QUARTERLY REPORT

27 April 2023

AIC Mines Limited

ABOUT AIC MINES

AIC Mines is a growth focused Australian resources company. Its strategy is to build a portfolio of copper and gold assets in Australia through exploration, development and acquisition.

AIC Mines owns the Eloise Copper Mine, a high-grade operating underground mine located SE of Cloncurry in North Queensland.

AIC Mines is also advancing a portfolio of exploration projects that are prospective for copper and gold.

CAPITAL STRUCTURE

Shares on Issue: 462,224,392

BOARD MEMBERS

Josef El-Raghy
Non-Executive Chairman

Aaron Colleran
Managing Director & CEO

Linda Hale
Non-Executive Director

Brett Montgomery
Non-Executive Director

Jon Young
Non-Executive Director

Audrey Ferguson
Company Secretary

CORPORATE DETAILS

ASX: **A1M**
www.aicmines.com.au
ABN: 11 060 156 452
E: info@aicmines.com.au
A: A8, 435 Roberts Rd,
Subiaco, WA, 6008
Share Register:
Computershare Investor Services

Quarterly Activities Report for the Period Ending 31 March 2023

HIGHLIGHTS

Eloise Copper Mine

- **Produced** 9,295dmt of concentrate containing 2,475t of copper at an AISC of A$5.76/lb Cu and AIC of A$6.12/lb Cu.
- **Production improved** in March and April with increased ore production following commencement of mining in Macy North.
- **Mine Cashflow Positive** – sales of 2,467t of copper, 1,228oz of gold and 23,419oz silver generated net revenue of $33.6 million, operating cashflow of $11.0 million and net mine cashflow of $0.5 million (up $4.1 million QOQ) following substantial completion of new tailings facility.

Growth

- Completion of updated Eloise Mineral Resource and Ore Reserve estimates as at 31 December 2022 delivered **significant increases in both Mineral Resources and Ore Reserves**:
  - Ore Reserve – 46% increase in copper and a 32% increase in gold net of mining depletion to 52,600 tonnes of copper and 43,100 ounces of gold
  - Mineral Resources – 19% increase in copper and gold net of mining depletion to 137,200 tonnes of copper and 118,800 ounces of gold
- Combined Eloise and Jericho Mineral Resources now total 15.5Mt grading 2.0% copper and 0.5g/t gold containing 317,200 tonnes of copper and 229,400 ounces of gold – **a cornerstone asset.**
- Jericho Mining Licence and Environmental Authority applications lodged.

Exploration

- **Eloise Lens 6** continues to deliver excellent results:
  - ED242 – 11.0m (10.6m ETW) grading 3.0% Cu and 1.0g/t Au
- **Peake and Denison** – two maiden drill holes intersected anomalous copper mineralisation associated with extensive alteration of a style similar to large IOCG deposits – warranting further testing.

Corporate

- A two-tranche placement to fund CY23 work programs for the Jericho mine development and Eloise processing plant expansion was launched during the Quarter. Tranche 1 ($24.1 million net proceeds) settled during the Quarter and Tranche 2 ($4.4 million net proceeds) settled subsequent to the end of the Quarter.
- At 31 March 2023, AIC Mines held $37.7 million in cash at bank.

PRODUCTION

Eloise Copper Mine

The Eloise Mine is located 60 kilometres southeast of Cloncurry in North Queensland. Current operations consist of an underground mine accessed via decline. The upper levels of the mine (above 1,190m below surface) are extracted by longhole open stoping and the lower levels are extracted by sublevel caving, together producing up to 700,000tpa ore. Eloise is an owner-miner operation with a mining contractor used for underground development.

Processing is via conventional crushing, grinding and sulphide flotation with capacity to treat up to 725,000tpa. Metallurgically, the ore is very consistent as the ore mineralogy at Eloise is almost exclusively chalcopyrite. Processing achieves high copper recoveries and produces a clean concentrate. The concentrate has significant by-product credits from gold and silver.

