demetallica

Demetallica Limited
(ACN 061 595 051)

Second Supplementary Target's Statement

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

Having considered the improved offer from AIC, the Directors of Demetallica unanimously recommend, in the absence of a superior proposal, that you

ACCEPT

the Offer from AIC Mines.

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

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

Corporate Advisor	Corporate Broker	Legal Advisor
ICA Partners	EUROZ HARTLEYS	STEINEPREIS PAGANIN Lawyers & Consultants

Dear fellow Demetallica Shareholder,

ACCEPT AIC'S IMPROVED OFFER FOR YOUR DEMETALLICA SHARES

On 7 November 2022, AIC Mines Limited announced to ASX that it had varied the terms of its unsolicited off-market takeover bid for all of the Demetallica Shares to 1 AIC Share for every 1.3 Demetallica Shares held (**Improved Offer**). After a period of constructive engagement with AIC in relation to its original offer, I am pleased, on behalf of the Board of Demetallica to recommend to all Shareholders that they **ACCEPT** AIC's Improved Offer.

As previously indicated, your Board always understood the logical reasons for the merger of Demetallica and AIC, at a fair price. The outcome of the ongoing discussions has seen the Board more comfortable to recommend to Shareholders that they accept the Improved Offer for the reasons announced on 7 November 2022 and also set out in this Second Supplementary Target's Statement. I also note that KPMG, the Independent Expert engaged by the Company to consider the original offer and the Improved Offer has indicated that it considers the Improved Offer **FAIR AND REASONABLE** to Demetallica Shareholders, for the reasons outlined in its Independent Expert's Report, a copy of which is included with this Seconds Supplementary Target's Statement.

I also note that the Improved Offer has been supported by a number of Demetallica's largest Shareholders, who between them hold approximately 24.42% of Demetallica Shares, and who have indicated their intention to accept the Improved Offer within 5 business days after 7 November 2022, in the absence of a superior proposal.

Once AIC acquires effective control of Demetallica, there is a risk to Shareholders who do not accept the Improved Offer that they may become minority shareholders in an unlisted company. It is also likely that AIC will make changes to the Board and to management of Demetallica. All Shareholders should consider the information set out in the original Target's Statement and in this Second Supplementary Target's Statement, as well as the information about AIC's intentions set out in its original Bidder's Statement.

Yours sincerely

Roger Higgins
Non-Executive Chair

DEMETALLICA LIMITED
ACN 061 595 051

SECOND SUPPLEMENTARY TARGET'S STATEMENT

1. IMPORTANT INFORMATION

This document is a supplementary target's statement issued by Demetallica Limited (**Demetallica**) under section 644 of the *Corporations Act 2001* (Cth) (**Second Supplementary Target's Statement**) and is supplementary to Demetallica's Target's Statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 12 October 2022 (**Original Target's Statement**) and Supplementary Target's Statement dated and lodged with ASIC on 18 October 2022 (**First Supplementary Target's Statement**) in relation to the off-market takeover offer by AIC Mines Limited (ACN 060 156 452) (**AIC**) for all of the fully paid ordinary shares in the capital of Demetallica (**Offer**).

This Second Supplementary Target's Statement is dated 9 November 2022 and was lodged with ASIC and given to ASX on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Target's Statement.

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

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

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

2. IMPROVED OFFER

As announced on 7 Novemeber 2022, AIC Mines improved the Offer consideration from 1 AIC Mines Share for every 1.5 Demetallica Shares to 1 AIC Mines Share for every 1.3 Demetallica Shares (**Improved Offer**).

All Demetallica Shareholders, including those who have already accepted the Offer, will be entitled to receive the Improved Offer consideration. Demetallica shareholders who have already accepted the Offer do not need to complete a new Acceptance Form.

AIC Mines has confirmed that its Improved Offer is best and final and will not be increased, in the absence of a Competing Proposal.[1] Demetallica has confirmed to AIC Mines that it has not received a Competing Proposal to date.

The Improved Offer represents a 15% increase in the Offer consideration payable to Demetallica Shareholders.

[1] As defined in the Bid Implementation Deed annexed to the ASX announcement dated 7 November 2022 "*AIC Mines and Demetallica Agree to Combine*"

The Improved Offer represents an implied Offer price of approximately $0.39 per Demetallica Share based on the last closing price of AIC Mines immediately prior to the initial announcement of the Offer on 19 September 2022[2].

The Offer opened on 5 October 2022 and as of 9 November 2022 Demetallica Shareholders representing 28.33% having accepted the Offer.

3. INDEPENDENT EXPERT'S REPORT

As announced on 28 October 2022, the Company commissioned KPMG Financial Advisory Services (Australia) Pty Ltd (**Independent Expert**) to undertake an independent assessment of the Improved Offer and provide the Company withy an independent expert's report (**IER**).

The Independent Expert has concluded that the Improved Offer is **FAIR AND REASONABLE**, and assessed:

- the value of Demetallica to lie in the range $0.32 and $0.47 per Share; and
- the value of the Improved Offer consideration to be in the range of $0.35 to $0.42 per Share.

Shareholders are encouraged to read the IER, which is included in Annexure A for the detailed analysis undertaken by the Independent Expert in preparing and finalising the IER.

4. REASONS TO ACCEPT THE OFFER

Having considered the IER, the Board of Directors recommend that Shareholders **ACCEPT** the Improved Offer subject, to no Superior Proposal emerging[3] for the following reasons:

- The combination of the assets of Demetallica and AIC is a logical consolidation given the complimentary assets that builds an exciting new Australian copper and gold mining company.
- The Board has consistently acknowledge that it understood the rationale for the combination of the two companies, subject to a fair price being paid, and the Offer consideration has now been improved (see Section 2). The Improved Offer represents a 15% increase in the Offer consideration payable to Demetallica Shareholders.
- The strong strategic rationale is compelling for both Demetallica and AIC Mines shareholders. AIC Mines' Eloise copper mine and processing facility is only 4 kilometres from Demetallica's Jericho copper deposit. Combining these assets will provide the quickest and most efficient means of developing, mining and processing the Jericho deposit and potentially other deposits within Demetallica's broader Chimera project;
- You may retain exposure to the upside of the Demetellica assets through your ownership in the expanded AIC, and importantly in this uncertain market you will become a shareholder in a liquid, diversified and well-managed company. In addition to a premium valuation and the benefits expected from the Offer, you

[2] Based on AIC Mines' last traded price on 16 September 2022, being the trading day immediately prior to original announcement by AIC Mines of its takeover offer for Demetallica on 19 September 2022.

[3] As defined in the Bid Implementation Deed annexed to the ASX announcement dated 7 November 2022 "*AIC Mines and Demetallica Agree to Combine*"

will become a shareholder in the enlarged, liquid, diversified and well-managed AIC Mines business. The AIC Mines Board and management team have a successful track record of building and managing successful mining companies and have a large shareholding in AIC Mines.

- The Directors of Demetallica intend to accept the Offer in respect of any Demetallica Shares which they, or their associates, own, control or otherwise have a relevant interest in (**Director Acceptances**).

- The Improved Offer is **BEST AND FINAL AND WILL NOT BE INCREASED**. [4]

- The Offer is now unconditional (see Section 8).

- AIC Mines has introduced accelerated payment terms (see Section 9 below). Demetallica Shareholders who accept the Offer will be issued with AIC Mines Shares within 10 Business Days of AIC Mines receiving a valid acceptance. Demetallica Shareholders whose valid acceptances have been received by AIC Mines before 7 November 2022 will be issued with AIC Mines Shares by 21 November 2022, being no later than 10 Business Days after the date of AIC's Second Supplementary Bidder's Statement, released on 7 November 2022;

5. MAJOR SHAREHOLDERS OF DEMETALLICA INTEND TO ACCEPT THE OFFER

Demetallica has received notification from the following major shareholders (**Major Shareholders**) who collectively own or control 24.4% of Demetallica, to the effect that they intend to accept the Offer by AIC Mines on the terms of no less than 1 AIC Mines Share for every 1.3 Demetallica Shares, in the absence of a Superior Proposal, within 5 Business Days of the announcement of the Improved Offer (Shareholder Intention Statements).[5]

The Major Shareholders and their corresponding shareholding in Demetallica are set out below.

Major Shareholder	Demetallica Shares Number and %	Subject to ASX Restriction?
Yarraandoo Pty Ltd	10,000,000 (9.8%)	No
Sandfire Resources Limited	8,914,631 (8.7%)	Yes
Treasury Services Group Pty Ltd	1,680,000 (1.6%)	No
Chetan Enterprises Pty Ltd	1,437,712 (1.4%)	No
Third Reed Pty Ltd	1,369,502 (1.3%)	No
Mr Mehdi Mohsenin-Moshiri	1,000,000 (1.0%)	No
Tegar Pty Ltd	500,000 (0.5%)	No
Total	**24,901,845 (24.4%)**	

[4] In the absence of a Competing Proposal.

[5] Where the Demetallica Shares are subject to restriction imposed under an ASX Restriction Agreement, within 5 Business Days after such restriction no longer applies to those Demetallica Shares.

Where a Major Shareholder is subject to restrictions on disposing of their Demetallica Shares under the ASX Listing Rules (**ASX Restriction**), the Major Shareholder is entitled to accept the Offer once holders of 50% of Demetallica Shares that are not subject to any ASX Restriction (which is approximately 42.4%) have accepted the Offer (**Threshold Acceptance**). On meeting the Threshold Acceptance, those Major Shareholders that are subject to any ASX Restriction, have indicated that they would intend to accept the Offer in the absence of a Superior Proposal within 5 Business Days.

Each of the Major Shareholders has consented to the inclusion of the above information and the Shareholder Intentions Statements in this Supplementary Bidders Statement and in related public announcements made in connection with the Offer.

6. HOW TO ACCEPT THE OFFER

The Demetallica Board encourages all Demetallica shareholders to accept the Recommended Offer.

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

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

- posting it to the address on the Acceptance Form; or
- scanning it and emailing to corpactprocessing@computershare.com.au

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

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

- posting it to the address on the Acceptance Form; or
- scanning it and emailing to corpactprocessing@computershare.com.au

Acceptances must be received before the end of the Offer Period. The Offer is due to close at 7.00pm (Sydney time) on 28 November 2022, unless extended.

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

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

7. EXTENSION OF THE OFFER PERIOD

In accordance with section 650D of the Corporations Act, AIC Mines has extended the Offer Period to 7.00pm (Sydney time) on Monday 28 November 2022 (unless further extended).

Demetallica Shareholders are urged to accept the Offer without delay.

8. OFFER FREED FROM ALL REMAINING OUTSTANDING CONDITIONS

On 24 October 2022, AIC Mines declared the Offer and all contracts formed by acceptance of the Offer to be free of all defeating conditions set out in Section 10.2 of the Bidder's Statement.

The Offer is now unconditional.

9. AIC MINES ACCELERATED PAYMENT TERMS

AIC Mines is accelerating the issue of the AIC Mines Share consideration to Demetallica Shareholders who accept the Offer.

If you accept the Offer, AIC Mines will now issue the AIC Mines Share consideration for your accepted Demetallica Shares by no later than 10 Business Days after the date that you accept the Offer.

AIC Mines will now issue the AIC Mines Share consideration to Demetallica Shareholders that have previously accepted the Offer by 21 November 2022, being no later than 10 Business Days after the date of AIC's Second Supplementary Bidder's Statement, released on 7 November 2022.

10. BID IMPLEMENTATION DEED

On 5 November 2022 AIC Mines and Demetallica entered into a Bid Implementation Deed (**BID**) to reflect the Improved Offer and the Demetallica Directors corresponding unanimous recommendation.

The BID has been released to the ASX as an attachment to the ASX announcement by AIC Mines and Demetallica titled "AIC Mines and Demetallica Agree to Combine" dated 7 November 2022.

11. ADDITIONAL INFOMATION

11.1 Update on market sensitive events that have occurred since the announcement of the Offer

In addition to the events outlined above, Shareholders should also note the following market sensitive announcements unrelated to the Offer process that have been reported by the Company and the Bidder since the Bidder first announced its intention to make the Offer on 19 September 2022:

Party	Date	Announcement
Company	21/09/2022	Jericho Final Drill Assays
Bidder	30/09/2022	Lens 6 Discovery – Eloise Copper Mine
Company	04/10/2022	Quarterly Activities/Appendix 5B Cash Flow Report
Company	05/10/2022	Peake and Denison Exploration Report
Bidder	13/10/2022	Exploration Extends Macy Ore Lense, Eloise Copper Mine
Bidder	20/10/2022	Quarterly Activities Report

Company	24/10/2022	Jericho Copper Resource Expanded 62%
Company	28/10/2022	Demetallica confirms engagement of Independent Expert
Company	07/11/2022	AIC Mines and Demetallica Agree to Combine

11.2 Consents

In addition to the consents outlined in Section 10 of the Target's Statement, the Company advises that each of:

(a) KPMG Financial Advisory Services (Australia) Pty Ltd; and

(b) RSC Consulting Ltd (**RSC**),

has given and has not, before the lodgement of this Second Supplementary Target's Statement with ASIC, withdrawn their consent to the inclusion of statements, or statements said to be based on statements made by KPMG or RSC in the IER, and to the inclusion of the IER as an annexure to this Second Supplementary Target's Statement.

Each of KPMG and RSC to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Second Supplementary Target's Statement, other than a reference to its name.

11.3 Directors' authorisation

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

Signed for and on behalf of Demetallica:

Dr Roger Higgins
Chair
For and on behalf of Demetallica Limited

ANNEXURE A – INDEPENDENT EXPERT'S REPORT

KPMG Financial Advisory Services (Australia) Pty Ltd
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The Directors
Demetallica Limited
Level 1, 8 Beulah Road
Norwood South Australia 5067

7 November 2022

Dear Directors

INDEPENDENT EXPERT REPORT AND FINANCIAL SERVICES GUIDE

PART ONE – INDEPENDENT EXPERT REPORT

1 Introduction

On 19 September 2022, AIC Mines Limited (**AIC**), announced that it intended to make a conditional off-market offer to acquire all of the issued capital of Demetallica Limited (**Demetallica**) (**the Original Offer**). The consideration to be paid under the Original Offer to eligible Demetallica shareholders[1] comprised one new ordinary AIC share for every 1.5 ordinary Demetallica shares on issue.

On 19 September 2022, AIC lodged a Bidder's Statement with the Australian Securities and Investments Commission (**ASIC**) and ASX Ltd (**ASX**) in relation to the Original Offer. AIC gave notice that it had completed dispatch of the Bidder's Statement to Demetallica shareholders on 5 October 2022. The Original Offer opened on 5 October 2022.

Demetallica issued a Target's Statement on 12 October 2022, in which Demetallica's board of directors (**the Board**) announced that it unanimously recommended shareholders reject the Original Offer by taking no action, noting that, amongst other things, information material to valuation was outstanding.

On 18 October 2022, Demetallica issued a Supplementary Target's Statement clarifying, at AIC's request, various observations made by Demetallica in the Target's Statement in relation to certain of

1 Other than Demetallica shareholders determined to be "foreign shareholders". AIC shares that would otherwise have been issued to these shareholders will be sold by a nominee and the net proceeds after costs will be remitted to the relevant shareholder. Further details are set out in section 5 of this report.

AIC's mineral assets. The Directors also confirmed that they continued to unanimously recommend, in the absence of a superior proposal, that Demetallica shareholders reject the Original Offer.

On 21 October 2022, AIC released a Supplementary Bidder's Statement seeking to provide Demetallica shareholders with additional information addressing matters raised by Demetallica in its Target's Statement and Supplementary Target's Statement. On the same day, the Board of Demetallica reiterated its recommendation that Demetallica shareholders take no action in relation to the Original Offer.

On 24 October 2022, following the release by Demetallica of an updated Mineral Resources estimate (**MRE**) for the Jericho deposit and Exploration Targets at its flagship 100% owned Chimera copper-gold-silver project (**Chimera Project**), AIC announced that the Original Offer had been declared free of remaining defeating conditions and accordingly, is unconditional.

On 7 November 2022, Demetallica and AIC jointly announced that they had executed a Bid Implementation Deed (**Agreement**) to implement AIC's takeover offer. Under the Agreement, AIC has agreed to improve the Original Offer's proposed exchange ratio to one new ordinary AIC share for every 1.3 ordinary Demetallica shares on issue (t**he Exchange Ratio**), (**the Improved Offer Consideration**). In addition, the closing date of the offer has been extended to 7.00pm (Sydney time) on Monday, 28 November 2022 (**the Offer Period**) and has been declared unconditional and AIC's best and final offer (together **the Improved Offer**). The Board of Demetallica has unanimously recommended acceptance of the Improved Offer.

Demetallica is an Australian mineral development and exploration company listed on the Official List of ASX. As at 2 November 2022, Demetallica had a market capitalisation of approximately $30.1 million[2]. Demetallica's principal asset is its Chimera Project located in the Cloncurry region, North-West Queensland. Demetallica also holds direct and indirect interests in a portfolio of early-stage polymetallic exploration projects in Queensland and South Australia. Demetallica is headquartered in Adelaide, South Australia.

AIC is an Australian mineral production and exploration company listed on the Official List of ASX. As at 2 November 2022, AIC had a market capitalisation of approximately $135.8 million. AIC's principal asset is its 100% owned Eloise copper mine located in the Cloncurry region, North-West Queensland (**the Eloise Project)**. AIC also holds gold, copper and nickel exploration projects in Western Australia and New South Wales. AIC is headquartered in Perth, Western Australia.

2 All amounts are stated in Australian dollars (**$ or AUD**) unless otherwise specifically noted. Where applicable, United States dollars are denoted as **US$ or USD**.

2 Requirements for our report

Under Section 640 of the Corporations Act (**the Act**), an Independent Expert Report (**IER**) is required to be included in a Target's Statement where the bidder is connected with the target. A bidder is regarded as being connected with the target under the following circumstances:

- the bidder's voting power in the target is 30% or more
- the bidder and target have a common director.

There is no statutory requirement for Demetallica to commission an IER in the present circumstances, as AIC did not hold any shares or have any voting power in the Demetallica, when it made the Original Offer, and there are no common directors between Demetallica and AIC. However, in order to assist shareholders in assessing the Improved Offer, the Directors of Demetallica have requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) to prepare an IER setting out whether or not, in our opinion, the Improved Offer is fair and reasonable to Demetallica shareholders taken as a whole.

Accordingly, this report has been prepared for inclusion in a further supplementary target's statement (**Further Supplementary Target's Statement**) to be issued by Demetallica in response to the Offer as if it was required for the purposes of Section 640 of the Act.

In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides, in particular Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which ASIC expects a person preparing an IER to consider when providing an opinion on whether a transaction is "fair and reasonable".

The sole purpose of this report is an expression of the opinion of KPMG Corporate Finance as to whether the Offer is fair and reasonable to Demetallica shareholders. Our report has been prepared assuming that AIC is successful in acquiring a 100% interest in Demetallica. This report should not be used for any other purposes or by any other party. Our opinion should not be interpreted as representing a recommendation to Demetallica shareholders to either accept or reject the Offer, which remains a matter solely for individual shareholders to determine.

This report should be considered in conjunction with and not independently of the information set out in both Demetallica's Target's Statement, the Supplementary Target's Statement and the Further Supplementary Target's Statement in their entirety.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

3 Opinion

We have assessed the value of the equity of Demetallica to lie in the range of $34.1 million to $52.5 million, which equates to an assessed value per Demetallica share (on a diluted basis) of between approximately $0.32 to $0.47. Our range of assessed values represents the value of a 100% interest in Demetallica and includes a premium for control. As the valuation includes a control premium, it exceeds the price at which we expect Demetallica shares would trade on the ASX in the absence of the Improved Offer.

We have assessed the value of the equity of Demetallica having regard to:

- a "sum-of-the-parts" basis by aggregating the estimated market value of Demetallica's 100% interest in the Chimera Project, its other mineral assets and those assets considered to be surplus to the mineral assets and deducting non-trading liabilities
- recent trading in Demetallica shares on the ASX[3].

In arriving at our range of assessed values for Demetallica, we have placed reliance on the report prepared by RSC Consulting Ltd (**RSC**), the independent mining industry specialist engaged by Demetallica, and instructed by us, to assist in relation to the assessment of the value of the mineral asset interests held by Demetallica. A copy of RSC's independent technical specialist's report is attached at Appendix 7.

Our analysis of the fairness of the Improved Offer is detailed further in section 3.1 below.

In contrast, we have assessed the value of the Improved Offer Consideration having regard to recent trading in AIC shares on the ASX[4] and then adjusting for the Exchange Ratio. This is required because, in the event AIC is successful in acquiring a 100% interest in Demetallica, Demetallica shareholders will receive consideration in the form of a minority interest share in the merged Demetallica and AIC (**Enlarged AIC**). Neither the theoretical value of the Enlarged AIC as a stand-alone entity nor considerations of control premia are relevant to minority interest shareholders in the Enlarged AIC except in the event of an offer for the Enlarged AIC itself. Furthermore, we have not in any event had access to the internal non-public records of AIC to facilitate a first-principals valuation of AIC to be performed.

We have assessed the implied value of the Improved Offer Consideration, based on our range of assessed values for a share in the Enlarged AIC of $0.45 to $0.55 and the Exchange Ratio of 1 AIC share for every 1.3 Demetallica shares, to be in the range $0.35 to $0.42 per Demetallica share.

As the Improved Offer Consideration falls within our assessed value range for a Demetallica share, we consider the Improved Offer to be fair and, as a consequence, reasonable. However, we highlight that in our opinion the pricing of the transaction is finely balanced and should the trading price of an AIC fall below $0.42, the Improved Offer Consideration would fall below the low end of our range of assessed values for a Demetallica share and the Improved Offer would not be considered fair. In these circumstances Demetallica shareholders may be minded not to accept the Improved Offer and would need to consider whether there are sufficient other qualitative factors to accept the Improved Offer. The volume weighted average price (VWAP) for an AIC share over the period since the announcement of the Original Offer to 2 November 2022 inclusive, was approximately $0.49 and the VWAP over the 5 trading days to 2 November 2022 inclusive was approximately $0.45. AIC shares traded down to a low of $0.435 per share over the period from the

[3] Over the period from the announcement of the Original Offer to 2 November 2022, inclusive, being the last full trading day prior to Demetallica and AIC entering into a trading halt ahead of announcing the Improved Offer

[4] Over the period from the announcement of the Original Offer to 2 November 2022, inclusive

announcement of the Original Offer to 2 November 2022 and closed at $0.435 per share on that day.

In accordance with the requirements of ASIC's RG111, our range of assessed values represents the value of a 100% interest in Demetallica but does not include any potential strategic or operational synergies that may be unique to individual investors, including AIC. Accordingly, our range of values has been prepared independent of the specific circumstances of any potential bidder, including AIC. In our view, had the value of Demetallica been assessed on its value to AIC, this would likely have resulted in a positive shift in our range of assessed values, potentially materially. By virtue of the scrip consideration, Demetallica shareholders will share, on a pro rata basis, in any such realised value, if the Improved Offer is successful.

In considering this, shareholders should take into account that whilst, based on our range of assessed fair values for Demetallica, inclusive of a premium for control, there is significant potential upside by continuing to hold a Demetallica share compared to its trading price on the ASX immediately prior to the Original Offer, the risk and liquidity profile compared to holding a share in a larger, more financially robust, producing Enlarged AIC is also significantly different.

We also note that it is open to those Demetallica shareholders wishing to maintain an increased level of exposure to the volatility of early-stage copper/gold companies compared to that offered by holding a share in the Enlarged AIC, to sell the new Enlarged AIC shares issued to them on market, crystallising any implied transaction premium, and reinvest the proceeds in an alternative early stage copper play company, although noting that this may result in additional transaction costs and give rise to potential tax outcomes being crystallised.

Whilst we have determined the Improved Offer to be fair based on our assessment of the underlying value of Demetallica and therefore, in accordance with ASIC's RG111, the Improved Offer is also considered reasonable, we have considered various additional matters that shareholders may also wish to take into account in deciding whether or not to accept the Improved Offer. These include:

- Based on our range of assessed values for the Improved Offer Consideration, Demetallica shareholders are receiving a premium for control over the VWAP of Demetallica shares at various points prior to the announcement of the Original Offer, ranging between a low of 46% (114-day VWAP) and a high of 121% (1-day VWAP)
- In the event AIC is successful in acquiring a 100% interest in Demetallica, Demetallica shareholders will hold shares in a larger, more geographically diverse and financially robust mineral company with a mixture of producing and early-stage projects, which compares to Demetallica's current status as an early-stage mineral exploration and development company, likely to require additional funding in the medium term
- as the Improved Offer Consideration is in the form of scrip, the final value of the Improved Offer Consideration will not be known until the Improved Offer closes. Based on our assessed value range of $0.32 to $0.47 per Demetallica share and the Exchange Ratio of 1:1.3, the trading price of an Expanded AIC share would need to fall below $0.42 in order for the Improved Offer Consideration to fall beneath the low end of our range of assessed fair values for a Demetallica share. We note that

AIC shares have traded down to an intraday low of $0.435 during the currency of the Offer Period to 2 November 2022

- AIC will contribute 100% of Ore Reserves to the Enlarged AIC but just 28% of the Enlarged AIC's copper equivalent Mineral Resources, which compares to the pro rata interest of up to approximately 79.0% that will be held by AIC shareholders in the Enlarged AIC[5]
- AIC's Improved Offer has been declared "best and final" and will not be increased in the absence of a "competing proposal"[6].

  Given details in relation to the Original Offer have been known to the market since 19 September 2022, AIC has already secured a 9.6% interest in the company to 2 November 2022, Demetallica shareholders owning or controlling a further 24.4% of Demetallica's issued capital have indicated their intention to accept the Improved Offer and the Board has unanimously recommended acceptance of the Improved Offer, the prospect of an alternative superior offer emerging is considered unlikely.
- Demetallica's share price may fall from current levels in the absence of the Improved Offer, or a superior offer, however given the positive announcements by Demetallica on 24 October 2022 in relation to the significant increase in Mineral Resource contained metal and Exploration Target tonnages at the Chimera Project and on 5 October 2022 in relation to the completion of drill holes and OZ Minerals Ltd's (**OZ Minerals**) commitment to fund its stage 1 earn-in at the Peake and Denison project, it is not certain that Demetallica's share price would fall to pre-Original Offer levels (all other things being equal)
- As the Improved Offer has been declared unconditional and, as at 2 November 2022, AIC had not secured a controlling interest in Demetallica, the prospect exists that whilst AIC may acquire a significant shareholding in Demetallica, it could ultimately be unsuccessful in securing full control of Demetallica. In these circumstances:
  - based on its actions to date, it is reasonable to expect that AIC will continue to hold the shares acquired in Demetallica over the foreseeable future, which will reduce the level of Demetallica's free-float, potentially adversely impacting the level of trading liquidity in Demetallica shares. Indeed, depending upon the final level of acceptances, there is a risk that the market for Demetallica's shares following the close of the Improved Offer will be largely illiquid
  - dependent on AIC's final ownership interest, there may be tax consequences for accepting Demetallica shareholders
  - potential strategic and operational benefits of combining Demetallica and AIC will largely not be realised

[5] Excluding the impact of any AIC shareholders that might also hold shares in Demetallica

[6] As defined in the Bid Implementation Deed

In these circumstances, undecided Demetallica shareholders may wish to continue to monitor the level of shares acquired by AIC in the period leading up to the close of the Improved Offer in deciding whether or not to accept the Improved Offer

- In accordance with ASIC's RG111, our range of values has been prepared independent of the specific circumstances of any potential bidder, including AIC. In our view, had the value Demetallica been assessed on its value to AIC, this would likely have resulted in a positive shift in our range of assessed values for Demetallica, potentially materially
- As the Improved Offer has been declared unconditional, the final ownership interest that AIC may acquire in Demetallica is unable to be determined at this time and, as such, the corporate and operational impacts on Demetallica are also unable to be determined with any certainty at this time.

Further information in relation to each of the above and other matters we have considered in forming our opinion is set out below.

3.1 The Improved Offer is fair

3.1.1 Valuation of Demetallica

We have assessed the value of Demetallica to lie in the range of $34.1 million to $52.5 million, inclusive of a premium for control, which equates to an assessed value per Demetallica share of between $0.32 and $0.47 per share. Our valuation is set out in full in section 11 of this report and summarised below.

Table 1: Summary of assessed market values of Demetallica inclusive of a premium for control

	Assessed Values	
	Low $m	**High $m**
Mineral assets	28.3	45.6
Add: Cash and cash equivalents [2]	7.4	7.4
Add: Notional cash for "in the money" options[3]	nil	1.0
Less: Other net liabilities[4]	(1.6)	(1.6)
Total equity value	**34.1**	**52.5**
Number of ordinary shares - undiluted (millions)	102.0	102.0
Add: In the money options[5]	3.9	6.6
Add: Performance rights [6]	2.0	2.0
Number of ordinary shares - diluted (millions)	107.8	110.5
Value per share, inclusive of a premium for control - $	**0.32**	**0.47**

Source: KPMG Corporate Finance analysis and the RSC Report

Notes:

1 *Figures may not add exactly due to rounding*
2 *Aggregate cash and cash equivalents as at 30 September 2022 comprise bank balances of $7.7 million and call deposits of $0.3 million, adjusted for estimated expenditure from 1 October 2022 to 27 October 2022 of $0.5 million as advised by Management*
3 *Reflects notional cash received from the exercise price of "in the money" options having regard to our range of assessed values for a Demetallica share*
4 *Other net liabilities comprise other current assets of $0.2 million, financial assets of $0.5 million, property, plant and equipment of $0.5 million, trade and other payables of ($2.4) million and provisions of ($0.4) million current as at 30 September 2022*
5 *Notional shares issued for "in the money" options*
6 *Notional shares issued for performance rights*

Our range of assessed values represents the value of a 100% interest in Demetallica but does not include any potential strategic or operational synergies that may be unique to individual investors, including AIC. Accordingly, our range of values has been prepared independent of the specific circumstances of any potential bidder.

Our valuation of Demetallica shares exceeds the price at which, based on current market conditions, we would expect Demetallica shares to trade on the ASX in the absence of the Improved Offer or some superior offer.

In arriving at our range of values for Demetallica, we have placed reliance on the mineral asset valuations prepared by RSC. RSC's report is attached as Appendix 7.

We highlight that whilst various of Demetallica's mineral assets, including its interest in the Chimera Project and Peake and Denison project, are potentially very valuable, none of Demetallica's projects have progressed to scoping study or feasibility study stage in terms of their development as stand-alone propositions. Early-stage mineral assets are inherently uncertain and can reasonably be considered one of a higher risk asset class held in terms of their ability to generate future cash flow and the timing thereof. As a result, the valuation of such assets, by their nature, required RSC to apply a greater level of judgement compared to an operational mineral project with an established record of production and profitable trading.

3.1.2 Comparison of assessed values to recent sharemarket trading

Our valuation range for a Demetallica share of $0.32 to $0.47 reflects a premium over the $0.20 closing price of Demetallica shares immediately prior to the Original Offer of between 58% and 137%. This premium in part reflects a valuation of 100% of Demetallica inclusive of a premium for control rather than a valuation of a portfolio interest in Demetallica as traded on the ASX. However, in our opinion it also reflects, amongst other things, the benefit of the company's recently released updated MRE, including a maiden Indicated Resources position and an approximate 62% increase in overall contained copper metal tonnages, a 50% increase in gold contained ounces and a 55% increase in silver contained

ounces[7], and incremental Exploration Target of 9 Mt and 13 Mt at between 1.3% and 1.8% copper, 0.25 to 0.35 g/t gold and 1.4 to 2.0 g/t silver[8], the full details of which were not available at the date of the Original Offer, as well as Demetallica's announcement on drill holes and OZ Minerals' commitment to fund its stage 1 earn-in at the Peake and Denison project, of which the benefit of both has been reflected in RSC assessed values for Demetallica's mineral assets.

3.1.3 Value of the Improved Offer Consideration

The Improved Offer Consideration to be received by Demetallica shareholders in the event AIC is successful in acquiring full control of Demetallica comprises new ordinary shares in the Enlarged AIC. Accordingly, ASIC's RG 111 requires the value of the scrip consideration to be assessed on a minority interest basis. We have assessed the value of the Improved Offer Consideration having regard to the Exchange Ratio to be in the range of $0.35 to $0.42.

In the circumstances of an unsolicited off-market offer it is common practice to have reference to the post announcement market price of the Offeror as a basis for estimating the value of the scrip component of the offer, as this is the price at which the target's shareholders can monetise the Improved Offer Consideration. Neither the theoretical value of the Enlarged AIC as a stand-alone entity nor considerations of control premia are relevant to minority shareholders in the Enlarged AIC except in the event of an offer for the Enlarged AIC itself. We note that in any event we have not had access to the internal records or management of AIC and the information contained in AIC's Bidder's Statement and Supplementary Bidder's Statement[9] is insufficient to enable a fundamental valuation of AIC to be performed on a reasonable basis.

In assessing the estimated trading value of a share in the Enlarged AIC under current market conditions and assuming that AIC is successful in acquiring a 100% interest in Demetallica, we have considered traded share prices for AIC on the ASX immediately prior to and subsequent to the announcement of the Original Offer on 19 September 2022, up to and including 2 November 2022. Utilising the post announcement market prices of AIC also requires consideration as to whether there are any factors that might suggest AIC's current trading prices may not be representative of future trading prices in the Enlarged AIC. Accordingly we have also considered the liquidity of AIC shares, relative market value metrics of AIC against selected peers and recent broker forecasts as to the expected trading price of an AIC share on the ASX published in the periods pre and post the announcement of the Original Offer.

Key factors influencing our valuation approach included:

- the trading price of AIC shares reflects the value of portfolio interests as required by RG111
- AIC is a publicly listed company and is required to comply with ASX Listing Rules in relation to continuous disclosure, including in particular the release of price sensitive information

[7] compared to 2020 published figures (9.1 million tonnes (**Mt**) @ 1.4% copper, 0.3 grams per tonne (**g/t**) gold and 1.6 g/t silver, using a 0.8% copper constraining shell)

[8] at a 0.85% copper cut-off grade

[9] dated 21 October 2022

- there has been sufficient information for the market to assess the Original Offer, its prospects of success and its implications for AIC should the proposed acquisition of Demetallica be successful, including information contained in:
    - AIC's Bidder's Statement and Supplementary Bidder's Statement, released to the market on 19 September 2022 and 21 October respectively
    - Demetallica's Target's Statement and Supplementary Target's Statement, released to the market on 13 October 2022 and 19 October 2022 respectively
    - AIC's updates on drilling at the Eloise mine and September 2022 Quarterly Activities report released subsequent to the Original Offer
    - Demetallica's updated MRE and Exploration Target at Jericho and Eloise Deeps, Annual Report to Shareholders and Peake and Denison Exploration announcements released to the market on 24 October 2022, 21 October 2022 and 5 October 2022 respectively
    - broking house notes covering AIC, released both prior to and subsequent to the Original Offer[10],
- there is comprehensive coverage of the Australian and international copper and gold industries by market analysts and economic commentators, which arguably assists in the ability of market participants to make informed decisions regarding the prospects of the market for these commodities generally and, in turn, AIC
- AIC shares were traded on the ASX on each of the available trading days over the period from recommenced trading on 5 November 2021 to the announcement of the Original Offer and on 31 of the 32 available trading days in the subsequent period to 2 November 2022 and, whilst not deep, average daily trading volumes in AIC shares appear sufficient for portfolio shareholders desirous of realising their investments in the normal course to do so.

Having regard to the above, we consider a reasonable range to adopt in relation to an Expanded AIC share based on current market conditions to be $0.45 to $0.55, which based on the Exchange Ratio of 1 new AIC share for every 1.3 Demetallica ordinary shares held, implies a value for the Improved Offer Consideration in the range of $0.35 to $0.42 per Demetallica share, as summarised in the table below.

Our range of values for an Expanded AIC share of $0.45 to $0.55, compares to the trading range for an AIC share of $0.435 to $0.540 since the announcement of the Original Offer to 2 November 2022 inclusive, with a VWAP of approximately $0.49, and a trading range in the month prior to the announcement of the Original Offer of $0.48 to $0.55, with a VWAP of $0.51.

[10] Considered further in section 12 of this report.

Table 2: Assessed value of the Improved Offer Consideration

	Valuation range	
	Low	**High**
Value per AIC share	$0.45	$0.55
Exchange Ratio	1:1.3	1:1.3
Assessed value of the Improved Offer Consideration	**$0.35**	**$0.42**

Source:KPMG Corporate Finance analysis

3.1.4 Comparison of Value

The chart below provides a comparison of our assessed valuation ranges for a Demetallica share on a control basis and the assessed value of the Improved Offer Consideration.

Figure 1: Comparison of our assessed valuation ranges for a Demetallica share and the Improved Offer Consideration

Source: KPMG Corporate Finance Analysis

According to RG 111, the Improved Offer should be considered fair if the consideration offered to Demetallica shareholders is equal to or higher than our assessed value of a Demetallica share on a 100% control basis. As the value attributed to the Improved Offer Consideration falls within our assessed value range for a Demetallica share, we consider the Improved Offer is fair.

However, we note that the implied value of the Improved Offer Consideration under the Improved Offer will vary with movements in the AIC traded price over the Offer Period, which will reflect company specific, industry and general market factors. Accordingly, the final value of the Improved Offer Consideration will not be known until the Improved Offer closes, which is currently scheduled for 28 November 2022, and could ultimately exceed, or be less than, $0.35 to $0.42 per Demetallica share. AIC's closing share price on 2 November 2022 was $0.435, which based on the Exchange Ratio implies an Improved Offer Consideration of $0.33 per Demetallica share, which sits within our range of assessed values for a Demetallica share, inclusive of a premium for control.

The table below illustrates the sensitivity of the implied value of the Improved Offer Consideration to changes in AIC's share price.

Table 3: Sensitivity of the implied value of the Improved Offer Consideration

AIC share price ($)	0.35	0.40	0.45	0.50	0.55	0.60
Value of Improved Offer Consideration ($)	0.269	0.308	0.346	0.385	0.423	0.462

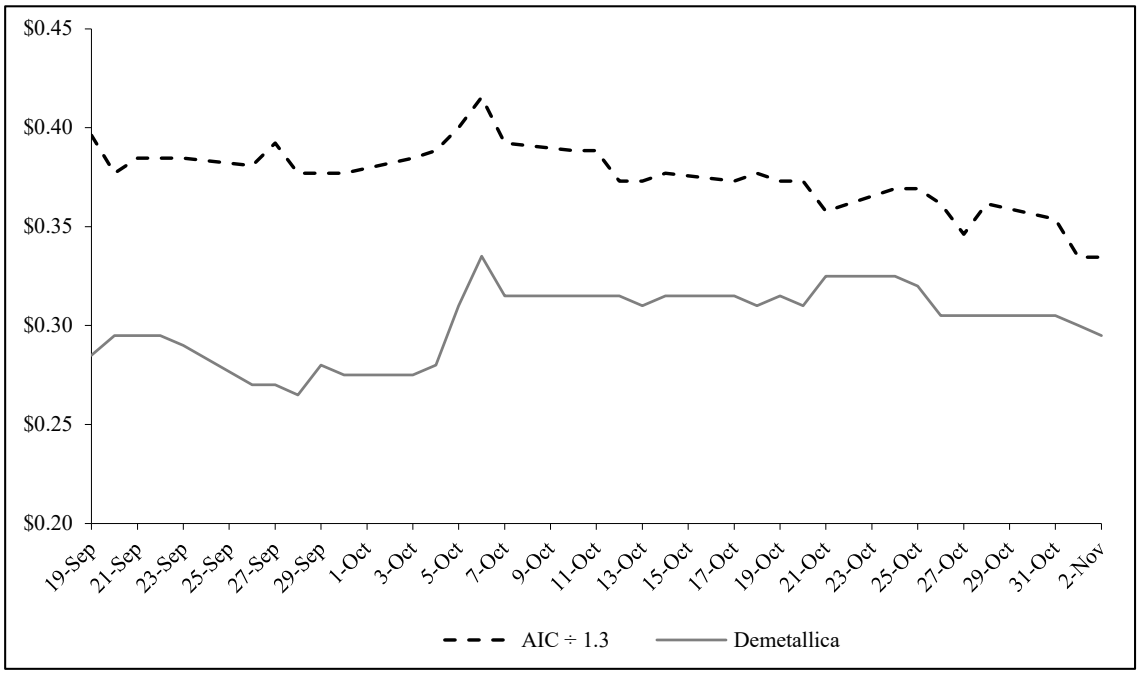
Source: KPMG Corporate Finance analysis

As such, Demetallica shareholders will also need to consider the impact of company specific events and announcements, along with general market and industry conditions, over the period leading up to the close of the Improved Offer in deciding whether or not to accept the Improved Offer.

As shown in the chart below, based on the Exchange Ratio under the Improved Offer of 1 new AIC share for every 1.3 Demetallica shares, Demetallica's daily closing price has, since the announcement of the Original Offer to 2 November 2022 inclusive:

- exhibited a level of correlation to the movements in AIC's shares
- closed below the implied Improved Offer Consideration since the announcement of the Original Offer to 2 November 2022 inclusive.

Figure 2: Adjusted AIC share price vs Demetallica share price



Source: Capital IQ and KPMG Corporate Finance Analysis

The trading profile of AIC and Demetallica since the announcement of the Original Offer, including the significant 42% increase in Demetallica's closing share price from $0.20 on 16 September 2022 to $0.285 on 19 September 2022, may indicate that the market considers the Improved Offer to be fairly priced and has a reasonable prospect of completion.

3.2 Reasonableness

In accordance with RG111, a transaction is considered to be reasonable if it is fair. Accordingly, as we have determined that the Improved Offer is fair, there is no technical requirement for us to separately consider matters of reasonableness. Notwithstanding this, we believe that there are various issues that shareholders may also wish to consider in deciding whether or not to accept the Improved Offer, including those set out below.

3.2.1 Advantages

Based on our range of assessed values for the Improved Offer Consideration and traded prices for a Demetallica share prior to the Original Offer, shareholders are receiving a premium

Based on our range of assessed values for the Improved Offer Consideration of $0.35 to $0.42 per Demetallica share, the implied premium of the Improved Offer Consideration over the VWAP of Demetallica shares at various points in the period prior to the announcement of the Original Offer is detailed in the table below.

Table 4: Comparison of the Improved Offer Consideration to Demetallica's VWAP prior to the announcement of the Original Offer

Period up to and including 16 Sept 2022	Demetallica VWAP $	Offer Consideration Low - $	Premium %	Offer Consideration High - $	Premium %
1 day	0.19	0.35	84	0.42	121
1 week	0.20	0.35	75	0.42	110
1 month	0.21	0.35	67	0.42	100
3 months	0.21	0.35	67	0.42	100
114 days	0.24	0.35	46	0.42	75

Source: IRESS and KPMG Corporate Finance Analysis

In order to assess a reasonable range for implied acquisition premia in Australia, we have considered the outcome of a recent study[11] in relation to control premia observed in successful takeovers and schemes of arrangement in the Australian metals and mining sector over the period 1 July 2005 to 31 December 2020, which indicated over a data set of 161 transactions, the 2-day, 5-day and 20-day pre-bid average premium was 29.8%, 32.5% and 36.6% respectively.

Having considered these outcomes, we consider, on balance, that it is reasonable to suggest that in Australia, successful transactions in the metals and mining sector are typically likely to complete within an acquisition premia range of 30% to 35%.

In considering the evidence provided by actual transactions, it is important to recognise, however, that the observed premium for control is an outcome of the valuation process, not a determinant of value and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including amongst other things:

[11] RSM "Control Premium Study 2021"

- pure control premium in respect of the acquirer's ability to utilise full control over the strategy and cash flows of the target entity
- the level of synergies available to all acquirers, such as the removal of costs associated with the target being a listed entity and/or costs related to duplicated head office functions
- synergistic or special value that may be unique to a specific acquirer
- whether the acquisition is competitive.

The premia implied by the Improved Offer Consideration over the VWAP for the various periods set out above lies above the range usually observed in Australian takeovers. However, in considering whether the implied premia are sufficient, Demetallica shareholders should note:

- since the date of the Original Offer, Demetallica has announced the completion of drill holes, the satisfaction by OZ Minerals of its minimum spend requirement and commitment to joint venture Stage 1 earn-ins at its Peake and Denison project and in relation the updated MRE for Jericho and Exploration Targets within the Chimera Project, both of which can reasonably be expected to have had a positive impact on the share price of Demetallica in the absence of the Improved Offer, all other things being equal, which would act to compress the implied premia set out in the table above
- it is reasonable, as discussed further below, to expect that AIC will be able realise various operational and strategic benefits not available to a general pool of other potential purchasers, in particular through the future development and exploitation of the Chimera Project.

Successful completion of the Improved Offer will result in Demetallica shareholders holding shares in a larger more diversified and financially robust business

In the event the Improved Offer is successful, Demetallica shareholders will own up to approximately 21.4% of the Expanded AIC[12], which, in turn, will hold interests in a larger, more geographically diverse domestic mineral asset portfolio. In particular, acquisition of Demetallica Chimera Project is likely to be significant to the longer-term prospects of AIC, in that it will result in a significant increase in mineral inventory available to the Enlarged AIC's flagship Eloise mine, which is located in close proximity to Demetallica's Chimera Project, and is also expected to underpin an increase in annual processing rates and an extension of the Eloise mine's life.

The pro forma financial position of the Enlarged AIC prepared by AIC[13] suggests that it will immediately be in a stronger net cash position than Demetallica in its current form. In contrast, it is clear that the further development of Demetallica's mineral assets and path to market will require additional funding over and above that currently held by the company. We note that in the event Demetallica was to raise any portion of the required funding in the form of equity this may, depending upon the terms of any raising, be value decretive to existing Demetallica shareholders. Furthermore, the extent that existing

[12] Assuming that all options and performance rights currently on issue in DRM are converted to ordinary shares

[13] Discussed further in Section 10 of this report

Demetallica are not invited, or are unable to participate, in any equity raising, this would have a dilutive impact on the ownership interest of existing Demetallica shareholders as a whole.

It is reasonable to expect that shares in the Enlarged AIC will be more liquid than shares in either Demetallica or AIC as standalone entities

Over the three months prior to the announcement of the Original Offer approximately 13.4% of Demetallica's issued capital, with a total value of $2.9 million, was traded on either the ASX or Chi-X. In comparison, 2.6% of AIC's issued capital, with a total value of $3.8 million, was traded.

All else being equal, larger businesses tend to be more liquid investments than their smaller peers owing to lower operating risk given the more diversified nature of their operations, and lower earnings volatility.

As a result of the Expanded AIC's increased scale, footprint and shareholder base, there appears to be a reasonable prospect that an increased number of investors may be attracted to the Expanded AIC, compared to either Demetallica or AIC as stand-alone entities.

In contrast, given the Improved Offer has been declared unconditional and AIC can be expected to continue to hold any shares acquired in Demetallica over the foreseeable future, thus reducing Demetallica's free-float, this can reasonably be expected to have an adverse impact on Demetallica future trading volumes. As at 2 November 2022, AIC had received acceptances in respect of approximately 9.6% of Demetallica's current shares on issue, however, Demetallica has also received notification from other shareholders that collectively own or control 24.4% of the issued capital of Demetallica of their intention to accept the Improved Offer.

Furthermore, we consider there is a real prospect should AIC achieve control but not full control of Demetallica, that the market for Demetallica's remaining free-float will be largely illiquid. We also note in this regard, AIC has indicated that, subject to satisfying relevant requirements, it will seek to have Demetallica removed from the Official List of the ASX. As such, there is a risk that, depending upon the level of acceptances of the Improved Offer, Demetallica shareholders that decide not to accept the Improved Offer may ultimately end up holding a minority interest in an unlisted public company.

In these circumstances, Demetallica shareholders may wish to continue to monitor the level of shares acquired by AIC prior to the close of the Improved Offer and consider the potential impact on the future liquidity in Demetallica in deciding whether or not to accept the Improved Offer.

3.2.2 Disadvantages

The Improved Offer does not provide certainty as to the value of consideration to be received

As the consideration under the Improved Offer does not include a cash alternative, in the event the Improved Offer is successful Demetallica shareholders will receive new ordinary shares in the Expanded AIC.

Whilst the assumptions adopted by us in determining our range of assessed values for a Demetallica share and the Improved Offer Consideration are considered reasonable, the value ultimately received by Demetallica shareholders for their existing Demetallica shares will be dependent upon the trading price for an Expanded AIC share.

In this regard we note global financial and commodity markets are currently experiencing a period of volatility, which is discussed later in Appendix 3.

Having regard to the differing stage of development of each company's asset base, the Expanded AIC's share price, and therefore the implied value of the Improved Offer Consideration, is likely to be much more leveraged to movements in commodity prices over the medium term than Demetallica in its current form.

Based on our assessed value range of $0.32 to $0.47 per Demetallica share, inclusive of control premium, and the Exchange Ratio of 1:1.3, the trading price of an Expanded AIC share would need to fall below $0.42 in order for the Improved Offer Consideration to fall beneath the low end of our range of assessed fair values for a Demetallica share. In considering this we note that the VWAP for an AIC share over the period since the announcement of the Original Offer to 2 November 2022 inclusive was approximately $0.49 and the VWAP over the 5 trading days to 2 November 2022 inclusive was approximately $0.45. AIC shares traded down to an intraday low of $0.435 per share in the period since the announcement of the Original Offer to 2 November 2022 and closed at $0.435 on that day.

Current Demetallica shareholders are contributing a much greater share of the Enlarged AIC's copper equivalent Mineral Resources than the pro-rata interest being received in the Enlarged AIC

In the event that AIC is successful in acquiring 100% of Demetallica, Demetallica shareholders will, in aggregate, hold up to approximately 21.4% in the capital of the Enlarged AIC.

As such, the interest of Demetallica shareholders in Demetallica's existing development and exploration assets will be significantly diluted. However, Demetallica shareholders will also receive a similar pro rata interest in AIC's assets, including in the producing Eloise copper mine, and also any synergies and cost savings realised by the Enlarged AIC as a result of the integration of Demetallica.

In considering this we note that Demetallica shareholders will contribute approximately 72% of the Enlarged AIC's copper equivalent Mineral Resources. However, it needs be recognised that AIC's Mineral Resources include approximately 43,000 tonnes (**t**) of higher confidence copper equivalent proved and probable Ore Reserves and that AIC has since ownership of the Eloise mine been able to extend its Ore Reserve and Mineral Resource position. Indeed, having been in production for an extended period, there seems a reduced commercial imperative for AIC to build a significant Ore Reserve/Mineral Resource position at the Eloise mine beyond that required to continue short/medium term production activities. That said, we also note with Demetallica's current tenement holdings surrounding AIC's Eloise mine, AIC's ability to significantly extend mine life at the Eloise Project will potentially be constrained over the longer term in the absence of Demetallica's acquisition.

3.2.3 Other considerations

The possibility of an alternative offer emerging cannot be discounted but is considered unlikely

Demetallica's Board has advised that the company has not received any approaches from potential alternative bidders for the company or its assets since the announcement of the Original Offer. Whilst, having regard to the unsolicited nature of the Original Offer, it is possible that another third party may be monitoring developments, as:

- details of the Original Offer have been known to the market since 19 September 2022
- Demetallica is yet to field any interest for potential alternative bidders
- AIC has secured approximately 9.6% of Demetallica's issued capital to 2 November 2002, with Demetallica having received notification from other shareholders that collectively own or control a further 24.4% of the issued capital of Demetallica of their intention to accept the Improved Offer
- the Board has unanimously recommended that Demetallica shareholders accept the Improved Offer,

the prospect of Demetallica receiving an alternative superior offer is considered unlikely.

It is not clear whether a Demetallica share will fall from current levels in the absence of the Improved Offer or an alternative superior offer

Having regard to:

- the closing price for an AIC share on 16 September 2022, being the last trading date prior to the announcement of the Original Offer, of $0.505 and the closing price of a Demetallica share on the same day of $0.20, the implied Original Offer premium, based on the original exchange ratio of 1:1.5 was approximately 68%.
- the closing price of an AIC share on the day of the announcement of the Original Offer of $0.515 per share and the closing price of a Demetallica share of $0.285, up approximately 42% on the prior trading day, the implied Original Offer premium reduced to approximately 20%
- since the announcement of the Original Offer, Demetallica's share price has, based on the Exchange Ratio, been correlated to movements in AIC's share price, with a decreasing level of premium,

this may suggest, at face value, that Demetallica's current share price incorporates a level of control premium. In turn, this suggests that in the event the Improved Offer is not successful, the share price of Demetallica may fall from current levels reflecting an unwinding of any inherent premium for control.

However, given the positive announcements on 24 October 2022 in relation to the updated MRE for Jericho and Exploration Targets within the Chimera Project on 5 October 2022 in relation to the completion of drill holes and the commitment of future funding by OZ Minerals at Peak and Denison, it is not clear that the trading price of Demetallica shares would retreat to pre-Original Offer levels based on company specific issues.

If assessed based on the value of Demetallica to AIC, this would likely result in a positive shift in our range of assessed values, potentially materially

As set out above, as required by ASIC Regulatory Guides, our range of assessed values represents the value of a 100% interest in Demetallica but does not include any potential strategic or operational synergies that may be unique to individual investors. Accordingly, our range of values has been prepared independent of the specific circumstances of any potential bidder.

We consider that that there are clear strategic and operational advantages available to AIC that are value accretive that are not available to other purchasers and accordingly, would likely result in a positive shift in our range of values for a Demetallica share when considered from the perspective of AIC.

In particular, being located in close proximity to AIC's operational Eloise mine it is likely that AIC will be able to exploit Demetallica's existing Jericho Mineral Resources at a lower capital and operational cost compared to other more distant operations and, indeed, compared to Demetallica itself as a standalone project. In this regard, Demetallica notes in its Target's Statement and Supplementary Target's Statement that information provided by AIC to the market infers that AIC's Eloise Deeps lode extends across the boundary of AIC's tenement into Demetallica's tenements.

AIC sets out in section 6 of its Bidder's Statement that the combination of the Eloise mine and the Jericho project:

- has combined resources of 245,000t Cu and 188,100oz Au
- increases the mine life to +10 years
- provides the potential to increase annual production to over 20,000t Cu and 10,000oz gold in concentrate, based on a staged expansion of the Eloise processing facility to 1.4 million tonnes per annum (**tpa**) – a 60% increase on the current production rate
- potential economies of scale to reduce AISC.

Whilst this profile was prepared prior to the release to the market on 24 October 2022 of Demetallica's updated MRE for Jericho and Exploration Targets within the Chimera Project, AIC sets out in its Second Supplementary Bidder's Statement that it incorporated the Jericho Exploration Target information into its assessment of the Jericho deposit and as such it considers both the Original Offer and the Improved Offer fully reflect the updated MRE for Jericho.

Demetallica's current tenement holdings surround AIC's Eloise Project, accordingly, acquisition of these land holdings will allow AIC to consolidate its regional presence and provide an opportunity for future exploration success close to its existing facilities. In the absence of Demetallica acquisition, AIC's ability to significantly extend mine life at the Eloise Project will potentially be constrained over the longer term. This impediment is removed though the acquisition of Demetallica.

On 7 September 2022, Demetallica received an incomplete, non-binding expression of interest from AIC to acquire the Chimera Project for $22.5 million. AIC indicated in its correspondence that whilst it considers upfront capital costs to successfully develop the Chimera to be significant, it adds value by diversifying its ore sources and the potential to expand the Eloise mill.

Ineligible foreign shareholders involuntary disposal

Restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries, therefore some Demetallica shareholders will be deemed to be ineligible foreign shareholders.

In the event the Improved Offer is successful, the Expanded AIC shares to which the ineligible foreign shareholders would otherwise have been entitled to will be issued to a nominee and realised, with the net proceeds of such sales distributed to the relevant ineligible foreign shareholders, notwithstanding that those ineligible foreign shareholders may have desired to retain an interest in the Expanded AIC.

Transition risk

There is a potential that various shareholders in the Expanded AIC will seek to realise their portfolio holdings in the period immediately following the close of the Improved Offer. In these circumstances, until the shareholder base of the Expanded AIC is rebalanced, a risk exists of greater volatility in the Expanded AIC share price, at least in the short-term post the completion of the Improved Offer, than may otherwise have been the case, all other things being equal. As noted previously the nominee appointed to realise Expanded AIC shares on behalf of ineligible "foreign shareholders" is likely to be a seller of Expanded AIC shares during this period.

3.2.4 Consequences of not accepting the Improved Offer

Corporate

As the Improved Offer has been declared unconditional, there are many potential outcomes in terms of AIC's final interest in Demetallica, ranging anywhere from its announced interest as at 2 November 2022 of 9.6% through to 100% control. We have summarised some of the major implications below.

If AIC acquires less than 50% of Demetallica's issued capital.

- accepting Demetallica shareholders will be minority shareholders in AIC, which will not control Demetallica
- the potential cost savings and synergies, including those unique to AIC, expected to emerge on AIC acquiring 100% of Demetallica will not be realised
- it is possible that the share price of Demetallica may fall from current trading levels but may not fall to pre-Original Offer levels given announcements made by Demetallica in the period subsequent to the announcement of the Original Offer, in relation to the updated MRE for Jericho and Exploration Targets within the Chimera Project and project developments at Peake and Denison, which were discussed above
- it is reasonable to expect that the liquidity in Demetallica shares will be adversely impacted
- AIC has indicted that it will seek representation on the Demetallica Board commensurate with its shareholding
- AIC will be able to rely on the creep provisions of the Act to increase its interest in Demetallica further

- Capital Gains Tax (**CGT**) scrip for scrip rollover relief will not be available to accepting Demetallica shareholders.

If AIC acquires between 50.0% and 90.0% of Demetallica's issued capital:

- remaining Demetallica shareholders will be minority shareholders in a company controlled by AIC but will not acquire any interest in the assets and business of AIC
- the potential cost savings and synergies, including those unique to AIC, expected to emerge on AIC acquiring 100% of Demetallica will not be realised, however, given AIC's control of Demetallica and, a reduced level of corporate and operational synergies may be available
- there is the potential that Demetallica's share price will fall from current levels and it is reasonable to expect that the liquidity in Demetallica shares will be adversely impacted significantly
- Demetallica and AIC have agreed that the Board will be reduced to four members, of which AIC will be entitled to appoint two nominees and the remaining directors will be independent and must be acceptable to both Demetallica and AIC
- AIC will be able to rely on the creep provisions of the Act to increase its interest in Demetallica further.
- If AIC secures less than an 80% interest in Demetallica, CGT scrip for scrip rollover relief will not be available to accepting Demetallica shareholders.

If AIC acquires 90% or more of the Demetallica shares

- AIC intends to compulsorily acquire the Demetallica shares not already acquired
- Demetallica shareholders may be eligible to choose to apply CGT scrip for scrip rollover relief[14].

Operational

In the event that the AIC fails to achieve control of Demetallica, Demetallica will continue to operate in its current form. As a consequence Demetallica shareholders will continue to be exposed to the benefits and risks associated with an investment in Demetallica, which will be closely tied to the success or otherwise of the Demetallica's efforts to develop/expand its existing asset portfolio, either through future exploration success or acquisition activity:

- Whilst various routes to market seemingly exist for Demetallica's flagship Chimera Project, including either as a potential stand-alone project or as a tolling proposition, we note that none of Demetallica's projects have progressed to scoping or pre-feasibility stage, therefore consistent with other mineral exploration and development companies, Demetallica's mineral asset portfolio

[14] Capital Gains Tax scrip for scrip rollover relief will not be available to Demetallica shareholders deemed to be "Foreign Shareholders", whose AIC shares that would otherwise have been issued to these shareholders will be sold by a nominee and the net proceeds after costs will remitted to the relevant shareholder

incorporates a significant level of development, permitting and operational risks and their ultimate successful exploitation is not assured.

- Having regard to the non-operational status of Demetallica's current asset base, its current cash position, contingent financial obligations and the funding required to advance its mineral assets as they move through the development cycle, whilst also operating as a publicly listed company, it is clear that Demetallica will be required to seek further funding in the future, either through asset sales, debt funding or by raising additional equity funding. To the extent any fund raising is in the form of a future equity raising and existing Demetallica are not invited, are unwilling or unable to participate, this will result in a dilution in the interests of these shareholders in the assets of Demetallica.

Shareholders are also referred to Section 8 of Demetallica's Target's Statement, where various risks of not accepting the Original Offer were also discussed.

4 Other matters

In forming our opinion, we have considered the interests of Demetallica shareholders as a whole. It is not practical or possible to assess the implications of the Improved Offer on individual Demetallica shareholders as their financial situation, objectives or needs are not known. The decision of shareholders as to whether or not to accept the Improved Offer is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to accept or reject the Improved Offer may be influenced by his or her particular circumstances, we recommend that individual shareholders seek their own independent professional advice.

Our report has been prepared solely for the purpose of assisting shareholders in considering the Improved Offer. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose. Our opinion should not be construed to represent a recommendation as to whether or not shareholders should accept the Improved Offer, which remains a matter solely for each individual shareholder to determine.

Neither the whole nor any part of our report or its attachments or any reference thereto may be included in or attached to any document, other than the Further Supplementary Target's Statement to be sent to shareholders in relation to the Improved Offer, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of our report in the form and context in which it appears in the Supplementary Target's Statement.

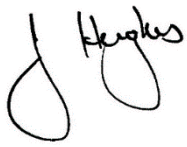
KPMG has made reasonable enquiries of Demetallica and Demetallica has concluded that the Design and Distribution Obligations regulations do not apply to the Improved Offer.

Our opinion is based solely on information available as at the date of this report as set out in Appendix 2. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information as set out in section 6.2 of our report.

References to an Australian financial year (i.e. the 12 months to 30 June) have been abbreviated to FY, and references to calendar years have been abbreviated to CY.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully



Jason Hughes
Authorised Representative

Sean Collins
Authorised Representative

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5 Summary of the Improved Offer

The principal terms of the Improved Offer as they affect Demetallica shareholders are that eligible shareholders will receive one new AIC ordinary share for every 1.3 ordinary shares in Demetallica they hold.

If this calculation results in an entitlement to a fraction of an AIC Share, that fraction will be rounded down to the next whole number of AIC shares.

Eligible Demetallica shareholders may only accept the Improved Offer in respect of all of their shares.

All Demetallica shareholders, including those who have already accepted the Original Offer, will be entitled to receive the Improved Offer Consideration.

AIC shares that would otherwise have been issued to "foreign shareholders"[15] for the purpose of the Improved Offer will be sold by a nominee and the net proceeds after costs will be remitted to the relevant shareholder.

The Improved Offer is scheduled to close at 7pm on Monday, 28 November 2022

AIC Mines is accelerating the issue of the Improved Offer Consideration to Demetallica shareholders who accept the Offer. to no later than 10 business days after the date of acceptance and by no later than 10 Business Days after the date of this Second Supplementary Bidder's Statement in respect of shareholders that have previously accepted the Original Offer.

All new AIC shares issued pursuant to the Improved Offer will rank equally in all respects with all existing AIC shares on issue.

Further information in relation to the individual characteristics of AIC Shares is set out in Section 11 in the Bidder's Statement.

5.1 Unconditional offer

On 25 October 2022, AIC announced that the Original Offer had been declared free of remaining defeating conditions and, as a result, the Improved Offer is unconditional.

6 Scope of the report

6.1 Basis of assessment

RG 111 issued by ASIC indicates the principles and matters which it expects a person preparing an IER to consider, in determining whether an offer is "fair and reasonable".

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15 being a Demetallica shareholder who is a resident or whose address as shown in the register of members of Demetallica is in a jurisdiction other than Australia or its external territories, New Zealand, Malaysia and Hong Kong or is a person acting on behalf of such shareholders. Further details are set out in Section 4 of AIC's Supplementary Bidder's Statement dated 21 October 2022

Fairness

RG 111 issued by ASIC provides that an offer is fair if the value of the consideration is equal to or greater than the value of the shares subject to the offer. It is a requirement of RG 111 that the comparison be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target prior to the bid.

Accordingly, the principal matter we are required to consider is whether the Improved Offer Consideration, comprising one new ordinary share in the Enlarged AIC, on a minority interest basis, is equal to or exceeds the market value of 1.3 existing Demetallica shares on a 100% control basis.

In addition to the points noted above, RG 111 indicates that the weight of judicial authority is that any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under this comparison, rather they are matters that an expert might consider in assessing whether an offer is reasonable. As such, in assessing the full underlying value of Demetallica, we have considered those synergies and benefits that would be available to a pool of potential purchasers of Demetallica. Accordingly, our valuation of Demetallica has been determined without regard to the specific bidder and any special benefits have been considered separately.

Reasonableness

An offer is deemed by RG 111 to be "reasonable" if it is fair. However an offer can also be reasonable even if despite not being fair there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer. In considering matters of reasonableness, we have also considered, inter alia, the following factors:

- recent trading prices and liquidity for Demetallica and AIC shares on ASX
- the risk profile of the Enlarged AIC relative to Demetallica, including the potential for synergies
- the relative contribution of copper equivalent Mineral Resources by Demetallica and AIC to the Enlarged AIC
- the comparative net asset backing of Demetallica and the Enlarged AIC
- the impact on liquidity for the shares in the Enlarged AIC
- any special value to AIC in acquiring Demetallica
- tax consequences for Demetallica shareholders
- likely trading in Demetallica shares in the absence of the Improved Offer
- any other advantages and disadvantages that would have an impact on Demetallica shareholders.

6.2 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it.

Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Demetallica or any or its associated entities for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of management. In addition, we have also had discussions with Demetallica's management and its advisers in relation to the nature of the business operations, specific risks and opportunities and prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Demetallica has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included statements and assumptions about future matters (forward-looking financial information) prepared by or on behalf of the management of Demetallica. KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report and Demetallica remains responsible for all aspects of this forward-looking financial information. The forward-looking financial information as supplied to us is based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information. However, we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

It is not the role of the independent expert to undertake the commercial and legal diligence that a company and its advisers may undertake. The Directors are responsible for conducting diligence in relation to the Improved Offer. KPMG Corporate Finance provides no warranty as to the adequacy, effectiveness or completeness of the diligence process, which is outside our control and beyond the scope of this report. We have assumed that the diligence process has been and is being conducted in an adequate and appropriate manner.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to

update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.3 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Whilst due to commercial sensitivity we have limited the level of disclosure to that typically provided to public markets, we have disclosed a summary of material information which we relied on in forming our view.

6.4 Reliance on Technical Expert

ASIC Regulatory Guides envisage the use by an independent expert of specialists when valuing specific assets. To assist KPMG Corporate Finance in the valuation of Demetallica's mineral assets, RSC was engaged by Demetallica, and instructed by us, to prepare an independent technical report in relation to the value of Demetallica's portfolio of mineral assets, including its defined resources and other exploration tenements. A copy of the RSC's report, dated 7 November 2022, is attached to this report at Appendix 7.

RSC's report was prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral and Petroleum Assets (2015 Edition) (**the ValMin Code**) to the extent applicable.

ASIC Regulatory Guides recommend the fees payable to the technical specialists be paid in the first instance by the independent expert and claimed back from the party commissioning the independent expert. KPMG Corporate Finance's preferred basis for appointment of independent technical specialists is that the client commissions, and pays the fees directly to, the technical specialist, whilst KPMG Corporate Finance defines the scope of work for the technical specialist. We do not consider that the independence of the technical specialist is impaired by this arrangement.

We have satisfied ourselves as to RSC's qualifications and independence from Demetallica and AIC and have placed reliance on its report. The valuation methodologies adopted by RSC in respect of Demetallica's mineral assets are based on the comparable transactions, yardstick, geoscientific rating and/or multiple of past exploration expenditure methods as appropriate.

Due to the various uncertainties inherent in the valuation process, RSC has determined a range of values within which it considers the value of each of these mineral assets to lie. The valuations ascribed by RSC to the mineral assets of Demetallica have been adopted in our report.

7 Industry overview

Demetallica's principal assets comprise its interest in the Chimera copper-gold project. To provide a context for assessing the prospects of Demetallica, we have included an overview of recent trends in the international copper market at Appendix 3.

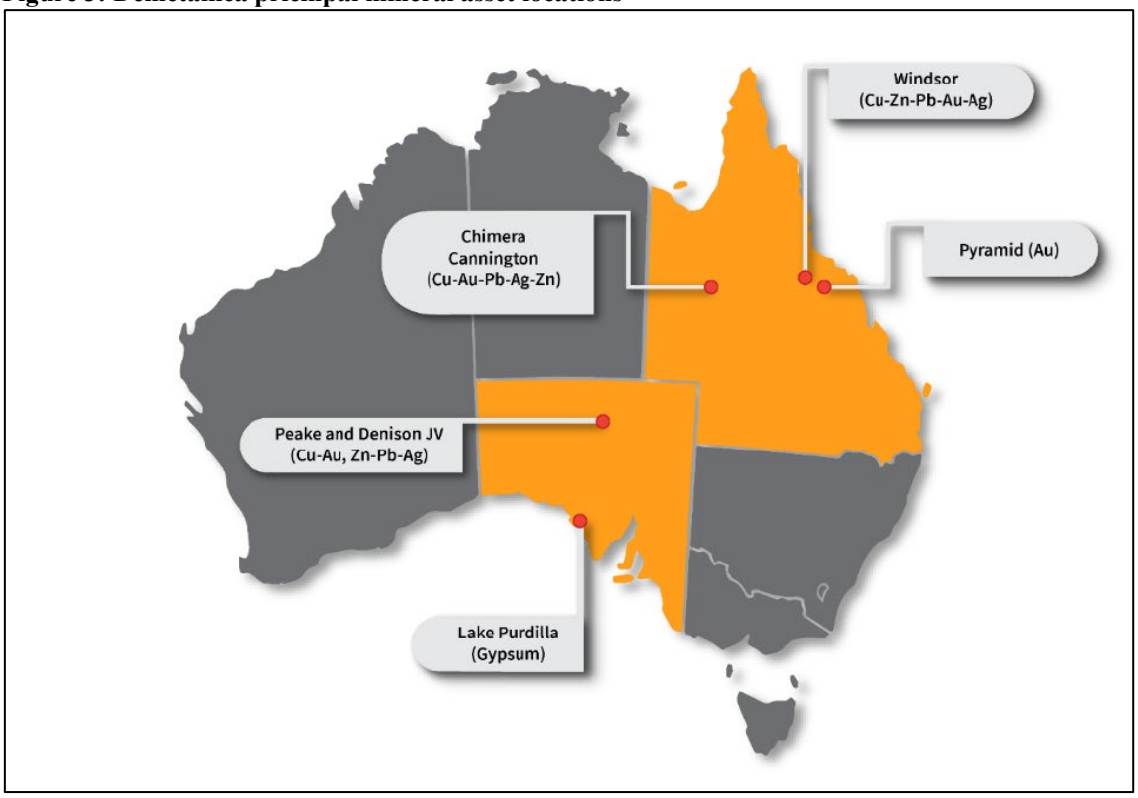
8 Profile of Demetallica

8.1 Company overview

Demetallica is an Australian minerals exploration company listed on the securities exchange of the ASX. Demetallica was incorporated in 1993 as Amalg Resources NL, changing its name to Breakaway Resources Limited in 2003 and from 2013 was a wholly owned subsidiary of Minotaur Exploration Limited (**Minotaur**). The company adopted its current name in November 2021 and demerged from Minotaur Exploration Limited in January 2022. Demetallica shares commenced trading on the ASX on 26 May 2022 after completing an initial public offering (**IPO**) of 60 million shares at an issue price of $0.25 per share.

Demetallica holds rights to an exploration portfolio comprising 45 licences across six project areas in Queensland and South Australia. Demetallica's principal project and area of activity is the 100% owned Chimera Project, which is located approximately 800km west of Townsville in Queensland. In addition to its exploration portfolio, Demetallica also holds a 10% free carried interest and a 10% joint venture interest in two early-stage prospects in South Australia and net smelter royalties (**NSR**) in two early-stage projects in Western Australia and Queensland.

Figure 3: Demetallica pricinpal mineral asset locations



*Source: Demetallica's Prospectus issued on 24 May 2022 (**the Prospectus**)*

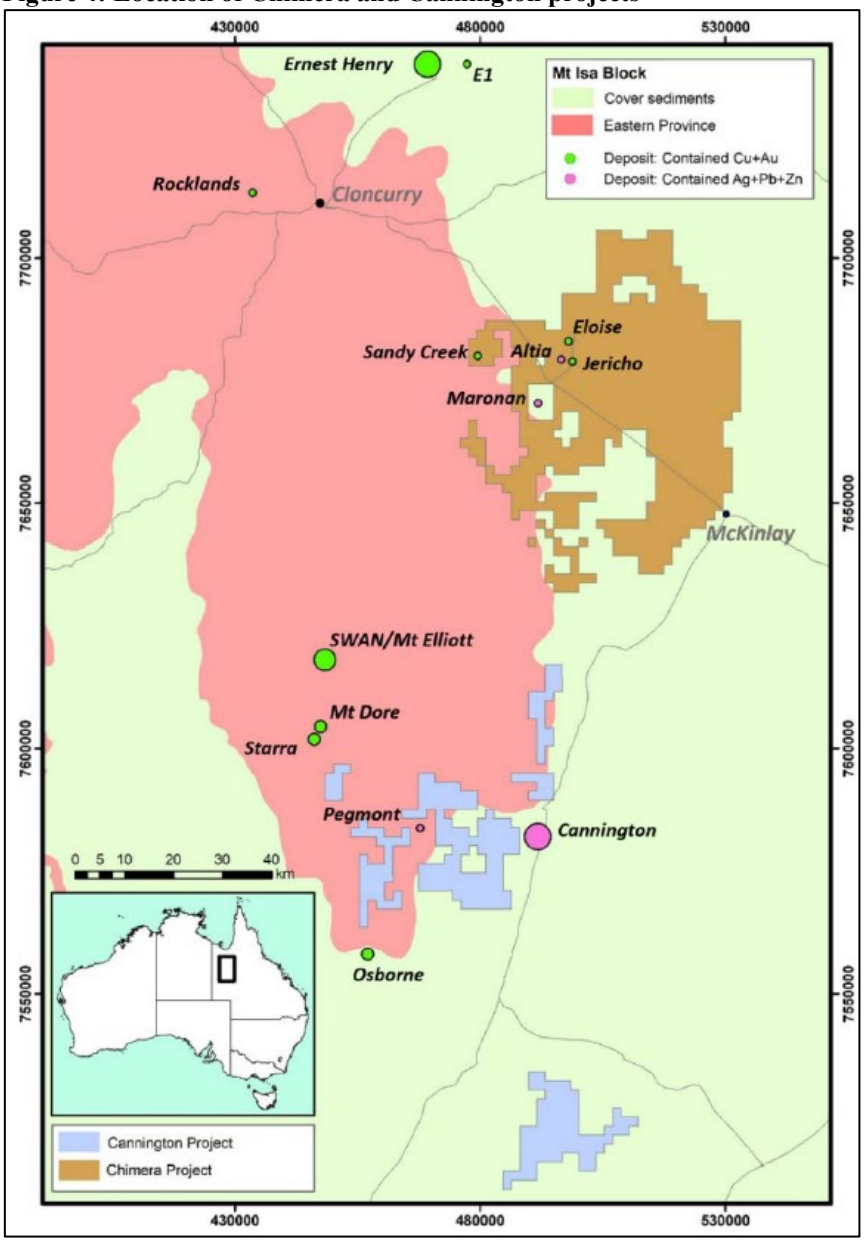
An overview of Demetallica's flagship Chimera Project and other mineral assets is set out below and discussed in more detail in RSC's report which is attached as Appendix 7 to this report.

8.2 Mineral assets

8.2.1 The Chimera Project – 100% interest

The Chimera Project comprises 19 tenements covering 2,067km^2. The project is located approximately 70km southeast of Cloncurry in North-West Queensland. Access is via a national sealed highway and railway that runs from Townsville on the coast through Cloncurry to Mt Isa. Cloncurry is also serviced by a regional airport with daily commuter flights to Townsville, Brisbane and Mt Isa.

Figure 4: Location of Chimera and Cannington projects



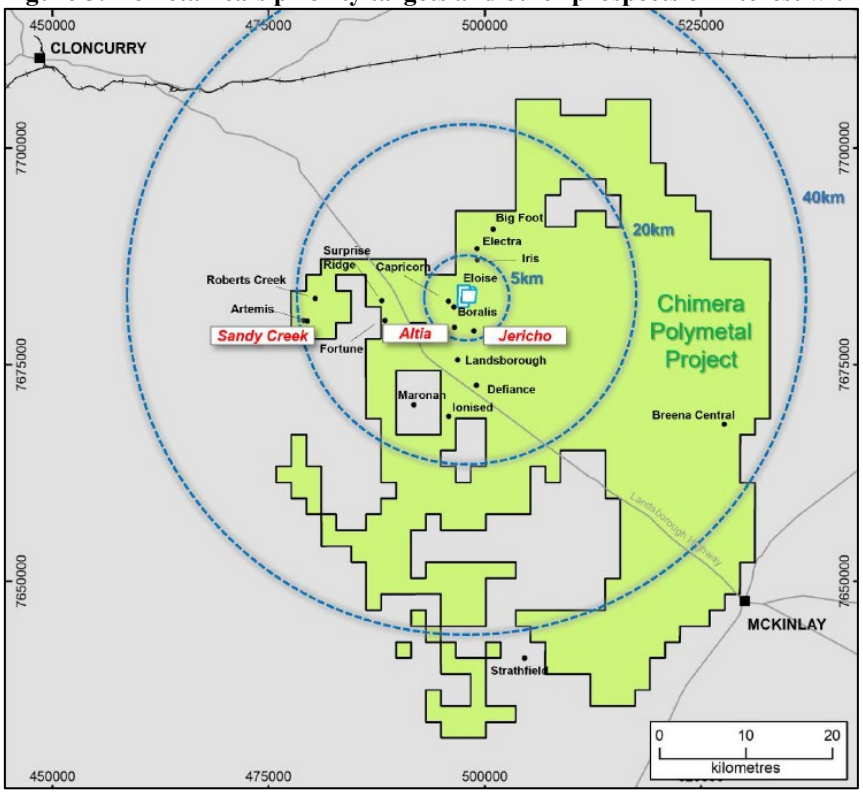
Source: The Prospectus

The Chimera Project hosts 3 deposits with published JORC 2012 compliant Mineral Resources:

- Jericho
- Sandy Creek
- Altia.

In addition, Demetallica has also identified various other regional prospects and exploration targets, including the Artemis prospect.

Figure 5: Demetallica's priority targets and other prospects of interest within the Chimera Project



Source: The Prospectus

8.2.1.1 Jericho copper-gold deposit

Jericho was discovered in 2017 by Minotaur under the Eloise Joint Venture (**Eloise JV**) with OZ Minerals. The deposit centroid lies 3km south of the operating Eloise copper-gold mine owned by AIC.

In the period since October 2017, a total of 152 drill holes have been completed across the Jericho system for 43,750m of combined drilling.

A maiden JORC 2012 Mineral Resource was estimated by OZ Minerals and published by Minotaur on 16 July 2020. On 24 October 2022, Demetallica announced an updated Mineral Resources position at Jericho following a successful 56-hole drilling campaign completed in 2022, which is summarised below.

Table 5: Jericho Mineral Resource as at 24 October 2022

		Grade			Contained metal		
Category	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (koz)
Indicated	3.8	1.41	0.28	1.6	54	34	198
Inferred	10.3	1.47	0.29	1.6	151	95	546
Total	**14.1**	**1.46**	**0.29**	**1.6**	**205**	**129**	**744**

Source: Demetallica ASX Announcement on 24 October 2022

Notes:

1 *Mineral Resource figures have been reported in compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (**JORC 2012**) and were approved for release in the form and context in which they appear by a Competent Person, as defined by the JORC code*
2 *Au means gold, Ag means silver, Cu means copper, koz means thousand ounces, kt means thousand tonnes*
3 *Amounts may not add exactly due to rounding.*

Demetallica has indicated that it believes mineralisation remains open down dip and along strike at Jericho.

In addition, Demetallica announced an incremental Exploration Target of 9 Mt and 13 Mt at between 1.3% and 1.8% copper, 0.25 to 0.35 g/t gold and 1.4 to 2.0 g/t silver.

8.2.1.2 Sandy Creek copper-gold deposit

Sandy Creek is a copper-gold deposit discovered in 1988 and drilled intermittently until 2012 up to the point of publication JORC Resource. The deposit is located 37km by road from Jericho.

The Mineral Resource at Sandy Creek is shown in the table below, which are reported at 0.3% Cu cut-off. The reported Mineral Resource comprises five mineralised zones, including Main and West Zones, and three smaller lodes termed the Hanging Wall North, Hanging Wall South and Footwall Zones.

Table 6: Sandy Creek Mineral Resource

		Grade		Contained metal	
Category	Tonnage (Mt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
Inferred	2	1.32	0.30	26.4	21.4

Source: The Prospectus

Notes:

1 *Mineral Resource figures have been reported in compliance with the JORC code and were approved for release in the form and context in which they appear by a Competent Person, as defined by the JORC code*
2 *Amounts may not add exactly due to rounding.*

Demetallica notes that the central and southern portions of the Main Zone have demonstrated strong copper grades at relatively shallow depth.

Demetallica has indicated that it plans to revisit the geological model over 2023 to better understand the potential for Sandy Creek to be developed in the future as a satellite open pit mine to a regional processing hub.

8.2.1.3 Altia lead-silver-zinc deposit

Altia is a lead-silver-zinc deposit discovered in May 1985 by BHP during Reverse Circulation (**RC**) drilling testing an intense magnetic anomaly associated with a weak Rotary Air Blast (**RAB**) drill hole lead-zinc basement anomaly defined from earlier exploration activities. The deposit is located 2km by road from Jericho.

The deposit is host to four main mineralisation lodes, two of which extend the full length of the deposit, with the two others located in the footwall at the southern and northern ends.

Mineral Resources at Altia is summarised in the table below.

Table 7: Altia Mineral Resource

			Grade			Contained metal		
	Category	Tonnage (Mt)	Pb (%)	Ag (g/t)	Zn (%)	Pb (kt)	Ag (koz)	Zn (kt)
Open Pit	Inferred	5.4	3.3	38	0.4	179	6,613	21
Underground	Inferred	0.9	3.9	31	0.4	35	905	3
Total		**6.3**	**3.4**	**37**	**0.4**	**214**	**7,518**	**24**

Source: The Prospectus
Notes:
1 *Mineral Resource figures have been reported in compliance with the JORC code and were approved for release in the form and context in which they appear by a Competent Person, as defined by the JORC code*
2 *Pb means lead, Zn means Zinc*
3 *Amounts may not add exactly due to rounding.*

The Company has indicated that it does not intend to advance Altia through 2022 – 2023.

8.2.1.4 Artemis prospect

Artemis is a copper-zinc-lead-gold-silver-cobalt prospect discovered by Minotaur in 2014, lying 300m west of the Sandy Creek deposit. Demetallica views Artemis to have potential to be extended down-dip below the main zone of mineralisation and at depth along strike to the north. A limited drilling campaign is intended during 2023 to test depth extensions.

8.2.1.5 Iris-Electra-Big Foot prospects

The Iris-Electra-Big Foot prospects are part of a single copper-gold system 4km long, located approximately 5km north of the Eloise mine. Demetallica is considering the prospect for further work and how best to target drilling to investigate if there are areas of better developed copper-gold mineralisation along the Iris-Electra-Big Foot trend.

