of 26.0% immediately after the issue. These figures have been calculated on the basis that the AIC Shares under the Offer will first have been issued (noting that it is a condition of the Mine Sale Agreement that AIC first conducts a capital raising of at least \$30,000,000 being the Minimum Subscription). If all Performance Incentives currently on issue were vested and exercised, the voting power of FMR and the FMR Associates would dilute to: (a) 25.2% - Maximum Subscription scenario; or (b) 28.9% - Minimum Subscription scenario.

	Consequently, AIC seeks the Takeover Approval in respect of the acquisition of these interests in the Consideration Shares by FMR (and indirectly by the FMR Associates) in accordance with the takeover provisions in Part 6.1 of the Corporations Act (a further explanation of which is set out below at paragraph 8.4 under the explanation for this Resolution 2).			
Voting power of each "associate"	The voting power that each of the FMR Associates will have a result of the issue of the Consideration Shares will be:			
	Person	% (Min)	% (Max)	Basis
	FMR	26.0	29.9	As the registered holder of the Consideration Shares
	Mr Peter Bartlett (a controller of FMR and beneficiary of the FMR Trust)	26.0	29.9	By virtue of his deemed relevant interest in the Consideration Shares
	Mr Ron Sayer (a controller of FMR and beneficiary of the FMR Trust)	26.0	29.9	By virtue of his deemed relevant interest in the Consideration Shares
	Other bodies corporate and entities controlled by Mr Bartlett and Mr Sayers, being Bremerton Pty Ltd as trustee for the P M Bartlett Family Trust, Nebraska Pty Ltd as trustee for the R.G Sayers Family Trust and Cherry Garden Nominees Pty Ltd	26.0	29.9	By virtue of voting power obtained in respect of Consideration Shares (as associates of FMR)

	It is important to note that both the separate and the combined voting power of each of FMR and the FMR Associates (as determined under the Corporations Act) is identical. While each of them separately is considered to have voting power of up to 29.9%, this represents voting power in the same parcel of Consideration Shares. As such, the maximum voting power that FMR and the FMR Associates have in AIC acting either individually or collectively is 29.9%.
Intended use of funds raised from the Consideration Shares	The Consideration Shares will be issued as consideration for the sale of the Eloise Assets. As such, no funds will be raised by their issue. However, for the proposed use of funds of existing treasury and net proceeds of the Offer being conducted for the purposes of the Eloise Acquisition, see paragraph 1.9 of Section 1 (Overview of the Eloise Acquisition and the Offer) of this Explanatory Statement.
Related party disclosure	None of FMR nor the FMR Associates nor any of their respective associates are related parties of AIC.

8.4 Takeover Approval

(a) Background to Takeover Approval

Under the terms of the Mine Sale Agreement, FMR will be the recipient of the Consideration Shares.

The Consideration Shares are a parcel of AIC Shares, which immediately after their issue will represent voting power in the Company of between 26.0% (Maximum Subscription scenario) and 29.9% (Minimum Subscription scenario), calculated on the basis that the AIC Shares pursuant to the Offer have first been issued.

Consequently, the issue of the Consideration Shares contemplated by Resolution 2 will result in each of FMR and the FMR Associates acquiring a relevant interest in AIC Shares and/or having voting power in the Company of greater than 20%.

(b) Takeover Provisions

Part 6.1 of the Corporations Act contains provisions known as the takeover provisions. These provisions prohibit the acquisition of voting shares or a relevant interest in voting shares of a listed entity, if that acquisition results in a person's or someone else's voting power in the company increasing from 20% or below to more than 20% (**Takeover Prohibition**).

A person has a relevant interest in voting shares if they are the holder of the shares, or have power to exercise, or control the exercise of votes attaching to the shares, or have power to dispose of, or control the exercise of a power to dispose of the shares. A holder of voting shares will have a relevant interest in those shares by virtue of that direct shareholding.

Section 608(3) of the Corporations Act also deems a person to have a relevant interest in voting shares held by a corporation, if that person holds 20% or more of the shares in that corporation or otherwise controls that corporation (**Deeming Provisions**).

Item 7 of section 611 of the Corporations Act provides an exception to the Takeover Prohibition in circumstances where the shareholders of the company whose shares are being acquired (in this case AIC Mines Limited), first approve the acquisition (**Takeover Approval**).

Under the proposed Eloise Acquisition, the issue of the Consideration Shares by AIC will result in FMR and its associates having voting power of **up to 29.9%** following completion of the Eloise Acquisition and the Offer (based on the Minimum Subscription scenario at an Issue Price of \$0.25 per Share).

If the Consideration Shares are issued, each of FMR and the following FMR Associates will acquire a relevant interest in Consideration Shares as a result of:

- (i) FMR being the registered holder of the Consideration Shares; and
- (ii) Mr Peter Bartlett and Mr Sayers being deemed to have acquired a relevant interest in the Consideration Shares, by virtue of their control over FMR and underlying beneficial interest in the FMR Trust (pursuant to the **Deeming Provisions**).

Other FMR Associates will be deemed to have the same voting power as FMR (and so will also require the Takeover Approval).

As the issue of the Consideration Shares will result in FMR and each of the FMR Associates having voting power in the Company over the 20% threshold, Takeover Approval is required for the acquisition of the Consideration Shares by FMR.

The percentage of voting power listed above, is calculated on the basis that:

- (i) the AIC Shares under the Offer (including the Related Party Shares) have first been issued (as contemplated by Resolutions 3 to 7);
- (ii) the Consideration Shares are then subsequently issued to FMR as contemplated by Resolution 2 (noting that completion of the Mine Sale Agreement is conditional on AIC having first completed a capital raising of at least \$30,000,000, being the Minimum Subscription under the Offer); and

- (iii) no other Shares are issued prior to the issue of the Consideration Shares by AIC, including any shares issued as a result of the exercise of any of the Company's Performance Incentives.

In the event that any Shares are issued as a result of the exercise of any existing Performance Incentives, prior to the Consideration Shares being issued, this will have a dilutionary effect on the voting power of FMR and the FMR Associates depending on the number of Shares issued as a result of such exercise.

The impact on AIC's issued capital is demonstrated in the table at paragraph 2.2 in Section 2 of this Explanatory Statement.

8.5 Independent Expert Report

(a) Purpose of Independent Expert Report

The Directors commissioned BDO Corporate Advisory (WA) Pty Ltd (the Independent Expert) to prepare an Independent Expert Report in connection with the proposed Eloise Acquisition (which involves both the issue of the Consideration Shares and the Offer) ("**the Proposed Transaction**").

The key purpose of the Independent Expert Report is for an appropriately qualified independent third party to express an opinion as to whether or not the Proposed Transaction is "fair" and "reasonable" to non-associated Shareholders and to enable those Shareholders to assess whether they are better off if the Eloise Acquisition proceeds than if it does not.

The Independent Expert has concluded that the Proposed Transaction is both fair and reasonable.

Shareholders are urged to carefully read the Independent Expert Report to understand the scope of the report, the methodology and valuation and the sources of information and assumptions made. A full copy of the Independent Expert Report accompanies this Explanatory Statement at Annexure A.

The Independent Expert has given, and has not before the date of this Notice of meeting withdrawn its consent to:

- (i) the inclusion of the Independent Expert's Report in this Notice of Meeting; and
- (ii) the references to the Independent Expert's Report in this Explanatory Statement being made in the form and context in which each reference is included.

8.6 Advantages and disadvantages of the Proposed Transaction

The Independent Expert considers that the advantages of approving the Proposed Transaction may include:

- (a) that based on the analysis of the value of a Share prior to the Proposed Transaction, the Independent Expert considers the Proposed Transaction is fair for Shareholders;
- (b) providing Shareholders with exposure to a producing copper project;
- (c) potential upside from exploration potential at the Eloise Mine including potential agreements with neighbouring tenement holders;
- (d) potential further value enhancement of the Eloise Mine via toll treatment of ore from other operating mines in the region;
- (e) the appointment of Mr Jon Young to the Board will bring significant commercial and technical experience to the Company
- (f) the Company will be able to leverage FMR's mining expertise and knowledge, particularly in relation to the Eloise Mine;
- (g) raising funds through the issue of equity rather than debt, will not have a negative impact on the Company's working capital and cash position; and
- (h) cash generated from the Eloise Mine would be used to further explore the Marymia and Lamil projects.

Disadvantages of approving the Proposed Transaction

- (i) The issue of the Consideration Shares and the Offer Shares will have a dilutive effect on current shareholders. Assuming that current shareholders do not participate in the Offer, current shareholders will be collectively diluted to holding between 25.5% of AIC under the Minimum Subscription scenario and 22.2% under the Maximum Subscription scenario
- (j) FMR will hold shares representing between 26.0% (Maximum Subscription scenario) and 29.9% (Minimum Subscription scenario) of voting power and accordingly, will have significant influence over AIC and the ability to block a special resolution.

Advantages of rejecting the Proposed Transaction

- (k) Dilution of AIC's existing Shareholders will be avoided.
- (l) AIC will be free to explore other alternative sources of capital.

Disadvantages of rejecting Proposed Transaction

- (m) AIC does not currently generate income. The acquisition of the Eloise Copper Mine will enable AIC to generate income.
- (n) To effectively pursue its business objectives it is likely that AIC will need to immediately raise additional equity capital.

Shareholders are directed to Section 2 the Independent Expert Report at Annexure A for a summary of the implications of the Proposed Transaction by the Independent Expert.

8.7 Additional Information

Shareholders are also provided with the additional information set out below which is relevant to the decision on how to vote on this Resolution.

(a) Related Party Issues

Neither FMR nor any of the FMR Associates are related parties of the Company or (prior to the Eloise Acquisition) hold a substantial interest in the Company's securities. The Eloise Acquisition was negotiated on arms' length terms.

The FMR Proposed Director is taken to be a related party of the Company (pursuant to section 228(6) of the Corporations Act) because there are reasonable grounds to believe that he will become a Director of the Company. However, he is not an FMR Associate for these purposes and is, and will continue to be, free to vote any Shares held by him in any manner he determines.

(b) Background on FMR

Background information on FMR is provided in Section 3 (Information About FMR) of this Explanatory Statement.

(c) Further transactions planned with FMR

Other than the Eloise Acquisition and the Corporate Services Agreement there are presently no further transactions planned between AIC and FMR. However, Shareholders are directed to the information regarding FMR's intentions contained in paragraph 3.5 of Section 3 (Information About FMR) of this Explanatory Statement.

(d) Financial impact

Shareholders should refer to 'Impact of Eloise Acquisition and the Offer' in Section 2 of this Explanatory Statement, which includes financial information and other details as to the impact of the Eloise Acquisition on AIC's capital structure and other key metrics.

8.8 Recommendation

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 2.

SECTION 9 - RESOLUTION 3 - APPROVAL TO ISSUE AIC SHARES TO RAISE CAPITAL

9. Resolution 3 - Approval to issue AIC Shares to raise capital

9.1 Introduction

For the purpose of ASX Listing Rule 7.1, AIC is seeking Shareholder approval for Resolution 3 in relation to the proposed issue of up to 160,000,000 AIC Shares (**Offer Shares**) pursuant to the Offer to raise between \$30,000,000 and \$40,000,000.

ASX Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) AIC from issuing or agreeing to issue new securities representing more than 15% of its total issued ordinary shares (**Placement Capacity**) during the following 12 month period, without shareholder approval.

By Shareholders approving the issue of the Offer Shares it enables AIC to give the Board flexibility to issue further securities up to the Placement Capacity over the following 12 month period. Once the issue of the maximum number 160,000,000 Offer Shares is approved, these securities will not be counted as a new issue for the purposes of the 15% limit in Listing Rule 7.1.

9.2 Purpose of Offer

As set out elsewhere in this Explanatory Statement, the primary purpose of the Offer is to enable AIC to satisfy the conditions of the Mine Sale Agreement (which requires a capital raising of at least \$30,000,000, being the Minimum Subscription amount) and enable it to pay required cash consideration to FMR for the Eloise Acquisition, as well as to provide working capital for the operation of the Eloise Mine.

Further details on the use of funds is set out at paragraph 1.9 of the Overview of the Eloise Acquisition and the Offer in Section 1 of this Explanatory Statement.

9.3 Dilution Impact of Offer on Shareholders

The Offer is not a rights issue and will be structured as follows:

- (a) a Priority Allocation of up to 20,000,000 Shares for Minority Shareholders only; and
- (b) a General Offer of up to 140,000,000 Shares open to the public and to all Shareholders in respect of the balance, including any potential shortfall from the Priority Allocation.

AIC will issue a Prospectus for the Offer, which it expects to lodge with ASIC on or about 27 September 2021. Further detail about the structure and allocation policy for the Offer is set out in Section 1.7.

The table below sets out the capital structure of the Company following the issue of Shares under the Priority Allocation and the General Offer and the issue of the Consideration Shares to FMR.

Name	Note	Current		Minimum Subscription		Maximum Subscription	
		Shares	%	Shares	%	Shares	%
Nordana Pty Ltd; El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	1	13,174,710	19.2%	38,174,710	14.2%	38,174,710	12.4%
Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd	2	5,347,615	7.8%	5,347,615	2.0%	5,347,615	1.7%
Gold Elegant (HK) Investment Limited	3	4,100,001	6.0%	4,100,001	1.5%	4,100,001	1.3%
FMR (Consideration Offer)		-	-	80,000,000	29.9%	80,000,000	26.0%
General Offer	4	-	-	75,000,000	27.9%	115,000,000	37.3%
Minority Shareholders + Priority Allocation	5	46,092,692	67.1%	66,092,692	24.5%	66,092,692	21.3%
Total		68,715,018	100%	268,715,018	100%	308,715,018	100%

Notes:

1. As at the date of this Notice, Mr Josef El-Raghy via his nominee El-Raghy Kriewaldt Pty Ltd intends to subscribe for up to 25,000,000 Shares under the General Offer.
2. As at the date of this Notice, AIC is not aware of the intentions of Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd regarding subscribing to the General Offer (to which they will have access). Nil subscription assumed.
3. As at the date of this Notice, AIC is not aware of the intentions of Gold Elegant (HK) Investment Limited regarding subscribing to the General Offer (to which they will have access). Nil subscription assumed.
4. General Offer Shares shown here are less the 25,000,000 Shares that Mr Josef El-Raghy via his nominee El-Raghy Kriewaldt Pty Ltd intends to subscribe for under the General Offer. See Section 10 for more information.
5. Calculation assumes that current Minority Shareholders subscribe for all of the Priority Allocation and current Substantial Shareholders do not participate in the Priority Allocation.

9.4 Required disclosures - ASX Listing Rules

The following disclosures are made for the purposes of ASX Listing Rules 7.1 and 7.3:

Names of persons to whom the Offer Shares may be issued (LR7.3.1)	The Offer Shares are being offered under a Prospectus and will be open to retail and wholesale investors. Accordingly, the Offer Shares will be issued to any investors identified by AIC or the Joint Lead Managers, or who subscribe for Offer Shares pursuant to the Prospectus. AIC reserves the right to pay any broker a commission on all monies raised from investors introduced by the broker.
Number and class of Offer Shares (LR7.3.2)	The maximum number of Offer Shares that may be issued is 160,000,000 under the Maximum Subscription scenario. AIC is not bound to issue the maximum number of Offer Shares for which authority has been granted and may, in its absolute discretion, issue a lesser number, provided the Minimum Subscription is met (being 120,000,000 Offer Shares to raise \$30,000,0000). The Offer Shares will be fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares. AIC will apply for their quotation.
If not fully paid, summary of material terms (LR7.3.3)	All of the Offer Shares will be fully paid.
The date or dates by which the Offer Shares will be issued (LR7.3.4)	AIC expects (based on its indicative timetable) that the Offer Shares will be issued on or around 29 October 2021, and in any event will issued by no later than the date which is 3 months' after the Meeting.
Price or other consideration that AIC will receive for the Offer Shares (LR7.3.5)	The Issue Price under the Offer (including both the Priority Offer and the General Offer) is \$0.25. Other than the Issue Price, AIC will not receive any other consideration for the issue of the Offer Shares.
Purpose of the issue of the Offer Shares and intended use of funds (LR7.3.6)	Refer to paragraph 9.2 immediately above.

Are the Offer Shares issued under an agreement? (LR7.3.7)	No.
Voting exclusion statement (LR7.3.9)	The required voting exclusion statement has been provided for below Resolution 3 in the accompanying Notice.

As Shareholder approval is only being sought under Listing Rule 7.1, the Offer Shares cannot be issued to related parties of AIC as defined in Listing Rule 10.11, including (but not limited to) Directors and their spouses, entities controlled by Directors, and controlling Shareholders of the Company; save to the extent that such issue has been specifically approved by Shareholders pursuant to any or all of Resolutions 4 to 7.

9.5 Effect of the Resolution

Resolution 3, if passed, will allow AIC to issue up to 160,000,000 new Shares to satisfy the conditions of the Eloise Acquisition, pay the Eloise Completion Payment and raise additional funds to continue exploration on AIC's existing projects and potentially acquire new exploration projects, commence accelerated exploration on Eloise and provide working capital both generally and specifically in relation to the Eloise Assets which the Directors believe can offer significant advantages to the Company and its current Shareholders (as explained in various places throughout this Explanatory Statement).

This issue of the Offer Shares will have a dilutive effect on the existing Shareholders. Accordingly, each existing Shareholder's percentage ownership in AIC will be reduced upon the issuance of the additional shares, reducing the existing Shareholder's percentage ownership and their control over the affairs of the Company. For more information on the dilutive effect of the Offer, please refer to the table in Section 9.3 above.

9.6 Effect if Resolution not passed

Resolution 3 is an Essential Resolution, which must be passed (together with Resolutions 1 and 2) to allow Completion of the Eloise Acquisition. If any of the Essential Resolutions which includes Resolution 3 are not approved by Shareholders, all of the Essential Resolutions will fail and completion of the Eloise Acquisition and the Offer will not occur. If this is the case AIC will continue with its current business model. It will continue to explore and develop its Existing Projects, being the Marymia and the Lamil gold and copper exploration projects and it will continue to seek out exploration and acquisition opportunities, focusing on gold and copper projects in Australia, where it believes it can add value through exploration and development.

Recommendation

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 3.

SECTION 10 - RESOLUTIONS 4 TO 7 - APPROVAL TO ISSUE SHARES TO RELATED PARTIES

10. Resolutions 4 to 7 - Approval to issue Shares to Related Parties

10.1 Introduction

Resolutions 4, 5, 6 and 7 seek Shareholder approval for the issue of a total of up to 33,754,000 Offer Shares to certain directors of the Company. The Company's current Directors, namely Messrs Colleran, El-Raghy and Montgomery, and if, appointed FMR's Nominee Director, Mr Young, (or their respective nominee/s) wish to participate in the Capital Raising (these entities together are referred to as the Related Party Subscribers).

It is proposed that the Related Party Subscribers will subscribe for and be issued with up to the maximum Offer Shares shown below:

- (a) 6,000,000 Shares to Mr Aaron Colleran (Resolution 4);
- (b) 25,000,000 Shares to Mr Josef El-Raghy (Resolution 5);
- (c) 2,354,000 Shares to Mr Brett Montgomery (Resolution 6); and
- (d) 400,000 Shares to Mr Jon Young (Resolution 7),

for the purposes of ASX Listing Rule 10.11 (collectively, the **Related Party Shares**).

10.2 Background

In the event that Offer proceeds, certain of the Company's current Directors (Messrs Colleran, El-Raghy and Montgomery) and if, appointed FMR's Nominee Director (Mr Young), wish to participate in the General Offer. Shareholder approval is sought to permit these Directors or their nominee(s) to participate.

The Directors will not participate in the Priority Allocation.

For the Offer to proceed, each of the conditions precedent to the Mine Sale Agreement (other than the condition to raise capital of at least \$30,000,000) must first have been satisfied. Consequently, the Offer will only proceed if the Eloise Acquisition has a substantial likelihood of completing.

10.3 The Resolution

ASX Listing Rule 10.11 requires shareholder approval for the issue of securities to certain related parties and persons of influence, including directors. It also applies to the issue of securities to associates of these persons.

ASX Listing Rule 7.1 broadly prohibits a company from issuing more than 15% of its shares in any one year without shareholder approval. Pursuant to Listing Rule 7.2 (Exception 14), if shareholder approval is given under Listing Rule 10.11, further approval is not required for the purposes of Listing Rule 7.1.

AIC proposes to issue a total of up to 33,754,000 Related Party Shares to the above named directors should the Offer proceed, and assuming that AIC receives valid applications from those directors.

10.4 Required disclosure - ASX Listings

For the purpose of ASX Listing Rules (including LR10.11, 10.13 and 14.1A) Shareholders are advised of the following:

Name of persons receiving the Related Party Shares (LR10.13)	7.1 Mr Aaron Colleran (c) Mr Josef El-Raghy (d) Mr Brett Montgomery (e) Mr Jon Young
Which category in ASX Listing Rule 10.13 do the recipients fall within?	ASX Listing Rule 10.11.1 applies to the issue of equity securities to a related party. A director is a "related party". Consequently, the relevant category is ASX Listing Rule 10.11.1.
Number and class of securities 10.13	The Shares to be issued to Directors will be identical to those issued to any other investor participating in the Offer. They will be fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares. AIC will apply for their quotation. A maximum of 33,754,000 Shares will be issued to the Related Party Subscribers, as follows: 2.1 Mr Colleran or nominee(s)- 6,000,000 Shares (Resolution 4); (f) Mr Josef El-Raghy or nominee(s) - 25,000,000 Shares (Resolution 5); (g) Mr Brett Montgomery or nominee(s) - 2,354,000 Shares (Resolution 6); and (h) Mr Jon Young or nominee(s) - 400,000 Shares (Resolution 7).
If not fully paid, summary of material terms (LR10.13)	All of the Related Party Shares issued to Directors will be fully paid.

	The Related Party Shares to be issued to Directors will be identical to those issued to any other investor participating in the Offer.
The date by which the Director Shares will be issued (LR10.13)	Ordinarily, Shares approved for issue under ASX Listing Rule 10.11 must be issued within 1 month of the Shareholders' meeting approving their issue; however as stated at paragraph 2.10 of the Overview of the Eloise Acquisition and the Offer ' in Section 2, AIC was granted a waiver by ASX to permit Related Party Shares to be issued to Directors by no later than the date which is 3 months' after the Meeting. This will enable the issue of Related Party Shares to Directors to align with the issue of Shares under the Offer.
Price or other consideration payable (LR10.13)	The Related Party Shares will only be issued to Directors if the relevant directors (including the current Directors and FMR's proposed Nominee Director) Mr Jon Young submit valid applications under the General Offer and pay the full Issue Price for the Shares for which they subscribe. The Issue Price under the Offer (including the General Offer) is \$0.25. Other than the Issue Price, AIC will not receive any other consideration for the issue of the Related Party Shares to Directors.
Purpose of the issue of the Related Party Shares and funds raised (LR10.13)	The purpose of the issue of the Related Party Shares to Directors is to raise funds as part of the General Offer. The total funds that may be raised from the issue of the Related Party Shares to Directors is \$8,438,500 (before costs). Funds raised will go toward the Eloise Completion Payment and providing working capital for AIC, including for the operation of the Eloise Copper Mine (once acquired). See paragraph 1.9 of the 'Overview of the Eloise Acquisition and the Offer' in Section 1 of this Explanatory Statement for further detail on the proposed use of funds.
Is the issue of the Related Party Shares to a Director part of remuneration or incentives? (LR10.13)	No.

Are the Related Party Shares to be issued to a Director under an agreement? (LR10.13)	No.
Issue of Related Party Shares do not use up Placement Capacity (LR14.1A)	As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares to Directors (because approval is being obtained under Listing Rule 10.11), the issue of the Director Shares will not use up any of AIC's 15% annual placement capacity.
What happens if Shareholders do not approve the issue of any of the Related Party Shares (LR14.1A)	If Shareholder approval is not given for the issue of any of the parcels of Related Party Shares, the Directors (or relevant Directors) will not be able to participate in the General Offer. The Shares that would have been taken up by the Directors will then be available for other investors to take up under the General Offer. If there is not sufficient demand for these Shares to be taken up under the General Offer, failing to provide Shareholder approval may reduce the amount that AIC is able to raise by \$8,438,500 (before costs), being the maximum amount that may be raised by the issue of the Related Shares. This may have an impact on AIC's ability to meet the Minimum Subscription of \$30,000,000, which is the amount required to be raised to meet the conditions of the Mine Sale Agreement. If the Minimum Subscription is not reached, the Eloise Acquisition and the Offer will not be able to proceed.
Voting exclusion (LR10.13)	As set out in the Notice against each of Resolutions 4 to 7, none of the Related Party Subscribers (or their associates) may vote on the relevant resolution in respect of that Directors' participation in the General Offer (except where certain exceptions apply). Refer to the specific Voting Exclusion statement which follows each of Resolutions 4 to 7 in the accompanying Notice.

10.5 Corporations Act - Chapter 2E

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Offer Shares to the Related Party Subscribers constitutes giving a financial benefit to related parties. Messrs Colleran, El-Raghy and Montgomery are each a related party of the Company by reason of being a Director or in the case of Mr Young is a related party of the Company by reason of being a proposed Director.

Section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm's length, or are less favourable than those terms.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Offer Shares to the Related Party Subscribers because these Shares are to be issued to them at the same price and on the same terms and conditions as to all other subscribers to the Offer, and are being issued on arm's length terms.

10.6 Directors' recommendation

Mr Colleran has a material personal interest in Resolution 4, Mr El-Raghy has material personal interest in Resolution 5 and Mr Montgomery has a material personal interest in Resolution 6. The Directors do not consider it appropriate to make a recommendation on how to vote on Resolutions 4, 5, 6 and 7.

SECTION 11 - GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in the Notice of Meeting and Explanatory Statement.

\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means AIC Mines Limited (ACN 060 156 452).
Completion Date	means the completion date of the Mine Sale Agreement as set out in Section 1.3.
Consideration Shares	means the AIC Shares to be issued to FMR as consideration for the sale of the Eloise Assets, as further described at paragraph 1.4(b) of the 'Overview of Eloise Acquisition and the Offer' in Section 1 of this Explanatory Statement.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporate Services Agreement	means the agreement to be entered into between the Company and FMR prior to completion of the Eloise Acquisition, described at paragraph 4.10(h) of the 'Detailed Information Regarding the Eloise Copper Mine' in Section 4.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Eloise Acquisition	means the proposed acquisition of the Eloise Assets, as further described in the 'Overview of Eloise Acquisition and the Offer' in Section 1 of this Explanatory Statement.
Eloise Assets	means the Eloise Copper Mine, and related business and assets, as further described at paragraph 1.1 of the 'Overview of Eloise Acquisition and the Offer' in Section 1 of this Explanatory Statement.
Eloise Copper Mine	means the copper mine currently operated by FMR and to be sold to AIC pursuant to the terms of the Mine Sale Agreement.
Equity Security	has the same meaning as in the Listing Rules.
Essential Resolutions	means all of Resolutions 1 to 3, all of which are necessary to complete the Eloise Acquisition. Resolutions 4 to 7 relate to the ability of AIC's current Directors and the FMR Nominee Director to participate in the Offer, and are not essential to enable the Eloise Acquisition to proceed.
Existing Projects	means the Company's existing gold and copper exploration projects, being the Marymia Project and the Lamil Project (both located in Western Australia). Further information is provided in the Quarterly Activities Report for the period ending 30 June 2021 released via ASX on 16 July 2021.
Explanatory Statement	means the explanatory statement which forms part of the Notice.
FMR	means FMR Investments Pty Ltd (ACN 009 411 349) as trustee for the FMR Trust.
FMR Nominee Director	means Mr Jonathan (Jon) Young
FMR Trust	means FMR Investments Pty Ltd (ACN 009 411 349) as trustee for the FMR Unit Trust, being the current owner of the Eloise Assets.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
General Offer	means that portion of the overall Offer not taken up under the Priority Allocation.
Independent Expert	means BDO Corporate Finance (WA) Pty Ltd ABN 27 124 034 045 (AFS Licence No 316158), being the preparer of the Independent Expert Report or IER.
Independent Expert Report or IER	means the report attached to this Explanatory Statement as Annexure A, prepared for the purposes of s.611 (item 7) of the Corporations Act and the ASX Listing Rules.
Independent Specialist	means SRK Consulting (Australasia) Pty Ltd ABN: 56 074 271 720,

being the preparer of the Independent Specialist Report.

Independent Specialist Report	means the Independent Specialist Report on the mineral assets of AIC Mines Limited and FMR Investments Pty Ltd included in the Independent Expert Report.
Issue Price	means \$0.25 per Share.
Joint Lead Managers	Canaccord Genuity (Australia) Ltd and Argonaut Securities Pty Ltd.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Maximum Subscription	means A\$40,000,000 (being 160,000,000 AIC Shares).
Meeting	has the meaning given in the introductory paragraph of the Notice.
Mineral Resource	means the Eloise mineral resources described in section 1.16 (n) and as set out in Appendix D of the Independent Specialist Report.
Mine Sale Agreement	means the agreement between the Company and FMR for the Eloise Acquisition.
Minimum Subscription	means A\$30,000,000 being (120,000,000 AIC Shares).
Minority Shareholder	means any Shareholder who is not a Substantial Shareholder.
Minister	means the Minister or their delegate exercising discretion under the Mineral and Energy Resources (Common Provisions) Act 2014.
Notice	means this notice of general meeting.
Nominee Director	means the director to be nominated by FMR in accordance with its board representation rights (described in the Overview of the Eloise Acquisition and the Offer in Section 1 of this Explanatory Statement, the first of which is Mr Jon Young).
Option	means an option to acquire a Share.
Offer	means the offer to issue Offer Shares to raise capital, comprising the Priority Allocation and the General Offer, as further described in the Overview of the Eloise Acquisition and the Offer in Section 1 of this Explanatory Statement.

Offer Shares	means up to 160,000,000 Shares to be issued by AIC pursuant to the Offer, subject to approval of the Essential Resolutions.
Ore Reserve	means the Eloise ore reserves described in section 1.16 (n) and as set out in Appendix D of the Independent Specialist Report
Performance Incentives	means an option or conditional right to acquire a Share on the terms set out in the Plan and otherwise set by the Board, and as further described in this Notice, including at Schedule 2 and Schedule 3.
Plan	means the Company's Equity Participation Plan.
Priority Allocation	means the allocation of up to A\$5,000,000 of the Offer to Minority Shareholders, subject to Shareholders approving the Essential Resolutions.
Proposed Transaction	means collectively, the Eloise Acquisition, the Offer and the issue of the Consideration Shares.
Proxy Form	means the proxy form attached to the Notice.
Re-admission	means the readmission of the Company's Shares to quotation on the official list of ASX.
Related Party Shares	means a maximum of up to 33,754,000 Offer Shares that may be available for issue to the Related Party Subscribers, subject to Resolutions 4 to 7 being approved.
Related Party Subscribers	means each of Josef El-Raghy, Brett Montgomery, Aaron Colleran and Jon Young, or their respective nominee(s) who may subscribe for the Related Party Shares the subject of Resolutions 4 to 7.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Statement.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Incentives).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Substantial Shareholder	means Gold Elegant (HK) Investment Limited, Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd and Nordana Pty Ltd; El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy

Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 Further Terms and Conditions of Eloise Acquisition

In addition to the key terms and conditions of the Eloise Acquisition set out in the 'Overview of Eloise Acquisition' in Section 1 of this Explanatory Statement, the following further terms and conditions also apply.

1.1 Termination

With respect to the rights of either party to terminate the agreement, certain Conditions Precedent are inserted for the benefit of FMR and/or the Company and may only be waived by agreement in writing between them. If these conditions are not fulfilled by the sunset date (being 31 December 2021) or another agreed date, if the party who has complied with the requirements of reasonable endeavours and certain specific obligations then the agreement may be terminated by notice before completion.

The Company may terminate the agreement before completion by notice if any warranty is found to be incorrect or misleading and the effect on the business is material.

1.2 Conduct of Business Pending Completion

From the date of the agreement to the earlier of completion or termination of the Agreement, FMR must use reasonable endeavours to ensure that the business is conducted materially in the ordinary course; promptly notify the Company of any abnormal or unusual events with respect to the business or the occurrence of any event outside the ordinary course of business; and promptly undertake any repairs and maintenance and, as a minimum, will continue to undertake all such capital expenditure as is required to maintain operational reliability of the Eloise Copper Mine.

1.3 Risk and Insurance

FMR remains the owner of and bears all risk in connection with the business and assets before the effective time for completion, at which time title and risk passes to the Company. FMR has agreed to maintain its insurances until the completion date.

The Company accepts and assumes responsibility for all environmental and other liabilities in connection with the mining operations and the tenements arising under the terms and conditions of the tenements or environmental authorities or law with effect on and from completion, and indemnifies and agrees to hold harmless FMR from all such liabilities suffered or incurred by FMR.

1.4 Employees

Prior to the completion date, the Company must make an offer of employment to each employee on terms no less favourable than the terms of employment with FMR.

An employee's continuous service with FMR up to the completion date will be regarded as continuous service with the Company for all purposes including sick leave, annual leave, parental leave, long service leave, notice of termination and severance/redundancy pay under any applicable law or Industrial Instrument or arrangement.

From the completion date, the Company will assume liability for and will indemnify FMR for all employee entitlements of transferring employees.

1.5 Warranties

The Company and AIC agree to indemnify FMR in respect of matters warranted to FMR, including that:

- (a) they have the power to enter into and perform the agreement, they are not breaching or defaulting under another agreement or their own governance laws in doing so, and the agreement is valid and binding;
- (b) there is no voluntary agreement with any creditors, nor are the Company or AIC insolvent or will the transaction cause either to become insolvent;
- (c) they understand the environmental liabilities and they have the financial and technical capabilities to comply with obligations owed under the agreement;
- (d) they are, or will prior to completion, be a "registered suitable operator" as required under environmental laws;
- (e) the Company is not aware of any matters that could result in the Company being disqualified from being transferred the tenements;
- (f) the Company has financial and technical capabilities as required by relevant government agencies;
- (g) all information provided in relation to the Indicative Approval application is true and complete;
- (h) the Consideration Shares to be issued to FMR will rank equally to the existing issued fully paid shares in AIC, and the issue of such shares will not breach obligations binding on AIC or its members and are validly issued;
- (i) the Consideration Shares will, upon issue, comprise not less than 20% of the issued capital of AIC;
- (j) except to the extent of any escrow requirement imposed by ASX, FMR will acquire good marketable and valid title to unencumbered Consideration Shares, which will be freely-tradeable subject to the terms of the agreement;
- (k) AIC complies with the ASX Listing Rules;
- (l) except with transactions contemplated by the agreement and capital raising, there is no excluded information in respect of AIC; and
- (m) none of AIC or its related bodies corporate are involved in any proceeding, investigation or dispute, other than a civil claim filed on 5 January 2018 in the Supreme Court of British Columbia by Christopher Anderson. This claim relates to the disputed sale of shares in a listed Canadian company in October 2017. The plaintiff (Christopher Anderson) has made a breach of contract claim which

AIC is contesting. The proceedings are currently in the discovery phase. A trial is scheduled for 10 days in January 2022.

FMR warrants to the Company, relevantly, that except as disclosed to the Company:

- (a) they have the power to own the assets and carry on the business, and enter into the they are not insolvent;
- (b) they are the sole legal owner of the assets and the assets will be unencumbered at completion except for certain permitted encumbrances;
- (c) the tenements are valid, subsisting and in good standing and they have not done anything which could cause the tenements to be cancelled or forfeited;
- (d) they have paid all tenement rents and rates and complied with all minimum expenditure conditions;
- (e) no party other than the Company has any right to explore or mine for minerals on the tenement land;
- (f) they have not received notice of an act or omission which could cause the tenement to be cancelled or cause a term or condition to be amended or varied in a way that restricts enjoyment of the rights conferred by the tenements;
- (g) there are no royalty agreements applicable to any tenement and the tenements are not subject to orders or notices issued by a government agency;
- (h) there are no circumstances affecting the tenements which could adversely affect the rights of the Company;
- (i) there are no disputes, claims or circumstances known to FMR that may give rise to the same against or in relation to the tenements or rights granted under the agreement;
- (j) they have complied with obligations and laws in respect of the tenements;
- (k) each item of plant and equipment contained within the agreement is in the physical possession of FMR;
- (l) as far as FMR is aware, there are no proposals by any competent authority which would adversely affect the tenements;
- (m) they have complied with all contracts and arrangements entered into with respect to the assets and business;
- (n) all security held by FMR and included in the assets subject to the agreement are valid and enforceable by FMR against the provider of that security in accordance with the terms of the security;
- (o) they have obtained, maintained in force and complied in all material respects with all approvals, licences, consents, authorities or permits required to conduct the business and to own, use, operate and receive the benefit of the assets;

- (p) they have maintained insurance in connection with the business and assets against all material risks in accordance with ordinary business practice;
- (q) there are no royalties or net profit interests payable in respect of the assets or the business, except to government agencies and as disclosed; and
- (r) the information provided by FMR in the agreement is accurate in all material respects and has been provided in good faith.

FMR makes no warranty or representation to the Company concerning the following:

- (a) any matter in connection with native title (including the determination of any registered native title claim or future native title claim, or the consequences of such a determination being made by consent or otherwise), or any matter in connection with heritage or sacred sites (or the determination of such sites) under any legislation or otherwise in respect of any of the tenements;
- (b) the state of repair or maintenance or serviceability of any item of plant and equipment, or the ability of the plant and equipment to operate as an entire unit or the correspondence of any item of plant and equipment to the description in the agreement, or compliance with any requirements or applicable law concerning the use or operation of any plant and equipment, or the safety of any item of plant and equipment;
- (c) the ability to operate or use the assets (or any part of them) as a going concern, or FMR' rights or the value of the rights in respect to the assets, or the financial return from the use of the assets, or costs, profit or similar forecasts with respect to the assets, or the sufficiency of the assets to run the business;
- (d) whether or not the copper resources and reserves in or under the tenement can be feasibly and/or economically mined using any mining or production method;
- (e) the likelihood or otherwise of the tenement or any mining tenement being granted over the tenement being renewed;
- (f) the regulation of the mining industry and other industries (and the relationship of such other industry regulation to the regulation of the mining industry);
- (g) the principles to be applied by government agencies with respect to the regulation of the mining industry or any part of it and, in particular, matters affecting production, revenue, prices, royalties and charges and service levels;
or
- (h) the grant or non-grant of any consent or approval by any Government Agency.

1.6 Limitations of Liability

The agreement expressly excludes liability for indirect and consequential loss or damage, and the parties remain bound by their general obligation at law to mitigate any loss or damage. FMR will not be liable to the Company for any claim under or in relation to the agreement if:

- (a) the Company does not comply with the prescribed notice and/or third party claim requirements;
- (b) the claim results from an act of the Company after completion;
- (c) the claim is the result of legislation not in force at the date of completion;
- (d) the claim arises from an increase in taxation after completion;
- (e) the claim results from change in accounting standards after completion;
- (f) the claim arises or is increased by an action taken or not taken by FMR in consultation with and with prior written approval of the Company;
- (g) the provision has been made in the completion statement for the circumstances giving rise to the claim;
- (h) the circumstances were properly and fairly disclosed to the Company; or
- (i) except to the extent warranted, the claim relates to a forecast, forward looking statement made by FMR or its representatives.

FMR's maximum liability for loss or damage is an aggregated amount of **\$12,500,000**, or if relating to unencumbered title in respect of the assets then the Purchase Price.

The Company may not make any claim under the agreement including for a breach of warranty unless full details of the Claim have been notified to FMR within 12 months from the Completion Date.

1.7 Default

A default will arise under the agreement where:

- (a) a party fails to complete, other than as a result of default by the other party, which allows the non-defaulting party to issue a notice requiring completion; and
- (b) if the completion is not subsequently carried out within the period specified in the notice, then the non-defaulting party may seek specific performance of the agreement or terminate, and seek damages for the default.

1.8 Guarantee and indemnity

AIC provided a guarantee for the Company's compliance with obligations in connection with the agreement, including monetary obligations, and acknowledged that if the Company does not comply then AIC will comply with the obligations on demand from FMR.

The terms of the guarantee are customary for an agreement of this nature.

AIC indemnifies FMR against any liability or loss arising from, and any costs, charges or expenses it incurs, if an obligation is unenforceable against, or a monetary obligation cannot be recovered from, AIC under the guarantee or from the Company under the agreement.

Schedule 2 Terms and Conditions of Performance Incentives

A total of 7,150,000 Performance Incentives are currently on issue, with only 4,000,000 of these having vested as at the date of this Notice. Each Performance Incentive is an option or conditional right to acquire one Share on the terms set out in the Plan and the Participant's invitation (which will specify and vesting conditions, performance conditions and relevant dates for each).

The Performance Incentives have all been issued pursuant to AIC's Equity Participation Plan (adopted and approved by Shareholders on 31 My 2019). The Performance Incentives are granted at no cost and no amount is payable upon exercise.

AIC's Equity Participation Plan is described in Schedule 3

Details of the Performance Incentives that have vested are set out below.

Number	Vesting Term	Vesting Condition	Vesting Status	Holder
2,000,000	11 February 2021	AIC 60 day VWAP is \$0.30 or more	Vested 3 August 2019	A Colleran
2,000,000	11 February 2022	AIC 60 day VWAP is \$0.40 or more	Vested 26 August 2019	A Colleran
250,000	4 October 2022	AIC 60 day VWAP is \$0.60 or more	Unvested	M Fallon
2,000,000	11 February 2023	AIC 60 day VWAP is \$0.60 or more	Unvested	A Colleran
650,000	1 December 2023	AIC 60 day VWAP is \$0.60 or more	Unvested	A Colleran (500,000) M Fallon (100,000) M Eisenlohr (50,000)
250,000	30 July 2024	AIC 60 day VWAP is \$0.60 or more	Unvested	M Taylor

Schedule 3 Summary of Equity Participation Plan

The terms and conditions of the Plan are summarised below.

Board	The Board is responsible for the operation of the Plan and may in its absolute discretion issue or cause to be issued invitations of behalf of the Company to Eligible Persons.
Participants	An Eligible Person who accepts an invitation and to whom an award is made under the Plan.
Eligibility	The Board may determine in its absolute discretion who is eligible to participate in the Plan, other than a person whose participation in the Plan would disentitle the Company from relying on any applicable instrument of relief issued by ASIC from time to time relating to employee incentive schemes. Broadly speaking, this includes the Company's directors, officers, employees and consultants.
Number of Performance Incentives	The Board has discretion to determine the number of Performance Incentives offered to Eligible Persons, subject to a limit in accordance with the maximum permitted under any instrument of relief issued by ASIC from time to time relating to employee incentive schemes which the Company is relying on in regards to the invitation.
No payment on grant or vesting	Unless the Board determines otherwise, a Participant will not pay anything for the award of Performance Incentives or Shares.
Vesting Conditions	Vesting of the Performance Incentives is conditional on the Participant satisfying the pre-determined vesting conditions and Performance Conditions imposed by the Board at the end of the vesting period. The vesting period applicable to Performance Incentives is the period determined by the Board and provided in the invitation.
Vesting of Incentives	The Performance Incentives will only vest if the Participant meets the specified vesting conditions and performance conditions within the vesting period. The Board retains a residual discretion to reduce the number of Performance Incentives that will vest depending upon the particular circumstances. Exercise of Incentives is subject to the vesting to the Performance Incentives.
Entitlements under Performance Incentives	An Eligible Person has no entitlement to be awarded any Incentives unless and until such Performance Incentives are awarded. Unless and until a Share has been Allocated to a Participant under an award or on vesting and exercise (if applicable) of the Performance Incentives, the Participant has no interest in those Shares. An Performance Incentive does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

Issue, transfer or allocation of Share on vesting of Performance Incentives	The vesting and exercise (if applicable) of a Performance Incentive will be satisfied by the Company, at the Board's discretion, either: (i) allocating a Share to the Participant; or (ii) making a cash payment in lieu of an Allocation of Shares, and delivering any dividend equivalent payment that a Participant becomes entitled to under the Plan.
Cessation of employment	On a Participant's cessation of employment, subject to the particular terms of the award, the Board may determine that some or all of the participant's Performance Incentives lapse, vest, are exercisable for a prescribed period (if applicable), or are no longer subject to some or all applicable restrictions.
Change of control	Upon a change of control event occurring, then: • the Board may, in its absolute discretion, determine that all or a specified number of Participant's Performance Incentives: - vest and are exercisable (if applicable) for the period determined by the Board; - cease to be subject to dealing restrictions (as applicable); or - lapse or be cancelled if the Board determines in its absolute discretion that a term of the change of control event is that holders of those Incentives will participate in an acceptable alternative employee share incentive scheme which is reasonably acceptable to the Board in its absolute discretion; and • all Shares held by an Eligible Person under the Plan which are subject to a dealing restriction will be released. The Board does not consider the Eloise Acquisition to be a change of control event and has resolved that vesting of the outstanding Performance Incentives is not warranted.
Clawback provision	The Board has broad clawback powers to determine that Performance Incentives lapse, or that allocated Shares are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).
Restrictions on dealing	The Board may at its discretion impose restrictions on dealing in respect of any Shares that are Allocated either under an award or upon vesting and exercise (if applicable) of a Performance Incentive. If the release of any restrictions imposed would arise in a period where dealings by an Eligible Person would be prohibited under law or the Securities Trading Policy, such release will be delayed until such time as dealings are permitted.

Schedule 4 Eloise Copper Mine - Mineral Resources and Ore Reserve Statement.

Material Information Summary

Material Information Summaries are provided for the Eloise Mineral Resources and Ore Reserves pursuant to ASX Listing Rules 5.8 and 5.9 and the Assessment and Reporting Criteria in accordance with JORC Code 2012 requirements.

Location and Tenure

Cloncurry is located in the northwest Queensland, 770km west of Townsville via the Flinders Highway. The town lies adjacent to the Cloncurry Reiver. The Eloise Copper - Gold deposit is located approximately 60km southeast of Cloncurry and is accessible by the sealed Landsborough Highway to within 12km west of the mine. Access to Eloise is via a well maintained dirt access road.

The operation is located on four mining leases:

- (a) ML90064 (expiry 31 August 2025)
- (b) ML90080 (expiry 31 December 2021, renewal lodged)
- (c) ML90086 (expiry 31 March 2022)
- (d) ML90155 (expiry 31 October 2026)

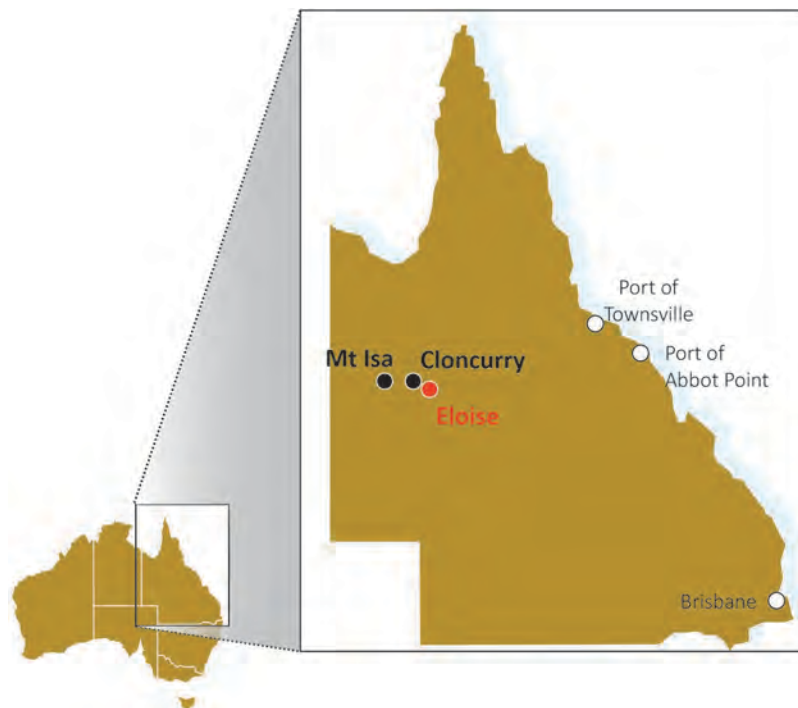


Figure 1. Eloise location plan.

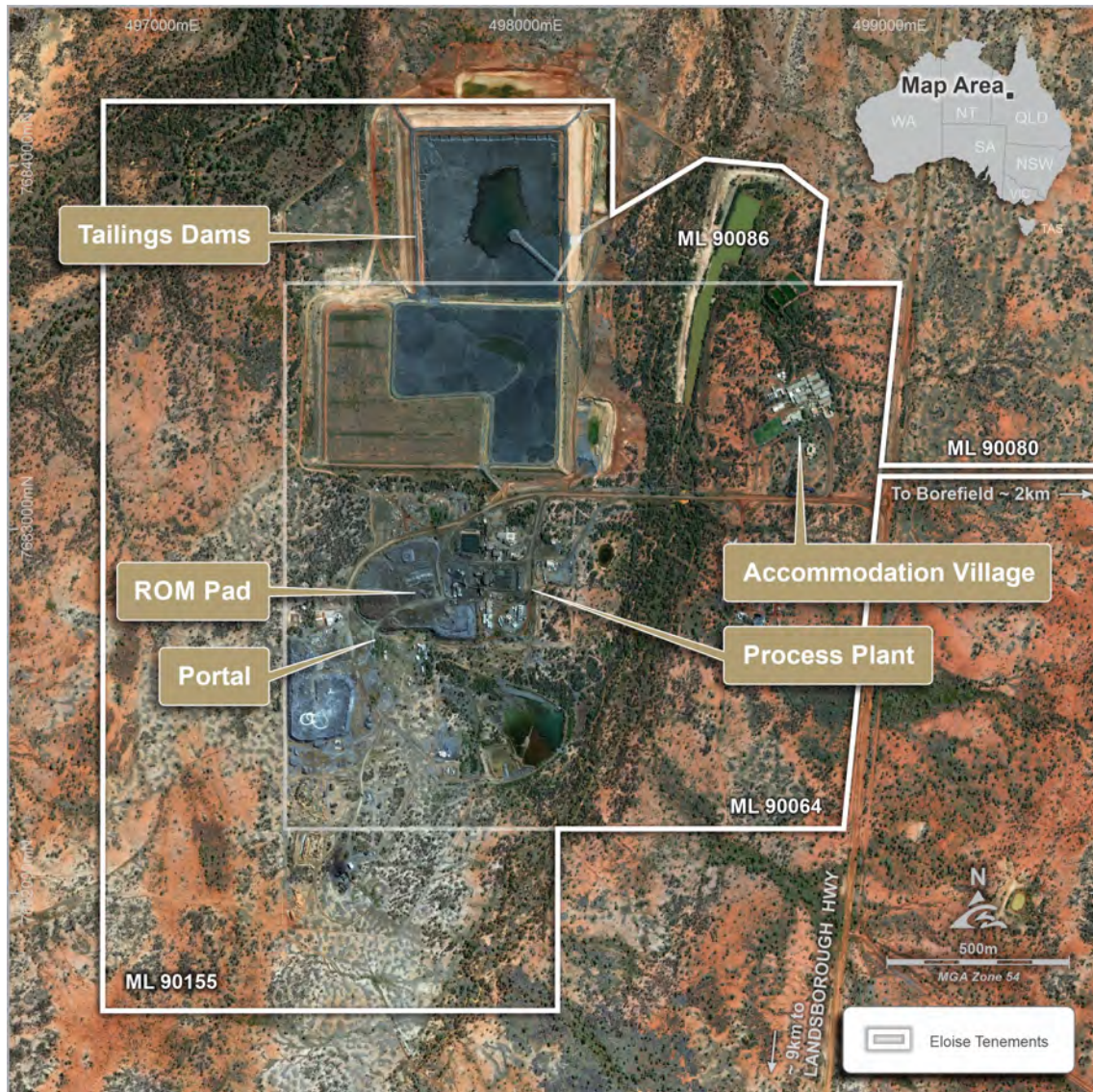


Figure 2. Eloise site layout and tenements.

Eloise Mineral Resources

Geology and the Geological Interpretation

The Eloise copper-gold deposit lies within Early-Middle Proterozoic rocks of the Cloncurry-Selwyn zone, of the Eastern Fold Belt, of the Mount Isa Inlier (see Figure 3). The lithologies have been tentatively assigned to the Table Creek Volcanics and Mount Norma Quartzite members of the Soldiers Gap Group.

At Eloise, this sequence comprises north-south striking arenitic meta-sediments and ortho-amphibolite's located on the sub-vertical eastern limb of the Middle Creek Anticline, coincident with a regional northerly trending shear zone, the "Levuka Shear". The deposit is located under 60 metres of Mesozoic sediment cover of the Eromanga Basin.

Mineralisation is hosted within a strongly foliated meta-sedimentary sequence comprising arenites and schists (see Figure 3). The metasediment sequence also contains a coarse-grained amphibolite body possibly representing an early intrusion of gabbroic composition. Mineralised zones occur as steeply plunging lenticular bodies with strike lengths between 100 m and 200 m and attaining a maximum width of 25 m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500 m and remains open at depth.

Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.

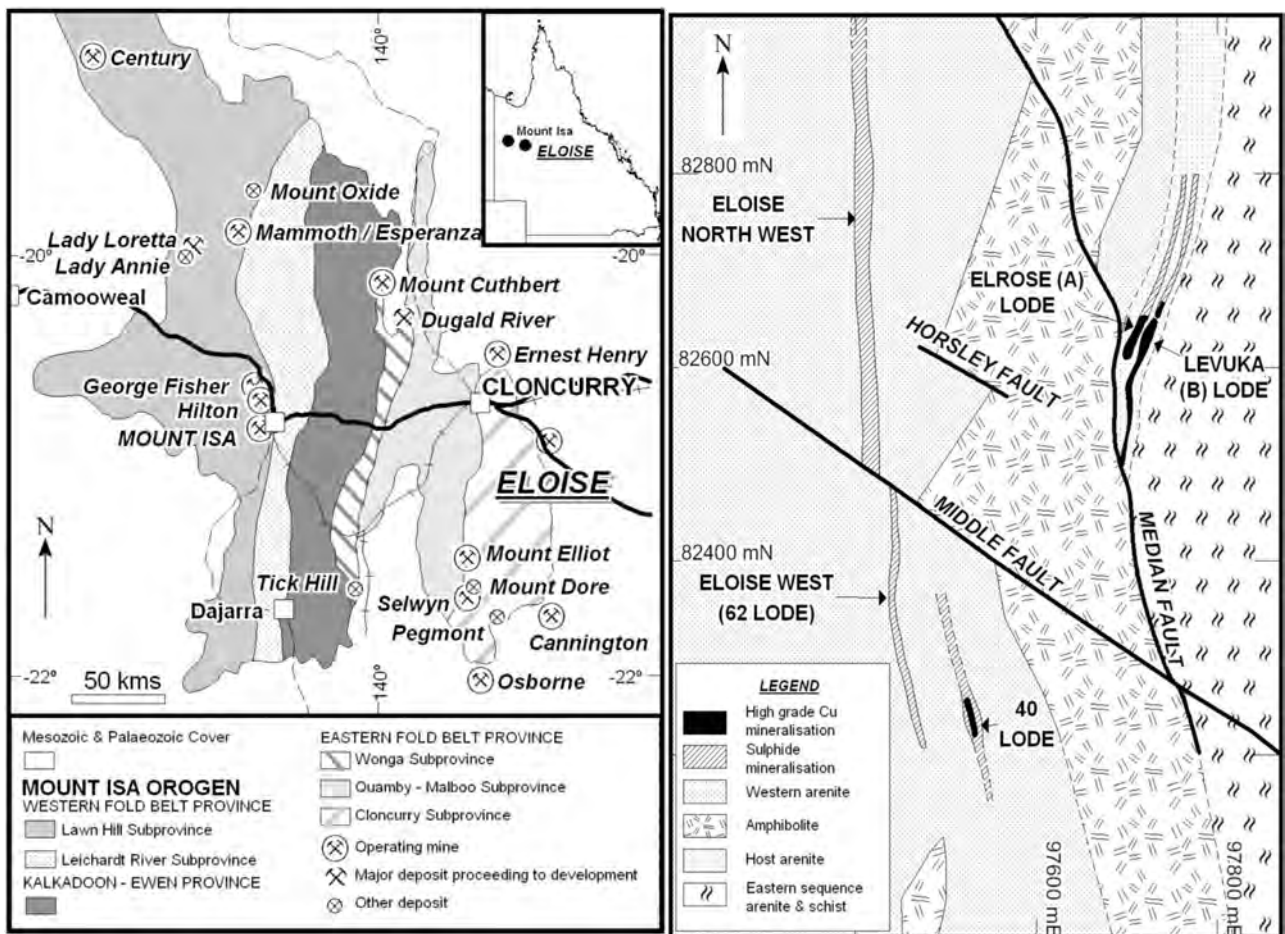


Figure 3. Regional geology (after Blake, 1997) and local geology (Hodkinson et.al., 2003).

The main controls to the Eloise mineral system are structural, and mineralisation occurs as a series of en echelon sub vertical lodes. The known structural framework has been defined from underground face and development mapping, visual observation and core logging. The interpretation is represented a series of continuous wireframed domains. A nominal 1% Cu cut-off grade is used to interpret the mineralised boundaries, although some intercepts below 1% Cu have been included for continuity purposes.

Up to five separate lodes or zones are interpreted within each resource area. Post-mineralisation faulting has created a series mineralised compartments, approximately 400m x

400m in size. The five ore zones are interpreted and continued into each fault block compartment.

The framework for the Eloise Mineral Resources comprised of 8 domains, modelled between 81,500m N and 82,850m N. The dip extent extends from 1,150m RL to –450m RL. The lenses have variable strike and dip continuity. The plan width of the lenses varies between approximately 2m and 40m.

Sampling and Sub-sampling

Samples used in the Mineral Resources Estimate were obtained through diamond drilling methods collected from campaigns completed since 1986. The sampling methodology has been consistent at the mine since recommencement of operations in 2011, and prior to 2011, the methodology is considered to have been industry standard.

Sampling intervals are selected by an FMR geologist and a drillhole sampling sheet is completed. Diamond drill sample intervals are generally of 1 m lengths, with some occasional changes varying from 0.5m to 1.2m in length to honour geological zones of interest (lithology or grade). Sample intervals do not cross zones of core loss, which are infrequent.

Core is cut longitudinally using an Almonte core saw, with half-core sampled for multi element analysis. Waste samples both before and after the mineralised intercept are also half-core sampled. Where a trend is obvious in the mineralisation the core is cut at an appropriate orientation to gain an unbiased sample. The remaining half-core is retained in the drill tray. All drillholes are stored onsite for future reference.

Half core samples (3–5 kg) or whole core samples are placed into calico bags. These are then inserted into polyweave sacks which are labelled with the laboratory name, sample numbers and the number of the polyweave sack in the sequence. The sample sequence is routinely checked by core shed staff and supervising geologists to identify any potential sampling issues. The polyweave sacks are then transported to the Principal Laboratory, ALS Mt Isa for sample preparation.

At the Principal Laboratory, all primary samples are subjected to industry standard processes for particle size reduction and sub sampling. In the first sub sampling stage, the core samples are passed through a Boyd crusher and reduced to a nominal particle size of 70% of samples passing <2 mm. The crushed sample is passed through a rotary splitter and a catch weight of approximately 1 kg is collected. Between each half-core sample, the crusher and associated trays are cleaned with compressed air to minimise cross contamination. In the second sub sampling stage, approximately 1 kg of retained sample is then placed into a LM2 pulveriser, and the particle size is reduced to approximately 85% passing 75 µm. In the final sampling stage, a 200 g Master Pulp subsample is collected from this pulverised sample for ICP/AES analyses. Also a separate 60 g subsample is collected and dispatched to ALS Global (Townsville) for the fire assay analysis for gold.

Sample Analysis Methods

The assaying and laboratory procedures are consistent with industry best practice. The sample analyses are undertaken using a total digestion of a sub sample of the primary pulps.

Determination for Cu, As, Ag and Fe is undertaken utilising the ICP-AES (ALS Global – ME-ICP41) method, where a 0.50g of primary sub sample is digested in aqua regia solution (ALS –

GEO-AR01), followed by dilution and mixing in 12.5 mL of de-ionized water. Any high grade copper samples, in particular Cu >5%, are rediluted and reanalysed using ALS Global methods ASY-AR01 and ME-OG46.

Gold analysis is undertaken at the ALS Global (Townsville) laboratory where a 30 g fire assay charge is used with a lead flux in the furnace. The prill is totally digested in an aqua regia solution of HCL and HNO₃ acids before AAS determination for gold analysis (Au-AA25).

The primary laboratories, ALS Global (Mount Isa and Townsville) conduct their own QAQC protocol, including grind size, standards and duplicates, and all QAQC data is made available to the mine via the ALS Global Webtrieve website.

QAQC comprises of the submission of CRMs and blanks to monitor accuracy and carry-over contamination throughout the course of the resampling program.

Drilling Techniques

Drilling data used in the Mineral Resources Estimate were obtained through diamond drilling methods collected from multiple drilling campaigns completed since 1986. Historical surface drilling used a combination of HQ and NQ size diamond core and underground diamond drilling is undertaken with LM90 skid-based rig and mobile carrier rig with LM90 drill attachment. Drillhole core size collected since 2011 has been NQ2. Drillhole lengths vary between 40m and 500m with an average depth of 150m.

Drilling from 1986 through 1992 was completed by BHP-UTAH/BHP Minerals. MIM Exploration completed drilling in 1992 and Amalg Resources completed drilling from 1994 through 2002. Breakaway Resources completed drilling in 2003 and Barminco/FMR Investments Pty Ltd (FMR) have completed drilling from 2004 through 2021.

The geological database contains a total of 1,150 diamond drill holes for 166,770m.

Estimation Methodology

All geological modelling, statistical analysis and grade estimation were completed using Surpac software.

Grade estimation for Cu, Au and Ag and Fe were undertaken using an ordinary kriged algorithm into eight (8) wireframe domains. A 5mE x 10mN x 5mRL parent block size was used with sub-celling to 1.25m for E,N and RL. The sub block size was selected to provide sufficient wireframe – block fill resolution. All sub cells were assigned the grade of the parent block. The inputs for the estimation including nugget, sill, ranges, direction and anisotropy were determined using the Surpac variography module.

The drillhole data spacing is variable but approximates 25 m to 50 m along strike (north-south) by 25 m to 50 m down-dip. The block size represents approximately half of the drill spacing in the more densely drilled areas of the deposit.

The wireframes have been used as hard boundaries for the interpolation of the ore lenses, this is to ensure only grades within each wireframe have been used to estimate the block inside the same wireframe. Outside of the ore lenses, a background waste estimation was undertaken. The raw assay data was composited to one (1) intervals and this was used for the classical statistical analysis, variography analysis and ordinary kriged estimation.

The coefficient of variation (COV), histograms and probability plots were reviewed for Cu and Au to understand the distribution of grades and assess the requirement for top cuts for each estimation domain. Top cutting was deemed necessary where the COV was high (>1.2) and individual high-grade samples were deemed to potentially result in biased block model results.

Copper grades were not cut. Gold grades were cut according to:

- (a) Macy: WF1 & 2 - 6 g/t, WF3 - 21 g/t, WF5 - 25g/t, WF6 - 18 g/t Au
- (b) Eloise North: WF1 - 6 g/t, WF2 - 26 g/t, WF3 - 10g/t,
- (c) Eloise South: WF1 - 7 g/t, WF2 - 15 g/t, WF3 - 35 g/t, WF4 - 20 g/t, WF5 - 15 g/t.

A four-pass search ellipse strategy was adopted. The search ellipse distances were progressively increased from 30, 60, 120 and 400 metres. A summary of the estimation parameters is shown below:

Cu	Samples	Distance	Azimuth	Plunge	Dip	Nugget C _o	Sill c1	Range A ₁	Anisotropy Major/Semi	Anisotropy Major/Minor
Minimum	5	30	181.26	-69.41	50.26	0.10	0.69	59.30	1.08	15
Maximum	20	400	194.74	-19.84	89.46	0.45	1.74	176.85	3.22	15

Due to the wide spaced drilling below the z330mRL, an upper cut of 2.4% Cu was applied to all blocks below this level.

For density, a relatively strong relationship between Fe and Fe + Cu and density was observed. Based on this analysis, it was decided that the most optimal manner to assign density to the block model was to apply a regression formula whereby density is calculated based on interpolated Fe and Cu grades. The regression was based on 2,878 water immersion records with associated Cu and Fe data. Density was calculated using the formula below, established from historical density measurements.

$$\text{Density} = 0.0265 * (\text{Cu}\% + \text{Fe}\%) + 2.6401 \text{ with a } 3.3\text{t/m}^3 \text{ top cut}$$

No assumptions have been made regarding recovery of by-products. Fe and As were estimated however are not considered to represent issues for the mine given the long history of producing a saleable concentrate.

No assumptions were made regarding selective mining units.

Drillhole grades were initially visually compared with cell model grades. Domain drillhole and block model statistics were then compared. Swath plots were also created to compare drillhole grades with block model grades for easting, northing, and elevation slices throughout the deposit. The block model reflected the tenor of the grades in the drillhole samples both globally and locally.

Monthly reconciliation is undertaken to measure the performance of the mined portion of the Resource model relative to the reconciled Mill production.

Resource Classification

Consideration was given to data quality, grade estimation quality and geological continuity relative to the areas of historical mining. In each resource area, the site geologists assigned a class and resource category number using a combination of search pass and slope of regression (SOR). The limits were checked by visualising the distribution of SOR and then applying various cut-offs until the result aligned with expectations against the drill data spacing. Estimation parameters are shown in the table below:

Class	Res_Cat_No	SOR	Pass
MEA	1	≥ 0.8	1
IND	2	≥ 0.5 AND < 0.8	1
IND	2	≥ 0.8	2
INF	3	≥ 0.0 AND < 0.5	1
INF	3	≥ 0.5 AND < 0.8	2
INF	3	≥ 0.8	3
UNC	4	ALL OTHERS	ALL OTHERS

The use of slope of regression for Resource classification has resulted in “spotty” and discontinuous classification zones. This is exemplified by inferred blocks located near drilling or within stoped out zones.

The Competent Person adopted a three step process for classification by i) applying a filter based on slope of regression and estimation pass; ii) digitising a smoothed and final boundary string; and iii) assigning a final Resource classification inside the boundary string.

Indicated generally had a drill spacing of at least 25m to 25 m. All other modelled areas were generally classified as Inferred with a drill spacing up to 100m. Only continuous areas were classified to avoid the “spotted dog effect”. The resource classification was constrained by economic considerations. Remnant resources have not been included at this time.

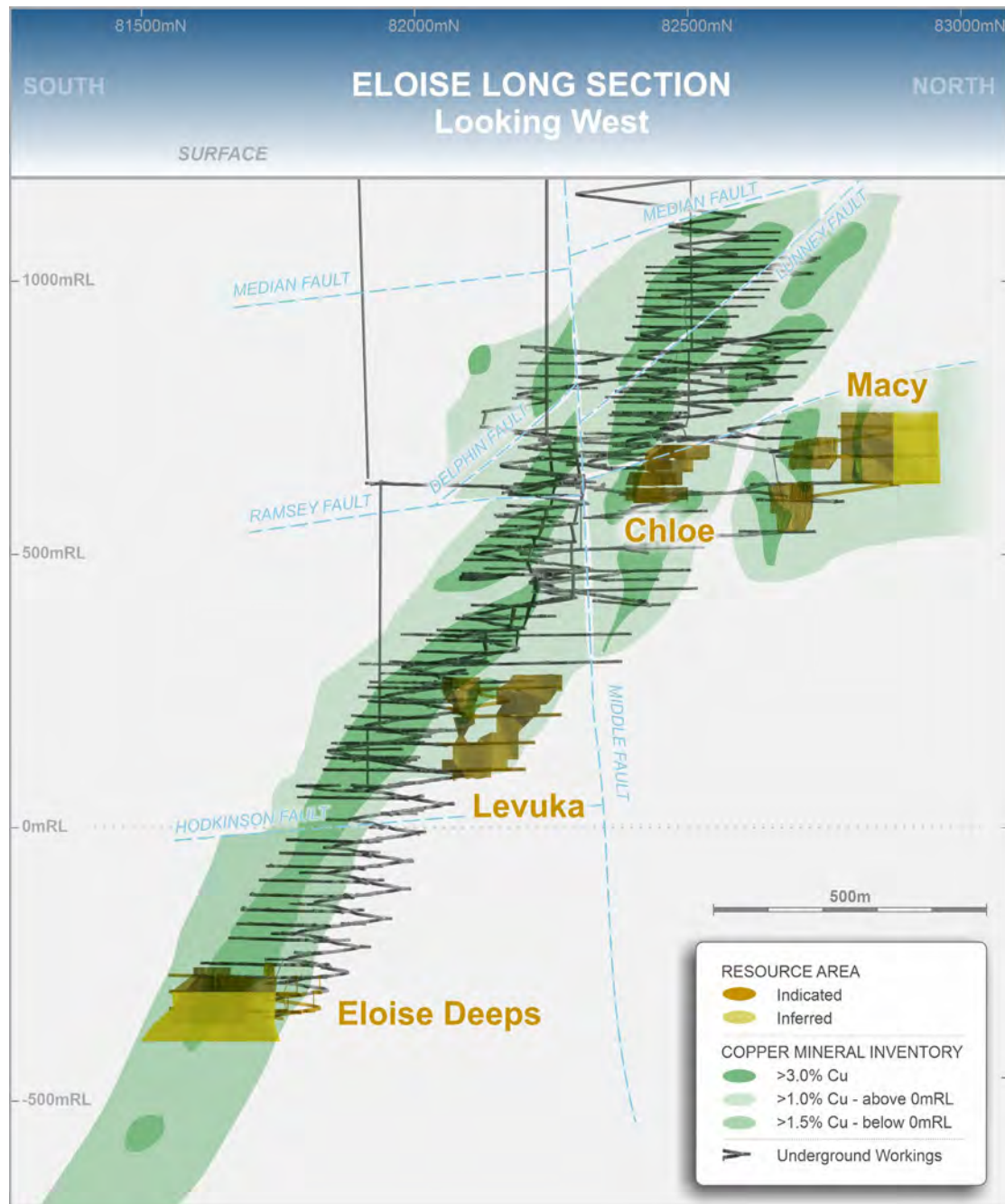


Figure 4. Long section (looking west) showing Indicated and Inferred Resource inside the LOM Design. The Mineral Inventory (green shading) for the entire deposit is also displayed outside the Mineral Resource limits.

Cut-off Grade

Cut-off grades applied within this estimate are based on current mining methods, forecast mining and processing costs and a copper price of A\$9,000/t. Copper represents roughly 90% of the value of the concentrate produced at Eloise.

The MRE is reported above a 1% Cu cut-off grade in the Upper Zone (above the 0mRL) and above a 1.5% Cu cut-off grade in the Lower Zone (below 0mRL, 1,190mBSL).

Mining and Metallurgical methods, parameters and other modifying factors considered to date

In selecting the reporting cut-off grades, consideration has been given to the mining method and Reasonable Prospects for Eventual Economic Extraction. The MRE was restricted to the mineralisation located within the June 2021 Life of Mine (LOM) design. All areas outside of the LOM design have been excluded, are considered as mineral inventory.

The Indicated and Inferred Mineral Resource are reported excluding any mining modifying factors, hence the MRE is undiluted.

Metallurgical and operational test work has confirmed Eloise contains and produces a high-quality concentrate with very low contaminants. Hence no areas have been excluded from the Mineral Resources Estimate based on metallurgy.

Eloise Mineral Resources as at 30 June 2021.

Resource Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	1,308,000	2.5	0.7	9.6	32,500	28,500	405,400
Inferred	1,388,000	2.4	0.7	11.4	33,000	31,500	509,400
Total	2,696,000	2.4	0.7	10.6	65,500	60,100	914,900

Note: The Mineral Resources Estimate is inclusive of Ore Reserves. There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves. The Mineral Resources Estimate is reported using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded to the nearest 1,000 tonnes.

Eloise Ore Reserves

Material Assumptions for Ore Reserves

As part of Eloise's operational procedure, a Life of Mine (LOM) study including design, schedule and evaluation was completed as part of the annual budget and LOM planning process. The Ore Reserves estimation analysis addresses the key technical and economic parameters to an appropriate level of confidence to meet the production requirements of the mine.

To comply with the JORC (2012) Code, only the Indicated Mineral Resources located within the June 2021 LOM design were considered for reporting as Probable Ore Reserve. All areas outside of the LOM design have been excluded, are considered as mineral inventory. The Ore Reserves are contained within the mine design and are viable. A portion of the Probable Ore Reserves are currently being mined and processed.

The Ore Reserves have been designed based on the current operating practices and procedures at the mine. The Eloise Ore Reserve is based on several assumptions including:

- current minimum mining widths,
- geotechnical similarities to current mining areas,
- historical costs base for estimation of operating and capital costs,
- historical metallurgical performance.

The following material assumptions apply to the Ore Reserves:

- The copper price used in the LOM plan and Ore Reserves estimation is A\$9,000/t.
- Minimum mining width of 3 metres.
- Mining dilution in the Upper Zone is applied at 15% and in the Lower Zone is applied at 20%.
- Mining recovery factors in the Upper Zone is applied at 95% and in the Lower Zone at 90%.
- Sub level spacing ranging between 25m (single lift) to 50m (double lift).
- Metallurgical recovery is a function of feed grade, and historically reports at $\geq 95\%$ Cu, 50% Au and 83.5% Ag.

Previous mine performance has demonstrated that the current mining methods are technically achievable and economically viable. The modifying factors are based on historical data utilising a similar mining method.

Eloise Ore Reserves as at 30th June 2021.

Reserve Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	-	-	-	-	-	-	-
Probable	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400
Total	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400

Note: The Ore Reserves Estimate is reported using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded to the nearest 1,000 tonnes.

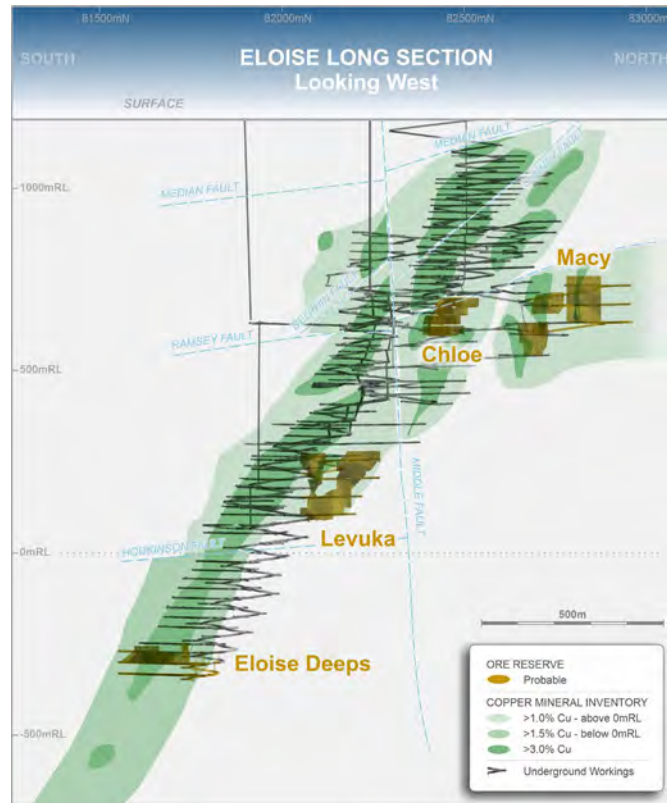


Figure 5. Long section (looking west) showing Probable Ore Reserves. The Mineral Inventory (green shading) for the entire deposit is also displayed outside the Mineral Resources limits.

Ore Reserve Classification

Indicated Mineral Resources that are within the LOM designed mining blocks and are above cut-off grade, have been converted to Probable Ore Reserves. The Competent Person considers this classification to be appropriate.

Mining Method

Eloise is mined by both contractor (development) and FMR (stopping). All underground development is undertaken by Pybar mining contractors utilising two jumbos and all production drilling and stopping activities are completed by FMR. Ore is hauled up a 1:7 decline from a (current) maximum depth of 1,500m.

Ore is extracted using longhole open stopping (LHOS) and sub level caving (SLC) techniques. In the Upper Zone (surface to the 0mRL, 1,190m below surface level) ore is mined using LHOS and in the Lower Zone (below 0mRL) ore is mined using SLC.

Ground conditions are good in the upper levels (<650mBSL), however seismic activity occurs in the Deeps (>0mRL). The stress fracturing and strain bursting is managed by increased ground support and limiting the advance rate to 25 vertical metres (one level of the SLC) per year. Ambient rock temperatures can exceed 55 degrees Celsius below 1,000m in depth and a bulk air cooling system is utilised to maintain operating temperatures within acceptable limits. The vent system is sufficient to support and sustain mining to a depth of 2,000m at a production rate of approximately 60,000t/month.

Processing Method

Eloise operates a conventional flotation circuit to produce a high-grade copper concentrate with gold and silver credits.

The mill can sustain a rate up to 750,000 dry metric tonnes per annum. The plant operates a three-stage crushing facility capable of producing a -12 mm product at 120 tonnes per hour. This is comprised of a primary jaw crusher and two-stage cone crushing in closed circuit with a screening plant. Comminution is via a two-stage grinding circuit achieving a P80 particle size of 125µm.

The flotation circuit comprises rougher and scavenger flotation cells and a bank of cleaner and recleaner cells. Concentrate thickening and American disc filtering produces cake with moisture content of about 13%. The concentrate is sun dried to about 8–9% moisture content ready for transport and shipment.

The final product is a concentrate comprising approximately 27% Cu, 4.4 g/t Au and 100 g/t Ag. Eloise has a long history of producing and selling concentrate with no material issues from deleterious elements.

Cut-off Grade

Cut-off grades for the Ore Reserves were derived using an iterative process of mine design, scheduling and economic analysis. Inputs included operating and capital costs, mill recoveries, transport costs, smelting - refining costs, royalty payments and commodity prices. The cut-off grade calculations also considered the depth of the Ore Reserves below the surface.

The cut-off grade calculated for the Upper Zone longhole open stopes was 1.0% Cu; and the Lower Zone sub level cave was 1.5% Cu.

Estimation Methodology

Estimation of the Ore Reserve involve the steps of evaluation, mine design, development and production scheduling and financial modelling. Mineable stope shapes have been created and mining dilution and recovery factors have been applied. All operating and capital costs have been estimated and applied in the financial model. The Ore Reserves returns a positive NPV and is most sensitive to copper price, grade and metallurgical recovery.

Material Modifying Factors

The modifying factors are based on current and historic operational experience. Ore boundaries have been defined to reflect the grades and tonnage of smallest mining units within the Resource model at values above the cut-off grade. A LOM design has been generated and scheduled to an appropriate level of confidence.

Mining dilution in the Upper Zone is applied at 15% and in the Lower Zone is applied at 20%. Mining Recovery Factors in the Upper Zone is applied at 95% and in the Lower Zone at 90%. The Mining Modifying factors are based on recent reconciliation performance.

The metallurgical recovery is a function of feed grade, and historically reports at $\geq 95\%$. Eloise has a long history of producing and selling concentrate with no material issues from deleterious elements.

The modifying factors applied are those that have been in use at Eloise for many years. Ongoing reconciliation has demonstrated that they are appropriate and are in line with the relative accuracy expected at a feasibility study level or better. Confidence in the mine design and schedule are high as mining rates and modifying factors are based on actual site performance. Mine design is consistent with industry practice and is effective at the operation. The approach applied has been deemed appropriate by the Competent Person.

Eloise is an operating mine and the infrastructure to support the mining operations is in place.

All necessary regulatory approvals licenses and agreements are current and in place.

Contracts for concentrate offtake and transportation to market are in place.

Eloise Life of Mine Plan

Life of Mine Plan and Financial Model

As part of Eloise's operational procedure, a Life of Mine (LOM) study including design, schedule and evaluation was completed as part of the annual budget and LOM planning process. A Financial Model overlay was completed to understand the operations cashflow, profitability and areas of sensitivity. The Financial Model has shown that at a copper price of A\$10,000/t the mine is cashflow positive throughout the LOM Plan period, produces a robust profit and an acceptable return on invested capital.

Total scheduled production is 2.9 Mt averaging 2.06% Cu, including 1.5 Mt at 2.0% Cu of Mine Inventory, providing a mine life of approximately 4.5 years.

Using assumed long-term project metal prices of US\$7,500/t for Cu, US\$1,650/oz for Au and US\$20/oz for Ag, LOM project revenue is driven predominantly by copper (87%) with gold (10%) and silver (3%) as valuable by-product credits.

Mining and Mine Schedule

Planned production is 60,000 wmt/month at a head grade of 2% copper. Production is to be sourced, two thirds, from long hole open stopes located between 500 and 1,000mbs and one third from sub-level cave stopes located at the base of the mine at approximately 1,500mbs.

Ore is currently transported from the production locations to the surface using 60t capacity trucks via a ramp. The planned production rate is consistent with that achieved over the last twelve months.

Underground access requires over 7,000 metres of decline, accesses and ore drives to be developed between June 2021 and January 2024. This will be completed utilising the mining contractor's development fleet which is currently in place.

Eloise LOM Production Schedule as at 30th June 2021.

LOM Production	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Probable Reserve	1,424,832	2.13	0.6	8.3	30,300	26,700	378,400
Mining Inventory	1,500,164	1.99	0.6	9.5	29,800	28,500	459,700
Total	2,924,996	2.06	0.6	8.9	60,100	55,200	838,100

Processing

The LOM Plan is based on processing 652,525dmt per year, well within the throughput capacity of the current plant. Processing factors used in the LOM Plan align with recent production history. Concentrate grades between 27% and 28% Cu are consistently achieved with Cu recoveries of typically 94% to 95%.

Contracts for concentrate offtake and transportation to market are in place.

Eloise LOM Processing Schedule as at 30th June 2021.

Units	LOM Total / Average	2022 Processed	2023 Processed	2024 Processed	2025 Processed	2026 Processed
Tonnes (dmt)	2,924,996	652,525	652,525	652,525	652,525	314,895
Grade Cu %	2.06	2.02	2.23	2.03	1.99	1.99
Grade Au g/t	0.59	0.62	0.56	0.58	0.59	0.59
Grade Ag g/t	8.91	8.53	8.03	9.26	9.53	9.53
Metal Cu (t)	60,179	13,151	14,538	13,259	12,975	6,260
Metal Au (oz)	55,205	12,902	11,662	12,262	12,397	5,983
Metal Ag (oz)	838,137	178,952	168,523	194,195	199,967	96,500

Workforce, Health and Safety

The workforce is stable and has an appropriate level of skill. Mine development activity has been outsourced to a mining contractor.

Occupational Health and Safety systems are in place and management has recently implemented a renewed focus on site safety.

Infrastructure

Eloise is a long-established operation with appropriate infrastructure in place. This includes workshops, offices, warehouses, fuel storage, road access for transport, the processing plant, diesel power generation, surface water management, underground mining infrastructure, ROM stockpiles, and waste dumps.

Approvals and Permitting

The Eloise project operates under an established permitting framework and has developed a range of management plans and related instruments to support compliance with regulatory requirements. All necessary regulatory approvals, licenses and agreements are in place.

Operating Costs

Budgeted operating costs for 2022 are based on several years of operating a similar mix of production stopes and processing, and thus are well supported. The operating costs forecast in

the LOM Plan include mining, geology, administration, powerhouse, processing, transport, marketing, insurance, refining and Queensland State mineral royalties. Forecast total operating costs average \$160/t ore before gold and silver by-product credits.

Operations over recent years provide a good guide to future operating costs. Future costs will be impacted by:

- completion of development in 2024 for required for scheduled stope production
- increased trucking costs for increasing depth of mining and volumes from the Deeps
- increased depth of technical, OH&S and environmental staff.

Eloise Operations – Recent Production and Operating Costs

	Units	FY20	FY21
Ore Mined	t	519,074	662,775
Ore Milled	t	499,719	622,795
Cu feed grade	%	1.74	1.88
Au head grade	g/t	0.49	0.54
Concentrate Produced	dmt	30,315	40,089
Concentrate Cu grade	%	27.4	27.5
Concentrate Au grade	g/t	4.8	4.9
Cu produced in concentrate	t	8,321	11,038
Au produced in concentrate	oz	4,632	6,314
C1 Cash Costs	A\$/lb	3.85	3.32
All-in Sustaining Costs	A\$/lb	4.79	3.92

Capital Costs and Future Capital Works

The LOM Plan provides for sustaining capital expenditure for mining and processing, tailings dam construction and closure costs.

Forecast Mining sustaining capital: \$10.7 M scheduled LOM sustaining capital expenditure is made up of \$5.4M fixed plant and \$5.2M mobile plant. Mobile plant expenditure includes \$3.3M truck re-builds.

Forecast Mining non-sustaining: \$12.1M scheduled LOM non-sustaining capital expenditure includes \$4.5M for primary ventilation circuit extension, \$1M electrical distribution extension, \$1.5M Deeps infrastructure and \$5.1M infill resource drilling (Inferred to Indicated).

Processing plant capital: \$5.6M scheduled LOM sustaining capital includes \$1.6M for tailings dam wall lift and capping. Non-sustaining project capital includes construction cost of a new tailings dam for \$6.3M.

The LOM Plan further includes costs for total rehabilitation and closure costs of \$11.3M. This includes costs for capping of tailings dams, surface water management, site demolition, earthworks and rehabilitation of the complete site.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Samples used in the Mineral Resources Estimate (MRE) were obtained through diamond drilling methods collected from campaigns completed since 1986. • The sampling methodology described below has been consistent at the mine since recommencement of operations in 2011, and prior to 2011, the methodology is considered to have been industry standard. • Diamond drill core is transferred to core trays for logging and sampling, the core is metre marked in preparation for logging. • Diamond drill sample intervals are generally of 1 m lengths, with some occasional changes varying from 0.3 m to 1.5 m in length to honour geological zones of interest (lithology or grade) as identified by the mine geologist. • Resource drilling is half core samples and grade control drilling spaced less than 25m is full core sampled. • Core is cut longitudinally using an Almonte core saw, with half-core sampled for analysis. Waste samples both before and after the mineralised intercept are also sampled half-core. Where a trend is obvious in the mineralisation the core is cut at an appropriate orientation to gain an unbiased sample. • The remaining half-core is retained in the drill tray, with all drillholes remaining onsite for future reference. • Core samples placed in calico bags. The sample sequence is routinely checked by core shed staff and supervising geologists to identify sampling issues and sent to a commercial laboratory, ALS Global, Mount Isa, for analysis. • ALS Global, Mount Isa, on receipt of the samples again checks the sample sequence to ensure all samples have been received and then allocate a bar code number to each sample for tracking through the analytical process. • Drill core samples (at a nominal interval of 1 m) are analysed for copper, silver, arsenic, and iron using aqua regia digestion followed by determination by inductively coupled plasma-atomic emission spectroscopy (ICP-AES). Additional elements have occasionally been analysed including bismuth, cadmium, cobalt, mercury, nickel, lead, antimony, titanium, zinc, calcium, and manganese. • All work throughout the project's history has been completed at either the Townsville or Mount Isa laboratory of ALS Global. • Gold is determined by 30-gram fire assay with determination by atomic absorption spectroscopy (AAS) methods. All work has been completed at ALS Global's Townsville laboratory.
Drilling techniques	• Drilling has taken place over numerous periods since 1986. Drilling from 1986 through 1992 was completed by BHP-UTAH/BHP Minerals. MIM Exploration completed drilling in 1992 and Amalg Resources completed drilling from 1994 through 2002. Breakaway Resources completed drilling in 2003 and Barmenco/FMR Investments Pty Ltd (FMR) have completed drilling from 2004 through 2021.

	• Historical surface drilling used a combination of HQ and NQ size diamond core. • Underground diamond drilling is undertaken with LM90 skid-based rig and mobile carrier rig with LM90 drill attachment. • Drillhole size is currently NQ2. This core size has been consistent since 2011. • The geological database contains a total of 1,150 DDH holes for 166,770m.
<i>Drill sample recovery</i>	• Drill core is pieced together, and the length of drill core is measured and compared with the theoretical interval from the depths written on the core blocks. Recovery is then recorded as a percentage calculated from measured core versus drilled interval. • The host rocks and mineralised intervals are generally very competent, with core recovery very high, in excess of 95%. Some core loss occurs when drillholes pass through post-mineralisation faults. Any zones of identified core loss are noted and excluded from recorded sampling intervals. • No specific study has been conducted to determine a relationship between sample recovery and grade, however as core recoveries are generally very high, the potential for bias is considered low.
<i>Logging</i>	• All diamond drill core is geologically/geotechnically logged on site. Qualitative measures include lithology, sulphide habit, alteration, colour, grain size, structure type, and mineral form. Quantitative measures include strength of alteration, structural intensity, and visually estimated sulphide content. • All core is photographed (wet and dry). • Logging is generally qualitative in nature. All stored drill core has been photographed wet and dry. • All diamond core has been geologically logged, therefore 100% of the relevant intersections have been logged

<i>Sub-sampling techniques and sample preparation</i>	• Core is longitudinally cut in half with an Almonte core saw. NQ2 sized diamond core is considered a representative sample of the in-situ material. • Sampling intervals are selected by an FMR geologist and a drillhole sampling sheet is completed. Sample intervals do not cross zones of core loss, which are infrequent. Samples are usually 1 m in length and are only occasionally sampled to geological contacts. • Core (which weigh approximately 3–5 kg) and full core samples are placed in calico bags which are then inserted into polyweave sacks which are labelled with the laboratory name, sample numbers and the number of the polyweave sack in the sequence. Polyweave sacks are then transported to the laboratory. • All samples are subjected to the same industry standard sample preparation regime: - Half-core samples are passed through a Boyd crusher with nominal 70% of samples passing <2 mm. Between each half-core sample, the crusher and associated trays are cleaned with compressed air to minimise cross contamination. - The crushed sample is then passed through a rotary splitter and a catch weight of approximately 1 kg is retained. Between crushed samples the splitter is cleaned with compressed air to minimise cross contamination. - Approximately 1 kg of retained sample is then placed into a LM2 pulveriser, where approximately 85% of the sample passes 75 um. An approximate 200 g Master Pulp subsample is taken from this pulverised sample for ICP/AES analyses, with a 60 g subsample also taken and dispatched to ALS Global (Townsville) for the FA analysis for gold (Au-AA25). - All pulps are inserted in a box along with one blank, one standard and two random duplicate samples. Quality control (QC) results are checked by ALS Global prior to release to FMR. • A check sampling program consisting of field, crush and pulverised duplicates was systematically undertaken to support this MRE – refer QC section below. • Sample sizes are considered appropriate to the grain size of the material being sampled.
<i>Quality of assay data and laboratory tests</i>	• The assaying and laboratory procedures used are consistent with industry good practice. • From the 200 g master pulp, approximately 0.5 g of pulverised material is digested in aqua regia (ALS – GEO-AR01). The solution is diluted in 12.5 mL of de-ionized water, mixed, and analysed by ICP-AES (ALS Global – ME-ICP41) for the following elements: Cu, As, Ag and Fe. Over range samples, in particular Cu >5% are reanalysed (ALS Global methods ASY-AR01 and ME-OG46) to account for the higher metal concentrations. • Gold analysis is undertaken at ALS Global (Townsville) laboratory where a 30 g fire assay charge is used with a lead flux in the furnace. The prill is totally digested by HCL and HNO3 acids before AAS determination for gold analysis (Au-AA25). • Sample analyses are based upon a total digestion of the pulps. • ALS Global (Mount Isa and Townsville) conduct their own QAQC protocol, including grind size, standards, and duplicates, and all QAQC data is made available to the mine via the ALS Global Webtrieve website.

	• Until June 2018, the mine site did not have an appropriate external QAQC protocol in place. Since June 2018, the mine has developed a protocol of inserting certified reference material (CRM) and blanks on a ratio of 1:30 samples. Three copper CRMs and one gold CRM were purchased from Geostats Pty Ltd. Blank material was sourced from Townsville and this material matches what is currently used by ALS Global in Mount Isa. • FMR inserted CRM and blank material results are reviewed monthly. If multiple failures occur within a single submission batch, then the entire batch may be re-assayed. • Pulps are maintained by ALS Global laboratory in Mount Isa for 90 days to give adequate time for re-analysis and are then disposed. • To address the lack of QAQC prior to June 2018, a set of drillholes which lie within the area informing the 2018 MRE were selected for a program of half-core sampling (duplicate sampling) with an appropriate number of CRMs and blanks. Selection of these holes were considered representative of the mineralised zones in terms of spatial context and time of initial sample submission. • A separate analytical study was undertaken with a selection of available pulps submitted to an umpire laboratory to monitor inter-laboratory precision. • No results from geophysical studies were used in the preparation of the MRE. • QC samples have not been routinely inserted by the various owners of the project. The following work program was completed to support reporting an MRE in accordance with the JORC Code in 2018: • Inspection of the principal laboratory (ALS Global in Mount Isa) has been conducted by FMR geologists and external consultants. • Review of all available internal (laboratory) QC data, including blanks, duplicates, and CRM results. • Submission of a broad selection of remaining half-core samples from the Mineral Resources area to the same primary laboratory along with submission of CRMs and blanks to monitor accuracy and carry-over contamination throughout the course of the resampling program. The program was designed to provide confirmatory geochemical analysis to support reporting a Mineral Resource in accordance with the JORC Code. • Submission of a selection of pulps to an umpire laboratory as a further check on the analytical accuracy of the laboratory. • Following completion of the work program above, review of all data collection procedures and inspection of both the core processing facility and laboratory, the Competent Person considered that sufficient confidence can be placed in the dataset to support reporting an MRE in accordance with the JORC Code.

Verification of sampling and assaying	• All mineralisation intersections, both significant and anomalous are verified by the Mine Geologists during the drillhole validation process. • All data are stored and validated within the site Microsoft Access database. Records of primary location, downhole deviation, logging, and sample results are filed for each hole and retained onsite, historically in hard copy and more recently in electronic copy only. • Assay results are received in csv format and loaded into the database by the mine/supervising geologist who then checks the results have been entered correctly. • For the MRE, the database was isolated and subjected to manual validation of drillholes relevant to the Mineral Resources estimation focusing primarily on the assay data but also collar location and downhole surveying. • The Competent Person and FMR geologists verify the significant intersections during monthly and resource reporting. • No twinning has been completed. • Templates have been set up to facilitate geological logging. The templates provide some validation of imputed data. Prior to the import into the central database, logging data is validated for conformity and overall systematic compliance by the geologist. • No adjustments were made to the analytical data, other than replacing below detection results with a value equal to half the detection limit or zero.
Location of data points	• Historical drill holes have been setup and surveyed using a variety of methods and survey equipment. This includes survey markup of collars and string lines for azimuth, clinometer for dip, and more recently the Azi Aligner north seeking Gyro technology. • Downhole surveys have used a variety of single and multishot techniques with magnetic tools such as the Eastman single-shot camera, Reflex Ez-Trac tool and the strain based (non-magnetic) Downhole Survey Deviflex tool. • Current process is for survey markup of the collar position if required, setup using the Reflex TN-14 North seeking gyro, and downhole survey with the Reflex Sprint IQ Gyro. 30m single shot tacking surveys are taken during drilling, with a 3m interval end of hole multishot final survey. • The final collar position is surveyed by mine surveyors after the completion of drilling. • All data generated is based on a mine grid.
Data spacing and distribution	• The drill spacing varies along strike and down dip. The drillhole density is denser than 25 m by 25 m in some areas, extending out to 50–75m by 50–100 m in less drilled areas. • The Competent Person believes the mineralised lenses have sufficient geological and grade continuity to support the classification applied to the Mineral Resources given the current drill pattern. • Sample composting was applied prior to geostatistical analysis and grade interpolation.

<i>Orientation of data in relation to geological structure</i>	• The data spacing is irregular. Holes have been drilled at different azimuths, primarily to test different structures and due to access limitations, that exist in the underground environment. • Eloise is an underground mining operation; drill positions are limited to available mine openings/headings. Where possible, drillholes are designed to be drilled perpendicular to mineralised zones. • However, due to drill position availability, drilling can at times be orientated oblique to mineralisation. Where this occurs, preferential weighting is given to spatial information generated from development mapping and long-hole drill samples in proximity to the diamond hole. Conflicts may occur between data sets, where this happens, the oblique diamond drill data is modified to conform to the spatially higher confidence data. • The Competent Person considers that the orientation of the sampling is unlikely to have caused biased sampling. • No bias based on hole orientation is known to exist.
<i>Sample security</i>	• Chain of custody is managed by FMR and the principal laboratory ALS Mt Isa. • Core is delivered daily by FMR drillers to the core yard, where it is laid on racks for logging and sampling. All core is photographed when marked up for a permanent record. On completion of logging, samples are tied and bagged for transport to Mount Isa by commercial courier. • Pulps are stored at the ALS Global laboratory in Mount Isa for a period of 90 days before being discarded. From July 2017 to May 2021 pulps were returned to site but without appropriate storage facilities they deteriorated rapidly and there was little benefit. • Assay results are currently received from the laboratory in digital format. Once data is finalised, it is transferred to a Microsoft Access database. There are no security measures in place to protect the database from malicious or accidental edits of data except for routine backup.
<i>Audits or reviews</i>	• External consultants and FMR have completed audits of the Principal Laboratory, ALS Mount Isa, and reviewed all drill core handling, logging, and sampling processes. All equipment was found to be well-maintained and the laboratory was found to be clean and well-organised. Management had a sound understanding of sample preparation and analytical methods.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	- Eloise is located on contiguous mining leases: - ML90064 (expiry date 31 August 2025) - ML90080 (expiry date 31 December 2021) Renewal submitted - ML90086 (expiry date 31 March 2022) - ML90155 (expiry date 31 October 2026). - All mining leases are current and in good standing. Mining leases are expected to be renewed on expiry without modification. - The mining leases are currently owned by FMR Investments Pty Ltd and on successful completion of the sale to AIC Mines Ltd will be transferred to AIC Copper Pty Ltd a wholly owned of AIC Mines Limited.
Exploration done by other parties	- The deposit was discovered by BHP in 1986 targeting magnetic highs identified from aeromagnetic surveys. The deposit was evaluated between 1992 and 1998. In 1993, MIM evaluated the deposit through drilling and structural interpretation of core under an option agreement. Amalg Resources NL (Amalg) purchased the deposit in 1994 and commenced decline development in 1995, first ore was mined in April 1996. - The mine was acquired by Barmenco Investments in January 2004 with subsequent name change to FMR Investments Pty Ltd in 2011. - Various academic studies have contributed to the knowledge and understanding of the deposit, including: - Baker, T., 1996; The Geology and genesis of the Eloise Cu-Au deposit, Cloncurry District, NW Queensland. Unpublished PhD Thesis James Cook University. - Fellows, J.C., 2001; Metamorphism and metasomatism at the Eloise Cu-Au deposit, Cloncurry District: Metamorphic history and a Metasomatic Origin for Biotite Schists. Unpublished MSc Thesis James Cook University.
Geology	- The deposit lies within Early-Middle Proterozoic rocks of the Cloncurry-Selwyn zone in the Eastern Fold Belt, of the Mount Isa Inlier. The lithologies have been tentatively assigned to the Table Creek Volcanics and Mount Norma Quartzite members of the Soldiers Gap Group. - At Eloise, this sequence comprises north-south striking arenitic meta-sediments and ortho-amphibolite's located on the sub-vertical eastern limb of the Middle Creek Anticline, coincident with a regional northerly trending shear zone, the "Levuka Shear". The deposit is located under 60 m of Mesozoic sediment cover of the Eromanga Basin. - Mineralisation is hosted within a strongly foliated meta-sedimentary sequence comprising arenites and schists. The metasediment sequence also contains a coarse-grained amphibolite body possibly representing an early intrusion of gabbroic composition. Mineralised zones occur as steeply

	plunging lenticular bodies with strike lengths between 100 m and 200 m and attaining a maximum width of 25 m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500 m and remains open at depth. Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.
Drill hole Information	Not applicable – exploration results are not being reported.
Data aggregation methods	Not applicable – exploration results are not being reported.
Relationship between mineralisation widths and intercept lengths	- Not applicable – exploration results are not being reported. - Lodes strike north-south and are sub-vertical. Holes have been drilled at various dips and azimuths and therefore intersect the lodes at variable angles. An attempt has been made to drillholes as close as possible to orthogonal to the lodes; however, holes that are oblique to the trend of the mineralisation are quite common.
Diagrams	All relevant diagrams included above in Material Information Summary.
Balanced reporting	Not applicable – exploration results are not being reported.
Other substantive exploration data	Not applicable – exploration results are not being reported.
Further work	- Diamond drilling is ongoing, with drilling infilling and testing the along strike potential of the Macy, Emerson, and Deeps lodes. When the full strike extent of the Macy and Emerson lodes has been defined, exploration drilling will target the down plunge and potential fault offset of the Emerson mineralisation. - The Deeps mineralisation beneath the Z305 RL development will be evaluated once a drill position has been established off the decline at that level.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	- Core logging is completed by the site geologists at the site core yard using project-specific logging codes. Data is entered directly into a Toughbook. Data is then loaded directly into the site database. Assay results are currently received from the laboratory in digital format. Once data is finalised it is transferred to a Microsoft Access database. There are no security measures in place to protect the database from malicious or accidental edits of data except for routine backup. - FMR systematically checks the drillhole files for the following errors prior to Mineral Resource estimation: - Absent collar data - Multiple collar entries - Questionable downhole survey results - Absent survey data - Overlapping intervals - Negative sample lengths - Sample intervals which extended beyond the hole depth defined in the collar table.
Site visits	- The Competent Person is based on site and an external Resource estimation consultant conducted a site visit for the 2018 MRE. Items discussed and inspected include: - Procedures related to the Mineral Resources, - Planning and supervision of all diamond drilling and sampling activities, - Inspection and quality control of logging, photography, sampling, and sample submission of diamond core. - Monitoring of laboratory sample preparation, assaying and internal QAQC activities, including audits of the principal laboratory at Mt Isa, - Internal QAQC protocols including analysing the performance of CRM's, blanks, replicates and duplicates. - Geological data collection, management, and sectional interpretation of the deposit. - The principal assay laboratory at Mt Isa was also inspected. All equipment was found to be well maintained and the laboratory was found to be clean and well organised. Management had a sound understanding of sample preparation and analytical methods.

	The outcome of the visits concluded the drillhole planning, core logging, sampling, assaying, QAQ, data management are consistent with industry good practice. Furthermore, geological controls to the mineralisation were sufficiently understood to enable a Mineral Resource to be reported in accordance with the JORC Code.
Geological interpretation	- Geological interpretation was completed by the site Mine Geologists. - The main controls to the mineralisation are structural, and mineralisation occurs as a series of lenses. - The known structural framework was used to guide mineralisation interpretation. Up to five separate lodes or zones are interpreted within each resource area. The post-mineralisation faulting has created a series mineralised compartments, approximately 400 x 400m in size. - After 15 years of diamond drilling and underground mining the continuity and grade characteristics of the lode systems are well understood by the site geologists. - Based on visual observation and logging, all ore bodies were interpreted as a series of en echelon sub vertical lodes that are practically represented by continuous wireframed domains. - A nominal 1% Cu cut-off grade is used to interpret the mineralised boundaries, although some intercepts below 1% Cu have been included for continuity purposes. - No material assumptions have been made which effect the MRE reported herein. - Alternative geological interpretations are not likely to materially impact on the MRE.
Dimensions	The deposit has multiple lenses in the current resource models that have been modelled between 81,354 m N and 83,018 m N. The dip extent extends from 1,150 m RL to -695 m RL. The lenses have variable strike and dip continuity. The plan width of the lenses varies between approximately 2 m and 40 m.

Estimation and modelling techniques

- All geological modelling, statistical analysis and grade estimation were completed using Surpac software.
- Grade estimation for Cu, Au and Ag and Fe were undertaken using an ordinary kriged algorithm into eight (8) wireframe domains.
- A 5mE x 10mN x 5mRL parent block size was used with sub-celling to 1.25m for E, N and RL. The sub-block size was selected to provide sufficient wireframe – block fill resolution. All sub cells were assigned the grade of the parent block.
- The inputs for the estimation including nugget, sill, ranges, direction and anisotropy were determined using the Surpac variography module.
- The drillhole data spacing is variable but approximates 25 m to 50 m along strike (north-south) by 25 m to 50 m down-dip. The block size represents approximately half of the drill spacing in the more densely drilled areas of the deposit.
- The wireframes have been used as hard boundaries for the interpolation of the ore lenses, this is to ensure only grades within each wireframe have been used to estimate the block inside the same wireframe. Outside of the ore lenses, a background waste estimation was undertaken.
- The raw assay data was composited to one metre intervals. The composited data was used for classical statistical analysis, variography analysis and ordinary kriged estimation.
- The coefficient of variation (COV), histograms and probability plots were reviewed for Cu and Au to understand the distribution of grades and assess the requirement for top cuts for each estimation domain. Top cutting was deemed necessary where the COV was high (>1.2) and individual high-grade samples were deemed to potentially result in biased block model results.
- Top cuts were applied to gold, Cu grades were not cut. Top cuts applied for gold include:
 - Macy: WF1 & 2 - 6 g/t, WF3 - 21 g/t, WF5 - 25g/t, WF6 - 18 g/t Au
 - Eloise North: WF1 - 6 g/t, WF2 - 26 g/t, WF3 - 10g/t,
 - Eloise South: WF1 - 7 g/t, WF2 - 15 g/t, WF3 - 35 g/t, WF4 - 20 g/t, WF5 - 15 g/t.
- A four-pass search ellipse strategy was adopted. The search ellipse distances were progressively increased from 30, 60, 120 and 400 metres. A summary of the estimation parameters is shown below.