Safety and Environment

The Total Recordable Injury Frequency Rate (12 month moving average) at 31 March 2023 was 14.9 per one million hours worked. Pleasingly, no recordable injuries occurred in the March quarter. Throughout the quarter a progressive review of AIC Mines' safety management system was advanced as was the roll out of the Eloise critical risk program.

The extended and significant wet season resulted in two environmental incidents notifiable to the Queensland Department of Environment and Science. Both events involved water discharge during high flow events. No environmental harm resulted from these events with testing of the water during the flow event confirming the discharge was within acceptable limits for the receiving environment.

An amendment to the Eloise Environmental Authority, the final permitting requirement for the new tailings facility (TD5), was received in March 2023. The consequent expanded disturbance footprint requires an updated environmental bond to be lodged with Queensland Treasury. The increase is expected to be approximately $4.4M and will need to be lodged during the June 2023 Quarter.

Sustainability

Sustainability initiatives during the March 2023 Quarter included:

- Entered into an agreement with North Queensland based WLH Recruitment & Labour Hire to offer employment to First Nations people, particularly those with connections to the Cloncurry area.
- Conclusion of an enabling leadership course for supervisors.
- Employment of two new apprentices (mechanics).

During the Quarter the Queensland Premier announced that the Queensland Government will build and own CopperString 2.0 – a 1000-kilometre, high voltage transmission network connecting Mount Isa and the North West Minerals Province with the national electricity grid near Townsville. Early works have commenced, and full-scale construction is expected to commence in early 2024.

The CopperString transmission network will provide access to grid power and renewable energy sources. It will run through Hughenden where over 6,000 megawatts of renewable energy projects (solar and wind) are currently in production, development and planning stages.

AIC Mines has lodged a formal connection enquiry for access to the CopperString transmission network for Eloise. Connection to the network, via the Chumvale or Dajarra substations in Cloncurry, would significantly reduce the cost of power at Eloise and, importantly, reduce our greenhouse gas emissions.

Production and Costs

Eloise produced 9,295dmt of concentrate containing 2,475t of copper at an AISC of A$5.76/lb of copper sold after by-product credits in the March 2023 Quarter.

Production was similar to the previous Quarter having been impacted by:

- Site-wide power outage due to separate failures of two high voltage circuit-breakers. Specialist high-voltage electricians were mobilised to site to repair the failed circuit-breakers.
- Planned three-day mill shutdown completed in February for mill reline and launder replacements.
- Very high rainfall in the region in March saw numerous road closures causing late arrival of critical supplies (specifically cement and explosives).
- High rainfall in February and March also put strain on site water storage capacity requiring intermittent processing stoppages to manage water storage levels.
- Ground movement and a period of high water inflow slowed development in the Deeps.

Improvement is underway with commencement of mining in Macy North. Ore production commenced in Macy North Lens 1 as planned in late-February 2023 and production from the Macy North 675L stope commenced in early March 2023. The Macy North deposit (average grade of 2.3% Cu) is relatively shallow providing higher productivity than deeper areas in the mine. This has been evident in recent weeks with improved trucking rates achieved.

Grade improved in the Quarter due to the high proportion of ore from the Deeps (73%).

Mobile equipment availability improved during the Quarter. This was seen in improved availability statistics and, importantly, in the continuing upward trend in TKM (tonnes of material trucked multiplied by distance trucked) data (see Chart 1).