8.2.2 Lake Purdilla Gypsum Project – 100% interest

The Lake Purdilla Gypsum Project comprises 2 tenements covering 219km^2. The project is located approximately 130km southeast of Ceduna, South Australia.

Mineral Resource for the Lake Purdilla Gypsum deposit are shown in the table below.

Table 8: Lake Purdilla Gypsum Mineral Resource

	Category	Tonnage (Mt)	Grade Gyp (%)
Lake Gypsum	Inferred	72	91
Dune Gypsum	Inferred	15	90
Total		**87**	**91**

Source: The Prospectus
Notes:
1 Mineral Resource figures have been reported in compliance with the JORC code and were approved for release in the form and context in which they appear by a Competent Person, as defined by the JORC code
2 Gyp means Gypsum
3 May not add due to rounding.

Demetallica has indicated that it does not intend to further advance the project over the course of 2022-2023.

8.2.3 Other exploration projects

In addition, Demetallica owns interests in various other early-stage exploration projects in Queensland and South Australia.

Table 9: Demetallica early-stage exploration actvities

Project	Commodity	Interest	Description
Cannington Project	Cu, Au, Pb, Ag & Zn	100%	The Cannington Project comprises 8 tenements covering 808km^2 adjacent to the Cannington silver-lead-zinc mine, approximately 200km by road southeast of Cloncurry in north-west Queensland. Access to the Cannington tenements is via the Toolebuc-McKinlay Road along the eastern side of the project area and the Toolebuc-Selwyn Road along the western side of the project area. The Cannington Project area is prospective for structurally controlled oxide-rich or sulphide-rich copper-gold mineralisation like Eloise, Kulthor and Osborne and sedimentary exhalative lead-zinc-silver mineralisation similar to Cannington and Pegmont. The major lead-zinc-silver Cannington deposit lies just to the east of the Cannington Project area and the Osborne Cu-Au deposit just south. Other smaller but still significant deposits occur near the Cannington Project and include Kulthor (Cu-Au) and Pegmont, Cowie and Maramungie (Pb-Zn-Au).

Project	Commodity	Interest	Description
Pyramid Gold Project	Au	100%	The Pyramid Project comprises 3 tenements covering 177km^2. The project is centred approximately 150km south of Townsville in north-east Queensland. Access to the project is via the Scartwater Road, running east-west between the Gregory Highway and the coal mining town of Collinsville. The Pyramid Gold Project contains known gold mineralisation at four main prospects, being Sellheim, Gettysberg, Marrakesh and Pradesh, sited adjacent to the Gettysberg Fault on the West Pyramid Range.
Windsor Project	Cu, Zn, Pb, Au & Ag	100%	The Windsor Project comprises 8 tenements covering 641km^2 centred 130km southwest of Townsville. Located near the Thalanga base metal mine, Windsor hosts stratigraphic horizons offering potential for high grade VMS mineralisation. Demetallica recently completed a ground electromagnetic survey over the Royale prospect. Data interpretation will guide first drill testing planned for late 2022.
Peake and Denison Project	Cu, Au, Zn, Pb & Ag	100%	The project is located approximately 750km north-north-west of Adelaide along the north-eastern margin of the Gawler Craton. The venture covers approximately 2,500km^2 of the Peake and Denison inlier within 4 granted exploration licences and is targeting Iron-Oxide Copper-Gold style mineralisation. Exploration at Peake and Denison Project is funded by OZ Minerals under a Farm-in and Joint Venture, where Demetallica is the manager and operator. On 5 October 2022, Demetallica announced the completion of two drill holes that had encountered basement mineralisation as predicted by geoscience modelling, with visible copper mineralisation. In addition, Demetallica also announced that OZ Minerals had notified Demetallica of its intent to continue to self fund exploration as part of a $4 million earn-in to a 51% equity position. Ultimately OZ Minerals can earn a 70% interest by spending $10 million.

Source: The Prospectus, Demetallica company website, September 2022 Quarterly Activities Report, FY22 Annual Report & Bidder's statement

Each of Demetallica's mineral projects are discussed in further detail in RCS's independent technical specialist report, which is attached as Appendix 7 to this report, as well as in Demetallica's Target Statement dated 12 October 2022.

8.3 Historical financial performance

Demetallica's historical audited consolidated financial performance for each of the financial years ended 30 June 2021 and 2022 are summarised below.

Table 10: Demetallica's historical consolidated financial performance

$'000	Audited 12 months 30-Jun-21	Audited 12 months 30-Jun-22
Revenue	-	18
Other income	-	29
Impairment of exploration and evaluation assets	(1)	(87)
Project generation costs	-	(59)
Employee benefits expense	-	(335)
Depreciation expense	-	(105)
Finance costs	-	(8)
Other expenses	(5)	(502)
Profit / (loss) before income tax	**(6)**	**(1,050)**
Income tax expense	-	-
Profit / (loss) for the year	**(6)**	**(1,050)**
Other comprehensive income (net of tax)		
Items that will not be subsequently reclassified to profit or loss		
Gain on equity instruments designated at fair value through other comprehensive income	-	12
Total comprehensive income / (loss) for the year	**(6)**	**(1,038)**
Weighted average ordinary shares on issue (m)	*27.8*	*280.5*
Basic loss per share[1] (cents)	*(0.02)*	*(0.37)*

Source: FY22 Demetallica Annual Report, KPMG Corporate Finance analysis

Notes:

1 *As set out in Demetallica's audited FY22 Annual Report, in accordance with AASB 133, there are no dilutive securities on issue*

2 *Amounts may not add exactly due to rounding.*

Demetallica is an exploration company with activities focussing on progressing resource assets in early stages. Demetallica's expenditure over the period reflects IPO related costs, the initiation of field work at the Chimera Project, professional and consultancy fees, impairment costs and various other expenses.

8.4 Historical financial position

Demetallica's historical audited consolidated financial position as at each of 30 June 2021 and 30 June 2022 are summarised below.

Table 11: Demetallica's historical financial position

$'000	Audited 30-Jun-21	Audited 30-Jun-22
Cash and cash equivalents	10	10,607
Other current assets	16	214
Total current assets	**26**	**10,821**
Financial assets	-	615
Right of use asset	-	431
Property, plant and equipment	-	498
Exploration and evaluation assets	2,236	19,523
Total non-current assets	**2,236**	**21,068**
Total assets	**2,262**	**31,889**
Trade and other payables	-	3,009
Lease liabilities	-	244
Provisions	-	380
Total current liabilities	**-**	**3,633**
Lease liabilities	-	233
Related party borrowings	8,024	-
Total non-current liabilities	**8,024**	**233**
Total liabilities	**8,024**	**3,866**
Net assets	**(5,762)**	**28,023**
Shares on issue (m)	*434.9*	*102.0*
Net asset backing per share ($)	*(0.013)*	*0.275*
Current ratio[1] (times)	*nmf*	*3.0*

Source: FY22 Annual Report and KPMG Corporate Finance analysis
Notes:
1 Current ratio represents current assets divided by current liabilities
2 Amounts may not add exactly to due to rounding.

We note the following in relation to Demetallica's financial position:

- the movement in cash and equivalents largely reflects proceeds from the issue of shares through the IPO and share placement, offset by a $6.6 million payment for exploration assets to OZ Minerals and payments to suppliers and employees
- the increase in trade and other payables reflects the increased activity on the Chimera Project during the period
- during FY22, the Demetallica Board resolved that its 434,854,266 ordinary shares on issue at the time be consolidated to 27,829,457 ordinary shares. 60 million ordinary shares were issued as a result of the IPO, 7,933,793 ordinary shares were issued as part consideration for the acquisition of exploration and evaluation assets and 6,222,414 ordinary shares were issued through placement
- the carrying value of Demetallica's exploration and evaluation assets as at 30 June 2022 was $19.5 million. Of this total amount, $6.6 million relates to the capitalised cost of acquisition paid to OZ Minerals for the acquisition of project tenements (discussed further at section 8.7 below).

8.5 Statement of cash flows

Demetallica's historical audited consolidated statement of cash flows for each of the financial years ended 30 June 2021 and 2022 are summarised below.

Table 12: Demetallica's historical consolidated statement of cash flows

$'000	Audited 12 months 30-Jun-21	Audited 12 months 30-Jun-22
Cash flows from operating activities		
Receipts from customers	-	42
Payments to suppliers and employees (incl. GST)	(2)	(834)
Interest received	-	5
Government grants received	-	99
Net cash used in operating activities	**(2)**	**(688)**
Cash flows from investing activities		
Cash acquired through demerger	-	1,847
Payment for exploration assets - OZ Minerals	-	(6,600)
Payment for other exploration activities - net of Joint Operation contributions	(9)	42
Net cash from investing activities	**(9)**	**(4,711)**
Cash flows from financing activities		
Proceeds from issue of shares through IPO and share placement	-	16,582
Payment of transaction costs for issue of shares	-	(1,099)
Proceeds from related party borrowings	11	513
Repayment of related party borrowings	(5)	-
Net cash provided by financing activities	**6**	**15,997**
Net increase/ (decrease) in cash and cash equivalents	**(5)**	**10,597**
Cash and cash equivalents at the beginning of the period	15	10
Cash and cash equivalents at the end of the period	**10**	**10,607**

Source: FY22 Annual Report
Note: Amounts may not add exactly to due to rounding.

Demetallica's cash and cash equivalents increased from $0.01 million as at 30 June 2021 to $10.6 million as at 30 June 2022, principally as a result of proceeds from issue of shares through IPO and share placement, offset by a $6.6 million payment for exploration assets to OZ Minerals and payments to suppliers and employees.

8.6 Commitments

In order for Demetallica to maintain current rights of tenure to exploration tenements, the company is required to outlay $3.17 million in the year ending 30 June 2023 in respect of exploration licence rentals and to meet minimum expenditure requirements. Demetallica expects that $0.75 million of this requirement will be funded by Demetallica's current joint venture partners.

8.7 Potential future payments

OZ Minerals Joint Venture Interest Sale Agreement

Demetallica entered into a JV Interest Sale Agreement with OZ Minerals (**JV Interest Sale Agreement**) in which OZ Minerals sold its legal and beneficial interest in the Jericho Joint Venture and the Eloise Joint Venture to Demetallica for an initial payment of $6.6 million. Under the JV Interest Sale Agreement, potential future payments may arise, in which Demetallica will:

- pay OZ Minerals up to US$8,818,492 in aggregate calculated at a rate of US$0.04 per pound (**lb**) of Payable Copper[16] when:
  - a Demetallica JORC Statement is first announced on the ASX or a competent person first declares a measured and indicated resource which included a quantity of payable copper
  - payable copper is first mined
  - any subsequent Demetallica JORC Statement (if any) is announced on the ASX or a competent person declares a subsequent measured and indicated resource (if any) which includes a quantity of payable copper, and
  - any subsequent payable copper (if any) is mined.
- pay OZ Minerals $2.75 million upon a positive pre-feasibility study (**PFS**) in respect of the Jericho Joint Venture Area and/or the Eloise Joint Venture Area being published by Demetallica.

None of the milestones triggering requirement for the payment of the contract deferred payment to OZ Minerals has occurred and, based on the current stage of development of the Chimera Project, are not expected by Demetallica to crystallise in the near future, if at all.

8.8 Taxation

As at 30 June 2022, Demetallica had carry forward tax losses of approximately $17.6 million in unused gross tax losses for which no deferred tax asset has been recognised. Demetallica and its 100% owned Australian resident subsidiaries have formed a tax consolidation group.

8.9 Dividends and franking credits

Demetallica has not historically paid dividends and Demetallica management has advised that the company does not have any franking credits available to it.

16 As defined in the OZ Minerals Joint Venture Interest Sale Agreement

8.10 Royalty agreements

Western Australian Royalty

Under an agreement between Demetallica and Shine Resources Pty Ltd (**Shine**), Shine has agreed to pay Demetallica a royalty of $10 per troy ounce of gold produced from ore extracted from tenements P29/2121, E29/661 and M23/336, up to a cap of $250,000.

Queensland Royalty

Under an agreement between Demetallica and Larvotto Resources Limited (**Larvotto**) and TAS Exploration Pty Ltd (**TAS Exploration**), Larvotto and TAS Exploration agreed to pay Demetallica a NSR of 1% from ore extracted from tenements EPM 16197, EPM 17914, EPM 17947, EPM 19733, EPM 18492 and EPM 17638.

West Kambalda Royalty

Under an agreement between Demetallica and Maximus Resources Limited, Mariner Mining Pty Ltd and Spargoville Minerals Pty Ltd, these parties have agreed to pay Demetallica a NSR of 1.5% from ore extracted from tenements M15 395, M15 703, L15 128, L15 255, E15 1688, E15 1689.

Pyramid Royalty

Under an agreement between Demetallica and Avira Resources Ltd (**Avira**), Demetallica has agreed to pay Avira a NSR of 1.5% from ore extracted from tenements EPM 12887, EPM 19554, EPM 25154.

8.11 Board of Directors

The current Directors of Demetallica are set out below.

Table 13: Demetallica's Board of Directors

Board member	
Dr Roger Higgins Non-Executive Chairman of the Board	**George McKenzie** Non-Executive Director
Andrew Woskett Managing Director	**Dr Antonio Belperio** Non-Executive Director

Source: FY22 Annual Report

Further details in relation to the experience and other directorships of the Directors of Demetallica are set out in section 5 of Demetallica's Target Statement and also in the Company's FY22 Annual Report.

8.12 Share capital and ownership

As at 2 November 2022, Demetallica had approximately 102.0 million ordinary shares on issue. Substantial shareholders notices received by the Company to 2 November 2022 are summarised in the table below.

Table 14: Demetallica's substantial shareholders as at 2 November 2022

Substantial shareholder	Interest in Demetallica shares (millions)	Voting power in Demetallica
Yarraandoo Pty Ltd	10.0	9.8%
Sandfire Resources Limited[1]	8.9	8.7%
AIC Mines Limited	9.8	9.6%
OZ Exploration Pty Ltd[2]	6.2	6.1%

Source: Demetallica management and Demetallica ASX announcements
Notes:

1 *Shares held by Sandfire Resources will be released from escrow as follows: 980,383 on 3 February 2023, 456,953 on 4 February 2023 and 7,476,840 on 18 May 2023. However they can accept the Improved Offer if at least 50% of the holders that are not restricted have accepted.*
2 *6,222,414 shares held by OZ Minerals are escrowed to 26 May 2023, however they can accept the Improved Offer if at least 50% of the holders that are not restricted have accepted.*

8.13 Options

As at 2 November 2022, Demetallica had the following unlisted options on issue:

Table 15: Demetallica's options on issue as at 2 November 2022

	Date issued	Expiry date	Exercise price	Number
JLM Options[1]	18 May 22	18 May 26	$ 0.375	2,700,000
Zero exercise Price Options[2]	12 Aug 22	12 Aug 27	$ 0.000	3,850,000

Source: Bidder's Statement, FY22 Annual Report
Notes:

1 *Issued to joint lead managers on completion of the Demetallica ASX listing*
2 *Issues to employees of Demetallica under employee short-term and long-term incentive scheme and vesting on achievement on individual key performance indicators within the period to 30 June 2023 (short term) and 30 June 2025 (long term).*

8.14 Performance rights

Under the Performance Rights plan adopted by Demetallica on 8 April 2022, Demetallica issued Mr Andrew Woskett, Demetallica's Managing Director, 2 million performance rights. These performance rights shall convert to Demetallica shares upon Demetallica achieving certain milestones or automatically vest on a change of control event.

At 2 November 2022, Demetallica has not issued any ordinary shares as a result of the vesting of performance rights.

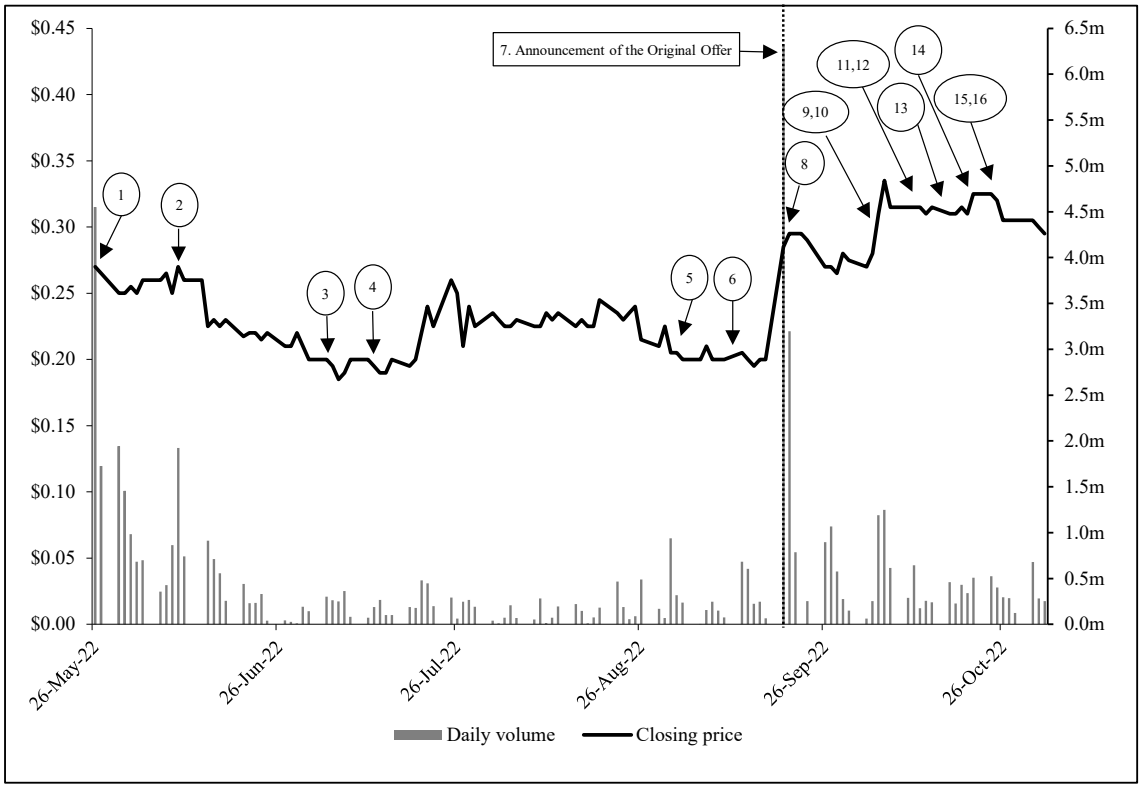
8.15 Share trading history

8.15.1 Recent trading in ordinary shares

The chart below depicts Demetallica's daily closing price on the ASX over the period from the Company's first day of trading on the ASX on 26 May 2022 to 16 September 2022, being the last trading

day prior to the announcement of the Original Offer, along with the period subsequent to that date to 2 November 2022, and with the aggregate daily volume of shares traded on the ASX and Chi-X over the period.

Figure 6: Demetallica daily close price on ASX and volume traded on the ASX and Chi-X



Source: IRESS, KPMG Corporate Finance Analysis and ASX announcements

Other than normal full year financial reporting and quarterly activities reporting, announcements made by Demetallica identified on the ASX website as being price sensitive since 26 May 2022 include:

1 On 26 May 2022, Demetallica commenced trading on the ASX and released relevant presentations

2 On 9 June 2022, Demetallica released a drilling progress update at its Jericho copper-gold deposit

3 On 4 July 2022, Demetallica released initial drilling results as well as assay results for its Jericho deposit

4 On 13 July 2022, Demetallica announced additional drilling results as well as assay results for its Jericho deposit

5 On 31 August 2022, Demetallica reported drill results from the Jericho deposit

6 On 12 September 2022, Demetallica announced results from the Jumbuck shoot of the Jericho deposit

7 On 19 September 2022, Demetallica announced a takeover offer had been made by AIC

8 On 21 September 2022, Demetallica released drill results from the Jericho deposit

9 On 5 October 2022, Demetallica announced results from exploration at the Peake and Denison Project

10 On 5 October 2022, Demetallica reiterated its position that shareholders should reject the Original Offer by taking no action

11 On 12 October 2022, the Board of Demetallica released its Target's Statement, including the Board's unanimous recommendation that, in the absence of a superior proposal, shareholders should reject the Original Offer by taking no action

12 On 12 October 2022, the Board reiterated its position that shareholders should reject the AIC Original Offer by taking no action

13 On 18 October 2022, Demetallica issued a Supplementary Target's Statement

14 On 21 October 2022, following the dispatch of AIC's Supplementary Bidder's Statement, Demetallica reiterated that shareholders should take no action in regard to the Original Offer

15 On 24 October, Demetallica announced the updated MRE for Jericho and Exploration Targets within the Chimera Project

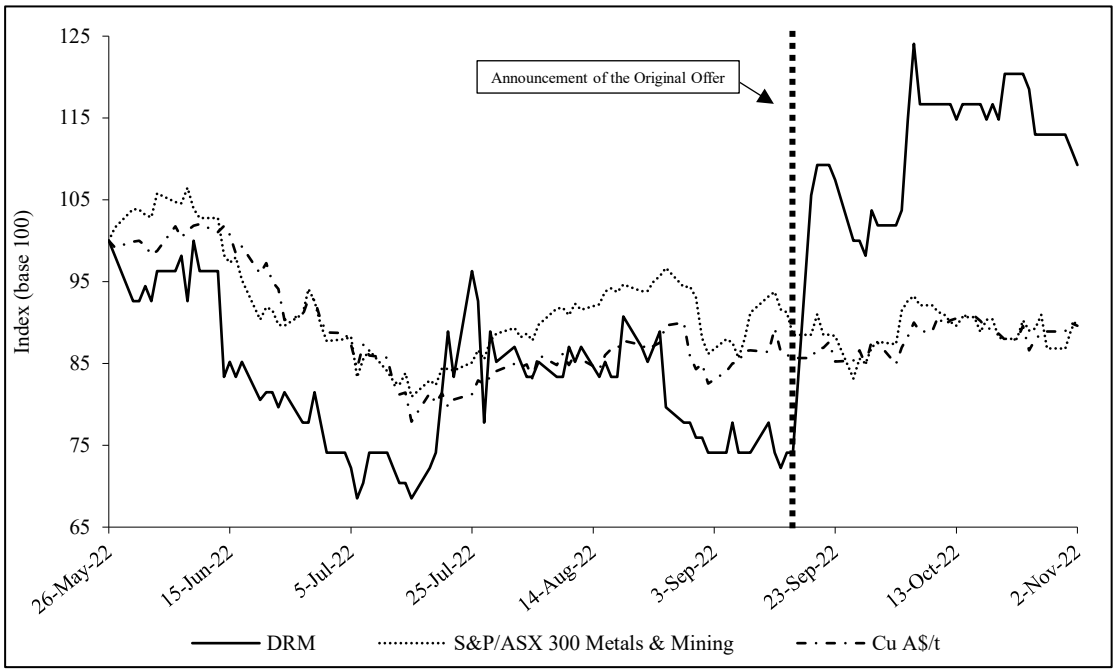
16 On 24 October 2022, AIC advised that its takeover offer for Demetallica had been declared unconditional.

Further details in relation to all announcements made by Demetallica to the ASX can be obtained from either Demetallica's website at www.demetallica.com.au or the ASX's website at www.asx.com.au.

8.15.2 Relative share price performance

As illustrated in the figure below, whilst Demetallica's share price exhibited a degree of correlation to both the S&P/ASX 300 Metals & Mining Index (**XMM**) and the AUD copper price over the period between its first day of trading on 26 May 2022 to 16 September 2022, being the last trading date prior to the announcement of the Original Offer, it generally underperformed against these indices. Demetallica has performed strongly on a relative basis in the subsequent period to the announcement of the Original Offer, which may reflect, at least in part, the impact of the AIC takeover offer terms.

Figure 7: Demetallica's performance relative to ASX 300 Metals & Mining Index and AUD copper prices



Source: IRESS and KPMG Corporate Finance Analysis

8.15.3 Trading liquidity on the ASX

An analysis of volume of trading in Demetallica's shares over various periods since the first day of the Company's trading on the ASX on 26 May 2022 to 16 September 2022, being the last trading day prior to the announcement of the Original Offer, is set out in the table below.

Table 16: Trading liquidity in Demetallica shares prior to announcement of the Original Offer **on 16 September 2022**

Period up to and including 16 Sep 22	Price (low)[1] $	Price (high)[1] $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital[2]
1 day	0.19	0.20	0.19	0.0	0.1	0.1%
1 week	0.19	0.21	0.20	0.4	1.8	1.8%
1 month	0.19	0.25	0.21	1.2	5.7	5.6%
3 months	0.18	0.26	0.21	2.9	13.6	13.4%
114 days since first day of trading[3]	0.18	0.29	0.24	7.7	32.2	31.7%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis

Notes:

1 *Share price data represents intra-day trading rather than closing prices*

2 *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period*

3 *Refers to the 114 day period from 26 May 2022 to 16 September 2022 (inclusive).*

Putting aside the initial level of trading immediately following the IPO, Demetallica shares exhibited only moderate liquidity over the period from first day of trading on 26 May 2022 to 16 September 2022 being the last trading day prior to the announcement of the Original Offer, with an average of approximately 0.4 million shares traded, with a daily value over the period of approximately $0.1 million. Over this period, Demetallica shares were traded on all available trading days on the ASX. We note that based on notices lodged with the ASX, approximately 24.6% of Demetallica's shares were held by substantial shareholders prior the announcement of the Original Offer that could be considered long term holders, excluding these shares from the total number of shares available for sale results in increase in the percentage of shares traded.

An analysis of the volume of trading in Demetallica's shares in the period from 17 September to 2 November 2022 inclusive, being last full trading day prior to Demetallica entering into a trading halt ahead of the announcement of the Improved Offer, is set out below, over which Demetallica shares were traded on 32 days.

Table 17: Trading liquidity in Demetallica shares post-announcement of the Original Offer

Period from 17 Sep 22 to 2 Nov 22 incl.	Price (low)[1] $	Price (high)[1] $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital[2]
32 trading days	0.26	0.34	0.30	6.9	23.3	22.9%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis
Notes:
1 Share price data represents intra-day trading rather than closing prices
2 Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.

9 Profile of AIC

9.1 Company overview

AIC is an Australian mining and exploration company listed on the securities exchange of the ASX.

AIC was incorporated on 11 May 2017 as AIC Resources Limited for the purpose of acquiring the prospective Marymia gold project in the eastern Gascoyne region of Western Australia and listing on the ASX. The company merged with Intrepid Mines Limited in early 2019, which subsequently changed its name to AIC Mines Limited in May of that year.

Today, the company's principal asset is its wholly owned Elois Project, an operating underground high grade copper mine located in North Queensland, which was acquired by AIC in late 2021 following a successful $40 million equity raising. AIC also holds early-stage copper-gold and nickel exploration projects in Western Australia and New South Wales.

Figure 8: AIC principal mineral asset locations

Source: AIC Investor Presentation, 13 July 2022

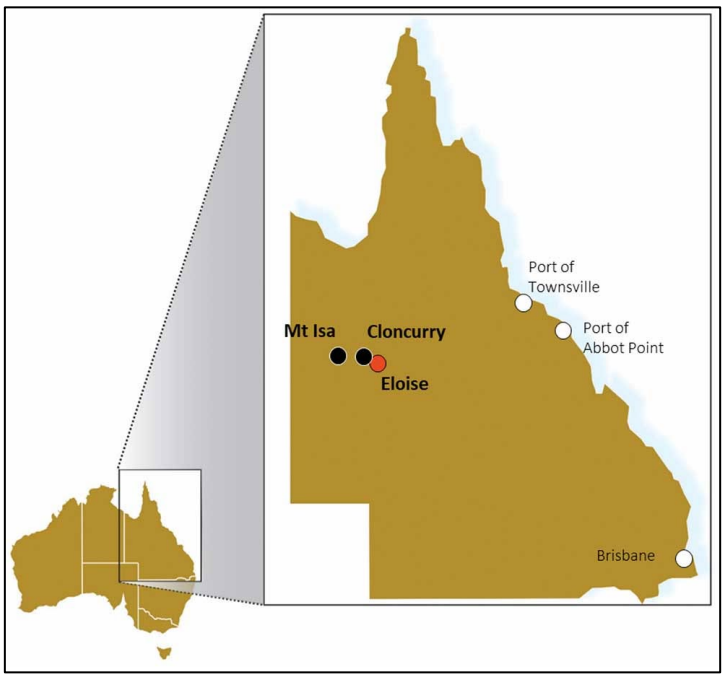
An overview of the Eloise Project and AIC's other principal mineral assets is set out below and discussed in more detail in AIC's Bidder's Statement dated 19 September 2022 that has previously been dispatched to Demetallica shareholders. Information set out in this section in relation to AIC has been sourced from publicly available information. KPMG Corporate Finance has not been involved with the preparation of underlying information and does not provide any warranty or assurance in relation to its completeness or accuracy.

9.2 Eloise Project – 100% interest

9.2.1 Overview

The Eloise Project is located 60km southeast of Cloncurry in North Queensland. AIC acquired the mine from FMR Investments Pty Ltd on 1 November 2021, for a total acquisition price of approximately $27 million.

Figure 9: Eloise Project location



Source: AIC website

The Eloise Project is a mid-scale underground mine employing conventional stoping techniques for ore production accessed via decline. The Eloise mine commenced projection in 1996, and has since produced approximately 339,000t of copper and 167,000oz of gold.

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. Eloise is an owner-miner operation with a mining contractor used only for underground development. The mine is currently producing ore at a rate of approximately 650,000tpa.

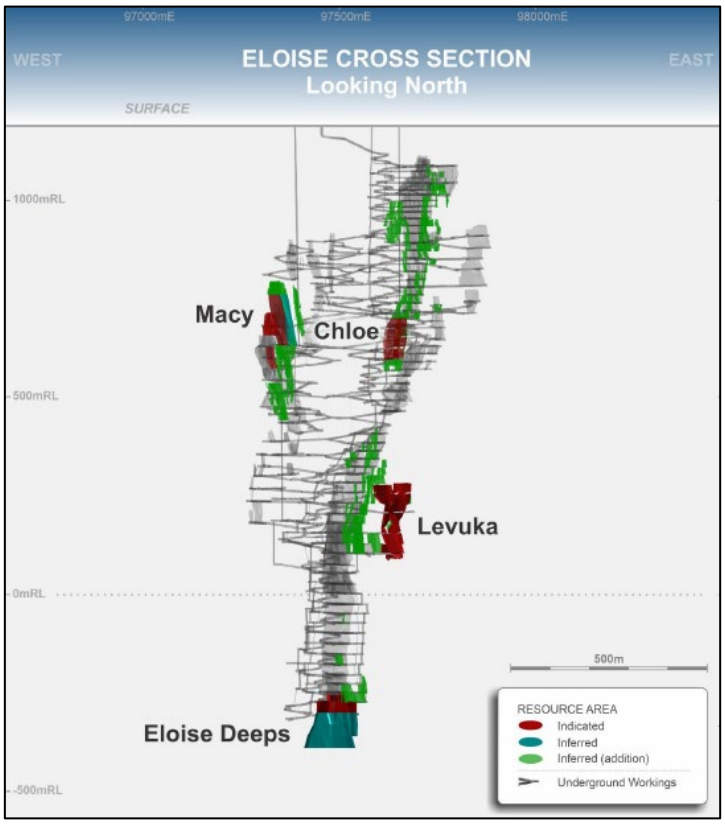
Processing is via conventional crushing, grinding and sulphide flotation with capacity to treat up to 750,000tpa, providing immediate albeit limited capacity to process ore from satellite deposits. Metallurgically the Eloise ore is very consistent as the ore mineralogy is almost exclusively chalcopyrite. Processing achieves high copper recoveries (generally 94% - 95%) and produces clean concentrate. The concentrate has significant by-product credits from gold and silver. The concentrate is currently sold under contract with Trafigura Pte Ltd.

Since AIC took ownership of the Eloise Project on 1 November 2021 through to 20 June 2022 the mine produced 8,266t Cu in concentrate at an "all in sustaining cost" (**AISC**) of $4.33/lb of copper sold after by-product credits[17].

17 AIC "Quarterly Activities Report for the Period Ending 30 June 2022" announced 20 July 2022

AIC mines is targeting FY23 production from Eloise of approximately 12,500 Cu and 6,000oz Au in concentrate at an AISC of approximately $4.50/lb Cu and AIC of $5.00/lb Cu[18].

Figure 10: Eloise Project Cross Section



Source: AIC website

9.2.2 Operational Scorecard and Outlook

Recent summary production results and guidance published by AIC in relation to the Eloise Project are summarised in the table below.

18 AIC "Quarterly Activities Report for the Period Ending 30 June 2022" announced 20 July 2022.

Table 18: Eloise Project Operating Statistics, Results and Guidance

	Unit	30 June 22 results[1]	September 2022 Quarter	FY23 Guidance
Concentrate produced	dmt	29,905	9,828	n/a
Copper in concentrate	t	8,266	2,629	12,500
Gold produced	oz	4,090	1,305	6,000
Silver produced	oz	80,747	22,349	n/a
C1[3] Cash Cost	$/lb sold	2.67	3.74	n/a
All-in Sustaining Cost[4]	$/lb sold	4.33	5.35	4.50
All-in Cost[5]	$/lb sold	4.82	6.93	5.00

Source: 30 June 2022 AIC Quarterly Report

Notes:

1 *30 June 2022 results represent the 8 months of ownership from 1 November 2021 to 30 June 2022*
2 *n/a means guidance was not reported.*
3 *C1 costs are direct costs, which include costs incurred in mining and processing plus local general and administrative costs, freight and realisation costs.*
4 *A measure defined by the World Gold Council, as the cost of sustaining current mining operations*
5 *A measure defined by the World Gold Council, as the cost of sustaining current mining operations and expanding production.*
6 *dmt means dry metric tonnes, oz means ounces.*

AIC noted in its Quarterly Activities Report for the period ending 30 June 2022 that the Eloise Project produced 10,814 dry metric tonnes (**dmt**) of concentrate containing 3,049t of copper at an AISC of $4.70/lb of copper sold after by-product credits.

AIC noted in its Supplementary Bidders Statement, for the quarter ended 30 September 2022 that the Eloise Project produced 9,828 dmt of concentrate containing 2,629t of copper at an AISC of $5.35/lb of copper sold after by-product credits. AIC noted that for the September 2022 quarter the average mined grade of 1.75% Cu was below the average reserve grade of 2.10% Cu as a result of limited access to the Eloise Deeps area.

Since AIC took ownership of the mine on 1 November 2021 the mine has produced 8,266t copper in concentrate at a C1 operating cost of $2.67/lb copper sold to 30 June 2022[19]. AIC noted that for the June 2022 quarter the average grade mined of 2.25% Cu was above the average reserve grade of 2.1% Cu due to the mining of high-grade sources. Mine production was restricted due to low truck availability and difficult ground conditions. Truck rebuilds over FY23 are expected to address the truck availability issue, while new stope designs are expected to address ground condition issues. Unit costs were negatively impacted by lower throughput and higher diesel costs. AIC indicated it intends to expend approximately $30 million for mine development and Mineral Resource upgrades over FY23, along with a further $16 million in growth capital, including $11 million to complete a new tailing storage facility. In response to the recent fall in copper prices, AIC has commenced a cost review program.

[19] Based on the 8 months of ownership from 1 November 2021 to 30 June 2022.

9.2.3 Ore Reserves and Mineral Resources

A summary of the Ore Reserves and Mineral Resources contained within the Eloise Project as at 30 June 2022 is set out below.

Table 19: Eloise Project Ore Reserves and Mineral Resources as at 30 June 2022

		Grade			Contained metal		
Category	Tonnes (kt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (koz)
Proved	19	1.4	0.6	9.1	0.2	0.3	5.7
Probable	1,526	2.3	0.7	9.7	35.8	32.3	477.6
Total Ore Reserves	**1,545**	**2.3**	**0.6**	**9.6**	**36.0**	**32.6**	**483.3**
Measured	-	-	-	-	-	-	-
Indicated	2,668	2.5	0.7	10.6	65.9	59.6	912.5
Inferred	2,083	2.4	0.6	9.3	49.1	40.5	623.7
Total Mineral Resources	**4,751**	**2.4**	**0.6**	**10.1**	**115.0**	**100.1**	**1,536.2**

Source: AIC ASX announcement dated 22 August 2022

Notes:

1 *Ore Reserves and Mineral Resource figures have been reported in compliance with the JORC code and were approved for release in the form and context in which they appear by a Competent Person, as defined by the JORC code*
2 *Mineral Resources are inclusive of Ore Reserves*
3 *Amounts may not add exactly due to rounding.*

9.3 Exploration

In addition to the Eloise Project, AIC also manages, through direct ownership, part ownership and through joint venture, various exploration projects in Western Australia and New South Wales.

Table 20: AIC's exploration activities

Project	Commodity	Activities
Marymia Project (predominantly 100% owned tenements)	Cu & Au	• Located in Western Australia, on the northern margin of the Yilgarn Craton. Prospective for gold and copper. • Copper exploration is focused along the Copper Hills Belt, through electromagnetics, surface geochemistry and RC drilling. • Gold exploration is focused on extensions of the Plutonic-Marymia Greenstone belt, through geophysical surveys and drilling. • Marymia Project includes joint ventures with Venus Metals Corporation Limited at the Curara Well Project, and Ausgold Limited at the Doolgunna Project.
Lamil Project (AIC earning up to 65%, currently 50%)	Cu & Au	• Located in the Paterson Province in the northwest of Western Australia • AIC is earning an interest in the Lamil Project from Rumble Resources Limited (**Rumble**). Under the terms of the earn-in and exploration joint venture agreement with Rumble, AIC can earn a 50% interest by spending $6 million over 4 years

Project	Commodity	Activities
		(Stage 1). Thereafter AIC can earn a further 15% by spending $4 million over 1 year if Rumble elects not to commence contributing (Stage 2). AIC recently met the stage 1 expenditure requirement, and paid the stage 1 milestone payment to Rumble on 26 August 2022. The key terms of the earn-in and exploration joint venture are set out in AIC's announcement to ASX dated 22 July 2019 • Airborne magnetic survey, RC drilling, surface geochemistry and diamond drilling.
Delamerian Project (100% interest)	Ni, Cu, Au	• Three exploration license applications in western New South Wales granted in July 2022. Prospective for gold, copper and nickel.

Source: AIC company website, ASX announcement dated 26 August 2022, FY22 Annual Report

9.4 Historical financial performance

AIC's historical audited consolidated financial performance for the 12 months to 31 December 2021 and the 6 months to 30 June 2022 are summarised below.

Table 21: AIC's historical consolidated statements of profit or loss and other comprehensive income

$'000	Audited 12 months 31-Dec-21	Audited 6 months 30-Jun-22
Sales revenue	24,817	79,252
Cost of sales	(10,651)	(45,521)
Gross profit	**14,166**	**33,731**
Directors, employee and consultant benefits expense	(1,635)	(1,955)
Corporate and administration costs	(1,241)	(1,616)
Exploration and evaluation costs	(5,342)	(1,328)
Transaction and integration costs	(2,636)	(699)
Depreciation and amortisation expense	(3,095)	(7,995)
Gain on sale of financial assets	1,380	320
Other income / (expenses)	211	(155)
Profit on sale of plant & equipment	4	8
Profit before income tax expense	**1,811**	**20,311**
Income tax benefit	-	845
Net profit for the period after tax	**1,811**	**21,157**
Other comprehensive income	-	-
Total comprehensive income for the period	**1,811**	**21,157**
Weighted average ordinary shares on issue (m)	*110.8*	*308.7*
Basic earnings per share (cents)	*1.6*	*6.9*
Diluted earnings per share (cents)	*1.5*	6.7

Source: FY22 Annual Report and KPMG Corporate Finance analysis
Note: Amounts may not add exactly due to rounding.

AIC announced on 27 June 2022 that it had made the decision to align its reporting schedule with the Australian fiscal reporting period and, as a result, it would adopt a year end date of 30 June.

We note that AIC's financial performance and earnings per share have shown a positive trend over the period considered, with total comprehensive income for the period increasing from $1.8 million for the 12 months to 31 December 2021 to $21.2 million for the 6 months to 30 June 2022, reflecting principally the acquisition of the producing Eloise mine on 1 November 2021. Over the same period basic earnings per share increased from $0.016 to $0.069.

AIC completed the acquisition of the Eloise Project on 1 November 2021, which was a transformational transaction for the company. We have not shown historical financial information for prior financial periods as, in our opinion, these results are not representative of AIC's current operations.

9.4.1 12 months ended 31 December 2021

AIC's results for the 12 months ended 31 December 2021 reflect:

- two months of operations for the Eloise Project, with net revenue of $24.8 million
- $10.7 million of cost of sales, attributable to mine operating costs, and royalty and transport costs for the Eloise Project
- $5.3 million of exploration and evaluation costs and $2.6 million of transaction and integration costs.

9.4.2 Six months ended 30 June 2022

AIC's results for the six months ended 30 June 2022 results reflect:

- a significant increase in sales revenue and cost of sales principally as a result of the 6 months of operations at the Eloise Project, compared to two months of operations for the period to 31 December 2021
- reduction in exploration and evaluation costs as well as transaction and integration costs
- depreciation and amortisation expense of $8 million, up from the previous period ($3 million) due to depreciation charges associated with the Eloise Project.

9.5 Historical financial position

AIC's historical audited consolidated financial position as at 31 December 2021 and 30 June 2022 are summarised below.

Table 22: AIC's historical consolidated statements of financial position

$'000	Audited 31-Dec-21	Audited 30-Jun-22
Cash and cash equivalents	29,259	28,095
Prepayments	280	611
Trade and other receivables	1,267	1,144
Inventories	9,351	5,042
Financial assets at fair value through profit and loss	7,024	16,510

$'000	Audited 31-Dec-21	Audited 30-Jun-22
Total Current Assets	**47,181**	**51,402**
Performance bond	6,799	6,799
Property, plant and equipment	20,545	26,141
Exploration properties	1,653	1,653
Mine properties	23,404	36,818
Deferred Tax Assets	-	845
Total Non-Current Assets	**52,401**	**72,256**
Total Assets	**99,582**	**123,658**
Trade and other payables	13,756	17,447
Provisions	3,555	2,374
Total Current Liabilities	**17,311**	**19,821**
Provisions	13,765	13,670
Total Non-Current Liabilities	**13,765**	**13,670**
Total Liabilities	**31,075**	**33,491**
Net Assets	**68,507**	**90,167**
Shares on issue (m)	*68.7*	*308.8*
Net asset backing per share ($)	*1.0*	*0.3*
Current ratio[1] (times)	*2.7*	*2.6*

Source: FY22 Annual Report and KPMG Corporate Finance analysis
Notes:
1 Current ratio represents current assets divided by current liabilities
2 Amounts may not add exactly due to rounding.

9.5.1 Cash and cash equivalents

Cash and cash equivalents remained largely consistent at the two reporting dates as a result of cash inflows from operating activities of $26.5 million over the 6 months to 30 June 2022 being largely offset by cash outflows from investing activities of $27.6 million, resulting in a net decrease to the cash balance of $1.2 million.

9.5.2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprise predominately concentrate sale contracts subject to price adjustments, where the final consideration to be received will be determined based on prevailing metal prices at the settlement date. The receivables are valued by estimating the present value of the final settlement price using the London Metal Exchange (**LME**) forward metal prices at balance date, taking into account other relevant fair value considerations including credit risk.

9.5.3 Property, plant and equipment

The increase in property, plant and equipment mainly reflects the acquisition of mining and equipment and the on-going construction of a new tailings dam facility offset by depreciation at the Eloise Project.

9.5.4 Mine properties

Mine properties increased by $13.4 million in the period, which was driven by the capitalisation of mining costs related to underground development activity at Eloise, partially offset by depreciation.

9.5.5 Deferred tax assets

As at 30 June 2022, AIC recognised tax losses, with a tax-effect value of $11.6 million, within its deferred tax asset balance, with a net deferred tax asset balance of $0.85 million

9.6 Statement of cash flows

AIC's historical audited consolidated statement of cash flows for the 12 months ended 31 December 2021 and the 6 months ended 30 June 2022 are summarised below.

Table 23: AIC's historical consolidated statement of cash flows

$'000	Audited 12 months ended 31 Dec 21	Audited 6 months ended 30 Jun 22
Cash flows from operating activities		
Receipts from customers	18,850	68,920
Payments to suppliers, employees and contractors	(10,336)	(41,668)
Payments for transaction and integration costs	(2,636)	(699)
Interest received	16	(77)
Net cash inflow from operating activities	**5,894**	**26,476**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,374)	(8,955)
Payments for mine property	(4,849)	(17,940)
Proceeds from sale of property, plant and equipment	3	8
Proceeds from disposal of listed investments	3,020	1,247
Payments for acquisition of Eloise Project	(9,523)	(2,000)
Payment to establish performance bond	(6,799)	-
Net cash outflow from investing activities	**(19,522)**	**(27,640)**
Cash flows from financing activities		
Proceeds from issue of shares	40,000	-
Payment of share issue costs	(2,179)	-
Net cash inflow from financing activities	**37,821**	**-**
(Net decrease) / increase in cash and cash equivalents	**24,193**	**(1,163)**
Cash and cash equivalents at beginning of the period	5,066	29,259
Cash and cash equivalents at end of the period	**29,259**	**28,095**

Source: FY22 Annual Report and KPMG Corporate Finance analysis
Note: Amounts may not add exactly due to rounding

AIC's net cash position improved significantly over the 12 months to 31 December 2021, reflecting AIC's successful $40 million capital raising to fund the acquisition of the Eloise Project and pursuit other growth opportunities, along with the benefit of two months of operations at the Eloise mine.

AIC's cash and cash equivalents decreased from $29.3 million as at 31 December 2021 to $28.1 million as at 30 June 2022, principally as a result of the net effect of $26.5 million of net cash inflows from operating activities, attributable to the proceeds from the Eloise Project, and net cash outflows of $27.6 million, as a result of outflows attributable to property, plant and equipment, and mine property payments.

9.7 Commitments

AIC's exploration expenditure commitments as at 30 June 2022 are summarised in the table below.

Table 24: AIC's exploration expenditure commitments as at 30 June 2022

$'000	Exploration expenditure commitment
Within one year	2,862
Later than one year but not later than five years	14,469
Total commitment	**17,331**

Source: FY22 Annual Report

9.8 Board of Directors

The current Directors of AIC are set out below.

Table 25: AIC's Board of Directors

Board member	
Josef El-Raghy	**Tony Wolfe**
Non-Executive Chairperson	Non-Executive Director
Aaron Colleran	**Jon Young**
Managing Director, Chief Executive Officer	Non-Executive Director
Brett Montgomery	
Non-Executive Director	

Source: Bidder's Statement

Further details in relation to the experience and other directorships of the Directors of AIC are set out in Section 4.3 of AIC's Bidder's Statement and on pages 5 and 6 of AIC's FY22 Annual Report.

9.9 Share capital and ownership

As at 2 November 2022, AIC had approximately 312.28 million ordinary shares on issue and its substantial shareholders based on publicly available information were as set out in the table below.

Table 26: AIC's substantial shareholders as at 2 November 2022

Substantial shareholder	Interest in AIC's shares (millions)	Voting power in AIC Mines
FMR Investments Pty Limited, Peter Mervyn Bartlett and Ronald George Sayers and their associates (FMR Group)	80.3	25.7%
Nordana Pty Ltd; El-Raghy Kriewaldt Ltd; El-Raghy Pty Ltd and Mr Josef El-Raghy	33.2	10.6%
Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd	17.8	5.7%

Source: Bidder's Statement and AIC announcements

9.10 Performance rights

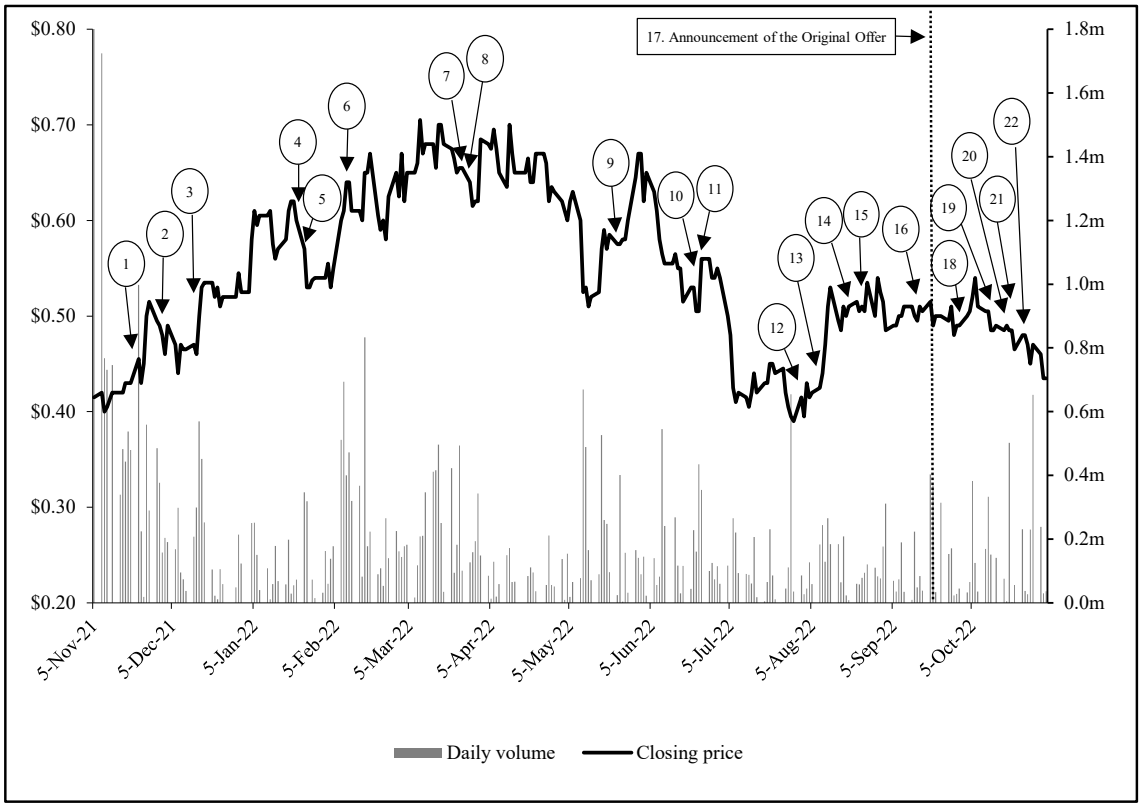
As at 19 September 2022, AIC has 17,383,085 performance rights on issue. These performance rights have been granted to both non key management personnel (**KMP**) and KMP in conjunction with their employment agreements with AIC.

9.11 Share trading history

9.11.1 Recent trading in ordinary shares

The chart below depicts AIC's daily closing price on the ASX over the period since recommencement of trading on 5 November 2021, following AIC's request for voluntary suspension on 25 August 2021 pending the announcement of the acquisition of the Eloise Project and associated equity raise, to 16 September 2022, being the last trading day prior to the announcement of the Original Offer, and for the period subsequent to that date to 27 October 2022, along with the aggregate daily volume of shares traded on the ASX and Chi-X over the period.

Figure 11: AIC's daily close price in ASX and aggregate volume traded on the ASX and Chi-X



Source: IRESS, KPMG Corporate Finance Analysis and ASX announcements

As illustrated in the figure above, AIC's share price, recorded a significant level of volatility, over the period prior to the announcement of the Original Offer, with its closing price increasing from $0.42 per share on 5 November 2021 to $0.71 per share on 9 March 2022, before falling back to close at $0.39 on 29 July 2022. AIC's share price improved subsequent to that date to close at $0.51 per share on 16 September 2022, being the last trading day prior to the announcement of the Original Offer.

AIC's shares closed at $0.435 on 2 November 2022.

Other than normal full year financial reporting and quarterly activities reporting, announcements made by AIC identified on the ASX website as being price sensitive since 5 November 2021 include:

1 On 22 November 2021, AIC announced drilling results from Eloise Deeps

2 On 30 November 2021, AIC announced that multiple targets were identified at the Copper Hills Belt (Marymia project)

3 On 14 December 2021, AIC reported that additional survey data had allowed for an upgrade to the Mineral Resource estimate at the Eloise Project. Mineral Resources increased to 103,500t of contained copper and 93,300 ounces of contained gold

4 On 18 January 2022, AIC announced that it had applied for two exploration licenses in western NSW that are prospective for both base and precious metals (the 'Delamerian Project')

5 On 24 January 2022, AIC reported that resource extension drilling at the Levuka Lens had intersected high-grade mineralisation 100 meters outside of current resource limits

6 On 9 February 2022, AIC reported assay results from drilling completed at its Lamil Gold-Copper JV Project during September-October 2021

7 On 24 March 2022, AIC announced that resource definition drilling in the Eloise Deeps had returned positive results

8 On 28 March 2022, AIC reported assay results from drilling programs completed at the Copper Hills prospect and the Middle Island target at the Marymia Project

9 On 23 May 2022, AIC reported further assay results from drilling programs completed at the Copper Hills prospect and the Hermes North target at the Marymia Project

10 On 23 June 2022, AIC announced that drilling had commenced at its Lamil Gold-Copper Project, with three high-priority targets (Lamil Dome, Goodenia and Firebush) to be tested

11 On 24 June 2022, AIC announced that resource definition drilling in the Eloise Deeps area at the company's Eloise Project intersected high-grade mineralisation 75 metres below the lowest current mining level

12 On 3 August 2022, AIC announced an update on resource definition drilling and exploration drilling at its Eloise Project

13 On 8 August 2022, AIC announced that the company was to test four previously undrilled targets at the Lamil Project. The diamond drilling program which commenced in June was also announced to be almost complete

14 On 22 August 2022, AIC announced that Mineral Resources at the Eloise Project had increased to 115,000t of contained copper and 101,100oz of contained gold. The company also announced that Ore Reserves had increased to 36,000t of contained copper and 32,600oz of contained gold

15 On 26 August 2022, AIC completed a milestone payment to Rumble after meeting the stage 1 expenditure requirements

16 On 15 September 2022, AIC commenced testing the Copper Hills, Middle Island and Black Hills targets at the Marymia Project

17 On 19 September 2022, AIC announced that the company intends to make an off-market takeover offer for all of the shares in Demetallica

18 On 30 September 2022, AIC provided an update on exploration drilling at its Eloise Project

19 On 13 October 2022, AIC provided an update on drilling at its Eloise Project

20 On 21 October 2022, AIC released a Supplementary Bidder's Statement

21 On 24 October 2022, AIC announced that the takeover offer for Demetallica was declared unconditional

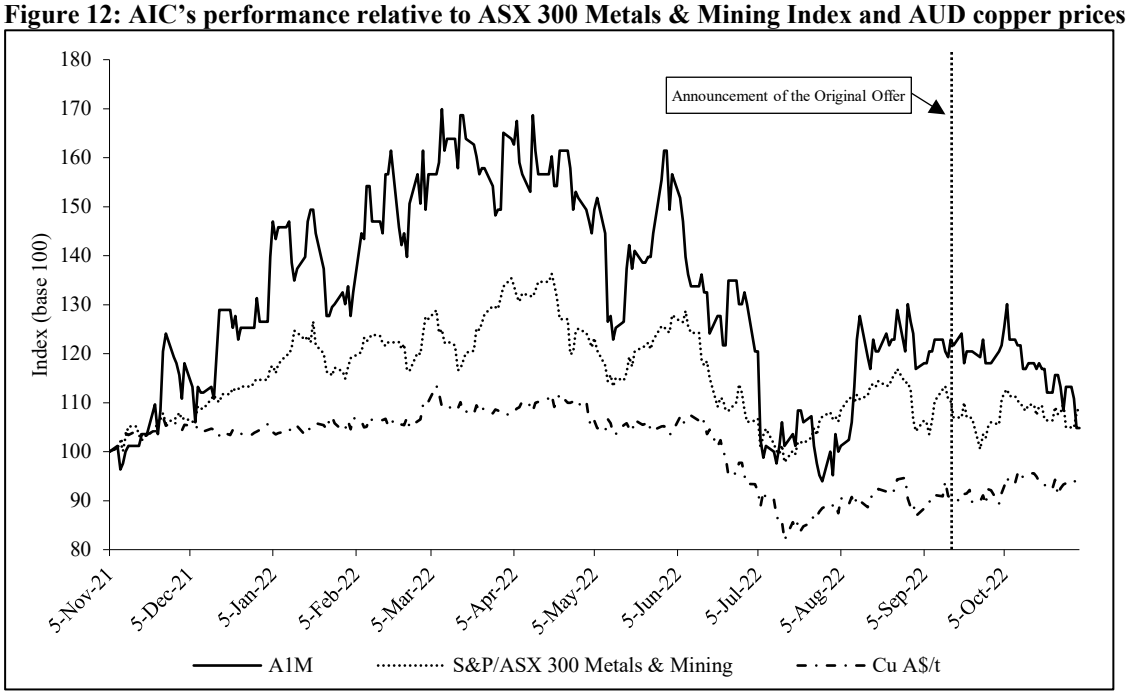
22 On 25 October 2022, AIC released further information clarifying their unconditional takeover offer made on 24 October 2022.

Further details in relation to all announcements made by AIC Mines to the ASX can be obtained from either AIC's website at www.aicmines.com.au or the ASX's website at www.asx.com.au.

9.11.2 Relative share price performance

As illustrated in the figure below, AIC's share price generally outperformed against both the S&P/ASX 300 Metals & Mining Index and the AUD copper price over the period 5 November to 16 September 2022, being the last trading date prior to the announcement of the Original Offer, albeit exhibiting a significantly greater level of relative volatility.

Figure 12: AIC's performance relative to ASX 300 Metals & Mining Index and AUD copper prices



Source: IRESS and KPMG Corporate Finance Analysis

9.11.3 Trading liquidity on the ASX

An analysis of volume of trading in AIC's shares over various periods since 5 November 2021 to 16 September 2022, being the last trading day prior to the announcement of the Original Offer, is set out in the table below.

Table 27: Trading liquidity in AIC's shares pre-announcement of the Original Offer

Period up to and including 16 Sep 22	Price (low)[1] $	Price (high)[1] $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital[2]
1 day	0.50	0.53	0.51	0.0	0.0	0.0%
1 week	0.49	0.53	0.50	0.2	0.4	0.1%
1 month	0.48	0.55	0.51	1.1	2.2	0.7%
3 months	0.39	0.56	0.48	3.8	8.0	2.6%
6 months	0.39	0.72	0.55	9.7	17.8	5.7%
316 days[3]	0.39	0.73	0.53	22.4	41.9	13.5%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis
Notes:
1 Share price data represents intra-day trading rather than closing prices
2 Note: percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.
3 Refers to the 316 day period from 5 November 2021 to 16 September 2022 (inclusive).

AIC shares exhibited limited liquidity over the period since 5 November 2021 to 16 September 2022, with an average of approximately 0.1% of issued capital traded per day, with a daily value of approximately $0.1 million.

Over this period, AIC shares were traded on all available trading days on the ASX.

FMR Group holds approximately 80.3 million AIC shares (an approximate interest of 25.7%) which can be considered to be either a strategic holding or not freely tradeable, if these shares are excluded from the volume of AIC shares traded as a percentage of "free float" over the period from 5 November 2021 to 16 September 2022, the percentage of issued capital traded from the period increases to 18.3%. Accordingly, whilst the market for AIC shares is not considered to be deep, it would appear that there is not a material impediment to portfolio shareholders, realising their investment over a reasonable period, should they be so minded.

An analysis of the volume of trading in AIC's shares in the period from 17 September 2022 to 2 November 2022 inclusive, being the last full trading day prior to AIC entering not a trading halt ahead of the announcement of the Improved Offer is set out below, over which AIC shares were traded on 31 of 32 days.

Table 28: Trading liquidity in AIC shares post-announcement of the Original Offer

Period from 17 Sep 22 to 2 Nov 22 incl.	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
32 trading days	0.44	0.54	0.49	2.5	5.1	1.6%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis
Notes:
1 Share price data represents intra-day trading rather than closing prices
2 Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.

10 Profile of the Enlarged AIC

10.1 Demetallica and AIC shareholders' interest

Prior to the Original Offer, Demetallica and AIC had approximately 102.0 million and 312.3 million shares on issue respectively. Should AIC gain majority control of Demetallica by acquiring an ownership interest in Demetallica of 50.1% or more, 2 million Performance Rights and 3.9 million Zero Exercise Price Options currently on issue in Demetallica will vest and convert, resulting in an increase in Demetallica shares on issue to approximately 107.9 million.

In the event that AIC achieves 100% control of Demetallica, the number of new AIC shares to be issued to Demetallica shareholders having regard to the Exchange Ratio is approximately 83.0 million as summarised in the table below, resulting in an ownership interest by Demetallica shareholders in the Enlarged AIC of 21.0%. We have also shown purely for illustrative purposes a scenario where AIC achieves a 50.1% ownership interest in Demetallica, which indicates Demetallica shareholders would hold approximately 11.7% of the Enlarged AIC in these circumstances.

Table 29: Shareholder ownership scenarios following the Improved Offer

	Pre-Offer Demetallica shares million	Exchange Ratio 1:1.3 X	100%		50.1%	
			AIC Shares million	Relative ownership %	AIC Shares million	Relative ownership %
Demetallica Shares not already owned by AIC	102.0					
Additional Demetallica Shares issued on conversion of Performance Rights and Options[1]	5.9					
Assumed eligible Demetallica Shares	107.8	0.77	83.0	21.0	41.6	11.7
Existing AIC shares[2]			312.3	79.0	312.3	88.3
Total			**395.2**		**353.8**	

Source: Demetallica Prospectus, ASX Announcements and KPMG Corporate Finance Analysis

Notes:

1 It is assumed that the Zero Exercise Price Options and the Demetallica Performance Rights convert to Demetallica Shares as a result of the Improved Offer and participate in the Improved Offer and the JLM Options are not exercised and therefore do not participate in the Improved Offer. In the event the JLM Options are exercised relative ownership in the Enlarged AIC increases to 21.4%

2 *This reflects an undiluted interest. In the event all of AIC's current Performance Rights were converted to AIC shares, this would result in the interest of existing Demetallica shareholders' falling to 20.1% assuming 100% acceptance (20.5% if the JLM Options are exercised), or 11.2% assuming 50.1% is acquired (11.4% if the JLM Options are exercised).*

10.2 Relative contribution to the Enlarged AIC's Ore Reserves and Mineral Resources

Based on the latest publicly available Ore Reserve and Mineral Resource statements issued by Demetallica and AIC, the relative contributions of each company to the combined contained copper equivalent Ore Reserves and Mineral Resources of the Enlarged AIC, assuming 100% control of Demetallica, are summarised in the tables below.

Table 30: Relative contribution to combined copper equivalent Ore Reserve

			Grade			Attributable
	Interest	Tonnage (kt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu-Eq. Metal (kt)
AIC						
Eloise	100%	1,545	2.3	0.6	9.6	43
Demetallica	n/a	n/a	n/a	n/a	n/a	n/a
Demetallica percentage contribution to combined Mineral Resources (Cu-Eq.)						***0%***

Source: ASX Announcements and KPMG Corporate Finance Analysis
Notes:
1 Totals include Proven and Probable Ore Reserves
2 Total attributable contained copper equivalent metal has been calculated having regard to each company's ownership interest and the following spot metal prices as at 2 November 2022, sourced from Capital IQ and Bloomberg: US$7,605/t Cu, US$1,650/oz Au, and US$19.6/oz Ag
3 Amounts may not add exactly due to rounding.

In the event AIC is successful in acquiring 100% control of Demetallica, AIC will contribute the entire contained copper equivalent Ore Reserves of the Enlarged AIC.

Table 31: Relative contribution to combined copper equivalent Mineral Resource

				Grade				Attributable
	Interest	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu-Eq. Metal (kt)
AIC								
Eloise	100%	4,751.0	2.4	0.6	10.1	-	-	137.9
AIC total								**137.9**
Demetallica								
Jericho	100%	14,100.0	1.5	0.3	1.6	-	-	236.3
Sandy Creek	100%	2,000.0	1.3	0.3	-	-	-	30.6
Altia - Open Pit	100%	5,400.0	-	-	38.0	3.3	0.4	70.2
Altia - Underground	100%	900.0	-	-	31.0	3.9	0.4	12.6
Demetallica total								**349.6**
Overall total								**487.5**
Demetallica percentage contribution to Mineral Resources (Cu-Eq.)								***72%***

Source: ASX Announcements and KPMG Corporate Finance Analysis
Notes:
1 Totals include Measured, Indicated and Inferred Mineral Resources. Mineral Resources are quoted inclusive of Ore Reserves
2 Demetallica Mineral Resources shown exclude Gypsum Mineral Resources

3 *Total attributable contained copper equivalent metal has been calculated having regard to each company's ownership interest and the following spot metal prices as at 2 November 2022, sourced from Capital IQ and Bloomberg: US$7,605/t Cu, US$1,650/oz Au, US$19.6/oz Ag, US$1,958/t Pb and US$2,587/t Zn*
4 *Amounts may not add exactly due to rounding.*

The analysis above indicates that in the event AIC is successful in acquiring 100% control of Demetallica, Demetallica is contributing approximately 72% to the contained copper equivalent Mineral Resources of the Enlarged AIC. We have not included the additional contained copper equivalent contribution of Demetallica's Gypsum Mineral Resources.

10.3 AIC's intentions for Demetallica

As set out in Section 8 of the Bidder's Statement, AIC's specific intentions should AIC achieve a 90% or greater interest in Demetallica include, amongst others:

- to proceed with compulsory acquisition of Demetallica to achieve a 100% ownership interest in Demetallica
- review of the Demetallica exploration database and expenditure requirements and integration with AIC's exploration activities
- integration of Demetallica with AIC's existing operational and corporate structure. AIC notes that some operational and head office functions may become redundant but will seek to redeploy Demetallica employees within AIC where practicable
- review the Demetallica Mineral Resource estimates and the assumptions made in developing these estimates
- appoint a development manager to lead the necessary technical studies required to progress the Jericho project towards development, including resource estimates, mine design, geotechnical, underground ventilation and power studies, capital estimates and metallurgical test work
- commence environmental baseline studies and assessment of heritage and cultural impact at the Jericho project
- arrange for Demetallica to be removed from the Official List of the ASX and replace the Board with nominees of AIC.

AIC's intentions should it achieve control of Demetallica but less than a 90% interest, include:

- seeking to replace some of the members of Demetallica's Board with AIC's nominees
- depending upon the level of ownership acquired and satisfaction of various required criteria, pursuing a delisting of Demetallica shares from the Official List of the ASX.

Further details in relation to AIC's intentions following closure of the Improved Offer are set out in the Bidder's Statement.

10.4 Pro forma Historical Statement of Financial Position as at 30 June 2022

Section 6.3 of the Bidder's Statement sets out, for illustrative purposes only, the pro forma financial position of AIC as at 30 June 2022, assuming it acquires 100% of Demetallica in accordance with the terms of the Original Offer. AIC did not include an updated pro forma financial position in its Second Supplementary Bidder's Statement.

Table 32: AIC pro forma financial position as at 30 June 2022 assuming 100% acceptance

$'000	AIC 30-Jun-22 Audited	Demetallica 31-Dec-21 Unaudited	Adjustments Unaudited	Enlarged AIC 30-Jun-22 Unaudited
Assets				
Cash and cash equivalents	28,095	16,389	(7,562)	36,922
Prepayments	611	-	-	611
Trade and other receivables	1,144	930	-	2,074
Inventories	5,042	-	-	5,042
Financial assets at fair value through profit and loss	16,510	-	-	16,510
Other current assets	-	51	-	51
Total Current Assets	**51,402**	**17,370**	**(7,562)**	**61,210**
Performance bond	6,799	-	-	6,799
Property, plant and equipment	26,141	516	-	26,657
Right of use assets	-	539	-	539
Available for sale investments	-	317	-	317
Exploration properties	1,653	12,293	55,021	68,967
Mine properties	36,818	-	-	36,818
Deferred tax assets	845	-	-	845
Total Non-Current Assets	**72,256**	**13,665**	**55,021**	**140,942**
Total Assets	**123,658**	**31,035**	**47,459**	**202,152**
Liabilities				
Trade and other payables	17,447	1,046	-	18,493
Provisions	2,374	332	-	2,706
Total Current Liabilities	**19,821**	**1,378**	**-**	**21,199**
Lease liabilities	-	586	-	586
Borrowings	-	955	(955)	-
Contingent payment	-	-	15,348	15,348
Provisions	13,670	-	-	13,670
Total Non-Current Liabilities	**13,670**	**1,541**	**14,393**	**29,604**
Total Liabilities	**33,491**	**2,919**	**14,393**	**50,803**
Net Assets	**90,167**	**28,116**	**33,066**	**151,349**
Shares on issue (m)	*312.3*	*102.0*		*384.2*
Net asset backing per share (cents)	*29*	*28*		*39*
Current ratio (times)	*2.6*	*12.6*		*2.9*

Source: Bidder's Statement, Annual reports and KPMG Corporate Finance analysis

Notes:
1 *For the purpose of the pro forma statement of financial position, AIC has assumed that the Zero Exercise Price Options and the Demetallica Performance Rights convert to Demetallica Shares as a result of the Original Offer and participate in the Original Offer and the JLM Options are not exercised and therefore do not participate in the Original Offer*
2 *Amounts may not add due to rounding.*

We make the following observations in relation to the Enlarged AIC's pro forma financial position as at 30 June 2022:

- AIC prepared its pro forma financial position of the Enlarged AIC assuming 100% acceptance of the Original Offer on the basis of the audited consolidated financial positions of AIC as at 30 June 2022 and the unaudited 31 December 2022 financial position of Demetallica, after adjusting for the effect of certain subsequent events and pro forma adjustments described in Section 6.3 of the Bidder's Statement. AIC has not provided an updated pro forma to reflect Demetallica's 30 June 2022 financial position
- AIC's pro forma net asset backing per share increases from 29 cents to 39 cents
- AIC maintains a net cash position
- AIC's pro forma current ratio increases from 2.6 times to 2.9 times.

A more detailed discussion of the assumptions and adjustments incorporated in the pro forma financial position of the Enlarged AIC is set out in Section 6.3 of the Bidder's Statement.

10.5 Transaction costs

As set out in Section 6.3b of the Bidder's Statement, AIC has estimated transaction costs (comprising share issue and other transaction costs) relating to the Original Offer to be in the order of approximately $1.78 million (assuming AIC obtains a 100% interest in Demetallica).

10.6 Potential cost savings and synergies available to a market participant

We have been provided with a summary of Demetallica's assessment as to the nature of synergy benefits and cost savings likely to be available to a pool of purchasers (including AIC) in acquiring a 100% interest in Demetallica, which include:

- Head office wage and on-cost savings – various management and head office functions would be subsumed within the organisational structure of the acquirer
- Directors' and Officers' fees and insurance – any acquirer would seek to rationalise the Board of Demetallica
- Audit, tax and compliance costs – an acquirer is expected to realise economies of scale from consolidation in terms of statutory reporting and compliance requirements charged in respect of the enlarged entity when compared to two standalone entities

- Shareholder related, including listing fees, investor relations and consultant fees – an acquirer is expected to realise significant cost savings as a result of shareholder related functions no longer required, reduced or subsumed within the organisation structure of the acquirer
- Rent – Demetallica anticipates an acquirer would be able to realise cost savings associated with the reduction of space requirements as a direct result of the reduction in head office executive and employee head count, having regard to existing lease commitments.

In addition to the direct synergies described above, acquirers of Demetallica may achieve indirect synergies such as procurement and marketing synergies and economies of scale and increased liquidity in their stock due to increased size.

10.7 Synergies unique to AIC

Having regard to the existing operational profile and location of AIC's and Demetallica's principal assets, it is likely that AIC will be able to realise both operational and strategic benefits that are not available to other purchasers of Demetallica.

In particular, being located in close proximity to AIC's operational Eloise mine it is likely that AIC will be able to exploit Demetallica's existing Mineral Resources at a lower capital and operational cost compared to other more distant operations. In this regard, Demetallica notes at page 3 of its Target's Statement that information provided by AIC to the market infers that AIC's Eloise Deeps lode extends across the boundary of AIC's tenement into Demetallica's tenements.

AIC sets out in section 6 of its Bidder's Statement that the combination of the Eloise mine and the Jericho project:

- has combined resources of 245,000t Cu and 188,100oz Au.
- increases the mine life to +10 years
- provides the potential to increase annual production to over 20,000t Cu and 10,000oz gold in concentrate, based on a staged expansion of the Eloise processing facility to 1.4 million tpa – a 60% increase on the current production rate
- potential economies of scale to reduce AISC.

Whilst this profile was prepared prior to the release to the market on 24 October 2022 of Demetallica's updated MRE for Jericho and Exploration Targets within the Chimera Project, AIC sets out in its Second Supplementary Bidder's Statement that it incorporated the Jericho Exploration Target information into its assessment of the Jericho deposit and as such it considers both the Original Offer and the Improved Offer fully reflect the updated MRE for the Jericho.

We also note that Demetallica's current tenement holdings surround AIC's Eloise Project, accordingly, acquisition of these land holdings will allow AIC to consolidate its regional presence and provide an opportunity for future exploration success close to its existing facilities. In the absence of Demetallica acquisition, AIC's ability to significantly extend mine life at the Eloise Project will potentially be constrained over the longer term.

11 Valuation of Demetallica

11.1 Valuation methodology

The principal assets of Demetallica, other than cash, comprise its interests in exploration stage mineral assets as set out in section 8 of this report. The values of such assets depend upon, amongst other factors, the outcome of exploration programmes and feasibility studies that are inherently unpredictable.

In determining the value of Demetallica, KPMG Corporate Finance has applied a market value approach whereby each of Demetallica's assets and liabilities are individually valued at their respective market values.

ASIC Regulatory Guides envisage the use by an independent expert of specialists when valuing specific assets. To assist KPMG Corporate Finance in the valuation of Demetallica's interests in its mineral assets, RSC was engaged by Demetallica, and instructed by us, to prepare an independent technical expert report. Due to the various uncertainties in the valuation process and the early-stage nature of the assets, RSC has determined a range of values within which it considers the value of each relevant mineral asset to lie.

The values ascribed by RSC to Demetallica's mineral assets have been adopted in our report. A copy of RSC's report, which was prepared in accordance with the ValMin Code to the extent applicable, is attached to this report as Appendix 7.

Unless specifically noted otherwise, other assets and liabilities of Demetallica have been incorporated in our valuation based on book values as at 30 June 2022 as reasonable estimates of market value.

11.2 Valuation summary

We have assessed the market value of Demetallica assuming 100% of the company was available for sale, inclusive of a premium for control, to lie in the range of $34.1 million to $52.5 million, which equates to between $0.32 and $0.47 per Demetallica share. The valuation exceeds the price at which, based on current market conditions, we would expect Demetallica shares to trade on the ASX in the absence of the Improved Offer.

The market value of Demetallica was determined by aggregating the estimated market value of Demetallica's interests in mineral assets, as assessed by RSC, and the estimated market values of other assets and liabilities. The value of Demetallica has been assessed on the basis of market value, that is, the value that should be agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length.

Our range of market values does not include any potential strategic or operational synergies that may be unique to individual investors, including AIC. Accordingly, our range of values has been prepared independent of the specific circumstances of any potential bidder.

Table 33: Summary of assessed market values of Demetallica inclusive of a premium for control

	Assessed Values	
	Low $m	**High $m**
Mineral assets	28.3	45.6
Add: Cash and cash equivalents [2]	7.4	7.4
Add: Notional cash for in the money options[3]	Nil	1.0
Less: Other net liabilities[4]	(1.6)	(1.6)
Total equity value	**34.1**	**52.5**
Number of ordinary shares - undiluted (millions)	102.0	102.0
Add: "In the money" options [5]	3.9	6.6
Add: Performance rights [6]	2.0	2.0
Number of ordinary shares - diluted (millions)	107.8	110.5
Value per share, inclusive of a premium for control - $	**0.32**	**0.47**

Source: KPMG Corporate Finance analysis and the RSC Report

Notes:

1 *Figures may not add exactly due to rounding*
2 *Aggregate cash and cash equivalents as at 30 September 2022 comprise bank balances of $7.7 million and call deposits of $0.3 million adjusted for estimated expenditure to from 1 October 2022 to 27 October 2022 of $0.5 million as advised by Management*
3 *Reflects notional cash received from the exercise price of "in the money" options having regard to our range of assessed values for a Demetallica share*
4 *Other net liabilities comprise other current assets of $0.2 million, financial assets of $0.5 million, property, plant and equipment of $0.5 million, trade and other payables of ($2.4) million and provisions of ($0.4) million current as at 30 September 2022*
5 *Notional shares issued for in the money options*
6 *Notional shares issued for performance rights*

Our range of assessed fair values for a Demetallica share of between $0.32 and $0.47 compares to a closing price for a Demetallica share on the last trading day prior to the announcement of the Original Offer of $0.20, and the closing price for a Demetallica share on 2 November 2022 of $0.295.

The difference between the traded price for a Demetallica share and our range of assessed values may reflect amongst other factors, including:

- the traded share price reflects a minority interest in Demetallica whilst the values above reflect a 100% control value
- KPMG Corporate Finance's and RSC's access to additional detailed information not normally available to the market in relation to Demetallica
- the impact of the recent volatility in commodity prices, which have directly impacted upon RSC's assessed values of Demetallica's mineral assets. In this regard we note that the closing price for copper on 19 September 2022, being the date of the announcement of the Original Offer was

A$11,346/t[20], which compares to the AUD price for copper adopted by RSC for the purpose of its analysis of A$12,140/t[21]. As set out in Appendix 7, there is a wide range of views in relation to the likely future copper prices, the future movement in which, based on the valuation methodologies adopted by RSC for Demetallica's mineral assets, will impact upon our range of assessed values for Demetallica.

11.2.1 Valuation of Demetallica's interests in the mineral assets

RSC has valued Demetallica's interests in the mineral assets to be in the range of $28.3 million to $45.6 million, as summarised in the table below.

Table 34: Summary of RSC's assessed values of mineral assets held by Demetallica

	Assessed Values	
	Low $m	High $m
Chimera Resources	**21.4**	**33.2**
Exploration assets		
Chimera Exploration Potential	0.7	2.7
Cannington	0.3	1.2
Windsor	0.5	1.6
Pyramid	0.2	0.6
Peake and Dennison	3.8	4.3
Lake Purdilla	1.3	2.0
Total exploration assets	**6.8**	**12.4**
Total mineral assets	**28.3**	**45.6**

Source: RSC's report and KPMG Corporate Finance analysis
Notes: Amounts may not add exactly due to rounding

In its assessment of the value of the mineral assets, RSC has adopted generally accepted methods for valuing mineral assets including market-based approaches having regard to exploration and development transaction comparisons, yardstick, geoscientific rating and multiples of past expenditure as appropriate. Further details in relation to each of these assets and the valuation methodology adopted are set out in RSC's report which is included at Appendix 7. It should be noted that the valuation of early stage/exploration assets is highly subjective and involves subjective assessments based on professional judgements made by RSC.

Cash and cash equivalents

Demetallica's cash balance had reduced to approximately $8.0 million in the period since 30 June 2022 to 30 September 2022, and we have been advised Management that Demetallica is estimated to have incurred further expenditure of approximately $0.5 million in the subsequent period to 27 October 2022. Demetallica has advised that funds expended over this period have been principally focussed on the

[20] based on the closing LME price of US$7,600/t and an AUD:USD exchange rate of 0.67

[21] Based, as set out on page 127 of RSC's report, on the 26 October 2022 closing LME price of US$7,886/t and an AUD:USD exchange rate of 0.64959

advancement of the company's mineral asset portfolio, which has been separately valued by RSC, and in meeting corporate and operating costs. We have adopted Demetallica's adjusted cash balance of $7.4 million for the purpose of our valuation.

Other net liabilities

Other net liabilities comprise:

- the book value, as at 30 September 2022, of other current assets of $0.2 million, property, plant and equipment of $0.5 million, trade and other payables of ($2.4) million and provisions of ($0.4) million.
- the marked to market value of shares in listed companies of approximately $0.5 million based on last close share prices as at 27 October 2022.

Options

We have adjusted our valuation to reflect the notional cash and notional new shares that would be received if "in the money" options, having regard to our range of assessed values for a Demetallica share, were exercised. Management has advised that all zero-exercise price options will vest in the event of a change of control transaction.

Performance rights

We have adjusted our valuation to reflect the notional new shares that would be issued in relation to the performance rights on issue. Management has advised that all performance rights will vest in the event of a change of control transaction.

Tax losses

At 30 June 2022, Demetallica had estimated unused gross tax losses of $17.6 million. Given the early-stage nature of its mineral assets, Demetallica does not expect to realise any Australian taxable profits or capital gains in the short term against which Demetallica's current accumulated Australian tax losses could be applied. As such, we have not ascribed a value to Demetallica's Australian tax losses for the purposes of our valuation.

Potential contingent payments

As set out in section 8 above, Demetallica has a potential obligation to make future payments in relation to its mineral interests, including a deferred payment to OZ Minerals in relation to Demetallica's acquisition of that company's interest on the Jericho and Eloise joint ventures, as well other potential royalty payments. Given:

- early-stage nature of each of the relevant mineral assets
- the uncertainty as to the timing when the criteria triggering any obligation will be satisfied, if at all
- the uncertainty as to the quantum of any amounts to be paid, if any
- the basis of RSC's assessment and values ascribed to Demetallica's relevant mineral assets does not assume that these mineral assets have been developed to a stage that triggers any obligation to pay,

we have not adjusted our valuation for any potential future payments.

Rights to receive future royalties

Demetallica holds rights to receive royalties under various royalty agreements as summarised in section 8 of this report. RSC has considered the current value of Demetallica's rights to receive future royalties and concluded they do not have any material value

11.3 Other valuation parameters

Having regard to our assessed values in respect of Demetallica's assets and liabilities, we have adopted the implied enterprise value for Demetallica of between approximately $26.7 million and $45.0 million[22] for the purpose of calculating copper equivalent Mineral Resources multiples per tonne, which are summarised in the table below.