Cu	Samples	Distance	Azimuth	Plunge	Dip	Nugget C ₀	Sill c1	Range A ₁	Anisotropy Major/Semi	Anisotropy Major/Minor
Minimum	5	30	181.26	-69.41	50.26	0.10	0.69	59.30	1.08	15
Maximum	20	400	194.74	-19.84	89.46	0.45	1.74	176.85	3.22	15

- Due to the wide spaced drilling below the z330mRL, an upper cut of 2.4% Cu was applied to all blocks below this level.
- The previous MRE was completed and reported by an external consultant in February 2019, comprising of:

	<table><tr><th>Feb-19 Mineral Resources</th><th>Tonnes (kt)</th><th>Cu % Grade</th><th>Contained Copper (t)</th><th>Au g/t Grade</th><th>Contained Gold (oz)</th><th>Ag g/t Grade</th><th>Contained Silver (oz)</th></tr><tr><td>Measured</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Indicated</td><td>3,147</td><td>2.4</td><td>77,000</td><td>0.7</td><td>69,000</td><td>11.0</td><td>1,146,000</td></tr><tr><td>Inferred</td><td>2,258</td><td>3.3</td><td>75,000</td><td>0.9</td><td>69,000</td><td>14.0</td><td>1,011,000</td></tr><tr><td>Total</td><td>5,404</td><td>2.8</td><td>152,000</td><td>0.8</td><td>137,000</td><td>13.0</td><td>2,178,000</td></tr></table>	Feb-19 Mineral Resources	Tonnes (kt)	Cu % Grade	Contained Copper (t)	Au g/t Grade	Contained Gold (oz)	Ag g/t Grade	Contained Silver (oz)	Measured	-	-	-	-	-	-	-	Indicated	3,147	2.4	77,000	0.7	69,000	11.0	1,146,000	Inferred	2,258	3.3	75,000	0.9	69,000	14.0	1,011,000	Total	5,404	2.8	152,000	0.8	137,000	13.0	2,178,000
Feb-19 Mineral Resources	Tonnes (kt)	Cu % Grade	Contained Copper (t)	Au g/t Grade	Contained Gold (oz)	Ag g/t Grade	Contained Silver (oz)																																		
Measured	-	-	-	-	-	-	-																																		
Indicated	3,147	2.4	77,000	0.7	69,000	11.0	1,146,000																																		
Inferred	2,258	3.3	75,000	0.9	69,000	14.0	1,011,000																																		
Total	5,404	2.8	152,000	0.8	137,000	13.0	2,178,000																																		
	- A significant amount of drilling and mining has been completed since the 2019 MRE, hence much of the current MRE represents new and additional areas compared to the previous MRE. - In 2021, the MRE was undertaken by the Competent Person with input from an external consultant. Some of the grade estimation procedures have been updated since the 2018 MRE. - No assumptions have been made regarding recovery of by-products. Fe and As were estimated however are not considered to represent issues for the mine given the long history of producing a saleable concentrate. - No assumptions were made regarding selective mining units. - Drillhole grades were initially visually compared with cell model grades. Domain drillhole and block model statistics were then compared. Swath plots were also created to compare drillhole grades with block model grades for easting, northing, and elevation slices throughout the deposit. The block model reflected the tenor of the grades in the drillhole samples both globally and locally.																																								
Moisture	Tonnages are estimated on a dry basis.																																								
Cut-off parameters	Cut-off grades applied by FMR and within this estimate are 1.0% Cu (>0mRL) for the Upper Zone and 1.5% Cu (<0mRL greater than 1190m BSL) for the Lower Zone.																																								
Mining factors or assumptions	- In selecting the reporting cut-off grade, the mining method and Reasonable Prospects for Eventual Economic Extraction have been considered. - Some internal dilution exists within the interpreted mineralisation boundaries, but this material was not modelled. Further drilling is required to ascertain if these zones are continuous and can therefore be selectively removed during mining.																																								
Metallurgical factors or assumptions	Eloise operates a conventional flotation circuit to produce a high-grade copper concentrate with gold and silver credits. The mill can sustain a rate up to 750,000 dry metric tonnes per annum. The plant operates a three-stage crushing facility capable of producing a -12 mm product at 120 tonnes per hour. This is comprised of a primary jaw crusher and two-stage cone crushing in closed circuit with a screening plant. Comminution is via a two-stage grinding circuit achieving a P80 particle size of 125µm. The flotation circuit comprises rougher and scavenger flotation cells and a																																								

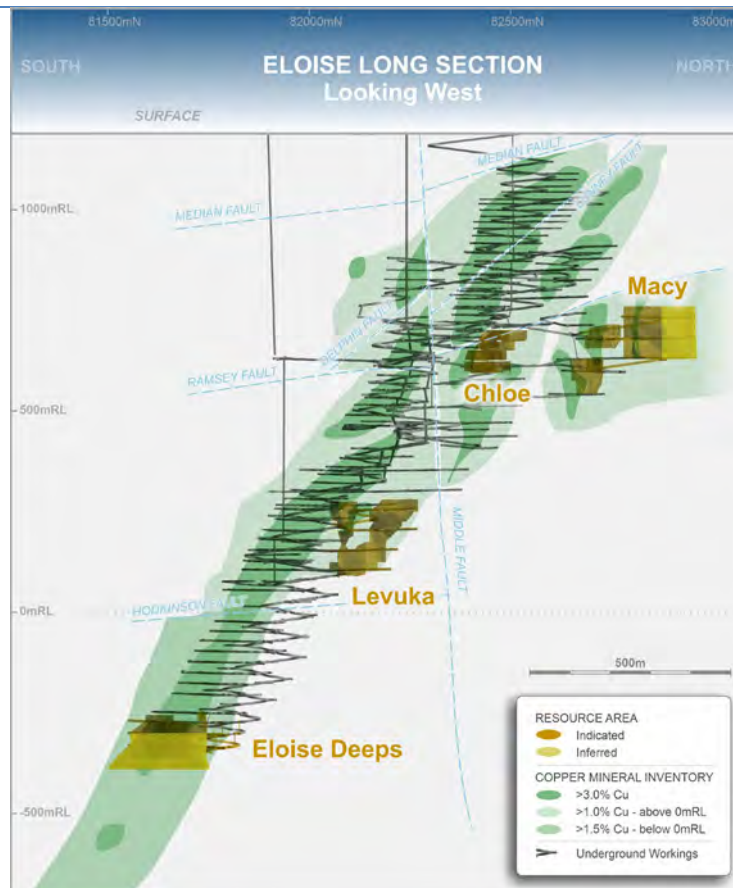
	bank of cleaner and recleaner cells. Concentrate thickening and American disc filtering produces cake with moisture content of about 13%. The concentrate is sun dried to about 8–9% moisture content ready for transport and shipment. • The final product is a concentrate comprising approximately 27% Cu, 4.4 g/t Au and 100 g/t Ag. • The mine has a long history of producing and selling a concentrate by flotation methods with no material issues from deleterious elements. • Metallurgical and operational test work has confirmed Eloise produces a high-quality concentrate with very low contaminants. Hence no areas have been excluded from the Mineral Resources Estimate.
Environmental factors or assumptions	• The mine is currently in operation and operates with an environmental management plan to meet its operational licence conditions. The site is regularly visited by Queensland Department of Environment and Science officers who inspect the environmentally relevant activities and audit for compliance to the licence conditions.
Bulk density	• A volume displacement method was adopted from 1997 to 2002. This method was used routinely on diamond core before being dispatched to the laboratory. The method involved weighing drill core and then measuring the volume displacement of the core. The density was calculated as the weight divided by the volume. • The water immersion method was used from 2007 through 2008. Diamond core samples dispatched to ALS Global for analysis and were subject to specific gravity determinations by the laboratory. The method adopted the common method of measuring the weight of the core in air and then in water, with the specific gravity calculated by dividing the weight in air by the weight in air minus the weight in water. • A total of 6,925 volume displacement and 2,878 water immersion records were available, however all measurements were taken outside the modelled lenses in previously mined areas. A regression approach was therefore adopted (see below). • The host rocks and mineralisation have extremely low porosity, hence it is not considered an issue with the determinations. • The relationship between density, Fe and Cu was reviewed through regression analysis. A relatively strong relationship between Fe and Fe + Cu and density was observed. Density is calculated based on interpolated Fe and Cu grades as follows: - $\text{Density} = 0.0265 \times (\text{Cu}\% + \text{Fe}\%) + 2.6401$ • After the above regression formula was applied, calculated values above 3.3 t/m³ were reset to 3.3 t/m³ following feedback from site.

Classification

- Consideration was given to data quality, grade estimation quality and geological continuity relative to areas of historical mining.
- In each block model, the site geologists assigned a class and resource category number using a combination of search pass and (SOR) slope of regression (see table). The limits were checked by visualising the distribution of SOR and then applying various cut-off s until the result aligned with expectations against the drill data spacing.

Class	Res_Cat_No	SOR (Cu_cd_bis)	Pass
MEA	1	>= 0.8	1
IND	2	>=0.5 AND <0.8	1
IND	2	>=0.8	2
INF	3	>=0.0 AND <0.5	1
INF	3	>=0.5 AND <0.8	2
INF	3	>=0.8	3
UNC	4	ALL OTHERS	ALL OTHERS

- The use of slope of regression for Resource classification has resulted in “spotty” and discontinuous classification zones. This is exemplified by inferred blocks located near drilling or within stoped out zones. The Competent Person adopted a three step process for classification by i) applying a filter based on slope of regression and estimation pass ii) digitizing a smoothed and final boundary string iii) assigning a final Resource classification inside the boundary string.
- Indicated generally had a drill spacing of at least 25m to 25 m. All other modelled areas were generally classified as Inferred with a drill spacing up to 100m. Only continuous areas were classified to avoid the “spotted dog effect”. The resource classification was constrained by economic considerations. Remnant resources however have not been included at this time.
- Appropriate account has been taken of all relevant criteria including data integrity, data quantity, geological continuity, and grade continuity. This includes restricting and reporting the Mineral Resources to an area located within FMR’s June 2021 LOM design. All mineralisation outside the LOM design was excluded and is considered mineral inventory.
- The MRE appropriately meets reflects the Competent Person’s views of the deposit.



Long section (looking west) showing Indicated and Inferred Resource inside the LOM design. The Mineral Inventory (green shading) for the entire deposit also displayed outside the Mineral Resource limits.

Audits or reviews

- The current model has been subject to FMR's an internal peer review processes. The performance of the MRE is reviewed each month as part of the end-of-month (EOM) reconciliation reporting process. In Q2 2021, the design grade tracks closely to the reconciled mill grade.

	These reviews have verified the technical inputs, methodology, parameters, and results of the estimate. The relative accuracy and confidence of the Mineral Resources is based on the extents of the Indicated and Inferred Resource boundaries. All material outside of the June 2021 LOM design is excluded and has not been classified.																																								
<i>Discussion of relative accuracy/ confidence</i>	- The Competent Person considers the Mineral Resources classification to comply with the accuracy requirements in accordance with the JORC Code, 2012. The Mineral Resources Estimate relates to a global tonnage and grade estimate. Grade estimates have been made for each block in the model. - The Indicated and Measured Mineral Resource are reported excluding any mining modifying factors. - The Mineral Resources Estimate have been effectively employed for mine design and mining and is reconciling within acceptable limits. <table><tr><th>Resource Category</th><th>Tonnes</th><th>Cu Grade %</th><th>Au Grade (g/t)</th><th>Ag Grade (g/t)</th><th>Contained Copper (t)</th><th>Contained Gold (oz)</th><th>Contained Silver (oz)</th></tr><tr><td>Measured</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Indicated</td><td>1,308,000</td><td>2.5</td><td>0.7</td><td>9.6</td><td>32,500</td><td>28,500</td><td>405,400</td></tr><tr><td>Inferred</td><td>1,388,000</td><td>2.4</td><td>0.7</td><td>11.4</td><td>33,000</td><td>31,500</td><td>509,400</td></tr><tr><td>Total</td><td>2,696,000</td><td>2.4</td><td>0.7</td><td>10.6</td><td>65,500</td><td>60,100</td><td>914,900</td></tr></table>	Resource Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)	Measured	-	-	-	-	-	-	-	Indicated	1,308,000	2.5	0.7	9.6	32,500	28,500	405,400	Inferred	1,388,000	2.4	0.7	11.4	33,000	31,500	509,400	Total	2,696,000	2.4	0.7	10.6	65,500	60,100	914,900
Resource Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)																																		
Measured	-	-	-	-	-	-	-																																		
Indicated	1,308,000	2.5	0.7	9.6	32,500	28,500	405,400																																		
Inferred	1,388,000	2.4	0.7	11.4	33,000	31,500	509,400																																		
Total	2,696,000	2.4	0.7	10.6	65,500	60,100	914,900																																		

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Comment																																
Mineral Resource estimate for conversion to Ore Reserves	- The parameters used for the Mineral Resources are described in Section 3 and only the Indicated Resource has been considered for conversion to Probable Ore Reserve. - The Probable Ore Reserve was estimated by only evaluating the Indicated Resource and applying the mining modifying factors. - The Mineral Resources are reported as inclusive of Ore Reserves <table><tr><th>Reserve Category</th><th>Tonnes</th><th>Cu Grade %</th><th>Au Grade (g/t)</th><th>Ag Grade (g/t)</th><th>Contained Copper (t)</th><th>Contained Gold (oz)</th><th>Contained Silver (oz)</th></tr><tr><td>Proved</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Probable</td><td>1,424,000</td><td>2.1</td><td>0.6</td><td>8.3</td><td>30,300</td><td>26,700</td><td>378,400</td></tr><tr><td>Total</td><td>1,424,000</td><td>2.1</td><td>0.6</td><td>8.3</td><td>30,300</td><td>26,700</td><td>378,400</td></tr></table>	Reserve Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)	Proved	-	-	-	-	-	-	-	Probable	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400	Total	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400
Reserve Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)																										
Proved	-	-	-	-	-	-	-																										
Probable	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400																										
Total	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400																										

Criteria	Comment
Site visits	The Competent Person for the Ore Reserves is the Site Senior Executive who is a qualified Mining Engineer and a full-time employee of FMR based at Eloise.
Study status	- The Eloise Copper Mine has been in production since 1996. The Modifying Factors used in the conversion of Mineral Resources to Ore Reserves are based on current and historic operational experience and are in line with the relative accuracy expected at a feasibility study level or better. - As part of the operational procedure a Life of Mine (LOM) study including design, schedule and evaluation was completed. This work was undertaken as part of the annual budget and LOM planning process. The type and level of study is suitable to convert the Mineral Resources to Ore Reserves. The LOM study was reviewed by Independent consultants in July 2021, who considered the study to meet the JORC(2012) and operational requirements. - The Ore Reserve reported within the LOM plan includes Indicated Resource only. Inferred Resource have been excluded from the reported Ore Reserve. - The parameters used to estimate modifying factors and the subsequent Ore Reserve are based on existing operations and actual performance. - The Ore Reserves are contained within a mine design and are viable. A portion of the Ore Reserve is currently being mined and processed. - Material Modifying Factors have been considered and used for the Ore Reserves Estimate. - The Ore Reserve analysis addresses the key technical and economic parameters relating to the deposit to an appropriate level of confidence to meet the production requirements of the mine.
Cut-off parameters	- Copper only cut-off grades have been calculated and applied as economic cut-offs in the determination of the underground Ore Reserves. These are based on current and forecasted costs, revenues, mill recoveries, modifying factors and depth of Reserves below the surface. - Cut-off grade assessments consider grade of copper only (i.e. does not consider gold or silver). - The cut-off values for the: - Upper Zone (LHOS) is 1.0% Cu (Surface to the 0mRL, 1,190m below surface level), and - Lower Zone (SLC) is 1.5% Cu (below the 0mRL, deeper than 1,190m BSL).
Mining factors or assumptions	- Underground Ore Reserves have been estimated by generating detailed mining shapes for all areas that contain Indicated Mineral Resource as well as access development. Internal stope dilution has been designed into the mining shapes and interrogated. External stope dilution and mining recovery factors have been applied post geological block model interrogation to generate final mining diluted and recovered ore tonnage and grade. - Eloise is an active mining operation and modifying factors are based on existing practice and analysis of performance.

Criteria	Comment
	- Stopes to be mined in the short term are assessed on an individual basis using all related local mining, geological and geotechnical experience to date. This includes data gathered from back-analysis of stopes mined to date in adjacent or similar areas. Reserve stope blocks employ geotechnical parameters derived from area mining experience and / or diamond drill core. - A LOM design has been generated and scheduled to an appropriate level of confidence. - Minimum mining width of 3 metres. Sub level spacing ranging between 25m (single lift) to 50m (double lift). - Mining dilution factors in the Upper Zone, longhole stope areas is applied at 15% and in the Lower zones the sub level cave (SLC) dilution is applied at 20%. - Mining Recovery Factors in the Upper Zone is applied at 95% and in the Lower Zone at 90%. The mining recovery factors are based on historical reconciliation performance of the Upper Zone LHOS and Lower Zone SLC. - Eloise is an operating mine and the infrastructure to support the mining operations is in place. This includes workshops, offices, warehouses, fuel storage, road construction for transport and access, the processing plant, diesel power generation, surface water management, underground mining infrastructure, ROM stockpiles, and waste dumps.
Metallurgical factors or assumptions	- Eloise operates a conventional flotation circuit to produce a high-grade copper concentrate with gold and silver credits. The mill can sustain a rate of 750,000 dry metric tonnes per annum. The plant operates a three-stage crushing facility capable of producing a -12 mm product at 120 tonnes per hour. This is comprised of a primary jaw crusher and two-stage cone crushing in closed circuit with a screening plant. Comminution is via a two-stage grinding circuit achieving a P80 particle size of 125µm. The flotation circuit comprises rougher and scavenger flotation cells and a bank of cleaner and recleaner cells. Concentrate thickening and American disc filtering produces cake with moisture content of about 13%. The concentrate is sun dried to about 8–9% moisture content ready for transport and shipment. - The metallurgical recovery is a function of feed grade, and historically reports at ≥ 95% Cu, 50% Au and 83.5% Ag. - The final product is a concentrate comprising approximately 27% Cu, 4.4 g/t Au and 100 g/t Ag. - The mine has a long history of producing and selling a concentrate with no material issues from deleterious elements.
Environmental	- The mine is currently in operation and operates with an environmental management plan to meet its operational licence conditions. - The site is regularly visited by QLD DES officers who inspect the environmentally relevant activities (ERAs) and audit for compliance to the licence conditions.
Infrastructure	The mine is currently in operation and has all necessary infrastructure in place.
Costs	- Eloise is an operating mine and capital costs are generally limited to that required to sustain the operation. - Operating costs are based on current contracts and historical averages. All costs are estimated in Australian dollars.

Criteria	Comment
	- Eloise produces a high quality concentrate and does not attract any penalties for deleterious elements (see Market Assessment). - Queensland government royalty of between 2.50% and 5.00% (depending on average metal prices) is payable on the gross value of the mineral after deducting certain permitted expenses. There are no applicable private royalties. - Transportation costs are based on contract rates from site to the Port of Townsville. - Copper concentrate treatment, refining charges and ocean freight are based on offtake agreement contract rates with a third party commodity trading firm.
Revenue factors	- All metal prices and revenues are estimated in Australian dollars. - Revenue is generated from the sale of concentrate under a Life of Mine offtake agreement with a third party commodity trading firm. - The assumed copper price used in the Ore Reserves estimation is A\$9,000/t. - Eloise produces a high quality concentrate and does not attract any penalties for deleterious elements.
Market assessment	- The world market for copper concentrate is large compared to production from the mine. The copper concentrate is a clean product with low impurities and demand for this product from copper smelters is expected to remain high. - All copper concentrate is sold under a Life of Mine offtake agreement with a third party commodity trading firm. - The Competent Person is satisfied that the market assessment is appropriate to support the Ore Reserves Estimate.
Economic	- Eloise is an operating mine with a focus on operating cash margins. - The mine plan generates positive annual free cash flow based on the long run commodity price assumptions. - Project economics are most sensitive to metal price assumptions and grade assumptions.
Social	The mine is currently in operation and has all necessary licences.
Other	- No material naturally occurring risks have been identified that could impact on the estimation or classification of the Ore Reserves. - Eloise is currently compliant with all legal and regulatory requirements and valid marketing arrangements are in place.
Classification	- The Ore Reserves have been derived from a mine plan considering all mining, metallurgical, social, environmental and financial aspects of the project. - The Probable Ore Reserve Estimate were derived from the conversion of Indicated Mineral Resource.

Criteria	Comment
	Classification of the Ore Reserves appropriately reflects the Competent Person's view of the deposit based on the application of the modifying factors and economic parameters.
<i>Audits or reviews</i>	The Ore Reserves were peer reviewed internally and were found to comply with accepted industry practice.
<i>Discussion of relative accuracy/confidence</i>	- Ongoing mining experience, underground diamond drilling, Mineral Resource Estimation improvements, mining studies and a maturing operation have continued to combine to improve understanding of the geological and mining aspects of the underground. - The relative accuracy of the parameters used to estimate the Ore Reserves are deemed to be appropriate and meet industry standards as these have been based on current and historical performance of the similar operations and correlated to the achieved parameters.

Schedule 5 Summary of Joint Lead Managers Mandate

Joint Lead Managers

Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd (together **Joint Lead Managers**) will assist AIC Mines Limited (**AIC**) through the provision of capital raising services to assist AIC to meet its equity funding requirements with respect to the acquisition of the Eloise Copper Mine from FMR Investments Pty Ltd

Offer

The Offer comprises a Priority Offer of up to \$5 million for eligible Shareholders and a General Offer of up to \$35 million, to be made pursuant to a Prospectus. The Offer is not underwritten.

Role

The Joint Lead Managers will act as joint brokers and joint book runners to AIC. The services the Joint Lead Managers will provide (where applicable) in connection with the Offer are as follows:

- (a) lead managing and marketing the Offer;
- (b) in conjunction with AIC's legal and other professional advisers, advising on the structuring of the Offer;
- (c) assisting AIC with its investor presentation materials and other publications provided to the market in relation to the Offer;
- (d) managing the book build process;
- (e) managing the allocation process;
- (f) in conjunction with AIC's legal and other professional advisers, assisting with dealings with ASX in relation to the Offer; and
- (g) assisting with the communications strategy in relation to the Offer.

Fees and Expenses

The Joint Lead Managers will receive the following fees:

- (a) a management fee of 1.5% (plus GST) of gross proceeds raised pursuant to the Offer;
- (b) a selling fee of 4.0% (plus GST) of gross proceeds raised pursuant to the Offer less Contributed Proceeds;
- (c) a selling fee of 2.0% (plus GST) of Contributed Proceeds.

Contributed Proceeds refers to the gross amount received under the Offer from the following substantial shareholders of AIC:

- (a) Nordana Pty Ltd;
- (b) El-Raghy Kriewaldt Pty Ltd;

- (c) Brahman Pure Alpha Pte Ltd;
- (d) Brahman Capital Management Pte Ltd; and
- (e) Gold Elegant (HK) Investment Limited.

In addition AIC will pay Canaccord a corporate advisory fee equal to 0.5% (plus GST) of gross proceeds.

AIC will reimburse the Joint Lead Managers for reasonable out of pocket expenses incurred in connection with the Offer including legal fees (up to a maximum of \$15,000), marketing and communication costs, printing couriers, postage and distribution costs and travel and accommodation costs.

Underwriting

The Joint Lead Managers do not underwrite the Offer nor commit to subscribe to Offer Securities.

Due Diligence

AIC agrees to conduct appropriate due diligence investigations in relation to the Offer and acknowledges that the Joint Lead Managers will rely on that due diligence.

The Joint Lead Managers:

- (a) may use and rely on the information provided to them by AIC and its directors, officers and employees in performing the services without independently verifying that information;
- (b) do not assume any responsibility for the accuracy, completeness or authenticity of that information, including the responsibility to update any such information;
- (c) will rely upon the accuracy of any financial information, forecasts and other information or representations to be provided by AIC or its directors, officers or employees. AIC agrees to immediately notify the Joint Lead Managers if it becomes aware that any financial or other information provided (written or verbal) is not complete or accurate in any material respect; and
- (d) accept no liability to any person other than as stated in this Agreement or in accordance with law.

Termination Provisions

Either AIC or one or both of the Joint Lead Managers may terminate the Mandate with immediate effect on receipt of the written notice to the other party.

If a Joint Lead Manager terminates the Mandate, they will entitled to be reimbursed their expenses to the date of termination.

If one Joint Lead Manager terminates the Mandate, the other Joint Lead Manager will have the right (but not the obligation) to take over the terminated Joint Lead Managers rights and obligations by notifying AIC within 2 business days of the termination of the other Joint Lead Manager.

Lock up and other financing

Prior to the allotment of Offer Securities, the Joint Lead Managers will have the benefit of a clear market in that no other equity or debt financing of any type will be undertaken by AIC without prior consultation with the Joint Lead Managers. AIC may not enter into any material contract or commitment which is material and which contains a substantial or onerous obligation without prior consultation with the Joint Lead Managers.

Indemnity, Liability, Representations and Warranties

The indemnity, liability, representations and warranties are standard for this type of transaction.



AIC MINES LIMITED Independent Expert's Report

20 September 2021



Financial Services Guide

20 September 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by AIC Mines Limited ('AIC' or 'the Company') to provide an independent expert's report on the proposal to acquire the Eloise Copper Mine based in Queensland ('the Eloise Mine') from FMR Investments Pty Ltd ('FMR') for cash and shares in AIC ('the Proposed Acquisition'). A condition precedent to the Proposed Acquisition is the completion of a capital raising by AIC to fund the purchase and to provide working capital ('Capital Raising'). The Capital Raising, together with the Proposed Acquisition (collectively 'the Proposed Transaction') will result in FMR holding in excess of 20% of the issued capital of the Company. You are being provided with a copy of our report because you are a shareholder of AIC and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by AIC to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ♦ Who we are and how we can be contacted;
- ♦ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ♦ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ♦ Any relevant associations or relationships we have; and
- ♦ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$84,000 (excluding GST and out-of-pocket expenses).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in AIC.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from AIC for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	5
4.	Outline of the Proposed Transaction	6
5.	Profile of AIC	9
6.	Profile of the Eloise Mine	14
7.	Economic analysis	18
8.	Industry analysis	20
9.	Valuation approach adopted	29
10.	Valuation of AIC prior to the Proposed Transaction	32
11.	Valuation of an AIC share following the Proposed Transaction	43
12.	Is the Proposed Transaction fair?	60
13.	Is the Proposed Transaction reasonable?	61
14.	Conclusion	66
15.	Sources of information	66
16.	Independence	66
17.	Qualifications	67
18.	Disclaimers and consents	68

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Specialist Report prepared by SRK

Appendix 4 - Discount Rate

Appendix 5 - Comparable companies for corporate cost analysis

© 2021 BDO Corporate Finance (WA) Pty Ltd

20 September 2021

The Directors
AIC Mines Limited
A8, 435 Roberts Road
Subiaco WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 31 August 2021, AIC Mines Limited ('AIC' or 'the Company') announced its proposal to acquire the Eloise Copper Mine based in Queensland ('the Eloise Mine') from FMR Investments Pty Ltd ('FMR') for cash and shares in AIC ('the Proposed Acquisition'). The consideration for the Proposed Acquisition is up to \$27 million (subject to certain inventory adjustments on closing) and comprises:

- \$5 million cash payment due on completion ('Eloise Completion Payment');
- \$20 million in AIC shares due on completion ('Consideration Shares'); and
- \$2 million contingent payment that is payable six months after completion if within that six-month period the Eloise Mine produces 20,000 tonnes of copper concentrate ('Eloise Contingent Payment').

A condition precedent to the Proposed Acquisition is the successful completion of an equity capital raising of not less than \$30 million and up to \$40 million by AIC, to fund the Proposed Acquisition and to provide working capital ('Capital Raising'). The Capital Raising comprises a \$5 million priority offer to AIC shareholders ('Priority Offer') and a general offer to the public in respect of the balance, including any potential shortfall from the Priority Offer ('General Offer'). The issue price of the Consideration Shares will be the same as the price of the Capital Raising, being \$0.25 per AIC share. Following the Capital Raising and assuming the Proposed Acquisition completes, FMR will hold between 26.0% and 29.9% of the issued capital of AIC.

This independent expert's report ('our Report') details our opinion on whether the Proposed Acquisition and the associated Capital Raising, collectively referred to as 'the Proposed Transaction', is fair and reasonable to the shareholders of AIC that are not associated with FMR ('Shareholders').

All currencies in our Report are quoted in Australian Dollars ('\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of AIC have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to Shareholders.

Our Report is prepared pursuant to section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting for AIC in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of an AIC share prior to the Proposed Transaction on a control basis compares to the value of an AIC share following the Proposed Transaction on a minority basis;
- Whether a premium for control is being offered in relation to the issue of AIC shares and whether this is appropriate;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Proposed Transaction is fair and reasonable to Shareholders.

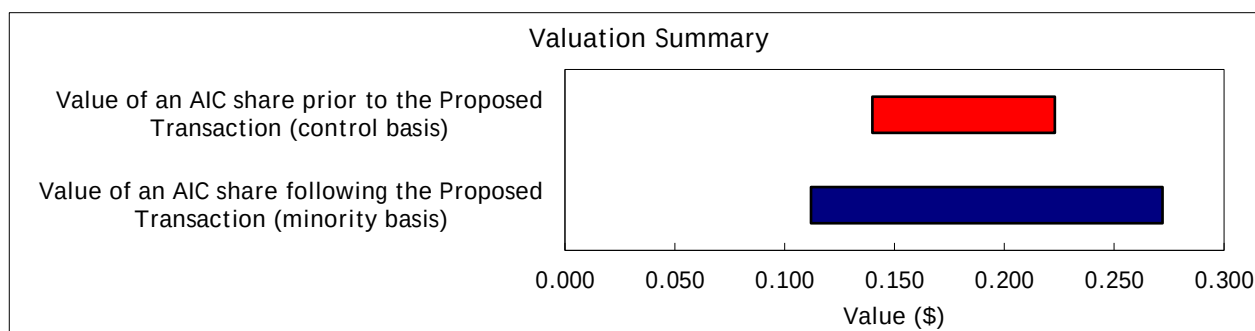
2.4 Fairness

In Section 12 we determined how the value of an AIC share prior to the Proposed Transaction and on a control basis compares to the value of an AIC share following the Proposed Transaction and on a minority basis, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of an AIC share prior to the Proposed Transaction (control basis)	10.3	0.140	0.181	0.223
Value of an AIC share following the Proposed Transaction (minority basis)	11.1	0.112	0.172	0.272

Source: BDO analysis

The above valuation ranges are graphically presented below:



Over the range of values presented above, in the absence of any other relevant information, and a superior offer, we consider the Proposed Transaction to be fair for Shareholders. We note that we have considered the entire range of values in assessing whether the Proposed Transaction is fair. We do not consider it appropriate to assess whether the Proposed Transaction is fair by comparing the low, preferred and high valuations of AIC prior to and following the Proposed Transaction individually because the portfolio of assets held prior to the Proposed Transaction is different to the portfolio of assets held following the Proposed Transaction. Therefore, it is possible that the low end of the valuation of AIC prior to the Transaction and the high end of the valuation of the Eloise Mine may materialise (and vice versa). As such, we have assessed whether the Proposed Transaction is fair over the entire range of values rather than at individual points.

Although we consider the Proposed Transaction to be fair for Shareholders, depending on Shareholders' own views about the above valuation range, the value of a share in AIC following the Proposed Transaction (on a minority interest basis) may be lower than the value of an AIC share prior to the Proposed Transaction (control basis).

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and a superior proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Proposed Transaction is fair for Shareholders	13.5	Dilution of Shareholders' interests

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Proposed Transaction provides Shareholders with exposure to a producing copper and gold project	13.5	Risks associated with acquiring a producing operating asset and project specific risks
13.4	Potential upside from exploration potential at the Eloise Mine including potential agreements with neighbouring tenement holders		
13.4	Potential further value enhancement of the Eloise Mine via toll treatment of ore from other operating mines in the region		
13.4	Proposed Acquisition of the Eloise Mine will be funded by equity as opposed to debt		
13.4	Able to leverage FMR's mining expertise and knowledge particularly in relation to the Eloise Mine		
13.4	Cash generated from the Eloise Mine would be used to further explore and develop the Marymia and Lamil Projects		
13.4	When compared on a control basis, the low, preferred and high values of an AIC share following the Proposed Transaction are higher than the respective values prior to the Proposed Transaction		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Practical level of control
13.3	Consequences of not approving the Proposed Transaction
13.6	Other considerations

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act ('Section 606') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%.

Section 611 of the Corporations Act ('Section 611') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('Item 7 s611') permits such an acquisition if the shareholders of AIC have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution AIC can commission an Independent Expert's Report.

The directors of AIC have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of an AIC share prior to the Proposed Transaction on a control basis and the value of an AIC share following the Proposed Transaction on a minority basis (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 31 August 2021, AIC announced that its wholly owned subsidiary, AIC Copper Pty Ltd, has entered into an agreement to acquire the Eloise Mine from FMR. The Proposed Transaction comprises the Proposed Acquisition of the Eloise Mine and the Capital Raising, with the Capital Raising being a condition precedent of the Proposed Acquisition. Upon completion of the Proposed Transaction, FMR will hold a maximum of 29.9%, with the exact holding estimated to be in the range of 26.0% to 29.9% of the issued capital of AIC, depending on the number of shares issued under the Capital Raising.

FMR will also have the right (but not the obligation) to nominate one director to the Board of directors of AIC for as long as FMR continues to hold at least 10% of the ordinary shares in AIC. FMR has indicated that it will nominate its current Chairman, Jonathan Young, as a director of AIC following the implementation of the Proposed Transaction.

4.1 Proposed Acquisition

The Eloise Mine is an underground copper mine located 60 kilometres southeast of Cloncurry in North Queensland. The Proposed Acquisition of the Eloise Mine will be structured as an asset acquisition on a cash-free, debt-free basis, with AIC acquiring the individual assets that form the Eloise Mine. The Company will also be required to replace FMR's bonds lodged with the State of Queensland in relation to the Eloise Mine tenements amounting to \$6,799,000.

As consideration for the Proposed Acquisition of the Eloise Mine, AIC will pay up to \$27 million (subject to certain inventory adjustments on closing) comprising:

- the Eloise Completion Payment of \$5 million in cash;
- the issue of the Consideration Shares, the number of which is determined based on dividing \$20 million by the price of the Capital Raising, being \$0.25 per share. Based on a Capital Raising price of \$0.25 per share, this results in the issue of 80 million Consideration Shares; and
- a Contingent Payment of \$2 million, which is payable six months after completion if within that six-month period the Eloise Mine produces 20,000 tonnes of copper concentrate.

The consideration for the Proposed Acquisition is subject to adjustment for:

- any positive or negative differences greater than \$200,000 between the actual value of the inventory and the pre-agreed value of the inventory, with FMR and AIC to jointly conduct a physical stocktake of the inventory in determining the value;
- any positive or negative differences greater than \$200,000 between the value of the run-of-mine ('ROM') stock and the pre-agreed value of ROM stock, with FMR and AIC to jointly conduct a physical stocktake of the concentrate and other finished product inventory; and
- any apportionments for outgoings, unpaid goods and services, prepaid goods and services, expenses and outgoings normally apportioned on the purchase of a similar business and state royalties.

Completion of the Proposed Acquisition is subject to a number of conditions precedent including:

- Obtaining all relevant Shareholder approvals for the issue of AIC shares to FMR and the approvals required to raise capital;
- Relevant government and regulatory approvals;
- AIC raising at least \$30 million under the Capital Raising (further detailed in Section 4.2 below); and
- No less than 80% of employees at the Eloise Mine accepting AIC's offer of employment.

The above is a non-exhaustive list of the conditions precedent. For the full list of conditions precedent and further details on the Proposed Acquisition, Shareholders are referred to the accompanying Notice of Meeting.

4.2 Capital Raising

AIC will undertake an equity capital raising to raise a minimum of \$30 million and a maximum of \$40 million (before associated costs) via the Capital Raising, which will be conducted as a Priority Offer to AIC shareholders for up to \$5 million and a General Offer to the public for the remaining portion. The issue price of an AIC share under the Capital Raising, which will determine the issue price of the Consideration Shares, is \$0.25 per AIC share. The Capital Raising is not underwritten and the joint lead managers are Canaccord Genuity (Australia) Ltd ('Canaccord') and Argonaut Securities Pty Ltd ('Argonaut') (collectively the 'Joint Lead Managers').

The source and use of funds raised from the Capital Raising (and including AIC's cash balance) is outlined in the table below.

Source of funds	\$ million	Use of funds	Min Capital Raise \$ million	Max Capital Raise \$ million
AIC's cash at bank (30 June 2021)	4.3	Upfront cash consideration for the Proposed Acquisition	5.0	5.0
Capital Raising (Min - Max)	30.0 - 40.0	Working capital purposes	10.0	14.7
		Financial assurance (cash-backed environmental bond)	6.8	6.8
		Exploration at the Eloise Mine	5.0	6.0
		Exploration at AIC's existing projects	4.3	8.0

Source of funds	\$ million	Use of funds	Min Capital Raise \$ million	Max Capital Raise \$ million
		Fees and costs related to the Proposed Acquisition and the Capital Raising	3.2	3.8
Total sources	34.3 - 44.3	Total uses	34.3	44.3

Source: AIC's ASX announcement on 31 August 2021

4.3 Capital structure and Shareholder approvals sought

The Company is seeking shareholder approval pursuant to Item 7 s611 of the Corporations Act for FMR to acquire up to a maximum of 29.9% of AIC's issued capital following the Proposed Transaction. As at the date of our Report, Bremerton Pty Ltd as trustee for the Bartlett Family Fund (an associate of FMR) has an existing interest in 250,000 shares in AIC.

Based on the \$30 million minimum and \$40 million maximum Capital Raising being contemplated, the indicative capital structure of AIC showing FMR's interest following the Proposed Transaction is outlined below.

Capital structure	\$30 million Capital Raising			\$40 million Capital Raising		
	FMR	Other Shareholders	Total	FMR	Other Shareholders	Total
Number of Shares on issue prior to the Proposed Transaction	250,000	68,465,018	68,715,018	250,000	68,465,018	68,715,018
% holdings prior to the Proposed Transaction	0.4%	99.6%	100.0%	0.4%	99.6%	100.0%
Capital Raising	-	120,000,000	120,000,000	-	160,000,000	160,000,000
Issued Shares following the Capital Raising	250,000	188,465,018	188,715,018	250,000	228,465,018	228,715,018
% holdings following the Capital Raising	0.1%	99.9%	100.0%	0.1%	99.9%	100.0%
Consideration Shares issued to FMR	80,000,000	-	80,000,000	80,000,000	-	80,000,000
Issued Shares following the Proposed Transaction	80,250,000	188,465,018	268,715,018	80,250,000	228,465,018	308,715,018
% holdings following the Proposed Transaction	29.9%	70.1%	100.0%	26.0%	74.0%	100.0%

Source: BDO analysis

As the table above indicates, following the Proposed Transaction, FMR will own a maximum of 29.9% of AIC's issued capital under the minimum \$30 million Capital Raising, reducing to 26.0% of AIC's issued capital under the maximum \$40 million Capital Raising. The above is based on an issue price under the Capital Raising and Consideration Shares of \$0.25 per AIC share. We note that the approval levels being sought represent the maximum holdings of FMR under the two capital raising scenarios and therefore these approval levels are on the basis that the vested performance rights that are held by Mr Aaron Colleran are not converted to ordinary shares. Furthermore, we note that given the uncertainty around the level of participation by existing shareholders in the Capital Raising and the extent to which the Capital Raising will be taken up by new shareholders, the dilution calculations in our Report represent the total holdings of Shareholders (being new and existing shareholders not associated with FMR).

The Proposed Acquisition will also constitute a change to the nature and scale of the Company's activities and will therefore require Shareholder approval under Chapter 11 of the ASX Listing Rules. AIC will

convene an extraordinary general meeting to facilitate shareholder approval for matters in respect of the Proposed Transaction including:

- The change in scale and nature of the Company's activities;
- The issue of AIC share to FMR (Item 7, s611 approval); and
- The issue of AIC shares in connection with the Capital Raising.

5. Profile of AIC

5.1 History

AIC is an Australian exploration company listed on the ASX. The Company's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition. AIC was formed following a merger of AIC Resources Limited ('AIC Resources') and Intrepid Mines Limited ('Intrepid') in 2019.

AIC currently has two key projects both located in WA: the Marymia exploration project ('Marymia Project') located in the eastern Gascoyne region, and the Lamil exploration joint venture ('Lamil Project') located in the Paterson Province. Aside from these projects, AIC also holds shares in listed mining companies Gold79 Mines Limited ('Gold79'), Ausgold Resources Limited ('Ausgold') and Rumble Resources Limited ('Rumble Resources') as well as unlisted options over shares in Kalium Lakes Limited ('KLL').

The current directors of AIC are:

- Josef El-Raghy - Non-Executive Chairperson;
- Aaron Colleran - Managing Director and Chief Executive Officer;
- Brett Montgomery - Non-Executive Director; and
- Tony Wolfe - Non-Executive Director.

5.2 The Marymia Project

The Marymia Project is prospective for both copper and gold. The project is located approximately 160 kilometres south of Newman in the eastern Gascoyne region of Western Australia and covers approximately 3,600 square kilometres ('km²'). It is located within trucking distance of the Plutonic Gold Mine and the Degussa Copper Mine, owned by Superior Gold Inc and Sandfire Resources, respectively.

Tenements under the Marymia Project are mostly 100% held by AIC although two are a joint venture ('JV') ownership interest. The Doolgunna JV is a JV with Ausgold which allows AIC to earn up to an 80% interest in tenement E52/3031 by spending a minimum of \$2.15 million over four years ('Doolgunna JV'), while the Curara Well JV is with Venus Metals Corporation Limited ('Venus Metals') and provides AIC with an 80% interest in seven tenements ('Curara Well JV').

In the case of the Curara Well JV, Venus Metals is now free carried through to a decision to mine, at which point Venus Metals can either elect to contribute to ongoing expenditure or withdraw from the JV and receive a 1.5% net smelter royalty in respect of any production from the Curara Well JV.

5.3 The Lamil Project

The Lamil Project comprises two Exploration Licences (E45/5270 and E45/5271) and covers an area of 1,280km². The Lamil Project is prospective for copper and gold. It is approximately 90km in length and is located midway between the Telfer Gold-Copper Mine owned by Newcrest Mining Limited, and the Nifty Copper Mine owned by Metals X Limited. A maiden drill campaign was completed at the Lamil Project in 2020.

AIC's interest in the Lamil Project is through an earn-in and exploration joint venture agreement with Rumble Resources entered into in July 2019, under which AIC can earn a 50% interest by spending \$6 million over a four year period. Upon meeting the minimum expenditure requirement and acquiring a 50% interest, AIC will subscribe for further shares in Rumble Resources to a value of \$250,000 (based on the 30 day volume weighted average price ('VWAP') of Rumble Resources) and AIC will issue to Rumble shares in AIC to a total value of \$250,000 (based on the 30 day VWAP of AIC) for nil cash consideration. Thereafter, AIC can earn a further 15% (to a total of 65%) by spending \$4 million over a one year period if Rumble Resources elects not to commence contributing. As at 30 June 2021, AIC has spent approximately \$3.8 million at the Lamil Project. During these earn in periods, AIC is the manager of the Lamil Project.

5.4 Recent corporate events

In February 2019, AIC Resources Limited entered into a takeover implementation deed to acquire Intrepid Mines Limited in a reverse merger transaction. Intrepid offered 1 share for every 2 AIC Resources shares and existing AIC Resources shareholders ended up owning approximately 73% of the combined entity. The merged entity then renamed to AIC Mines Limited.

In July 2020, the Company completed an equity raising of approximately \$4.7 million consisting of \$2.6 million via a two tranche placement and \$2.1 million via a 1 for 7 non-renounceable entitlement offer. The offer price was \$0.28 per AIC share and the proceeds were targeted for funding the aforementioned drilling program at the Lamil Project, as well as to develop the Marymia Project and to assess potential acquisitions.

5.5 Historical Statements of Financial Position

Statement of Financial Position	Reviewed as at 30-Jun-21 \$'000	Audited as at 31-Dec-20 \$'000	Audited as at 31-Dec-19 \$'000
CURRENT ASSETS			
Cash and cash equivalents	4,285	5,066	5,422
Prepayments	539	243	192
Trade and other receivables	144	368	94
Financial assets at fair value through profit and loss	2,175	2,566	4,509
TOTAL CURRENT ASSETS	7,143	8,243	10,217
NON-CURRENT ASSETS			
Capitalised exploration and evaluation expenditure	1,653	1,653	1,643
Plant and equipment	26	39	46
TOTAL NON-CURRENT ASSETS	1,679	1,692	1,689
TOTAL ASSETS	8,822	9,935	11,906
CURRENT LIABILITIES			
Trade and other payables	652	1,083	758
Employee provisions	148	136	68

Statement of Financial Position	Reviewed as at 30-Jun-21 \$'000	Audited as at 31-Dec-20 \$'000	Audited as at 31-Dec-19 \$'000
TOTAL CURRENT LIABILITIES	800	1,219	826
TOTAL LIABILITIES	800	1,219	826
NET ASSETS	8,022	8,716	11,080
EQUITY			
Contributed equity	25,868	25,868	21,515
Share based payments reserve	773	692	572
Accumulated losses	(18,619)	(17,844)	(11,007)
TOTAL EQUITY	8,022	8,716	11,080

Source: AIC's financial reports for the half-year ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019.

- Over the half-year to 30 June 2021, cash and cash equivalents decreased by approximately \$0.78 million primarily due to payments for exploration and evaluation activities (\$2.48 million) and payments to suppliers, employees and contractors (\$0.64 million). These were partially offset by proceeds from the sale of the Company's investments in the listed shares of KLL and Rumble Resources.
- Financial assets at fair value through profit and loss of \$2.18 million at 30 June 2021 comprise shares and options in ASX-listed entities as set out in the table below.

Financial assets at fair value through profit and loss	Reviewed as at 30-Jun-21 \$'000	Audited as at 31-Dec-20 \$'000
Listed shares in KLL	-	975
Unlisted options over shares in KLL	395	282
Listed shares in Ausgold	760	830
Listed shares in Rumble Resources	1,020	479
Total financial assets at fair value through profit and loss	2,175	2,566

Source: AIC's financial report for the half-year ended 30 June 2021

5.6 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 30-Jun-21 \$'000	Audited for the year ended 31-Dec-20 \$'000	Audited for the year ended 31-Dec-19 \$'000
Interest income	4	32	429
Other	48	220	3
Other income	52	252	432
Directors', employee and consultant benefits expenses	(403)	(789)	(690)
Corporate and administration expenses	(318)	(760)	(1,282)
Exploration and evaluation costs	(1,788)	(4,249)	(1,659)
Depreciation expense	(16)	(35)	(84)
Fair value gain/(loss) on financial assets	1,779	(1,136)	1,268
Gain/(loss) on sale of property, plant & equipment	-	-	2
Share based payment expense	(81)	(120)	(572)
Impairment of deferred consideration receivable	-	-	(5,696)

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 30-Jun-21 \$'000	Audited for the year ended 31-Dec-20 \$'000	Audited for the year ended 31-Dec-19 \$'000
Foreign exchange gain/(loss)	-	-	116
Loss before income tax	(775)	(6,837)	(8,165)
Income tax benefit	-	-	-
Loss for the year from continuing operations	(775)	(6,837)	(8,165)
Other comprehensive income	-	-	-
Total comprehensive loss for the year, net of tax	(775)	(6,837)	(8,165)

Source: AIC's financial reports for the half-year ended 30 June 2021 and for the years ended 31 December 2020 and 31 December 2019.

- Included in other income for the year ended 31 December 2020 is \$0.12 million in government grant income from the Exploration Incentive Scheme program relating to the Lamil Project and \$0.10 million in COVID-related government grants.
- Corporate and administration expenses were higher for the year ended 31 December 2019 compared to 31 December 2020, reflecting the increased compliance costs in respect of the Company's merger and associated stamp duty charges as outlined in the table below.

Corporate and administration expenses	Audited for the year ended 31-Dec-20 \$'000	Audited for the year ended 31-Dec-19 \$'000
Compliance (audit, legal fees, registry, ASX etc.)	297	695
Stamp duty and merger costs	-	212
Business development	183	191
Office rent	46	38
Other	234	146
Total corporate and administration expenses	760	1,282

Source: AIC's 2020 Annual Report

- Exploration and evaluation costs increased for the year ended 31 December 2020 compared to the prior year reflecting the maiden drilling program at the Lamil Project which commenced during the year.
- The fair value gain on financial assets of \$1.78 million during the half year ended 30 June 2021 was primarily due to both realised and unrealised gains of AIC's investment in listed shares of Rumble Resources and a realised gain from the sale of the Company's shares in KLL.
- The impairment of deferred consideration receivable of approximately \$5.7 million during the year ended 31 December 2019 related to a previous share sale agreement with Vulcan Copper Limited ('Vulcan') in respect of the Company's former interests in the Mumbwa and Kitumba Copper projects in Zambia. Vulcan failed to make repayments and interest due on the deferred consideration and consequently AIC fully impaired the asset during the year ended 31 December 2019. The Company continues to consider its options to recover value from this transaction. During the June 2021 quarter, the mining licence at the Kitumba Copper project was reinstated, resulting in a number of new parties expressing interest in acquiring or funding it. This is currently being pursued by AIC.

5.7 Capital Structure

The share structure of AIC as at 31 July 2021 is outlined below:

	Number
Total ordinary shares on issue	68,715,018
Top 20 shareholders	42,830,861
Top 20 shareholders - % of shares on issue	62.33%

Source: Shareholder registry data provided by AIC

The range of shares held in AIC as at 31 July 2021 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	231	63,062	0.09%
1,001 - 5,000	365	922,146	1.34%
5,001 - 10,000	106	834,482	1.21%
10,001 - 100,000	271	8,820,228	12.84%
100,001 - and over	79	58,075,100	84.52%
TOTAL	1,052	68,715,018	100.00%

Source: Shareholder registry data provided by AIC

The ordinary shares held by the most significant shareholders as at 31 July 2021 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Nordana Pty Ltd; El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	13,174,710	19.17%
Brahman Pure alpha Pte Ltd and Brahman Capital Management Pte Ltd	5,347,665	7.78%
Gold Elegant (HK) Investment Limited	4,100,001	5.97%
Subtotal	22,622,376	32.92%
Others	46,092,642	67.08%
Total ordinary shares on Issue	68,715,018	100.00%

Source: Shareholder registry data provided by AIC

As at 31 July 2021 there are no AIC options on issue, however the following performance rights are on issue:

Description	Vesting period ends	No. of rights
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.30 or more (<u>vested on 3 August 2019</u>)	11-Feb-21	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.40 or more (<u>vested on 26 August 2019</u>)	11-Feb-22	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more	04-Oct-22	250,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more	11-Feb-23	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more	01-Dec-23	650,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more	30-Jul-24	250,000
Total number of performance rights		7,150,000

Source: AIC management

We note from the table above that there are a total of 4,000,000 performance rights that have already vested but remain unexercised. These performance rights are held by AIC's Executive Director, Mr Aaron Colleran. The remaining unvested performance rights are held by employees and Mr Aaron Colleran. Upon a change of control transaction, the Board of AIC has discretion to determine that all or a specified number of the performance rights vest and become exercisable. AIC has advised us that, for the purposes of assessing the vesting of the performance rights, its Board does not consider the Proposed Transaction to be a change of control event and therefore the performance rights are unlikely to vest, should the Proposed Transaction be approved.

6. Profile of the Eloise Mine

The Eloise Mine is located approximately 60km south-east of Cloncurry in northwest Queensland, Australia and is accessible by sealed road along the Landsborough Highway. The Eloise Mine commenced operations in 1996, with FMR acquiring the project in 2004 from Amalg Resources NL ('Amalg Resources').

Current operations consist of an underground mine accessed via decline and a 750,000 tonnes per annum processing facility producing approximately 40,000 dry metric tonnes per annum of copper concentrate with contained gold and silver by-products. The tenement package being acquired consists of four mining leases over an area of 5km² and includes infrastructure such as offices, warehouse, accommodation village, airstrip, bore field and diesel generators with 12 megawatts total generating capacity.

The four mining leases are:

- ML90064 (expiring 31 August 2025);
- ML90080 (expiring 31 December 2021, renewal has been lodged);
- ML90086 (expiring 31 March 2022); and
- ML90155 (expiring 31 October 2026).

The Eloise Mine has operated on a continuous basis since commencement, other than for a period of care and maintenance from late 2008 to early 2011 due to the impact that the global financial crisis had on copper prices and again in 2019 when the Eloise Mine was temporarily shut down amid a closure order issued due to non-compliance of air-blast management in sub-level cave activities. Further information on this can be found in the SRK report.

The Eloise Mine was initially discovered by BHP Group Limited ('BHP') in 1986 via drilling of magnetic highs which prompted BHP to conduct resource definition and extensional drilling. The project was briefly optioned to Mount Isa Mines Limited ('MIM'), before MIM subsequently declined to exercise its option and the deposit was sold to Amalg Resources in 1994. The first ore was mined at the Eloise Mine in April 1996 and the mine was under Amalg Resources ownership until being sold in 2004 to Barmenco Investments Pty Ltd ('Barmenco'), now known as FMR Investments Pty Ltd. As at April 2021, the Eloise Mine had produced the following over the complete life of its mine to-date:

- 12.5 million tonnes ('mt') at 2.8% copper and 0.8 grams per tonne of milled ore ('g/t') gold for 339 kilotonnes ('kt') copper and 167 kilo ounces ('koz') gold.

An exploration program performed in 2017, led to the discovery of both the Macy and Emerson deposits. These discoveries provided FMR with the catalyst to commission CSA Global Pty Ltd ('CSA') to prepare an updated Mineral Resource Estimate ('MRE'). In addition to the MRE commissioned in 2018, an updated MRE was performed by CSA in February 2019. The updated MRE in February 2019 confirmed that 57% of the

Resource as being classified as Indicated, providing a higher degree of confidence compared to previous estimates.

Historically, the Eloise Mine operated on a resource base capable of supporting a two-year mine plan, as diamond drilling was only sufficient to drill out between 12 and 15 months production. The continuous short mine life was also the result of capital constraints under FMR ownership. FMR had aimed to keep the project cash flow positive which has created strict expenditure restrictions resulting in minimal exploration expenditure.

However, a renewed focus on exploration that had led to the discovery of the Macy and Emerson deposits, combined with results from the updated MRE in February 2019, allowed for a more robust longer-term approach to be adopted to planning. The February 2019 MRE had supported a five-year mine plan before considering further exploration success. The February 2019 MRE was estimated at 5.4 Mt ore grading 2.8% copper, 0.8 g/t gold and 13 g/t silver:

- 3.15 Mt Indicated Resource graded at 2.4% copper, 0.7g/t gold and 11.0 g/t silver; and
- 2.26 Mt Inferred Resource graded at 3.3% copper, 0.9 g/t gold and 14.0 g/t silver.

The February 2019 MRE equated to contained metal content of 152,000t copper, 137,000 oz gold and 2.18 million oz of silver.

As FMR is a private company, it is not required to report JORC Reserves or Resources. An updated Life-of-Mine ('LOM') design was completed by FMR in June 2021. This evaluated the mineral inventory in several deposits including Macy, Chloe and Levuka and Deeps.

Based on the updated June 2021 LOM design, FMR has reported a MRE under JORC 2012 which included a maiden Ore Reserve Estimate. FMR's MRE estimated 2.70 Mt ore grading at 2.43% copper, 0.69 g/t gold and 10.55 g/t silver and includes the Indicated and Inferred Resources:

- 1.31 Mt Indicated Mineral Resource graded at 2.49% copper, 0.68 g/t gold and 9.64 g/t silver; and
- 1.39 Mt Inferred Mineral Resource graded at 2.38% copper, 0.71 g/t gold and 11.42 g/t silver.

The maiden Ore Reserve Estimate was estimated as:

- 1.42 Mt Probable Ore Reserves graded at 2.13% copper, 0.58 g/t gold and 8.26 g/t silver.

The reduction in the total Mineral Resource from 5.4 Mt of material in 2019 to 2.7 Mt in 2021 is a result of the use of a stricter criteria for assessing economic feasibility of extraction. Further details are contained in the Independent Specialist Report prepared by SRK Consulting (Australasia) Pty Ltd ('SRK') (see Appendix 3).

If the Proposed Transaction is approved, AIC intends to review the MRE and procedures during the second half of 2021 with the intent of reporting an updated MRE at 31 December 2021. Another objective will be to convert the mineral inventory located within or near the historical workings, which will be used to define the potential for remnant ore mining.

6.1 Historical Statements of Financial Position

The Eloise Mine is not a reporting entity, however financial statements for the financial year ended 30 June 2021 (which includes a comparative period) have been prepared and have been audited by HLB Mann Judd. We have extracted the historical balance sheet and statement of profit or loss for the Eloise Mine from the financial statements and these are summarised below and in Section 6.2.

Statement of Financial Position	Audited as at 30-Jun-21 \$'000	Audited as at 30-Jun-20 \$'000
CURRENT ASSETS		
Cash assets	4,886	7,009
Receivables	67,022	28,763
Inventories	10,475	5,003
TOTAL CURRENT ASSETS	82,383	40,775
NON CURRENT ASSETS		
Property plant and equipment	21,073	22,923
TOTAL NON-CURRENT ASSETS	21,073	22,923
TOTAL ASSETS	103,456	63,698
CURRENT LIABILITIES		
Payables	12,586	7,454
Borrowings	2,922	3,906
Provisions	883	921
TOTAL CURRENT LIABILITIES	16,391	12,281
NON-CURRENT LIABILITIES		
Borrowings	1,409	4,331
Provisions	7,825	7,839
TOTAL NON-CURRENT LIABILITIES	9,234	12,170
TOTAL LIABILITIES	25,625	24,451
NET ASSETS	77,831	39,247
EQUITY		
Contributed by owners	130,056	110,415
Accumulated losses	(52,225)	(71,168)
TOTAL EQUITY	77,831	39,247

Source: Audited financial statements of the Eloise Mine for the year ended 30 June 2021

- The inventories balance amounting to \$10.48 million at 30 June 2021 comprises consumable and copper concentrate inventories.
- The property, plant and equipment balance of \$21.07 million at 30 June 2021 primarily consists of plant and equipment of \$20.33 million as mine capital expenditure, buildings and motor vehicles have largely been fully depreciated. The breakdown of property, plant and equipment is tabulated below.

Property, plant and equipment	Audited as at 30-Jun-21 \$'000	Audited as at 30-Jun-20 \$'000
Plant and equipment - at cost	91,861	99,773
Less: accumulated depreciation	(71,534)	(77,676)
	20,327	22,097
Mine capital expenditure - at cost	9,850	9,850
Less: accumulated depreciation	(9,850)	(9,850)

Property, plant and equipment	Audited as at 30-Jun-21 \$'000	Audited as at 30-Jun-20 \$'000
	-	-
Buildings - at cost	8,149	8,149
Less: accumulated depreciation	(7,403)	(7,323)
	746	826
Motor vehicles - at cost	319	319
Less: accumulated depreciation	(319)	(319)
	-	-
Total property, plant and equipment	21,073	22,923

Source: Audited financial statements of the Eloise Mine for the year ended 30 June 2021

- Both current and non-current borrowings relate to hire purchase liabilities for mining equipment.
- The current provisions balance of \$0.88 million at 30 June 2021 relates to employee-related provisions. The non-current provisions balance primarily comprises \$7.55 million in rehabilitation provision for the Eloise Mine, with the rest relating to employee long service leave provisions.

6.2 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-21 \$'000	Audited for the year ended 30-Jun-20 \$'000
Revenue from ordinary activities	132,928	83,187
Changes in inventories	5,403	(777)
Raw materials and consumables used	(44,745)	(40,806)
Employee benefits expense	(21,468)	(19,970)
Depreciation and amortisation expense	(8,941)	(9,205)
Contractors and consultants expenses	(17,321)	(8,615)
Borrowing costs	(220)	(822)
Other expenses from ordinary activities	(26,693)	(18,479)
Net profit/(loss)	18,943	(15,487)
Other comprehensive income	-	-
Total Comprehensive Income/(Loss)	18,943	(15,487)

Source: Audited financial statements of the Eloise Mine for the year ended 30 June 2021

- The increase in revenue from ordinary activities was primarily driven by higher copper sales (from \$48.88 million in the financial year ended 30 June 2020 to \$74.64 million in the financial year ended 30 June 2021), largely reflecting the higher copper price environment during that period and increased production of concentrate compared to the prior year.

- Contractors and consultants' expenses rose from \$8.62 million for the year ended 30 June 2020 to \$17.32 million for the year ended 30 June 2021 as a result of increased mining and drilling activities at the Eloise Mine.
- The net loss incurred for the year ended 30 June 2020 was a result of lower copper prices (with the price of copper falling from above the United States Dollars ('US\$' or 'USD') US\$6,000/t level to under US\$5,000/t during January 2020 to March 2020) and a suspension of the Eloise Mine operations from November 2019 to January 2020 to complete works to improve controls around managing the risk of any potential air blasts at the top of the sub-level cave.

7. Economic analysis

As AIC's existing projects and the Eloise Mine are both based in Australia, we have presented an overview of the economic environment in Australia.

Overview

The Australian economy contracted by 1.1% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020, however both have risen since. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months financial conditions have improved and remained accommodative due to the successful development of COVID vaccines, historically low interest rates and asset prices, including housing prices, mostly increasing. The expectation that significant fiscal and monetary stimulus will be provided for an extended period, is supporting sentiment in financial markets.

Prior to the Delta outbreak the Australian economy was gathering momentum with GDP increasing by 0.7 per cent in the June quarter and by nearly 10 per cent over the year. Business investment was increasing and the labour market had strengthened. The unemployment rate had fallen below 5 per cent and job vacancies were at a high level.

The recovery in the Australian economy has, however, been interrupted by the Delta outbreak and the associated restrictions on activity. GDP is expected to decline materially in the September quarter and the unemployment rate is expected to increase over coming months. While the outbreak is affecting most parts of the economy, the impact is uneven, with some areas facing very difficult conditions while others are continuing to grow strongly. This poses a risk to AIC's operation of the Eloise Mine as further lockdowns and travel restrictions may impact the Company's ability to staff its operations.

This setback to the economic expansion is expected to be only temporary, with the Delta outbreak expected to delay, but not derail, the recovery. As vaccination rates increase further and restrictions are eased, it is expected that the economy will recover as it has in the past.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID, totalling \$507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the \$101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide.

In mid-March 2020, the Reserve Bank of Australia ('RBA') introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce the target on the 3-year government bond yield to 0.25%. Subsequently, in November 2020, the RBA further reduced the cash rate and the target on the 3-year government bond yield to 0.10% and announced a program to purchase \$100 billion of government bonds over the next six months.

After its February 2021 meeting, the RBA decided to purchase an additional \$100 billion of government bonds. Following the completion of the second \$100 billion government bond purchase in September, the board will continue to purchase longer-term bonds at a slower rate of \$4 billion a week until mid-November.

Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until at least 2024.

In addition, the RBA introduced a three-year Term Funding Facility ('TFF') which was provided for authorised deposit-taking institutions ('ADIs'), such as commercial banks, unlocking access to additional funding, equivalent to approximately 3% of their outstanding credit, at a fixed rate of 0.10% per annum to 30 June 2021. In late June, the final drawdowns were made, with a total of \$188 billion being drawn to support the highly liquid Australian banking system. Given the TFF provides funding for 3 years, it will continue to support low funding costs in Australia until mid-2024.

The 2020-21 Federal Budget provided an additional \$98 billion of response and recovery support in the form of a \$74 billion new JobMaker Plan and \$25 billion in additional temporary and targeted support under the COVID-19 Response Package.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to grow by approximately 4% over 2022 and 2.5% over 2023. The RBA's August 2021 Statement on Monetary Policy outlined the strong performance of the Australian economy, however it noted that current outbreaks of the virus are interrupting the recovery of GDP. The outlook for investment has improved as household and business balance sheets are generally in good shape. National income is also being supported by strong commodity prices whilst minor depreciations in the exchange rate have supported domestic financial conditions.

Following a quarterly decline in the Consumer Price Index ('CPI') inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded, with the CPI inflation rate at 3.8% for the year to 30 June 2021. The rebound was supported by the rise in automotive fuel prices, as global demand began to recover, growing 8.7% in the March 2021 quarter and the annual excise tax increase of 12.5% on tobacco. Some investors view gold as a hedge against inflation and its appeal increases when there are concerns of rising inflation.

The COVID outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in June 2020, the highest rate in more than two decades. However, since June 2020, the unemployment rate has declined to 4.9% as of June 2021 and remains lower than the pre-pandemic levels of 5.2% in March 2020. There has been a welcome decline in underemployment and labour force participation is nearing record highs. Job vacancies are high, and more firms are reporting shortages of labour, particularly in areas affected by the closure of international borders. The RBA expects the unemployment rate to be around 4.25% at the end of 2022, declining gradually to 4% by the end of 2023.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at August 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months, as well as an increase in the demand for Australian commodity exports.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near-term outlook of the Australian economy with the outcome dependent both on the health situation, containment measures and ongoing fiscal and monetary policy support. Slow vaccine rollouts and further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook. While uncertainty exists, the RBA is predicting GDP growth of 4% over 2022 and 2.5% over 2023, based on a significant share of the Australian population being vaccinated by the end of 2021 and a gradual opening up of the international border from the middle of 2022.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 7 September 2021 and prior periods, www.abs.gov.au Consumer Price Index March 2021 and prior periods, Australian Government 2020-21 Budget Overview.

8. Industry analysis

AIC operates in the copper and gold exploration industries and the Eloise Mine is primarily expected to produce a copper concentrate. As such, we have presented an industry analysis on the Australian exploration sector, as well as an industry analysis on the copper and gold mining industries.

8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2021 identified positive signs for the exploration sector, with investment and exploration activity growing for a fourth consecutive quarter.

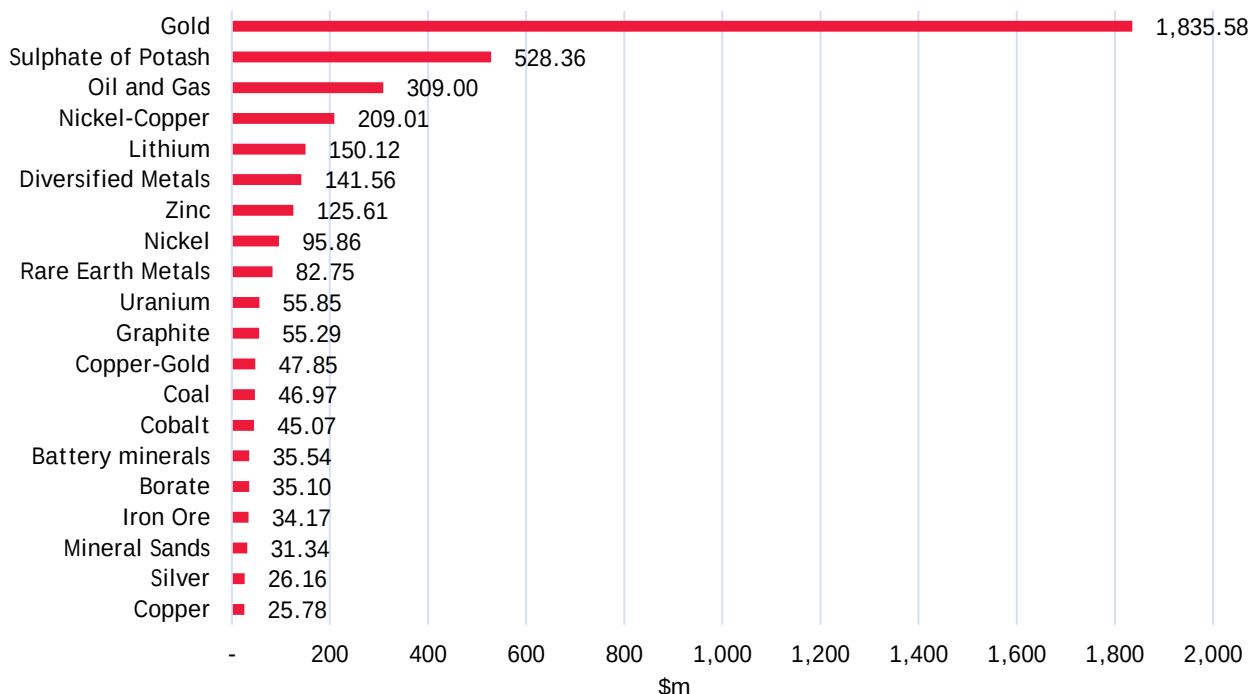
Financing inflows continued to grow in the March 2021 quarter with explorers raising a total of \$2.37 billion in funds. This represents a 7% increase since the December 2020 quarter, but also highlights the stark contrast between the start of COVID and the present day, with financing inflows being 184% more than they were in the March 2020 quarter, suggesting that economic confidence within the sector is improving. Whilst the total financing funds raised showed a slight increase, there is some evidence to suggest that the frequency of capital raises in the sector had slowed in the March quarter, which implies that the 7% growth was mainly attributed to several large raises within the sector.

The funnelling of capital towards battery minerals and clean energy companies is in line with growing Environmental, Social and Governance initiatives including global trends of rising electric vehicle ('EV') adoption and lower carbon emission targets. Investors have certainly appeared to tailor their preference in line with these trends and Australian battery minerals explorers have appeared to capitalise on this opportunity to raise funds for their advancement of operations.

Copper-gold explorers have benefitted from the increase in copper prices driven by a bullish outlook on battery minerals, but also by the push for clean, renewable energy as a whole. The demand for copper is also benefitting from an increased adoption in EVs, in which copper is required in the typical EV battery. BDO expects that copper and other battery minerals explorers will be favoured in the next few years, with already a number of observed copper explorer initial public offerings in the pipeline.

However, as shown in the chart below for the calendar year 2020, gold finished as the leading commodity, with more funds having been raised in relation to gold projects than all other commodities combined.

Financing Inflow by Commodity - Calendar Year 2020



Source: BDO analysis

Cash balances across the sector also strengthened in the March 2021 quarter, with 80% of companies recording a cash balance of \$1 million or more, the highest BDO has seen since 2013.

Over the March 2021 quarter, exploration expenditure experienced a small decrease of 6%, which may be due to the limited availability of resources, particularly in relation to drilling services and assay testing. This could in turn have an inflationary effect on exploration costs going forward.

Investment expenditure (when adjusted for a significant outlier in the December 2020 quarter) appeared to hold relatively steady with a slight increase of 7%. This was already after an adjusted 164% increase since the September quarter of 2020, indicating that confidence to acquire new tenements and equipment had returned to the sector.

Source: BDO Explorer Quarterly Cash Update: March 2021.

8.2 Copper

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and its resistance to corrosion. It is highly versatile and has a variety of applications in construction, electrical and electronic components, communications and transportation.

Copper occurs naturally in the Earth's crust in a variety of forms such as sulphide deposits, carbonate deposits and silicate deposits. Open pit mining is widely utilised in most copper producing countries although in Australia, approximately 93% of output is extracted through underground mining. Copper is often found in conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

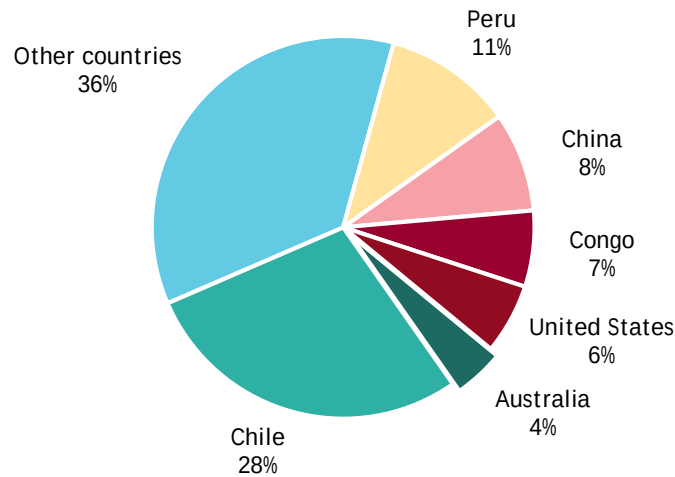
Copper concentrate is derived from an oxide through beneficiation processes and is then converted to copper products through smelting and refining. Copper is also 100% recyclable and approximately 80% of the copper ever produced is still in use today.

Copper Production

Most of the world's copper supply is sourced from Central and South America, specifically, Chile and Peru. Chile is the leading copper producer, with an estimated 5.70Mt of copper mined throughout 2020, equating to approximately 28% of the world copper production. The International Copper Study Group ('ICGS') expects global copper production to grow by approximately 4.5% in 2021, after falling by approximately 1.5% in 2020. The ICGS expects sustained copper demand to continue due to the importance of the commodity in infrastructure development and modern technology.

The graph below exhibits estimated production output for 2020, according to the United States Geological Survey ('USGS'):

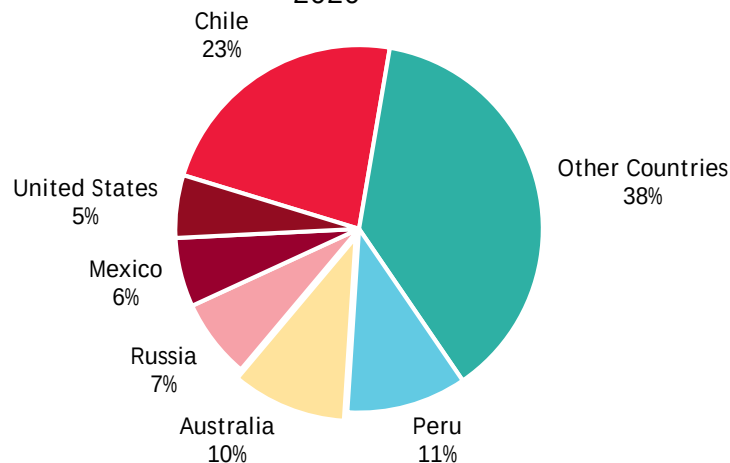
Copper Production by Country 2020



Source: 2021 USGS and BDO analysis

Australia's copper reserves are second only to Chile's according to the USGS. As depicted in the chart below, Chile, Australia and Peru are estimated to collectively account for just over 40% of global reserves of copper.

Copper Reserves by Country 2020



Source: 2021 USGS and BDO analysis

Copper Prices

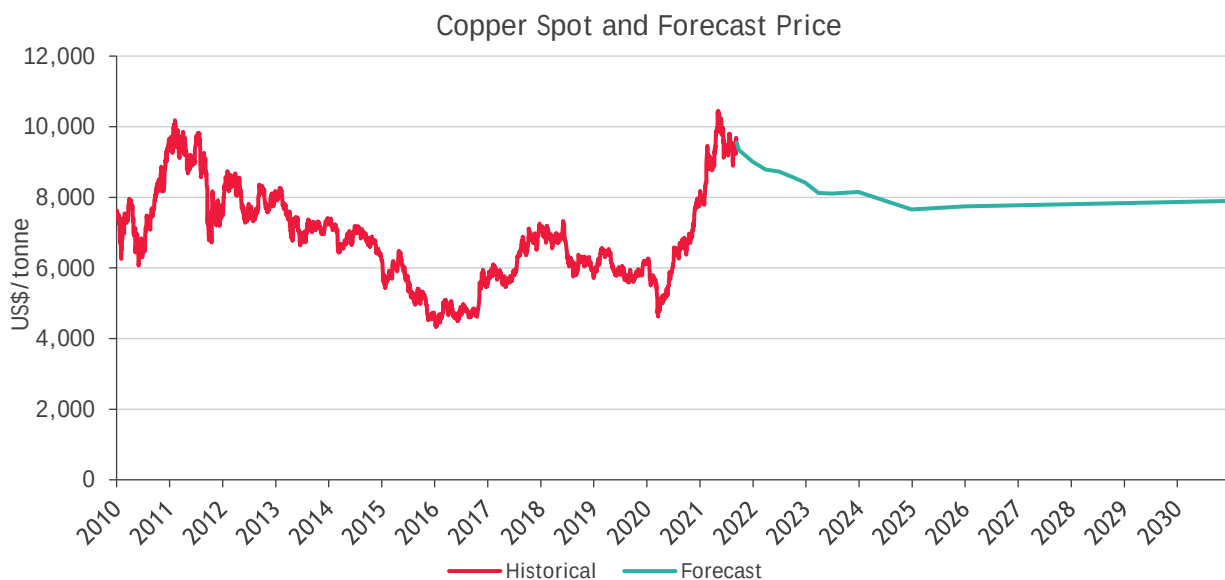
Following a deterioration in global economic conditions in 2008, base metal prices, including copper, fell sharply. The copper price recovered over 2010 and 2011, to reach a high of approximately US\$10,180/t in February 2011. The recovery in the copper price reflected a steady increase in demand for base metals, following a pick-up in global industrial production after the Global Financial Crisis.

Between 2011 and 2017, the copper price steadily declined, before increasing in price in mid-February 2017 as a result of strike action at the world's largest copper mine Escondida, located in Chile. The

average copper price traded around US\$7,000/t for most of 2018 but then traded lower around US\$6,000/t for most of 2019.

Global uncertainty as a result of the COVID pandemic was a key catalyst in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of US\$4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown laws in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of 2020. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to exceed US\$10,000/t in May and June 2021. The price advance stumbled in late June as uncertainties around the global economic outlook began to develop following outbreaks of the Delta-variant of COVID.

A summary of the historical spot price of copper, based on the quoted price on the London Metals Exchange in US\$ per tonne, and forecasts to 2030 (in nominal terms, free on board) are illustrated in the chart below:



Source: Bloomberg and Consensus Economics

Copper Outlook

The ICSG anticipates global mine production to grow by 3.5% in 2021 (after adjusting for historical disruption factors), however this figure is largely dependent on the global ability to control the COVID virus. Output is expected to benefit from a recovery from the constrained operating levels in 2020, and increased supply resulting from the ramp-up of a number of recently commissioned mines and the planned start-up of larger projects within the industry.

The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's modern technological society. Infrastructure development in China and India as well as the trend towards cleaner energy is expected to support demand for the metal. World apparent refined usage is expected to increase by around 0.2% and 3.0% in 2021 and 2022 respectively. Overall, global refined copper balance projections indicate a surplus of about 80,000t for 2021 and 110,000t for 2022, increasing from a deficit of approximately 50,000t on 2020. The actual

market balances will however, be influenced by the ongoing US-China trade issues and strength of the global economy, especially that of China.

As the global economy shifts towards decarbonisation and electrification, it is expected that the demand for copper production will follow. Copper has become synonymous with a low-carbon economy as it is a highly efficient conductor of electricity and heat, and is utilized in renewable energy systems to generate power from solar, hydro, thermal and wind energy across the world. Renewable energy currently provides approximately one quarter of the world's power and is expected to grow, as the Joe Biden administration has set goals for 100% renewable energy in the US power sector by 2035. The International Copper Association ('ICA') forecast that the global copper demand for use in solar and wind energy systems is expected to rise by 56% by 2027, with China being a leading catalyst due to their desired switch to renewable energy systems. The role of copper as a forward-facing metal stems from being one of the few materials that can be recycled 100 percent repeatedly without a loss in performance, as annually nearly as much copper is recovered from recycled materials as is derived from newly mined ore. BHP Group Limited expect that the production of copper must double over the next 30 years to meet the demand.

Copper will also play an instrumental role in the growth of EVs. EVs typically contain four times more copper than traditional gasoline-powered vehicles, however most of the copper demand will result from charging stations and related infrastructure to support EV growth. The demand for EVs is expected to experience significant growth over the next decade, driven by technological improvements, increased affordability, and the deployment of more electric charging stations. As a result, the ICA forecast that by 2030 more than 250,000 tonnes of copper will be used per year as part of the windings in electric traction motors, resulting in an increase in the overall demand for copper in EVs rising from 185,000 tonnes in 2017 to 1.74 million tonnes in 2027.

Source: Consensus Economics, Reuters, Emerging Market Views September 2020, Copper Development Association, International Copper Association, IDTechEx Electric Vehicle Market Factsheet June 2017.

8.3 Gold

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021	Q2 2021
Mine production	2,957	3,164	3,271	3,364	3,512	3,576	3,650	3,597	3,487	859	924
Net producer hedging	(45)	(28)	105	13	38	(26)	(12)	6	(52)	9	(29)
Recycled gold	1,637	1,197	1,132	1,070	1,233	1,111	1,132	1,272	1,278	269	277
Total supply	4,549	4,333	4,508	4,447	4,783	4,661	4,770	4,875	4,713	1,137	1,172

Source: World Gold Council Quarter 2 2021 Statistics, 29 July 2021

Historically, the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crises. Growing uncertainty on the back of the recent COVID outbreak has caused the price of gold to rally, as investors demand the high liquidity that gold provides. The recent increase in the price of gold has positively impacted the gold industry and will continue to do so if economic uncertainty prevails.

The World Gold Council expects that the interplay between financial uncertainty, lower interest rates, weakening global economic growth and gold price volatility will continue to drive gold demand in the near term.

Key external drivers

Global gold prices have a significant impact on the revenue generated by industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders industry growth.

The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by local industry operators. A weaker Australian Dollar benefits the domestic industry by reducing prices in export markets and pushing up domestic prices, likely resulting in higher volumes.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought-after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global GDP growth can therefore have a negative impact on gold demand and the industry. The recent rally in gold prices, which saw it reach a historical high during early August 2020, reflects ongoing easing of global monetary policies, continued geopolitical uncertainty, and the outbreak of COVID-19.

The World Gold Council forecasts gold prices in 2021 to be positive, yet more subdued than the previous year. This may be driven by the recovery of consumer demand relative to 2020 as economic conditions improve. Gold's performance may also be boosted further by a prolonged low interest rate environment which would all but remove the opportunity cost of investing in gold. In addition, the potential for a second wave of COVID-19 remains, which would likely cause a spike in demand for gold as a safe haven asset.

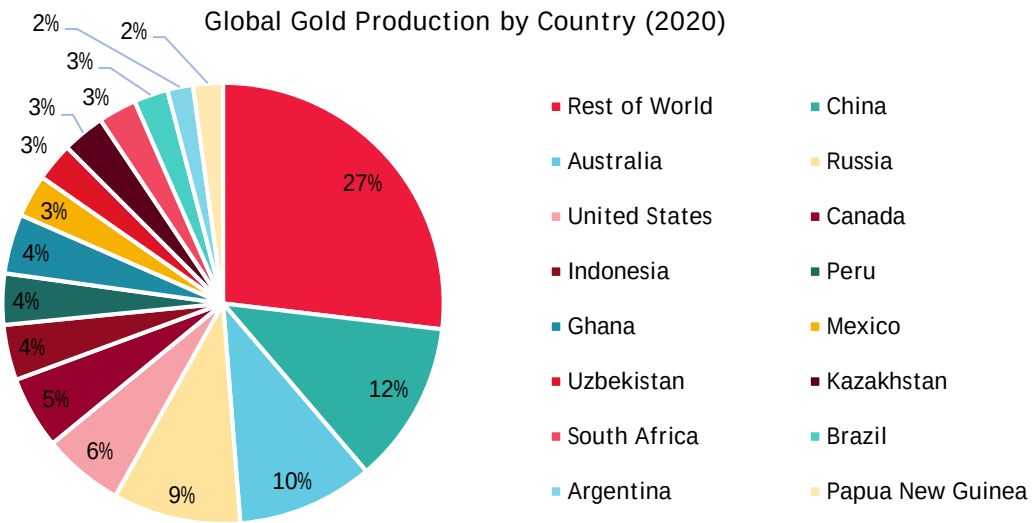
Gold ore mining trends

Gold ore mining is a capital intensive and high-cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the industry has diversified geographically as China and Australia now dominate global gold production. According to the USGS, total estimated global gold ore mined for 2020 was approximately 3,287 metric tonnes. The chart below illustrates the estimated global gold production by country for 2019.

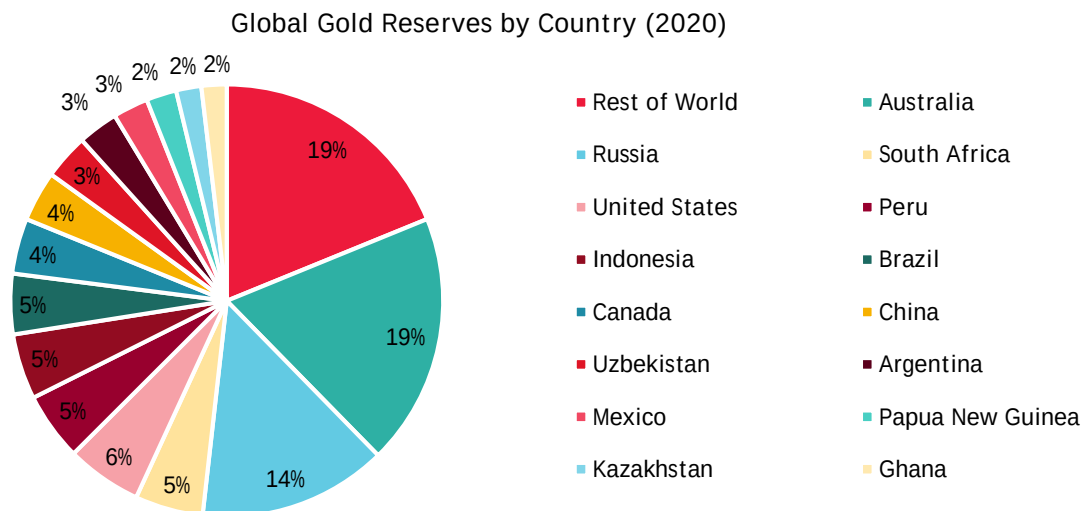
According to the World Gold Council, global gold production fell 4% in 2020 following the effects of COVID-19. The virus led to a number of gold mine closures across the world due to lockdown restrictions imposed by individual countries across the March 2020 quarter. Notably, the production from the world's largest gold producers, including Newmont Corporation, Barrick Gold Corporation, AngloGold Ashanti Limited and Newcrest Mining Limited, had more than halved in the June 2020 quarter to 1.4Moz, down from 2.9Moz in the June 2019 quarter.

The decrease in supply was hardest felt in the Americas region as production fell by 28% in Peru, 18% in Argentina and 15% in Chile. The World Gold Council expects that COVID-19 interruptions to diminish further in 2021, removing a potential headwind to mine production. This is likely to be assisted by a return to growth by the Grasberg mine in Indonesia, the largest producing gold mine in the world, who were responsible for a large fall in mine supply in 2019.



Source: 2021 USGS and BDO analysis

Despite China leading global gold production in 2020, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 38% of global gold reserves.

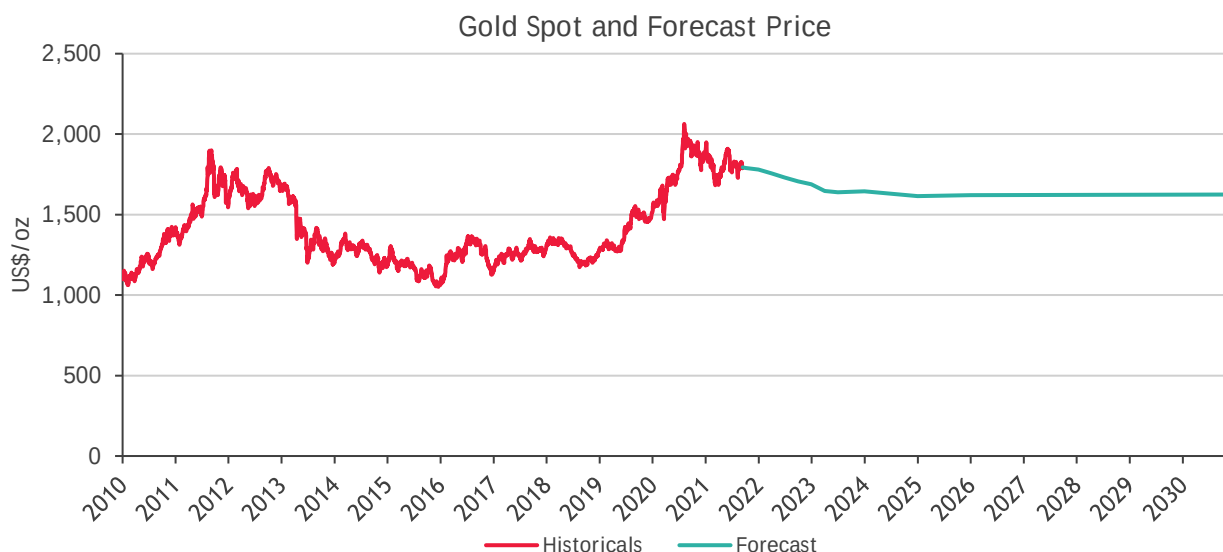


Source: 2021 USGS and BDO analysis.

According to the 2021 USGS, Australia's gold reserves amount to 10,000 tonnes, representing 19% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will grow by an annualised 0.5% over the five-year period through to 2025-26, reaching approximately \$24.4 billion. However, rising production costs due to lower ore quality and higher transportation costs are anticipated to reduce industry profitability over the period.

Gold prices

The gold spot price since 2010 and forecast prices through to 2030 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

The price of gold reached US\$1,900/oz on 5 September 2011, largely due to the debt market crisis in Europe and the Standard and Poor's downgrade of the US credit rating. Global equity markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US\$1,700/oz during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US\$1,051/oz in December 2015.

During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom's exit from the European Union. The price of gold reached US\$1,363/oz in late 2016 before stabilising around US\$1,200 to US\$1,300/oz throughout 2017.

The gold price fluctuated throughout 2018. In January 2018, the gold price strengthened, rising to approximately US\$1,360/oz, spurred on by a weak US dollar. From April 2018 through to August 2018, the price of gold trended downwards. Prices remained flat through August and September of 2018, before increasing in October and November of 2018.

The price of gold declined to US\$1,270 in May 2019, before rallying past US\$1,500 to reach a six year high. Demand for gold was primarily driven by investors looking to avoid US-China trade war uncertainties, while civil unrest in Hong Kong prompted investors to abandon riskier asset classes for safe haven assets. The gold price continued to remain around US\$1,500 throughout October 2019, although it dipped slightly to US\$1,465 in mid-November 2019.

Gold prices have fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of US\$1,471, before rallying. Throughout May and June 2020, prices remained elevated around US\$1,700.

Through early July 2020, gold prices steadily increased to above the US\$1,800 level, before spiking in late July and early August to exceed US\$2,000. The COVID-19 crisis remains the primary driver of the gold

price, as central banks continue to inject trillions of dollars into financial markets and investors further prioritise safe haven assets. Additionally, the availability of cheap money through low global interest rates is further spurring investment in gold. Gold prices reached a record high of approximately US\$2,064 on 6 August 2020, before declining slightly below the US\$2,000 mark through to November 2020. Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900 after remaining in the US\$1,800s through most of December 2020.

During March 2021, the price of gold fell below US\$1,700 for the first time in eight months as rising US treasury yields threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. Demand was also weakened by increased consumer confidence in the gradual reopening of global economies as COVID-19 vaccination rates rise. However, gold has since rebounded as global inflation concerns rose and the US dollar weakened.

According to Consensus Economics forecasts, the price of gold is forecast to decline over the medium term but remain high in comparison to historical levels. This medium-term decline is likely on the back of developments in relation to the uptake of COVID-19 vaccinations as well as stability in the United States following the presidential election of Joe Biden. Future price movements are expected to depend on the duration and severity of the crisis, and its impact on government policies globally.

Source: Bloomberg, Consensus Economics, IBISWorld and Reuters

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('**Sum-of-Parts**') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

In our assessment of the value of an AIC share prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and

- QMP as our secondary methodology to value an AIC share prior to the Proposed Transaction, as this represents the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value and as such we have applied a control premium to this value.

In our assessment of the value of an AIC share following the Proposed Transaction, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary valuation methodology. As discussed previously this methodology reflects a controlling interest hence we have applied a minority interest discount to this; and
- As a cross-check to our DCF value of the Eloise Mine, we have considered an implied resource multiple. We consider a cross check of the DCF valuation to be a suitable cross check of our valuation following the implementation of the Proposed Transaction as the DCF value of Eloise represents the core difference between the valuations of AIC prior to and following the Proposed Transaction.

We have employed the Sum-of-Parts method in estimating the fair market value of AIC both prior to and following the Proposed Transaction by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of AIC's existing mineral assets and exploration properties, as valued by SRK. Further detail of the valuation methodologies employed by SRK can be found in their report contained in Appendix 3;
- Value of the Eloise Mine (used only in the value of AIC following the Proposed Transaction) using the DCF valuation methodology;
- Value of AIC's investments in Gold79, Ausgold and Rumble Resources using the QMP methodology and its unlisted options in KLL using the Black Scholes option valuation model; and
- Value of AIC's other assets and liabilities using the NAV approach, including the impact of the Capital Raising at the minimum and maximum amounts.

We have chosen the following methodologies for the following reasons:

- Following the Proposed Transaction, the core value of AIC will lie in the future cash flows of the Eloise Mine. The cash flows from the Eloise Mine have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation;
- AIC's existing mineral assets, as well as the residual Mineral Resources associated with the Eloise Mine but not included in the DCF valuation ('Residual Resources'), are independently valued by SRK using several valuation methodologies by SRK, as outlined in the report in Appendix 3;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The FME methodology is also not considered appropriate for valuing finite life assets such as mining assets; and
- The QMP basis is a relevant methodology to consider because AIC's shares are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on market. This means that there is a regulated and observable market where AIC's shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed on the Company's activities. We have also applied the QMP basis for the Company's investments in shares of Gold79, Ausgold and Rumble Resources.

Technical Expert

In performing our valuation of the Eloise Mine using the DCF method, we have relied on the Independent Specialist Report prepared by SRK including SRK's review of the technical project assumptions contained within the Eloise Mine cash flow model. Additionally, we have relied on SRK's valuation of the Residual Resources not included in the DCF valuation, further details of which are contained in the Independent Specialist Report.

We are satisfied with the valuation methodologies adopted by SRK, which we consider to be in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and are detailed in the Independent Specialist Report contained in Appendix 3.

10. Valuation of AIC prior to the Proposed Transaction

Our valuation of AIC prior to the Proposed Transaction involves the following:

- Sum-of-Parts method as our primary valuation methodology (Section 10.1); and
- QMP of AIC including a premium for control as our secondary valuation methodology (Section 10.2).

10.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of an AIC share on a control basis prior to the Proposed Transaction, by aggregating the estimated fair market values of its underlying assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Sum-of-Parts Valuation prior to the Proposed Transaction	Note	Reviewed as at 30-Jun-21 \$'000	Low value \$'000	Preferred value \$'000	High value \$'000
CURRENT ASSETS					
Cash and cash equivalents	a	4,285	4,354	4,354	4,354
Prepayments		539	539	539	539
Trade and other receivables		144	144	144	144
Financial assets at fair value through profit and loss	b	2,175	1,541	1,628	1,717
TOTAL CURRENT ASSETS		7,143	6,578	6,665	6,754
NON-CURRENT ASSETS					
Capitalised exploration and evaluation expenditure	c	1,653	4,400	7,300	10,200
Plant and equipment		26	26	26	26
TOTAL NON-CURRENT ASSETS		1,679	4,426	7,326	10,226
TOTAL ASSETS		8,822	11,004	13,991	16,980
CURRENT LIABILITIES					
Trade and other payables		652	652	652	652
Employee provisions		148	148	148	148
TOTAL CURRENT LIABILITIES		800	800	800	800
TOTAL LIABILITIES		800	800	800	800
NET ASSETS		8,022	10,204	13,191	16,180
Number of shares on issue	d		72,715,018	72,715,018	72,715,018
Value per share (\$) (control basis)			\$0.140	\$0.181	\$0.223

Source: BDO analysis

We have assessed the value of an AIC share prior to the Proposed Transaction on a control basis to be in the range of \$0.140 to \$0.223, with a preferred value of \$0.181.

We have been advised that there has not been a significant change in the net assets of AIC since 30 June 2021, other than the adjustments set out in the notes below.

Note a) Cash and cash equivalents

Subsequent to 30 June 2021, AIC:

- sold 674,854 shares in Rumble Resources at an average price of \$0.445 and received net proceeds after brokerage of \$299,000; and
- incurred approximately \$230,000 in transaction costs associated with the Proposed Transaction subsequent to 30 June 2021.

We have adjusted the cash and cash equivalents balance to reflect the impact of these subsequent events in the table below.

Cash and cash equivalents	\$'000
Reviewed cash and cash equivalents balance at 30 June 2021	4,285
Add: net proceeds from sale of shares in Rumble Resources subsequent to 30 June 2021	299
Less: costs in relation to the Proposed Transaction incurred subsequent to 30 June 2021	(230)
Adjusted cash and cash equivalents balance prior to the Proposed Transaction	4,354

The Company's remaining holding in Rumble Resources of 1,250,146 shares is valued separately under note (b) below.

Note b) Financial assets at fair value through profit and loss

AIC holds shares in Gold79, a junior mining company listed on the Toronto Stock Exchange. AIC also holds shares in Ausgold and Rumble Resources, both of which are listed on the ASX. Given that these shares are listed, there is regulated and observable market on which they are traded. Therefore, we have valued AIC's minority interest holdings in these companies using the QMP methodology.

Each company's closing share price on 18 August 2021 (being a date close to the date of our Report) and the VWAP for 10, 30, 60 and 90 day periods to this date is set out in the table below. We have converted Gold79's Canadian Dollar ('CAD') share price into AUD terms using the relevant AUD:CAD historical spot exchange rates as sourced from Bloomberg.

Company		18-Aug-21	10 Days	30 Days	60 Days	90 Days
Gold79	Closing price	\$0.066				
	VWAP		\$0.072	\$0.074	\$0.080	\$0.085
Ausgold	Closing price	\$0.043				
	VWAP		\$0.038	\$0.039	\$0.043	\$0.044
Rumble Resources	Closing price	\$0.435				
	VWAP		\$0.436	\$0.490	\$0.486	\$0.500

Source: Bloomberg

Furthermore, we have considered the size of AIC's investments in each company relative to that company's total shares outstanding and average trading volumes, in assessing whether to apply a discount for lack of marketability, or a premium for control. In each case we concluded that no discount or premium was necessary.

Based on our analysis, we assess the QMP value of each of AIC's share investments to fall in the range shown in the table below.

QMP value of AIC's investments	Low value \$/share	Preferred value \$/share	High value \$/share
QMP value of a Gold79 share (in AUD terms)	\$0.070	\$0.075	\$0.080
QMP value of an Ausgold share	\$0.038	\$0.041	\$0.043
QMP value of a Rumble Resources share	\$0.430	\$0.465	\$0.500

Source: BDO analysis

In addition to the above shareholdings in listed mining companies, AIC also holds 5,000,000 unlisted options over shares in KLL. These options can be exercised at \$0.36 each any time up to their expiry date on 30 June 2025 and as such are more suitably valued using a Black Scholes option pricing model. The key inputs used in the Black Scholes option pricing model along with the resulting value for one KLL option is summarised below.

Item	
Closing KLL share price at the valuation date	\$0.185
Exercise price	\$0.360
Valuation date	18-Aug-21
Expiration date	30-Jun-25
Dividend yield	Nil
Risk-free rate	0.55%
Volatility	70%
Life of the options (years)	3.87
Valuation per option	\$0.065

Source: BDO analysis

In conclusion, AIC's total financial assets at fair value through profit and loss have been valued using the QMP methodology (for listed shares) and the Black Scholes option pricing model (for unlisted options in KLL), resulting in the range of adjusted values shown below.

Financial assets at fair value through profit and loss	Low value \$'000	Preferred value \$'000	High value \$'000
QMP value of a Gold79 share (in AUD terms)	\$0.070	\$0.075	\$0.080
Number of Gold79 shares held	93,000	93,000	93,000
Adjusted value of Gold79 shares held	7	7	7
QMP value of an Ausgold share	\$0.038	\$0.041	\$0.043
Number of Ausgold shares held	17,665,000	17,665,000	17,665,000
Adjusted value of Ausgold shares held	671	715	760
QMP value of a Rumble Resources share	\$0.430	\$0.465	\$0.500
Number of Rumble Resources shares held	1,250,146	1,250,146	1,250,146
Adjusted value of Rumble Resources shares held	538	581	625
Black Scholes value of a KLL option	\$0.065	\$0.065	\$0.065
Number of KLL options held	5,000,000	5,000,000	5,000,000
Adjusted value of KLL options held	325	325	325
Adjusted value of financial assets at fair value through profit and loss	1,541	1,628	1,717

Source: BDO analysis

Note c) Capitalised exploration and evaluation expenditure

In assessing the value of AIC's mineral assets, we have relied on the Independent Specialist Report prepared by SRK (see Appendix 3). Given that AIC are yet to complete the conditions of the earn-in agreement for the Lamil Project, SRK has only valued AIC's interest in the Marymia Project. SRK do not consider AIC's ability to earn in to the Lamil Project to have any material value and therefore it has not been included in the value of AIC's mineral assets.

SRK has used comparable market transactions, the geoscientific rating and the multiple of exploration expenditure methods in forming its valuation opinion of the Marymia Project. SRK also gave consideration to a prior independent technical expert valuation performed in 2019 in forming its opinion.

SRK considered the comparable market transaction methodology as its preferred valuation method and has formed its valuation range of the Marymia Project based on this, as set out below.

Capitalised exploration and evaluation expenditure	Low value \$'000	Preferred value \$'000	High value \$'000
SRK's assessment of the value of AIC's interest in the Marymia Project	4,400	7,300	10,200
Adjusted value of capitalised exploration and evaluation expenditure	4,400	7,300	10,200

Source: SRK's Independent Specialist Report

Note d) Number of shares on issue

As detailed in Section 4.3, the number of AIC shares on issue prior to the Proposed Transaction is 68,715,018.

We note that there are also 4,000,000 performance rights in AIC that are held by AIC's Managing Director, Mr Aaron Colleran. These performance rights have vested and may be converted into AIC shares at a nil exercise price. We have assumed the conversion of these performance rights into AIC shares will occur, thereby increasing the number of shares on issue to 72,715,018, which we have used in our valuation of an AIC share prior to the Proposed Transaction.

10.2 Quoted Market Prices for AIC Securities

To provide a comparison to the valuation of an AIC share in Section 10.1, we have also assessed the quoted market price for an AIC share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

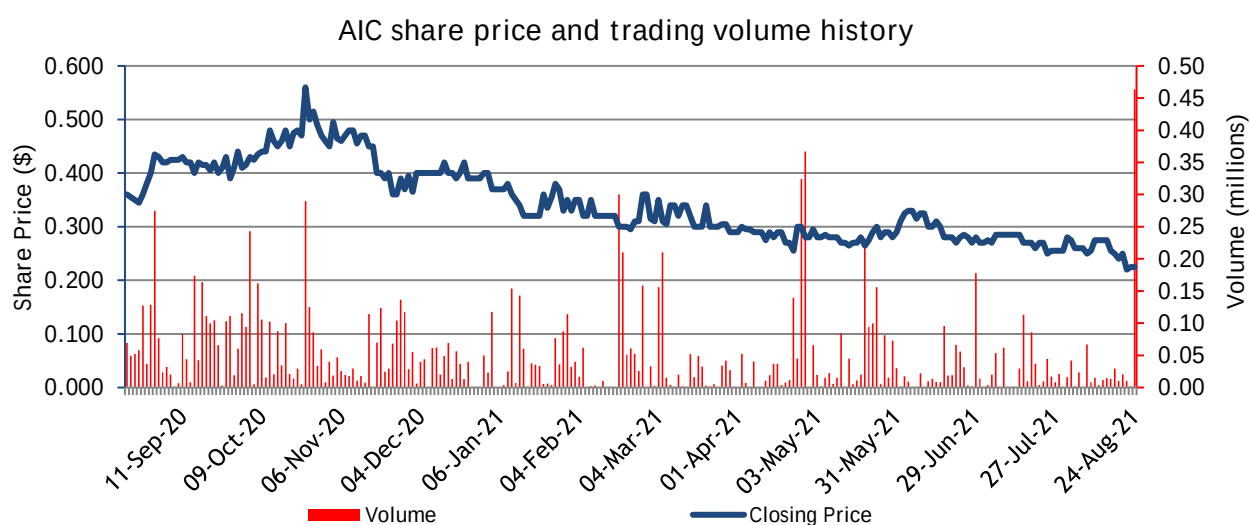
Whilst FMR will not be obtaining 100% of AIC, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of an AIC share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an AIC share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of an AIC share after the announcement may include the effects of any change in value as a result of the Proposed Transaction.