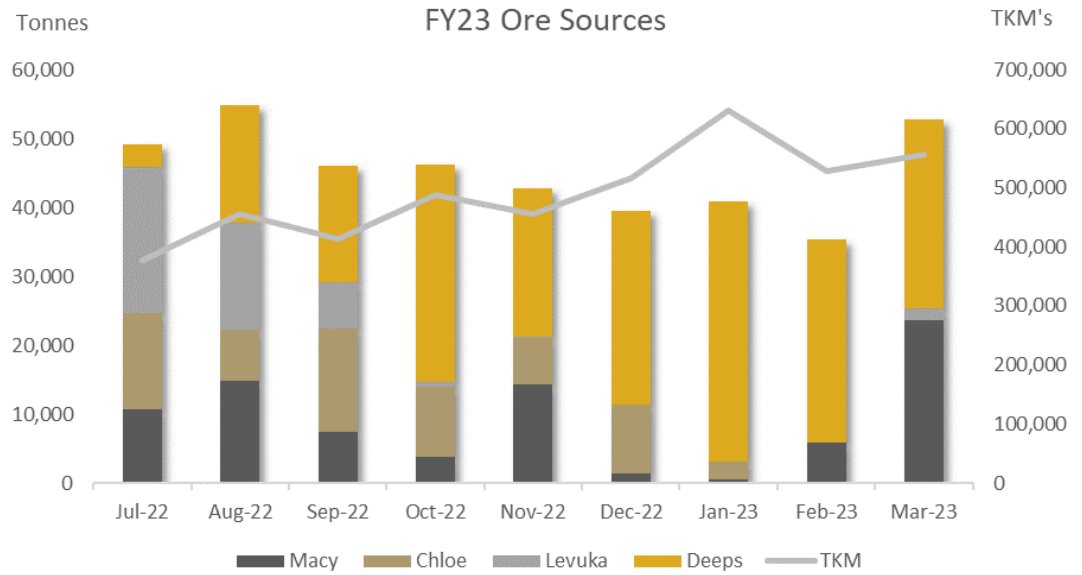


Chart 1. Ore production location and TKM (tonnes of material trucked multiplied by distance trucked)

The truck rebuild program is now well advanced. AIC Mines' Truck 21 returned to site in November 2022 and Truck 24 returned in February 2023 following as-new rebuilds. Truck 23 is currently undergoing a partial rebuild and is expected to return to site in May 2023. Truck 25 will leave site in July 2023 for an as-new rebuild. Pybar, the underground development contractor at Eloise, also commissioned two trucks late in the Quarter and now haul all development waste and ore.

Operating costs have been relatively stable over the past 6 months. Total operating costs have been approximately $22.5M per Quarter. While some consumables have increased in price over the period,

a lower diesel price has offset these increases. Unit costs are higher than target predominantly due to low production.

Eloise Production and Cost Metrics	Units	September 2022 Quarter	December 2022 Quarter	March 2023 Quarter
Underground development - capital	m	485	490	468
Underground development - operating	m	480	237	311
Total development	m	964	727	779
Ore mined	kt	150	131	129
Copper grade mined	%	1.75%	1.98%	2.06%
Tonnes processed	kt	153	137	123
Copper grade processed	%	1.80%	1.97%	2.14%
Copper recovery	%	95.2%	95.0%	93.7%
Concentrate produced	dmt	9,828	9,187	9,295
Copper in concentrate	t	2,629	2,565	2,475
Payable copper produced	**t**	**2,530**	**2,473**	**2,382**
Gold produced	oz	1,305	1,263	1,136
Silver produced	oz	22,349	23,317	23,344
Copper sold	**t**	**2,334**	**2,529**	**2,467**
Achieved copper price	**A$/t**	**11,389**	**12,970**	**13,435**
Achieved copper price	A$/lb	5.17	5.88	6.09
Gold sold	oz	1,203	1,255	1,228
Achieved gold price	A$/oz	2,692	2,766	2,684
Silver sold	oz	18,632	22,870	23,419
Achieved silver price	A$/oz	33	34	29
Cost Summary				
Mining	A$/lb prod	1.45	1.92	2.09
Processing	A$/lb prod	1.38	1.32	1.27
Site admin and transport	A$/lb prod	0.72	0.65	0.67
TC/RC and shipping	A$/lb prod	0.58	0.56	0.67
Ore stockpile adjustments	A$/lb prod	(0.03)	0.04	(0.09)
By-product credits	A$/lb prod	(0.64)	(0.81)	(0.76)
C1 Cash Cost	**A$/lb prod**	**3.45**	**3.67**	**3.86**
C1 Cash Cost	A$/lb sold	3.74	3.59	3.73
Royalties	A$/lb sold	0.24	0.23	0.26
Metal in circuit and finished goods	A$/lb sold	(0.28)	(0.03)	0.15
Reclamation and other adjustments	A$/lb sold	0.0	0.01	0.05
All-in Sustaining Capital [1]	A$/lb sold	1.65	1.73	1.58
All-in Sustaining Cost	**A$/lb sold**	**5.35**	**5.54**	**5.76**
All-in Capital [2]	A$/lb sold	1.58	0.97	0.36
All-in Cost	**A$/lb sold**	**6.93**	**6.51**	**6.12**
Depreciation & Amortisation[3]	A$/lb prod	0.98	1.15	1.41