Table 35: Mineral Resource multiples per tonne of contained copper equivalent implied by our assessed values

Parameter	Low $/t	High $/t
Mineral Resources[1,2]	77	129

Source: KPMG Corporate Finance analysis

Notes:

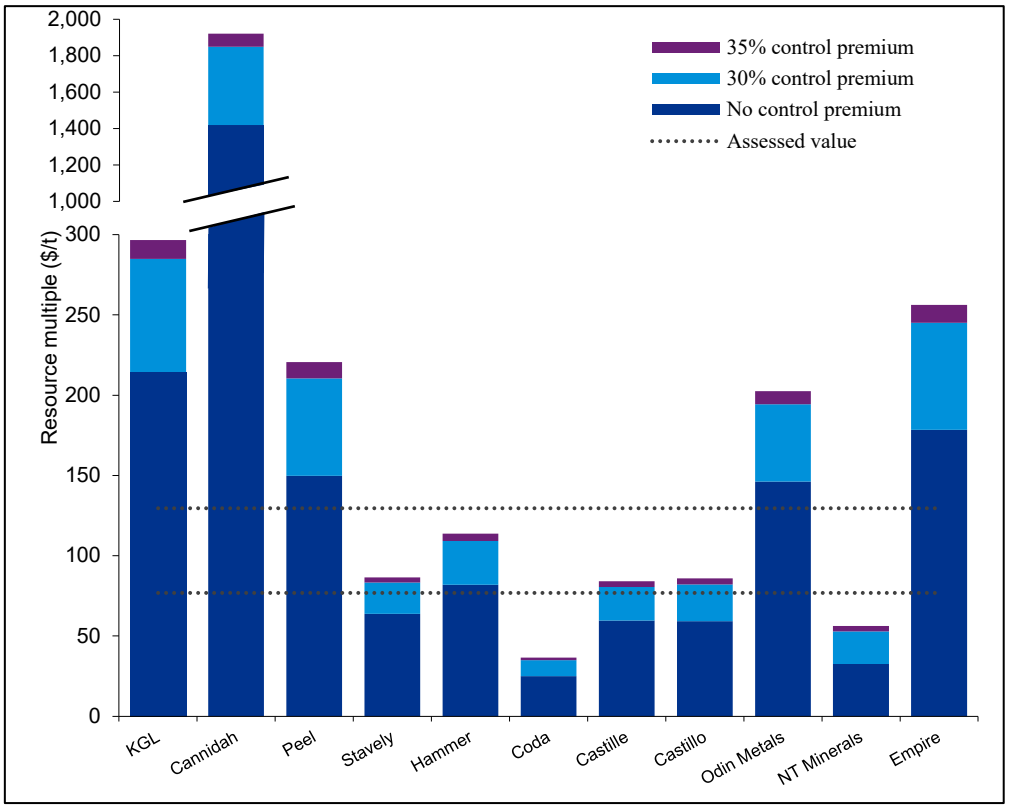
1. *Mineral Resource multiples implied by our assessed values are calculated using Demetallica's most recent published Mineral Resources information for Jericho, which was announced to the ASX on 24 October 2022*
2. *Mineral Resources include Indicated and Inferred Resources*

Comparison to listed company contained copper equivalent Mineral Resource multiples

Summarised in the figure below is a comparison of the results set out above with the value per copper equivalent Mineral Resource tonne for a selection of ASX listed small/mid-capitalisation companies with Australian pre-production copper projects. Comparable company multiples have been calculated having regard to market capitalisations as at 27 October 2022, a notional allowance, solely for comparison purposes, for a premium for control of 30 percent to 35 percent and the relevant company's most recent reported net debt/(cash) positions.

[22] Enterprise value has been calculated throughout the report as equity value plus external debt less cash.

Figure 13: Mineral Resource multiples per tonne of contained copper equivalent implied by selected listed companies



Source: KPMG Corporate Finance Analysis, Capital IQ, respective company announcements and Annual Reports

This analysis indicates a wide range of outcomes, however we note that the range of Mineral Resource multiples implied by our range of assessed market values for the enterprise value of Demetallica lies within the range of equivalent observed listed company multiples.

In considering this outcome, we would highlight:

- with the exception of NT Minerals, all of the companies (including Demetallica) have other base and precious metal Mineral Resources within their copper projects
- KGL Resources has commenced a feasibility study in relation to their flagship project and therefore is considered to be at a more advanced stage than Demetallica
- Cannidah Resources has over 80% of its Mineral Resources in the measured and indicated categories and has announced significant mineralisation in its drilling results to date which are focused on expansion of its relatively small resource base
- Castile Resources has substantial gold, zinc and lead Mineral Resources in its Rover project accounting for approximately 64% of the copper equivalent resources, which may impact its observed multiple

- Peel Mining has substantial zinc, silver and lead contributions to its copper equivalent resource, with copper comprising less than 50% of the overall copper equivalent contained metal

We also note:

- Hammer Metals has substantial iron ore Mineral Resources in its Mount Philip project which have been excluded from the copper equivalent calculation. Including these iron ore resources would have the impact of decreasing the copper equivalent Mineral Resource multiple significantly
- Castile has substantial magnetite Mineral Resources in its Rover project which have been excluded from the copper equivalent calculation. Including these magnetite resources would have the impact of decreasing the copper equivalent Mineral Resource multiple.

These results need to be viewed with some caution as they do not capture such things as:

- potential timing differences by companies in reporting updated Mineral Resources figures
- other assets and liabilities held by the selected companies not reflected in the Mineral Resources balances.

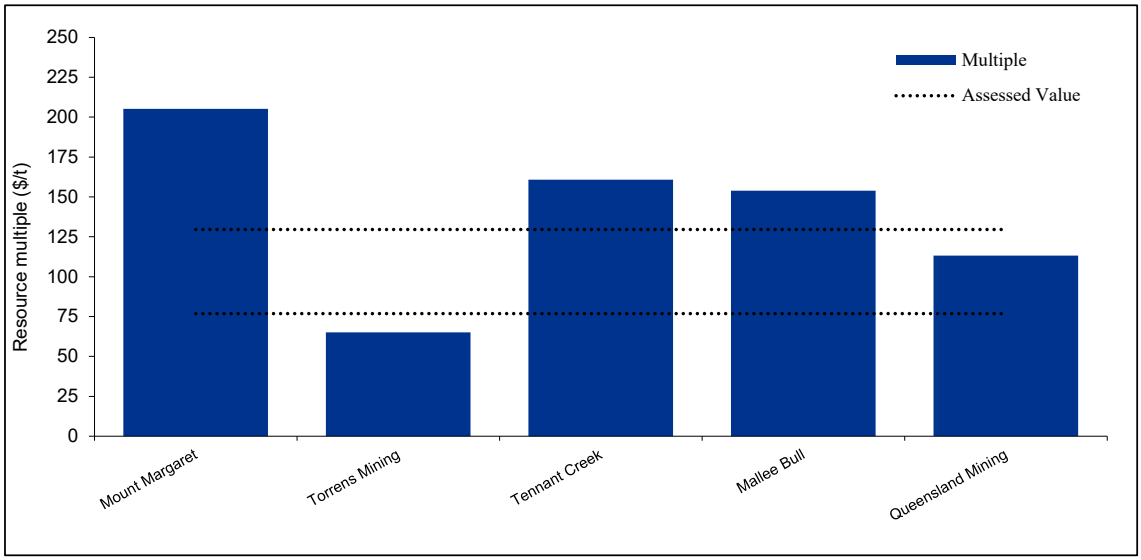
Accordingly, whilst in our view the outcome of this analysis provides broad support for our range of values, this form of analysis should only be considered as a high-level cross-check of the outcomes of other valuation methodologies.

Further details of our analysis are set out in Appendix 4 to this report.

Comparison to contained copper equivalent Mineral Resource multiples implied by recent corporate transactions

Summarised in the figure below is a comparison of the contained copper equivalent Mineral Resources multiples implied by the range of values for the enterprise value of Demetallica with the implied value per contained copper equivalent Mineral Resource tonne for a selection of recent corporate transactions involving companies with Australian copper assets at exploration stage.

Figure 14: Resource multiples per tonne of contained copper equivalent implied by selected corporate and asset transactions



Source: KPMG Corporate Finance Analysis, Capital IQ and respective company announcements and Annual Reports

This analysis indicates a wide range of outcomes, however we note that the range of the Mineral Resource multiples implied by our range of assessed values for the enterprise value of Demetallica lies within the observed range.

In considering the outcomes of the comparison to contained copper equivalent Mineral Resource multiples implied by recent company transactions we note:

- many of the previously mentioned comments in relation to the multiples implied by listed companies' Enterprise Values have equal relevance here
- the transactions considered were completed under different prevailing market conditions and the participants may have held different expectations in relation to future copper prices
- the final price paid by the successful acquirer may incorporate an element of synergies and cost savings unique to that purchaser that it was required to pay away. This value is excluded from the commonly accepted definition of market value but is extremely difficult to quantify but if excluded could reduce the implied transaction multiples.
- Queensland Mining has substantial cobalt and gold resources at its White Range project, as well as gold resources at its Gilded Rose – Mt Freda project which may have impacted its observed multiple, as these account for approximately 37% of the overall copper equivalent Resources
- The Mallee Bull project has substantial gold, silver, lead and zinc resources, which may have impacted its observed multiple, as these account for approximately 45% of the overall copper equivalent Resources

- The Mount Margaret transaction was announced in April 2022 but had not yet closed at the date of this report. We note the consideration for this transaction is predominantly in the form of Comet Resources scrip and options and Comet Resources has not traded on the ASX since early 2022.

Having regard to the abovementioned analysis we do not consider our range of enterprise values for Demetallica to be unreasonable.

Further details of our analysis are set out in Appendix 5 to this report.

12 Valuation of the Improved Offer Consideration

12.1 Summary

The Improved Offer Consideration to be received by Demetallica shareholders comprises new ordinary shares in the Enlarged AIC. Accordingly, RG 111 requires the value of the scrip consideration to be assessed on a minority interest basis. It is common in these circumstances to have reference to the post announcement market price of the offeror for the purpose of estimating the value of an offer with a scrip component, as this is the price at which target shareholders can monetise the offer consideration.

Neither the theoretical value of the Enlarged AIC as a stand-alone entity nor considerations of control premia are relevant to portfolio shareholders in the Enlarged AIC, except in the event of an offer for the Enlarged AIC itself. We note that in any event we have not had access to the internal records or management of AIC and the information contained in the Bidder's Statement and Supplementary Bidder's Statement is insufficient to enable a fundamental valuation of AIC's assets or the company to be performed on a reasonable basis.

Utilising the post announcement market prices of the Offeror also requires consideration as to whether there are any factors that might suggest the Offeror's current trading prices may not be representative of future trading prices in the short/medium term.

We have assessed the estimated trading value of a share in the Enlarged AIC, under current market conditions, to lie in the range of $0.45 to $0.55, which, based on the Exchange Ratio, implies a value of the Improved Offer Consideration in the range of $0.35 to $0.42 per Demetallica share, as set out in the table below.

Table 36: Assessed value of the Improved Offer Consideration

	Valuation range	
	Low	**High**
Value per Enlarged AIC share	$0.45	$0.55
Exchange Ratio	1:1.3	1:1.3
Assessed value of the Improved Offer Consideration	**$0.35**	**$0.42**

Source: KPMG Corporate Finance analysis
Note: May not calculate exactly due to rounding

We note that the implied value of the scrip consideration can be expected to vary with movements in AIC's traded price over the Offer Period, which will reflect both company specific and general market factors, including movements in copper and gold markets. Accordingly, the final value of the Improved

Offer Consideration will not be known until the Improved Offer closes, which is currently scheduled for 28 November 2022, and could ultimately exceed, or be less than, $0.35 to $0.42 per Demetallica share.

In assessing the Improved Offer Consideration, which is underpinned by the value of a new ordinary share in the Enlarged AIC, we have considered a combination of matters, including recent traded share prices for and the liquidity of AIC on the ASX and Chi-X and broker target prices for an AIC share on the ASX published in the periods immediately prior to and post the announcement of the Original Offer .

Key factors influencing our approach included:

- the trading price of AIC shares reflects the value of portfolio interests as required by RG111
- AIC is a publicly listed company and is required to comply with ASX Listing Rules in relation to continuous disclosure, including in particular the release of price sensitive information. A review of announcements made by AIC over calendar 2022 indicates that it regularly releases financial and operational information to the market.
- AIC appears to be followed by various broking houses that publish periodic research notes. In this regard, in the period:
    - between 1 July 2022 and the announcement of the Original Offer on 19 September 2022, we have sourced eight investment notes in relation to AIC published by broking houses
    - subsequent to the announcement of the Original Offer , we have sourced seven investment notes published by broking houses reflecting on the Original Offer
- there has been sufficient information made available, including the information contained in:
    - AIC's Bidder's Statement and Supplementary Bidder's Statement, released to the market on 19 September 2022 and 21 October 2022 respectively
    - Demetallica's Target's Statement and Supplementary Target's Statement, released to the market on 13 October 2022 and 19 October 2022 respectively
    - the broker notes covering AIC released subsequent to the Original Offer
    - AIC's updates on drilling at the Eloise mine and September 2022 Quarterly Activities report released subsequent to the Original Offer
    - Demetallica's updated MRE for Jericho and Exploration Targets within the Chimera Project, Annual Report to Shareholders and Peake and Denison Exploration announcements released to the market on 24 October 2022, 21 October 2022 and 5 October 2022 respectively
    - broking house notes covering AIC, released both prior to and subsequent to the Original Offer[23],
- there is comprehensive coverage of the Australian and international copper and gold industries by market analysts and economic commentators, which arguably assists in the ability of market

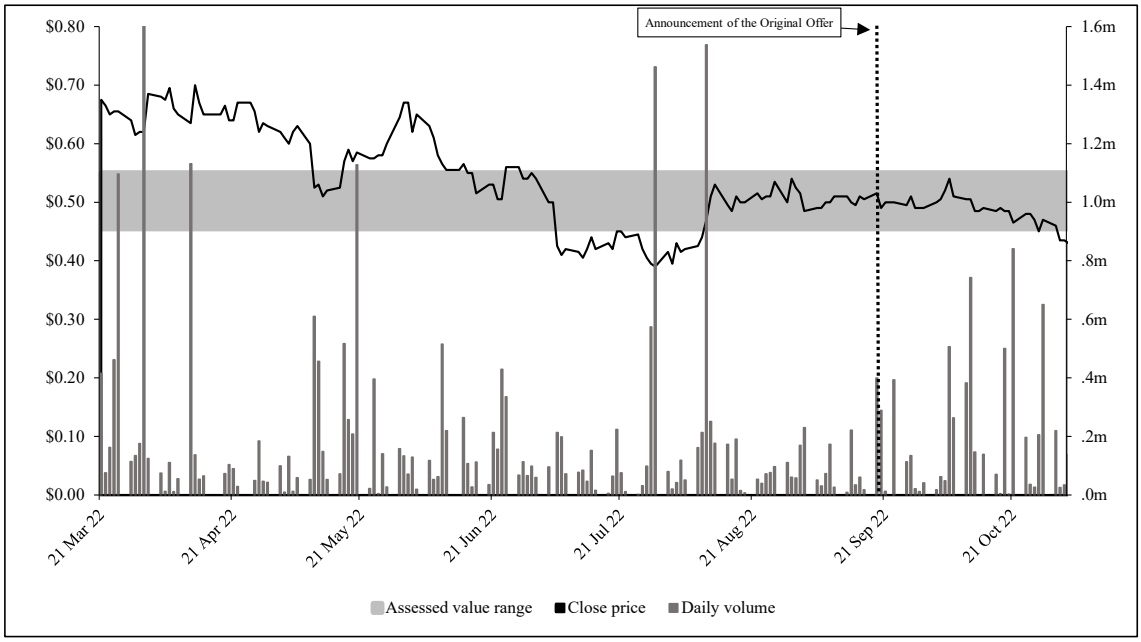
[23] Considered further in section 12.2.4 of this report.

participants to make informed decisions regarding the prospects of the market for these commodities generally and, in turn, AIC

- AIC's shares were traded on each of the available trading days in the period from when it recommenced trading on 5 November 2021 to the announcement of the Original Offer and on 31 of the 32 available trading days in the subsequent period to 2 November 2022, being the last full trading day prior to AIC entering not a trading halt ahead of the announcement of the Improved Offer. Whilst the market for AIC shares is not considered to be deep, it would appear that there is not a material impediment to AIC portfolio shareholders, realising their investment over a reasonable period, should they be so minded.

A summary of recent share trading activity in AIC shares over the 6 months prior to the announcement of the Original Offer to 2 November 2022 inclusive and our selected valuation range is set out in the chart below.

Figure 15: Selected valuation range and recent trading in AIC shares



Source: KPMG Corporate Finance analysis

12.2 Analysis of trading in AIC shares

12.2.1 AIC's share price

Prior to the Original Offer

The trading price and volume of AIC shares traded prior to the Original Offer was discussed previously in section 9. Over the approximate 10-month period from recommencement of trading on 5 November 2021 to the announcement of the Original Offer the total aggregate volume of AIC shares traded was approximately 41.9 million shares. AIC shares were traded on every available trading day, albeit on

sometimes limited volumes, with a trading range over the period of between $0.35 and $0.73, closing at $0.505 on 16 September 2022 (the last trading day prior to the announcement of the Original Offer), representing a 44% increase from the 12-month intra-day trading low of $0.35 on 5 November 2021. This level of volatility in AIC's share price is not unexpected given its revenues are significantly impacted by global copper prices, which have themselves exhibited significant volatility, along with equity markets more generally.

Our review of AIC's ASX releases indicates that it regularly releases information into the market. In addition to typical reporting of half year and full year financials, it has also provided, quarterly activities and results updates. In the period between 1 July 2022 and the announcement of the Original Offer, AIC:

- released an investor presentation on 13 July 2022
- released its June 2022 Quarterly Activities Report on 20 July 2022
- announced drilling results from Eloise in relation to the Macy Deposit on 3 August 2022
- announced an exploration update in relation to its Lamil project on 8 August 2022
- announced an increased Mineral Resources and Ore Reserves estimate at Eloise on 22 August 2022
- released its Appendix 4E and 2022 Annual report on 26 August 2022, as well as announcing details of a milestone payment to Rumble Resources Limited in relation to the Lamil project on the same date
- announced commencement of drilling at the Marymia gold and copper project on 15 September 2022.

Accordingly, the market was arguably well informed about the trading results and short to medium term prospects of AIC's operations and exploration activities immediately leading up to the announcement of the Original Offer.

Post the announcement of the Original Offer

In the period 19 September 2022 to 2 November 2022 inclusive (the last trading day prior to AIC entering into a trading half ahead of the announcement of the Improved Offer), AIC shares traded in the range of $0.435 to $0.540 per share, closing at $0.435 on 2 November 2022, representing a decline from its $0.515 closing price on 19 September 2022 in the order of 16%.

Other than:

- on 30 September 2022, AIC announced an update on exploration drilling at its Eloise mine
- on 13 October 2022, AIC announced an update on surface exploration at its Eloise mine
- on 20 October 2022, AIC released its September 2022 Quarterly Activities Report

AIC did not issue any new price sensitive information other than relating to the Original Offer in this period.

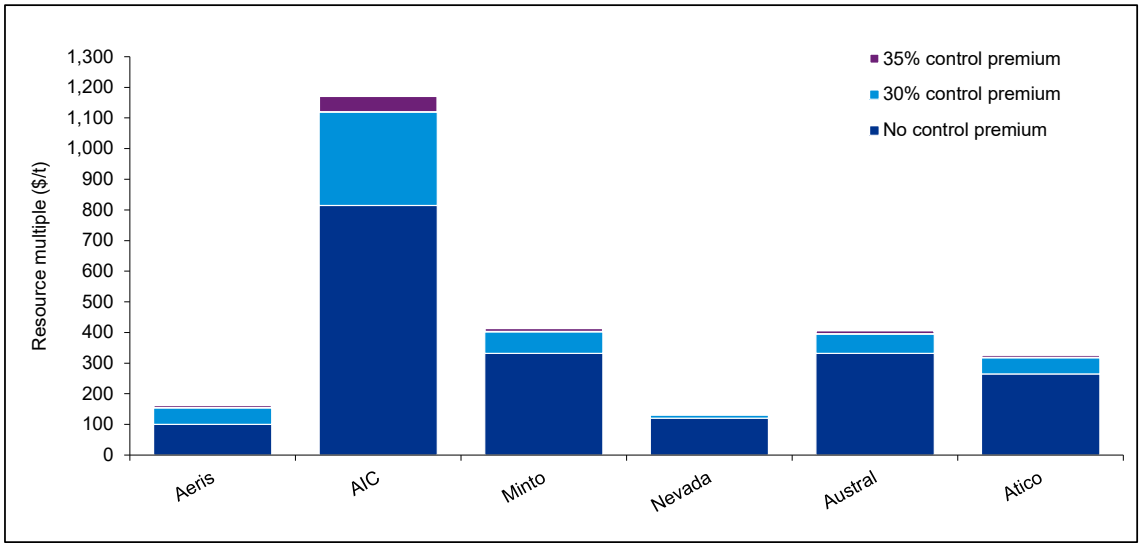
Accordingly, it is likely that movements in AIC's share price over the period likely reflects a mixture of both general market factors and the market's assessment of the prospects and impact on AIC of it successfully completing the acquisition of Demetallica.

As set out in section 9 above, the VWAP for an AIC share over the period 19 September 2022 to 2 November 2022 inclusive was $0.49.

12.2.2 Trading multiples

The figures below set out diagrammatically a comparison of the implied value per tonne of copper equivalent Mineral Resources and Ore Reserves respectively for various listed copper production companies[24]. This analysis indicates that AIC is trading at a premium its listed peers.

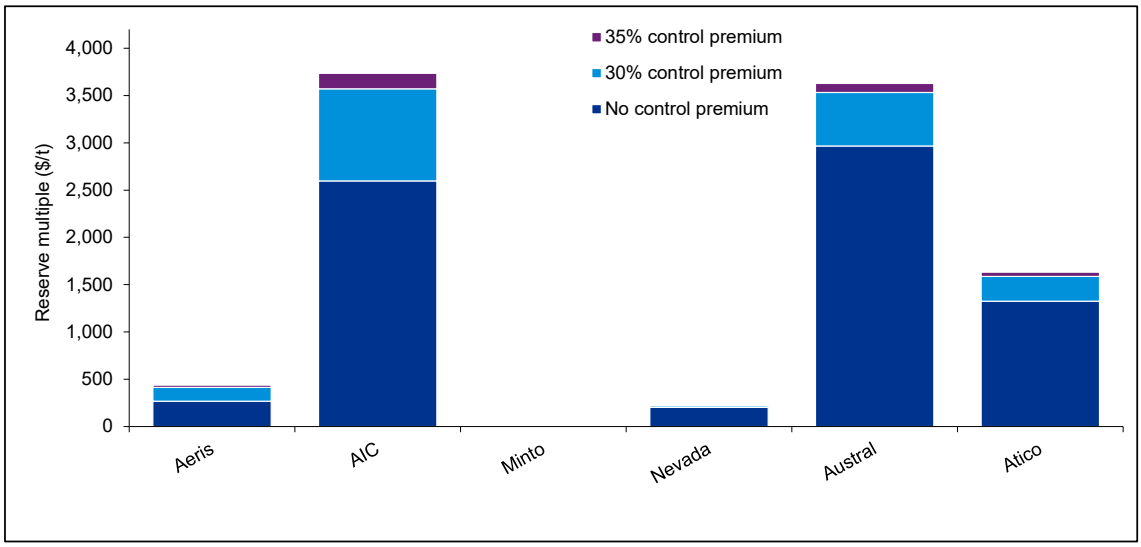
Figure 16: Mineral Resource multiples per tonne of contained copper equivalent implied by selected listed companies



Source: KPMG Corporate Finance Analysis, Capital IQ, respective company announcements and Annual Reports

[24] based on closing prices as at 27 October 2022. At that date AIC's closing share price was $0.45. Refer to Appendix 5 for further details as to the relevant calculations.

Figure 17: Ore Reserve multiples per tonne of contained copper equivalent implied by selected listed companies



Source: KPMG Corporate Finance Analysis, Capital IQ, respective company announcements and Annual Reports

This premium may reflect a number of factors, including:

- AIC's deep underground mine which has a relatively small reserve base but is regularly extended through ongoing exploration and resource definition drilling. In this regard, with the Eloise mine having been in production for an extended period, it seems reasonable to expect a reduced commercial imperative for AIC to build a significant Ore Reserve/Mineral Resource position at the Eloise mine beyond that required to continue short/medium term production activities
- AIC's relatively high-grade copper Reserves and Resources.

In considering the outcomes of the comparison to copper equivalent Ore Reserve and Mineral Resource multiples implied by comparable copper companies we note the following limitations:

- Our selection of listed, in production copper companies includes companies with projects located outside of Australia; Minto Metals' Minto mine is located in Canada, Nevada Copper's Pumpkin Hollow mine is located in the USA and Atico Mining's El Roble mine is located in Colombia.
- Nevada Copper has iron ore Resources at its Pumpkin Hollow project, that have been excluded from our analysis given their low grade. We also note Nevada Copper's Reserve and Resource grades are lower than AIC.
- Austral Resources has calcium Reserves and Resources at its Anthill deposit, as well as calcium and magnesium Resources at its Flying Horse, Lady Annie, Lady Brenda, Lady Colleen and Mount Clarke deposits that have been excluded from our calculated copper equivalents.
- Atico Mining has substantial gold Resources attributable to their early-stage pre-production La Plata project, which has impacted the company's implied copper equivalent resource and implied multiple.
- Whilst Minto's Minto mine project is in production it does not have any reported Reserves.

- Aeris Resources has significant zinc Reserves and Resources at its development stage Stockman Project, as well as its in production Jaguar operation, which has impacted the company's implied copper equivalent resource and implied multiple.

Further details of our analysis are set out in Appendix 6 to this report.

Whilst for the reasons set out previously in section 11.3 these measures should be treated with some caution, taken in isolation, they may suggest that there is some downside risk to the current share price of AIC.

12.2.3 Liquidity

In the one month and 3 months prior to the announcement of the Original Offer, a total of 2.2 million and 8.0 million AIC shares, with an aggregate value of approximately $1.1 million and $3.8 million respectively, were traded on ASX and Chi-X. AIC shares were traded on every available trading day, representing an average daily traded volume of approximately 0.10 million shares and 0.12 million shares over the same periods.

In the period from 19 September 2022 up to and including 2 November 2022 inclusive, a total of 5.1 million AIC shares, with an aggregate value of approximately $2.5 million were traded on ASX and Chi-X. AIC shares were traded on 31 of the 32 available trading days, at an average daily volume of 0.2 million shares traded per day.

Accordingly, whilst the market for AIC shares is not considered to be deep, it would appear that there is not a material impediment to portfolio shareholders realising their investment over a reasonable period, should they be so minded.

12.2.4 Broker notes

Summarised in the following table are investment notes published by the broking house providing target prices for AIC over the period between 1 July 2022 and 27 October 2022.

Table 37: Brokers' Price Estimates for AIC

	Prior to announcement of the Original Offer				Post announcement of the Original Offer			
Broker	Report date	Closing price at report date	Price target	Recommendation	Report date	Closing price at report date	Price target	Recommendation
Broker 1					20/10/2022	0.49	0.70	Buy
Broker 2					20/10/2022	0.49	0.75	Speculative Buy
Broker 3					20/10/2022	0.49	0.73	Buy
Broker 1					19/10/2022	0.49	0.70	Buy
Broker 1					28/9/2022	0.51	0.70	Buy
Broker 2					20/9/2022	0.49	0.70	Speculative Buy
Broker 1					20/9/2022	0.49	0.70	Buy
Broker 1	26/8/2022	0.535	0.65	Buy				
Broker 3	22/8/2022	0.50	0.73	Buy				
Broker 1	22/8/2022	0.515	0.65	Buy				
Broker 3	20/7/2022	0.43	0.73	Buy				
Broker 1	20/7/2022	0.450	0.65	Buy				
Broker 1	19/7/2022	0.430	0.65	Buy				
Broker 1	10/7/2022[1]	0.420	0.65	Buy				
Broker 1	5/7/2022	0.480	0.70	Buy				

Source: Broker reports, KPMG Corporate Finance analysis
Note 1: Broker 1's note is dated 10 July 2022 which was a non-trading date. The closing price is taken as at 9 July 2022

This table indicates:

- three broking houses provide regular price targets for AIC, and each broking house has provided multiple research notes since 1 July 2022
- the brokers' price targets ranged between $0.65 and $0.73 and Buy recommendations since early July 2022 through to the date of the Original Offer
- the brokers' price targets ranged from $0.70 to $0.75 following the announcement of the Original Offer, with Buy / Speculative Buy recommendations.

12.2.5 Conclusion

We have no reason to expect that, based on prevailing market conditions, the recent trading in AIC shares does not reflect an objective market-based assessment of the value of a share in AIC as at 2 November 2022. Reflecting that we are required by RG111 to form a view as to the value of the Improved Offer Consideration in the event the Improved Offer is completed, we have assessed a range of values for a share in the Enlarged AIC, on a minority interest basis, to be in the range of $0.45 to $0.55.

The top end of our range for an Enlarged AIC share approximates the post-Original Offer to 2 November 2022 closing high of $0.540 per AIC share and the low end of our range is equal to the closing low over the same period of $0.435 per AIC share. The post-Original Offer VWAP to 2 November 2022 was $0.49 per AIC share, which sits around the mid-point of our range of assessed values for an AIC share.

Our selected range of values for an AIC share following completion of the Improved Offer lies below the most recent price target provided by the brokers covering AIC.

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Jason Hughes and Sean Collins. Each has a significant number of years of experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as preparation of expert reports.

Jason Hughes is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Jason is a Fellow of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce and a Graduate Diploma in Applied Finance.

Sean Collins is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Sean is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Chartered Institute of Securities and Investments in the United Kingdom and holds a Bachelor of Commerce.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Improved Offer is fair and reasonable to Demetallica shareholders taken as a whole. KPMG Corporate Finance expressly disclaims any liability to any Demetallica shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Target's Statement, any subsequent Supplementary Target's Statement or any other document prepared in respect of the Original Offer or the Improved Offer. Accordingly, we take no responsibility for the content of the Target's Statement, any Supplementary Target's Statement as a whole or any other documents prepared in respect of the Original Offer or the Improved Offer .

Our report makes reference to "KPMG Corporate Finance analysis". This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently. In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Demetallica for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Other than fees to be received in respect to preparing this report, neither KPMG Corporate Finance or the KPMG Partnership have provided professional services to Demetallica or AIC in relation to the Original Offer or the Improved Offer .

By way of disclosure, total fees received from Demetallica or AIC, other than in respect of preparing this report, by the KPMG partnership and/or KPMG Corporate Finance in the 2 years prior to that date of announcement of the Original Offer were $nil.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Supplementary Target's Statement to be issued to the shareholders of Demetallica. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Professional standards

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

Appendix 2 – Sources of Information

In preparing this report we have been provided with and considered the following sources of information:
Publicly available information:

- company presentations and announcements of AIC and Demetallica
- AIC and Demetallica company websites
- Demetallica's annual reports for the periods ended 30 June 2021 and 30 June 2022
- AIC's annual reports for the periods ended 31 December 2021 and 30 June 2022
- annual reports, company presentations and news releases of comparable companies and transactions
- data providers including S&P Capital IQ Pty Ltd, Bloomberg, MergerMarket, Refinitiv, Consensus Economics, Connect 4, IBISWorld Pty Ltd, Economics Intelligence Unit, IRESS, Department of Industry, Science and Resources
- various broker and analyst reports
- various press and media articles
- the Bid Implementation Deed
- the Target's Statement and further Supplementary Target's Statements
- the Bidder's Statement and further Supplementary Bidder's Statements
- RSC's independent technical specialist report

Non-public information:

- Confidential agreements, information and documents prepared by Demetallica and/or its advisers
- Discussions with Demetallica Board members and management and the company's advisers

Appendix 3 – Overview of the copper industry

To provide a context for assessing the future prospects of each of Demetallica and AIC, we have set out below an overview of the recent and expected trends in the international copper markets.

Overview

Copper is an internationally traded commodity and therefore its price fluctuates on a daily basis in the commodity market, as determined by worldwide demand and supply factors. A summary of historical, estimated and forecast supply and demand published by the Economist Intelligence Unit (**EIU**) in October 2022 is set out as follows.

Table 38: Summary of supply and demand

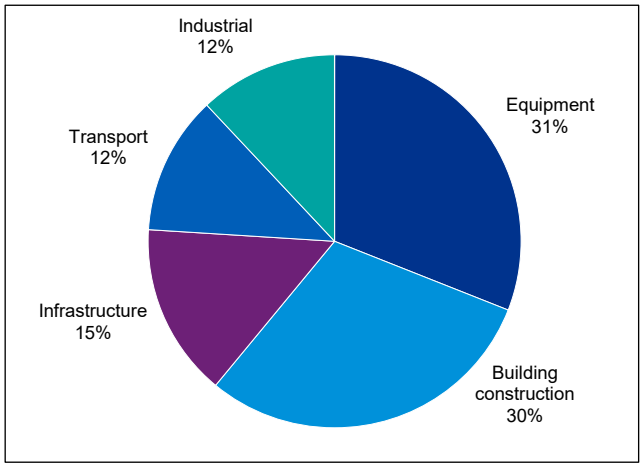
('000 tonnes)	2020	2021	2022E	2023F	2024F
Global production	24,151	24,582	25,498	26,357	27,155
Global consumption	24,842	25,054	25,514	25,834	26,301
Difference	**(691)**	**(472)**	**(16)**	**523**	**854**

Source: EIU and KPMG Corporate Finance Analysis

Copper demand

Demand for copper ore is driven by demand for refined copper products used in the equipment, building construction, infrastructure, transport and industrial industries. Set out below is an estimation of the demand for copper by industry.

Figure 18: Global demand copper by industry (2022)



Source: Resources and Energy Quarterly, September 2022. Department of Industry, Science and Resources and KPMG Corporate Finance Analysis

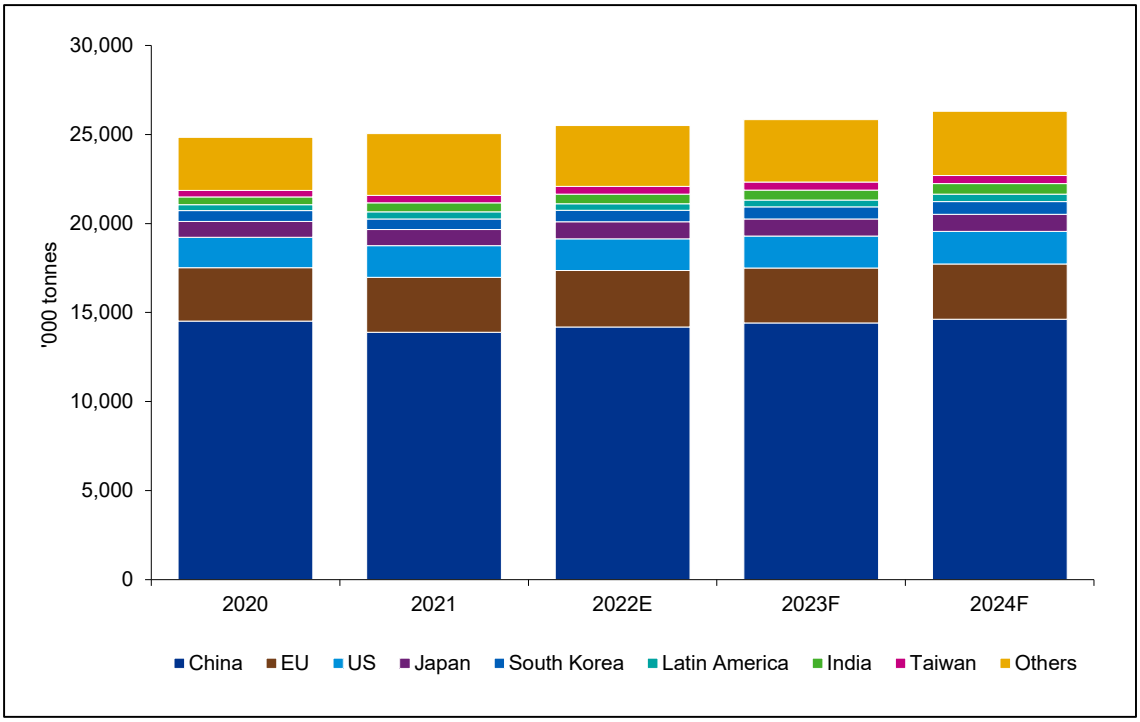
Given the diverse nature of uses, copper ores are generally refined and on-sold to wire rod mills, brass mills, ingot makers, foundries and powder plants, prior to being consumed by end markets.

Global consumption of copper is dominated by China which consumed approximately 13.9Mt in 2021 (approximately 55% of global consumption) driven by building construction and infrastructure, with other

consumers including the European Union, the United States and Japan, consuming approximately 3.1Mt, 1.8Mt and 0.9Mt respectively in 2021.

A summary of historical and forecast global copper consumption by region, as published by the EIU, is set out below.

Figure 19: Global copper consumption by region



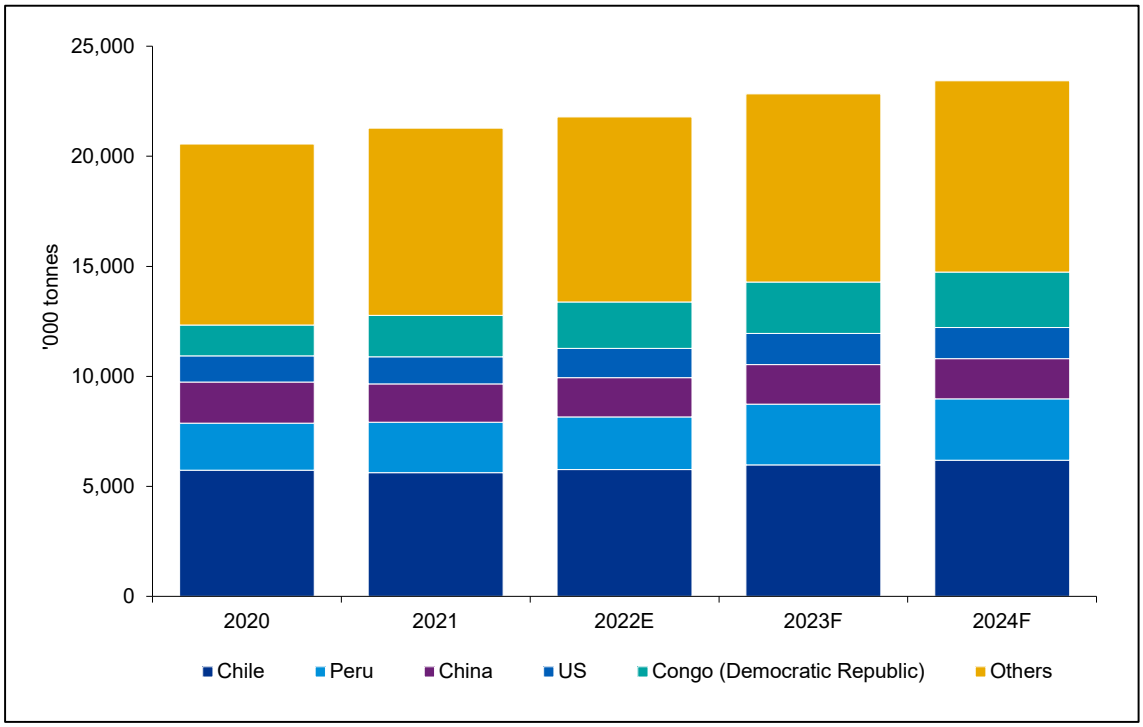
Source: EIU and KPMG Corporate Finance Analysis

The EIU expects refined copper consumption to rise by 1.8% in 2022, 1.3% in 2023 and 1.8% in 2024. This forecast is subject to downside risk with expectations of high inflation and sluggish growth in Europe until at least 2024, expectations that China's zero-covid approach will impact on global GDP growth in 2022, and further production, financial and logistical constraints lengthening covid-19 immunisation timelines in emerging economies beyond 2023. However, the EIU notes that this risk is offset by China's urbanisation plans, significant investments in renewable energy infrastructure and outbound investment in its Belt and Road initiative. The EIU further expects that downside risk will be offset by a global acceleration in the uptake of electric vehicles, with oil prices expected to remain high as a result of the Russia-Ukraine conflict.

Copper supply

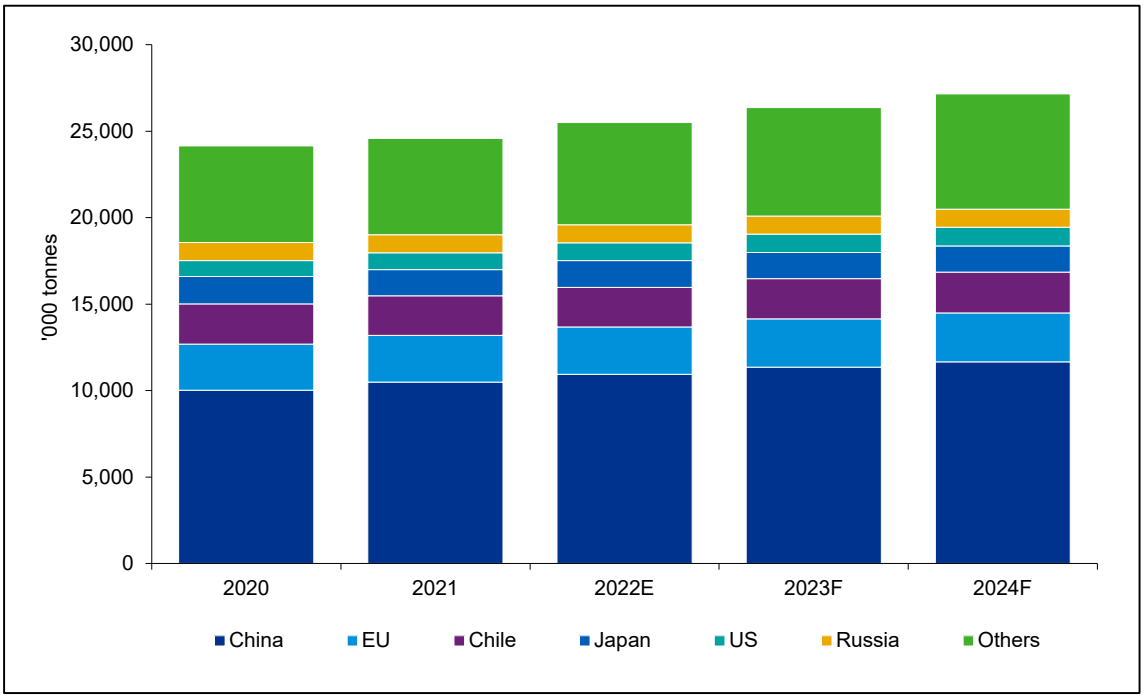
Global copper supply comprises recycled copper and mine output. A summary of historical and forecast global copper mining output and global refined copper production by region is set out on the following page.

Figure 20: Global copper mine output by region



Source: EIU and KPMG Corporate Finance Analysis

Figure 21: Global copper refined production by region



Source: EIU and KPMG Corporate Finance Analysis

The EIU expects refined copper production to grow by 3.7% in 2022, 3.4% in 2023 and 3.0% in 2024. This is supported by ongoing smelter expansion in China and recent new mine development and expansion projects including the Quellaveco, Toromocho and Mina Justa projects in Peru as well as the Kamoa-Kakula and Tenka Fungurume projects in the Democratic Republic of Congo.

Downside risks to supply noted by the EIU include growing discord between mine operators and local indigenous populations, rising energy costs eroding smelter margins, resource nationalism and trade tensions, covid-19 related disruptions and increasing environmental oversight.

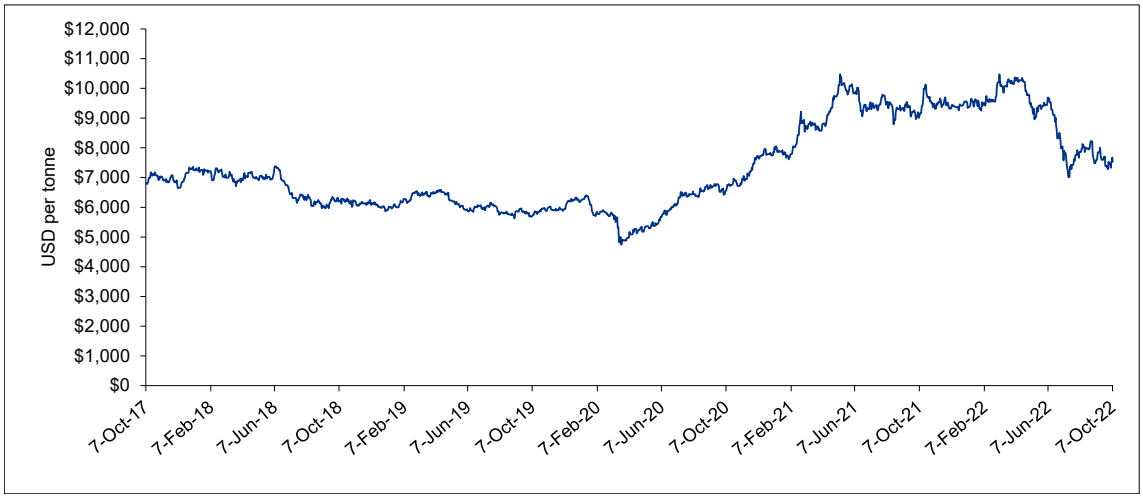
EIU notes that China will remain critical to refined copper production, as it is the world's largest importer of raw materials, has the greatest smelting capacity and is the leading producer of copper cathode. Recent mine and smelter expansion are contributing to higher production of refined metals. EIU expects China's output of refined copper to grow at 4.3% in 2022, 3.8% in 2023 and 2.7% in 2024.

Prices

The copper price is sensitive to global economic growth sentiment but also to economic conditions in key consuming countries (such as China) as industrial condition and economic outlook impact demand.

Set out below is the historical USD dominated official cash copper price per tonne as quoted on the London Metal Exchange for the five years to 7 October 2022.

Figure 22: Historical copper price



Source: Capital IQ, KPMG Corporate Finance Analysis

Since 7 October 2017, the copper price generally declined over the period to March 2020, falling from US$6,670/t to a low of US$4,740/t on 23 March 2020. Copper prices subsequently increased strongly, achieving a high of US$10,480/t on 10 May 2021, before falling back and closing at a price of US$7,485/t by 7 October 2022.

Outlook

Set out below is a summary of the forecast estimate copper prices by brokers as at 19 September 2022.

Table 39: Forecast estimate copper prices by brokers as at 19 September 2022

Copper price forecast (nominal, USD/t)					
As at 19 September 2022	**Dec-22**	**Dec-23**	**Dec-24**	**Dec-25**	**Dec-26**
Number of commentators	27	27	21	20	18
Commentator high	9,230	9,146	14,000	9,800	9,528
Commentator low	6,500	5,357	4,623	4,406	4,320
Commentator average	7,729	7,686	8,188	8,053	8,108
Commentator median	7,629	7,696	7,960	8,215	8,464

Source: Consensus Economics and KPMG Corporate Finance

The analysis set out in the table above indicates a wide range of views as to forecast copper prices, however on average, copper prices are expected to increase at a compound annual growth rate of approximately 4% to 2025. In considering these brokers' forecast, it is important to note that the publications of commentators forecast pricing analysis tends to lag changing market conditions, particularly during periods of high volatility.

Appendix 4 – Selected listed copper exploration companies

Company	Description
KGL Resources Limited (**KGL Resources**)	KGL Resources engages in the exploration and development of the Jervois multi-metal project located in the Northern Territory, Australia. It also holds 100% interest in the Yambah project located in the northeast of Alice Springs; and the Unca Creek project located in the Bonya Metamorphics. KGL Resources was incorporated in 1998 and is based in Brisbane, Australia.
Cannindah Resources Limited (**Cannidah Resources**)	Cannindah Resources engages in the exploration, evaluation, and development of various mineral projects in Australia. The company primarily explores for copper and gold deposits. Its flagship project is the Mount Cannindah project located in Queensland. Cannindah Resources was incorporated in 2004 and is headquartered in Bundall, Australia.
Peel Mining Limited (**Peel Mining**)	Peel Mining engages in the exploration of base and precious metals in the Cobar Region of New South Wales, Australia. Its flagship project is the Mallee Bull copper project located in the central New South Wales. Peel Mining was incorporated in 2006 and is headquartered in West Perth, Australia.
Stavely Minerals Limited (**Stavely Minerals**)	Stavely Minerals engages in the exploration and development of mineral projects in Australia. It holds 100% interests in the Stavely project located west of Melbourne; the Ararat project situated in western margin of the Stawell-Bendigo zone; and the Yarram Park project located in western Victoria. Stavely Minerals was incorporated in 2006 and is headquartered in Nedlands, Australia.
Hammer Metals Limited (**Hammer Metals**)	Hammer Metals engages in the exploration and extraction of mineral resources in Australia. The company holds 100% interests in the Mount Isa project that comprise Kalman, Overlander North and Overlander South, and Elaine deposits within the Mount Isa mining district, as well as a 51% interest in the Jubilee deposit. It also holds a 100% interest in the Bronzewing South gold project located in the Yandal Belt of Western Australia. Hammer Metals was incorporated in 2000 and is based in West Perth, Australia.
Coda Minerals Limited (**Coda Minerals**)	Coda Minerals focuses on the exploration, discovery, and development of minerals in the base metals, precious metals, and battery minerals sector. The company holds 100% interest in the Elizabeth Creek copper project located in South Australia; and Cameron River Copper Gold project located in Queensland. Coda Minerals was incorporated in 2018 and is based in West Perth, Australia.
Castile Resources Limited (**Castile Resources**)	Castile Resources engages in the mineral exploration and project development activities in Australia. The company focuses on exploring for copper-gold and other base metals. It holds 100% interests in the Rover and Warumpi projects that are located in the Northern Territory. The company was incorporated in 2007 and is based in Perth, Australia.
Castillo Copper Limited (**Castillo Copper**)	Castillo Copper engages in the exploration and examination of mineral properties in Australia and Zambia. The company holds a 100% interest in the NWQ Copper project located in the Mt Isa copper-belt of Queensland, Australia; the Mkushi, the Luanshya, the North and South Lumwana, and the Mwansa projects in Zambia; the Broken Hill, a zinc-silver-lead project situated in New South Wales, Australia; and a 100% interest in the Cangai copper project located in New South Wales, Australia. Castillo Copper was incorporated in 2009 and is based in West Perth, Australia.
Odin Metals Limited (**Odin Metals**)	Odin Metals engages in mineral exploration activities in Australia. It owns an interest in the Koonenberry project located in New South Wales. The company was formerly known as Lawson Gold Limited and changed its name to Odin Metals Limited in October 2017. Odin Metals was incorporated in 2010 and is based in West Perth, Australia.

Company	Description
NT Minerals Limited (**NT Minerals**)	NT Minerals engages in the exploration, evaluation, and development of mineral properties in Australia. It focuses on the Redbank project in the northeast of the Northern Territory; and the Millers Creek Project in the Gawler Craton of South Australia. The company was formerly known as Redbank Copper Limited and changed its name to NT Minerals Limited in June 2022. NT Minerals was incorporated in 1993 and is based in Jolimont, Australia.
Empire Resources Limited (**Empire Resources**)	Empire Resources engages in the exploration and development of mineral properties in Australia. The company holds 100% interests in the Yuinmery copper-gold project situated in Western Australia; the Penny's gold project located to the east of Kalgoorlie; the Barloweerie project in Western Australia; and the Nanadie project located to the east of Meekatharra, Western Australia. The company was incorporated in 2000 and is headquartered in Nedlands, Australia.

Source: Capital IQ, KPMG Corporate Finance Analysis

Company	Market cap A$m	Enterprise value[1] A$m	Copper Resources[3] kt	Cu Eq. Resources[2,4,5] kt	No control premium Resources multiple[6] A$/t	30% control premium Resources multiple A$/t	35% control premium Resources multiple A$/t
KGL Resources Limited	141	129	498	600	214	285	297
Cannindah Resources Limited	101	100	51	70	1,419	1,850	1,922
Peel Mining Limited	87	65	195	431	150	210	221
Stavely Minerals Limited	45	44	608	696	64	83	87
Hammer Metals Limited	49	44	230	540	82	109	114
Coda Minerals Limited	32	24	722	975	25	35	37
Demetallica Limited	31	21	232	348	60	87	92
Castile Resources Limited	29	25	113	414	60	81	84
Castillo Copper Limited	26	20	175	342	59	82	86
Odin Metals Limited	12	11	65	76	146	194	202
NT Minerals Limited	6	3	93	93	32	53	56
Empire Resources Limited	9	8	33	42	178	245	256
Mean					207	276	288
Median					73	98	103

Sources: Capital IQ, company financial statements and reports, publicly available resource/reserve information of relevant companies and KPMG Corporate Finance Analysis

Notes:

1. Enterprise value for selected listed companies has been calculated as market capitalisation as at 27 October 2022, converted to AUD as at the same date based on prevailing spot exchange rates (where relevant), and the latest net debt/cash of the selected company and adjusted for outside equity interests reported prior to 27 October 2022

2. Resources are based on Measured, Indicated and Inferred Resources

3. Where the Resources are not 100 percent owned, all calculations are based on the company's relevant interest

4. The table above shows resource valuation comparisons for companies predominantly focussed on copper (Cu). In the case where the comparable companies' resources contain other metals (for example gold), a total contained Cu equivalent resource or reserve has been calculated (based on spot metal prices as at 27 October 2022. The spot metal prices used were US$7,580/t for copper, US$1,669/oz for gold, US$19.5/oz for silver, US$1,880/t for lead, US$2,733 for zinc, US$814/t for rhenium, US$63,425/t for molybdenum and US$51,505/t for cobalt

5. Resource multiples have been calculated based as enterprise value divided by total contained copper equivalent resources (Cu Eq.).

Appendix 5 – Selected copper exploration transactions

Target	Description
Mount Margaret	On 4 April 2022, Comet Resources Limited entered into a share sale agreement to acquire the Mount Margaret Copper Project. The consideration comprises a combination of cash, scrip, unlisted options and a net smelter return royalty. Located in Queensland, Australia, the Mount Margaret project comprises copper and gold mineral resources. This transaction has not yet completed.
Torrens Mining	On 9 February 2022, Coda Minerals limited entered into a Bid Implementation deed to acquire Torrens Mining Limited, offering 0.23 new for every 1 Torrens Mining Limited share held. Torrens Mining is based in Perth, Australia and holds tenements in South Australia, Victoria, New South Wales and Papua New Guinea. The company's primary asset is its 30% interest in the Elizabeth Creek Copper Project.
Tennant Creek	On 24 September 2021, Fe Limited entered into a binding agreement to acquire a 60% stake in the Tennant Creek Project. Consideration includes AUD 5 million cash, 85 million Fe Limited shares and 75 million unlisted options exercisable at AUD 10c expiring 3 years from date of issue. FEL will also pay the first $10m of JV expenses incurred. The Tennant Creek Project, located in the Northern Territory, Australia, comprises three high grade copper and gold mineral resources.
Mallee Bull	On 3 August 2020, Peel Mining Limited acquired the remaining 50% stake of the Mallee Bull Project from former JV partner CBH Resources Limited for $17m cash consideration. The project, located in NSW, Australia, is comprised of copper and gold-polymetallic deposits.
Queensland Mining Corporation	On 15 December 2017, Moly Mines Limited entered into a bid implementation agreement to acquire Queensland Mining Corporation Limited. Under the terms of the agreement, Moly Mines offered $0.17 AUD per share in cash. Queensland Mining Corporation's flagship asset is the White Range copper, gold and cobalt project located in Queensland, Australia.

Source: Capital IQ, KPMG Corporate Finance Analysis

Target	Acquirer	Date announced	Percentage acquired	Implied EV A$m	CuEq. Resources kt	Resources multiple A$/t
Mount Margaret	Comet Resources Limited	4 Apr 22	100.00	24.7	120	205x
Torrens Mining	Coda Minerals Limited	9 Feb 22	100.00	19.7	303	65x
Tennant Creek	Fe Limited (nka:CuFe Ltd)	24 Sep 21	60.00	23.9	149	161x
Mallee Bull	Peel Mining Limited	3 Aug 20	50.00	34.0	221	154x
Queensland Mining Corporation	Moly Mines Limited (nka:Young Australian	15 Dec 17	100.00	45.3	401	113x
Mean						**140x**
Median						**154x**

Sources: Capital IQ, company financial statements and reports, publicly available resource/reserve information of relevant companies and KPMG Corporate Finance Analysis
Notes:

1. Resource multiples are calculated using the Enterprise Value implied by the transaction and resources sourced from latest resource statement announced by the target prior to the announcement of the transaction

2. Implied enterprise value calculated using the consideration offered by the acquirer and the target's net debt/cash position reported prior to the announcement of the transaction

3. Where the transaction involved a company acquiring an interest of below 100 percent, the consideration has been grossed up to reflect an implied acquisition of 100 percent

4. Resources are based on Measured, Indicated and Inferred Resources

5. Where the target's resources contain other metals (copper, cobalt, gold etc.) a total contained Copper equivalent resource has been calculated based on spot metal prices at the announcement date of the transaction.

Appendix 6 – Selected listed copper production companies

Company	Description
Aeris Resources Limited (**Aeris**)	Aeris is an Australian mining and exploration company. Its primary operating assets include the Tritton Copper Operations located near the town of Nyngas in central New South Wales, and the Cracow Gold Operations situated near the town of Theodore in Central Queensland. Aeris was incorporated in 2010 and is headquartered in Brisbane, Australia.
Atico Mining Corporation (**Atico**)	Atico is a Canadian exploration, development and mining company, with copper and gold projects in Latin America. Its principal asset is the El Roble mine, which covers an area of 6,355 hectares located in Department of Choco, Colombia. The company was incorporated in 2010 and is headquartered in Vancouver, Canada
Austral Resources Australia Ltd (**Austral**)	Austral is an Australian mining and exploration company. It has a pipeline of projects at various stages of development, including the in production Anthill mine. Austral was incorporated in 2010 and is based in Brisbane, Australia.
Minto Metals Corp (**Minto**)	Minto is a Canadian mining and exploration company. Its focused on its 100% owned producing Minto mine property located in the Minto Copper Belt, Yukon, which commended production in 2007. The company is headquartered in Calgary, Canada.
Nevada Copper Corp (**Nevada**)	Nevada Copper is a Canadian exploration, development and mining company. The company explores for copper, iron magnetite, gold, and silver ores, and holds a 100% interest in the Pumpkin Hollow mine, which commenced production in 2019. Nevada Copper was incorporated in 1999 and is based in Vancouver, British Columbia.

Source: Capital IQ, KPMG Corporate Finance Analysis

Company	Market cap A$m	Enterprise value[1] A$m	Copper Resources[3] kt	Cu Eq.[5] kt	Copper Reserves[4] kt	Cu Eq. Reserves[3,4,5] kt	No control premium Resources multiple[6] A$/t	No control premium Reserves multiple[6] A$/t	30% control premium Resources multiple A$/t	30% control premium Reserves multiple A$/t	35% control premium Resources multiple A$/t	35% control premium Reserves multiple A$/t
Aeris Resources Limited	276	154	791	1,536	271	575	100	268	154	413	163	437
AIC Mines Limited	141	113	114	138	36	43	816	2,601	1,121	3,576	1,172	3,739
Minto Metals Corp.	100	141	330	425	-	-	333	n/a	403	n/a	415	n/a
Nevada Copper Corp.	133	443	3,329	3,680	1,989	2,205	120	201	131	219	133	222
Austral Resources Australia Ltd	90	141	425	425	48	48	332	2,967	396	3,534	406	3,629
Atico Mining Corporation	37	57	99	213	30	43	266	1,328	319	1,590	327	1,634
Mean							328	1,473	421	1,866	436	1,932
Median							299	1,328	357	1,590	367	1,634

Sources: Capital IQ, company financial statements and reports, publicly available resource/reserve information of relevant companies and KPMG Corporate Finance Analysis

Notes:

1. Enterprise value for selected listed companies has been calculated as market capitalisation as at 27 October 2022, converted to AUD as at the same date based on prevailing spot exchange rates (where relevant), and the latest net debt/cash of the selected company and adjusted for outside equity interests reported prior to 27 October 2022

2. Resources are based on Measured, Indicated and Inferred Resources. Resources are quoted inclusive of reserves

3. Reserves are based on proven and probable reserves

4. Where the Resources/Reserves are not 100 percent owned, all calculations are based on the company's relevant interest

5. The table above shows resource and reserve valuation comparisons for companies predominantly focussed on copper (Cu). In the case where the comparable companies' resources or reserves contain other metals (for example gold), a total contained Cu equivalent resource or reserve has been calculated (based on spot metal prices as at 27 October 2022. The spot metal prices used were US$1,669.2/oz for gold, US$20.3/oz for silver, US$2,733/t for zinc, US$2,028/t for lead

6. Resource and reserve multiples have been calculated based as enterprise value divided by total contained copper equivalent resources and reserves (Cu Eq.) respectively

7. 'n/a' indicates the information was not available; Reserves estimates were not available as at 27 October 2022.

Appendix 7 – RSC report

2022

INDEPENDENT SPECIALIST REPORT

Technical Assessment and Valuation Report on the Mineral Assets of Demetallica Limited

Report prepared for:	DEMETALLICA LIMITED Level 1, 8 Beulah Rd Norwood, Adelaide KPMG Financial Advisory Services (Australia) Pty Ltd Level 8, 235 St Georges Terrace Perth WA 6000
Authors:	René Sterk MSc FAusIMM CP (Geo) MAIG (RPGeo) MSEG Olivier Bertoli MEng MAusIMM, GAA Mark Roux, BSc (Hons) Pgrad Cert MAusIMM Paul Dunbar, BSc (Hons) Msc MAusIMM MAIG
Effective Date:	7 November 2022

Executive Summary

Demetallica Limited (Demetallica) engaged KPMG Financial Advisory Services (Australia) Pty Ltd (KPMG) to prepare an Independent Expert Report in relation to an off-market takeover offer by AIC Mines Limited (AIC) for all the issued capital of Demetallica. Subsequently, Demetallica engaged RSC Consulting Ltd (RSC) to prepare an Independent Specialist Report (ISR) in relation to matters on which KPMG is not an expert. KPMG determined the scope of work to be completed by RSC.

Demetallica, and its subsidiaries, hold 100% equity in six projects. There are four projects in Queensland: the Chimera Polymetallic project (Chimera), the Windsor volcanic massive sulphide project (Windsor), the Pyramid Au project (Pyramid) and the Cannington Ag-Pb-Zn project (Cannington). The remaining two projects are located in South Australia: the Lake Purdilla Gypsum project (Lake Purdilla) and the Peake & Denison Cu-Au project. (Peake & Denison). The Peake & Denison project is subject to farm-in and joint venture (JV) agreements. Additionally, Demetallica also holds a 10% free-carried interest in the North Flinders project (North Flinders) in South Australia, a 10% JV interest in the Moonta Project (Moonta) in South Australia, a 1.5% net smelter royalty (NSR) over the West Kambalda project (West Kambalda) in Western Australia and a 1% NSR over the Eyre project (Eyre) in Queensland. These are collectively the Mineral Assets. RSC has classified the Mineral Assets in accordance with the categories outlined in the VALMIN Code (2015).

RSC has reviewed the quality and Reasonableness of the reported mineralisation potential, Exploration Targets and Mineral Resources of the Mineral Assets. RSC has subsequently completed independent market- and cost-based valuations for the Mineral Assets.

RSC's recommended valuation ranges and preferred values are summarised in Table 1. The valuation ranges were developed on the basis of the perceived potential of the Mineral Assets

Table 1: Preferred Valuation of the Demetallica Mineral Assets, as at 7 November 2022.

Demetallica Mineral Assets	Lower (AUD Million)	Preferred (AUD Million)	Upper (AUD (Million)
Chimera Project Mineral Resources and Exploration Potential	22.2	29.0	35.7
Exploration Projects	6.2	7.9	9.7
Total	**28.3**	**37.0**	**45.6**

Note the totals do not add due to rounding in the valuations.

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1 Introduction & Terms of Reference

1.1 Scope

Demetallica Limited (Demetallica) engaged KPMG Financial Advisory Services (Australia) Pty Ltd (KPMG) to prepare an Independent Expert Report (IER) in relation to an off-market takeover offer by AIC Mines Limited (AIC) for all the shares in Demetallica for one (1) AIC share for every one and a half (1.5) Demetallica shares on issue (the Offer).

Subsequently, Demetallica engaged RSC to prepare an Independent Specialist Report (Report) on Demetallica's Mineral Assets in relation to matters on which KPMG is not an expert. KPMG determined the scope of work to be completed by RSC. RSC's Report will form part of the KPMG Report and will be provided to Demetallica shareholders. RSC engaged Valuation & Resource Management (VRM) as a subcontractor to complete the valuation component of the scope of work.

RSC has summarised Demetallica's Mineral Assets and reviewed the quality and Reasonableness[1] of the interpreted mineralisation potential, Exploration Targets and Mineral Resources. RSC has provided an independent opinion on the Market Value of the Mineral Assets.

This Report has been prepared by RSC in accordance with the guidelines outlined in the *Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets* (2015) (the VALMIN Code) as well as the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112. The authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes.

1.2 Qualifications, Experience & Reliance on Other Experts

The work completed by RSC and the subject of this Report was carried out by, or under the supervision of, the following Specialists who accept overall responsibility for the contributions specified in Table 2.

René Sterk, MSc FAusIMM CP(Geo) MAIG (RPGeo) MSEG (Principal Resource Geologist)

René is the managing director of RSC, an independent consulting group based in Dunedin, New Zealand and one of its principal geologists. René holds an MSc in Structural Geology and Tectonics from the Vrije Universiteit Amsterdam, Netherlands. René has undertaken geological projects in many countries in Africa, Australasia and Europe and has experience with a wide variety of geological settings and commodities. René specialises in resource estimation, grade control, reconciliation, QA/QC and successful sampling, and has a strong skillset in exploration management for gold and base metals. René has experience in gold (alluvial, shear-zone, epithermal, carlin and porphyry), base metals, Li/Sn/Ta, seabed mineralisation (polymetallic nodules), and industrial minerals (garnet sand, diatomite). René has published papers and provided training on public reporting, sampling, QA/QC, and resource estimation.

[1] *Reasonableness* requires that an assessment that is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

René is a Fellow and a Chartered Professional Geologist (CP(Geo)) with the AusIMM, and has the relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Olivier Bertoli, MEng MAusIMM, GAA (General Manager Resources and Reserves)

Olivier's specialist training in applied mathematics and geostatistics from the Paris School of Mines is complemented by 27 years of experience as a practice-leading geo-statistician.

Olivier worked for five years as Technical Director of the QG Group (co-founder), five years as Technical Director of Tenzing Pty Ltd (co-founder) and for seven years with geostatistical software specialists Geovariances (including four as its CEO).

As a consultant, Olivier completed many consulting jobs for major mining companies in diverse locations and geological settings. Olivier has extensive experience in advanced geostatistical modelling: 2D methods, recoverable resource estimation (LMUC, MIK), conditional simulations and multivariate modelling. Olivier has delivered numerous in-house and public training courses on these topics, and specialises in staff mentoring on relevant applications of geostatistical techniques to mineral resource estimation.

Olivier has experience with a wide range of commodities which includes precious and base metals, mineral sands, diamonds, iron ore and coal deposits.

A member of the AusIMM, Olivier has the relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Mark Roux, BSc (Hons) PGrad Cert (Geostatistics) MAusIMM (Principal Consultant - Resources)

Mark is a Principal Resource Consultant for RSC. He holds a BSc (Hons) in Geology from the University of Pretoria and a Post Graduate Certificate in Geostatistics from Edith Cowan University. Mark has extensive experience across a range of commodities, including gold, base metals, diamonds, and manganese, and a range of linear and non-linear estimation techniques.

Mark is a member of the AusIMM and has the relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Paul Dunbar, BSc Hons (Geol), MSC (Min Econ), MAusIMM, AIG (Associate Consultant - Valuation)

Paul is a specialist in mineral asset valuation and has over 25 years of experience in major mining and junior exploration companies and consulting globally. Paul's experience covers a wide range of deposit styles and commodities. During his consulting, Paul built on that experience to support both junior and emerging resource companies in delivering high-value products to enhance their projects' potential. He is a full-time employee of Valuation & Resource Management (VRM) and is the Practitioner responsible for the Valuation in this Report.

A member of both the AusIMM and the AIG, Paul has the relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Any reference made to 'RSC' throughout this document includes its subcontractor, VRM. In particular, reference to RSC within sections 12 and 13 refers to work completed by Paul Dunbar of VRM.

Table 2: Details of the Specialists and responsibilities.

Specialist	Position	Responsibility
René Sterk	Principal Resource Geologist	Overall Technical Assessment
Olivier Bertoli	General Manager Resources and Reserves	Geology, Exploration, Mineral Resources
Mark Roux	Principal Consultant - Resources	Geology, Exploration, Mineral Resources
Paul Dunbar	Associate Consultant - Valuation	Valuation

1.3 Independence Declaration

The relationship of RSC with Demetallica and KPMG is based on a purely professional association. RSC was remunerated on a time-based fee (estimated at AUD 50,000, yet to be finalised) for the preparation of this Report, with no part of the fee contingent on the conclusions reached, or the content or future use of this Report. Except for these fees, RSC has not received, and will not receive, any pecuniary or other benefits, whether direct or indirect, for or in connection with the preparation of this Report.

Neither RSC nor any of its personnel involved in the preparation of this Report have:

- any Material present of contingent interest, in either Demetallica or AIC, or in any of the properties or Mineral Assets described herein; or
- any association with Demetallica or AIC, or related parties of either, which may lead to bias.

1.4 Sources of Information

Information reviewed in this assessment included publicly available data (ASX announcements, mineral tenement documents) and other information sourced by RSC from literature. Demetallica also provided RSC with access to an online data room. The following data were provided by Demetallica:

- tenement grant certificates and expenditures;
- native title agreements;
- annual tenement reports;
- summary presentations;
- MS Excel and csv files of drilling data; and
- resource block models.

All data and figures included in this Report were sourced from Demetallica unless otherwise specified.

1.5 Site Visits

Section 11.1 of the VALMIN Code recommends that the Specialist inspect a Mineral Asset or Tenure if the inspection is likely to reveal Material information.

Inspection of the Mineral Assets has not been made for the following reasons:

- RSC considers four of the six projects as Early-Stage Exploration Projects, and under the VALMIN Code a site inspection would not normally be required. RSC considers that sufficient current information is available to allow an informed evaluation to be made without a site visit.
- Chimera and Lake Purdilla are Advanced Exploration Projects. RSC considers that the extensive databases and reports (written by independent experts in accordance with the JORC Code, 2012) were sufficient to allow an informed evaluation and that a site visit would not reveal Material information for these projects.

1.6 Disclaimer

The opinions, statements and facts contained herein are effective as of 7 November 2022, unless stated otherwise in the Report.

Given the nature of the mining industry, conditions can significantly change over relatively short periods of time. Consequently, actual results and performances may be more, or less, favourable in the future and their disclosure represents no legal opinion of the authors.

For disclosure of information relating to socio-political, environmental, and other related issues, the authors have relied on information provided to RSC.

Results of evaluation and any opinions or conclusions made by RSC are not dependent on prior agreements or undisclosed understandings concerning future business dealings with Demetallica.

The authors of this Report are not qualified to provide extensive comment on legal issues associated with the Mineral Assets described in this Report. RSC has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

Similarly, the authors are not qualified to provide extensive comment on risks of any nature (operational, sovereign, terrorist or otherwise) associated with the Mineral Assets.

This document contains certain statements that involve several risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

The information, conclusions, opinions, and estimates contained herein are based on:

- information available to RSC at the time of preparation of this Report;
- assumptions, conditions, and qualifications set out in this Report; and
- data, reports, and other information supplied by Demetallica and other third-party sources.

The opinions, conclusions and recommendations presented in this Report are conditional on the accuracy and completeness of the existing information.

No warranty or guarantee, be it express or implied, is made by RSC with respect to the completeness or accuracy of the legal, mining, metallurgical, processing, geological, geotechnical, and environmental aspects of this document. RSC does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of these parts of this Report, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

RSC reserves the right, but will not be obligated, to revise this Report and conclusions, if additional information becomes known to RSC after the date of this Report.

Demetallica has reviewed a draft copy of this Report for factual errors. Any changes made, because of this review, did not include alterations to the conclusions made. Therefore, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

RSC assumes no responsibility for the actions of the company or others with respect to the distribution of this Report.

2 Overview of Demetallica's Mineral Assets

Demetallica, through its wholly owned subsidiaries, holds 100% equity in six projects (44 tenements) across Queensland and South Australia (Figure 1, Table 3). There are four projects in Queensland: the Chimera project (Chimera), the Windsor project (Windsor), the Pyramid project (Pyramid) and the Cannington project (Cannington). The remaining two projects are located in South Australia: the Lake Purdilla project (Lake Purdilla) and the Peake & Denison project (Peake & Denison). The Peake & Denison project is subject to farm-in and joint venture agreements with OZ Exploration Pty Ltd, a subsidiary of OZ Minerals Ltd.

Additionally, Demetallica also holds a 10% free-carried interest in the North Flinders project (North Flinders) in South Australia, a 10% JV interest in the Moonta project (Moonta) in South Australia, a 1.5% net smelter royalty (NSR) over the West Kambalda project (West Kambalda) in Western Australia and a 1% NSR over the Eyre project (Eyre) in Queensland.

The Chimera, Windsor, Cannington, Pyramid, Lake Purdilla, Peake & Denison, North Flinders, Moonta, West Kambalda, and Eyre projects are collectively the Mineral Assets assessed in this Report. Demetallica acquired its exploration portfolio when it demerged from Minotaur Exploration Limited in December 2021. Demetallica was listed on the ASX in May 2022, following an initial public offering in April 2022.

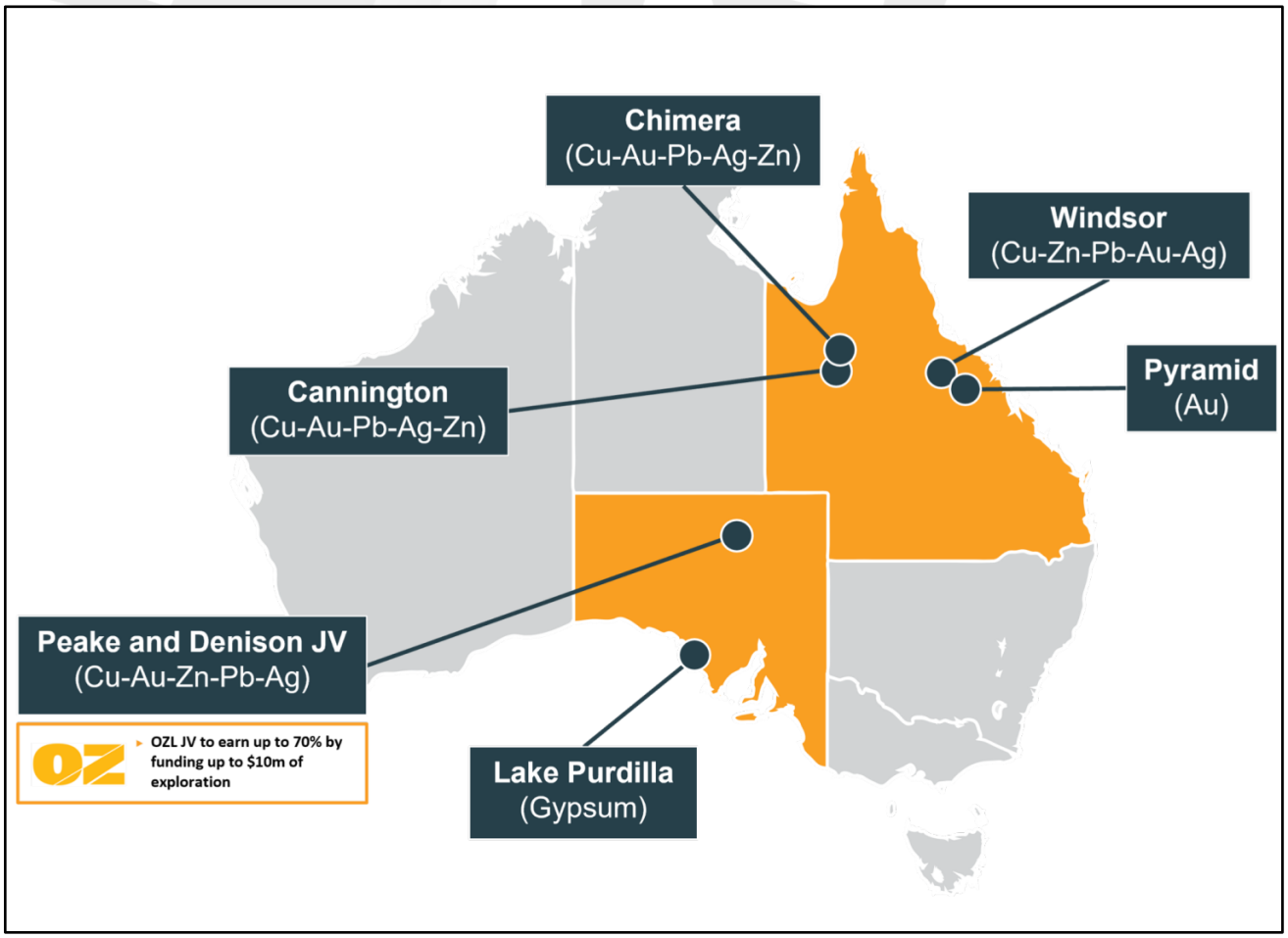


Figure 1: Location of Demetallica projects.

The Mineral Assets have been classified by RSC in accordance with the categories defined in the VALMIN Code (2015) (Table 3).

- Early-Stage Exploration Projects: Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- Advanced Exploration Projects: Tenure holdings where considerable exploration has been undertaken and specific targets 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 Mineral Resources category.

Table 3: Summary of Mineral Assets and classifications in accordance with the VALMIN Code (2015).

Project	Number of Tenements	Area (km²)	Equity/Interest	Classification
Chimera	19	2,070	100% Equity	Advanced Exploration Project
Windsor	8	640	100% Equity	Early-Stage Exploration Project
Cannington	8	808	100% Equity	Early-Stage Exploration Project
Pyramid	3	177	100% Equity	Early-Stage Exploration Project
Lake Purdilla	2	218	100% Equity	Advanced Exploration Project
Peake & Denison	4	2,547	100% Equity	Early-Stage Exploration Project
North Flinders	4	480	10% free carry to BFS completion	Early-Stage Exploration Project
Moonta	1	819	10% JV interest	Early-Stage Exploration Project
West Kambalda	5	n/a	1.5% NSR (all minerals except nickel)	Early-Stage Exploration Project
Eyre	6	n/a	1% NSR (all minerals)	Early-Stage Exploration Project

3 Technical Assessment Approach

The reported Mineral Resources, Exploration Targets and mineralisation potential of the Mineral Assets have been assessed for quality and Reasonableness.

RSC used a first-principles approach to assess the reported Mineral Resource estimates for the Chimera and Lake Purdilla projects, first ascertaining whether appropriate procedures were in place to assure the quality of estimation process data and output information, and to determine compliance with best practice.

RSC has commented on the quality and Reasonableness of all matters relevant to Mineral Resource estimation and classification in a simple tabulated format, using JORC Code Table 1 as a general guide to describe the variables. For each variable, there are comments on the availability of the information, the overall quality of the data or the work related to the category, and the effect on project risk. RSC has also commented on the extent to which the Mineral Resources have been reported in accordance with applicable statutory requirements, applicable Listing Rules and the JORC Code (2012). Table 4 demonstrates how the rating numbers in Table 10, Table 12, Table 14 and Table 29 should be interpreted. For each item in Table 10, Table 12, Table 14 and Table 29, there are also summary comments on the information available and the rating assessments.

In determining overall risk ratings for the Reasonableness of the reported Mineral Resources, RSC considered performance scores for each item and the likely impact of the data or model component on the overall project outcome. The performance and impact scores were combined and subsequently turned into risk ratings (Figure 2).

RSC has also assessed the Reasonableness of mineralisation and exploration potential reported by Demetallica for its Early-Stage Exploration Projects.

Table 4: Guide to rating systems used in this Report.

Availability of Data	
Absent	Entirely absent
Poor	Incomplete MS Excel/export files
	Briefly described in report
Average	Basic MS Excel/export files
	Briefly described in report
Good	Advanced MS Excel/export files
	Well described in report and supporting appendices available
Excellent	Industry best practice SQL or MS Access database
	Well described and supported by extensive SOPs

Performance Score Card	
0	Complete failure or erroneous
0–3	Largely incorrect
3–5	Largely correct
5–8	Correctly undertaken and industry standard
8–10	Exceeds industry standard and is best practice

Risk Rating	
None	No risk to Mineral Resource or project
Low	Minimal risk to Mineral Resource or project viability, within the ranges of Measured classification
Moderate	Moderate risk, within the ranges of Indicated classification
High	Notable or consequential risk, within the ranges of Inferred classification
Critical	Significant risk to Mineral Resource, ranges of error could prevent the classification of Mineral Resources or result in a non-viable project.

			Impact Score				
	Score	**Risk***	**1**	**2**	**3**	**4**	**5**
Performance Score	**10**	**1**	1	2	3	4	5
	9	**2**	2	4	6	8	10
	8	**3**	3	6	9	12	15
	7	**4**	4	8	12	16	20
	6	**5**	5	10	15	20	25
	5	**6**	6	12	18	24	30
	4	**7**	7	14	21	28	35
	3	**8**	8	16	24	32	40
	2	**9**	9	18	27	36	45
	1	**10**	10	20	30	40	50

Combined Score	0-12.5	12.5-25	25-37.5	37.5-50
Risk Rating	Low	Moderate	High	Extreme

* Performance Risk is the inverse of the Performance Score

Figure 2: RSC risk score matrix.

4 Chimera Project

4.1 Project General Summary

4.1.1 Project Description & Location

The Chimera project is located in the Cloncurry District of northwest Queensland, approximately 70 km southeast of Cloncurry and 800 km west of Townsville (Figure 3). Chimera covers an area of 2,070 km^2 within the Cloncurry district, Mt Isa Inlier, a prolific base metal province in northwest Queensland. The eastern Cloncurry district is particularly renowned for iron-oxide, copper-gold (Cu-Au) style deposits. Chimera is Demetallica's main project and the key interest of AIC due to its proximity to AIC's Eloise Cu mine. The Chimera project hosts three deposits with reported Mineral Resources: Jericho, Sandy Creek and Altia. The Jericho deposit also has an Exploration Target reported in accordance with the JORC Code (2012). RSC considers the Chimera project an Advanced Exploration Project as defined under the VALMIN Code.

Access to the project is available via sealed highway and railway from Townsville to the east, and the major regional centre of Mt Isa to the west. Cloncurry airport is serviced by daily commuter flights to Townsville, Brisbane, and Mt Isa.