Information on the Proposed Transaction was announced to the market on 31 August 2021. However, the Company went into a trading halt pending the announcement of the Proposed Transaction. Therefore, the following chart provides a summary of the share price movement over the 12 months to 24 August 2021 which was the last trading day prior to the Company's shares being suspended from quotation before the Proposed Transaction was announced.



Source: Bloomberg

The daily price of AIC shares from 24 August 2020 to 24 August 2021 has ranged from a low of \$0.220 on 20 August 2021 to a high of \$0.560 on 26 October 2020.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
16/07/2021	Quarterly Activities/Appendix 5B Cash Flow Report	0.270	►	0.0%	0.270	►	0.0%
22/04/2021	Quarterly Activities Report and Appendix 5B	0.270	►	0.0%	0.300	▲	11.1%
26/03/2021	Drilling Commences at Curara Well Copper-Gold Project	0.305	▲	1.7%	0.290	▼	4.9%
26/02/2021	Final Results from Maiden Drilling Program at Lamil Project	0.360	▲	16.1%	0.310	▼	13.9%
28/01/2021	Quarterly Activities Report and Appendix 5B	0.370	▼	2.6%	0.330	▼	10.8%
28/01/2021	Initial Results Maiden Drilling Program at Lamil Project	0.370	▼	2.6%	0.330	▼	10.8%
18/12/2020	Phase 1 Drilling Completed at Lamil Project	0.400	▲	2.6%	0.390	▼	2.5%
22/10/2020	Quarterly Activities Report and Appendix 5B	0.480	▲	1.1%	0.500	▲	4.2%
22/09/2020	Drilling Commences at Lamil Project	0.405	▼	2.4%	0.410	▲	1.2%
20/08/2020	Marymia Project Exploration Update	0.340	▼	5.6%	0.355	▲	4.4%
20/07/2020	Quarterly Activities Report and Appendix 5B	0.315	▼	3.1%	0.320	▲	1.6%

Source: Bloomberg and BDO analysis

On 22 April 2021, AIC released its quarterly activities report for the March 2021 quarter. Over the quarter, the Company received results from the maiden drilling program at the Lamil Project and it also completed mapping and geochemical sampling at the Marymia Project. On the date of the announcement, the share price did not change, however it increased 11.1% in the subsequent three-day period to close at \$0.300.

On 26 March 2021, AIC announced that drilling had commenced at the Curara Well JV. On the date of the announcement, the share price increased by 1.7%, to close at \$0.305, before declining 4.9% over the subsequent three-day period to close at \$0.290.

On 26 February 2021, AIC released the final results from the maiden drilling program at the Lamil Project. On the date of the announcement, the share price increased by 16.1%, to close at \$0.360, before declining 13.9% over the subsequent three-day period to close at \$0.310.

On 28 January 2021, the following announcements were made:

- AIC released its quarterly activities report for the December 2020 quarter; and
- AIC released its initial results from the maiden drilling program at the Lamil Project.

On the date of the aforementioned announcements, the share price decreased by 2.6%, to close at \$0.370, before further decreasing by 10.8% over the subsequent three-day period to close at \$0.330.

On 18 December 2020, AIC announced that phase 1 drilling had been completed at the Lamil Project. On the date of the announcement, the share price increased 2.6%, to close at \$0.400, before declining 2.5% over the subsequent three-day period to close at \$0.390.

On 22 October 2020, AIC released its quarterly activities report for the September 2020 quarter, which consisted of updates on the inaugural drilling program that had commenced at the Lamil Project. On the

date of the announcement, the share price increased 1.1%, to close at \$0.480, before increasing 4.2% over the subsequent three-day period to close at \$0.500.

On 22 September 2020, AIC announced that drilling had commenced at its Lamil Project, focusing on high priority geophysical and geochemical targets. On the date of the announcement, the share price decreased 2.4%, to close at \$0.405, before increasing 1.2% over the subsequent three-day period to close at \$0.410.

On 20 August 2020, AIC announced that its wholly owned subsidiary had completed the earn-in requirements at the Curara Well JV with Venus Metals. On the date of the announcement, the share price decreased 5.6%, to close at \$0.340, before increasing 4.4% over the subsequent three-day period to close at \$0.355.

On 20 July 2020, AIC released its quarterly activities report for the June 2020 quarter. On the date of the announcement, the share price decreased 3.1%, to close at \$0.315, before increasing 1.6% over the subsequent three-day period to close at \$0.320.

To provide further analysis of the market prices for an AIC share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 24 August 2021.

Share Price per unit	24-Aug-21	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.225				
Volume weighted average price		\$0.230	\$0.247	\$0.260	\$0.273

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in price of AIC shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in AIC shares for the twelve months to 24 August 2021 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.225	\$0.245	463,582	0.67%
10 Days	\$0.220	\$0.275	579,075	0.84%
30 Days	\$0.220	\$0.285	1,131,134	1.65%
60 Days	\$0.220	\$0.330	1,844,268	2.68%
90 Days	\$0.220	\$0.330	3,839,447	5.59%
180 Days	\$0.220	\$0.430	7,258,288	10.56%
1 Year	\$0.220	\$0.560	12,317,882	17.93%

Source: Bloomberg, BDO analysis

This table indicates that AIC's shares display a low level of liquidity, with 17.93% of the Company's current issued capital being traded in a twelve month period and only 0.84% of the Company's issued capital traded in the previous 10 trading days. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;

- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of AIC, we do not consider there to be a liquid and active market for the Company's shares. Over the twelve-month period assessed, there were days where no trading in the Company's shares occurred and on average, less than 1% of AIC's securities were traded on a weekly basis.

Our assessment is that a range of values for AIC shares based on market pricing, after disregarding post announcement pricing, is between \$0.230 and \$0.260. This value reflects a minority interest in the Company.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of gold and copper companies, general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

Gold and Copper Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	1	5,864.23	2.02
2020	2	1,427.06	41.60
2019	1	219.99	56.41
2018	3	38.51	24.41
2017	2	13.74	41.04
2016	6	19.94	55.04
2015	4	56.22	53.80
2014	8	123.49	48.94
2013	4	241.86	20.24
2012	7	302.06	53.80
2011	6	2,076.44	37.35

Source: Bloomberg, BDO Analysis

General Mining Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	2	2,976.25	15.89
2020	6	494.16	33.24
2019	11	153.60	36.27
2018	9	61.53	39.47

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2017	5	13.91	35.21
2016	11	66.19	51.54
2015	9	340.82	57.86
2014	15	113.69	41.79
2013	13	134.67	34.94
2012	16	231.26	49.34
2011	20	845.42	33.08

Source: Bloomberg, BDO Analysis

All ASX-Listed Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	13	1,249.40	26.23
2020	24	467.30	38.22
2019	43	3,161.18	31.34
2018	42	1,158.48	31.08
2017	29	973.71	37.91
2016	38	788.27	36.82
2015	34	828.14	34.10
2014	45	517.00	37.98
2013	36	138.78	33.37
2012	47	511.85	43.94
2011	63	953.85	35.75

Source: Bloomberg, BDO Analysis

The mean and the median of the entire data sets comprising control transactions from 2011 onwards for gold and copper companies, general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	Gold & Copper Companies		General Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	603.27	43.54	336.87	40.87	994.00	35.74
Median	42.52	41.57	45.11	38.28	129.39	31.49

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of gold and copper companies, general mining companies and all ASX-listed companies is approximately 43.54%, 40.87% and 35.74% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers.

These outliers included two gold and copper company transactions, 13 general mining company transactions and 33 ASX-listed company transactions, for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

It should be noted that our analysis includes the scheme of arrangement between Saracen Mineral Holdings ('Saracen') and Northern Star Resources Ltd ('Northern Star') that was completed in February 2021. Under the scheme, Northern Star acquired 100% of the fully paid ordinary shares in Saracen. Given that the transaction was a 'merger-of-equals', the announced premium was only 2.02%, which does not reflect the typical premium involved in control transactions.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 41.57% for gold and copper companies, 38.28% for general mining companies and 31.49% for all ASX-listed companies.

We consider an appropriate control premium to be on the lower end of historical averages as a result of the degree of business risk faced by exploration companies. As AIC's operations are considered to be of a smaller scale than those in the comparable transactions, we believe that an acquirer would not be willing to pay a control premium in line with historical averages. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

Quoted market price including control premium

Applying a control premium to AIC's quoted market share price results in the following quoted market price value including a premium for control:

QMP prior to the Proposed Transaction	Low \$	Midpoint \$	High \$
Assessed quoted market price on a minority basis	0.230	0.245	0.260
Control premium	25%	30%	35%
Quoted market price on a control basis	0.288	0.319	0.351

Source: BDO analysis

Therefore, our valuation of an AIC share based on the quoted market price method and including a premium for control is between \$0.288 and \$0.351, with a midpoint value of \$0.319.

10.3 Assessment of the value of an AIC share prior to the Proposed Transaction

The results of the valuations performed are summarised in the table below (both on a control basis):

Value of an AIC share prior to the Proposed Transaction (control basis)	Low \$	Preferred \$	High \$
Sum-of-Parts (Section 10.1)	0.140	0.181	0.223
ASX market prices (Section 10.2)	0.288	0.319	0.351

Source: BDO analysis

We have chosen to rely solely on the Sum-of-Parts for the purposes of determining our range for the following reasons:

- In addition to its cash and investments in shares and options, the core value of AIC lies in the mineral assets that it holds and we have commissioned SRK, an independent technical specialist to value these assets; and
- As detailed in Section 10.2, based on the pre-announcement trading data, AIC shares display a low level of liquidity. The QMP methodology relies on there being a liquid and active market for the company's shares, therefore it would not be appropriate to solely rely on the QMP methodology in forming our valuation range.

We note that the value of AIC derived under the Sum-of-Parts approach is lower than the results derived under the QMP approach for the following reasons:

- Our QMP assessment was performed over a period when trading in AIC shares exhibited a low level of liquidity, therefore the Company's share price may not reflect the underlying value of the Company;
- The market may have ascribed a higher value to AIC's mineral assets compared to the valuation attributed by SRK. This could be due to more optimistic assumptions such as assigning greater exploration potential to AIC's mineral assets compared to SRK. SRK has prepared its Independent Specialist Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes and therefore may be basing their valuations on more optimistic assumptions. Furthermore, SRK has not ascribed a value for the Lamil Project whereas the market may have placed a value on AIC's ability to earn in to the project, resulting in a higher valuation of AIC;
- As outlined in Section 10.1, we have assumed the conversion of the 4,000,000 performance rights that have already vested (but have not yet been exercised) in our Sum-of-Parts valuation of AIC. The market may not have factored the vesting of these performance rights, which would be dilutive, into its valuations;
- Given the current copper and gold price environment and AIC's net cash position, the market price may already reflect the market's expectation of AIC entering into a transaction; and
- There has been positive market indicators throughout the year for ASX listed miners and explorers, as evidenced by the BDO Explorer Quarterly Cash Update for the March 2021 quarter which

reported continued strong investment and record breaking financing inflows, with exploration companies receiving a total of \$2.7 billion in funds (the highest quarter of financing since 2013). Given the current environment, we note that market prices more broadly are likely to exceed values ascribed by independent technical specialists, as the values are often based on resource multiples observed in historical comparable transactions. Notwithstanding that the multiples on historical transactions used by SRK have been rebased to the commodity price as at the valuation date, it is not uncommon for multiples on transactions to be affected by market sentiment in excess of movements in commodity prices.

Based on the results above we consider the value of an AIC share prior to the Proposed Transaction and on a control basis to be between \$0.140 and \$0.223, with a preferred value of \$0.181.

11. Valuation of an AIC share following the Proposed Transaction

For the value of an AIC share following the Proposed Transaction (on a minority basis), we have also used the Sum-of-Parts methodology as our primary valuation methodology. We have performed a cross-check of our DCF valuation of the Eloise Mine by considering the implied resource multiple.

11.1 Sum-of-Parts valuation of AIC following the Proposed Transaction

Our valuation of AIC following the implementation of the Proposed Transaction is set out in the table below and accompanying sub-sections.

Sum-of-Parts value of AIC following the Proposed Transaction	Ref	Low value \$'000	Preferred value \$'000	High value \$'000
Sum-of-Parts value of AIC prior to the Proposed Transaction (control basis)	10.1	10,204	13,191	16,180
DCF value of the Eloise Mine	11.1.1	20,000	32,800	62,100
Value of the Eloise Mine's Residual Resources	11.1.2	3,800	5,000	6,300
Present value of additional corporate costs	11.1.3	(18,000)	(16,000)	(13,000)
Net cash raised from the Capital Raising	11.1.4	28,180	37,680	37,680
Eloise Completion Payment inclusive of transaction costs	11.1.5	(6,430)	(6,405)	(6,380)
Other assets and liabilities of the Eloise Mine	11.1.6	3,448	3,448	3,448
Value of AIC following the Proposed Transaction (control basis)		41,202	69,714	106,328
Minority interest discount	11.1.7	26%	23%	20%
Value of AIC following the Proposed Transaction (minority basis)		30,489	53,679	85,062
Number of shares on issue following the Proposed Transaction	11.1.8	272,715,018	312,715,018	312,715,018
Value per share (\$) (minority basis)		\$0.112	\$0.172	\$0.272

Source: BDO analysis

As indicated in the table above, we have assessed the value of an AIC share following the Proposed Transaction and on a minority interest basis to be within the range of \$0.112 and \$0.272 with a preferred value of \$0.172.

11.1.1. Discounted Cash Flow Valuation of the Eloise Mine

We have elected to use the DCF approach in valuing the Eloise Mine. The DCF approach estimates the fair market value of the asset by discounting the future cash flows arising from it to their net present value. Performing a DCF valuation requires the determination of:

- The future cash flows that the Eloise Mine is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Eloise Mine to convert them to their present value equivalent.

The value that we have ascribed to the Eloise Mine is based on technical factors as advised by SRK and our view of future economic assumptions, all of which are derived from information available at the time of our SRK's report and our Report respectively. The technical and economic factors may change in the future, which may change the value of the Eloise Mine.

The management of AIC has prepared a detailed cash flow model for the Eloise Mine ('the Model'). The Model estimates the future cash flows expected from copper concentrate produced, which include gold and silver metal payable. The Model depicts forecasts of real, after-tax cash flows over a five-year life of mine on a yearly basis from financial year ('FY') 2022 to FY 2026 (the 'Forecast Period'). We note that the financial years contemplated in the Model begin from 1 July 2021 and end on 30 June 2026, which is different from AIC's adopted fiscal year period ending 31 December. For the purposes of this section, the financial years refer to the 12 month period ending 30 June.

BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted Model'). In particular, we have adjusted the Model to reflect any changes to technical assumptions as a result of SRK's review, and any changes to the economic and other input assumptions from our research. We have also adjusted the Model by converting the cash flows to be presented on a nominal basis.

From its review of the technical assumptions, SRK recommended certain adjustments to the Model which it grouped under two scenarios, a Base Case and an Upside Case. Further details of SRK's proposed adjustments are set out in Table 9-1 of SRK's Independent Specialist Report, included in Appendix 3. We have adopted SRK's recommendations in forming our DCF valuation range of the Eloise Mine. Specifically, we have adopted:

- SRK's Base Case input assumptions when establishing the low end of our valuation range and in forming our preferred valuation. The low end of our valuation range was formed having consideration for the commodity price and exchange rate sensitivities which are presented under the "Sensitivity Analysis" subsection of this section of our Report; and
- SRK's Upside Case input assumptions when establishing the high end of our valuation, whilst also having consideration for the commodity price and exchange rate sensitivities which are presented under the "Sensitivity Analysis" subsection of our Report.

The Model was prepared based on estimates of a mining and production profile, operating costs and capital expenditure (including rehabilitation costs). The main assumptions underlying the Adjusted Model include:

- mining and production volumes;
- operating costs;
- capital expenditure;

- rehabilitation and closure costs;
- royalties;
- commodity prices;
- foreign exchange rates;
- corporate tax; and
- discount rate.

BDO has undertaken an analysis of the Model which has involved:

- appointing SRK as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the Model;
- analysing the Model to confirm its integrity and mathematical accuracy;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation, corporate costs and discount rate applicable to the future cash flows of the Eloise Mine;
- holding discussions with AIC management and its advisers regarding the preparation of the forecasts in the Model and its views; and
- performing sensitivity analyses on the value of the Eloise Mine as a result of flexing certain assumptions and inputs.

The Adjusted Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Specialist Report which includes a technical assessment of the assumptions underlying the Model. SRK's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the Model, including but not limited to:

- the Mineral Resources and Reserves included in the Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including quality of concentrate produced and recovery rates);
- operating costs (comprising mining, processing and administration costs);
- capital expenditure;
- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions.

SRK's Independent Specialist Report is included in Appendix 3.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

We note that all cash flows contained in the Model were calculated on a real basis. We have therefore applied the forecast inflation rate to the costs (including operating and capital expenditure) in the Model to convert them to nominal cash flows.

The Eloise Mine's forecast operating costs are denominated in Australian Dollars therefore we consider the most appropriate inflation rate to apply to the cash flows in the Adjusted Model is the Australian inflation rate.

Having regard to the above, we have assumed an inflation rate of 1.5% per annum over the life of the Project based on consensus views of forecast inflation as sourced from Bloomberg, as well as consideration of the recent trend of the inflation rate in Australia.

Foreign exchange

Metal prices obtained from our research are quoted in nominal USD terms. We have converted the metal prices from USD to AUD at the following forecast exchange rates:

AUD:USD Exchange rate	FY22	FY23	FY24	FY25	FY26
AUD:USD	0.75	0.76	0.76	0.76	0.76

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered historical exchange rates as well as forecasts prepared by economic analysts and other publicly available information, including broker consensus, to arrive at our foreign exchange rate assumptions.

Commodity prices

Form the Eloise Mine, AIC will receive revenue from the sale of copper concentrate, which also includes gold and silver metal payable.

In assessing the forecast commodity prices, we have considered the Consensus Economics price forecasts as at August 2021. Based on our analysis, we have adopted the following future copper, gold and silver prices (in nominal terms).

Commodity prices	FY22	FY23	FY24	FY25	FY26
Copper price (US\$/t)	8,966	8,304	7,904	7,701	7,820
Gold price (US\$/oz)	1,764	1,670	1,630	1,618	1,623
Silver price (US\$/oz)	25.19	22.36	21.30	20.93	20.99

Source: Consensus Economics and BDO analysis

Mining physicals

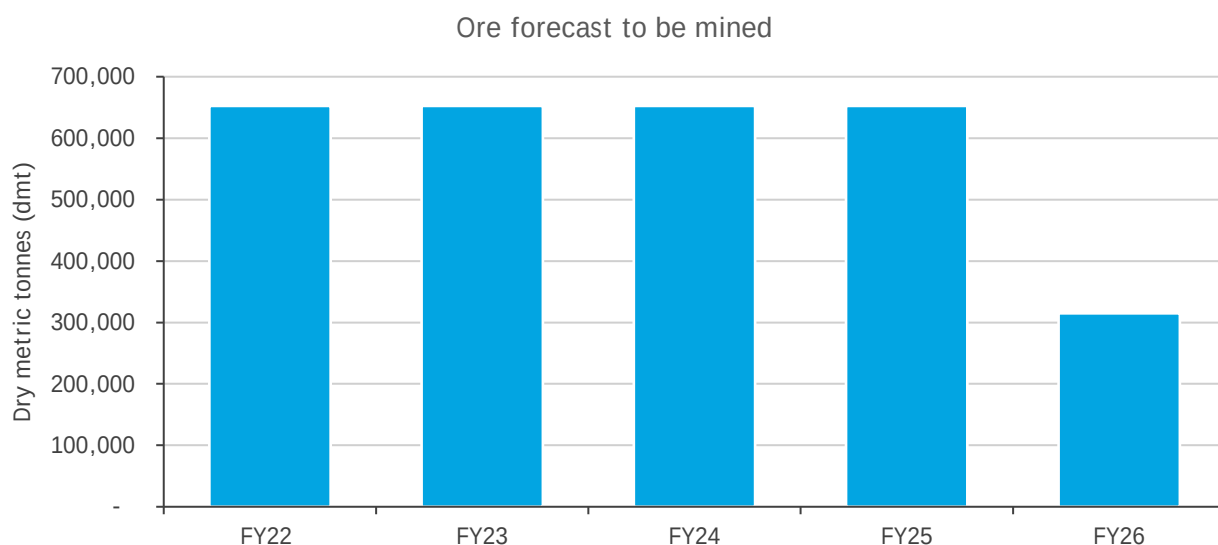
Mining at the Eloise Mine has already commenced and the Adjusted Model contemplates a five year life of mine plan to the end of FY2026. We have adopted SRK's suggested amendments to certain assumptions relating to mining and processing physicals in the Adjusted Model including:

- copper grade in the concentrate produced;
- moisture content in the concentrate produced; and
- gold and silver metallurgical recoveries.

The details of SRK's proposed amendments above can be found in SRK's report attached as Appendix 3.

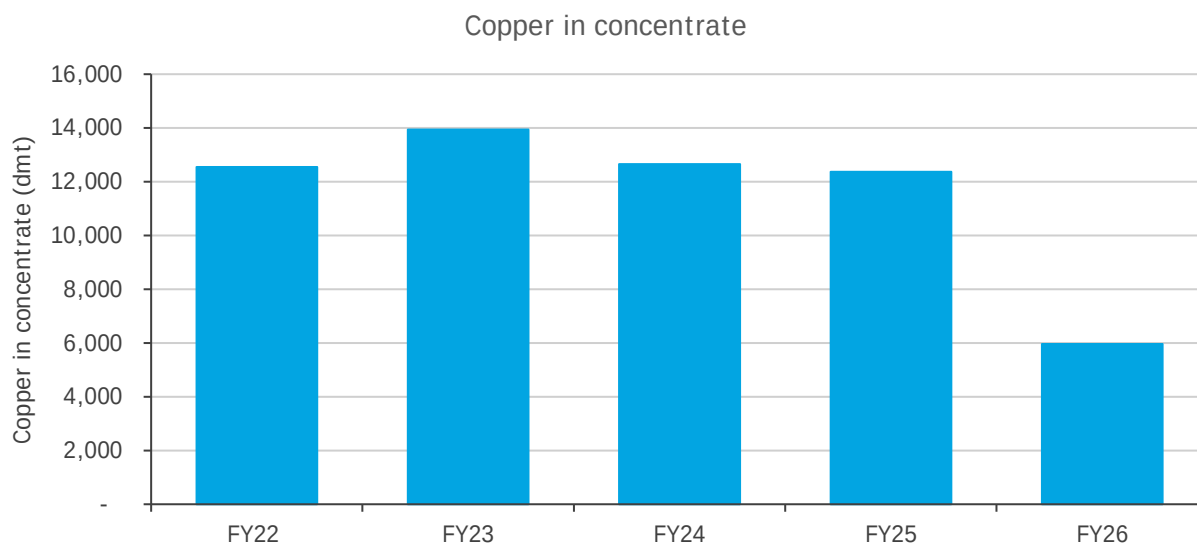
SRK has also advised that there are Residual Resources not accounted for in the Model, which could extend the life of mine beyond five years. SRK has also provided a valuation for these Residual Resources. We have accounted for the value of these Residual Resources outside of the DCF valuation of the Eloise Mine, separately in our Sum-of-Parts valuation. SRK has advised that it would not be appropriate to extend the life of mine in the DCF to reflect the Residual Resource because of insufficient reasonable grounds.

The graph below show the forecast ore to be mined over the life of mine. It is assumed that all ore mined is processed in the same financial year. The periods in the charts below are in financial years beginning 1 July and ending 30 June of each year. The charts below reflect SRK's Base Case input assumptions.

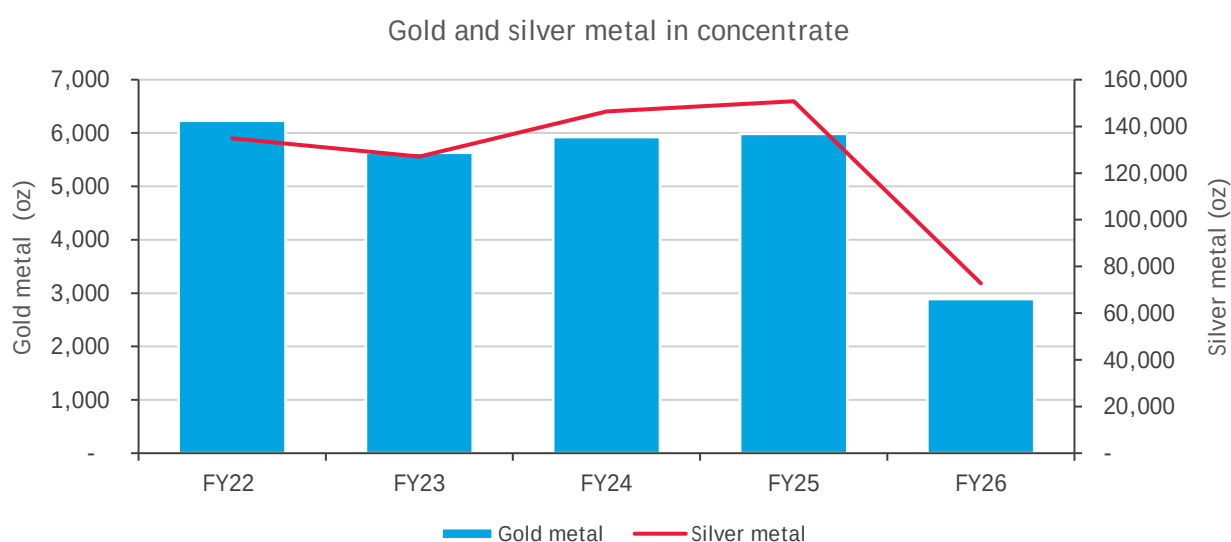


Source: Adjusted Model

The ore that is mined is processed into a copper concentrate which includes contained gold and silver metal. The graphs below show the forecast copper, gold and silver contained in the concentrate.



Source: Adjusted Model

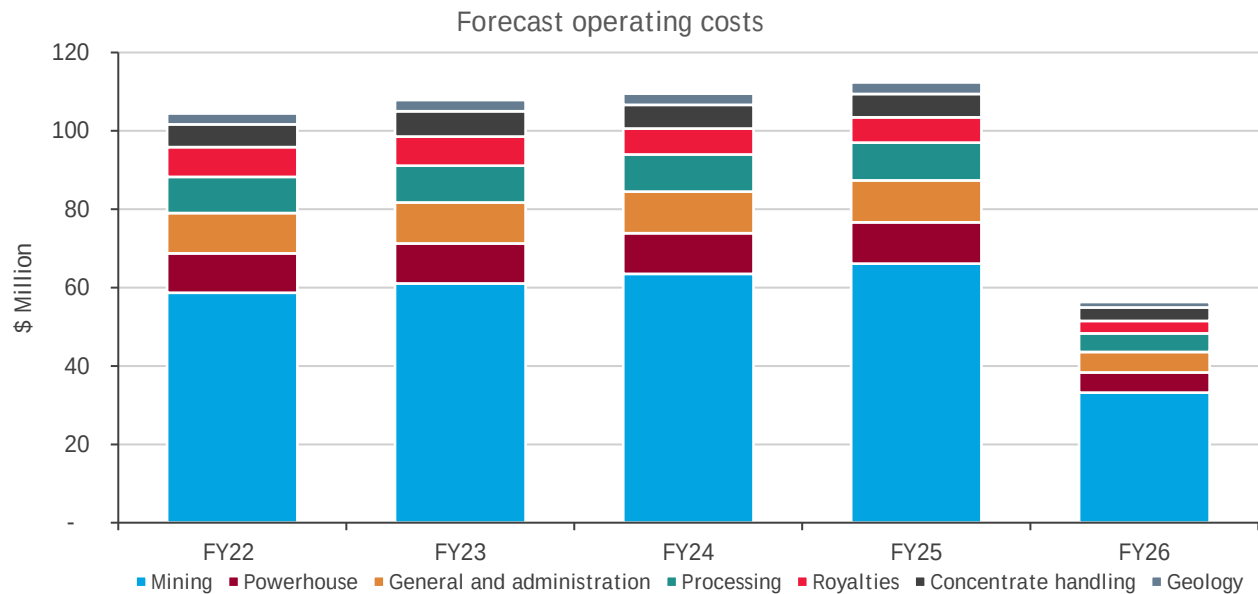


Source: Adjusted Model

Operating costs

The operating costs forecast in the Model include mining, geology, administration, powerhouse, processing, transport, marketing, insurance costs and royalties. In preparing the Adjusted Model, we have applied our inflation assumptions to these forecast operating costs.

SRK has considered the reasonableness of the forecast operating cost assumptions in the context of their experience with similar mining projects. We have reflected SRK's suggested amendments to certain unit costs in the Adjusted Model including: mining costs, administration costs, processing costs and powerhouse costs. The forecast operating costs for the Eloise Mine incorporating SRK's Base Case assumptions and BDO's inflation assumptions are illustrated in the charts below.



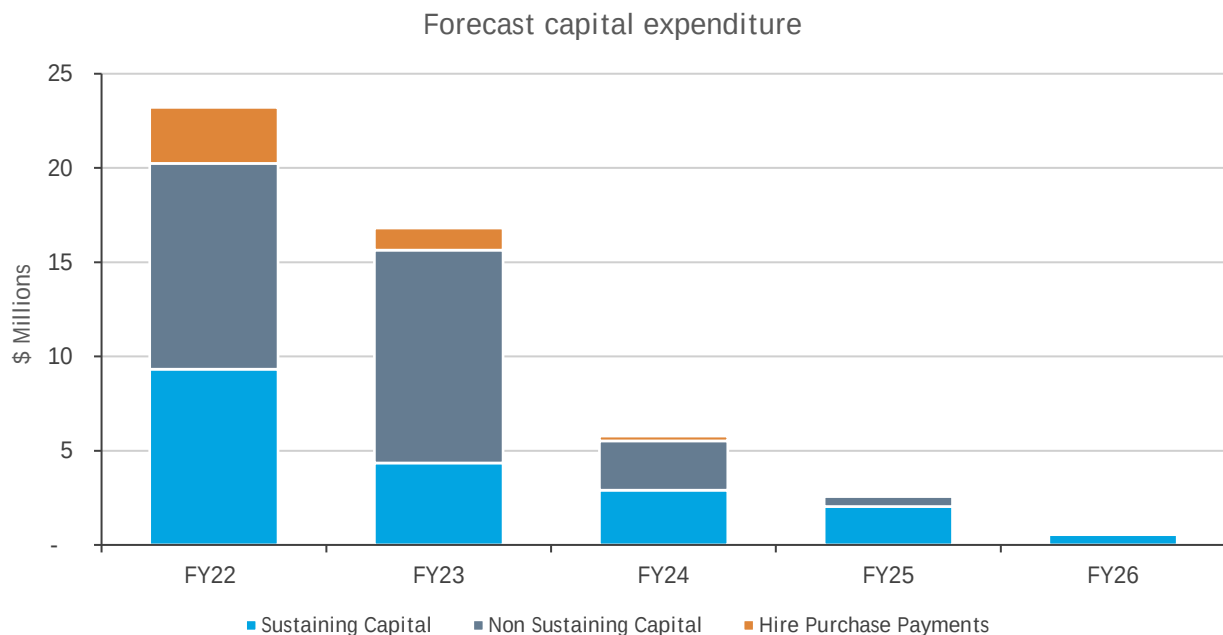
Source: Adjusted Model

Royalties

A 5% Queensland State Revenue royalty is payable each year based on the receivable net revenue from sale of copper, gold and silver produced. This net revenue is calculated after deducting shipping, treatment and refining charges.

Capital expenditure

The capital expenditure requirements for the Eloise Mine relate to non-sustaining/development capital expenditure, ongoing sustaining capital expenditure, as well as some hire purchase payments relating to mining equipment hire. SRK considered it appropriate to increase the non-sustaining capital expenditure in the Model to reflect higher costs associated with tailings storage facilities. We have adjusted the non-sustaining capital expenditure for this in the Adjusted Model. As set out below, most of the forecast capital expenditure is expected to be incurred in FY22 and FY23. We note that the forecast capital expenditure shown below excludes rehabilitation, which is covered separately.



Source: Adjusted Model

Contingent Payment to FMR

Part of the consideration payable to FMR for the Proposed Acquisition is a \$2 million cash payment payable six months after completion if within that six-month period the Eloise Mine produces 20,000 tonnes of copper concentrate. Based on the FY 2022 budget prepared by FMR for the Eloise Mine, this milestone is expected to be achieved. AIC has also advised it expects to meet this milestone. Total forecast copper production for FY22 is 45,616 tonnes. Consequently, we have included this \$2 million payment as a cash outflow in the Adjusted Model.

Taxation

Tax in the Adjusted Model is calculated at the 30% Australian statutory corporate tax rate.

The Adjusted Model assumes that the carry forward tax losses of approximately \$16.15 million can be utilised and carry forward transferred tax losses of \$45.10 million can be utilised subject to an available fraction. Given the nature of the continuity of ownership test, AIC's ability to utilise carried forward tax losses must be assessed at each reporting date, therefore there is a risk that this might change. The Company commissioned independent tax advice in relation to the ability to utilise these losses. As such, we consider it reasonable to assume an opening balance of tax losses of approximately \$16.15 million to be applied in the Adjusted Model. Despite the use of these tax losses, the Adjusted Model still calculates tax to be paid over the Forecast Period.

Rehabilitation and closure costs

The Adjusted Model includes total rehabilitation and closure costs of \$24.89 million (in nominal terms). This figure incorporates SRK's Base Case rehabilitation and closure costs: \$6.50 million (in real terms) of which is forecast to be paid in FY23 relating to the capping of tailings dams and surface water management, and the remaining \$16.64 million (in real terms) incurred in FY27 reflecting SRK's

assessment of a reasonable closure cost. Further details of SRK's adjustments can be found in the Independent Specialist Report, attached as Appendix 3.

Trade receivables and trade payables

The Adjusted Model does not contemplate the movement of working capital items such as trade receivables and trade payables. It therefore assumes all payments are made to suppliers and revenue is received from sales within each of the financial years forecast. The trade receivables per the audited financial statements of the Eloise Mine are not being acquired and therefore are not included in the valuation.

Inventory

The Adjusted Model assumes all ore is processed in the year that it is mined. Therefore, there are no inventory balances contemplated. Pursuant to the acquisition agreement, concentrate and other finished product inventory stockpiles are not being acquired, therefore opening stockpiles are not included. The only inventory being acquired is ROM stock in trade and consumables which we have considered separately in Section 11.1.6 below.

Hire Purchase Liabilities

The payments relating to the hire purchase liabilities (which form part of the assets and liabilities to be acquired by AIC) have been included in the Adjusted Model.

Discount Rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Model, we consider the most appropriate discount rate to be AIC's cost of equity. We note that its weighted average cost of capital is equivalent to its cost of equity, as the Company is expected to remain debt-free following the Proposed Transaction.

For the DCF valuation of the Eloise Mine, we have selected a nominal post-tax discount rate in the range of 9.60% to 14.60% with a preferred rounded midpoint of 12%. We have used our preferred rounded midpoint to discount the cashflows in the Adjusted Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable ASX listed exploration and production companies with similar commodity types and location; and
- the risk profile of AIC as compared to the comparable companies identified.

The latter includes project specific risks identified by SRK and detailed in its Independent Specialist Report, for which we incorporate into our discount rate assessment by including an inherent risk adjustment factor of 2% to 3%.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 4.

Sensitivity Analysis

We have analysed the key assumptions to the Adjusted Model and have prepared sensitivities on the NPV. The sensitivity analysis considers the value of the Eloise Mine under various pricing scenarios and in applying:

- a relative change of +/- 10% to the copper, gold and silver price;
- a relative change of +/- 10% to capital costs;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to the AUD/USD exchange rate;
- a discount rate in the range of 10.0% to 14.0%; and
- an inflation rate in the range of 0.5% to 2.5%.

These sensitivities have been prepared to assist Shareholders in considering the potential affects to the value of the Eloise Mine if our base case assumptions change. Set out below are the sensitivity tables while applying:

- SRK's Base Case assumptions (used to form the preferred and low end of our DCF valuation); and
- SRK's Upside Case assumptions (used to form the high end of our DCF valuation).

Sensitivities with SRK's Base Case assumptions

in A\$million		Sensitivity Analysis of Eloise Mine's DCF Valuation				
% Relative Flex	Copper Price	Gold Price	Silver Price	Capital costs	Operating costs	AUD:USD Rate
+10.0%	63.72	35.70	33.68	29.61	4.21	1.77
+8.0%	57.68	35.12	33.51	30.25	10.05	7.63
+6.0%	51.47	34.54	33.34	30.89	15.90	13.72
+4.0%	45.25	33.97	33.16	31.53	21.75	20.04
+2.0%	39.03	33.39	32.99	32.17	27.38	26.41
0%	32.81	32.81	32.81	32.81	32.81	32.81
-2.0%	26.60	32.24	32.64	33.45	38.25	39.48
-4.0%	20.18	31.66	32.47	34.10	43.68	46.43
-6.0%	13.55	31.09	32.29	34.74	49.11	53.67
-8.0%	6.92	30.51	32.12	35.38	54.52	61.12
-10.0%	0.20	29.93	31.95	36.02	59.76	68.78

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of Eloise Mine's DCF Valuation to the discount rate					
Discount rate	10.0%	11.0%	12.0%	13.0%	14.0%
Value (A\$ million)	33.62	33.21	32.81	32.42	32.02

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of Eloise Mine's DCF Valuation to the inflation rate					
Inflation rate	0.5%	1.0%	1.5%	2.0%	2.5%
Value (A\$ million)	40.65	36.76	32.81	28.83	24.62

Source: BDO analysis and the Adjusted Model

Sensitivities with SRK's Upside Case assumptions

in A\$million		Sensitivity Analysis of Eloise Mine's DCF Valuation				
% Relative Flex	Copper Price	Gold Price	Silver Price	Capital costs	Operating costs	AUD:USD Rate
+10.0%	78.86	51.82	49.33	45.40	21.10	17.60
+8.0%	72.83	51.14	49.14	46.00	26.86	23.58
+6.0%	66.79	50.45	48.95	46.60	32.34	29.54
+4.0%	60.75	49.76	48.77	47.19	37.69	35.58
+2.0%	54.60	49.07	48.58	47.79	43.04	41.86
0%	48.39	48.39	48.39	48.39	48.39	48.39
-2.0%	42.17	47.70	48.20	48.98	53.74	55.18
-4.0%	35.95	47.01	48.01	49.58	59.01	62.15
-6.0%	29.73	46.33	47.82	50.18	64.17	69.31
-8.0%	23.37	45.64	47.63	50.78	69.34	76.79
-10.0%	16.74	44.95	47.44	51.37	74.50	84.60

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of Eloise Mine's DCF Valuation to the discount rate					
Discount rate	10.0%	11.0%	12.0%	13.0%	14.0%
Value (A\$ million)	50.11	49.24	48.39	47.56	46.75

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of Eloise Mine's DCF Valuation to the inflation rate					
Inflation rate	0.5%	1.0%	1.5%	2.0%	2.5%
Value (A\$ million)	55.76	52.17	48.39	44.56	40.69

Source: BDO analysis and the Adjusted Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Eloise Mine to changes in pricing and other assumptions.

Conclusion on DCF valuation of the Eloise Mine

Based on the above analysis we consider the value of the Eloise Mine to be in the range of \$20.00 million to \$62.10 million with a preferred value of \$32.80 million. Our assessed low value incorporates SRK's Base Case input assumptions and was formed having consideration for sensitivities around a -4% relative decrease in the copper price and the AUD:USD exchange rate. Our assessed high value incorporates SRK's Upside Case input assumptions and was also formed having consideration for sensitivities around a +4% relative increase in the copper price and the AUD:USD exchange rate.

These two key economic inputs drive the forecast Australian Dollar denominated copper price on which the Eloise Mine derives most of its revenue. Over the past five years, the annualised volatility of the Australian Dollar denominated copper price was approximately 19%. Therefore, given the sensitivity of the value to movements in the copper price and exchange rate and the historical volatility of these inputs, we consider it appropriate to adopt a wide range of values around our preferred position.

We note that our DCF valuation range includes the \$2.00 million Contingent Payment which is based on AIC's advice and the production assumptions included in the Adjusted Model (the reasonableness of which has been confirmed by SRK).

11.1.2. Value of the Eloise Mine's Residual Resources

SRK has valued the Residual Resources not accounted for in the Adjusted Model using the comparable transactions and yardstick methods. The fair market value of the Residual Resources as assessed by SRK, lies within the range of \$3.8 million to \$6.3 million, with a preferred value of \$5.0 million. In selecting its preferred valuation range, SRK has relied on the comparable transactions valuation range as summarised in the table below, with full details in the Independent Specialist Report attached as Appendix 3.

Value of the Eloise Mine's Residual Resources	Low value \$'000	Preferred value \$'000	High value \$'000
SRK's assessed value based on comparable transactions	3,800	5,000	6,300
SRK's assessed value based on the yardstick method	3,200	4,800	6,400
SRK valuation of the Eloise Mine's Residual Resources	3,800	5,000	6,300

Source: SRK's Independent Specialist Report

11.1.3. Present value of additional corporate costs

Corporate costs were not included in the Adjusted Model. Following the Proposed Transaction, AIC will be a larger entity with the acquisition of the Eloise Mine. We have assumed that as a larger entity with an operating asset, AIC will incur higher corporate costs than those corporate costs incurred historically.

Set out below are the corporate costs incurred by AIC for the years ended 31 December 2020, 31 December 2019 and 31 December 2018. It must be considered that for these periods AIC did not own producing assets and as a result, historic corporate costs will not accurately reflect the Company's operations following the Proposed Transaction.

	Actual year ended 31-Dec-20	Actual year ended 31-Dec-19	Actual year ended 31-Dec-18
AIC's corporate costs (\$m)	1.73	2.05	0.74

Source: AIC's Annual Report for the years ended 31 December 2021, 31 December 2020 and 31 December 2019.

As part of our analysis, we have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to the Eloise Mine. We have analysed ASX-listed mining companies with major projects located within Australia and similar jurisdictions, while considering other company characteristics such as revenue, total assets, number of producing mines and market capitalisation, as proxies for the size, scale and complexity of operations. Given the paucity of single mine copper producers in Australia, a number of single mine gold producers of similar size and scale were used in our analysis below. We do not consider the primary commodity to materially impact the corporate costs incurred as these costs are not project related.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below. We have not included AIC in the mean and median calculations, but it has been presented for comparison purposes:

Company Name	Commodity	Revenue for the year ended 30-Jun-20 \$m	Market capitalisation at 31-Mar-21 \$m	Corporate costs for the year ended 30-Jun-20 \$m
AIC Mines Limited	Copper	0.3*	19.9	1.7*
Aeris Resources	Copper	227.3	191.9	8.22
Dacian Gold Limited	Gold	270.0	236.8	7.85
Tribune Resources Limited	Gold	180.4	241.4	10.60
Wiluna Mining Corporation	Gold	126.6	146.4	6.02
Pantoro Limited	Gold	82.1	281.7	3.21
Beacon Minerals Limited	Gold	42.8	125.4	2.05**
Mean (excluding AIC Mines)		154.9	203.9	6.3
Median (excluding AIC Mines)		153.5	214.4	6.9

Source: Annual reports, Bloomberg and BDO Analysis.

*Note: AIC Mines have reported financial statements as at 31 December 2020.

**Note: Beacon Minerals Limited commenced gold production in September 2019.

Based on the above analysis of corporate costs, we have assessed real corporate costs for the Eloise Mine to be in the range of \$5 million to \$7 million per annum, with a preferred position of \$6 million per annum. We have adopted this range due to the Eloise Mine being smaller in scale and size relative to the comparable companies considered.

We have applied our assessed forecast inflation rate of 1.5% per annum to the corporate costs over the five-year Forecast Period, incorporated an expected tax shield impact based on a 30% Australian tax rate, and have discounted these cash flows at AIC's cost of equity of 12%, as detailed in Appendix 4.

Based on the above analysis, we have assessed the present value of corporate costs to be in the range of \$13.00 million to \$18.00 million with a preferred value of \$16.00 million, which we have input into our Sum-of-Parts valuation of AIC.

Refer to Appendix 5 for a list of comparable companies used in our analysis and a description of each.

11.1.4. Net cash raised from the Capital Raising

As part of the Proposed Transaction, AIC will be raising cash to partially fund the Proposed Acquisition via the issuance of new shares in AIC. We have adjusted the value of AIC following the Proposed Transaction to reflect the impact of this Capital Raising, including for costs associated with the Capital Raising.

	Low value \$'000	Preferred value \$'000	High value \$'000
Net cash raised from the Capital Raising			
Cash received from shares issued under the Capital Raising	30,000	40,000	40,000
Less fees associated with the Capital Raising	(1,820)	(2,320)	(2,320)
	28,180	37,680	37,680

The Company has received indicative interest which suggests that the \$40 million maximum capital raising may be over subscribed. Based on the initial interest received the Company has increased the maximum raise from \$35 million to \$40 million and has advised that it is confident that the maximum amount of \$40 million will be raised. As such, we have set our preferred capital raising amount based on the maximum capital raising of \$40 million. If the Company were to raise a lesser amount (above the minimum capital raising) then this would not have a material impact on our valuation and would not alter our opinion.

11.1.5. Eloise Completion Payment inclusive of transaction costs

As consideration for the Proposed Acquisition of the Eloise Mine, AIC will pay FMR the Eloise Completion Payment of \$5 million, and the \$2 million Contingent Payment. Based on AIC's advice and its budget prepared for FY2022, the production target under the Contingent Payment is expected to be achieved within six-months after completion of the acquisition. We have included this Contingent Payment in the cash flows of the Adjusted Model and have therefore not reflected it below. In addition, AIC has estimated it will be required to pay approximately \$1.38 to \$1.43 million in stamp duty and fees associated with the Proposed Acquisition. Our preferred value of the estimated acquisition fees and stamp duty is based on a midpoint between the low and high estimates as we do not have a basis for assuming that the costs will be at either end of the range.

Noting that the Contingent Payment is already accounted for within the DCF valuation of the Eloise Mine, the total of the Eloise Completion Payment, fees and stamp duty is expected to reduce AIC's cash balance as shown below.

Cash consideration for Eloise Mine acquisition	Low value \$'000	Preferred value \$'000	High value \$'000
\$5.00 million Eloise Completion Payment	(5,000)	(5,000)	(5,000)
Acquisition fees and stamp duty	(1,430)	(1,405)	(1,380)
	(6,430)	(6,405)	(6,380)

11.1.6. Other assets and liabilities of the Eloise Mine

As part of the Proposed Acquisition, AIC will acquire certain inventory items from FMR, the property, plant and equipment, hire purchase liabilities, employee related provisions and the mine rehabilitation provision associated with the Eloise Mine. The table and accompanying notes below summarises the assets and liabilities of the Eloise Mine at 30 June 2021, with adjustments showing the value of the assets and liabilities being acquired by AIC as part of the Proposed Transaction. From our discussions with AIC and analysis of these other assets and liabilities outlined in the table below, we do not believe that there is a material difference between their book value and their fair value unless an adjustment has been noted below.

The adjusted value of the other assets and liabilities of the Eloise Mine totals \$3.45 million as summarised below.

Other assets and liabilities of the Eloise Mine	Notes	Audited as at 30-Jun-21 \$'000	Adjusted value \$'000
CURRENT ASSETS			
Cash assets	a	4,886	-
Receivables	a	67,022	-

Other assets and liabilities of the Eloise Mine	Notes	Audited as at 30-Jun-21 \$'000	Adjusted value \$'000
Inventories	b	10,475	4,602
TOTAL CURRENT ASSETS		82,383	4,602
NON CURRENT ASSETS			
Property, plant and equipment	c	21,073	-
TOTAL NON-CURRENT ASSETS		21,073	-
TOTAL ASSETS		103,456	4,602
CURRENT LIABILITIES			
Payables	a	12,586	-
Borrowings	c	2,922	-
Provisions		883	883
TOTAL CURRENT LIABILITIES		16,391	883
NON-CURRENT LIABILITIES			
Borrowings	c	1,409	-
Provisions	d	7,825	271
TOTAL NON-CURRENT LIABILITIES		9,234	271
TOTAL LIABILITIES		25,625	1,154
NET ASSETS		77,831	3,448

Source: Audited financial statements of the Eloise Mine for the year ended 30 June 2021 and BDO analysis

Note a) Items not acquired as part of the Proposed Acquisition

Under the acquisition agreement with FMR, AIC will not be acquiring the cash assets, receivables and payables associated with the Eloise Mine. We have therefore adjusted the value of these assets and liabilities to nil.

Note b) Inventories

AIC will only acquire the consumable inventories and ROM stock associated with the Eloise Mine. At 30 June 2021 the inventory balance comprised of concentrate inventories (\$6.54 million), which will not be acquired by AIC, and consumable inventories (\$3.94 million). Under the acquisition agreement with FMR, AIC has also agreed to acquire ROM stock to the agreed upon value of \$665,625. We have therefore adjusted the value of the inventories to reflect the value of the consumable inventories and ROM stock being acquired. We note that the value of the consumable inventories and ROM stock is not accounted for in the DCF valuation of the Eloise Mine in Section 11.1.1 above. In relation to the consumable inventories, SRK has advised that the costs included in the Adjusted Model are reasonable based on the operator of the mine having nil consumables on hand at the valuation date. Therefore, we have included the value of consumables as a separate asset within other assets and liabilities.

Furthermore, in relation to the value of the inventories and ROM stock balance being acquired, we note the purchase price paid by AIC is subject to adjustment to reflect any variances greater than \$200,000 between the actual value of the inventory and ROM stock and the pre-agreed value of the inventory and ROM stock. Based on our review of historical inventory levels and through discussions with SRK regarding the value of the ROM stock at the Eloise Mine, we do not consider the risk of there being a material variation in the value of inventories to be significant and have therefore relied on the audited balance as at 30 June 2021 (for consumables) and on the pre-agreed value of \$665,625 (for ROM stock), for the

purpose of our valuation. We note that if the above purchase price adjustment is triggered, there would be a corresponding offsetting adjustment to the purchase price, therefore there is no material impact to the valuation of an AIC share following the Proposed Transaction.

Note c) Items acquired as part of the Proposed Acquisition but already included in the DCF valuation of the Eloise Mine

We consider the value of the property, plant and equipment balance of \$21.07 million to already be reflected in the DCF valuation of the Eloise Mine. Similarly, the current and non-current borrowings (\$2.92 million and \$1.41 million respectively) relate to hire purchase liabilities for mining equipment, the payments for which are included in the Adjusted Model and therefore is already reflected in the DCF valuation of the Eloise Mine. Consequently, we have adjusted the value of the property, plant and equipment and the borrowings to nil.

Note d) Non-current provisions

We note that the non-current provisions balance of \$7.83 million at 30 June 2021 primarily comprised a provision for mine rehabilitation (\$7.55 million), with the remainder relating to non-current provisions for long service leave (\$0.27 million). As the costs of mine rehabilitation have already been accounted for in the DCF valuation of the Eloise Mine, we have removed this component from the non-current provisions balance. The remaining balance of employee-related provisions associated with the Eloise Mine will be assumed by AIC as part of the Proposed Acquisition.

11.1.7. Minority interest discount

The value of an AIC share following the Proposed Transaction derived under the Sum-of-Parts approach is reflective of a controlling interest. If the Proposed Transaction is approved, for the purposes of the Corporations Act, FMR is deemed to have a controlling interest in the Company. As such, if the Proposed Transaction is approved, Shareholders collectively forego the opportunity to receive a control premium in the future.

Therefore, we have adjusted our valuation of an AIC share following the Proposed Transaction to reflect a minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1/[1+\text{control premium}])$.

We have reviewed the control premiums paid by acquirers of companies listed on the ASX in Section 10.2. Based on our analysis, we consider an appropriate premium for control to be applied is between 25% and 35%, with a midpoint value of 30%.

An assessed control premium of 25% to 35% with a midpoint value of 30%, gives rise to a rounded minority discount in the range of 20% to 26%, with a midpoint of 23%.

11.1.8. Number of shares on issue following the Proposed Transaction

The number of AIC shares on issue following the Proposed Transaction will increase by the shares issued as part of the Capital Raising and the Consideration Shares issued to FMR, as detailed below.

Number of shares on issue	Low value	Preferred value	High value
Number of shares on issue prior to the Proposed Transaction per Section 10.1	72,715,018	72,715,018	72,715,018
Add: shares issued as part of the Capital Raising	120,000,000	160,000,000	160,000,000

Number of shares on issue	Low value	Preferred value	High value
Add: Consideration Shares issued to FMR as part of the Proposed Transaction	80,000,000	80,000,000	80,000,000
Number of shares on issue following the Proposed Transaction	272,715,018	312,715,018	312,715,018

11.2 Cross-check of DCF valuation of the Eloise Mine using Resource multiples

To provide a cross check for our value of the Eloise Mine on a discounted cash flow basis, we have compared the multiples used by SRK to value the Residual Resources in the Independent Specialist Report found in Appendix 3 of our Report, to the implied resource multiples determined by our valuation of the Eloise Mine in Section 11.1.1.

In its analysis, SRK considered transactions involving pre-development to operational copper projects in Australia, and normalised for the average copper price over July 2021. Of the 20 comparable transactions SRK considered, two were operational mines albeit of larger size and with a longer life of mine compared to the Eloise Mine.

A summary of the overall multiple valuation range used by SRK and the multiple valuation range formed using the two operational mines is set out below:

Multiples used by SRK	Low A\$/CuEq t	High A\$/CuEq t
Comparable market transaction valuation multiple - overall	75	125
Comparable market transaction valuation multiple - operating mines valuation range	406	670

Source: SRK's Independent Specialist Report

The Mineral Resource reflected in the Adjusted Model, as determined by SRK is set out below:

Mineral Resource	Contained copper tonnes
Probable Reserve	30,358
Mineral Resource	29,821
Total Mineral Resource reflected in the Adjusted Model	60,179

Source: The Adjusted Model

Note: Gold and silver credits are not included in the above Mineral Resource

We have calculated an implied resource multiple by dividing the value of the Eloise Mine as determined in Section 11.1.1 by the tonnes of copper per the Mineral Resource reflected in the Adjusted Model. We note that we have not included contained gold and silver metal within the Mineral Resource although, based on the Adjusted Model, these metals are only expected to contribute less than 10% of the total revenues over the life of mine and are unlikely to be material for the purposes of this cross-check. Our calculation of the implied multiple is set out below:

Implied Multiple	Low	Preferred	High
DCF Value of the Eloise Mine (\$'000) per Section 11.1.1	20,000	32,800	62,100
Total Mineral Resource reflected in the Adjusted Model (t copper)	60,179	60,179	60,179
Implied Multiple (\$/t copper)	332	545	1,032

Based on our analysis we consider the implied multiple range for the low and preferred valuation, being approximately \$332 to \$545 per tonne of copper, to be supported by the transactions of Australian based copper operating mines identified by SRK. We note that the high end of our implied multiple range is above the high end of SRK's operating mines transaction multiples, however our high end incorporates SRK's Upside Case input adjustments as well as favourable commodity and exchange rate sensitivities, which we consider to be achievable, although optimistic. The multiples observed on the historical transactions considered by SRK are likely to reflect the acquirer's expected future cash flows as at the time of the acquisition, whereas the high value of our DCF represents possible values should commodity price or exchange rate assumptions differ from expectations by a reasonable margin. Notwithstanding the high end of the implied multiple range, we still consider the value of the Eloise Mine as determined in Section 11.1.1, to be broadly supported by the resource multiples used by SRK in the Independent Specialist Report found in Appendix 3 of our Report.

12. Is the Proposed Transaction fair?

The value of an AIC share prior to the Proposed Transaction on a controlling interest basis is compared to the value of an AIC share following the Proposed Transaction and on a minority interest basis below:

	Ref	Low \$	Preferred \$	High \$
Value of an AIC share prior to the Proposed Transaction (control basis)	10.3	0.140	0.181	0.223
Value of an AIC share following the Proposed Transaction (minority basis)	11.1	0.112	0.172	0.272

Source: BDO analysis

The above valuation ranges are graphically presented below:



Over the range of values presented above, in the absence of any other relevant information, and a superior offer, we consider the Proposed Transaction to be fair for Shareholders. We note that we have considered the entire range of values in assessing whether the Proposed Transaction is fair. We do not consider it appropriate to assess whether the Proposed Transaction is fair by comparing the low, preferred and high valuations of AIC prior to and following the Proposed Transaction individually because the portfolio of assets held prior to the Proposed Transaction is different to the portfolio of assets held following the Proposed Transaction. Therefore, it is possible that the low end of the valuation of AIC prior to the Transaction and the high end of the valuation of the Eloise Mine may materialise (and vice versa).

As such, we have assessed whether the Proposed Transaction is fair over the entire range of values rather than at individual points.

Although we consider the Proposed Transaction to be fair for Shareholders, depending on Shareholders' own views about the above valuation range, the value of a share in AIC following the Proposed Transaction (on a minority interest basis) may be lower than the value of an AIC share prior to the Proposed Transaction (control basis).

13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of AIC a premium over the value resulting from the Proposed Transaction.

13.2 Practical Level of Control

If the Proposed Transaction is approved then FMR will hold an interest of up to 29.9% in AIC. In addition to this, FMR will have the right (but not the obligation) to nominate one additional director, for as long as FMR continues to hold at least 10% of AIC's issued capital.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved then FMR will be able to block special resolutions.

AIC's Board currently comprises four directors. FMR has indicated that it will nominate its current Chairman, Jonathan Young, to the Board of AIC. This will take AIC's Board to five directors and means that the FMR-nominated director will make up 20% of the Board.

FMR's control of AIC following the Proposed Transaction will be significant when compared to all other shareholders. In addition to being able to block special resolutions, FMR will also be able to nominate a director to the Board and will become a substantial shareholder in the Company. However we note that the Company's Board will still comprise primarily of existing directors. Therefore, in our opinion, while FMR will be able to significantly influence the activities of AIC, it will not be able to exercise a similar level of control as if it held over 50% of AIC.

13.3 Consequences of not Approving the Proposed Transaction

Shareholders will continue to hold shares in AIC, with the Company likely being required to raise capital

If the Proposed Transaction is not approved, AIC will continue to own non-producing mineral assets. In order for Shareholders to gain exposure to a producing asset they will continue to rely on AIC being able to develop its existing mineral assets into production or through acquisition of another producing asset.

Further, if the Proposed Transaction does not proceed, the Capital Raising will not proceed. We note that AIC's cash balance was approximately \$4.29 million as at 30 June 2021. As announced in the June 2021 Quarterly Cash Flow Report on 16 July 2021, it was estimated that the cash balance would be sufficient to fund future operating activities for another 2.77 quarters (approximately 8 months). In addition, at 30

June 2021, AIC had cumulatively spent approximately \$3.80 million at the Lamil Project. In order to earn-in to a 50% interest in the Lamil Project, AIC is required to spend a further \$2.20 million. In light of the Company's cash balance and future operating activities, notwithstanding the Company's investments in shares and options which it could liquidate to generate funds, if the Proposed Transaction is not approved, Shareholders could nevertheless face dilution in the near future should the Company be required to raise equity capital (and Shareholders elected not to participate).

13.4 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair for Shareholders	As set out in Section 12, the Proposed Transaction is fair. RG 111.12 states that an offer is reasonable if it is fair.
The Proposed Transaction provides Shareholders with exposure to a producing copper and gold project	AIC's portfolio of mineral assets are currently in the exploration phase. Since the formation of AIC following the merger in 2019, the Company has not owned any cash generating, producing mineral assets. The Proposed Transaction, if approved, will change the nature and scale of the Company's activities. As set out in section 6.2 of our Report, the Eloise Mine business unit generated \$132.93 million in revenues from ordinary activities and \$18.94 million in net profits before tax for the financial year ended 30 June 2021. The Eloise Mine has a history of production dating back to 1996 and is currently producing copper concentrate with gold and silver by-products. By approving the Proposed Transaction, Shareholders will gain exposure to a mine that is currently in production and the cash flows generated from it.
Potential upside from exploration potential at the Eloise Mine including potential agreements with neighbouring tenement holders	As discussed in SRK's Independent Technical Specialist report (see Appendix 3), outside of the Residual Resources, there is potential upside to the Eloise Mine from exploration success in the upper lodes and at depth below the current Deeps Inferred Resource, and from acquisition beyond Eloise Mine's current mine lease boundaries particularly with regards to Deeps extensions. Successful negotiation with its neighbours to provide AIC with access to these minerals could potentially lift the value of the Eloise Mine. We have not assigned a value to this exploration and acquisition potential in our valuation of the Eloise Mine as we do not have reasonable grounds to include it.

Advantage	Description
Potential further value enhancement of the Eloise Mine via toll treatment of ore from other operating mines in the region	SRK's Independent Technical Specialist report also considers that the Eloise Mine may have opportunities to toll treat ore from other operating mines in the region. If such an arrangement were entered into, depending on the terms, this could result in further upside to the value of the Eloise Mine. If the Proposed Transaction is implemented, then Shareholders may be able to participate in this upside, should it materialise.
Proposed Acquisition of the Eloise Mine will be funded by equity as opposed to debt	The Proposed Acquisition will change the nature and scale of the Company's activities but this is achieved without the use of debt, thereby maintaining AIC's debt-free balance sheet. Shareholders therefore do not face any default risks compared to if the acquisition was partially or fully funded by debt.
Able to leverage FMR's mining expertise and knowledge particularly in relation to the Eloise Mine	FMR will be a substantial shareholder of AIC following the Proposed Transaction and will be able to nominate a director to the Board. It therefore will be able to influence AIC's operations. FMR has operated within the mining industry since 1989 and, in addition to the Eloise Mine, currently owns and operates the Gordon Sirdar gold mine in Kalgoorlie and the Greenfields gold processing plant in Coolgardie. Its experience in the industry and knowledge of operating the Eloise Mine could be beneficial for AIC in realising the value in its existing mineral assets and the Eloise Mine, and/or growing through value-added acquisitions. Further, we note that a condition of the Proposed Acquisition is that AIC will retain not less than 80% of the employees from the Eloise Mine, meaning that AIC will retain the operational experience.
Cash generated from the Eloise Mine would be used to further explore and develop the Marymia and Lamil Projects	The Eloise Mine generates cash flows which management has advised would be used by AIC to further explore and develop the Marymia and Lamil Projects, with the aim of discovering new ore bodies at these projects. This reduces the reliance on Shareholders to contribute further capital into the Company for this purpose.
When compared on a control basis, the low, preferred and high values of an AIC share following the Proposed Transaction are higher than the respective values prior to the Proposed Transaction	From our conclusion on fairness in Section 12, we note that the low and preferred values of AIC following the Proposed Transaction (on a minority basis) were lower than the corresponding low and preferred values of AIC prior to the Proposed Transaction (on a control basis). However if this comparison was performed on a like-for-like basis, and the value of AIC prior to the Proposed Transaction (on a control basis) was compared to the value of AIC following the Proposed Transaction and on a control basis as well, then the low and preferred values

Advantage	Description
	would be higher following the Proposed Transaction, compared to prior to the Proposed Transaction.

13.5 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of Shareholders' interests	As detailed in Section 4 of our Report, following the Capital Raising and the Proposed Acquisition, FMR's interest in the Company will increase to up to 29.9% while Shareholders' interests will decrease from holding 100% of the issued capital to a minimum of 70.1%. We note that this 70.1% interest in AIC relates to both new and existing shareholders that are not associated with FMR. As a result, any upside potential from either the Eloise Mine or AIC's existing mineral assets will have to be shared with FMR.
Risks associated with acquiring a producing operating asset and project specific risks	As detailed in Section 12, we consider the Proposed Transaction to be fair. However, given the sensitivity of the Eloise Mine to changes in the forecast copper price and AUD/USD exchange rate, as well as other operating risks, the low end of our valuation of an AIC share following the Proposed Transaction is lower than the low end of our valuation of an AIC share prior to the Proposed Transaction. Therefore, by approving the Proposed Transaction, Shareholders may be exposing themselves to more downside risk. In addition to the risks of acquiring an operating copper mine, such as commodity prices and operational risks, SRK, in its report, also highlighted several project specific risks. The risks highlighted include risks associated with short term suspension of operations due to issues around the Eloise Mine's tailings dam. These risks are detailed in SRK's Independent Specialist Report contained in Appendix 3. We have incorporated these project-specific risks in our valuation of the Eloise Mine through adopting SRK's proposed Base Case input adjustments as well as incorporating an inherent risk adjustment factor into our discount rate and considering sensitivities around production rates. However, the impact of these project risks cannot be determined with any level of

Disadvantage	Description
	certainty. Further, there may be other project-specific risks that have not been identified. Should this be the case, it could materially impact the value of the Eloise Mine, beyond the low end of our valuation range. Further, if the Proposed Transaction is implemented, AIC may become directly or indirectly liable for any liabilities that FMR has incurred in the past in connection with the Eloise Mine, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which AIC may not have post-closing recourse under the Mine Sale Agreement. These could include liabilities relating to environmental claims or breaches, contamination, regulatory actions and health and safety claims. Such liabilities may adversely affect the financial performance or position of AIC.

13.6 Other Considerations

The Proposed Transaction may not align with Shareholders' risk preferences

Shareholders invested in AIC on the basis of it being a copper and gold exploration company with tenements located in Western Australia. The Proposed Transaction represents a change in the nature and scale of operations as the Company will go from being an exploration company to holding a producing copper asset. Although the Proposed Transaction will provide Shareholders with diversification, and exposure to a cash generating asset, this may not align with Shareholders' risk preferences. This may represent an advantage or disadvantage to each individual shareholder, depending on the individual circumstances and risk preferences of that shareholder, and as such we have included it as another consideration for Shareholders.

Potential impact to the liquidity of an AIC share

Following the Proposed Transaction, FMR will be a substantial shareholder in AIC. The presence of another substantial shareholder, lowers the Company's free float which may reduce the liquidity of the Company's shares. As detailed in Section 11.2, AIC's shares already display a low level of liquidity. A lower level of liquidity for the Company's shares may result in Shareholders having difficulty realising the value of their investment, or having to accept discounts when realising.

Notwithstanding the above, we note that following the Proposed Transaction, AIC will hold a producing copper asset and the size and scale of its operations will increase. This may result in shares in AIC being traded more regularly, resulting in improved liquidity for Shareholders. These two factors may offset each other, with the quantum of each factor unable to be reliably determined. As such, this has been included as another consideration for Shareholders.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Proposed Transaction is fair and reasonable to Shareholders.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of AIC for the years ended 31 December 2020, 31 December 2019 and 31 December 2018;
- Reviewed financial statements of AIC for the half-year ended 30 June 2021;
- Audited financial statements of the Eloise Copper Mine for the years ended 30 June 2021 and 30 June 2020;
- Independent Specialist Report of AIC's existing mineral assets and the mineral assets associated with the Eloise Mine dated 27 August 2021 performed by SRK Consulting (Australasia) Pty Ltd;
- Eloise Copper Mine Sale Agreement on or about the date of our Report;
- Share registry information;
- Reserve Bank of Australia website;
- United States Geological Survey website;
- Consensus Economics;
- S&P Capital IQ;
- Bloomberg;
- Information in the public domain; and
- Discussions with Directors and Management of AIC.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$84,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by AIC Mines Limited in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Company, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to FMR and AIC and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of FMR and AIC and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with AIC, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to AIC and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Adam Myers and Ashton Lombardo of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants. Ashton has over ten years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

18. Disclaimers and consents

This report has been prepared at the request of AIC for inclusion in the Notice of Meeting which will be sent to all AIC Shareholders. AIC engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed acquisition of the Eloise Mine from FMR and the associated Capital Raising, which results in FMR's interest in AIC increasing to above 20%.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Eloise Mine. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by AIC and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of AIC, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by AIC and the mineral assets associated with the Eloise Mine.

The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes
Director

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$ or AUD	Australian Dollars
ABS	Australian Bureau of Statistics
ADI	Authorised Deposit-Taking Institution
AFCA	Australian Financial Complaints Authority
AIC	AIC Mines Limited
AIC Resources	AIC Resources Limited
Amalg Resources	Amalg Resources NL
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
Argonaut	Argonaut Securities Pty Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Ausgold	Ausgold Resources Limited
Barmenco	Barmenco Investments Pty Ltd
BDO	BDO Corporate Finance (WA) Pty Ltd
BHP	BHP Group Limited
CAD	Canadian Dollars
Canaccord	Canaccord Genuity (Australia) Ltd
Capital Raising	The capital raising of not less than \$30 million and up to \$40 million at a price of \$0.25 per AIC share to fund the Proposed Acquisition and to provide working capital. The Capital Raising is a condition precedent of the Proposed Transaction
CAPM	Capital Asset Pricing Model
Consideration Shares	The \$20.00 million in AIC shares to FMR as part of the consideration for the Proposed Acquisition due on completion
Contingent Payment	\$2.00 million contingent payment payable 6 months after completion if within that 6-month period the Eloise Mine produces 20,000 tonnes of copper concentrate
CPI	Consumer Price Index
CSA	CSA Global Pty Ltd
Curara Well JV	Joint venture entity between AIC and Venus Metals

Reference	Definition
DCF	Discounted Future Cash Flows
Doolgunna JV	Joint venture entity between AIC and Ausgold
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
Emerson	The Emerson Deposit which forms part of the Eloise Mine
EV	Electric Vehicle
EY Tax	Ernst & Young Tax
FME	Future Maintainable Earnings
FMR	FMR Investments Pty Ltd
Forecast Period	Five-year period from FY2022 to FY2026 (financial years ending 30 June) in which cash flows are forecasted in the Model
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY	Financial Year
g/t	Grams per tonne
GDP	Gross Domestic Product
General Offer	The portion of the overall Capital Raising not taken up under the Priority Offer
Gold79	Gold79 Mines Limited
ICA	International Copper Association
ICGS	International Copper Study Group
Intrepid	Intrepid Mines Limited
Item 7 s611	Item 7 of Section 611 of the Corporations Act
Joint Lead Managers	Canaccord Genuity (Australia) Limited and Argonaut Capital Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JV	Joint Venture
KLL	Kalium Lakes limited
km ²	Square kilometres
koz	Kilo ounces

Reference	Definition
kt	Kilo tonnes
Lamil Project	Joint Venture exploration project between AIC and Rumble Resources in the Paterson Province (WA)
LOM	Life-of-Mine
Macy	The Macy Deposit which forms part of the Eloise Mine
Marymia Project	Exploration project located in the eastern Gascoyne region (WA)
MIM	Mount Isa Mines Limited
MRE	Mineral Resource Estimate
mt	Million tonnes
NAV	Net Asset Value
Northern Star	Northern Star Resources Ltd
our Report	This Independent Expert's Report prepared by BDO
Priority Offer	The allocation of up to \$5 million to AIC shareholders as part of the Capital Raising
QMP	Quoted market price basis
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Residual Resources	The residual Mineral Resources associated with the Eloise Mine but not included in the DCF valuation
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 74	Acquisitions Approved by Members
RG 76	Related party transactions
ROM	Run-of-mine
Rumble Resources	Rumble Resources Limited
Saracen	Saracen Mineral Holdings
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of AIC not associated with FMR
SRK	SRK Consulting (Australasia) Pty Ltd

Reference	Definition
Sum-of-Parts	Valuation methodology which combines several different methodologies to determine an overall value
TFF	Term Funding Facility
The Act or Corporations Act	The Corporations Act 2001 Cth
The Adjusted Model	The Model after adjustments by BDO to reflect changes in technical assumptions as a result of SRK's review and changes to the economic and other input assumptions
The Company	AIC Mines Limited
The Eloise Mine	Eloise Copper Mine in Queensland
the Model	Cash Flow Model for Eloise Mine prepared by AIC
The Proposed Acquisition	AIC's proposal to acquire the Eloise Mine from FMR investments Pty Ltd for cash and shares in AIC
The Proposed Transaction	The Proposed Acquisition together with the associated Capital Raising
US\$ or USD	United States Dollars
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Venus Metals	Venus Metals Corporation Limited
Vulcan	Vulcan Copper Limited
VWAP	Volume Weighted Average Price

Copyright © 2021 BDO Corporate Finance (WA) Pty Ltd

All rights reserved. No part of this publication may be reproduced, published, distributed, displayed, copied or stored for public or private use in any information retrieval system, or transmitted in any form by any mechanical, photographic or electronic process, including electronically or digitally on the Internet or World Wide Web, or over any network, or local area network, without written permission of the author. No part of this publication may be modified, changed or exploited in any way used for derivative work or offered for sale without the express written permission of the author.



For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Independent Specialist Report prepared by SRK

Final

Independent Specialist Report on the mineral assets of AIC Mines Limited and FMR Investments Pty Ltd Eloise Copper Mine

Marymia Project, East Gascoyne, Western Australia

Lamil JV Project, Paterson Province, Western Australia

Eloise Copper Mine, Mount Isa - Cloncurry, Queensland

BDO Corporate Finance (WA) Pty Ltd



SRK Consulting (Australasia) Pty Ltd ■ BDO014 ■ September 2021



Final

Independent Specialist Report on the mineral assets of AIC Mines Limited and FMR Investments Pty Ltd Eloise Copper Mine

Marymia Project, East Gascoyne, Western Australia
Lamil JV Project, Paterson Province, Western Australia
Eloise Copper Mine, Mount Isa - Cloncurry, Queensland

Prepared for:

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008
Australia



+61 8 6382 4600
www.bdo.com.au

Prepared by:

SRK Consulting (Australasia) Pty Ltd
Level 3, 18–32 Parliament Place
West Perth WA 6005
Australia

+61 8 9288 2000

www.srk.com

ABN: 56 074 271 720



Lead Author: Shaun Barry **Initials:** SB

Reviewer: Jeames McKibben **Initials:** JM

File Name:

BDO014 - AIC Eloise Copper_Rev5

Suggested Citation:

SRK Consulting (Australasia) Pty Ltd. 2021. Independent Specialist Report on mineral assets of AIC Mines Limited and FMR Investments Pty Ltd. Final. Prepared for BDO Corporate Finance (WA) Pty Ltd: Subiaco, Western Australia Project number: BDO014. Issued September, 2021.

Copyright © 2021

SRK Consulting (Australasia) Pty Ltd ■ BDO014 ■ September 2021



Acknowledgments

The following consultants have contributed to the preparation of this report.

Role	Name	Professional designation
Contributing Author	Philip Ashley	BEng(Hons), MAusIMM, SME
Contributing Author	Peter Rohner	BSc
Contributing Author	Sam Paterson	MSc(Engineering Geology), Dept Earth Sciences, BSc (Hons) Class 2.1, MICE CEng, MIEAust CPEng, NPER RPEQ
Contributing Author	Tinah Kelly	BEng(Hons)(Civil), MIEAust, CPEng, NER, AGS, MAusIMM
Contributing Author	John Chapman	MEng(Chem), PEng
Contributing Author	James Carpenter	BAppSc(Hons), MSc, MAusIMM(CP)
Coordinating Author	Lisa Chandler	MEng, BSc, MNELA, MAusIMM, AMANCOLD, MSER
Contributing Author	Shaun Barry	BSc(Hons), MSc Eng, MRICS
Peer Review	Jeames McKibben	BSc (Hons), MBA, FAusIMM(CP), MAIG, SME, MRICS
Releasing Authority	Jeames McKibben	BSc (Hons), MBA, FAusIMM(CP), MAIG, SME, MRICS

Disclaimer: The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by AIC Mines Limited (AIC). The opinions in this Report are provided in response to a specific request from BDO Corporate Finance (WA) Pty Ltd to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

Contents

Useful Definitions	ix
Executive summary	xv
1 Introduction	1
1.1 Terms of reference and purpose of the Report	1
1.2 Reporting compliance, reporting standard and reliance	2
1.2.1 Scope of work	2
1.2.2 Reporting standard	2
1.2.3 Work program	3
1.2.4 Legal matters	4
1.2.5 Effective Date	4
1.3 Project team	4
1.4 Limitations, reliance on information, declaration and consent	5
1.4.1 Limitations	5
1.4.2 Statement of SRK independence	6
1.4.3 Indemnities	6
1.4.4 Consent	6
1.4.5 Practitioner consent	6
1.4.6 Consulting fees	7
1.4.7 Units of measure and currency	7
2 Overview of AIC Mines Limited	8
2.1 Introduction	8
3 Marymia Project	10
3.1 Project overview	10
3.1.1 Location and access	10
3.1.2 Physical setting and land use	11
3.2 Ownership and tenure	11
3.2.1 Tenure Status	11
3.2.2 Native title	12
3.2.3 Agreements and compensation	13
3.2.4 Royalties	13
3.3 Project History	13
3.3.1 Exploration and development	14
3.3.2 Current project status	17
3.4 Geology and mineralisation	20
3.4.1 Regional	20
3.4.2 Project	21
3.4.3 Mineralisation	22
3.5 Exploration potential and planned future exploration	22
3.5.1 Tenements E52/3028 and E52/3029	25
3.5.2 Three Rivers Reporting Group 84/2016	26
3.5.3 Curara Well, Venus JV, Reporting Group C14/2019, also E52/3068	28
3.5.4 Jubilee Well, Reporting Group C148/2016	30
3.5.5 Beyondie, Reporting Group C148/2017	32
3.5.6 Bryah, Reporting Group C50/2017	34
3.5.7 Thadoona, Reporting Group C53/2017	35
3.5.8 Doolgunna JV, AIC Resources Ltd and Ausgold Exploration Pty Ltd	36

3.6	Mineral Resources.....	36
4	Lamil Project.....	37
4.1	Project Overview	37
4.1.1	Location and access	37
4.1.2	Physical setting and land use	38
4.2	Ownership and tenure	38
4.2.1	Tenure status	38
4.2.2	Native title	39
4.2.3	Agreements and compensation	39
4.3	Project history	39
4.3.1	Exploration and development	39
4.3.2	Current project status	41
4.4	Geology and mineralisation	42
4.4.1	Regional	42
4.4.2	Project	42
4.4.3	Mineralisation	42
4.5	Exploration potential and planned future exploration	43
4.6	Mineral Resources.....	44
5	Eloise Copper Mine	45
5.1	Project overview	45
5.1.1	Location and access	45
5.1.2	Physical setting and land use	46
5.2	Ownership and tenure	46
5.2.1	Ownership history	46
5.2.2	Tenure status	46
5.2.3	Native title	47
5.2.4	Key agreements and compensation	47
5.2.5	Royalties	48
5.3	Geology and mineralisation	49
5.3.1	Regional	49
5.3.2	Project	49
5.3.3	Mineralisation	50
5.4	Exploration potential and planned future exploration	50
5.5	Mineral Resources.....	52
5.6	Ore Reserves	56
5.7	Mining	60
5.8	Stoping methods.....	61
5.9	Production schedule	61
5.10	Mine reconciliation	62
5.11	Development	62
5.12	Mine operations	62
5.13	Mine ventilation.....	63
5.14	Geotechnical and hydrological aspects	63
5.15	Processing	66
5.15.1	Process description	66
5.15.2	Processing history/plant performance	68
5.16	Project infrastructure and logistics	72
5.16.1	Power supply and electrical distribution	73
5.17	Tailings storage facilities	74
5.17.1	Existing tailings storage facilities overview	74

5.17.2	Tailings storage capacity.....	75
5.17.3	Site inspection of TSF operation.....	75
5.17.4	TSF closure strategy.....	76
5.17.5	Summary.....	76
5.18	Water management system.....	77
5.18.1	Key water management storages.....	77
5.18.2	Water management strategy.....	79
5.18.3	Regulated structures.....	80
5.18.4	Summary.....	81
5.19	Workforce assessment.....	81
5.20	Occupational health and safety.....	82
5.21	Environmental, permitting and closure.....	82
5.21.1	Licencing and approvals.....	82
5.21.2	Environmental management approach.....	84
5.21.3	Environmental performance and compliance.....	84
5.21.4	Mine closure, planning and financial provision.....	86
5.22	Capital and operating costs.....	88
5.22.1	Operating costs.....	88
5.22.2	Capital expenditure.....	88
6	Risk and opportunity assessment.....	91
7	Other considerations.....	93
7.1	Commodity prices.....	93
7.1.1	Copper.....	93
7.1.2	Gold.....	94
8	Valuation methodology.....	97
8.1	Introduction.....	97
8.2	Materiality.....	99
9	Reasonableness of technical inputs to Eloise cashflow model.....	100
9.1	SRK recommendations.....	100
10	Valuation of Eloise copper mine residual resource.....	103
10.1	Comparable transactions.....	103
10.2	Yardstick method.....	105
10.3	Valuation summary of Eloise residual resource.....	105
11	Valuation of AIC exploration assets.....	107
11.1	Previous valuations.....	107
11.2	Previous transactions.....	107
11.3	Comparable Market Transaction and JV terms.....	107
11.4	Geoscientific Rating.....	111
11.5	Multiples of Exploration Expenditure.....	114
11.6	Valuation summary of AIC exploration potential.....	116
11.7	Discussion on Value Range.....	116
	References.....	119

Tables

Table 1-1: Details of the qualifications and experience of the project team	4
Table 3-1: Marymia Project tenure status	11
Table 3-2: Marymia Project key prospects	18
Table 3-3: Marymia JV tenure status	24
Table 4-1: Lamil Project tenure status	38
Table 4-2: Lamil Project key prospects	42
Table 5-1: Eloise Copper Mine tenure status	47
Table 5-2: Eloise 2021 Mineral Resource	55
Table 5-3: Eloise 2019 Mineral Resource	55
Table 5-4: Eloise 2018 Mineral Resource	56
Table 5-5: Mineral Resource Estimate within FMR June 2021 LOM Design	57
Table 5-6: Eloise Ore Reserve Estimate as at 30 June 2021	58
Table 5-7: Probable Ore Reserves by location	59
Table 5-8: Mining inventory	59
Table 5-9: Life of Mine production schedule	59
Table 5-10: Scheduled annual production	61
Table 5-11: Plant throughput statistics (June 2020 to May 2021)	69
Table 5-12: Plant Grade and Recovery Statistics (June 2020 to May 2021)	69
Table 5-13: Plant Production Statistics (June 2020 to May 2021)	70
Table 5-14: Site water management storages	78
Table 5-15: Site Regulated Structures CCA of HIGH	80
Table 5-16: Site Regulated Structures CCA design elements	80
Table 5-17: Approved activities (EPML00818113)	83
Table 5-18: Excerpt from ATC Williams 2020 regulated dam inspection report	86
Table 7-1: Copper price forecast	94
Table 7-2: Gold price forecast	96
Table 8-1: Suggested valuation approaches according to development status	98
Table 8-2: SRK's adopted valuation basis	99
Table 9-1: Eloise Model assumptions and SRK recommendations	101
Table 10-1: Comparable market transaction valuation	104
Table 10-2: Yardstick multiples	105
Table 10-3: Yardstick valuation of Residual Resource	105
Table 10-4: Valuation Summary of Eloise copper mine Residual Resource	106
Table 11-1: Statistics of early-stage exploration copper market transactions	108
Table 11-2: Comparable Market Value of Marymia tenements	110
Table 11-3: Western Australia Exploration Licence Base Acquisition Cost	111
Table 11-4: Western Australia Prospecting Licence Base Acquisition Cost	112
Table 11-5: Geoscientific Rating value of Marymia tenements	112
Table 11-6: MEE, Prospectivity Enhancement Multiplier (PEM) Factors	114
Table 11-7: Multiples of Exploration Expenditure Value of Marymia tenements	114
Table 11-8: Valuation summary of AIC exploration assets	116

Figures

Figure 2-1: AIC's exploration projects	8
Figure 3-1: Location of AIC's Marymia Project	10
Figure 3-2: AIC Marymia Project tenements	14
Figure 3-3: Marymia Project geophysics targets	16
Figure 3-4: Marymia Project exploration pipeline	17
Figure 3-5: Simplified location and geological map for the Marymia Inlier	21
Figure 3-6: Copper Hills Belt including 4G Hill	31
Figure 3-7: Soil and rock chip gold results for Two Pools prospect	34
Figure 4-1: Location of Lamil JV Exploration Projects	37
Figure 4-2: AIC Lamil Project tenements	40
Figure 4-3: Lamil Project exploration pipeline	41
Figure 5-1: Location of Eloise Copper Mine	45
Figure 5-2: Eloise long section showing locations of Indicated and Inferred Mineral Resources	57
Figure 5-3: Long section showing development and locations of planned stope production	60
Figure 5-4: Seismic events June 2011 to March 2020	64
Figure 5-5: Seismic activity and potential voids above the Deeps caving zone	65
Figure 5-6: Decline face at 1,477 mbs showing high level of reinforcement, including the development face	66
Figure 5-7: Gold in Tailings Versus Gold Head Grade	71
Figure 5-8: Silver in Tailings Versus Silver Head Grade	71
Figure 5-9: Eloise Mine surface infrastructure layout	73
Figure 5-10: Eloise Mine – existing and proposed tailings storage facilities and seepage storages	75
Figure 5-11: Site water management structures and catchment map	78
Figure 5-12: Eloise site water management flowchart	80
Figure 5-13: Eloise LOM Capital expenditure Schedule, Eloise Copper Mine	88
Figure 7-1: Copper price	94
Figure 7-2: Gold price	95
Figure 10-1: Market Transactions involving Australian copper projects (Australian dollars)	104
Figure 11-1: Early copper exploration market transactions and JV terms in Australia	109

Appendices

Appendix A	Comparable Market Transactions
Appendix B	Geoscientific Rating valuation method
Appendix C	Multiples of Exploration Expenditure
Appendix D	JORC Code (2012) Table 1 – Marymia, Lamil and Eloise Projects

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

A\$	Australian dollar/s
AC	aircore
AEM	airborne electromagnetic
Ag	silver
AH Act	Aboriginal Heritage Act 1972
AHA Logic	AHA Logic Pty Ltd
AHD	Australian Height Datum
AIC	AIC Mines Limited
AIG	Australian Institute of Geoscientists
AISC	All-in Sustaining Costs
Amalg	Amalg Resources NL
ANCOLD	Australian National Committee on Large Dams
ARD	acid rock drainage
ARI	average recurrence interval
ASA	Asset Sale Agreement
ASX	Australian Securities Exchange
Au	gold
Ausgold	Ausgold Limited
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	Base Acquisition Cost
Barrick	Barrick Gold Corporation
BDO	BDO Corporate Finance (WA) Pty Ltd
BIF	banded iron formations
bl	billion litres
BLEG	bulk leach extractable gold
BMS	Beyondie Magnetite Schist
C&M	care and maintenance
CDNTS	Central Desert Native Title Service
CPR	Competent Persons Report
CRMs	certified reference materials
CSR	corporate social responsibility
Cu	copper
dB	decibels
DD	diamond drilling
Deeps	Eloise Deeps
DES	Queensland Department of Environment and Science
DGPS	differential global positioning system
DHEM	downhole electromagnetic

DISER	Australian Government Department of Industry, Science, Energy and Resources
DMIRS	Western Australian Department of Mines, Industry Regulation and Safety
dmt	dry metric tonnes
DSA	Design Storage Allowance
dtph	dry tonnes per hour
DTM	digital terrain model
Dunbar	Dunbar Resource Management
EA	Environmental Authority
EIS	Exploration Incentive Scheme
EM	electromagnetic
EMG	Emergent Resource Limited
ERAs	environmentally relevant activities
ERC	estimated rehabilitation cost
ESG	Environmental, Social and Governance
ESS	Extreme Storm Storage
ETF	exchange traded funds
EVs	electric vehicles
Exploration Result	Data and information generated by mineral exploration programs that might be of use to investors but which do not form part of a declaration of Mineral Resources or Ore Reserves.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource
FBA	fractured bedrock aquifer
FE	finite element
FEL	front end loader
FEL	front end loader
FIFO	Fly-in – Fly-out
FMR	FMR Investments Pty Ltd
FOB	fine ore bin
FOS	factor of safety
FS	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.
FW	footwall
G&A	General and Administration
g/t	grams per tonne
GCM	Great Central Mines

GCMP	Ground Control Management Plan
ha	hectare/s
HMC	heavy mineral concentrates
HR	Human Resources
HV	heavy vehicle/s
HW	hanging wall
ICP-AES	inductively coupled plasma – atomic emission spectroscopy
ID	inverse distance
IER	Independent Expert Report
IMF	International Monetary Fund
Indicated Resource	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Inferred Resource	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Intrepid	Intrepid Mines Limited
ISR or Report	Independent Specialist Report
IVSC	International Valuation Standards Committee's
JORC Code	2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	joint venture
kg	kilogram/s
km	kilometre/s
km ²	square kilometre/s
koz	thousand ounces
kWh	kiloWatt hour
L	Low capacity
l	litre/s
L&H	load and haul
LHD	long haul dump trucks
LHOS	long hole open stoping
LME	London Metals Exchange
LOM	life-of-mine
LTi	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
LV	light vehicle/s
M	Medium, moderate capacity
M	Million
m	metre/s

m/s	metres per second
Mbcm	Million bulk cubic metres
mbs	metres below surface
MCRP	Mine Closure and Rehabilitation Plan
Measured Resource	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
MEE	Multiples of Exploration Expenditure
mg/l	milligrams per litre
Mineral Resource	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
MI	Million litres
MLEM	surface moving loop electromagnetic
MMI	mobile metal ions
Moz	Million ounces
MRL	Mandatory Reporting Level
Mt	Million tonnes
Mtpa	Million tonnes per annum
MTR	metal transaction ratio
MW	megaWatts
NAF	non-acid forming
NPV	Net Present Value
NSR	net smelter return
OHS	Occupational health and safety
OK	Ordinary Kriging
OMP	operations management plan
Ore Reserve	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
OSA	on-stream analyser
PAF	potentially acid forming
Pb	lead
PCR	polymerase chain reaction
PEM	Prospectivity Enhancement Multiplier
PFS	A Preliminary Feasibility Study (Pre-feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of

	underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-feasibility Study is at a lower confidence level than a Feasibility Study.
POX	partial oxide
PRCP	Progressive Rehabilitation and Closure Plan
Probable Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Proved Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
PSA	pressure swing adsorption
QA/QC	quality assurance and quality control
RAB	rotary air blast
RC	reverse circulation
REMP	receiving environment monitoring program
RG	Regulatory Guide
RICS	Royal Institution of Chartered Surveyors
RL	reduced level
ROM	run-of-mine
Rumble	Rumble Resources Limited
SAG	semi-autogenous grind
SLC	sub-level cave/ing
SMBS	sodium meta-bisulphite
SOR	Slope of Regression
SPT	standard penetration test
SRK	SRK Consulting (Australasia) Pty Ltd
STP	sewerage treatment plants
t	tonne/s
t/m ³	tonnes per cubic metre
TD	Tailings Dam
TEP	techno-economic parameters
TMG	Geotechnical Consultant, Turner Mining and Geotechnical
TMI	total magnetic intensity
tpa	tonnes per annum
tph	tonnes per hour
TSF	tailings storage facility
TSS	total suspended solids
UNOX	fresh
US\$	United States dollar

Valmin Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets
Venus	Venus Metals Corporation Limited
VHMS	volcanic hosted massive sulphide
WMC	Western Mining Corporation
WRD	waste rock dump
XRF	X-ray Fluorescence

Executive summary

Background

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by AIC Mines Limited (AIC) to prepare an Independent Expert Report (IER) in relation to the proposed acquisition of the Eloise Copper Mine located in northwest Queensland from FMR Investments Pty Ltd (FMR).

BDO has subsequently engaged SRK Consulting (Australasia) Pty Ltd (SRK) to prepare an Independent Specialist Report (ISR or Report) in relation to matters on which BDO is not an expert. The scope of the work to be completed by SRK was set by BDO. SRK's ISR will form part of BDO's IER to be provided to AIC shareholders and be commenting on the 'fairness and reasonableness' of the proposed transaction. SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between AIC and FMR, or AIC and any other parties.

SRK's ISR considers both FMR's Eloise Copper Mine, as well as AIC's Western Australian gold exploration portfolio. The key mineral assets to be considered in this Report are collectively known as the Mineral Assets and comprise:

- AIC's 100% interest in the Marymia early-stage exploration project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's 80% interest in the Curara Well JV exploration project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's right to earn up to an 80% interest in the Doolgunna Station Project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's right to earn up to a 50% interest in the Lamil Joint Venture (JV) Exploration Project, located midway between the third party-held Telfer gold–copper and Nifty copper mines in the Paterson Province of Western Australia
- FMR's 100% interest in the Eloise Copper Mine, which is currently in production (underground) and located approximately 60 km southeast of Cloncurry in northwest Queensland

This ISR presents the following key technical information as at the Effective Date (26 August 2021):

- Mineral Resource and Ore Reserve statements (the 2021 Statements (Eloise Copper Mine)) reported in accordance with the terms and definitions of the JORC Code (as defined below) and used as the basis for the Economic Analysis
- The associated Life-of-Mine (LOM) plans and associated technical and economic parameters (TEPs) included in the LOM plans
- A techno-economic assessment of the AIC's and FMR's mineral assets as at 26 August 2021
- The JORC Code (2021) consent forms and Table 1 for Marymia, Lamil and Eloise Projects.

This Report presents a review of the geology and mineralisation at the Mineral Assets and comments on AIC exploration plans and Eloise Copper Mine's growth plans, in the future.

Requirement and reporting standard

SRK's ISR has been prepared in accordance with the guidelines outlined in the Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets (VALMIN Code, 2015), which incorporates the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012).

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of, and production from, those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

Marymia Exploration Project

The Marymia Project is AIC's main exploration asset and lies approximately 850 km north-northeast of Perth in the eastern Gascoyne region of Western Australia. In total, the Project comprises 36 exploration and prospecting licences including a combination of 100% owned AIC tenements, as well as JV tenements forming part of the Curara Well JV and the Doolgunna JV. The Project area is accessed along the Great Northern Highway.

In September 2018, AIC Resources Pty Ltd (a wholly owned subsidiary of AIC) entered into a farm-in and JV agreement with Venus Metals Corporation Limited (Venus), whereby AIC could earn an 80% interest in the Curara Well tenements.

In July 2018, AIC (at the time known as Intrepid Mines Limited (Intrepid)) entered into an agreement with Ausgold Limited (Ausgold) providing it with the right to earn up to an 80% interest in the Doolgunna Station Project.

The 36 tenements are located in the eastern part of Western Australia's Capricorn Orogen, a major Proterozoic age tectonic zone formed by the collision of Archean – Palaeoproterozoic Glenburgh Terrane with the southern edge of the Pilbara Craton. The southeastern margin of the Capricorn Orogen is marked by a series of Palaeoproterozoic sedimentary basins (Padbury, Bryah, Yerrida and Eraheedy Basins) and two inliers of the Yilgarn Craton, the Marymia and Malmac Inliers. The Project tenements fall within the Marymia Inlier.

AIC's Marymia Project is prospective for greenstone-hosted gold deposits and volcanic hosted massive sulphide (VHMS) copper–gold deposits. Type examples are the Plutonic and Marymia gold mines, located central to the project area, and the DeGrussa copper–gold mine, located south of the Project.

There are currently 22 main prospect areas identified by AIC within the Marymia Project tenements, which cover a collective area of approximately 3,200 km². The prospects are at varying exploration stages, ranging from early exploration (i.e. target generation and concept development) to advanced exploration (i.e. drilling) stages. The most advanced prospects are the Two Pools, Marymia North East, Beyondie, 4G Hill and Doolgunna prospects. The first four prospects have encountered semi-continuous gold mineralisation associated with greenstones proximal to major structures and are interpreted to have similarities to the Plutonic and Marymia orogenic gold deposits. Exploration activities performed by AIC and by previous explorers have identified anomalous gold (greater than 1 g/t) in drilling and surface geochemistry, though a significant gold

deposit is yet to be defined. The Doolgunna prospect is proximal to the DeGrussa copper–gold mine. While recent drilling undertaken by AIC has not intersected significant mineralisation, the drilling did confirm that permissive host rocks found at DeGrussa are also found at Doolgunna.

SRK considers the Marymia Project offers good exploration potential for gold and copper–gold deposits. While challenges remain due to the difficulties in identifying deposits under cover, historic exploration results, as well as recently acquired geochemical sampling and drilling results and a project-wide developing understanding of the lithology and structures, support the current geological understanding and perceived exploration potential.

Lamil JV Exploration Project

The Lamil JV Project is remotely located, lying within Paterson Province in northern Western Australia. The Project comprises two Exploration Licences (E45/5270 and E45/5271) registered to Rumble Resources Ltd (Rumble) and three exploration licence applications held by AIC.

In July 2019, AIC entered into an earn-in agreement with Rumble, whereby AIC can earn up to a 65% interest by spending A\$10 M in staged exploration expenditure over 5 years. While AIC has spent approximately A\$3.8 M as at 30 June 2021, AIC has not met the condition of the earn-in as yet.

In May 2021, AIC applied for three exploration licences adjoining the JV tenements.

The licenses are underlain by Proterozoic basement rocks that are interpreted to be prospective for Telfer and Haviron-style gold–copper deposits, and Winu-style copper–gold mineralisation. The Lamil JV project is located midway between the third party-held Telfer gold–copper mine and the Nifty copper mine approximately 390 km southeast of Port Hedland.

In 2020, the AIC completed a total of 68 wide-spaced lithogeochemical air core and reverse circulation (RC) drill holes, as well as seven diamond drill holes for a combined total of 11,431 m. The focus of the drilling was on the Lamil 'Main' Dome, an area of 32 km², which offers geological similarities to the Telfer gold–copper deposit. The JV partners confirmed that prospective basement rocks lie beneath the relatively shallow cover. Favourable large-scale structures were interpreted from geophysics and geochemical samples have revealed pathfinder anomalies. Furthermore, primary copper sulphide mineralisation has been encountered on the eastern flank of the Lamil Main Dome, similar to that at Telfer.

SRK considers the Lamil Project offers good exploration potential and that further exploration activities are warranted. Challenges still exist due to the difficulties in identifying buried mineralisation, though recent discoveries in the Paterson Province (such as the Winu copper deposit) have demonstrated that the area remains prospective and that identifying buried deposits is possible.

There are no Mineral Resources currently reported from within the Lamil Project area.

Eloise Copper Mine

Background

FMR's Eloise Project is centred on an underground copper mining operation located approximately 60 km southeast of Cloncurry in the Mount Isa Inlier of northwest Queensland. The project is accessible by sealed road along the Landsborough Highway. FMR acquired the project in 2004, and has operated Eloise mine since that time.

Geology and Mineralisation

The Eloise deposit is described as an iron sulphide copper gold deposit, also previously known as a shear-hosted copper deposit. The main copper-bearing sulphide at Eloise is chalcopyrite with pyrite and pyrrhotite as the dominant gangue sulphides. Other copper-bearing minerals at Eloise includes native copper, bornite, chalcocite and covellite.

Exploration Potential

There is significant exploration potential adjacent to the mine, which AIC proposes to assess via a drilling program of approximately 300 holes with a total length of 37 km. The proposed drilling is designed to test mineralisation proximal to, but outside of, the 2021 Mineral Resource. Currently, there are ten zones identified as priority drilling targets. These target areas contain wide-spaced drilling intercepts of promising tenor (nominally >2% copper) thereby reducing the exploration risk. Furthermore, geophysical programs using electromagnetic (EM) methods (to identify conductive zones) provide support to potential exploration success in nearby, and undrilled, areas.

Mineral Resource

The Eloise Mineral Resource as at 30 June 2021, reported inclusive of the Ore Reserve, is 2.7 Mt averaging 2.4% Cu, 0.7 g/t Au and 11 g/t Ag, for approximately 66 kt of contained Cu and 60 koz of contained Au. The Mineral Resource is reported by proportions potentially extractable by underground mining methods and within Mineral Resource confidence classification criteria as described in the JORC Code.

The Mineral Resource Estimate meets the criteria for reasonable prospects for eventual economic extraction through restricting the reported Mineral Resource to within the LOM plan solids. It is the current Competent Person's opinion, (Mr Matthew Thomas, full-time employee of FMR), that there exists uncertainty in the depletion areas. Therefore, the reported Mineral Resource for Eloise is confined to within the LOM plan solids. The use of LOM plan solids for reporting purposes ensures that the Mineral Resource definitely meets the requirements of reasonable prospects for eventual economic extraction. This has resulted in a decrease in the reported Total Mineral Resource from 5.4 Mt of material in 2019 to 2.7 Mt in 2021.

In SRK's opinion, the use of the LOM plan solids is overly conservative and the actual Mineral Resource is likely to reside somewhere between AIC's currently reported Mineral Resource (as prepared in 2021) and the previously reported Mineral Resource (as prepared on behalf of FMR in 2019). In SRK's view, the Mineral Resource Estimate is likely to be closer to the 2019 estimate minus depletion due to mining over the intervening period.

As summarised in Table ES1 and Table ES2 and as stated herein, the Eloise 2021 Mineral Resource is reported in accordance with the terms and definitions of the JORC Code (2012). Mineral Resources are reported inclusive of Ore Reserves.

Table ES1: Eloise 2021 Mineral Resource as at 30 June 2021

Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au metal (koz)	Ag metal (koz)
Measured	-	-	-	-	-	-	-
Indicated	1.3	2.5	0.7	10	33	29	405
Inferred	1.4	2.4	0.7	11	33	32	509
Total	2.7	2.4	0.7	11	66	60	915

Sources: AIC company report, 20210430_AIC Eloise LOMP v7.pdf. Also, AIC company report Eloise_JORC_Code_Table_1_20210701.docx

Notes:

Cut-off grades are 1.0% Cu for shallower areas above 0 mRL and 1.5% Cu for deeper areas below 0 mRL.

Competent Person for 2018 Mineral Resources is Mr Matthew Thomas, full time employee of FMR Investments Pty Ltd.

Effective date 1 July 2021, Minor differences in totals are due to rounding.

Ore Reserves

The Eloise Ore Reserves were reported in accordance with the JORC Code (2012) and are summarised in Table ES2.

Table ES2: Ore Reserves as at 30 June 2021

Eloise Ore Reserves	Tonnes (Mt)	Cu% grade	Cu Metal (kt)	Au g/t grade	Au Metal (koz)	Ag g/t grade	Ag metal (koz)
Proved	-	-	-	-	-	-	-
Probable	1.4	2.1	30.3	0.6	26.7	8.3	378
Ore Reserves – Total	1.4	2.1	30.3	0.6	26.7	8.3	378

Sources: FMR

Notes: Mine scheduled production includes substantial 'Mining Inventory' tonnage derived from diluted Inferred Resources, which are deemed to be mineable in light of practical mining conditions.

Reconciliation

Mine planned versus reported actual metal content reconciliation reports, from stopes and development, show wide recovery variation. SRK is not convinced of the robustness of the methodology used and recommends a conservative approach be taken to economic modelling.

Mining and Mine Production

Eloise is a mid-scale underground base metals mine employing conventional stoping techniques for ore production. The mine is accessed via a 1 in 7 gradient ramp from surface to a depth of approximately 1,500 m below surface (mbs).

Planned production is 60,000 t/month at a head grade of 2% copper. Production is to be sourced, two thirds, from long hole open stopes (LHOS) located between 500 and 1,000 mbs and sub-level cave (SLC) stopes located at the base of the mine at approximately 1,500 mbs.

The choice of stoping method is largely dependent upon the rock strength and the in situ stress conditions encountered. LHOS are being used in the upper lenses of Levuka, Chloe, Macy and Macy North, while SLC are being used for extraction of the Deeps mineralisation.

In AIC's LOM plan, the current and planned ore production rate is 50–60 kt/m. Planned annual production is 650 ktpa for financial years (FY) 2022 to 2025 and 575 kt in FY2026, as planned tonnages are exhausted.

Ore is currently transported from the production locations to the surface using 60 t capacity trucks via a ramp. The planned production rate is consistent with that achieved over the last twelve months.

Geotechnical and Hydrological Aspects

High rock stress at depth is an issue to be managed for both development and stoping practice in the Deeps zone (i.e. at depths greater than 1,300 mbs). FMR appear to be maintaining high standards of control.

Processing

The existing comminution circuit consists of three stages of crushing and two stages of ball milling in closed circuit with cyclone classifiers, to produce a flotation feed. There is also a small mill for regrind of scavenger concentrate and recleaner tail prior to further treatment in the cleaner circuit.