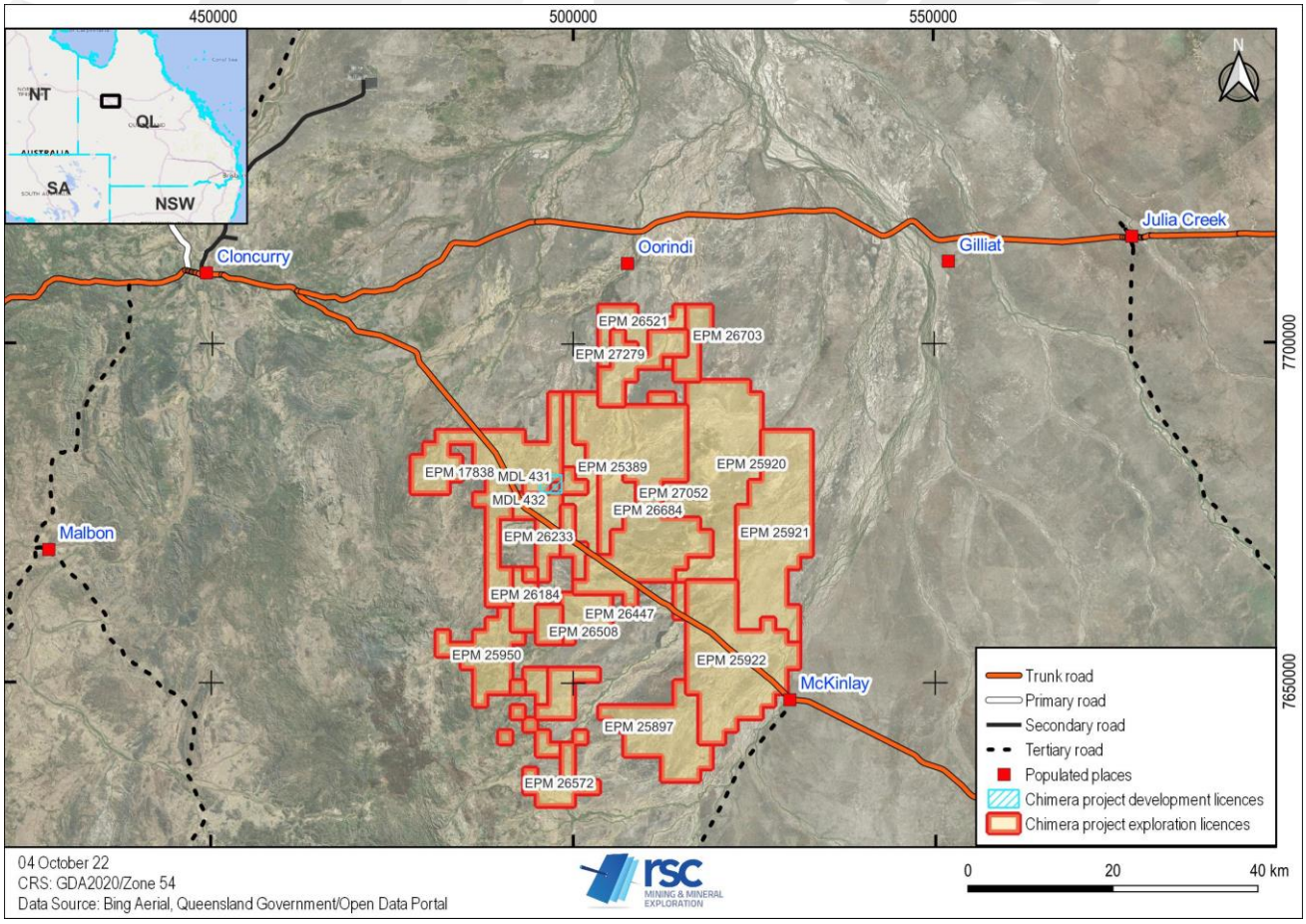


Figure 3: Location of Chimera project tenements, Cloncurry, Queensland.

The climate is semi-arid, tropical monsoonal with distinctive wet and dry seasons. The wet season is from October to March, with an average temperature of 36.3°C and monthly rainfall of 69.85 mm. The dry season is between April and September, with an average temperature of 28.1°C and monthly rainfall of 10.23 mm (Bureau of Meteorology).

4.1.2 Tenure & Ownership

The Chimera project comprises 19 exploration permits for minerals (EPMs) and two mineral development licences (MDLs) (Table 5). The EPMs are held 100% by Demetallica, under two wholly owned subsidiaries: Levuka Resources Pty Ltd and Demetallica Operations Pty Ltd. There are royalties (1% NSR) payable by Demetallica to Sandfire Resources Ltd on production from the Altia tenements. RSC is not aware of any further obligations to any third party. Expenditure commitments and rents are presented in Table 6.

Table 5: Summary of Chimera project tenements.

Tenement	Holder	Equity (%)	Area (sub-blocks)	Area (km²)	Grant Date	Expiry Date	Renewal Due Date	Status
EPM 17838	Levuka Resources Pty Ltd	100	63	202.9	3/05/2010	2/05/2025	2/02/2025	Live
EPM 25389	Demetallica Operations Pty Ltd	100	21	67.2	16/12/2014	15/12/2024	15/09/2025	Live
EPM 25897	Levuka Resources Pty Ltd	100	41	132.0	20/10/2015	19/10/2025	19/07/2025	Live
EPM 25920	Levuka Resources Pty Ltd	100	83	267.3	2/11/2015	1/11/2025	1/08/2025	Live
EPM 25921	Levuka Resources Pty Ltd	100	77	247.9	2/11/2015	1/11/2025	1/08/2025	Live
EPM 25922	Levuka Resources Pty Ltd	100	75	241.5	2/11/2015	1/11/2025	1/08/2025	Live
EPM 25950	Levuka Resources Pty Ltd	100	46	148.1	3/02/2016	2/02/2026	2/11/2025	Live
EPM 26184	Levuka Resources Pty Ltd	100	15	48.3	6/02/2018	5/02/2023	5/11/2022	Live
EPM 26233	Demetallica Operations Pty Ltd	100	10	32.2	27/04/2017	26/04/2027	26/01/2027	Live
EPM 26447	Levuka Resources Pty Ltd	100	26	83.7	18/04/2018	17/04/2023	17/01/2023	Live
EPM 26508	Levuka Resources Pty Ltd	100	7	22.5	7/08/2018	6/08/2023	6/05/2023	Live
EPM 26521	Demetallica Operations Pty Ltd	100	20	64.4	23/10/2017	22/10/2022	Not renewed	Live (until 22/10/2022)
EPM 26572	Levuka Resources Pty Ltd	100	14	45.1	9/08/2018	8/08/2023	8/05/2023	Live
EPM 26684	Demetallica Operations Pty Ltd	100	14	45.1	14/08/2018	13/08/2023	13/05/2023	Live
EPM 26703	Demetallica Operations Pty Ltd	100	10	32.2	18/07/2018	17/07/2023	17/04/2023	Live
EPM 27052	Demetallica Operations Pty Ltd	100	100	322.0	8/11/2019	7/11/2024	7/08/2024	Live
EPM 27279	Levuka Resources Pty Ltd	100	20	64.4	16/12/2019	15/12/2024	15/09/2024	Live
MDL 431	Levuka Resources Pty Ltd	100	NA	7.9	1/06/2012	31/05/2022	NA	Renewal application lodged
MDL 432	Levuka Resources Pty Ltd	100	NA	0.18	1/06/2012	31/05/2022	NA	Renewal application lodged

The Chimera project tenements fall within the area of Native Title Claim No QC 2015/009 (Mitakoodi #5) which claim was accepted for registration from 25 September 2015 to 8 November 2019 and from 21 February 2020, such that the claimants are entitled to the right to negotiate.

EPMs 17838, 27052, 26684, 27279, 25950, 25922, 25897, 26508 and 26572 and MDL 432 were granted under the expedited process on the basis of native title protection conditions (NTPCs). In respect of EPM 26233, an agreement was reached under a section 31 Deed and Ancillary Agreement. The agreement was varied subsequently to include new EPM 26684 and EPM 27052 by Deeds of Variation dated 20 March 2018 and 29 July 2019.

RSC has made all reasonable enquiries into the status of this tenure.

Table 6: Summary of Chimera tenement rental fees, expenditure, and commitments.

Tenement	Annual Rent (AUD excl. GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 4 years (AUD)
EPM 17838	10,829.07	90,000	120,000	297,107
EPM 25389	3,609.69	120,000	120,000	1,192,856
EPM 25897	7,047.49	Outcome based	Outcome based	238,947
EPM 25920	14,266.87	Outcome based	Outcome based	313,821
EPM 25921	13,235.53	Outcome based	Outcome based	917,975
EPM 25922	12,891.75	Outcome based	Outcome based	183,098
EPM 25950	7,906.94	Outcome based	Outcome based	1,000,216
EPM 26184	2,578.35	55,000	TBA	389,311
EPM 26233	1,718.9	Outcome based	Outcome based	7,765,585
EPM 26447	4,469.14	64,000	TBA	186,278
EPM 26508	1,203.23	13,000	12,000	22,241
EPM 26521	3,437.80	NA	NA	NA
EPM 26572	2,406.46	21,000	TBA	13,569
EPM 26684	2,406.46	50,000	TBA	115,507
EPM 26703	1,718.9	50,000	TBA	307,002
EPM 27052	1,7189	200,000	220,000	658,435
EPM 27279	3,437.8	80,000	115,000	24,250
MDL 431	24,610.17	95,000	TBA	89,804
MDL 432	546.55	35,000	TBA	23,629

4.2 History & Previous Work

The Chimera project hosts three deposits with published Mineral Resources at Jericho, Sandy Creek and Altia, and one advanced prospect at Artemis. Modern exploration of the project area commenced in the early 1980s with BHP's search for Broken Hill type (BHT type), and granitoid-related base and precious metal mineralisation (Table 7).

Table 7: Summary of modern exploration activity and results for the Chimera project.

Period	Company	Summary of activities
1980–1988	BHP	Airborne electromagnetics, magnetics and radiometrics; discovery and drilling of the Altia Pb-Ag-Zn (1985), Eloise Cu-Au (1987) and Sandy Creek Cu-Au (1988) deposits in EPM 17838.
1990s	BHP	Aeromagnetic and radiometric survey; ground geophysical surveys (EM, magnetic, gravity); surface sampling and drilling at magnetic anomalies (no significant results).
1989–1993	Aberfoyle Resources	Gold and base metal exploration over a magnetic high; RAB and RC drilling (no significant results).
1993	MIM	Diamond drilling programme at Eloise.
1994–1996	Amalg Resources	Mine development at Eloise in 1995; diamond and percussion drilling at the Roberts Creek and Sandy Creek prospects.
1994–1997	North Limited	Ground magnetic survey; electromagnetic (EM) surveys; gravity survey; RC drilling at magnetic anomalies (no significant results).
1996–1998	RGC Exploration and Amalg Resources	Geochemical exploration.
From 1996	Exco	Percussion drilling (no significant results).
From 1998	Amalg Resources	Percussion and diamond drilling at Eloise South and Altia.
1990s–2002	BHP	Stream-sediment, rock chip and soil geochemical surveys; ground EM and percussion drilling at magnetic targets.
Mid-2000s	Paradigm Metals (in JV with Exco Resources)	Rock chip sampling and aircore drilling (no significant results).
2003	Breakaway Resources	Aeromagnetic survey of the Levuka Shear; TEM (moving and fixed loop) surveys and induced polarisation (IP) surveys at Eloise Northwest and Altia prospects; identification of ~60 areas that are prospective for Eloise style Cu- Au and Cannington Pb-Ag-Zn deposits.
2001–2008	Phelps Dodge Australasia (in JV with Red Metals Limited)	Ground gravity survey (no anomalies identified).
2005–2009	Breakaway Resources	Aeromagnetic and radiometric survey; gravity survey over Maronan Trend and Levuka Shear; diamond and RC drilling at Altia and Eloise Southwest; geological modelling and review of Eloise and Altia deposits; resource estimation of Altia; DHTEM survey of selected drillholes; surface geochemical and MMI sampling; high-resolution ground magnetics throughout the strike length of the Levuka Structural Corridor; IP and FLTEM surveys over the Altia deposit.
2010–2011	Breakaway Resources and BHP	Diamond drilling at the Altia Deposit and Dingo prospects. Drilling results: ADD10_09: 2 m @ 2.86 g/t Ag, 0.49% Pb, and 0.42% Zn from 1,144 m. ADD10_06: 7 m @ 0.71 g/t Ag, 0.06% Pb, 0.28% Zn from 664.0 m; 1.15 m @ 3.14 g/t Ag, 0.63% Pb, 0.46% Zn from 674.4 m; and 10 m @ 1.14 g/t Ag, 0.08% Pb, 0.65% Zn from 688.0 m.
2011–2012	Breakaway Resources	RC and diamond drilling at the Sandy Creek prospect and regional targets; diamond drilling at Altia deposit by BHP. Drilling results: 11BERC0057 (Surprise Ridge): 1 m @ 31.7 g/t Au and 7.10 g/t Ag from 114 m; and 5 m @ 3.32% Zn, 1.85% Pb, 30.4 g/t Ag, 0.38% Cu, and 0.14 g/t Au from 116 m. 11BERC0070 (Sandy Creek): 3 m @ 1.56% Cu, 0.83 g/t Au from 58 m; and 12 m @ 1.25 g/t Au from 104 m. 11BERC0071 (Sandy Creek): 13 m @ 1.1% Cu, 0.18 g/t Au from 140 m. 11BERC0073 (Sandy Creek):

Period	Company	Summary of activities
		10 m @ 2.0% Cu, 0.47 g/t Au from 121 m. 11BERC0076 (Sandy Creek): 3 m @ 2.2% Cu, 0.47g/t Au from 146 m. 11BERC0075 (Sandy Creek): 9 m @ 1.75% Cu, 0.15 g/t Au.
2012–2013	Breakaway Resources	RC and diamond drilling at the Sandy Creek prospect and diamond drilling at the Altia deposit and Boralis (by Sandfire Resources). Drilling results: 12BERC0107 (Sandy Creek): 12 m @ 1.38% Cu, 1.56 g/t Au, 8.03 g/t Ag from 218 m. 12BERC0108 (Sandy Creek): 8 m @ 1.99% Cu, 0.14 g/t Au, 6.44 g/t Ag from 128 m; and 4 m @ 1.99% Cu, 0.45 g/t Au, 9.5 g/t Ag from 156 m.
2014	Minotaur Exploration	Discovery of the Artemis prospect. Airborne versatile time domain electromagnetic (VTEM) survey over EPM 17838 and EPM 18442; ground EM (fixed loop and moving loop) surveys at airborne VTEM anomalies, Levuka Shear Zone, Artemis deposit and Sandy Creek; rock sampling at selected airborne/ground EM anomalies; downhole EM surveys at selected drillholes; and gravity survey at Artemis deposit.
2014–2015	Minotaur Exploration	Phase 1 RAB and RC drilling; Phase 2 diamond drilling; and rock chip sampling at Artemis and Sandy Creek prospects (from select VTEM areas of interest, defined by the airborne and ground EM surveys).
2014–2016	Sandfire Resources	Diamond drilling at the Breena Central prospect to test magnetic and geochemical anomalies; high-resolution airborne magnetics over the Breena Plains project; ground gravity stations; discovery of Breena North prospect.
2015–2016	Minotaur Exploration	Phase 1 & 2 dipole-dipole IP surveys at the Artemis deposit and Sandy Creek prospect; gravity stations; EM (moving loop) survey along the Levuka Shear Zone.
2013–2016	Sandfire Resources (in JV with Minotaur)	pXRF analyses at the Coral Sea prospect; rock chip sampling at the Tiberius and Coral Reef prospects; RC/diamond drilling at the Capricorn North prospect; aeromagnetic survey at the Capricorn North prospect; EM (fixed loop) survey at the Capricorn North prospect; EM downhole survey at the Capricorn North prospect.
2018	Minotaur Exploration	EM (moving loop) survey south of Eloise mine.
2018–2020	Minotaur Exploration	Ground EM survey; one diamond/rotary mud drillhole to test an EM anomaly; discovery of Seer (from EM anomaly); drilling at Seer intersected 1 m @ 1.21% Cu, 0.22 g/t Au.
2016–2019	Minotaur Exploration	Gravity stations; EM (moving loop) survey; diamond (and RC) drilling; downhole EM surveys in selected drillholes; discovery of Jericho Cu-Au deposit (2017) and Iris Cu-Au prospect.
2019	Minotaur Exploration	Ground EM survey (no basement conductors observed).
2020	Minotaur Exploration	IP/resistivity survey at the Cats Eye prospect.
2017–2020	Minotaur Exploration	EM (moving loop) survey; diamond ± RC drilling; ground gravity surveys; downhole EM surveys; and initial Mineral Resource estimation for the Jericho deposit.
2020	Minotaur Exploration	EM (moving loop) surveys; diamond drilling at the Bigfoot area of interest.
2020	Minotaur Exploration (JV with Sandfire Resources and OZ Minerals)	Ground EM survey at Breena Central.

Modern exploration activity within the Chimera project has mainly been on EPMs 17838, 25389, 26233, 27052 and MDL 431, which host the reported Mineral Resources. Sandy Creek and Altia are earlier discoveries, initially drilled by BHP in the mid-late 1980s (Table 7). Jericho and Artemis were discovered by Minotaur Exploration in 2017 and 2014, respectively.

Other lightly explored areas include Iris, Electra, Big Foot, and Defiance, which are iron sulphide Cu-Au (ISCG) occurrences with similarities to Jericho and occur along the eastern edge of the Levuka Shear Zone. No recent exploration has been carried out at other historically explored prospects, including Roberts Creek, where Au-Cu mineralisation has been delineated by drilling along strike in a four-metre wide zone, and Surprise Ridge, Fortune, Boralis and Capricorn where historical drilling indicates copper-gold-lead-zinc-silver (Cu-Au-Pb-Zn-Ag) anomalous mineral systems. These prospects have not been the focus of recent exploration.

4.2.1 Jericho

Minotaur discovered the Jericho deposit in 2017. The Eromanga Basin cover sequence ranges in thickness from 30 m to 120 m throughout the Chimera project area, obscuring the magnetic response of conductive units. To identify potential mineralisation related to the Levuka Shear Zone beneath the cover, Minotaur, in a JV with OZ Minerals, conducted a large SQUID EM survey throughout 2016 and 2017. The survey initially focused on areas to the northeast of Eloise and two EM anomalies were identified: Iris and Electra (Figure 4A). Drilling of the anomalies identified sub-economic pyrrhotite-associated Cu-Au mineralisation.

Minotaur later extended the SQUID EM survey to target the structural corridor south of Eloise over a ~17 km strike. The survey identified multiple basement conductors: Arlington, Defiance, St Louis, Yukon and the largest, Jericho (Figure 4B). Modelling identified three main conductive zones (J1, J2 and J3) within the ~4 km long Jericho conductor. Two diamond holes were drilled, 1.3 km apart, to test the conductors. The first hole (EL17D05) was drilled to test the J1 Conductor and intersected 28 m @ 0.41% Cu and 0.19 g/t Au with significant pyrrhotite. EL17D06, the discovery hole, was drilled next and intersected semi-massive sulphides in the J2 conductor with strong Cu-Au mineralisation (27 m @ 2.42% Cu and 0.71 g/t Au in semi-massive pyrrhotite; Figure 5). The J3 conductor intersected disseminated and stringer pyrrhotite with minor Cu mineralisation. Further drilling provided encouraging Cu-Au results in both the J1 and J2 conductor locations.

The initial Mineral Resource was estimated by OZ Minerals Ltd and reported by Minotaur on behalf of the OZ-Minotaur JV in July 2020. The initial Inferred Mineral Resource estimate at Jericho totalled approximately 9.1 Mt @ 1.4% Cu and 0.3 g/t Au, reported within a 0.8% Cu constraining shell.

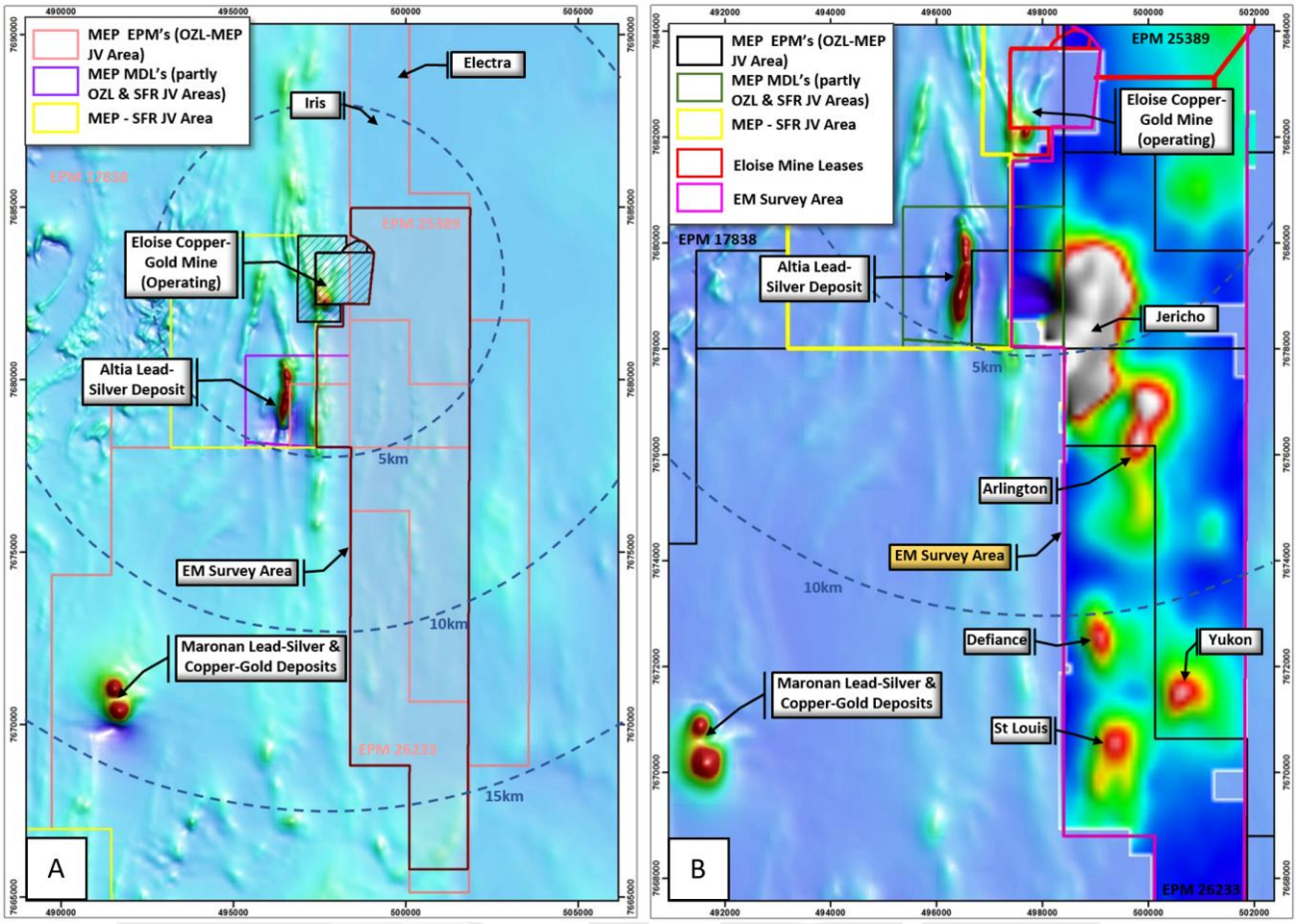


Figure 4: Geophysical survey results for Chimera. A: Aeromagnetic survey of the Eloise mine and surrounds indicating Minotaur's 2016–2017 EM survey area. B: Minotaur's EM survey overlain on aeromagnetics, indicating locations of identified conductors.

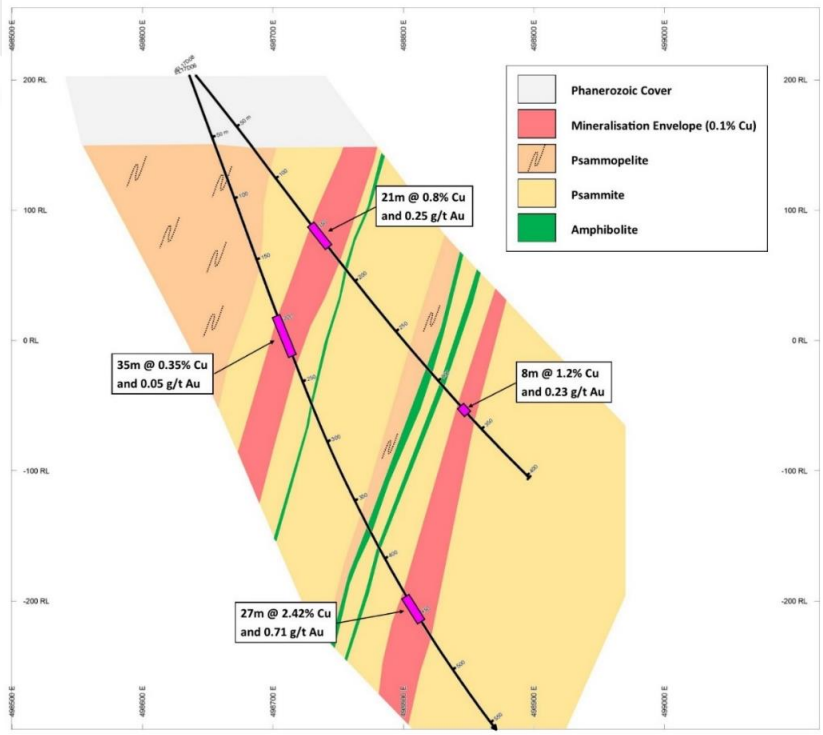


Figure 5: Cross-section indicating local geology and mineralised intervals.

4.2.2 Altia

BHP began exploring the Altia area in the early 1980s, targeting BHT type Pb-Ag-Zn and iron oxide Cu-Au (IOCG) style mineralisation. The Altia prospect was discovered in 1985 when rotary air blast (RAB) drilling of the basement led to identification of a weak Pb-Zn anomaly that was associated with an intense ~2 km long magnetic anomaly (Figure 6). BHP drilled three reverse circulation (RC) holes, with the first two holes intersecting Pb-Ag mineralisation related to banded iron formation (BIF) and garnet-apatite-carbonate rocks. Discovery hole V0-P001 returned two mineralised intervals:

- 8 m @ 2.72% Pb and 36.5 g/t Ag from 88 m, and
- 8 m @ 2.97% Pb and 33 g/t Ag from 106 m.

Further drilling was completed by several companies, including BHP, Amalg, Breakaway Resources and Sandfire Resources. The Altia deposit has been intercepted by a total of 154 drillholes for ~32,500 m (Snowden Optiro, 2022).

In 2007, Breakaway Resources reported an initial Inferred Mineral Resource for the Altia deposit of 5.78 Mt at 3.96% Pb, 0.49% Zn and 40.3 g/t Ag in accordance with the JORC Code (2004).

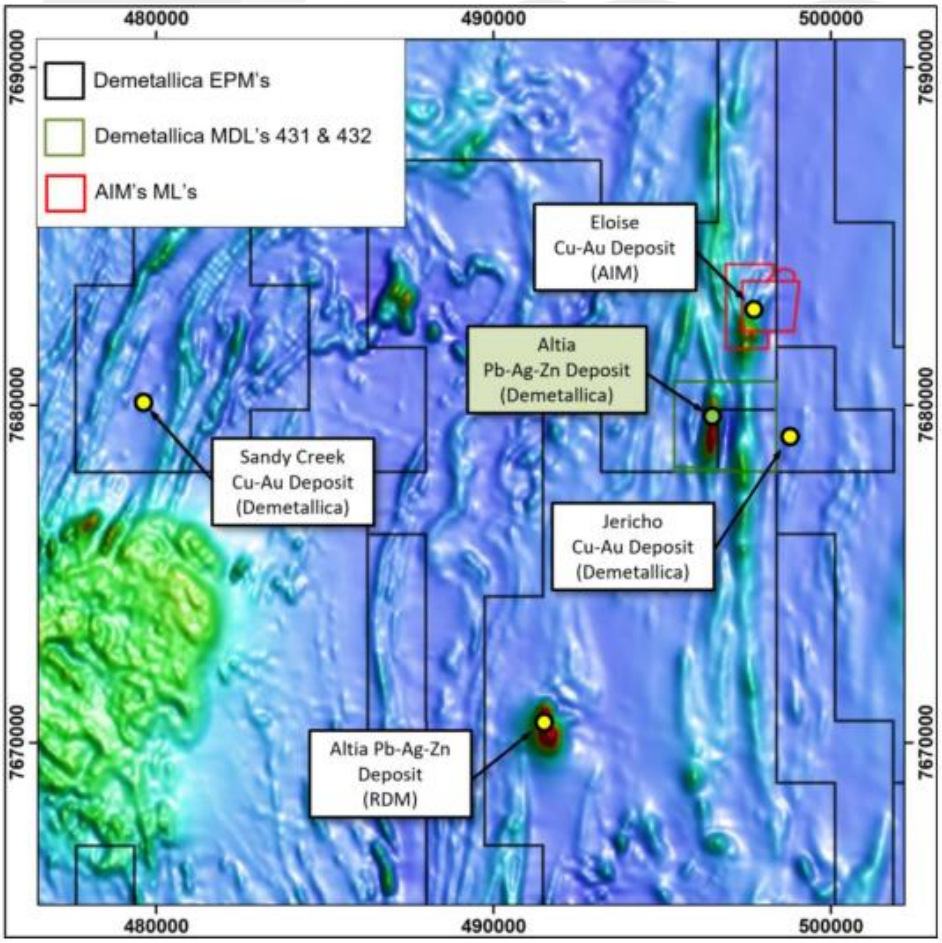


Figure 6: Aeromagnetic map of the Altia deposit and associated magnetic anomaly.

4.2.3 Sandy Creek & Artemis

BHP discovered Sandy Creek during its search for BHT-type Pb-Ag-Zn mineralisation in the 1980s, BHP discovered Sandy Creek. The Sandy Creek deposit subcrops along a ~200 m strike in an area covered by red sandy soils. Small historical workings are present along the line of the mineralised lode. BHP undertook the first drilling of the prospect in 1988, with the best hole (VO-PO26) returning an interval of 22 m @ 1.0% Cu and 0.17g/t Au. A ground EM survey was completed following the initial drilling, defining two conductors separated by 400 m. These were named Sandy Creek East (now Sandy Creek) and Sandy Creek West (now Artemis).

4.2.3.1 Sandy Creek

Four RC/DD holes were drilled in 1990 to test the Sandy Creek conductor. One of the holes (SCD03) returned 8 m @ 1.67% Cu and 0.43 g/t Au from 80–120 m downhole, corresponding with the modelled location of the conductor. Further drilling of the prospect was undertaken until 2012, resulting in the estimation of an initial Inferred Mineral Resource by Snowden Optiro, on behalf of Breakaway Resources. The 2012 Inferred Mineral Resource totalled 2.06 Mt @ 1.42% Cu and 0.33 g/t Au and was reported in accordance with the JORC Code (2004). The Inferred Mineral Resource was updated in 2013 to 2 Mt @ 1.32% Cu and 0.30 g/t Au and was reported in accordance with the JORC Code (2012).

4.2.3.2 Artemis

Artemis, formerly referred to as Sandy Creek West, was first drilled by BHP in 1998 where two diamond holes were drilled to test the source of an EM conductor. Both holes intersected mineralisation, characterised by narrow zones of pyrrhotite and sheared quartz veining with minor chalcopyrite:

- SCD05 intersected minor Au and Cu mineralisation between 169 and 175 m; and
- SCD06 returned an interval of 5 m @ 11.5 g/t Au and 0.51% Cu from 149 m.

Following the original drilling, BHP drilled three RC and two diamond holes, with only minor mineralisation intersected in one hole (SCD07 4.1 m @ 5.7 g/t Au and 0.6% Cu). In 2011, Breakaway drilled one RC hole, which also did not intersect any mineralisation.

Minotaur conducted an airborne VTEM geophysical survey which defined a strong EM conductor at Artemis. Minotaur followed this up with a ground EM survey over the VTEM conductor position. The ground EM defined an intense conductor, with modelling indicating the source EM conductor plate between the historical drillholes. Three diamond holes were drilled to test the conductor, with all returning high-grade polymetallic intervals, including 19 m @ 3.4% Cu, 4.41 g/t Au, 7.61% Zn, 1.57% Pb, 118 g/t Ag, 0.12% Co from 160 m (EL14D09). Minotaur drilled a further 30 holes into the Artemis prospect, further defining the mineralisation.

4.2.4 Iris, Electra & Big Foot

Two conductors (Iris and Electra) were discovered during the 2016 EM survey (section 4.2.1) targeting non-magnetic Eloise-style Cu-Au mineralisation under cover within the Mount Norna Quartzite basement. Iris is a two-part EM conductor modelled as two discrete conductive bodies. The Electra EM conductor is weaker and modelled with a depth of ~500 m below surface.

Initial modelling suggested that the Big Foot EM conductor was located outside Minotaur's tenure. Minotaur secured the EPM 27052 in 2019 and surveyed the remainder of the Big Foot anomaly. The results defined an EM conductor with a ~1.5 km strike length and a smaller conductor named Little Foot.

Minotaur proceeded to drill 13 holes into the Iris, Electra & Big Foot system (Figure 7). The initial drill programme identified low-grade sub-economic mineralisation at Iris and Electra and no further drilling was completed. Minotaur drilled three diamond holes along the strike of the Big Foot EM conductor in late 2020. Two holes returned very low Cu grades, with only pyrrhotite mineralisation. One hole (EL20D04) intersected Iris-style mineralisation with an intercept of 18 m @ 0.33% Cu and 0.03 g/t Au from 574 m, including 2 m @ 1.23% Cu and 0.11 g/t Au. No further drilling has been completed.

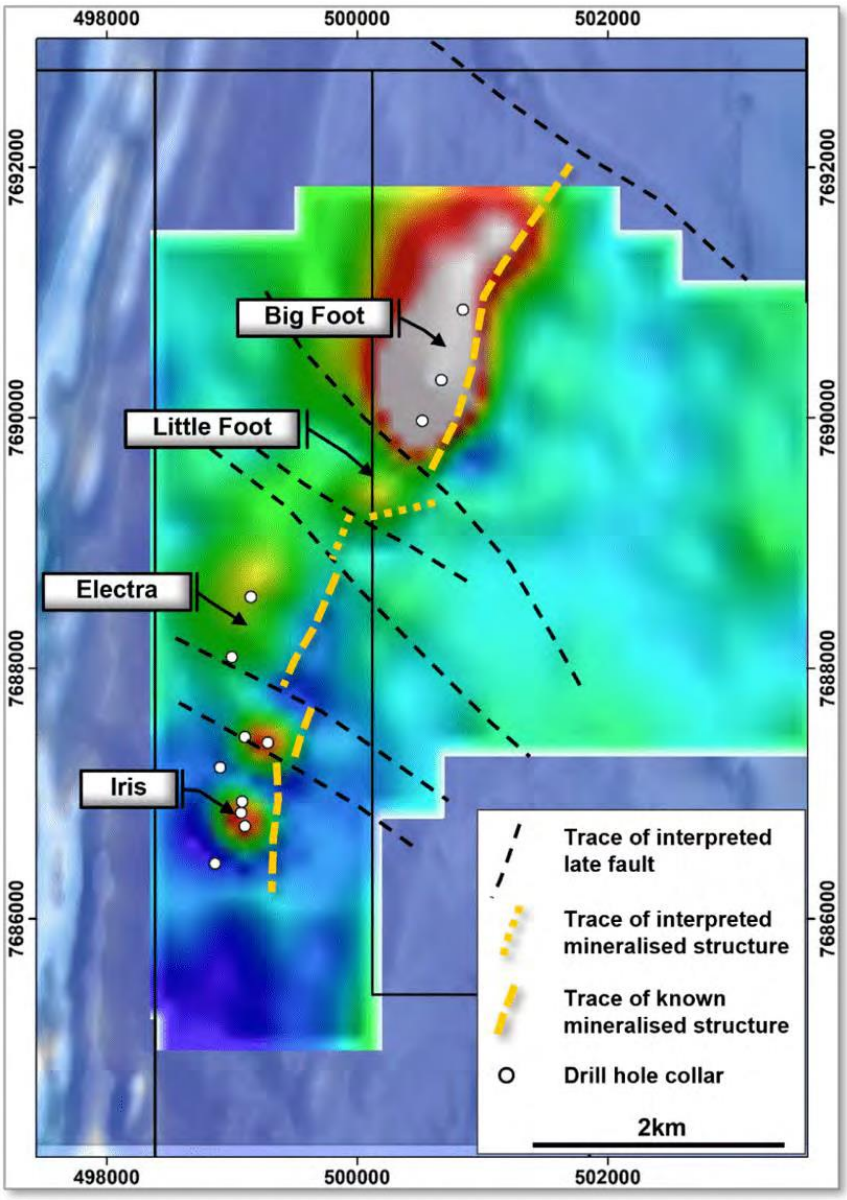


Figure 7: EM survey of the Iris, Electra & Big Foot system, with locations of drillhole collars.

4.2.5 Defiance

The Defiance prospect is a ground EM conductor that was identified during the 2016–2017 EM survey (section 4.2.1). Four modelled conductors were defined at Defiance, with the largest main conductive plate modelled as having a 1.2 km strike, located at a depth of 320 m below surface, extending to a depth of 700 m and having a conductivity thickness of 1,600 S.

An initial diamond hole (EL18D08) was drilled in 2018 to test the Defiance conductor. Two broad zones of low-grade mineralisation were intersected: 35 m @ 0.24% Cu and 0.07 g/t Au from 236 m, and 39 m @ 0.11% Cu and 0.11 g/t Au from 344 m. Downhole EM indicated the presence of a stronger EM anomaly to the south of the initial drillhole. Two diamond holes were subsequently drilled 200 m north and south of EL18D08. However, both follow-up holes intersected similar low-grade mineralisation intervals to the first hole. No further drilling was completed.

4.3 Geological Setting & Mineralisation

4.3.1 Regional Geology

The Chimera project is hosted within rocks belonging to the Proterozoic Mt Isa Inlier, covered by ~60 m of flat-lying Mesozoic sediments belonging to the Eromanga Basin (Hodkinson et al., 2003a). The Eromanga Basin is an extensive Jurassic to Lower Cretaceous sedimentary package of terrestrial and marine sediments and is contiguous to the north with the Carpentaria Basin to the north. The northern part of the Eromanga Basin is essentially a near-horizontal sheet of strata with very minor deformation (Skirrow et al., 2013).

The Mt Isa Inlier is interpreted to be an intracratonic tectonic unit emplaced during the Early and Middle Proterozoic, consisting of regionally metamorphosed volcanic and sedimentary rocks. It is bound to the northwest by the South Nicholson Basin, the Palaeozoic Georgina Basin to the west and south, the Mesozoic Eromanga Basin to the south and southeast, and Mesozoic Carpentaria Basin to the northeast (Figure 8).

The Mt Isa Inlier has been subdivided into three major tectonic units: the Western Fold Belt, the Kalkadoon-Leichhardt Belt and the Eastern Fold Belt (Figure 8); the subdivision of these units is primarily based on tectonic features such as major faults and stratigraphy (Blake, 1987). The regional basement is comprised of units of quartzofeldspathic/augen/migmatitic gneiss that were deformed and metamorphosed during the ca. 1900–1870 Ma Barramundi Orogeny and intruded by the granitic rocks of the ~1850 Ma Kalkadoon and Ewen batholiths and their coeval Leichardt Volcanics (Figure 9). However, the tectonic setting and geological evolution of the basement rocks remain poorly understood (Betts et al., 2006).

The stratigraphy is subdivided into three cover sequences, which are summarised below.

Cover Sequence 1 (1875–1850 Ma)

- Tewinga Group: Metamorphosed acid and basic volcanic rocks, minor arenaceous metasediments, muscovite schists and acid to intermediate gneisses.

Cover Sequence 2 (1790–1760 Ma)

- Quilalar Formation: Feldspathic quartzite, orthoquartzite, conglomerate, arkosic grit, shale, siltstone, minor limestone, and dolomite.
- Haslingden Group: Variably feldspathic and lithic sandstone, siltstone and minor conglomerate and metavolcanic rocks. Metabasalt (locally amygdaloidal), quartzite, tuff and pelitic schist epidotic quartzite, sericitic, feldspathic and quartzose rocks.
- Bottletree Formation: Commonly foliated porphyritic dacitic to rhyolitic lava and tuff; metabasalt lava.
- Oroopo Metabasalt: Metabasalt lava; subordinate schist, quartzite, and sandstone.
- Jayah Creek Metabasalt: Metabasalt lava; subordinate quartz, feldspathic and calcareous sandstone, marble.
- Kamarga Volcanics: Basalt lava and minor interlayered feldspathic sandstone overlain by feldspathic sandstone.
- Mary Kathleen Group: Calcareous siltstone, sandstone, and minor limestone, passing into calc-silicate granofels, commonly scapolitic, and marble; local quartzose sandstone passing into quartzite; local breccia.
- Makbat Sandstone: Feldspathic sandstone, quartz sandstone; minor siltstone, conglomerate.
- Stanbroke Sandstone: Quartz, feldspathic, calcareous and sericitic sandstone; minor marble, dolomite, siltstone.
- Argylla Formation: Felsic volcanic and metavolcanics.
- Magna Lynn Metabasalt: Massive to schistose metabasalt, some possible andesite.
- Malbon Group: Metamorphosed basic lava flows with sedimentary intercalations.
- Soldiers Cap Group: Gneiss and schist commonly migmatitic; quartzite, feldspathic quartzite, pegmatite; minor amphibolite, banded iron formation.

Cover Sequence 3 (1680–1670 Ma or younger)

- Fickling Group: Dolostone, dolomitic siltstone, sandstone, shale, carbonaceous shale.
- McNamara Group: Carbonaceous shale, stromatolitic dolostone, turbiditic sandstone and siltstone.
- Mount Isa Group: Siltstone, shale, commonly dolomite, minor sandstone, conglomerate; metasediments.
- Tawallah Group: Conglomerate, sandstone, greywacke, dolostone; basalt, dolerite, rhyolite, rhyodacite, dacite, trachyte, microgranite.
- Carrara Range Group: Massive to flow banded rhyolite; fine to medium grained sublithic to lithic sandstone; massive to vesicular basalt and microdolerite.
- Mount Albert Group: Pebbly quartzites, minor conglomerate, calcareous and micaceous sandstones.

Units in cover sequence 1 primarily outcrop in the Kalkadoon-Leichhardt Belt and the Murphy Tectonic Ridge, while cover sequence 2 outcrops throughout all three tectonic units of the Mt Isa Inlier. Cover sequence 3 outcrop is primarily in the Western Fold Belt (Blake, 1987). Rocks of the basement and cover sequences 1, 2 and 3 are intruded by granite plutons, mafic dykes and sills, and subordinate hypabyssal felsic intrusions, all Proterozoic in age (Figure 9).

Following the Barramundi Orogeny, three superimposed and unconformity-bound Palaeoproterozoic superbasins record a protracted polycyclic evolution characterised by ~200 Ma of episodic intraplate sedimentation, lithospheric extension, elevated heat flow transient basin inversion and intraplate magmatism. These formed the Leichhardt Superbasin (ca. 1790–1730 Ma), Calvert Superbasin (ca. 1730–1670 Ma) and Isa Superbasin (ca. 1670–1590 Ma). The onset of the Isan Orogeny

at 1600 Ma terminated intracontinental superbasin development, and included two discrete phases of crustal shortening and low-pressure metamorphism (Betts et al., 2006).

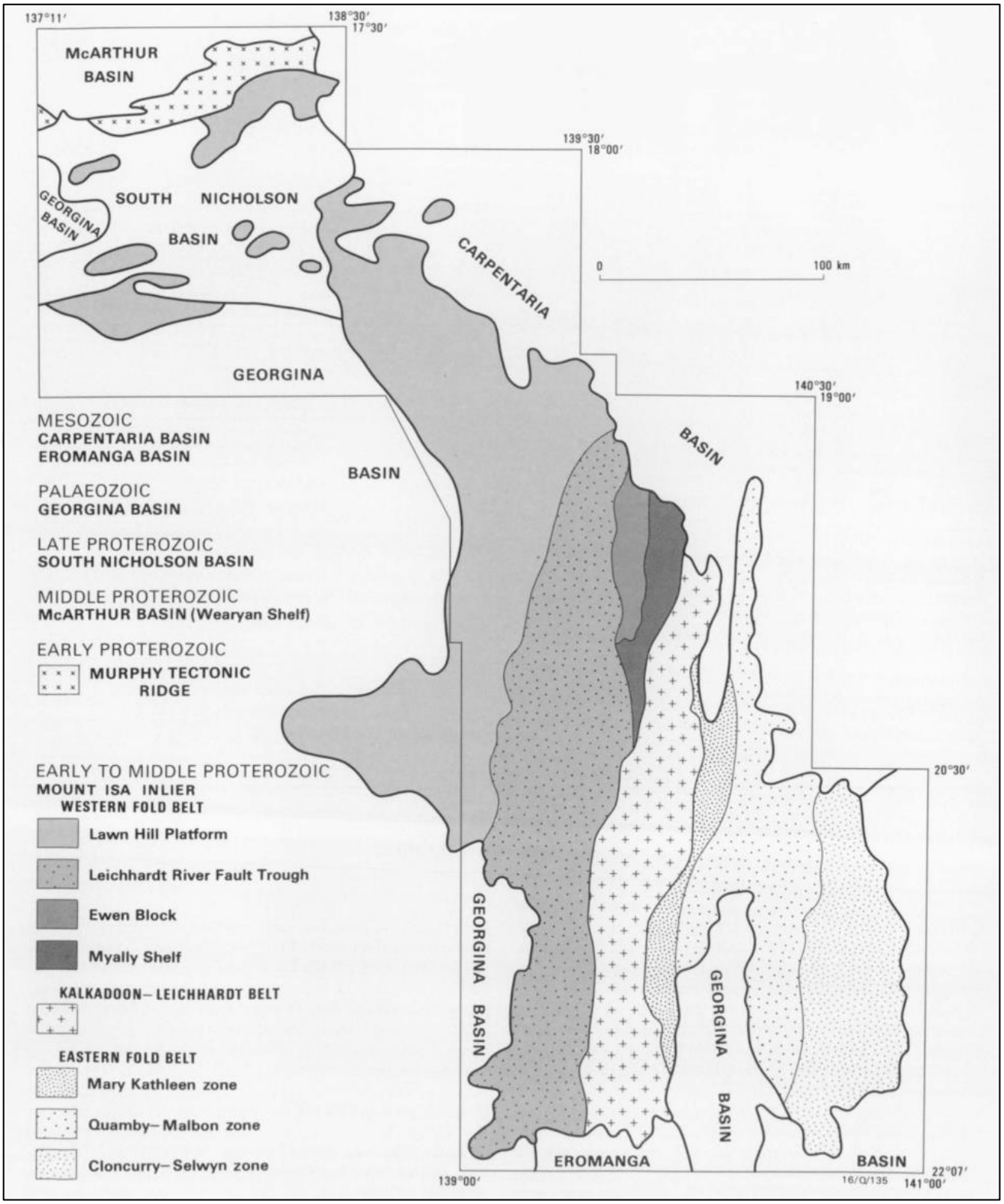


Figure 8: Tectonic zones surrounding the Mt Isa Inlier (Blake, 1987).

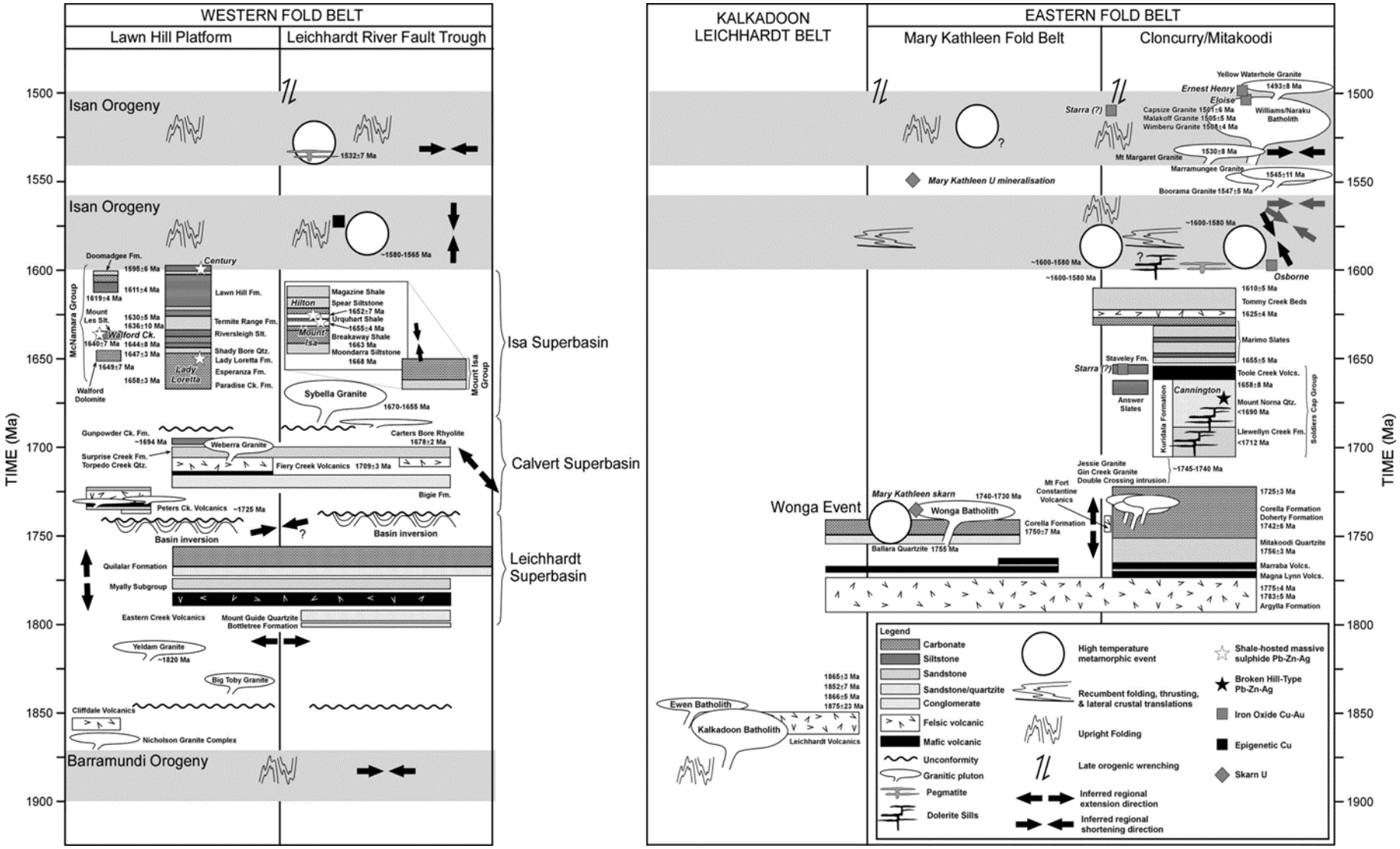


Figure 9: Tectonostratigraphic time-space plot of the Mt Isa Inlier indicating the timing of major depositional packages and the major deformation, metamorphic and magmatic events (Western Fold Belt, left, Eastern Fold Belt, right) (Betts et al., 2006).

4.3.2 Local Geology

The Chimera project area is hosted within the Cloncurry-Selwyn zone (Figure 8) of the Eastern Fold Belt of the Mt Isa Inlier. Jurassic-Cretaceous sedimentary units of the Eromanga Basin cover most of the project area, with thin Cenozoic transported cover sequences variably dispersed across the area. Basement geology beneath the sedimentary cover includes rocks of the Proterozoic Soldiers Cap Group and the Williams Supersuite Granite (Betts et al., 2006).

The Soldiers Cap Group is comprised of the tightly folded Toole Creek Volcanics, Mount Norna Quartzite and Llewellyn Creek Formation. The ~1658 Ma Toole Creek Volcanics are found in the west of the project area and are described as metabasalt, metadolerite, siltstone, mudstone, and quartzite. The Mount Norna Quartzite can be found to the east of the Toole Creek Volcanics and is predominantly comprised of quartzite, phyllite, mica schists and metadolerite (Blake, 1987). The Llewellyn Creek Formation, comprised of mica schist, phyllite and metagreywacke, is further again to the east. The Soldiers Cap Group is highly prospective and host to significant deposits including the Cannington Ag-Pb-Zn deposit and the Eloise, Osborne, and Mt Elliott IOCG deposits.

4.3.3 Mineralisation & Deposit Types

4.3.3.1 Jericho

The Jericho deposit is located ~34 km northeast of the Cloncurry Overthrust, which divides units of the Calvert and Mount Isa Superbasins from units in the Leichhardt Superbasin. Jericho is located in the Eastern Fold Belt of the Mt Isa Inlier and is interpreted to be hosted within psammites and biotite-schists belonging to the Mount Norna Quartzite.

Jericho is an ISCG-style deposit mostly constrained to two discrete steep west-dipping lodes, J1 and J2, interpreted as shear zones. The J1 and J2 lodes strike approximately north, with the J1 lode found in the west and J2 in the east (Figure 10). The lodes are approximately 120 m apart and up to 3.7 km in strike length (open along strike and at depth). The true thickness of mineralised lodes is in the 1–10 m range, with mineralisation dipping steeply to the west and sub-parallel to foliation. The J1 and J2 lodes both plunge to the north. The deposit lies under 30–80 m of predominantly Cretaceous sedimentary cover.

Mineralisation is hosted within a strongly foliated psammite/biotite-schist. High-grade mineralisation at the Jericho deposit typically presents as massive or semi-massive pyrrhotite and chalcopyrite veins and breccia overprinting quartz veining. Alteration mineralogy is predominantly characterised by biotite+quartz±K-feldspar (Figure 11). Textures and structures associated with high-grade mineralisation indicate deformation in a ductile shear zone. Quartz veining pre-dates the deposition of sulphides and exhibits textures associated with intense deformation. Sulphide deposition occurred syn-deformation and is associated with stress reduction textures in or around veining.

Moderate to low-grade mineralisation is associated with lesser sulphide mineralisation (pyrrhotite-chalcopyrite) (Figure 11). Texturally, this lower-grade mineralisation is distinguished by the presence of crackle breccias, stringer veins and disseminations.

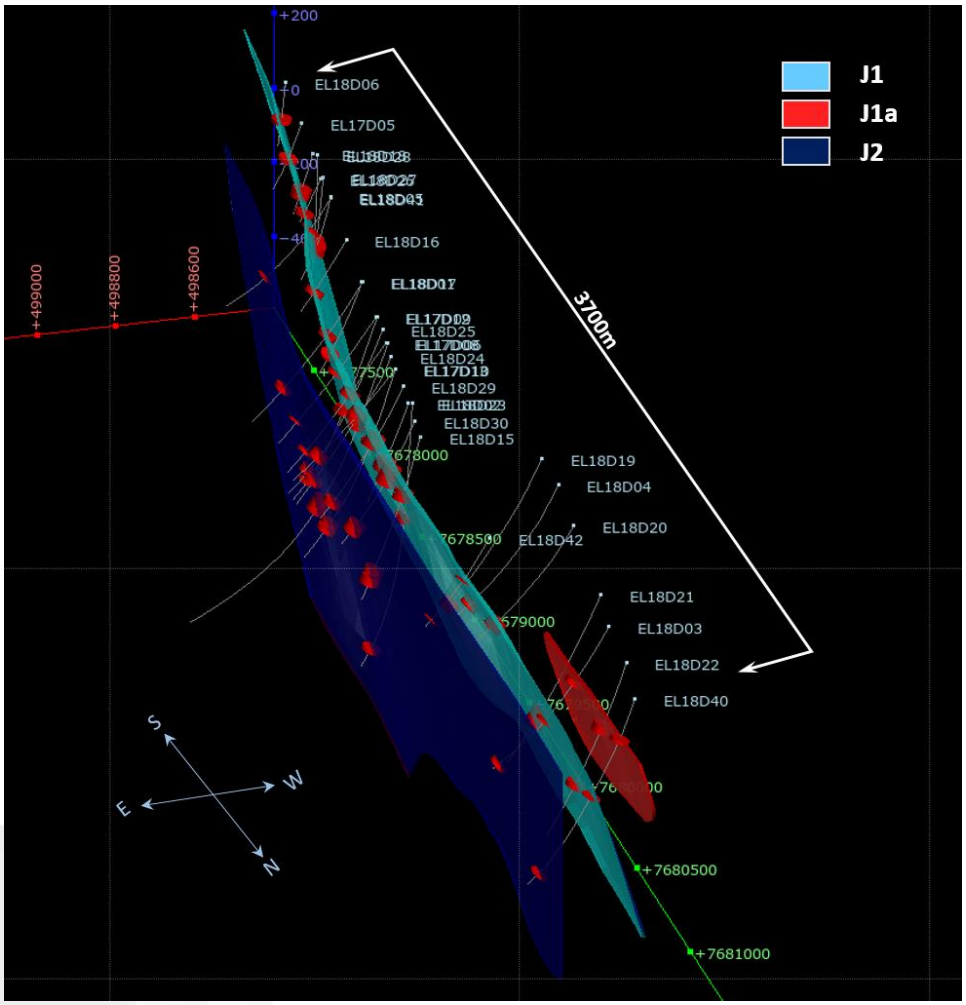


Figure 10: Interpreted J1, J1a and J2 lodes.

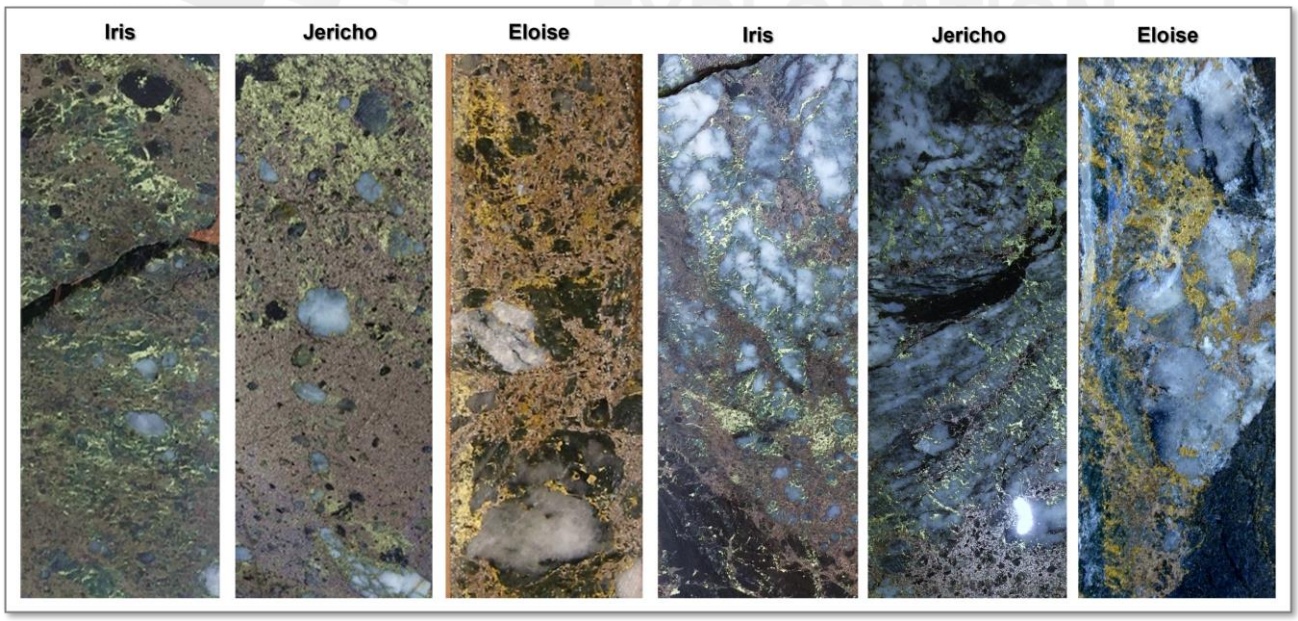


Figure 11: Typical mineralisation examples from Iris, Jericho, and Eloise ISCG systems. Left: three examples of high-grade mineralisation displaying massive pyrrhotite (bronze) and chalcopyrite (yellow). Right: three examples of lower-grade mineralisation indicating more abundant quartz and less abundant pyrrhotite and chalcopyrite.

4.3.3.2 *Altia*

The Altia deposit is located in the Eastern Fold Belt of the Mt Isa Inlier, several kilometres to the south of the Eloise Cu-Au mine. Mesozoic mudstones and sediments of the Eromanga Basin cover the Proterozoic basement to a depth of 35–50 m. Altia is hosted in a sequence of rocks belonging to the Mount Norna Quartzite unit, on the eastern limb of an antiform. Mineralisation is observed primarily within poly-deformed, highly strained sequence of BIF, garnetiferous psammites, arenite, and a minor gabbro (amphibolite) sill.

Altia is a BHT-type/Cannington-style sediment-hosted Pb-Ag-Zn deposit. Mineralisation is most strongly associated with quartz-garnet-magnetite BIFs that have undergone significant metasomatic Mn-Fe alteration (Demetallica, 2022d). Alteration mineralogy is typical of BHT-type mineralisation, characterised by the presence of pyroxmangite ($MnSiO_3$). Mineralised zones display a sulphide assemblage dominated by galena (± pyrrhotite, pyrite, sphalerite, and chalcopyrite). Sulphides are primarily observed as coarse-grained aggregates within cleavage planes, fold noses, breccia matrix fill and fracture fill, and less commonly as fine-grained crystals interstitial to primary layering.

Geological structure appears to act as a control on the thickness and grade of mineralisation. Thicker zones of mineralisation are interpreted to be related to folding and faulting. In particular, a steep west-dipping fault appears to cut and potentially offset the mineralisation. A thick and brecciated zone of high-grade mineralisation has been observed in hole ALDH08 (39.9 m @ 8.2% Pb, 30.6 g/t Ag and 0.2% Zn), which lies immediately to the west of the interpreted fault (Figure 12).

Four primary lodes of mineralisation have been identified within the Altia deposit. The orientation of mineralised lodes indicates a strong lithological control, striking north–south, dipping to the east between 55–75° and plunging south at ~25° (Demetallica, 2022d). Mineralisation appears to be open to the south; however, there has been limited drilling to test the continuity of mineralisation. One hole, 14ALDD02, drilled in 2014, intersected 7.61 m @ 7.48% Pb, 102.5 g/t Ag and 0.29% Zn from 731.09 m, providing evidence for continuity at depth. No recent drilling results have been reported for the Altia deposit, with the last drilling completed in 2016.

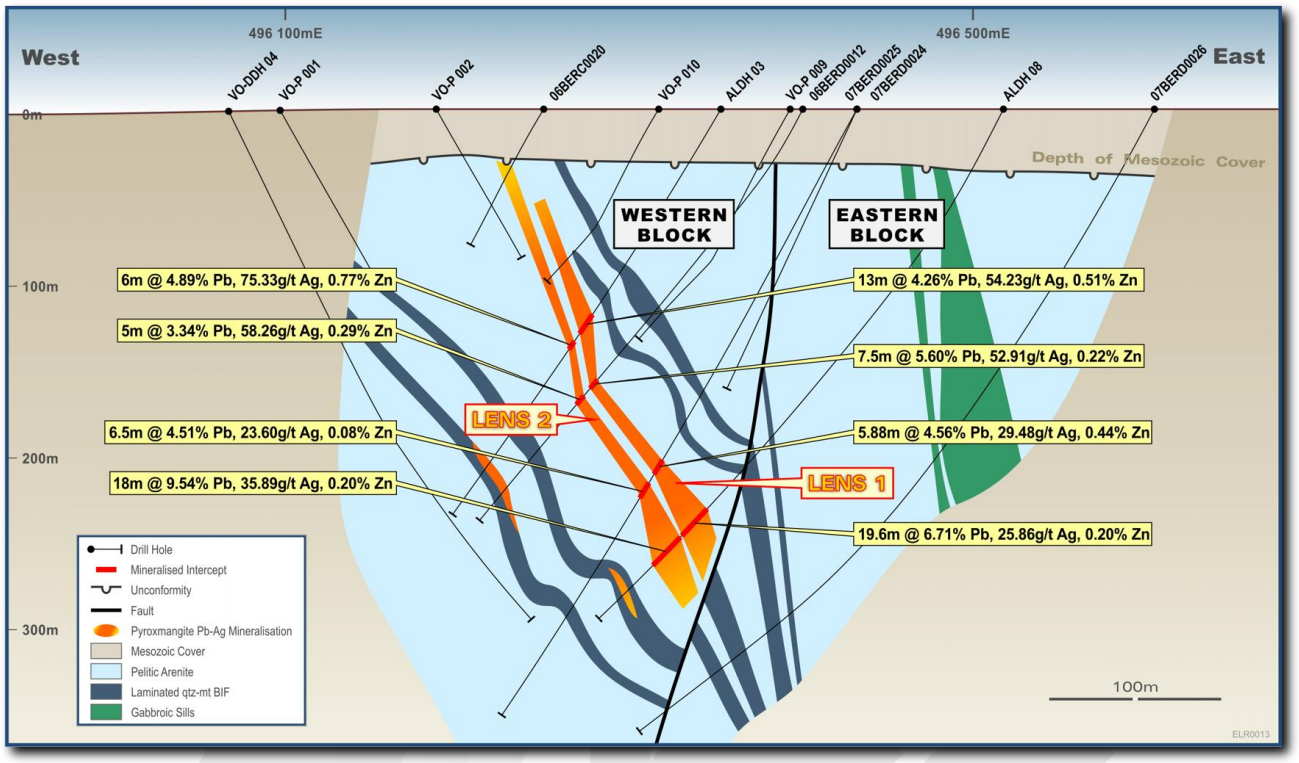


Figure 12: Cross-section of mineralised lenses and interpreted steeply west-dipping fault at Altia deposit.

4.3.3.3 *Sandy Creek*

Sandy Creek is an ISCG-style deposit hosted within pelitic schists and psammopelites. The local stratigraphy is weathered to a maximum depth of ~30 m, with mineralised units subcropping as quartz and ironstones with minor malachite. The oxide appears to be depleted, with no evidence of mineralisation in the weathered zone. Mineralised zones are characterised by sheared quartz veining with abundant chalcopyrite and lesser pyrite/pyrrhotite (Figure 13). Mineralised veins are found within a broad zone of biotite-garnet alteration.

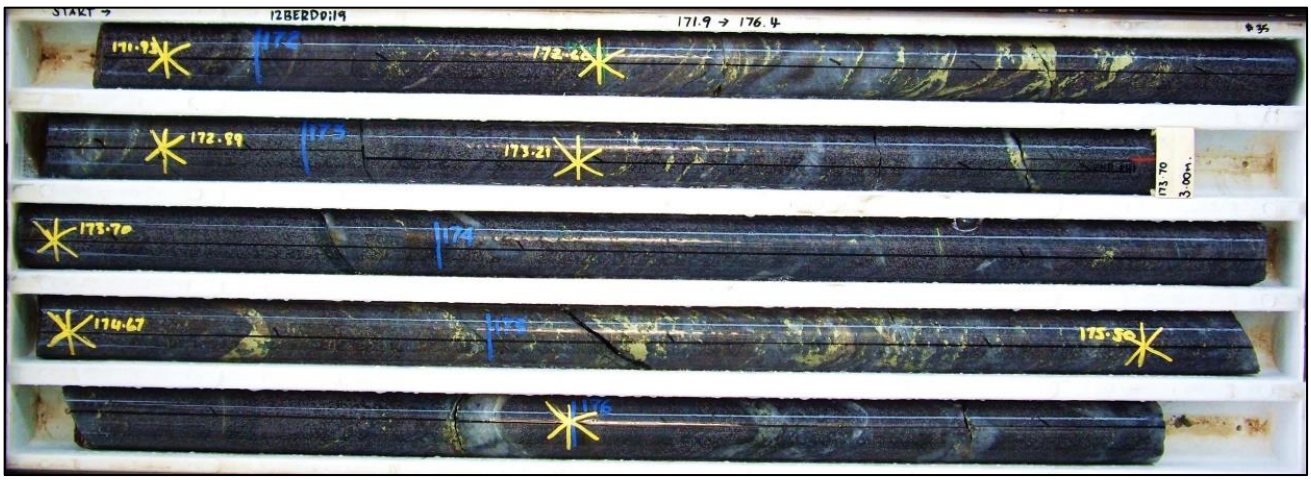


Figure 13: Example of mineralised zone with abundant sulphides from drillhole 12BERD019 179.93–176.5 m, including 3.74 m @ 1.64% Cu and 0.19 g/t Au from 172.26 m.

The Cu-Au mineralisation is predominantly confined to two north–south striking primary lodes 200 m apart (Main Zone and West Zone), with three smaller lodes (Hanging Wall North, Hanging Wall South, and Footwall Zone) (Figure 14). Details of the geometry of the two primary lodes are presented in Table 8: Geometry of the Sandy Creek mineralised lodes.

. Mineralisation is open down plunge to the south of the Main Zone, with no historical drillholes having intersected the mineralisation along-strike and beyond the resource boundary.

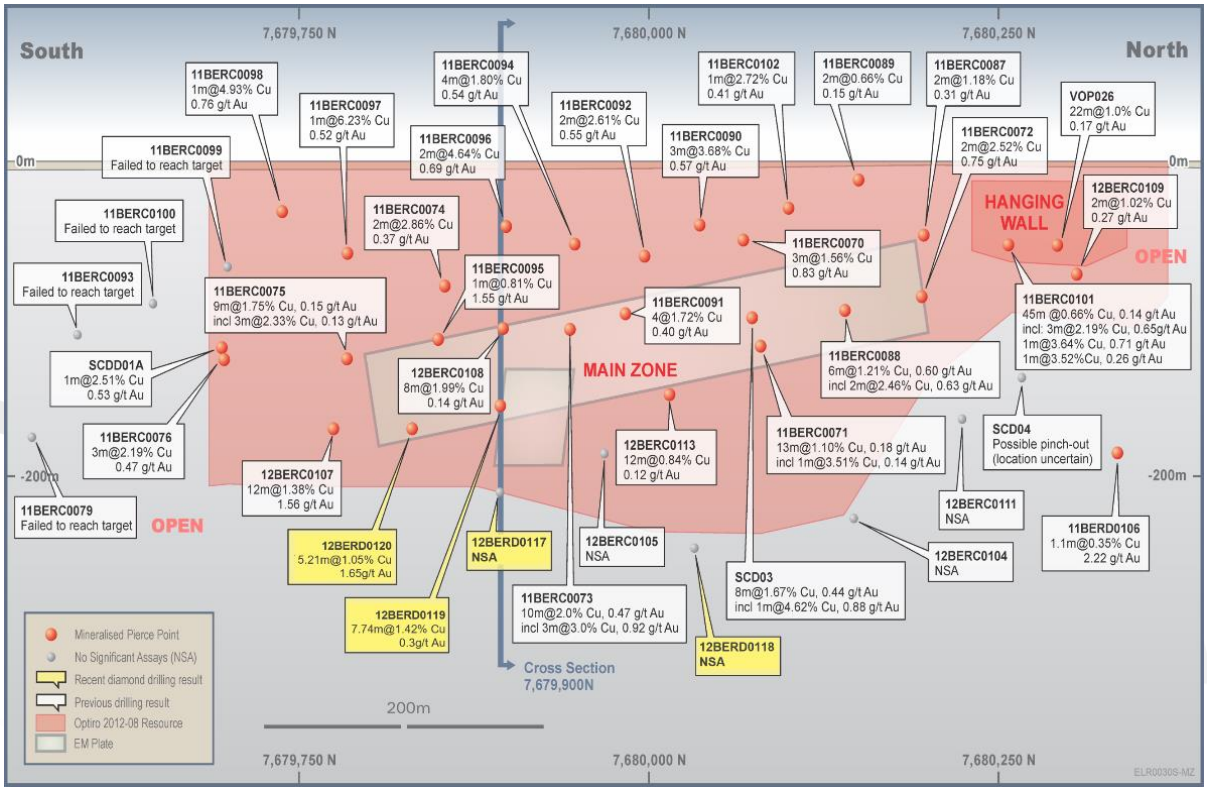


Figure 14: Long section of the Sandy Creek deposit looking west of the Main Zone and Hanging Wall Zone. Note the drillholes to the south of the mineralised envelope that failed to reach the target.

Table 8: Geometry of the Sandy Creek mineralised lodes.

Lode	Dip	Strike Length (m)	Width (m)
Main Zone	50–85° west	690	2–10
West Zone	75° east–sub-vertical west	160	2–7

4.3.3.4 Artemis

The Artemis prospect is a polymetallic carbonate replacement deposit (Knorsch et al., 2020) hosting Cu-Au-Zn-Pb-Ag mineralisation. Mineralisation is found in a marble unit of the Mount Norna Quartzite (Figure 15), surrounded by psammite, garnet schist and staurolite schist units that have been metamorphosed to amphibolite grade facies. The local stratigraphy is steeply dipping to the west and tightly folded.

High-grade mineralised lodes are characterised by the presence of massive sulphides (dominantly pyrrhotite) and intricately linked with carbonates. Mineralisation is related to hydrothermal sulfidation of the marble unit (Knorsch et al., 2020). Alteration is dominated by carbonates, which have in some instances replaced the sulphide mineralisation. The polymetallic mineralisation is strongly controlled by the marble unit, with holes drilled outside of this stratigraphic lens containing lower metal grades.

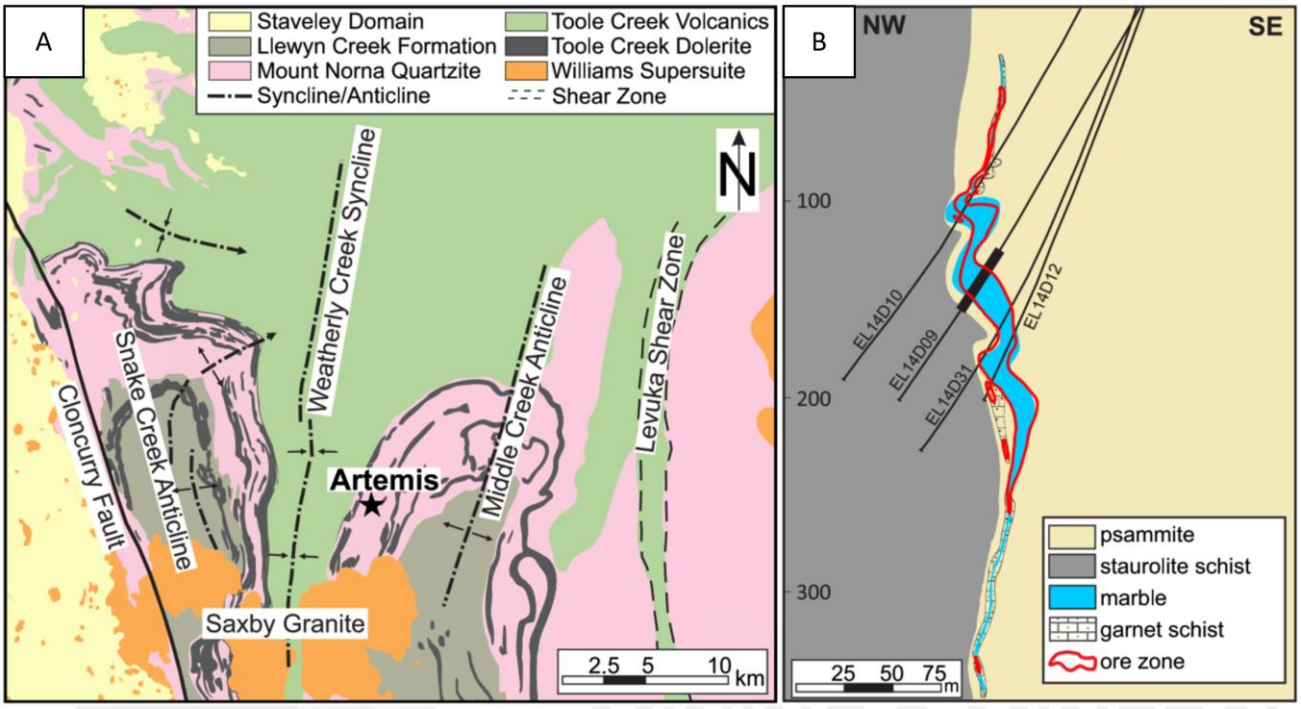


Figure 15: A) Geological map of the Artemis prospect in relation to the lithological units of the Eastern Fold Belt. B) Geological cross-section of the Artemis prospect with drillhole traces plotted.

4.3.3.5 Iris, Electra & Big Foot

The Iris, Electra & Big Foot prospects are interpreted to be part of a single mineralised system. In total, the combined Iris, Electra, and Big Foot prospects define a ~4 km strike of ISCG-style mineralisation. Sediments of the Eromanga Basin cover the prospect to depths of 120–160 m.

Mineralisation is hosted in a psammite unit and is characterised by mostly pyrrhotite-chalcopyrite veins and stringers (Figure 16) with thin zones (0.5–50 cm wide) of semi-massive pyrrhotite and minor chalcopyrite. Mineralisation is associated with quartz veining, silicification and biotite alteration.

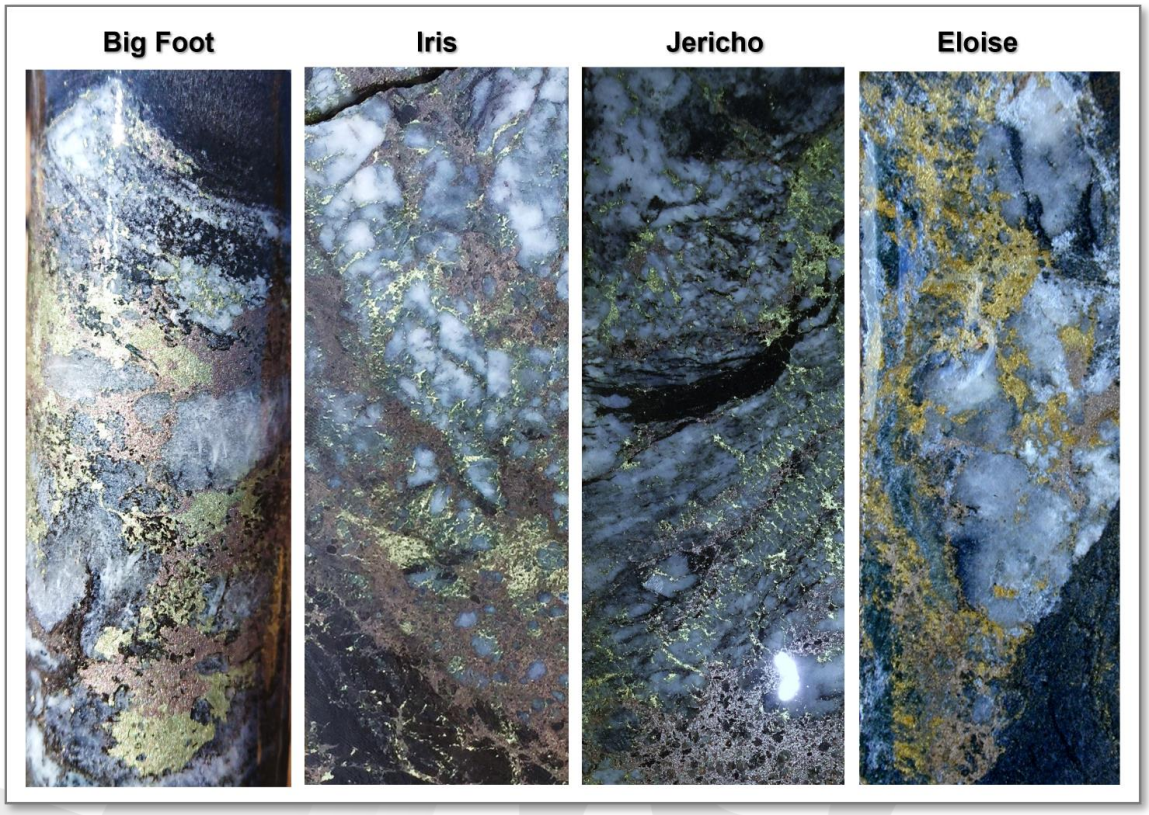


Figure 16: Comparison of mineralisation styles at Big Foot, Iris, Jericho, and Eloise.

Structural evidence from drillholes and the modelled position of EM conductors suggest that the mineralisation at Iris and Electra dips steeply to the west, and more shallowly (45°–50°) to the west at Big Foot. It is interpreted that the trend is comprised of separate fault blocks cut by northwest trending-faults. A steeply northwest-dipping shear zone is interpreted to control mineralisation.

4.3.3.6 Defiance

Four discrete zones of Cu-Au mineralisation have been identified in the three holes drilled at Defiance. Mineralisation is hosted within a biotite psammite and is characterised by vein, disseminated and stringer-style sulphides (dominantly pyrrhotite) with minor quartz veining. The mineralised zones strike north–south and dip steeply west.

4.3.4 Nearby Comparable Deposits

4.3.4.1 Eloise

BHP discovered the Cu-Au Eloise deposit in 1986, initially using a range of geophysical techniques, including aeromagnetic, ground and airborne EM surveys, followed up by drilling (Hodkinson et al., 2003a). The Eloise mine was commissioned in 1996. Approximately 12.5 Mt of ore has been mined since grading 2.8% Cu and 0.8 g/t Au to produce 339,000 t Cu and 167,000 oz Au in concentrate. The underground mine is currently operated by AIC Mines under several mining licences (ML 90064, ML 90080, ML 90086, and ML 90155).

The Eloise deposit is hosted in the Soldiers Cap Group of the Eastern Fold Belt (Hodkinson et al., 2003b). The western margin of the Cretaceous Eromanga Basin covers the Proterozoic basement to a depth of 50–70 m. The deposit is hosted within a sequence of arenitic metasediments and micaceous schists, with the primary lodes — Elrose and Levuka — hosted within a biotite-rich arenite. A ~150 m wide amphibolite unit occurs within the western arenites and is interpreted to be intrusive in origin. All the units display a strong regional foliation.

The two primary mineralised lodes (Elrose and Levuka) trend approximately north-south, plunge steeply to the north–northeast and have a sub-vertical dip. The Levuka lode is continuous to ~1,500 m below surface and is potentially open at depth. High-grade mineralised intervals are dominated by massive and semi-massive chalcopyrite and pyrrhotite, and less commonly stringer veins. Textures of the mineralised zones are consistent with strong shearing, brecciation and remobilisation of sulphides. The deposit has undergone significant post-mineralisation faulting, displacing and offsetting the mineralised lodes.

As at 30 June 2022, the current total Mineral Resource (inclusive of Ore Reserves) at Eloise reported by AIC Mines, is 4.7 Mt @ 2.4% Cu, 0.6 g/t Au and 10.1 g/t Ag, which includes Indicated Mineral Resources of 2.7 Mt @ 2.5% Cu, 0.7 g/t Au and 10.6 g/t Au and Inferred Mineral Resources of 2.1 Mt @ 2.4% Cu, 0.6 g/t Au and 9.3 g/t Ag (AIC Mines Limited, 2022a).

4.4 Exploration by Demetallica

4.4.1 Jericho

Prior to the demerger of Demetallica from Minotaur in December 2021, Minotaur engaged H&S Consultants Pty Ltd to review the 2020 Mineral Resource model, plan drillholes for targeted resource growth and estimate an Exploration Target. The Exploration Target and planned drillholes were first publicly reported in Demetallica's prospectus in April 2022. Demetallica reported an Exploration Target for Jericho of 13–15 Mt at approximately 1.3–1.5% Cu and 0.29–0.32 g/t Au (Demetallica, 2022d). Demetallica reported that "The potential quantity and grade of the Exploration Target are conceptual in nature as there has been insufficient exploration to provide an updated Mineral Resource estimate to the one already published, and it is uncertain if further exploration will result in an update to the Mineral Resource". RSC notes that the Jericho Exploration Target reported by Demetallica in its April 2022 prospectus appears to have included mineralisation that was also included in the reported Jericho Inferred Mineral Resource. An Exploration Target relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource, and this should therefore have been separated.

Since listing on the ASX, Demetallica has focussed on developing the Jericho deposit. Demetallica completed an RC and diamond drilling programme at Jericho in August 2022 to infill sections of the Inferred Mineral Resource and extend the lower bounds of the mineralised envelope (Demetallica, 2022b). The drill campaign totalled 56 holes for 14,000 m (Demetallica, 2022c, a). Fifteen diamond drillholes were drilled to test for extensions to the mineralisation below the existing Mineral Resource.

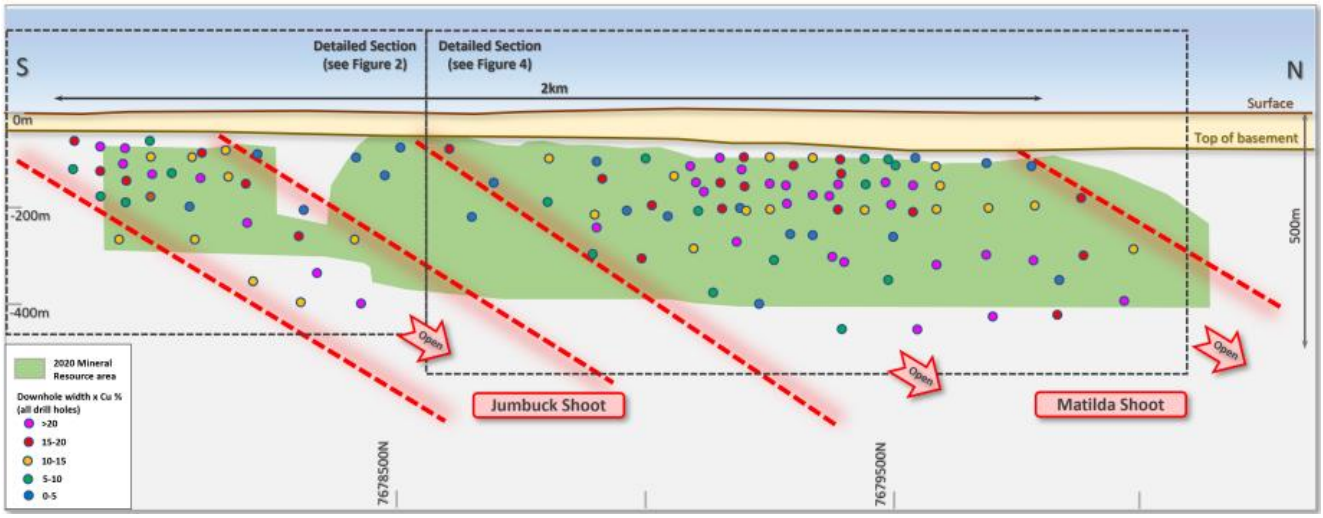


Figure 17: Jericho long section indicating downhole width x Cu % for J1 Lode (Demetallica, 2022a).

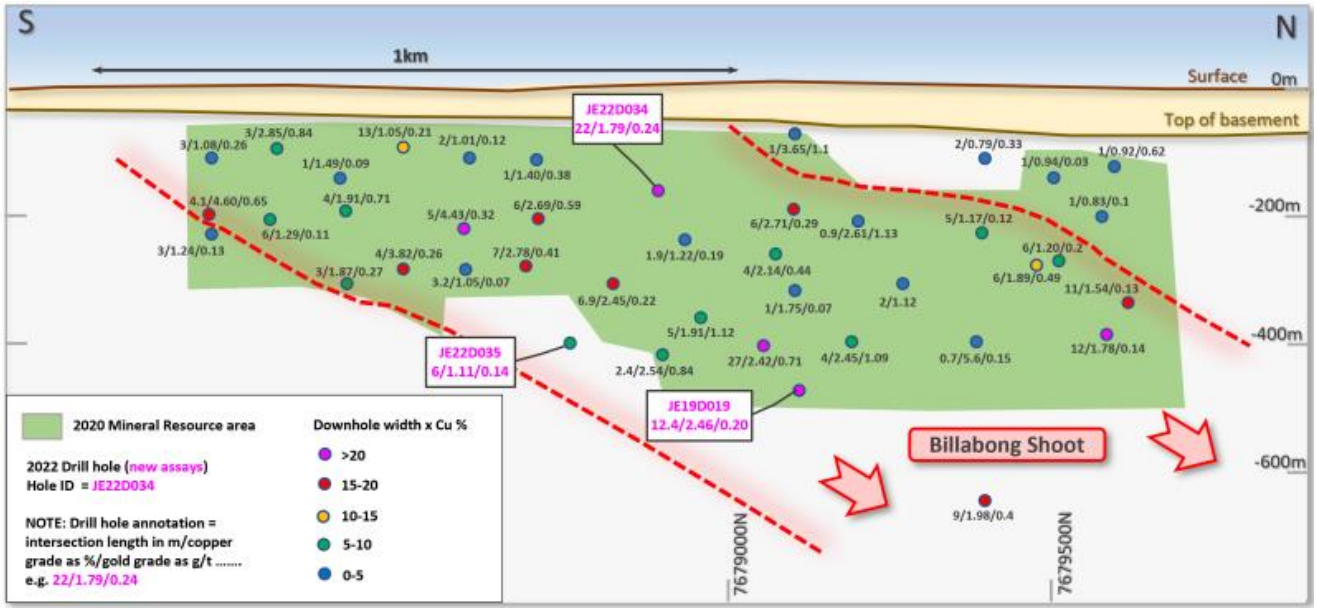


Figure 18: Jericho long section indicating downhole width x Cu % for J2 Lode (Demetallica, 2022a).

The drilling confirmed the presence of high-grade Cu mineralisation within the shell of the existing Mineral Resource model and at depth (Demetallica, 2022a). Mineralisation in both J1 and J2 appears to be open at depth and plunging north, consistent with previous interpretations of the Jericho deposit. Intervals presented in Figure 17 suggest that the Jumbuck Shoot has a narrow, high-grade zone core of mineralisation surrounded by lower-grade mineralisation, while the Matilda Shoot has a wider zone of high-grade mineralisation. Mineralisation is continuous at depth, with both shoots returning significant, high-grade intervals in some of the deepest holes drilled, including:

- JE22D051: 12.5 m @ 2.22% Cu and 0.55 g/t Au from 386 m (Jumbuck),
  - including 5.5 m @ 4.38% Cu and 1.13 g/t Au; and
- JE22D022: 25 m @ 1.00% Cu and 0.28 g/t Au from 501 m (Matilda),
  - including 3.65 m @ 2.45% Cu and 1.27 g/t Au.

Consistent zones of high-grade mineralisation are less well constrained in the J2 Lode; however, high-grade mineralisation is open and continuous at depth.

Recent drilling results, including hole JE19D019 which returned 12.4 m @ 2.46% Cu and 0.20 g/t Au from 517 m, including 7.2 m @ 3.97% Cu and 0.32 g/t Au (Figure 18), provided sufficient confidence for Demetallica to report an updated Mineral Resource and new Exploration Target for Jericho. The Mineral Resource is detailed in section 4.5.1 and the Exploration Target is detailed in section 4.6.1. The updated Mineral Resource represents a significant increase in the overall size of the Mineral Resource, in line with the April 2022 Exploration Target expectations. The infill drilling has supported an increase in the classification of some material to the Indicated category.

4.4.2 Eloise Deeps Exploration Target

Demetallica presented the Eloise Deeps exploration target in an ASX release on 24 October 2022. The target represents the extension of AIC's Eloise copper mine onto Demetallica's EPM 17838. The hole supporting this extension (ED159) was drilled across the permit border in 2020, following permission by Minotaur Exploration Ltd. The hole returned 76.15 m @ 4.35% Cu, and 1.25 g/t Au from 316.1 m. This includes 42.1 m @ 6.27% Cu, and 1.77 g/t Au from 345.15 m.

On the basis of this intersection and the continuity of the Eloise lode, Demetallica has derived an exploration target of 1.4–2 Mt @ 3–3.5% Cu, and 1–2 g/t Au (Figure 19). This exploration target considers the portion with EP 17838 only. The target is conceptual and there are insufficient data to estimate a Mineral Resource.

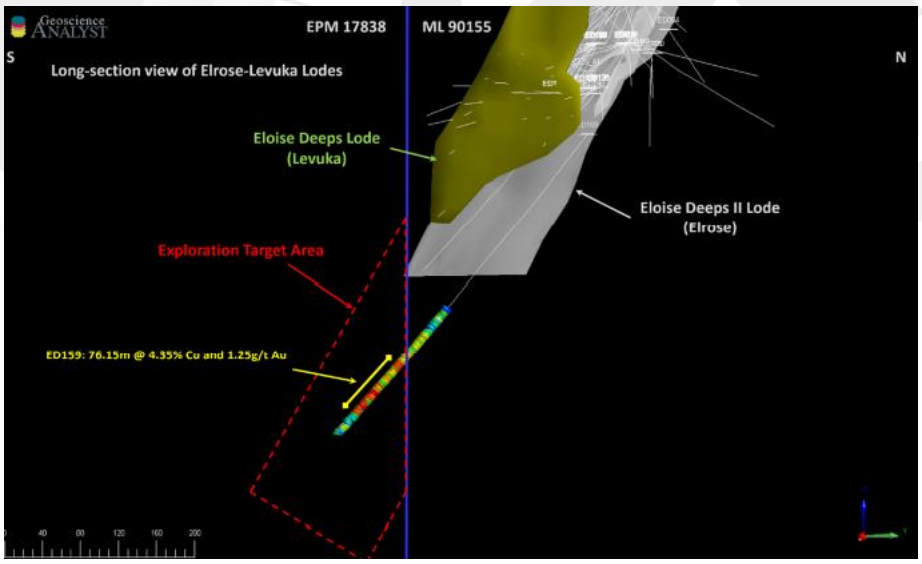


Figure 19: Long section (west facing) of drillhole ED159, releative to Demetallica's EPM 17838 and AIC's ML 9015 (Source: Sustainable Minerals Institute NW Mineral Province Deposit Atlas, Eloise 3D Atlas). The dotted red outline is the extent of the exploration target.

4.4.3 Altia

Prior to the December 2021 demerger, Minotaur engaged Snowden Optiro to estimate an updated Inferred Mineral Resource for the Altia deposit. The Mineral Resource was first publicly reported in Demetallica's prospectus in April 2022

(Demetallica, 2022d) and is discussed further in section 4.5.2. RSC understands that Demetallica has not commenced additional exploration activities at the Altia deposit.

4.5 Mineral Resources

4.5.1 Jericho

The current Mineral Resource estimate for Jericho was reported by Demetallica on 24 October 2022. The Mineral Resource was estimated by H&S Consultants (H&S).

The Indicated and Inferred Mineral Resource estimate at Jericho totals 14.1 Mt @ 1.46% Cu and 0.29 g/t Au, reported at a 0.85% Cu cut-off (Table 9).

Table 9: Jericho Mineral Resource reported at a 0.85% Cu cut-off.

Category	Density	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Contained Cu (kt)	Contained Au (koz)	Contained Ag (koz)
Indicated	2.82	3.8	1.41	0.28	1.6	54	34	198
Inferred	2.83	10.3	1.47	0.29	1.6	151	95	546
Total	**2.83**	**14.1**	**1.46**	**0.29**	**1.6**	**205**	**129**	**744**

RSC's assessment of the quality and Reasonableness of the Jericho Mineral Resource is presented in Table 10.

RSC considers that the Jericho Mineral Resource has been prepared to a sufficient standard and reported in accordance with the JORC Code (2012). Therefore, the Mineral Resource is Reasonable for Valuation purposes.

Table 10: Results of the quality and Reasonableness review of the Jericho Mineral Resource, Chimera project.

Category	Availability of Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Drilling and sampling techniques	Good	7	2	Low	The Mineral Resource estimate used a total of 92 diamond holes and 73 RC holes. High sample recovery was recorded (>99%). Industry-standard sampling and analytical techniques, including QA/QC review, were applied.
Geological logging and domaining	Average	4	4	Moderate	Apart from the Quaternary/Cretaceous cover and the weathering surfaces, no lithological data were captured in the resource model. This may be due to the singular nature of the Proterozoic host rock being dominantly psammitic in nature. However, the deposit geology referenced the presence of amphibolite (original dolerite sills) and psammopelite. RSC recommends incorporating geological logging into the future geological domain modelling process.
Data spacing and distribution	Good	7	2	Low	Holes were drilled on east-west sections with dips of generally 60–75° towards the east to intersect the mineralised zones. The drill spacing varied between 50 m and 100 m, with the closer spacing informing the Indicated portion. RSC considers the data spacing is compatible with the framework of classifying the Inferred and Indicated Mineral Resource.
Bulk density	Good	7	2.5	Low	Using the 'water immersion' method, dry bulk density measurements were performed from drill core from various rock types, and approximately every 1 m throughout mineralised zones. There were 4,427 density samples used in the estimation. The bulk density revealed low overall variance, and on this basis RSC considers the estimation approach to density presents a low risk in the determination of the overall tonnage.
Orientation of data/drilling	Good	7	2.5	Low	The overall lode geometry is steeply dipping at 80° to the west. RSC considers the drillhole orientation of 60–75° towards the east to be appropriate for intersecting the mineralised zones close to true width.
Estimation and modelling: domaining	Good	7	3	Low to Moderate	The geological domain model underpinning the Mineral Resource estimate is represented by the J1 and J2 wireframes. These characterise sub-vertical zones of massive to semi-massive pyrrhotite-chalcopyrite sulphide veins and breccia zones within a progressively developing ductile shear zone. RSC reviewed the geological domaining; while additional lithological and domain resolution would provide improved local estimation, there are no fatal flaws in the overall geological domaining approach. The mineralisation domains are limited within the main J1 and J2 lodes and is determined by a combination of lithological controls on the mineralisation, sulphide distribution, and the Cu and Au grades. RSC considers the domaining to be somewhat simplistic and recognises the potential of local precision error. RSC notes that the spacing may not lend itself to meaningful sub domaining (some estimation domains end up with too few samples to yield meaningful statistical analyses). RSC supports the consideration of minimum mining width considerations in the definition of the mineralised intercepts captured by J1 and J2 domains.
Estimation and modelling: compositing	Good	7	2.5	Low	The composite length is set to 1 m. RSC considers the choice acceptable as the majority of sample intervals in the mineralised zones are 1 m in length. Some 2-m sampling intervals are present, and RSC acknowledges the risk of splitting some of the existing 2-m sampling intervals, but the impact on the estimate is deemed to be low given the absence of selectivity across strike. The choice of 1-m

Category	Availability of Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
					composites from drilling dipping 60° to the east, when the mineralised structure dips 80° to the west, results in an apparent strike length of the composite of 0.5 m, which RSC considers appropriate for following the estimation domain geometry.
Estimation and modelling: grade capping	Average	7	3	Low to Moderate	H&S (H&S Consultants) have applied no top cut to the estimate. H&S justified this by the low CV (below 1.9). Furthermore H&S highlighted sensitivity work which illustrated that top cutting has a low impact on the global mean (0.3%). RSC would not consider a CV of 1.9 to be low. CV values of above 1.5 indicate an increased risk in conditional bias and impact on the estimation quality. While RSC agrees that the global top-cutting sensitivity indicates low overall metal risk, RSC would consider investigating further domaining to support a local top-cutting decision locally.
Estimation and modelling: variography	Average	6	3	Moderate	Variography was modelled by H&S for the J1 and J2 estimation domains. H&S state that the data presents "weak to moderate lateral grade continuity. This is most likely a function of the style of the mineralisation as lenses of copper mineralisation and the relatively wide drill spacing." RSC considers the continuity would improve with sub-domain resolution, but does recognise the current spacing may preclude this.
Estimation and modelling: interpolation and extrapolation	Good	6	3	Moderate	Given that the apparent across-strike composite length is equivalent to ~0.5 m, RSC supports the decision to estimate parent blocks of 2 m in X. RSC considers the block size in Y and Z to be compatible in areas where the drill spacing is at 50-m spacing but may increase the risk of conditional bias in the areas of 100-m spacing. In these areas, RSC would consider 30 m to 50 m dimensions more appropriate. RSC does understand that the size of the blocks have taken into account an average stope size, with selective UG mining the target extraction method. RSC would suggest the application of a recoverable resource approach, to target a smaller mining support. RSC considers the 6-pass search strategy to be overly complicated. H&S states that the role of the 6-pass searches is the primary process of interpreting classification criteria. RSC prefers supporting an approach focussed on minimising estimation error to determine the optimal search. However, RSC endorses the number of samples applied to the closer search passes (n=12 to 32 from 4 octants), which inform the majority of the declared resource.
Estimation and modelling: checks and validation	Good	8	2.5	Low	H&S completed visual checks in section and plan, both for block grades against composite values and block grades against drillhole assays. H&S did not identify any fatal issues. RSC reviewed the validation described in H&S' model documentation and supports the applied process as industry standard.
Estimation and modelling: cut-off	Average	7	3	Low to Moderate	The applied cut-off of 0.85% Cu was determined through benchmarking against similar deposits (Aeris Tritton Project, 29 Metals Capricorn and KGL Jervois). These projects are operating, or at PFS level. RSC considers this a reasonable approach to determining a cut-off, but would suggest future deposit-specific optimisation be completed to test the sensitivity of this applied cut-off.

Category	Availability of Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Estimation and modelling: density	Good	8	2	Low	Ordinary Kriging was used to model the unconstrained density sample data; however, the variable sample length meant that length weighting of the density values was required prior to grade interpolation. The density CV is 0.07, suggesting very low variability. RSC considers the density approach to be of low risk to the determined tonnage.
Estimation and modelling: Classification	Good	7	3	Low to Moderate	H&S classified the Mineral Resources on the basis of the estimation search pass and the data point distribution. This is a function of the drillhole spacing. The 50-m-spaced infill drilling demonstrated no material difference in estimated grade compared to the previous 100-m spacing, and this is the primary basis for the allocation of Indicated Resources, despite the relatively poor variography for the more densely drilled West lode. Other aspects have been considered in the classification including: the style of mineralisation, the geological model, sampling method and recovery, density data, the QAQC programme and results, and comparison with previous resource estimates. RSC considers this a good approach in determining classification, but would support the inclusion of estimation quality metrics. In addition, RSC observed that there are discontinuous small blocks of Indicated within the continuous Inferred portions. RSC would consider downgrading these portions (approximately 5% of total resource) from Indicated to Inferred for the purpose of the valuation. Most of the blocks estimated in the wider passes were excluded from the classification. RSC considers the classification to suggest that there are reasonable prospects of eventual economic extraction (RPEEE).

4.5.2 Altia

The current Mineral Resource estimate for Altia was first publicly reported in accordance with the JORC Code (2012) in Demetallica's prospectus on 8 April 2022. The Mineral Resource was estimated by Snowden Optiro in January 2022.

To assess reasonable prospects for eventual economic extraction (RPEEE), Snowden Optiro's model was run through both an open pit (Figure 20) and underground optimisation process, with the resulting Mineral Resource reported separately at different Pb cut-off grades for the open pit and underground components. The current total Inferred Mineral Resource estimate at Altia totals approximately 6.3 Mt @ 3.4% Pb, 0.38% Zn and 37 g/t Ag (Table 11).

Table 11: Altia Mineral Resource estimate.

Category	Area	Cut-off Pb (%)	Tonnes (Mt)	Pb (%)	Zn (%)	Ag (g/t)	Contained Pb (kt)	Contained Zn (kt)	Contained Ag (Moz)
Inferred	Open Pit	1.5	5.4	3.32	0.38	38	179	21	6.6
	Underground	2.5	0.9	3.87	0.35	31	35	3	0.9
	Total		6.3	3.40	0.38	37	214	24	7.5

RSC's assessment of the quality and Reasonableness of the Altia Mineral Resource is presented in Table 12.

RSC considers the Altia Inferred Mineral Resource to have been prepared to a sufficient standard and reported in accordance with the JORC Code (2012). RSC concludes that while the Mineral Resource is reasonable for Valuation purposes, it carries a moderate overall risk due to the absence of a QA/QC data review and the absence of the consideration of a likely correlation between density and grade for the estimation of Pb. This would need to be adequately accounted for in the approach to the valuation of the current declared Inferred Mineral Resource.

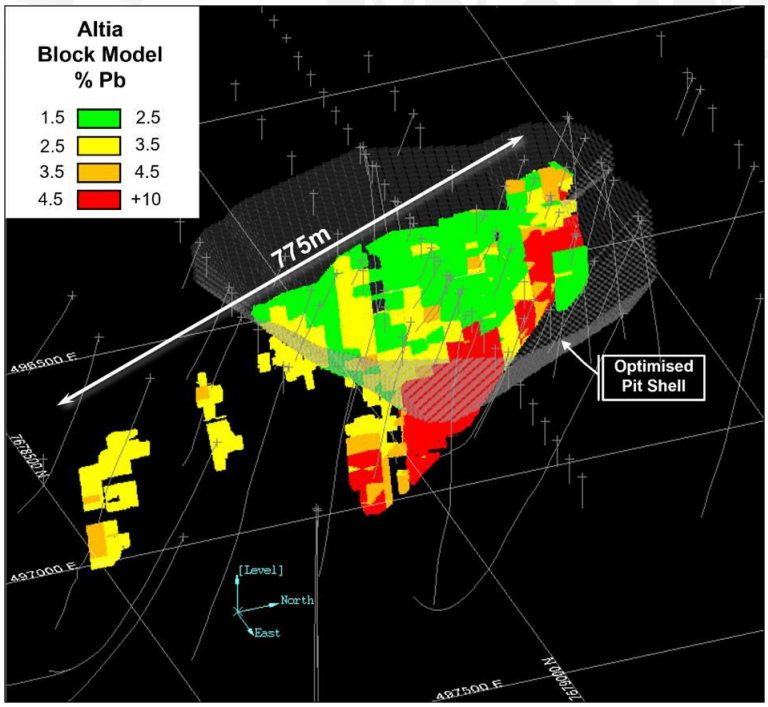


Figure 20: Oblique view, looking northwest, of the Altia resource block model, Pb grades.

Table 12: Results of the quality and Reasonableness review of the Altia Mineral Resource, Chimera project.

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Drilling and sampling techniques	Poor	2	4	Moderate to High	A total of 58 diamond holes (26,165 m drilled) and 26 RC holes (3,811m drilled) were used in the Mineral Resource estimate. Snowden Optiro noted that it did not perform a review of QA/QC data and that it has assumed all data to be accurate and precise. RSC considers this statement to present some risk, even for the classification of an Inferred Mineral Resource.
Data spacing and distribution	Poor	4	2.5	Moderate	Snowden Optiro did not comment on the data spacing. RSC infers from a high-level inspection of the drill plan that the drill spacing in the core of the deposit is on a 100 m x 50 m section, which is acceptable for the purpose of an Inferred Mineral Resource classification.
Bulk density	Poor	5	2.5	Moderate	Dry bulk density was measured by the Archimedes method on small (<30 cm) sections of core. Snowden Optiro noted, and RSC agrees, that this presents a risk of selection bias for the type of ore being sampled.
Orientation of data/drilling	Absent	-	-	Low to Moderate	Snowden Optiro did not provide discussion on the drillhole orientation. The available survey information suggest that the drilling is dipping 60° to the west, which is appropriate to intercept mineralised lodes dipping 55°–75° to the east.
Estimation and modelling: domaining	Average	6	3.5	Low to Moderate	The geological domain modelling appears to be relatively well constrained (i.e., RSC considers that there is no over-extrapolation of the geological contiguity of the modelled domains) and Snowden Optiro recognised the confidence in the geological interpretation as being only compatible with an Inferred Mineral Resource classification objective. Snowden Optiro noted, in particular, that the current geological interpretation and subsequent Mineral Resource estimation are significantly influenced by a single drillhole 50 m intercept (ALDH08) which is not supported by surrounding information and requires urgent validation drilling. The estimation domains based on the consideration of a Pb grade threshold of 0.25% result in distributions of 1 m composites exhibiting coefficient of variation (CV) values of 0.8–1.2 for all variables in most domains. RSC considers this result satisfactory and the risk on the overall estimation process of the geological and estimation domain approaches to be low to moderate.
Estimation and modelling: compositing	Poor	4	2.5	Moderate	The compositing length in the mineralised domain has been fixed to 1 m without supporting documentation justifying that choice. Based on a cursory examination of the input data, this corresponds to the dominant sample length. RSC considers that there is a risk attached to the compositing process as it is unclear whether the sample intervals have been weighted by density, which in a Pb-Zn-Ag deposit is of significance and may result (when overlooked) in overstating or understating the composite value by 5%–10%, particularly for Pb.
Estimation and modelling: grade capping	Average	6	2.5	Low to moderate	Snowden Optiro applied some grade capping for some estimation domains and RSC considers the approach followed to be prudent, albeit slightly conservative.

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Estimation and modelling: variography	Average	6	2	Low to moderate	The variography has been performed to an adequate standard. The inference of γ0 model parameter values for all variables seems slightly optimistic.
Estimation and modelling: interpolation and extrapolation	Average	5	2.5	Low to moderate	RSC considers that two elements of importance for the estimation of a Pb-Zn-Ag deposit are poorly captured in the process followed by Snowden Optiro: 1) The potential correlation between density and Pb grades is not considered nor tested. The reproduction of the high level of correlations among input variables is treated by the use of similar neighbourhood searches but no attention is being paid to the variogram model parameters used (sill ratios, ranges, anisotropy), which in that instance, have a stronger bearing on the outcome. 2) The block size appears to be small compared to the drill spacing, which combined with the optimistic nature of the modelled γ0 values, increases the risk, in RSC's opinion, of conditional bias, which presents the risk of overstating the tonnages and grade at cut-off.
Estimation and modelling: checks and validation	Average	6	2.5	Low to moderate	Snowden Optiro noted that the geological interpretation and subsequent Mineral Resource estimate are greatly influenced by a single drillhole 50 m intercept (ALDH08) which is not supported by surrounding information and requires urgent validation drilling.
Estimation and modelling: cut-off	Average	5	2.5	Low to Moderate	RSC considers the economic and metallurgical recovery assumptions used are appropriate.
Estimation and modelling: density	Average	5	3	Moderate	Densities are assigned by domain using the average value of the bulk density measurements for that domain. This results in values ranging from 3.1 to 3.8 for the mineralised domains. The risk attached to the variability of the density needs to be better controlled through improved data collection and better estimation routines (using the correlation with Pb grades in particular).
Estimation and modelling: Classification	Good	6	3	Low to Moderate	The absence of QA/QC review work, the limited confidence in the geological interpretation and the risk of conditional bias in the local estimate limit the possibilities of classification to an Inferred Mineral Resource. RSC considers the use of constraining pit optimisation shells to control RPEEE is acceptable.

4.5.3 Sandy Creek

The current Mineral Resource estimate for Sandy Creek was included in Demetallica's prospectus on 8 April 2022 and was originally reported by Breakaway Resources in March 2013. The Mineral Resource was estimated by Snowden Optiro.

The current total Inferred Mineral Resource estimate at Sandy Creek totals approximately 2.0 Mt @ 1.32% Cu and 0.3 g/t Au, reported above a 0.3% Cu cut-off and in accordance with the JORC Core (2012) (Table 13, Figure 21).

Table 13: Sandy Creek Mineral Resource, reported above a 0.3% Cu cut-off.

Sandy Creek	Tonnes (Mt)	Cu (%)	Au (g/t)	Contained Cu (kt)	Contained Au (koz)
Inferred	2.0	1.32	0.3	26.4	21.4

RSC's assessment of the quality and Reasonableness of the Sandy Creek Mineral Resource is presented in Table 14.

RSC considers that the Sandy Creek Inferred Mineral Resource has been prepared to a sufficient standard and reported in accordance with the JORC Code (2012). While RSC considers the Mineral Resource reasonable for Valuation purposes, from an RPEEE perspective, Sandy Creek carries a moderate to high risk as the Mineral Resource is not constrained against any meaningful economic considerations. This would need to be adequately accounted for in the approach to the valuation of the current declared Inferred Mineral Resource.

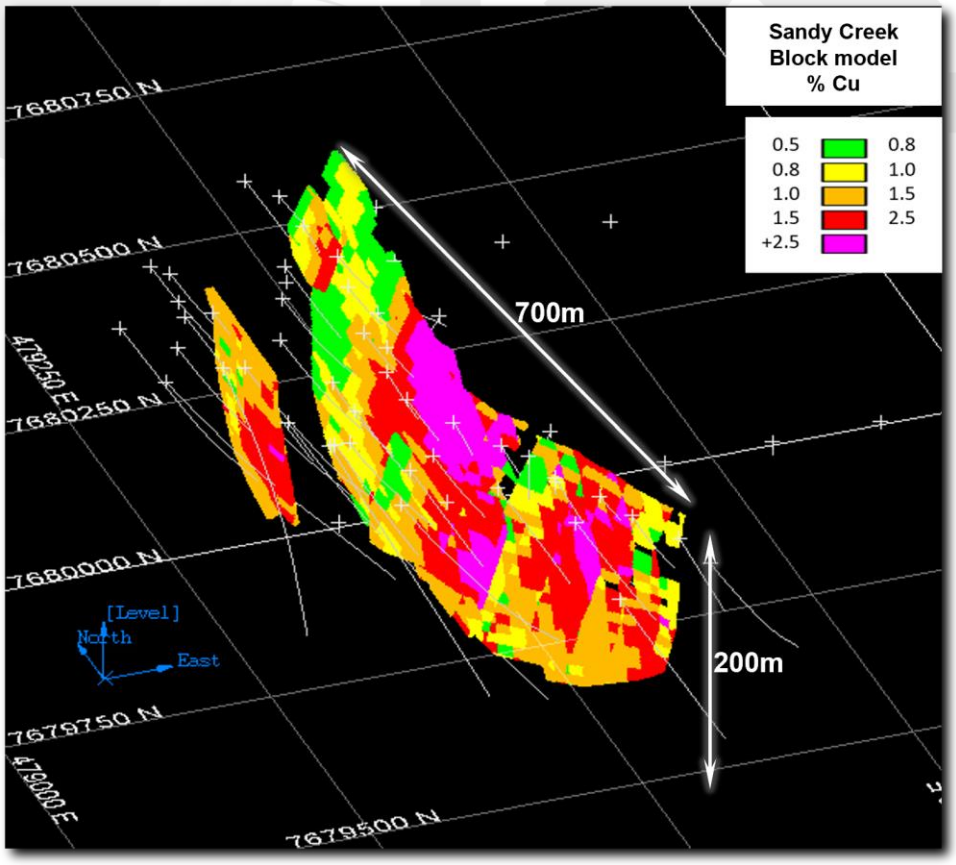


Figure 21: Oblique view, looking north-northeast, of the Sandy Creek resource block model, Cu grades.

Table 14: Results of the quality and Reasonableness review of the Sandy Creek Mineral Resource, Chimera project.

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Drilling and sampling techniques	Average	5	3	Moderate	50 holes in total: 41 RC and 9 diamond. The QC of the analytical process, through insertion of CRMs and blanks, should be increased given the size of the dataset. This will help identify meaningful trends (1:50 CRMs and 1:100 Blanks and field duplicates on a sample set of just over 300). No CRM material for Au has been used. All QC data have only focused on Cu, with all data passing within 3 SD. No comment on field duplicate performance was provided.
Geological logging and domaining	Poor	4	2	Moderate	No geological domaining is represented in the model. Lithology is captured in the logging but not interpreted in the model. The only modelled geology is the weathering surfaces used to apply global density.
Data spacing and distribution	Poor	4	3	Moderate	Snowden Optiro's report mentions a spacing of 50 m x 50 m but provides no visual justification that the spacing is achieved, RSC performed a rapid reality check comparing the metres drilled with the schematic footprint of the mineralised lodes and concluded that the spacing was plausible and compatible with the quality objective of an Inferred Mineral Resource classification.
Bulk density	Average	7	3	Moderate	Archimedes process was applied to determine density. Each metre was sampled with data analysis broadly captured to define oxide and primary (Fresh?) in the mineralisation lodes and waste portion. RSC considers there may be a tonnage risk in not characterising the transitional material and assuming the jump from oxide to fresh.
Orientation of data/drilling	Good	8	1	Low	West-dipping lodes drilled from west–east and intersected at good angles.
Estimation and modelling: domaining	Average	7	3	Moderate	Grade modelling using 0.3% Cu to identify five estimation domains. These volumes are used to interpolate Cu and Au, but no reference to Cu-Au correlation is presented to support this. Three of the domains are supported by less than 25 points each, which increases the risk when using a Cu (%) cut-off as the sole discriminator for estimation domain modelling. The west and main lodes are better informed and will carry the greatest volume. RSC considers the approach to be compatible with the objective of an Inferred classification.
Estimation and modelling: compositing	Good	8	1	Low	1 m composites with incorporated residuals are selected. This is close to the mean sample length (0.95 m) and considered to carry low risk to the estimation process.
Estimation and modelling: grade capping	Good	9	1	Low	Domains were individually reviewed for top cut analysis and applied appropriately. RSC supports this approach to limit the spread of high-grade data values.
Estimation and modelling: variography	Good	9	1	Low	Variography for Au and Cu is modelled for the main domain and applied to the poorer informed domains. RSC supports this approach.
Estimation and modelling:	Good	6	2.5	Low to Moderate	Ordinary kriging was applied to all domains (except the FW lode). A nearest neighbour approach was used for the FW lode (Optiro invoking the lack of data for making that choice). Search

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
interpolation and extrapolation					parameters for Au and Cu are identical and dynamic anisotropy is applied to honour local wireframe orientation changes. The block size is 10 mE x 25 mN x 10 mRL against a nominal spacing of 50 m x 50 m. RSC considers this adequate but still prone to potential conditional bias risk. The first-pass search considered the range of the variogram and minimum and maximum samples of 10 and 32, respectively. This approach is supported by RSC. The second search reduces the minimum samples to two but retains the same search and the third search triples the search dimension and applies the reduced search. RSC considers this approach higher risk and would support keeping the increased sample number at 10 and adjusting the neighbourhood or applying a mean grade. More than 76% of the samples are informed by the first search which minimises the impact the second and third passes would have on the estimate. RSC recommends running sensitivities on the pass 2 and 3 areas to understand the metal impact by applying different interpolation approaches to these low-confidence portions. No reference is made with regard to the correlation between Au and Cu. Optiro did apply a similar search strategy to both variables and the modelled variogram parameters are similar which should reduce the risk of creating or destroying inherent correlation between the two. RSC recommends future analysis in this regard. One area of inconsistency is the application of the NN estimate to the FW domain due to lacking data; however, the HW1 domain has a lower data density but in this instance OK is applied. RSC would support a more consistent approach and cautions against the risk for conditional applying NN but does not consider this a material/critical risk.
Estimation and modelling: checks and validation	Good	8	1	Low	Standard validation was carried out using slice plots, global stats, and visual review. RSC supports this approach and the findings but would suggest the application of declustered values in the slicing plots to reduce the impact of clustering artefacts.
Estimation and modelling: cut-off	Poor	4	3	Moderate	No economic justification is provided for the choice of the reporting cut-off grade which coincides with the cut-off grade used to model estimation domains. RSC considers this a moderate risk of slightly overestimating the tonnage and grade under RPEEE.
Estimation and modelling: density	Good	7	2	Low	All samples have density measurements established from the Archimedes method. The data are categorised spatially according to oxide and primary (fresh). A mean density is determined for these categories and applied to the model. RSC supports this approach and the Archimedes method of measurement. One area of risk may be the lack of a defined transitional zone which may result in the under-call on the density at the lower end of the oxide and vice versa for the upper portion of the fresh.
Estimation and modelling: Classification	Good	8	1	Low	RSC has considered the geological input, variogram modelling, data distribution and descriptive statistics, and supports the application of the Inferred Mineral Resource classification for the Main and West lodes in the fresh portions. The smaller lodes (HW1 and 2 and the FW) are supported by the general geological context but are higher risk due to the low data support and the Inferred classification could be questioned for these.

4.6 Brownfields Exploration Potential

RSC assessed near-resource exploration results to assess the quality and Reasonableness of the Jericho Exploration Target and the mineralisation potential of the Chimera project as reported by Demetallica.

4.6.1 Jericho

Geological and structural interpretations of the Jericho deposit suggest that mineralisation is steeply west-dipping and plunges to the north. Both the J1 and J2 lodes are open and provide evidence for a potential extension at depth.

Recent drilling confirmed the presence of high-grade Cu mineralisation at depth (Demetallica, 2022a) and supported an updated Mineral Resource estimate and new Exploration Target. Demetallica reported an Exploration Target of 9–13 Mt @ 1.3–1.8% Cu, 0.25–0.29 g/t Au and 1.42.0 ppm Ag in October 2022. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target represents exploration potential in the immediate vicinity of the Mineral Resource, generally at depth down dip. Mineralisation in both J1 and J2 appears to be open at depth and plunging north (Figure 22), consistent with previous interpretations of the Jericho deposit (Figure 17, Figure 18). The more widely spaced drilling in the J2 Lode also allows for additional potential at shallower depths (Figure 22).

The Exploration Target was established using the estimation results from interpolation passes 5 & 6 and 50% of the remaining blocks within the mineral wireframe with no interpolated block grades.

RSC considers that the Jericho Exploration Target has been prepared to a sufficient standard and reported in accordance with the JORC Code (2012). The Exploration Target provides a reasonable indication of the exploration potential at the Jericho Deposit.

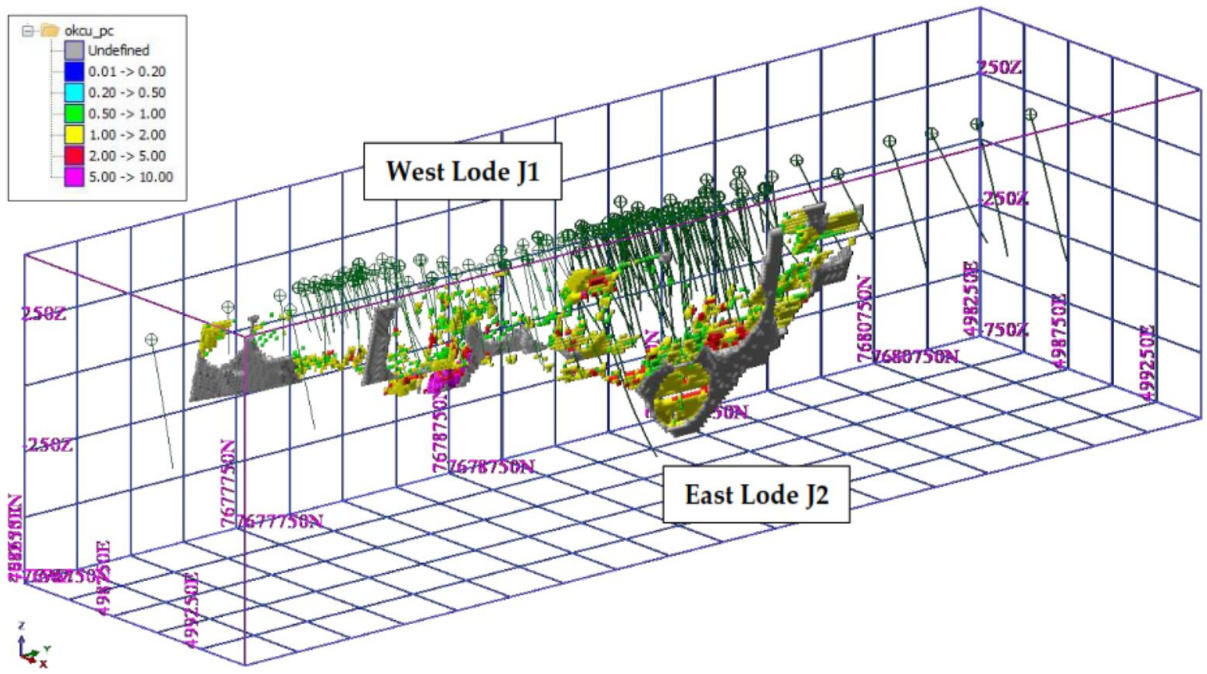


Figure 22: Jericho 2022 Exploration Target extent – Copper.

4.6.2 Altia

As discussed in sections 4.4.3 and 4.5.2, prior to the demerger, Minotaur engaged Snowden Optiro to estimate an updated Mineral Resource for the Altia deposit. It was noted that the current geological interpretation and Mineral Resource estimate are strongly influenced by a 50-m interval within a single drillhole (ALDH08, downhole from 290–340 m). Significant metal and grade contribute to the Mineral Resource based on this interval. The drilling data surrounding this interval is typically of lower grade and of lower thickness. As noted in Snowden Optiro (2022) and section 4.5.2 of this Report, further infill drilling is required to provide confidence in the geological interpretation and exploration potential.

Despite Demetallica's suggestion that mineralisation is open at depth, limited drilling exists below the bounds of the Mineral Resource envelope. A single hole (14ALDD02) intersected mineralisation at depth, returning 7.61 m @ 7.48% Pb, 102.5 g/t Ag and 0.29% Zn from 731.09 m supporting the potential for mineralisation at depth. RSC considers that further drilling at depth is warranted to test the continuity of mineralisation.

4.6.3 Sandy Creek

Mineralisation appears to be open to the south of the Sandy Creek deposit beyond the extent of the Mineral Resource envelope. Drillholes targeting the southern extension of mineralisation failed to reach the interpreted southern strike of mineralised lodes. Geophysical evidence indicates a strong attenuation of the Sandy Creek IP chargeability anomaly to the south of the deposit, indicating that mineralisation could be closed to the south (Figure 23). RSC considers that it is not proven that the southern plunge of mineralisation is open and further drilling to intersect the interpreted strike of mineralisation is required.

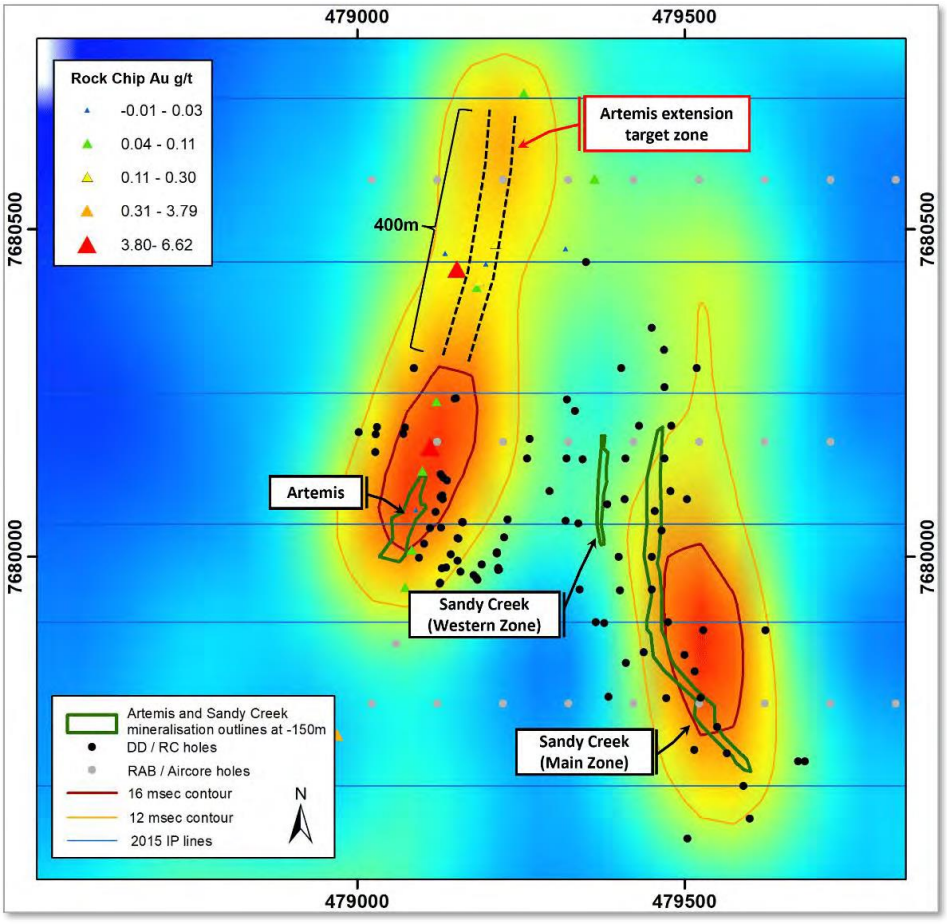


Figure 23: IP chargeability depth slice at 150 m below surface and rock chip sample locations.

4.7 Regional Exploration Potential

RSC considers the Chimera project to have good prospectivity for base metal mineralisation. Several styles of mineralisation occur locally including BHT-type Pb-Zn-Ag, ISCG-style Cu-Au, IOCG-style Cu-Au and polymetallic carbonate replacement deposits. The local stratigraphy (Soldiers Cap Group) is proven to host Cu, Au, Pb, Zn and Ag mineralisation, including several deposits of a significant economic grade (e.g., Eloise, Jericho, etc.). A key feature of the local geology is the presence of deep crustal structures (e.g., the Levuka Shear Zone) that represent potential pathways for hydrothermal fluids, carrying mineralisation. Continued exploration potential exists at known prospects.

The discovery of the Iris, Electra & Big Foot, and Defiance prospects provides confidence that the Chimera project remains prospective for ISCG Eloise- and Jericho-style mineralisation. Deep cover over the eastern portion of the project area has historically hindered the identification of magnetic features such as ISCG-style mineralised systems. However, the recent discovery of the Jericho deposit and other regional prospects has provided confidence in modern airborne and ground EM methods to identify previously obscured targets beneath the cover units. RSC considers the Chimera project area to be prospective for IOCG-type. ISCG-type, BHT-type, and carbonate replacement style mineralisation under cover with continued application of modern exploration techniques.

AIC's Eloise deposit remains open at depth to the south (AIC Mines Limited, 2021), with the current Inferred and Indicated Mineral Resources within the Eloise Deeps lodes abutting Demetallica's EPM 17838 (Figure 4). AIC continues to identify extensions to the Eloise deposit at depth, including most recently the identification of a sixth lode within the Eloise Deeps Lodes (AIC Mines Limited, 2022b). Hence, there is potential for extension of Eloise into EPM 17838. Several other target prospects have been identified by AIC in the immediate vicinity of the Eloise deposit, providing confidence in the continued exploration deposit of the prospect.

4.7.1 Artemis

Mineralisation appears to be open to the north along strike and down dip. An IP chargeability anomaly occurs along strike to the north that has not been tested at depth; these anomalies occur in the known zones of mineralisation at both Artemis and Sandy Creek (Figure 23). However, it should be noted that there is no conductive EM anomaly associated with the IP anomaly. Rock chip samples collected along strike to the north returned anomalous Au (up to 6.6 g/t) (Figure 23).

RSC considers there to be reasonable exploration potential for the Artemis deposit, with potential for extensions to mineralisation along strike to the north and down-dip of known mineralised lodes. Potential exists for similar carbonate replacement deposits within prospective marble lenses found in the broader Mt Norma Quartzite.

4.7.2 Iris, Electra & Big Foot

Significant similarities exist between the Iris, Electra & Big Foot prospect, and the Jericho and Eloise deposits; however, to date drilling has not returned high-grade mineralisation. There is limited drilling at this prospect with large drillhole spacing. It is possible that drilling to date has not intersected any high-grade mineralised shoots within the system. The large-scale EM anomaly and low-grade mineralised intercepts in close proximity to existing mining/processing infrastructure (Eloise Mine) warrants further exploration.

RSC considers the Iris, Electra & Big Foot prospect represents low–moderate exploration potential.

4.7.3 Defiance

The limited drilling to date has identified broad zones of low-grade mineralisation; however, it is worth noting that only 400 m of the ~1.5 km anomaly has been drill-tested. As with the Iris, Electra & Big Foot prospect, Defiance exhibits a similar style of mineralisation to Jericho and Eloise.

RSC considers the Defiance prospect represents moderate exploration potential.

4.8 Environmental Considerations

In 2019, OZ Minerals engaged Golder Associates Pty Ltd and Freshwater Exology Pty Ltd to undertake a dry-season ecology baseline study for the Jericho project to support the decision-making process for a potential future environmental assessment process for a mining lease approval, under the *Environmental Protection Act 1994* (Qld) (EP Act), and potentially, the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act).

The study had the following conclusions.

- The study area dry season baseline ecology was found to be typical of other areas in the region that are subject to cattle grazing and associated land management practices.
- Of the eleven regional ecosystems mapped, one had a biodiversity status of 'endangered' under Queensland legislation.
- Some areas were mapped as being Matters of State Environmental Significance because they coincided with areas of State-significant vegetation associated with drainage lines and wetlands.
- Aquatic groundwater-dependent ecosystems, associated with Fullerton River and Scrubby Creek, were mapped as potentially occurring.
- A total of 212 flora species were recorded, with none listed as threatened species under either Commonwealth or State legislation.
- Four priority flora species, as listed under Queensland biodiversity planning assessments, could occur within the Study area given the presence of suitable habitat.
- One weed of national significance, Parkinsonia, was noted and is a restricted invasive plant under the Biosecurity Act.
- A total of 138 species were confirmed in the study area, with none listed as threatened under either Commonwealth or State legislation.
- Three priority fauna species, as listed under Queensland biodiversity planning assessments, were confirmed within the Study area.
- Suitable habitat occurs within the study area for 12 threatened species listed under the EPBC Act, and/or the Queensland NC Act.

5 Windsor Project

5.1 Project General Summary

5.1.1 Project Description & Location

The Windsor project is located within the Mount Windsor Subprovince, approximately 60 km south of Charters Towers in Northeast Queensland (Figure 24). The Windsor project covers an area of 640 km^2 on pastoral, freehold and grazing homestead leases.

Townsville is a major regional coastal city with excellent infrastructure that services numerous mining operations. Windsor is accessed by travelling west from Townsville on the sealed Flinders Highway, and south from Charters Towers on the Gregory Highway. The terrain varies from flat, cleared grazing land to areas of woodlands with steep topography. Vehicle access can be difficult during the wet season.

The Mount Windsor Subprovince is known as one of the best-endowed volcanic massive sulphide (VMS) belts in Australia, hosting the Thalanga, Liontown and Highway-Reward deposits (Figure 25). RSC considers the Windsor project an Early-Stage Exploration Project, as defined under the VALMIN Code.

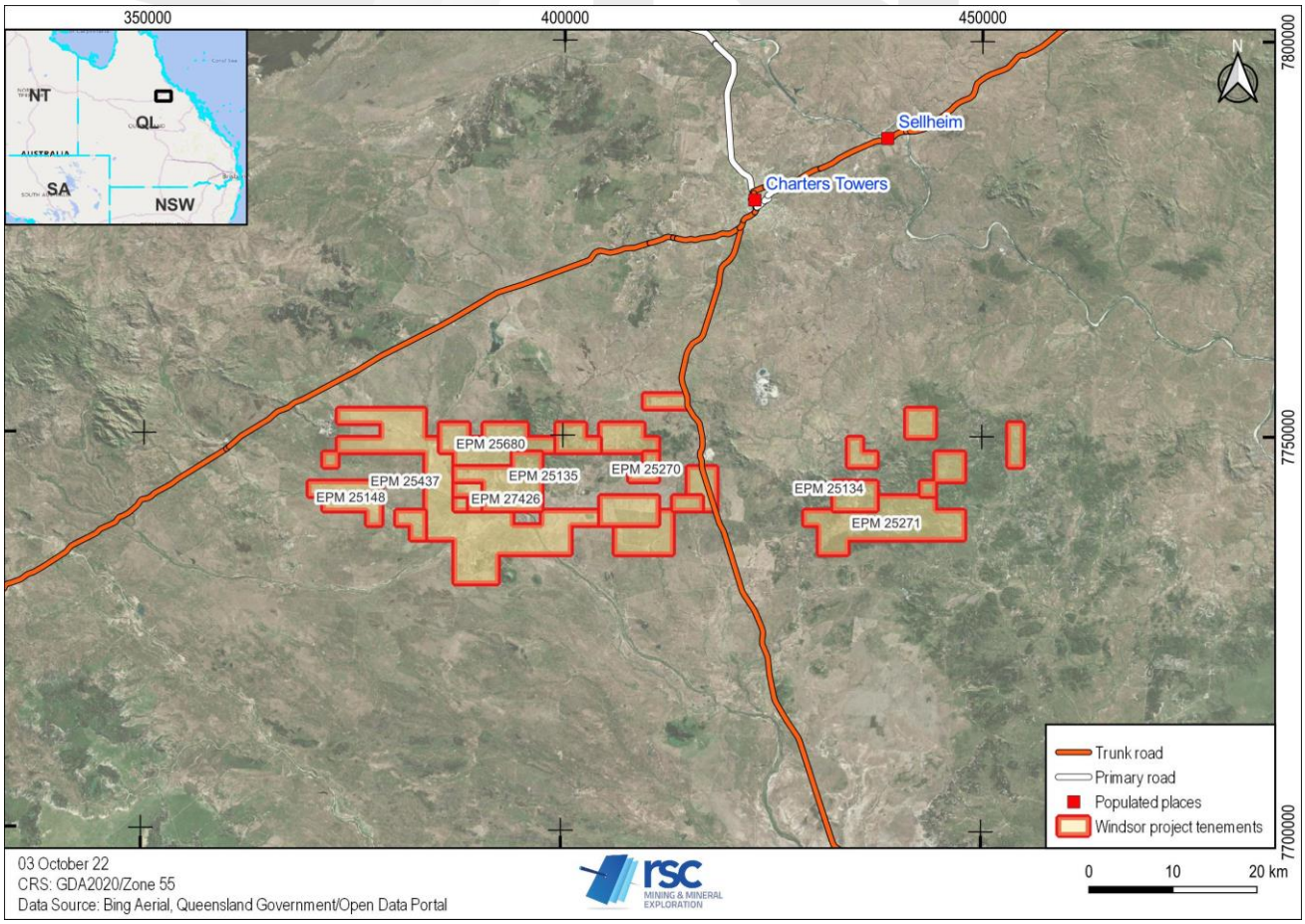


Figure 24: Location of Windsor project tenements, Queensland.

The climate is semi-tropical, with wet summers and dry winters, but is less humid than the nearby coastal regions. The average monthly maximum temperatures range from 25°C to 35°C, and the annual average rainfall is 645 mm (at Charters Towers), which is concentrated between November and March.

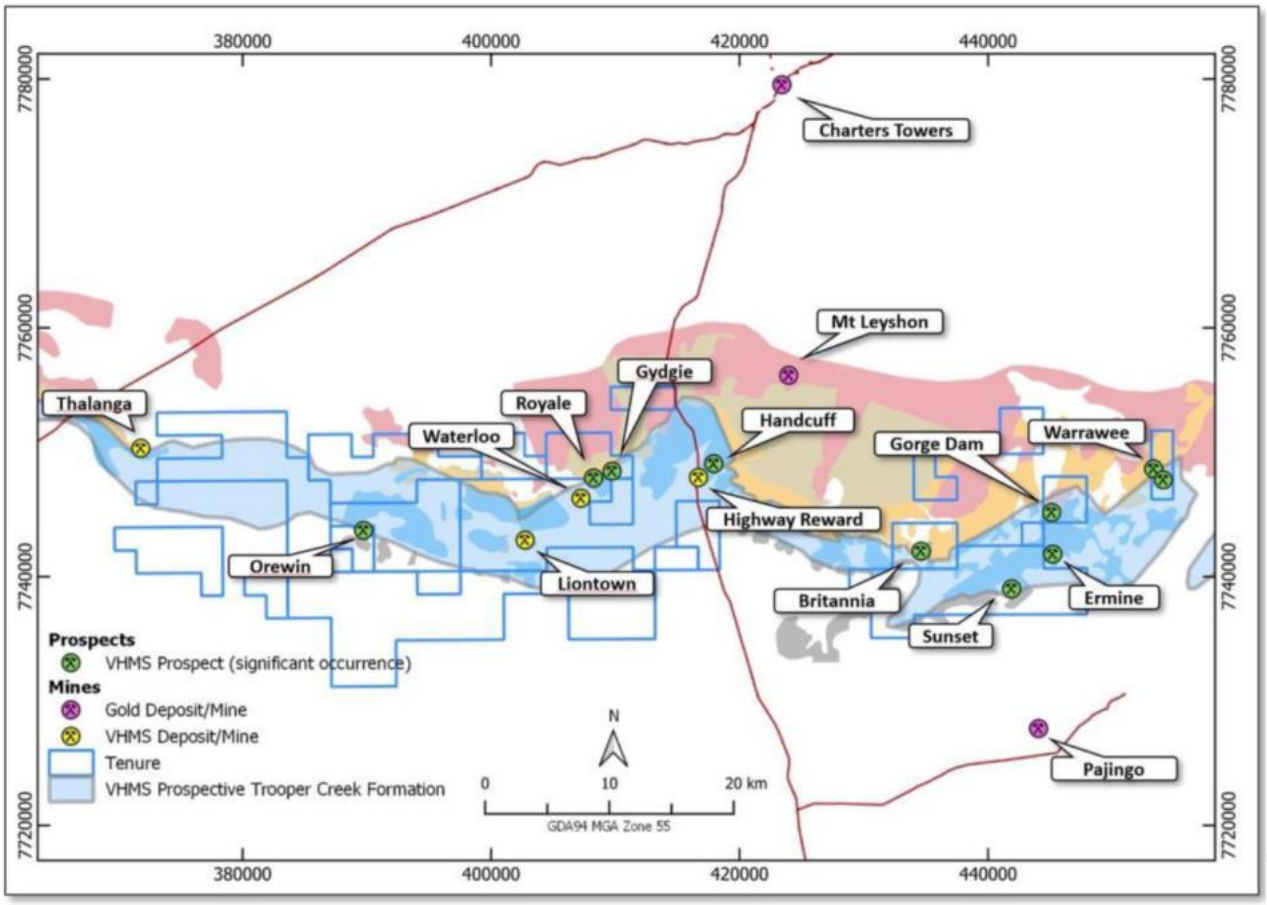


Figure 25: Overview of deposits and prospects in the Mount Windsor Subprovince.

5.1.2 Tenure & Ownership

The Windsor project comprises eight EPMs for a total area of ~640 km^2. The EPMs are held 100% by Demetallica Operations Pty Ltd (Table 15). There are no known obligations to any third party. Expenditure commitments and rents are presented in Table 16.

The Windsor project tenements fall within the area of Native Title Claim No QC 2018/002 (Jangga People #2), whose claim was accepted for registration on 22 November 2019, such that the claimants are entitled to the right to negotiate. EPM 27426 was granted on the basis that it comprises 100% exclusive land. The remaining seven EPMs were granted with Native Title Protection Conditions.

RSC has made all reasonable enquiries into the status of this tenure.

Table 15: Summary of Windsor project tenements.

Tenement	Holder	Equity (%)	Area (sub-blocks)	Area (km²)	Grant Date	Expiry Date	Renewal Due Date	Status
EPM 25134	Demetallica Operations Pty Ltd	100	21.00	67.62	20/11/2013	19/11/2023	19/09/2023	Live
EPM 25135	Demetallica Operations Pty Ltd	100	31.00	99.82	20/11/2013	19/11/2023	19/09/2023	Live
EPM 25148	Demetallica Operations Pty Ltd	100	28.00	90.16	25/11/2013	24/11/2023	24/09/2023	Live
EPM 25270	Demetallica Operations Pty Ltd	100	3.00	9.66	8/04/2014	7/04/2025	7/01/2025	Live
EPM 25271	Demetallica Operations Pty Ltd	100	27.00	86.94	8/04/2014	7/04/2025	7/01/2025	Live
EPM 25437	Demetallica Operations Pty Ltd	100	28.00	218.96	4/07/2014	3/07/2027	3/04/2027	Live
EPM 25680	Demetallica Operations Pty Ltd	100	3.00	57.96	2/04/2015	1/04/2023	1/01/2023	Live
EPM 27426	Demetallica Operations Pty Ltd	100	27.00	9.66	21/01/2020	20/01/2025	20/10/2024	Live

Table 16: Summary of Windsor rental fees, expenditure, and commitments.

Tenement	Annual Rent (AUD excl. GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 4 years (AUD)
EPM 25134	3,609.69	61,000	80,000	511,878
EPM 25135	5,328.59	95,000	107,500	232,255
EPM 25148	4,812.92	82,500	99,500	102,241
EPM 25270	515.67	Outcome Based	Outcome Based	49,506
EPM 25271	4,641.03	Outcome Based	Outcome Based	64,019
EPM 25437	11,688.52	Outcome Based	Outcome Based	273,308
EPM 25680	3,094.02	72,000	TBC	424,272
EPM 27426	515.67	26,500	51,000	43,467

5.2 History & Previous Work

The Mount Windsor Subprovince has been extensively prospected since the 1870s' discovery of gold (Au) in the nearby Charter's Towers goldfields and the Mount Leyshon deposit (Figure 25). Small-scale mining of outcropping Cu-rich lenses of the Liontown deposit occurred from 1905 to 1911, and of the Zn-Pb lodes in 1952, but the first major discovery in the Mt Windsor Subprovince was the Highway-Reward Cu-Au deposit in 1953.

The work of Jododex in the 1970s opened up the potential of the Mt Windsor Subprovince to subsequent explorers, with an extensive stream-sediment survey and mapping programme highlighting the anomalism within the Seventy Mile Range Group, and leading to decades of exploration and discovery in areas of outcrop. Stream-sediment sampling, with follow-up rock chip and soil programmes, combined with airborne magnetic surveys and ground-based electrical geophysical techniques, were routinely applied. It was the discovery of Warrawee in 1972, the deeper extents of Liontown in 1974, and

eventually, Thalanga in 1975, that triggered the recognition that the Mt Windsor Subprovince was a fertile VMS belt. Modern open-cut mining commenced at Mount Leyshon and Thalanga in 1987, and Highway-Reward in 1998 (Figure 25).

Since the 1970s, more than 35 companies have completed exploration activities, using conventional exploration techniques (Table 17). Surface geochemistry and shallow drilling have been the main tools employed, generally focussing on areas of outcrop or shallow cover (Table 17, Figure 26, Figure 27). Much of the geochemical data relates to the eastern tenements (Figure 26).

While a considerable quantum of exploration has been completed within the Subprovince, the extensive cover of the Pliocene Campaspe formation over the Seventy Mile Range Group has hindered traditional surface exploration methods, and conductive graphitic units within the upper Trooper Creek Formation and overlying Rolleston Range Formation have hindered electrical exploration methods.

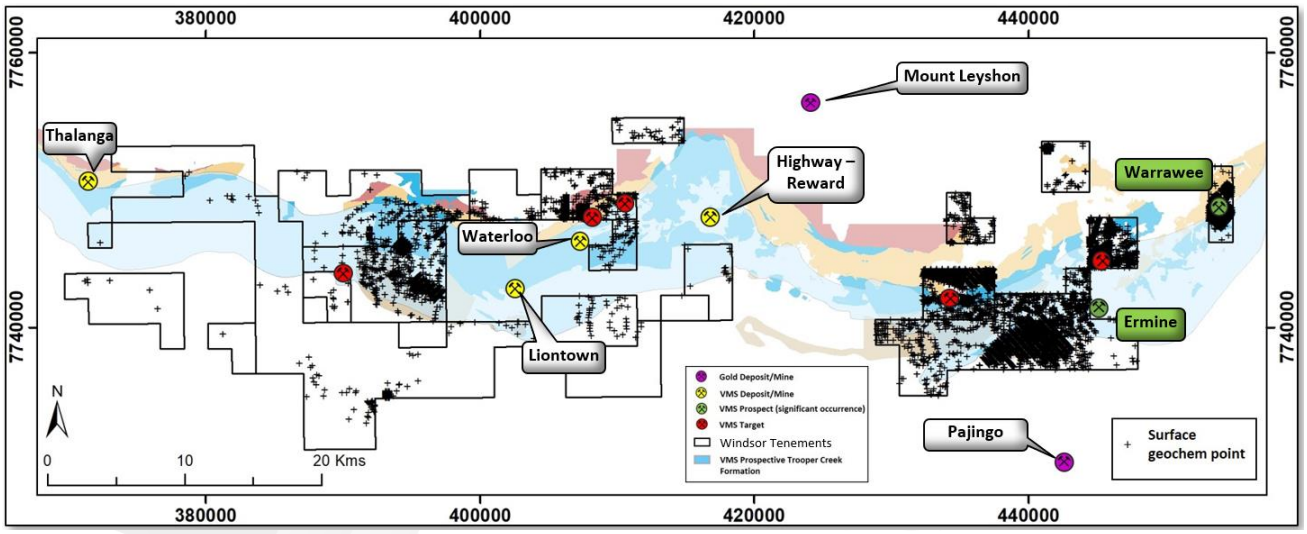


Figure 26: Location of geochemical data within the Windsor project.

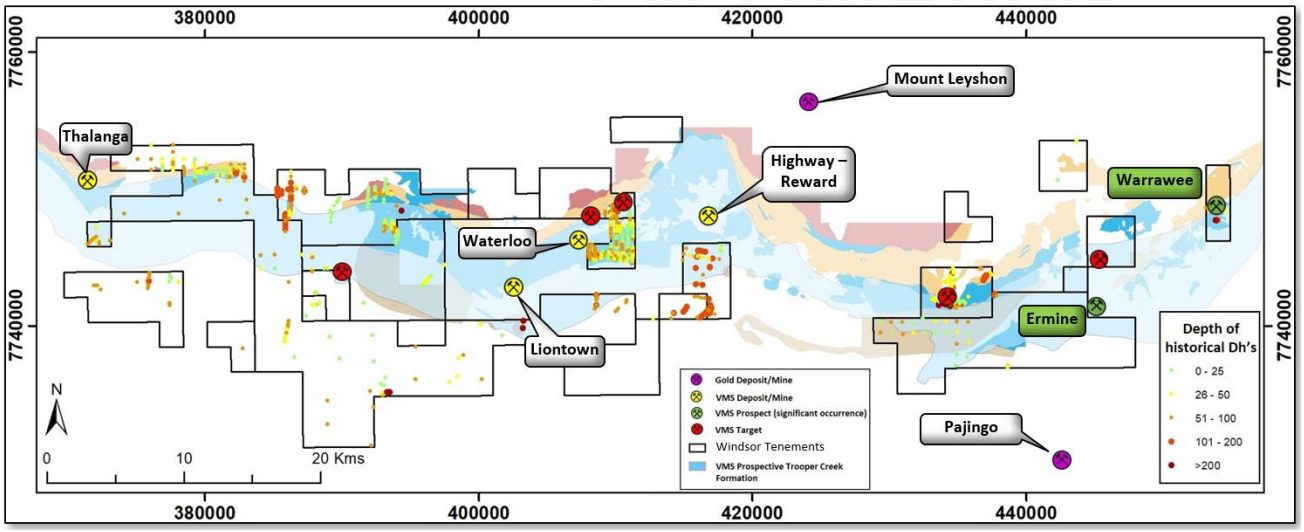


Figure 27: Location and maximum depth of historical drillholes within the Windsor project.

Table 17: Summary of exploration activity at the Windsor project.

Period	Company	Summary of activities
1972	Jododex Australia PL	Detailed geological mapping, stream sediment sampling, IP survey between Highway-Reward and Liontown, and 15 percussion drillholes.
1972	Kennecott Exploration	Stream sediment sampling identified a Cu-Pb-Zn anomaly (later becomes Warrawee prospect).
1974	Cormepar Mineral	Stream sediment, soil, and rock chip sampling; discovery of Warrawee prospect (stream sediment and soil anomaly); 31 percussion drillholes.
1974	Geopeko	Detailed mapping, limited infill, and extension soil sampling; four diamond drillholes at or near Warrawee.
1974–1984	Esso Exploration, EZ	Detailed geological mapping, stream sediment sampling, detailed soil and rock chip sampling, ground magnetics, percussion and diamond drilling, and trench sampling. Gossan sampling results up to 64.5% Pb, 2.13% Zn, 17.1% Cu, 335 g/t Ag, 0.74 g/t Au, 250 ppm Sb.
1975–1977	Le Nickel/Penarroya	Geological mapping, stream sediment sampling anomalies. Rock chip sampling results up to >2,000 ppm Pb, 1,900 ppm Zn, 140 ppm Cu. Airborne magnetics/radiometric survey, geological mapping, ground TMI; percussion and diamond drilling.
1977	Carpentaria	Soil sampling, stream sediment (91) and rock chip sampling (50) with results up to 2,560 ppm Cu.
1980–1982	Aberfoyle, Newmont	Geological compilation, rock chips, petrology of surface and drill core samples from Geopeko drilling, EM loops, diamond and percussion drilling, testing EM anomaly. No significant results in drilling at Black Rock EM anomaly. RC and diamond drilling at various prospects.
1982	Penarroya	Geological mapping, stream sediment, air photo, and airborne magnetics/radiometrics.
1983	Sovereign Mining	Au exploration in felsic intrusives.
1984–1991	Pan Continental	Regional mapping and compilation; stream sediment, rock chip sampling; IP, SiroTEM, airborne magnetics/radiometrics; RC drilling at various prospects.
1985	Capricornia Prospecting	Au exploration immediately east of Mt Leyshon.
1985	Pajingo Gold Mining	Exploration mostly around the Pajingo gold mine to the south. Rock chip and soil sampling, airborne magnetics, geological mapping.
1985–1986	Battle Mountain	184 stream sediments (no significant results returned), 116 rock chips, geological reconnaissance, ground mag, air photo, airborne mag/rad.
1986–1993	Plutonic Operations, Billiton	EM, soil and rock chip sampling, ground mag, gravity IP surveys and drilling across several prospects. Best rock chip up to 870 ppm Cu, 0.46% Pb, 0.26% Zn, 9 g/t Ag, 0.89g/t Au.
1987	BHP	Stream sediment sampling, regional and follow-up soil sampling. Three low-level Au anomalies with increasing Au anomalism toward Mt Sunrise.
1987	Pan Australian Mining	Aerial photography, airborne magnetics, 84 stream sediment samples, 25 rock chip samples, grid 108 soils, 28 soil samples on traverses.
1988	Barrick Mine Management	Ground EM, AC drilling at Brigalow.
1987–1989	Noranda, Pioneer	Percussion drilling at Warrawee; 33 rock chip, 128 soil samples; EM survey (high priority anomaly -Lancewood grid, Mt Sunrise area). Sampling of altered footwall returned max 430 ppm Cu, 1,030 ppm Pb, 520 ppm Zn, 3,200 ppm As, 35% Ba, 75 g/t Ag, 0.16 g/t Au. Well-defined exhalite jasper zone trending into EPM25134.
1989	Mt Leyshon Gold Mines, Pan Continental	Gravity, EM, IP survey, rock chip, mapping, soil sampling, RC drilling.
1989	Metana Minerals NL	Rock chip, stream sediments, soil sampling, gravity survey, SiroTEM survey, RAB, RC, and diamond drilling.

1989	Billiton Australia	Rock chip, soil sampling, EM (no anomalies) over 300-m qtz-sericite-py alt zone. Up to 550 ppm Zn in soil and best rock chip sample 1,980 ppm Zn, 180 ppm Pb.
1989	WMC	333 rock chip samples.
1990	Sons of Gwalia	Rock chip, stream sediment, soil sampling, laterite sampling; SiroTEM survey, ground mag, RAB drilling; EM survey identified donut anomaly.
1990	ACM Gold Ltd, Nord Australex	17 rock chip, 104 stream sediment bulk BLEG sampling. Two significant BLEG Au anomalies north of Mt Redan.
1990	CRA Exploration	RAB drilling, ground mag, bulk sampling, SiroTEM survey.
1993	Dominion Mining	Airborne magnetics; 79 rock chip, soil samples, geological mapping, 11 RAB holes.
1991–1994	Mt Leyshon Gold Mines	Airborne mag, ground mag, stream sediments, rock chip sampling, soil sampling, recon geological mapping, 24 RAB holes in vicinity of Mt Redan. Stream sediment, soil, bulk, rock chip sampling, ground mag and IP surveys at Knoll grid prospect. RC drilling KEA-, KEO-, KER- prefix. (30 holes).
1994	Normandy Exploration Ltd	Airborne magnetics, recon air core drilling (5 holes), systematic air core drilling (>400 holes), RC percussion (8 holes). Follow-up and infill drilling at Nomad Au prospect. Five diamond holes at Nomad Au prospect.
1995	Equinox Resources	Rock chip, bulk, stream sediments, resistivity surveys, RAB, percussion, RC drilling. Several high Pb rock samples at Kayak prospect.
1995–1996	RGC Exploration	Soil, airborne mag/rad, RC drilling, IP survey, DH Radial IP survey (two anomalies). RC drill tested anomalies; one anomaly was unexplained by drilling and one was interpreted to be due to black shale. RC drilling at Trafalgar prospect (8 holes) with no anomalous results. Rock chip, soil sampling at various prospects.
1996–2005	Newcrest Mining	Soil, rock chip, stream sediment, RC and diamond drilling at Currency Lass, Plateau and Brittania prospects. Data processing, satellite imagery, alteration map of Plateau prospect. The potential for IRGS, epithermal or mesothermal Au systems was considered low and relinquishment was recommended. Recon mapping and 84 rock chip samples on Warrawee. Ridge and spur soil sampling over other areas.
1996	Coffee Gold NL	Bulk, stream sediment and rock chip sampling for Au.
1996–2004	Thalanga Cu, Kagara	Soil, stream sediment sampling, RAB drilling. XRF soils at Warrawee, Gorge Dam. Drilling was proposed but not undertaken at Gorge Dam and Warrawee to test soil anomalies. Identification of two Cu-Pb-Zn soil anomalies not investigated. Rock chip XRF assay Warrawee; best results 1.5% Zn, 0.32% Pb, 0.78% Cu.
2006–2010	Liontown Resources, Ramelius	Soil, rock chip sampling, ground mag, Au exploration with AC drilling at G51 prospect. AC, RC and DDH drilling for Au mineralisation at Mt Redan, Oaklands, Braceborough, Mosquito Hill. RC drilling at Mosquito Hill to test IP and weak Ag-As soil anomaly (no significant results). Diamond drilling at Mt Redan to test IP chargeability anomaly and anomalous soil geochemistry (no significant Au and up to 0.1% As, 20 ppm Sb). Rock chip, soil sampling, geological mapping, gradient array IP, AC and RC drilling at Old Cardigan, Crimson Wing, Bustard, Plateau N&S, Warrawee Epithermals, Budgie, Nightjar, Babbler, G-14 West.
2011	Hebrides Resources, Red River Resources	Literature review, HyMap data acquisition, data processing.
2013–2015	Atherton Resources/Mungana Ltd	Literature review.
2015–2019	Auctus Resources Pty Ltd	Historical drilling review.
2019–2021	Minotaur	Warrawee IP survey (VMS mineralisation localised at limited depth and strike), rock chip sampling testing IRGS (elevated pathfinders). IP survey, and drilling at Hastings identified shale as the anomaly source. Reprocessing of Liontown VTEM data (Blenheim/Royale and mystery potential VMS targets). Rock chip sampling and grid soil Blenheim and Royale. Soil and rock chip sampling at Orewin was anomalous (northwest of Crooked Creek). Groundwater isotope bore sampling.

5.3 Geological Setting & Mineralisation

5.3.1 Regional Geology

The Windsor project is situated within the Mount Windsor Subprovince, which forms an east-west oriented, semi-continuous, 85 km by 20 km belt at the northern end of the Thomson Orogen, Tasman Orogenic Belt/Tasmanides.

The Mount Windsor Subprovince encompasses the dismembered remnants of a thick volcanic and sedimentary succession, predominantly of late Cambrian and early Ordovician age, consisting of conformable deep water sedimentary and subaqueous felsic, and mafic-to-intermediate volcanic rocks of four formations assigned to the Seventy Mile Range Group (SMRG) (Henderson, 1986; Berry et al., 1992). The SMRG has an apparent thickness of ~12,000 m.

The base of the SMRG stratigraphic sequence is a thick continent-derived siliciclastic package intruded by alkali andesites, typical of intraplate settings (Puddler Creek Formation). This is overlain by Mt Windsor volcanics, massive subaqueous rhyolitic units, and then Trooper Creek Formation, a mixed association of basaltic, andesitic, dacitic, and rhyolitic volcanics and volcaniclastics, containing numerous small elongate pods of quartz-haematite or magnetite exhalite (Figure 28). The cessation of active volcanism is marked by a change to a sandstone-siltstone unit dominated by volcanic sources (Rollston Range Formation). Most of the volcanics form a coherent group of low-to-medium, K calc-alkaline lavas similar to those in modern island-arc settings.

The SMRG has been dismembered, deformed and in part metamorphosed by diapiric emplacement of the middle Ordovician Ravenswood granodiorite complex. These rocks have been metamorphosed to mainly sub-greenschist to greenschist facies.

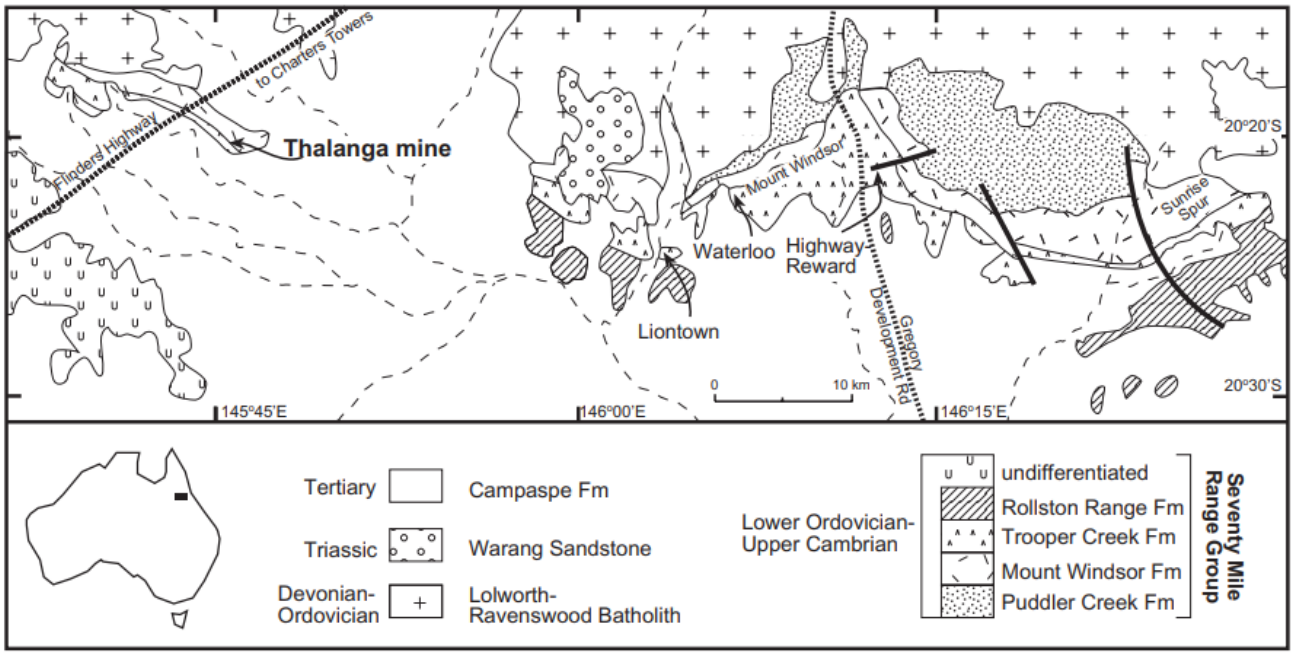


Figure 28: Regional geology of the SMRG in the western Mount Windsor Subprovince (Paulick, 2001).

Four major deformations are recognised within the Mount Windsor Subprovince (Berry et al., 1992). Extensional growth faults produced local variation in the stratigraphic thickness. The largest growth fault in the area is close to the Highway-Reward and Handcuff deposits. The sequence has been multiply folded and faulted in the Palaeozoic but the large-scale structure remains relatively simple.

5.3.2 Local Geology

The major lithological basement domains within the Windsor project, from oldest to youngest (Figure 29), are the:

- Neoproterozoic Charters Towers Metamorphics;
- Cambro-Ordovician SMRG (Puddler Creek Formation, Mount Windsor Formation, Trooper Creek Formation and Rollston Range Formation) of the Mount Windsor Subprovince;
- Cambrian-Ordovician granitoids of the Macrossan Igneous Association;
- Silurian-Devonian granitoids of the Pama Igneous Association;
- Late Devonian-Early Carboniferous Drummond Basin volcanic and sedimentary sequences; and
- Permo-Carboniferous Kennedy Igneous Association intrusive and minor extrusives.

Cover sedimentary sequences include local outliers of Galilee Basin Late Carboniferous Balfes Creek Beds and Triassic Warang Sandstone, and widespread Pliocene Campaspe Formation and Quaternary alluvium.

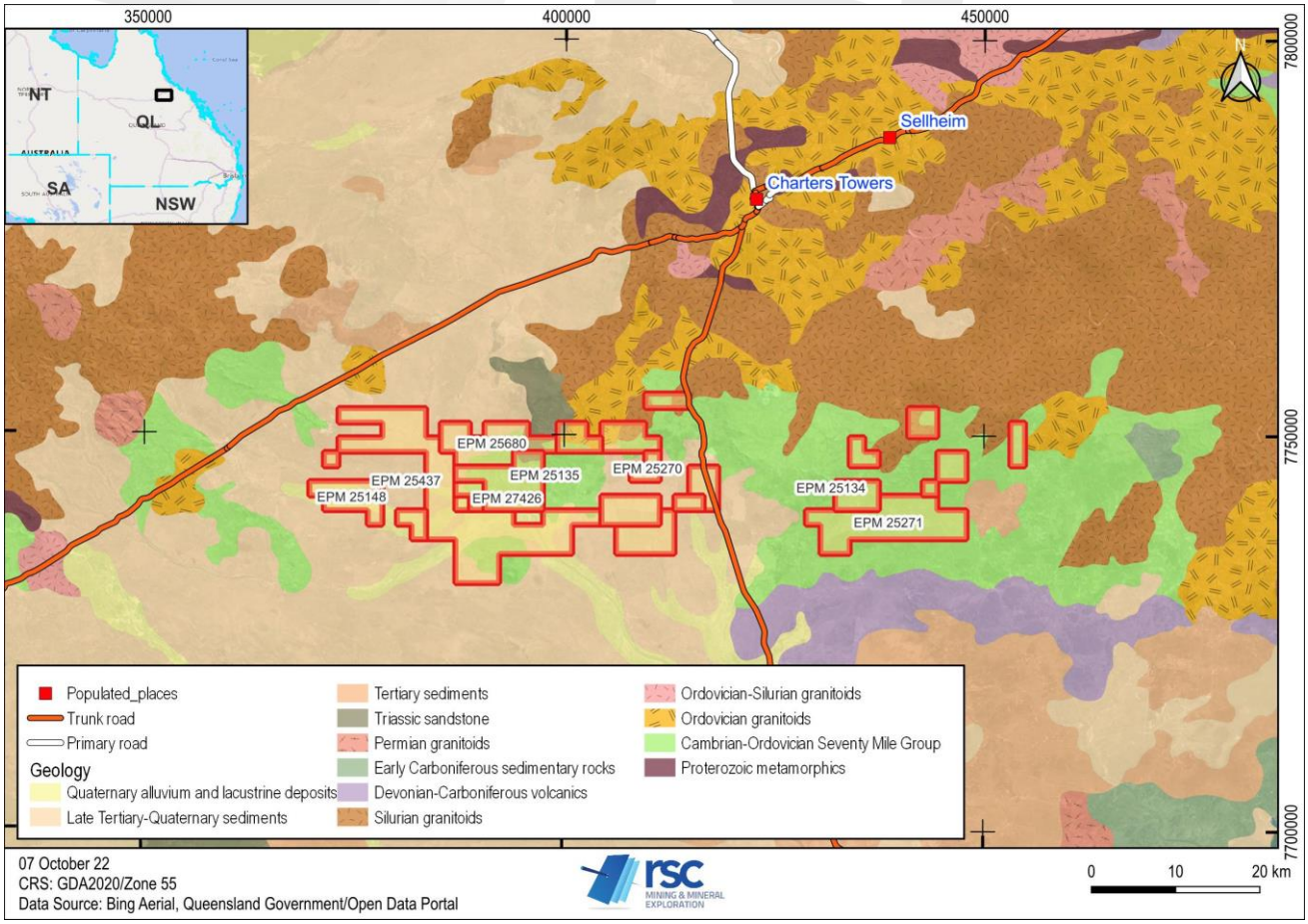


Figure 29: Geological map of the Windsor project.