The flotation circuit comprises roughing, scavenging and two stages of cleaning to produce a copper concentrate with a target grade of 28.0% Cu at 95% Cu recovery. Final concentrate is pumped to the concentrate thickener. Filtered cake is solar dried on the concentrate pad. Dried concentrate is loaded onto covered trucks, which transport the concentrate to Townsville Port for storage, prior to shipment to customers, primarily in Asia.

The processing plant is capable of achieving an annual throughput rate of up to 707,982 dmt. Therefore, SRK considers the proposed 652,525 dmt per year, as outlined in the supplied financial model, is achievable. However, tonnes milled for the past 12 months were somewhat lower than this level, at 611,411 dmt.

Copper concentrate production for the 12-month period was 39,339 dmt at a grade of 27.5% Cu, 4.5 g/t Au and 100 g/t Ag, with a copper recovery of 94.4%. The contained metal values of 10,820 t of Cu, 5,670 oz of Au and 126,598 oz of Ag was achieved. Concentrate grades between 27 and 28% Cu were consistently achieved with Cu recoveries of typically 94% to 95%.

Workforce, Health and Safety

The workforce is stable and has an appropriate level of skill. Mine development activity has been outsourced to a well credentialled mining contractor.

Occupational Health and Safety (OHS) systems are in place and management has recently implemented a renewed focus on site safety.

Infrastructure

Eloise is a long-established operation with appropriate infrastructure in place. Infrastructure is well maintained.

Approvals and Permitting

The Eloise project operates under an established permitting framework and has developed a range of management plans and related instruments to support compliance with regulatory requirements. As a result of new legislation enacted in 2018, the operation will be required to transition to a new system for management and provisioning for mine rehabilitation by January 2022.

LOM Production Plans and Financial Model

The planned mine production rate is 650,000 tpa at a head grade of 2% Cu. Total scheduled production is 2.9 Mt averaging 2.06% Cu, including 1.5 Mt at 2.0% Cu of 'Mine Inventory', providing a mine life of approximately 4.5 years.

Operating Costs

FMR's budgeted operating costs for 2022 are based on several years of operating a similar mix of production stopes and processing, and thus are well supported. SRK recommends that, in subsequent years, the mining unit costs be increased by 2.5% per annum to reflect increased depth of production and associated reinforcement requirements.

Capital Costs

While development and sustaining capital expenditure for mining and processing have been adequately provided for, tailings dam (TD) construction and closure costs have been underestimated in SRK's opinion. Therefore, SRK has made adjustments and added contingency to TD construction and closure costs as discussed in this report (Section 5.17).

Risks include:

- AIC's tenements are extensively covered by alluvial and residual materials, which limits the amount of outcrop and makes exploration difficult and costly
- Eloise mine: Lower metal recovery from stoping
- Eloise mine: Rock stress and caving issues delaying stope production
- Eloise mine: Loss of technical staff
- Eloise mine: TD – timing of permitting, suitable material required for construction and cost of construction
- Eloise mine: Surface water management and closure costs.

Opportunities include:

- AIC exploration projects host several identified targets with reasonable prospects for economically viable mineralisation, offering near-term potential for exploration success
- Eloise mine: Good prospects for exploration success within the current mining lease
- Eloise mine: Acquisition or JV arrangements with third parties on identified satellite prospects
- Eloise mine: SRK considers the most recent Mineral Resource Estimate (2021) as prepared by FMR to be overly conservative. SRK considers there is likely upside to the stated resource and for valuation purposes has considered a Residual Resource of 2 Mt at a nominal 2.3% Cu and 0.7 g/t Au, based on the 2019 Mineral Resource, albeit accounting for subsequent mine depletion.

Techno-economic assumptions and Valuation

As agreed with BDO, SRK has reviewed the project technical assumptions and provided an assessment on the reasonableness of the techno-economic assumptions used in the supplied Eloise cashflow model (the Model) which considers the LOM plans as developed by FMR, including the Mineral Resource and Ore Reserve Estimates, the mining physicals, the processing assumptions, the operating costs, the capital expenditure and the environmental and permitting provisions. Where SRK considered any assumptions in the Model to be unreasonable, it advised BDO and assisted BDO with making the appropriate changes to the Model to reflect SRK's opinion (Table 9-1). SRK has excluded commentary related to the marketing, exchange rate, inflation rates and discount rate assumptions adopted in the Model, on the understanding that these are to be considered by BDO.

In addition, SRK has provided an opinion of the value of the Residual Resource and the exploration potential at Eloise mine that sits outside the LOM schedule.

SRK has also provided BDO with its independent opinion on the market value of AIC's exploration portfolio.

In forming its opinion, SRK has considered Comparable Transaction analysis, and Yardstick methods to select an overall value range for the Residual Resource at Eloise. In selecting a preferred value, SRK has used the Comparable Transaction valuation method.

On this basis, SRK estimates the value of a 100% interest in the Eloise Residual Resource resides in the range between A\$3.8 M and A\$6.3 M, with a preferred value of A\$5.0 M.

SRK has also used Comparable Transaction analysis, Geoscientific Rating and Multiples of Exploration Expenditure (MEE) methods to select an overall value range for AIC's exploration mineral assets. In assigning its value, SRK has also considered the values outlined in a previous valuation of the Marymia tenements by Dunbar Resources Management (Dunbar) in February 2019.

Based on this analysis, SRK has selected the values implied by the comparable market transaction method as its preferred valuation method in this case. Therefore, SRK estimates the Market Value in AIC's attributable interest in the Marymia Project exploration assets resides in the range between A\$4.4 M and A\$10.2 M, with a preferred value of A\$7.3 M. AIC's attributable interest in the Marymia Project exploration assets include 80% interest in the Carara Wells JV and no interest in the Dolgunna JV.

AIC has not yet earned an interest in the Lamil JV Project and as such SRK has not ascribed any value to AIC for these exploration assets.

1 Introduction

AIC is an emerging Australian base and precious metals exploration company with its corporate head office in Subiaco, Western Australia. The company's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition. To that end, the Company is considering the potential acquisition of the Eloise Copper Mine in northwest Queensland to provide commodity, development status and geographical diversity.

AIC currently holds interests in two key projects, the Marymia exploration project, which is strategically located within trucking distance of the third party-held Plutonic Gold and DeGrussa Copper Mines, and the Lamil exploration JV located in the Paterson Province, immediately west of Newcrest Limited's Telfer Gold–Copper Mine.

BDO has been engaged by AIC to prepare an IER in relation to the proposed acquisition of the Eloise Copper Mine from FMR, with the entire consideration being shares in AIC.

BDO has subsequently instructed SRK to prepare an ISR in relation to matters on which BDO is not an expert. The scope of the work to be completed by SRK was set by BDO. SRK's ISR will form part of the BDO Report and will be provided to AIC shareholders. SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between AIC and FMR or AIC and any other parties.

SRK's ISR considers FMR's Eloise Copper Mine, as well as AIC's Western Australian base and precious metal exploration portfolio. The key mineral assets to be considered in this Report are collectively known as the Mineral Assets and comprise:

- AIC's 100% interest in the Marymia early-stage exploration project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's 80% interest in the Curara Well JV exploration project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's right to earn up to an 80% interest in the Doolgunna Station Project situated approximately 160 km south of Newman in the eastern Gascoyne region of Western Australia
- AIC's right to earn up to a 50% interest in the Lamil JV Exploration Project, located midway between the third party-held Telfer gold–copper and Nifty copper mines in the Paterson Province of Western Australia
- FMR's 100% interest in the Eloise Copper Mine, which is currently in production (underground) and located approximately 60 km southeast of Cloncurry in northwest Queensland.

1.1 Terms of reference and purpose of the Report

SRK understands that this Report is to be used in support of a potential acquisition of Eloise Copper Mine by AIC with the consideration being shares in AIC. It is understood that this Report will be included in BDO's IER. SRK's ISR has therefore been prepared in accordance with the ASX Listing Rules, which require reporting in accordance with the JORC Code (2012) and VALMIN Code (2015) mineral reporting codes (as defined below).

The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in SRK's services, based on: i) information available at the time of preparation

and ii) the assumptions, conditions, and qualifications set forth in this Report. This Report is intended for use by BDO and AIC subject to the terms and conditions of the agreed contract with SRK and relevant securities legislation in Australia.

Except for the purposes legislated under prevailing securities law, any other uses of this Report by any third party is at that party's sole risk. The responsibility for this disclosure remains with AIC.

The purpose of the ISR is to compile the results of all previous technical studies into a single document and to provide an independent overview and assessment of the technical merits that might reasonably be expected to be applied by the market when considering investment in the Australian mineral assets currently held by AIC and FMR's Eloise Copper Mine. In particular, the ISR covers the pertinent aspects in detail appropriate to the strategic importance of the projects and provides commentary on the exploration and development potential of the Mineral Assets.

1.2 Reporting compliance, reporting standard and reliance

1.2.1 Scope of work

In order to comply with the JORC Code (2012) and VALMIN Code (2015) requirements, SRK's ISR includes discussion of the following (where relevant):

- project location, access and supporting infrastructure
- geological setting
- an outline of the defined Mineral Resources and Ore Reserves
- production history
- project constraints
- exploration/development strategy
- economic standing
- summary of project risks and opportunities.

As part of our investigations, SRK has made enquires but not carried out any independent due diligence, on the status of the associated mineral titles and issues relating to land access and environmental regulations. SRK is not qualified to make legal representations in this regard and therefore specifically disclaims responsibility for these aspects for the purpose of this review.

1.2.2 Reporting standard

The authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and therefore are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this Report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

In accordance with the stated reporting guidelines, all geological and other relevant factors defining the Exploration Results, Mineral Resources and Ore Reserves have been considered in sufficient detail to serve as a guide for future exploration. Table 1 of the JORC Code has been used as a checklist during the preparation of this Report and any comments are provided on an “if not why not” basis to ensure clarity to an investor on whether aspects of the future development program have been considered as they apply to the JORC Code (2012) Table 1.

The criteria of the JORC Code Table 1 reflects the normal systematic approach to exploration and target evaluation. Relevance and Materiality are overriding principles that determine the information that needs to be publicly reported. This Report has attempted to provide sufficient comment on all matters that might materially affect a reader’s understanding or interpretation of the results being reported. The criteria under which each project is being evaluated is consistent with the current understanding of the geological controls on the known mineralisation but, as more knowledge is gained, these criteria could change and be improved upon over time.

As per the VALMIN Code (2015), a draft of the Report was supplied to BDO and AIC to check for material error, factual accuracy and omissions before the final version of the Report was issued.

1.2.3 Work program

This assignment commenced in June 2021. It relies on data and information supplied by AIC and FMR, as well as other publicly available data and other information sourced by SRK from literature, as well as subscription databases such as S&P Global Market Intelligence database services. AIC also provided SRK with access to an online data room.

In order to meet the requirements, set out in Section 11.1 of the VALMIN Code (2015), a site inspection to the material Mineral Assets may be required. In light of recent COVID-19 travel restrictions, SRK did not conduct any site visit of AIC’s mineral asset portfolio given their early stage exploration status.

However, the following SRK representatives have completed a site inspection to the Eloise Copper Mine:

- Alex Thin inspected the mining and associated infrastructure from 5 to 6 July 2021.
- Tinah Kelly inspected the tailings storage facilities (TSF) and associated infrastructure from 5 to 6 July 2021.
- Peter Rohner inspected the Eloise processing plant in September 2020.

SRK’s designated project manager, Shaun Barry, coordinated the contributions from each team member to ensure consistency of approach and appropriate levels of reporting as befitting of an ISR for public reporting purposes.

SRK has satisfied itself and AIC has warranted that all material information in its possession has been fully disclosed to SRK.

1.2.4 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to JV agreements, local heritage or potential environmental or land access restrictions.

1.2.5 Effective Date

The Effective Date of this Report is 26 August 2021.

1.3 Project team

This Report has been prepared by a team of SRK's consultants and associates in Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below in Table 1-1.

Table 1-1: Details of the qualifications and experience of the project team

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Shaun Barry	Principal Consultant/ SRK	Project Manager Report and Valuation	28 years – 10 years in consulting specialising in valuation, financial modelling, sensitivity analyses, due diligence studies, IERs, optimisation studies, risk analysis, business and marketing strategy development; 9 years marketing; 7 years analyst; 2 years in operations.	None	BSc(Hons), MSc Eng, MRICS
Philip Ashley	Principal Consultant/ SRK	Mine engineering review and reporting	+40 years in operational and engineering experience in UG and OP mining, financial & corporate advisory and technical consulting	None	BEng(Hons), MAusIMM, SME
Alexander Thin	Principal Consultant/ SRK	Mine Engineering site visit	33 years – 9 years in consulting specialising in Mineral asset audits and evaluations, independent technical reports, techno-economic studies, mining related mergers and acquisitions, due diligence and advisory services; 24 years in operations.	July 2021	BEng(Hons) Mining, GDE, FAusIMM, FIMMM, FSAIMM
Peter Rohner	Associate Principal Consultant	Mineral processing	34 years – 23 years in corporate office business and project development, consulting specialising in Mineral asset audits and evaluations, independent technical reports, techno-economic studies, mining related mergers and acquisitions, due diligence and advisory services; 11 years in operations.	September 2020	BSc
John Chapman	Principal Consultant/ SRK	Mine closure	+30 years experience in acid rock drainage assessment mine waste characterization and mine closure	None	MEng, PEng, MIEAust

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Sam Paterson	Principal Consultant/ SRK	Mine waste and water management	25 years – 15 years as a senior geotechnical and civil engineer, 10 years in consulting, specialising in design, construction, operation and closure of tailings storage facilities.	None	MSc (Eng/Geo), BSc (Hons) MICE, CEng, MIEAust, CPEng, NPER, RPEQ
Tinah Kelly	Senior Consultant/ SRK	Mine waste and water management	11 years – 6 years as a civil engineer, 5 years in consulting, specialising in design, construction, operation and closure of tailings storage facilities.	July 2021	BEng Hons (Civil), MIEAust, CPEng, NER, AGS, AusIMM
James Carpenter	Senior Consultant/ SRK	Geology and Mineral Resources	20 years – 10 years in Mineral Resource estimation, 4 years in consulting and 6 years in mining and exploration roles.	None	BAppSc (Hons), MSc, MAusIMM(CP)
Lisa Chandler	Associate Principal Consultant	ESG, Permitting and Approvals	28 years – 20 years as environmental consultant to the resources sector; 5 years as government regulator; 3 years in operations.	None	MEng, BSc, MNELA, MAusIMM, AMANCOLD, MSER
Jeames McKibben	Principal Consultant/ SRK	Peer review	+25 years – 16 years in consulting specialising in valuation and corporate advisory; 2 years as an analyst; 8 years in exploration and project management roles.	None	MBA, BSc (Hons) FAusIMM (CP), MAIG, MRICS
Mark Noppe	Managing Director and Corporate Consultant/ SRK	Corporate Sponsor	35 years – 23 years in consulting specialising in technical and governance audits and compliance, due diligence, sampling, grade control, mining geology, geological modelling, resource estimation and reporting, and training and facilitation; 9 years in exploration and operations.	None	MSc, BSc(Hons), FAusIMM(CP), MAICD

1.4 Limitations, reliance on information, declaration and consent

1.4.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by AIC and FMR throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by AIC and FMR was taken in good faith by SRK. SRK has not independently verified the stated Exploration Results, Mineral Resources and Ore Reserves by means of recalculation but instead has completed limited verification and review for the purposes of the preparation of this Report.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by AIC and FMR was complete and not incorrect, misleading or irrelevant in any material aspect. AIC and FMR have confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of their knowledge and understanding, the information provided by AIC and FMR was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.4.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.4.3 Indemnities

As recommended by the VALMIN Code (2015), AIC has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- that results from SRK's reliance on information provided by AIC and FMR or AIC and FMR not providing material information, or
- that relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.4.4 Consent

SRK consents to this Report being included, in full, in BDO's documents in the form and context in which it is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment and valuation expressed in the Executive summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.4.5 Practitioner consent

The information in this report that relates to the sampling, data preparation, lithology modelling, oxidation modelling and density assignment in support of the Eloise Mineral Resources is based on and fairly reflects information compiled and conclusions derived by Mr Matthew Thomas, who is a Competent Person and a Member of the AusIMM. Mr Thomas is a full-time employee of FMR, based in the Eloise mine site. Mr Thomas has sufficient experience that is relevant to the mineral asset under consideration, the style of mineralisation and the 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 JORC Code. Mr Thomas consents to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the sampling, data preparation, modelling, geophysical interpretation and geochemical interpretation in support of the exploration projects at Marymia and Lamil is based on and fairly reflects information compiled and conclusions derived by Mr Matt Fallon, who is a Competent Person and a Member of the Australian Institute of Geoscientists. Mr Fallon is a full-time employee of AIC. Mr Fallon has sufficient experience that is relevant to the mineral asset under consideration, the style of mineralisation and the types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Fallon consents to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Ore Reserves is based on information compiled by Mr Benjamin McInerney, who is a Competent Person and Member of the AusIMM. Mr McInerney is a full-time employee of FMR, based in the Eloise mine site. Mr McInerney has sufficient experience that is relevant to the mineral asset under consideration, the style of mineralisation and the 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 JORC Code. Mr McInerney consents to the inclusion in the Report of the matters based on the information in the form and context in which it appears.

The information in this Report that relates to Technical Assessment and Valuation of the Mineral Assets is based on and fairly reflects information compiled and conclusions derived a team of consultants supervised by Mr Shaun Barry, who is a Member of the AusIMM. Mr Barry is employed by SRK, an independent mining consultancy. Mr Barry has sufficient experience that is relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration, the style of mineralisation and the types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the “Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Barry consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

1.4.6 Consulting fees

SRK’s estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK’s knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$90,000. The payment of this professional fee is not contingent upon the outcome of this Report.

1.4.7 Units of measure and currency

Throughout this report, measurements are in metric units and currency in United States dollars (US\$) or Australian dollars (A\$) unless otherwise stated.

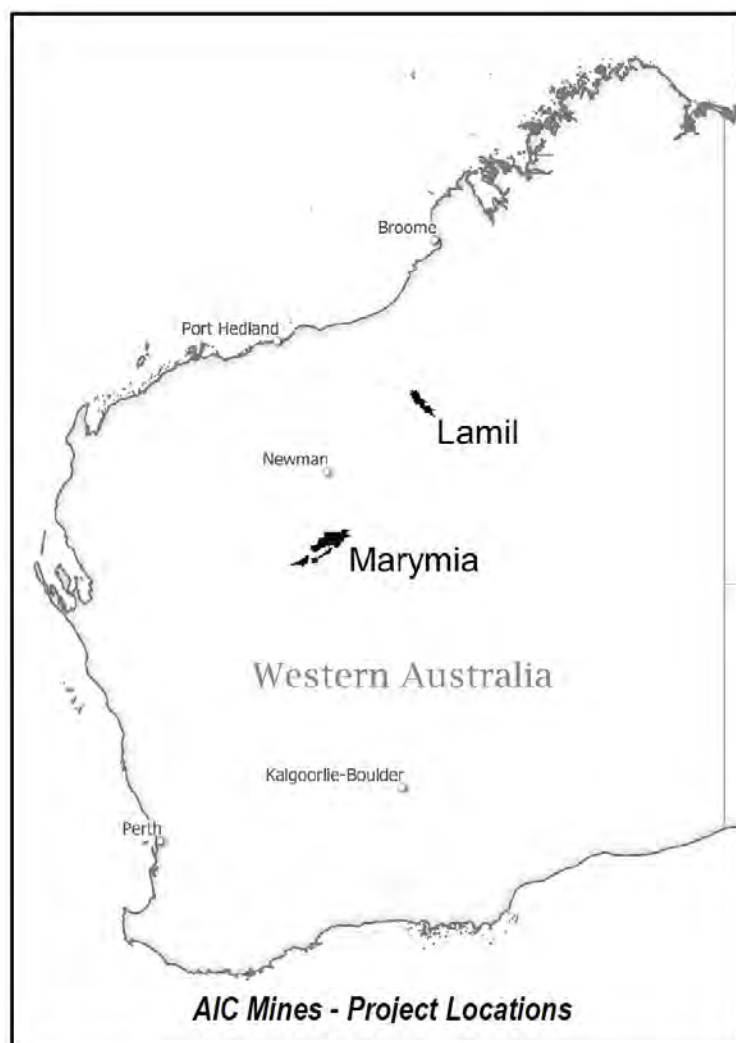
2 Overview of AIC Mines Limited

2.1 Introduction

AIC is an Australian Securities Exchange (ASX) listed mineral resources company focused on the exploration for base and precious metal mineralisation. AIC currently holds interests in two key projects, the Marymia exploration project, which is strategically located within trucking distance of the third party-held Plutonic Gold and DeGrussa Copper mines, and the Lamil exploration JV located in the Paterson Province, immediately west of Newcrest Limited's Telfer Gold–Copper Mine.

Collectively these two projects consist of 40 exploration licences (36 granted and 4 applications) and a single prospecting licence application covering a total area of approximately 4,239.5 km² (Figure 2-1).

Figure 2-1: AIC's exploration projects



Source: AIC Mines Limited

The company was incorporated on 11 May 2017, for the purpose of acquiring a 100% interest in the Marymia Project.

In April 2019, Intrepid was acquired by AIC, in a reverse merger transaction. Intrepid held an option to acquire an 80% interest in the Doolgunna Station project located immediately south of the Marymia project.

In July 2019, AIC announced that it had entered into an earn-in and exploration JV agreement with Rumble over the Lamil JV Project area in the Paterson Province.

AIC's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition.

3 Marymia Project

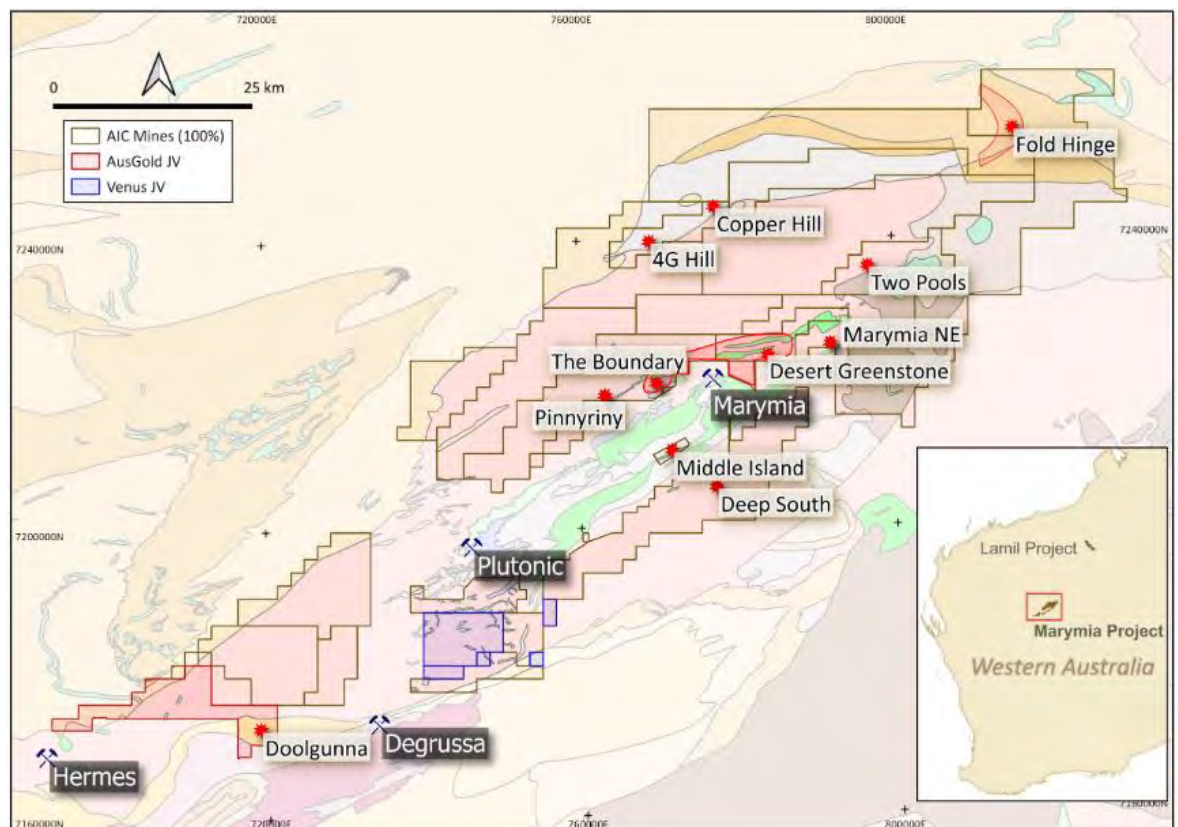
3.1 Project overview

3.1.1 Location and access

AIC's Marymia Project is centred approximately 850 km north-northeast of Perth in the eastern Gascoyne region of Western Australia, 180 km northeast of Meekatharra and 160 km south of the regional centre of Newman (Figure 3-1). The project tenements fall within the Peak Hill (SG50-08) 1:250,000 and Marymia (2847) and Three Rivers (2747) 1:100,000 scale map sheets.

Collectively, the project tenements cover approximately 2,952 km² centred predominantly on the Marymia and Three Rivers pastoral leases, with minor overlap on the Kumarina pastoral lease. The project area lies within a short distance from the third party-held Plutonic Gold and Degrudda Copper mines.

Figure 3-1: Location of AIC's Marymia Project



Source: AIC Mines Limited

General access is 230 km north along the Great Northern Highway from Meekatharra to the gravel main road into the Marymia homestead or along the Plutonic Mine access road. Vehicle access within the project is along station tracks leading off these two roads.

Despite the remote location, there is reasonable infrastructure in the area, including a gas pipeline, and infrastructure associated with the Plutonic gold mining operation.

3.1.2 Physical setting and land use

The Project is located on a plateau, approximately 500 m above height datum (AHD). The topography comprises generally undulating sand plain covered, with low mulga woodland interspersed with spinifex. Eucalypt trees are scattered along creeks and some flats.

The climate is classed as semi-arid with a historic annual rainfall of around 236 mm per year. Average monthly rainfall peaks during the summer months from January to March, with early winter rains and a dry spring (August to October).

Average maximum temperature in January is 40°C and for July is 25°C. Average minimum temperature in January is 23°C and for July is 5°C.

3.2 Ownership and tenure

3.2.1 Tenure Status

The project comprises a mix of AIC 100%-owned tenements, as well as those of the Curara Well JV and Doolguma JV. Collectively, the project comprises 35 exploration licences (34 granted and 1 application) and a single granted prospecting licence as summarised in Table 3-1.

SRK has reviewed the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) portal to confirm the tenements as listed in Table 3-1.

Table 3-1: Marymia Project tenure status

Tenement	Status	AIC Interest	Registered Holder	Granted	Expiry	Area (km ²)
E52/2943	Granted	100%	AIC Resources Ltd	29/04/2015	29/04/2025	217.0
E52/2944	Granted	100%	AIC Resources Ltd	17/06/2017	17/06/2025	232.5
E52/2945	Granted	100%	AIC Resources Ltd	17/06/2017	17/06/2025	114.7
E52/2973	Granted	100%	AIC Resources Ltd	29/04/2015	29/04/2025	80.6
E52/3027	Granted	100%	AIC Resources Ltd	1/07/2015	1/07/2025	217.0
E52/3028	Granted	100%	AIC Resources Ltd	15/05/2015	15/05/2025	124.0
E52/3029	Granted	100%	AIC Resources Ltd	15/05/2015	15/05/2025	58.9
E52/3044	Granted	100%	AIC Resources Ltd	17/06/2015	17/06/2025	52.7
E52/3154	Granted	100%	AIC Resources Ltd	20/10/2015	20/10/2025	55.8
E52/3171	Granted	100%	AIC Resources Ltd	18/11/2015	18/11/2025	31.0
E52/3190	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	142.6
E52/3265	Granted	100%	AIC Resources Ltd	13/05/2016	13/05/2021	49.6
E52/3317	Granted	100%	AIC Resources Ltd	4/10/2016	4/10/2021	62.0
E52/3318	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	65.1
E52/3319	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	21.7
E52/3346	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	207.7
E52/3368	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	58.9
E52/3397	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	102.3

Tenement	Status	AIC Interest	Registered Holder	Granted	Expiry	Area (km ²)
E52/3455	Granted	100%	AIC Resources Ltd	16/08/2016	16/08/2021	127.1
E52/3622	Granted	100%	AIC Resources Ltd	20/12/2018	20/12/2023	3.1
E52/3623	Granted	100%	AIC Resources Ltd	18/09/2018	18/09/2023	3.1
E52/3624	Granted	100%	AIC Resources Ltd	18/09/2018	18/09/2023	3.1
E52/3648	Granted	100%	AIC Resources Ltd	6/04/2020	6/04/2025	139.5
E52/3721	Granted	100%	AIC Resources Ltd	14/02/2020	14/02/2025	142.6
E52/3743	Granted	100%	AIC Resources Ltd	11/09/2020	11/09/2025	31.0
E52/3768	Pending	100%	AIC Mines Ltd	-	-	40.3
E 69/3247	Granted	100%	AIC Resources Ltd	5/06/2015	5/06/2025	294.5
P 52/1585	Granted	100%	AIC Resources Ltd	20/03/2019	20/05/2023	0.42
E52/3068	Granted	80%	Venus Metals Corp Ltd	5/01/2016	5/01/2026	37.2
E52/3069	Granted	80%	Venus Metals Corp Ltd	10/02/2016	10/02/2026	68.2
E52/3320	Granted	80%	Venus Metals Corp Ltd	20/12/2016	20/12/2021	6.2
E52/3486	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	27.9
E52/3487	Granted	80%	Venus Metals Corp Ltd	19/01/2018	19/01/2023	9.3
E52/3488	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	3.1
E52/3489	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	3.1
E52/3031	Granted	Earning up to 80%	Ausgold Exploration Pty Ltd	4/02/2014	4/02/2024	117.8

Sources: AIC Mines Limited, DMIRS

SRK notes that E52/3265, E52/3318, E52/3319 and E52/3368 have expired, but have submitted applications for renewal. E52/3768 is pending application.

3.2.2 Native title

In 2017, AHA Logic Pty Ltd (AHA Logic) prepared an Aboriginal heritage due diligence report relating to the Marymia Project. AHA Logic reviewed seven Aboriginal heritage survey reports and six Aboriginal heritage site files. The main conclusion of AHA Logic's report stated that: *"While the landscape would indicate potential for other Aboriginal heritage sites to exist on the tenements, Aboriginal heritage is not considered a constraint for exploration activity and compliance with the Aboriginal Heritage Act 1972 (AH Act) should be routine"*.

In total, 17 of the project tenements are located with the Gingirana registered native title claim (WC06/2). The native title claimants are represented by the Central Desert Native Title Service (CDNTS). One of the tenements, E52/3455 is located within the Nharnuwangga Native Title Determination (WCD2000/001), whose native title holders are represented by the Jidi Jidi Aboriginal Corporation. Three tenements overlap both native title areas: E52/3190, E52/3265, E52/3087.

AHA Logic noted that there are no existing agreements in place for these tenements. However, E52/3455 has a condition that the tenement holder must comply with the terms of the Indigenous Land Use Agreement, which is likely to specify the heritage processes that must be followed. As there are no other heritage agreements in place for the other tenements, it is up to AIC to decide

what compliance measures it will utilise to comply with the AH Act. SRK notes that AIC has commissioned further surveys since the AHA Logic due diligence report was submitted and before commencing any drilling programs with the Project tenements.

3.2.3 Agreements and compensation

Curara Wells Joint Venture

In September 2018, AIC Resources (a wholly owned subsidiary of AIC) entered into a farm-in and JV agreement with Venus whereby AIC could earn an 80% interest in the Curara Well tenements (see Table 3-1) by spending A\$175,000 within two years. This expenditure requirement has now been met and the parties have entered into a JV agreement providing AIC with an 80% interest in the five tenements. Venus holds the remaining 20% interest and is free-carried through to a decision to mine.

The impact to AIC is once a decision to mine has been made, Venus can elect either to contribute to ongoing expenditure in proportion to its percentage interest or withdraw from the JV. If Venus withdraws from the JV, it will be entitled to receive a 1.5% net smelter return (NSR) royalty in respect of any production from the Curara Well JV tenements.

Doolgunna Joint Venture

In July 2018, AIC (at the time Intrepid) entered into an agreement with Ausgold providing it with the right to earn up to an 80% interest in the Doolgunna Station Project by expending A\$2,150,000 over a two-year term.

Upon AIC meeting the expenditure requirement, Ausgold can elect to either:

- transfer a 70% interest in the Project to AIC and retain a 30% contributing interest in the Project for itself
- transfer an 80% interest in the Project to AIC and retain a 20% interest in the Project for itself, which will be a free-carried interest to a decision to mine.

On 30 July 2019, the parties agreed to extend the earn-in period from two years to four years, by way of a side letter. SRK notes that AIC has not yet met its full commitments to earn an interest in the project and continues to fund exploration.

3.2.4 Royalties

Contingent on whether Venus withdraws from the Curara JV, Venus will be entitled to receive a 1.5% NSR royalty in respect of any production from the Curara Well JV tenements.

3.3 Project History

AIC became an ASX publicly listed company on 01 December 2017 (ASX:A1M). Prior to this and on 07 June 2017, the Company had purchased 21 exploration tenements in the Marymia district from Cosmopolitan Minerals Ltd via a sale agreement.

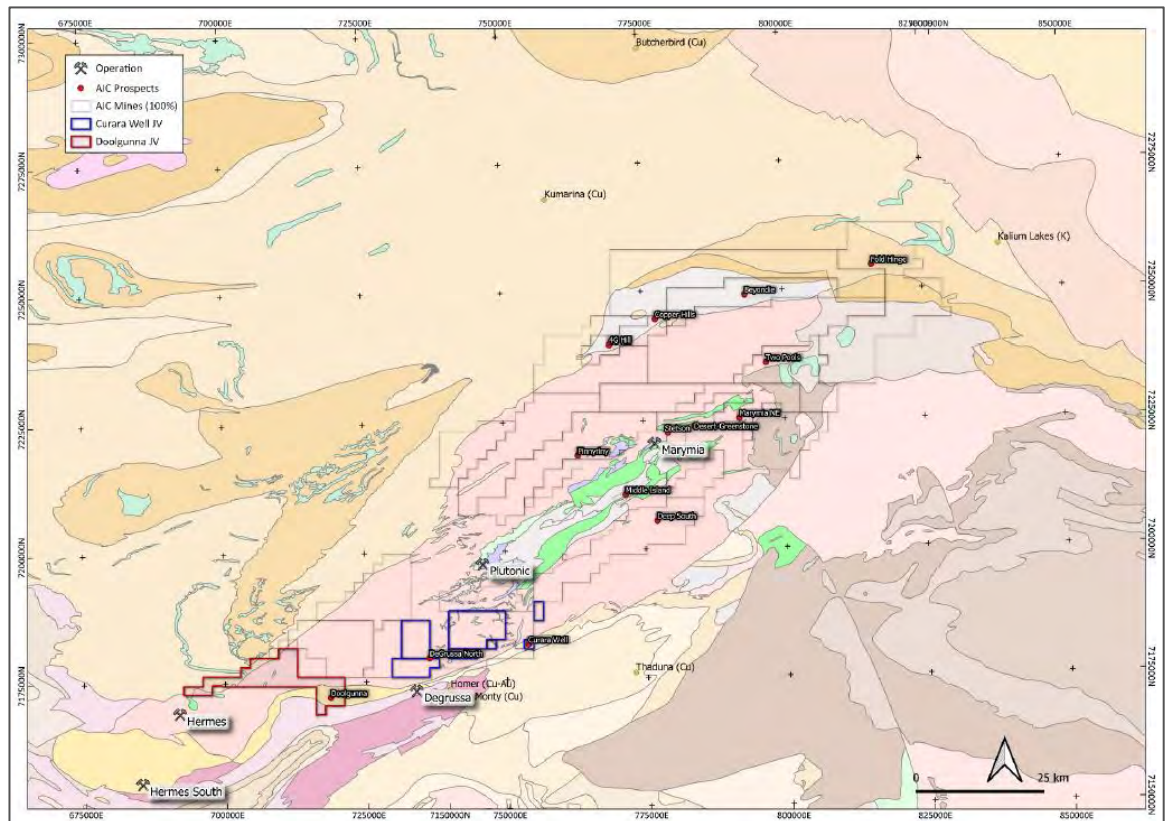
Subsequently, a JV between AIC Resources and Venus Metal commenced on 19 September 2018, which included the prospective Curara Wells area, as well as a JV with Ausgold at the Doolganna gold project area (ASX A1M, 04 June 2018).

Since the finalisation of these agreements, AIC has added further tenements to the Marymia Project and the Company's entire land package now spans 35 exploration tenements (34 granted licences and 1 application) and a single granted prospecting licence covering a combined area of approximately 3,200 km².

3.3.1 Exploration and development

AIC's Marymia Project is located in the Marymia inlier, a part of the eastern Yilgarn supercraton. The Project tenure covers several prospective stratigraphic sequences and structural settings that are prospective for gold and copper–gold mineralisation (Figure 3-2).

Figure 3-2: AIC Marymia Project tenements



Source: Marymia_Budget Pack_CY21_20210409_SV_Final.pdf, AIC data room

Central to, but outside of, the tenement holdings are the Plutonic gold mine and the historic Marymia gold field, located in the Archean aged Plutonic Well Greenstone Belt. The nearby DeGrussa and Monty copper–gold deposits are located in the Paleoproterozoic Narracoota Volcanics of the Bryah Basin, while the Abra polymetallic base metal deposit is hosted within the Proterozoic Edmund Group. AIC's tenement holdings are situated proximal to, and along strike of, these existing third party-held mines (Figure 3-2).

Within the Marymia Project tenements, there has been extensive exploration conducted over a prolonged period. The Plutonic region was first developed for pastoral purposes in the early 1880s, however it was not until the 1920s that the Baumgarten and Plutonic areas were explored for minerals. The lack of outcrop, complex geology and remote location inhibited further exploration activities until the late 1960s when the greenstone successions were first recognised. Between 1969 and 1976, the Plutonic Well Belt was explored for nickel mineralisation under JV, but these studies failed to locate any economic nickel deposits.

In the mid-1980s, several exploration companies acquired tenure over various portions of the Plutonic Well Belt. In the southern portion of the belt, geological mapping, geochemical sampling and subsequent RC drill testing of an arsenic and gold soil geochemical anomaly led to the discovery of the Plutonic deposit in 1987. This was rapidly followed by the discovery of the K1 and K2 deposits along the Keillor Shear in the Marymia area (northern part of the belt) in 1988 and 1990, respectively. In 1992, the Marwest and Mareast deposits were delineated in the Marymia area and the Triple P, Pelican, Albatross and Flamingo deposits were discovered in the Plutonic Bore area (located between the Plutonic Gold Mine and Marymia area). These exploration successes triggered extensive, albeit generally shallow, greenfields exploration throughout the remainder of the Plutonic Well Belt.

Exploration was undertaken between 1990 and 1994 by Great Central Mines (GCM), which carried out gold and diamond exploration within the eastern portions of the Plutonic Well Greenstone Belt. During this period, GCM intersected several highly anomalous zones of gold mineralisation (greater than 1 g/t gold), in particular at the Two Pools, Marymia North East and Beyondie prospects.

In the central portion of the Plutonic Well Greenstone Belt, around which the Marymia Project tenements are located, mining of the Plutonic Main Pit and Marymia K1–K2 open pits commenced in 1990 and 1992, respectively. The Plutonic Main Pit was progressively mined over five stages between 1990 and 1997. Underground mining at Plutonic commenced in 1995 and was conducted concurrently with the Main Pit until its closure in 1997 at a total depth of 177 m below surface. Underground mining has continued at Plutonic until the present day.

At Marymia mine, processing of ore from the K1–K2, Marwest and other open pits at a separate facility continued until early 1998 when operations were placed on care and maintenance (C&M) due to a significant decline in the gold price. Total gold production at Marymia between 1992 and 1998 is estimated at 3.2 Mt grading 3.5 g/t Au for 360,000 oz of contained gold derived from more than 20 open pits.

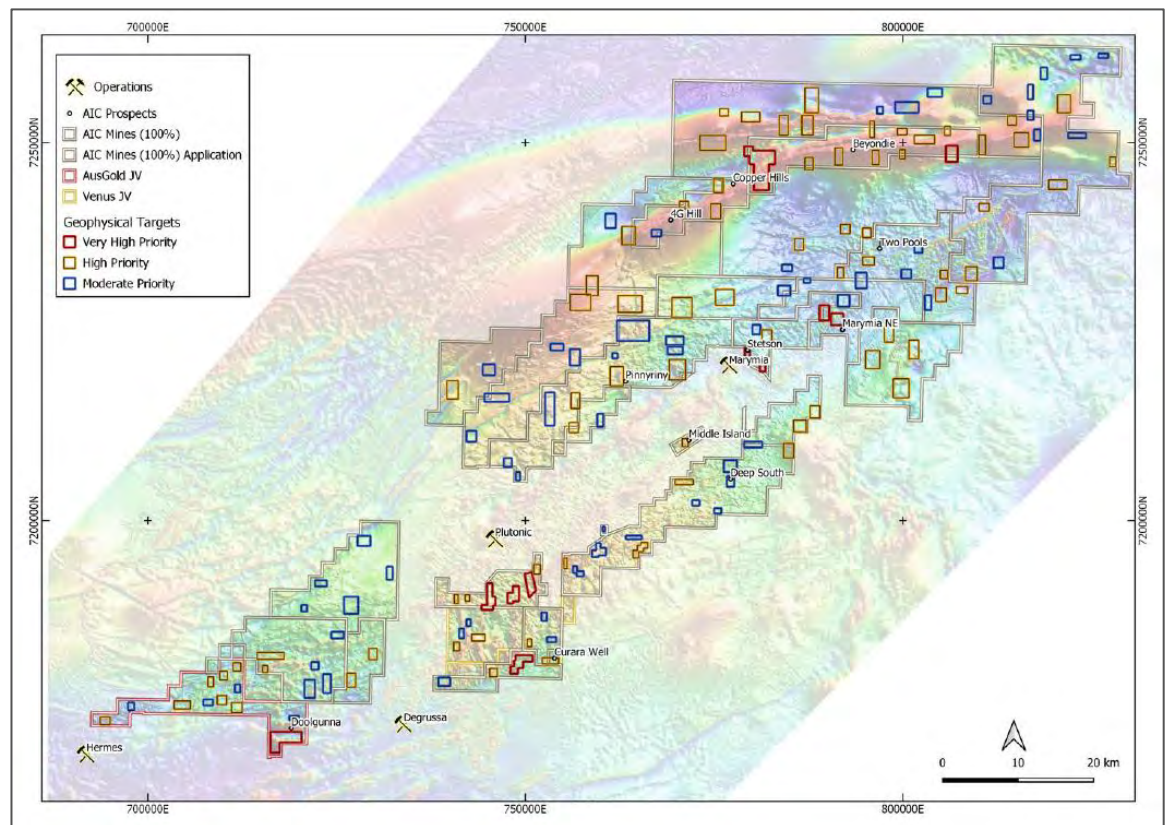
Between 1997 and 1999, the exploration focus shifted towards the evaluation of near-mine opportunities and the conversion of defined targets and resources to Ore Reserve status. Based on closer spaced delineation drilling, this change in strategy resulted in only modest increases to the overall gold endowment of the belt, but greater confidence in the defined resource and reserve position.

Following a period of ownership consolidation, open pit mining recommenced in the Marymia mine tenements in 2000 with ore sourced from cutbacks on seven existing open pits and the development of 12 new pits. Open pit mining operations were completed in mid-2005 and the exploration focus shifted towards near-mine definition drilling in support of the Plutonic underground operations. Estimated total gold production at the Marymia and Freshwater areas is 0.58 Moz and 0.42 Moz, respectively.

In March 2010, Barrick Gold Corporation (Barrick) entered into an Asset Sale Agreement (ASA) with Dampier for the sale of a large tenement package, which it considered to be non-core to its Plutonic mining and processing operations. Importantly, Barrick retains ownership of the Plutonic Gold Mine and certain adjoining tenements and infrastructure.

Work undertaken by AIC since June 2017 consisted of compiling publicly available geochemistry, geophysics and drilling data. AIC undertook a significant fixed-wing airborne magnetic and radiometric geophysical survey data over the tenement package. The survey consisted of 47,416 line kms at a nominal 30 m clearance on 50 m line spacing, commenced June 2017 and completed September 2017. Analysis and interpretation has been ongoing since 2017 and in 2020 culminated in the generation of 153 geophysical targets across the Marymia Project tenements (Figure 3-3).

Figure 3-3: Marymia Project geophysics targets



Source: ASX A1M Quarterly Activities Report, 28 January 2021

By the end of FY June 2018, 5,000 m of RC drilling was planned over each of the Marymia North East and the Two Pools area. On 14 January 2019 AIC announced the results of the RC drill program at Two Pools and Marymia North East. Twenty-five holes totalling 5,196 m of RC drilling were completed at Two Pools while 21 holes totalling 4,694 m were completed at Marymia North East. (ASX A1M 14 Jan 2019). AIC reported that the results from Two Pools were encouraging, having identified mineralisation as steeply plunging high grade shoots with grades above 0.2 g/t gold and generally above 1 g/t gold. Intercepts ranged in depth from surface down to 243 m downhole. The drill hole spacing was approximately 50 m to 200 m and was oriented at 150° and 240° to test the true widths and orientation of the steeply plunging shoots. Drilling at Marymia North East confirmed historic results reported by GCM in the supergene zone with grades, and

intersected zones of low-grade (around 1 g/t gold) mineralisation. The drill holes were oriented at 110° to intersect the boundary between the mafic and granodiorites and the drill hole spacing was approximately 50 m. The depths of the mineralisation ranged from surface down to 200 m downhole. Furthermore, AIC reported intercepts along strike from the known mineralisation.

During the September 2019 quarter, exploration at Marymia included field assessment of targets identified from airborne magnetic interpretation and infill geochemical sampling. No significant results were returned. (ASX A1M, 14 October 2019)

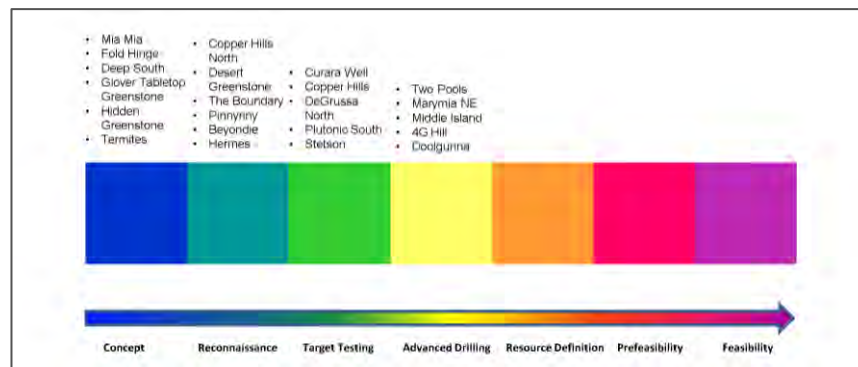
During the March 2020 quarter, AIC reported systematic project evaluation was ongoing in preparation for fieldwork proposals which included drill programs for the 2020 field season. (ASX A1M 7 April 2020)

AIC has outlined both gold, and copper–gold prospects in the tenement package and has designed a follow-up exploration strategy for the further assessment of these targets and prospects. The planned activities are aimed at developing the project pipeline in a staged and targeted fashion, focussing on the most prospective areas initially.

3.3.2 Current project status

There are currently 22 main prospects identified within the Marymia Project tenements at varying exploration stages, ranging from early concept development to advanced drilling stages (Figure 3-4). Further details regarding the prospects are listed in Table 3-2.

Figure 3-4: Marymia Project exploration pipeline



Source: AIC Mines Limited

Notes:

Concept: Desktop review of potential exploration targets

Reconnaissance: Regional geophysics survey(s), stream sampling and/or wide spaced soil sampling

Target Testing: Detailed geophysical interpretations, infill soil sampling, wide spaced aircore or reverse circulation drilling

Advanced Drilling: Further drilling to confirm and/or extend the prospect.

Resource Definition: Infill drilling to support a maiden Mineral Resource as defined by the JORC Code (2012)

Prefeasibility: A comprehensive study of a range of options for a mineral project, as defined by the JORC Code (2012)

Feasibility: A comprehensive technical and economic study for a mineral project, as defined by the JORC Code (2012)

Table 3-2: Marymia Project key prospects

Tenement	Prospect	Exploration stage	Longitude	Latitude
E52/2973	Two Pools	Advanced Drilling	119.9343	-24.9653
E52/3397	Marymia NE	Advanced Drilling	119.8923	-25.0511
E52/3489	Curara Well	Target Testing	119.5253	-25.46
E52/3319	Middle Island	Advanced Drilling	119.697	-25.1977
E52/3721	Copper Hills	Target Testing	119.7087	-24.9162
E52/3369	Copper Hills North	Reconnaissance	119.8945	-24.8416
E52/3368	4G Hill	Advanced Drilling	119.6482	-24.9432
E52/3154	Desert Greenstone	Reconnaissance	119.8253	-25.0743
E52/3027	The Boundary	Reconnaissance	119.6863	-25.1165
E52/3027	Pinnyriny	Reconnaissance	119.6032	-25.1247
E52/3028	Mia Mia	Concept	119.6256	-25.0331
E 69/3247	Fold Hinge	Concept	120.14	-24.768
E52/3369	Beyondie	Reconnaissance	119.896	-24.8509
E52/3486	Deep South	Concept	119.774	-25.236
E52/3347	DeGrussa North	Target testing	119.3187	-25.4808
E52/3031	Doolgunna	Advanced Drilling	119.1744	-25.55
E52/2973	Glover Tabletop Greenstone	Concept	119.9905	-24.9733
E52/3031	Hermes	Reconnaissance	119.009	-25.5278
E52/3318	Plutonic South	Target testing	119.505	-25.4752
E52/3317	Stetson	Target Testing	119.796	-25.0972
E 69/3247	Hidden Greenstone	Concept	120.0593	-24.9419
E52/2944	Termites	Concept	119.7784	-24.9282

Source: AIC data room

AIC considers the Two Pools, Marymia NE, Middle Island, 4G Hill and Doolgunna prospects to be most advanced in terms of exploration conducted to date and associated results. AIC has also been awarded a Western Australian state government grant under the Exploration Incentive Scheme (EIS) to drill two diamond drill holes for 1,500 m into the Stetson prospect.

At the Two Pools gold prospect, AIC has mapped a semi-continuous sequence of highly deformed greenstones that extends for approximately 4 km along strike and is offset from the main Plutonic-Marymia greenstone belt by a major east-northeast trending, steeply north-dipping reverse fault. Directly south of Two Pools, the fault offsets Archean granites and gneiss on the northern hanging wall against Proterozoic shales and cherts to the south.

Historic exploration by GCM at Two Pools, reported significant, but sporadic, gold (i.e. greater than 0.5 g/t Au) within RAB and RC drilling occur along the entire length of the Two Pools greenstone sequence. GCM considered this gold mineralisation to be associated with quartz veining within both mafic and ultramafic amphibolite units, however the structural complexity prohibited interpreted continuity of the mineralised veins. With the benefit of the completed aeromagnetic geophysical survey data and subsequent integration via geological mapping, AIC has re-interpreted the geology and structural setting of the Plutonic Well Greenstone Belt. AIC has also infilled the

Two Pools prospect with soil and rock chip geochemical sampling, as well as completed 24 RC drill holes for a total of 5,196 m, with significant gold intercepts (greater than 1 g/t Au) being intercepted from near-surface down to depths of 243 m downhole (ASX A1M, 14 January 2019). The drill hole spacing was approximately 50 m to 200 m and was oriented at 150° and 240° to test the true widths and orientation of the steeply plunging shoots. The RC drilling revealed that the prospect comprises relatively complex geology requiring ongoing exploration and drilling to assist with interpretation.

At the Marymia NE gold prospect, the geology is relatively straightforward, with gold mineralisation occurring along a granodiorite/mafic contact. Previous drilling intersected supergene mineralisation including 40 m at 5.51 g/t Au from 10 m downhole depth in MRC054 (an RC hole) and 8 m at 4.18 g/t Au, from 12 m downhole depth, including 3 m at 10.1 g/t Au in MRB095 (a RAB hole) (a33219 and a35448). Intercepts in fresh rock include 8 m at 5.3 g/t Au from 183 m downhole depth in diamond hole MD005. Based on SRK's review, there appears to be limited deep drilling around this drill hole and the mineralisation is interpreted as being open along strike and depth.

The Middle Island gold prospect is centrally located on the Plutonic Well Greenstone Belt and immediately along strike from the known gold occurrences at Pidgeon, Skyhawk, Far North and Tomahawk. The geology is highly permissive for gold, with both Parrot and Skyhawk showing that the gold mineralisation continues at depth below the supergene zone. The Middle Island tenement contains approximately 5 km of strike of prospective stratigraphy. As of March 2021, AIC intends to perform an initial drilling campaign of 1,600 m of RC to test strike extensions to the Skyhawk, Pigeon and Parrot deposits; these deposits are not within AIC tenements, but along strike from Middle Island (ASX A1M, 22 April 2021).

The 4G Hill gold prospect has returned high-grade gold rock chip samples containing visible gold (peaks of 231 and 387 g/t Au) from a gossanous outcrop. AIC has drilled three RC holes to test the depth extension of this gossan, but the results were disappointing, returning a peak gold grade of 0.26 g/t Au (ASX A1M, 16 June 2020). Currently, there is no exploration planned for 4G Hill prospect in the 2021 exploration work program.

The Doolgunna prospect is located in proximity to the third party-held DeGrussa copper gold mine. In 2018, AIC undertook an eight-hole RC drill program, which identified that the area contains an interfingering of Karalundi sediments and Narracoota Formation volcanics, which is interpreted to be permissive for the DeGrussa type VHMS copper deposits. AIC intends to undertake further exploration at Doolgunna in 2021.

The Stetson prospect is located to the north of the Marymia K1–K2 mines. Stetson shares similar characteristics to other orogenic gold deposits in the area based on proximity to major belt parallel faults, disruption by cross faults, within permissive lithological units and displays similar geophysical properties to the Plutonic and Marymia mine sequences. The aim of the EIS drilling is to identify the Plutonic Well Greenstone Belt, which will provide AIC further confidence to continue exploring at depth under cover.

3.4 Geology and mineralisation

3.4.1 Regional

The Marymia Project tenements are situated in the eastern part of the Capricorn Orogen, a major Proterozoic tectonic zone formed by the collision of Archean – Palaeoproterozoic Glenburgh Terrane with the southern edge of the Pilbara Craton. The southeastern margin of the Capricorn Orogen is marked by a series of Palaeoproterozoic sedimentary basins (Padbury, Bryah, Yerrida and Eraheedy Basins) and two inliers of the Yilgarn Craton, the Marymia and Malmac Inliers (Sheppard et al., 2016).

The Archean Marymia Inlier has been overprinted by Palaeoproterozoic tectonism and hosts significant gold mineralisation (Vielreicher and McNaughton, 2002).

The central and western Capricorn Orogen and overlying Bangemall Basin are marked by predominantly east–west to west-northwest to east-southeast trending structures. Interpretation from a Geoscience Australia deep crustal seismic reflection and magnetotelluric geophysical survey in 2010 indicates that the major east–west trending faults, such as the Lyons River Fault, are upper mantle tapping faults that dip to the south beneath the Yilgarn Craton (Johnson et al. 2013). Although the early Palaeoproterozoic basins continue along an east to southeasterly direction over the northern part of the Yilgarn Craton, the major regional structures and deformation trends abruptly change to a northeasterly direction from the Bryah Basin in the south, through the central part of the Collier Basin, with the Marymia Inlier aligned along this trend.

The region has been the subject of multiple deformation events ranging in age from the Archean to the Proterozoic. The Plutonic Greenstone Belt and the surrounding Marymia Inlier is dominated by northeast-oriented faults and district-wide foliation. The northern contact between the granites and the Plutonic greenstone stratigraphy is a significant regionally extensive thrust. Younging indicators in the ultramafic units at or near the Plutonic deposit suggest that the ultramafic unit is overturned. At depth, below the Plutonic deposit there are coarse-grained polymict conglomerates. Polymict conglomerates including cobbles of granites and all greenstone lithologies are commonly associated with the upper stratigraphic sequence in Archean greenstone belts like the Norseman – Wiluna greenstone belt in the Yilgarn Craton and the Abitibi Greenstone Belt of the Superior Craton, Canada. These observed younging indicators, together with the general stratigraphy of the greenstone belt, suggest that at least the northern portion of the belt is overturned. The age of this deformation event is unknown, but presumably is associated with the collision between the Pilbara and Yilgarn Cratons in later orogenic deformation.

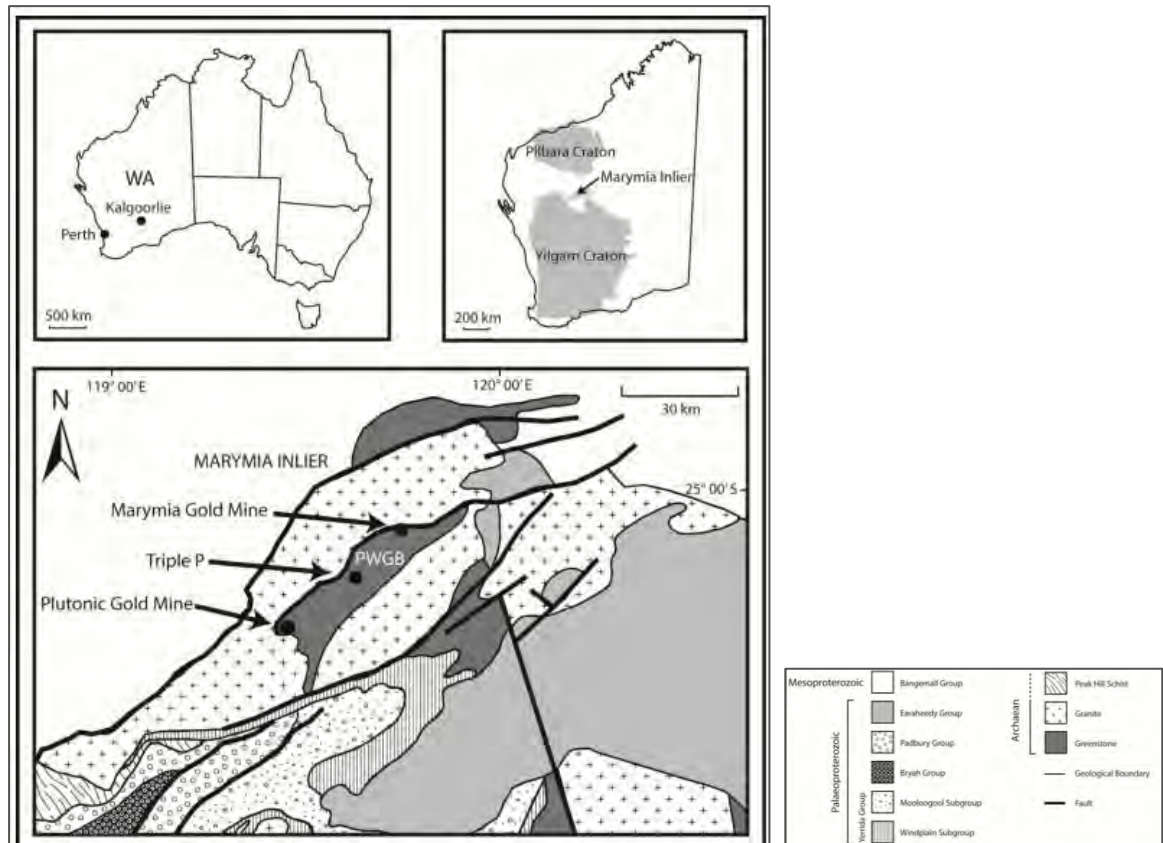
Recent detailed aeromagnetic surveys and interpretation suggest that there are significantly more greenstones in the Marymia Inlier than previously interpreted. This is due to the extensive cover in the area along with the previous regional magnetic datasets. Exploration drilling in the 1990s identified several remnant greenstone units in areas previously interpreted as being granite or granitic gneiss.

Middle to late Proterozoic Collier Basin or Scorpion Basin sediments in part unconformably overlie or are faulted against the basement granitoids.

3.4.2 Project

The Project area is extensively covered by sand, sheetwash, scree or lateritic cover. Historical drilling and geological mapping indicate that the northeastern portion of the Project area consists of extensive greenstone units either as extension to the Plutonic Greenstone belt or additional fault-bound greenstones within the granites of the Marymia Inlier (Figure 3-5).

Figure 3-5: Simplified location and geological map for the Marymia Inlier



Source: Gazley (2021)

Notes: PWGB = Plutonic Well Greenstone Belt

The oldest rocks within the Project are interpreted to be the various Archean granite-greenstone units including the Plutonic Well Greenstone Belt and other remnant greenstone rocks within the Marymia Inlier. The inlier lies in fault contact with metasedimentary rocks of the Yerrida Basin to the south, unconformably overlain by metasedimentary rocks of the Earahedy Basin to the east and Collier Basin to the north.

The Copper Hills schists that occur on the north eastern contact between the Marymia Inlier and the Collier Basin were recently interpreted as being Archean, while previous interpretations were uncertain of the age of the schists. This has a significant impact on the gold prospectivity of the northern tenements. If the banded iron formations (BIF) within the Copper Hills schists are the stratigraphic equivalent to the Millidie Creek Formation, this suggests the area is more prospective for base metal mineralisation similar to the DeGrussa and Horseshoe Lights VHMS deposits hosted in the upper and lower Narracoota Volcanics, respectively. The Scorpion Basin in parts

unconformably overlies the Copper Hills schists, while in other areas has been interpreted as being a faulted contact.

The Marymia Dome is interpreted to mainly comprise deeply weathered, strongly carbonate altered, granitoids and gneisses derived from the assimilation of Archean metasediments. It includes numerous relicts of the BIF and ultramafic sequence, which have been dismembered but not assimilated. The granitoid and gneiss noted in the Dome is generally less weathered to fresh, commonly sheared to form a red-brown weathered, quartz-feldspar-biotite-muscovite rock. This latter rock type is interpreted to be a later intrusive which was emplaced into the granitoid during assimilation of the metasedimentary sequence. These have been extensively deformed during the Proterozoic, with thrusting from the north being prominent. Outcrop of this Archean sequence is confined to the eastern and northwestern portion of E52/3028.

3.4.3 Mineralisation

The Marymia Project is considered by AIC to be prospective for greenstone-hosted gold and VHMS copper–gold mineralisation styles. Type examples are the Plutonic and Marymia gold mines, located central to the project area, and the DeGrussa copper–gold mine, located at the southern end of the project.

Greenstone hosted gold deposits of the region typically comprise mainly low potassium tholeiitic metabasalt, ultramafic units and minor siliceous, graphitic and sulphidic meta-sedimentary rocks. At the nearby Plutonic Mine, the mineralisation style is described as comprising thin (1 to 3 m wide) lodes of quartz-biotite-amphibole-epidote-arsenopyrite-pyrrhotite and gold. The identified lodes are oriented sub-parallel to the stratigraphy, as marked by the sedimentary interbeds and foliation. The distribution of gold appears to be localised by rheological (i.e. competency contrast) variations within the primary stratigraphy with late stage brittle structures acting as conduits for gold-bearing fluids.

The known VHMS base metal mineralisation is hosted in the 2 km-thick Paleoproterozoic Narracoota Volcanics. The volcanosedimentary rocks hosting these deposits include numerous basaltic sills that display peperitic textures on both the upper and lower contacts, indicating intrusion into un lithified sediments. The DeGrussa mineralisation, lower Naracotta Volcanics, occurs as massive lenses of primary pyrite, chalcopyrite and pyrrhotite with minor magnetite, sphalerite, galena and arsenopyrite. The main lens is 20 m thick, steeply dipping and strikes for over 180 m, with a vertical depth of approximately 300 m. The Horsehoe Lights mineralisation, upper Naracotta Volcanics, occurs as gossan (upper 100 m) and sulphides lenses comprising of chalcocite, pyrite and lesser chalcopyrite. The ore lenses dimensions are 300 m in strike and down dip extent and up to 50 m wide. The gossan horizon contains elevated concentration of gold.

3.5 Exploration potential and planned future exploration

AIC has undertaken a systematic evaluation of its Marymia tenements to incorporate historical exploration results, regional and prospect-scale surface geochemical data, downhole geochemical data and filtering of multiple geophysical data sets. This has resulted in the identification of multiple gold and copper–gold target areas. In SRK's view, these areas remain attractive and warrant further geological assessment, prioritisation and drill testing.

AIC's 2021 work programs and budgets for the Marymia Project have been split into the 'Marymia Copper Gold' and 'Marymia Gold' programs. This is based on a well-defined commodity split across the Marymia Project tenement package. The programs will be testing a number of priority targets identified from AIC's previous project review.

The combined programs are expected to provide:

- first pass RC drilling of up to eight prospect areas
- airborne electromagnetic (AEM) geophysical surveys over the Copper Hills copper prospect
- downhole electromagnetic (DHEM) geophysical surveys of four diamond drill holes
- surface moving loop electromagnetic (MLEM) geophysical surveys at the Doolgunna project
- detailed ground gravity surveying over four prospects
- soil geochemical sampling over the Copper Hills North and Deep South prospects.

The programs are to be staged in two phases with the ground gravity surveys being conducted in the first phase. Drilling at Plutonic South, Marymia NE and Two Pools is planned following thorough assessment of the historical data and the results from the ground gravity surveys.

In January 2021, AIC was awarded a Western Australian state government co-funded drilling program grant of AU\$150,000 for drilling at the Stetson prospect on tenement E52/3317 (ASX A1M, 28 January 2021). The prospect is at an early reconnaissance stage and the drilling aims to test for extensions of the Plutonic–Marymia greenstone belt under cover immediately north of the historical Marymia K1 and K2 gold deposits. Final planning of the Stetson drilling will occur after the completion of the Phase 1 ground gravity survey.

Base Metal Work Program

The Marymia Copper Gold program includes:

- 2,600 m of RC drilling focussed on Curara Well and Copper Hills prospects
- AEM surveying at Copper Hills, DHEM and MLEM at Doolgunna
- surface geochemical soil sampling surveys at Copper Hills North.

The requisite approvals are in place for all prospect areas, while heritage surveys have been completed at Curara Well and Doolgunna. Applications for heritage clearance surveys at Copper Hills have been submitted.

Drilling has commenced at the Curara Well prospect within the Venus JV area to test a DeGrussa-style, multi-element surface geochemical anomaly identified within the interpreted eastern strike extension of the Narracoota Volcanics (ASX Announcement, 26 March 2021).

Gold Work Program

The Marymia Gold program includes:

- 6,600 m of RC drilling focussed on six prospects including Middle Island, Plutonic South, DeGrussa North, Hermes, Marymia NE and Two Pools
- 1,000 m of EIS co-funded diamond core drilling at the Stetson prospect

- ground gravity geophysical surveys at four key prospects including Stetson, Marymia NE Two Pools, Middle Island and Plutonic South
- geochemical soil sampling at Deep South.

The requisite approvals for all prospect areas are in place and heritage surveys have commenced. Four holes to be completed at De Grussa North have received heritage clearance. Applications for heritage clearance surveys have been submitted for works at the Middle Island and Stetson prospects. Additional heritage surveys will be undertaken as field programs are finalised. Once all regulatory approvals have been received, the program will commence.

SRK has reviewed the proposed work programs and existing exploration data and concludes that the planned future exploration is reasonable and supported by sound exploration principles. The Marymia Project poses several exploration challenges, specifically in regard to the widespread presence of alluvial cover, however the use of multiple layers of data (geophysics, sensitive geochemistry techniques and drilling) support prospect evaluation efforts.

The tenements and respective reporting groups are listed in Table 3-3.

Table 3-3: Marymia JV tenure status

Tenement	Project reporting group	Reporting group name	Other information
E52/3028	81/2016	Marymia Project	
E52/3029	81/2016	Marymia Project	
E52/3027	84/2016	Three Rivers	
E52/3154	84/2016	Three Rivers	
E52/3171	84/2016	Three Rivers	
E52/3397	84/2016	Three Rivers	
E52/3622	84/2016	Three Rivers	
E52/3069-I	C14/2019	Curara Well	Venus JV
E52/3320-I	C14/2019	Curara Well	Venus JV
E52/3487	C14/2019	Curara Well	Venus JV
E52/3488	C14/2019	Curara Well	Venus JV
E52/3489	C14/2019	Curara Well	Venus JV
E52/3068-I	N/A	Grouped with Curara Well	Venus JV
E52/2945	C148/2016	Jubilee Well	
E52/3044	C148/2016	Jubilee Well	
E52/3368	C148/2016	Jubilee Well	
E52/2943	C148/2017	Beyondie	
E52/2944	C148/2017	Beyondie	
E52/2973	C148/2017	Beyondie	
E52/3721	C148/2017	Beyondie	
E 69/3247	C148/2017	Beyondie	
E52/3190	C50/2017	Bryah	

Tenement	Project reporting group	Reporting group name	Other information
E52/3265	C50/2017	Bryah	
E52/3455	C50/2017	Bryah	
E52/3623	C50/2017	Bryah	
E52/3624	C50/2017	Bryah	
E52/3317	C53/2017	Thadoona	
E52/3318	C53/2017	Thadoona	
E52/3319	C53/2017	Thadoona	
E52/3346	C53/2017	Thadoona	
P 52/1585	C53/2017	Thadoona	
E52/3031	N/A	Doolgunna	Doolgunna JV
E52/3486	N/A		
E52/3648	N/A		
E52/3743	N/A		
E52/3768	N/A		

Source: AIC Mines Limited, DMIRS

Note: Marymia Project Reporting Group 81/2016 (for clarity – this is a subset of the entire AIC portfolio of Marymia Project tenements)

3.5.1 Tenements E52/3028 and E52/3029

The tenements cover the western margin of a portion of the Marymia Dome and the faulted and folded contact with the Collier Group sediments to the northwest. The Marymia and Plutonic gold deposits lie to the east and southeast respectively, while the Degruusa base metal mine lies further to the south and Hermes and Hermes South mines to the southwest.

On E52/3029, outcrop is confined to a small portion of a more extensive outcrop of Calyie Formation sandstone and siltstone on the western margin of the tenement. The Calyie Formation forms part of the Collier Group, comprising the upper portion of the Bangemall Super Group. The remainder of the tenement is covered by colluvium and alluvium.

Aeromagnetic interpretation suggests the tenement straddles the folded and faulted contact of the deformed gneisses of the Archean Marymia Dome and the Calyie Formation to the northeast. Immediately north of E52/3029, the Calyie Formation overlies the Copper Hill schists, which form the northern margin of the Marymia Dome.

Previous exploration

GCM previously conducted gold and diamond exploration from 1991 on areas which overlap the current E52/3028 (a36993 and a40470). Gold exploration activities conducted included bulk leach extractable gold (BLEG) for stream sediment samples, which returned no anomalous levels for gold, arsenic, copper lead or zinc.

The diamond exploration consisted of testing aeromagnetic anomalies interpreted as kimberlite plugs, with surface sampling, ground magnetic surveying and drilling. In total, 33 drill holes were completed on E52/3028 of which, 25 holes are RAB, 3 RC holes (ERC60,151 and 152) and 3

diamond drill holes (GD001,2 & 3). The anomalies “N” and “O” were diamond drill tested but did not identify any definitive kimberlite affinity in the samples analysed, suggesting the potential for diamonds is low.

Thundelarra Exploration previously held covering the southern portion of the current E52/3028 (a091436, a095447 and a096094). Activities by Thundelarra in 2011 and 2012 included a review of previous exploration, without any substantive sampling.

Immediately prior to AIC purchasing the licenses in June 2017, Cosmopolitan Minerals commenced a compilation of open file data, including geological mapping and geophysics results. AIC inherited this data and has assisted in developing the exploration strategies.

Work undertaken by AIC

Between 2016 to 2017 (a114245), AIC undertook a desktop review of existing open file data and aeromagnetic and radiometric geophysical surveying.

Between 2017 and 2018 (a116829) AIC collected 97 soil samples, 20 rock chip samples and spoil samples from historic drilling along with assays on historic core, drillhole (GD002) drilled by GCM during the 1990s. All samples returned low gold grades (<3 ppb gold) with one rock chip sample returning 131 ppb gold. An extensive fixed wing airborne magnetic geophysical survey was also undertaken over the entire Marymia project. Publicly available aeromagnetic data covered the remaining parts of the tenements, providing a full coverage for interpretation.

Between 2018 and 2019 (a120439), AIC collected 283 soil samples and 58 rock chip samples over the tenements focussing on numerous mafic and ultramafic rocks and BIF subcrops. No anomalous soil or rock chip results were returned for either gold or base metals (anomalous values being typically >100ppb Au or >200ppm Cu). Interpretation of the airborne magnetic data outlined abundant mafic and ultramafic rafts within fault bounded granites.

Between 2019 and 2020 (a124543), AIC collected 184 termite mound samples in the northeast parts of E52/3029. No anomalous gold results were returned.

3.5.2 Three Rivers Reporting Group 84/2016

Between 1969 and 1977, International Nickel conducted nickel exploration on the Crows Nest Well group of claims (report a6794 unavailable, details taken from report a110421), which extended from Cabbage Gum Well, through Plutonic Well, northeastwards to Marymia Hill. Activities centred on an east-northeast trending belt of discontinuous, podiform ultramafic lenses which hosts the Plutonic, Triple P, Prickleys and the Marymia Mines.

Between 1990 and 1999, GCM and Astro Mining explored for diamonds and gold (a33216, a33219, a34191, a36993, a37356, a40470, a47126, a50295, a54416 and a58969 conducting reconnaissance RAB drilling (250 m intervals on lines 1 km apart) along the northwest margin of the greenstone in the Marymia prospect. No anomalous gold was intersected in the drilling.

Subsequent exploration was limited to diamond exploration under the Greater Nabberu JV (1997 to 1999) operated by GCM and then Astro Mining (a50295 and a54416). The exploration did not locate favourable host rocks or indicator minerals for diamonds.

The Plutonic North JV between GCM and Pioneer Minerals (renamed Plutonic Resources) (a43212) conducted a reconnaissance RAB drilling program on the Pinyrinny prospect during 1990. In total 138 holes for 6,698 m were completed of which, 104 RAB holes (prefixed “DRB”) for 4,264 m are located in the current tenement. Six rock chip samples returned anomalous gold grades of between 0.12–0.51 g/t Au, with the remainder being below anomalous thresholds.

Geochemex completed a reconnaissance stream sediment geochemical sampling program to assess the Marymia Dome area during 1990 (a33216). Subsequent surface sampling included 89 rock chip samples with zones of sulphides identified however no assays returned anomalous values for gold.

Further drilling on the Pinyrinny prospect was completed in the 1991 season and consisted of 60 RAB holes for 3,029 m. This was followed by 35 holes for 1,183 m over a magnetic anomaly “Anomaly A”. A prospect area 5 km to the north on the fence line defined by a magnetic anomaly “G1” was RAB drilled (prefixed “GRB”) with 47 holes for 1,005 m. Two RC holes (ERC 135 and 136) were drilled on the G1 magnetic anomaly.

GCM carried out an extensive diamond exploration program which included follow-up of magnetic anomalies and drilling of aeromagnetic targets. Within the tenements of the Marymia West Project there were 389 holes drilled for a total of 15,550 m, to test 15 of the anomalies. Eight of these anomalies were drill tested with 17 RAB holes for a total 710 m and 9 RC holes for a total of 655 m. GCM drilling on anomaly “E1” encountered ultramafic (kimberlitic) rocks interlayered with diorite. In 1991, this kimberlitic material was bulk sampled from a pit 50 m long and 10 m wide and 11 m deep from which 1,375 t of sample for heavy mineral separation. No diamonds or diamond indicators were recovered.

From 1992 to 1994, the Plutonic North Project was owned and operated by Plutonic Operations, who completed gridding, stream, lag, soil and rock chip sampling, re-processing of the GCM aeromagnetic survey and RAB drilling. The drilling consisted of 7 RAB holes for 94 m. In total, 33 rock chip samples were collected. Plutonic Operations retained the tenements however no further work was undertaken.

Work undertaken by AIC

Between 2016 and 2017 (a114343), AIC inspected 243 sample locations with rocks analysed using a portable X-Ray Fluorescence (XRF). Any areas with high arsenic (7 soil, lag and rock chip samples) were then analysed for gold by ICP-MS. The maximum result returned was 9 ppb Au, well below anomalous levels. A project-wide aeromagnetic survey was also undertaken.

Between 2017 and 2018 (a117257) AIC undertook:

- Continued sourcing of publicly available information
- An extensive airborne magnetic and radiometric survey
- Soil orientation survey (3,436 samples)
- Rock chip sampling (145 chips)
- Mobile metal ions (MMI) sampling (58)
- MAGLAG sampling (58), as a trial
- Termite mound sampling (78 samples).

As a result, the Marymia NE prospect (which returned 955 ppb Au) was outlined for further assessment along with the Pinnyriny prospect (maximum 289 ppb Au), within a 2 km long gold anomaly adjacent to a mafic/ultramafic outcrop.

Between 2018 and 2019 (a120555) AIC completed RC drilling (21 drill holes, 4,694 samples), soil sampling (1,228 samples), termite mound sampling (52 samples), rock chip sampling (34) samples and geological mapping over the Desert Area. The results from the drilling focused on three zones previously identified by GCM. Zone 1 was an area where CGM had previously reported a non-JORC compliant estimate in 1991 of 112.8 kt averaging 3.1 g/t for 11,400 oz, using a 1 g/t Au cut off and based on de-clustered downhole RC samples (WAMEX Open Report a120555). The results are conceptual in nature and should not be interpreted as a Mineral Resource. The depth was between 10–30 m and was interpreted to be an oxide supergene and is referred as being patchy and discontinuous.

AIC's drilling returned similar results to those of CGM in the shallow parts. Deeper drilling did not identify any broad zones of gold anomalism, with the best result being in drillhole MRC670 – 12 m averaging 1.6 g/t Au including 4 m at 3.5 g/t from 193 m downhole (WAMEX Open Report a120555). With the exception of MRC670, fresh rock below the supergene mineralisation only contains narrow zones of weakly anomalous gold greater than 0.1 g/t Au.

Zone 2 and 3 were reported to contain only weakly anomalous gold grades in the granodiorites and mafic volcanics and do not represent exploration targets.

Between 2019 and 2020 (a124965) AIC interpreted aeromagnetic and radiometric survey data along with subsequent field reconnaissance of several new targets generated. Field work was impacted by COVID-19 restrictions, however basic access to the target sites was undertaken to identify access requirements. A total of 153 targets across the Marymia Project were identified, with 22 targets within the 84/2016 reporting group.

3.5.3 Curara Well, Venus JV, Reporting Group C14/2019, also E52/3068

The tenements target base metals and gold mineralisation near the southern boundary of the Marymia Inlier.

Previous exploration has been performed by multiple companies between 1982 and 2012, focusing on copper-lead-zinc, gold, diamonds and uranium. Western Mining Corporation Ltd (a19218) explored for diamonds from 1980 to 1986. A regional survey was completed for 1,713 samples taken from 17 different drainage basins and demonstrated the areas were unlikely to contain

primary diamond sources, and that the presence of microdiamonds were likely sourced from transported greywakes in the Red Bore area. A review of this data was later investigated by Marymia exploration NL in 1991, to determine whether there was any indication of gold mineralisation.

Marymia Exploration NL (a35536 and a39404) explored for gold at Curara Well. A soil sampling and reconnaissance regional geological mapping program was completed with 241 soil samples and 12 rock chip samples collected. The peak gold value in soils was 5 ppb and the rock chips were not anomalous in gold (anomalous values being approximately 100 ppb). A weakly anomalous value of 255 ppm Cu was recorded in a ferruginised narrow shear zone. The peak gold value for rock chip sampling was 0.40 ppm, which was not considered significant.

In 1996, Astro Mining N.L drilled 92 air core drill holes based on geophysical anomalies and identified several mafic and structures within mafic rocks.

In 1999, Homestake conducted a -2 mm soil survey over the northern boundary of E52/3069.

In 2002, Image Resources focussed on gold exploration and undertook a soil sampling program. Three targets were generated from an interpretation of aeromagnetism and laterite geochemistry undertaken by CRA several years earlier. The targets were followed up by a detailed soil sampling program. Some low-level anomalous results were defined over two of the targets.

Between 2005 and 2008, Sandfire further explored the Doolgunna prospect. Exploration activities consisted of a review of the open file data, regolith air photo interpretation, interpretation of airborne magnetic data and the collection of 109 rock chip samples, 3,719 soil samples and 6,819 m of rotary air blast (RAB) drilling.

In 2007, Peak Resources undertook an airborne geophysical survey along with rock and drill spoil sampling and soil sampling. In 2010, Astro Resources interpreted rafts of greenstone held up within the granite within the project area. A highly sensitive partial leach soil geochemistry program was carried out over a broad grid, relating to coincident structures and aeromagnetic highs which tested the presence of greenstones under the granite.

In 2016, Venus (a119638 and a199455) carried out inversion modelling and evaluated the historical geophysical and exploration data, outlining 'breccia pipes' similar to Thundelarra Ltd's Red Bores copper massive sulphide discovery. A total of nine magnetic anomalies relating to structural targets, related to dilational zones along faults and shears were recommended. Such structural targets are similar to the structures hosting a number of the major gold mining centres in Western Australia.

Venus collected 11 surface grab/rock samples at selected locations within the tenement. Maximum values up to 374 ppm Cu, 452 ppm Ni and 1.4 ppm of Ag were recorded, which are weakly anomalous.

An EIS funded a RC/diamond drilling (DD) program, which consisted of three diamond holes for a total of 361.9 m of core. A petrographic study was conducted on nine RC chip samples and eight diamond core samples.

Work undertaken by Venus Metals Corporation and AIC Resources Limited

In 2018, on the proximal tenement E52/3068 (part of the JV, a119638), Venus undertook a ground gravity survey along five lines 100 m apart at 200 m station spacing. The results coincided with two of the regional targeting anomalies. A total of 21 soil samples and 2 rock chip samples were collected over the gravity highs. There were no anomalous copper or gold results in the soils, and the rock chip returned a low value of 243 ppm Cu.

In 2019, AIC (a123075) undertook a field reconnaissance program and collected 152 termite samples as part of a larger termite mound sampling program. No gold anomalism was detected in the termite samples. A single rock chip sample was also collected but returned a gold grade of 5 ppb, below anomalous levels of approximately 100 ppb.

In 2020, Venus undertook filtering of the geophysics data and a review of the geochemical database. The targets generated fall into the following broad categories:

- Cross structures that are interpreted to be important controls on mineralisation
- Key complexity zones along the north-northwest and northeast cross structures that pass through key prospects and deposits and trend into AIC ground
- Existing geochemical anomalies verified as key structural intersections
- Possible greenstone under thin cover.

3.5.4 Jubilee Well, Reporting Group C148/2016

Previous exploration included Johnsons Well Mining (a033615) exploring for gold and base metals mineralisation in 1990 in the Copper Hills JV. This project included one licence situated at the southern end of the Copper Hills Schists. The schists form a 20 km long arcuate belt of Archean quartz-muscovite, quartz-chlorite and talc-chlorite schists with some phyllite, BIF and mafic amphibolite. As part of an extensive RAB drilling program of the schists, 130 RAB holes are located in the current licence. Two of the RAB holes in this program returned anomalous gold assays, CAB008 and CAB006. These holes are located at the northern boundary of E52/2945. CAB008 returned a best result of 2 m at 7.46 g/t Au from 44 m downhole depth but the result was not confirmed by three follow up RC holes around CAB008, which reported a maximum of 0.1 g/t gold. The result for CAB008 was subsequently considered incorrect and the area was subsequently relinquished.

In 1991, GCM conducted gold exploration activities including 7 RAB holes targeting gold and the black shales of the Proterozoic Bangemall Basin for Zambian Copper Belt style of mineralisation. No anomalous base metal or gold results were obtained.

DeGrey Exploration carried out exploration including eight RAB holes which are located in the current tenement as part of the exploration program.

Cosmopolitan Minerals (2016) commenced a review of previous exploration. Reconnaissance field work was undertaken to verify and correct hole location information. Airborne magnetic and other remote sensing data was reprocessed. The tenements were subsequently purchased by AIC on 7 June 2017.

Work undertaken by AIC

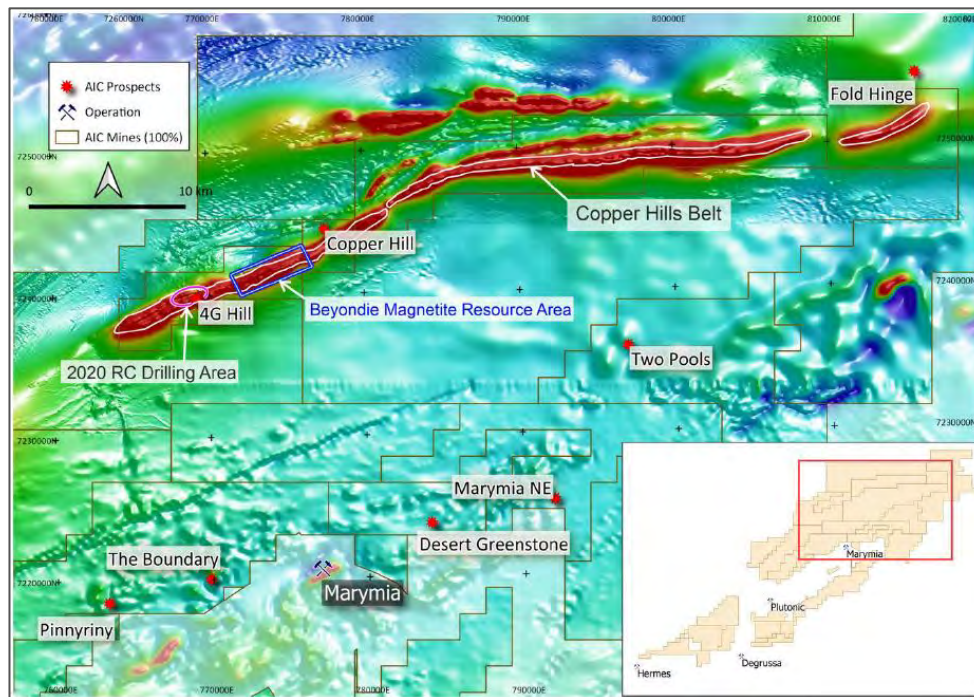
Between 2016 and 2017 (a114260) AIC undertook a desktop review of the publicly available information in preparation for project scale aeromagnetic surveying which was completed in the following year. A further 1,534 soil samples and 67 rock chip samples were collected, with the soil samples revealing a low order gold anomaly (+1 ppb Au) along the crest of Copper Hill. Rock chip samples returned gold values between 0.1 to 1.1 g/t Au with copper values ranging from 2.8 to 9.7% Cu, where the samples were taken from a supergene enriched outcrop of copper-rich schists close to historic costeans at Copper Hill. Drill hole spoil samples were also collected, with two samples returning 0.13 to 0.15 g/t from 40 m depth and 110 m depth in historic drill holes BDC036 and BDC005 (WAMEX Open Report a114260).

Between 2018 and 2019 (a120533) AIC collected 292 rock chip samples, 1,815 soil samples and 272 termite mound samples. The soil sampling highlighted a small but distinct and significant (4 g/t) gold anomaly in what was called 4G Hill. Follow up field work identified visible gold in the Copper Hills Schist Belt, with four costeans taken from the gossanous rocks, over an area of approximately 15 m by 20 m, returning:

- 8 m grading 47.99 g/t gold
- 5m grading 33.07 g/t gold
- 5m grading 57.58 g/t gold
- 6.5 m grading 32.21 g/t gold.

Source: (ASX A1M, 21 June 2019).

Figure 3-6: Copper Hills Belt including 4G Hill



Source: ASX A1M, 16 June 2020

Between 2019 and 2020 (a124632), AIC completed three RC drill holes for a total of 2,374 m at 4G Hills, where the previous years' exploration had identified significant gold results from chip sampling. The drilling was designed to test for dip/plunge and strike extensions to the 4G Hill gossan, however results were considered disappointing with peak gold values in drill hole AMMC0009 of 12 m at 0.26 g/t gold from 36 m downhole (ASX A1M 16 June 2020). Further geochemical and geological analysis and interpretation is underway to explain the lack of higher-grade results. Whilst these reviews are preliminary, additional drilling has already been planned to test alternate interpretations relating to the mineralisation.

3.5.5 Beyondie, Reporting Group C148/2017

Previous exploration included geochemical surface sampling, costeaning, drilling and ground magnetics and very low frequency EM geophysical surveys. Endeavour established a small estimate of near surface, low grade, oxide copper. This prospect was reported to occur in a window of Archean, quartz chlorite schists surrounded by Bangemall Proterozoic sediments.

C.R.A. Exploration Pty. Ltd. followed up a gravity anomaly located near the western end of Wonyulgunna Hill, identified in a Bureau of Mineral Resources (Western Australia) survey of the Collier Sheet. Between 1980 and 1981, C.R.A. conducted an airborne magnetic and radiometric survey and a helicopter supported gravity survey, targeting Roxby Downs style mineralisation (iron oxide copper gold) in Proterozoic schists of the Bangemall Group. These rocks were thought to underlie the alluvium. The gravity survey did not define a significant gravity anomaly and four discrete airborne, magnetic anomalies subsequently followed-up with ground magnetic surveys were interpreted due to surficial laterite and no further work was carried out.

Nanki Pty. Ltd., a subsidiary of Australian Mining Investments reported activity on the Copper Hills Project in 1987. This consisted of ground reconnaissance over the 32 km of schistose volcanic rocks mapped by the Geological Survey of Western Australia in 1974, an airborne E.M. survey. Nanki drilled 41 RC holes for 633 m. The report concludes that "most of the VLF E.M. anomalies could be related to phases in schists, shear zones in gneiss or dolerite contacts".

Mt Kersey Mining conducted gold and diamond exploration on the Beyondie South JV during 1989 to 1992. This included follow-up of low-level anomalous gold areas defined by gold grains and gold dust observed in stream sediment samples taken for diamond exploration.

Johnsons Well Mining began exploration in the Copper Hills area for gold 1990. This included stream sediment, soil and rock chip sampling, mapping, RAB and aircore (AC) drilling and an aeromagnetic/radiometric survey. Johnsons Well undertook reconnaissance RAB drilling along the access track to the north of Copper Hills with 36 RAB holes for 1,194 m. In total Johnsons Well Mining drilled 127 holes for 5,525 m which are located in the current E52/2943 licence. There are 13 air core holes for 840 m located along the access track to Copper hills and the remaining 114 are northern extremities of drilling on Copper Hills grid lines. No results were considered for follow-up. There are also 41 stream sediment samples located in E52/2043 draining the southern part of the NE Copper Hills and the maximum result was 85 ppb Au, below anomalous values of approximately 100 ppb Au.

GCM began exploration for gold on the Two Pools Project in 1990. These licences cover most of the current E52/2973 and the work conducted by GCM included surface sampling, gridding, geological mapping, RAB and RC drilling, ground and airborne magnetic surveys. Great Central reported the gold mineralisation at Two Pools "appears to be widely spread having been located in

all the large blocks of greenstone and is associated with both mafic and ultramafic lithologies". Results from the drilling indicated potential gold mineralisation at Two Pools. Follow up drilling included 321 RAB holes for 14,067 m for gold exploration and a further 282 drill holes (RAB and RC) for diamond exploration. AIC has been unable to source the drill hole assay and lithology sheets for these drill holes. GCM found one gem quality diamond in a bulk stream gravel sample, which is interpreted to have been sourced from a kimberlite dike system or a small remnant pipe.

Quadrant Resources Pty. Ltd. completed exploration for gold and nickel during 1997 to 1998. Quadrant acquired aeromagnetic survey data of 200 m line spacing and 60 m flying height. This data defined an east-northeast trending eastern extension of the magnetite schist in southern limb of the east-northeast plunging anticline of the Copper Hills schists.

De Grey began exploration activities for base and precious metal in 2000. Activities reported to 2003 on the Beyondie Copper Gold Project overlap with the current E52/2943 and include a gravity survey covering the entire area at 1 km station spacing and down to 200 m along station tracks, re-processing of open file aeromagnetic data and surface sampling. An interpretation of the aeromagnetic and gravity was also completed. De Grey completed 259 RAB holes for 8,022 m and 26 RC holes for 4,059 m.

Emergent Resource Limited (EMG) began exploration on E52/2215 in 2010. This license covered the Copper Hills schists, targeting the magnetite schist/BIF for the magnetite iron ore potential. The northern part of this license, much of which coincides with the current E52/2943, was relinquished in 2013.

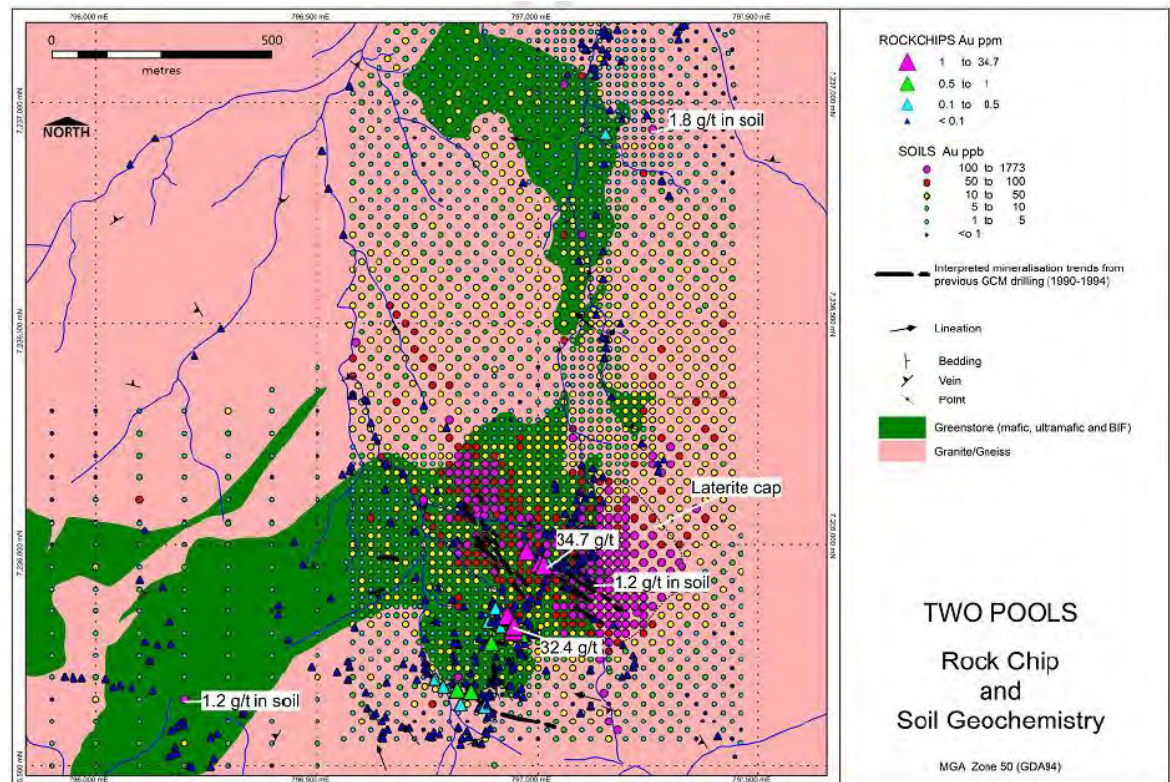
Work undertaken by AIC

In 2017 (a116367) AIC collected 292 soil samples, 53 MMI samples, 256 rock chip samples and 267 termite mound samples. The results found that historic reporting of anomalous gold in soil are not reliable. There were no anomalous gold or copper results in the soil and rock chip samples. The termite mound samples were analysed, and a pattern was recognised in the gold-copper-arsenic-molybdenum results, which was interpreted to reflect changes in the underlying geology.

In 2018 (a118807) AIC undertook RC drilling on the basis of the termite mound sampling in 2017. 24 holes for 5,196 m was drilled with several intercepts of gold identified in the Two Pools prospect. A further 567 rock chips, 64 stream sediment, 5,144 soil and 718 termite mound samples were collected. Of note was a gold geochemical anomaly greater than 100 ppb Au (Figure 3-7).

In 2019 (a123111) AIC collected 1,080 termite mound samples and four rock chip samples. While no significant anomalous results were returned from the sampling, a low-level zone of pathfinder elements has generated two targets to be defined called Copper Hills North and The Dolerites.

Figure 3-7: Soil and rock chip gold results for Two Pools prospect



Source: Company report a118807, AIC Resources Limited

3.5.6 Bryah, Reporting Group C50/2017

Previous exploration (from report a114238) included GCM and WMC conducting RAB and AC drilling across more magnetically layered belts searching for remnant greenstones south west of the Plutonic mineralisation. WMC drilled 134 AC holes to an average depth of 35 m. Most holes intersected about 20 m of colluvium over a stripped, weathered Archaean basement comprising mostly granites but with some dolerite, tremolite – chlorite schists, basalt and minor porphyritic, felsic units. Many of the holes did not reach identifiable bedrock.

WMC also completed 1 km by 1 km soil and lag sampling, however the depth of transported cover probably means the programs were ineffective.

Recent explorers in the area include LodeStar Minerals (2013 to 2014) and Faultline Resources Pty Ltd (2015 to 2016). Both conducted data reviews and re-interpreted aeromagnetic data. The aims were to identify permissive base rock geology and structurally suitable targets for gold and base metal hosted mineralisation such as at DeGrussa. Lodestar concluded that historic drilling failed to define coherent gold anomalism or conclusively identify the underlying geology. Faultline concluded that the interpretation of dominant granite gneiss basement has reduced the prospectively for Archaean lode style gold mineralisation and Proterozoic base metals.

Work conducted by AIC

During 2016 to 2018 (a114238 and 'ObligationReport 12596', AIC data room) AIC undertook desktop studies and an interpretation of the project wide aeromagnetic data collected in 2018.

Between 2019 and 2020 (a124538) AIC undertook termite mound sampling as part of a wider sampling program across the project. 359 termite mound samples and 6 rock chip samples were collected, without any anomalism reported in the results.

3.5.7 Thadoona, Reporting Group C53/2017

Previous exploration has been reported by AIC in a115009 (2017). The tenements are located in the Randell Well Project area located 4 km south of the Plutonic Mine. This area was previously explored for base metals by Amax in 1967 to 1977. Mapping for copper/zinc mineralisation was carried out over westerly dipping metasediments (tuffaceous sediments, shale with minor conglomerate) and ultramafics, mapped as remnant greenstone in dominantly Archean granitoid. Amax located sulphide gossans with most anomalous values 1.45% Zn, 1450 ppm Pb and 100 ppm Cu near Beering Unna Tank.

Subsequent drilling on the Bream and Schnapper prospects which are located immediately east of the E52/3318 tenement, defined a moderately west dipping sequence of ultramafic, mafics and sediments underlying an overthrust granite. The granite contact is mapped as the Perch Thrust Fault and takes a SW strike through the eastern part of E52/3318. In this area the Perch Thrust is 500 m west and parallel to the mapped Jack Fault.

CRA Exploration explored for gold mineralisation in 1987. Exploration activities included helicopter based regional geochemical sampling of pisolitic material and heavy mineral concentrates (HMC). Samples were analysed for gold and multi element analysis. In 1989 infill HMC and pisolite sampling on a 1 km by 1 km grid was completed.

Gold exploration activity carried out by Resolute Resources began in 1988. The initial gold exploration activity carried out involved stream sediment, rock chip sampling and drilling programs. The stream sediment sampling outlined a broad area of gold anomalism. Gold panned off in the area was reported as angular with rounded corners, interpreted to be possibly derived from alluvial deposits. Resolute targeted two, east trending magnetic anomalies defined in a 1989 aeromagnetic survey. In 1990 drilling was undertaken which included 77 RAB holes for 2,081 m. No significant results were returned. A soil sampling program was also completed with no significant results reported. Further RAB drilling on aeromagnetic anomalies was completed in 1994 on the Great Western prospect located 2 km east of the previous drilling in E52/320. This included 31 vertical holes (GWRB001-031) for 1,464 m, drilled on NE bearing lines 400 m apart at a spacing of 80 m. No significant results were returned.

Homestake Gold of Australia undertook exploration in 1997. Drilling by Homestake included 74 RAB holes to test a package of greenstone trending northeast. No significant results (>0.01 ppm Au) were returned.

Barrick undertook exploration in 2001 which included 29 RAB, 6 RC and one diamond hole. The results are not included in the AIC report.

Exploration undertaken by AIC

From 2016 to 2018 (a115009 and a117485) AIC have undertaken desktop reviews of existing data. A project wide aeromagnetic survey was completed along with 38 soil samples and 15 rock chips in 2018. The results are not noted in the reports.

In 2018 to 2019 (a120703) AIC collected 607 soil samples, 183 termite mound samples and 99 rock chip samples. The results from the samples were below anomalous levels, typically below 2 ppb Au with a peak value of 13 ppb Au in a rock chip sample. Whilst the results are low, the geological mapping did identify areas of exposed greenstone hosted in granite, meaning the area is still prospective for shear or fault hosted greenstone gold mineralisation.

In 2019 and 2020 (a125207) AIC undertook a review of existing data and performed field reconnaissance in preparation for future drill programs.

3.5.8 Doolgunna JV, AIC Resources Ltd and Ausgold Exploration Pty Ltd

The south eastern portion of tenement E52/3031 covers the Paleoproterozoic rocks of the Bryah and Padbury groups and the contact with predominantly granitic Archean rocks of the Marymia Dome to the north. The DeGrussa VHMS copper and gold deposit is located approximately 15 km to the east. The study area and DeGrussa have a similar geological setting within the Narracoota Formation, with the DeGrussa deposit being located near the base of the Narracoota Formation. The project area is also located in a similar structural setting to DeGrussa as both are adjacent to the Jenkins Fault and late northeast striking D4 faults.

Exploration undertaken by AIC

A co-funded drilling program of RC collars and DD tails was undertaken from November to December 2018 (a119488). Eight drill holes were completed with a total of 2,467.4 m including 735.7 m of RC pre-collaring and 1,731.7 m of HQ diameter coring. Five of the eight drillholes were half cored and assayed for gold and multi-element analysis. The remaining three holes were not assayed as there was no obvious mineralisation. The results were uniformly low tenor with no precious metal response and weakly anomalous copper results. A significant result from the drilling is that the area is now known to an interfingering of Karalundi sediments and Narracoota Formation volcanics, which is permissive for the DeGrussa type VHMS copper deposits (ASX A1M, 12 April 2019).

3.6 Mineral Resources

There exists a historic Mineral Resource for magnetite (iron) located in the Marymia Project area on tenement E52/3369. The Mineral Resource was originally reported by the previous owners, Emergent Resources Limited (ASX EMG, 19 February 2014). AIC has chosen not to pursue this commodity as the focus for exploration is gold and copper–gold mineralisation. As such, the magnetite Mineral Resource is not included in the valuation.

4 Lamil Project

4.1 Project Overview

The Lamil JV project comprises two granted exploration licences that cover approximately 1,275 km², over a strike length of approximately 90 km.

In July 2019, AIC entered into an agreement with Rumble over the Lamil Project. Under the terms of this agreement, AIC can earn a 50% interest in the project tenure by spending A\$6 M over 4 years. Thereafter, AIC can earn a further 15% by spending a further A\$4 M over 1 year, if Rumble elects not to commence contributing to the exploration.