5.3.3 Mineralisation & Deposit Types

The Mount Windsor and Charters Towers district is a world-class mineral district with five discrete styles of mineralisation represented (Table 18). The Mount Windsor Subprovince, and more specifically the Trooper Creek Formation, is particularly renowned for VMS deposits. VMS deposits typically host high-grade base metal (Zn-Pb-Cu) mineralisation with significant associated precious metals (Au-Ag).

Most studies of VMS mineralisation in the Mt Windsor Subprovince (Berry et al., 1992; Doyle, 1997) have concluded that the deposits are restricted to the Trooper Creek Formation, with Thalanga occurring at the contact with the underlying Mt Windsor Formation, referred to as the "Thalanga Position", and Liontown lying at the top of the Trooper Creek Formation and referred to as the "Liontown Position". Other deposits such as Waterloo and Highway-Reward occur within the Trooper Creek Formation.

Table 18: Mount Windsor Subprovince mineralisation periods and styles.

Period	Mineralisation	Examples
Early Ordovician	Zn-rich polymetallic and Cu-Au dominant VMS deposits within the Cambra-Ordovician SMRG.	Zn-rich polymetallic Thalanga deposits (Thalanga, Vomacka, West 45 and Orient), Liontown, Waterloo, Handcuff and Magpie. Cu-(Au) massive and semi-massive pyritic Highway-Reward cluster of deposits.
Late Silurian to Early Devonian	Mesothermal Au (-Ag) quartz vein mineralisation, largely hosted by Ordovician-Early Devonian age granitoids.	Charters Towers Goldfield
Early Carboniferous	Low sulphidation, epithermal, auriferous quartz-vein Au (-Ag) deposits in Cycle 1 terrestrial volcanic and sediments of the Drummond Basin.	Pajingo-Vera-Nancy array of auriferous and argentiferous quartz veins.
Permo-Carboniferous	Mesothermal, Au quartz veins mostly hosted by Siluro-Devonian Jessop Creek Tonalite	Ravenswood
	Intrusion and breccia-associated Au mineralisation	Mt Leyshon and Mt Wright

5.3.4 Nearby Comparable Deposits

5.3.4.1 Thalanga

A Zn-Pb-Cu-Ag-rich, massive sulphide deposit was discovered at Thalanga in 1975 from goethite-limonite gossan at surface along the Thalanga Range. Mineralisation occurs in tabular stratiform lenses of massive, banded and brecciated sulphides at the contact between altered rhyolites of the Mount Windsor Volcanics and dacite to andesite volcaniclastics of the Trooper Creek Formation, coined the Thalanga horizon (Figure 30) (Gregory et al., 1990). Sulphides comprise sphalerite, pyrite, galena, and chalcopyrite, with variable barite. The underlying disseminated and stringer mineralisation is composed of pyrite with associated chalcopyrite, sphalerite, and galena. The Thalanga system has a stratiform tabular geometry for >4 km strike, with lenses up to 800 m long. The main mineralisation lenses are underlain by disseminated stringer veins and minor stockwork mineralisation.

The host stratigraphy continues under cover to the east of Thalanga, towards the Windsor project (Figure 25). Mining via open pit and underground commenced in 1989 with a pre-mining resource of 6.35 Mt @ 2.2% Cu, 3.9% Pb, 12.3% Zn,

99 g/t Ag and ~1–2 g/t Au (Gregory et al., 1990). Production from the Thalanga deposit ceased in 1998. Mining was recommenced in September 2017 by Red River Resources at West 45 (currently mining Thalanga Far West).

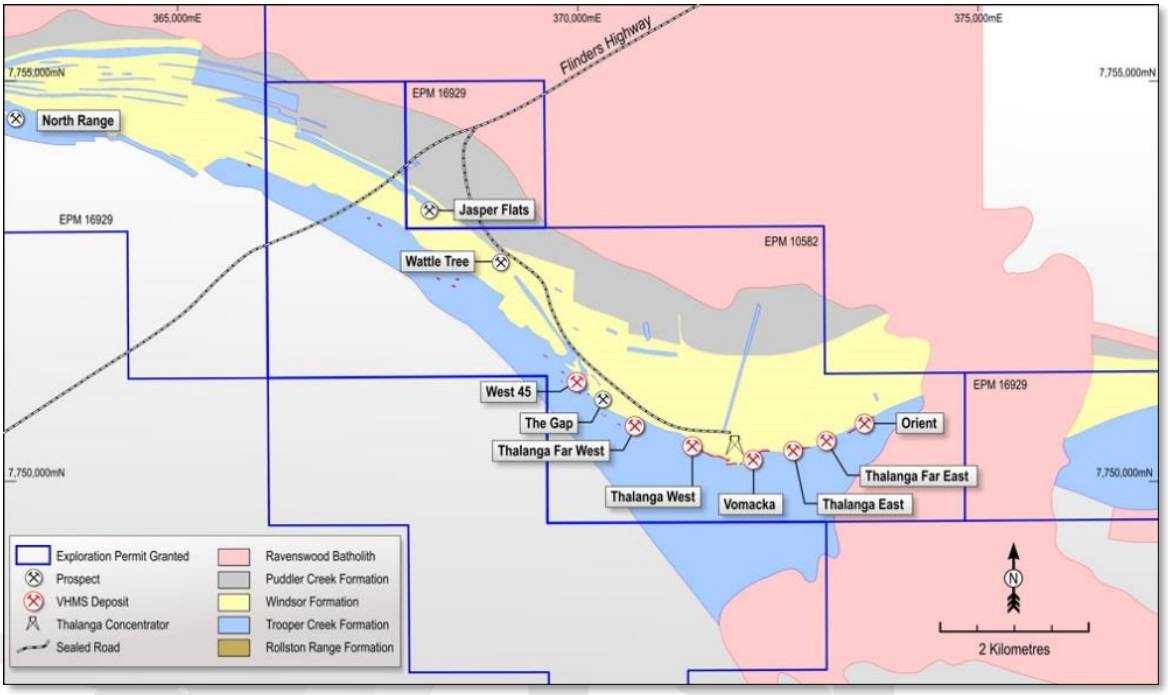


Figure 30: Thalanga VMS deposits and prospects on the Mount Windsor Volcanics-Trooper Creek Formation contact.

5.4 Exploration by Demetallica

Demetallica reported in its Q3 2022 quarterly report (released on 4 October 2022) that it had completed a ground electromagnetic survey over the Royale prospect and that data interpretation was ongoing. The results are expected to guide initial drill testing at Royale. The survey results are not currently publicly available and therefore RSC is unable to comment on them.

5.5 Brownfields Exploration Potential

While the Mount Windsor Subprovince is a well-endowed district, no advanced targets exist within the Windsor project. There are no Mineral Resources and no records of historical mining within the tenements held by Demetallica; therefore, RSC is unable to comment on the brownfields exploration potential for the project.

5.6 Regional Exploration Potential

RSC reviewed the exploration potential and active prospects reported by Demetallica. The Trooper Creek Formation is prospective for VMS deposits (refer to section 5.3) and traverses the Windsor project. The range of mineralisation periods and styles, identified in the southern part of the Charters Towers Province, also enhances the prospectivity of the Windsor project (Table 18, Figure 25).

The basement geology is concealed throughout parts of the Windsor project by surficial cover (Campaspe Formation), which thickens to the west to a maximum of ~100 m and was a barrier for historical explorers exploring in the west (e.g., towards Thalanga). Modern geophysical exploration has proven successful and provides a method for Demetallica to explore the substantial portions of prospective basement more broadly and to increased depths.

Demetallica specified five key prospects of interest for the Windsor project in its prospectus. There are also various other mineral occurrences and targets identified by previous explorers within the project.

5.6.1 Royale

The Royale prospect lies adjacent to the historical Blenheim prospect within EPM 25135, approximately 7 km northeast of the Liontown VMS deposit. The Royale prospect was identified in 2019 by Minotaur Exploration when reviewing historical VTEM data. A distinct mid-time conductor was identified on six VTEM lines over a 1-km strike length. Field checking of this anomaly identified subcropping, jasperoidal silica scatter in the west of the prospect area, and isolated small manganiferous gossans in the east of the prospect, coincident with the VTEM anomaly. These features are interpreted to be part of a distal exhalative horizon (Figure 31), lying at the base of the Trooper Creek Formation; the same stratigraphic position as the Thalanga Deposit (see section 5.3.4.1). A gridded soil survey was subsequently conducted and identified zones of elevated Zn, Pb and Cu, locally exceeding 3,000 ppm. Historical drilling at the western end of the prospect was drilled away from the interpreted location of the exhalative horizon, which remains untested.

RSC considers the Royale prospect represents moderate exploration potential.

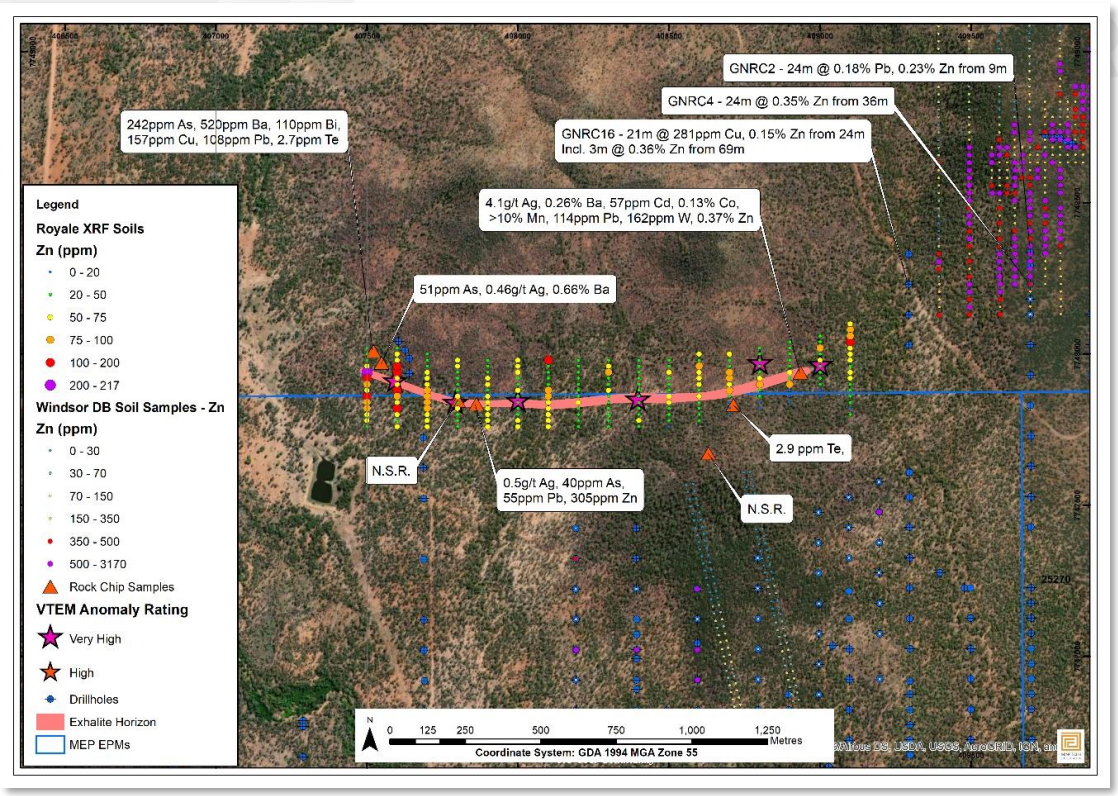


Figure 31: VTEM anomalies, soil samples and interpreted exhalative horizon at the Royale prospect.

5.6.2 Orewin

The Orewin prospect lies approximately 13 km west of Liontown and 19 km southeast of Thalanga. The prospect comprises two Mn-rich gossans that subcrop across a poorly exposed section of the upper Trooper Creek Formation. This prospect is interpreted to occupy the same stratigraphic horizon as the Zn-rich Liontown deposit. Rock chip assays demonstrate that the gossanous material has elevated Au, Ag, Zn, Cu, Ba and Mn, indicative of exhalative-style VMS mineralisation; and soil survey results indicate that there are two coherent anomalous zones with strikes exceeding 600 m in length (Figure 32). The southern anomaly is open to the east and possibly the west. No drilling or electrical geophysics has been conducted over this prospect.

RSC considers the Orewin prospect represents moderate exploration potential.

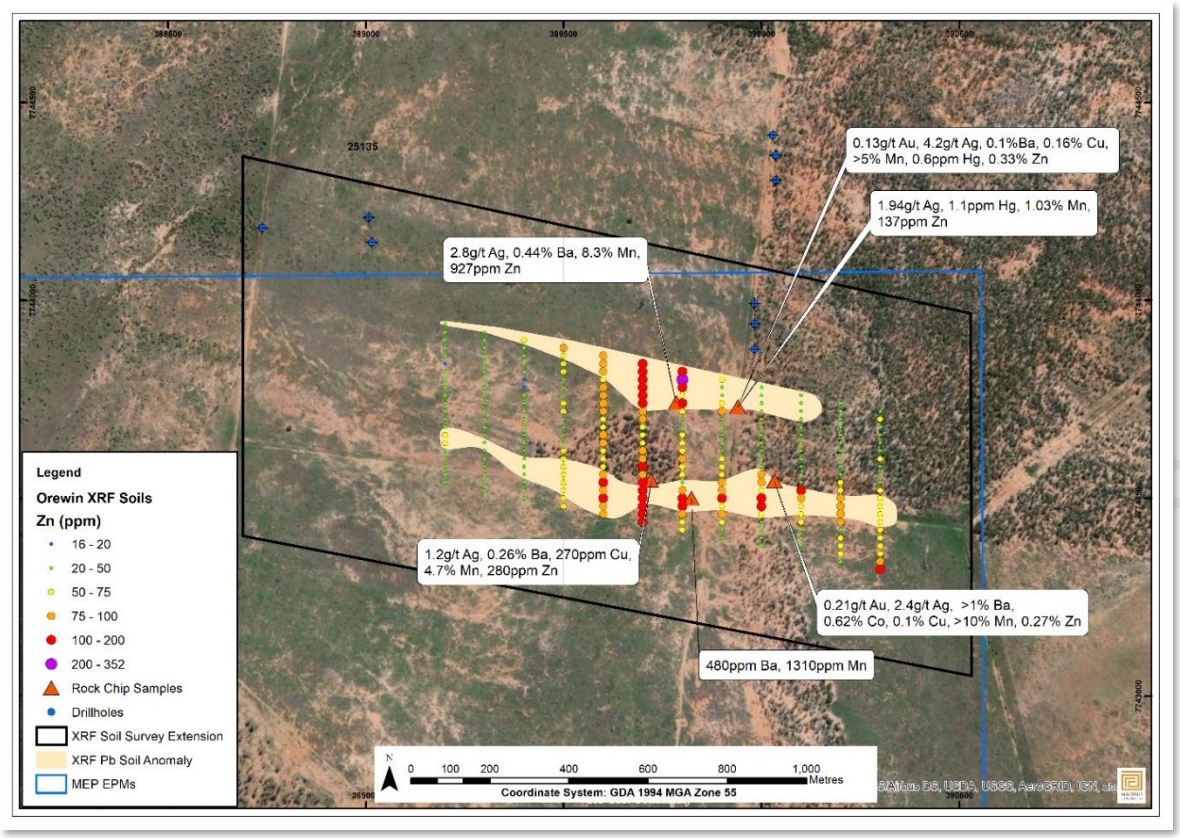


Figure 32: Soil anomalies at the Orewin prospect.

5.6.3 Brittania

The Brittania prospect lies approximately 19 km southeast of the Highway-Reward deposit. The prospect was identified by Penarroya in the 1970s during a follow-up of stream sediment anomalies. Reconnaissance traversing located the anomaly in pyritic and silicified rhyolitic pyroclastics. Penarroya drilled a shallow percussion hole under the pyritic zone; however, the results were disappointing. A further four holes were drilled to test a sericitic and pyritic rhyolite-andesite footwall contact to the south. Anomalous Cu, Pb, and Zn results, interpreted as the Thalanga horizon and in host rocks akin to the Thalanga mine sequence, led to grid mapping and soil and rock chip sampling.

Diamond drilling intersected extensive zones of disseminated Pb and Zn sulphides, along with two narrow stratiform Zn-rich sulphide zones. Penarroya planned a programme of percussion drilling through the Tertiary sediment cover to locate basement mineralisation and the andesite-rhyolite contact. A diamond hole (BRIT-5), to test the andesite-rhyolite contact, was halted when it intersected intrusive microgranodiorite. Thirty-seven percussion holes were drilled to better define the rhyolite-andesite contact and determine the extent of the microgranodiorite. Drillholes intersected an intensely silica-sericite altered mixed andesite and sediment sequence, with local veins and disseminations of pyrite, sphalerite, chalcopyrite, and galena. Drilling of the prospect returned several encouraging Zn-Pb intersections within numerous broad, low-grade zones.

Demetallica is targeting an area east of the historical prospect. The target hosts a strong VTEM anomaly near the Thalanga horizon. Rock chips from the area have demonstrated elevated Ag, arsenic (As), barium (Ba), Pb, and Zn, indicative of exhalative-style VMS mineralisation eastward along strike from known mineralisation and the VTEM anomaly (Figure 33). Exhalite jasper has also been mapped in the area of interest.

RSC considers the Brittania prospect represents moderate exploration potential.

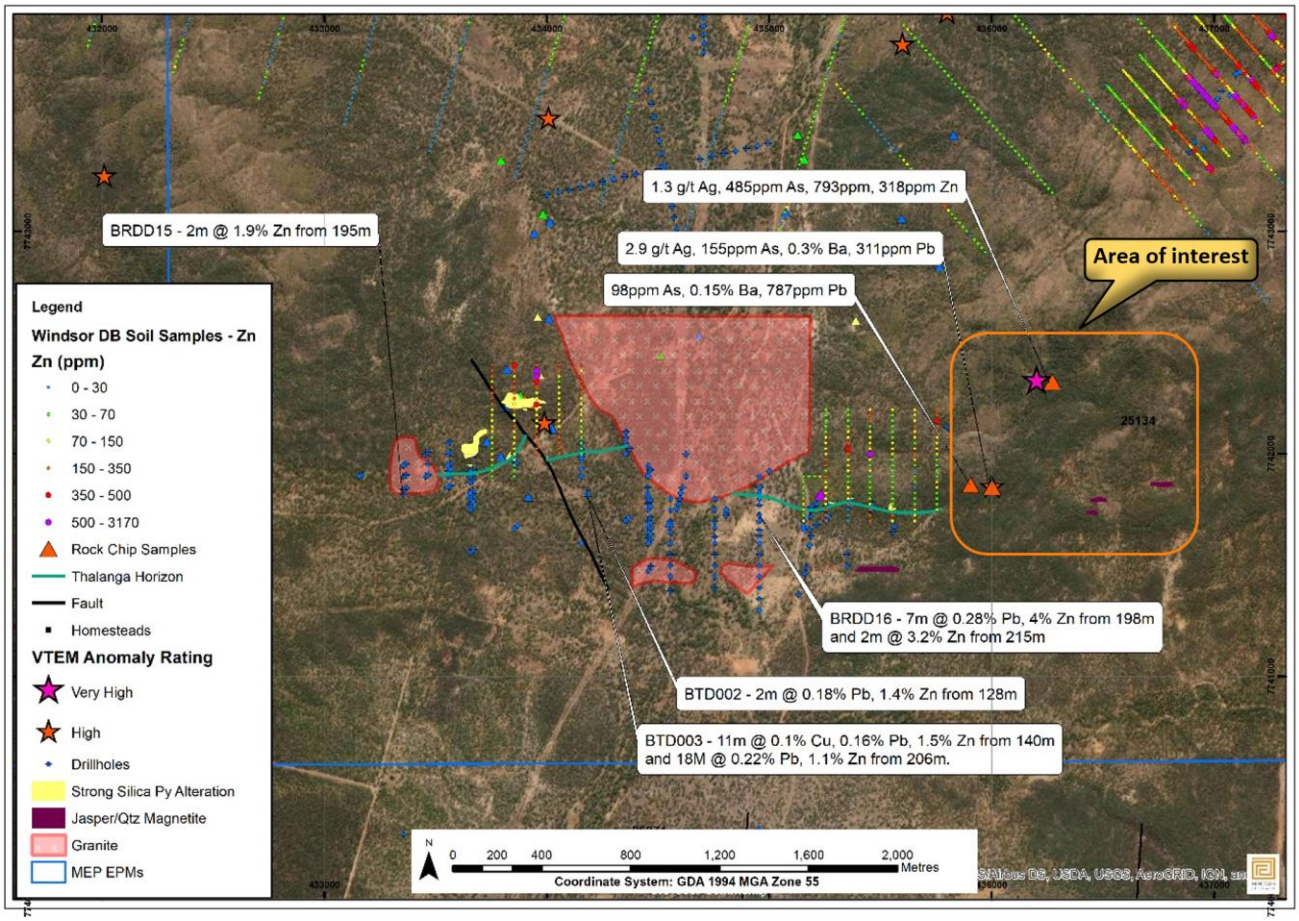


Figure 33: Soil and rock sampling results at the Brittania prospect.

5.6.4 Gorge Dam

The Gorge Dam occurrence was explored by Esso Exploration in the early 1970s, who referred to it as Brittania. Esso mapped the area at 1:3,000 scale, collected rock chip samples, and conducted three IP traverses. Two percussion holes tested a mineralised jasper outcrop with a coincident IP anomaly; however, the results were not encouraging.

Penarroya subsequently named the prospect Gorge Dam, and conducted a programme of geological mapping, soil, and rock chip sampling, and drilled three percussion holes. The holes intersected patchy pyrite alteration with associated anomalous lead within rhyolitic pyroclastics and possible jasperoidal exhalite. The best drill intersection was 27 m @ 1,817 ppm Zn, from 30 m (PDH GD3).

Historical drilling concentrated on testing beneath mapped jasperoidal gossan with numerous intervals of low-level Zn returned from strongly sericite-pyrite altered rhyodacite.

From 2006–2007, Kagara Limited reviewed the surface geochemical coverage in the Gorge Dam area and identified the potential to extend the soil sampling coverage along strike. The survey over the Gorge Dam area covered approximately 4 km^2. Samples were analysed using a NITON portable XRF instrument. The Kagara soil sampling results identified broadly coincident Cu, Pb and Zn zinc anomalism over an area of 800 m x 600 m, with the Pb and Zn anomalies offset from each other by several hundred metres. The anomalies are located within the northeast-trending Warrawee fault zone; this zone has no discernible surface expression but was interpreted from regional magnetic and gravity data. Kagara concluded that previous drilling in the Gorge Dam prospect area had not adequately tested the broad area of anomalism in soils, and designed a drilling programme to test geochemical and geophysical anomalies in the Gorge Dam area during the 2010–2011 field season. The drill programme did not eventuate due to a corporate restructure, and the historical gradient array IP chargeability anomalies and Zn soil anomalies remain largely untested by drilling (Figure 34).

RSC considers the Gorge Dam prospect represents moderate exploration potential.

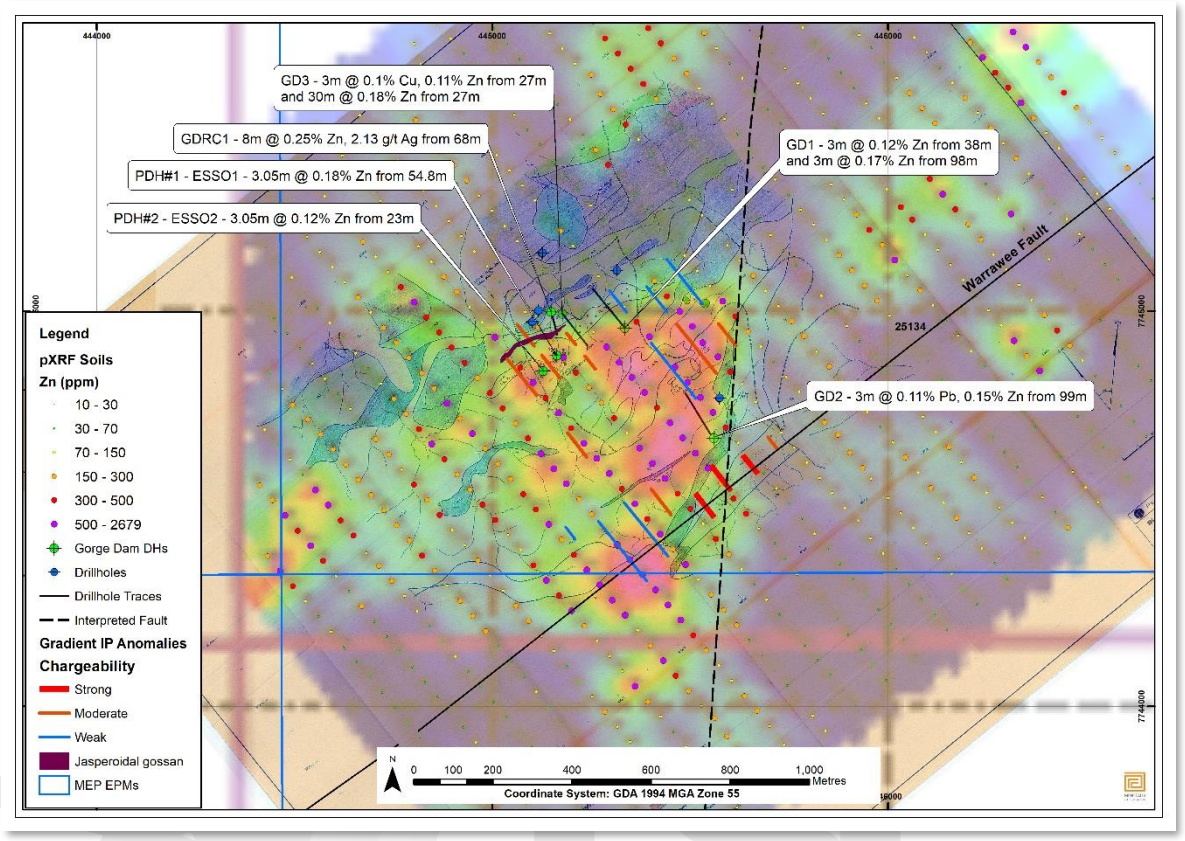


Figure 34: Soil sampling and geophysical survey results at the Gorge Dam prospect.

5.6.5 Gydgie

The Gydgie prospect is a coherent Zn-Pb-Cu anomaly over 600 m x 800 m that lies ~1 km northeast of the Royale prospect. It is interpreted to lie at the base of the Trooper Creek Formation in the same stratigraphic location as Thalanga. Historical drilling on the prospect has only partially tested the soil anomaly, with elevated Zn, Pb and Cu reported in intercepts beneath the anomaly. All anomalous intervals (16 holes) occurred at or near the contact between weakly chlorite-altered andesite and strongly quartz-sericite-pyrite-altered felsic volcanics. The RAB holes with anomalous Zn-Pb, located in the centre of the prospect, have not been followed up with deeper drilling (Figure 35).

A review of the historical VTEM data identified a moderate strength conductive response on two lines adjacent to the soil anomaly, neither of which has been drill-tested. Drillholes with anomalous Zn are proximal to the moderate VTEM anomaly.

RSC considers the Gydgie prospect represents moderate exploration potential.

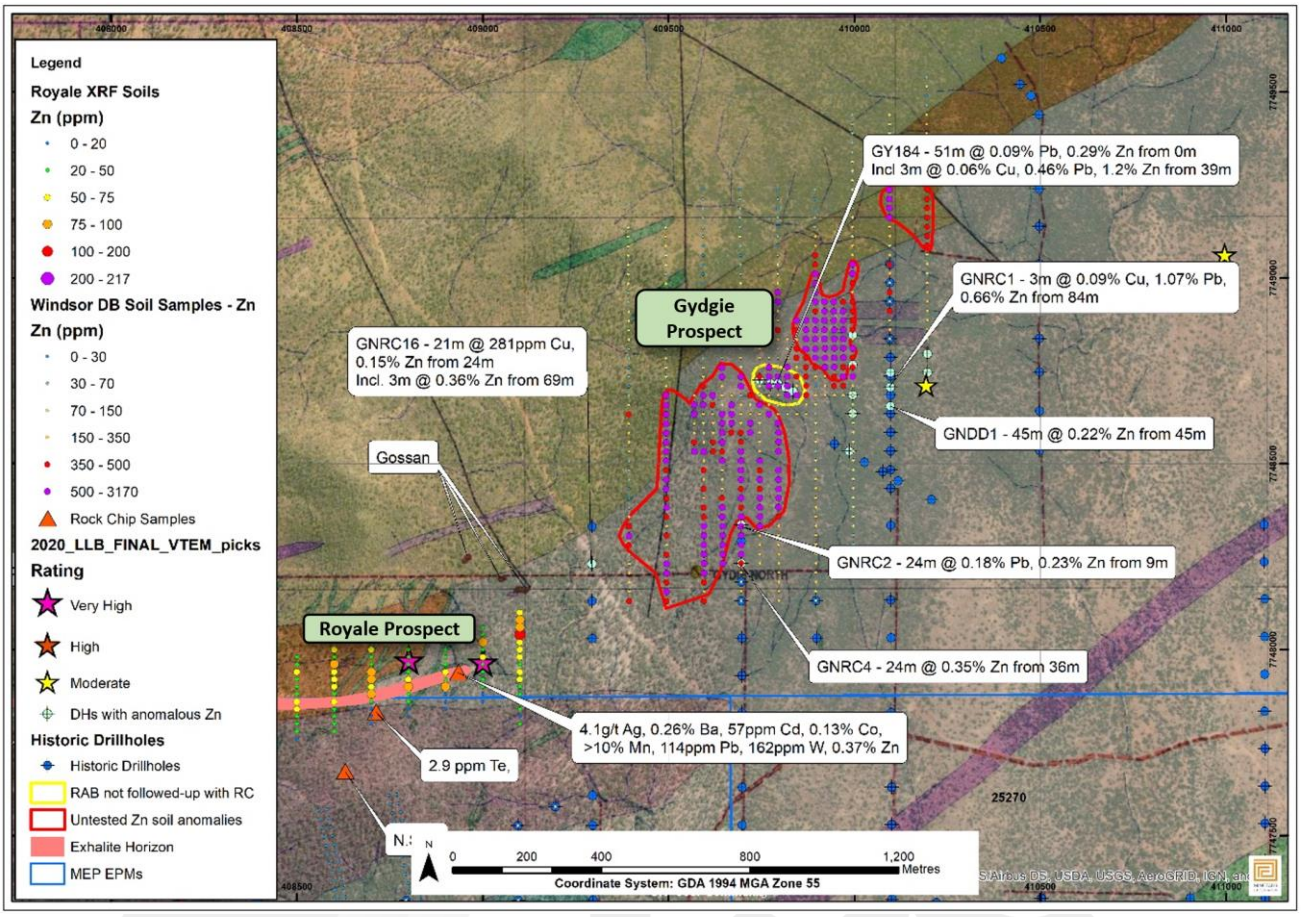


Figure 35: Coherent soil anomaly, historical drilling and VTEM anomalies at Gydgie.

6 Pyramid Project

6.1 Project General Summary

6.1.1 Project Description & Location

The Pyramid project is located in the Burdekin Dam-Sellheim River region of central Queensland, Australia. Located approximately 125 km southeast of Charters Town (Figure 36), the project can be accessed via the sealed Gregory Development road, then by unsealed road through multiple creeks and river crossings. The area is open range grazing country and station tracks afford reasonable 4WD access to most parts of the project area.

The Pyramid project is located within the Drummond Basin region, an area that offers significant potential for the discovery of lode Au, intrusion-related Au systems or epithermal Au mineralisation. Previous tenement holders have completed small-scale RC and diamond drilling campaigns on the main areas of interest within the project area, along with IP surveys and soil/stream geochemistry. RSC considers the Pyramid project an Early-Stage Exploration Project, as defined under the VALMIN Code.

The area is dominated by low hills and ranges between 200 m and 300 m in elevation, with scattered topographic highs being generally formed by igneous plutons. Drainage generally flows northerly into the Sellheim River, and vegetation is mainly open savannah grassland. The climate is sub-tropical to semi-arid, with warm, dry winters and hot, wet summers.

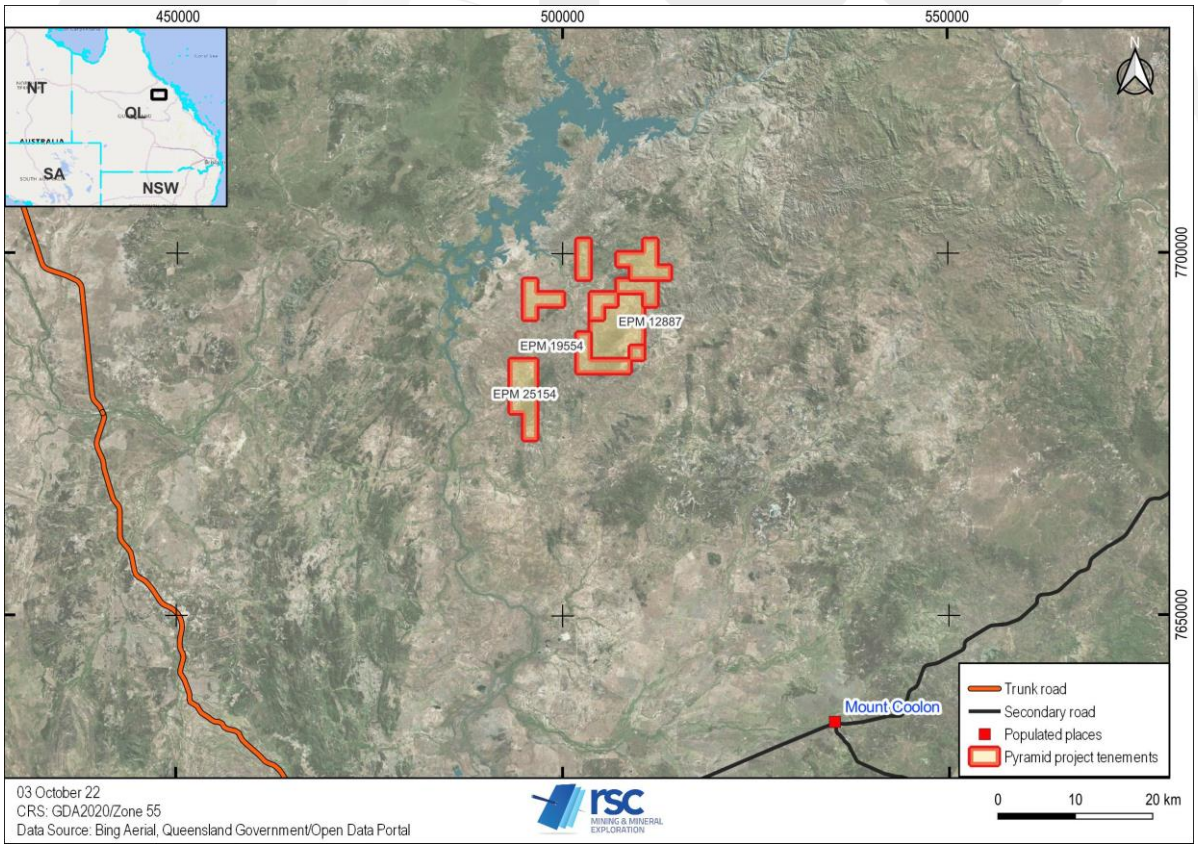


Figure 36: Location of Pyramid project tenements, Mount Coolon, Queensland.

6.1.2 Tenure & Ownership

The Pyramid project comprises three EPMs for a total area of ~180 km^2. The EPMs are held 100% by Demetallica Gold Mines Pty Ltd (Table 19). There are royalties (1.5% NSR) payable by Demetallica to Avira Resources Ltd on production from the Pyramid project. RSC is not aware of any further obligations to any third party. Expenditure commitments and rents are presented in Table 20. RSC has made all reasonable enquiries into the status of this tenure.

The Pyramid project tenements fall within the area of Native Title Claim No QCD 2012/009 (Jangga People). Native title rights and interests have been determined to exist in the QCD 2012/009 claim area. EPM 12887 was granted under the expedited process on the basis of NTPCs. An agreement was reached under a section 31 Deed and Ancillary Agreement in respect of EPMs 25154 and 19554.

Table 19: Summary of Pyramid project tenements.

Tenement	Holder	Equity (%)	Area (sub-blocks)	Area (km^2)	Grant Date	Expiry Date	Renewal Due Date	Status
EPM 12887	Demetallica Gold Mines Pty Ltd	100	16.00	51.52	5/08/2004	4/08/2025	4/05/2025	Live
EPM 19554	Demetallica Gold Mines Pty Ltd	100	14.00	45.08	16/12/2014	TBA	n/a	Renewal application lodged
EPM 25154	Demetallica Gold Mines Pty Ltd	100	25.00	80.50	23/02/2015	22/02/2023	22/11/2022	Live

Table 20: Summary of Pyramid tenement expenditure and commitments.

Tenement	Annual Rent (AUD excl. GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 4 years (AUD)
EPM 12887	2,750.24	75,000	75,000	740,881
EPM 19554	2,406.46	50,000	TBA	114,065
EPM 25154	4,297.25	50,000	TBA	31,244

6.2 History & Previous Work

The Pyramid project area is located near the Sellheim River area, where numerous small-scale Ag-Pb-Zn deposits were worked during the late 1880s. Since the late 1970s, several companies have targeted epithermal Au mineralisation. Early exploration in the area was conducted by Amoco, AOG and Sandine. Since the discovery of the Pajingo epithermal Au deposit in 1983 by Battle Mountain Gold Company, located 68 km northwest of the Pyramid project, systematic regional exploration of the region was conducted by various companies. The recent exploration activities are summarised in Table 21.

Table 21: Historical exploration activities conducted over the Pyramid project area.

Period	Company	Summary of activities
1990–2021	Dalrymple Resources NL, Newcrest Mining Ltd, Chalcophile Resources Ltd, Xtreme Resources Ltd, MGT Mining Ltd, and Minotaur Exploration Ltd.	Exploration in the 1990s included RC and DD campaign as well as surface geochemistry sampling. Drilling results encouraging. Chalcophile Resources Ltd started extensive exploration in the area in the 1990s, starting with a ground magnetic survey covering the Gettysberg and Sellheim prospects, with eight RC holes drilled in the Gettysberg prospect. Xtreme Resources Ltd did an IP survey (5 lines) across the Gettysberg project area, with no significant anomalies found. MGT Mining drilled 24 RC holes across the prospect areas (11 in Gettysberg) and collected 1,120 soil and infill samples. Minotaur Exploration Ltd conducted an IP survey (13 lines) along the Gettysberg fault corridor in 2021. Large IP chargeability was defined at Djoser, Pradesh and Gettysberg prospects. 12 first-pass RC holes drilled at Gettysberg.
1985–1997	Battle Mountain, Dalrymple Resources NL.	149 rock-chip samples collected around Sellheim prospect; 141 soil samples to test along strike extensions of the Sellheim prospect, ten trenches totalling 234 m over Sellheim prospect. Reconnaissance work carried out during tenure included stream sediment sampling, rock-chip sampling, mapping, purchase of 3rd party geophysical data, gridding, RC, and diamond drilling. Broad intercepts of low-grade Au and a high-grade zone detected at Sellheim, Gettysberg and Marrakesh prospects.
1985–1997	Aztec Mining Company Ltd, Battle Mountain, Hunter Resources.	Reconnaissance work (soil/stream/rock-chip sampling) indicates elevated Au anomalies throughout the area surrounding Mt Stone. Limited RC drilling revealed no significant mineralisation at depth.

6.3 Geological Setting & Mineralisation

6.3.1 Regional Geology

The late Devonian to early Carboniferous Drummond Basin of eastern central Queensland covers an area of roughly ~100,000 km^2. It is overlain to the east by the Bowen Basin, the Galilee and Eromanga Basins to the south and west, and rocks of the Charters Towers Province to the north (Figure 37). The Drummond Basin is a major sedimentary accumulation, interpreted to have originated as a back-arc extensional basin associated with Late Devonian and Early Carboniferous active margin tectonism in the northern New England Fold Belt. Two sets of basinal structures have been identified: an early extensional set relating to basin formation, and a later compressional set relating to basin inversion, which resulted in east-trending folding, thrusting and thin-skinned deformation (Johnson and Henderson, 1991).

To the north, the Drummond Basin is divided into western and eastern areas by a basement high known as the Anakie Inlier/Province, a north-northeast-trending inlier of Late Ordovician metamorphics. The eastern area is considered highly prospective for epithermal Au mineralisation and is known to host numerous small prospects and Au deposits (Figure 37). All significant known mineralisation in the area is hosted by basal sequences of the Drummond Basin. A close link between epithermal Au mineralisation and deposition of basal Drummond Basin deposits is indicated by the dating of mineralisation/alteration and the occurrence of numerous sinters (Purdy et al., 2016).

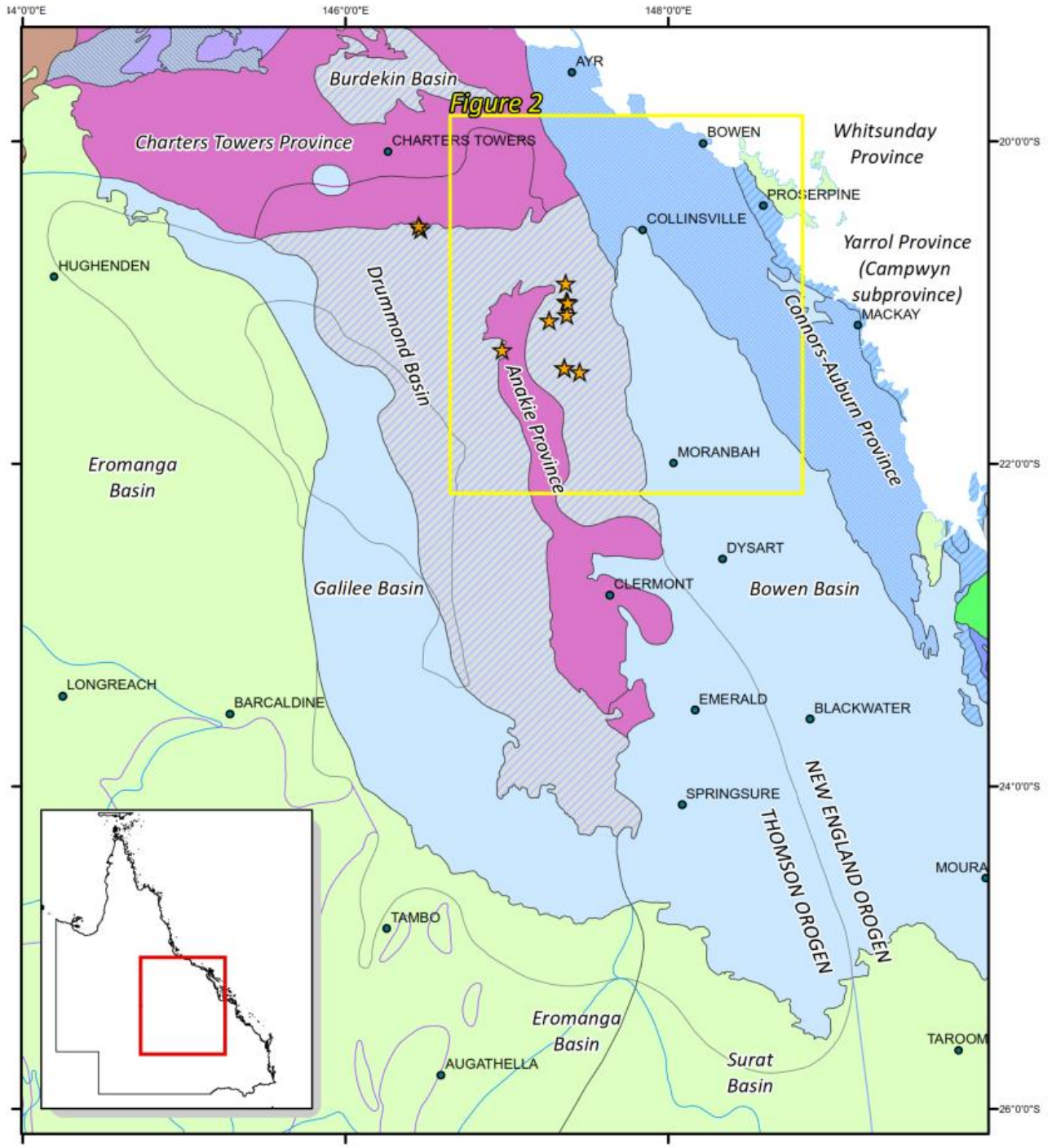


Figure 37: Regional geological map of the Drummond Basin relative to other crustal elements and basins in central Queensland.

The oldest rocks in the area (older than 471.7 Ma) are referred to as the Basement sequence, which comprises the Anakie Metamorphic Group, Les Jumelles beds, and Ukalunda Formation. The Anakie Metamorphic group mainly comprises pale green, chloritic, phyllitic to schistose rocks. The Drummond Basin lithological units (360.2–347 Ma) present to the east of the Anakie Inlier and can be subdivided into the following groups.

- Mount Wyatt Formation: local shallow marine sediments (shale, siltstone, and lithic sandstone with some conglomerate interbeds).

- Bimurra Volcanics: primary volcanics (rhyolitic and basaltic lavas) and thick volcaniclastic and fossiliferous sediments. This unit hosts many epithermal mineral occurrences, sinter deposits, and extensive alteration systems.
- Stones Creek Volcanics: subaerial or very shallow subaqueous deposits related to stratovolcano-like centres. Porphyritic andesite or dacitic lavas interbedded with varying proportions of intermediate composition pyroclastic and epiclastic deposits.
- Mount Coolon Andesite: heavily altered, porphyritic, coherent dacite and andesitic to dacitic ignimbrite.
- Saint Anns Formation: conglomerate and sandstone rich in basement-derived material; volcaniclastics; basaltic lava flows and sills.
- Silver Hills Volcanics: rhyolitic-to-dacitic lava flows and ignimbrite, minor volcaniclastic siltstone and sandstone.
- Scartwater Formation: mudstone and siltstone with calcareous nodules.
- Star of Hope Formation: volcanolithic siltstone and sandstone, also includes conglomerate, rhyolitic ignimbrite, and lapilli tuff.

The Bulgonunna Volcanic Group (304.7–292.3 Ma) is extensive and outcrops prominently through the northeast Drummond Basin. The composition of the volcanics ranges from basalt to high-silica rhyolite; however, the group is volumetrically dominated by felsic volcanics. The Bulgonunna Volcanic Group represents a huge volume of erupted products and represents a large-volume felsic magmatic event. The youngest sequence of the northeast Drummond Basin is the Kennedy Igneous Association (292.6–289.6 Ma), which is described as mainly comprising I-type biotite granite and microgranite with some biotite and hornblende-biotite granodiorite, intrusive rhyolite, and minor quartz monzodiorite (Purdy et al., 2016).

6.3.2 Local Geology

The Pyramid project is characterised by a major northeast-trending, dextral strike-slip fault which offsets earlier northeast- and southeast-trending strike-slip faults, and forms the boundary between the Drummond Basin Group (Saint Anns Formation) and basement rocks (Figure 38). The relationship between the basement metamorphic units, the Saint Anns Formation, intrusives and the Bulgonunna Volcanics is structurally very complex. Late Carboniferous intrusives have been emplaced along the northeast structures, which have subsequently been displaced by the major northwest trending structures (Borthwick, 2016). Evidence from aerial photograph interpretation suggests there are both sinistral and dextral movements along northeast-trending structures; however, the dextral movements are more significant. There is also dip-slip movement along east-northeast structures and sinistral shearing is evident on the north-northwest- and northwest-striking structures (Borthwick, 2017).

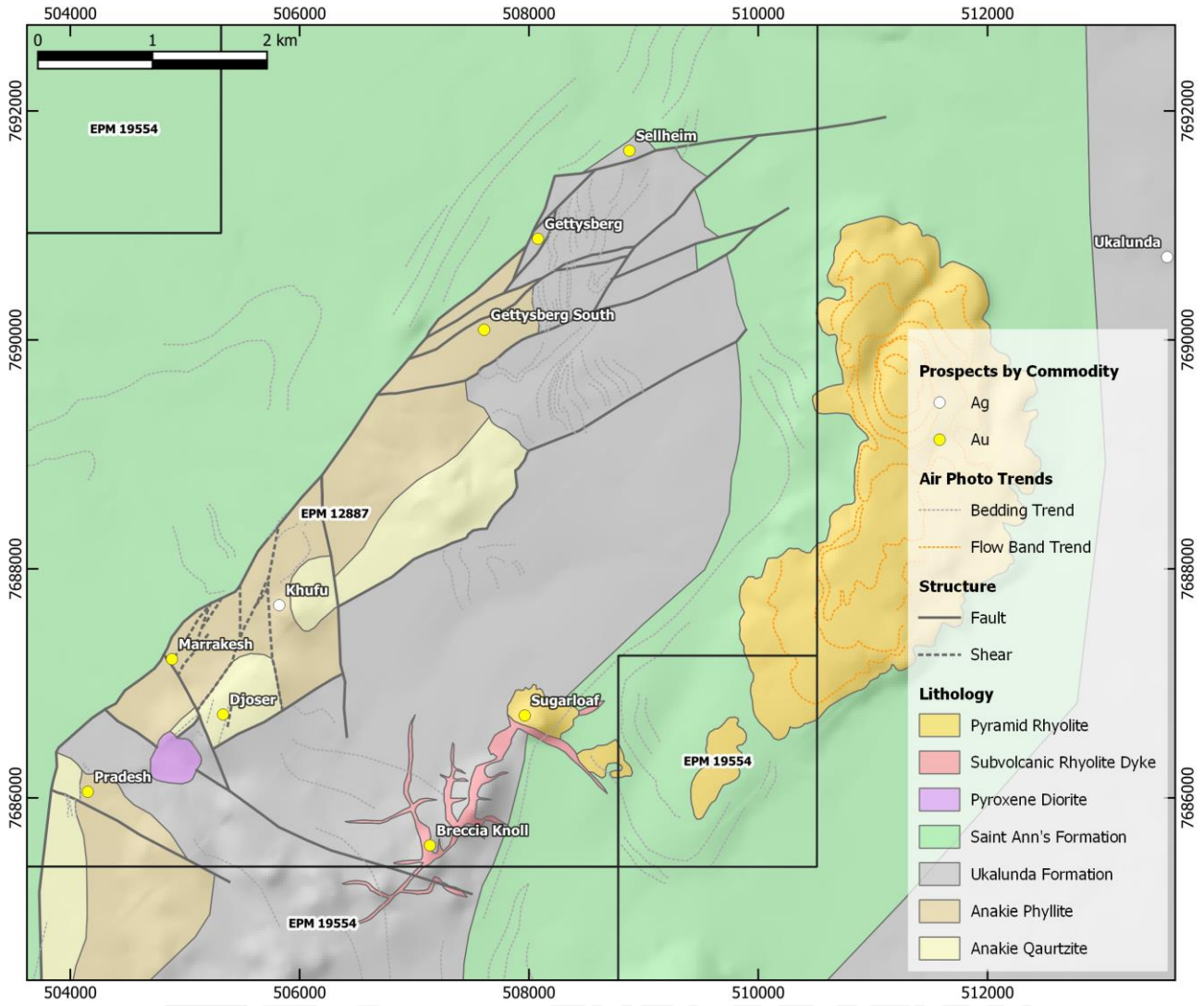


Figure 38: Local geological map of the Pyramid project area, highlighting the Au-Ag prospects.

Lithological units intercepted by drilling include siltstone, sandstone, and felsic porphyry. Siltstone units mostly occur on the eastern side of the Gettysberg prospect and are rarely mineralised. It is in contact with a fine-grained micaceous sericite-altered sandstone-siltstone unit with pervasive disseminated pyrite. The fine-grained sandstone is variably veined by quartz and quartz-chlorite-pyrite veins (Borthwick, 2017).

6.3.3 Mineralisation & Deposit Types

The prospective areas, Sellheim, Gettysberg, Gettysberg South, Marrakesh, Djoser, Pradesh, Breccia Knoll, and Sugarloaf, are all located within EPM 12887 (Figure 38).

6.3.3.1 Sellheim

The mineralisation of the Sellheim prospect is hosted within the Saint Anns Formation, consisting of a micaceous, feldspathic quartz sandstone, with quartz veinlet stockwork surrounded by sericite-pyrite-jarosite alteration. The prospect lies on a prominent north-northeast-trending fault. RC drilling by Battle Mountain and Dalrymple indicated the best mineralisation was

associated with pyrite-sericite-silica altered, matrix-supported sandstone. The breccia consists of sediment and dacite to andesite clasts/fragments, supported by a quartz-sericite matrix, with both clasts and matrix being replaced by anhedral dolomite. Hydrothermal graphite is associated with the dolomite (Borthwick, 2017).

The mineralisation style is consistent with an epithermal Au deposit model, particularly in prospects where mineralisation is hosted within the Sant Anns Formation. The best intersection from recent drilling by Dalrymple was 28 m @ 0.33 g/t Au from 0–28 m (MDRC-23), which included 4 m @ 1.3 g/t Au from 12–16 m. The holes that intersected mineralisation generally reported values of ~0.3 g/t Au at depths of 10–20 m.

6.3.3.2 Gettysberg

Satellite imagery interpretation indicates there is an antiform west of the Gettysberg project area, crossed by a number of north-northwest-trending structures. The prospect consists of a folded sequence of Saint Anns Formation comprised of fine-grained micaceous siltstones, feldspathic sandstones, and thin beds of algal limestones, calc-arenites, and quartz pebble conglomerate. Sericite ± jarosite alteration is developed around quartz vein stockworks. Structurally, the area is complex and consists of a series of north-northeast- and north-northwest-plunging anticlines, with fault contacts near the conglomerates. An argillic altered rhyodacite is present in the northwest and narrow, north-northwest trending, andesite porphyry (boninite) dykes are also present (Borthwick, 2017). The highest Au grade zones correspond to the breccias associated with boninite dykes. These dykes are considered significant by Beams (1991), as they indicate deep-seated structures capable of tapping primitive mantle-derived melts.

The high-grade, Au mineralisation breccias are controlled by northeast- and north-striking faults, which possibly developed as extensional lozenges in a shear zone with sinistral movements. Mineralisation is developed within epithermal-style quartz veins and pyrite-sericite-chlorite stylolitic veinlets and breccia matrix infill (Figure 39 and Figure 40) (Borthwick, 2017).

A compilation of the historical drilling data has led to the interpretation that Gettysberg is a sheeted vein system, with narrow, high-grade Au lodes surrounded by an envelope of low-grade Au mineralisation (Figure 41). An IP anomaly was also identified south of Gettysberg by Minotaur, which has not been drilled.

Figure 39: Photograph of drill core from MDD-001 (Gettysberg prospect). Typical chalcedony-comb quartz vein stockwork mineralised zones in sericite-altered, thinly bedded sandstone. Assay 70–71 m @ 0.37 g/t Au (Borthwick, 2017).

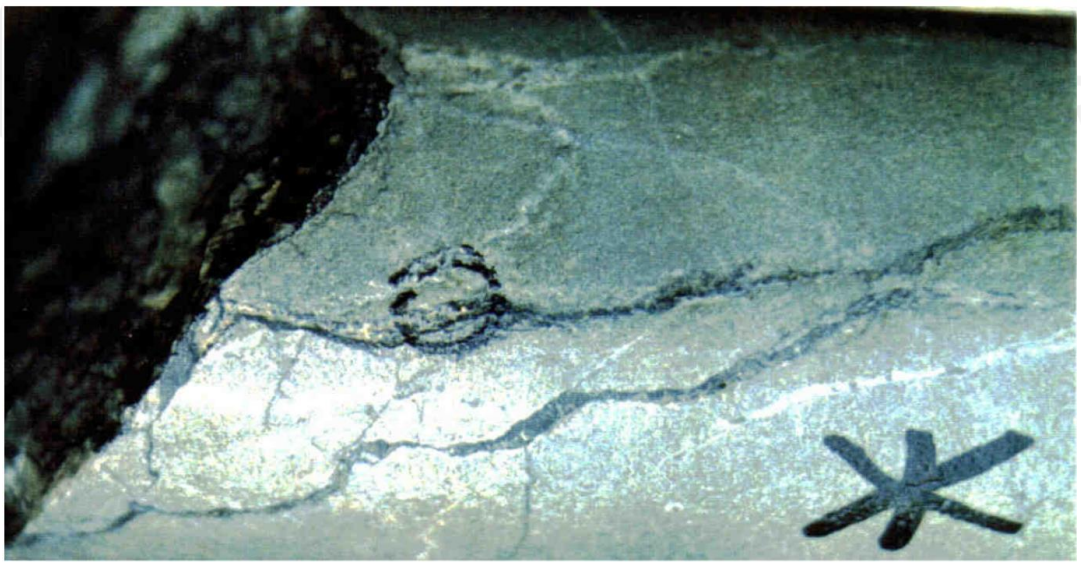


Figure 40: Photograph of drill core from MDD-001. Visible Au within a low amplitude, black chlorite-pyrite stylolite seam, within sericite-altered, hydrofractured sandstone. Assay 75–76 m @ 12.0 g/t Au (Borthwick, 2017).

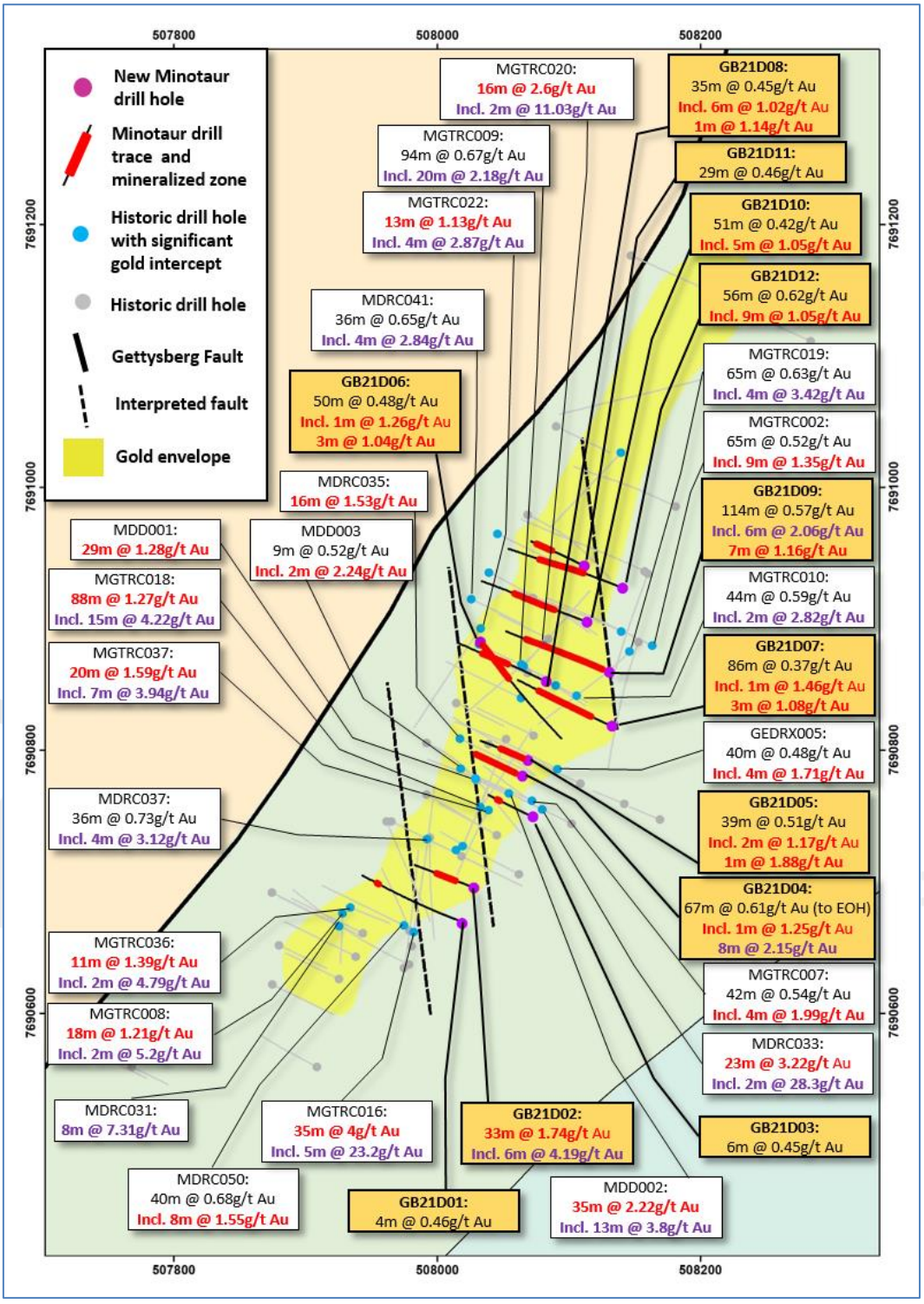


Figure 41: RC drillholes on the Gettysberg project area (to date).

6.3.3.3 *Marrakesh*

The prospect lies in a zone of north-south and north-northwest to northwest cross-structures, controlling the outcrop pattern of the Anakie metamorphics (Figure 42). The prospect lies on a bend in the same structure as the Gettysberg prospect (Borthwick, 2017). Highly anomalous Au and As were obtained from rock chip sampling of jarosite stained, north-trending, quartz vein stockworks in phyllite/mica-schist of the Anakie Metamorphics. Soil sampling outlines a 250 m x 150 m Au

anomaly of >175 ppb Au (1,300 ppb peak value) and up to 5,000 ppm As. Drill testing by Dalrymple intersected sericite alteration in phyllite, associated with quartz-pyrite-arsenopyrite, mineralised vein stockwork in a sericite-altered fault contact zone of phyllite within the Saint Anns Formation (Borthwick, 2017). Structural interpretation of aerial photographs by ERA Maptec Australasia Pty. Ltd. (1994) suggested the north-south stockworks developed as a releasing bend, producing an extension/dilatant sector with a northeast-trending shear zone with sinistral movements. The study implied the main shear zone dips at 45° to the northwest.

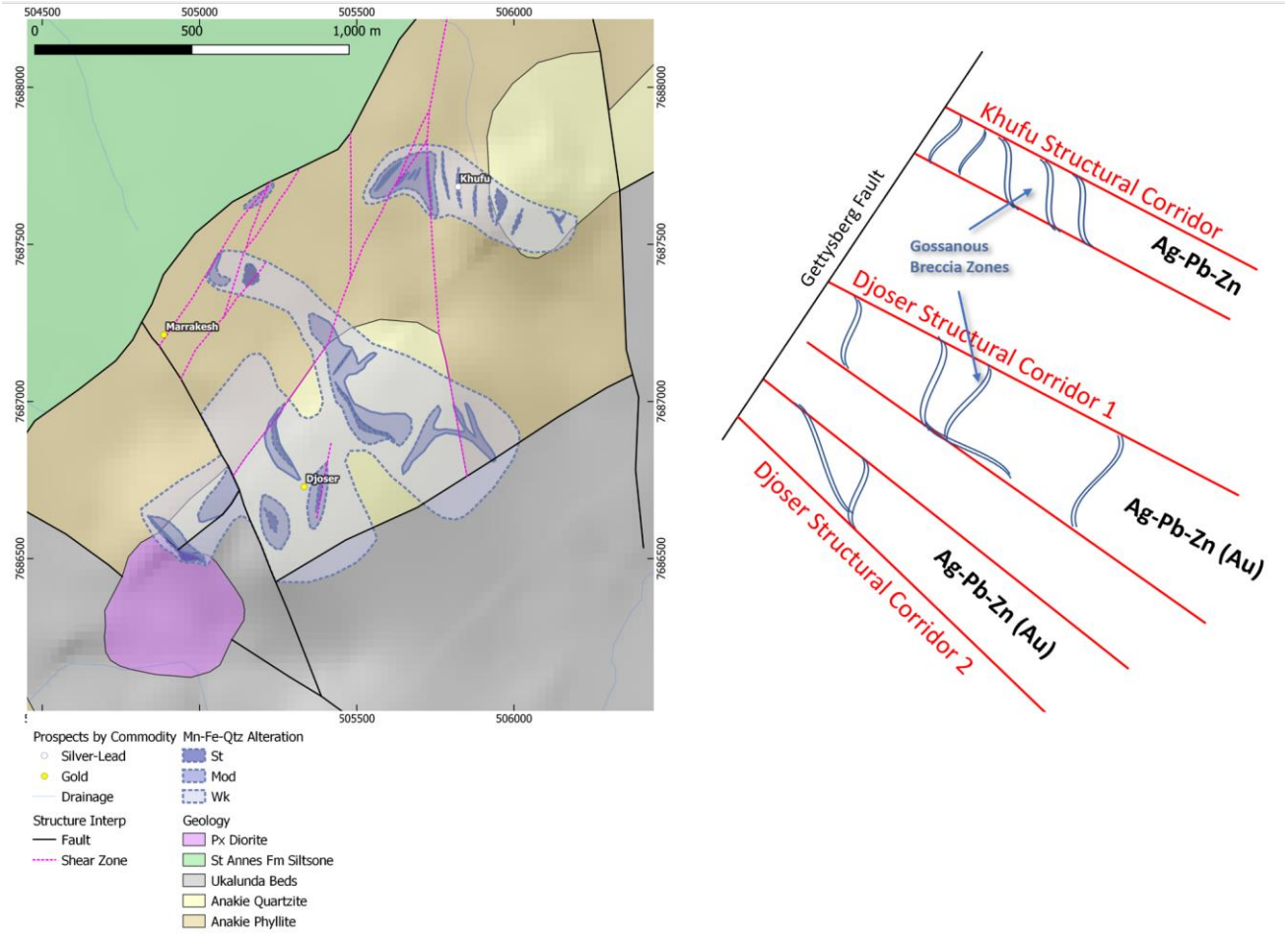


Figure 42: Location of Marrakesh and Djoser prospects and interpreted structural corridors hosting mineralisation.

The prospect has similar epithermal mineralisation to Gettysberg and Sellheim; however, the structural setting and the association with base metal mineralisation are different, suggesting that the mineralising fluids are likely to be associated with a plutonic intrusive body.

6.3.3.4 Pradesh & Djoser

Dalrymple located jarosite stained, quartz vein stockworks at the Pradesh prospect, hosted in phyllite/mica-schist of the Anakie Metamorphics, near the fault contact with the Saint Anns Formation. Foliation trends within the metamorphic units swing into the contact, suggesting a sinistral movement along the north-northeast-trending fault. Mineralisation intersected

by drilling is hosted within the Saint Anns Formation, which consists of calcite-quartz cemented breccia, within an argillic altered, andesite porphyry dyke (boninite) returning disseminated chromium. Soil sampling in the area delineated highly anomalous Au (100–600 ppb) and As (100–600 ppb). The most significant results were 24 m @ 0.3 g/t Au (MDRC-7, 0–24 m) and 32 m @ 0.29 g/t Au (MDRC-10, 0–32 m) (Borthwick, 2016). The Djoser and Pradesh prospects lie on either side of a large, pyroxene diorite intrusion, which has been interpreted by specialist studies outlined in the report by Borthwick (2017) to be either synchronous with fault activation or post-dating deformation (Figure 43, Figure 44).

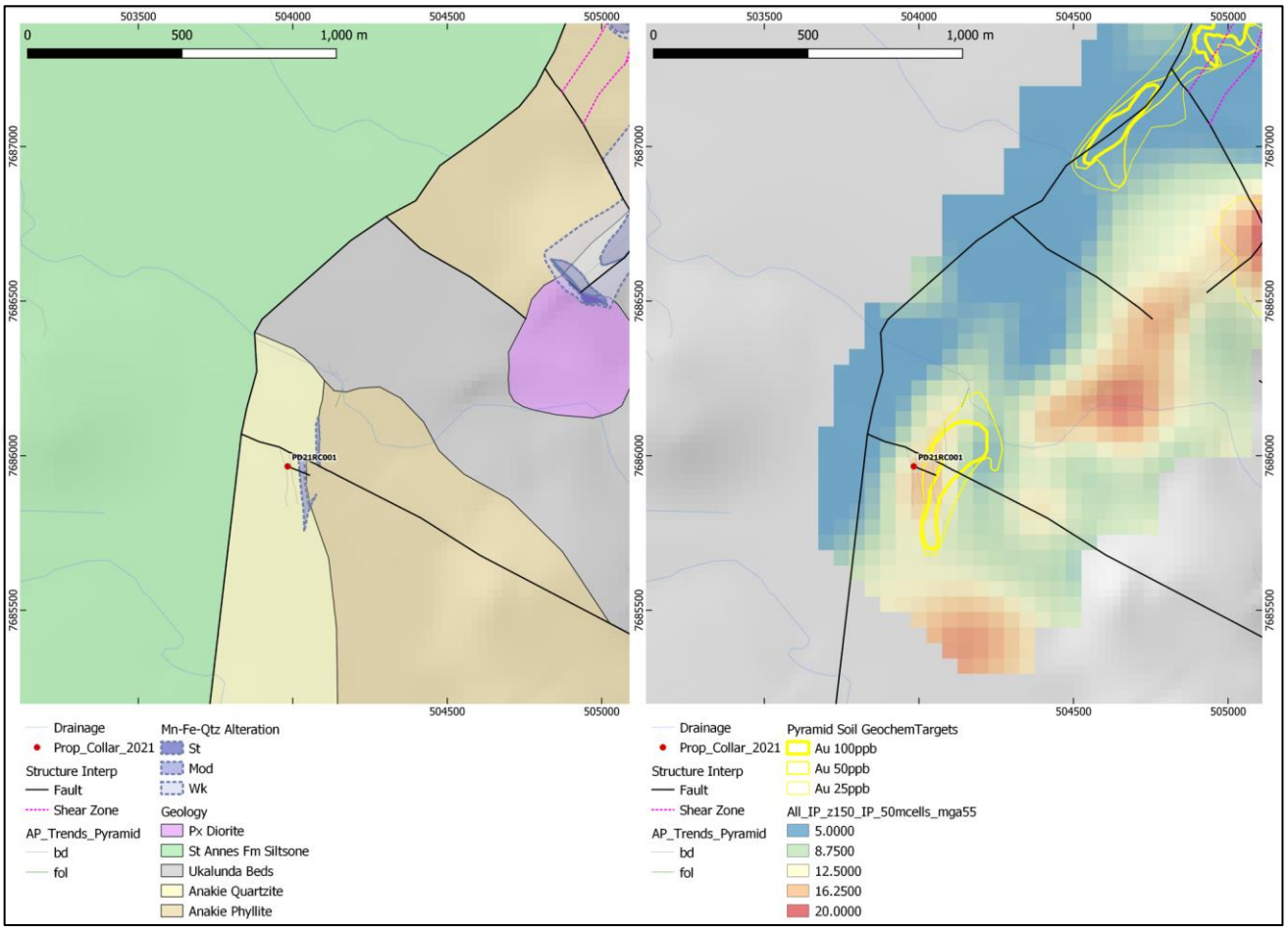


Figure 43: Pradesh prospect mapped alteration zones and IP anomaly.

The Djoser prospect is yet to be drilled and as such RSC cannot comment on host lithologies. However, soil anomalies and mapped alteration halo, along with the results from the IP survey, indicate that Djoser lies in an area with a significant chargeability response (Figure 44), indicating a change in lithology, most likely a deep-seated volcanic intrusive body. This would need to be tested with RC or diamond drilling. Demetallica has interpreted the mineralised system as part of a variably eroded felsic volcanic complex, part of the Bulgonunna Volcanic Suite, with alteration and mineralisation constrained to northwest-trending vein corridors, hosted by north-trending veins developed in reactivation folds.

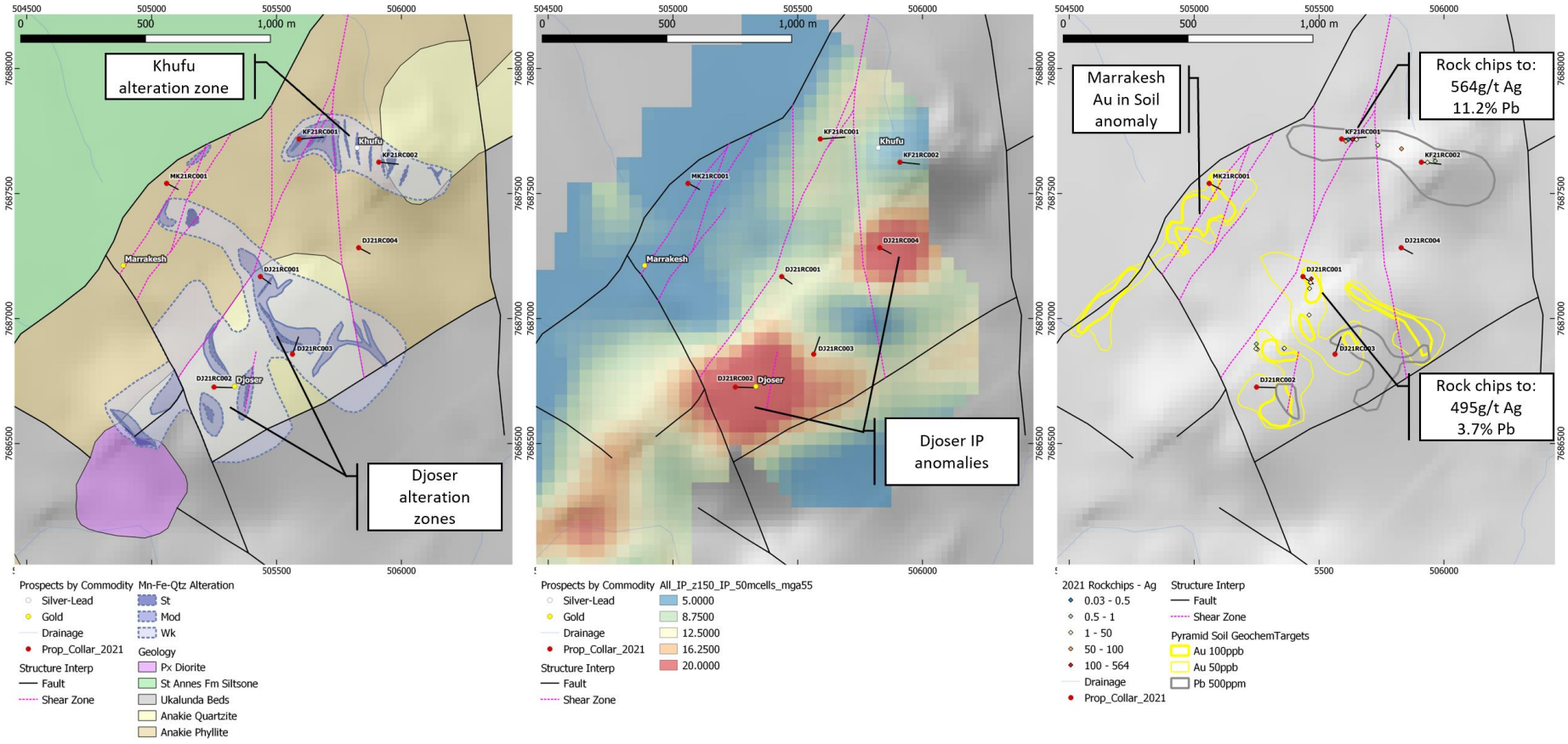


Figure 44: Djoser mapped alteration zones, IP anomalies and Au in soil anomaly maps with locations of proposed drillholes by Demetallica.

6.4 Exploration by Demetallica

RSC understands that Demetallica has not commenced exploration activities at the Pyramid project. First-pass RC drilling at Pyramid to test IP targets is scheduled for late-2022.

6.5 Brownfields Exploration Potential

No advanced targets exist for the Pyramid project. There are no Mineral Resources and no records of historical mining within the tenements held by Demetallica; therefore, RSC is unable to comment on the brownfields exploration potential for the project.

6.6 Regional Exploration Potential

RSC considers the techniques used by Minotaur, MGT and Dalrymple during the RC drilling campaigns to be sufficient for early-stage exploration targeting. Given the data provided, both open source and from Demetallica, RSC considers the Pyramid project is prospective for Au and base metal mineralisation.

However, it should be noted that ASX reports, announcing drill results by Minotaur, mentioned that the prospect is 'open at depth'. The depth potential cannot be confirmed without extensive deep drilling. In the absence of structural measurements, which can only be taken from diamond core, and subsequent structural interpretations, the true mineralisation widths are unknown. Reported downhole widths of mineralisation may not be representative of true width. The interpreted lodes presented by Minotaur and Demetallica in drilling cross-sections need to be confirmed using orientated diamond core. A significant diamond drilling campaign is required to verify the structural interpretation of the prospect, and comment on the geometry of the lodes and extension of low-grade mineralisation.

The prospects outlined in section 6.3.3, which were noted as the focus of exploration activities by Demetallica in upcoming exploration campaigns, have strong potential to host low-to-moderate grade Au mineralisation. Epithermal quartz, stockwork-hosted Au mineralisation, associated with sericitic alteration, controls mineralisation at Gettysberg and Sellheim; both prospects are located on the boundary of a major strike-slip fault, which may act as a pathway for hydrothermal fluids. Gold mineralisation at the Marrakesh and Pradesh prospects are all associated with stockwork veins and pervasive sericite alteration (Djoser still to be confirmed from drilling), and are also associated with elevated base metal mineralisation. Assuming the IP anomaly, highlighted in Minotaur's 2021 survey below the Djoser prospect, is proven to be a felsic intrusive body buried at depth, the mineralisation styles potentially present in the area could be expanded to IRGS and carbonate-base metal-Au. The presence of base metals and the IP anomaly is strong evidence that the anomaly is likely to be a felsic intrusive body, although the depth can only be confirmed after further drilling is completed. Demetallica has proposed RC drilling for October 2022 to test selected IP anomalies for carbonate-base metal-Au sheeted vein systems.

RSC considers that the similarities between the Gettysberg and Sellheim prospects to the nearby Pajingo Au mine upgrades the overall prospectivity of the Pyramid project. Pajingo lodes are epithermal, low-sulphidation, gold-mineralised quartz-adularia veins which exhibit textures indicating multiple phases of brecciation of vein and matrix, and resealing with silica.

Alteration varies in width and intensity but consists of an almost regional chlorite-dominated propylitic assemblage. Phyllic alteration (silica-pyrite-sericite) is up to 20 m thick, adjacent to the mineralised lodes (Parks and Robertson, 2003). Borthwick (2017) notes that there are similarities in structural setting and mineralisation between the Pyramid project and other nearby Au deposits, notably Wirralie, Yandan and Twin Hills.

7 Cannington Project

7.1 Project General Summary

7.1.1 Project Description & Location

The Cannington project is located in the Cloncurry district, approximately 200 km southeast of Cloncurry township in northwest Queensland (Figure 45). RSC considers the Cannington project an Early-Stage Exploration Project, as defined under the VALMIN Code.

Access to the Cannington project is via the Toolebuc McKinlay Road along the eastern side of the project area, and the Toolebuc Selwyn Road along the western side of the project area. The Toolebuc McKinlay Road is sealed from McKinlay township to the Cannington mine and unsealed from the mine south passed the project limits. The Toolebuc Selwyn Road is unsealed. Private, unsealed, farm access roads and tracks are used to access the main project areas. The project consists primarily of cleared grazing land with flat topography. Vehicle access can be difficult during the wet season.

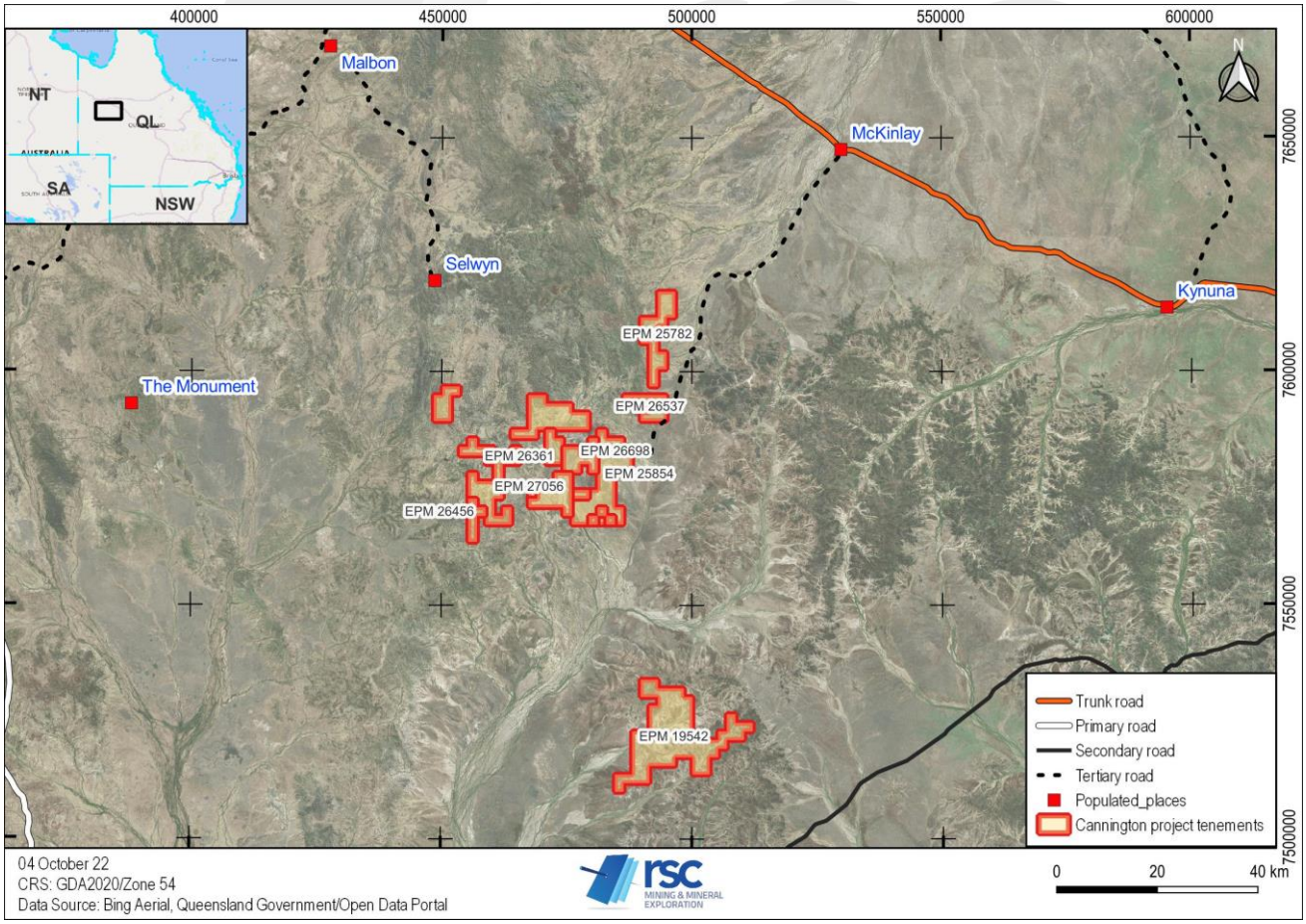


Figure 45: Location of Cannington project, Selwyn, Queensland.