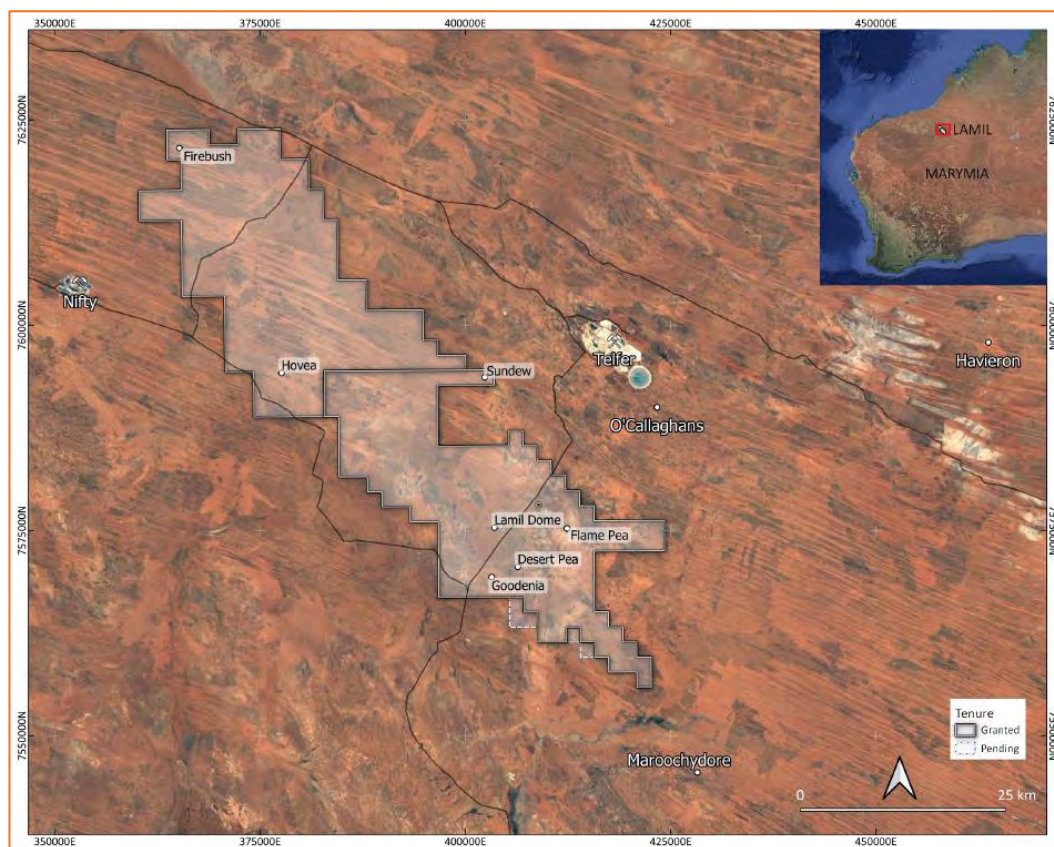
At 30 June 2021 AIC has spent approximately \$3.8 M at the Lamil Project.

In May 2021, AIC applied for three additional exploration licences adjoining the JV tenements. These remain to be granted.

4.1.1 Location and access

The Lamil Project is remotely located within the Great Sandy Desert, midway between the third party-held Telfer gold–copper mine and the Nifty copper mine, approximately 390 km directly southeast of Port Hedland (Figure 4-1).

Figure 4-1: Location of Lamil JV Exploration Projects



Source: AIC Mines Limited

The site is accessed along unsealed roads that connect Nifty and Telfer to the township of Marble Bar, 220 km to the northwest. Marble Bar is the nearest town to the project area with a population of approximately 175 people and limited medical and community services.

The project is situated within the Paterson Range which is geologically known as part of the Proterozoic Paterson Orogen. The Telfer Gold–Copper Mine is the most significant mining operation in the surrounding region, with others including the Nifty Copper Mine and the undeveloped Kintyre Uranium Mine, as well as several other gold and base metal projects.

4.1.2 Physical setting and land use

The surrounding area to the Project experiences hot summers and warm winters. During December and January, temperatures may exceed 45°C. In contrast to most of the year, winters are warm, with days averaging around 27°C, low humidity and clear skies. Nights from June to August can reach as low as 5°C.

Most of the annual rainfall occurs in the summer. Rainfall is sparse and erratic, typically associated with regional-scale cyclonic events, though variability is significantly less extreme than over the coastal Pilbara. It falls largely between December and March, with occasional rain events in autumn. During the wet season, tropical cyclones can reach well south into the Pilbara and the rainfall can be significant. Exploration activities are typically able to be conducted year-round, but may be curtailed due to localised flooding during the wet season.

4.2 Ownership and tenure

4.2.1 Tenure status

The project comprises two granted exploration licences registered to Rumble that are part of the Lamil JV and three applications for exploration licences by AIC (Table 4-1).

Table 4-1: Lamil Project tenure status

Tenement	Status	AIC Interest	Registered Holder	Granted	Expiry	Area (km ²)
E45/5270	Granted	Earn up to 65%	Rumble Resources Ltd	09/06/2020	09/06/2025	636.0
E45/5271	Granted	Earn up to 65%	Rumble Resources Ltd	13/08/2019	13/08/2024	636.0
E45/5909	Pending	100%	AIC Resources Ltd	-	-	
E45/5914	Pending	100%	AIC Resources Ltd	-	-	
E45/5919	Pending	100%	AIC Resources Ltd	-	-	

Source: AIC Mines Limited, DMIRS

SRK notes that E45/5909, E45/5914 and E45/5919 were applied for in May 2021. They are not expected to be granted for 6 to 12 months.

4.2.2 Native title

Martu and Ngurrara People are the registered holders of Native Title (WCD2002/002) that cover the Lamil Project area. A Land Access and Mineral Exploration Agreement is in place between the Western Desert Lands Aboriginal Corporation in respect of both E45/5270 and E45/5271 on behalf of the Martu Native Title Holders. The agreement allows for access and exploration over the two tenements in return for compensation and protection of cultural heritage and environment.

4.2.3 Agreements and compensation

In July 2019, AIC announced that it has entered into an earn-in and exploration JV agreement with Rumble over the Lamil Project area in the Paterson Province. The key terms of the earn-in and exploration JV agreement are:

Stage 1 Earn-in:

- AIC will subscribe for 4,166,667 new shares in Rumble at a price of 6 cents per share for total proceeds of A\$250,000.
- AIC can earn a 50% interest by issuing to Rumble 714,286 new shares in AIC for nil cash consideration and spending A\$6 M over 4 years.
- Upon meeting these requirements and acquiring a 50% interest: AIC will subscribe for a further A\$250,000 worth of new Rumble shares; and AIC will issue to Rumble an additional A\$250,000 worth of new shares in AIC for nil cash consideration.

Stage 2 Earn-in:

- AIC can earn a further 15% by spending A\$4 M over 1 year if Rumble elects not to commence contributing.

SRK notes that while AIC has spent more than A\$3M to date, it has not yet met its commitment regarding the stage 1 terms of the agreement and hence remains to earn an interest in the project. As such, SRK does not consider any value can be attributed to AIC for these assets until stage 1 earn-in is completed.

4.3 Project history

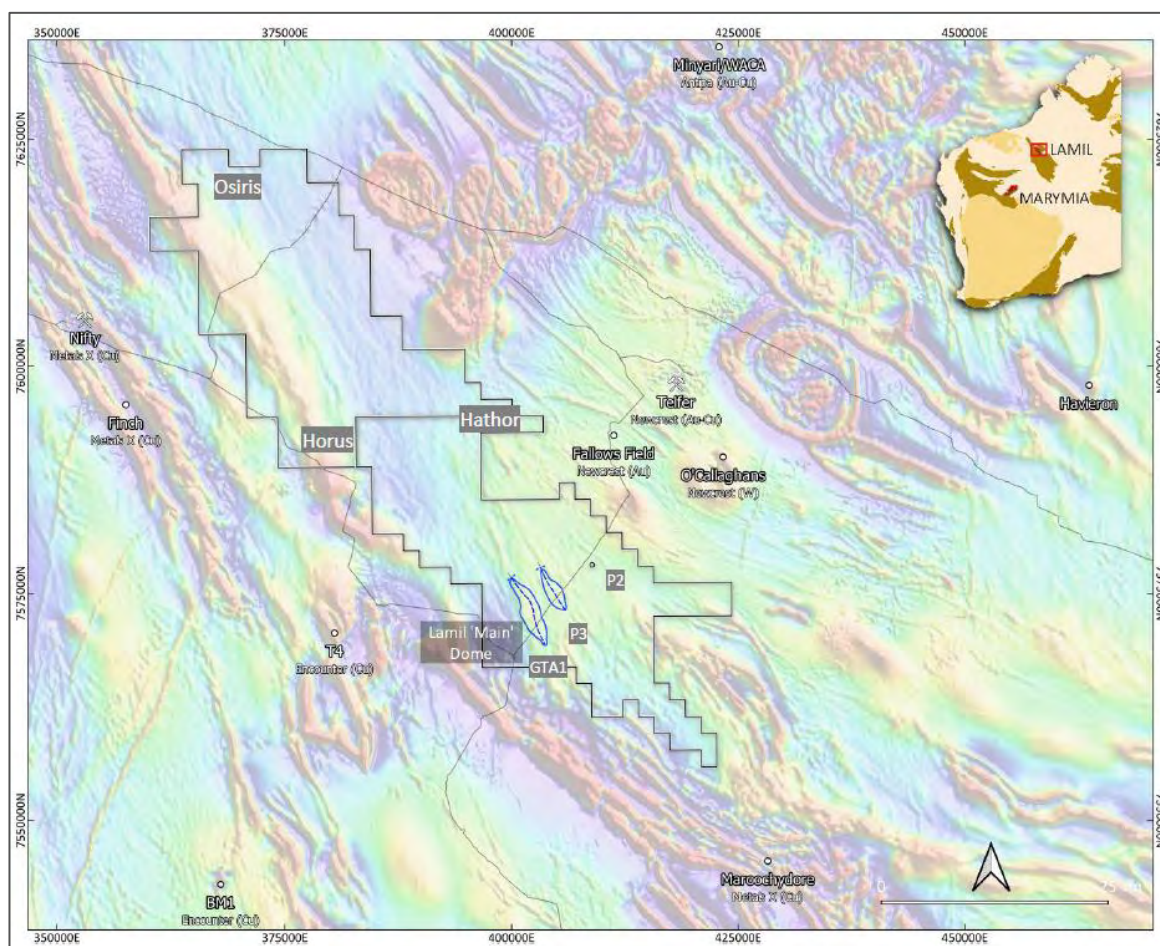
4.3.1 Exploration and development

Since entering into the Lamil JV (ASX A1M, 22 July 2019), AIC and Rumble have confirmed the copper and gold potential of the 1,375 km² Lamil Project. The project is located in the Paterson Province in Western Australia, an endowed but under-explored mineral province under Permian and recent sedimentary cover with depths ranging from 30 to 70 m. The Paterson Province hosts the world-class Telfer gold–copper mine and the Nifty copper mine with the Lamil Project situated midway between these two mines.

In December 2019, AIC completed ground-based gravity and passive seismic surveys and orientation surface geochemical sampling. (ASX A1M, 31 March 2020 and WAMEX Open Report a125155). The ground gravity survey comprised 2,157 readings on a 100 m by 400 m grid spacing. The passive seismic survey was acquired using 14-to-20-minute recording times at 100 m spaced

stations with a total of 419 recordings taken along 11 survey lines. The seismic survey was conducted over the Lamil 'Main Dome' and 'NE Dome' prospects and the gravity survey over the 'Main Dome', 'NE Dome' and 'P2' prospects. In addition to the geophysical surveys AIC undertook a 600 m by 600 m spaced soil geochemical sampling program with a total of 295 samples of the clay dominated ultra-fine fraction during November and December 2019. The geochemistry results were analysed for their pathfinder element distribution rather than peak element values – this method has potential to identify copper–gold deposits under cover. Of additional note was a single sample containing 100 ppb gold, which is considered anomalous. The results from the geochemical sampling identified five geochemical target areas including GTA01, a geochemical and geophysical target area flagged for further investigation (Figure 4-2). GTA01 is located 2 km southwest of the Lamil Main Dome and is defined by a combined magnetic and gravity high, a convergence of major gravity-derived structures and a multi-element surface geochemical anomaly displaying characteristics associated with base metal mineralisation proximal to intrusive related gold-copper mineral systems.

Figure 4-2: AIC Lamil Project tenements



Source: 20210410_Lamil Project_Proposed Program and Budget_CY21_SV_Final, AIC data room

During the June 2020 quarter, AIC had restarted heritage surveys at Lamil after the COVID-19 travel restrictions were lifted. (ASX A1M 20 July 2020) and in September 2020, AIC started a 7,500 m AC and RC drill program, and a 2,500 m DD program at Lamil (ASX A1M, 22 September 2020). Infill geophysics (ground gravity) and a soil geochemistry program were also undertaken.

The 2020 exploration program achieved the required 30 line kms of heritage surveys, an additional 2,615 soil samples, 2,349 surface gravity stations and 75 drill holes for 11,653 m consisting of 50 RC holes for 6,593 m, 18 AC holes for 2,197 m and 7 diamond holes for 2,863 m (ASX A1M, 26 February 2021). The soil sampling included a 600 m by 600 m-wide regional soil sampling program with 1,203 samples collected and a 200 m by 200 m infill sampling program with 1,412 samples collected. The soil geochemistry results identified 1 medium priority and 5 low priority targets. The drilling was focussed over the Main Dome and GTA01 prospects with most drilling returning no anomalous results (anomalous being greater than 100 ppb gold or 0.01% copper), though two diamond drill holes 20ALDD0006 and 20ALDD007, spaced 800 m apart, identified copper mineralisation (chalcopyrite) with the shallowest intercept at 99 m and the deepest from 237 m down hole. The copper grade peaked at 0.18% copper; full results from the drilling and the JORC Code (2012) Table 1 are in the ASX A1M announcement on 26 February 2021.

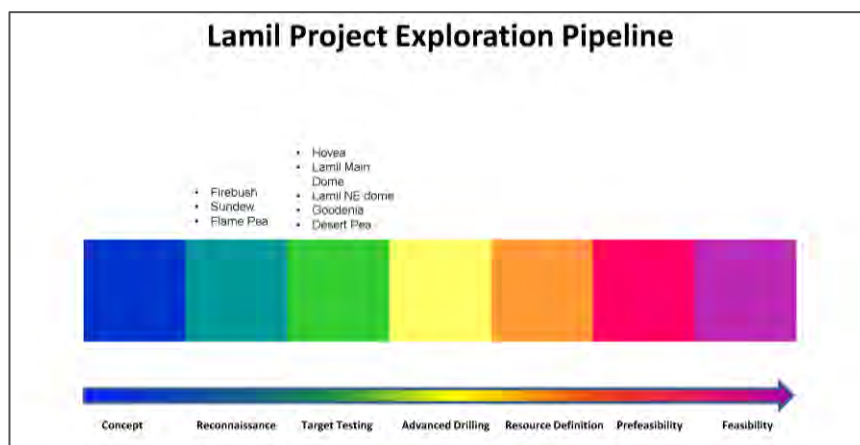
Further to the low-level copper intersected in the drilling was the identification of a sodic (albite) alteration halo around the Main Dome. Such alteration haloes are key features of the known gold–copper deposits in the Paterson Province. The alteration halo has been identified over a 2 km strike length.

During the March 2021 quarter AIC undertook heritage surveys to allow for follow-up drilling of the Lamil Dome and testing of a number of newly identified targets (ASX A1M, 22 April 2021). The plan for drilling is to extend and infill the 2020 drilling campaign. A detailed AEM survey over the Main Dome is also planned.

4.3.2 Current project status

The Lamil Project is at an early exploration stage with eight prospects identified by AIC geologists (Figure 4-3 and Table 4-2).

Figure 4-3: Lamil Project exploration pipeline



Source: Tenements 31 March 2021 Projects RevB MT.xlsx, AIC Mines Limited data room

Notes:

Concept: Desktop review of potential exploration targets

Reconnaissance: Regional geophysics survey(s), stream sampling and/or wide spaced soil sampling

Target Testing: Detailed geophysical interpretations, infill soil sampling, wide spaced aircore or reverse circulation drilling

Advanced Drilling: Further drilling to confirm and/or extend the prospect

Resource Definition: Infill drilling to support a maiden Mineral Resource as defined by the JORC Code (2012)

Prefeasibility: A comprehensive study of a range of options for a mineral project, as defined by the JORC Code (2012)

Feasibility: A comprehensive technical and economic study for a mineral project, as defined by the JORC Code (2012)

Table 4-2: Lamil Project key prospects

Tenement	Prospect	Exploration stage	Longitude	Latitude
E45/5270	Firebush	Reconnaissance	121.7042	-21.5041
E45/5270	Hovea	Target Testing	121.8192	-21.756
E45/5271	Sundew	Reconnaissance	122.0555	-21.758
E45/5271	Lamil Main Dome	Target Testing	122.0584	-21.9433
E45/5271	Lamil NE Dome	Target Testing	122.0686	-21.9157
E45/5271	Goodenia	Target Testing	122.0568	-21.9793
E45/5271	Desert Pea	Target Testing	122.093	-21.9835
E45/5271	Flame Pea	Reconnaissance	122.1544	-21.9375

Source: Tenements 31 March 2021 Projects RevB MT.xlsx, AIC Mines Limited data room

4.4 Geology and mineralisation

4.4.1 Regional

The Lamil Project lies within the Paterson Province of remote north Western Australia. The Lamil Project licences are underlain by Proterozoic basement rocks considered prospective for Telfer and Havieron-style gold–copper deposits, and Winu-style copper–gold mineralisation.

4.4.2 Project

The tenements are mostly underlain by thinly bedded dolomitic limestones, calcareous siltstones, and minor local sulphidic, shales of the Isdell Formation. The Isdell Formation lies below the Coolbro Sandstone and Broadhurst Formation, which are part of the Throssell Range Group in the Neoproterozoic Yeneena Supergroup.

The Yeneena Supergroup lies unconformably over highly metamorphosed granites, schists, and carbonate rocks of the Rudall Complex. In the eastern half of E45/5271, strongly weathered fluvio-glacial sediments consisting of basal tillites, overlain by interbedded cross bedded medium to coarse grained sandstone siltstone, and mudstone of the Permian Paterson Formation fills paleo-valleys. The upper surface is usually silicified.

Stratabound copper-lead-zinc mineralisation was discovered in Broadhurst Formation sediments at the Nifty and Maroochydore deposits in the early to mid-1980s. Recently, Encounter Resources Limited reported significant zinc mineralisation at the Millennium prospect, approximately 8 km west of the Lamil Project.

4.4.3 Mineralisation

The Lamil Project is considered by AIC to be prospective for intrusion-related copper–gold deposits, with the type example being Telfer. The gold and copper mineralisation at Telfer consists of stratiform reefs and stockworks hosted by sedimentary rocks of the Malu Formation of the Lamil Group. Mineralisation is controlled by structure and lithology, and occurs as narrow high-grade reefs, pod-like mineralised bodies, sheeted vein sets and large areas of stockwork mineralisation,

with the stockwork forming the majority of the defined Mineral Resource. The copper mineralisation is typically chalcopyrite, with lesser chalcocite and bornite. Gold occurs as free grains, on the boundaries of sulphides and to a minor degree with silicates.

4.5 Exploration potential and planned future exploration

Western Australia's Paterson Province has seen recent exploration successes in discovering blind (i.e., under cover) deposits such as the Rio Tinto Winu copper deposit (ASX RIO 28 July 2020), highlighting the potential of the area.

Work completed at the Lamil Project during 2020 has confirmed the potential of the area to host copper–gold mineralisation. The 2020 program comprised 68 wide-spaced air core and RC drill holes and seven diamond drill holes for a combined total of 11,431 m. The focus of the drilling was on the Main Dome prospect, which covers an area of 32 km².

The 2020 work identified:

- prospective basement rocks beneath relatively shallow cover
- large scale structures
- anomalous pathfinder geochemistry
- primary copper sulphide mineralisation in two diamond drill holes spaced 800 m apart along the eastern flank of the Main Dome (ASX A1M 26 February 2021):
 - Hole 20ALDD0006
 - 1.41 m @ 0.05% Cu from 98.66 m
 - 2.21 m @ 0.04% Cu from 219.75 m
 - Hole 20ALDD0007
 - 4.92 m @ 0.11% Cu from 163.08 m
 - 0.40 m @ 0.18% Cu from 232.37 m
 - 1.59 m @ 0.12% Cu from 237.10 m
- Low order base metal intercepts within the southwest geochemical/geophysical Target Area 1 (GTA1). Out of the 11 holes drilled (10 RC, 1 DD), five holes returned.

The GTA1 target displays all of the components associated with an intrusive-related copper–gold system. It is supported by infill soil geochemical sampling at 200 m by 200 m spacing, and drill (10 RC, 1 DD) results with 5 of the 11 wide spaced holes completed reporting low order base metal intercepts (ASX A1M, 26 February 2021). Anomalous values are defined as:

- greater than 250 ppm copper, and/or
- greater than 1 g/t silver, and/or
- greater than 10 ppm gold, and/or
- greater than 1 ppm bismuth, and/or
- greater than 400 ppm lead, and/or
- greater than 1,000 ppm zinc, and/or
- greater than 8 ppm antimony.

The hydrothermal alteration cell and associated copper mineralisation outlined along the eastern flank of the Main Dome is interpreted to remain open in all directions. The drilling to date is too widely spaced (1,600 m between drill lines) to provide specific follow-up targets or vectors towards better mineralisation. The next phase of planned drilling in 2021 will infill to an 800 m line spacing (AIC data room, 20210410_Lamil Project_Proposed Program and Budget_CY21_SV_Final.pdf).

The 2021 proposed work program includes drilling at the Main Dome prospect, and maiden drill testing of a number of high priority targets identified from an assessment of data generated during 2020. The total program includes 74 drill holes (71 RC, 3 DD) for 12,000 m, 253 soil samples and 2,026 line km of AEM.

4.6 Mineral Resources

There are no Mineral Resources defined in the Lamil Project area.

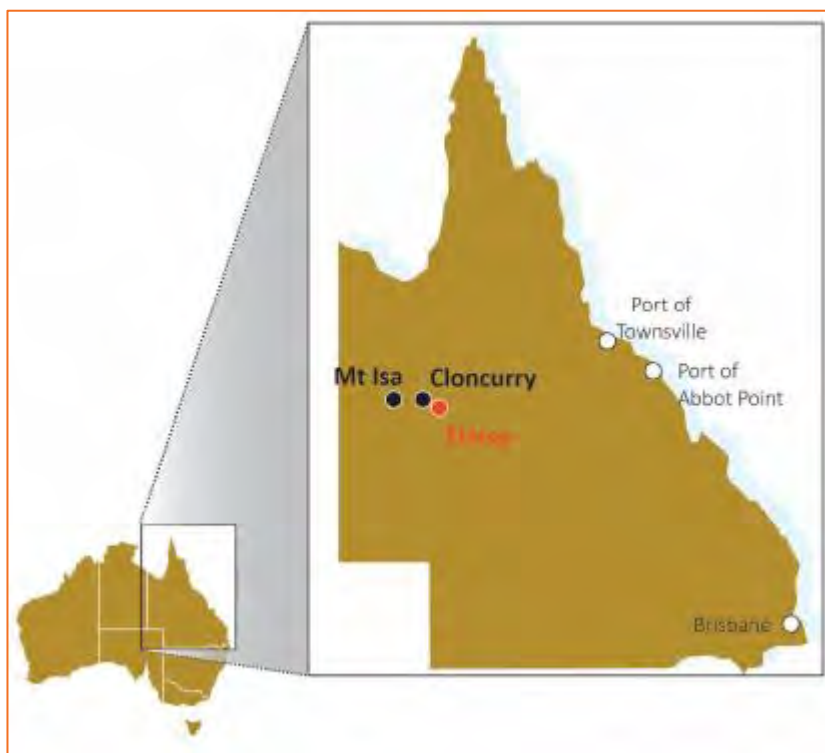
5 Eloise Copper Mine

5.1 Project overview

5.1.1 Location and access

Eloise is an underground copper mine located approximately 60 km southeast of Cloncurry in northwest Queensland (Figure 5-1). The project is accessible by sealed road to within a few kilometres of the mine from the Landsborough Highway. The Landsborough Highway connects Cloncurry with Winton in the southeast.

Figure 5-1: Location of Eloise Copper Mine



Source: AIC Mines Ltd

The nearest township to the site is Mackinlay, situated 30 km south of the Project.

Cloncurry is the nearest major population centre and is situated in the northwest of Queensland, 770 km west of the city of Townsville on the Flinders Highway. The town lies adjacent to the Cloncurry River and is the administrative centre of the Shire of Cloncurry with a population of around 2,720. The Great Northern Railway links the port city of Townsville, to Cloncurry and Mount Isa. Cloncurry has a public library, gallery, public swimming pool, showground, racecourse and post office. It is the home of the Royal Flying Doctor Service of Australia. Cloncurry has a state co-educational primary school to Year 12 as well as St Joseph Catholic primary school that provide education. Cloncurry Hospital provides the regional community with health services.

5.1.2 Physical setting and land use

Cloncurry lies at an elevation of 195 m AHD. The climate in Cloncurry is characterised as semi-arid tropic, despite little rainfall throughout the year. The average temperatures are highest in December (31.7 °C) and lowest in July (18.7 °C). Mean annual rainfall is 480.2 mm, with most rain falling in January (average 124 mm) and the least in August (average 2 mm).

Regionally, the Eloise site lies within the Flinders River Basin, discharging to the Gulf of Carpentaria to the north, with headwaters formed within the Selwyn Ranges approximately 80 km southwest from the site. The primary drainage occurring within the Eloise site is Scrubby Creek, which comprises an eastern arm (Scrubby Creek (East)) extending through the project area, and Scrubby Creek (West) extending to the west of the area. Scrubby Creek flows in a northerly direction and joins Fullarton River approximately 60 km northeast of the site. Fullarton River flows into the Cloncurry River, some 30 km further downstream, being a principal drainage of the Flinders River basin.

Topographically, the project site comprises gently undulating to steep terrain, with the project site overlying a slight ridge.

The other significant land use in the area is sheep and cattle grazing.

5.2 Ownership and tenure

5.2.1 Ownership history

The Eloise copper–gold deposit was discovered by BHP Minerals in 1988 during follow-up drilling of several coincident aeromagnetic and EM geophysical anomalies. The deposit and surrounding exploration tenements were acquired by Amalg Resources NL (Amalg) in 1994 for A\$13.25 M. Following a program of resource confirmation drilling and metallurgical testwork, the decline commenced in 1995 followed by ore production in 1996. The mine was subsequently divested to Barminto Pty Ltd (Barminto, now FMR) in June 2004, with Amalg retaining a 30% net profit interest in the mine and a 100% interest in the surrounding exploration tenements, excluding a 1.5 km by 1.5 km area around the Eloise mine.

FMR has since operated the Eloise underground mine on a continuous basis, other than for a short period of C&M from late 2008 to early 2011. In January 2011, FMR recommenced operations at Eloise. The operation produces a copper–gold–silver concentrate that is sold and exported overseas for smelting and refining.

5.2.2 Tenure status

The Eloise mine comprises four mining leases, ML90064, ML90080, ML90086 and ML90155. SRK has reviewed the Queensland Government's GeoResGlobe portal and notes that all tenements are registered to FMR (Table 5-1).

Table 5-1: Eloise Copper Mine tenure status

Tenement	Status	FMR Interest	Granted	Expiry	Area (ha)
ML90064	Granted	100%	17 Aug 1995	31 Aug 2025	241.9
ML90080	Granted	100%	11 Dec 2001	31 Dec 2021	39.7
ML90086	Granted	100%	14 Mar 2002	31 Mar 2022	18.7
ML90155	Granted	100%	2 Oct 2003	31 Oct 2026	205.6

Source: AIC Mines Limited,

SRK notes that ML90080, which provides for infrastructure, expires in December 2021. SRK is aware that a renewal has been lodged and does not consider this a material risk. ML90080 (Eloise Corridor Lease) is an infrastructure lease for a pipeline corridor to access the approved Eloise Borefield. The pipeline was constructed in 2005 and connects to three bores that will allow for future water production.

ML90086 also provides for infrastructure, expires in March 2022 and encompasses Batt Dam and approximately 10% of TD Cell 4 (TD4). A renewal will have to be lodged before the date of expiry, however, SRK does not consider this a material risk.

The LOM plan is projected to continue to the end of ML90155's term, which expires on 31 October 2026.

Surrounding the Eloise MLs are exploration licences (EPM 25389 and EPM 26233) registered to Minotaur Operations Pty Ltd and EPM17838 registered to Levuka Resources Pty Ltd.

5.2.3 Native title

SRK has searched the Native Title Register on the Native Title Tribunal web site ([Search National Native Title Register \(nntt.gov.au\)](https://www.nntt.gov.au)) and has found no registered native title that covers the Eloise Copper Mine. However, there is a native title claim registered over the area that was registered by the Mitakoodi People (QC2015/009) in February 2020. Furthermore, SRK is not aware of any Indigenous Land Use Agreements that cover the area.

5.2.4 Key agreements and compensation

The key agreements listed in this section are meant only for completeness and are based on information provided to SRK. SRK have not reviewed these agreements. SRK notes that it is not qualified to make legal representations as to the legal standing or attempted to confirm the legal status of these agreement. As such, SRK has not attempted to make a risk assessment and impact on the operation for these listed agreements.

Townsville Bulk Storage and Handling Agreement

FMR has entered into an agreement with Aurizon Port Services Pty Ltd (formerly Flinders TBSH Pty Ltd), to supply land transport, terminal services and stevedoring at Townsville. Under the agreement, FMR engages Aurizon as its sole and exclusive provider of the services at the Townsville terminal during the term, on the conditions of the agreement.

A variation notice has been executed by both parties extending the contract, which commences on 1 October 2020 and remains in force for a period of three years ("Term"). Aurizon has been providing these services to Eloise since 2012. Either party may terminate this agreement with immediate effect if the other party is affected by an Insolvency Event. While SRK has not been provided with notification that this has been extended beyond September 2020, SRK has assumed that this is the case.

Concentrate offtake

FMR is party to a concentrate offtake agreement with Trafigura. SRK has reviewed the terms of the offtake agreement, which are confidential, and notes that these terms are broadly in line with other third-party sales agreements involving similar concentrates in the market at the date of valuation.

Batt Compensation Agreement

A compensation agreement was executed on 10 October 2014 between FMR and Gordan Teast Batt (the Owner), whereby the Owner is the registered holder of the Land and FMR holds various Mining Tenements within the area of the Land. Under this agreement, FMR is required to compensate the Owner in the form of annual payments and compensation in respect of any livestock which is accidentally killed as a result of FMR's activities.

Annual compensation payments are required as follows:

- A\$35/ha of land fenced off
- Market rate for each beast killed as a result of Eloise operational activities.

Mr Batt shall not assign the Land to any third person until such time as the proposed assignee has executed and delivered to FMR a Deed of Assignment.

Other agreements

In addition to the above key agreements, there are several service agreements in place to provide mostly mining services to the site such as fuel, explosives, cooling and other.

5.2.5 Royalties

While SRK has not been advised of any private royalty agreements, there is a royalty payable to the QLD State Government relating to the mining leases. Liability for a mining royalty to the QLD State arises when the mineral is sold.

In the case of copper, gold and silver the royalty is a variable rate between 2.5% and 5% varying in 0.02% increments between A\$3,600/t and A\$9,200t for copper price, A\$600/oz and A\$890/oz for gold price and A\$9.00/oz and A\$16.50/oz for silver price. If the market price is equal to or lower than the range for each metal, the royalty is 2.5%. If the market price for the metal is equal to or higher than this range for the metal, then the royalty is 5%. In addition, the first \$100,000 is exempt from royalty and known as the royalty-free threshold.

5.3 Geology and mineralisation

5.3.1 Regional

The Eloise deposit is situated within the Mount Isa Inlier of northwest Queensland, which comprises three major tectonic units. The three units, predominantly north–south trending sedimentological and structural domains, are:

- The Western Fold Belt (Western Succession)
- The Kalkadoon-Leichhardt Belt
- The Eastern Fold Belt (Eastern Succession).

The major tectonic units have undergone a series of structural events. These events, termed D1 to D4, are known to be associated with mineralising events. The structural events impacting the Mount Isa inlier are:

- D1 north–south thrusting, occurring at 1,640 Ma
- D2 east–west compression, associated with the lead-zinc-silver mineralisation at the Mount Isa mine, occurring at 1,595 Ma
- D3 east-northeast – west-southwest compression, associated with copper–gold–silver mineralisation at Eloise, occurring at 1,550 Ma
- D4 east-southeast – associated with copper–gold mineralisation at Ernest Henry mine, west-northwest compression, occurring at 1,530 Ma.

The Eloise deposit is hosted by a sequence of Proterozoic basement lithologies concealed beneath 60 m of flat-lying Phanerozoic sediments of the Eromanga Basin. The Proterozoic sequence is assigned to the Cloncurry–Selwyn zone of the Eastern Fold Belt of the Mount Isa Inlier. The host rocks predominantly comprise arenitic metasediments and amphibolites assigned to the Toole Creek Volcanics and Mount Noma Quartzite members of the Soldiers Cap Group by Derrick et al. (1976).

In the vicinity of the deposit, the host sequence strikes north–south and coincides with the sub-vertical eastern limb of the Middle Creek Anticline. The limb of the fold corresponds with a major, regional, northerly trending shear zone, the ‘Levuka Shear’, a complex corridor of individual fault structures extending over a width of several kilometres. This regional shear zone is interpreted to have initially developed during the D2 stage of the regional deformation history, with later reactivation during the D3 episode.

5.3.2 Project

The host metasedimentary sequence at Eloise is strongly foliated and comprises meta-arenites, siltstones and greywackes, which have been intruded by sill-like bodies of dolerite (now ortho-amphibolites). The area is overlain by up to 100 m of Mesozoic cover.

The Western Arenite is a massive to weakly foliated arenite with varying degrees of mafic alteration and smaller lodes such as Eloise West, Eloise Northwest and 40 Lode. The Western Arenite is intruded by a 150 m-wide homogenous massive amphibolite. The amphibolite is well foliated and has undergone various degrees of chlorite and biotite alteration.

Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault-bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.

Hodkinson et al. (2003) proposed the fault timing and sequence as:

1. Middle Fault, a subvertical fault striking east-northeast with a dip-slip movement with the northern block down by approximately 30 m.
2. Delphin-Lunney Fault dipping 30 to 40° to the south with an oblique thrust movement with the upper block being displaced by at least 150 m, resulting in an apparent plan displacement between the lodes across the fault of 40 to 50 m and at least a 120 m strike displacement along the lode.
3. Median, Tuesley and Ramsay faults are a set of 40 to 50° high angle thrust faults with variable amounts of dip-slip displacement. The Tuesley and Ramsay faults have displacements of 10 to 15 m and 40 to 50 m respectively and both are responsible for significant dislocations of the main B lode mineralisation. There may also be some minor strike-slip movement on both faults. The Median fault is similar to the Tuesley and Ramsay faults and is present higher in the mine workings and is estimated to have a reverse sense of displacement of approximately 100 m.

The Western Arenite and Host Arenite have undergone metasomatic alteration which likely peaked with the D2 event and produced quartz + biotite + staurolite + andalusite ± garnet assemblages. This assemblage suggests prograde metamorphism at 550 to 600°C, at pressures of greater than 350 MPa.

5.3.3 Mineralisation

The main copper-bearing sulphide at Eloise is chalcopyrite with pyrite and pyrrhotite as the dominant gangue sulphides. Other copper-bearing minerals at Eloise includes native copper, bornite, chalcocite and covellite. These minerals appear to have been formed by supergene processes down to as deep as 250 m below the Mesozoic unconformity. There is a strong spatial association between copper and silver, however gold is largely independent of the copper mineralisation.

Mineralised zones occur as steeply plunging lenticular bodies with strike lengths between 100 m and 200 m and attaining a maximum width of 25 m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500 m and remains open at depth.

Mineralisation is shear zone hosted with mineralised veins cross cutting the S2 foliation. The mineralisation occurs as stringer veins and massive to semi-massive lenses striking along the S2 north-south fabric.

5.4 Exploration potential and planned future exploration

A significant drilling program of approximately 300 holes with a total length of 37 km has been planned at Eloise to test mineralisation outside the 2021 Mineral Resource area (20210430_AIC Eloise LOMP v7.pdf, 2021). There are currently drill holes containing mineralisation in the near-mine areas, which are included in the mineralisation wireframes and estimated. However, a lack of confidence in the current void model (a void model is a product of underground surveying) has resulted in the Competent Person for the Mineral Resources, Mr Matthew Thomas, classifying a

portion of the estimated material below Inferred classification, and therefore not as a Mineral Resource. The method of classification for the 2021 Mineral Resource is explained in Section 5.5.

The downgrade in the 2021 Mineral Resource may be temporary (less than 1 year's duration) and is contingent on a robust underground survey being completed, which is not a major undertaking (less than 1 year required). Once the underground survey is completed it is likely that some, or all, of the remaining in-situ unclassified material outside the 2021 Mineral Resource will be able to be classified as Mineral Resource once again. SRK also understands there are plans to undertake extensive infill drilling (i.e. 300 holes with a total length of 37 km) in the unclassified but mineralised areas. SRK has taken this planned drilling to be an acknowledgement of the existence of the unclassified mineralisation outside the reported 2021 Mineral Resource.

SRK considers the currently unclassified mineralisation at Eloise to be an upside potential. The reason the unclassified material is no longer Mineral Resource (which it was in 2019) is due to a specific issue of underground surveying and the associated impact on the reporting of the 2021 Mineral Resource. In SRK's experience this reporting situation is without precedent. Given the lack of precedent the situation has been subjected to additional SRK internal peer review. The aim of the peer review was to identify a reasonable method to fairly inform an investor of the residual value outside of the reported 2021 Mineral Resource which, in the opinion of SRK, is present at Eloise.

The 2021 Mineral Resource classification has been justified and transparently explained in the documents that SRK has reviewed, and as such conforms to the reporting requirements of the JORC Code (2012). The decisions and reasoning are reasonable and are within the remit of the Competent Person for Mineral Resources. However, SRK is also of the opinion that an investor should be aware that there has been a downgrade in Mineral Resource classification that occurred between the 2019 and 2021 (reducing from 5.4 Mt to 2.7 Mt total Mineral Resources) and the reason for the downgrade is likely to be addressed in less than 1 year time.

Based on the differences between the 2019 and 2021 Mineral Resources, along with documentation provided by AIC, SRK considers the exploration potential to be approximately 2 Mt at a nominal 2.3% Cu and 0.7 g/t Au (quantified in 20210430_AIC Eloise LOMP v7.pdf, 2021). SRK considers this theoretical upside should be treated as Inferred Mineral Resources for the purposes of valuation.

Outside of the defined Mineral Resource area, there are ten zones identified as priority drilling targets at Eloise. These target areas contain wide-spaced drilling intercepts of promising tenor (nominally >2% Cu) thereby reducing the exploration risk. Furthermore, geophysical programs using EM methods (to identify conductive zones) provide support to potential exploration success.

A potential upside is that there is evidence that mineralisation continues down strike at depth within the Deeps Lode. One drill hole, ED126, is drilled oblique to the modelled domain (down strike) and demonstrates that the lode continues with a consistent tenor of mineralisation. Furthermore, the Deeps Lode crosses into the neighbouring tenement, EPM17838 owned by Levuka Resources Pty Ltd. A future opportunity may include potential agreements with neighbouring tenement holders.

It is noted that further opportunities exist for new discoveries at Macy North, Emerson Extension, Emerson below Ramsay Fault, Chloe below Ramsay Fault and the Far Western Corridor within the existing mine footprint. In SRK's opinion, the exploration potential of the near-mine areas is moderate to high, with existing exploration drilling and geophysics having identified targets.

5.5 Mineral Resources

There are currently 1,150 diamond drill holes used for Mineral Resource estimation purposes in the drill hole database with a total length of 166,770 m. In addition to the diamond drill holes, there are a further 953 'sludge holes' for 8,737.4 m, which are excluded from the grade estimate but used to guide the interpretation. SRK considers this to be good practice. Drill core diameters range from NQ2 for underground drilling to HQ then NQ for the limited amount of surface drilling.

The drill spacing varies from approximately 25 m by 25 m extending out to 50 m to 75 m by 50 m to 100 m in less drilled areas. The orientation of the drill holes relative to the lodes is generally relatively oblique however is limited by the positions of available drill pads and development. SRK considers the nature, orientation, and types of drilling to be suitable for the deposit style.

All drill hole collars are surveyed. Modern downhole surveys are using north-seeking gyros conducted at 30 m intervals using single shot tacking surveys during drilling. Given the presence of magnetic minerals at Eloise (pyrrhotite and magnetite), survey methods that do not rely on the earth's magnetic field provide more reliable data. SRK considers the risk from the collar positions and downhole surveys to be low.

Core logging was completed by FMR geologists on site in a dedicated core yard. The entire drill core is logged with partial intervals of the core selected for assay. Logging data is entered directly into a tablet computer before being loaded into the site database. Assay results are received from the laboratory in digital format and uploaded to a local Microsoft Access database. SRK notes that a recommendation was made in the CSA Global 2018 Mineral Resource Estimate that a more robust geological data management system be implemented. While SRK concurs with the recommendation and notes it remains to be implemented, SRK does not consider there to be any immediate major risk.

The Competent Person, Mr Matt Thomas, is site based and regularly inspects activity while an independent consultant inspected the site in 2018. The procedures, drill planning, a check on the quality of the logging and interpretation were performed. SRK concurs with the recommendation and notes it remains to be implemented. This recommendation represents an incremental improvement and as such represents a low risk to the project.

Mr Matt Fallon (AIC, Chief Development Officer) has inspected the site twice in 2021 and an independent consultant inspected the site in 2018. The procedures, drill planning, a check on the quality of the logging and interpretation were performed and are reported to be acceptable. SRK concurs that the descriptions of the procedures, quality of work and results are suitable and pose a low risk.

Sampling intervals were selected by FMR geologists. Sample intervals do not cross zones of core loss, which are infrequent. Samples were typically 1 m length and only occasionally sampled to geological contacts. Core recovery is reported as being in excess of 95%, thereby supporting sample representativity. No specific studies have been performed to assess the relationship between sample recovery and grade however, given the high sample recovery, the risk of potential bias is low.

Samples were prepared using an industry standard sample preparation regime, followed by analysis using inductively coupled plasma – atomic emission spectroscopy (ICP-AES), with a 60 g

subsample also taken and dispatched to ALS Global (Townsville) for the fire assay analysis for gold.

Samples were assayed using an industry standard digestion and analysis regime.

SRK considers that the sample preparation and analysis is appropriate and represents a negligible risk.

Laboratory generated quality assurance/quality control (QA/QC) has been reviewed by FMR geologists. Independent QA/QC protocols have been in place since June 2018, which include certified reference materials (CRMs) and blanks inserted at a rate of 1:30 to the regular samples.

To address the lack of QA/QC prior to 2018, a set of historic drill holes have been re-sampled and re-assayed together with the CRMs and blanks. SRK has reviewed the results of the QA/QC program and considers the results to be suitable and demonstrates adequate accuracy and precision for the assay results.

The dry bulk density was determined by a regression formula using the copper and iron block estimates.

A total of 6,925 volume displacement and 2,878 water immersion (weight-in-water, weight-in-air) records were analysed to determine the regression formula.

No new density testwork has been completed since 2011, which potentially means the recent discoveries post-2011 are not tested for density. SRK considers ongoing density testwork in new lodes or depth extensions to be good practice, however the risk is low, given the relationship between copper and iron content is sufficiently robust to be able to determine a sufficiently accurate density.

The Eloise deposit contains 32 modelled lenses with interpretation based on the structural controls present at Eloise with mineralisation occurring as a series of en-echelon subvertical lodes. The dip of the modelled lenses extends from 1,150 mRL to -695 mRL, over a total slope length of approximately 2,000 m. The lenses have variable strike and dip however are typically steep dipping and amenable to underground mining. The plan width of the lenses varies between 2 m and 40 m. A nominal 1% Cu cut-off grade was used to interpret the mineralised boundaries.

Up to five separate lodes or zones are interpreted within each of the three resource areas; namely the Elrose Levuka North, Elrose Levuka South and Macy resource areas. The post-mineralisation faulting has created a series mineralised fault block compartments, approximately 400 m by 400 m in size. The five ore zones in each domain can be interpreted and continued into each fault block compartment. Given the long period of drilling and mining, the continuity and grade characteristics of the lode systems are well understood by mine geologists. SRK has reviewed the interpretations and found them to be consistent with the data. SRK considers the quality of the interpretation and the understanding of the deposit to be high.

The Eloise deposit has been estimated by Ordinary Kriging (OK). SRK has been supplied with a full block model audit trail, which has been inspected at a high level and found to be complete and appropriate.

Block sizes range from 5 m E by 10 m N by 5 mRL parent cell size with sub-celling to 1.25 m E by 2.5 m N by 1.25 mRL. The drill hole data spacing is variable but approximates 25 m to 25–50 m along strike (north–south) by 25 m to 50 m down-dip. Typically, a minimum of 5–10 and a

maximum of 16–20 composites are used for each estimation pass. The estimation occurs in four passes. The block dimensions have been substantiated through quantitative kriging neighbourhood analysis. An independent audit of the estimation process was performed in 2018 with no major issues identified. SRK considers the selection of block sizes and estimation parameters to be appropriate.

The drill samples were composited to 1 m length prior to top-capping. The top-capping was applied to gold grades only in order to prevent unreasonable extrapolation of localised high grades. Top-capping ranged from 6 g/t to 35 g/t Au. SRK considers the use of top-capping to be appropriate.

The Mineral Resource Classification considers the data quality, grade estimation quality and geological continuity together with knowledge gained during mining. The search pass and a geostatistical estimation quality parameter, Slope of Regression (SOR), are inspected by the Competent Person who then digitises a final boundary around each Classification. SRK considers the use of explicit boundaries to be appropriate for Classification. In general, Indicated Resource has a drill hole spacing of 25 m to 50 m, and Inferred has a spacing up to 100 m. Prospects for extraction are also considered, with extremely remote areas remaining unclassified. SRK considers the Classification to be appropriate.

A further restriction has been placed on the lower Deeps lode, where the Inferred material has been assigned an average grade for the Deeps based on reconciliation results. The grades intersected in the area are approximately 30% higher (approximately 3% Cu) than the assigned grade of approximately 2% Cu. Below the Inferred the lowest drill hole (ED126) has a high-grade tenor, which results in a high-grade extrapolation. The process of assigning a grade runs the risk of disguising the fact that the Deeps lode may have increasing grade at depth. The only way to confirm the actual grade in the lower Deeps lode is to drill it. Given the lower extents of the Deeps lode are outside the current ML boundary, the current prospects for short-term extraction are non-existent, however may be possible with future negotiations with the neighbouring tenement. This aspect has been discussed in the exploration potential section of this report.

There have been no material issues arising from deleterious elements identified from the historic production and sale of concentrate.

SRK understands that there is uncertainty regarding depleted areas, unrecoverable pillars and stope selvages. This uncertainty was being addressed by the site surveyors at the time of writing.

It is the current Competent Person's opinion, (Mr Matthew Thomas, Senior Mine Geologist and full-time employee of FMR), that the uncertainty of not knowing the exact depletion areas (voids created by mining) is a concern. Therefore, the reported Mineral Resource for Eloise is confined within the current LOM plan solids which are the planned development and stopes, which means mineralisation outside and around the LOM plan solids is not included in the Mineral Resource. The use of the planned mining areas for reporting purposes ensures that the Mineral Resource definitely meets the requirements of reasonable prospects for eventual economic extraction. The 2021 reporting method has resulted in a decrease in reported Mineral Resources from 5.4 Mt in 2019 to 2.7 Mt in 2021.

Based on its review, SRK considers that the actual Mineral Resource is likely between the currently reported 2021 Mineral Resource (Table 5-2) and the previously reported 2019 Mineral Resource (Table 5-3), and likely to be closer to the previously reported, minus depletions.

For valuation purposes, SRK has considered the 2021 Mineral Resource (Table 5-2) has been reported clearly and conforms to the reporting requirements of the JORC Code (2012) but the use of the LOM plan solids for reporting purposes is conservative.

The cut-off grade for the 2021 Mineral Resource is slightly different to that in 2019 with 1.0% Cu above >0 mRL, for the Upper zone, and 1.5% below 0 mRL for the Lower zone. The cut-off grade in 2019 was 1% Cu above 50 mRL and 1.4% Cu below the 50 mRL. SRK considers this change to reflect a slightly different interpretation of Upper and Lower zones, with the higher cut-off at the Lower zone reflecting slightly increased production costs.

SRK considers the 2021 cut-off grade to be appropriate and supported by historic production and natural step change copper grade differences between mineralised domains and gangue.

Table 5-2: Eloise 2021 Mineral Resource

Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au metal (koz)	Ag metal (koz)
Measured	-	-	-	-	-	-	-
Indicated	1.3	2.5	0.7	10	33	29	405
Inferred	1.4	2.4	0.7	11	33	32	509
Total	2.7	2.4	0.7	11	66	60	915

Source: AIC company report, 20210430_AIC Eloise LOMP v7.pdf. Also, AIC company report Eloise_JORC_Code_Table_1_20210701.docx

Notes:

Cut-off grades are 1.0% Cu for shallower areas above 0 mRL and 1.5% Cu for deeper areas below 0 mRL

Competent Person for 2021 Mineral Resources is Mr Mathew Thomas, full time employee of FMR Investments Pty Ltd

Effective date 1 July 2021, Minor differences in totals are due to rounding

The first estimate produced and reported in accordance with the JORC Code (2012) was in 2018, performed by CSA Global (Table 5-4). Subsequent drilling at the Macy Lode was used to update the estimate in 2019, resulting in a 0.4 Mt increase to the total Mineral Resource. A Mineral Resource update was not reported in 2020 as FMR is a private company and is not obliged by continuous disclosure rules to provide such. It is noted that the currently reported 2021 Mineral Resource is significantly lower than the 2019 Mineral Resource; this is due to the restriction placed on the 2021 Mineral Resource that only areas within the planned stopes and development from the LOM plan are reported as a Mineral Resource.

Table 5-3: Eloise 2019 Mineral Resource

Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au metal (koz)	Ag metal (koz)
Measured	-	-	-	-	-	-	-
Indicated	3.1	2.4	0.7	11	77	69	1,146
Inferred	2.3	3.3	0.9	14	75	69	1,011
Total	5.4	2.8	0.8	13	152	137	2,178

Source: CSA Global, 02.04.05.05.05 R160.2019 Eloise MRE update - Feb.PDF

Notes:

- Cut-off grades are 1.0% Cu for shallower areas above 50 mRL and 1.4% Cu for deeper areas below 50 mRL

- Competent Person for 2019 Mineral Resources is Mr Aaron Meakin, full time employee of CSA Global

- Minor differences in totals are due to rounding

Table 5-4: Eloise 2018 Mineral Resource

Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au metal (koz)	Ag metal (koz)
Measured	-	-	-	-	-	-	-
Indicated	2.4	2.6	0.7	12	63	57	935
Inferred	2.5	3.3	0.9	14	85	77	1,178
Total	5.0	3.0	0.8	13	148	133	2,113

Source: CSA Global, R370.2018 FMRMRE01 Eloise Mineral Resource estimate - FINAL with appendices.pdf

Notes:

Cut-off grades are 1.0% Cu for shallower areas above 50 mRL and 1.5% Cu for deeper areas below 50 mRL

Competent Person for 2018 Mineral Resources is Mr Aaron Meakin, full time employee of CSA Global

Minor differences in totals are due to rounding

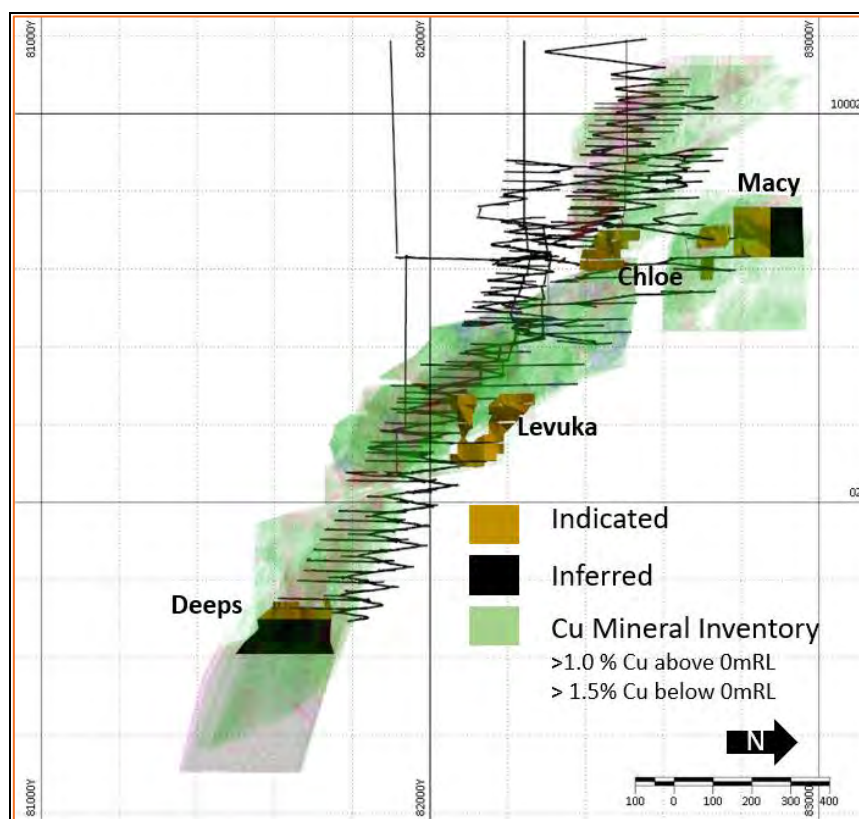
No other Mineral Resource Estimates have been previously reported in accordance with the JORC Code (2012). According to Hodgkinson (2003), the non-JORC compliant reported Mineral Resource as at June 2003 was 1.77 Mt at 4.1% Cu. This included 391 kt at 4.15% Cu of Measured, 513 kt at 4.4% Cu of Indicated and 869 kt at 3.9% Cu of Inferred material. Mineral Resources were reported from the B Lode, 40 Lode, 42 Lode and 45 Lode. SRK notes that, despite mining depletion and putting aside the 2021 reporting restrictions, that Eloise has consistently increased the size of the Mineral Resource through ongoing near-mine exploration and infill drilling.

SRK understands reconciliation between the Mineral Resource and the mill occurs on a monthly basis, however issues with the uncertain void model (described earlier in this section) and unknown amounts of unrecovered blasted stope tonnes has resulted in some uncertainty. FMR has reported in the Table 1 that the reconciliation between the Mineral Resource and the mill is tracking well in Q2 2021 and that feedback from the reconciliations are assisting the ongoing use of the modifying factors (dilution and loss). SRK has not seen a reconciliation report and is relying on the information provided in the Table 1 for Eloise. SRK considers the reconciliation to be a low to medium risk on the basis that details have not been seen, but SRK has been informed that the mine has been achieving its production targets in terms of metal produced.

5.6 Ore Reserves

FMR has reported a Mineral Resource Estimate reported under JORC 2012, see Table 5-5, which includes only the area within the FMR Eloise June 2021 LOM design, see Figure 5-2. All mineralisation outside of the LOM design has been excluded.

Figure 5-2: Eloise long section showing locations of Indicated and Inferred Mineral Resources



Source: FMR

Table 5-5: Mineral Resource Estimate within FMR June 2021 LOM Design

Total Resource by area inside LOM design (cut grade)							
Area	Tonnes	Cu% grade	Cu metal (t)	Au g/t grade	Au metal (oz)	Ag g/t grade	Ag metal (oz)
Macy	480,750	2.45	11,801	0.69	10,704	11.02	170,309
Chloe	226,614	2.40	5,448	0.46	3,327	7.91	57,604
Levuka 200	315,215	1.97	6,225	0.77	7,799	6.46	65,463
Deeps	1,673,916	2.51	42,087	0.71	38,297	11.55	621,588
LOM – All Resource categories	2,696,495	2.43	65,561	0.69	60,127	10.55	914,964
Indicated Resource by area inside LOM design (cut grade)							
Macy	400,803	2.53	10,154	0.70	8,993	11.35	146,198
Chloe	226,614	2.40	5,448	0.46	3,327	7.91	57,604
Levuka 200	315,215	1.97	6,225	0.77	7,799	6.46	65,463
Deeps	365,747	2.92	10,691	0.72	8,435	11.59	136,232
Total LOM (undiluted)	1,308,379	2.49	32,519	0.68	28,554	9.64	405,497

Inferred Resources by area inside LOM design (cut grade)							
Area	Tonnes	Cu% grade	Cu metal (t)	Au g/t grade	Au metal (oz)	Ag g/t grade	Au metal (oz)
Macy	79,947	2.06	1,646	0.67	1,711	9.38	24,111
Chloe	-	0.00	-	0.00	-	0.00	-
Levuka 200	-	0.00	-	0.00	-	0.00	-
Deeps	1,308,169	2.40	31,396	0.71	29,862	11.54	485,356
Total LOM (undiluted)	1,388,116	2.38	33,043	0.71	31,573	11.42	509,467

Source: FMR

FMR has applied a 1.0% Cu cut-off grade to the Mineral Resource Estimate for mineralisation above 1,190 mbs and a 1.5% Cu cut-off grade for the Mineral Resources Estimate below that level.

SRK notes that FMR has applied a grade cut-off to the assays used in the estimation of the Eloise Deeps (Deeps) Inferred Mineral Resource (compare Deeps Indicated and Inferred Mineral Resource grades) in Table 5-5.

SRK notes that FMR has not previously produced an Ore Reserve Estimate.

FMR has applied the following modifying mining factors to the Mineral Resources reported in Table 5-5:

- application of a 15% dilution factor to Macy, Chloe and Levuka stopes, i.e. 15% additional tonnage extracted at zero grade
- application of a 20% dilution factor to Deeps stopes, i.e. 20% additional tonnage extracted at zero grade
- application of a 95% recovery factor to Macy, Chloe and Levuka stopes, i.e. 5% loss of tonnage with associated grade
- application of a 90% recovery factor to Deeps stopes, i.e. 10% loss of tonnage with associated grade.

SRK has seen a number of stope-by-stope reconciliation statements purporting to estimate in situ versus recovered contained metal. Stope by stope metal recovery variation appears large, with some reported as low as 70%. Additional work on this topic appears warranted.

Based on the Indicated Mineral Resource Estimate, as reported in Table 5-5, FMR has provided an Ore Reserve Estimate reported under JORC 2012 as at 30 June 2021, see Table 5-6.

Table 5-6: Eloise Ore Reserve Estimate as at 30 June 2021

Eloise Ore Reserves	Tonnes (Mt)	Cu% grade	Cu Metal (kt)	Au g/t grade	Au Metal (koz)	Ag g/t grade	Ag metal (koz)
Proved	-	-	-	-	-	-	-
Probable	1.4	2.1	30.3	0.6	26.7	8.3	378
Ore Reserve-Total	1.4	2.1	30.3	0.6	26.7	8.3	378

Source: FMR

The Probable Ore Reserve is derived from stope shapes and applied mining factors to the stope locations listed in Table 5-7.

Table 5-7: Probable Ore Reserves by location

Stope location	Diluted tonnes	Cu% grade Diluted	Cu metal (t)	Au g/t grade Diluted	Au metal (oz)	Ag g/t grade Diluted	Ag metal (oz)
Macy	437,877	2.20%	9,647	0.61	8,544	9.87	138,888
Chloe	247,576	2.09%	5,176	0.40	3,160	6.88	54,724
Levuka 200	344,372	1.72%	5,914	0.67	7,409	5.62	62,190
Deeps	395,007	2.44%	9,622	0.60	7,592	9.65	122,609
Total LOM	1,424,832	2.13%	30,358	0.58	26,705	8.26	378,411

Source: FMR

Based on the Inferred Mineral Resource Estimate, as reported in Table 5-5, FMR has provided a 'Mining Inventory' estimate as at 30 June 2021, see Table 5-8, to be used for mine production scheduling.

Table 5-8: Mining inventory

Stope location	Diluted tonnes	Cu% grade Diluted	Cu metal (t)	Au grade Diluted	Au metal (oz)	Ag grade Diluted	Ag metal (oz)
Macy	87,342	1.79%	1,564	0.58	1,625	8.16	22,905
Chloe	-	0.00%	-	0.00	-	0.00	-
Levuka 200	-	0.00%	-	0.00	-	0.00	-
Deeps	1,412,823	2.00%	28,256	0.59	26,875	9.62	436,821
Total LOM	1,500,164	1.99%	29,821	0.59	28,501	9.53	459,726

Source: FMR

AIC has adopted the Probable Ore Reserve plus the Mining Inventory, see Table 5-9, as the basis of a Project LOM production schedule. The Mining Inventory comprises the Inferred Resource with assumed mining dilution and losses applied.

Table 5-9: Life of Mine production schedule

Eloise LOM production	Tonnes	Cu% grade	Cu metal (t)	Au g/t grade	Au metal (oz)	Ag g/t grade	Ag metal (oz)
Probable Reserve	1,424,832	2.13%	30,358	0.58	26,705	8.26	378,411
Mining inventory	1,500,164	1.99%	29,821	0.59	28,501	9.53	459,726
Total LOM	2,924,996	2.06%	60,179	0.59	55,205	8.91	838,137

Source: FMR

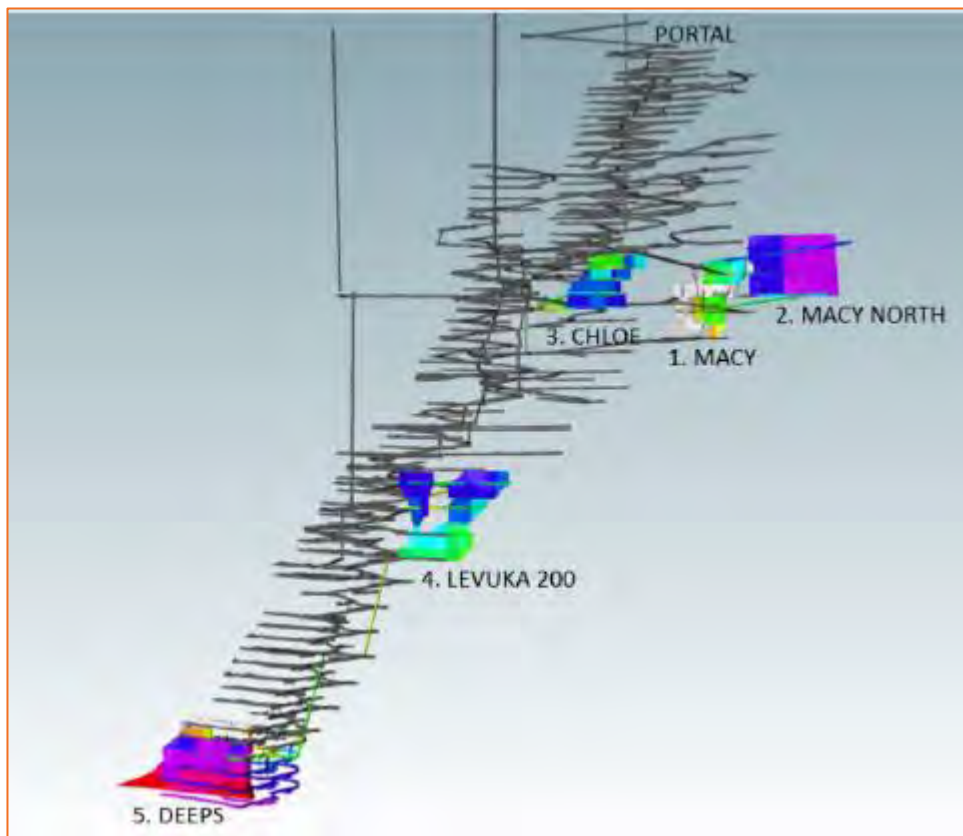
Having reviewed the underlying assumptions to each, SRK considers the approach adopted by AIC to provide a tonnage and grade estimate for LOM planning purposes, including the application of an approximate 18% discount to copper grade in the Deeps Mining Inventory to be reasonable. SRK considers this LOM production schedule to be reasonable for valuation purposes.

5.7 Mining

Eloise is a mid-scale underground base metals mine employing conventional stoping techniques for ore production. The mine is accessed via a 1 in 7 gradient ramp from surface to approximately 1,500 m depth. The mine surface is at 192 m AHD.

LHOS is used in the upper lenses of Levuka, Chloe, Macy and Macy North, while sub-level caving (SLC) is used for extraction of the Deeps mineralisation.

Figure 5-3: Long section showing development and locations of planned stoping production



Source: FMR

Lenses 1 to 4 are situated between 500 and 1,000 mbs. Stopping in the Deeps is between 1,300 and 1,550 mbs.

The choice of stoping method is largely dependent upon the rock strength and the in situ stress conditions encountered.

The current and planned ore production rate in AIC's LOM plan is 50–60 kt/m. Planned annual production is 650 ktpa for financial years 2022 to 2025 and 575 kt in FY2026 as planned tonnage is exhausted.

Ore is transported from the production locations to the surface using 60 t capacity trucks via a ramp which has an average gradient of 1 in 7. The planned production rate is consistent with that achieved over the last twelve months.

5.8 Stopping methods

SLC has been used in the Deeps portion of the mine for ore extraction below 1,000 mbs.

“Two or three ore drives are developed along the strike of the orebody, with interdrive pillars a minimum of 8 m wide for stability, at sub-level intervals of 25 m. Ore drive dimensions are 5 m wide X 4.5 m high. The SLC mining method incorporates rings of 102 mm blast holes, dumped at 80°, with a ring spacing of 2.67 m, a minimum toe spacing of 2.9 m and using high-density emulsion.”¹

LHOS generally uses uphole, downhole or combination up and downhole drilling with stope dimensions and requirements for reinforcement assessed using rock mass data. Permanent rib pillars are planned within stopes to limit strike spans. Sill pillars are left as temporary regional support and extracted on retreat as a final mining step. Wherever possible, the practice is to mine without back fill, except as a means of development waste disposal.

5.9 Production schedule

AIC has adopted FMR's sequence to mine the Ore Reserve tonnage first, followed by the Mining Inventory, including a constraint of limiting Deeps SLC production to about 250 ktpa, (refer Table 5-10) for scheduled annual production.

Table 5-10: Scheduled annual production

Units	Totals	FY 2022 Processed	FY 2023 Processed	FY 2024 Processed	FY 2025 Processed	FY 2026 Processed
Total scheduled production						
Tonnes (dmt)	2,924,996	652,525	652,525	652,525	652,525	314,895
Grade Cu %	2.06%	2.02%	2.23%	2.03%	1.99%	1.99%
Grade Au g/t	0.59	0.62	0.56	0.58	0.59	0.59
Grade Ag g/t	8.91	8.53	8.03	9.26	9.53	9.53
Metal Cu (t)	60,179	13,151	14,538	13,259	12,971	6,260
Metal Au (oz)	55,205	12,902	11,662	12,262	12,397	5,983
Metal Ag (oz)	838,137	178,952	168,523	194,195	199,967	96,500
Reserve						
Tonnes (dmt)	1,424,832	652,525	652,525	119,781	-	-
Grade Cu %	2.13%	2.02%	2.23%	2.23%	-	-
Grade Au g/t	0.58	0.62	0.56	0.56	-	-
Grade Ag g/t	8.26	8.53	8.03	8.03	-	-
Metal Cu (t)	30,358	13,151	14,538	2,669	-	-
Metal Au (oz)	26,705	12,902	11,662	2,141	-	-
Metal Ag (oz)	378,411	178,952	168,523	30,935	-	-

¹ Ground Control Management Plan 2020

Units	Totals	2022 Processed	2023 Processed	2024 Processed	2025 Processed	2026 Processed
Mine inventory						
Tonnes (dmt)	1,661,742	-	-	532,744	652,525	314,895
Grade Cu %	1.99%	-	-	1.99%	1.99%	1.99%
Grade Au g/t	0.59	-	-	0.59	0.59	0.59
Grade Ag g/t	9.54	-	-	9.53	9.53	9.53
Metal Cu (t)	33,043	-	-	10,590	12,971	6,260
Metal Au (oz)	31,573	-	-	10,121	12,397	5,983
Metal Ag (oz)	509,467	-	-	163,260	199,967	96,500

SRK notes that the production schedule is preliminary and does not include a stope by stope schedule. At this early stage, it appears that there will be heavy reliance on increased production from the Deeps SLC in years 2025 and 2026. Clearly, further exploration success at higher elevations in the mine may reduce this dependence.

5.10 Mine reconciliation

SRK's review of FMR's stope-by-stope reconciliation of planned tonnes and grade versus tonnes and grades extracted suggests that FMR's process is indicative. For example, the April 2020 Mining Report (management report) stated:

"Eloise Deeps production from the Z250L (1,340 mbs) is complete, Z250 level metal recoveries for FW (78%) and HW (88%) were around average. Tonnage extraction was above 100% of material fired which will go some way to explaining the dilution of average ring grade of 2.3% Cu to 1.85% Cu trucked grade."

The Z250L example suggests a 15–20% reduction to metal produced from SLC stopes is appropriate. As such, it could be argued that AIC's decrease of 18% to the Deeps Inferred Resource for use in its Mining Inventory provides significant comfort to the estimate of metal likely to be recovered from the scheduled SLC stopes.

Planned to actual metal recovery from the LHOS stopes should be high, so long as the stopes are fully mucked out (likely to require use of remote-control loaders) on completion.

5.11 Development

Development rates to achieve the above schedule appear reasonable, with the required development for scheduled production completed in early 2024.

5.12 Mine operations

Development operations, excluding trucking, are conducted by a mining contractor, Pybar Mining Services. Two jumbos are deployed to meet FMR's scheduled development rate of 1,100 m per quarter for FY2022.

Currently, FMR undertakes its own production stope production activities and trucking of all ore and waste. FMR currently owns a fleet of mining equipment for the purpose, including:

- 5 x 63 t capacity diesel trucks (actual truck factor is about 50 t)
- 3 x 17 t capacity Long Haul Dump trucks (LHDs)
- 2 x development jumbos (not currently in use)
- 2 x production drill jumbos.

SRK understands that AIC may consider converting to an all-mining contract operation.

5.13 Mine ventilation

Mine ventilation must meet statutory requirements for temperature (namely less than 32°C), and air volume for the equipment being used. Rock temperatures at depth exceed 55°C.

The mine primary ventilation circuit consists of:

- return (exhaust) airway to 1,300 mbs, with multiple level connections:
 - A replacement section between 1,090 and 1,290 mbs is to be installed in 2022
 - Twin 600 kW centrifugal fans are installed on the surface, providing 300 M³/sec air.
- two intake airways from surface to Z275L, each with multiple level connections:
 - Both intake airways are installed with refrigeration:
 - FMR-owned plant with 2.6 MW plant. SRK notes that AIC intends to replace this unit with additional hired plant
 - hired plant (Aggreko) with 1.5 MW capacity.
- The ramp also serves as an intake airway.

FMR notes that there is sufficient cooling capacity to support mine development to 2,000 mbs.

5.14 Geotechnical and hydrological aspects

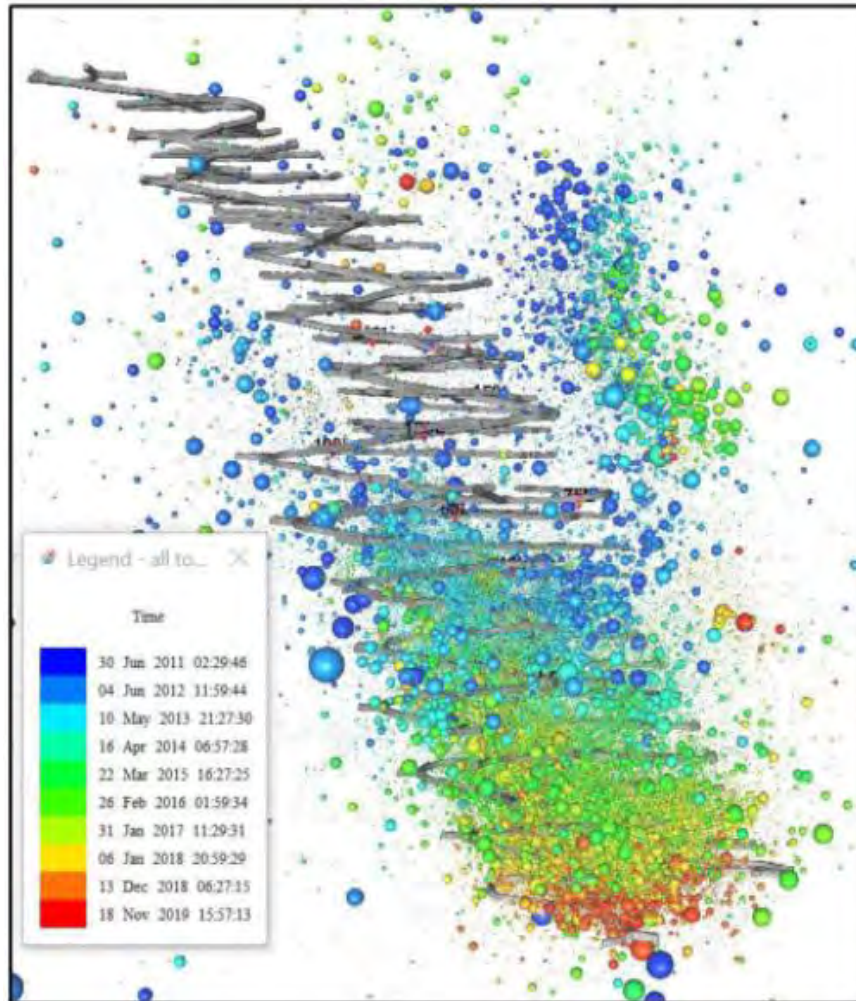
Eloise ground conditions for both development and ore extraction appear to be appropriately managed. The mine has a Ground Control Management Plan (GCMP) and inspections by an independent geotechnical consultant, Turner Mining and Geotechnical (TMG), have been regularly conducted since 2006.

The GCMP defines a number of support standards that are implemented to manage the ground conditions in the mine. The GCMP is regularly reviewed and updated by the geotechnical consultant after site visits to ensure that they are current for the geotechnical conditions being experienced.

The rock stress levels in the mine are high enough to cause stress-related fracturing below a depth of 650 mbs and mild strain bursting below 900 mbs. High rock stress has implications for both development and stoping. Suitable support for seismically active conditions is utilised; mesh straps, cable bolts, Gewi and MD Bolts and fibre-crete.

The Deeps section of the mine is seismically active due to a combination of the virgin stress, orebody dimensions and high rock strength. An active seismic monitoring program is employed to monitor seismicity and propagation of the cave above the SLC zone. Figure 5-4 shows high levels of seismicity ahead of the active Deeps mining zone.

Figure 5-4: Seismic events June 2011 to March 2020



Source: FMR

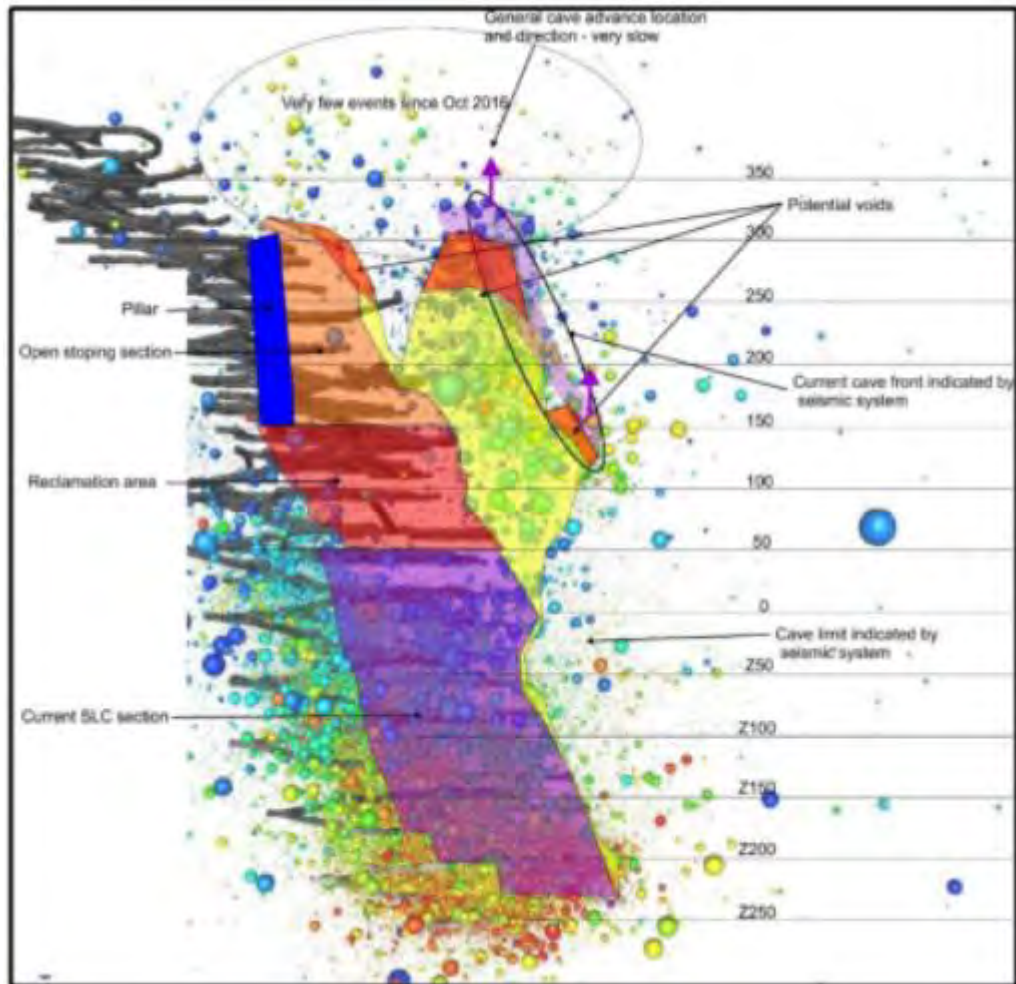
SRK notes that FMR has limited Deeps SLC production to 25–30 ktpa to reduce the intensity of seismic activity ahead of stoping.

The Deeps SLC is producing a caving zone, including potential voids, into the hanging wall of the Deeps zone. The seismic monitoring provides a measure of the cave front.

UG Mine operations were suspended on 18 November 2019 after a directive by the Department of Natural Resources and Mines (DNRME). The directive was to ensure that Eloise had adequate controls to manage the risk of any potential air blasts at the top of the SLC. The corrective action resulted in FMR constructing 16 air blast plugs from the 276L down to the 50L, as per the specifications set out by AMC geotechnical consultants. On completion of this work the DNRME allowed FMR to recommence operations on 23 January 2020.

As at November 2020, TMG noted that “there has been no discernible growth at the top of the cave over the last 18 months as indicated by the very small number of small seismic events”, see Figure 5-5.

Figure 5-5: Seismic activity and potential voids above the Deeps caving zone



Source: FMR

The GCMP notes that “*there is no likelihood of the cave reaching or affecting the surface*”. AIC reports that FMR intended to fill the potential voids with development waste.

The GCMP also notes the potential for air blast at SLC drawpoints and at the top of the caved zone. Bulkheads have been installed on levels 1,240 to 1,466 mbs to limit connections to the caved zone and stope bogging ceases when an open brow is observed in an active drawpoint.

Each area of development has a defined reinforcement quality standard. Development in the Deeps requires high levels of reinforcement. The geotechnical consultant’s report of November 2020 noted that the decline development face at 1,477 mbs “*was in good condition and overbreak was minimal*”, see Figure 5-6.

Figure 5-6: Decline face at 1,477 mbs showing high level of reinforcement, including the development face



Source: FMR

The mine does not have significant water make issues:

- Natural water make is limited.
- The mine does not use hydraulic fill for stope stability.

The FMR water balance diagram shows mine water use of 11 l/s and net mine water production of 21 l/s. SRK notes installed pumping capacity from 1,390 mbs of 50 l/s and that much of the volume will be collected and pumped from higher in the mine.

5.15 Processing

5.15.1 Process description

The concentrator at Eloise is able to process ore at a rate of up to 96 dtph and targets a concentrate grade of 28.0% Cu at 95.0% Cu recovery. The current process flowsheet comprises:

- three-stage crushing
- two-stage milling and classification
- rougher and scavenger flotation
- regrind of scavenger concentrate and recleaner tailings
- two stages of cleaning
- concentrate thickening, vacuum filtration and solar drying
- disposal of tailings into a paddock-style TSF
- trucking of concentrate to Townsville Port for shipment to customers.

The existing comminution circuit consists of three stages of crushing and two stages of ball milling in closed circuit with cyclone classifiers, to produce a flotation feed with a P80 of nominally 140µm.

There is also a small mill for regrind of scavenger concentrate and recleaner tail prior to further treatment in the cleaner circuit.

ROM ore is fed into the ROM bin by a front end loader (FEL) from colour coded (according to grade) stockpiles in proportion to the blend determined by the site management team. Oversize ore is removed and stockpiled on the ROM pad for breakage by a mobile rock breaker when convenient. A single toggle jaw crusher with a closed side setting of 65 mm reduces the ore to nominally minus 120 mm. Product from the jaw crusher is delivered to the double deck vibrating screen via CV01 conveyor. The top deck is fitted with a 32 mm aperture screen, while the bottom deck is fitted with a 12 mm aperture screen. Top deck screen oversize reports to the secondary crusher via CV02, while the bottom deck oversize reports to the tertiary crusher via CV04.

Secondary crusher product is conveyed back to CV01 via CV03, while tertiary crusher product discharges directly onto CV01 to be returned to the vibrating screen. The undersize product from the screen with a nominal P80 of 12 mm reports to CV05. Product can either report to the fine ore bin (FOB), or to the crushed ore dead stockpile, if the FOB is full, using the radial stacker. Ore from the dead stockpile can be fed back into the circuit by FEL using the road bin ahead of milling.

The grinding circuit feed rate is up to 96 dtph depending upon availability of ore on the ROM. Crushed ore is fed to the No. 1 ball mill at a controlled rate and diluted with water to achieve the desired milling density. The No. 1 ball mill is a Vickers Ruwolt 3.05 m diameter by 3.66 m long overflow ball mill powered by a 600 kW motor. Slurry product from the mill is pumped to the No. 1 mill cyclones for classification after further dilution with water. Cyclone underflow is split between the No. 1 ball mill and the No. 3 (secondary) ball mill. Cyclone overflow reports to the cyclone overflow hopper.

The secondary ball mill is a 2.83 m diameter by 4.10 m long Morgardshammar overflow ball mill powered by a 500 kW motor. Product from this mill is pumped to the No. 3 mill cyclones for classification after further dilution with water. Cyclone overflow reports to the cyclone overflow hopper. Product from the cyclone overflow hopper is pumped to the trash screen. Trash screen undersize reports to the flotation circuit.

The flotation circuit comprises roughing, scavenging and two stages of cleaning to produce a copper concentrate with a target grade of 28.0% Cu at 95% Cu recovery. Flotation is carried out at natural pH which is nominally 7.5 to 8.0.

Trash screen undersize gravitates to the rougher conditioner tank where dilution water and collector is added prior to flotation. Frother is added into the conditioning tank overflow launder. Rougher flotation consists of a five-cell bank of OK16 U-shaped flotation machines. Concentrate from the first two cells reports directly to final concentrate, while concentrate from cell three reports to the cleaners. Concentrate from rougher cells four and five reports to the regrind mill for further liberation.

Tailings from the rougher bank report to the scavenger conditioning tank where further collector is added prior to scavenger flotation. Frother is added into the conditioning tank overflow launder. Scavenger flotation is conducted in a three-cell bank of OK16 U-shaped flotation machines. Scavenger concentrate reports to the regrind mill, while scavenger tailings flow by gravity to final tailings. Final tailings slurry is pumped to the TSF without thickening.

The regrind mill is a 2.8 m x 2.25 m ABBCO mill powered by a 250 kW motor. Concentrates from rougher cells four and five, scavenger concentrate and recleaner tailings are reground in this mill. Product from the circuit reports to the head of the cleaner bank.

The cleaner bank consists of a five-cell bank of OK3 cells in series. SMBS, collector and dilution water are added ahead of flotation. Concentrate from the cleaner cells reports to the recleaner bank, while the tailings report to the scavenger conditioning tank.

The recleaner bank is comprised of five OK3 cells in series. SMBS and dilution water are added ahead of flotation. Concentrate from the recleaner cells reports to final concentrate, while recleaner tailings are sent to the regrind mill for further liberation.

An on-stream analyser (OSA) is used to assess the grades of various slurry streams for process control purposes.

Final concentrate is pumped to the concentrate thickener. Thickened concentrate at approximately 60% solids by weight is pumped to one of two duty/standby filters. Filtered cake, which is typically 15% to 17% moisture by weight, is discharged into a bunker, from where a loader withdraws the material for solar drying on the concentrate pad. Dried concentrate is loaded onto covered trucks that transport the concentrate to Townsville Port for storage prior to shipment to customers. Trucked concentrates moistures are typically between 7% and 8% moisture by weight.

5.15.2 Processing history/plant performance

Processing data from the preceding 12-month period (June 2020 to May 2021) has been used as the basis for assessing the Eloise plant performance. SRK consider this twelve-month period to be a reasonable representation to assess the plant performance at Eloise Copper mine.

Throughput

The Eloise plant is currently mine constrained, and the throughput achieved during the preceding 12-month period does not reflect that which could be achieved if the mine output were increased. However, predictions of future unconstrained performance can be made based on the 85th percentile of monthly throughput achieved, and probable crusher and mill utilisation.

Table 5-11 shows relevant production statistics.

Due to low mine production rates, tonnes milled for the preceding year were 611,411 dmt.

Assuming budget crushing and milling circuit utilisation values of 64.8% and 88.4%, which are achievable based on recent production data, unconstrained mine production and a throughput at the 85th percentile of the preceding 12-month period, an annual throughput rate of up to 707,982 dmt could be achieved but not consistently. It is considered that 652,525 dmt/annum, as proposed in the financial model, is achievable on a consistent basis.

The crushing circuit is considered to be the plant throughput bottleneck given the difficulties in operating the circuit during wet weather events and the inherent complexity and maintenance requirements of a three-stage crushing circuit. A significant period of wet weather would have a detrimental effect on plant production.

Table 5-11: Plant throughput statistics (June 2020 to May 2021)

Month	Crushing		Milling		Plant throughput	
	Availability %	Utilisation %	Availability %	Utilisation %	dtph	dmt
June 2020	77.3	58.3	95.9	74.0	87	46,159
July 2020	94.8	42.2	99.0	56.9	83	35,040
August 2020	92.8	39.6	99.8	62.1	81	37,510
September 2020	90.2	70.5	97.1	93.4	84	56,300
October 2020	93.4	64.2	91.6	88.0	83	54,555
November 2020	89.7	60.2	97.0	85.4	80	49,199
December 2020	91.4	63.7	91.3	89.4	85	56,252
January 2021	92.0	66.9	90.9	81.8	96	58,650
February 2021	81.8	63.6	92.5	76.8	92	47,227
March 2021	92.8	68.1	95.5	77.5	91	52,690
April 2021	86.5	65.2	96.0	87.0	90	56,483
May 2021	83.2	74.3	91.2	90.9	91	61,346
Year	88.9	61.4	94.8	80.2	87	611,411
Unconstrained		64.8	93.0	88.4	91	707,982

Copper concentrate production

Copper concentrate grades and recoveries have been relatively consistent over the preceding 12-month period, with no clear correlations between ore source and concentrate grade or copper recovery. There is a weak correlation between copper head grade and copper recovery; both months (October and November) where ore with >2% Cu head grades were treated achieved over 95% Cu recovery to concentrate. October and November were the only months in which concentrate production exceeded 4,000 dmt.

Copper concentrate production for the 12-month period was 39,339 dmt at a grade of 27.5% Cu, 4.5 g/t Au and 100 g/t Ag, with a Cu recovery of 94.4%. Table 5-12 presents the relevant statistics.

Concentrate grades between 27% and 28% Cu were consistently achieved with Cu recoveries of typically 94% to 95%. Plant production is summarised in Table 5-13.

A total of 39,339 dmt of concentrate were produced for the 12-month period with contained metal values of 10,820 t of Cu, 5,670 oz of Au and 126,598 oz of Ag.

Table 5-12: Plant Grade and Recovery Statistics (June 2020 to May 2021)

Month	Head Grade % Cu	Concentrate Grade			Cu Recovery %	Concentrate Production dmt
		% Cu	g/t Au	g/t Ag		
June 2020	1.55	27.3	5.2	123	93.2	2,434
July 2020	1.89	26.4	3.8	89	94.0	2,354
August 2020	1.77	27.7	4.8	105	94.6	2,265
September 2020	1.92	27.8	4.5	100	95.2	3,698
October 2020	2.13	27.6	4.5	109	95.3	4,014
November 2020	2.35	27.5	4.4	89	95.4	4,005

Month	Head Grade % Cu	Concentrate Grade			Cu Recovery %	Concentrate Production dmt
		% Cu	g/t Au	g/t Ag		
December 2020	1.96	27.8	4.5	98	94.5	3,749
January 2021	1.92	27.9	4.6	99	93.4	3,771
February 2021	1.65	27.8	4.6	99	94.5	2,649
March 2021	1.69	27.5	4.3	100	93.0	3,013
April 2021	1.75	26.9	4.0	95	94.8	3,484
May 2021	1.84	27.5	4.7	101	94.9	3,903
Year	1.87	27.5	4.5	100	94.4	39,339

Table 5-13: Plant Production Statistics (June 2020 to May 2021)

Month	Concentrate Production			
	dmt	Cu (t)	Au (oz)	Ag (oz)
June 2020	2,434	665	405	9,603
July 2020	2,354	622	287	6,709
August 2020	2,265	627	352	7,670
September 2020	3,698	1,027	535	11,890
October 2020	4,014	1,110	576	14,093
November 2020	4,005	1,102	562	11,479
December 2020	3,749	1,041	547	11,786
January 2021	3,771	1,052	562	12,015
February 2021	2,649	737	389	8,430
March 2021	3,013	827	415	9,693
April 2021	3,484	937	454	10,605
May 2021	3,903	1,073	586	12,625
Year	39,339	10,820	5,670	126,598

Precious metals credits

SRK has been provided with summary production statistics from June 2015 until June 2021. This data indicates that there is a good relationship between tailings grade and head grade for gold and a moderate relationship for silver which allows recovery to concentrate to be calculated. Figure 5-7 and Figure 5-8 illustrate these relationships.

Figure 5-7: Gold in Tailings Versus Gold Head Grade

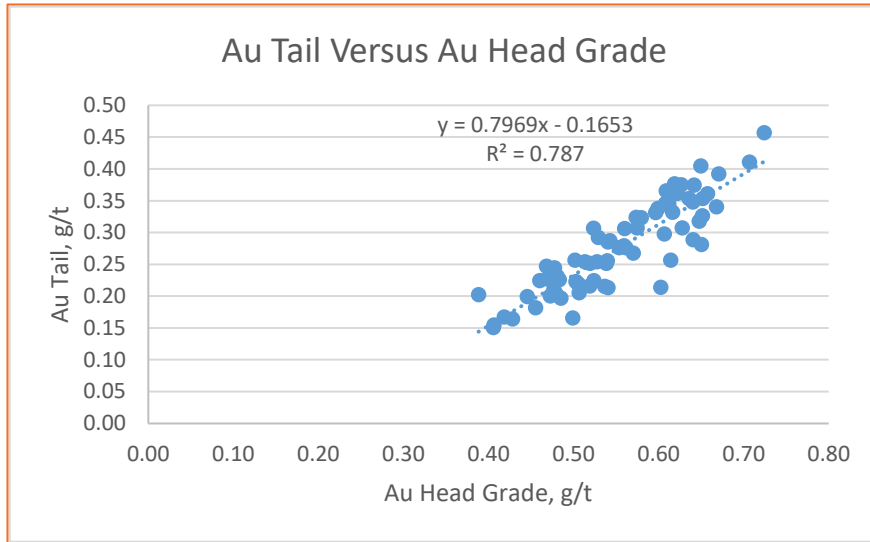
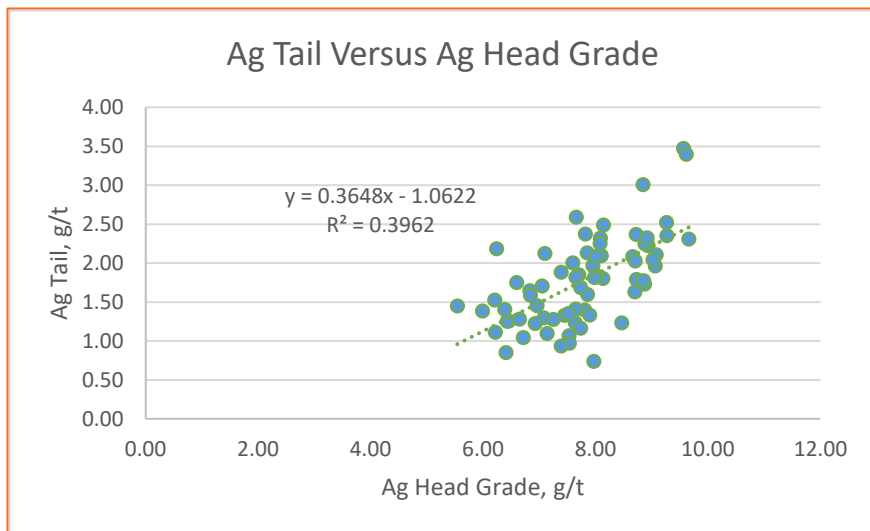


Figure 5-8: Silver in Tailings Versus Silver Head Grade



Recovery is calculated as follows:

$$\text{Recovery (\%)} = (\text{Head Grade} - \text{Tails Grade}) / \text{Head Grade} * 100$$

For the head grades as indicated in the AIC LOM Model of 0.59 g/t Au and 8.94 g/t Ag, this gives Au and Ag recoveries of 48.3% and 75.4% respectively.

Using recoveries at the 80th percentile of the supplied data set as upside gives Au and Ag recoveries of 57.6% and 82.1% respectively.

For the model with varying head grades, use a calculation with the regression equations in Table 43 and 44, to calculate tailings grades and then recoveries using formula above.

Payment for contained metal in concentrate is dependent on the terms established with each respective customer. However, at a high level, contained metal values for each of the major metals gives an indication of relative importance of each metal to revenue.

Using assumed long-term project metal prices of US\$7,500/t for Cu, US\$1,650/oz for Au and US\$20/oz for Ag, concentrate value is:

- 87% Cu
- 10% Au
- 3% Ag.

5.16 Project infrastructure and logistics

The surface infrastructure inclusive of TSF, accommodation village, run-of-mine (ROM) pad and process plant are shown in Figure 5-9. Diesel arrives at site by road tanker.

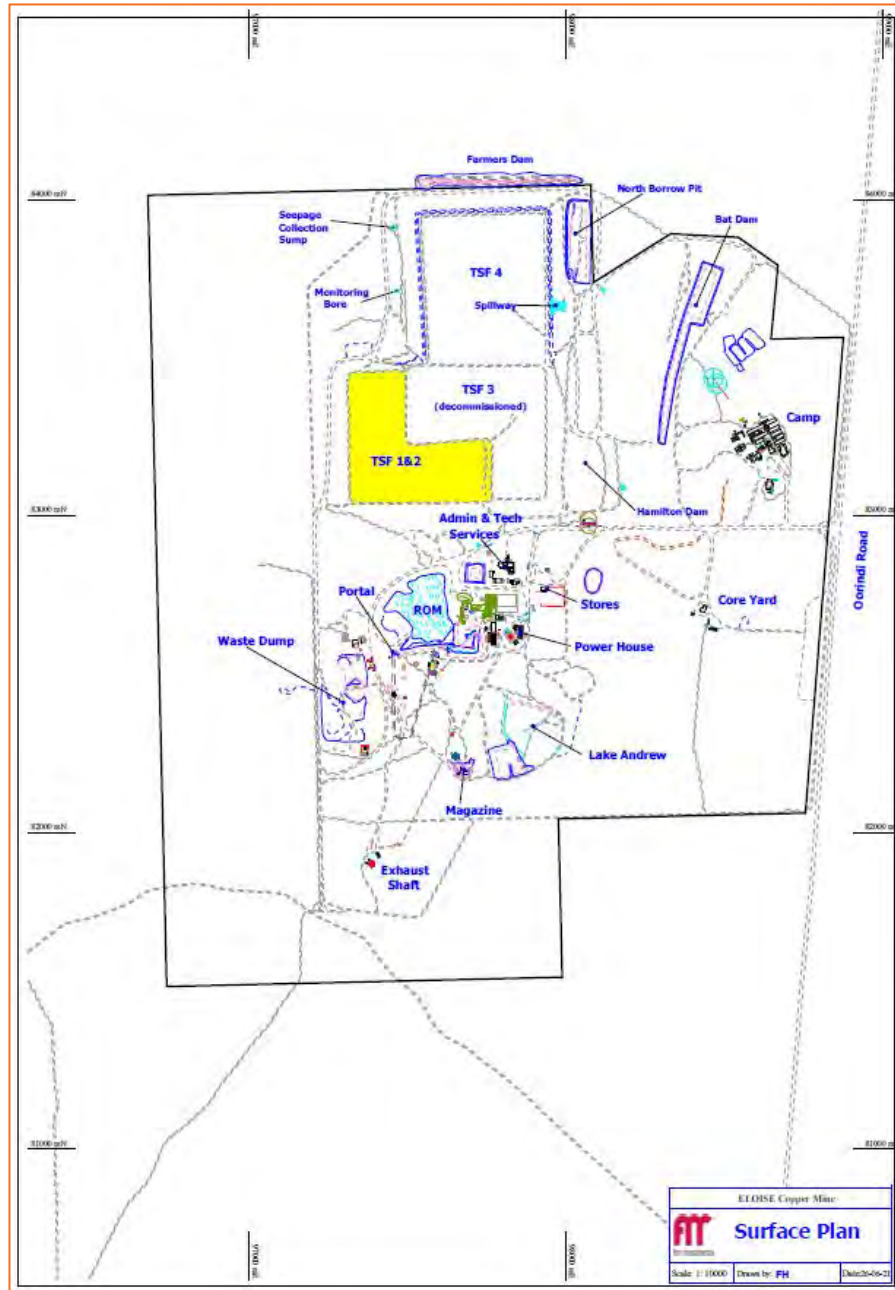
The site is well serviced from Mount Isa/Cloncurry for immediate service and consumable needs. General consumables are road transported from the coast or by air freight.

SRK noted during its site visit that the buildings were well-maintained, that the village was in good repair and that meals were of a high standard.

Microwave communication is provided via Cloncurry. Mobile phone communication is available on site.

The SRK site visit representative observed that the production mobile equipment was well maintained with rebuilds as scheduled. However, the fleet of light vehicles (LVs) is in need of replacement. While there is capital provision for fire truck, stores truck and forklift, these items are not considered critical for production.

Figure 5-9: Eloise Mine surface infrastructure layout



Source: FMR

5.16.1 Power supply and electrical distribution

Power is supplied by onsite generation using 7 x 1.5 MW and 3 x 0.7 MW diesel-powered generators providing total installed capacity of 12.5 MW. Steady-state site power demand is 7 MW. Transmission ring mains are installed to supply both surface and underground facilities.

FMR has contracted Hahn Electrical to maintain the generation units and the voltage distribution. The SRK site visit reported that the generation units are well maintained.

5.17 Tailings storage facilities

5.17.1 Existing tailings storage facilities overview

The TSF comprise four cells referred to as TD1, TD2, TD3 and TD4 that share common embankments as shown in Figure 5-10. A proposed future cell referred to as TD5 is also indicated on Figure 5-10.

The existing TSF cells were formed from deep excavations (up to 20 m) with above ground perimeter embankments which have been progressively raised over time.

Current deposition is into TD4 and is scheduled to move to a combined TD1 and TD2 cell (TD1/2) in September 2021. Design information has been made available in relation to the most recent raises of TD1/2 and also historic raises of TD3 and TD4. In all cases upstream raising has been used. No details of assessment in accordance with ANCOLD (2019) has been provided and by observation there is a risk that the current embankments would not be compliant for stability.

All of the TSFs at the site are regulated structures and are understood to be High consequence category under Queensland regulations (DES).

An incomplete draft design report has been provided for TD1/2 but does not demonstrate compliance with minimum design standards. A construction report has been provided for the TD1/2 raise and includes RPEQ certification but is considered to be below industry standards. DES made similar commentary in its response to FMR's EA amendment submission for the TD1/2 raise. The DES has nonetheless granted approval of a 4.0 m lift to the Tailings Storage Facility (TSF) cells TD1/TD2 and related works on 12 August 2021.

It is noted that while the most recent annual inspection report (2021) has not been provided (and is advised as not available), SRK has examined the EA amendment addendum report submitted to DES on 7 July 2021 (see Section 5.21.1).

A tailings dam operations management plan (OMP) has been provided and appears to be reasonably comprehensive. No details have been provided of any embankment monitoring, such as by taking readings from vibrating wire piezometers. No inspection records or other information to indicate the extent to which the OMP is being implemented have been provided.

There are notable seepage issues in a number of the TSFs, however no details of the investigation or impacts on stability of any of these TSFs have been provided. The revised Environmental Authority approved on 12 August 2021 requires FMR to develop, document and implement a Seepage Management Plan no later than 30 January 2022 (Condition C50 of EMPL00818113).

Figure 5-10: Eloise Mine – existing and proposed tailings storage facilities and seepage storages



5.17.2 Tailings storage capacity

Tailings are currently deposited into TD4, which is expected to reach capacity by September 2021.

From available scheduling information it appears that FMR is planning to undertake a further raise of TD1/2 in the coming months. An amendment to the project's Environmental Authority authorising a 4 m lift of TD1/2 was granted on 12 August 2021. However, no design information has been provided in relation to this construction (and is advised as not available) and it is noted that it is scheduled to be undertaken while the cell is in operation.

The available tailings storage capacity at the site is currently estimated to be about 8–9 months. Should the further TD1/2 raise be constructed as planned, then the capacity will increase to 15 months. LOM tailings planning information indicates that TD5 will be used for tailings storage after this time, however it is advised that TD5 is still in the design phase and no details of the design have been provided. It is noted that as a new dam it will require an EA amendment and additional approvals.

Risks and impact to operations are discussed further in Section 6 of this report.

5.17.3 Site inspection of TSF operation

The site inspections found the tailings deposition practices to be generally acceptable with adequate beach formation and decant pond control.

External spillways were present at TD1/2 and TD4. The spillway at TD4 was obstructed by a bund constructed in front of it, which would generally be considered to be unacceptable practice. Both

TD1/2 and TD4 spillways were protected by dumped rock fill that, by inspection only, appeared to be undersized.

No Mandatory Reporting Level (MRL) signage was observed but it may be present in locations not inspected.

Pumping or pipework was not inspected in detail, but no clearly visible issues were observed (such as broken or leaking pipework).

The TD4 storage included a number of bunds formed from tailings around the perimeter of the tailings surface adjacent to the embankments and it is not clear if these are being used to create additional freeboard – which, if this is the case, would be non-compliant.

It was advised by FMR that the Design Storage Allowance (DSA) for the TSF is shared between cells by pumping, though a certified system design plan for the integration of the cells (by pumping) has not been sighted.

Risks and impact to operations are discussed further in Section 6 of this report.

5.17.4 TSF closure strategy

No detailed closure strategy has been provided and inspected. However, SRK understands (as SRK has not been informed) that there is no legacy (closed or partially closed) TSF structures at the site.

It is reported that a clay cover had been placed over TD1/2 but has since been removed. TD3 has a ‘dust suppressing’ earthen fill layer applied over the tailings surface but is still a regulated structure. These works are considered nominal and do not appear to be part of an approved closure capping design and construction.

However, based on the design document for the proposed new tailings cell (TD5) the site has agreed to adopt a high-risk capping system for final closure of the TSF (see Section 5.21.4).

5.17.5 Summary

The Eloise TSF comprises four cells, one of which is currently in use (TD4) with further raising of TD1/2 constructed and proposed to provide tailings storage in the immediate future. A new cell (TD5) is proposed to accommodate longer term tailings production.

The documentation provided for review is limited and the following issues are raised.

- Design documentation for the most recent raise of TD1/2 (which is proposed for tailings storage after September 2021) has only been provided as a draft. The design report does not demonstrate compliance with ANCOLD (2019) design standards.
- Design reports for TD3 and TD4 also indicate potential issues for compliance with ANCOLD (2019) design standards.
- Regulatory approval to use TD1/2 for future tailings storage was approved on 12 August 2021. Third party appeals are possible until 9 September 2021. SRK considers it unlikely that appeals will be lodged.
- No design details for TD5 have been provided and the design and regulatory status is not clear.

- No evidence has been sighted that the current operations meet with regulatory requirements, specifically in terms of actions from the annual inspections and also ongoing surface water management requirements.
- A system design plan for DSA management has not been sighted.
- A recent OMP has been provided and appears reasonably comprehensive.
- The OMP provides details of piezometers but it does not appear that they are being monitored.

The site inspection and operational review raised the following issues:

- The TD4 spillway has been blocked by bunding.
- The erosion protection at both external spillways appears to be undersized and discontinuous down the slope (at TD4).

Given the above there are serious concerns in relation to operational compliance of existing structures and also the capacity for future tailings storage. The costs of addressing these issues and complying with regulatory standards are estimated and discussed in Section 5.22.2 and Table 9-1.

5.18 Water management system

Water management across the Eloise mine site is described in the ATCW 2021 site water management plan report (ATCW 2021). The capture, containment and use of water across Eloise mine operations is managed through several onsite impoundments and associated pipe and pumping infrastructure. The site TDs are included in the water management system and are considered in more detail in Section 5.17.1. No design details or operations and maintenance plan have been sighted for the process water pond.

To address the impact on future operations, SRK has estimated a 30% contingency to the cost of rehabilitation and closure as discussed in Section 5.22.2 and Table 9-1.