7.1.2 Tenure & Ownership

The Cannington project comprises eight EPMs for a total area of 808 km^2 (Table 22). The EPMs are held 100% by Levuka Resources Pty Ltd, a wholly owned subsidiary of Demetallica. There are royalties (1% NSR) payable by Demetallica to Sandfire Resources Ltd on production from the Cannington tenements. RSC is not aware of any further obligations to any third party. Expenditure commitments and rents are presented in Table 23. RSC has made all reasonable enquiries into the status of this tenure.

EPMs 25782 and 26537 fall within the area of Native Title Claim No QC 2015/009 (Mitakoodi #5), such that the claimants are entitled to the right to negotiate. EPMs 19542, 25782, 26361, 26456, 26698, 26537 and 27056 were granted under the expedited process on the basis of NTPCs. EPM 19542 falls within the area of Native Title Determination No QCD 2012/007 (Pitta Pitta People) and native title rights and interests were determined to exist in parts of the area. EPM 19542 also falls within Native Title Claim No QP 2020/001 (Pitta Pitta People), which has not yet been accepted for registration. EPMs 25854, 26456 and 27056 fall within the area of Native Title Determination No QCD 2014/008 (Yulluna People). An agreement was reached in respect of EPM 25854. EPM 26698 has no overlap with a native title claim, determination, or Indigenous Land Use Agreement.

Table 22: Summary of Cannington project tenements.

Tenement	Holder	Equity (%)	Area (sub-blocks)	Area (km^2)	Grant Date	Expiry Date	Renewal Due Date	Status
EPM 25782	Levuka Resources Pty Ltd	100	20.00	64.40	5/05/2015	4/05/2025	4/02/2025	Live
EPM 25854	Levuka Resources Pty Ltd	100	99.00	318.78	1/10/2015	30/09/2025	30/06/2025	Live
EPM 26361	Levuka Resources Pty Ltd	100	7.00	22.54	1/05/2018	30/04/2023	30/01/2023	Live
EPM 26456	Levuka Resources Pty Ltd	100	11.00	35.42	18/04/2018	17/04/2023	17/01/2023	Live
EPM 26537	Levuka Resources Pty Ltd	100	10.00	32.20	7/08/2018	6/08/2023	6/05/2023	Live
EPM 26698	Levuka Resources Pty Ltd	100	11.00	35.42	4/09/2018	3/09/2023	3/06/2023	Live
EPM 27056	Levuka Resources Pty Ltd	100	16.00	51.52	13/05/2019	12/05/2024	12/02/2024	Live
EPM 19542	Levuka Resources Pty Ltd	100	77.00	247.94	16/10/2013	15/10/2023	15/07/2023	Live

Table 23: Summary of Cannington rental fees, expenditure, and commitments.

Tenement	Annual Rent (AUD excl. GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 5 years (AUD)
EPM 25782	3,437.8	25,000	28,500	603,361
EPM 25854	17,017.11	100,000	100,000	541,874
EPM 26361	1,203.23	55,000	TBA	187,466
EPM 26456	1,890.79	13,000	TBA	57,043
EPM 26537	1,718.9	15,000	15,000	15,694
EPM 26698	1,890.79	16,500	19,000	8,048
EPM 27056	2,750.24	54,400	58,500	6,169

EPM 19542	13,235.53	71,000	71,000	510,337

7.2 History & Previous Work

The Cannington project area and surrounds have been actively explored for base metal deposits since the early 1970s. Table 24 summarises the range and nature of historical exploration programmes conducted by major explorers. Numerous areas of anomalous base metals have been defined within the Cannington project.

Table 24: Summary of exploration activity at the Cannington project.

Period	Company	Summary of activities
1971–1973	Placer	Airborne geophysical surveys: magnetics, VLF-EM, and spectrometry; Geochemical surveys: rock chip and soils; Pegmont gossan located; 58 percussion and 13 diamond holes at Pegmont.
1974–1977	Newmont	Airborne magnetics and EM surveys; geological mapping and rock chip sampling; ground magnetic and IP surveys; Anitra, Jolimont, Anomaly 254.08, and Anomaly 413.67 identified; percussion and diamond drilling.
1978–1980	Amoco	Geological mapping; airborne magnetic and radiometric surveys; airborne EM; surface geochemical surveys (stream, soil, shallow bedrock RAB); ground EM surveys; Spartan Dam, Concorde, Cuckadoo 6 and Cuckadoo 7 prospects identified; percussion and diamond drilling.
1983	Carpentaria Exploration Company (C.E.C)	Review of previous aeromagnetic data; Follow-up of three magnetic anomalies east of Pegmont; one percussion hole drilled at Spartan Dam - 4 m wide garnetiferous magnetite-rich sediment intersected.
1984–1987	Billiton Australia	Regional stream sediment sampling; airborne magnetic survey; geological mapping and rock chip geochemistry; soil geochemistry, ground magnetics, structural mapping, SIROTEM; percussion and diamond drilling; ground gravity.
1984–1988	CSR Ltd/Shell JV	Airborne magnetic surveys; geochemical surveys: rock chips, soil, and stream sediment sampling; EM and SIROTEM surveys; RC and diamond drilling; ground magnetics and SIROTEM.
1988	Cyprus	Follow-up of aeromagnetic anomalies; ground magnetic survey; percussion drilling of magnetic anomalies: amphibolite intersected.
Mid 1980s–1999	Aberfoyle Resources/Perilya Mining NL JV	Airborne GEOTEM and magnetic surveys; rock chip and stream sediment sampling (following up anomalies from above); ground magnetics and soil geochemistry; PROTEM and ground magnetic surveys; percussion drilling; SIROTEM EM survey and Pb-isotope work at Jolimont.
1995–1998	BHP/Freehold Mining NL JV	GEOTEM survey (deep); follow-up ground TEM surveys; downhole TEM and ground magnetics; gravity survey; regional soil and stream sediment sampling; diamond and RC drilling.
Mid 1990s–Early 2000s	MIM	Regional aeromagnetic survey; Surface geochemical surveys; Ground EM.
1999–2000	North Ltd	Data review and drillhole proposal.
2000–2001	Rio Tinto	Rock chip sampling; one diamond hole, 61 RAB holes.
2002–2012	Exco Resources Ltd	Data review and field reconnaissance.
2000s	Platsearch	Three diamond drillholes.
1990s–2000s	Normandy	Detailed aeromagnetics; 12 drillholes.
2005–2013	Innova Resources/Exco Resources Ltd	Rock chip sampling; air core drilling 2008, 2012; sub-audio magnetic (SAM) survey; data review and field reconnaissance.
2013–2021	Sandfire	Ground gravity; drilling diamond holes 14WG01, 18WG001-002; DHEM; regional aeromagnetic survey; MLEM for 14.5 km.
2015–2021	Sandfire	Review of regional geological and geophysical data; mapping and surface samples; regional airborne magnetic survey; ground gravity; RC drilling of four holes 18BRR001-004.

2015–2021	Sandfire	Review of regional geological and geophysical data; Surface samples and mapping; Regional airborne magnetic survey; Ground Gravity and ground magnetics; RC drilling of four holes.
2018–2021	Sandfire	Ground reconnaissance; Surface rock chip samples; Ground magnetics and ground gravity. RC drilling of three holes. Technical review and compilation of historical work.
2018–2021	Sandfire	Review of regional geological and geophysical data; Surface samples.

7.3 Geological Setting & Mineralisation

7.3.1 Regional Geology

The Cannington project is located approximately 130 km south of Cloncurry, northwest Queensland. The project is located on the northwest fringe of the Eromanga basin, where Mesozoic and Permian rocks overlay Lower Proterozoic basement rocks belonging to the Eastern Succession of the Mt Isa Inlier. The regional geological setting is described in detail in section 4.3.1, under the Chimera project.

7.3.2 Local Geology

The most relevant package of rocks within the Cannington project is the Soldiers Cap Group and its lateral equivalents: the Kuridala and Staveley Formations. Western parts of the Cannington project cover the Kuridala Group, and lithologies are dominated by psammite, pelite and schist of the New Hope Sandstone and Starcross Formations. Some areas of graphitic slate, belonging to the Hampden Slate unit, also occur within the project area. Positive gravity anomalies within the project area suggest amphibolitic rocks are present in the local geology sequence. Aeromagnetic data indicate the area is cut by regionally extensive north-northeast orientated faults. The geology of the eastern portion of the project comprises the Staveley Formation and Mount Norna Quartzite. All units are intruded by granites coeval with the ~1500 Ma Williams Supersuite (Figure 46).

Basement outcrop is variable across the project, with Phanerozoic cover generally increasing, becoming widespread in the south and exceeding 300 m around EPM 19542 (most southerly tenement). Parts of the northern and western areas within the project are outcropping or only very thinly covered.

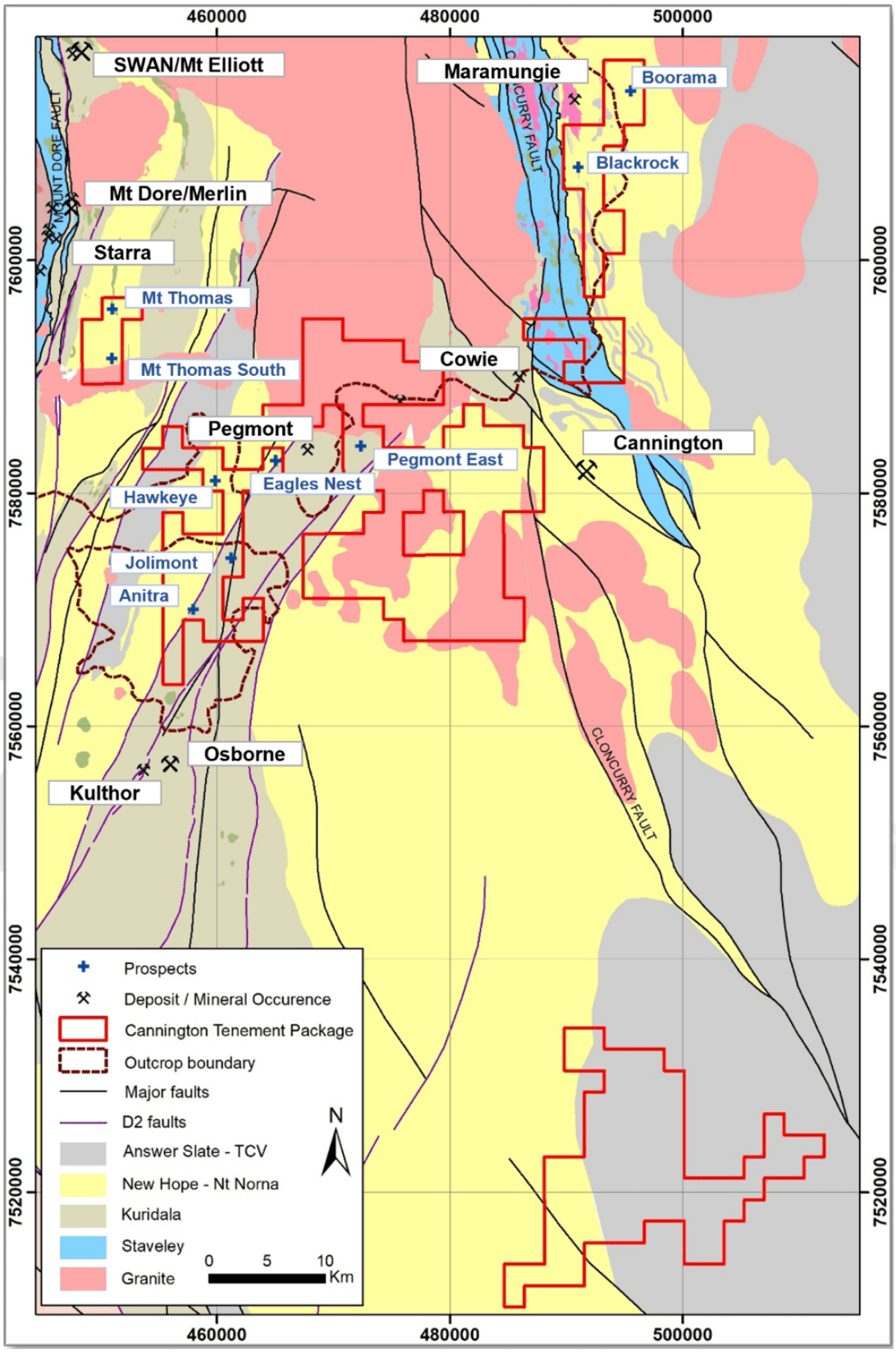


Figure 46: Interpreted basement geology for the Cannington project.

7.3.3 Mineralisation & Deposit Types

The project is prospective for structurally controlled oxide-rich or sulphide-rich Cu-Au mineralisation (e.g., Eloise, Kulthor, Osborne) and sedimentary exhalative Pb-Zn-Ag mineralisation (e.g., Cannington, Pegmont). The world-class Pb-Zn-Ag Cannington deposit lies to the east of the project and the Osborne Cu-Au deposit to the south. Numerous smaller deposits are recognised in the area surrounding the Cannington project area. Other smaller but still significant deposits occur near the project and include Kulthor (Cu-Au) and Pegmont, Cowie and Maramungie (Pb-Zn-Au).

7.4 Exploration by Demetallica

RSC understands that Demetallica has not commenced exploration activities at the Cannington project.

7.5 Brownfields Exploration Potential

No advanced targets exist for the Cannington project. There are no Mineral Resources and no records of historical mining within the tenements held by Demetallica; therefore, RSC is unable to comment on the brownfields exploration potential for the project.

7.6 Regional Exploration Potential

Based on the historical data, Demetallica noted the potential for either or both Cu-Au and Pb-Zn-Ag mineralisation across the broader tenement package. Particular areas of interest include Mt Thomas South, Blackrock-Boorama, Pegmont East and Eagles Nest (Figure 46). These areas of interest lie within potentially prospective rock packages: Mount Norna Quartzite and equivalents, and the Kuridala Formation, which host most of the significant Cu-Au and Pb-Zn-Ag deposits in the area, and more broadly.

The Demetallica tenement boundary is ~ 5 km east of the world-class Cannington mine. Both the Cannington mine and the Pegmont mine are located in the north-trending Kuridala-Selwyn Domain, which occupies the majority of Demetallica's Cannington project. The Mount Norna Quartzite hosts Cannington and is likewise abundant in Demetallica's tenements. Several Cu-Au projects are spatially related to the deep north-trending Cloncurry Fault and the Cloncurry Lineament which truncate the Cannington project. Hence, there is scope for discoveries in underexplored areas around the structurally controlled Cannington Mine, which comprises two, north-trending fault-bound lodes that are offset by north–northwest thrust/reverse faults.

7.6.1 Eagles Nest

The Eagles Nest prospect is defined by a series of geochemical anomalies in rock chip samples from a north-northeast trending belt of psammite, schist, amphibolite, and dolerite of the Soldiers Cap Group, near its contact with the Squirrel Hills Granite. Dykes of leucogranite, aplite, pegmatite intrude the metasediments. Anomalous Au (up to 2.3 g/t) was measured in gossan with a strike length of ~500 m with some anomalous Ag, Pb-Zn and Cu. A series of aeromagnetic and ground magnetic highs were identified by follow-up geophysical surveys. Two RC holes under brecciated gossan identified

amphibolite and minor metasediments, but no evidence of mineralised breccia and failed to explain the surface anomalies. Only one location of the 500-m-long gossan was drilled and further drilling along strike may reveal primary mineralisation (Pegmont Mines Limited, 2011). Since linear ironstones are prospective for sulphide mineralisation in the area and the subsurface is largely untested, follow-up exploration may identify deep-seated mineralisation.

7.6.2 Pegmont East

The Pegmont East project, part of the Sandfire Cannington West project, was drilled to test for BHT-type and IOCG mineralisation, but no significant alteration or mineralisation was intersected. Weak-to-moderate, structurally controlled Cu-Au mineralisation was intersected with the best intercept of 1 m @ 0.85% Cu in hole 18PE002 that warranted further investigation. Downhole geophysics of hole 18PE002 may reveal the presence of further Cu mineralisation in the wider area, which remains prospective for BHT-type and IOCG mineralisation. Due to the lack of additional information, no statement regarding its prospectivity can be made.

7.6.3 Mount Thomas

Mount Thomas was considered BHT-type mineralisation by Sandfire Resources (Evans and Sheriff, 2016). The prospect occurs adjacent to a cluster of mines and projects to the west of the tenement, including Mount Cobalt, the Victoria mine or Starra. The geological model for Mount Thomas suggests remobilised mineralisation within a south-plunging synform. Magnetic and gravity anomalies are untested and were intended to be drilled with RC; however, no further work has been reported on Mount Thomas (Reid, 2020).

7.6.4 Blackrock-Boorama

The geology of the Blackrock and Boorama area is dominated by calc-silicates of the Stavely Formation, siliciclastics of the Mount Norna Quartzite, and a large body of actinolite-garnet endoskarn. Elongate, syn-tectonic granites also intrude the sequence in the Blackrock area (Maramungee Tonalite). The sub-economic Maramungee deposit, with historical estimated indicated reserves of 1.8 Mt @ 4.4% Zn, was discovered by Amoco Minerals in 1974 and lies north of Blackrock. Blackrock and Boorama have been explored via a regional airborne magnetics survey and soil sampling as well as a desktop review by Sandfire from 2016–2018. RSC considers the area prospective for BHT-type mineralisation along late faults of the Isan Orogeny, with lesser prospectivity for IOCG style mineralisation.

8 Lake Purdilla Project

8.1 Project General Summary

8.1.1 Project Description & Location

The Lake Purdilla project is situated on the South Australian coast, ~15 km south of Streaky Bay, and includes the Lake Purdilla and Lake Toorna gypsum deposits (Figure 47). RSC considers the Lake Purdilla project an Advanced Exploration Project, as defined under the VALMIN Code.

Access to the project area is along Sceale Bay Road, which connects the townships of Streaky Bay and Sceale Bay, using dirt tracks to access the lakes. The project area is flat, comprising coastal salinas, dried lakes and extensive but low sand dune systems across the lakes.

The climate of the project area is semi-arid, with an annual mean rainfall of 377 mm (at Streaky Bay). The mean minimum temperature at Streaky Bay varies from 8°C (in July) to 16°C (in January/February), while the mean maximum temperature varies from 16°C (in July) to 29°C (in January/February) (Bureau of Meteorology).

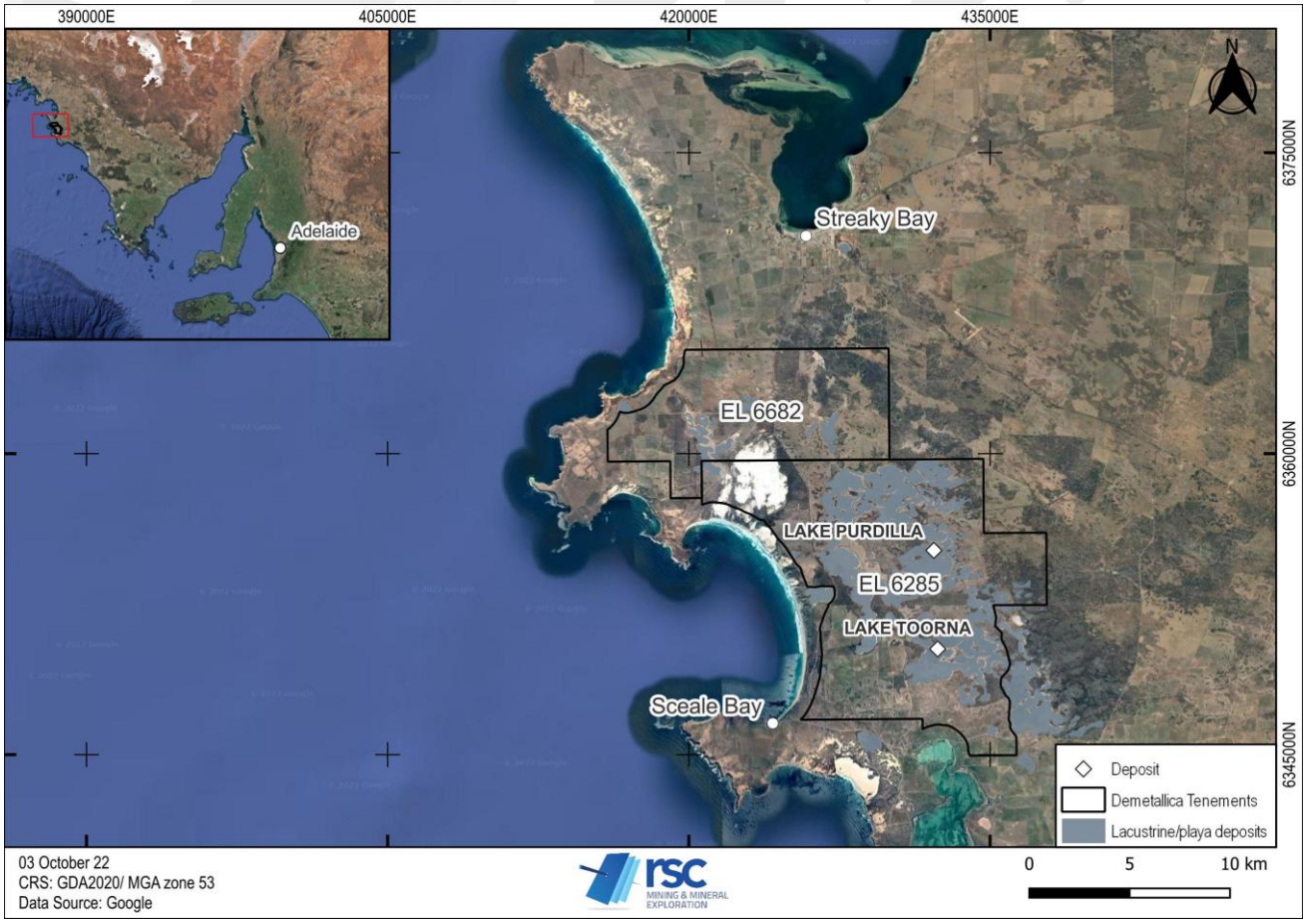


Figure 47: Location of Lake Purdilla project, South Australia.

8.1.2 Tenure & Ownership

The project comprises two exploration licences (ELs), EL 6285 (Sceales) and EL 6682 (Yanerbie), both 100% owned by Demetallica Operations Pty Ltd and covering a total area of 219 km^2 (Table 25). There are no known obligations to any third party. Expenditure commitments and rents are presented in Table 26. RSC has made all reasonable enquiries into the status of this tenure.

The Lake Purdilla tenements are all within the area of Native Title Claim No. SC1997/006 (Wirangu No. 2) and the claimants are entitled to the right to negotiate. These tenements also fall within the area of Native Title Claim No SC2021/002 (Mirning Eastern Sea and Land Claim). However, the claim has not been accepted for registration, hence the claimants do not have the right to negotiate. EL 6285 includes a minor overlap with Native Title Claim No SC 2019/002 (Wirangu No. 3), and the claimants are entitled to the right to negotiate.

Table 25: Summary of Lake Purdilla project tenements.

Tenement	Holder	Equity (%)	Area (km^2)	Grant Date	Expiry/Renewal Date	Status
EL 6285	Demetallica Operations Pty Ltd	100	148	17/11/2018	16/11/2023	Active
EL 6682	Demetallica Operations Pty Ltd	100	71	07/03/2021	06/03/2026	Active

Table 26: Summary of Lake Purdilla rental fees, expenditure, and commitments.

Tenement	Annual Rent (AUD exempt. from GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 4 years (AUD)
EL 6285	4,176	180,000	180,000	32,839
EL 6682	4,176	40,000	TBC	4,994

8.2 History & Previous Work

Systematic gypsum exploration commenced at Lake Purdilla in the late 1950s, with further programmes occurring between the late 1960s and 1990s, including extensive drilling programmes across the lake and dune gypsum deposits of Lake Purdilla and Lake Toorna. Under Minotaur, a resurgence of interest in the area commenced in 2009 and culminated in 2016 with the release of an Inferred Mineral Resource. Further details can be found in Table 27.

Minotaur reported an Exploration Target in 2012 of 50–60 Mt at 85–90% gypsum, which was based on historical drillhole data from 1959, 1969 and 1995. Minotaur later acquired additional historical drillhole data, collected in 1988, 1996 and 1997. In 2016, following ground checking and bulk sampling, Minotaur estimated and reported an Inferred Mineral Resource in accordance with the JORC Code (2012). Minotaur modelled the lake deposits over 35 km^2 with an average consolidated crystalline gypsum thickness of 2 m within localised basins up to 7 m thick from surface, culminating in a total Mineral Resource of 87 Mt at 91% gypsum (gypsarenite and selenite) (Minotaur Exploration Limited, 2016).

Table 27: Summary of exploration activity for the Lake Purdilla project.

Period	Company	Summary of Activities
1959	SA Department of Mines	Drilled 85 holes in Lake Purdilla, 17 holes in Lake Toorna and 8 holes into the gypsiferous lunettes by auger.
1969	Elcor Australia Pty Ltd	Diamond drilling (32 holes) into the southern half of Lake Purdilla.
1980	Warren	Collected 50 core tube samples from the lakes for PhD research.
1995	Sceale Bay Development Corporation Pty Ltd	Drilled three air core holes to investigate the bedrock beneath the gypsum deposits.
2009–2016	Minotaur Exploration	Digitised historical drill data and maps (from 1959, 1969, 1995); published an Exploration Target for gypsum for Lake Purdilla gypsum deposit based on historical drill data (ASX release 2 March 2012); collected gypsarenite samples for geochemical and mineralogical analyses; acquired data from gypsum drilling programmes completed in 1988 (359 holes), 1996 (51 holes) and 1997 (131 holes); collected five-tonne bulk gypsum sample from Lake Purdilla for processing test work in Germany; drilled 34 auger holes into the Lake Larson gypsum deposit; DGPS survey along the long axis of Lake Larson demonstrated <1 m variation along the lake surface; dune elevation DGPS traverses at Lakes Purdilla and Toorna to position data more accurately from historical drill traverses; in-house resource assessment of gypsum deposits at Lakes Purdilla, Toorna, Larson and Dreadnaught; investigated logistics for gypsum extraction and transport; promoted local trans-shipment synergies with other commodities (e.g. kaolin, grain) during discussions with marine logistics companies and other parties.
2016	Minotaur Exploration + H&S Consultants	Inferred Lake Purdilla Gypsum Resource of 87 Mt @ 91% gypsum (Minotaur Exploration Limited, 2016).

8.3 Geological Setting & Mineralisation

8.3.1 Regional Geology

The Lake Purdilla project is located in the southwest portion of the Gawler Craton. Several regional-scale tectonic events affected the Gawler Craton during the Late Archean (2560–2500 Ma) and Palaeoproterozoic to Mesoproterozoic periods (2000–1450 Ma).

Following the Kimban orogeny, the tectonic development of the Gawler craton was dominated by emplacement of widespread magmatic rock suites, including the St. Peter Suite (1620–1610 Ma), followed by formation of voluminous Gawler Range Volcanics (1595–1590 Ma) and intrusion of the Hiltaba Suite granitoids (1595–1575 Ma).

The Palaeoproterozoic St. Peter Suite is a granitic-to-mafic magmatic suite, which intruded the southwest part of the Gawler Craton. Coastal outcrops of the St Peter Suite have been observed between Slade Point (south of Sceale Bay) to west of Point James (west of Ceduna). Rocks of the St. Peter Suite typically preserve tectonic foliations, which are dominantly steeply dipping. The steep orientation of these structures suggests they may have formed in a compressional environment (Hand et al., 2007).

The Mesoproterozoic Gawler Range volcanics (1595–1590 Ma) and Hiltaba Suite granitoids (1595–1575 Ma) were emplaced across the central portion of the Gawler Craton (Hand et al., 2007). The Palaeo- to Mesoproterozoic transition in the Gawler craton appears to record the progression from an arc-related, possibly active plate margin setting to a continental interior setting. Widespread northwest-southeast contractional deformation was coeval with the emplacement of the Hiltaba

Suite, and involved the formation and/or reactivation of numerous shear zones that range up to crustal scale (Hand et al., 2007).

The youngest phase of deformation in the craton is expressed by reactivation of shear zones between 1470 and 1450 Ma and regional cooling, after which the craton appears to have largely remained a stable continental block (Hand et al., 2007). The persistent tectonic stability has created conditions suitable for preservation of a thick mantle of deeply weathered material (Ferris and Keeling, 1993). Tertiary sedimentation within palaeochannels was associated with periods of intense weathering and kaolinisation of Proterozoic basement lithologies. Development of a siliceous cap (silcrete) has resulted in the preservation of the soft kaolin-rich profile (Rankin and Flint, 1992). The arid Pleistocene climate resulted in coastal aeolianite (Bridgewater Formation); widespread calcrete development; extensive, inland, southeast-trending sand dunes (Wiabuna Formation); and local salt lakes and associated lunettes of the Yamba Formation (Flint and Rankin, 1991; Parker and Flint, 2005).

8.3.2 Local Geology

The Lake Purdilla project area is dominated by Pleistocene calcarenite of the Bridgewater Formation, overlain by Pleistocene–Holocene lacustrine and playa sediments and gypsiferous dunes (Figure 48). No basement rocks are exposed in the Lake Purdilla tenements.

Gypsiferous Lakes Purdilla and Toorna form the central portion of EL 6285, and the interconnected salinas of Lake Larson cross the boundary between EL 6285 and 6682 (Figure 48). The lake sediments located in depressions, in the underlying Bridgewater Formation, include fine silt and clay, with evaporitic gypsum, halite and aragonite. Lakes Purdilla and Toorna typically feature bare evaporate surfaces with extensive systems of well-defined gypsarenite dunes (≤ 10 m) developed on the lake margins. The Lake Larson gypsiferous sediments are less consolidated with less recrystallised selenite and contain a greater proportion of calcareous clay and clastics.

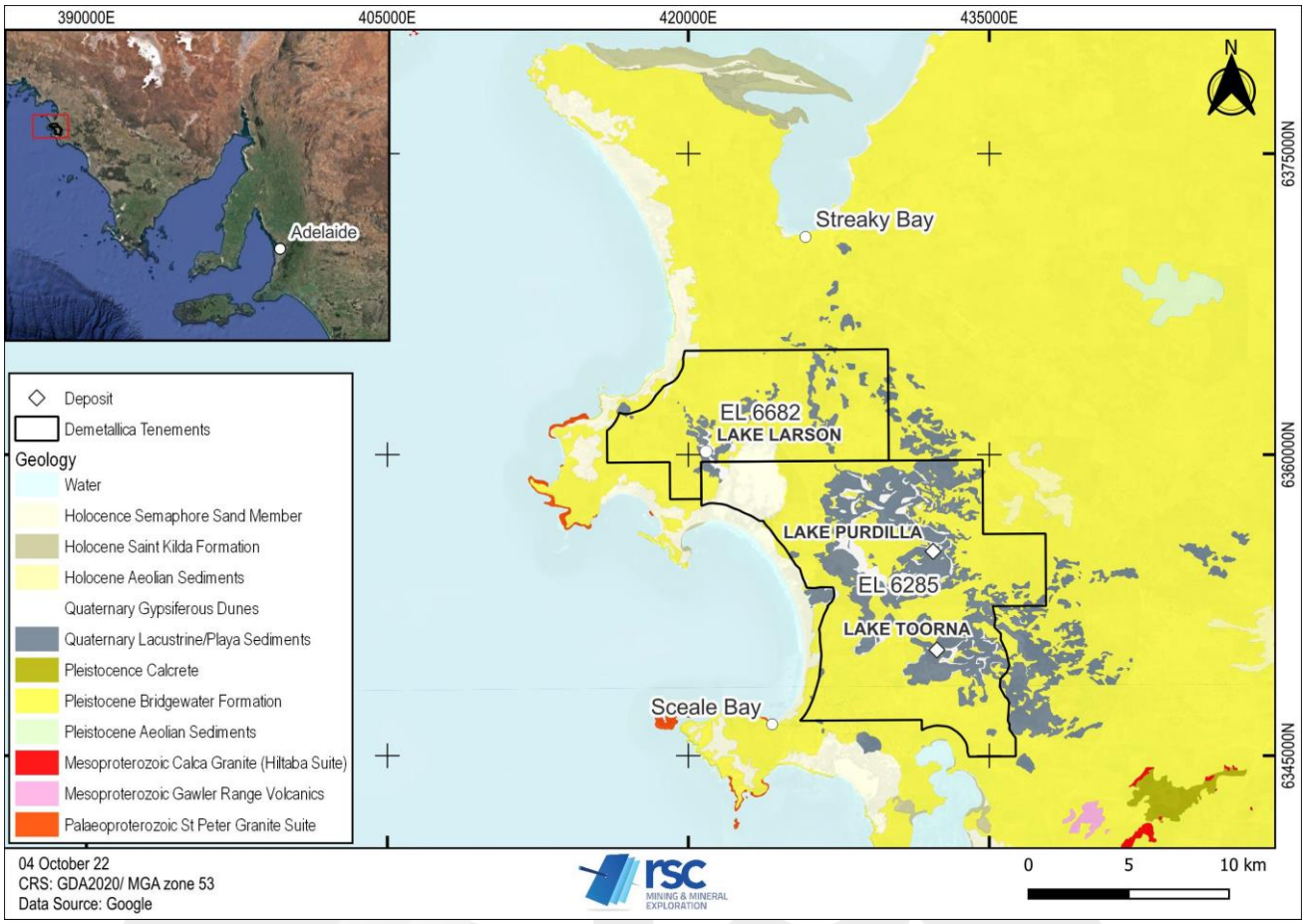


Figure 48: Surface geology of the Lake Purdilla project area.

8.3.3 Mineralisation & Deposit Types

The Lake Purdilla project includes Lakes Purdilla, Toorna and Larson gypsum deposits. Lake Purdilla is a coastal salina in which the lake surface is near sea level, allowing seepage of seawater and groundwater into the lakes and subsequent evaporation during the summer months. Repeated cycles during the past 10,000 years have resulted in the accumulation of gypsum ($CaSO_4.2H_2O$) in the form of selenite (rock gypsum, crystal size >2 mm), gypsarenite (crystal size 1–2 mm) and gypsite (flour gypsum) (Minotaur Exploration Limited, 2012).

The lake deposits at Lake Purdilla and Lake Toorna formed by marine flooding of coastal depressions and subsequent infill through precipitation of gypsum. In addition to the infilling deposits of crystalline lake gypsum (selenite), an extensive system if wind-blown gypsum dunes (gypsarenite) occurs on and adjacent to the lake surface. Gypsum within the dunes is unconsolidated and likely to be easily excavated for transport.

8.4 Exploration by Demetallica

RSC understands that Demetallica has not commenced exploration activities at the Lake Purdilla project.

8.5 Mineral Resources

The current Mineral Resource for Lake Purdilla was included in Demetallica's prospectus on 8 April 2022 and was originally estimated and reported by Minotaur Exploration Limited (2016).

The Inferred Mineral Resource estimate at Lake Purdilla approximately totals 87 Mt at 91% gypsum (gypsarenite and selenite) (Minotaur Exploration Limited, 2016) (Table 28).

Table 28: Lake Purdilla Inferred Mineral Resource (includes the Lake Toorna deposit) (Minotaur Exploration Limited, 2016).

Material	Density (t/m^3)	Inferred Tonnes (Mt)	Gypsum Grade (%)
Consolidated crystalline gypsum (lake infill)	1.3	71.5	91
Unconsolidated crystalline gypsum (dunes)	1.2	15.3	90
Total		86.8	91

RSC's assessment of the quality and Reasonableness of the Lake Purdilla Mineral Resource is presented in Table 29.

RSC considers that the gypsum Inferred Mineral Resource for Lake Purdilla has been prepared to a sufficient standard and reported in accordance with the JORC Code (2012). Therefore, the Mineral Resource is reasonable for Valuation purposes; however, uncertainties regarding the accuracy and precision of the input data and relevance of the RPEEE constraints used (in particular, the use of a 0% cut-off which implies that there are no quality restrictions that would negatively impact the economic viability of the mined product), warrant a cautious approach in the valuation of the Inferred Mineral Resource.

Table 29: Results of the Reasonableness review of the Mineral Resource estimate for the Lake Purdilla project.

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
Drilling & sampling techniques	Average	4	3	Moderate to High	Historical drilling methods used were auger drilling (677 holes, 1,280 m), push tube-diamond drilling (32 holes, 88 m) and air core drilling (3 holes, 21 m). Minotaur notes that the "drilling, sampling and assaying techniques are assumed to have been appropriate for deposit type" and support the assertion by providing some description of the historical drilling logs and further assuming that the historical sampling and assaying were conducted to industry standard practice, contemporary to that time. RSC considers the argumentation to be vague and non-supportive of the validity of drilling and sampling techniques being used. RSC does acknowledge that Minotaur did favourably validate the logged lithology of a historical drillhole (M67) against a 2014 trench.
Logging	Good	6	2	Low	Detailed geological logging is provided. No geotechnical logging, no photography of core or sludge samples available.
Sub-sampling techniques & sample preparation	Average	5	2	Low to Moderate	Minotaur acknowledged that in the absence of historical QA/QC data and twin drillhole data, the levels of accuracy and precision for the historical laboratory results are uncertain.
Quality of assay data & analytical techniques	Average	5	2	Low to Moderate	Minotaur noted that all historical analytical methods were appropriate to the deposit type according to historical, industry best practices. RSC reiterates that the argumentation lacks a technical foundation and carries a risk for the project.
Verification of sampling and assaying	Average	5	3	Low to Moderate	No independent verification has been conducted at this stage. The five-tonne bulk sample extracted in December 2014, matching the lithological sequences logged in historical drilling, is considered a strong positive for the validation of the geological interpretation and allowed confirmation of the gypsum mineralisation style, density, and grade at a bulk sampling scale.
Location of data points	Average	6	2.5	Low to Moderate	Minotaur acknowledges that the accuracy of the historical drillhole collar locations is uncertain. The relative levels of all collars were adjusted to coincide with a topographical surface, generated using DGPS dune elevation measurements collected by Minotaur in 2015. RSC considers the level of risk to be low to moderate on the location of data points.
Data spacing and distribution	Good	6	2	Low	The best-drilled areas are drilled at 250–400 m spacing, with the majority of the resource at 1,000 m spacing and beyond. Given the strong lateral continuity of evaporitic layers, RSC considers the spacing suitable for the estimation of an Inferred Mineral Resource.
Bulk density	Average	6	2	Low	The bulk sample allowed confirmation of the gypsum density at a bulk sampling scale.
Orientation of data/drilling	Average	6	1.5	Low	Vertical drilling is adapted to the mineralisation type.
Estimation and modelling: domaining	Absent	-	-	Low to Moderate	No estimation domain modelling was applied, and all samples falling within the evaporitic wireframes for the dune and lake deposits were used in the estimate. Minotaur used satellite imagery, in conjunction with drilling data, to interpret the lateral bounding edges of the gypsum deposits and model the top and bottom surfaces of the various evaporitic layers. This boundary extent represents the geological domaining within which the estimate was

Category	Availability Data/Information	Performance Score (1–10)	Impact Score (1–5)	Risk Rating	Comments
					constrained. No additional estimation domaining was applied. RSC concurs that the deposit style demonstrates strong lateral continuity of gypsum grade and strong geological contiguity. In RSC's opinion, there is increased risk in determining the accuracy in lateral bounding edges of the gypsum footprint from satellite imagery. This risk is not considered Material in the context of an Inferred Mineral Resource estimate.
Estimation and modelling: compositing	Absent	-	-	Low to Moderate	No compositing was performed. RSC considers this to be a low-to-moderate risk to the resulting estimation of gypsum.
Estimation and modelling: grade capping	Absent	-	-	Low	No top-cutting applied.
Estimation and modelling: variography	Absent	-	-	Low	No variography performed.
Estimation and modelling: interpolation and extrapolation	Average	5	2.5	Low to Moderate	The interpolation of gypsum grade was performed by inverse distance square of un-composited sample intervals. RSC argues that a 2D estimation of the layer thickness, followed by an estimation of the layer grade by ordinary kriging of regular composites, would have been better adapted to the mineralisation type but considers the risk of conditional bias remains minimal, given the strong continuity of the gypsum grade and strong lateral continuity of the evaporitic layers. RSC endorses the use of up to 20 samples in the estimation routine.
Estimation and modelling: checks and validation	Average	7	2	Low	Standard visual validation of block statistical profiles vs input sample statistics was accepted according to Minotaur quality acceptance criteria. A check estimate was completed by H&S Consulting using ordinary kriging of 1-m composites of gypsum grade and mineral thickness for Purdilla dune and lake deposits. The results are reported to be comparable to the Minotaur model, which RSC considers a positive validation of the global mineral resource estimate.
Estimation and modelling: cut-off	Absent	-	-	Moderate	No cut-off applied.
Estimation and modelling: density	Average	5	2	Low	Average value based on historical drilling measurements and 2014 bulk sample. 1.3 is applied to lake gypsum and 1.2 to unconsolidated dunes.
Estimation and modelling: Classification	Poor	4	2.5	Moderate	The Mineral Resource has been classified as Inferred to reflect the uncertainties surrounding data quality and the irregular distribution of drillholes. RSC considers that in the most loosely drilled areas, the Inferred classification of the Mineral Resource may still be considered optimistic, given the uncertainties surrounding data quality and RPEEE.

8.6 Brownfields Exploration Potential

In 2012, Minotaur Resources reported an Exploration Target for the Lake Purdilla Gypsum Deposit of 50–60 Mt at a purity of 85–90% gypsum, with an average gypsum thickness of 2.8 m (Minotaur Exploration Limited, 2012). The 2016 Inferred Mineral Resource of 87 Mt at 91% gypsum returned a tonnage upside on the 2012 Exploration Target. However, as noted in section 8.5, the Inferred classification may still be optimistic for some areas of the deposit. While infill drilling, including twinning, is a necessity to improve confidence in the resource model and to support upgrading the classification of a Mineral Resource, it should not be assumed that such upgrading will occur given the uncertainties and the risks related to RPEEE.

Several other gypsum deposits exist within tenement EL 6682, including Lake Larson, Lake Dreadnaught, Lake LG and Lake LB (Figure 49) (Belperio and Godsmark, 2016). Minotaur undertook small, hand auger programmes at Lake Larson and Lake Dreadnaught in 2015, to test the potential for gypsum mineralisation. Internal mineralisation assessments of the Lake Larson and Lake Dreadnaught gypsum deposits were produced in 2016 by Minotaur. Lake Larson was noted to have a greater proportion of calcareous clay, greater quantities of clastics (quartz silt, sand and dark possibly organic fragments) and is poorly consolidated with mineral recrystallisation (Belperio and Godsmark, 2016). RSC considers the suggested lower quality mineralisation at Lake Larson limits the brownfields exploration potential of this deposit. Lake Dreadnaught sits mostly outside of the Demetallica tenure.

RSC considers EL 6285 to have moderate exploration potential, owing to the coverage of Quaternary lacustrine/playa sediments and gypsiferous dunes. The exploration potential of EL 6682 is limited due to the lower coverage of permissible geology at surface and drilling already carried out on previously identified exploration targets.

8.7 Regional Exploration Potential

All exploration potential for the Lake Purdilla project is discussed in section 8.6. RSC considers the Lake Purdilla Project there to have moderate exploration potential.

8.8 Environmental Factors

Immediately adjacent and nearby to the Lake Purdilla project are a number of sensitive areas, including:

- Calpatanna Waterhole Conservation Park
- Sceale Bay Conservation Park
- Searcy Bay Conservation Park, and
- SA Coastal Reserve.

In accordance with Part 10A of the Mining Act, a Programme for Environment Protection and Rehabilitation would need to be submitted to the Department for Energy and Mining, and approved by the Minister or Deputy, prior to conducting authorised exploration activities other than the conduct of airborne surveys. Consideration would also need to be given to the impact of operating a mine close to these protected areas.

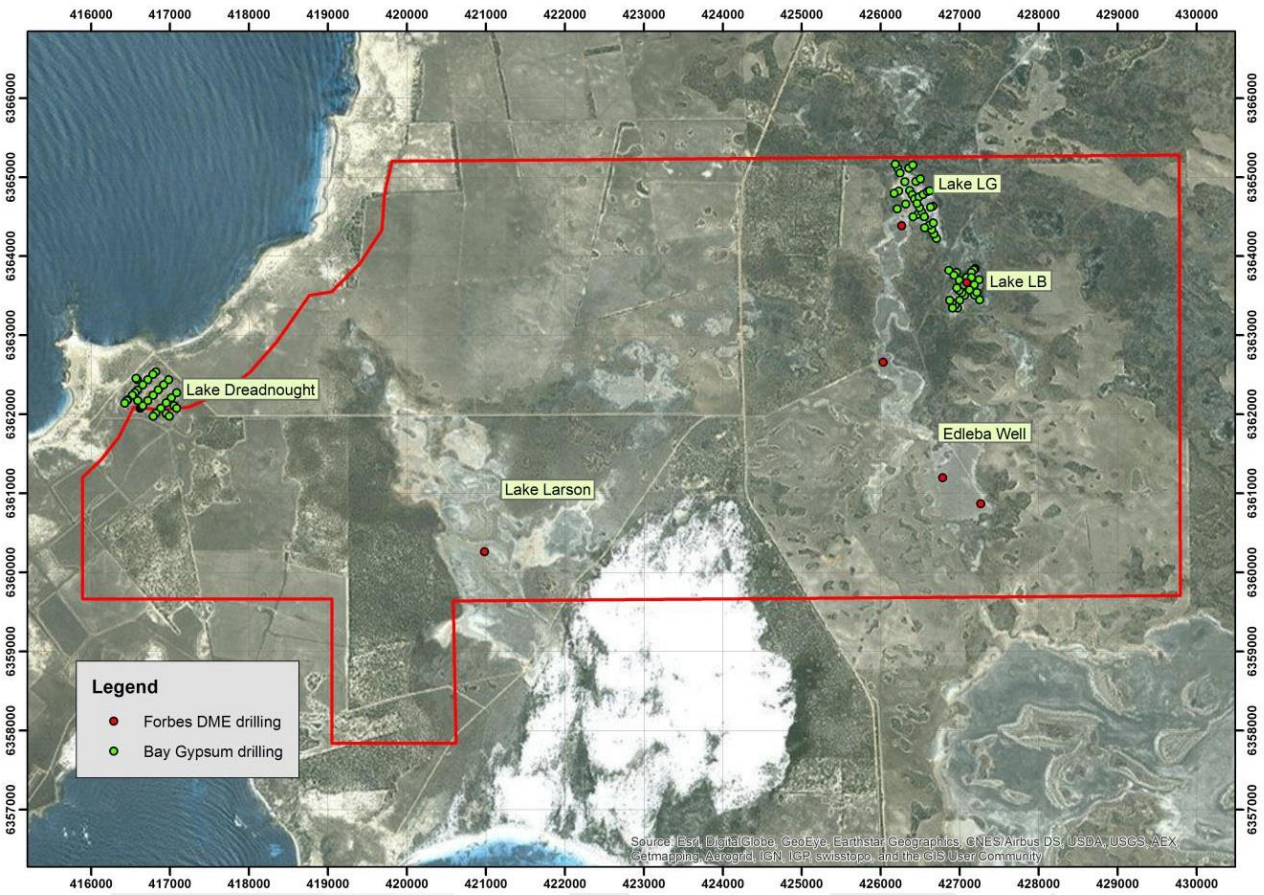


Figure 49: Location of gypsum prospects and historical drilling within EL 6682 (Belperio and Godsmark, 2016).

9 Peake & Denison Project

9.1 Project General Summary

9.1.1 Project Description & Location

The Peake & Denison project is located ~40 km west of Lake Eyre and ~750 km northwest of Adelaide, South Australia (Figure 50). RSC considers the Peake & Denison project an Early-Stage Exploration Project, as defined under the VALMIN Code.

Exploration licences 6221, 6222 and 6223 are situated ~50 km northeast of William Creek, located in the Big Perry, Teemurrina and Wood Duck areas, respectively. Exploration licence 6270 is ~100 km southeast of Oodnadatta, located in the Davenport area. Access to the project area is along public roads, north from Port Augusta to Maree, William Creek and locally via station tracks.

The climate of the project area is arid, with an annual mean rainfall of 173 mm (at Oodnadatta Airport). The mean minimum temperature at Oodnadatta varies from 6°C (in July) to 23°C (in January), while the mean maximum temperature varies from 20°C (in July) to 38°C (in January) (Bureau of Meteorology).

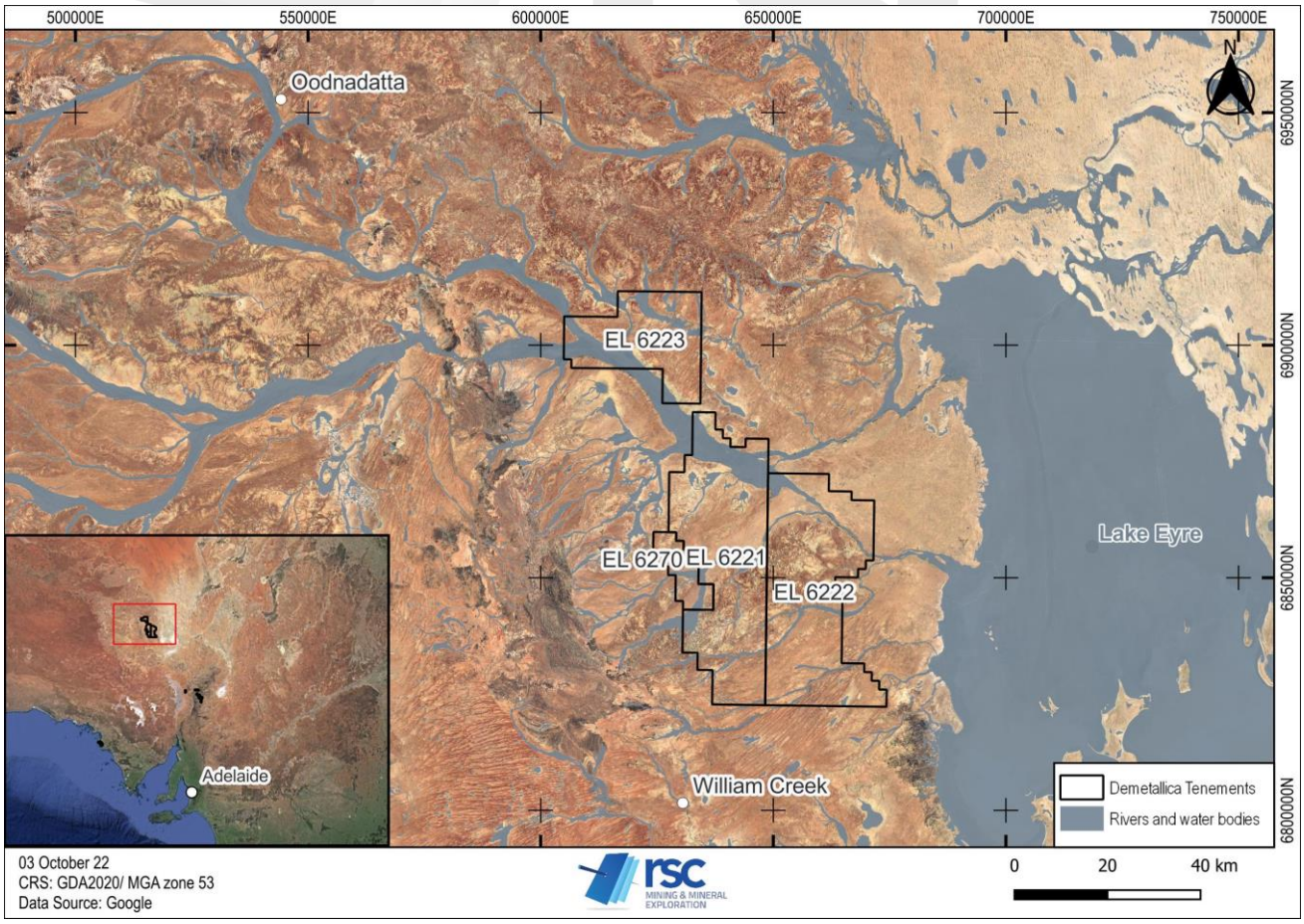


Figure 50: Location of Peake & Denison project, South Australia.

9.1.2 Tenure & Ownership

The project comprises four exploration licences, all 100% owned by Demetallica Operations Pty Ltd and covering a total area of 2,547 km^2 (Table 30). Renewal applications for the four licences have been lodged and are pending evaluation. The Peake & Denison project is subject to farm-in and joint venture (JV) agreements with OZ Exploration Pty Ltd, a subsidiary of OZ Minerals Ltd. Expenditure commitments and rents are presented in Table 31. RSC has made all reasonable enquiries into the status of this tenure.

The JV project is funded by OZ Minerals (ASX: OZL) where Demetallica is the manager and operator. Entry to the joint venture required OZ Minerals to commit to a minimum expenditure hurdle which was comfortably surpassed. With additional funding since provided, OZ Minerals notified Demetallica of its intent to continue sole-funding exploration as part of the Stage 1 earn-in of AUD 4M to achieve a 51% equity position in the project. Ultimately, OZ Minerals may acquire 70% interest through the culmination of $10 million in expenditure.

The Peake & Denison project tenements fall within the area of Native Title Determination No SC2012/002 (Arabana People). The tenements also fall within the scope of the Arabunna Area Minerals Exploration Indigenous Land Use Agreement (SI2003/008) and the Arabana Native Title Claim Settlement Indigenous Land Use Agreement (SI2012/017). A Native Title Mining Agreement for exploration was entered into on 20 December 2019 (RI 443) between the tenement holder and Arabana Aboriginal Corporation RNTBC, in respect of each of the tenements, including agreed procedures for the conduct of Aboriginal heritage surveys to be undertaken as required.

Table 30: Summary of Peake & Denison project tenements.

Tenement	Holder	Equity (%)	Area (km^2)	Grant Date	Expiry Date	Renewal Due Date	Status
EL 6221	Demetallica Operations Pty Ltd	100	977	07/08/2018	06/08/2022	NA	Renewal lodged
EL 6222	Demetallica Operations Pty Ltd	100	971	07/08/2018	06/08/2022	NA	Renewal lodged
EL 6223	Demetallica Operations Pty Ltd	100	484	07/08/2018	06/08/2022	NA	Renewal lodged
EL 6270	Demetallica Operations Pty Ltd	100	115	19/10/2018	18/10/2022	NA	Renewal lodged

Table 31: Summary of Peake & Denison project rental fees, expenditure, and commitments.

Tenement	Annual Rent (AUD exempt. from GST)	Current Year Expenditure Commitment (AUD)	Next Year Expenditure Commitment (AUD)	Expenditure last 5 years (AUD)
EL 6221	4,176	TBC	TBC	335,784
EL 6222	4,176	TBC	TBC	214,647
EL 6223	4,176	TBC	TBC	113,547
EL 6270	4,176	TBC	TBC	153,849

9.2 History & Previous Work

Multiple companies have explored the area covered by EL 6221 (Big Perry), EL 6222 (Teemurrina), EL 6223 (Wood Duck) and EL 6270 (Davenport) (Table 32). A summary of the historical exploration in the immediate area is included in Godsmark and Thompson (2019a, 2019b, 2019c) and Godsmark and L'Oste-Brown (2019).

Table 32: Summary of exploration activities for the Peake & Denison project.

Period	Company	Summary of activities
1972–1973	Chevron Exploration Corporation	Shallow auger drilling, water sampling of all bores and springs, experimental geobotanical sampling, geophysical appraisal, and an 18-hole rotary drilling programme. Two drillholes lie within EL 6221 and one drill hole in EL 6270. None of the drillholes intersected basement.
1977–1979	Dampier Mining Company	Gridding, ground gravity with levelling, ground magnetic surveying and soil sampling in historical ELs 369 and 583. Two drillholes, in ELs 6222 and 6270, intersected basement.
1979–1980	Newmont Australia	Explored historical EL 469 for an extension of the Stuart Shelf NNW along strike from the Roxby Downs Cu-Au discovery; prospectivity was downgraded because additional data suggested the eastern margin of the Stuart Shelf and less deeply covered basement in the Torrens Hinge Zone to lie further west than EL 469.
1980	Dampier Mining Company	Explored historical EL 760 for uranium roll-front/calcrete type deposits and alluvial diamond deposits in fluvial channel fills, and examined the potential for coal and oil shale deposits
1980–1981	Gem Exploration and Minerals Ltd	Bulk sampling of stream sediments in historical EL 751. None of the stream-sediment samples lie in EL 6223.
1980–1982	Oilmin NL	Stream-sediment sampling, low level aeromagnetic/radiometric surveying, and loam sampling over defined aeromagnetic anomalies in historical EL 761.
1980–1982	Rio Tinto Exploration	Helicopter-supported regional gravel sampling, airborne magnetic surveys, and ground follow-up in historical EL 787
1981–1983	Aberfoyle Exploration	Reconnaissance, gridding, detailed gravity, and magnetic surveying in historical in/near EL 6221 and 6222; one deep drillhole in EL 6222; aeromagnetic and gravity surveys.
1983–1988	BHP Billiton Minerals	Landsat aerial photo interpretation study for diamond exploration.
1983–1988	Stockdale Prospecting	Regional airborne magnetic/radiometric survey.
1991–1992	Rio Tinto Exploration	400m line spacing airborne magnetics survey.
1994–1995	Pecan Holdings, Carnegie Minerals NL	Regional airborne magnetic survey.
1995–1997	Mount Isa Mines	Investigated palaeodrainage north and west of Lake Eyre using NOAA-AVHRR satellite images, identified palaeochannels, ground magnetics, radiometrics and gravity
1994–1999	Renison Ltd, BHP Minerals	Compiled, processed, and reinterpreted CRA (1992) gravity data; relogging of cover sequence rocks in BHP Minerals drillholes; interpretation and assessment of the IP/magnetics/gravity data in combination; depth-to-magnetic source study.
1998–2009	BHP Billiton Minerals, Rio Tinto Exploration	Mud/diamond drilling.
2002–2003	Mount Isa Mines	Drilling of rotary mud pre-collars and diamond core tails at Davenport Creek
2004–2005	Red Metal Limited	Gravity survey; drill programme targeting IOCG mineralisation in the Peake & Denison Inliers.

2005–2007	Nova Energy Pty Ltd	Explored redox enrichment U mineralisation within fluvial palaeochannels in the cover rocks, IOCGU mineralisation in the basement rocks and Cu magnetite mineralisation within meta-layered mafic intrusions.
2006–2007	Oxiana Willuna Pty Ltd	Undertook data review and field reconnaissance.
2007–2010	Integra Mining	Conducted a detailed ground gravity survey to follow up a linear gravity response identified from the PIRSA Northern G2 PACE gravity survey.
2007–2010	Minotaur Operations	Conducted regional gravity survey over both tenements as an extension to the SA government 2007 PACE gravity survey; merged historical 1998 gravity data and Minotaur-PIRSA gravity data; identified one area of interest. Drilled drillhole DC09D01, just south of EL6221, which intersected broad zones of calc-silicate-epidote alteration, similar to Cloncurry-style regional alteration and unlike Gawler Craton-type haematitic-sericite alteration.
2007–2009	Barrick Australia Pacific	Conducted a large regional ground gravity survey over the Eastern Gawler Craton.
2009	Metminco Limited	Explored area for U and IOCG mineralisation; planned to drill test a complex gravity anomaly with IOCG potential.
2010–2014	Falcon Minerals	Review of historic data; applied 'fully integrated mineral system targeting' methodology (source, pathway, structural focus, fluid focus and trap).
2011	Afmeco Pty Ltd	Conducted a rotary mud drill programme to target Mesozoic sandstone-hosted U mineralisation.
2011–2013	RioTinto Exploration	Inspected and assayed historical drill cores.
2012–2014	G E Resources	Targeted mineralisation models: IOCGU, sedimentary-hosted U-roll front mineralisation and epigenetic Cu-Pb-Zn deposits; collated and re-processed pre-existing data; covered targets by heli-assisted ground gravity.
2012–2016	Monax Alliance	Commissioned a gravity survey with two primary regional lines, plus several shorter lines over Eitzen Bore gravity anomaly.
2014–2016	Magnetite Mines Limited	Compiled open report data relating to the Douglas Creek anomaly and potential IOCG prospectivity in the area; first pass review of existing data highlighted the 'Muloorina Gravity Ridge'.
2017–2021	Minotaur Operations	Dating of titanite from alteration assemblages from the historical drillhole; AMT survey over eight magnetic features.

Rio Tinto Exploration Pty Ltd explored the Davenport prospect for Cu mineralisation from 1993–1995. Drillhole DCDH001 (in EL 6270) intersected a sequence of felsic volcanics, quartzofeldspathic gneiss and calc-silicate, with variable, weak-to-intense magnetite-actinolite-albite-silica alteration. Narrow (1–3 m wide) zones of 0.1–0.2% Cu were obtained, with an interval of 3 m @ 2.75% Cu from 330 m in a magnetic breccia.

Historical exploration of the project area is largely confined to magnetics, gravity, and drilling. Geophysics has played a key role in exploring the Peake & Denison project area, given that the prospective basement rocks are covered by 100–300 m of younger sediments. Magnetics data coverage over the project area includes 200-m-spaced lines at a flying height of 60 m (Figure 51; 2017 PACE Gawler Craton Airborne Survey).

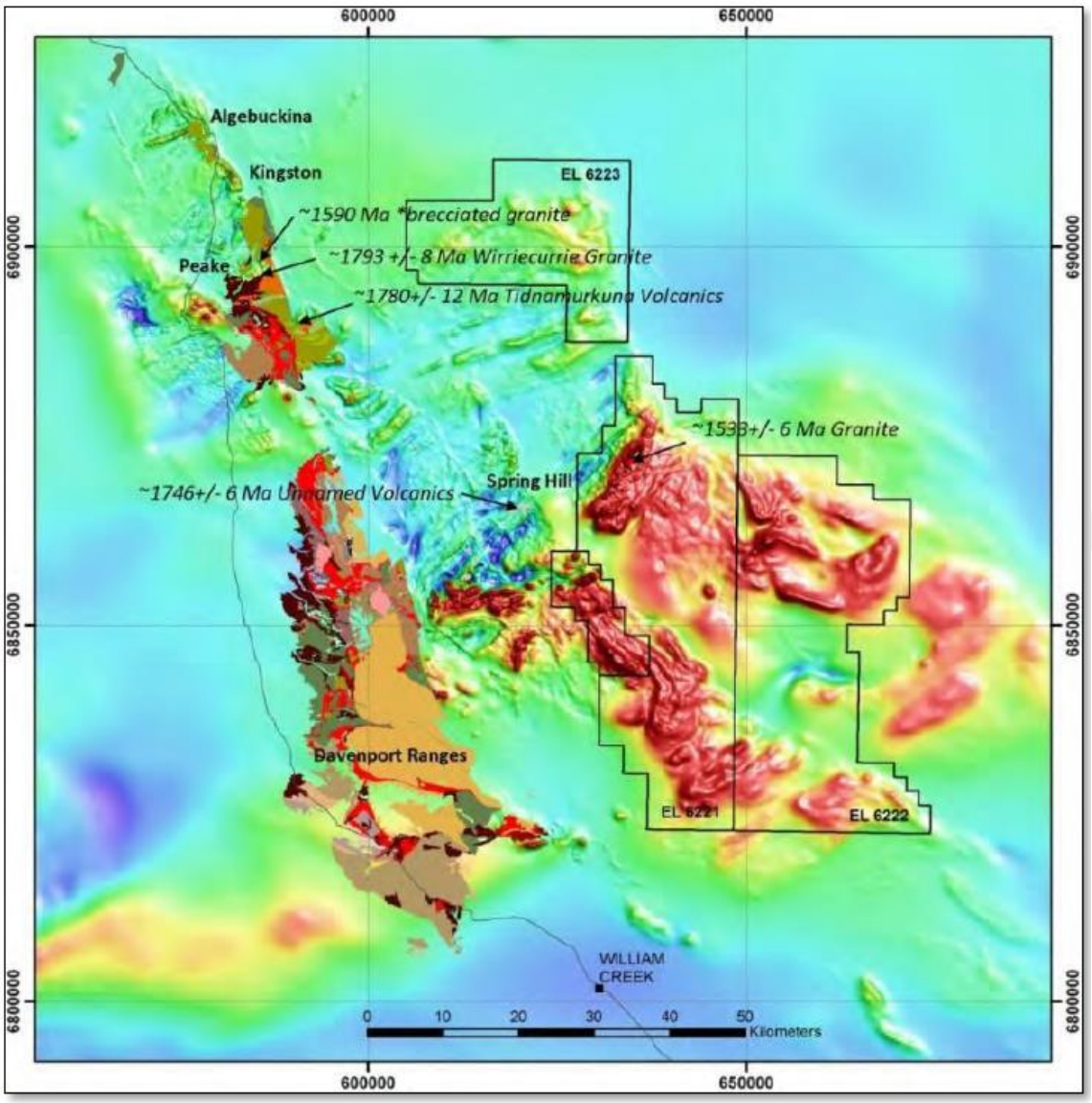


Figure 51: Uranium-Lead (U-Pb) geochronology dates and locations and Proterozoic geology exposure over TMI-RTP.

From historical drillhole logging, unusually intense magnetic anomalies (compared to the rest of the Gawler) and geochronology of mineralisation in historical drillholes, Minotaur established a theory that the Peake and Denison Inlier is not a fragment of the adjacent Gawler Craton as had long been assumed; the magmatism and alteration dates (1520–1470 Ma) of the Peake & Denison Inlier, as established from titanite dating in collaboration with University of South Australia, are distinct from those typically recorded on the Gawler Craton and has the potential to be equivalent to the Cloncurry batholiths. Geochronological correlation with the youngest plutons of the Williams and Naraku Batholiths (1516-1490 Ma) suggests that the Peake and Denison Ranges and Mount Isa Block may have existed as a contiguous piece of crust through the major mineralisation period recorded in the Cloncurry district, at least until 1490Ma (Payne and Bockman, 2019). The confirmation that Fe-Na-Ca alteration from the Peake and Denison region is contemporaneous with similar-looking pre-mineralisation alteration assemblages in the Cloncurry district associated with known mineralising events (1550-1490Ma) added confidence to Minotaur's exploration model.

Minotaur engaged Archimedes Consulting to process a trial magnetic data set using 3D magnetic source detection algorithms and to detect and 3D map any magnetic pipe-like structures potentially representing IOCG mineralisation (e.g., Ernest Henry type). High-resolution publicly available aeromagnetic data were utilised by in-house methodologies to conduct magnetic depth-to-source targeting. More than 15 targets were identified from the processing results and from additional conventional Cloncurry-style targeting methodologies. The depth of cover across the project was also established as 50–200 m.

In 2020, Minotaur conducted an audio-magnetotelluric (AMT) survey over eight high-priority targets within EL 6221, including Mawson, Sturt, Thomas, A7V3, Leichardt and Wills, and the Wentworth target within EL 6270. The AMT data over these target areas suggest a homogenous conductive surface layer over a more resistive unit.

9.3 Geological Setting & Mineralisation

9.3.1 Regional Geology

The Peake & Denison project is located on the northeast margin of the Gawler Craton, within a northwest extension of the Adelaide Geosyncline.

Crystalline basement lithologies are exposed near the Neales River, Peake Creek and Mount Denison, and as isolated large enclaves within Neoproterozoic breccias (Figure 52) (Flint, 2001). Isolated exposures with limited surficial extent occur to the east of the ranges at Spring Hill, Mount Charles, Lagoon Hill and Milne Springs (Flint, 2001).

Most of the basement rocks within the project area are covered by sediments of the Great Artesian Basin (GAB); hence, the geological setting described below mostly relates to the exposed parts of the Inliers. Peake Metamorphics is a collective term for all basement rocks within the Peake & Denison Inliers. Interlayered metabasalt and quartzite dominate the basement lithologies. Metamorphic grade varies from greenschist facies to middle amphibolite facies. Evidence of bimodal volcanism, dated at 1800–1780 Ma (U-Pb zircon dating), is documented southwest of the Peake ruins (Rogers and Freeman, 1996). Mafic (tholeiitic) volcanics vary from mid-ocean ridge to volcanic arc composition basalts; the co-magmatic

Wirriecurrie Granite is peraluminous I-type granite (Hopper and Collerson, 1998). SHRIMP U-Pb zircon dating of the Wirriecurrie Granite at 1793±8 Ma (Rogers and Freeman, 1996) indicates the emplacement to be coeval with bimodal volcanism apparent within the Tidnamurkuna Volcanics and Baltucoodna Quartzite (Flint, 2001). Volcanism also occurred in the Inlier around 1750–1740 Ma (Rogers and Freeman, 1996). Felsic metavolcanics near Spring Hill, with a U-Pb zircon age of 1746±6 Ma interlayered with quartzfeldspar schist, gneiss, calcsilicate and quartzite, form a sequence for which the lateral extent and style or sedimentation and volcanism is unknown (Flint, 2001).

The timing of metamorphism and deformation of the Peake Metamorphics is poorly constrained (Flint, 2001). The Rb-Sr total-rock age of 1648±21 Ma for the Wirriecurrie Granite represents a minimum age for regional metamorphism of the Peake Metamorphics. Geochronology for granitoids elsewhere on the Gawler Craton (Fanning, 1997; Daly, 1998) implies that the probable age for the deformation of the Peake Metamorphics is about 1690 Ma.

Felsic plutonism, within the Peake & Denison Inliers, occurred around 1530 Ma; coarse-grained granite and aplite dykes at Lagoon Hill have SHRIMP U-Pb zircon ages of 1533±6 Ma and ~1530 Ma, respectively (Rogers and Freeman, 1996) and are interpreted to represent apophyses from a predominantly concealed but extensive suite of plutons (Flint, 2001). Felsic plutonism of 1530 Ma is not recorded anywhere else in the Gawler Craton.

Iron- and silica-rich, metasomatic fluid flow, evidenced by brittle fracturing and vein networks associated with high amplitude magnetic anomalies or demagnetised zones, postdates the high-grade foliation observed in the Peake Metamorphics. Mineralisation examples, such as Cu-enriched quartz-Fe-oxide-feldspar veins near the old Peake telegraph station and Mt Kingston North, are interpreted to be related to the 1535–1530 Ma plutonism (Flint, 2001). Flint (2001) highlights the spatial relationship of the Fe-silica vein networks with major north-northwest trending faults and shears (e.g., Kingston Fault), which may have served as conduits for mineralising metasomatic fluids. The series of variably spaced (1–20 kilometres apart) major north-northwest trending faults and shears are regionally extensive. The structures are interpreted to have been active during 1800–1790 Ma bimodal volcanism, and influenced emplacement of the Wirriecurrie Granite felsic plutons before reactivating during 1535–1530 Ma plutonism (Flint, 2001). The fracture systems have a predominantly dextral sense of shear with total displacement limited to <5 kilometres in some instances (Flint, 2001).

Major rifting during the Neoproterozoic resulted in the intrusion of the northwest-trending Gairdner Dyke Swarm, emplacement of basic volcanics (Cadlareena Volcanics) within the rift phase, and deposition of thick sedimentary sequences within the Adelaide Geosyncline (Flint, 2001).

The current north-south alignment of the Peake & Denison Inliers Proterozoic basement rocks appears to be due to Cambrian-Ordovician Delamerian Orogeny tectonism — activation of east-directed thrusts along the north-northwest to northwest structures resulted in west-dipping, low-angle tilted basement blocks onlapped by younger sediments (Flint, 2001). Deformation during the Delamerian Orogeny is also linked to emplacement of monzonite, syenite, monzogabbro and lamprophyre (Bungadillina Monzonite suite) intrusives (Ambrose et al., 1981; Rogers and Freeman, 1996).

9.3.2 Local Geology

The Peake & Denison tenements lie within Proterozoic basement rocks of the Peake & Denison Inliers, covered by 100–300 m of younger, Quaternary and Cretaceous, sediments (Figure 52).

Within the project area, basement lithologies from limited drilling include Palaeoproterozoic units — quartzofeldspathic gneiss, undifferentiated metasediment, calc-silicate, granite, felsic volcanics, quartzite and ironstone — and interpreted Neoproterozoic units include basalt, argillite, and shale. Some of these lithologies are devoid of alteration (and mineralisation); however, silicification, magnetite, and sodic-calcic-iron alteration are present, indicating hydrothermal activity has occurred throughout parts of the project area.

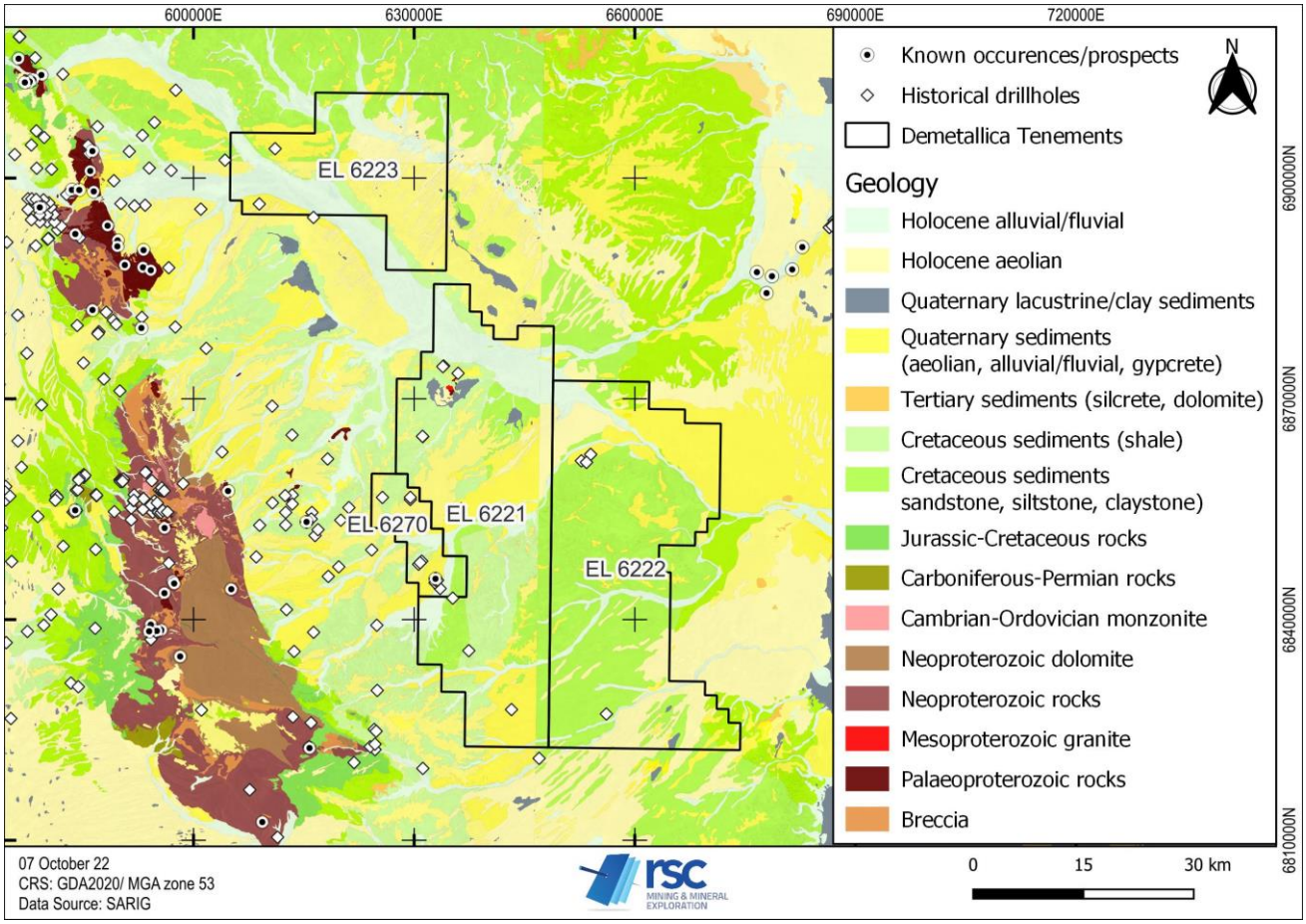


Figure 52: Surface geology of the Peake & Denison project and locations of known mineral occurrences and historical drillholes.

9.3.3 Mineralisation & Deposit Types

The basement rocks within the project area have potential for Cloncurry-style IOCG mineralisation and possibly Cannington-style (BHT-type) Ag-Pb-Zn mineralisation.

Previous exploration has not delineated any significant mineralisation within the project area; however, only 23 holes have been drilled into the basement, and expansive areas of strongly enhanced magnetic basement are untouched by previous exploration (basement drilling).

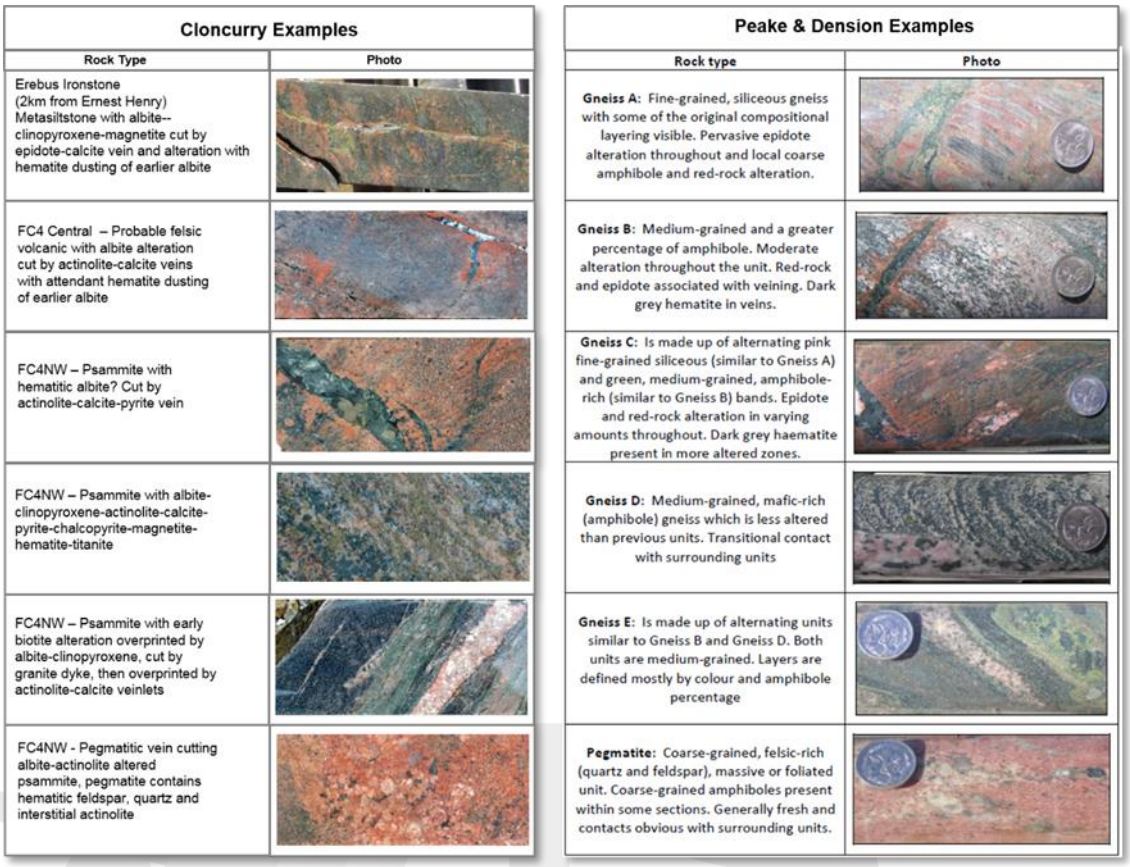
Four historical drillholes targeting a discrete northwest-trending magnetic feature at the Davenport Creek prospect intersected Cu mineralisation (Minotaur Exploration Limited, 2020). The drilling, completed by Rio Tinto between 1993 and 1995, intersected a sequence of felsic volcanics, quartzofeldspathic gneiss and calc-silicate with variable weak-to-intense magnetite-actinolite-albite-silica alteration. Mineralised intervals were generally narrow (1–3 m downhole width) and low-grade (0.1–0.2% Cu); the best interval returned 3 m @ 2.75% Cu from 330 m (DCDH001). The true width is likely to be thinner due to the low angle of the mineralised structure to the core. The mineralised interval is hosted within a magnetite breccia with Cu-sulphides (Figure 53), evidence of hydrothermal activity.

Figure 53: Mineralised magnetite-chalcopyrite-pyrite breccia in felsic metavolcanic (DCDH01: 331.8 m) (Minotaur Exploration Limited, 2020).

Geochronology data, derived from granite and hydrothermal mineral assemblages within the Peake & Denison project area, suggest granite emplacements, alteration, and IOCG-style mineralisation as synchronous with mineralisation in the Cloncurry District (Table 33). The examples of sodic-calcic-iron alteration from the Peake & Denison and Cloncurry deposits presented in Figure 54 exhibit strong similarities in style and composition. The specific examples from Cloncurry are from three different prospects near the Ernest Henry Cu-Au deposit. The top left photo in Figure 54 is a sample devoid of sulphide and yet lies less than 2 km from the Ernest Henry orebody; drillhole DC09D01 from Peake & Denison has the potential to represent a similar scenario but no follow-up work has been conducted.

Table 33: Comparison of ages for granites and alteration assemblages of the Peake & Denison project and Cloncurry District (Minotaur Exploration Ltd. 2020).

Peake & Denison Project		Cloncurry District	
Lagoon Hill Granite	U-Pb Geochronology 1553±6 Ma	**Williams-Naraku Batholith**	1516–1490 Ma (Page and Sun, 1998)
Peake & Denison Drillhole DC09D01	Titanite in sodic-calcic-iron alteration 1520–1470 Ma	**Ernest Henry**	Titanite in pre-ore sodic-calcic alteration 1530–1514 Ma



Cloncurry Examples

Rock Type	Photo
Erebus Ironstone (2km from Ernest Henry) Metasiltstone with albite--clinopyroxene-magnetite cut by epidote-calcite vein and alteration with hematite dusting of earlier albite	
FC4 Central – Probable felsic volcanic with albite alteration cut by actinolite-calcite veins with attendant hematite dusting of earlier albite	
FC4NW – Psammite with hematitic albite? Cut by actinolite-calcite-pyrite vein	
FC4NW – Psammite with albite-clinopyroxene-actinolite-calcite-pyrite-chalcopyrite-magnetite-hematite-titanite	
FC4NW – Psammite with early biotite alteration overprinted by albite-clinopyroxene, cut by granite dyke, then overprinted by actinolite-calcite veinlets	
FC4NW - Pegmatitic vein cutting albite-actinolite altered psammite, pegmatite contains hematitic feldspar, quartz and interstitial actinolite	

Peake & Dension Examples

Rock type	Photo
Gneiss A: Fine-grained, siliceous gneiss with some of the original compositional layering visible. Pervasive epidote alteration throughout and local coarse amphibole and red-rock alteration.	
Gneiss B: Medium-grained and a greater percentage of amphibole. Moderate alteration throughout the unit. Red-rock and epidote associated with veining. Dark grey hematite in veins.	
Gneiss C: Is made up of alternating pink fine-grained siliceous (similar to Gneiss A) and green, medium-grained, amphibole-rich (similar to Gneiss B) bands. Epidote and red-rock alteration in varying amounts throughout. Dark grey haematite present in more altered zones.	
Gneiss D: Medium-grained, mafic-rich (amphibole) gneiss which is less altered than previous units. Transitional contact with surrounding units	
Gneiss E: Is made up of alternating units similar to Gneiss B and Gneiss D. Both units are medium-grained. Layers are defined mostly by colour and amphibole percentage	
Pegmatite: Coarse-grained, felsic-rich (quartz and feldspar), massive or foliated unit. Coarse-grained amphiboles present within some sections. Generally fresh and contacts obvious with surrounding units.	