5.18.1 Key water management storages

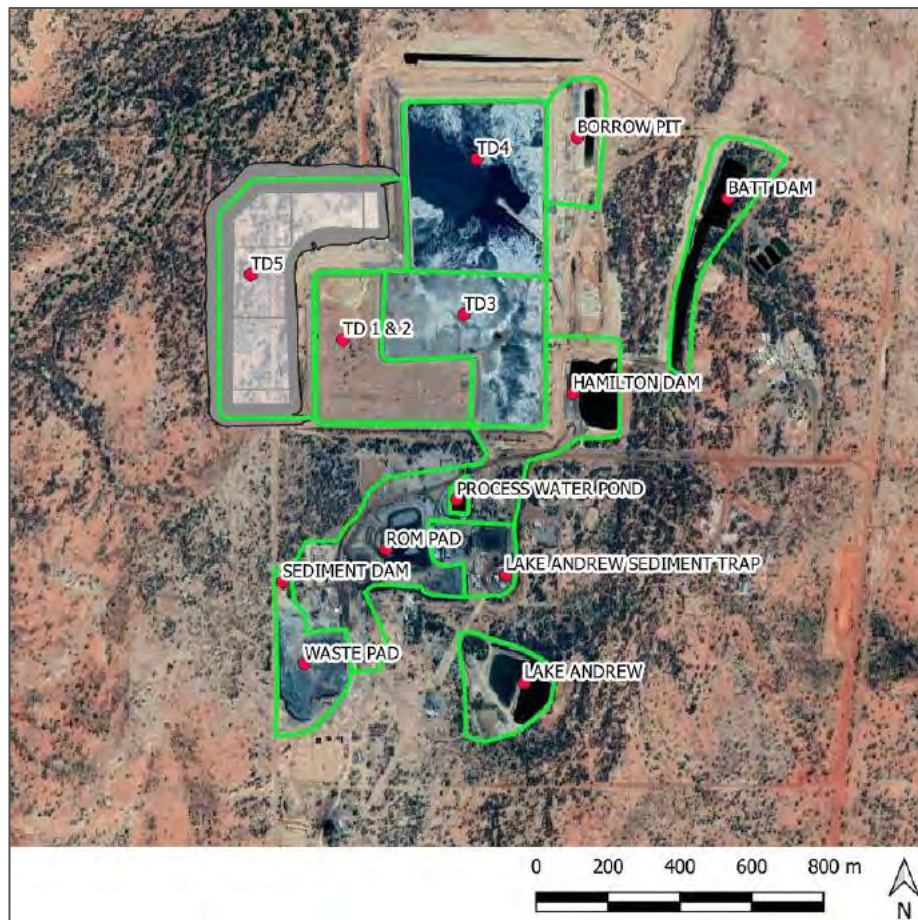
The key water management storages at the site are detailed in Table 5-14 and depicted in Figure 5-11. This is followed by a brief description of each facility (excluding the TDs) based on information from the ATCW 2021 site water management report.

Table 5-14: Site water management storages

Site Water Management Facility	Storage surface area (ha)	Total estimated storage capacity (ML)	Consequence Category Assessment
TSF (TD1/2, TD3, TD4)	TD1/2 – 12.51 TD3 – 19.0 TD4 – 14.7	TD1/2 – 319 TD3 – 0 TD4 – NR	High (all TSFs)
Process Water Pond	0.23	4.0	High
Hamilton Dam	NR	NR	Low
Batt Dam	2.4	68	Non-Regulated
Lake Andrew	6.0	60	Low
Borrow Pit	1.6	90	Non-Regulated
Sediment Ponds	NR	NR	Non-Regulated

N/R = not reported

Figure 5-11: Site water management structures and catchment map



Process water pond

The process water pond is a regulated structure with a consequence category assessment of High. It is a HDPE-lined, turkey's nest-type storage used for storage and supply of process water and located within the process plate area. The water level within the process water pond is maintained for processing usage from site storages. An emergency spillway is located on the southern edge of the process water pond.

Lake Andrew

Lake Andrew is the main source for underground mining operations and also supplies water for processing operations. This is an unlined turkey's nest dam with nil upstream water catchment and is predominantly supplied by underground dewatering. It does have the ability to be pump fed by either Hamilton Dam or the freshwater dam (Batt Dam) during periods of low levels to maintain underground supply water.

Hamilton Dam

Hamilton Dam is an unlined dam formed from an old borrow pit and is located directly below the TD3 eastern embankment. Intercepted seepage north of TD1/2 and around TD4 external embankments ultimately ends up in Hamilton Dam, via the Borrow Pit (pers comm with FMR site staff. Hamilton Dam provides additional water storage for site use, with mechanisms in place to allow inflow from a fresh water creek. Hamilton Dam is a high priority water source for the process plant.

Borrow Pit

The Borrow Pit is located to the north and east of Hamilton Dam and TD4, respectively and formed from old borrow excavations for TSF construction. It is an intermediate storage for intercepted seepage from TD4 and north of TD1/2. The water level in this storage is maintained by pumping into Hamilton Dam.

Batt Dam

The Batt Dam is located to the east of TD4, providing clean water storage for site use. Batt Dam forms the main water source for dust suppression requirements around the site. The catchment area for this dam comprises a natural upstream catchment (i.e. not impacted by mining) of 116 ha.

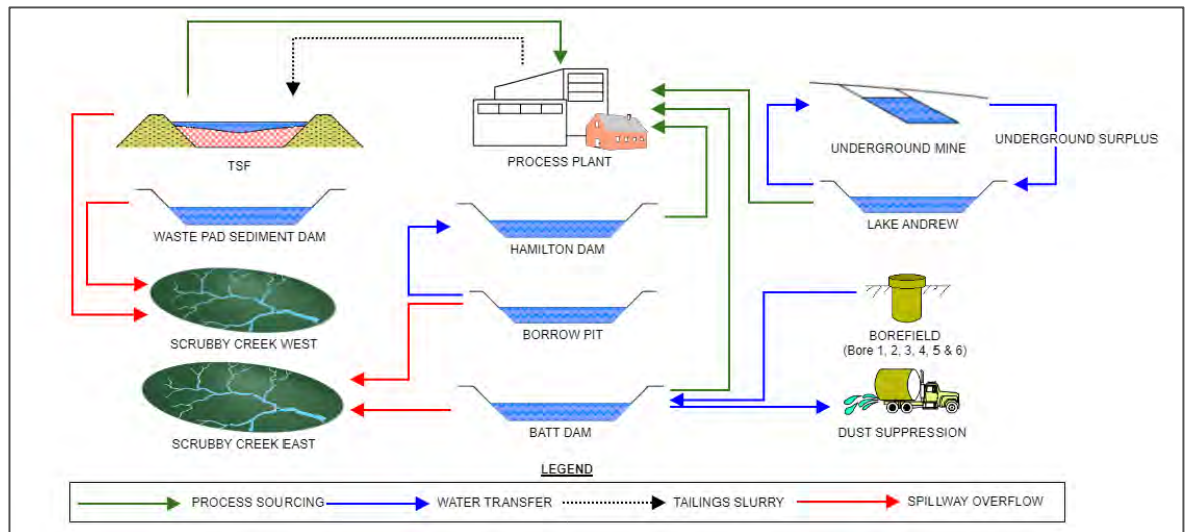
Sediment dams

Two sediment dams are operational on site, Lake Andrew Sediment Trap and Waste Pad Sediment Dam. The objective for these storages is to capture sediments within the sediment dams, with the opportunity to release this water directly offsite, subject to water quality testing.

5.18.2 Water management strategy

The water management strategy endeavours to maintain separation of mine-impacted water from clean water areas. Sources of mine-impacted water include all key site water management storages, apart from Batt Dam, which is a clean water storage facility supplied with raw water from the borefield. The site water management and storage interactions across Eloise site are shown in the flowchart in Figure 5-12 and is an output from an uncalibrated site water balance model presented in ATCW 2021.

Figure 5-12: Eloise site water management flowchart



5.18.3 Regulated structures

In accordance with DES requirements, regulated storages (structures assessed as having SIGNIFICANT or HIGH consequence category) are required to accommodate a DSA and the Extreme Storm Storage (ESS) event. In addition, they are to be operated at below the MRL. The site regulated structures all have a CCA of High. The design storm events corresponding to CCA of HIGH is as shown in Table 5-15.

Table 5-15: Site Regulated Structures CCA of HIGH

CCA	DSA – storage to be available on 01 November	ESS – spillway sized to pass this event	MRL – maximum permissible operating level.
High	1:100 AEP 2 month wet season	1:10,000 AEP	1:100 AEP, 72 hour storm event or the 1:100 AEP wave allowance whichever is lower.

The applicable CCA regulations for site regulated structures are detailed in Table 5-16.

Table 5-16: Site Regulated Structures CCA design elements

Design element	TD1/2	TD3	TD4	Process Dam
DSA	168 ML	117.6 ML	152 ML	2.2 ML
ESS (wave run up)	0.3 m	0.42 m	0.2 m	0.3 m
MRL	1,197.6 mRL	1200.0 mRL (TD4 only)	1200.0 mRL	1,187 mRL

The ATCW 2021 report have reported that TD3 and TD4 will have negligible capacity as of 31 July 2021. Tailings are currently deposited into TD4, which is expected to reach capacity by September 2021. These storages will be decommissioned and capped prior to 01 November 2021. As such, ATCW have highlighted a risk for DSA capacity in TD3 and TD4 for the 2021/2022 wet season run-off. The following is taken from the ATCW 2021 report.

It is highlighted that insufficient capacity would be available in TD3 and TD4 for the DSA and runoff during the 2021/2022 wet season, as such to meet regulatory requirements, rehabilitation of these storages is required prior to 1 November 2021.

Cost of capping TD3 and TD4 is considered by SRK to be under-estimated and as such SRK recommends an adjustment as discussed in Section 5.21.4. Further to this, SRK has made allowance of A\$3 M to cover costs associated with addressing some potential areas of non-compliance as discussed in Section 5.22.2 and Table 9-1.

5.18.4 Summary

The water management strategy implemented at Eloise mine site appears to meet the site water requirements, however, some storages such as the process water dam are described as operating with little to no excess storage capacity. This would be an issue if the water management system is compromised and where a regulated dam is impacted.

Other notable issues are as follows:

- Regulatory compliance in terms of DSA containment for TD3 and TD4 has been identified as an immediate risk. To meet regulatory requirements, these two facilities will require rehabilitation by 01 November 2021. An allowance of A\$3M is made for TSF remediation, also works for A\$400k is listed for capping of TD4.
- There is lack of documentation to demonstrate the separation of Hamilton Dam water (containing tailings decant water and seepage) from the nearby Batt Dam, which is a clean water storage given their proximity (~145 m) to each other.
- The ATCW 2021 water management plan report states that the water balance model is uncalibrated, as limited measured data or observations related to the current water management system were available at the time of model development.
- No design details or operations and maintenance plan have been sighted for the process dam and design compliance could not be checked.

SRK has recommended an adjustment to costs for rehabilitation in Section 5.21.4 including an allowance of A\$3 M to cover costs associated with addressing some potential areas of non-compliance as discussed further in Section 5.22.2 and Table 9-1.

5.19 Workforce assessment

FMR has approximately 150 full-time employees, with most on a two week on/one week off roster. In addition, there are approximately 60 contractors, mainly Pybar (underground development) and Hahn (electrical maintenance). The onsite camp has accommodation for 220 persons.

Employees are sourced mainly from Brisbane, Townsville and Cairns supplemented with locals from Cloncurry and Mount Isa. Weekly charter flights to and from Cloncurry exchange the coast-based crew members. Select key team members transit from their point of hire.

The site has a stable workforce with many employees having multiple years of service onsite (15 employees have recent been awarded 10-year service awards).

During its recent site visit, SRK considers that technical staffing was typical for this type and scale of operations.

SRK notes that AIC intends to hire additional geology team members to run its increased infill resource drill program. Geologists, Engineers and Environment personnel to meet Technical planning and compliance requirements. SRK has recommended an adjustment to administration costs assumptions in the financial model to account for this (see Table 9-1).

5.20 Occupational health and safety

OHS management systems are in place. The Eloise Copper Mine – Management System document was last reviewed on 28 July 2019. The document lists a broad range of risk management processes and procedures.

The mine also has a number of additional standard procedures, including:

- A Standard Work Procedure Emergency Response plan, last reviewed on 29 February 2019
- Safe SLC operating procedures with respect to air blasts.

High health and safety expectations and practices need to be lived on a daily basis. FMR has recently implemented a new approach to site safety with a “strong focus on culture change”.

No OH&S issues were observed during SRK’s site visit.

5.21 Environmental, permitting and closure

5.21.1 Licencing and approvals

Environmental aspects of the Eloise operation are regulated under an Environmental Authority (EA) administered by the DES under Chapter 5 of the *Environmental Protection Act 1994*. The most recent version of the EA for Eloise operations (EPML00818113) was issued to FMR on 13 March 2018. The EA authorises a range of ‘environmentally relevant activities’ (ERAs) on ML90064, ML90080, ML90086 and ML90155 (Table 5-17).

Table 5-17: Approved activities (EPML00818113)

Resource Activity	ML90064	ML90080	ML90086	ML90155
Schedule 2A, 16: Mining gold ore	✓	✓	✓	✓
Schedule 2A, 17: Mining copper ore	✓	✓	✓	✓
Ancillary 56 – Regulated Waste: Storage, Receiving and storing regulated waste	✓	✓	✓	✓
Ancillary 60 – Waste disposal (< 50,000 tpa)	✓	✓	✓	✓
Ancillary 63 – Sewage Treatment (not more than 1,500 EP)	✓	✓	✓	✓
Ancillary 31 – Mineral processing (1,000 tpa to 100,000 tpa)	✓	✓	✓	✓
Ancillary 08 – Chemical Storage, 5: storing 200 m ³ or more of liquid chemicals	✓	✓	✓	✓

The current EA (12 August 2021) limits the total extent of land disturbance for project operations to 123.729 ha, of which 67 ha is allocated for disturbance associated with tailings cells 1, 2, 3 and 4. The current Plan of Operations (2018–2022) makes allowance for slightly less than 93 ha of disturbance.

The most recent annual EA return made available to SRK for its review (FMR, 2020) reported that total disturbance with the Eloise tenements as at 31 December 2020 amounted to 157.61 ha. According to the most recent annual return, no rehabilitation has been completed at the site and rehabilitation has commenced on less than 2 ha of disturbed ground.

In April 2021, FMR lodged an application (number APP0073543) for amendment of its EA with the administering authority, DES. The amendments sought include:

- a TD lift for the recommencement of mine tailings deposition into the combined cells 1/2 (TD1/TD2)
- the establishment and use of three new groundwater bores.

DES categorised the proposed licence amendment as a ‘major amendment’ and requested FMR to provide additional technical information in support of the licence amendment application. The key concerns raised by DES in its correspondence to FMR relate to the potential for future tailings at TD1/2 to adversely impact surface water or groundwater quality. FMR submitted a response to DES’s information request on 07 July 2021.

The DES approved the licence amendment on 12 August 2021. Third party objections to the licence amendment may be lodged by any member of the public up until 9 September 2021. If an objection were to be received, the matter would be referred to the Land Court for resolution. SRK considers it unlikely that objections will be lodged in relation to the EA amendment. It is SRK’s experience that it is very rare that objections are lodged in relation to such an EA amendment.

The amended licence incorporates a number of additional licence conditions. These chiefly relate to actions required to manage seepage from tailings and water storage facilities. Under the new conditions, FMR is required to install, operate and maintain Seepage Management Systems to limit impacts on groundwater. FMR is required to develop, document and implement a Seepage Management Plan (SMP). The plan must be submitted to the administering authority no later than 30 January 2022.

Licence conditions relating to the design, construction and operation of regulated structures (Schedule D) of the EA are effectively unchanged (other than revisions to Table D2, which sets out dam surface areas, volumes, depth at spillway and spillway elevation), notwithstanding evidence in recent tailings audits (and SRK's on site observations) that elements of the TSF design, construction and operations did not comply with minimum design standards.

Documentation provided by FMR suggests that resourcing of environmental management functions is generally delivered by third party service providers. The Eloise organisational chart and staffing details as at June 2021 indicates that no environmental personnel are directly employed by FMR.

FMR holds a water licence (93150J, issued on 21 October 2013) which entitles it to extract up to 335 ML/a of groundwater from bores at the Eloise borefield.

There are four regulated water dams at Eloise: TD1/2, TD3, TD4 and the process water dam. Each has been classified as a High hazard dam. The EA requires each of the regulated structures to be designed and operated to meet the following criteria: storage capacity to meet 1% AEP 2-month wet season (plus process inputs); spillway conveyance for a 0.01% AEP event; MRL of 1% AEP 72-hour storm event or the 1% AEP wave allowance, whichever is lower.

5.21.2 Environmental management approach

The EA requires project activities at Eloise to be operated in accordance with a risk management system aligned with the current Australian standard for risk management (AS/ISO 31000:2018) and specifically requires implementation of the following management plans and programs:

■ Environmental management plan	■ Rehabilitation monitoring program
■ Emergency response/contingency plan	■ Receiving environment monitoring program (REMP)
■ Spillage management plan	■ Erosion and sediment control plan
■ Water management plan	■ Waste management program
■ Waste rock and spoil management plan	■ TD seepage monitoring program
■ Post mine land use plan	■ Pest management program
■ Post closure management plan	

The waste rock and spoil management plan required by the EA is required to be reviewed annually. Annual reviews of water monitoring are reported as part of end of year reporting to the DES. The EA does not explicitly state the frequency with which the receiving environment monitoring program must be reviewed or reported and it is unclear whether the company has reviewed any of the REMP monitoring results since the last REMP report was completed in 2017.

The overarching instrument used to guide environmental management practices so that operations will comply with the EA is the Eloise Plan of Operations (AARC, 2018). The current Plan of Operations (Rev0, 09 April 2018) is a 5-year plan that applies to operations during the period from 14 July 2017 to 13 July 2022.

5.21.3 Environmental performance and compliance

Third party audits of compliance with the EA must be completed every three years. The most recent third party audit appears to have been completed in August 2019 (AACR, 2019). An

incomplete draft audit report dated December 2019 was provided to SRK for its review. It is unclear whether the report was finalised and submitted to DES. The unsigned draft third party audit report generally concludes that the Eloise operation is compliant with most requirements of its EA, but notes the following non-compliance matters and improvement opportunities:

- exceedances of surface water quality/sediment quality limits
- possible inconsistency between TD3 construction and RPEQ design
- inadequate management of seepage from TD3
- inadequate control of contaminated seepage from waste rock dump (WRD)
- exceedances of groundwater quality limits
- incident/exceedance reporting did not consistently meet regulatory timelines
- disturbance areas additional to those authorised in EA
- observations of poor housekeeping, inadequate management of spillages, inadequate management of stored fuels or chemicals
- ad hoc approach to stakeholder engagement
- deficiencies in waste rock characterisation program
- need for inventory of topsoil stockpiles.

FMR is required by its water licence to conduct three-yearly reviews of its borefield performance and compliance. The most recent borefield review was completed for the reporting period from 01 July 2017 to 30 June 2020 (Hydrogeology.com.au, 2020). The most recent review found that FMR had generally complied with its licence conditions and extraction of groundwater has not resulted in changes to groundwater quality.

Independent inspections of regulated structures are completed annually before the start of the wet season. The most recent annual inspection report made available to SRK presented the results of a pre-wet season inspection in October 2019 (ATC Williams, 2020). Although the report did not make any findings of statutory non-compliance, it recommended a range of improvement actions and noted that the majority of actions recommended in the previous year's inspection had not been actioned (Table 5-19). This is discussed in Section 6 of this report. FMR advises that no inspections of regulated structures were completed in 2020 due to COVID restrictions. The company further advises that an inspection of regulated structures was completed at the Eloise site on 28 July 2021. The results of the most recent inspection were not available to SRK.

Table 5-18: Excerpt from ATC Williams 2020 regulated dam inspection report

Recommended Actions from 2018 Annual Dam Safety Inspection		
Regulated Dam	Recommended Action	Status of Action
TD2	Repair of gully erosion adjacent to ramp on TD2	Not actioned
TD3 and TD4	Consideration of the installation of embankment piezometers	Not actioned
TD3 and TD4	Maintain the extent of the decant pond	TD3 decant was fairly central to the decant causeway as recommended. TD4 had no decant present at the time of inspection.
TD3 and TD4	Clearing spillways of obstacles	Obstacles present (see Section 5)
TD4	Installation of embankment settlement monuments	Not actioned
TD4	Filling of the local pits along the inside embankment perimeter	Completed
PWP	Repair of tears/holes in geomembrane liner	Not actioned
PWP	Removal/poisoning of trees greater than 1m within 2m of embankment footprint	Completed
PWP	Labelling MRL marker	Completed
All	Review of Operational Plan	Not actioned

5.21.4 Mine closure, planning and financial provision

Closure planning and requirements

The holder of the EA is required to submit a proposed Progressive Rehabilitation and Closure Plan (PRCP) and PRC Schedule pursuant to the *Mineral and Energy Resources (Financial Provisioning) Act 2018* and Section 754 of the *Environmental Protection Act 1994*. Neither the PRC Schedule nor the PRCP are available at present. The EA holder however has been granted a transition notice for a PRCP and Schedule, and will be required to submit these by 31 January 2022.

An earlier post mine land use plan was prepared for the site (AARC, 2014), which proposed a rehabilitation strategy. However, that plan is out of date and does not include all of the site components. Nevertheless, the plan indicates that the closure of the TSF will be one of the primary components that will need to be addressed for closure.

As described elsewhere, the TSF comprises four cells (TD1 to 4). Cells TD1/2 have been covered with a soil cover. Seepage from TD4 is being intercepted with a series of wells located to the north of the facility and pumped back into the facility. Available water quality monitoring results (FMR, 2017) indicate that the seepage from the TSF is highly saline (EC values between 8,000 and 14,000 uS/cm) with elevated sulphate concentrations (3,000 to 6,000 mg/L) typically exceeding the discharge limit of 1,000 mg/L, with some metals exceeding contaminant trigger limits, including As, Cd, Cu, Pb and occasionally Zn.

Testing and analysis of the tailings indicate that the tailings on average contains about 2.5% sulfur, ranging up to 8.7%. A significant proportion of the tailings samples analysed classify as potentially

acid forming (PAF) and, due to the elevated sulfur content, the non-acid forming (NAF) tailings would be considered a potential source of neutral mine drainage. The tailings are therefore considered a high risk of acid or neutral mine drainage. This is consistent with the observed seepage water quality, as noted above.

Based on these observations, the TSF is considered a high risk facility and, according to the DES estimated rehabilitation cost (ERC) requirements, would require a capping system that includes a double capillary break and a barrier layer. Based on the design document for the proposed new tailings cell (TD5), the site has agreed to adopt a high-risk capping system for final closure of the TSF.

SRK also understands from the licence amendment that the rehabilitation of TD1/2 is required before November 2021. However, a closure plan or costing for the closure of these cells was not available and the impact is discussed in Section 6.

Financial provisioning

The financial assurance calculation was completed in 2018 using the current ERC calculator. The estimated rehabilitation liability came to approximately A\$7.77 M, with approximately A\$3 M estimated for infrastructure removal and rehabilitation, and A\$3 M for the closure of the TSF. The administering author came to a deemed ERC of A\$6.798 M, which is in effect between April 2019 and July 2022.

SRK notes that the unit rate for cover placement on the TSF was based on a third party quote prepared by ATC Williams – SRK did not sight that quote. However, the unit rate adopted for the ERC calculation was about A\$60,000/ha, whereas the DES rate at the time was A\$170,000/ha. (Based on SRK's experience, the ATC Williams rate appears to be on an alternative cover system and not a double capillary break capping system.) The current ERC rate for a high-risk capping system is about A\$190,000/ha. It is also noted that the estimate does not include an allowance for the proposed TD5 cell.

As noted above, the ERC estimate for financial assurance will need to be updated by April 2022 or sooner, depending on when construction of the TD5 cell commences. Using current rates adopted in the ERC, and including the TD5 footprint, it is expected that the closure provision will increase to a minimum A\$17.8 M, which is considered as an upside case.

The current allowance for closure in the project financial model is estimated to be A\$10.8 M. The basis of that estimate was not provided, and it is not clear what has been included in that estimate. However, in the light of the requirement for a double capillary break capping system for the TSF, the estimated closure costs are considered inadequate.

Based on the revised ERC calculation a closure cost in excess of A\$17.8 M is expected. Items not included in this cost are sourcing and preparing suitable capping material and surface water management. Therefore, the SRK base case includes a 30% contingency, which brings the total estimated closure cost to A\$23.14 M. Of this amount, SRK expects A\$6.5 M is to be spent in FY2023 for the capping of TD 1, 2 and 3. The balance (A\$16.6 M) is expected to be spent at the end of the LOM (see Table 9-1).

5.22 Capital and operating costs

5.22.1 Operating costs

Operations over recent years provide a good guide to future operating costs. Future costs will be impacted by:

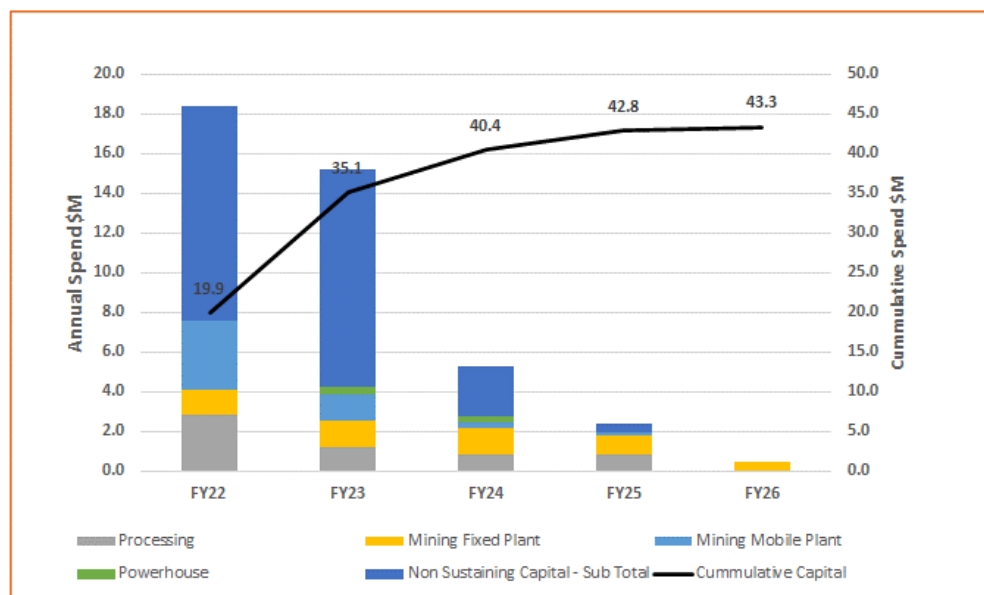
- completion of development in 2024 for required for scheduled stope production
- increased trucking costs for increasing depth of mining and volumes from the Deeps
- increased depth of technical, OH&S and environmental staff.

On this basis, SRK has made some recommended adjustments in Table 9-1 relating to operating cost assumptions in the Eloise copper mine financial model.

5.22.2 Capital expenditure

There have been no significant capital projects at site in recent times. Figure 5-13 shows the LOM capital expenditure schedule as forecast in the Eloise mine financial model.

Figure 5-13: Eloise LOM Capital expenditure Schedule, Eloise Copper Mine



Source: FMR, AIC_Model_20210627 Tax.xlsx

Note: Includes recommended adjustments made by SRK for the base case assumptions

Forecast Mining sustaining capital

- A\$10.7 M scheduled LOM sustaining capital expenditure is made up of A\$5.4 M fixed plant and A\$5.2 M mobile plant. Mobile plant expenditure include A\$3.3 M truck re-builds. In total, SRK considers this reasonable.

Forecast Mining non-sustaining

- A\$12.1 M scheduled LOM including A\$4.5 M for primary ventilation circuit extension, A\$1 M electrical distribution extension, A\$1.5 M Deeps infrastructure and A\$5.1 M infill resource drilling (Inferred to Indicated). SRK considers this reasonable.

Processing plant capital

- Processing sustaining capital LOM schedule of A\$5.64 M including A\$1.6 M for TD wall lift for TD 1 and 2 and capping of TD4, and Project capital includes construction cost of TD5 for A\$6.3 M. In SRK's opinion the TD costs are underestimated and have been revised (see TSF section below).

Geology

- No exploration drilling is budgeted for new geological discoveries in the financial model. A Exploration drill program of 300 holes for 37km has been planned, however the timing of the drilling will be dependent on cash flow. As such, SRK has not recommended additional expenditure in the financial model assumption (Table 9-1).

Closure

Using current rates adopted in the ERC, and including the TD5 footprint, it is expected that the closure provision will increase to above A\$17.4 M from the current allowance for closure in the project financial model estimated at A\$10.8 M. Items not included in this cost are sourcing and preparing suitable capping material and surface water management. Therefore, SRK recommends a 30% contingency of A\$5.3 M should be added to account for this which in total A\$23.1 M for closure should be provisioned.

In summary, SRK has made some recommended adjustments in Table 9-1 relating to capital expenditure assumptions in the Eloise copper mine financial model.

Tailings storage facilities

- Immediately visible works comprise a further raise to TD1/2 and the construction of TD5. Cost estimates have been provided but appear to be optimistic. These are:
 - raise of TD1/2 = A\$1.2 M (no volumes or other details provided)
 - construction of TD5 = A\$6.3 M (approximately 400,000m³ of earthworks).
- SRK high-level comparison
 - for comparison an approximate all-in TSF construction rate = A\$30/m³ of fill
 - previous TD1/2 raise of 3 m used 41,500m³ of fill – if it is conservatively assumed that the further raise will use approximately the same volume at A\$30/m³ = A\$1.25 M. As such, the A\$1.2 M budgeted appears reasonable.

- For the proposed TD5 construction, given the relatively straightforward construction environment and the limited haul distance it would be proposed that a reduced all-in TSF construction rate = A\$24/m³ of fill would be applied. Based on 400,000 m³ at A\$24/m³ = A\$9.6 M, the budget rate may be conservative and SRK has recommended adjustments in Table 9-1.
- Given the uncertainty in relation to the TSF structures, it would be recommended that some provision is made to cover costs associated with addressing some potential areas of non-compliance. SRK recommends an allowance of \$3 M (Table 9-1).

6 Risk and opportunity assessment

Risks

- AIC exploration tenements host laterally extensive alluvial and residual cover providing limited outcrop, which makes exploration difficult. Sensitive geochemical and geophysical techniques are required to assist in identifying targets, which add to time and cost of exploration but do not make it impossible.
- Eloise copper mine: copper grade and ore mining production rates.
- Eloise copper mine: despite ongoing COVID-19 related challenges, Eloise mine has continued to operate normally with the health and safety of employees and communities at the forefront of planning activities. However, the future impact on the mine is uncertain.
- Eloise copper mine: mining recovery from underground may be substantially less than forecast, especially for the Deeps, say 10–20% less.
- Eloise copper mine: rock stress and caving issues may delay stope production.
- Eloise copper mine: competition for highly experienced technical staff may occur.
- Eloise copper mine: SRK notes that there are a number of aspects of the existing TSF design and operation that would not be deemed to meet with requirements of regulatory compliance (DES and ANCOLD). This is in terms of both design documentation and construction. The impact could be short term suspension of operations.
- Eloise copper mine: costs to bring the TSFs into compliance could be substantial and have been estimated in Table 9-1.
- Eloise copper mine: further tailings capacity is required to be constructed in the next 12–15 months and, at this time, no design information has been provided for the expansion by lifting TD1/2 wall and the status is unknown. However, A\$1.2 M has been provided for in the capital budget for this purpose which SRK considers reasonable. As such, there is a potential for an interruption to operations from lack of storage in the near term (1–2 years).
- Eloise copper mine: SRK notes that the entity that has (at least until recently) provided third party auditing of EA compliance has also been closely involved in developing FMR's management plans and also provides consulting services (for example, monitoring for the REMP) to FMR. While this arrangement is not prohibited, it creates some doubt as to the actual independence of the third party assessors. There is an opportunity for addressing this matter through the appointment of a different auditor in the next round of auditing.
- Eloise copper mine: in the absence of a clear explanation of the exact closure measures that will be adopted and due to the lack of a PRCP and PRC Schedule, there appear to be a number of issues and concerns that may not have been considered in the closure costings. These have been addressed with a recommended 30% contingency in the cash flow model assumptions (Table 9-1) to include:
 - Borrow materials for closure construction:
 - No materials balance is presented that identifies construction material quantities.
 - Suitability of available borrow materials for cover construction and demonstration that the capping system will achieve an acceptable outcome.

- Rehabilitation of borrow areas at completion of construction works.
- Water quality impacts and management:
 - Seepage water interception post-closure to mitigate contamination in shallow groundwater (to mitigate TSF porewater drain-down).
 - Considering the reactivity of the tailings, the underground workings may be a source of contaminants that could impact groundwater quality and may require further mitigation.
- Surface water management and maintenance post-closure.

Opportunities

- AIC exploration projects have several identified targets that offer reasonable prospects for mineralisation.
- Eloise copper mine: exploration success in the upper lodes and at depth below the current Deeps Inferred Resource.
- Eloise copper mine: acquisition of Deeps extensions beyond the mine lease boundary.
- Eloise copper mine: toll treatment of ore from other operating mines in the region.
- Eloise copper mine: on the basis of differences between the 2019 and 2021 Mineral Resource Estimates, SRK considers the Mineral Resources are likely to currently be approximately 2 Mt higher at a nominal 2.3% Cu and 0.7 g/t Au. SRK has considered this as the Residual Resource (i.e. outside that of the LOM schedule) and thus representing upside potential.

7 Other considerations

7.1 Commodity prices

For the purposes of this valuation, SRK has carried out limited analysis of the copper and gold markets. This analysis reflects the prevailing conditions as at July 2021 and is considered reasonable to support the opinions and conclusions presented in this Report. This analysis is to inform SRK's view and does not represent the economic inputs applied to the model, as BDO has separately opined on these.

The June 2021 Resources and Energy Quarterly report from the Office of the Chief Economist at the Australian Government Department of Industry, Science, Energy and Resources (DISER) forecasts an economic recovery and continuation in metals demand from the impact of the COVID-19 pandemic on the global economy. The pent-up demand for goods, and strong housing and infrastructure spending in many countries, has resulted in recent strong demand for steel and non-ferrous metals. Base metal prices have all surged back above levels achieved immediately prior to the onset of the COVID-19 pandemic.

According to the DISER Quarterly Report, following a contraction of 3.3% in global GDP in 2020, the International Monetary Fund (IMF) is forecasting GDP growth of 6.0% in 2021 and 4.4% in 2022. The recovery is expected to be dominated by advanced economies, where the COVID-19 vaccine rollout has been fastest and access higher. Advanced economies are recovering reasonably with developing nations expected to follow. However, risks are present, including vaccine bottlenecks, additional COVID-19 strains and rising inflation over the medium term.

7.1.1 Copper

Consumption

A strong recovery in economic activity, supported by significant economic stimulus packages, resulted in copper consumption increasing in the March quarter (Q1) 2021, up by 4% year-on-year.

Copper has benefited from both infrastructure-focused stimulus spending and 'green' stimulus spending. Stimulus spending, including policies to subsidise electric vehicles (EVs), renewable energy generation and transmission, are expected to influence consumption over the medium term due to copper's use in EVs, batteries and grid infrastructure. In line with recovering economic activity, total world consumption is forecast to increase.

Supply

Production was stable in 2020, with shutdowns in Peru and the Democratic Republic of the Congo being offset by higher output elsewhere.

Current high prices, and expectations of future growth, are incentivising development projects, while producers balance declining ore grades and changing taxation arrangements. Over the outlook period to 2023, the largest production increases are expected to come from Peru and Chile.

Price

Copper prices reached an all-time high of US\$10,720/t in May 2021, as recovering consumption, expectations of future consumption and low stock levels propelled prices.

For the outlook, copper demand was expected to rise, as global industrial activity recovers further from COVID-19 restrictions and as the world energy transition continues.

Figure 7-1: Copper price



Source: S&P Global

Table 7-1 shows the forecast copper price by the DISER, S&P Global and Consensus Economics. Forecasts are consistently lower for 2022 and 2023.

Table 7-1: Copper price forecast

Provider	Units	2021	2022	2023
DISER	US\$/t	8,836	8,211	7,892
S&P Global Consensus	US\$/lb	4.04	3.90	3.80
S&P Global Consensus	US\$/t	8,907	8,598	8,377
Consensus Economics	US\$/lb	3.76	3.45	3.18
Consensus Economics	US\$/t	8,300	7,600	7,000

Sources: Australian Government DISER, S&P Global and Consensus Economic

7.1.2 Gold

Consumption

Offsetting the fall in gold-backed exchange traded funds (ETF) holdings and weaker official sector demand (central bank selling) has been a rise in consumer demand for gold (jewellery, gold coins and bars). Gold jewellery consumption rose by 52% year-on-year to 477 t in the March quarter 2021, driven by lower gold prices and festival and wedding purchases in China and India. China and India are the world's two largest gold jewellery consuming countries.

Attracted by lower gold prices in the early part of 2021, bargain-hunting retail investors returned to the gold bar and coin markets, buying 339 t of Au in the March quarter 2021, a 36% year-on-year rise from the March quarter in 2020.

Continued uncertainty with COVID-19 vaccine take-up and rollout is likely to help maintain investor demand for gold. As economic recovery picks up, jewellery demand in China and India is expected to improve.

Gold retail investment is expected to help global gold consumption, with demand for gold bars and coins forecast to rise in 2022 and 2023 supported by a forecast pull-back in gold prices.

Supply

Reduced global gold recycling and producer hedging was offset by a rise of worldwide gold mine production. In the March quarter 2021, global gold mine production grew by 4.2% year-on-year to 851 t, driven by higher production in Canada and Indonesia.

In 2021, world gold supply is forecast to increase by 3.6% to 4,788 t, driven by higher gold mine production in Australia, the US and Canada. An expected higher mine production, world gold supply is forecast to rise at an average annual rate of 1.1% between 2022 and 2023, reaching 4,890 t by the end of the outlook period.

In 2022 and 2023, lower gold prices and improving economic situations of many households are likely to discourage future sale of gold jewellery, thus gold scrap supply is forecast to fall in 2022 and 2023.

Price

The gold price has risen recently and has reached the US\$1,900/oz mark, as the US\$ weakens and gold demand recovers (Figure 7-2). A recovery in scrap supply is likely to offset improved jewellery demand over the outlook period. The price is likely to fall over the outlook period, as equity markets rise further, and real bond yields rise.

Figure 7-2: Gold price



Source: S&P Global

Table 7-2 shows forecast gold price by the DISER, S&P Global and Consensus Economics. S&P Global suggests the gold price will remain high in 2022 while the others forecast a lower gold price for 2022 and 2023.

Table 7-2: Gold price forecast

Provider	Units	2021	2022	2023
DISER	US\$/oz	1,771	1,701	1,634
S&P Global Consensus	US\$/oz	1,800	1,809	1,759
Consensus Economics	US\$/oz	1,680	1,510	1,520

Sources: Australian Government DISER, S&P Global and Consensus Economic

8 Valuation methodology

8.1 Introduction

The objective of this section is to provide BDO with:

- SRK's opinion regarding the reasonableness of the technical inputs to the Eloise Copper Mine Model and to provide a market value for Eloise's residual Mineral Resources (i.e. those outside the current LOM schedule) and exploration tenure not considered in the Model.
- SRK's opinion regarding the market value of AIC's exploration potential of the associated tenure on a standalone basis. This includes the Marymia Project with associated tenements AIC own and where AIC meet JV commitments to earn-in attributable equity. It does not include the Lamil JV as AIC has not yet met the JV commitment to earn-in any equity.

SRK has not valued either AIC or FMR, these being the corporate entities that are the beneficial owners of the Mineral Assets.

In determining the appropriate parameters for valuation purposes, SRK has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing the value of AIC and FMR's projects. SRK has relied on information provided by AIC and FMR, as well as information sourced from the public domain, SRK's internal databases and SRK's subscription databases.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The Market Approach is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code 2015). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The Income Approach is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code 2015). Valuation methods that follow this approach include DCF modelling, capitalised margin, option pricing and probabilistic methods.

The Cost Approach is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code 2015). Methods include the appraised value method and MEE, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

Most mineral assets can be classified as either:

- Exploration Property: properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been identified.
- Advanced Exploration Property: properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource Estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the resource category.
- Pre-Development Property: properties where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on C&M and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further Valuation, Technical Assessment, delineation or advanced exploration is being undertaken.
- Development Property: properties for which a decision has been made to proceed with construction and/or production, but which are not yet commissioned or are not yet operating at design levels.
- Operating Mines: mineral properties, particularly mines and processing plants that have been commissioned and are in production.

Table 8-1 presents the various valuation approaches for the valuation of mineral assets at the various stages of exploration and development.

Table 8-1: Suggested valuation approaches according to development status

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015)

In general, these methods are accepted analytical valuation approaches that are in common use for determining Market Value (defined below) of mineral assets, using market-derived data.

The Market Value is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arms-length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee's (IVSC) term of the same name. This has the same meaning as Fair Value in Regulatory Guide (RG) 111. In the 2005 edition of the VALMIN Code this was known as Fair Market Value.

The Technical Value is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

In summary, the various recognised valuation methods are designed to provide an estimate of the mineral asset or project value in each of the various categories of development. In some instances, a particular mineral asset or project may comprise assets, which logically fall under more than one of the previously discussed development categories.

In estimating the value of AIC and FMR's projects as at the Valuation Date, SRK has considered various valuation methods within the context of the VALMIN Code (2015). SRK's valuation basis is presented in Table 8-2.

Table 8-2: SRK's adopted valuation basis

Project	Development Stage	Description	Valuation basis
Marymia	Early to Advanced Exploration	Exploration Potential	■ Market: Comparable Transactions ■ Cost: Geoscientific Rating and MME
Eloise	Operating Mine	■ LOM Schedule ■ Residual Resources ■ Exploration Potential (area outside of Mineral Resource)	■ Income: Assessed by BDO ■ Market: Comparable Transactions and Yardstick

Source: SRK Analysis, 2021

8.2 Materiality

Consideration of materiality as defined within the VALMIN Code 2015 refers to: (a) the contents and conclusions of the Competent Persons Report (CPR); (b) any contributing assessment, calculation or the like; and (c) data and information; are of such importance that their inclusion or omission from a technical assessment or valuation may result in a reader of the CPR reaching a different conclusion than would otherwise be the case.

The determination of what is material depends on both qualitative and quantitative factors. Something may be material in the qualitative sense because of its very nature, such as, for example, country risk. In the case of quantitative issues in this CPR, the materiality of data has been assessed in terms of the extent to which the omission or inclusion of an item could lead to changes in total value of: less than five per cent where the item is generally not material; between five and ten per cent where the item may be material; and more than ten percent where the item is definitely material.

9 Reasonableness of technical inputs to Eloise cashflow model

9.1 SRK recommendations

FMR has developed a cashflow model (the Model) for its Eloise Mine and has provided this to BDO and SRK. SRK has reviewed the Model and assessed technical production and technical cost projections in order to advise BDO of its findings. Table 9-1 presents a summary of SRK's findings and recommendations as made to BDO in relation to the Eloise mine.

Table 9-1: Eloise Model assumptions and SRK recommendations

Input	Model Assumptions	SRK Recommended Base Case input	SRK Recommended Upside Case input	Basis of recommendation
Mineral Resource	2,696,495 t	2,696,495 t	2,696,495 t	The upside case includes a residual Resource of 2.145 Mt at 2.33% copper grade. SRK has provided an opinion of the market value of this residual Resource as exploration potential.
Ore Reserves	1,424,832 t	1,424,832 t	1,424,832 t	No change to Ore Reserves
Dilution – longhole stoping	15.0%	15.0%	15.0%	No change to dilution
Dilution – SLC	20.0%	20.0%	20.0%	No change to dilution
Loss	-5% / -10%	-5% / -10%	-5% / -10%	Stope reconciliation reports indicate highly variable metal recoveries – 70% to 95% – source monthly management reports and stope reconciliation reports.
Ore mined	2,924,996 t @ 2.06% Cu	2,924,996 t @ 2.06% Cu	2,924,996 t @ 2.06% Cu	No change to ore mined considering both mining dilution and losses
ROM stockpile	0	0	0	SRK understands that there are no stockpiles to be processed and that what is mined will also be processed
Total process throughput	2,924,996 t @ 2.06% Cu	2,924,996 t @ 2.06% Cu	2,924,996 t @ 2.06% Cu	
Copper tailings grade	0.10%	0.10%	0.10%	This figure is head grade dependent, calculated based on head grade of 2.00% Cu and recoveries listed
Concentrate moisture	7.25%	7.76%	7.51%	Base case from average of trucking data last 12 months, Upside average from 2/07/2017 onwards (ECM Met Accounting FY2021)
Copper concentrate recoveries				
Copper	95.49%	95.49%	95.49%	This figure is head grade dependent: Calculated based on head grade of 2.06% Cu, tailings grade@0.1% Cu Tail, and 27.5% Cu in concentrate, recovery = 95.49%
Gold	50.95%	48.3%	57.6%	Head grade versus tailings relationship from 2015 to current and LOM head grade, upside is 80th percentile
Silver	83.5%	75.4%	82.1%	Head grade versus tailings relationship from 2015 to current and LOM head grade, upside is 80 th percentile
Copper concentrate grade				
Copper	27.0%	27.5%	27.5%	Base case from average annual 12-month data, upside highest recovery monthly 12-month data
Gold	4.13 g/t	3.97 g/t	4.73 g/t	Base case from average annual 12-month data

Input	Model Assumptions	SRK Recommended Base Case input	SRK Recommended Upside Case input	Basis of recommendation
Silver	103.16 g/t	94.07 g/t	102.43 g/t	Base case from average annual 12-month data.
Operating Costs (real terms)				
Mining costs	A\$88.62/t mined	+2.5% per year		Required to reflect increased trucking and reinforcement costs with increased Deeps production.
Geology costs	A\$4.19/t mined			No change recommended.
Powerhouse	A\$20.81/t milled	A\$15.20/t milled	A\$13.70/t milled	Base case from average annual 12-month production (mine constrained), upside from average power cost of \$0.19/kWh applied to highest monthly tonnes milled. Note this is based on recent fuel costs. Sensitivity with higher A\$/l fuel prices.
Processing cost	A\$13.48/t milled	A\$14.00/t milled	A\$13.00/t milled	Base case from average annual 12-month production (mine constrained), upside from highest monthly tonnes milled (lowest monthly opex).
Administration	A\$14.48/t milled	+A\$1/t milled		Increased technical staff.
Capital Expenditure (real terms)				
Development	A\$18,404,000	A\$24,712,000	A\$21,712,000	Including TD5 A\$6,292,588 which is considered conservative. SRK estimates a cost of A\$9.6 M and recommends a further contingency of A\$3 M be added. This is a TD5 construction costs of A\$12.6 M as the base case.
Sustaining	A\$18,612,000	A\$18,612,000	A\$18,612,000	Including TD1/2 lift & TD4 capping A\$1,600,000. The lifting of TD1&2 cost of A\$1.2 M is considered reasonable.
Exploration costs				Infill drilling – does not include new targets.
Closure costs	A\$10,800,000	A\$23,140,000	A\$17,800,000	The final closure cost is expected to be higher than A\$17.8 M. Items not included in this cost are sourcing and preparing suitable capping material and surface water management. As such, SRK base case includes a 30% contingency.
FY2023		A\$6,500,000	A\$6,500,000	Capping TD1, 2 & 3.
FY2027		A\$16,640,000	A\$11,300,000	Final closure.

Sources: Eloise Financial Model, SRK Consulting analysis

10 Valuation of Eloise copper mine residual resource

Based on SRK's analysis of the Eloise Mineral Resource, Ore Reserve and LOM plan, SRK is of the opinion that there is residual material classified as Mineral Resource previously classified in the 2019 estimate that resides outside the current LOM plan (Residual Resources) comprising 2.1 Mt at 2.3% Cu in situ grade. This represents an implied 50,040 t of contained Cu. For the purpose of this valuation, SRK has elected not to include the gold and silver credits associated with this material to reflect the level of perceived uncertainty.

10.1 Comparable transactions

Using SRK's internal databases and subscription databases, transactions involving pre-development to operational copper projects in Australia were compiled, researched and analysed in order to determine the market value of the Residual Resources. The mineral assets incumbent within these transactions were assessed according to the project development categories outlined in the VALMIN Code (2015).

SRK normalised the implied transaction values (raw) to the average Cu price of A\$12,822/t (reflecting the average copper price over July 2021) as being indicative of changes in market sentiment between the transaction date and the effective valuation date.

Based on its analysis, SRK identified 20 transactions (Figure 10-1) involving Australian copper projects with defined Mineral Resources that could be considered broadly comparable to the subject asset spanning the period 2013 to 2021. The implied values of these transactions ranged from A\$2.84/CuEq t to A\$670.47/CuEq t, with an average of A\$131.24/ CuEq t and a median of A\$77.19/CuEq t, on a normalised basis.

Details of the 20 transactions analysed by SRK are presented in Figure 10-1 and listed in Appendix A. Within these 20 transactions, 2 transactions at the top end of the implied value range involved operating mines.

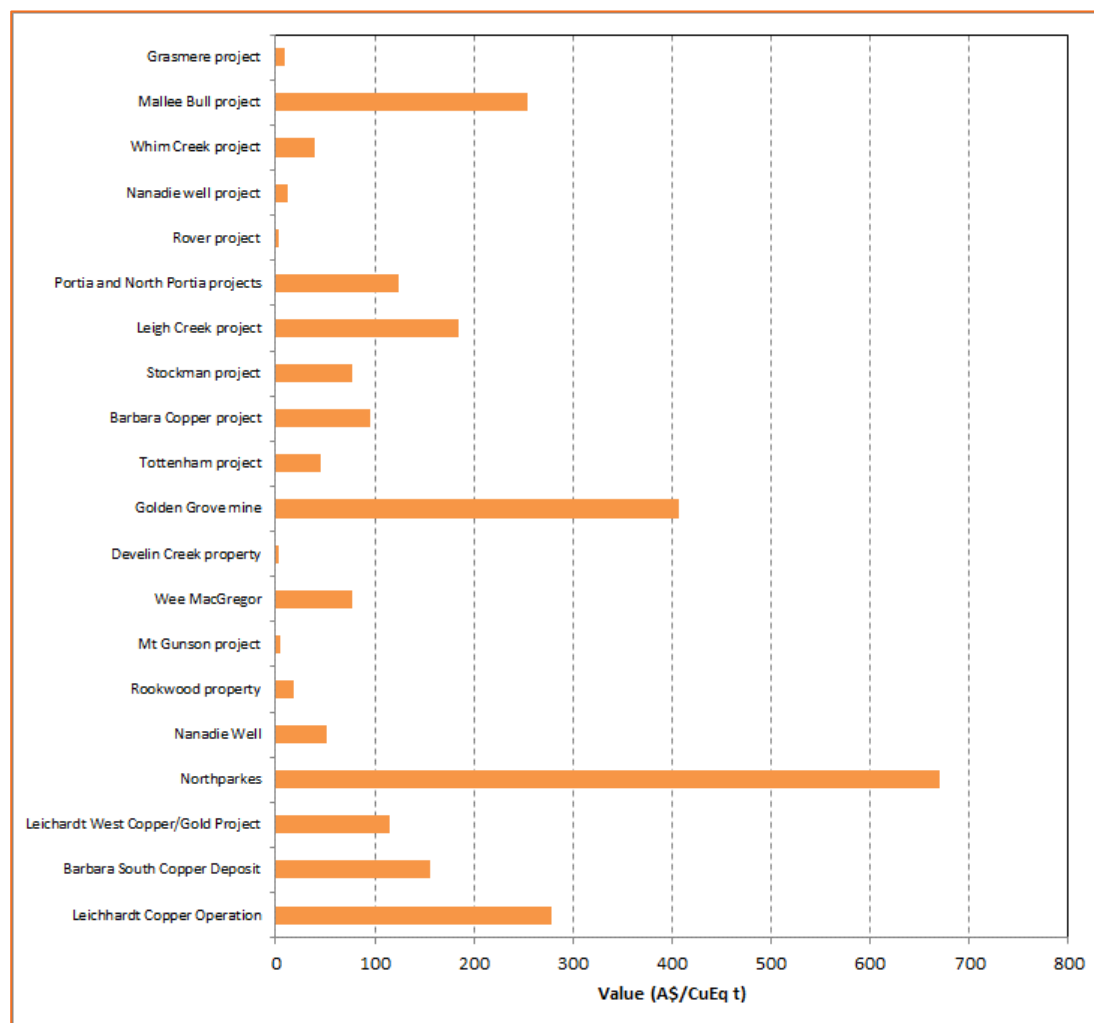
In 2013, China Molybdenum Co. Ltd. paid approximately A\$890 M to acquire an 80% interest in the Northparkes mine from Rio Tinto Plc. The implied value of the transaction was A\$670/CuEq t on a normalised basis to July 2021.

In 2016, EMR Capital Group paid approximately A\$273.23 M to acquire the Golden Grove mine from MMG Ltd. The purchase price of A\$273.23 M was subject to adjustments with respect to Golden Grove's working capital and net debt at completion and as of 31 December 2016. Based on the defined Mineral Resource as at June 2016, the implied transaction multiple was A\$406/CuEq t on a normalised basis to July 2021.

Both these operations are larger and had longer life than the Eloise mine.

The Barbara Copper Project near Mount Isa and Stockman Copper Project in Victoria are broadly similar to the Eloise copper mine Residual Resource in terms of size and LOM. The Barbara Copper Project is on C&M while the Stockman Copper Project is close to development. In 2017, both Barbara and Stockman transacted at implied values (normalised) of A\$95/CuEq t and A\$78/CuEq t, respectively.

Figure 10-1: Market Transactions involving Australian copper projects (Australian dollars)



Sources: S&P Global, SRK Consulting

Notes: Value is normalised to the average July 2021 Cu price of US\$12,822/t.

Using the multiples implied by recent transactions involving pre-development copper projects, mines on C&M and operating mines in Australia, SRK considers the current market would pay within the ranges shown in Table 10-1 for a 100% interest. Based on its comparable transaction analysis, SRK considers the implied value of the Eloise Residual Resource (i.e. that Mineral Resource material outside of the presently defined LOM schedule) resides between A\$3.8 M and A\$6.3 M.

Table 10-1: Comparable market transaction valuation

	CuEq kt	Low A\$/t	High A\$/t	Mid-point A\$/t	Low A\$ M	High A\$ M	Mid-point A\$ M
Residual Resource	50,040	75	125	100	3.8	6.3	5.0

Source: SRK analysis

Notes: For the purpose of conservatism, SRK has not considered the gold and silver credits

10.2 Yardstick method

As a crosscheck to the values implied by comparable transaction analysis, SRK has considered a yardstick value per copper equivalent tonne for its valuation of the Residual Resources at the Eloise copper mine.

Under the yardstick method of valuation, specified percentages of the copper spot price are used to assess the likely value. Commonly used yardstick factors adopted in industry are between 0.5% and 5% of the spot price - Table 10-2:

- Measured Resources – 2% to 5% of the spot price
- Indicated Resources – 1% to 2% of the spot price
- Inferred Resources – 0.5% to 1% of the spot price
- Exploration Target – 0.1% to 0.5% of the spot price.

For the purpose of this valuation, SRK has adopted the average Cu price for July 2021 at A\$12,822/t.

Table 10-2: Yardstick multiples

Resource	% of the spot price	Value Range	
		A\$/t Low	A\$/t High
Measured	2% to 5%	256.43	641.08
Indicated	1% to 2%	128.22	256.43
Inferred	0.5% to 1%	64.11	128.22
Exploration Target	0.1% to 0.5%	12.82	64.11

Source: SRK analysis

Notes: Used average Cu price for July 2021 at A\$12,822/t.

In the yardstick approach, SRK has estimated a Residual Resource in the Inferred Resource category (Table 10-3). Based on this analysis, the value of the Residual Resource resided between A\$3.2 M and A\$6.4 M. SRK considers this value to be broadly supportive of the values implied by its Comparative Transactions analysis.

Table 10-3: Yardstick valuation of Residual Resource

Residual Resource	CuEq t	Low A\$/t	High A\$/t	Low A\$ M	High A\$ M	Mid-point A\$ M
Inferred Resource	50,040	64.11	128.22	3.2	6.4	4.8

Source: SRK analysis

10.3 Valuation summary of Eloise residual resource

SRK has considered Comparable Transactions, and Yardstick methods to determine an overall value range for the Residual Resources at the Eloise mine. In selecting a preferred value, SRK has used the Comparable Transactions valuation method as the preferred method and the Yardstick method as a cross check.

On this basis, SRK estimates the value of a 100% interest in the Residual Resource resides in the range A\$3.8 M to A\$6.3 M, with a preferred value of A\$5.0 M as the mid-point of this range (Table 10-4).

Table 10-4: Valuation Summary of Eloise copper mine Residual Resource

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions	3.8	6.3	5.0
Yardstick	3.2	6.4	4.8
Selected Market Value, 100% basis	3.8	6.3	5.0

Source: SRK Consulting

11 Valuation of AIC exploration assets

11.1 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation Report should refer to other recent valuations or IERs undertaken on the mineral properties being assessed.

In February 2019, Dunbar prepared an Independent Technical Assessment and Valuation of the Mineral Assets of AIC Resources Ltd. The mineral assets considered in the 2019 Dunbar report included the Marymia Project and Venus JV now known as the Doolgunna Project (announced 20 September 2018). The 2019 Dunbar report was an update of a previous report for BDO in October 2018. In Dunbar's opinion, the Marymia Project, covering a total attributable area of 3,100 km², had a fair market value of between A\$3.4 M and A\$7.8 M with a preferred value of A\$5.9 M, which implies a preferred value of A\$1,903/km².

SRK has considered the values outlined in the Dunbar report and considers them to be instructive for the purposes of this Report. SRK is not aware of any other publicly reported valuation reports relating to the mineral assets that are the subject of this Report.

11.2 Previous transactions

On 09 June 2017, AIC Resources Ltd issued Cosmopolitan Minerals with 12,000,000 AIC Resources Ltd shares as consideration for the Marymia tenements, pursuant to the Tenement Sale Agreement. The number of shares issued was based on the value of the shares (at a deemed issue price of A\$0.10 per share), equal to the issue price of the shares issued to pre-IPO AIC Resources Ltd investors. The value was equivalent to the level of expenditure (A\$1,200,000) incurred by Cosmopolitan Minerals on the Marymia tenements as at the date of the Tenement Sale Agreement. At the time of the transaction the Marymia tenements covered an area of 3,160 km², so the implied value was A\$380/km² for these early-stage exploration assets.

Normalisation of this implied multiple results in an implied value of A\$655/km², which when applied to the current attributable area of the Marymia Project (i.e. 2,803 km²) equates to approximately A\$1.8 M.

11.3 Comparable Market Transaction and JV terms

SRK has compiled details of transactions (Appendix A) involving broadly similar projects using its internal database, as well as the S&P Global Market Intelligence subscription database to support its assessment of the Market Value of AIC's exploration potential.

In doing so, SRK has focused on more recent transactions involving early to advanced stage Australian copper exploration projects (i.e. those without defined resources) occurring between 2019 and 2021. SRK has identified and compiled data for 29 transactions (Appendix A) for which sufficient information was available to calculate an area-based multiple (A\$/km²). The implied transaction multiples were then normalised using the monthly average copper price as at July 2021. This effectively expresses all transactions between 2019 and 2021 in the value of the copper price as at July 2021.

Based on its analysis, SRK notes that the implied multiples of these early-stage exploration transactions largely reside between A\$193/km² and A\$21,024/km², depending on prospectivity, size of tenement and stage of exploration completed (Figure 11-1). The average of this data set is A\$5,476/km² with a median of A\$2,543/km² (Table 11-1).

Within this data set, 13 transactions occurred in Western Australia with implied values ranging from A\$193/km² to A\$18,277/km², with an average of A\$4,741/km² and a median of A\$2,672/km² (Table 11-1).

Table 11-1: Statistics of early-stage exploration copper market transactions

	All Australia	Western Australia	Queensland
Min	193	193	448
Average	5,476	4,741	4,951
Median	2,543	2,672	2,622
Max	21,024	18,277	13,518
Count	29	13	7

Source: SRK

Notes: Normalised to July 2021 average copper price

Based on its review of the transactions, SRK considers the following transactions to be instructive for valuation purposes:

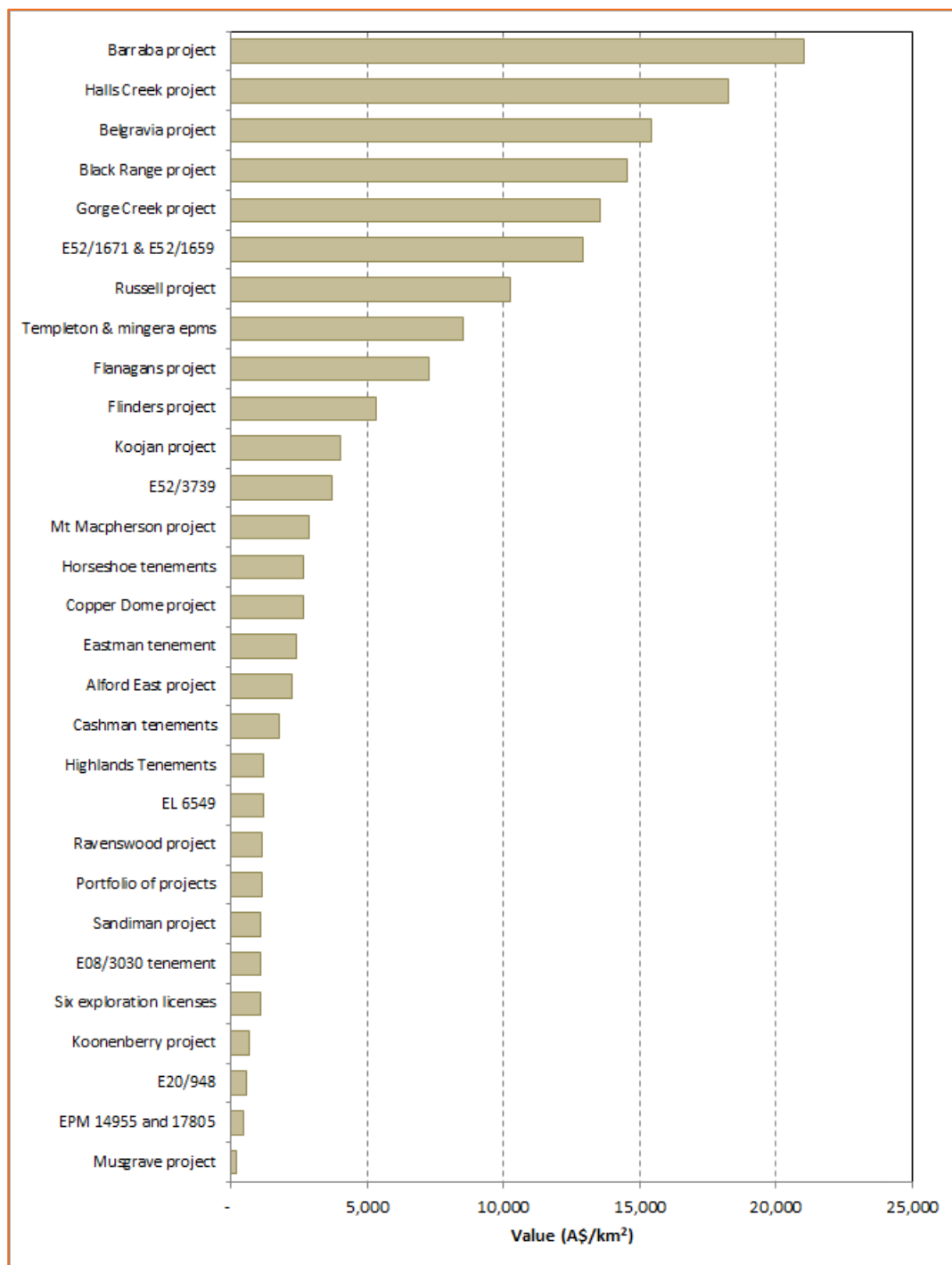
- In January 2021, Kopore Metals Ltd entered into an agreement whereby it will incur A\$2.95 M in exploration expenditures to acquire 70% interest in Horseshoe tenements from Horseshoe Metals Ltd. In addition to this, Kopore Metals Ltd would pay A\$50,000 for the earn-in rights of the tenements that cover 32.4 km². The implied value of this transaction on a 100% equity basis is A\$2,672/km², on a normalised basis. This transaction also represents the median of the WA data set. The Horseshoe tenements are considered instructive because they are in close proximity (situated 75 km west of DeGrussa mine) and in early stage of exploration (comprising 1 exploration licence, 9 prospecting licences and part of 1 mining lease (M52/743)).
- In September 2019, Sandfire Resources Limited entered into an agreement to earn a 70% interest in Auris Minerals Limited's owned Cashman tenements (E51/1053 and E51/1120) situated 75 km west of the Degrudda mine. Similar to Horseshoe, the tenements are prospective for copper and gold deposits of Degrudda style mineralisation in the same geological province and cover approximately 232.5 km². Sandfire Resources NL will issue 30,000 shares of its common stock and incur A\$1.20 M exploration expenditure within 12 months as minimum expenditures. The implied value is A\$1,742/km², on a normalised basis.

In considering the geological prospectivity for each Marymia tenement and the comparable transactions (Appendix A), SRK has selected the following range of values for the Marymia tenements:

- tenements with very high prospectivity from A\$2,760/km² to A\$6,440/km²
- tenements with high prospectivity from A\$1,554/km² to A\$3,626/km²
- tenements with moderate prospectivity from A\$1,014/km² to A\$2,366/km².

In the case of the Carara Well JV, SRK has attributed 80% of the tenement value to AIC and considers the JV partner free-carry to have no material impact to this value. No value is assigned for the Doolgunna tenement (E52/3031) on the basis that AIC remains to earn an equity interest in the project pending completion of the conditions to earn-in.

Figure 11-1: Early copper exploration market transactions and JV terms in Australia



Source: SRK

Notes: Normalised to July 2021 average copper price

Based on these metrics, SRK considers the market is likely to pay between A\$4.4 M and A\$10.2 M, with a preferred value of A\$7.3 M for AIC's attributable interests in its Marymia exploration assets, as summarised in Table 11-2. SRK notes that the midpoint value reflects SRK's preferred value for each of the tenements. SRK has no reason to select a preferred value either end of the range and therefore has adopted a midpoint as a preferred.

Table 11-2: Comparable Market Value of Marymia tenements

Tenement	Area (km ²)	Interest (%)	Low (A\$km ²)	High (A\$km ²)	Midpoint (A\$km ²)	Low (A\$)	High (A\$)	Preferred (A\$)
E52/2943	217	100%	1,554	3,626	2,590	337,200	786,800	562,000
E52/2944	232.5	100%	1,014	2,366	1,690	235,800	550,100	392,900
E52/2945	114.7	100%	1,014	2,366	1,690	116,300	271,400	193,800
E52/2973	80.6	100%	1,554	3,626	2,590	125,300	292,300	208,800
E52/3027	217	100%	1,554	3,626	2,590	337,200	786,800	562,000
E52/3028	124	100%	1,554	3,626	2,590	192,700	449,600	321,200
E52/3029	58.9	100%	1,014	2,366	1,690	59,700	139,400	99,500
E52/3044	52.7	100%	1,554	3,626	2,590	81,900	191,100	136,500
E52/3154	55.8	100%	1,554	3,626	2,590	86,700	202,300	144,500
E52/3171	31	100%	1,014	2,366	1,690	31,400	73,300	52,400
E52/3190	142.6	100%	1,014	2,366	1,690	144,600	337,400	241,000
E52/3265	49.6	100%	1,554	3,626	2,590	77,100	179,800	128,500
E52/3317	62	100%	2,760	6,440	4,600	171,100	399,300	285,200
E52/3318	65.1	100%	2,760	6,440	4,600	179,700	419,200	299,500
E52/3319	21.7	100%	1,554	3,626	2,590	33,700	78,700	56,200
E52/3346	207.7	100%	1,554	3,626	2,590	322,800	753,100	537,900
E52/3368	58.9	100%	1,554	3,626	2,590	91,500	213,600	152,600
E52/3397	102.3	100%	2,760	6,440	4,600	282,300	658,800	470,600
E52/3455	127.1	100%	1,014	2,366	1,690	128,900	300,700	214,800
E52/3622	3.1	100%	1,014	2,366	1,690	3,100	7,300	5,200
E52/3623	3.1	100%	1,014	2,366	1,690	3,100	7,300	5,200
E52/3624	3.1	100%	1,014	2,366	1,690	3,100	7,300	5,200
E52/3648	139.5	100%	1,554	3,626	2,590	216,800	505,800	361,300
E52/3721	142.6	100%	2,760	6,440	4,600	393,600	918,300	656,000
E52/3743	31	100%	1,014	2,366	1,690	31,400	73,300	52,400
E52/3768	40.3	100%	2,760	6,440	4,600	111,200	259,500	185,400
E 69/3247	294.5	100%	1,554	3,626	2,590	457,700	1,067,900	762,800
P 52/1585	0.42	100%	1,014	2,366	1,690	400	1,000	700
E52/3068	37.2	80%	1,014	2,366	1,690	30,200	70,400	50,300
E52/3069	68.2	80%	1,014	2,366	1,690	55,300	129,100	92,200
E52/3320	6.2	80%	1,014	2,366	1,690	5,000	11,700	8,400
E52/3486	27.9	80%	1,014	2,366	1,690	22,600	52,800	37,700
E52/3487	9.3	80%	1,014	2,366	1,690	7,500	17,600	12,600

Tenement	Area (km ²)	Interest (%)	Low (A\$/km ²)	High (A\$/km ²)	Midpoint (A\$/km ²)	Low (A\$)	High (A\$)	Preferred (A\$)
E52/3488	3.1	80%	1,014	2,366	1,690	2,500	5,900	4,200
E52/3489	3.1	80%	1,554	3,626	2,590	3,900	9,000	6,400
E52/3031	117.8	0%				-	-	-
Total	2,951.62					4,383,300	10,227,900	7,305,900

Source: SRK Consulting

Notes: Attributable Market Value

11.4 Geoscientific Rating

As a crosscheck to the values implied by market multiples, SRK has also considered the values derived using the Geoscientific Rating method. The Geoscientific Rating method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is a cost-based method of valuation. The intrinsic value is referred to as the Base Acquisition Cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for one year.

The BAC has been assumed in this valuation, which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 11-3 and Table 11-4) to be the following:

- A\$492/km² (A\$5/ha) for EL
- A\$12,569/km² (A\$126/ha) for PL.

Table 11-3: Western Australia Exploration Licence Base Acquisition Cost

Metric	Unit	Value
Average licence size	km ²	67.7
Average licence age	Years	4
Application fee	A\$ per licence	1,580
Annual rent Year 1-3	A\$ per km ²	45.82
Annual rent Year 4	A\$ per km ²	38.67
Minimal annual expenditure Year 1-3	A\$ per km ²	324.96
Minimal annual expenditure Year 4	A\$ per km ²	243.72
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	2,000
BAC of average exploration licence	A\$ per km²	492
BAC of average exploration licence	A\$ per ha	4.92

Source: SRK Consulting

Table 11-4: Western Australia Prospecting Licence Base Acquisition Cost

Metric	Unit	Value
Average licence size	ha	126
Average licence age	Years	3.3
Application fee	A\$ per licence	374
Annual rent Year	A\$ per ha	3.00
Minimal annual expenditure Year	A\$ per ha	40.00
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	500
BAC of average prospecting licence	A\$ per km²	12,569
BAC of average prospecting licence	A\$ per ha	125.69

Source: SRK Consulting

To arrive at a value for each property, the valuer considers four key attributes, which either enhance or downgrade the BAC of each property. The technical factors considered are the:

- **off-property factor** – nearby properties containing physical indications of favourable mining conditions such as old workings and/or mines
- **on-property factor** – the property hosts favourable mining indications such as historic workings or mines. Importantly any mineralisation capable of supporting a Mineral Resource Estimate, compliant according to the guidelines of the JORC Code, will be assessed using other valuation methods
- **anomaly factor** – assesses the degree of exploration completed over the property and the number of resultant mineralised targets identified
- **geological factor** – assesses the area covered by and degree of exposure of favourable rock types and/or structures (if this is related to the mineralisation style being assessed) within the property.

These attributes are given incremental, fractional, or integer ratings to arrive at a series of multiplier factors. These multipliers are then applied sequentially to the BAC to estimate the technical value of the mineral property. This is adjusted for local market conditions to determine the Market Value of the project as at the effective Valuation Date. SRK's multipliers or ratings and the criteria for rating selection are summarised in Appendix B.

Based on this analysis (Appendix B), SRK estimates the current market is likely to pay between A\$5.1 M and A\$17.3 M, with a preferred value of A\$11.2 M for AIC's attributable interests in the Marymia tenements (Table 11-5).

Table 11-5: Geoscientific Rating value of Marymia tenements

Tenement	Area (km ²)	Interest (%)	Low (A\$)	High (A\$)	Preferred (A\$)
E52/2943	217	100%	214,000	901,000	558,000
E52/2944	232.5	100%	172,000	772,000	472,000

Tenement	Area (km ²)	Interest (%)	Low (A\$)	High (A\$)	Preferred (A\$)
E52/2945	114.7	100%	85,000	381,000	233,000
E52/2973	80.6	100%	268,000	793,000	531,000
E52/3027	217	100%	721,000	2,135,000	1,428,000
E52/3028	124	100%	122,000	515,000	319,000
E52/3029	58.9	100%	43,000	196,000	120,000
E52/3044	52.7	100%	52,000	219,000	136,000
E52/3154	55.8	100%	185,000	549,000	367,000
E52/3171	31	100%	23,000	103,000	63,000
E52/3190	142.6	100%	105,000	474,000	290,000
E52/3265	49.6	100%	49,000	206,000	128,000
E52/3317	62	100%	257,000	732,000	495,000
E52/3318	65.1	100%	80,000	324,000	202,000
E52/3319	21.7	100%	72,000	214,000	143,000
E52/3346	207.7	100%	460,000	1,533,000	997,000
E52/3368	58.9	100%	130,000	435,000	283,000
E52/3397	102.3	100%	425,000	1,208,000	817,000
E52/3455	127.1	100%	94,000	422,000	258,000
E52/3622	3.1	100%	2,000	10,000	6,000
E52/3623	3.1	100%	2,000	10,000	6,000
E52/3624	3.1	100%	2,000	10,000	6,000
E52/3648	139.5	100%	137,000	579,000	358,000
E52/3721	142.6	100%	395,000	1,263,000	829,000
E52/3743	31	100%	23,000	103,000	63,000
E52/3768	40.3	100%	50,000	201,000	126,000
E 69/3247	294.5	100%	652,000	2,173,000	1,413,000
P 52/1585	0.42	100%	8,000	36,000	22,000
E52/3068	37.2	80%	55,000	198,000	127,000
E52/3069	68.2	80%	101,000	362,000	232,000
E52/3320	6.2	80%	9,000	33,000	21,000
E52/3486	27.9	80%	41,000	148,000	95,000
E52/3487	9.3	80%	14,000	49,000	32,000
E52/3488	3.1	80%	5,000	16,000	11,000
E52/3489	3.1	80%	14,000	37,000	26,000
E52/3031	117.8	0%	-	-	-
Total	2,951.62		5,067,000	17,340,000	11,213,000

Source: SRK Consulting

Notes: Attributable Market Value

11.5 Multiples of Exploration Expenditure

Furthermore, SRK has also considered the MEE method as an additional crosscheck on the value of the exploration potential associated with AIC's Marymia tenements.

The MEE method is largely based on vendor psychology. It assumes that, where possible, vendors will seek a return on sunk investments and as a result, multipliers are used to estimate the possible market value (Onley 1994). Some valuers may also include warranted future committed expenditure in the calculations, thereby taking into account some of the acquirer's position. The process of establishing the replacement/retrospective value is relatively intuitive, however the potential future value of a project based on existing expenditure is somewhat ambiguous.

SRK then applied the Prospective Enhancement Multipliers (Table 11-6) to the historic and committed exploration expenditure to derive an estimated market value (Appendix C, summarised in Table 11-7). The historic expenditure from 2016 to 2020 provided by AIC was escalated to the date of valuation and added to committed exploration for 2021.

Table 11-6: MEE, Prospectivity Enhancement Multiplier (PEM) Factors

Range	Criteria
0.2–0.5	Exploration downgrades the potential. Relinquish recommended on technical grounds.
0.5–1.0	Exploration has maintained the potential. Scattered surface indications including regional mapping and rock chip results.
1.0–1.3	Exploration has slightly increased the potential with some encouraging surface results. Further exploration recommended on sound technical grounds.
1.3–1.5	Exploration has considerably increased the potential. Anomalous zones defined from geochemistry and/or geophysics.
1.5–2.0	Limited preliminary drilling intersected interesting mineralised intersections, not on adjacent sections.
2.0–2.5	Detailed drilling has defined targets with potential economic interest. Results can be linked between sections. Exploration Targets could be estimated.
2.5–3.0	A Mineral Resource has been estimated and reported at an Inferred category in compliance with the JORC Code. Further detailed drilling recommended to define or expand the Resource.

Source: Onley 1994

Note: PEM factors are applied to recent valid exploration expenditure

Based on this analysis (Appendix C), SRK estimates the current market is likely to pay between A\$9.8 M and A\$13.8 M, with a preferred value of A\$11.8 M for AIC's attributable interest in the Marymia tenements (Table 11-7).

Table 11-7: Multiples of Exploration Expenditure Value of Marymia tenements

Tenement	Area (km ²)	Interest (%)	Low A\$	High A\$	Preferred A\$
E52/2943	217	100%	723,213	1,343,111	1,033,162
E52/2944	232.5	100%	499,326	998,652	748,989
E52/2945	114.7	100%	262,537	525,073	393,805
E52/2973	80.6	100%	1,755,393	2,047,958	1,901,676

Tenement	Area (km ²)	Interest (%)	Low A\$	High A\$	Preferred A\$
E52/3027	217	100%	731,837	853,810	792,824
E52/3028	124	100%	406,510	754,947	580,728
E52/3029	58.9	100%	131,693	263,386	197,540
E52/3044	52.7	100%	179,112	332,637	255,874
E52/3154	55.8	100%	263,967	307,961	285,964
E52/3171	31	100%	99,137	198,273	148,705
E52/3190	142.6	100%	125,665	251,331	188,498
E52/3265	49.6	100%	71,809	133,359	102,584
E52/3317	62	100%	171,923	200,577	186,250
E52/3318	65.1	100%	166,187	193,884	180,035
E52/3319	21.7	100%	139,523	162,777	151,150
E52/3346	207.7	100%	490,763	572,556	531,659
E52/3368	58.9	100%	564,464	658,541	611,503
E52/3397	102.3	100%	1,276,932	1,489,754	1,383,343
E52/3455	127.1	100%	127,562	255,124	191,343
E52/3622	3.1	100%	14,460	28,920	21,690
E52/3623	3.1	100%	14,472	28,944	21,708
E52/3624	3.1	100%	17,443	34,887	26,165
E52/3648	139.5	100%	35,622	66,155	50,889
E52/3721	142.6	100%	58,107	67,791	62,949
E52/3743	31	100%	-	-	-
E52/3768	40.3	100%	-	-	-
E 69/3247	294.5	100%	1,128,378	1,316,441	1,222,409
P 52/1585	0.42	100%	3,794	7,588	5,691
E52/3068	37.2	80%	64,130	128,260	96,195
E52/3069	68.2	80%	189,848	379,695	284,771
E52/3320	6.2	80%	31,816	63,633	47,725
E52/3486	27.9	80%	41,105	82,209	61,657
E52/3487	9.3	80%	23,583	47,165	35,374
E52/3488	3.1	80%	9,202	18,404	13,803
E52/3489	3.1	80%	21,938	25,594	23,766
E52/3031	117.8	0%	-	-	-
Total	2,951.62		9,841,450	13,839,401	11,840,426

Source: SRK Consulting

Note: Attributable Market Value

11.6 Valuation summary of AIC exploration potential

SRK has not considered a market value for the Lamil Project, as AIC remains to complete the conditions of the earn-in agreement in order to acquire an interest in the project. SRK do not consider the ability of AIC to earn-in to the Lamil Project to have any material value.

Table 11-8 summarises SRK's estimate of the market value of AIC's interests in its Marymia copper exploration assets. In forming its views on value, SRK has used Comparable Transactions, Geoscientific Rating and MEE methods to determine an overall value range. SRK has also considered the previous valuation of the Marymia tenements as outlined in the 2019 Dunbar Report (refer Section 11.1) and previous transaction of the Marymia tenements between AIC Resources Ltd and Cosmopolitan Minerals (refer Section 11.2).

The preferred values implied by the Geoscientific Rating and MEE methods are higher than those of the Comparable Market transaction method by around 60%. The preferred value outlined in the 2019 Dunbar Report (A\$5.9 M) is also 20% lower than implied by the comparable market transaction. On this basis, SRK has selected the values implied by the comparable market transaction method as most appropriate and as such its preferred valuation method in this case.

On this basis, SRK estimates the attributable Market Value of AIC's Marymia exploration assets resides in the range A\$4.4 M to A\$10.2 M, with a preferred value of A\$7.3 M (Table 11-8).

Table 11-8: Valuation summary of AIC exploration assets

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions	4.4	10.2	7.3
Geoscientific rating	5.1	17.3	11.2
MEE	9.8	13.8	11.8
Selected Attributable Market Value	4.4	10.2	7.3

Source: SRK Consulting

Note: SRK has selected the comparable market transaction method as the preferred Market Value.

11.7 Discussion on Value Range

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with exploration assets.

The wide range in value is driven by the confidence limits placed around the size and quality of the mineral occurrences assumed to occur within each project area. Typically, this means that as exploration progresses and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained mineral and its potential to be extracted profitably.

Estimated confidence of plus or minus 60% to 100% or more are not uncommon for exploration areas and are within acceptable bounds given the level of uncertainty associated with early to advanced stage exploration assets. By applying narrower confidence ranges, one is actually implying a greater degree of certainty regarding these assets than may be the case in reality.

AIC's tenements are exploration assets in the early to advance stages of assessment. Therefore, there are significant uncertainties around their attributes. This results in a wide valuation range. Where possible, SRK has endeavoured to narrow its valuation range. In recognising this wide range, SRK has also indicated a preferred value for each tenement.

The preferred value can be the midpoint of the range unless there is a specific reason to choose a bias to either side of the midpoint, within the range.

Closure

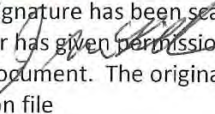
This ISR was prepared by a team operating under the supervision of:



srk consulting

Shaun Barry, BSc (Hons), MSc Eng, MAusIMM(CP), MRICS,
Principal Consultant (Project Evaluation)

and reviewed by



srk consulting

This signature has been scanned. The author has given permission to its use for this document. The original signature is held on file

Jeames McKibben, BSc (Hons), MBA, FAusIMM(CP), MAIG, MRICS, SME
Principal Consultant (Project Evaluation)

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

References

Market and Valuation

Department of Industry, Science, Energy and Resources, 2021, Resources and energy Quarterly, June 2021, Australian Government, WWW.INDUSTRY.GOV.AU/REQ

Onley P. 1994. Multiples of exploration expenditure as a basis for mineral valuation. Mineral Valuation Methodologies 1994 (VALMIN '94), pp. 191-197

Mining

AHA Logic for AIC Resources Pty Ltd, 2017, Aboriginal Heritage Due Diligence Report for the Marymia Project

AIC Mines Ltd, 2017, Replacement Prospectus, 2 November 2017

FMR, Eloise Copper Mine – Ground Control Management Plan, November 2020

FMR, Eloise Copper Mine – Information Memorandum, March 2019

FMR, Eloise Copper Mine – Hydrogeological Study, January 2013

FMR, Eloise Copper Mine – LOM Plan 2021

FMR, 09.10.01 Eloise Pumping Circuit 21-02-13

FMR, 02.01 ECM Budget_FY2021_22 Final

FMR, ECM Monthly management reports April 2020 to May 2021

FMR, Risk Assessment and Risk Management Plan – Standard Work Procedure OHS_COR_PRO_03, April 2018

FMR, 09.05.14 Z250 SLC Reconciliation 200527v4 (002)

FMR, 2018 Eloise Water Plan

FMR, 7.2.4 Eloise Mining Cost KPI's

AIC Mines Ltd, AIC_Model_20210627

AIC Mines Ltd, AIC LOM Plan

AIC Mines Ltd, AIC_Eloise_Drill_planning_20210627

AIC Mines Ltd, Eloise_JORC_Code_Table_1_20210627

Processing

1.23.01 Eloise Financials – June 20 to May 21.xlsx

04.23.01 Eloise Monthly Report – June 20 to May 21.xlsx

04.23.02 Eloise Maintenance Report – June 20 to May 21.xlsx

11.03.01 2018 Flowsheet.xlsx

11.05.08 ECM Met Accounting FY21.xlsx

Geology

Derrick, G.M., Wilson, I.H., and Hill, R.M., 1976. Revision of stratigraphic nomenclature in the Precambrian of northwest Queensland, V: Soldiers Cap Group, Queensland Government Mining Journal, 77:15-23.

Gazley, Michael. (2021). Metamorphism, geochronology and stratigraphy of an amphibolite-facies greenstone-hosted gold deposit: Plutonic Gold Mine, Marymia Inlier, Western Australia. PhD thesis submitted to Victoria University of Wellington, p. 177

Hodkinson, I., Grimsley, E., and Baensch, A., 2003. Eloise Copper Mine Geology - Back to Basics. 5th International Mining Geology Conference, pp. 139 -146.

Johnson, S. P., Thorne A. M., Tyler I. M., Korsch R. J., Kennett B. L. N., Cutten H. N., Goodwin J., Blay O., Blewett R. S., Joly A., Dentith M. C., Aitken R. A., Holzschuh J., Salmon M., Reading A., Heinson G., Boren G., Rossj., Costelloe R. D. And Fomin, T., 2013. Crustal architecture of the Capricorn Orogen, Western Australia and associated metallogeny. Australian Journal of Earth Sciences, 60, pp. 681–705,

Meakin, A., 2018. Unpublished company report. R370.2018 FMRMRE01 Eloise Mineral Resource estimate - FINAL with appendices.pdf, FMR-AIC dataroom.

Meakin, A., 2019. Unpublished company report. 02.04.05.05.05 R160.2019 Eloise MRE update - Feb.PDF, FMR-AIC dataroom

Sheppard S., Fletcher I.R., Rasmussen B, Zi J-W., Muhling J.R., Occhipinti S.A., Wingate M.T.D., Johnson S.P., 2016. A new Paleoproterozoic tectonic history of the eastern Capricorn Orogen, Western Australia, revealed by U-Pb zircon dating of micro-tuffs. P Precamb. Res. 286, pp. 1-19

Vielreicher, N. M., and Mcnaughton, N., 2002. SHRIMP U-Pb geochronology of magmatism and thermal events in the Archaean Marymia Inlier, central Western Australia. International Journal of Earth Sciences, 91, pp. 406-432

Vielreicher N M, Ridley J R, Groves D I 2002. Marymia: an Archean, Amphibolite facies-hosted, orogenic lode-Gold deposit overprinted by Paleoproterozoic orogenesis and base metal mineralisation, Western Australia: in Mineralium Deposita v37 pp 737-764

WAMEX exploration reports:

a019218 Western Mining Corporation Limited, 1986. Terminal Report for “Red Bore East” for the period 21 August 1985 to 30 June 1986. WA DMP WAMEX Report no: a019218

a033216 Great Central Mines, 1991. Annual report for “Peak Hill” for the period 15 January 1990 to 16 January 1991. WA DMP WAMEX Report no: a033216

a033219 Great Central Mines, 1991. Annual report for “Peak Hill” for the period 26 February 1990 to 27 February 1991. WA DMP WAMEX Report no: a033219

a033615 Johnsons Well Mining NL, 1991. Exploration Licenses for “Copper Hills Joint Venture” for the period 19 April 1990 to 18 April 1991. WA DMP WAMEX Report no: a033615

- a034191 Great Central Mines, 1991. Annual report for “Plutonic North Joint Venture” for the period 5 July 1990 to 4 July 1991. WA DMP WAMEX Report no: a034191
- a035172 Great Central Mines N.L., 1992. Annual report for “Marymia West” for the period 17 January 1991 to 16 January 1992. WA DMP WAMEX Report no: a035172
- a035536 Marymia Exploration N.L., 1992. Annual report for “Curara Well Gold Project” for the period March 1992 to March 1993. WA DMP WAMEX Report no: a035536
- a036993 Great Central Mines 1992; Exploration Licences E52/562-580 (inclusive) “Greater Plutonic Project” Annual Report for the period 22 October 1991 to 21 October 1992. WA DMP WAMEX Report no: a036993
- a036993 Great Central Mines, 1992. Annual report for “Greater Plutonic Project” for the period 22 October 1991 to 21 October 1992. WA DMP WAMEX Report no: a036993
- a037356 Great Central Mines, 1992. Annual report for “Anomaly E1” for the period 24 October 1991 to 23 October 1992. WA DMP WAMEX Report no: a037356
- a039404 Marymia Exploration N.L., 1993. Annual report for “Curara Well Gold Project” for the period March 1992 to March 1993. WA DMP WAMEX Report no: a039404
- a040470 Great Central Mines 1994 Exploration Licences E25/413, 414, 415 “Marymia West” Annual Report for the period 17 January 1993 to 16 January 1994. WA DMP WAMEX Report No: a040470
- a040470 Great Central Mines, 1994. Annual report for “Marymia West” for the period 17 January 1993 to 16 January 1994. WA DMP WAMEX Report no: a040470
- a043212 Plutonic Operations Limited, 1995. Annual report for “Plutonic North” for the period 14 October 1993 to 13 October 1994. WA DMP WAMEX Report no: a043212
- a047126 Great Central Mines, 1996. Annual report for “Greater Nabberu” for the period 1 January 1995 to 31 December 1995. WA DMP WAMEX Report no: a047126
- a050295 Great Central Mines, 1997. Annual report for “Nabberu Belt” for the period 01 January 1996 to 31 December 1996. WA DMP WAMEX Report no: a050295
- a050295 Great Central Mines, 1997. Annual report for “Nabberu Belt” for the period 1 January 1996 to 31 December 1996. WA DMP WAMEX Report no: a050295
- a054416 Astro Mining N.L., 1998. Annual report for “Nabberu Project” for the period 02 January 1997 to 1 January 1998. WA DMP WAMEX Report no: a054416
- a054416 Astro Mining N.L., 1998. Annual report for “Nabberu Project” for the period 2 January 1997 to 1 January 1996. WA DMP WAMEX Report no: a054416
- a058969 Astro Mining N.L., 1999. Surrender report for “Nabberu” for the period ending 23 March 1999. WA DMP WAMEX Report no: a058969
- a091436 Thundelarra Exploration 2011a, Annual Technical Report. Marymia Project, Doolgunna, Harry Bore E52/2262 for the period 22 July 2010 to 21 July 2011./ WA DMP WAMEX Report a091436

- a095447 Thundellarra Exploration 2012, Annual Technical Report. Marymia Project, Doolgunna, Harry Bore E52/2261 for the period 1 September 2011 to 31 August 2012 WA DMP WAMEX Report a095447
- a096094 Thundellarra Exploration 2011b, Annual and Final Report "Marymia Project" E52/2262 for the period 22 July 2010 to 7 September 2012 Peak Hill Mineral Field Western Australia. WA DMP WAMEX Report no: a096094
- a110421 Cosmopolitan Minerals, 2016. Annual report for "Three Rivers" for the period 20 October 2015 to 19 October 2016. WA DMP WAMEX Report no: a110421
- a114238 AIC Resources Limited, 2017. Annual report for "Bryah Project" for the period 13 May 2016 to 12 May 2017. WA DMP WAMEX Report no: a114238
- a114245 AIC Mines Limited, 2017. Annual report for C81/2016 "Marymia Project" for the period 15 May 2016 to 14 May 2017. WA DMP WAMEX Report no: a114245
- a114260 AIC Resources Limited, 2017. Annual report for "Jubilee Well" for the period 16 June 2016 to 15 June 2017. WA DMP WAMEX Report no: a114260
- a115009 AIC Resources Limited, 2017. Annual report for "Thadoona" for the period 25 July 2016 to 26 July 2017. WA DMP WAMEX Report no: a115009
- a116367 AIC Resources Limited, 2018. Annual report for "Beyondie Project" for the period 1 January 2017 to 31 December 2018. WA DMP WAMEX Report no: a116367
- a116829 AIC Mines Limited 2018, Annual report for C81/2016 "Marymia Project" for the period 15 May 2017 to 14 May 2018. WA DMP WAMEX Report no: a116829
- a117044 AIC Resources Limited, 2018. Annual report for "Jubilee Well" for the period 16 June 2017 to 15 June 2018. WA DMP WAMEX Report no: a117044
- a117485 AIC Resources Limited, 2018. Annual report for "Thadoona" for the period 27 July 2017 to 26 August 2018. WA DMP WAMEX Report no: a117485
- a119455 AIC Resources Limited 2019. Annual report for "Curara Well" for the period 1 January 2018 to 31 December 2018. WA DMP WAMEX Report no: a119455
- a119488 Ausgold Exploration Pty Ltd, 2019. Co-funded drilling final report for the period 5 September 2018 to 29 March 2019. WA DMP WAMEX Report no: a119488
- a119638 Venus Metals Corporation Limited 2019. Annual report for "Curara Well" for the period 1 January 2018 to 31 December 2018. WA DMP WAMEX Report no: a119455
- a120439 AIC Mines Limited 2019, Annual report for C81/2016 "Marymia Project" for the period 15 May 2018 to 14 May 2019. WA DMP WAMEX Report no: a120439
- a120533 AIC Resources Limited, 2019. Annual report for "Jubilee Well" for the period 16 June 2018 to 15 June 2019. WA DMP WAMEX Report no: a120533
- a120703 AIC Resources Limited, 2019. Annual report for "Thadoona" for the period 27 July 2018 to 26 July 2019. WA DMP WAMEX Report no: a120703

- a120703 AIC Resources Limited, 2019. Annual report for “Thadoona” for the period 27 July 2018 to 26 July 2019. WA DMP WAMEX Report no: a120703
- a123075 AIC Mines Limited 2020. Annual report for “Curara Well” for the period 1 January 2019 to 31 December 2019. WA DMP WAMEX Report no: a123075
- a123111 AIC Resources Limited, 2019. Annual report for “Beyondie Project” for the period 1 January 2018 to 31 December 2019. WA DMP WAMEX Report no: a123111
- a124538 AIC Resources Limited, 2020. Annual report for “Bryah Project” for the period 13 May 2019 to 12 May 2020. WA DMP WAMEX Report no: a124538
- a124543 AIC Mines Limited 2020, Annual report for C81/2016 “Marymia Project” for the period 15 May 2019 to 14 May 2020. WA DMP WAMEX Report no: a124543
- a125155 AIC Mines Limited 2020, Annual Report for E45.5721 “Lamil” for the period 13 August 2019 to 12 August 2020. WA DMP WAMEX Report no: a125155
- a126615 AIC Mines Limited Venus Metal Corporation Limited, 2021. Annual report for “Curara Well” for the period 5 January 2020 to 4 January 2021. WA DMP WAMEX Report no: a126615

Environment and permitting

- AARC Environmental Solutions, 2017. Eloise Copper Mine Environmental Monitoring Manual, 18 February 2017.
- AARC Environmental Solutions, 2018. Eloise Copper Mine – Plan of Operations, 9 April 2018.
- AARC Environmental Solutions, 2019. Eloise Copper Mine – Draft Third Party Audit Report, December 2019.
- ATC Williams, 2020. Eloise Copper Mine – 2019 Annual Inspection Report for Regulated Dams, 22 June 2020.
- AustralAsian Resource Consultants 2013a. Environmental Risk Management Plan, prepared for FMR Investments Pty Ltd for the Eloise Copper Mine, April 2013.
- AustralAsian Resource Consultants 2013b. Environmental Risk Assessment, prepared for FMR Investments Pty Ltd for the Eloise Copper Mine, September 2013.
- FMR Investments, 2019a. Eloise Water Management Plan Internal Review, 1 May 2019.
- FMR Investments, 2019b. Eloise Copper Mine – Confidential Information Memorandum, March 2019.
- FMR Investments, 2019c. Eloise Borefield Monitoring Report, FY2019 (July 2018 – June 2019).
- FMR Investments, 2019d. Annual return for EPML00818113 for the period 1 January 2019 to 31 December 2019, 15 November 2019.
- FMR Investments, 2020. Eloise Copper Mine – Annual Groundwater Monitoring Analysis, 1 March 2020.
- Hydrogeologist.com.au, 2020. Eloise borefield performance review report, project number 4066, 17 November 2020.