Figure 54: Comparison of sodic-calcic-iron alteration between examples from the Peake & Denison project and the Cloncurry district (Ernest Henry).

In the Cloncurry district, high-U, oxidised I-type plutons have a strong association with Cu-Au mineralisation. The 1530 Ma magmatism of the Peake & Denison Inlier has the potential to be equivalent to the Cloncurry batholiths, which supports prospectivity for Cloncurry-style Cu-Au mineralisation.

The Peake & Denison project is also prospective for Cannington-style Ag-Pb-Zn mineralisation. Rio Tinto explored the Peake & Denison area between 1998 and 1999 with a focus on BHT-type (Cannington-style) Ag-Pb-Zn mineralisation. The limited drilling to date has not intersected Cannington-style alteration indicators; however, the proposed age of the basement sequences (similar age to other sediment-hosted base metal deposits in Cloncurry, Mt Isa and Broken Hill), and the subsequent amphibolite facies metamorphism, suggest that this style of mineralisation could be present. Demetallica has identified Mawson, a Cannington-style target within the central part of the Peake & Denison project.

9.4 Exploration by Demetallica

Demetallica has proceeded with Minotaur's hypothesis that the project could host Peake & Denison Inlier basement rocks similar in age and alteration to IOCG mineral systems around Cloncurry (e.g., Ernest Henry). Demetallica defined eight high-priority targets and the JV drilled three vertical drillholes at the Wentworth, Mawson, and Wills targets. Demetallica reported visible sulphide mineralisation in core from the Mawson and Wills targets in an ASX announcement on 5 October 2022.

The first hole, at the Wentworth target (WW22DD001 testing), encountered drilling difficulties in the cover sequence and was abandoned at 107 m, As the basement was not intercepted, Wentworth remains a priority target. Drillholes at Mawson and Wills targets reached basement at predicted depths, after passing through a cover sequence of black shale and lesser sandstone. Drillhole WL22DD001, at Wills target, intersected basement at 408.5 m and reached an end of hole depth of 720.5 m. The drillhole encountered a modest but broad (~265 m) interval of altered volcanics with 2–4% chalcopyrite from 456 m. Minor native Cu is present in the top weathered portion of the basement, from 425–451 m. Drill hole MW22DD001, at Mawson target, intersected basement at 318 m and reached an end of hole depth of 535.1 m. Basement comprises felsic volcanics affected by strong hematitic feldspar alteration later brecciated and altered by hydrothermal biotite, actinolite, chlorite and patchy weak copper sulphide mineralisation.

Lab assays were pending at the time of this report. The modest visible Cu-sulphide mineralisation and associated alteration assemblage support the IOCG mineral systems hypothesis. Demetallica has planned a follow-up drillhole at the Wills target, at 150m step-out from the initial hole (Figure 55).

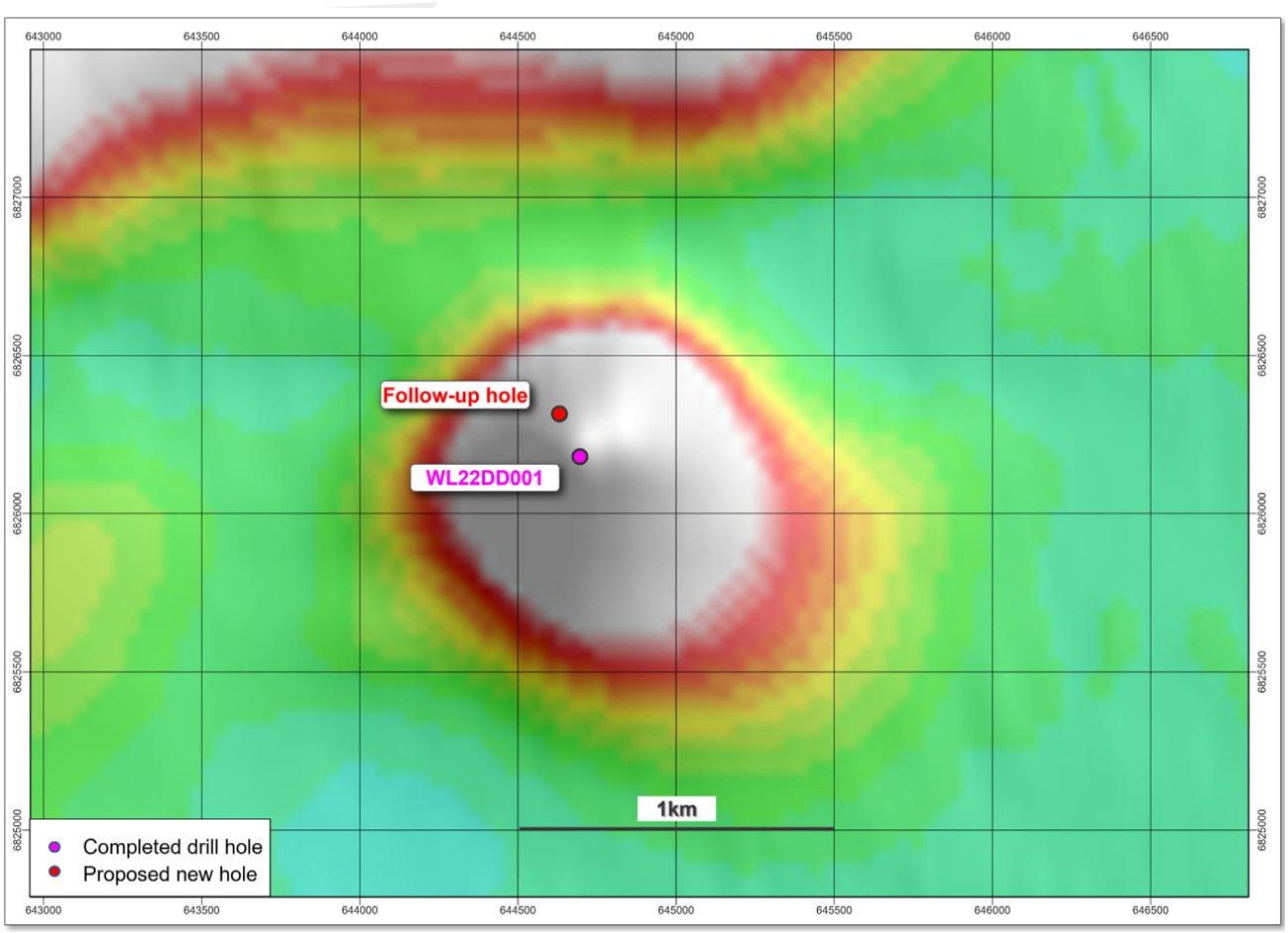


Figure 55: Wills magnetic anomaly and relative WL22DD001 drillhole position.

9.5 Brownfields Exploration Potential

Limited exploration exists on the Peake & Denison project area, with no existing Mineral Resources or mines; therefore, RSC is unable to comment on the brownfields exploration potential for the project.

9.6 Regional Exploration Potential

Exploration across the Peake & Denison project is largely based on the area's apparent geological similarities to the well-endowed base metals district of Cloncurry in northwest Queensland. The main focus is on areas of enhanced magnetics, where discrete magnetic anomalies occur adjacent to interpreted large basement faults. Some of the zones also have coincident or adjacent enhanced gravity responses. These features are similar to those of large mineral deposits in Cloncurry such as Ernest Henry and Osborne (Cu-Au) and Cannington (Ag-Pb-Zn). Minotaur identified seven priority-1 targets in EL 6221 (Mawson, Kingsford-Smith, Sturt, Thomas, Leichhardt, and Wills) and one high-priority target in EL 6270 (Wentworth). These targets are all located on positive magnetic anomalies (Figure 56) and adjacent regional-scale faults. The target areas have not been drilled. The AMT survey identified an upper conductive unit overlying a lower more resistive unit. Inversion of the data provided information about the depth and conductivity of the surface layer, and the resistivity structure of the underlying basement.

9.6.1 Wills

The Wills target is a large (~1,000 m x 1,000 m), discrete, positive, southeast-plunging magnetic anomaly of 1,400 nT that lies adjacent to a large, folded magnetic body (defined as Oxley target) (Godsmark and L'Oste-Brown, 2021). The modelled depth of overburden was calculated as ~350 m from Minotaur's modelling of the potential field data and AMT data. Historical drillhole DCDH-04-01 was drilled 1.5 km to the north and did not intersect mineralisation; however, that hole focussed on a very large magnetic/gravity feature many kilometres long and across, whereas the Wills target is a discrete magnetic anomaly quite separate and distal to that feature. Recent drilling by the JV (see section 9.4) encountered a modest but broad interval containing 2–4% chalcopyrite from 456 m (lab assays pending). While the Cu assay results are expected to be modest, the sulphide mineralisation and associated alteration assemblage support the IOCG mineral systems hypothesis. Given its large size, the Wills target has potential to host mineralisation (Figure 55).

9.6.2 Mawson

Mawson is a large two-part (1,200 m x 800 m) magnetic response of 1,000 nT, with a semi-coincident gravity response of 0.8 mGal, that lies immediately adjacent to a regional-scale, northwest-trending basement fault (Godsmark and L'Oste-Brown, 2021). Minotaur's modelling of the potential field data suggests a depth-to-top of around 340 m. Mawson presents similar geophysical characteristics to the sedimentary-hosted Cannington Ag-Pb-Zn deposit in the Cloncurry district, where the magnetic and gravity responses of Cannington is 1,000 nT and ~1 mgal, respectively. Additionally, the Cannington project lies immediately adjacent to a regional-scale northwest-trending fault. Recent drilling by the JV (see section 9.4) encountered weak visible Cu-sulphide mineralisation in MW22DD001 (lab assays pending). While the Cu assay results are

expected to be low, the sulphide mineralisation and associated alteration assemblage support the IOCG mineral systems hypothesis. Given its large size, the Mawson target has potential to host mineralisation e.g., the south-eastern lobe.

9.6.3 Kingsford-Smith

Kingsford-Smith is a large (1,000 m x 1,000 m) bulls-eye magnetic response of 1,000 nT that lies adjacent to an interpreted, major, north-northeast-trending fault (Godsmark and L'Oste-Brown, 2021). The modelled depth of overburden was calculated as 185–200 m from Minotaur's modelling of the potential field data and AMT data. There is only a weakly elevated gravity response associated with the peak of the magnetic anomaly. The nearest historical drillhole ~4 km west, MCD99001, intersected basement at 138 m that is dominated by calc-silicate, including banded coarse-grained apatite-diopside.

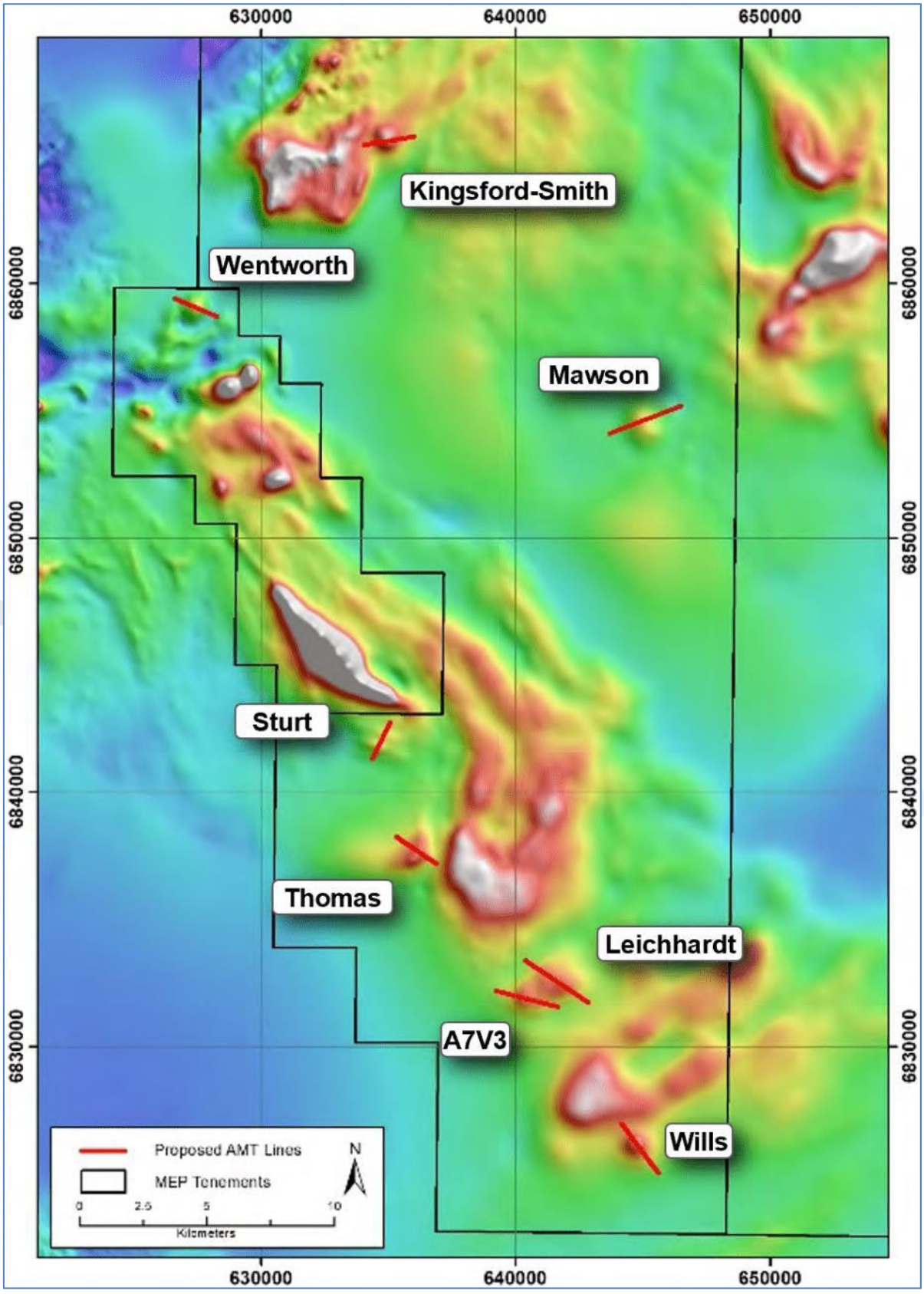


Figure 56: TMI-RTP magnetic images with Priority 1 Targets where AMT surveys were conducted.

9.6.4 Sturt

The Sturt target, identified from the magnetic data as two elongate, parallel magnetic anomalies of 400 nT, lies to the south of a highly magnetic, banded iron formation (BIF) unit (Godsmark and L'Oste-Brown, 2021). The southern peak of the Sturt target is higher in amplitude and associated with a coincident positive gravity anomaly of ~1.0 mGal. The target was independently selected from the ACM cube modelling as a cluster of magnetic depth points. The AMT data and 1D and 2D inversions suggested a thick layer of conductive cover (~200 m) blankets the basement throughout. The cover sequence depth, determined from potential field modelling, broadly agrees with the AMT inversion result.

9.6.5 Thomas

The Thomas target is a discrete arcuate bulls-eye magnetic anomaly of 1,300 nT, with a semi-coincident gravity anomaly of ~1.5 mGal, that lies near a northwest-trending fault (Godsmark and L'Oste-Brown, 2021). A significant change in magnetic signature has been observed with the northwest-trending fault — where the area north of the fault signifies a complex and intense magnetic basement, while the area south of the fault signifies a magnetically bland basement. The modelled depth of overburden was calculated as 250–350 m, from Minotaur's modelling of the potential field data and AMT data.

9.6.6 Leichhardt and A7V3

Leichhardt and A7V3 is a large (2,000 m x 1000 m) twin-peaked magnetic anomaly that lies just east of a major thrust fault in the magnetic and gravity data (Godsmark and L'Oste-Brown, 2021). Modelling of the magnetics data reveals the western peak (A7V3) to be 800 nT with a pipe-like geometry, and the eastern peak (Leichhardt) to be 1,000 nT comprising a steeply dipping two-part body. The western peak (A7V3) also models as a discrete, pipe-like body in the ACM modelling, with a depth extent of 700 m from about 300 m below surface. The combined magnetic anomaly has an associated but slightly offset gravity anomaly that models to 0.7 mGal. The modelled depth of overburden was calculated as 210–300 m, from Minotaur's modelling of the potential field data and AMT data.

9.6.7 Wentworth

Wentworth is a large (1,000 m x 800 m) isolated bulls-eye magnetic anomaly on the northern margin of a more extensive gravity anomaly (Godsmark, 2020). Both anomalies lie west of a prominent northwest-trending fault. Modelling of the magnetics data indicates the Wentworth anomaly to be around 1,100 nT and at a depth of ~120 m. The adjacent gravity anomaly is modelled to be ~3 m Gal. The closest exploration drillholes (two holes), located around 3 km to the southeast, intersected altered metasediments with massive magnetite.

10 Demetallica's Interests in North Flinders, Moonta, and West Kambalda Projects

RSC did not have access to any internal company data on Demetallica's interests in the North Flinders, Moonta, West Kambalda, and Eyre projects (Table 34). RSC has reviewed public information and publicly available datasets where available. RSC relied heavily on Demetallica's April 2022 prospectus, announcements to the ASX (Australian Securities Exchange), and the corporate websites of the tenement holders.

There are no current recoverable Mineral Resources within any of the tenements that are subject to potential royalty payments to Demetallica, and exploration activities are at a very early stage with at best low priority targets identified within the tenements.

Table 34: Summary of Demetallica's minor interests in other projects.

Project	Tenement	Holder	Demetallica Interest
North Flinders	EL 6465	Perilya Ltd	10% free carry to BFS completion
	EL5117		
	ML 4386		
	EL 6504		
Moonta	EL 5984	Peninsula Resources Ltd	10% JV interest
West Kambalda	M15 395	Maximus Resources Ltd	1.5% NSR (all minerals except Nickel)
	M15 703		
	L15 128		
	L15 255		
	E15 1688	Mariner Mining Pty Ltd	
Eyre	EPM 16197	TAS Exploration	1% NSR (all minerals)
	EPM 17638		
	EPM 17914		
	EPM 17947		
	EPM 18492		
	EPM 19733		

11 Other Risks & Considerations

11.1 Security of Tenure

RSC understands the Demetallica tenements to be in good standing and currently held with 100% equity by the company, based on the search of the online geospatial mapping systems maintained by the Queensland Government and South Australian Government on 3 October 2022.

Risks relating to mineral tenure may include economic, social, or political instability, environmental protection, land access and environmental regulation, mine safety, labour relations, government control over mineral properties and government regulations requiring local employment or other benefits for local residents.

RSC considers the main risk to be associated with obtaining the renewal of tenements upon expiry of their current term, including the grant of subsequent titles applied for over the same ground. The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the licence or permit applications will be granted.

11.2 Land Access & Native Title

Demetallica is required to comply with various cultural, heritage and native title legislation including obtaining access agreements that often require various commitments, such as base studies and compliant survey work, to be undertaken ahead of the commencement of mining operations.

There are risks that some areas may not be available for exploration due to cultural heritage and native title legislation or invalid access agreements. Demetallica may need to obtain the consent of the holders of such interests before commencing activities in the affected areas of the tenements. These consents may be delayed or may be given on conditions that are not satisfactory to Demetallica. The process may be time and capital-consuming with the risks of being over budget and unsuccessful. The potential level of impact of these matters will depend, in part, on the location and status of the tenements.

11.3 Climate Change & Legislation

The mining sector in Australia, and globally, is vulnerable to extreme weather events such as cyclones, flooding events and changes to water availability through drought. Such extreme weather events can negatively impact mining companies' cash flows and ability to fulfil tenement commitments.

The emergence of new or expanded regulations, associated with managing climate risk, and transitioning to a lower-carbon economy, may add additional costs or compliance requirements to the Mineral Assets.

11.4 Environmental & Land Rehabilitation

The exploration activities proposed for the Mineral Assets are expected to have an impact on the environment, particularly if they proceed to advanced exploration or mine development. The proposed activities are subject to the laws and regulations of the project's jurisdiction concerning the environment.

The Queensland Resources Act includes requirements relating to the restoration of tenements and that tenements are subject to the provisions of the Environmental Protection Act 1994. There are several areas within Chimera, Pyramid and Windsor that are classed as Category B environmentally sensitive areas, where the Environmental Protection Act 1994 prohibits activities within 500 m of the area.

The South Australia Mining Act includes obligations requiring tenements to be rehabilitated, and that tenements are subject to the provisions of the Environmental Protection Act 1994. Several licences have been granted with conditions imposed.

The emergence of new or materially expanded environmental policies, laws and regulations may add additional costs or compliance requirements to the Mineral Assets. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the development of potential economically viable mineral deposits. Approval from relevant authorities may be required before activities that are likely to impact the environment can be undertaken. Failure to obtain such approvals, or to obtain them on terms acceptable, may prevent the completion of the activities.

11.5 Economic Conditions

General economic conditions, the introduction of tax reform, new legislation, the general level of activity within the resources industry, commodity price drops, movements in interest and inflation rates and currency exchange rates, may have an adverse effect on the exploration, development, and possible production activities of the Mineral Assets, as well as on the ability to fund those activities.

12 Valuation Approach & Methodology

The VALMIN Code (2015) outlines various Valuation Approaches that are applicable to Mineral Assets at various stages of the development pipeline (Table 35). These include valuations based on market transactions, income, or costs. The Code provides guidance on the most appropriate Valuation Approach for different Mineral Assets, based on the classification of the Mineral Asset.

Table 35: Valuation Approaches suitable for Mineral Properties (VALMIN Code, 2015).

Valuation Approach	Exploration Projects	Pre-Development Projects	Development Projects	Production Projects
Market-based	Yes	Yes	Yes	Yes
Income-based	No	In some cases	Yes	Yes
Cost-based	Yes	In some cases	No	No

The Demetallica Mineral Assets have been classified in Table 3 as Early-Stage and Advanced Exploration Projects. There are Mineral Resource estimates within both the Chimera and Lake Purdilla projects; however, the Mineral Resource estimate within the Lake Purdilla project has not been used to inform the valuation of that project. The Mineral Resources have been reported in accordance with the JORC Code (2012). There are no Ore Reserves estimated within the projects.

Since there are no Ore Reserves within any of the projects, RSC considers that there has been insufficient work completed to undertake an income-based Valuation. Market-based and cost-based Valuation Approaches are considered suitable for the Demetallica Mineral Assets.

12.1 Previous Valuations

RSC is not aware of any relevant valuation reports on the projects; however, RSC notes that Demetallica recently listed on the ASX with the vendors of the projects receiving shares in Demetallica for the respective projects.

Previous transactions (both completed and proposed) on the Mineral Assets are detailed in section 13.1.

12.2 Valuation Subject to Change

The valuation of Mineral Assets is subject to several critical inputs, most of which change over time. This valuation was prepared using information available as at 26 October 2022, the valuation date of this Report. This valuation is subject to change due to:

- updates in the geological understanding;
- variable assumptions and mining conditions;
- climatic variability that may impact the development assumptions;
- the ability and timing of available funding to advance the properties;
- the current and future metal prices;
- exchange rates;

- the political, social, and environmental aspects of a possible development; and
- a multitude of input costs including, but not limited to:
  - fuel and energy prices,
  - steel prices,
  - labour rates, and
  - supply and demand dynamics for critical aspects of the potential development like mining equipment.

While RSC has undertaken a review of several key technical aspects that could affect the valuation, numerous factors are beyond RSC's control.

RSC considers that there have been no significant changes in the underlying inputs or circumstances between the valuation date (26 October 2022) and the effective date of this report that would make a material impact on the valuation contained in this Report.

12.3 General Assumptions

The Mineral Assets of Demetallica have been valued using appropriate methodologies as outlined in Table 35 and in the following sections. The Valuations are based on several specific assumptions detailed above, and the following general assumptions.

- All of the information provided to RSC is accurate and can be relied upon.
- The valuations only relate to the Demetallica Mineral Assets located within tenements controlled by the Company, and not the Company itself, nor its shares or market value.
- The mineral rights, tenement security and statutory obligations were fairly stated to RSC, and that the mineral licences will remain active.
- EPM26521 is due to expire on 22 October 2022. An extension of term (renewal) for the tenement has not been lodged and the tenement will expire; therefore, EPM26521 is excluded from this valuation.
- All other regulatory approvals for exploration and mining are either active, or will be obtained, in the required and expected timeframe.
- The owners of the mineral assets can obtain the required funding to continue exploration activities.
- The following commodity prices have been used in this valuation (as at 26 October 2022):
  - Copper USD 7,886/t (LME spot price London PM Fix Price);
  - Gold USD 1,666.75 (www.kitco.com London PM Fix Price);
  - Zinc USD 2,988.50 /t (LME spot price London PM Fix Price);
  - Lead USD 1,899.25/t (LME spot price London PM Fix Price); and
  - Silver USD 19.59/oz (www.kitco.com London PM Fix Price).
- A USD to AUD exchange rate of 0.64959 has been used (www.xe.com).
- All currency in this Report is in AUD unless otherwise noted, e.g. USD.

12.4 Market Based Valuations

As the projects being valued in this Report are dominantly prospective for base metals, it is important to note the current market conditions and supply and demand fundamentals of the base metal markets and prices.

Demand is directly linked to the status of the global economy and economic growth. Additional demand and expected future demand for copper, among other metals, represents the ongoing shift toward a lower-carbon economy including renewable power supply and electrical vehicles. Global uncertainty surrounding current inflationary pressures in several regions, including Australia, along with the geopolitical tensions in Europe and the current COVID-19 policies in China, has significantly affected the global economic outlook and, therefore, the demand outlook for copper and other base metals. From early 2021 to June 30 2022, the Cu price approximately averaged USD 9,465/t. However, since late June 2022, the Cu price has averaged USD 7,765/t, while the copper price at the valuation date is USD 7,886. This represents an approximate 18% decrease in the Cu price. The Cu price (AUD/t) since January 2014 is presented in Figure 57.

Figure 57: Cu price graph (USD/t) (January 2014 to October 2022).

12.5 Valuation of Advanced Exploration Projects

Several valuation methods that are suitable for Advanced Exploration Projects, Pre-Development Projects, and Development Projects are:

- financial modelling, including discounted cash flow (DCF) valuations (generally limited to Mineral Properties with published Ore Reserves);
- comparable market-based transactions including resource and reserve multiples;
- joint venture transactions; and
- yardstick valuations.

Since there are no Ore Reserves within any of the projects, RSC considers that there has been insufficient work completed to undertake an income-based Valuation. Market-based and cost-based Valuation Approaches are considered suitable for the Demetallica Advanced Exploration Projects.

12.5.1 Comparable Market-Based Transactions: Resource-Based

A comparable-transactional valuation is a valuation method that is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resources or Ore Reserves reported. The advantage of this valuation method is it is easily understood and applied, especially where the Mineral Resources or tenement area is comparable, and the Mineral Resource or exploration work is reported according to an industry standard (e.g. the JORC Code or NI 43-101).

However, the approach is not as robust for projects where the mineral resources are either historical in nature, reported according to a less-stringent standard, or reported using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same, or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent, then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, or where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, where a project requires a very fine grind to liberate Au from a sulphide-rich ore, or where the ore is refractory in nature and requires a non-standard processing method.

This valuation method is typically the primary valuation method for Advanced Exploration Projects where Mineral Resources have been estimated. The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years, in either the same geopolitical region or the same geological terrain.

12.5.2 Yardstick Valuation

The yardstick method is considered a suitable Valuation Approach, particularly as a cross-check or secondary technique to support the valuation of Mineral Resources generated by a comparable transaction method. The yardstick method is a market-based approach using a rule of thumb, supported by a large database of transactions, where contained metal in Mineral Resources (or Ore Reserves), at various degrees of confidence, is multiplied by a percentage of the current metal price. For Measured or Indicated Mineral Resources, a typical yardstick value would be between 0.25% and 5% of the current metal prices, dependent on the Mineral Resource classification. For lower classification levels, such as Inferred Mineral Resources, a lower percentage is used to reflect the higher uncertainty. An important factor in the yardstick multiples is the proportion of the metal value that is achieved by the mining company. For a gold project, a very high proportion of the value of the metal is obtained from the sale of the gold bullion; however, the sale of a base metal concentrate can generate a significantly lower proportion of the contained metal price being achieved — the payability can be as low as 50% depending on the current market for base metal concentrates, and the smelting and refining charges and penalties attributed to a base

metal concentrate. Therefore, RSC has assigned a lower yardstick multiple for the Base Metal Projects than is typically assigned to a precious metal project valuation.

12.6 Valuation of Early-Stage Exploration Projects

To generate a value for an Early-Stage Exploration Project, or the exploration potential away from a Mineral Resource, it is important to value all the separate parts of the Mineral Assets under consideration. For Advanced Exploration Projects, the most significant value drivers for the overall property are the declared Mineral Resources, while for Early-Stage Exploration Projects, a significant contributor to the property's value is the exploration potential. There are several ways to determine the value of Early-Stage Exploration Projects, including:

- a geoscientific (Kilburn) valuation;
- comparable transactions (purchase) based on the project area;
- joint venture terms based on the project area; and
- a prospectivity enhancement multiplier (PEM).

The methodology to determine the comparable transactions, based on a project's area, is the same methodology described for the comparable transactions' valuation for advanced projects in section 12.5.1; however, transactional value is applied to the project's area, rather than the Mineral Resources or Ore Reserves. The joint venture terms valuation is similar to the comparable transactions based on the project area, though a discount to the joint venture terms is applied to account for the time value of money (an appropriate discount rate is applied), and a discount to the earn-in expenditure to account for the chance that the joint venture earn-in expenditure is not completed in the agreed timeframe.

As outlined in Table 35 and the VALMIN Code (2015), a cost-based or appraised value method is an appropriate Valuation Approach for Early-Stage Exploration Projects. RSC considers a geoscientific (Kilburn) valuation as a robust valuation method. The PEM method is also recognised and uses an assessment of the effectiveness of previous exploration expenditures. The comparable transaction multiples and joint venture valuations can also be useful; however, they are strongly related to the project's tenement area, which is often at a highly diverse level of exploration evaluation, so can be conservative for small areas and overstate for large areas.

12.6.1 Geoscientific (Kilburn) Valuation

One widely used valuation technique to determine the value of an Early-Stage Exploration Project (no Mineral Resources or Ore Reserves) was developed and published in the CIM bulletin by Kilburn (1990). This method is termed the geoscientific method, where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation, when applied correctly by a suitably experienced Specialist, it is a method that enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or geoscientific valuation:

- the base acquisition cost (BAC), which is the cost to acquire and continue to retain the tenements being valued;
- the proximity and structural position relative to a major deposit (Off Property Factors);

- the occurrence of a mineral system on the tenement (On Property Factors);
- the success of previous exploration within the tenement (Anomalous Factors); and
- the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors).

An overall technical valuation is determined using the BACs and ranking criteria (Table 36) for the other factors. Early-Stage Exploration Projects often have limited information available about the anomalous and geological factors.

While this valuation method is robust and transparent, it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada, where the mineral claims are generally small, reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria over a large tenement. Therefore, RSC either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 36: Ranking criteria are used to determine the geoscientific technical valuation.

<table>
<tr><th>Rating</th><th>Off-Property Factor</th><th>On-Property Factor</th><th>Anomalous Factor</th><th>Geological Factor</th></tr>
<tr><td>0.1</td><td></td><td></td><td></td><td>Generally unfavourable geological setting</td></tr>
<tr><td>0.5</td><td></td><td></td><td>Extensive previous exploration with poor results</td><td>Poor geological setting</td></tr>
<tr><td>0.9</td><td></td><td></td><td>Poor results to date</td><td>Generally unfavourable geological setting, under cover</td></tr>
<tr><td>1.0</td><td>No known mineralisation in district</td><td>No known mineralisation within</td><td>No targets defined</td><td rowspan="2">Generally favourable geological setting</td></tr>
<tr><td>1.5</td><td>Mineralisation identified</td><td>Mineralisation identified</td><td rowspan="2">Target identified; initial indications positive</td></tr>
<tr><td>2.0</td><td rowspan="2">Resource targets identified</td><td rowspan="2">Exploration targets identified</td><td rowspan="2">Favourable geological setting</td></tr>
<tr><td>2.5</td><td>Significant intersections; not correlated on section</td></tr>
<tr><td>3.0</td><td rowspan="2">Along strike or adjacent to known mineralisation</td><td rowspan="2">Mine or abundant workings with significant previous production</td><td rowspan="3">Several significant ore grade intersections that can be correlated</td><td rowspan="2">Mineralised zones exposed in prospective host rocks</td></tr>
<tr><td>3.5</td></tr>
<tr><td>4.0</td><td>Along strike from a major mine(s)</td><td rowspan="2">Major mine with significant historical production</td><td rowspan="2"></td></tr>
<tr><td>5.0</td><td>Along strike from world class mine</td></tr>
</table>

The Specialist undertaking the valuation must have a good understanding of the mineralisation styles within the overall region and the tenements, and have access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the projects. In addition to ensuring the rankings are correct, deriving the BAC is critical, as that is the primary driver of the final value. In this case, the BAC is derived from the exploration commitment required to maintain the tenement in good standing, while the costs of the tenement applications, annual tenement rents and targeting have not been included.

The technical valuation, derived from the geoscientific method, is frequently adjusted to reflect geopolitical risks associated with the location of the project, and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

For Early-Stage Exploration Projects (where there are no Mineral Resources), RSC typically considers the geoscientific (Kilburn) valuation method to be the most robust and is commonly the primary valuation method used.

12.6.2 Prospectivity Enhancement Multiplier Valuation

Under the PEM method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the property. The method involves a factor which is directly related to the success of the exploration expenditure to advance the property. There are several PEM factors that can be used depending on the specific property and commodity being evaluated. Onley (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this Report are outlined in Table 37. RSC typically considers the PEM valuation method as a secondary valuation method, and no higher PEM ranges are used once a Mineral Resource has been reported in accordance with the JORC Code (2012). RSC considers it preferable to use resource multiples based on comparable transactions if a Mineral Resource has been reported.

Table 37: Prospectivity Enhancement Multiplier ranking criteria.

Range	Criteria
0.2–0.5	Exploration downgrades the potential.
0.5–1	Exploration has maintained the potential.
1.0–1.3	Exploration has slightly increased the potential.
1.3–1.5	Exploration has considerably increased the potential.
1.5–2.0	Limited preliminary drilling intersected interesting, mineralised intersections.
2.0–2.5	Detailed drilling has defined targets with potential economic interest.
2.5–3.0	A Mineral Resource has been estimated at an Inferred category.

13 Valuation of Demetallica Mineral Assets

The Mineral Assets valued in this Report are the Chimera, Cannington, Windsor, Pyramid and Lake Purdilla projects, which are all owned 100% by Demetallica, and the Peake & Denison joint venture project (Demetallica currently 100% diluting to at least 49%), the North Flinders project (10% free carried), the Moonta project (10% joint venture interest) and the several royalties (Table 34) held by Demetallica. Valuations in this section are undertaken on an equity basis to account for the Demetallica equity in the projects.

There are Mineral Resource estimates within the Chimera and Lake Purdilla projects, as well as a package of surrounding tenements that are variably prospective and have had differing levels of exploration. Due to a lack of comparable transactions for projects where gypsum is the primary commodity, the Mineral Resource estimate within the Lake Purdilla project has not been used to inform the valuation of that project. As outlined in sections 4.5, there are risks regarding the Chimera Mineral Resources.

In RSC's opinion, an income Valuation Approach is not considered a viable valuation method, as there are no Ore Reserves and insufficient work has been undertaken to complete any technical studies (Scoping, Pre-Feasibility or Feasibility study).

The Valuation of the Chimera project has been undertaken based on the sum-of-the-parts methodology, with two separate parts of the project contributing to the project value: these being the Mineral Resources, and the exploration potential away from the currently identified Mineral Resources. Valuation of the Mineral Resources within the Chimera project has been based on comparable transaction resource multiples, with a yardstick method as a supporting valuation method. The exploration potential (at Chimera) that is distal to the Mineral Resources has been valued separately to the Mineral Resources (and the exploration potential that is proximal to the Mineral Resources). The potential that is distal to the existing Mineral Resources has been valued using the Geoscientific and PEM methods.

The value of the Peake and Denison Project has been determined based on the current and recent Joint Venture terms where Oz Minerals has the right to earn up to 51% by expending AUD 4 million or 70% by spending AUD 10 Million in exploration. These two possible JV terms have been used to determine the valuation range for the Peake and Denison Project with the preferred valuation being the average of the two possible JV terms.

The exploration potential of the other projects has also been valued considering using the Geoscientific method and PEM methods.

13.1 Previous transactions on the Mineral Assets

There have been multiple transactions on the Mineral Assets that are being valued in this report with a summary of those transactions detailed in Table 38. These transactions are, with the exception of the Peake and Denison project joint Venture, not considered to be current due to the additional exploration activities, updated Mineral Resource estimates or the passage of time since the transactions were initially negotiated.

Table 38: Previous Transactions on the Mineral Assets.

Project	Transaction Type	Date	Consideration and Equity transacted	Project summary at the date of the proposed transaction	Status	Project Value	Validity in current Valuation
Peake and Denison	Joint Venture – Demetallica Minotaur – Oz Minerals	2021	Staged JV $4m for 51% $10m for 70%	Early-Stage geophysical targets no drilling	Oz Minerals Earning in, stage 1 for 51% Underway	AUD 3.8 million– AUD 4.3 million	Current
Lake Purdilla	Outright Sale -	2014	$4.8m	Previous MRE and large Exploration Target	Incomplete	$4.8m	Not Current due to extensive time since the agreement
Alita	JV Sandfire - Minotaur	2012	Staged JV AUD 4 million for 60% AUD 8 million for 80%	Early-Stage previous MRE	Terminated	AUD 2.7 million– AUD 2.0 million	Not current additional drilling and new MRE
Chimera / Jericho	JV Minotaur – Oz Minerals		Staged JV AUD 4m for 51% AUD 10m for 70% revised to AUD 13m	Early-Stage Revised Stage 2 after Jericho discovered	Terminated Oz Sold its interest to Demetallica	AUD 7.8 million– AUD 4.29 million or AUD 5.57 million (revised)	Not current additional drilling and new MRE
Chimera / Jericho	Sale	2021	Oz sold its interest to Demetallica	Advanced project		AUD 6.6 million plus contingent payment of up to AUD 8.82 million plus AUD 2.75 million on completion of positive PFS	Not current additional drilling and new MRE
Windsor	Purchase	2019	Minotaur Acquired outright	Early Stage	Completed	AUD 0.5 million	Not current
Windsor	JV		Minotaur JV 80% for AUD 4 million expenditure	Early	Terminated	AUD 1 million	Not current

Project	Transaction Type	Date	Consideration and Equity transacted	Project summary at the date of the proposed transaction	Status	Project Value	Validity in current Valuation
Pyramid	Purchase	2020	Minotaur acquired the project for AUD 0.3 million with a deferred payment of AUD 0.15 million in 24 months (2022)	Early Stage	Completed	Total AUD 0.45 million	Not current, additional work completed
Chimera Project	AIC non-binding indicative offer	2022	Demetallica announced that AIC had made a non-binding indicative offer to purchase 100% of the Chimera Project for AUD 22.5 million	Offer made prior to updated MRE	Demetallica reportedly did not have sufficient time to reply to the offer prior to AIC announcing the proposed transaction which is the basis of this report.	AUD 22.5 million	Uncertain, the offer was a non-binding indicative offer and was never negotiated to a formal offer

13.2 Comparable Transactions: Resource Multiples

The information for the comparable transactions for Demetallica's Mineral Assets has been derived from various sources, including the ASX and other securities exchange releases associated with these transactions and a database compiled by RSC for exploration stage projects (with Mineral Resources).

RSC interrogated a commercial, subscription-based transaction database and reviewed a series of base metal Mineral Resource transactions from Australia which were announced since 2011 for the Pb transactions and 2014 for the Cu transactions. An extended timeframe was used for the Pb transactions due to the small number of transactions where Pb is the primary target metal. The comparable transactions have been compiled where Mineral Resources have been estimated, and where exploration potential exists adjacent to the Mineral Resources. Eight transactions were identified relating to Australian Cu projects and six Pb projects. The transactions that are considered potentially comparable to the Mineral Resources within the Chimera Project are detailed in Appendix A. The criteria used to select the comparable copper transactions were projects that contained between 50,000t and 1 million tonnes of contained copper equivalent, transactions

that have occurred since 2014 (due to these resources being reported according to JORC 2012 which became mandatory in December 2013), contained within Australia, only transactions that relate to a project transaction are considered rather than projects that relate to the sale, merger or takeover of a company, only completed transactions were considered comparable and importantly only projects that were at an early exploration stage where Mineral Resources had been defined however no scoping, pre-feasibility or feasibility studies have been completed. No projects that were operational or on care and maintenance were considered to be comparable.

A Cu (or Pb) metal ratio resource multiple was calculated for each transaction based on the commodity prices as at the transaction date to account for different commodities. The relative recoveries of the various metals in the various projects have not been factored into the metal ratio, due to the projects being at different stages and the information not being consistently available for all commodities or all projects. The Cu (or Pb) metal ratio is used to determine the price paid per tonne of base metals (AUD/t). The metal ratio was then normalised, using the Cu (or Pb) price as at the valuation date, to account for changes in the Cu (or Pb) price from the time the comparable transaction was announced and the valuation date. The potentially comparable Cu and Pb project transactions are detailed in Appendix A.

The preferred valuation is based on the advanced project transactions for base metal projects at a pre-development stage that have been completed. The project valuation range for the Mineral Resource estimated has been determined based on the normalised metal ratio resource multiples with the upper resource multiple used in the valuation is based on the average of all eight potentially comparable transactions, being AUD 54.27/t and the lower valuation the average of six of the transactions when the outliers were removed, which returns a resource multiple of AUD 33.67/t. The preferred valuation is the mid-point between these two multiples. For the Exploration Targets the valuation has been determine based on the average of the transactions excluding the outliers being AUD 33.67/t, with the range determined based on +/- 20%. The reason for the lower multiple being assigned to the Exploration Targets is due to the inherent uncertainty in the estimated contained metal in the Exploration Target. In RSC's professional opinion these are reasonable resource multiples to assign to the Mineral Resources and Exploration Targets within the Chimera Project. Due to the small number of comparable transactions RSC has used the average of all the lead transactions to determine the preferred Resource Multiple with the range determined based on +/- 20% from the average, therefore the lower Pb metal ratio multiple was AUD 16.39/t, the preferred metal ratio multiple is AUD 20.49/t and an upper metal ratio multiple is AUD 24.59/t.

In RSC's opinion, these multiples can be applied to the metal ratio contained Cu (or Pb) based on the Chimera Mineral Resource estimates (see section 4.5) and the base (and precious) metal prices as at the valuation date. No allowance has been made for the relative metallurgical recoveries in the calculation of the metal ratio. Based on the metal prices as at the valuation date detailed in section 12.3 and the Mineral Resource estimates, RSC calculated the metal ratio contained Cu for the Jericho and Sandy Creek Mineral Resources, and the Jericho and Eloise Deeps Exploration Targets, and the metal ratio contained Pb for the Altia Mineral Resource. The calculated metal ratio contained Cu in the Jericho Mineral Resource is 234,000 t, the metal ratio contained Cu in the Jericho Exploration Target (based on the mid-point of the Exploration Target) is 194,000 t (see section 4.6.1), the Sandy Creek Mineral Resource metal ratio contained Cu is 30,000 t and the Altia Mineral Resource metal ratio contained Pb is 327,000 t.

The Chimera Mineral Resources Reasonableness reviews (see section 4.5) identified several risks to the Mineral Resource estimates.

The normalised metal ratio resource multiples detailed above and supported by the information in Appendix A have been used along with the metal ratio of contained Cu (or Pb) determined based on the various commodity prices (as at the valuation date) and the base (and precious) metal grades within Mineral Resources to derive the value of the Mineral Resources within the Chimera Project (Table 39).

RSC considers the Mineral Resource estimates and Exploration Targets within the Chimera Project to have a combined value, based on the 100% Demetallica equity in the projects and comparable transactions, of between AUD 21.4 million and AUD 33.2 million with a preferred valuation of AUD 27.3 million.

Table 39: Comparable transaction valuation of the Chimera Project Mineral Resources and Exploration Target.

Component	Lower Valuation	Preferred Valuation	Upper Valuation
Jericho Mineral Resource metal ratio contained Cu (t)	234,000	234,000	234,000
Metal ratio resource multiple (AUD/t contained Cu)	33.67	43.97	54.27
Total Jericho Mineral Resource Valuation (AUD million)	7.9	10.3	12.7
Jericho Exploration Target metal ratio contained Cu (t) (Mid-Point of Exploration Target range)	194,000	194,000	194,000
Metal ratio resource multiple (AUD/t contained Cu)	26.94	33.67	40.41
Jericho Exploration Target Valuation (AUD million)	5.2	6.5	7.8
Total Jericho Valuation (AUD million)	13.1	16.8	20.5
Sandy Creek Mineral Resource metal ratio contained Cu (t)	30,000	30,000	30,000
Metal ratio resource multiple (AUD/t contained Cu)	33.67	43.97	54.27
Total Sandy Creek Mineral Resource Valuation (AUD million)	1.0	1.3	1.6
Altia Mineral Resource metal ratio contained Pb (t)	327,000	327,000	327,000
Metal ratio resource multiple (AUD/t contained Pb)	16.39	20.49	24.59
Total Altia Mineral Resource Valuation (AUD million)	5.4	6.7	8.0
Eloise Deeps Exploration Target metal ratio contained Cu (t) (Mid-Point of Exploration Target range)	73,000	73,000	73,000
Metal ratio resource multiple (AUD/t contained Cu)	26.94	33.67	40.41
Eloise Deeps Exploration Target Valuation (AUD million)	2.0	2.5	2.9
Chimera Project Mineral Resources and Exploration Target Valuation (AUD million)	**21.4**	**27.3**	**33.2**

Note: Metal ratio contained Cu (or Pb) is based on the contained base (and precious) metal grades in the resource without taking into account the recovery of each of the individual metals and the value of each of the metals as at the valuation date. Rounding has been applied to the metal ratio contained Cu (or Pb) and valuation.

13.3 Joint Venture Method

The Peake and Denison project is currently under a Joint Venture agreement between Demetallica and Oz Minerals. The Joint Venture requires Oz Minerals to spend AUD 869,300 in the first year and a total of AUD 4 million over the next three years to earn an initial 51% (Stage 1) with an additional 19% able to be acquired by expending an additional AUD 6 million in the subsequent three years. This values the project at AUD 3.8 million for Stage 1 and a total of AUD 4.3 million for the full 70% equity should stage 2 be completed.

RSC considers that due to the recent exploration success as announced in the DRM ASX release on 5 October 2022 it is likely that at least Stage 1 will be completed. Therefore, the Peake and Denison Project is considered to have a market value of between AUD 3.8 million and AUD 4.3 million with a preferred, mid-point value of AUD 4.1 million.

13.4 Yardstick Method

A yardstick valuation was undertaken as a check of the comparable transactions valuation. The yardstick valuation factors used in this Report are in line with other yardstick valuation factors commonly used by independent specialists and in other VALMIN reports. The USD to AUD exchange rate, and metal prices as of 26 October 2022 (documented in section 12.3), have been used to determine the yardstick valuation. In this Report, the yardstick contained metal has been determined

based on the ratio of the various metal grades estimated in the Mineral Resource and the metal prices at the valuation date. This is termed 'metal ratio' of the metal that contributes to the largest value contained in the Mineral Resource. The metal ratio does not account for the metallurgical recovery, due to the various projects used in the comparable transaction analysis being at slightly different stages of evaluation and therefore having inconsistent levels of metallurgical studies completed.

RSC selected a lower multiple of 0.1% to 0.25% as the yardstick value for the identified Exploration Targets within the Chimera project. The risks relating to the Mineral Resources have been incorporated into the yardstick approach (Table 40 footnote). In particular, RSC notes that the potential risks in the Mineral Resource classification have been applied in determining the yardstick valuation. In this approach, the Valuation Method does not draw a comparison with any other stated Mineral Resources; instead, it only considers the declared Mineral Resources of the Mineral Asset at the current metal price(s).

This yardstick valuation was determined based on the Cu (or Pb) price multiplied by the yardstick value of between 0.1% and 1.0%, with this then multiplied by the metal ratio contained Cu (or Pb) in each of the Mineral Resources and Exploration Targets attributable to Chimera (Demetallica), based on the beneficial interest in the project.

RSC applied a range of percentage values, corresponding to RSC's opinion of the classification of the Chimera Mineral Resource estimates (and Exploration Targets), the metal ratio contained Cu (or Pb) in those Mineral Resources and of the Cu (or Pb) price at the valuation date to value the Mineral Resources within the project. The Chimera yardstick valuation is presented in Table 40.

Table 40: Yardstick valuation of the Chimera Mineral Resources and Exploration Target.

Deposit	Classification	Yardstick Factors (%)	Metal Ratio Contained	Metal Price (AUD/t)	Lower Valuation (AUD Million)	Preferred Valuation (AUD Million)	Upper Valuation (AUD Million)
Jericho	Measured[1]	1.0–2.0	N/A	N/A	-	-	
	Indicated[1]	0.5–1.0	61,000 t Cu	12,139.88	3.7	5.6	7.4
	Inferred[1]	0.25–0.5	173,000 t Cu	12,139.88	5.3	7.9	10.5
	Exploration Target	0.1–0.25	194,000 t Cu	12,139.88	2.4	4.1	5.9
Sandy Creek	Inferred[1]	0.25–0.5	30,000 t Cu	12,139.88	0.9	1.4	1.8
Altia	Inferred[1]	0.25–0.5	327,000 t Pb	2,923,75	2.4	3.6	4.8
Eloise Deeps	Exploration Target	0.1–0.25	73,000 t Cu	12,139.88	0.9	1.6	2.2
Total Yardstick Valuation					15.5	24.1	32.6

Note: [1] Metal ratio of contained Cu (or Pb) is based on the contained metal grades and the value of each of the metals (as at 26 October 2022) in the Mineral Resource or Exploration Target, without taking into account the recovery of each of the individual metals.
Appropriate rounding has been applied to the metal ratio contained (Cu or Pb) and the valuation.

RSC considers the Mineral Resource estimates and Exploration Target within the Chimera project to be valued, based on a yardstick approach, at between AUD 15.5 million and AUD 32.6 million with a preferred valuation of AUD 24.1 million. This yardstick valuation supports the Comparable Transaction multiple which is considered to be the primary valuation method.

13.5 Geoscientific Valuation

RSC determined the BAC based on the holding cost of maintaining the tenement(s) for the next year. That cost is determined by the minimum exploration commitment required on the tenement for the next tenement year.

The Geoscientific rankings were derived for each of the Geoscientific (Kilburn) ranking criteria with the off-property criteria, on-property criteria, the anomaly factor, and geology criteria estimated for each tenement following the ratings listed in Table 36. These ranking criteria were combined with the BAC, both of which are detailed in Appendix B, to determine the technical values presented in Table 41. Note that tenements hosting Mineral Resources or adjacent to the Mineral Resources that were valued by the comparable transaction resource multiples method in their entirety have not been assigned values in Table 41.

Table 41: Technical Valuation for the Demetallica exploration tenements.

Project	Tenement	Percentage of tenement valued	Lower Valuation (AUD Million)	Preferred Valuation (AUD Million)	Upper Valuation (AUD Million)
Cannington	EPM 25782	100	0.03	0.08	0.13
Cannington	EPM 25854##	50	0.15	0.31	0.47
Cannington	EPM 25854##	50	0.04	0.05	0.06
Cannington	EPM 26361	100	0.06	0.17	0.28
Cannington	EPM 26456	100	0.01	0.04	0.07
Cannington	EPM 26537	100	0.02	0.05	0.08
Cannington	EPM 26698	100	0.01	0.03	0.05
Cannington	EPM 27056	100	0.04	0.10	0.17
Cannington	EPM19542	100	0.05	0.07	0.09
Chimera	EPM 25897	100	0.03	0.09	0.15
Chimera	EPM 25920	100	0.04	0.12	0.19
Chimera	EPM 25921	100	0.13	0.34	0.56
Chimera	EPM 25922	100	0.03	0.07	0.11
Chimera	EPM 25950#	50	0.10	0.30	0.51
Chimera	EPM 26184	100	0.08	0.19	0.30
Chimera	EPM 26447	100	0.07	0.16	0.26
Chimera	EPM 26508	100	0.01	0.03	0.05
Chimera	EPM 26572	100	0.15	0.11	0.06
Chimera	EPM 26684	100	0.04	0.09	0.15
Chimera	EPM 26703	100	0.04	0.09	0.15
Chimera	EPM 27052#	75	0.11	0.28	0.46
Chimera	EPM 27279	100	0.06	0.15	0.24
Pyramid	EPM 12887	100	0.14	0.30	0.46
Pyramid	EPM 19554	100	0.03	0.05	0.07
Pyramid	EPM 25154	100	0.06	0.09	0.13
Windsor	EPM 25134	100	0.06	0.18	0.31
Windsor	EPM 25135##	25	0.02	0.07	0.12
Windsor	EPM 25135##	75	0.05	0.10	0.15
Windsor	EPM 25148##	75	0.05	0.07	0.10
Windsor	EPM 25148##	25	0.03	0.06	0.09
Windsor	EPM 25270	100	0.01	0.01	0.02
Windsor	EPM 25271	100	0.01	0.03	0.04
Windsor	EPM 25437	100	0.04	0.07	0.09
Windsor	EPM 25680	100	0.07	0.10	0.14
Windsor	EPM 27426	100	0.03	0.06	0.10
Lake Purdilla	EL 6285	100	1.23	1.59	1.94
Lake Purdilla	EL 6682	100	0.27	0.35	0.43

Project	Tenement	Percentage of tenement valued	Lower Valuation (AUD Million)	Preferred Valuation (AUD Million)	Upper Valuation (AUD Million)
Peake & Denison	EL 6221	100	0.13	0.41	0.68
Peake & Denison	EL 6222	100	0.04	0.05	0.06
Peake & Denison	EL 6223	100	0.02	0.03	0.03
Peake & Denison	EL 6270	100	0.06	0.19	0.31
Total			**3.8**	**7.2**	**10.6**

Note: Tenements that were valued by the comparable transaction resource multiples in their entirety were excluded from this valuation.
tenements that have been partly valued by the Mineral Resources.
tenements value determined based on different ranking criteria for more and less prospective areas of the tenements.

Table 41 details the technical value of the exploration potential of each tenement while the Market Value of the project is based on a location and market discount or premium. A market factor was derived to account for the status of the (average) Cu price which has decreased by approximately 18% from the 1 January 2021 to 30 June 2022 (Figure 57). Copper prices averaged approximately USD 9,465/t between 1 January 2021 and 30 June 2022 and has averaged USD 7,765/t since 1 July 2022. Based on the decrease in the Cu price, current economic outlook, and the challenges in the capital markets to raise capital for early-stage resource projects the technical valuation for each tenement was decreased by 10% to determine the market value of the exploration tenements. In RSC's professional opinion this is a reasonable discount to the technical valuation. While the projects are all located in a stable jurisdiction with minimal geopolitical risks, there are other risks associated with heritage, environmental and access permits and permitting timeframes. Therefore, based on RSC's professional opinion an additional 5% reduction in the technical valuation is justified to account for these risks to the value of the projects.

For the Demetallica Mineral Assets, excluding the Mineral Resources within the Chimera Project, the Peake and Denison Project, the minority (10%) free carried interest in the North Flinders Project, the 10% JV interest in the Moonta Project and the various royalties held by Demetallica, the total Market Value as determined by the Geoscientific (Kilburn) valuation method is considered to be between AUD 3.3 million and AUD 9.0 million with a preferred value of AUD 6.2 million.

13.6 Prospectivity Enhancement Multiplier Valuation

RSC undertook a PEM valuation of the tenements, based on exploration expenditure for the last five years as reported to the various Government departments in annual expenditure reports for each tenement. The expenditures were obtained from Demetallica. RSC has limited the previous exploration expenditure to the past five years as additional expenditure over an extended period is likely to exaggerate the valuation. Five years of exploration is also considered sufficient time to advance a prospect to a Mineral Resource. These expenditures are summarised in Table 42. Where a new tenement has been granted in the last five years that replaced a previous tenement, the previous tenement expenditures were included in the total expenditure. This expenditure was undertaken by various parties, with the only expenditure attributed to Demetallica being post the demerger from Minotaur in December 2021.

This expenditure has been multiplied by a PEM multiple as detailed in Table 37. RSC assessed the effectiveness of the exploration expenditure and used an upper and lower PEM multiple to generate a range of likely values of the project. The

preferred valuation is the average of the upper and lower PEM values. The expenditure, PEM multiples, and the valuations for the projects are presented in Table 42. RSC excluded the expenditures for those tenements that contain the Chimera Mineral Resources, as they were valued by the comparable transaction method.

For the Demetallica Mineral Assets, excluding the Mineral Resources within the Chimera Project, the minority (10%) free carried interest in the North Flinders Project, the 10% JV interest in the Moonta Project and the various royalties held by Demetallica, the total market value as determined by the PEM valuation method is considered to be between AUD 6.5 million and AUD 11.4 million with a preferred value of AUD 9.0 million. RSC notes that the total valuation as determined by the Geoscientific method compared to the PEM method where the Geoscientific method is the primary method and the PEM the supporting or secondary method is lower than the PEM method. The difference is likely due to some administrative and overhead expenditure being used in the valuation rather than exclusively exploration expenditure, this therefore has slightly increased the PEM when compared to the Geoscientific method. However, the primary valuation method for the exploration projects is higher than the secondary method due to the Peake and Denison Project being valued based in the current Joint Venture.

Table 42: PEM Valuation for the Demetallica exploration tenements.

Project	Tenement	Expenditure (AUD)	PEM multiple Low	PEM multiple High	Lower PEM value (AUD Million)	Preferred PEM value (AUD Million)	Upper PEM value (AUD Million)
Cannington	EPM19542	581,337	0.50	0.80	0.29	0.38	0.47
Cannington	EPM 25782	603,361	0.50	1.30	0.30	0.54	0.78
Cannington	EPM 25854	641,874	0.50	1.30	0.32	0.58	0.83
Cannington	EPM 26361	242,466	0.50	1.00	0.12	0.18	0.24
Cannington	EPM 26456	70,043	0.20	1.00	0.01	0.04	0.07
Cannington	EPM 26537	30,694	0.20	1.00	0.01	0.02	0.03
Cannington	EPM 26698	27,048	0.20	1.00	0.01	0.02	0.03
Cannington	EPM 27056	64,669	0.20	1.00	0.01	0.04	0.06
Chimera	EPM 25897	238,947	0.50	1.00	0.12	0.18	0.24
Chimera	EPM 25920	313,821	0.50	1.00	0.16	0.24	0.31
Chimera	EPM 25921	917,975	0.50	1.00	0.46	0.69	0.92
Chimera	EPM 25922	183,098	0.50	1.00	0.09	0.14	0.18
Chimera	EPM 26184	444,311	0.50	1.00	0.22	0.33	0.44
Chimera	EPM 26447	250,278	0.50	1.00	0.13	0.19	0.25
Chimera	EPM 26508	34,241	0.50	1.00	0.02	0.03	0.03
Chimera	EPM 26572	34,569	0.50	1.00	0.02	0.03	0.03
Chimera	EPM 26684	165,507	0.50	1.00	0.08	0.12	0.17
Chimera	EPM 26703	357,002	0.50	1.00	0.18	0.27	0.36
Chimera	EPM 27279	104,250	0.50	1.00	0.05	0.08	0.10
Pyramid	EPM 12887	815,881	1.00	1.30	0.82	0.94	1.06
Pyramid	EPM 19554	164,065	0.50	1.00	0.08	0.12	0.16
Pyramid	EPM 25154	81,244	0.50	1.00	0.04	0.06	0.08

Project	Tenement	Expenditure (AUD)	PEM multiple Low	PEM multiple High	Lower PEM value (AUD Million)	Preferred PEM value (AUD Million)	Upper PEM value (AUD Million)
Windsor	EPM 25134	572,878	0.50	1.00	0.29	0.43	0.57
Windsor	EPM 25135	327,255	0.50	1.00	0.16	0.25	0.33
Windsor	EPM 25148	184,741	0.50	1.00	0.09	0.14	0.18
Windsor	EPM 25270	49,506	0.50	1.00	0.02	0.04	0.05
Windsor	EPM 25271	64,019	0.50	1.00	0.03	0.05	0.06
Windsor	EPM 25437	273,308	0.50	1.00	0.14	0.20	0.27
Windsor	EPM 25680	496,272	0.50	1.00	0.25	0.37	0.50
Windsor	EPM 27426	69,967	0.50	1.00	0.03	0.05	0.07
Lake Purdilla	EL 6285	258,425	2.50	3.00	0.65	0.71	0.78
Lake Purdilla	EL 6682	70,731	2.50	3.00	0.18	0.19	0.21
Peake & Denison	EL 6221	335,784	1.5	2.0	$0.50	$0.59	$0.67
Peake & Denison	EL 6222	214,647	1.3	1.5	$0.28	$0.30	$0.32
Peake & Denison	EL 6223	113,547	1.3	1.5	$0.15	$0.16	$0.17
Peake & Denison	EL 6270	153,849	1.5	2.0	$0.23	$0.27	$0.31
Total					**6.5**	**9.0**	**11.4**

Note: Tenements that were valued by the comparable transaction resource multiples method ((proximal to the Chimera Mineral Resources) were excluded from this valuation.

13.7 Royalty Valuation

At a high level, using publicly available data and information, RSC has reviewed the various royalties that are both payable to and payable by Demetallica on several of the tenements. Details of the royalties have been sourced from the Demetallica Prospectus. There are royalties payable by Demetallica on production from the Altia and Breena Plains tenements (Chimera project) and the Cannington and Pyramid tenements.

There are no currently identified recoverable Mineral Resources within any of the tenements that are subject to potential royalty payments to Demetallica, and exploration activities are at a very early stage with at best low priority exploration targets identified within the tenements. Due to the very early exploration stage of the tenements that are subject to potential royalty payments to Demetallica, the likely timeframe required for a Mineral Resource to be delineated, and the timeframe to develop any potentially discovered mineralisation, RSC considers that the 1% and 1.5% royalties payable to Demetallica have no material value as at the valuation date.

There are two separate joint ventures where Demetallica has either a 10% free carried or a 10% joint venture interest. These are for a series of tenements in South Australia. No information on these tenements was provided to RSC to analyse. The publicly available information has been reviewed to determine if these Joint Venture interests have a material value to Demetallica. These projects all appear to be at a very early exploration stage. Due to the very early exploration stage and the small equity interest in the projects, RSC considers these joint ventures to have no material value and any value

attributed to these tenements would not change the overall valuation range nor the preferred valuation of the Demetallica's main Mineral Assets.

13.8 Preferred Valuations

The valuations derived for the Mineral Resources, Exploration Targets and the exploration potential within the Demetallica Mineral Assets are summarised by valuation method in Table 43. The combined valuation ranges and RSC's preferred valuation are presented in Table 44. The valuation range and preferred valuation for the Mineral Resources, Exploration Targets and exploration potential within the projects, and the combined valuation range and preferred valuation for the Demetallica Mineral Assets are presented in Figure 58.

RSC has determined the preferred valuation based on the comparable transaction approach, recognising that most of the value in the tenement package is attributed to the currently estimated Chimera Mineral Resources. The comparable transaction valuation is supported by the yardstick approach, which took into account the classification of the Mineral Resources discounted for assessed resource risk.

Both the Geoscientific (Kilburn) and PEM valuation methods are viable options to value the exploration potential adjacent to the currently defined Mineral Resources at Chimera. However, the Geoscientific (Kilburn) valuation produced a smaller value range, hence, RSC elected to add the Geoscientific (Kilburn) valuation to the comparable transaction valuation to determine the overall preferred valuation range for the Chimera project (Table 44). The Peake and Denison Project is currently subject to a Joint Venture whereby Demetallica is reducing its interest from 100% to potentially 70%, therefore the Peake and Denison Project is most appropriately valued based on the Joint Venture terms where Oz Minerals can acquire up to 70% by expending AUD 10 million with an initial earn in of 51% by spending AUD 4 million.

Table 43: Demetallica Mineral Assets Valuation Summary by valuation method.

Component	Valuation Technique	Priority	Lower Valuation (AUD Million)	Preferred Valuation (AUD Million)	Upper Valuation (AUD Million)
Chimera Resources	Comparable - Resource Multiples	Primary	$21.4	$27.3	$33.2
	Yardstick	Supporting	$15.5	$24.1	$32.6
Chimera Expl Potential	Kilburn	Primary	$0.7	$1.7	$2.7
	PEM	Supporting	$1.5	$2.3	$3.0
Chimera Total	Comparable and Kilburn	Primary	$22.2	$29.0	$35.9
	Yardstick and PEM	Supporting	$17.0	$26.3	$35.7
Cannington	Kilburn	Primary	$0.3	$0.8	$1.2
	PEM	Supporting	$1.1	$1.8	$2.5
Windsor	Kilburn	Primary	$0.5	$1.1	$1.6
	PEM	Supporting	$1.0	$1.5	$2.0
Pyramid	Kilburn	Primary	$0.2	$0.4	$0.6
	PEM	Supporting	$0.9	$1.1	$1.3
Peake and Denison	JV	Primary	$3.8	$4.1	$4.3
	PEM	Supporting	$1.2	$1.3	$1.5
Lake Purdilla	Kilburn	Primary	$1.3	$1.7	$2.0
	PEM	Supporting	$0.8	$0.9	$1.0
Total Valuation		**Primary**	**$28.3**	**$37.0**	**$45.6**
		Supporting	$22.0	$33.0	$44.0

Based on the rationale outlined in this Report, RSC considers that the Mineral Resources and Exploration Target within the Chimera project are most appropriately valued by a comparable transaction approach, the Peake and Denison Project is most appropriately valued using a Joint Venture method, while the remaining Exploration projects are most appropriately valued by applying the Geoscientific (Kilburn) valuation method. On this basis, RSC has valued Demetallica's Mineral Asset portfolio between AUD 28.3 million and AUD 45.6 million with a preferred value of AUD 37.0 million (Table 44).

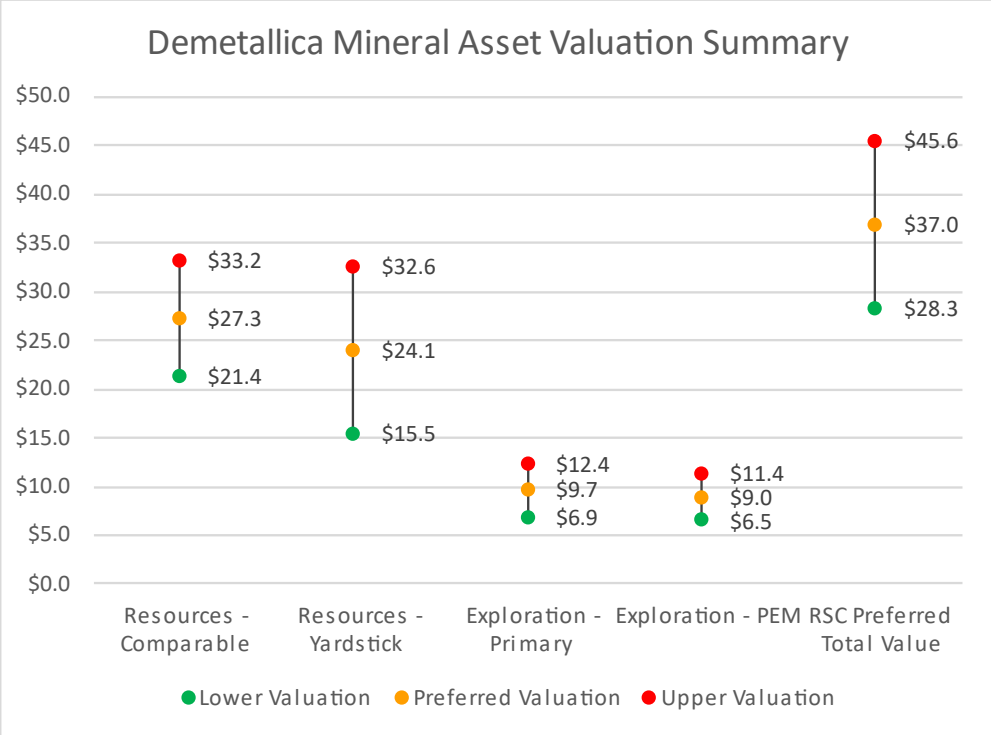


Figure 58: Valuation summary.

Table 44 Preferred Valuation of the Demetallica Mineral Assets, as at 26 October 2022.

Component	Lower Valuation (AUD Million)	Preferred Valuation (AUD Million)	Upper Valuation (AUD Million)
Mineral Resources	21.4	27.3	33.2
Exploration Potential	6.9	9.7	12.4
Total	28.3	37.0	45.6

Note: Totals do not add due to rounding in the valuations.

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APPENDIX A: Comparable Transactions

A.1 Comparable Cu Transactions

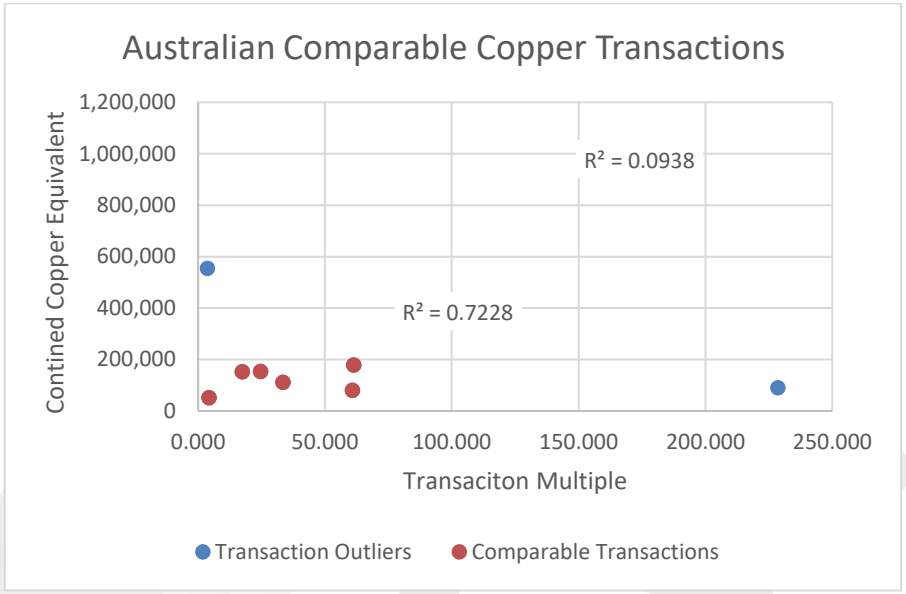
Buyer Name	Property	Date	Development Stage	Value (AUD Million)	% Acquired	Cu Mineral Resources and Ore Reserves Acquired (t)	Cu Equivalent Mineral Resources and Ore Reserves Acquired (t)	Multiple (AUD/T)	Cu Price (USD) at Transaction Date	Normalised (AUD/t)
Sandfire Resources	Thaduna	24/12/2014	Prefeas/Scoping	2.14	100.00	150,000	152,400	$14.06	$6,361.00	$17.42
Sandfire Resources	Thaduna	19/08/2016	Prefeas/Scoping	3.00	65.00	79,600	81,210	$36.94	$4,785.75	$60.87
Coda Minerals	Elizabeth Creek	17/03/2017	Prefeas/Scoping	1.50	75.00	413,168	555,359	$2.70	$5,916.50	$3.60
E B Mawson & Sons	North Portia, Portia	4/06/2018	Feasibility Started,	13.50*	100.00	101,400	178,745	$54.27*	$6,973.25	$61.37
Anax Metals	Whim Creek	21/07/2020	Limited Production	3.15	80.00	73,040	153,944	$20.46	$6,544.45	$24.66
Peel Mining	Mallee Bull	27/07/2020	Prefeas/Scoping	17.00	50.00	59,500	91,274	$186.25	$6,426.50	$228.55
Ararat Resources	Whundo	31/03/2021	Reserves Development	0.25	100.00	33,708	52,541	$4.76	$8,787.75	$4.27
Locksley Resources	Tottenham	1/07/2021	Reserves Development	4.40	100.00	86,100	111,594	$39.43	$9,296.25	$33.45

Notes * The value for the North Portia / Portia transaction has been reduced in the resource multiple calculation to remove a contingent payment of AUD 3.8 million due to the uncertain nature of that payment at the time the transaction was announced. The contingent payment only became payable on production from the project. No other transaction values have contingent payments included in the value used to determine the Resource Multiple. The resource multiples were normalised against the copper price at the valuation date (26 October 2022) being USD 7,886/t.

Selection Criteria	
Deposit Size	>50,000t and <1Mt
Operational status	ex operating mines
Development status	Excluding projects where a feasibility study has been completed – No Ore Reserves in these projects
Transaction Status	Only completed transactions
Timeframe	Only transactions that post JORC 2012 compliance (December 2013) are included
Copper Price at Valuation Date	AUD 7886

Due to the large range in resource multiples for the eight transactions RSC undertook a population analysis of the transactions, when the transactions multiples per tonne of contained copper equivalent were plotted against the deposit size six of the transactions were clustered in one group with two of the transactions clearly outliers from the six other transactions. All eight transactions have a low correlation coefficient of 0.094 while when the two outliers are removed the correlation coefficient increases to 0.723.

The figure below shows the transaction multiples plotted against the contained copper equivalent.



In RSC's opinion it is reasonable to exclude the outliers to determine the lower resource multiple however due to the low number of transactions identified as potentially comparable the upper resource multiple has been based on the average of all potentially comparable transactions. Additionally due to the low number of comparable transactions (6-8) the median, 25th and 75th percentile are not statistically meaningful, therefore RSC has elected to use the average of the identified comparable transactions to determine the appropriate resource multiples to use in valuing the Mineral Resources within the Chimera Project.

Comparable Cu Transactions Summary Statistics.

Statistic	Non-Normalised	Normalised All Transactions	Normalised Excluding Outliers
Average (AUD/t)	$44.86	$54.27	$33.67
Median (AUD/t)	$36.94	$29.05	$29.05
25th Percentile (AUD/t)	$7.08	$7.56	$14.14
75th Percentile (AUD/t)	$50.56	$61.25	$61.00
Maximum (AUD/t)	$186.25	$228.55	$61.37
Minimum (AUD/t)	$2.70	$3.60	$4.27
Number of transactions	8	8	6

A.2 Comparable Pb Transactions

Buyer Name	Date	Development Stage	Value (AUD Million)	Property	% Acquired	Pb Mineral Resources and Ore Reserves Acquired (t)	Pb Equivalent Mineral Resources and Ore Reserves Acquired (t)	Multiple (AUD/t)	Pb price (USD) at Transaction Date	Normalised AUD/t
Guangdong Guangxin Mining Resource Group Co	29/12/2011	Feasibility, Production	9.20	Mineral Hill, Sorby Hills	15.00	87,143	146,413	62.84	1,975.50	60.414
Investor group	23/07/2018	Feasibility Complete	5.85	Burgin, Paroo Station, Sun	8.20	177,771	314,800	18.60	2,111.00	16.733
Pacifico Minerals Limited	5/10/2018	Feasibility Started	4.14	Sorby Hills	75.00	586,748	845,513	4.89	1,977.00	4.699
Sandfire Resources NL	3/09/2012	Reserves Development	8.03	Altia	80.00	183,200	270,814	29.65	1,999.25	28.166
Sunshine Reclamation Pty Ltd	31/01/2020	Reserves Development	0.54	Sunny Corner	100.00	32,000	59,757	9.04	1,898.00	9.043
Vendetta Mining Corp	21/11/2013	Reserves Development	4.04	Pegmont	100.00	658,000	955,046	4.23	2,068.25	3.888

Note The resource multiples were normalised against the lead price at the valuation date (26 October 2022) being USD 1,899.25//t.

Due to the low number of comparable transactions (6) the median, 25th and 75th percentile are not statistically meaningful, therefore RSC has elected to use the average of the identified comparable transactions to determine the appropriate resource multiples to use in valuing the Mineral Resources within the Chimera Project.

Comparable Pb Transactions Summary Statistics.

Statistic	Non-Normalised	Normalised
Average (AUD/t)	21.54	$20.49
Median (AUD/t)	13.82	$12.89
25th Percentile (AUD/t)	4.73	$4.50
75th Percentile (AUD/t)	37.95	$36.23
Maximum (AUD/t)	62.84	$60.41
Minimum (AUD/t)	4.23	$3.89
Number of transactions	6	6

APPENDIX B: Geoscientific (Kilburn) Valuation and Ranking Criteria

Tenements	Project	Tenements	Equity (%)	Area Valued (%)	Off Property Factor		On Property Factor		Anomaly Factor		Geology Factor		Technical Valuation Equity basis (AUD Million)		
					Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper
EPM 25782	Cannington	EPM 25782	100	100	1	1.5	1	1.5	1	1.5	1.0	1.5	0.03	0.08	0.13
EPM 25854	Cannington	EPM 25854	100	50	3	3.5	1	1.5	1	1.5	1.0	1.2	0.15	0.31	0.47
EPM 25854	Cannington	EPM 25854	100	50	1	1.1	1	1.1	1	1.1	0.7	0.9	0.04	0.05	0.06
EPM 26361	Cannington	EPM 26361	100	100	1	1.5	1	1.5	1	1.5	1.0	1.5	0.06	0.17	0.28
EPM 26456	Cannington	EPM 26456	100	100	1	1.5	1	1.5	1	1.5	1.0	1.5	0.01	0.04	0.07
EPM 26537	Cannington	EPM 26537	100	100	1	1.5	1	1.5	1	1.5	1.0	1.5	0.02	0.05	0.08
EPM 26698	Cannington	EPM 26698	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.01	0.03	0.05
EPM 27056	Cannington	EPM 27056	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.04	0.10	0.17
EPM 19542	Cannington	EPM19542	100	100	1	1.1	1	1.1	1	1.2	0.7	0.9	0.05	0.07	0.09
EPM 25897	Chimera	EPM 25897	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.03	0.09	0.15
EPM 25920	Chimera	EPM 25920	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.04	0.12	0.19
EPM 25921	Chimera	EPM 25921	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.13	0.34	0.56
EPM 25922	Chimera	EPM 25922	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.03	0.07	0.11
EPM 25950	Chimera	EPM 25950	100	50	1	1.5	1	1.5	1	1.5	1.0	1.5	0.10	0.30	0.51
EPM 26184	Chimera	EPM 26184	100	100	1.5	2.0	1	1.5	1	1.5	1.0	1.2	0.08	0.19	0.30
EPM 26447	Chimera	EPM 26447	100	100	1.5	2.0	1	1.5	1	1.5	0.7	0.9	0.07	0.16	0.26
EPM 26508	Chimera	EPM 26508	100	100	1.5	2.0	1	1.5	1	1.5	0.7	0.9	0.01	0.03	0.05
EPM 26572	Chimera	EPM 26572	100	100	1	1.5	1	1.5	1	1.5	7.0	0.9	0.15	0.11	0.06
EPM 26684	Chimera	EPM 26684	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.04	0.09	0.15
EPM 26703	Chimera	EPM 26703	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.04	0.09	0.15
EPM 27052	Chimera	EPM 27052	100	75	1	1.5	1	1.5	1	1.5	0.7	0.9	0.11	0.28	0.46
EPM 27279	Chimera	EPM 27279	100	100	1	1.5	1	1.5	1	1.5	0.7	0.9	0.06	0.15	0.24
EPM 12887	Pyramid	EPM 12887	100	100	1.2	1.5	1	1.5	1.5	1.8	1.0	1.5	0.14	0.30	0.46
EPM 19554	Pyramid	EPM 19554	100	100	1	1.1	1	1.1	0.9	1.1	0.7	1	0.03	0.05	0.07
EPM 25154	Pyramid	EPM 25154	100	100	1.2	1.5	1	1.2	1	1.2	1.0	1.2	0.06	0.09	0.13
EPM 25134	Windsor	EPM 25134	100	100	1	1.5	1	1.5	1	1.5	1.0	1.5	0.06	0.18	0.31

Tenements	Project	Tenements	Equity (%)	Area Valued (%)	Off Property Factor		On Property Factor		Anomaly Factor		Geology Factor		Technical Valuation Equity basis (AUD Million)		
					Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper
EPM 25135	Windsor	EPM 25135	100	25	1	1.5	1	1.5	1	1.5	1.0	1.5	0.10	0.29	0.48
EPM 25135	Windsor	EPM 25135	100	75	1	1.5	1	1.3	0.9	1.1	0.8	1	0.07	0.14	0.20
EPM 25148	Windsor	EPM 25148	100	75	1	1.2	1	1.2	1	1.1	0.8	1	0.07	0.10	0.13
EPM 25148	Windsor	EPM 25148	100	25	1.5	1.8	1	1.2	1	1.4	1.0	1.5	0.12	0.25	0.37
EPM 25270	Windsor	EPM 25270	100	100	1	1.5	1	1.1	0.9	1.1	0.8	1	0.01	0.01	0.02
EPM 25271	Windsor	EPM 25271	100	100	1	1.5	1	1.2	1	1.2	1.0	1.5	0.01	0.03	0.04
EPM 25437	Windsor	EPM 25437	100	100	1	1.2	1	1.2	1	1.2	0.8	1	0.04	0.07	0.09
EPM 25680	Windsor	EPM 25680	100	100	1	1.2	1	1.2	1	1.1	1.0	1.2	0.07	0.10	0.14
EPM 27426	Windsor	EPM 27426	100	100	1	1.5	1	1.2	1	1.4	1.0	1.5	0.03	0.06	0.10
EL 6285	Lake Purdilla	EL 6285	100	100	1.4	1.5	1.4	1.5	3.5	4	1.0	1.2	1.23	1.59	1.94
EL 6682	Lake Purdilla	EL 6682	100	100	1.4	1.5	1.4	1.5	3.5	4	1.0	1.2	0.27	0.35	0.43
EL 6221	Peake & Denison	EL 6221	100	100	1.3	1.5	1	1.5	1.5	3	1.0	1.5	0.13	0.41	0.68
EL 6222	Peake & Denison	EL 6222	100	100	1.3	1.5	1	1.1	0.9	1	0.8	0.9	0.04	0.05	0.06
EL 6223	Peake & Denison	EL 6223	100	100	1.3	1.5	1	1.1	0.9	1	0.8	0.9	0.02	0.03	0.03
EL 6270	Peake & Denison	EL 6270	100	100	1.3	1.5	1	1.5	1.5	3	1.0	1.5	0.06	0.19	0.31

Note: to convert the Technical Value to a Market Value a 10% reduction of the technical values was applied due to the current market sentiment toward projects at a pre-feasibility stage, the high inflationary environment in Australia, and the recent reduction in the copper price. An additional 5% reduction was applied for heritage, environmental and permitting risks which RSC considers reasonable.

Part Two – Financial Services Guide

Dated: November 2022

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