Appendix A Comparable Market Transactions

Australian comparable development and operating mine transactions

Transaction date	Project	Buyer	Seller	State	Normalised implied value (A\$/Cu eq t)
18 April 2013	Leichhardt Copper Operation	Unspecified Company or Entity	Cape Lambert Resources Limited (Operator) - 100.0%	QLD	279.01
2 June 2013	Barbara South Copper Deposit	Washington H. Soul Pattinson & Company Limited	Syndicated Metals Limited (Operator) - 100.0%	NSW	156.35
3 June 2013	Leichardt West Copper/Gold Project	Syndicated Metals Limited	Orbis Gold Limited - 41.3%	QLD	115.22
26 July 2013	Northparkes	China Molybdenum Co., Ltd.	Rio Tinto plc	NSW	670.47
6 December 2013	Nanadie Well	Mithril Resources Ltd	Intermin Resources Ltd	WA	52.05
7 July 2014	Rookwood property	Zenith Minerals Limited	Fitzroy Resources Limited	QLD	18.07
14 December 2015	Mt Gunson project	Torrens Mining Limited	Strandline Resources Limited	SA	3.90
17 December 2015	Wee MacGregor	Cape Lambert Resources Limited	Caeneus Minerals Ltd.	QLD	76.68
13 September 2016	Develin Creek property	Zenith Minerals Limited	4DS Memory Limited	QLD	3.20
30 December 2016	Golden Grove mine	EMR Capital Group	MMG Limited	WA	406.53
17 February 2017	Tottenham project	Bacchus Resources Pty Ltd.	Mincor Resources NL	NSW	45.17
24 April 2017	Barbara Copper project	Washington H. Soul Pattinson and Company Limited	Syndicated Metals Limited	QLD	94.81
14 June 2017	Stockman project	Washington H. Soul Pattinson and Company Limited	Independence Group NL	VIC	77.69
25 January 2018	Leigh Creek project	Strategic Minerals Plc	Resilience Mining Australia Limited	SA	183.91
4 June 2018	Portia and North Portia projects	E B Mawson & Sons Pty Ltd	Havilah Resources Limited	SA	124.57
2 August 2019	Rover project	Westgold Resources Limited	Andromeda Metals Limited	NT	2.84
14 July 2020	Nanadie well project	Cyprium Metals Limited	Horizon Minerals Limited	WA	12.58
21 July 2020	Whim Creek project	Anax Metals Limited	Venturex Resources Limited	WA	38.92
27 July 2020	Mallee Bull project	Peel Mining Limited	CBH Resources Limited	NSW	254.17

Transaction date	Project	Buyer	Seller	State	Normalised implied value (A\$/Cu eq t)
6 April 2021	Grasmere project	Odin Metals Limited	Ausmon Resources Limited	NSW	8.62

Source: S&P Global, SRK Consulting

Australian comparable early stage copper exploration transactions

Transaction date	Project	Buyer	Seller	State	Normalised implied value (A\$/km ²)
23 May 2019	Copper Dome project	Rockfire Resources PLC	Symbolic Resources Pty Ltd.	QLD	2,622
4 September 2019	Gorge Creek project	Traka Resources Limited	Cobalt QLD Pty Ltd.	QLD	13,518
19 September 2019	Cashman tenements	Sandfire Resources Limited	Auris Minerals Limited	WA	1,742
11 October 2019	Belgravia project	Krakatoa Resources Limited	Locksley Holdings Pty. Ltd.	NSW	15,424
13 November 2019	Sandiman project	Cobre Limited	GTTS Generations Pty Ltd.	WA	1,086
18 November 2019	Mt Macpherson project	Avira Resources Limited	Mount Macpherson Pty Ltd	WA	2,852
27 November 2019	E52/1671 & E52/1659	Westgold Resources Limited	Fe Limited	WA	12,895
18 December 2019	Musgrave project	Cassini Resources Limited	Traka Resources Limited	WA	193
17 January 2020	E20/948	Scorpion Minerals Limited	Element 25 Limited	WA	526
19 March 2020	Six exploration licenses	Kincora Copper Limited	RareX Limited	NSW	1,056
16 April 2020	Barraba project	Comet Resources Limited	Private investor - Jonothan Downes	NSW	21,024
14 May 2020	Flinders project	Taruga Minerals Limited	Undisclosed sellers	SA	5,339
11 June 2020	EPM 14955 and 17805	Rio Tinto	ActivEX Limited	QLD	448
26 June 2020	Koojan project	Lachlan Star Limited	Coobaloo Minerals Pty Ltd	WA	4,001
12 October 2020	Halls Creek project	Cazaly Resources Limited	3D Resources Limited	WA	18,277
27 October 2020	EL 6549	Rio Tinto	Renascor Resources Limited	SA	1,188
20 November 2020	Alford East project	Thor Mining PLC	Spencer Metals Pty Ltd	SA	2,226

Transaction date	Project	Buyer	Seller	State	Normalised implied value (A\$/km ²)
24 November 2020	Eastman tenement	Peako Limited	Sandrib Pty Ltd.	WA	2,373
15 December 2020	Highlands Tenements	Larvotto Resources Ltd	Minotaur Exploration Limited	QLD	1,191
28 January 2021	Horseshoe tenements	Kopore Metals Limited	Horseshoe Metals Limited	WA	2,672
16 February 2021	Black Range project	Resource Base Limited	Navarre Minerals Limited	VIC	14,526
18 February 2021	Koonenberry project	Odin Metals Limited	Peel Mining Limited	NSW	638
25 February 2021	Templeton & mingera epms	South32 Limited	Pegmont Mines Limited	QLD	8,525
9 March 2021	E52/3739	Star Minerals Limited	Bryah Resources Limited	WA	3,682
24 March 2021	Ravenswood project	Sunshine Gold Limited	Stavely Minerals Limited	QLD	1,111
1 April 2021	E08/3030 tenement	Techgen Metals Ltd	Private investor - Mr. Ashley Hood	WA	1,062
11 May 2021	Portfolio of projects	Comet Resources Limited	Bath Resources Pty Ltd.	NT	1,102
22 June 2021	Russell project	Battery Minerals Limited	iCopper Pty Ltd	WA	10,266
23 June 2021	Flanagans project	Bindi Metals Limited	Zenith Minerals Limited	QLD	7,241

Sources: S&P Global, SRK Consulting

Appendix B Geoscientific Rating valuation method

Geoscientific Rating multiplier table

Factor	Off Property Factors	On Property Factors	Anomaly Factors	Geological Factors
0.1				Generally unfavourable lithology
0.2				Generally unfavourable lithology with structure
0.3				Generally unfavourable lithology (10% - 20%)
0.4				
0.5			Extensive previous exploration gave poor results	Alluvium covered, generally favourable lithology (50%)
0.6				
0.7				
0.8				
0.9				Generally favourable lithology (50%)
1.0	No mineralisation in district	No known mineralisation	No targets outlined	Generally favourable lithology (70%)
1.5	Minor workings	Minor workings		Generally favourable lithology
2.0	Several old workings	Several old workings	Several well defined targets	Favourable lithology with structures or mineralised zones
2.5	Abundant workings	Abundant workings		Favourable lithology with structures or mineralised zones
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Several significant subeconomic intersections	Favourable lithology with structures along strike of a major mine
3.5	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production		
4.0				
5.0	Along strike significant mine(s) with production / reserves	Major mine with significant historical production	Several significant ore grade correlatable intersections	
10.0				World class mine

Marymia												Technical Value			Market	Appli-	Market Value		
Lease	Area	BAC \$/km ²	Share	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred	Factor	cation	Lower	Upper	Preferred
E 52/2943	217.0 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.0	2.5	1.0	1.5	\$214,000	\$901,000	\$557,500	1	1	\$214,000	\$901,000	\$558,000
E 52/2944	232.5 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$172,000	\$772,000	\$472,000	1	1	\$172,000	\$772,000	\$472,000
E 52/2945	114.7 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$85,000	\$381,000	\$233,000	1	1	\$85,000	\$381,000	\$233,000
E 52/2973	80.6 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.0	2.5	1.5	2.0	\$268,000	\$793,000	\$530,500	1	1	\$268,000	\$793,000	\$531,000
E 52/3027	217.0 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.0	2.5	1.5	2.0	\$721,000	\$2,135,000	\$1,428,000	1	1	\$721,000	\$2,135,000	\$1,428,000
E 52/3028	124.0 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.0	2.5	1.0	1.5	\$122,000	\$515,000	\$318,500	1	1	\$122,000	\$515,000	\$319,000
E 52/3029	58.9 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$43,000	\$196,000	\$119,500	1	1	\$43,000	\$196,000	\$120,000
E 52/3044	52.7 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.0	2.5	1.0	1.5	\$52,000	\$219,000	\$135,500	1	1	\$52,000	\$219,000	\$136,000
E 52/3154	55.8 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.0	2.5	1.5	2.0	\$185,000	\$549,000	\$367,000	1	1	\$185,000	\$549,000	\$367,000
E 52/3171	31.0 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$23,000	\$103,000	\$63,000	1	1	\$23,000	\$103,000	\$63,000
E 52/3190	142.6 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$105,000	\$474,000	\$289,500	1	1	\$105,000	\$474,000	\$290,000
E 52/3265	49.6 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.0	2.5	1.0	1.5	\$49,000	\$206,000	\$127,500	1	1	\$49,000	\$206,000	\$128,000
E 52/3317	62.0 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.5	3.0	1.5	2.0	\$257,000	\$732,000	\$494,500	1	1	\$257,000	\$732,000	\$495,000
E 52/3318	65.1 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.5	3.0	1.0	1.5	\$80,000	\$324,000	\$202,000	1	1	\$80,000	\$324,000	\$202,000
E 52/3319	21.7 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.0	2.5	1.5	2.0	\$72,000	\$214,000	\$143,000	1	1	\$72,000	\$214,000	\$143,000
E 52/3346	207.7 km ²	\$492	100%	1.0	1.5	1.5	2.0	2.0	2.5	1.5	2.0	\$460,000	\$1,533,000	\$996,500	1	1	\$460,000	\$1,533,000	\$997,000
E 52/3368	58.9 km ²	\$492	100%	1.0	1.5	1.5	2.0	2.0	2.5	1.5	2.0	\$130,000	\$435,000	\$282,500	1	1	\$130,000	\$435,000	\$283,000
E 52/3397	102.3 km ²	\$492	100%	1.5	2.0	1.5	2.0	2.5	3.0	1.5	2.0	\$425,000	\$1,208,000	\$816,500	1	1	\$425,000	\$1,208,000	\$817,000
E 52/3455	127.1 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$94,000	\$422,000	\$258,000	1	1	\$94,000	\$422,000	\$258,000
E 52/3622	3.1 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,000	\$10,000	\$6,000	1	1	\$2,000	\$10,000	\$6,000
E 52/3623	3.1 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,000	\$10,000	\$6,000	1	1	\$2,000	\$10,000	\$6,000
E 52/3624	3.1 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,000	\$10,000	\$6,000	1	1	\$2,000	\$10,000	\$6,000
E 52/3648	139.5 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.0	2.5	1.0	1.5	\$137,000	\$579,000	\$358,000	1	1	\$137,000	\$579,000	\$358,000
E 52/3721	142.6 km ²	\$492	100%	1.0	1.5	1.5	2.0	2.5	3.0	1.5	2.0	\$395,000	\$1,263,000	\$829,000	1	1	\$395,000	\$1,263,000	\$829,000
E 52/3743	31.0 km ²	\$492	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$23,000	\$103,000	\$63,000	1	1	\$23,000	\$103,000	\$63,000
E 52/3768	40.3 km ²	\$492	100%	1.0	1.5	1.0	1.5	2.5	3.0	1.0	1.5	\$50,000	\$201,000	\$125,500	1	1	\$50,000	\$201,000	\$126,000
E 69/3247	294.5 km ²	\$492	100%	1.0	1.5	1.5	2.0	2.0	2.5	1.5	2.0	\$652,000	\$2,173,000	\$1,412,500	1	1	\$652,000	\$2,173,000	\$1,413,000
P 52/1585	0.4 km ²	\$12,569	100%	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$8,000	\$36,000	\$22,000	1	1	\$8,000	\$36,000	\$22,000
E 52/3068-I	37.2 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$55,000	\$198,000	\$126,500	1	1	\$55,000	\$198,000	\$127,000
E 52/3069-I	68.2 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$101,000	\$362,000	\$231,500	1	1	\$101,000	\$362,000	\$232,000
E 52/3320-I	6.2 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$9,000	\$33,000	\$21,000	1	1	\$9,000	\$33,000	\$21,000
E 52/3486	27.9 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$41,000	\$148,000	\$94,500	1	1	\$41,000	\$148,000	\$95,000
E 52/3487	9.3 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$14,000	\$49,000	\$31,500	1	1	\$14,000	\$49,000	\$32,000
E 52/3488	3.1 km ²	\$492	80%	2.5	3.0	1.0	1.5	1.5	2.0	1.0	1.5	\$5,000	\$16,000	\$10,500	1	1	\$5,000	\$16,000	\$11,000
E 52/3489	3.1 km ²	\$492	80%	2.5	3.0	1.5	2.0	2.0	2.5	1.5	2.0	\$14,000	\$37,000	\$25,500	1	1	\$14,000	\$37,000	\$26,000
E 52/3031	117.8 km ²	\$492	0%	2.5	3.0	1.5	2.0	2.5	3.0	1.5	2.0	\$0	\$0	\$0	1	1	\$0	\$0	\$0
												\$5,067,000	\$17,340,000	\$11,203,500			\$5,067,000	\$17,340,000	\$11,213,000

Appendix C Multiples of Exploration Expenditure

Tenement	Area (km ²)	Interest (%)	Escalated Historic and Committed Expenditure (A\$)	Low	High	Preferred	Low (A\$)	High (A\$)	Preferred (A\$)
E52/2943	217	100%	1,033,162	0.70	1.30	1.00	723,213	1,343,111	1,033,162
E52/2944	232.5	100%	998,652	0.50	1.00	0.75	499,326	998,652	748,989
E52/2945	114.7	100%	525,073	0.50	1.00	0.75	262,537	525,073	393,805
E52/2973	80.6	100%	1,462,827	1.20	1.40	1.30	1,755,393	2,047,958	1,901,676
E52/3027	217	100%	609,864	1.20	1.40	1.30	731,837	853,810	792,824
E52/3028	124	100%	580,728	0.70	1.30	1.00	406,510	754,947	580,728
E52/3029	58.9	100%	263,386	0.50	1.00	0.75	131,693	263,386	197,540
E52/3044	52.7	100%	255,874	0.70	1.30	1.00	179,112	332,637	255,874
E52/3154	55.8	100%	219,972	1.20	1.40	1.30	263,967	307,961	285,964
E52/3171	31	100%	198,273	0.50	1.00	0.75	99,137	198,273	148,705
E52/3190	142.6	100%	251,331	0.50	1.00	0.75	125,665	251,331	188,498
E52/3265	49.6	100%	102,584	0.70	1.30	1.00	71,809	133,359	102,584
E52/3317	62	100%	143,269	1.20	1.40	1.30	171,923	200,577	186,250
E52/3318	65.1	100%	138,489	1.20	1.40	1.30	166,187	193,884	180,035
E52/3319	21.7	100%	116,269	1.20	1.40	1.30	139,523	162,777	151,150
E52/3346	207.7	100%	408,969	1.20	1.40	1.30	490,763	572,556	531,659
E52/3368	58.9	100%	470,387	1.20	1.40	1.30	564,464	658,541	611,503
E52/3397	102.3	100%	1,064,110	1.20	1.40	1.30	1,276,932	1,489,754	1,383,343
E52/3455	127.1	100%	255,124	0.50	1.00	0.75	127,562	255,124	191,343
E52/3622	3.1	100%	28,920	0.50	1.00	0.75	14,460	28,920	21,690
E52/3623	3.1	100%	28,944	0.50	1.00	0.75	14,472	28,944	21,708
E52/3624	3.1	100%	34,887	0.50	1.00	0.75	17,443	34,887	26,165
E52/3648	139.5	100%	50,889	0.70	1.30	1.00	35,622	66,155	50,889
E52/3721	142.6	100%	48,422	1.20	1.40	1.30	58,107	67,791	62,949
E52/3743	31	100%	-				-	-	-

Tenement	Area (km ²)	Interest (%)	Escalated Historic and Committed Expenditure (A\$)	Low	High	Preferred	Low (A\$)	High (A\$)	Preferred (A\$)
E52/3768	40.3	100%	-				-	-	-
E 69/3247	294.5	100%	940,315	1.20	1.40	1.30	1,128,378	1,316,441	1,222,409
P 52/1585	0.42	100%	7,588	0.50	1.00	0.75	3,794	7,588	5,691
E52/3068	37.2	80%	160,325	0.50	1.00	0.75	64,130	128,260	96,195
E52/3069	68.2	80%	474,619	0.50	1.00	0.75	189,848	379,695	284,771
E52/3320	6.2	80%	79,541	0.50	1.00	0.75	31,816	63,633	47,725
E52/3486	27.9	80%	102,761	0.50	1.00	0.75	41,105	82,209	61,657
E52/3487	9.3	80%	58,956	0.50	1.00	0.75	23,583	47,165	35,374
E52/3488	3.1	80%	23,005	0.50	1.00	0.75	9,202	18,404	13,803
E52/3489	3.1	80%	22,852	1.20	1.40	1.30	21,938	25,594	23,766
E52/3031	117.8	0%	1,293,909				-	-	-
Total	2,951.62						9,841,450	13,839,401	11,840,426

Sources: SRK Consulting, AIC Mines Ltd

Appendix D JORC Code (2012) Table 1 – Marymia, Lamil and Eloise Projects

Marymia Project

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary																		
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- A summary of the sampling conducted at the Marymia project consists of:<table><tr><th>Sample Type</th><th>Quantity</th></tr><tr><td>Soils/Streams</td><td>15,004</td></tr><tr><td>Rock</td><td>1,531</td></tr><tr><td>Termite</td><td>3,899</td></tr><tr><td>Lag</td><td>58</td></tr><tr><td>Aircore</td><td>0</td></tr><tr><td>RC</td><td>10,582</td></tr><tr><td>DDH</td><td>1,336</td></tr><tr><td>Total</td><td>32,410</td></tr></table> - Surface sampling programs conducted over the period 2018 to 2021 included the collection of soils, stream sediments, termite mounds, lag samples, rock chip and costean samples. - Soil and lag samples were considered representative of the regolith, material type taken at each collection point. The sample collection point and depth varied as a function of the regolith and care was taken to exclude any surface vegetation. Up to 300g samples were sieved using aluminium sieves at appropriate particle fraction sizes. - Rock chips samples were collected from surface outcrop using a geological hammer directly into calico bags. - Costean samples, up to 2m deep, were collected by a handheld jackhammer at 0.5 metre intervals. The sample orientation was representative of the orientation of the geological horizon. - Orientation studies were conducted to determine the most appropriate sampling medium and assay technique. - Drill sampling was conducted by AIC Mines between 2018 to 2021. Sampling from all Reverse Circulation (RC) and Diamond core (DDH) drilling was completed to industry standards. RC Samples - RC holes were sampled as either 1m individual samples or composited up to 3 – 4 metre intervals. In all programs the 1 metre field residue samples were retained in green bags at the drill site. Sample weights varied between 4-10kg due as a function of interval length and lithology. - At the Two Pools, Marymia NE samples were collected at 1m intervals and at 4G Hill prospects, samples were composited up to 4 metre intervals directly off the drill rigs splitter. At Doolgunna, all pre-collars were composited by spear sampling into 3 metre intervals. - On return of final assays, if any composite sample returned a significant assay, each individual 1 metre field residue sample was resampled through a riffle splitter and submitted to the Principal Laboratory for gold, copper and multi element determination.	Sample Type	Quantity	Soils/Streams	15,004	Rock	1,531	Termite	3,899	Lag	58	Aircore	0	RC	10,582	DDH	1,336	Total	32,410
Sample Type	Quantity																			
Soils/Streams	15,004																			
Rock	1,531																			
Termite	3,899																			
Lag	58																			
Aircore	0																			
RC	10,582																			
DDH	1,336																			
Total	32,410																			

Criteria	JORC Code explanation	Commentary												
		DDH Samples - DDH core was transferred to core trays and was metre marked prior to logging and sampling. - Sample intervals were generally of 1 m length, with some occasional changes varying from 0.3 metre's to honour geological zones of interest (lithology or grade) as identified by the geologist. Samples were collected from half core. Principal Laboratory Sample Preparation - At receipt at the Primary Laboratory all samples were scanned and reconciled prior to sample preparation. - All primary samples were dried and then crushed to a particle size of 80% passing 2mm. Up to 3.5 kg sub samples were collected using a rotary splitter device (RSD). - The primary sample was then pulverised to a particle size of 90% passing 75µm, with up to 250g scooped sampled into a pulp packet. - For gold determination up to a 50g charge was collected from the pulp packet and for multi element determination up to a 0.2g sub sample was collected. QAQC - AIC Mines independent QAQC procedure comprised of the insertion of 2 CRM's, 2 blank samples and 2 duplicates every 100 samples. - The Principal Laboratory's QAQC procedure comprised the insertion and assaying of standards, blanks and duplicates.												
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- AIC Mines conducted drilling between 2018 to 2021. The drill types comprised of: <table border="1"> <thead> <tr> <th>Sample Type</th><th>Holes</th><th>Metres</th></tr> </thead> <tbody> <tr> <td>RC</td><td>69</td><td>12,801</td></tr> <tr> <td>DDH</td><td>8</td><td>2,467</td></tr> <tr> <td>Total</td><td>77</td><td>14, 452</td></tr> </tbody> </table> - Marymia, Two Pools and Marymia NE – in the December 2018 quarter, 46 RC holes for a total of 4,694 metres were completed by Strike Drilling using a truck mounted LC36 (KWL 700) rig with an auxiliary booster. The samples were collected via a 4 1/2 " drill pipe and face hammer. This program targeted gold mineralisation. - Marymia, 4G Hill - in the June 2020 quarter, 13 RC holes for a total of 1,294m was completed by Strike Drilling using truck mounted LC36 (KWL 700) drill rig, samples were collected via a 4 1/2 " drill pipe and face hammer. This program targeted gold mineralisation. - Curara Well Project JV - In the June 21 quarter, 8 RC holes for a total of 586m was completed by a truck mounted RC rig, samples were collected via a 4 1/2 " drill pipe and face hammer. This program targeted copper - gold mineralisation. - Doolgunna JV - In December 18 quarter, eight holes were drilled for a total of 2,467.4m, including 735.7m of RC pre-collaring and 1,731.7m of HQ diameter diamond coring. Drilling was carried out by DDH1 Drilling Pty Ltd, using a Sandvik 1200 multi-purpose truck mounted drill rig with auxiliary compressor and booster. The DDH core was drilled by standard tube methods and was placed in full depth plastic core trays with wooden core blocks marking depth of each core run. Core trays were marked with drill hole number, from – to depths and the tray number. Core was not oriented. Down hole surveys were completed every 50 metres. This program targeted copper - gold mineralisation. - In all RC drilling, samples were dry, however if wet/damp it was recorded on the log. The drill rig cyclone and splitter were cleaned after every rod (6m) with a thorough clean being undertaken at the end of each hole.	Sample Type	Holes	Metres	RC	69	12,801	DDH	8	2,467	Total	77	14, 452
Sample Type	Holes	Metres												
RC	69	12,801												
DDH	8	2,467												
Total	77	14, 452												

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC Samples were visually assessed for recovery and recorded. • RC Samples were considered representative with generally good recovery. • For RC, no sample bias was observed. • Diamond core samples were measured for recovery using the RQD method. • No mineralisation was observed in the diamond core to bias sample selection
<i>Logging</i>	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	• Geological logging was completed on all drill holes, on site by AIC geologists and loaded into an SQL database. • Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples. • All of the relevant intersections (100%) have been logged.
<i>Sub-sampling techniques and sample preparation</i>	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	RC Samples • RC holes were sampled as either 1m individual samples or composited up to 3 – 4 metre intervals. In all programs the 1 metre field residue samples were retained in green bags at the drill site. Sample weights varied between 4-10kg due as a function of interval length, recovery and lithology. • At the Two Pools and Marymia NE samples were collected on 1m intervals into calico bags from a cone splitter mounted below the cyclone. • At 4G Hill, RC holes were sampled on a 4-metre composite interval. The individual 1m metre field residues were retained at the drill site. • At Doolgunna, all pre-collar RC samples were collected on 1m intervals into calico bags from a cone splitter below the cyclone on the rig. Wet samples were not an issue. Samples submitted to the Principal Laboratory were composited by spear sampling into 3 metre intervals. DDH core • At Doolgunna, only selected intervals were selected for sampling and assaying. The core was cut using an Almonte "automatic" core saw at MinAnalytical Laboratories in Canning Vale, Perth. The remaining half core was retained in the core trays and forwarded to the GSWA for storage. Principal Laboratory Sample Preparation and Sub Sampling • Samples were delivered to the Principal Laboratories for sample preparation. At Laboratory receival area, the samples were reconciled, weighed, placed into trays sequentially then dried to 105°C. All samples are sorted and any discrepancies with submission logs noted. • All samples were crushed to a particle size of 80% passing 3mm. Sub sampling was undertaken using a Rotary Splitting Device (RSD) to collect a primary crushed sample of < 3kg. • All primary crushed samples were then placed into LM5 mill and pulverised for up to 5 minutes using LM5 mill to achieve a particle size of 85% passing 75µm. QAQC during the sample preparation process included the use of quartz flushes between each batch and particle size checks using a wet sieve test. • The analytical primary sample was scooped from the bowl of the pulveriser to collect a 300g sub sample for assaying. • Field duplicates were inserted at a frequency of 2 per 100 samples, this was done by spear sampling green bag 1-meter intervals for the respective 2m composite sample. Samples for analysis were taken from ~10m above the

Criteria	JORC Code explanation	Commentary
		basement contact and continued to the end of hole. In each stage of sub sampling, the sample sizes are appropriate for the material being sampled.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Two Pools and Marymia NE - All samples were assayed at Intertek Genalysis at Maddington, Perth for gold only by 50g lead collection fire assay followed by Inductively Coupled Plasma Mass Spectrometry (lab code FA50/MS, 1ppb DDL). Anomalous samples were re-analysed at the Labs discretion by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. (Lab code FA50/OE, 0.005ppm DDL). Doolgunna - RC samples were assayed at Intertek Genalysis at Maddington, Perth for gold by 50g lead collection fire assay followed by Inductively Coupled Plasma Mass Spectrometry (lab code FA50/MS, 1ppb DDL). Anomalous samples were re-analysed at the Labs discretion by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. (Lab code FA50/OE, 0.005ppm DDL). - For DDH core only selected intervals were selected and submitted for assaying at MinAnalytical Laboratories in Canning Vale, Perth. Assaying for gold was by 50gm lead collection fire assay (Lab code FA50_MS), followed by Inductively Coupled Plasma Mass Spectrometry (1ppb DDL). 4G Hill - All samples were assayed at Intertek Genalysis Laboratory in Perth. Samples were analysed by 25g fire assay with an MS finish. - Pulps were retrieved from the lab and submitted to Portable Spectral Services for pXRF analysis. All pulp samples were analysed using a Bruker S1 TITAN 800 handheld portable XRF analyser with a standard factory Geo-exploration calibration. - The quality control measures include: - The analytical stage for all samples is completed sequentially using barcode labelled pulp packets. Each sample is scanned before being weighed. - The Laboratories QAQC for every 60 sample batch, included the insertion of 2x control blanks, 2x pulp duplicates and 2 SRM's. - Instrument analysis involves calibration before each run using calibration standards made from traceable single element solutions. - Results are reviewed through the LIMS system. CRM's have nominal values and control limits set from certificate values. Control charts of the CRM's are used during QAQC. - The laboratory has ISO 17025:2107 certification and participates in proficiency testing. - Analytical methods at the lab include Aqua regia with a mass spectrometry finish (AR10/AMS) which is considered a partial digest. A 4-acid digest with a mass spectrometry finish (4A/MS48) which is considered a 'near total' digest.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	- Significant intersection reporting has been verified by alternative company personnel. - Data entry is completed in the field using field laptops running Log Chief, data is then exported and synced with a master SQL database. - No twinned holes have been drilled. - No adjustments have been made to the assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other	- Drill hole collar locations are determined using a handheld GPS which has an estimated accuracy of +/- 5m. - Downhole surveys are collected during the drilling program at a depth interval of ~30m using a Gyro.

Criteria	JORC Code explanation	Commentary
	<i>locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- No downhole surveys were completed on r RC holes. - All coordinates are reported in MGA 94 zone 50 as a standard grid system. - RL's from handheld GPS were deemed unreliable and were adjusted using Shuttle Radar Topography Mission (SRTM) – acquired from USGS data.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- RC holes were drilled on various spaced grids depending on stage of target. Wider spaced non fixed grids for all prospects (typically 200m to 300m spaced), narrowing to 80m & 50m spaced at Two Pools and 4G Hill prospects only. - Diamond holes were not drilled on a fixed grid. The holes targeted stratigraphic and structural positions aided by geophysical data.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not applicable – at this early stage of exploration the orientation of mineralisation is not known.
Sample security	<i>The measures taken to ensure sample security.</i>	Sample security is managed by AIC. Samples are zip tied in polyweave bags and placed in bulka bags. Samples are stored at secured facility prior to delivery to Principal Laboratory by AIC Mines personnel.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	An external geochemist consultant reviewed the processes and data acquired from the soil sampling and drilling. These were deemed to meet industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Marymia Project - AIC Resources, a wholly owned subsidiary of AIC Mines, is the registered holder of the granted Tenements, located on the northern margin of the Yilgarn Craton. The Marymia Project project also includes joint ventures with Ausgold Limited (ASX: AUC) and Venus Metals Corporation Limited (ASX: VMC) (<i>Figure 1</i>). AIC Resources (100% tenements) – include gold only prospects such as the Marymia NE, Two Pools, 4G Hill, Middle Island, Plutonic South Corridor, Stetson and copper-gold targets located in the Copper Hills Belt such as the Copper Hills, Fold Hinge prospects. Curara Well JV: - AIC Resources Limited, a wholly owned subsidiary of AIC Mines, has entered into a Joint Venture Agreement with Venus Metals Corporation (ASX: VMC) providing AIC with an 80% interest in tenements E52/3069, E52/3320, E52/3487, E52/3488, E52/3489, E52/3068 and E52/3486. Details of the agreement were released to the ASX on 20 August 2020. These tenements contain copper – gold prospects. Doolgunna JV - AIC Mines has entered into an Exploration Farm-in and Joint Venture Agreement with Ausgold Limited (ASX: AUC) under which, subject to the satisfaction of regulatory consents, it may earn up to an 80% interest in tenement E52/3031. Details of the agreement were released to the ASX on 4 June 2018. On 30 July 2019, the parties agreed to extend the Earning Period from two years to four years, by way of a side letter. These tenements contain copper – gold prospects. - All tenements co-exist with several pastoral leases including the Marymia, Three Rivers, Kumarina and Doolgunna pastoral leases. - AIC Mines has undertaken archaeological and anthropological surveys over all of the Marymia tenement package. - The register of all tenement holdings is listed in Appendix 1.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Exploration at Two Pools and Marymia NE was undertaken by several companies from 1972 to 2016. Most drilling was conducted by Great Central Mines between 1990 – 1993, and included: Marymia NE 1297 RAB holes for 56,152m (an average depth of 43.3m). 265 RC holes for 20599m (an average depth of 77.7m); and 9 Diamond Drill Holes for 1413.7m (an average depth of 157.1m). - A supergene zone containing gold was identified along a granodiorite/mafic contact. Best assays returned included MRB095 (RAB) 8m @ 4.18 g/t Au, from 12m, including 3m @ 10.1 g/t Au; and MRC054 (RC) which intersected 40m @ 5.51 g/t Au from 10m. Two Pools 263 RAB holes for 12147 (an average depth of 46m); and 175 RC holes for 11549 (an average depth of 66m). 4G Hill - Exploration was undertaken by numerous companies from 1972 until 2016. Most exploration was conducted by Great Central Mines between 1990 – 1993 and Emergent in 2009. Historical work included: 1972 drilling by Endeavor Oil did not assay for gold. 1987 drilling by Nanki drilled to the north and did not test the hills. 1995 drilling by Great Central Mines only crossed over the hill in the far east and west, lines over 6.5 km apart. 2007 RC drilling by De Grey was targeted on copper, drilling below the main costean. These holes although proximal to the 1g/t rock chip, did not test the peak of the gold soil anomalies.

Criteria	JORC Code explanation	Commentary
		• 2009 RC drilling by Emergent focussed on iron only and are over 1km to the south of the hill. A total of 91 RC and 30 diamond drillholes for 7,811 Fe assays were drilled on a 400m x 100m spacing. Three consistent, near surface, rich magnetite schist horizons for over 60 km of strike length were interpreted. • In June 2019, AIC Mines conducted rock chip sampling at 1m intervals in 2m deep costeans at the 4G Hill gold prospect. A jack hammer was used to chisel out samples at 0.5m intervals across an exposed iron rich gossan. Four composite samples returned included 8m grading 47.99 g/t gold, 5m grading 33.07 g/t gold, 5m grading 57.58 g/t gold and 6.5m grading 32.21 g/t gold. • In June 2020, AIC completed its first drilling program at the 4G Hill Prospect at the southern end of the Copper Hills Belt. A total of 13 shallow RC holes for 1,294m were drilled. The drilling encountered a strong geochemical depletion zone immediately beneath the gold-bearing 4G Hill gossan. Curara Well JV • Exploration has been undertaken by numerous explorers since ~1990 until 2016, primarily by Astro Mining in ~1997. Exploration Incentive Scheme (EIS) funded drilling was completed by Venus Metals in 2016. • In the June 21 quarter, AIC Mines completed 8 RC holes for a total of 586m was completed. Results were pending. Doolgunna JV • First mapping was completed by MacLeod of the GSWA in 1970. Exploration was undertaken by numerous companies dating from 1970 until 2016. Exploration Incentive Scheme (EIS) funded drilling was completed by Venus Metals in 2016. • Drilling conducted by Intrepid Mines Limited in 2018, did not return any significant results. • Detailed listing of all Exploration activity is reported in Appendix 2.
Geology	• Deposit type, geological setting and style of mineralisation.	Two Pools and Marymia NE are located within the south-eastern part of the Capricorn Orogen situated between the Pilbara and Yilgarn Cratons. The main exploration model for the district is the Plutonic Mine sequence and the Marymia Gold Mining Centre however, other structural styles and mineralisation may also be present. Gold occurs in quartz veining within mafic and ultramafic amphibolite units or within granodiorite associated with a sheared mafic contact. Copper Hills Belt makes up the northern third of the Marymia Project area. It is a structurally complex, craton-margin greenstone belt and can be traced for approximately 60 kilometres in strike length. The belt occupies a regionally strategic position, marking the northern extremity of the Archean Marymia Inlier at the highly prospective margin between the Yilgarn and Pilbara Cratons. At the Copper Hills prospect, the geology display characteristics of bimodal mafic/bimodal felsic-type VMS deposits, similar to those observed at the Horseshoe Lights VMS Cu-Au-Ag deposit located 120 kilometres to the west, in the Proterozoic Bryah Basin. The age of the Copper Hills stratigraphy is not known. The Curara Well prospects are situated within two geological domains, the Archean Marymia Greenstone Belt and the Proterozoic Bryah Basin sediments. The exploration model for the Marymia Greenstone Belt is the Plutonic Mine sequence however other styles of mineralisation may be present. The Bryah Basin hosts the VHMS DeGrussa and Monty deposits. These two domains are interpreted to be bounded by the Jenkins Fault, which is interpreted to traverse part of the Curara Well Joint Venture area. Prospects are located within the interpreted Johnston Cairn Formation, a metasedimentary sequence at the base of the Naracoota Formation and is close to the regionally important Jenkins Fault. This is the equivalent setting to Sandfire Resources' DeGrussa and Monty copper-gold mines. Doolgunna prospects are located within the south-eastern part of the Capricorn Orogen situated between the Pilbara and Yilgarn Cratons. The exploration analogues in the district are the DeGrussa copper – gold VHMS deposit and the Hermes gold deposit. Gold mineralisation at Hermes is proximal to a prominent granite-greenstone structural contact. There are two coherent historical gold-in-lag/soil anomalies at Doolgunna that have not been previously drill tested.

Criteria	JORC Code explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	See Appendix 3 (Collars) and Appendix 4 (Significant Intercepts).
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- At Marymia NE and Two Pools the average intercepts presented where above a minimum cut off of 0.1ppm Au with a maximum internal waste of 2m. - At 4G Hill, the intercepts for gold are length-weighted averages above a minimum cut-off of 0.0085ppm Au min width of 1m and internal waster of 4m. - At Copper Hills prospect, the historical intercepts are reported over 0.25% copper and include a maximum internal waste interval up to 1.52m (one sample length for the PW* holes) and 1m for the metric holes - Given the narrow nature of the mineralised zones identified to date internal dilution is generally <1m. - No high cuts have been applied. - Metal equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	- Controls on mineralisation are variable and in places not well known at this stage of exploration. At Marymia NE and Two Pools where a greater understanding of mineralisation dip is possible, drill holes were drilled on 60° with an azimuth to avoid drilling down mineralisation. - Anomalous intercepts are reported over down hole length as true width is not known, due to the early stage of exploration.
Diagrams	Appropriate maps, sections (scales), tabulations of intercepts.	See Appendix 5 – (Diagrams).
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Significant intercepts reported are only those areas where mineralisation was identified
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Geophysics surveys include: - A high resolution fixed wing airborne magnetic and radiometric survey was completed by GPX Surveys Pty Ltd in Dec 2017. A total of 47,416 line kms were collected at a nominal terrain clearance of 30m on 50m spaced lines. Interpretation of all data was used to re-evaluate the geological and structural setting of the Plutonic greenstone belt and surrounds. Several priority targets and multiple areas of interest were identified. - Atlas Geophysics completed ground gravity surveys over the Middle Island and Plutonic Sth Prospects in the March 21 quarter.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	AIC Mines is currently assessing the outcomes of the geophysics, geochemistry and drilling. The outcomes of this work is being used to plan infill and extensional drilling programs.

AIC Mines Exploration Information Extracted from ASX Announcements

This Table 1 Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“2012 JORC Code”). Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcements lodged on the ASX:

• Drilling Commences at Curara Well Copper-Gold Project	26 March 2021
• Marymia Project Exploration Update	20 August 2020
• Amended - Marymia Project Exploration Update	24 June 2020
• Costean Sampling Results from 4G Hill Prospect	21 June 2019
• Intrepid Mines Limited Doolgunna Drilling Completed	12 April 2019
• Drilling Results From Two Pools And Marymia North East	14 January 2019
• Intrepid Mines Limited Drilling to Commence at Doolgunna	14 November 2018
• AIC Resources Quarterly Report for the Quarter ended 30 September 2018	19 October 2018
• AIC Resources Quarterly Report for the Quarter ended 30 June 2018	27 July 2018
• AIC Resources Quarterly Report for the Quarter ended 31 March 2018	26 April 2018
• AIC Resources Quarterly Report for the Quarter ended 31 December 2017	31 January 2018
• AIC Resources “Replacement Prospectus”	29 November 2017

These announcements are available for viewing on the Company’s website www.aicmines.com.au under the Investors tab.

AIC confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement.

Section 2 Reporting of Exploration Results

Appendix 1 – Tenement Holding at 30 June 2021

Tenement	Status	Project	AIC Ownership Interest
E52/2943	Live	Marymia	100%
E52/2944	Live	Marymia	100%
E52/2945	Live	Marymia	100%
E52/2973	Live	Marymia	100%
E52/3027	Live	Marymia	100%
E52/3028	Live	Marymia	100%
E52/3029	Live	Marymia	100%
E52/3044	Live	Marymia	100%
E52/3154	Live	Marymia	100%
E52/3171	Live	Marymia	100%
E52/3190	Live	Marymia	100%
E52/3265	Live	Marymia	100%
E52/3317	Live	Marymia	100%
E52/3318	Live	Marymia	100%
E52/3319	Live	Marymia	100%
E52/3346	Live	Marymia	100%
E52/3368	Live	Marymia	100%
E52/3397	Live	Marymia	100%
E52/3455	Live	Marymia	100%
E52/3622	Live	Marymia	100%
E52/3623	Live	Marymia	100%
E52/3624	Live	Marymia	100%
E52/3648	Live	Marymia	100%
E52/3721	Live	Marymia	100%
E52/3743	Live	Marymia	100%
E52/3768	Live	Marymia	100%
E69/3247	Live	Marymia	100%
P52/1585	Live	Marymia	100%
E52/3068	Live	Curara Well JV	80%
E52/3069	Live	Curara Well JV	80%
E52/3320	Live	Curara Well JV	80%
E52/3486	Live	Curara Well JV	80%
E52/3487	Live	Curara Well JV	80%
E52/3488	Live	Curara Well JV	80%
E52/3489	Live	Curara Well JV	80%

Section 2 Reporting of Exploration Results

Appendix 2 – Exploration Activity, see ASX Announcement released by AIC Resources “Replacement Prospectus” on 29 November 2017

Year	Company	Current E	Historic E_ID	Activity	Brief Results
1972- 1975	Endeavour Oil	E52/2943		Geochemical surface sampling, Costeaning, Drilling, Ground magnetics & VLF E.M	Small resource of near surface lowgrade, oxide copper established
1980 - 1981	CRA Exploration	E52/2943		Airborne Magnetic & Radiometric survey	Did not define significant gravity anomaly, discrete airborne, magnetic anomalies subsequently followed-up
1984- 1985	Ekomin Pty Ltd	E52/2943	E52/79, 80 & 81	Surface sampling	
1987	Nanki Pty Ltd	E52/2943		Ground Reconnaissance Airborne E.M. Survey (INPUT) Follow up VLF E.M.RC (45) Drilling	Most of the VLF E.M. anomalies could be related to phases in schists, shear zones in gneiss or dolerite contacts.
1990	Johnsons Well Mining, J.V with M.G Creasy	E52/2943	E52/449	Stream sediment, soil & rock chip sampling Mapping RAB (36) & AC Drilling Aeromagnetic/radio metric survey	Reconnaissance RAB drilling along the access track to the north of Copper Hills for 1194m. In total Johnsons Well Mining drilled 127 holes for 5525m which are located in the current E52/2943 licence. There are 13 air core holes for 840m located along the access track to Copper hills and the remaining 114 are northern extremities of drilling on Copper Hills grid lines. There are also 41 stream sediment samples located in E52/2043 draining the southern part of the NE Copper Hills and the maximum result was 0.00085ppm Au.
?	Johnsons Well Mining, Copper Hills Joint Venture	E52/3044	E52/2360&432	Reconnaissance RAB drilling	
1990	Geochemex for Great Central Mines			Stream sediment (147) samples Rock chip (89) samples	These were assayed for Cu, Pb, Zn, As & Au.
1990	Great Central Mines	E52/2973	E52/439 & 440	Surface sampling, gridding, Geological Mapping RAB (321) & RC (193) Drilling Ground & Airborne Magnetic Surveys	The gold mineralisation at Two Pools “appears to be widely spread having been located in all the large blocks of greenstone and is associated with both mafic and ultramafic lithologies. Best results were 8m @ 4.18g/t in RAB hole MRB095 and 3m @ 7.22g/t from 8m in R.C. hole MRC577. A summary of the R.C. drilling results for the year 1993-94 is tabled.
1990	Great Central Mines, J.V. With Pioneer Minerals Australia (Plutonic North Joint Venture)		E52/347	Reconnaissance RAB (138) drilling	
1991	Great Central Mines	E52/3028	E52/415, 577, 578 & 579	Exploration for Diamonds: Detailed geological mapping Petrography Whole rock geochemistry Surface Sampling Bulk sample heavy minerals analysis Ground & Airborne magnetics, RAB (25), RC (3) and Diamond (3) Drilling	A 3.00mm macled diamond was recovered from bulk sampling of colluvial material around ANT8 (ANT2 anomaly). In addition a 1.34mm x 0.7mm gem quality diamond was recovered from bulk stream gravel, sample TPG6 located 4 kilometres downstream of ANT2.
1991	Great Central Mines		Pinyrinny prospect	RAB (60) & RC (2) Drilling	

Year	Company	Current E	Historic E_ID	Activity	Brief Results
1989- 1992	Mt KerseyMining	E69/3237	E69/387	Year 1990 Vertical RAB drillingYear 1991: Targeting DiamondsDiamond (2) & RC (9) drilling Stream sediment samples	Year 1990: No anomalous gold values werereturned. Year 1991: During stream sediment samples collection for diamonds, gold grains & dust were observed in a number of samples, these samples (49) were assayed for Cu, Pb, Zn, Ni, As and low level Au. Assay results indicated low level gold anomalies around Anomaly AI and air photo anomalies DM5 and DMI5.As a result 195 drill chip samples from Anomaly AI (ERC5, 7 and 8) were assayed for Cu, Pb, Zn, Ni, As and low level Au. Drill chips of these holes at depths greater than 100 metres contained noticeable sulphides such as pyrite, arsenopyrite and chalcopyrite. Some samples from drill hole ERC5 hadanomalous Ni values (e.g. ERC5-I52, up to 1,780ppm). Overall however, the values did not indicate any significant trends in base metal or goldmineralisation.
1992- 1994	Plutonic Operations		M52/328 &329	Gridding Stream, lag, soil androck chip (33) sampling Reprocessing of GCM aeromagnetic survey RAB (7) drilling	
1997- 1998	Quadrant Resources Pty.Ltd.	E52/2943	E69/1275	Aeromagnetic survey	Aeromagnetic survey data of 200m line spacing and 60m flying height. This datadefines the ENE trending eastern extension of the magnetite schist in southern limb of the ENE plunging anticline of the Copper Hills schists, near the nose of the anticline.
1996- 1999	Astro Mining			Loam, laterite, stream sediment and bulk samplingAC Drilling	
2000- 2003	De Grey	E52/2943	E52/1501,1491 & E69/1591	Gravity Survey Re- processing ofopen file aeromagnetic dataSurface sampling	
2001	De Grey	E52/3044	E52/1490	Regional gravitysurvey, RAB (8) drilling	Surface samples containing to 1290ppmCu, 3240ppm Zn, 266ppm Mo, 430ppm Sb, 1160 ppm As, 9230ppm V and 0.4ppm Au.
2010	Emergent Resources	E52/2943	E52/2215	2009 RC drilling by Emergent focussed on iron only and are over 1km to the south of the hill. A total of 91 RC and 30 diamond drillholes for 7,811 Fe assays were drilled on a 400m x 100m spacing. Three consistent, near surface, rich magnetite schist horizons for over 60 km of strike length were interpreted.	
2016	Cosmopolitan Minerals Ltd			Reconnaissance field work was undertaken to verify and correct hole location information. Airborne magnetic and other remote sensing data was reprocessed.	

Section 2 Reporting of Exploration Results

Appendix 3 – Collars

Two Pools and Marymia North East – AIC Mines – Drill Collars.

(All coordinates are reported in MGA 94 zone 50 as a standard grid system).

Hole ID	Easting	Northing	RL	Total Depth	Azimuth	Dip	Hole ID	Easting	Northing	RL	Total Depth	Azimuth	Dip
MRC666	791,888	7,226,475	640	154	110°	-60°	MRC689	796,872	7,236,148	640	256	150°	-60°
MRC667	791,793	7,226,511	640	250	110°	-60°	MRC690	796,814	7,236,251	640	250	150°	-60°
MRC668	791,667	7,226,561	640	250	110°	-60°	MRC691	796,752	7,236,354	640	250	150°	-60°
MRC669	791,725	7,226,490	640	250	110°	-60°	MRC692	796,959	7,235,900	640	256	150°	-60°
MRC670	791,650	7,226,516	640	250	110°	-60°	MRC693	796,899	7,236,003	640	250	150°	-60°
MRC671	791,574	7,226,544	640	250	110°	-60°	MRC694	796,933	7,235,846	640	52	150°	-60°
MRC672	791,757	7,226,429	640	184	110°	-60°	MRC695	796,916	7,235,875	640	70	150°	-60°
MRC673	791,684	7,226,450	640	250	110°	-60°	MRC696	796,968	7,235,829	640	40	240°	-60°
MRC674	791,555	7,226,497	640	250	110°	-60°	MRC697	797,154	7,235,936	640	250	240°	-60°
MRC675	791,687	7,226,398	640	250	110°	-60°	MRC698	797,257	7,235,990	640	250	240°	-60°
MRC676	791,617	7,226,422	640	250	110°	-60°	MRC699	797,032	7,235,973	640	106	240°	-60°
MRC677	791,517	7,226,208	640	148	110°	-60°	MRC700	797,022	7,235,991	640	100	240°	-60°
MRC678	791,468	7,226,218	640	250	110°	-60°	MRC701	796,968	7,235,984	640	250	240°	-60°
MRC679	791,500	7,226,092	640	148	110°	-60°	MRC702	797,055	7,236,034	640	250	240°	-60°
MRC680	791,453	7,226,110	640	250	110°	-60°	MRC703	796,970	7,236,057	640	250	240°	-60°
MRC681	791,407	7,226,128	640	250	110°	-60°	MRC704	797,052	7,236,092	640	264	240°	-60°
MRC682	791,357	7,226,063	640	202	110°	-60°	MRC705	796,714	7,236,503	640	250	150°	-60°
MRC683	791,310	7,226,080	640	250	110°	-60°	MRC706	796,660	7,236,600	640	250	150°	-60°
MRC684	791,263	7,226,098	640	250	110°	-60°	MRC707	797,103	7,236,601	640	156	60°	-60°
MRC685	790,970	7,225,078	640	148	110°	-60°	MRC708	796,971	7,236,526	640	250	60°	-60°
MRC686	790,924	7,225,094	640	210	110°	-60°	MRC709	797,067	7,236,911	640	148	60°	-60°
MRC687	797,004	7,235,924	640	250	150°	-60°	MRC710	796,903	7,236,795	640	256	60°	-60°
MRC688	796,943	7,236,028	640	250	150°	-60°	MRC711	795,920	7,236,134	640	250	150°	-60°

Doolgunna JV – Intrepid Mines Limited – Drill Collars

All coordinates are reported in MGA 94 zone 50 as a standard grid system.

Hole ID	East	North	RL	Azimuth	Dip	Total Depth	Pre-collar metres	DD Tail metres
DDG 001	717,825	7,170,697	560	315°	-60°	300.8	61	239.8
DDG 002	718,179	7,171,050	560	315°	-60°	300.3	96.7	203.6
DDG 003	718,523	7,171,404	560	315°	-60°	300.3	92.9	207.4
DDG 004	720,088	7,172,960	560	315°	-60°	314.8	96.8	218
DDG 005	716,990	7,173,323	560	0°	-60°	297.2	98.1	199.1
DDG 006	717,010	7,170,955	560	0°	-60°	330	96.5	233.5
DDG 007	718,766	7,173,165	560	0°	-60°	311.4	96.7	214.7
DDG 008	719,911	7,172,783	560	315°	-60°	312.6	97	215.6

4G Hill – AIC Mines – Drill Collars.

All coordinates are reported in MGA 94 zone 50 as a standard grid system.

Hole ID	East	North	Azimuth	Dip	Total Depth
20AMMC001	769,285	7,239,706	155 ^o	-60 ^o	82
20AMMC002	769,249	7,239,778	155 ^o	-60 ^o	82
20AMMC003	769,214	7,239,850	155 ^o	-60 ^o	118
20AMMC004	769,217	7,239,662	155 ^o	-60 ^o	82
20AMMC005	769,182	7,239,734	155 ^o	-60 ^o	88
20AMMC006	769,147	7,239,806	155 ^o	-60 ^o	118
20AMMC007	769,352	7,239,750	155 ^o	-60 ^o	82
20AMMC008	769,317	7,239,822	155 ^o	-60 ^o	118
20AMMC009	769,282	7,239,894	155 ^o	-60 ^o	118
20AMMC010	768,589	7,239,492	155 ^o	-60 ^o	118
20AMMC011	768,555	7,239,565	155 ^o	-60 ^o	142
20AMMC012	769,550	7,239,821	180 ^o	-60 ^o	82
20AMMC013	769,202	7,239,781	155 ^o	-60 ^o	64

Curara Well JV – AIC Mines - Drill Collars.

No collar information

Drilling completed at end of the June 2021 quarter. Results are pending.

Section 2 Reporting of Exploration Results

Appendix 4 – Significant Intercepts

Two Pools– AIC Mines – Significant Assays

All coordinates are reported in MGA 94 zone 50 as a standard grid system).

Hole ID	East	North	RL	Max Depth	Azimuth	Dip	Au Intercept	Depth From	Depth To	
MRC688	796,943	7,236,028	600	250	150°	-60°	2m @ 3.48 g/t	51	53	*
MRC689	796,872	7,236,148	600	256	150°	-60°	11m @ 0.21 g/t	184	195	#
MRC691	796,752	7,236,354	600	250	150°	-60°	1m @ 16.29 g/t	238	239	*
MRC692	796,959	7,235,900	600	256	150°	-60°	20m @ 0.73 g/t Incl. 6m @ 1.87 g/t	27 28	47 34	# *
MRC693	796,899	7,236,003	600	250	150°	-60°	16m @ 0.31 g/t Incl. 1m @ 1.06 g/t 5m @ 1.91 g/t 18m @ 3.90 g/t Incl. 4m @ 16.02 g/t Incl. 2m @ 30.18 g/t	25 39 51 83 95 95	41 40 56 101 99 97	# * * # * \$
MRC694	796,933	7,235,846	600	52	150°	-60°	17m @ 0.87 g/t Incl. 3m @ 2.90 g/t Incl. 1m @ 5.68 g/t Incl. 1m @ 1.74 g/t	1 1 3 7	18 4 4 8	# * \$ *
MRC695	796,916	7,235,875	600	70	150°	-60°	10m @ 0.28 g/t 1m @ 1.76 g/t	19 44	29 45	# *
MRC697	797,154	7,235,936	600	250	240°	-60°	1m @ 1.05 g/t	82	83	*
MRC699	797,032	7,235,973	600	106	240°	-60°	1m @ 1.38 g/t 1m @ 4.18 g/t	52 95	53 96	* *
MRC701	796,968	7,235,984	600	250	240°	-60°	11m @ 5.29 g/t Incl. 3m @ 18.53 g/t Incl. 1m @ 47.47 g/t 1m @ 1.76 g/t	66 69 70 243	77 72 71 244	# * \$ *
MRC702	797,055	7,236,034	600	250	240°	-60°	1m @ 3.28 g/t	65	66	*
MRC703	796,970	7,236,057	600	250	240°	-60°	1m @ 3.49 g/t 12m @ 8.82 g/t Incl. 3m @ 33.85 g/t Incl. 2m @ 50.17 g/t Incl. 1m @ 2.32 g/t	67 79 80 80 89	68 91 83 82 90	* # * \$ *
MRC710	796,903	7,236,795	600	256	60°	-60°	2m @ 1.99 g/t	129	131	*
MRC711	795,920	7,236,134	600	250	150°	-60°	13m @ 0.56 g/t Incl. 5m @ 1.22 g/t	174 174	187 179	# *

Notes:

Intercepts calculated with min cut-off grade: 0.1 ppm, min width: 10m, max internal waste: 2m

* Intercepts calculated with min cut-off grade: 1 ppm, min width: 1m, max internal waste: 2m

\$ Intercepts calculated with min cut-off grade: 5 ppm, min width: 1m, max internal waste: 2m

Marymia NE– AIC Mines – Significant Assays (

All coordinates are reported in MGA 94 zone 50 as a standard grid system).

Hole ID	East	North	RL	Max Depth	Azimuth	Dip	Au Intercept	Depth From	Depth To	
MRC666	791,888	7,226,475	600	154	110	-60	2m @ 3.23 g/t	60	62	*
MRC667	791,793	7,226,511	600	250	110	-60	1m @ 1.30 g/t 1m @ 1.04 g/t	38 246	39 247	* *
MRC670	791,650	7,226,516	600	250	110	-60	12m @ 1.63 g/t Incl.8m @ 2.34 g/t	193 193	205 201	# *
MRC675	791,687	7,226,398	600	250	110	-60	2m @ 1.55 g/t	48	50	*
MRC677	791,517	7,226,208	600	148	110	-60	1m @ 1.44 g/t	108	109	*
MRC678	791,468	7,226,218	600	250	110	-60	13m @ 1.79 g/t Incl. 5m @ 4.37 g/t Incl. 1m @ 18.06 g/t	84 89 90	97 94 91	# * \$
MRC679	791,500	7,226,092	600	148	110	-60	1m @ 1.58 g/t 12m @ 0.66 g/t Incl. 3m @ 2.08 g/t	29 52 58	30 64 61	* # *
MRC680	791,453	7,226,110	600	250	110	-60	17m @ 0.23 g/t 1m @ 1.12 g/t	68 161	85 162	# *
MRC681	791,407	7,226,128	600	250	110	-60	15m @ 0.15 g/t	86	101	#
MRC684	791,263	7,226,098	600	250	110	-60	10m @ 0.15 g/t	162	172	#
MRC686	790,924	7,225,094	600	210	110	-60	14m @ 0.30 g/t Incl. 1m @ 1.02 g/t	90 95	104 96	# *

Notes:

Intercepts calculated with min cut-off grade: 0.1 ppm, min width: 10m, max internal waste: 2m

* Intercepts calculated with min cut-off grade: 1 ppm, min width: 1m, max internal waste: 2m

\$ Intercepts calculated with min cut-off grade: 5 ppm, min width: 1m, max internal waste: 2m

Doolgunna JV – Intrepid Mines Limited – Significant Assays

All coordinates are reported in MGA 94 zone 50 as a standard grid system.

Hole ID	East	North	RL	Azimuth	Dip	Total Depth	Au & Cu Intercepts
DDG 001	717,825	7,170,697	560	315°	-60°	300.8	NSR
DDG 002	718,179	7,171,050	560	315°	-60°	300.3	NSR
DDG 003	718,523	7,171,404	560	315°	-60°	300.3	NSR
DDG 004	720,088	7,172,960	560	315°	-60°	314.8	NSR
DDG 005	716,990	7,173,323	560	0°	-60°	297.2	NSR
DDG 006	717,010	7,170,955	560	0°	-60°	330	NSR
DDG 007	718,766	7,173,165	560	0°	-60°	311.4	NSR
DDG 008	719,911	7,172,783	560	315°	-60°	312.6	NSR

4G Hill – AIC Mines – Significant Assays

All coordinates are reported in MGA 94 zone 50 as a standard grid system.

Hole ID	East	North	RL	Max Depth	Azimuth	Dip	Au Intercept	Depth From	Depth To	
20AMMC001	769285	7239706	630	82	155	-60°	8m @ 0.021 g/t	64	72	
20AMMC002	769249	7239778	630	82	155	-60°	4m @ 0.069 g/t 4m @ 0.072 g/t 4m @ 0.170 g/t	12 24 68	16 28 72	* * #
20AMMC003	769214	7239850	630	118	155	-60°	12m @ 0.066 g/t Incl. 4m @ 0.129 g/t	32	44	* #
20AMMC004	769217	7239662	630	82	155	-60°	8m @ 0.0085 g/t	28	36	*
20AMMC005	769182	7239734	630	88	155	-60°	8m @ 0.039 g/t Incl. 4m @ 0.068 g/t	56	64	*
20AMMC006	769147	7239806	630	118	155	-60°	8m @ 0.025 g/t	16	24	*
20AMMC007	769352	7239750	630	82	155	-60°	4m @ 0.012 g/t	48	52	*
20AMMC008	769317	7239822	630	118	155	-60°	8m @ 0.043 g/t Incl. 4m @ 0.060 g/t	60	68	*
20AMMC009	769282	7239894	630	118	155	-60°	12m @ 0.263 g/t Incl. 4m @ 0.488g/t	36	48	\$
20AMMC010	768589	7239492	630	118	155	-60°	8m @ 0.022 g/t	48	56	*
20AMMC011	768555	7239565	630	142	155	-60°	8m @ 0.106g/t Incl. 4m @ 0.157g/t	80	88	#
20AMMC012	769550	7239821	630	82	180	-60°	8m @ 0.030 g/t	8	16	*
20AMMC013	769202	7239781	630	64	155	-60°	12m @ 0.028 g/t	28	40	*

* Intercepts calculated with a minimum cut-off grade of 0.0085 g/t and maximum internal waste of 4m.

Intercepts calculated with a minimum cut-off grade of 0.1 g/t and maximum internal waste of 4m.

\$ Intercepts calculated with a minimum cut-off grade of 0.2 g/t and maximum internal waste of 4m.

Copper Hills – Historic Results – Significant Assays

All coordinates are reported in MGA 94 zone 50 as a standard grid system.

Hole ID	Easting	Northing	RL	Max Depth	Azimuth	Dip	Cu Intercept	Depth From	Depth To
PW1	777,719	7,244,519	632	46	160°	-60°	NSR		
PW2	777,703	7,244,565	630	30.4	160°	-60°	NSR		
PW3	777,503	7,244,399	630	61	160°	-60°	1.5m @ 0.36% Cu	24.3	25.8
PW4	777,493	7,244,424	629	52	160°	-60°	NSR		
PW5	777,485	7,244,457	627	37	160°	-60°	1.5m @ 0.30% Cu	33.4	34.9
PW6	777,430	7,244,606	624	37	160°	-60°	NSR		
PW7	777,242	7,244,396	627	46	160°	-60°	3.0m @ 0.85% Cu	4.6	7.6
							6.0m @ 1.01% Cu	16	22
PW8	777,233	7,244,426	626	72	160°	-60°	10.0m @ 0.3% Cu	34	44
							1.5m @ 0.28% Cu	59.3	60.8
PW9	776,824	7,244,106	631	61	340°	-60°	NSR		
PW10	776,739	7,244,363	625	34	160°	-60°	1.5m @ 0.33% Cu	10.6	12.1
							1.5m @ 0.28% Cu	27.3	28.8
PW11	775,832	7,243,971	629	30.4	160°	-60°	NSR		
PW12	775,737	7,244,254	626	43	160°	-60°	NSR		
PW13	774,579	7,243,886	630	61	160°	-60°	NSR		
PW14	773,944	7,243,522	633	46	160°	-60°	1.5m @ 0.30% Cu	21.3	22.8
PW15	773,925	7,243,573	640	61	160°	-60°	NSR		
PW16	772,769	7,243,232	639	46	160°	-60°	NSR		
PW17	771,675	7,243,460	615	61	160°	-60°	NSR		
PWV1	775,695	7,244,375	623	76	0°	-90°	NSR		
PWV2	775,951	7,244,391	625	73	0°	-90°	NSR		
PW506	777,524	7,244,474	627	30.4	160°	-60°	6m @ 1.08% Cu	7.6	13.6
							incl. 4.6m @ 2.2% Cu	7.6	12.2
CHRC001	777,480	7,244,492	627	132	160°	-48°	2m @ 0.45% Cu	40	42
							4m @ 1.19% Cu	59	63
							1m @ 0.84% Cu	98	99
CHRC002	777,434	7,244,471	627	120	160.5°	-55°	3m @ 0.28% Cu	103	106
CHRC003	777,525	7,244,522	627	132	160°	-55°	2m @ 1.38% Cu	42	44
							1m @ 0.27% Cu	64	65
							4m @ 0.37% Cu	100	104
							1m @ 0.63% Cu	106	107
							1m @ 0.74% Cu	113	114
							1m @ 0.35% Cu	121	122

All intercepts over 0.25% copper reported.

A maximum internal waste interval of 1.52m (one sample length for the PW* holes) and 1m for the metric holes.

Section 2 Reporting of Exploration Results

Appendix 5 - Diagrams

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.

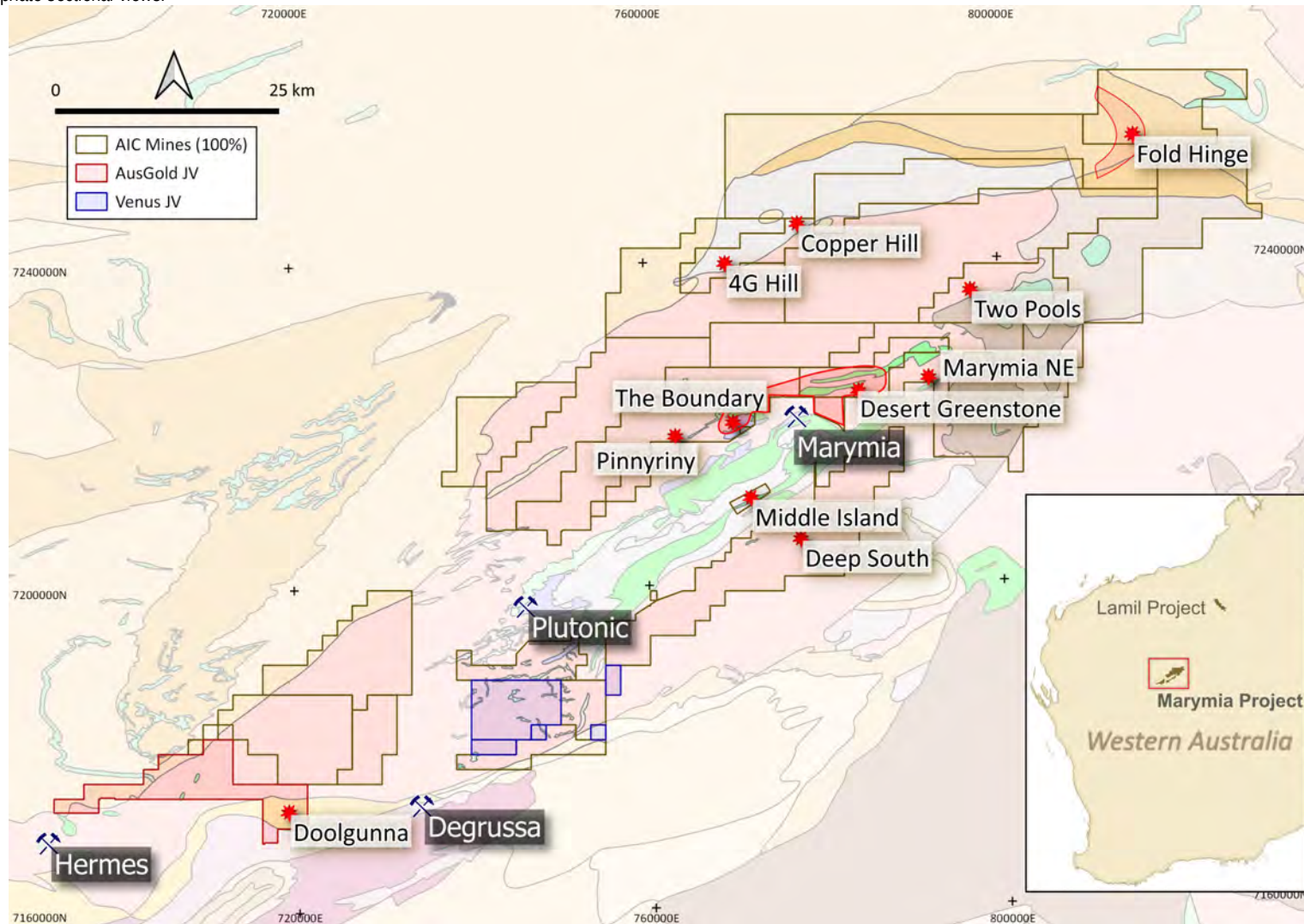


Figure 1 Location plan of the Marymia Project tenements.

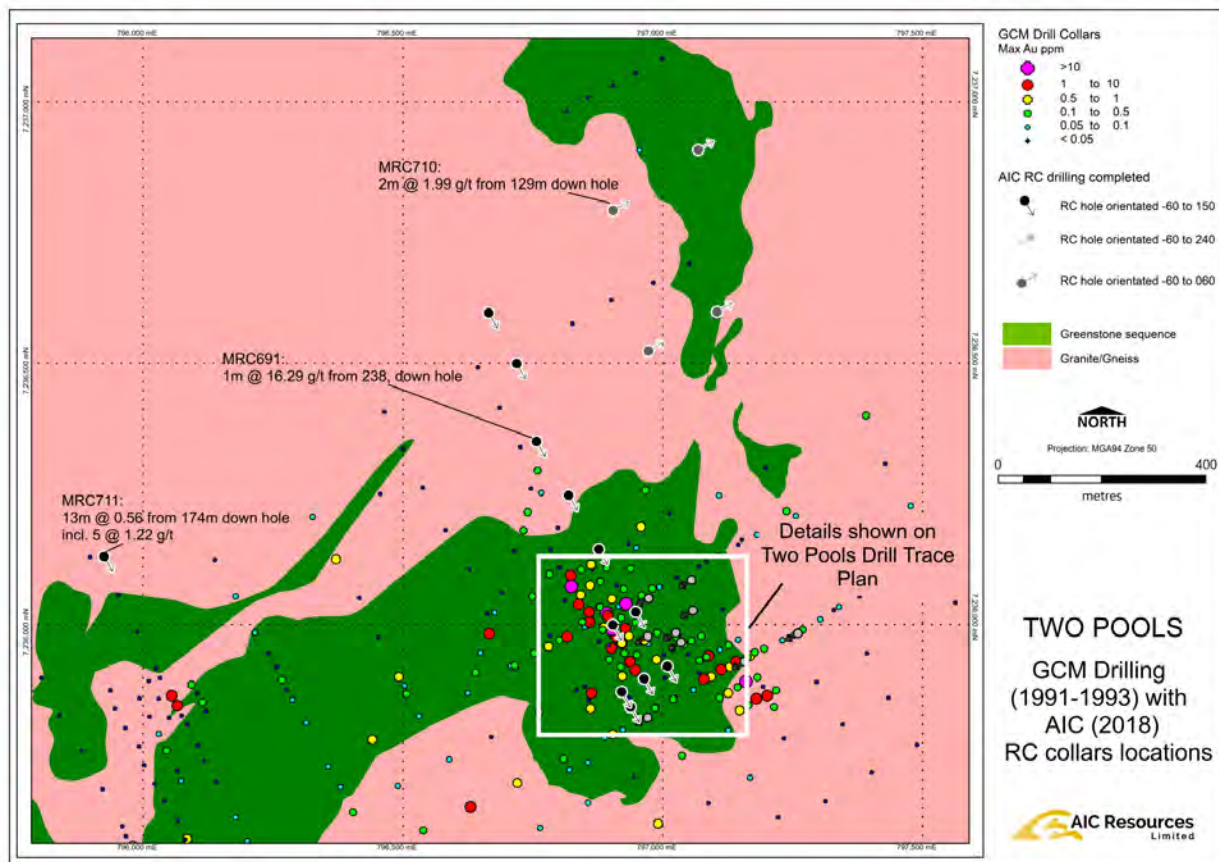


Figure 2 Regional plan of Two Pools drill collar locations.

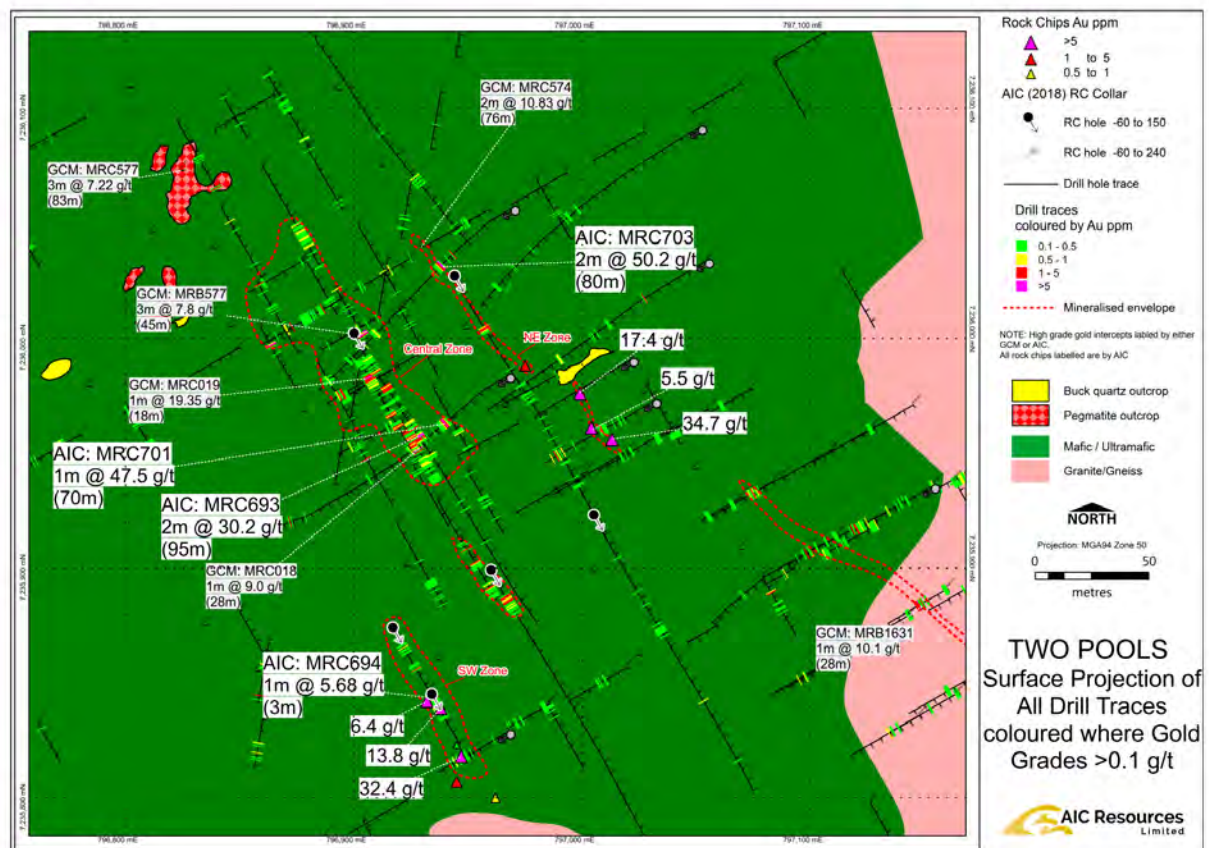


Figure 3 Local plan of Two Pools drill collar locations.

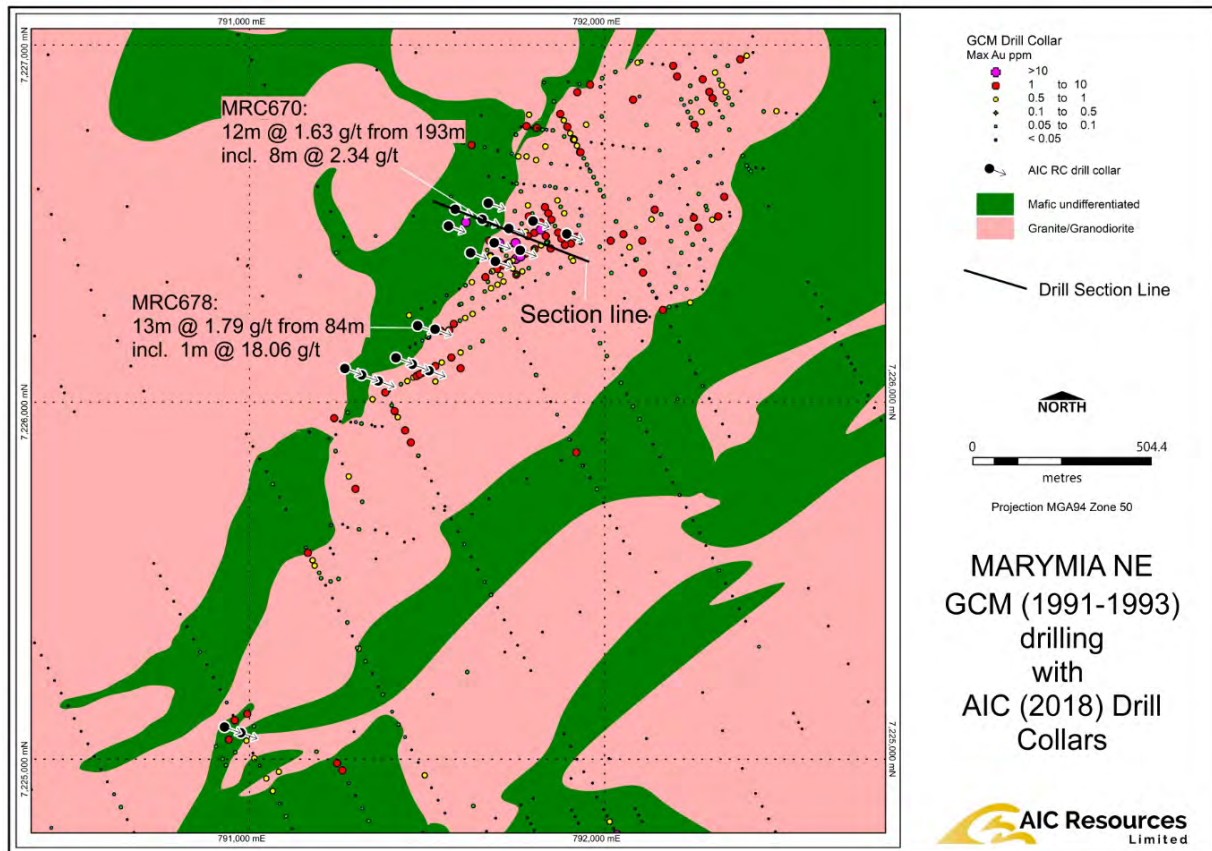


Figure 4 Local plan of Marymia NE drill collar locations.

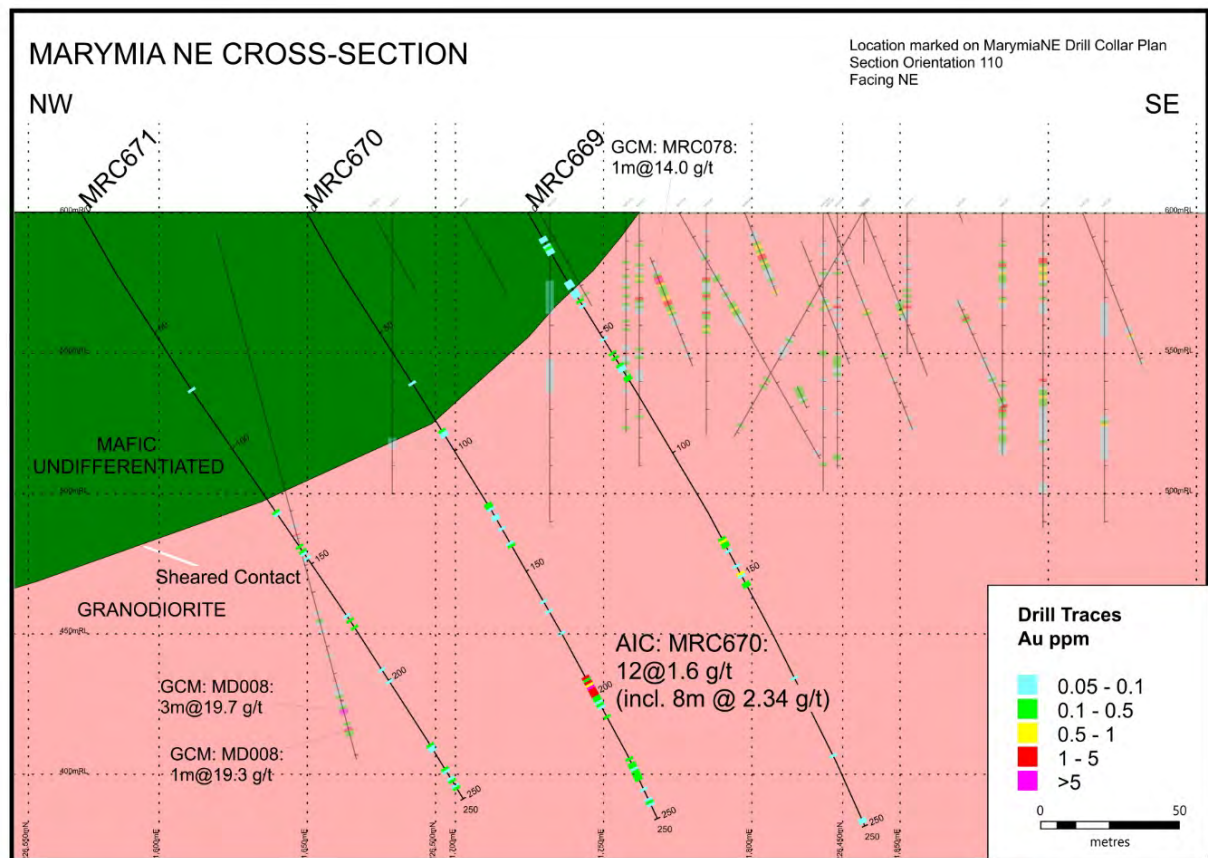


Figure 5 Cross section of Marymia NE drilling results.

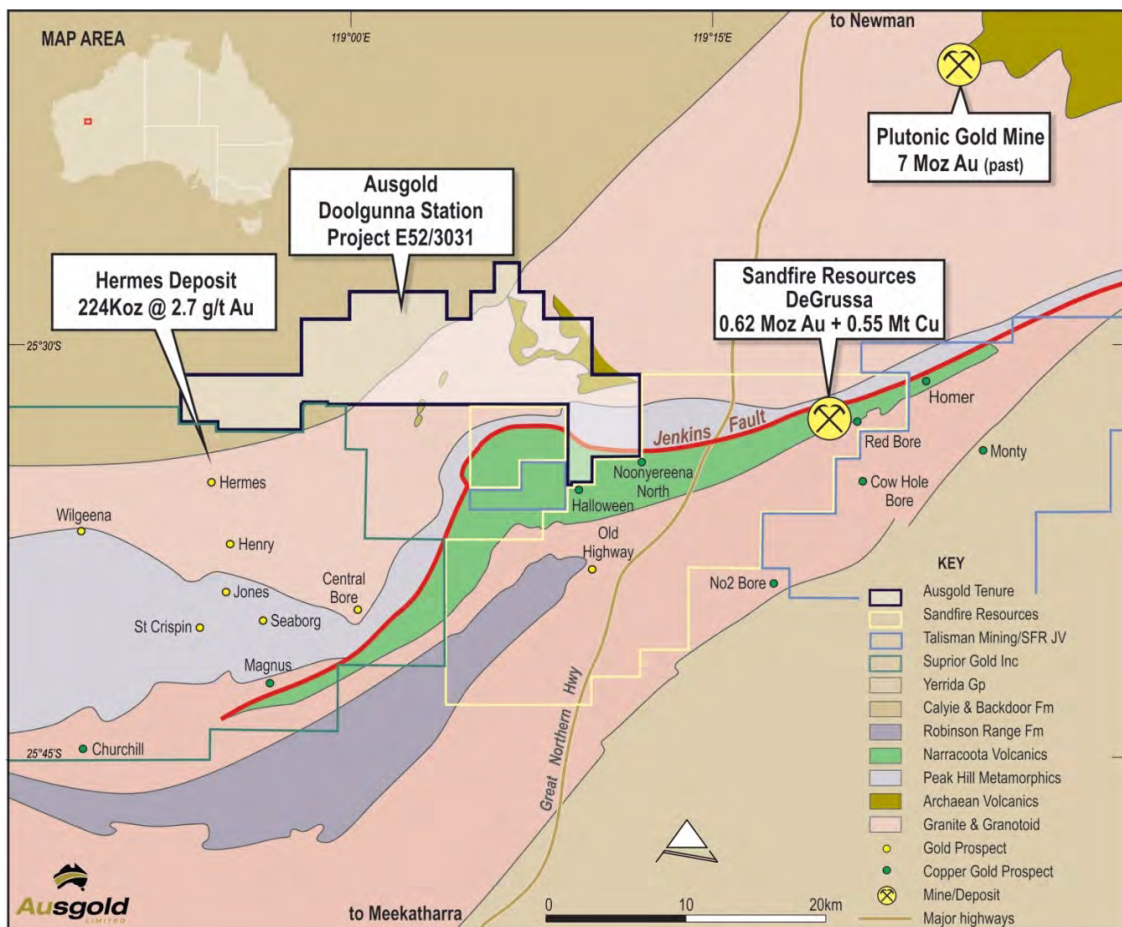


Figure 6 Plan of the regional geology of the Doolgunna JV tenement.

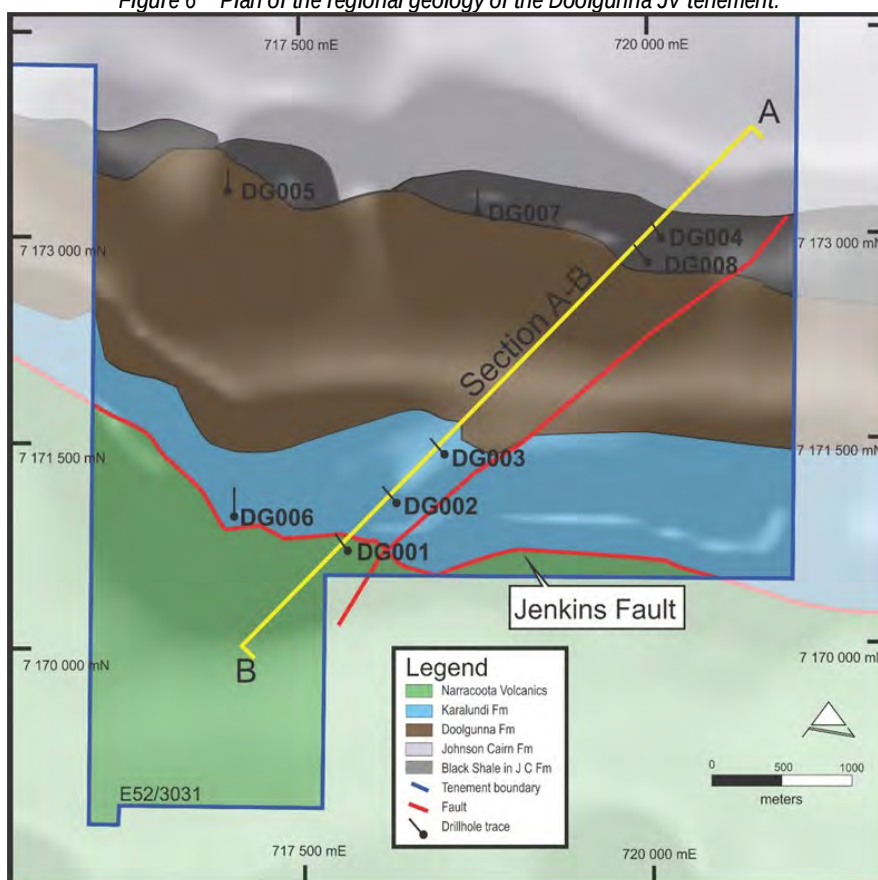


Figure 7 Local plan of Doolgunna collar locations.

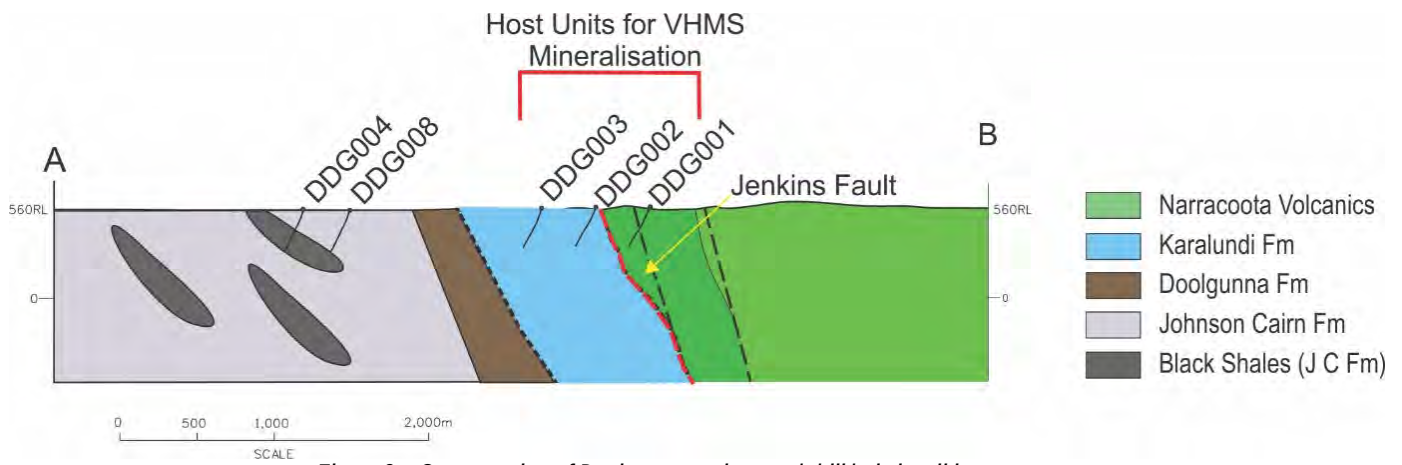


Figure 8 Cross section of Doolgunna geology and drill hole localities.

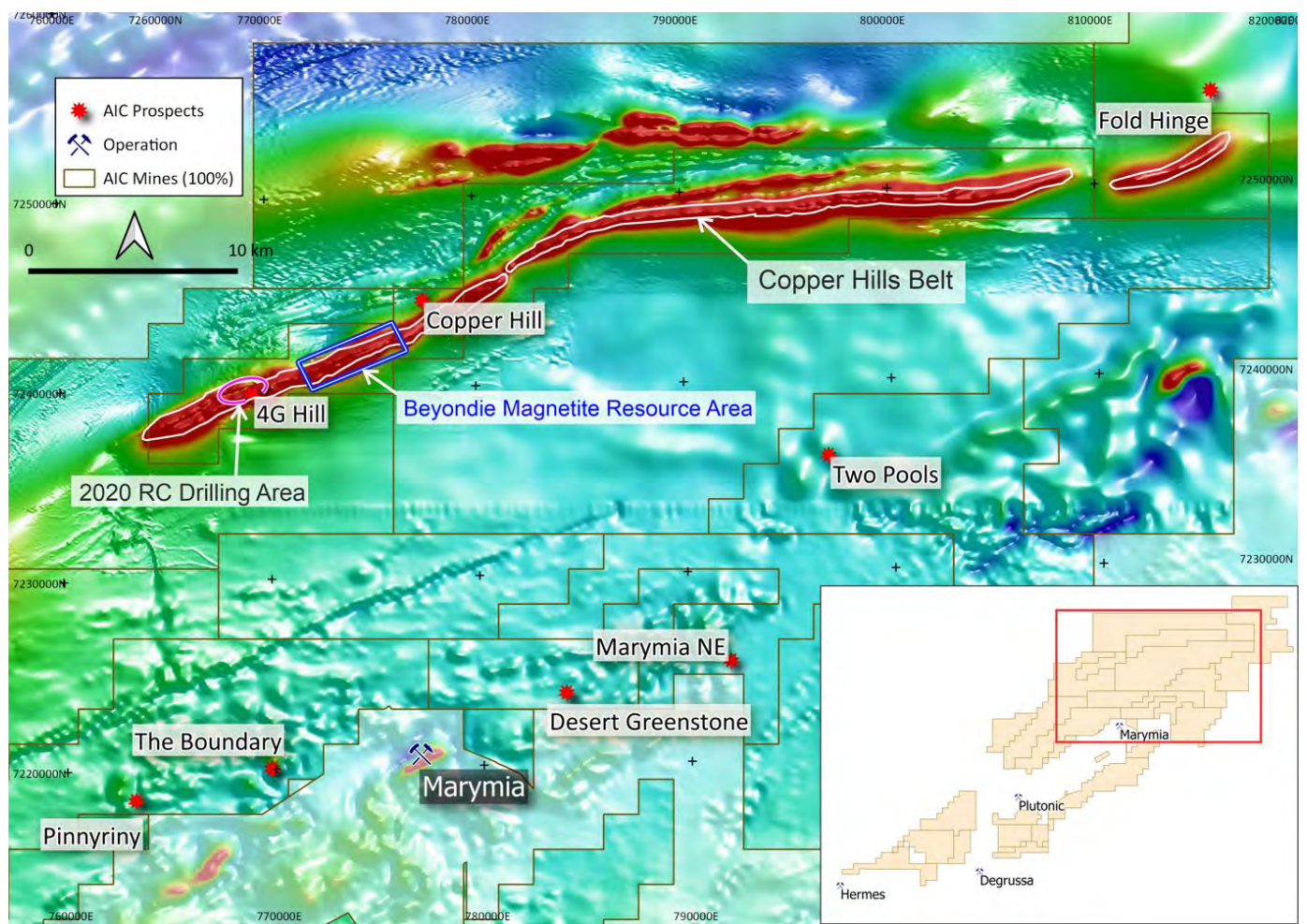


Figure 9 Location of the Copper Hills Belt showing key prospects

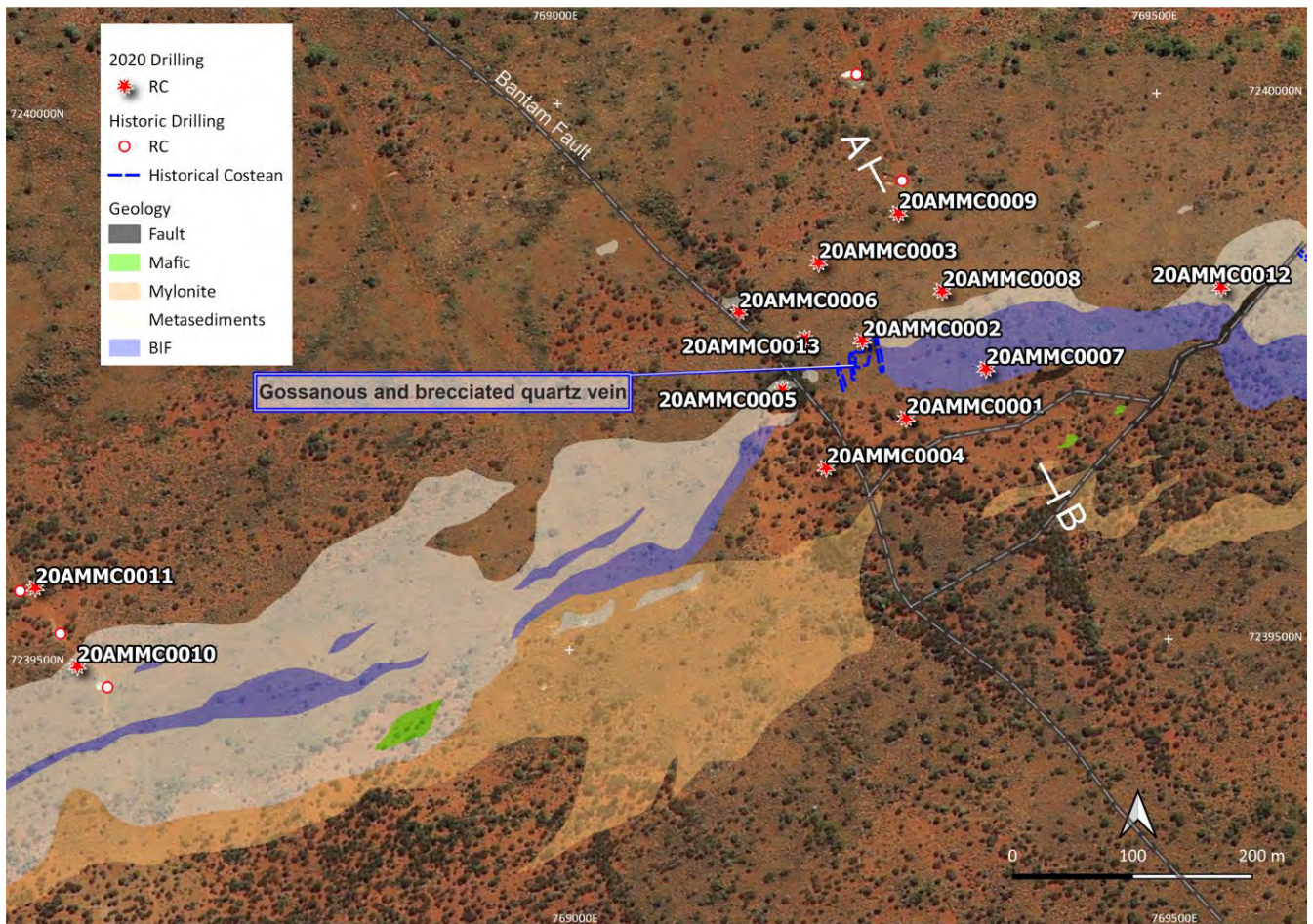


Figure 10 Copper Hills Belt, 4G Hill prospect drill hole location plan.

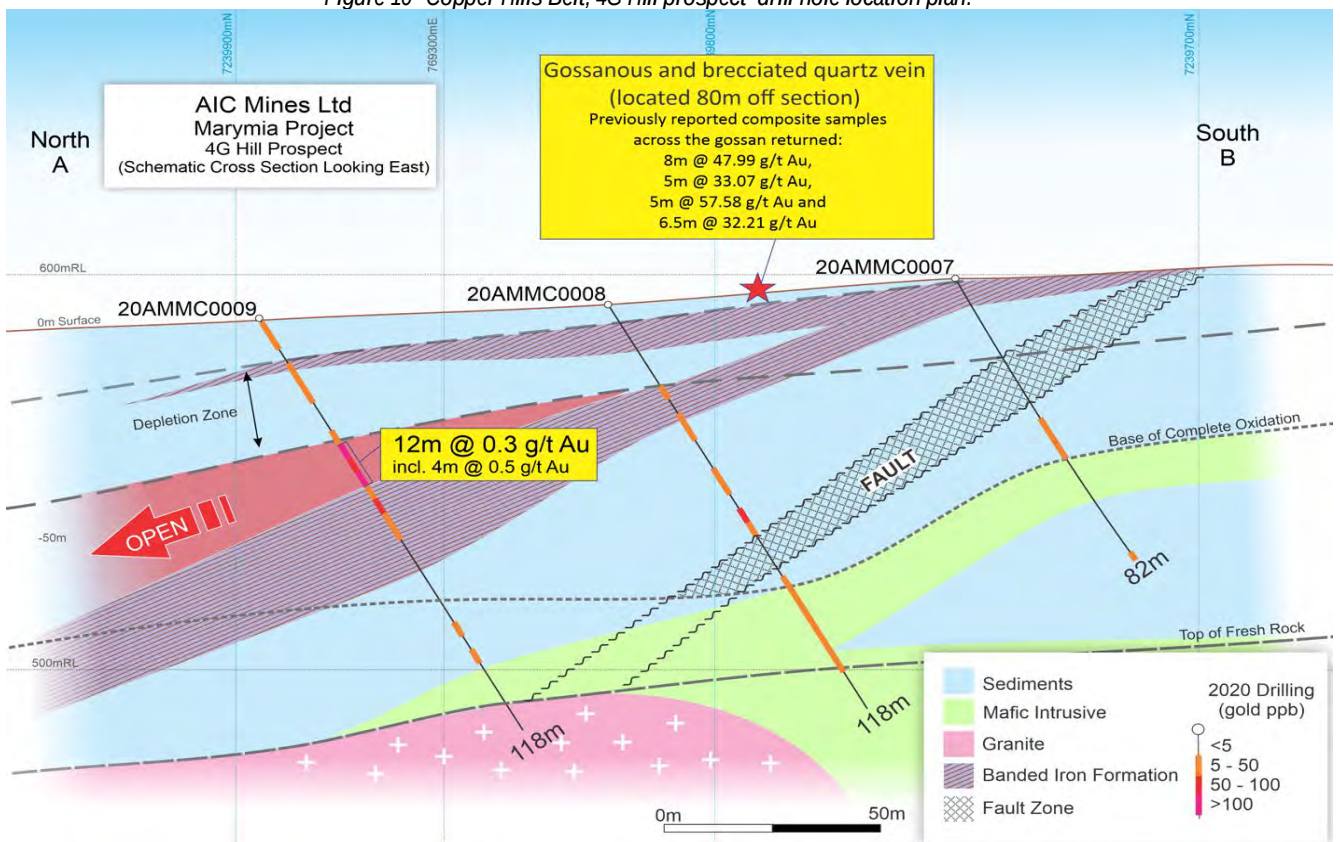


Figure 11 4G Hill prospect, schematic cross-section line A – B.

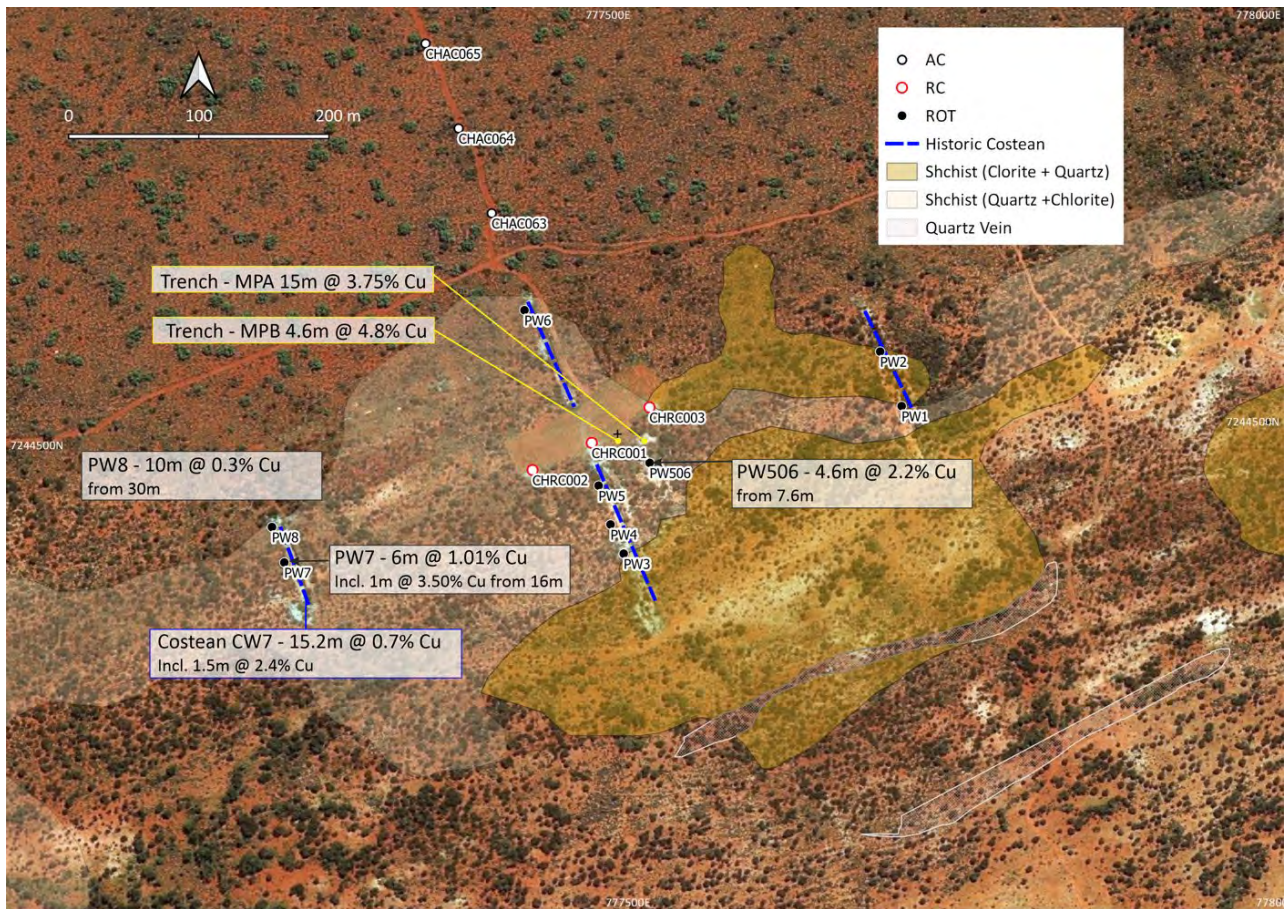


Figure 12 - Copper Hill prospect , historic drilling location plan.

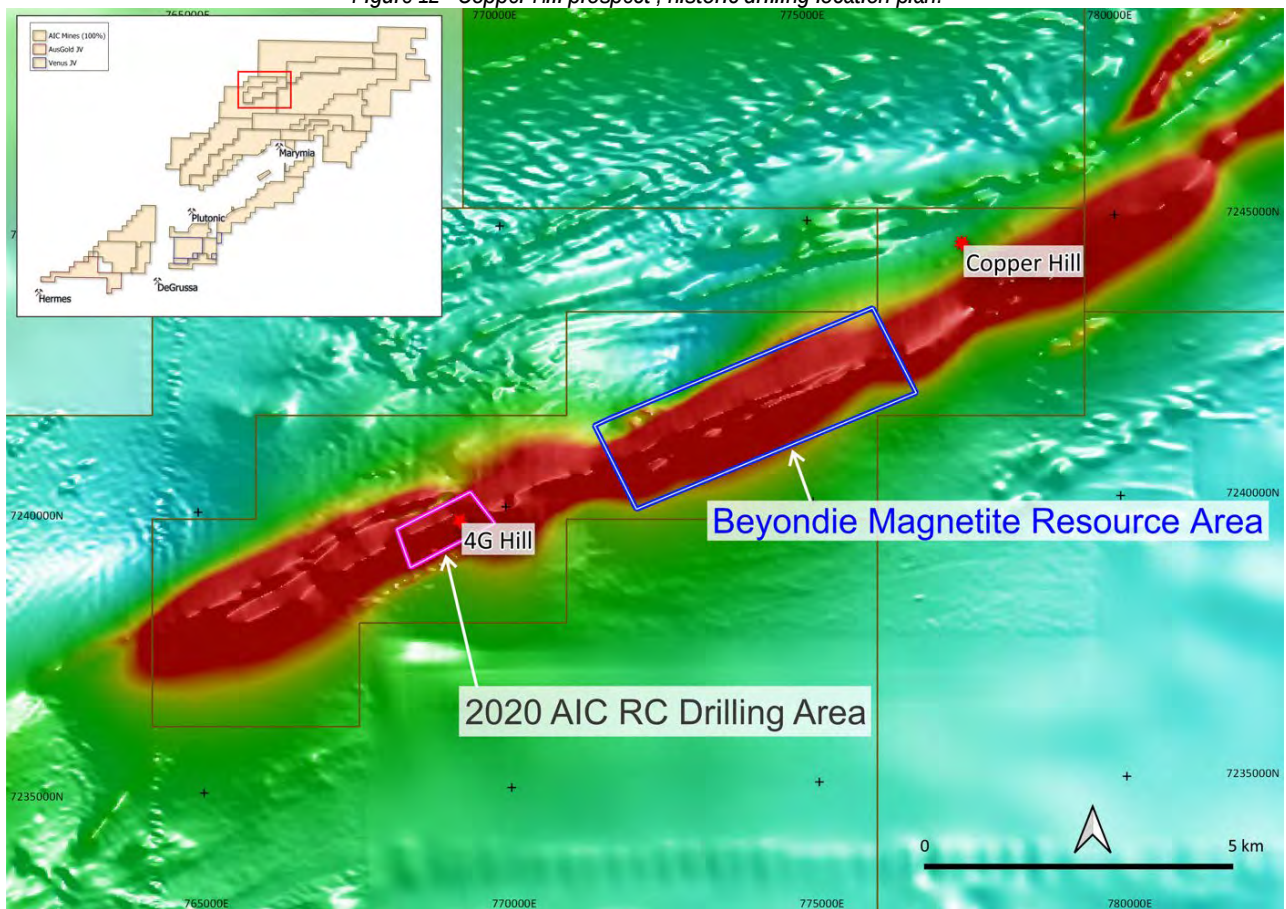


Figure 13 - Location of the Beyondie Magnetite Iron Resource.

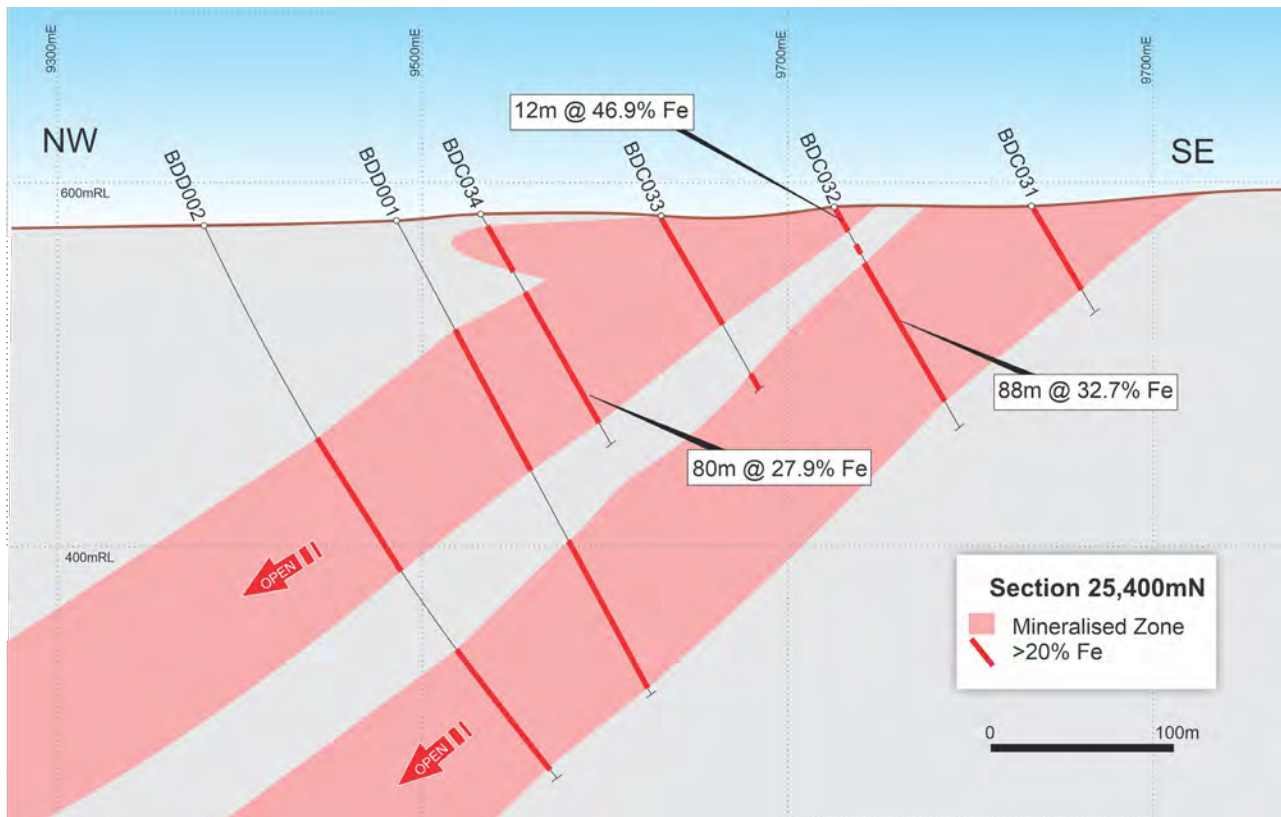


Figure 14 Schematic Cross Section through the Beyondie Magnetite Iron Resource
(after Emergent Resources Ltd 2014).

Lamil Project

JORC Code, 2012 Edition – Table 1

Section 1 Sampling techniques and data

Criteria	JORC Code explanation	Commentary															
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- A summary of the sampling conducted at the Lamil project consists of:<table><tr><th>Sample type</th><th>Quantity</th></tr><tr><td>Soils</td><td>3,010</td></tr><tr><td>Aircore</td><td>1,183</td></tr><tr><td>RC</td><td>3,403</td></tr><tr><td>DDH</td><td>2,653</td></tr><tr><td>Total</td><td>10,249</td></tr></table> - Soil sampling conducted in both December 2019 and December 2020 collected the clay dominant ultra-fine fraction. The sample area was approximately 180 km² with a spacing of 600 m x 600 m (off-set grid) infilled to 200 m x 200 m within the Lamil Dome area. - The soil samples are considered to be an effective representative of the material at the collection point. - QAQC protocols comprised of 2 CRMs and ~2 duplicates per 100 samples. - The soil samples were delivered to Intertek, Maddington for preparation and analysis. - Laboratory standards, blanks and checks were analysed as part of the lab's standard analytical procedure. - Soil samples underwent a low temperature dry (SD03), then riffle split to 50:50 portion (A and B) – B was bagged and retained. Portion A was dry sieved to 63 microns (SV23) – collect -63 micron fraction for assay, bag and retain +63 micron. - Samples were analysed by aqua regia ultima package (AR005/MS53) with Au at a 0.1 ppb detection with a MS finish. - Drill sampling was conducted between 19 September 2020 to 13 December 2020. - Diamond drilling targeted structurally complex zones, outlined by interpretation of magnetic and gravity geophysical data. - AC and RC drilling was used to test the depth of basement model over the Lamil exploration targets. - Drill hole planning factored in geochemical anomalies. - Drill hole collar locations were recorded using a handheld GPS which has an estimated accuracy of +/- 5 m. 2 m composite samples were taken from AC and RC drilling via a rig mounted splitter. Samples were selectively assayed (based of logged geology) from ~10 m above the Basement-Permian cover unconformity. - Samples were submitted to Intertek Laboratories, Maddington for multi-element and Au analysis using acid digest and aqua regia methods.	Sample type	Quantity	Soils	3,010	Aircore	1,183	RC	3,403	DDH	2,653	Total	10,249			
Sample type	Quantity																
Soils	3,010																
Aircore	1,183																
RC	3,403																
DDH	2,653																
Total	10,249																
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Drilling was conducted between 19 September 2020 to 13 December 2020. The drill types comprised of:<table><tr><th>Sample type</th><th>Holes</th><th>Metres</th></tr><tr><td>Aircore</td><td>18</td><td>2,257</td></tr><tr><td>RC</td><td>50</td><td>6,540</td></tr><tr><td>DDH</td><td>7</td><td>2,841</td></tr><tr><td>Total</td><td>75</td><td>11,638</td></tr></table>	Sample type	Holes	Metres	Aircore	18	2,257	RC	50	6,540	DDH	7	2,841	Total	75	11,638
Sample type	Holes	Metres															
Aircore	18	2,257															
RC	50	6,540															
DDH	7	2,841															
Total	75	11,638															

Criteria	JORC Code explanation	Commentary
		- Diamond drill hole pre-collars were completed using mud-rotary. Coring started in HQ and then NQ2 to EOH. Diamond drill core was orientated using a Reflex AT3 tool. In zones of Permian cover/clays and sands, triple tubing was used to reduce core loss. - AC and RC holes were drilled using a Schramm 450 multipurpose drill rig. On the majority of holes, a 7 m RC collar was drilled. The use of AC or RC technique was dictated by ground conditions and water flow rates.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Drilling of the cover sequence was predominantly done by mud-rotary – in which no sample is recovered. Where HQ began ~20-30 m above basement/cover interface – triple tubing was sometimes used to maximize sample recovery. Where core loss was encountered it was marked by the drillers on the core block and verified by AIC personnel. - AC/RC drilling generally provided good sample recovery. Drillholes were terminated in cases of high water ingress or limited sample recovery. RC drilling technique was preferred due to greater sample recovery in these cases. - No relationship is seen to exist between sample recovery and grade. There is insufficient data to ascertain if there is a sample bias due to preferential loss/gain of fine/coarse material.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	- Geological logging was completed on all drill holes, on site by AIC geologists and loaded into an SQL database. - Due to the early-stage of this drilling program, data was not expected to be used for resource estimation mining studies or metallurgical studies. - Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, structure, veining and other features of the samples. - All of the relevant intersections (100%) have been logged.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Diamond core was delivered whole to Intertek Laboratories for cutting before analysis. Cut lines and sample marks were marked on the core by AIC geologists and corresponding cutsheets were submitted to the lab for cutting. Certain zones of high geological significance were cut on site and submitted separately to the lab. - Diamond core was halved, except for duplicate samples which were quartered. 1 m samples were collected from AC and RC drilling and stored in green bags. 2 m composites from AC and RC drilling were riffle split using a rig mounted splitter and put into pre-numbered calico bags. Samples were predominantly dry, however if wet/damp it was recorded on the log. The drill rig cyclone and splitter were cleaned after every rod (6 m) with a thorough clean being undertaken at the end of each hole. - Field duplicates were inserted at a frequency of 2 per 100 samples, this was done by spear sampling green bag 1 m intervals for the respective 2 m composite sample. Samples for analysis were taken from ~10 m above the basement contact and continued to the end of hole. - Sample sizes are considered appropriate for the material being sampled.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether	- Samples were delivered to Intertek Laboratories, Maddington for analysis. All samples are weighed, placed into trays sequentially then dried to 105°C, samples are sorted and any discrepancies with submission logs noted. - Diamond core samples are crushed to 3 mm then split to <3 kg using Rotating Sample Dividers. Samples are pulverized for 6 minutes using LM5 mill to 85% passing 75µm. Checked using wet sieve test. Quartz sand mill wash is used at the start and end of the pulverizing. - AC and RC samples are split to <3 kg using a riffle splitter. Samples are pulverized for 5 minutes using LM5 mill to 85% passing 75µm. Checked using wet sieve test. - The analytical stage for all samples is completed sequentially using barcode labelled pulp packets. Each sample is scanned before being weighed.

Criteria	JORC Code explanation	Commentary
	<i>acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	- For every 60 samples 2 x control blanks, 2 x pulp duplicates and 2 SRMs are used. - Instrument analysis involves calibration before each run using calibration standards made from traceable single element solutions. - Results are reviewed through the LIMS system. CRMs have nominal values and control limits set from certificate values. Control charts of the CRMs are used during QAQC. - The laboratory has ISO 17025:2107 certification and participates in proficiency testing. - Analytical methods at the lab include Aqua regia with a mass spectrometry finish (AR10/AMS) which is considered a partial digest. A 4-acid digest with a mass spectrometry finish (4A/MS48) which is considered a 'near total' digest. 2 duplicate and 2 standard (CRM) samples are inserted into each sample string. This level of QAQC is deemed adequate for this stage of exploration. A QAQC report has not been completed.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	- Significant intersection reporting has been verified by alternative company personnel. - Data entry is completed in the field using field laptops running Log Chief, data is then exported and synced with a master SQL database. - No twinned holes have been drilled. - No adjustments have been made to the assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- Drill hole collar locations are determined using a handheld GPS which has an estimated accuracy of +/- 5 m. - Downhole surveys are collected during the drilling program at a depth interval of ~30 m using a DDH1 tool Gyro. - No downhole surveys were completed on AC or RC holes due to most of them being vertical. - The grid system used is MGA_GDA20, zone 51. - RLs from handheld GPS were deemed unreliable and were adjusted using Shuttle Radar Topography Mission (SRTM) – acquired from USGS data.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- AC and RC holes were drilled on ~400 m spacing along ~1,600 m spaced lines. Drill spacing narrowed to 80 m in some areas. - Diamond holes were not drilled on a fixed grid. The holes targeted structurally complex areas determined from geophysical data. - AC and RC drill samples from this program were composited into 2 m samples.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not applicable – at this early stage of exploration the orientation of mineralisation is not known.
Sample security	<i>The measures taken to ensure sample security.</i>	Sample security is managed by AIC. Samples are zip tied in polyweave bags and placed in bulka bags, samples are delivered to Intertek, Maddington via RGR Haulage out of Port Hedland.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	An external geochemist consultant reviewed the processes and data acquired from the soil sampling and drilling. These were deemed to meet industry standards.

Section 2 Reporting of exploration results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The project comprises granted exploration licenses EL45/5271 and EL 45/5270. - The tenements lie midway between the Telfer Au-Cu and Nifty Cu mines within the Paterson Province, East Pilbara, Western Australia. - EL45/5270 and EL45/5271 are 100% owned by Rumble Resources. - AIC has entered into an Earn-in and Joint Venture Agreement with Rumble Resources over EL45/5270 and EL45/5271.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Rumble Resources completed a 1565 line-km survey on 200 m line spacing bearing 050 (normal to regional geology) over the southeast portion of EL45/5271.
Geology	Deposit type, geological setting and style of mineralisation.	- Telfer gold-copper deposit style - structurally controlled, multiple sheeted / conjugate vein style deposit. - Nifty copper deposit style – sediment hosted copper deposit with structural and epigenetic overprint.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	See Appendix 1 (Collars) and Appendix 2 (Anomalous Intercepts).
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- The average grades presented in this report are length-weighted averages above the following cut-off values 0.025% (250 ppm) Cu, 10 ppb Au, 1 ppm Ag and Bi, 400 ppm Pb and 1,000 ppm Zn. - Given the narrow nature of the mineralised zones identified to date internal dilution is generally <1 m. - No high cuts have been applied. - Metal equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	- The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area. - Anomalous intercepts are reported over down hole length as true width is not known, due to the early stage of exploration.
Diagrams	Appropriate maps, sections (scales), tabulations of intercepts.	See Appendix 3 – (Diagrams).

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All material zones of enrichment in key pathfinder elements have been reported herein. Any drill holes that have no reported zones of enrichment did not return material pathfinder element assays.
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- During November 2019, a detailed passive seismic survey was completed. 100 m spaced stations were taken of 800 m spaced lines, totalling 432 readings taken. The passive seismic survey was completed by AIC personnel utilising Tromino seismometer supplied by Resource Potentials Geophysical Consultants. - The data was Interpreted by Resource Potentials to create accurate cross sections of interpreted depth of cover over the P1 and P4 targets. - During November/December 2019, a regional gravity survey was completed on 100 x 400 m spaced grid taking a total of 2,157 readings. The survey was completed over P1, P2, P3 and P4 targets. - The gravity survey was completed by Atlas Geophysics personnel who used a UTV for mobilisation between stations and utilised a CG-5 AutoGrav Gravity Meter. A preliminary interpretation of the data was undertaken by Newexco Geophysics and Geological Consultants. - During March 2020 Fathom Geophysical Consultants integrated all of the available geophysical survey results and completed detailed data analysis and targeting. No metallurgical or mineralogical assessments have been completed. - In the March 2021 quarter, Atlas Geophysics completed extensional and infill gravity surveys on 100 m x 400 m spaced grid over the western half of E52/5270 - where cover has been interpreted to be less than 100 m deep and the majority of E52/5271. The survey highlighted several high priority targets based on coincident gravity and magnetic features.
<i>Further work</i>	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	AIC Mines is currently assessing the outcomes of the geophysics, geochemistry and recent drilling. The outcomes of this work is being used to plan infill and extensional drilling programs.

AIC Mines exploration information extracted from ASX announcements

This Table 1 Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“2012 JORC Code”). Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcements lodged on the ASX:

• Paterson Province Exploration Joint Venture	22 July 2019
• Multiple new gold-copper targets identified at Lamil Project	6 April 2020
• Geochemical survey results from Lamil Project	25 May 2020
• Lamil Project exploration update	18 June 2020
• Drilling commences at Lamil Project	22 September 2020
• Initial results from maiden drilling program at Lamil Project	28 January 2021
• Final results from maiden drilling program at Lamil Project	26 February 2021

These announcements are available for viewing on the Company's website www.aicmines.com.au under the Investors tab.

AIC confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement.

Section 2 Reporting of exploration results

Appendix 1 - Collars

All coordinates reported in GDA 94 MGA Zone 51

Hole ID	Method	Max depth (m)	North	East	Dip	Azimuth
20ALAC0001	Aircore	97	7,577,088	400,583	-90	0
20ALAC0002	Aircore	103	7,576,858	400,270	-90	0
20ALAC0003	Aircore	91	7,576,499	399,792	-90	0
20ALAC0004	Aircore	133	7,576,264	399,477	-90	0
20ALAC0005	Aircore	175	7,574,365	399,629	-90	0
20ALAC0006	Aircore	151	7,574,128	399,300	-90	0
20ALAC0007	Aircore	109	7,575,863	404,266	-90	0
20ALAC0008	Aircore	97	7,575,615	403,955	-90	0
20ALAC0009	Aircore	103	7,575,379	403,627	-90	0
20ALAC0010	Aircore	37	7,575,147	403,304	-90	0
20ALAC0011	Aircore	103	7,574,909	402,982	-90	0
20ALAC0012	Aircore	103	7,574,676	402,659	-90	0
20ALAC0013	Aircore	133	7,574,217	402,019	-90	0
20ALAC0014	Aircore	66	7,573,970	401,696	-90	0
20ALAC0015	Aircore	135	7,573,734	401,363	-90	0
20ALAC0016	Aircore	139	7,573,494	401,036	-90	0
20ALAC0017	Aircore	157	7,573,256	400,712	-90	0
20ALAC0018	Aircore	145	7,572,896	402,990	-60	50
20ALDD0001	Diamond	397.2	7,576,494	400,357	-70	230
20ALDD0002	Diamond	350.0	7,575,759	401,128	-70	50
20ALDD0003	Diamond	548.5	7,574,203	402,182	-70	50
20ALDD0004	Diamond	365.7	7,569,165	400,446	-70	230
20ALDD0005	Diamond	346.6	7,573,762	400,963	-70	50
20ALDD0006	Diamond	393.9	7,572,485	403,056	-70	50
20ALDD0007	Diamond	439.0	7,573,278	402,945	-70	230
20ALRC0001	RC	199	7,576,008	399,145	-90	0
20ALRC0002	RC	91	7,576,701	401,394	-90	0
20ALRC0003	RC	133	7,576,347	400,918	-90	0
20ALRC0004	RC	133	7,576,095	400,586	-90	0
20ALRC0005	RC	163	7,575,865	400,275	-90	0
20ALRC0006	RC	115	7,577,387	403,633	-90	0
20ALRC0007	RC	91	7,577,023	403,147	-90	0
20ALRC0008	RC	169	7,577,262	403,463	-90	0
20ALRC0009	RC	103	7,576,785	402,833	-90	0
20ALRC0010	RC	97	7,576,546	402,511	-90	0
20ALRC0011	RC	103	7,576,303	402,185	-90	0
20ALRC0012	RC	97	7,576,065	401,866	-90	0
20ALRC0013	RC	121	7,575,823	401,544	-90	0

Hole ID	Method	Max depth (m)	North	East	Dip	Azimuth
20ALRC0014	RC	92	7,571,929	403,330	-90	0
20ALRC0015	RC	67	7,571,510	402,686	-90	0
20ALRC0016	RC	181	7,575,627	401,175	-90	0
20ALRC0017	RC	153	7,575,407	400,848	-90	0
20ALRC0018	RC	205	7,575,141	400,550	-90	0
20ALRC0019	RC	127	7,574,878	400,244	-90	0
20ALRC0020	RC	181	7,574,624	399,947	-90	0
20ALRC0021	RC	109	7,574,431	402,340	-90	0
20ALRC0022	RC	169	7,573,011	400,387	-90	0
20ALRC0023	RC	109	7,573,385	403,637	-90	0
20ALRC0024	RC	109	7,573,141	403,309	-90	0
20ALRC0025	RC	120	7,573,042	403,182	-60	50
20ALRC0026	RC	210	7,572,996	403,119	-60	50
20ALRC0027	RC	199	7,572,944	403,054	-60	50
20ALRC0028	RC	214	7,572,850	402,929	-60	50
20ALRC0029	RC	103	7,572,850	402,929	-90	0
20ALRC0030	RC	151	7,572,660	402,671	-90	0
20ALRC0031	RC	163	7,572,421	402,349	-90	0
20ALRC0032	RC	187	7,572,174	402,026	-90	0
20ALRC0033	RC	145	7,571,098	404,608	-90	0
20ALRC0034	RC	133	7,570,869	404,307	-90	0
20ALRC0035	RC	115	7,570,609	403,934	-90	0
20ALRC0036	RC	127	7,570,370	403,630	-90	0
20ALRC0037	RC	85	7,569,693	401,399	-90	0
20ALRC0038	RC	163	7,569,451	401,084	-90	0
20ALRC0039	RC	85	7,568,870	400,305	-90	0
20ALRC0040	RC	134	7,568,621	399,967	-90	0
20ALRC0041	RC	97	7,568,823	401,556	-90	0
20ALRC0042	RC	138	7,568,590	401,240	-90	0
20ALRC0043	RC	91	7,568,339	400,921	-90	0
20ALRC0044	RC	67	7,568,915	401,682	-90	0
20ALRC0045	RC	119	7,569,583	401,243	-90	0
20ALRC0046	RC	139	7,569,139	400,604	-90	0
20ALRC0047	RC	103	7,574,375	402,248	-90	0
20ALRC0048	RC	91	7,574,317	402,169	-90	0
20ALRC0049	RC	103	7,574,259	402,088	-90	0
20ALRC0050	RC	115	7,574,141	401,926	-90	0

Section 2 Reporting of exploration results

Appendix 2 - Anomalous intercepts

Anomalous values: Cu > 250 ppm and/or Ag > 1 ppm and/or Au >10 ppb and/or Bi >1 ppm and/or Pb >400 ppm and/or Sb > 8 ppm and/or Zn >1,000 ppm.

Note: All intercepts represent down hole lengths. True widths are not currently known due to the early stage and wide spacing of the drilling.

Hole ID	Depth from (m)	Depth to (m)	Sample ID	Cu (ppm)	Ag (ppm)	Au (ppb)	Bi (ppm)	Pb (ppm)	Sb (ppm)	Zn (ppm)	Na (%)	Anomalous element
20ALDD0006	84.74	85.07	20D01778	14.6	-0.05	15	0.09	41.6	0.25	104	2.92	Au
20ALDD0006	93	93.9	20D01787	49.6	-0.05	4	1.23	3.8	0.33	95	2.40	Bi
20ALDD0006	98.66	99	20D01795	1859.4	0.73	9	1.91	125.2	3.03	118	1.33	Cu/Bi
20ALDD0006	133.27	134.28	20D01843	275.6	-0.05	-1	0.13	1.1	0.27	57	0.95	Cu
20ALDD0006	163	163.71	20D01880	48.6	-0.05	1	0.66	3.2	0.40	1120	1.61	Zn
20ALDD0006	165	166	20D01883	53.9	0.10	2	0.41	16.7	0.58	1237	1.58	Zn
20ALDD0006	166	167	20D01884	51.1	-0.05	-1	0.24	2.7	0.58	1154	1.65	Zn
20ALDD0006	172.09	173	20D01891	23.5	-0.05	44	0.17	2.4	0.52	117	2.02	Au
20ALDD0006	176.51	176.9	20D01896	326.2	-0.05	4	0.22	33.9	1.00	109	0.83	Cu
20ALDD0006	179.84	181	20D01901	115.5	0.15	3	0.27	506.1	1.36	478	3.18	Pb
20ALDD0006	183.55	184.49	20D01905	293.4	0.08	3	0.22	82.9	0.64	145	3.49	Cu
20ALDD0006	219.75	220.73	20D01951	792.2	0.17	1	0.05	63.1	0.85	185	1.70	Cu
20ALDD0006	224.47	224.82	20D01957	5.1	0.32	3	0.04	751.6	2.75	519	0.66	Pb
20ALDD0006	236.41	236.94	20D01971	32.8	0.13	1	0.09	572.0	0.37	46	1.26	Pb
20ALDD0006	244.51	244.87	20D01982	274.4	0.08	3	0.06	15.6	1.49	31	1.05	Cu
20ALDD0006	332.35	333	20D02082	51.9	-0.05	14	0.06	-0.5	0.25	33	1.11	Au
20ALDD0007	119.28	119.54	20D02238	762.9	0.61	1	0.25	19.5	0.40	28	2.70	Cu
20ALDD0007	121	121.8	20D02242	28.7	0.49	2	0.04	937.0	1.74	1398	2.82	Pb/Zn
20ALDD0007	158.71	159.54	20D02295	18.4	-0.05	1	0.08	2.4	9.83	27	0.41	Sb
20ALDD0007	163.08	163.94	20D02300	4486.2	1.67	31	0.47	246.3	2.51	420	0.71	Cu/Ag/Au
20ALDD0007	163.94	164.98	20D02302	544.3	0.09	3	0.31	8.1	0.36	51	1.19	Cu
20ALDD0007	166	167	20D02304	294.4	0.07	5	0.30	31.0	0.31	63	1.27	Cu
20ALDD0007	167	168	20D02305	384.1	0.07	2	0.20	36.9	0.29	84	1.28	Cu
20ALDD0007	170	170.39	20D02310	216.5	0.24	2	0.21	1141.4	1.31	2855	1.14	Pb/Zn
20ALDD0007	170.39	170.7	20D02311	522.3	0.42	3	0.64	218.5	1.05	143	0.36	Cu
20ALDD0007	173.6	174	20D02316	45.7	0.46	1	0.08	963.6	2.02	712	1.69	Pb
20ALDD0007	180.83	181.14	20D02328	252.4	0.39	41	0.41	28.5	0.44	28	3.00	Cu/Au
20ALDD0007	184.03	184.53	20D02335	315.8	0.25	5	0.17	39.1	2.80	166	2.93	Cu
20ALDD0007	191.47	191.75	20D02345	169.9	0.76	32	0.14	59.7	9.02	103	2.46	Au/Sb
20ALDD0007	203	203.49	20D02362	304.0	0.14	2	0.06	6.8	0.70	123	3.37	Cu
20ALDD0007	228.1	228.5	20D02397	449.4	0.31	-1	0.24	6.2	0.48	11	0.08	Cu
20ALDD0007	229.15	229.7	20D02400	604.8	0.26	1	0.11	3.4	0.35	28	2.50	Cu
20ALDD0007	232.37	232.77	20D02405	1829.7	0.83	4	0.44	29.9	1.45	45	1.44	Cu
20ALDD0007	237.1	237.38	20D02412	4417.7	2.82	19	0.61	109.0	8.00	32	1.42	Cu/Ag/Au/Sb
20ALDD0007	238.03	238.69	20D02414	895.3	1.10	11	1.07	207.0	4.63	27	1.89	Cu/Ag/Au/Bi
20ALDD0007	265	266	20D02454	276.0	0.21	7	0.22	211.4	0.66	142	1.02	Cu
20ALDD0007	275	276.16	20D02468	17.0	-0.05	-1	0.05	6.9	8.91	34	0.90	Sb

Hole ID	Depth from (m)	Depth to (m)	Sample ID	Cu (ppm)	Ag (ppm)	Au (ppb)	Bi (ppm)	Pb (ppm)	Sb (ppm)	Zn (ppm)	Na (%)	Anomalous element
20ALDD0007	291.23	291.73	20D02487	268.9	0.16	2	0.05	14.6	0.33	60	1.03	Cu
20ALDD0007	293.45	293.65	20D02490	2786.4	1.79	28	0.38	2075.6	4.97	1302	0.93	Cu/Ag/Au/Pb/Zn
20ALDD0007	298.6	298.8	20D02497	114.5	0.11	2	0.11	145.0	1.90	1692	1.05	Zn
20ALDD0007	301.84	302.44	20D02502	594.7	0.09	2	0.07	3.4	0.55	40	1.01	Cu
20ALDD0007	348	348.25	20D02558	781.0	0.32	6	0.49	25.1	2.62	33	1.85	Cu
20ALDD0007	401.02	401.6	20D02628	25.1	-0.05	16	0.04	12.7	0.83	26	4.06	Au
20ALDD0007	405	406	20D02634	144.7	-0.05	46	0.09	1.8	0.51	29	3.37	Au
20ALDD0007	406	407	20D02635	1.2	-0.05	49	0.02	0.9	0.35	27	3.27	Au
20ALDD0007	416	417	20D02646	74.8	-0.05	1	2.02	5.6	0.41	39	2.21	Bi
20ALDD0007	427	428	20D02659	101.8	-0.05	24	0.16	10.1	0.55	64	0.95	Au
20ALRC0048	80	82	A004472	576.2	1.09	1	0.06	32.2	1.48	58	0.14	Cu/Ag

Section 2 Reporting of exploration results

Appendix 3 - Diagrams

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.

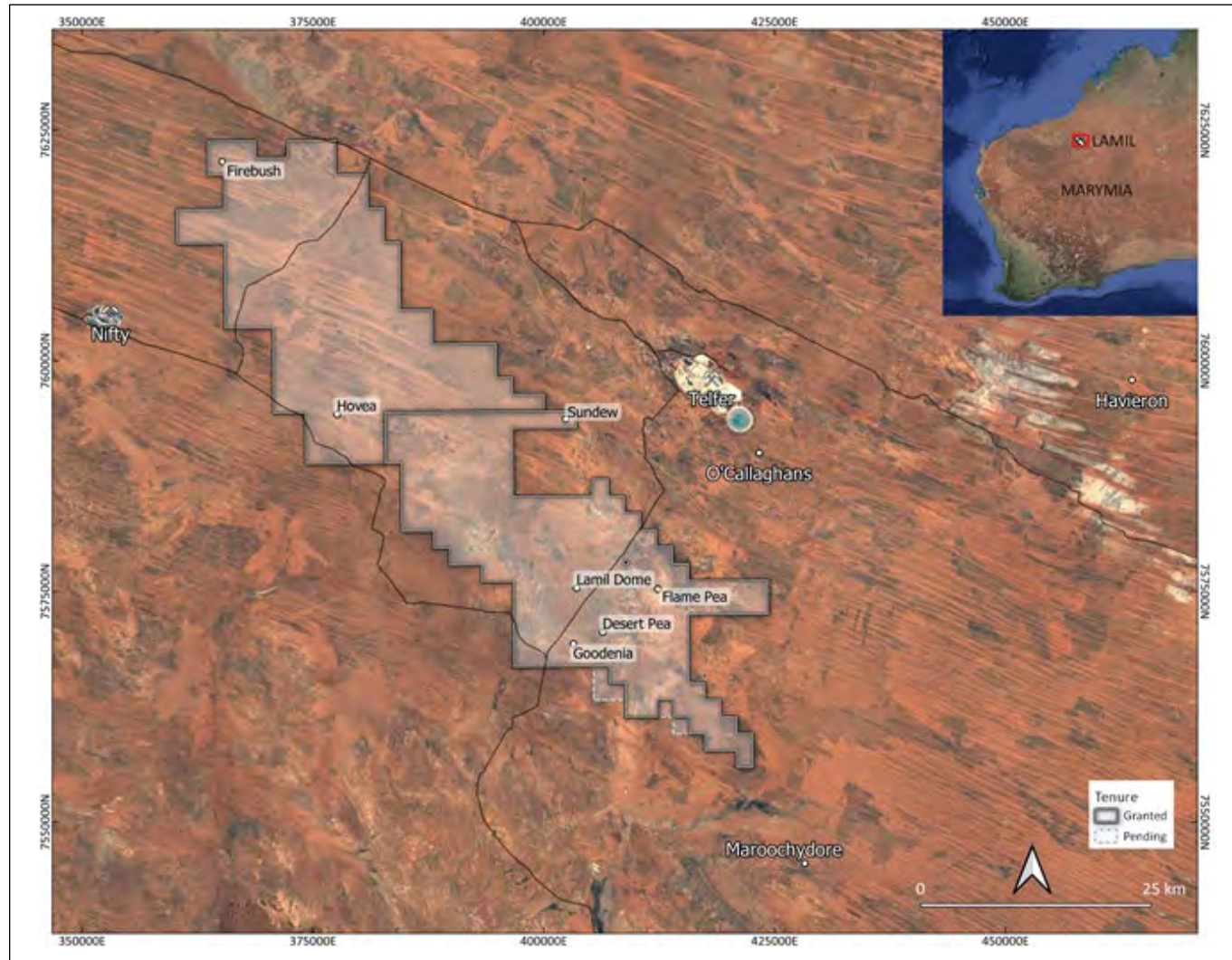


Figure 1: Lamil Project Tenements E45/5270 and E45/5271 (AIC earning up to 65%) and Applications E45/5909, E45/5914 and E45/5919 (AIC 100%), with Key Target Areas

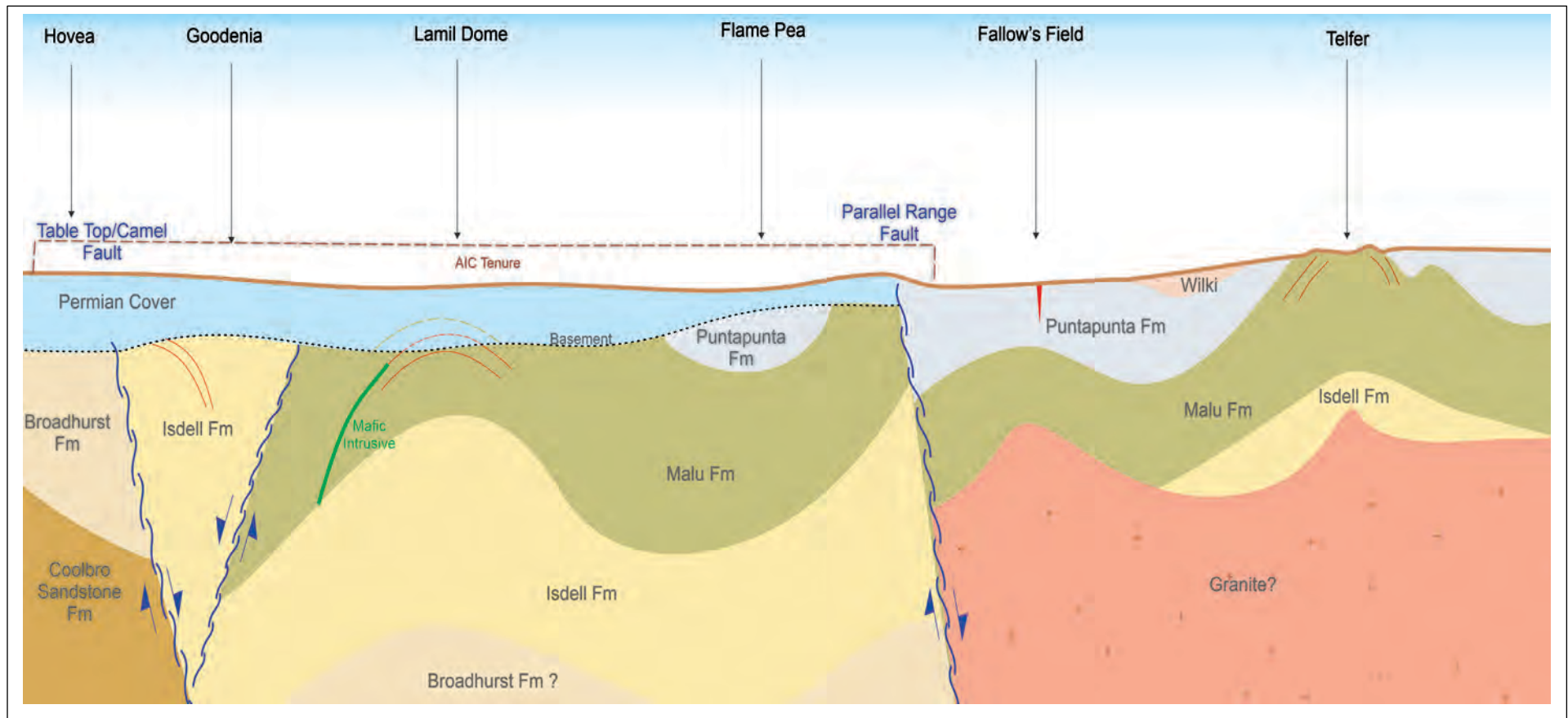


Figure 2: Schematic cross section illustrating relative positions of Key Targets Areas with respect to interpreted geology

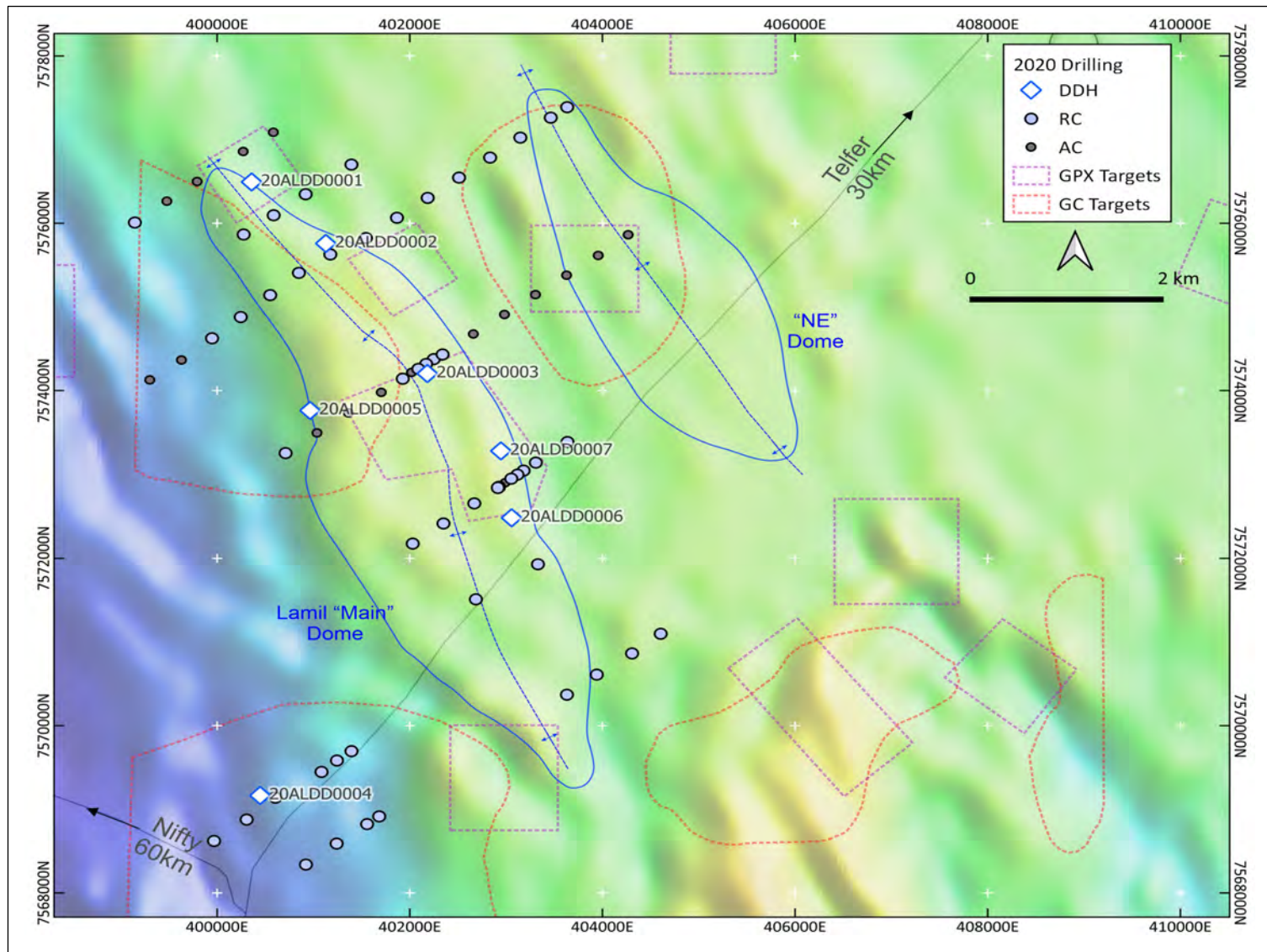


Figure 3: Location of interpreted Lamil Main Dome and NE Dome with maiden drilling program. Background is 25 m RTP aeromagnetic data and outlines of previously released geochemical (GC) and geophysical (GPX) targets

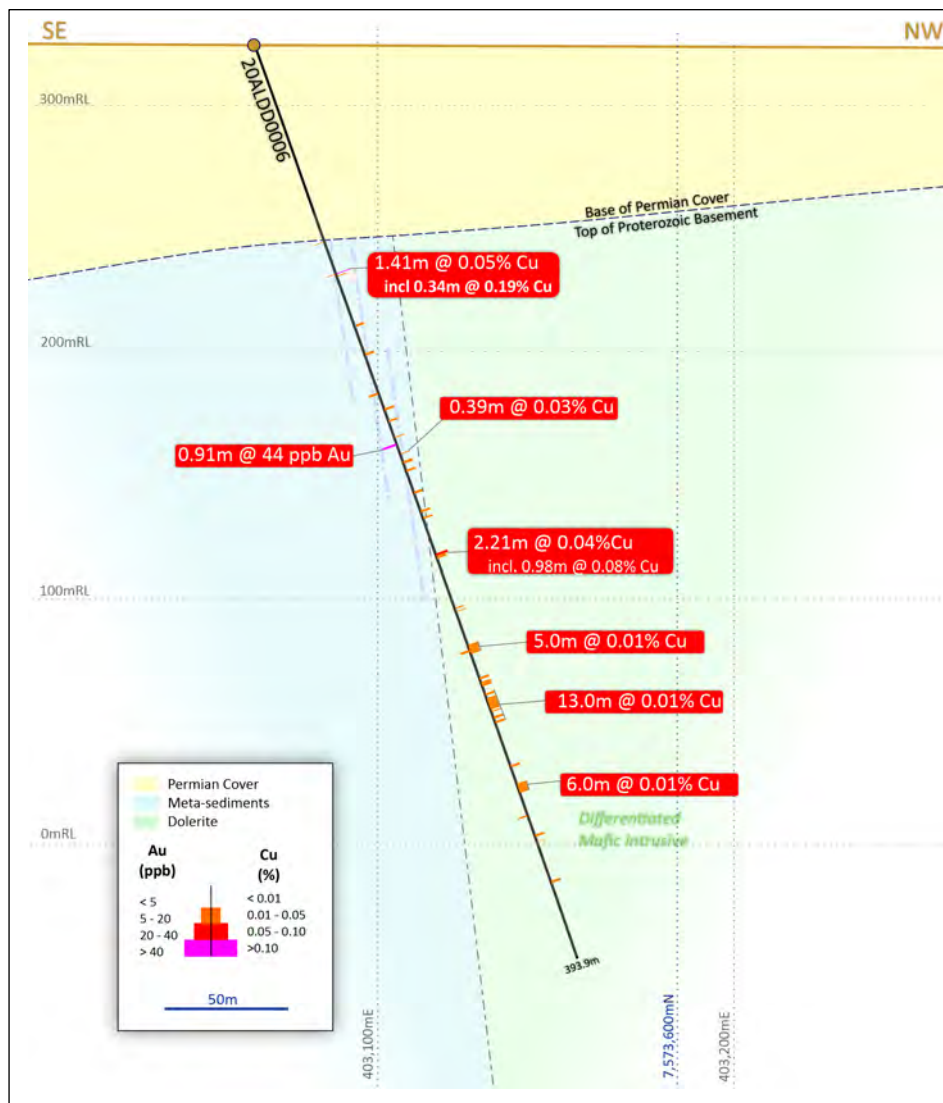


Figure 4: Schematic geological cross section - Diamond drillhole 20ALDD0006

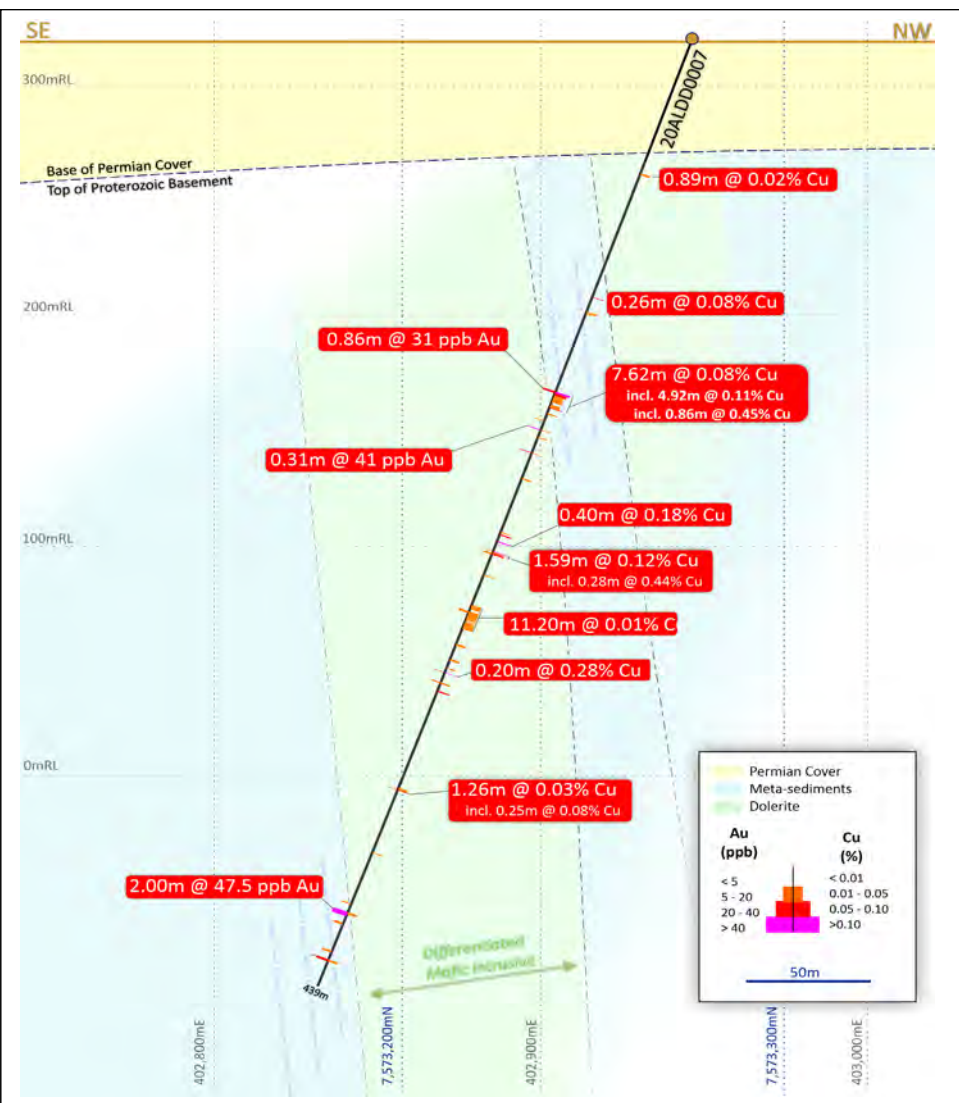


Figure 5: Schematic geological cross section - Diamond drillhole 20ALDD0007

Eloise Copper Mine

JORC Code, 2012 Edition – Table 1

Section 1 Sampling techniques and data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	• Samples used in the MRE were obtained through diamond drilling methods collected from campaigns completed since 1986. • The sampling methodology described below has been consistent at the mine since recommencement of operations in 2011, and prior to 2011, the methodology is considered to have been industry standard. • Diamond drill core is transferred to core trays for logging and sampling, the core is metre marked in preparation for logging. • Diamond drill sample intervals are generally of 1 m lengths, with some occasional changes varying from 0.3 m to 1.5 m in length to honour geological zones of interest (lithology or grade) as identified by the mine geologist. • Resource drilling is half core samples and grade control drilling spaced less than 25 m is full core sampled. • Core is cut longitudinally using an Almonte core saw, with half-core sampled for analysis. Waste samples both before and after the mineralised intercept are also sampled half-core. Where a trend is obvious in the mineralisation the core is cut at an appropriate orientation to gain an unbiased sample. • The remaining half-core is retained in the drill tray, with all drillholes remaining onsite for future reference. • Core samples placed in calico bags. The sample sequence is routinely checked by core shed staff and supervising geologists to identify sampling issues and sent to a commercial laboratory, ALS Global, Mount Isa, for analysis. • ALS Global, Mount Isa, on receipt of the samples again checks the sample sequence to ensure all samples have been received and then allocate a bar code number to each sample for tracking through the analytical process. • Drill core samples (at a nominal interval of 1 m) are analysed for copper, silver, arsenic, and iron using aqua regia digestion followed by determination by inductively coupled plasma-atomic emission spectroscopy (ICP-AES). Additional elements have occasionally been analysed including bismuth, cadmium, cobalt, mercury, nickel, lead, antimony, titanium, zinc, calcium, and manganese. • All work throughout the project's history has been completed at either the Townsville or Mount Isa laboratory of ALS Global. • Gold is determined by 30 g fire assay with determination by AAS methods. All work has been completed at ALS Global's Townsville laboratory.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Drilling has taken place over numerous periods since 1986. Drilling from 1986 through 1992 was completed by BHP-UTAH/BHP Minerals. MIM Exploration completed drilling in 1992 and Amalg Resources completed drilling from 1994 through 2002. Breakaway Resources completed drilling in 2003 and Barminto/FMR Investments Pty Ltd (FMR) have completed drilling from 2004 through 2021. • Historical surface drilling used a combination of HQ and NQ size diamond core. • Underground diamond drilling is undertaken with LM90 skid-based rig and mobile carrier rig with LM90 drill attachment. Drillhole size is currently NQ2. This core size has been consistent since 2011. • The geological database contains a total of 1,150 DDH holes for 166,770 m.

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Drill core is pieced together, and the length of drill core is measured and compared with the theoretical interval from the depths written on the core blocks. Recovery is then recorded as a percentage calculated from measured core versus drilled interval. • The host rocks and mineralised intervals are generally very competent, with core recovery very high, in excess of 95%. Some core loss occurs when drillholes pass through post-mineralisation faults. Any zones of identified core loss are noted and excluded from recorded sampling intervals. • No specific study has been conducted to determine a relationship between sample recovery and grade, however as core recoveries are generally very high, the potential for bias is considered low.
<i>Logging</i>	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	• All diamond drill core is geologically/geotechnically logged on site. Qualitative measures include lithology, sulphide habit, alteration, colour, grainsize, structure type, and mineral form. Quantitative measures include strength of alteration, structural intensity, and visually estimated sulphide content. • All core is photographed (wet and dry). • Logging is generally qualitative in nature. All stored drill core has been photographed wet and dry. • All diamond core has been geologically logged, therefore 100% of the relevant intersections have been logged.
<i>Sub-sampling techniques and sample preparation</i>	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core is longitudinally cut in half with an Almonte core saw. NQ2 sized diamond core is considered a representative sample of the in-situ material. • Sampling intervals are selected by an FMR geologist and a drillhole sampling sheet is completed. Sample intervals do not cross zones of core loss, which are infrequent. Samples are usually 1 m in length and are only occasionally sampled to geological contacts. • Core (which weigh approximately 3–5 kg) and full core samples are placed in calico bags which are then inserted into polyweave sacks which are labelled with the laboratory name, sample numbers and the number of the polyweave sack in the sequence. Polyweave sacks are then transported to the laboratory. • All samples are subjected to the same industry standard sample preparation regime: - Half-core samples are passed through a Boyd crusher with nominal 70% of samples passing <2 mm. Between each half-core sample, the crusher and associated trays are cleaned with compressed air to minimise cross contamination. - The crushed sample is then passed through a rotary splitter and a catch weight of approximately 1 kg is retained. Between crushed samples the splitter is cleaned with compressed air to minimise cross contamination. - Approximately 1 kg of retained sample is then placed into a LM2 pulveriser, where approximately 85% of the sample passes 75 um. An approximate 200 g Master Pulp subsample is taken from this pulverised sample for ICP/AES analyses, with a 60 g subsample also taken and dispatched to ALS Global (Townsville) for the FA analysis for gold (Au-AA25). - All pulps are inserted in a box along with one blank, one standard and two random duplicate samples. Quality control (QC) results are checked by ALS Global prior to release to FMR. • A check sampling program consisting of field, crush and pulverised duplicates were systematically undertaken to support this MRE – refer QC section below. • Sample sizes are considered appropriate to the grain size of the material being sampled.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	- The assaying and laboratory procedures used are consistent with industry good practice. - From the 200 g master pulp, approximately 0.5 g of pulverised material is digested in aqua regia (ALS–GEO-AR01). The solution is diluted in 12.5 mL of de-ionized water, mixed, and analysed by ICP-AES (ALS Global–ME-ICP41) for the following elements: Cu, As, Ag and Fe. Over range samples, in particular Cu >5% are re-analysed (ALS Global methods ASY-AR01 and ME-OG46) to account for the higher metal concentrations. - Gold analysis is undertaken at ALS Global (Townsville) laboratory where a 30 g fire assay charge is used with a lead flux in the furnace. The prill is totally digested by HCL and HNO3 acids before AAS determination for gold analysis (Au-AA25). - Sample analyses are based upon a total digestion of the pulps. - ALS Global (Mount Isa and Townsville) conduct their own QAQC protocol, including grind size, standards, and duplicates, and all QAQC data is made available to the mine via the ALS Global Webtrieve website. - Until June 2018, the mine site did not have an appropriate external QAQC protocol in place. Since June 2018, the mine has developed a protocol of inserting certified reference material (CRM) and blanks on a ratio of 1:30 samples. Three copper CRMs and one gold CRM were purchased from Geostats Pty Ltd. Blank material was sourced from Townsville and this material matches what is currently used by ALS Global in Mount Isa. - FMR inserted CRM and blank material results are reviewed monthly. If multiple failures occur within a single submission batch, then the entire batch may be re-assayed. - Pulps are maintained by ALS Global laboratory in Mount Isa for 90 days to give adequate time for re-analysis and are then disposed. - To address the lack of QAQC prior to June 2018, a set of drillholes which lie within the area informing the 2018 MRE were selected for a program of half-core sampling (duplicate sampling) with an appropriate number of CRMs and blanks. Selection of these holes were considered representative of the mineralised zones in terms of spatial context and time of initial sample submission. - A separate analytical study was undertaken with a selection of available pulps submitted to an umpire laboratory to monitor inter-laboratory precision. - No results from geophysical studies were used in the preparation of the MRE. - QC samples have not been routinely inserted by the various owners of the project. The following work program was completed to support reporting an MRE in accordance with the JORC Code in 2018: - Inspection of the principal laboratory (ALS Global in Mount Isa) has been conducted by FMR geologists and external consultants. - Review of all available internal (laboratory) QC data, including blanks, duplicates, and CRM results. - Submission of a broad selection of remaining half-core samples from the Mineral Resources area to the same primary laboratory along with submission of CRMs and blanks to monitor accuracy and carry-over contamination throughout the course of the resampling program. The program was designed to provide confirmatory geochemical analysis to support reporting a Mineral Resource in accordance with the JORC Code. - Submission of a selection of pulps to an umpire laboratory as a further check on the analytical accuracy of the laboratory. - Following completion of the work program above, review of all data collection procedures and inspection of both the core processing facility and laboratory, the Competent Person considered that sufficient confidence can be placed in the dataset to support reporting an MRE in accordance with the JORC Code.

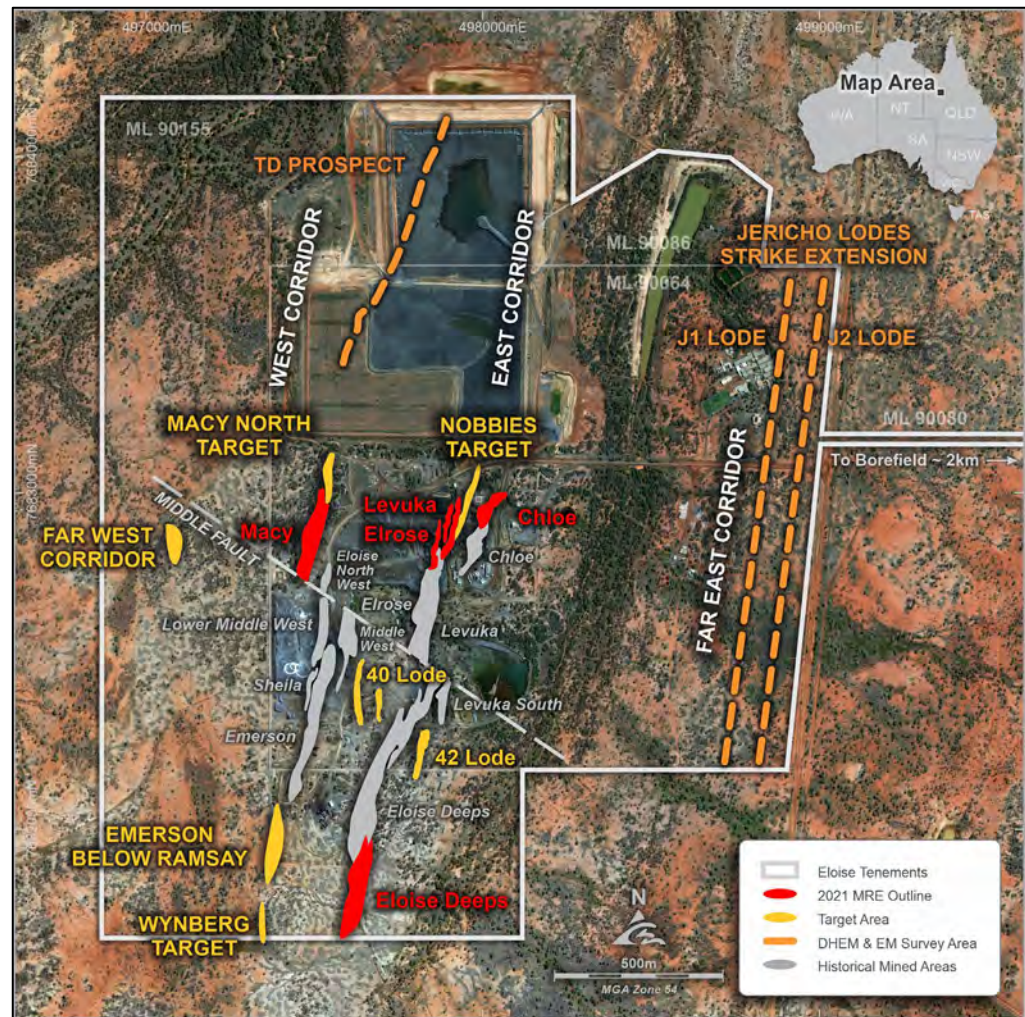
Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	- All mineralisation intersections, both significant and anomalous are verified by the Mine Geologists during the drillhole validation process. - All data are stored and validated within the site Microsoft Access database. Records of primary location, downhole deviation, logging, and sample results are filed for each hole and retained onsite, historically in hard copy and more recently in electronic copy only. - Assay results are received in csv format and loaded into the database by the mine/supervising geologist who then checks the results have been entered correctly. - For the MRE, the database was isolated and subjected to manual validation of drillholes relevant to the Mineral Resources estimation focusing primarily on the assay data but also collar location and downhole surveying. - The Competent Person and FMR geologists verify the significant intersections during monthly and resource reporting. - No twinning has been completed. - Templates have been set up to facilitate geological logging. The templates provide some validation of imputed data. Prior to the import into the central database, logging data is validated for conformity and overall systematic compliance by the geologist. - No adjustments were made to the analytical data, other than replacing below detection results with a value equal to half the detection limit or zero.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Historical drill holes have been setup and surveyed using a variety of methods and survey equipment. This includes survey markup of collars and string lines for azimuth, clinometer for dip, and more recently the Azi Aligner north seeking Gyro technology. - Downhole surveys have used a variety of single and multishot techniques with magnetic tools such as the Eastman single-shot camera, Reflex Ez-Trac tool and the strain based (non-magnetic) Downhole Survey Deviflex tool. - Current process is for survey markup of the collar position if required, setup using the Reflex TN-14 North seeking gyro, and downhole survey with the Reflex Sprint IQ Gyro. 30 m single shot tacking surveys are taken during drilling, with a 3 m interval end of hole multishot final survey. - The final collar position is surveyed by mine surveyors after the completion of drilling. - All data generated is based on a mine grid.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- The drill spacing varies along strike and down dip. The drillhole density is denser than 25 m by 25 m in some areas, extending out to 50–75 m by 50–100 m in less drilled areas. - The Competent Person believes the mineralised lenses have sufficient geological and grade continuity to support the classification applied to the Mineral Resources given the current drill pattern. - Sample compositing was applied prior to geostatistical analysis and grade interpolation.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported	- The data spacing is irregular. Holes have been drilled at different azimuths, primarily to test different structures and due to access limitations, that exist in the underground environment. - Eloise is an underground mining operation; drill positions are limited to available mine openings/headings. Where possible, drillholes are designed to be drilled perpendicular to mineralised zones. - However, due to drill position availability, drilling can at times be orientated oblique to mineralisation. Where this occurs, preferential weighting is given to spatial information generated from development mapping and long-hole

Criteria	JORC Code explanation	Commentary
	<i>if material.</i>	drill samples in proximity to the diamond hole. Conflicts may occur between data sets, where this happens, the oblique diamond drill data is modified to conform to the spatially higher confidence data. • The Competent Person considers that the orientation of the sampling is unlikely to have caused biased sampling. • No bias based on hole orientation is known to exist.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	• Chain of custody is managed by FMR and the principal laboratory ALS Mt Isa. • Core is delivered daily by FMR drillers to the core yard, where it is laid on racks for logging and sampling. All core is photographed when marked up for a permanent record. On completion of logging, samples are tied and bagged for transport to Mount Isa by commercial courier. • Pulps are stored at the ALS Global laboratory in Mount Isa for a period of 90 days before being discarded. From July 2017 to May 2021 pulps were returned to site but without appropriate storage facilities they deteriorated rapidly and there was little benefit. • Assay results are currently received from the laboratory in digital format. Once data is finalised, it is transferred to a Microsoft Access database. There are no security measures in place to protect the database from malicious or accidental edits of data except for routine backup.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	External consultants and FMR have completed audits of the Principal Laboratory, ALS Mount Isa, and reviewed all drill core handling, logging, and sampling processes. All equipment was found to be well-maintained and the laboratory was found to be clean and well-organised. Management had a sound understanding of sample preparation and analytical methods.

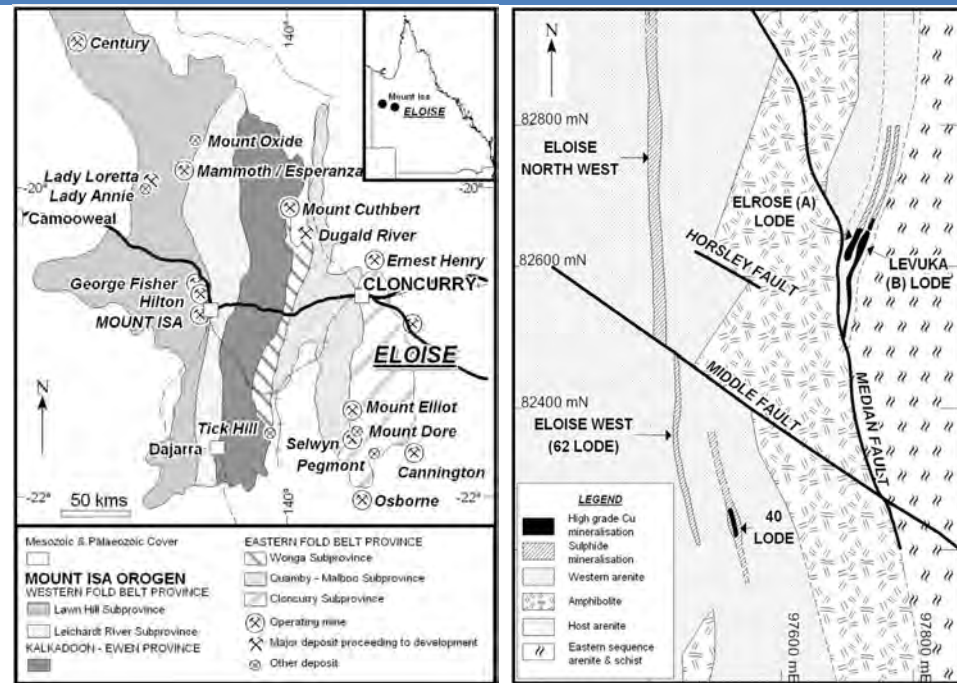
Section 2 Reporting of exploration results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- Eloise is located on contiguous mining leases: - ML90064 (expiry date 31 August 2025) - ML90080 (expiry date 31 December 2021) - renewal submitted - ML90086 (expiry date 31 March 2022) - ML90155 (expiry date 31 October 2026). - All mining leases are current and in good standing. Mining leases are expected to be renewed on expiry without modification. - The mining leases are currently owned by FMR Investments Pty Ltd and on successful completion of the sale to AIC Mines Ltd will be transferred to AIC Copper Pty Ltd a wholly owned of AIC Mines Limited.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	- The deposit was discovered by BHP in 1986 targeting magnetic highs identified from aeromagnetic surveys. The deposit was evaluated between 1992 and 1998. In 1993, MIM evaluated the deposit through drilling and structural interpretation of core under an option agreement. Amalg Resources NL (Amalg) purchased the deposit in 1994 and commenced decline development in 1995, first ore was mined in April 1996. - The mine was acquired by Barmingo Investments in January 2004 with subsequent name change to FMR Investments Pty Ltd in 2011. - Various academic studies have contributed to the knowledge and understanding of the deposit, including: - Baker, T., 1996; The Geology and genesis of the Eloise Cu-Au deposit, Cloncurry District, NW Queensland. Unpublished PhD Thesis James Cook University. - Fellows, J.C., 2001; Metamorphism and metasomatism at the Eloise Cu-Au deposit, Cloncurry District: Metamorphic history and a Metasomatic Origin for Biotite Schists. Unpublished MSc Thesis James Cook University.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	- The deposit lies within Early-Middle Proterozoic rocks of the Cloncurry-Selwyn zone in the Eastern Fold Belt, of the Mount Isa Inlier. The lithologies have been tentatively assigned to the Table Creek Volcanics and Mount Norma Quartzite members of the Soldiers Gap Group. - At Eloise, this sequence comprises north-south striking arenitic meta-sediments and ortho-amphibolite's located on the sub-vertical eastern limb of the Middle Creek Anticline, coincident with a regional northerly trending shear zone, the "Levuka Shear". The deposit is located under 60 m of Mesozoic sediment cover of the Eromanga Basin. - Mineralisation is hosted within a strongly foliated meta-sedimentary sequence comprising arenites and schists. The metasediment sequence also contains a coarse-grained amphibolite body possibly representing an early intrusion of gabbroic composition. Mineralised zones occur as steeply plunging lenticular bodies with strike lengths between 100 m and 200 m and attaining a maximum width of 25 m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500 m and remains open at depth. - Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.

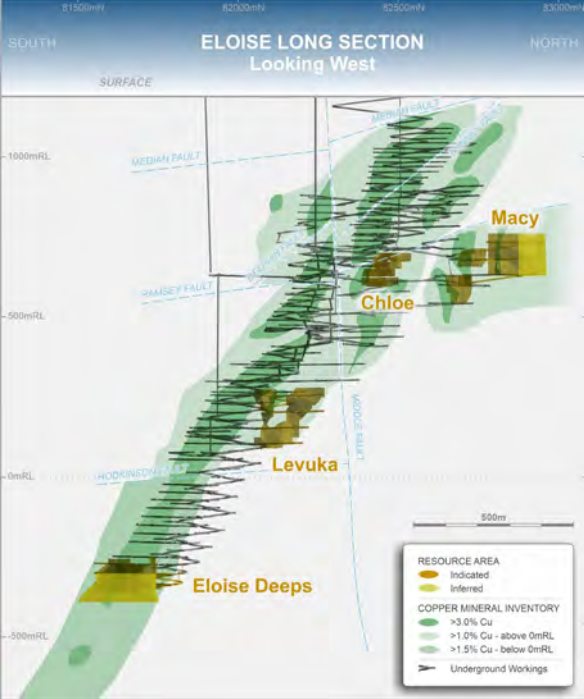
Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Not applicable – exploration results are not being reported.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – exploration results are not being reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable – exploration results are not being reported. • Lodes strike north-south and are sub-vertical. Holes have been drilled at various dips and azimuths and therefore intersect the lodes at variable angles. An attempt has been made to drillholes as close as possible to orthogonal to the lodes; however, holes that are oblique to the trend of the mineralisation are quite common.



Plan of lodes



Regional geology (after Blake, 1997) and local geology (Hodkinson et.al., 2003)

Criteria	JORC Code explanation	Commentary
		 Long section (looking west) showing the extent of the Indicated and Inferred Resources inside the LOM design. The Mineral Inventory (green shading) for the entire deposit also displayed outside the Mineral Resource limits.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable – exploration results are not being reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable – exploration results are not being reported.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	• Diamond drilling is ongoing, with drilling infilling and testing the along strike potential of the Macy, Emerson, and Deeps lodes. When the full strike extent of the Macy and Emerson lodes has been defined, exploration drilling will target the down plunge and potential fault offset of the Emerson mineralisation. • The Deeps mineralisation beneath the Z305 RL development will be evaluated once a drill position has been established off the decline at that level.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

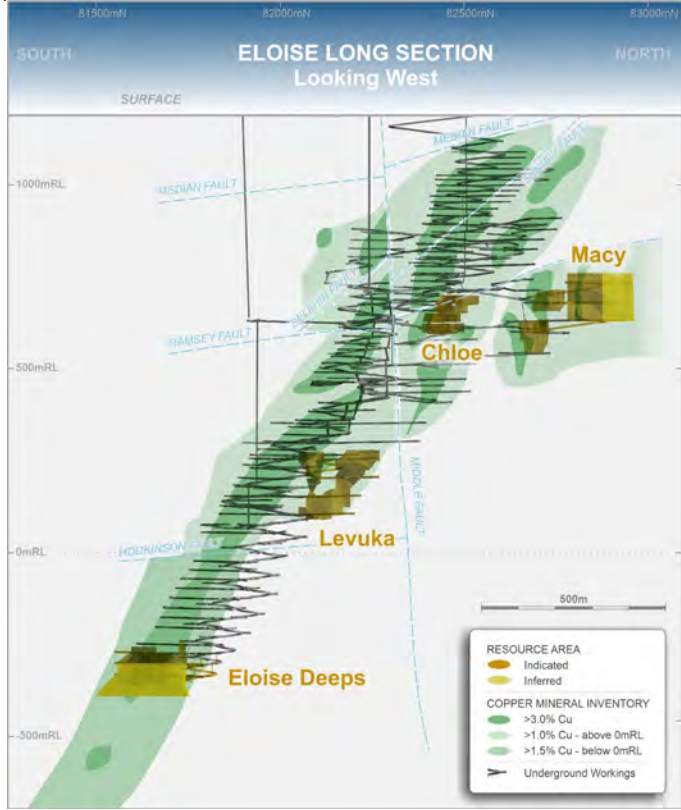
Criteria	JORC Code explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- Core logging is completed by the site geologists at the site core yard using project-specific logging codes. Data is entered directly into a Toughbook. Data is then loaded directly into the site database. Assay results are currently received from the laboratory in digital format. Once data is finalised it is transferred to a Microsoft Access database. There are no security measures in place to protect the database from malicious or accidental edits of data except for routine backup. - FMR systematically checks the drillhole files for the following errors prior to Mineral Resource estimation: - Absent collar data - Multiple collar entries - Questionable downhole survey results - Absent survey data - Overlapping intervals - Negative sample lengths - Sample intervals which extended beyond the hole depth defined in the collar table.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- The Competent Person is based on site and an external Resource estimation consultant conducted a site visit for the 2018 MRE. Items discussed and inspected include: - Procedures related to the Mineral Resources - Planning and supervision of all diamond drilling and sampling activities - Inspection and quality control of logging, photography, sampling, and sample submission of diamond core - Monitoring of laboratory sample preparation, assaying and internal QAQC activities, including audits of the principal laboratory at Mt Isa - Internal QAQC protocols including analysing the performance of CRM's, blanks, replicates and duplicates - Geological data collection, management, and sectional interpretation of the deposit. - The principal assay laboratory at Mt Isa was also inspected. All equipment was found to be well maintained and the laboratory was found to be clean and well organised. Management had a sound understanding of sample preparation and analytical methods. - The outcome of the visits concluded the drillhole planning, core logging, sampling, assaying, QAQ, data management are consistent with industry good practice. Furthermore, geological controls to the mineralisation were sufficiently understood to enable a Mineral Resource to be reported in accordance with the JORC Code.

Criteria	JORC Code explanation	Commentary
<i>Geological interpretation</i>	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation. - The factors affecting continuity both of grade and geology.	- Geological interpretation was completed by the site Mine Geologists. - The main controls to the mineralisation are structural, and mineralisation occurs as a series of lenses. - The known structural framework was used to guide mineralisation interpretation. Up to five separate lodes or zones are interpreted within each resource area. The post-mineralisation faulting has created a series mineralised compartments, approximately 400 x 400 m in size. - After 15 years of diamond drilling and underground mining the continuity and grade characteristics of the lode systems are well understood by the site geologists. - Based on visual observation and logging, all ore bodies were interpreted as a series of en echelon sub vertical lodes that are practically represented by continuous wireframed domains. - A nominal 1% Cu cut-off grade is used to interpret the mineralised boundaries, although some intercepts below 1% Cu have been included for continuity purposes. - No material assumptions have been made which effect the MRE reported herein. - Alternative geological interpretations are not likely to materially impact on the MRE.
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The deposit has multiple lenses in the current resource models that have been modelled between 81,354 m N and 83,018 m N. The dip extent extends from 1,150 m RL to -695 m RL. The lenses have variable strike and dip continuity. The plan width of the lenses varies between approximately 2 m and 40 m.
<i>Estimation and modelling techniques</i>	- The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates. - Discussion of basis for using or not using grade cutting or capping.	- All geological modelling, statistical analysis and grade estimation were completed using Surpac software. - Grade estimation for Cu, Au and Ag and Fe were undertaken using an ordinary kriged algorithm into eight (8) wireframe domains. - A 5 m E x 10 m N x 5 mRL parent block size was used with sub-celling to 1.25 m for E, N and RL. The sub-block size was selected to provide sufficient wireframe–block fill resolution. All sub cells were assigned the grade of the parent block. - The inputs for the estimation including nugget, sill, ranges, direction and anisotropy were determined using the Surpac variography module. - The drillhole data spacing is variable but approximates 25 m to 50 m along strike (north-south) by 25 m to 50 m down-dip. The block size represents approximately half of the drill spacing in the more densely drilled areas of the deposit. - The wireframes have been used as hard boundaries for the interpolation of the ore lenses, this is to ensure only grades within each wireframe have been used to estimate the block inside the same wireframe. Outside of the ore lenses, a background waste estimation was undertaken. - The raw assay data was composited to 1 m intervals. The composited data was used for classical statistical analysis, variography analysis and ordinary kriged estimation. - The coefficient of variation (COV), histograms and probability plots were reviewed for Cu and Au to understand the distribution of grades and assess the requirement for top cuts for each estimation domain. Top cutting was deemed necessary where the COV was high (>1.2) and individual high-grade samples were deemed to potentially result in biased block model results.

Criteria	JORC Code explanation	Commentary																																																																									
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	- Top cuts were applied to gold, Cu grades were not cut. Top cuts applied for gold include: - Macy: WF1 & 2-6 g/t, WF3-21 g/t, WF5-25 g/t, WF6-18 g/t Au - Eloise North: WF1-6 g/t, WF2-26 g/t, WF3-10 g/t, - Eloise South: WF1-7 g/t, WF2-15 g/t, WF3-35 g/t, WF4-20 g/t, WF5-15 g/t. - A four-pass search ellipse strategy was adopted. The search ellipse distances were progressively increased from 30, 60, 120 and 400 m. A summary of the estimation parameters is shown below. <table><tr><th>Cu</th><th>Samples</th><th>Distance</th><th>Azimuth</th><th>Plunge</th><th>Dip</th><th>Nugget C₀</th><th>Sill c1</th><th>Range A₁</th><th>Anisotropy Major/Semi</th><th>Anisotropy Major/Minor</th></tr><tr><td>Minimum</td><td>5</td><td>30</td><td>181.26</td><td>-69.41</td><td>50.26</td><td>0.10</td><td>0.69</td><td>59.30</td><td>1.08</td><td>15</td></tr><tr><td>Maximum</td><td>20</td><td>400</td><td>194.74</td><td>-19.84</td><td>89.46</td><td>0.45</td><td>1.74</td><td>176.85</td><td>3.22</td><td>15</td></tr></table> - Due to the wide spaced drilling below the 330 mRL, an upper cut of 2.4% Cu was applied to all blocks below this level. - The previous MRE was completed and reported by an external consultant in February 2019, comprising of: <table><tr><th>Feb-19 Mineral Resources</th><th>Tonnes (kt)</th><th>Cu % Grade</th><th>Contained Copper (t)</th><th>Au g/t Grade</th><th>Contained Gold (oz)</th><th>Ag g/t Grade</th><th>Contained Silver (oz)</th></tr><tr><td>Measured</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Indicated</td><td>3,147</td><td>2.4</td><td>77,000</td><td>0.7</td><td>69,000</td><td>11.0</td><td>1,146,000</td></tr><tr><td>Inferred</td><td>2,258</td><td>3.3</td><td>75,000</td><td>0.9</td><td>69,000</td><td>14.0</td><td>1,011,000</td></tr><tr><td>Total</td><td>5,404</td><td>2.8</td><td>152,000</td><td>0.8</td><td>137,000</td><td>13.0</td><td>2,178,000</td></tr></table> - A significant amount of drilling and mining has been completed since the 2019 MRE, hence much of the current MRE represents new and additional areas compared to the previous MRE. - In 2021, the MRE was undertaken by the Competent Person with input from an external consultant. Some of the grade estimation procedures have been updated since the 2018 MRE. - No assumptions have been made regarding recovery of by-products. Fe and As were estimated however are not considered to represent issues for the mine given the long history of producing a saleable concentrate. - No assumptions were made regarding selective mining units. - Drillhole grades were initially visually compared with cell model grades. Domain drillhole and block model statistics were then compared. Swath plots were also created to compare drillhole grades with block model grades for easting, northing, and elevation slices throughout the deposit. The block model reflected the tenor of the grades in the drillhole samples both globally and locally.	Cu	Samples	Distance	Azimuth	Plunge	Dip	Nugget C ₀	Sill c1	Range A ₁	Anisotropy Major/Semi	Anisotropy Major/Minor	Minimum	5	30	181.26	-69.41	50.26	0.10	0.69	59.30	1.08	15	Maximum	20	400	194.74	-19.84	89.46	0.45	1.74	176.85	3.22	15	Feb-19 Mineral Resources	Tonnes (kt)	Cu % Grade	Contained Copper (t)	Au g/t Grade	Contained Gold (oz)	Ag g/t Grade	Contained Silver (oz)	Measured	-	-	-	-	-	-	-	Indicated	3,147	2.4	77,000	0.7	69,000	11.0	1,146,000	Inferred	2,258	3.3	75,000	0.9	69,000	14.0	1,011,000	Total	5,404	2.8	152,000	0.8	137,000	13.0	2,178,000
Cu	Samples	Distance	Azimuth	Plunge	Dip	Nugget C ₀	Sill c1	Range A ₁	Anisotropy Major/Semi	Anisotropy Major/Minor																																																																	
Minimum	5	30	181.26	-69.41	50.26	0.10	0.69	59.30	1.08	15																																																																	
Maximum	20	400	194.74	-19.84	89.46	0.45	1.74	176.85	3.22	15																																																																	
Feb-19 Mineral Resources	Tonnes (kt)	Cu % Grade	Contained Copper (t)	Au g/t Grade	Contained Gold (oz)	Ag g/t Grade	Contained Silver (oz)																																																																				
Measured	-	-	-	-	-	-	-																																																																				
Indicated	3,147	2.4	77,000	0.7	69,000	11.0	1,146,000																																																																				
Inferred	2,258	3.3	75,000	0.9	69,000	14.0	1,011,000																																																																				
Total	5,404	2.8	152,000	0.8	137,000	13.0	2,178,000																																																																				
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages are estimated on a dry basis.																																																																									
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Cut-off grades applied by FMR and within this estimate are 1.0% Cu (>0 mRL) for the Upper Zone and 1.5% Cu (<0 mRL greater than 1,190 m BSL) for the Lower Zone.																																																																									

Criteria	JORC Code explanation	Commentary
<i>Mining factors or assumptions</i>	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	• In selecting the reporting cut-off grade, the mining method and Reasonable Prospects for Eventual Economic Extraction have been considered. • Some internal dilution exists within the interpreted mineralisation boundaries, but this material was not modelled. Further drilling is required to ascertain if these zones are continuous and can therefore be selectively removed during mining.
<i>Metallurgical factors or assumptions</i>	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	• Eloise operates a conventional flotation circuit to produce a high-grade copper concentrate with gold and silver credits. The mill can sustain a rate up to 750,000 dry metric tpa. The plant operates a three-stage crushing facility capable of producing a -12 mm product at 120 tph. This is comprised of a primary jaw crusher and two-stage cone crushing in closed circuit with a screening plant. Comminution is via a two-stage grinding circuit achieving a P80 particle size of 125 µm. The flotation circuit comprises rougher and scavenger flotation cells and a bank of cleaner and recleaner cells. Concentrate thickening and American disc filtering produces cake with moisture content of about 13%. The concentrate is sun dried to about 8–9% moisture content ready for transport and shipment. • The final product is a concentrate comprising approximately 27% Cu, 4.4 g/t Au and 100 g/t Ag. • The mine has a long history of producing and selling a concentrate by flotation methods with no material issues from deleterious elements. • Metallurgical and operational test work has confirmed Eloise produces a high-quality concentrate with very low contaminants. Hence no areas have been excluded from the Mineral Resources Estimate.
<i>Environmental factors or assumptions</i>	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	The mine is currently in operation and operates with an environmental management plan to meet its operational licence conditions. The site is regularly visited by Queensland Department of Environment and Science officers who inspect the environmentally relevant activities and audit for compliance to the licence conditions.

Criteria	JORC Code explanation	Commentary																																
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	- A volume displacement method was adopted from 1997 to 2002. This method was used routinely on diamond core before being dispatched to the laboratory. The method involved weighing drill core and then measuring the volume displacement of the core. The density was calculated as the weight divided by the volume. - The water immersion method was used from 2007 through 2008. Diamond core samples dispatched to ALS Global for analysis and were subject to specific gravity determinations by the laboratory. The method adopted the common method of measuring the weight of the core in air and then in water, with the specific gravity calculated by dividing the weight in air by the weight in air minus the weight in water. - A total of 6,925 volume displacement and 2,878 water immersion records were available, however all measurements were taken outside the modelled lenses in previously mined areas. A regression approach was therefore adopted (see below). - The host rocks and mineralisation have extremely low porosity, hence it is not considered an issue with the determinations. - The relationship between density, Fe and Cu was reviewed through regression analysis. A relatively strong relationship between Fe and Fe + Cu and density was observed. Density is calculated based on interpolated Fe and Cu grades as follows: Density = 0.0265 x (Cu%+Fe%) +2.6401. - After the above regression formula was applied, calculated values above 3.3 t/m³ were reset to 3.3 t/m³ following feedback from site.																																
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	- Consideration was given to data quality, grade estimation quality and geological continuity relative to areas of historical mining. - In each block model, the site geologists assigned a class and resource category number using a combination of search pass and slope of regression (SOR) (see table). The limits were checked by visualising the distribution of SOR and then applying various cut-offs until the result aligned with expectations against the drill data spacing. <table><tr><th>Class</th><th>Res_Cat_No</th><th>SOR (Cu_cd_bis)</th><th>Pass</th></tr><tr><td>Measured</td><td>1</td><td>>= 0.8</td><td>1</td></tr><tr><td>Indicated</td><td>2</td><td>>=0.5 and <0.8</td><td>1</td></tr><tr><td>Indicated</td><td>2</td><td>>=0.8</td><td>2</td></tr><tr><td>Inferred</td><td>3</td><td>>=0.0 and <0.5</td><td>1</td></tr><tr><td>Inferred</td><td>3</td><td>>=0.5 and <0.8</td><td>2</td></tr><tr><td>Inferred</td><td>3</td><td>>=0.8</td><td>3</td></tr><tr><td>UNC</td><td>4</td><td>All others</td><td>All others</td></tr></table> - The use of slope of regression for Resource classification has resulted in “spotty” and discontinuous classification zones. This is exemplified by inferred blocks located near drilling or within stoped out zones. The Competent Person adopted a three step process for classification by i) applying a filter based on slope of regression and estimation pass ii) digitizing a smoothed and final boundary string iii) assigning a final Resource classification inside the boundary string. - Indicated generally had a drill spacing of at least 25 m to 25 m. All other modelled areas were generally classified as Inferred with a drill spacing up to 100 m. Only continuous areas were classified to avoid the “spotted dog effect”. The resource classification was constrained by economic considerations. Remnant resources however have not been included at this time.	Class	Res_Cat_No	SOR (Cu_cd_bis)	Pass	Measured	1	>= 0.8	1	Indicated	2	>=0.5 and <0.8	1	Indicated	2	>=0.8	2	Inferred	3	>=0.0 and <0.5	1	Inferred	3	>=0.5 and <0.8	2	Inferred	3	>=0.8	3	UNC	4	All others	All others
Class	Res_Cat_No	SOR (Cu_cd_bis)	Pass																															
Measured	1	>= 0.8	1																															
Indicated	2	>=0.5 and <0.8	1																															
Indicated	2	>=0.8	2																															
Inferred	3	>=0.0 and <0.5	1																															
Inferred	3	>=0.5 and <0.8	2																															
Inferred	3	>=0.8	3																															
UNC	4	All others	All others																															

Criteria	JORC Code explanation	Commentary
		• Appropriate account has been taken of all relevant criteria including data integrity, data quantity, geological continuity and grade continuity. This includes restricting and reporting the Mineral Resources to an area located within FMR's June 2021 LOM design. All mineralisation outside the LOM design was excluded and is considered mineral inventory. • The MRE appropriately meets reflects the Competent Person's views of the deposit.  Long section (looking west) showing Indicated and Inferred Resource inside the LOM design. The Mineral Inventory (green shading) for the entire deposit also displayed outside the Mineral Resource limits.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	• The current model has been subject to FMR's an internal peer review processes. The performance of the MRE is reviewed each month as part of the end-of-month reconciliation reporting process. In Q2 2021, the design grade tracks closely to the reconciled mill grade. • These reviews have verified the technical inputs, methodology, parameters, and results of the estimate. The relative accuracy and confidence of the Mineral Resources is based on the extents of the Indicated and Inferred Resource boundaries. All material outside of the June 2021 LOM design is excluded and has not been classified.

Criteria	JORC Code explanation	Commentary																																								
Discussion of relative accuracy/ confidence	- Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	- The Competent Person considers the Mineral Resources classification to comply with the accuracy requirements in accordance with the JORC Code, 2012. The MRE relates to a global tonnage and grade estimate. Grade estimates have been made for each block in the model. - The Indicated and Measured Mineral Resource are reported excluding any mining modifying factors. - The Mineral Resources Estimate have been effectively employed for mine design and mining and is reconciling within acceptable limits. <table><tr><th>Resource Category</th><th>Tonnes</th><th>Cu Grade %</th><th>Au Grade (g/t)</th><th>Ag Grade (g/t)</th><th>Contained Copper (t)</th><th>Contained Gold (oz)</th><th>Contained Silver (oz)</th></tr><tr><td>Measured</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Indicated</td><td>1,308,000</td><td>2.5</td><td>0.7</td><td>9.6</td><td>32,500</td><td>28,500</td><td>405,400</td></tr><tr><td>Inferred</td><td>1,388,000</td><td>2.4</td><td>0.7</td><td>11.4</td><td>33,000</td><td>31,500</td><td>509,400</td></tr><tr><td>Total</td><td>2,696,000</td><td>2.4%</td><td>0.7</td><td>10.6</td><td>65,500</td><td>60,100</td><td>914,900</td></tr></table>	Resource Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)	Measured	-	-	-	-	-	-	-	Indicated	1,308,000	2.5	0.7	9.6	32,500	28,500	405,400	Inferred	1,388,000	2.4	0.7	11.4	33,000	31,500	509,400	Total	2,696,000	2.4%	0.7	10.6	65,500	60,100	914,900
Resource Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)																																			
Measured	-	-	-	-	-	-	-																																			
Indicated	1,308,000	2.5	0.7	9.6	32,500	28,500	405,400																																			
Inferred	1,388,000	2.4	0.7	11.4	33,000	31,500	509,400																																			
Total	2,696,000	2.4%	0.7	10.6	65,500	60,100	914,900																																			

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Comment																																
Mineral Resource estimate for conversion to Ore Reserves	- Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. - Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	- The parameters used for the Mineral Resources are described in Section 3 and only the Indicated Resource has been considered for conversion to Probable Ore Reserve. - The Probable Ore Reserve was estimated by only evaluating the Indicated Resource and applying the mining modifying factors. - The Mineral Resources are reported as inclusive of Ore Reserves <table><tr><th>Reserve Category</th><th>Tonnes</th><th>Cu Grade %</th><th>Au Grade (g/t)</th><th>Ag Grade (g/t)</th><th>Contained Copper (t)</th><th>Contained Gold (oz)</th><th>Contained Silver (oz)</th></tr><tr><td>Proved</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Probable</td><td>1,424,000</td><td>2.1</td><td>0.6</td><td>8.3</td><td>30,300</td><td>26,700</td><td>378,400</td></tr><tr><td>Total</td><td>1,424,000</td><td>2.1%</td><td>0.6</td><td>8.3</td><td>30,300</td><td>26,700</td><td>378,400</td></tr></table>	Reserve Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)	Proved								Probable	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400	Total	1,424,000	2.1%	0.6	8.3	30,300	26,700	378,400
Reserve Category	Tonnes	Cu Grade %	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)																											
Proved																																		
Probable	1,424,000	2.1	0.6	8.3	30,300	26,700	378,400																											
Total	1,424,000	2.1%	0.6	8.3	30,300	26,700	378,400																											
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken, indicate why this is the case.	The Competent Person for the Ore Reserves is the Site Senior Executive who is a qualified Mining Engineer and a full-time employee of FMR based at Eloise.																																
Study status	- The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. - The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	- As part of the operational procedure a LOM study including design, schedule and evaluation was completed. This work was undertaken as part of the annual budget and LOM planning process. The type and level of study is suitable to convert the Mineral Resources to Ore Reserves. - The Ore Reserve reported within the LOM plan includes Indicated Resource only. Inferred Resource have been excluded from the reported Ore Reserve. - The parameters used to estimate modifying factors and the subsequent Ore Reserve are based on existing operations and actual performance. - The Ore Reserves are contained within a mine design and are viable. A portion of the Ore Reserve is currently being mined and processed. - Material Modifying Factors have been considered and used for the Ore Reserves Estimate. - The Ore Reserve analysis addresses the key technical and economic parameters relating to the deposit to an appropriate level of confidence to meet the production requirements of the mine.																																
Cut-off parameters		- Copper only cut-off grades have been calculated and applied as economic cut-offs in the determination of the underground Ore Reserves. These are based on current and forecasted costs, revenues, mill recoveries, modifying factors and depth of Reserves below the surface. - Cut-off grade assessments consider grade of copper only (i.e. does not consider gold or silver). - The cut-off values for the: - Upper Zone (LHOS) is 1.0% Cu (Surface to the 0 mRL, 1,190 m BSL), and - Lower Zone (SLC) is 1.5% Cu (below the 0 mRL, deeper than 1,190 m BSL).																																
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).	Underground Ore Reserves have been estimated by generating detailed mining shapes for all areas that contain Indicated Mineral Resource as well as access development. Internal stope dilution has been designed into the mining shapes and interrogated. External stope dilution and mining recovery factors have been applied post geological block model interrogation to generate final mining diluted and recovered ore tonnage and grade.																																

Criteria	JORC Code explanation	Comment
	• <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> • <i>The infrastructure requirements of the selected mining methods.</i>	• Eloise is an active mining operation and modifying factors are based on existing practice and analysis of performance. • Stopes to be mined in the short term are assessed on an individual basis using all related local mining, geological and geotechnical experience to date. This includes data gathered from back-analysis of stopes mined to date in adjacent or similar areas. Reserve stope blocks employ geotechnical parameters derived from area mining experience and/or diamond drill core. • A LOM design has been generated and scheduled to an appropriate level of confidence. • Mining dilution factors in the Upper Zone, longhole stope areas is applied at 15% and in the Lower zones the sub level cave (SLC) dilution is applied at 20%. • Mining recovery factors applied to the Ore Reserves is 100%. The mining recovery factors are based on historical reconciliation performance of the Upper Zone LHOS and Lower Zone SLC. • Eloise is an operating mine and the infrastructure to support the mining operations is in place. This includes workshops, offices, warehouses, fuel storage, road construction for transport and access, the processing plant, diesel power generation, surface water management, underground mining infrastructure, ROM stockpiles, and waste dumps.
Metallurgical factors or assumptions	• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical testwork undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> • <i>Any assumptions or allowances made for deleterious elements.</i> • <i>The existence of any bulk sample or pilot scale testwork and the degree to which such samples are considered representative of the orebody as a whole.</i> • <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i>	• Eloise operates a conventional flotation circuit to produce a high-grade copper concentrate with gold and silver credits. The mill can sustain a rate of 750,000 dry metric tpa. The plant operates a three-stage crushing facility capable of producing a -12 mm product at 120 tph. This is comprised of a primary jaw crusher and two-stage cone crushing in closed circuit with a screening plant. Comminution is via a two-stage grinding circuit achieving a P80 particle size of 125 µm. The flotation circuit comprises rougher and scavenger flotation cells and a bank of cleaner and recleaner cells. Concentrate thickening and American disc filtering produces cake with moisture content of about 13%. The concentrate is sun dried to about 8–9% moisture content ready for transport and shipment. • The metallurgical recovery is a function of feed grade, and historically reports at ≥ 95% Cu, 50% Au and 83.5% Ag. • The final product is a concentrate comprising approximately 27% Cu, 4.4 g/t Au and 100 g/t Ag. • The mine has a long history of producing and selling a concentrate with no material issues from deleterious elements.

Criteria	JORC Code explanation	Comment
Environmental	<i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i>	- The mine is currently in operation and operates with an environmental management plan to meet its operational licence conditions. - The site is regularly visited by QLD DES officers who inspect the environmentally relevant activities (ERAs) and audit for compliance to the licence conditions.
Infrastructure	<i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>	The mine is currently in operation and has all necessary infrastructure in place.
Costs	<i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government and private.</i>	- Eloise is an operating mine and capital costs are generally limited to that required to sustain the operation. - Operating costs are based on current contracts and historical averages. All costs are estimated in Australian dollars. - Eloise produces a high quality concentrate and does not attract any penalties for deleterious elements (see Market Assessment). - Queensland government royalty of between 2.50% and 5.00% (depending on average metal prices) is payable on the gross value of the mineral after deducting certain permitted expenses. There are no applicable private royalties. - Transportation costs are based on contract rates from site to the Port of Townsville. - Copper concentrate treatment, refining charges and ocean freight are based on offtake agreement contract rates with a third party commodity trading firm.
Revenue factors	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>	- All metal prices and revenues are estimated in Australian dollars. - Revenue is generated from the sale of concentrate under a Life of Mine offtake agreement with a third party commodity trading firm. - The assumed copper price used in the Ore Reserves estimation is A\$9,000/t. - Eloise produces a high quality concentrate and does not attract any penalties for deleterious elements.
Market assessment	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i>	- The world market for copper concentrate is large compared to production from the mine. The copper concentrate is a clean product with low impurities and demand for this product from copper smelters is expected to remain high. - All copper concentrate is sold under a LOM offtake agreement with a third party commodity trading firm. - The Competent Person is satisfied that the market assessment is appropriate to support the Ore Reserves Estimate.

Criteria	JORC Code explanation	Comment
	- Price and volume forecasts and the basis for these forecasts. - For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	
Economic	- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. - NPV ranges and sensitivity to variations in the significant assumptions and inputs.	- Eloise is an operating mine with a focus on operating cash margins. - The mine plan generates positive annual free cash flow based on the long run commodity price assumptions. - Project economics are most sensitive to metal price assumptions and grade assumptions.
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	The mine is currently in operation and has all necessary licences.
Other	- To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: - Any identified material naturally occurring risks. - The status of material legal agreements and marketing arrangements. - The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	- No material naturally occurring risks have been identified that could impact on the estimation or classification of the Ore Reserves. - Eloise is currently compliant with all legal and regulatory requirements and valid marketing arrangements are in place.
Classification	- The basis for the classification of the Ore Reserves into varying confidence categories. - Whether the result appropriately reflects the Competent Person's view of the deposit. - The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	- The Ore Reserves have been derived from a mine plan considering all mining, metallurgical, social, environmental and financial aspects of the project. - The Probable Ore Reserve Estimate were derived from the conversion of Indicated Mineral Resource. - Classification of the Ore Reserves appropriately reflects the Competent Person's view of the deposit based on the application of the modifying factors and economic parameters.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	The Ore Reserves were peer reviewed internally and were found to comply with accepted industry practice.

Criteria	JORC Code explanation	Comment
Discussion of relative accuracy/ confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. - It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	- Ongoing mining experience, underground diamond drilling, MRE improvements, mining studies and a maturing operation have continued to combine to improve understanding of the geological and mining aspects of the underground. - The relative accuracy of the parameters used to estimate the Ore Reserves are deemed to be appropriate and meet industry standards as these have been based on current and historical performance of the similar operations and correlated to the achieved parameters.

Appendix 4 - Discount Rate

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for the Eloise Mine, we consider the most appropriate discount rate to be the cost of equity. This is because the Company is expected to remain debt-free following the Proposed Transaction and therefore, all cash flows generated by the Eloise Mine will be available to equity holders.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM

$$K_e = R_f + \beta \times (R_m - R_f) + R_a$$

Where:

K_e = expected equity investment return or cost of equity in nominal terms

R_f = risk free rate of return

R_m = expected market return

$R_m - R_f$ = market risk premium

β = equity beta

R_a = inherent risk adjustment

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received. In the Adjusted Model, the Eloise Mine is forecast to generate cash flows over a period of approximately five years. Consequently, we apply a risk free rate for an equivalent term in our assessment of a cost of equity.

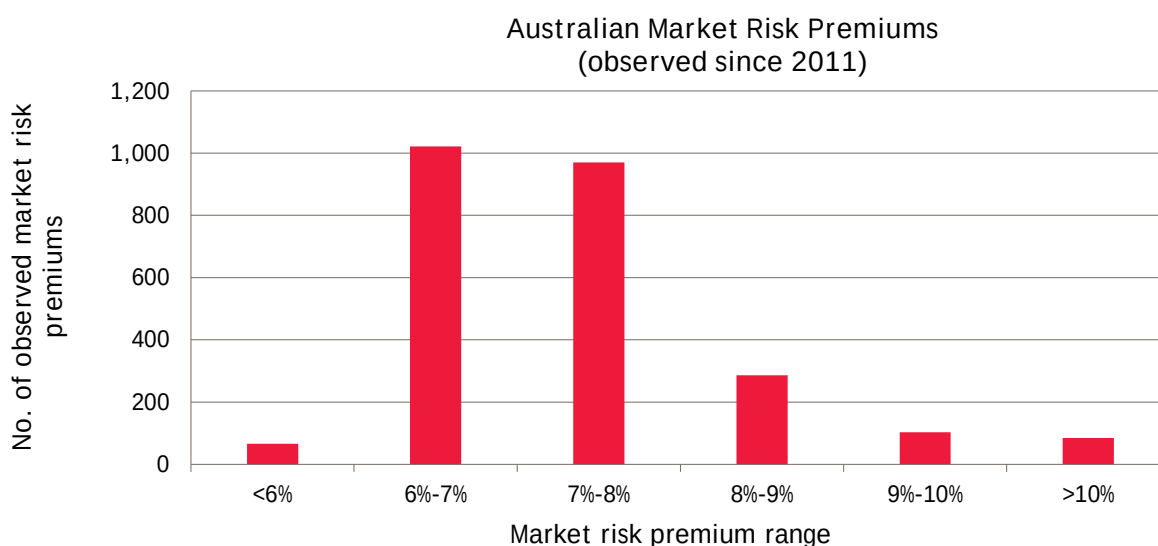
In determining an appropriate five-year bond rate to use as a proxy for the risk free rate we have given consideration to the five-year Australian Government Bond rate around the date of our Report, as well as

the historical five-year Australian Government Bond rate. Based on this analysis, we have used a risk free rate in the range of 1.00% to 2.00% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice. For the purpose of our Report we have adopted a market risk premium of between 6% and 8%.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the

assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by ‘ungearing’ the equity beta to derive an asset beta (β_a) by applying the following formula:

Asset beta (β_a)	
β_a	$= B / (1 + (D/E \times (1-t)))$
Where:	
β_a	= ungeared or asset beta
B	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (B)

In order to assess the appropriate equity beta for the Eloise Mine, we have had regard to the equity betas of other ASX-listed companies. The ASX listed companies identified have similar projects to the Eloise Mine, in respect of number of producing mines, maturity and location. Given the paucity of single mine copper producers in Australia of similar size and scale to the Eloise Mine, we have included companies with exploration and development stage copper projects that would be subject to similar market risk as the Eloise Mine.

The betas below have been assessed over a two and three-year period, against the S&P/ASX All Ordinaries Index.

The list of comparable companies we selected are set out below. We have presented the data for AIC alongside the comparable companies for information only, but have not included it in our assessment of a selected beta range:

Company	Market Capitalisation 12-Aug-21 (A\$m)	Gear Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R ²
AIC Mines Limited (ASX:A1M)	19	0.52	0%	0.52	0.01
OZ Minerals (ASX:OZL)	7,725	1.10	22%	0.95	0.41
Sandfire Resources Limited (ASX:SFR)	1,262	1.15	2%	1.14	0.35
Aeris Resources Limited (ASX:AIS)	468	0.99	55%	0.71	0.05
Copper Mountain Mining Corporation (ASX:C6C)	809	1.03	93%	0.62	0.08
Hot Chili Limited (ASX:HCH)	131	1.36	3%	1.34	0.11
Castilo Copper Limited (ASX:CCZ)	48	1.42	0%	1.42	0.12
Mean (excl. AIC)	1,740	1.18	29%	1.03	0.18
Median (excl. AIC)	639	1.13	12%	1.04	0.11

Source: Bloomberg and BDO analysis

Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for the Eloise Mine, we have considered the similarities and differences between them and their set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies all have either copper or gold operations;
- the comparable companies have variable risk profiles depending on the number of operating mines they hold, the assets maturity, stage of production and location; and
- although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis.

In selecting an appropriate ungeared beta for the Eloise Mine, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. As set out in the tables above, the ungeared beta for the list of comparable companies (excluding AIC), based on the returns over two and three year periods, ranges from 0.62 to 1.42 with a median of 1.04.

Based on our analysis, we consider an appropriate ungeared beta to be in the range of 1.10 to 1.20 for the Eloise Mine which accounts for the size of the Eloise Mine's operations relative to the comparables outlined. Given that AIC is expected to be debt-free following the Proposed Transaction, the regearing beta range is the same as the ungeared beta range, between 1.10 and 1.20.

Inherent risk adjustment (R_a)

In its Independent Specialist Report, SRK noted several key risks associated with the Eloise Mine. A summary of these risks are found in Section 6 of SRK's Independent Specialist Report and include risks around tailings dam from a regulatory and operational perspective which could lead to interruptions to operations. Further details on these and other project-specific risks are discussed in SRK's Independent Specialist Report.

We consider it appropriate to account for these project-specific risks by applying an inherent risk adjustment factor in the range of 2% to 3% to reflect these additional risks.

Cost of Equity

We have assessed the cost of equity of the Eloise Mine to be in the range of 9.60% to 14.60% with our preferred value being a rounded midpoint of 12%.

Input	Value adopted	
	Low	High
Risk free rate of return	1.00%	2.00%
Equity market risk premium	6.00%	8.00%
Beta (regeared)	1.10	1.20
Inherent risk adjustment	2.00%	3.00%
Cost of Equity	9.60%	14.60%

Source: Bloomberg and BDO analysis

Set out below are the company descriptions of the companies we considered in our comparable company analysis.

Company Name	Business Description
OZ Minerals (ASX:OZL)	OZ Minerals Limited engages in the exploration, development, mining, and processing of mining projects in Australia. The company primarily explores for copper, gold, silver, nickel, iron oxide, zinc, and lead deposits. It owns and operates the Prominent Hill mine located in northern South Australia; the Carrapateena project located in South Australia; and the Antas mine located in the state of Pará in the northern region of Brazil. The company also holds interests in the West Musgrave copper-nickel project located in the Musgrave Province, Western Australia; Pedra Branca project located in the southern part of the Carajás in the state of Pará in the North of Brazil; and the CentroGold project located in the state of Maranhão in northern Brazil. In addition, it has interests in the Paraiso, Pantera, Lannavaara, Coompana, and Eloise properties. The company was incorporated in 1932 and is headquartered in Adelaide, Australia.
Sandfire Resources Limited (ASX:SFR)	Sandfire Resources Limited explores for, evaluates, and develops mineral tenements and projects in Australia and internationally. It primarily explores for copper, gold, and silver, as well as volcanogenic massive sulphide deposits. The company owns 100% interest in the DeGrussa copper-gold mine located in the Bryah Basin mineral province of Western Australia; and 85% interest in the Black Butte copper project located in central Montana, the United States. It also holds an interest in the Tshukudu Project located in Botswana and Namibia within the Kalahari Copper Belt. Sandfire Resources Limited was incorporated in 2003 and is based in West Perth, Australia.
Aeris Resources Limited (ASX:AIS)	Aeris Resources Limited, together with its subsidiaries, produces and sells copper, gold, and silver products. The company also explores for copper ores. Its flagship asset is the Tritton Copper Operations located near the town of Nyngan in central New South Wales. The company was formerly known as Straits Resources Limited and changed its name to Aeris Resources Limited in December 2015. Aeris Resources Limited was incorporated in 2010 and is based in Brisbane, Australia.
Copper Mountain Mining Corporation (ASX:C6C)	Copper Mountain Mining Corporation operates as a mining company in Canada. The company explores for copper, gold, and silver deposits. Its flagship asset is the Copper Mountain mine that comprise 138 crown granted mineral claims, 149 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702 hectares located to the south of Princeton, British Columbia. The company was founded in 2006 and is headquartered in Vancouver, Canada.
Hot Chili Limited (ASX:HCH)	Hot Chili Limited operates as a mineral exploration company in Australia and Chile. The company explores for copper, gold, and molybdenum, as well as silver deposits. Its flagship property is the Cortadera Copper-Gold Project located along the Chilean coastal

Company Name	Business Description
	range, Chile. The company was incorporated in 2008 and is based in Applecross, Western Australia.
Castillo Copper Limited (ASX:CCZ)	Castillo Copper Limited engages in the exploration and examination of mineral properties in Australia and Africa. The company primarily explores for copper, cobalt, nickel, and zinc deposits. It owns interests in the Cangai copper mine located in northern New South Wales; Mt Oxide project in the Mt Isa district, north-west Queensland; and various assets in Zambia. Castillo Copper Limited was incorporated in 2009 and is based in West Perth, Australia.

Source: S&P Capital IQ and BDO analysis

Appendix 5 - Comparable companies for corporate cost analysis

Company Name	Company Description
Aeris Resources Limited (ASX:AIS)	Aeris Resources Limited, together with its subsidiaries, produces and sells copper, gold, and silver products. The company also explores for copper ores. Its flagship asset is the Tritton Copper Operations located near the town of Nyngan in central New South Wales. The company was formerly known as Straits Resources Limited and changed its name to Aeris Resources Limited in December 2015. Aeris Resources Limited was incorporated in 2010 and is based in Brisbane, Australia.
Dacian Gold Limited (ASX:DCN)	Dacian Gold Limited engages in the exploration, mining, and processing of gold properties in Australia. It primarily focuses on its 100% owned Mount Morgans Gold project located near Laverton, Western Australia. The company was incorporated in 2011 and is based in Perth, Australia.
Tribune Resources Limited (ASX:TBR)	Tribune Resources Limited, together with its subsidiaries, explores for and develops mineral properties in Australia. The company explores for gold and silver deposits. It holds a 36.75% interest in the East Kundana joint venture and a 24.5% interest in the West Kundana joint venture located in Western Australia; a 50% interest in the Seven Mile Hill project situated in Western Australia; a 100% interest in the Japa concession located in Ghana, West Africa and a 40% interest in the Diwalwal Gold Project situated in Mindanao, Philippines. The company was incorporated in 1988 and is based in South Perth, Australia.
Wiluna Mining Corporation (ASX:WMX)	Wiluna Mining Corporation, formerly known as Blackham Resources Limited, is a gold producer in Australia that also has exploration interests. It holds a 100% interest in the Matilda-Wiluna gold operation located in Western Australia. The company was incorporated in 2006 and is based in West Perth, Australia.
Pantoro Limited (ASX:PNR)	Pantoro Limited engages in the gold mining, processing, and exploration in Australia. The company explores for gold and silver deposits. Its flagship property is the Nicolsons Project located in the Kimberley Region of Western Australia. The company was formerly known as Pacific Niugini Limited and changed its name to Pantoro Limited in December 2015. Pantoro Limited was incorporated in 1986 and is based in West Perth, Australia.

Company Name	Company Description
Beacon Minerals Limited (ASX:BCN)	Beacon Minerals Limited engages in the mineral exploration, development, and production activities in Western Australia. It holds a 100% interest in the Jaurdi gold project located to the north west of Coolgardie. The company was incorporated in 2006 and is based in Kalgoorlie, Western Australia.

Source: S&P Capital IQ and BDO analysis

Need assistance?**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00 AM (AWST) on Saturday, 23 October 2021**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 185595**
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of AIC Mines Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of AIC Mines Limited to be held at The Kings Park Room, Vibe Hotel Subiaco, 9 Alvan Street, Subiaco, WA 6008 on Monday, 25 October 2021 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Change to Nature and Scale of Activities	☐	☐	☐
2 Issue of Consideration Shares to FMR and the increase of voting power up to 29.9%	☐	☐	☐
3 Issue of Offer Shares	☐	☐	☐
4 Director Participant in General Offer - Mr Aaron Colleran	☐	☐	☐
5 Director Participant in General Offer - Mr Josef El-Raghy	☐	☐	☐
6 Director Participant in General Offer - Mr Brett Montgomery	☐	☐	☐
7 Director Participant in General Offer - Mr Jon Young	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