1. All-in Sustaining Capital includes PPE, Resource Definition and 80% of underground mine development capital
2. All-in Capital includes major project capital and 20% of underground mine development capital
3. Depreciation & Amortisation information is preliminary and subject to FY23 year-end review

Outlook

Increased production is expected in the June 2023 Quarter now that mining of Macy North is underway. Production of approximately 2,700t – 2,800t Cu and 1,350oz Au in concentrate is targeted in the June 2023 Quarter. The FY23 production target for Eloise of approximately 12,500t Cu and 6,000oz Au in concentrate will not be achieved.

Planned ore sources for the June 2023 Quarter are:

- 54% from Macy North (4.6km haul to ROM)
- 25% from Deeps (12.1km haul to ROM)
- 21% from Levuka (8.4km haul to ROM)

Mineral Resources and Ore Reserves

Updated Mineral Resource and Ore Reserve estimates for Eloise as at 31 December 2022 were reported during the Quarter (see AIC Mines ASX announcement "Significant Increase in Mineral Resources and Ore Reserves at Eloise Copper Mine" dated 30 March 2023.

Exploration and resource definition drilling, conducted over the six-month period from 30 June 2022 to 31 December 2022, and improved geological controls and mine planning delivered a significant increase in the Mineral Resource and Ore Reserve estimates in terms of ore tonnes and contained copper, gold and silver (see Tables 1 and 2).

Total Mineral Resource tonnes at Eloise increased by 20%, contained copper by 19% and contained gold by 19% net of mining depletion from 30 June 2022 to 31 December 2022.

Table 1. Eloise Copper Mine – Mineral Resources as at 31 December 2022

Resource Category	Ore Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	3,987,000	2.3	0.6	9.8	93,500	81,100	1,249,900
Inferred	1,717,000	2.5	0.7	10.1	43,700	37,700	556,300
Total	**5,704,000**	**2.4**	**0.6**	**9.8**	**137,200**	**118,800**	**1,806,200**

Mineral Resources are inclusive of Ore Reserves.
Mineral Resources are estimated using a 1.1% Cu cut-off above 0mRL (1,190mBSL) and 1.4% Cu below 0mRL.
Tonnages have been rounded to the nearest 1,000 tonnes.

Total Ore Reserve tonnes increased by 42%, contained copper by 46% and contained gold by 32% net of mining depletion from 30 June 2022 to 31 December 2022.

Table 2. Eloise Copper Mine – Ore Reserves as at 31 December 2022

Reserve Category	Ore Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	5,000	1.5	0.5	7.7	100	100	1,300
Probable	2,193,000	2.4	0.6	8.8	52,500	43,000	619,400
Total	**2,198,000**	**2.4**	**0.6**	**8.8**	**52,600**	**43,100**	**620,700**

Ore Reserves are estimated using a 1.4% Cu cut-off above 0mRL and 1.6% Cu cut-off below 0mRL.
Tonnages have been rounded to the nearest 1,000 tonnes.

The Eloise Mineral Resources and Ore Reserve estimates are based on a long-term copper price of A$10,500/t and are reported and classified in accordance with the JORC Code (2012). The economic inputs and cut-off grades used for the 31 December 2022 Ore Reserve estimate are identical to those used for the previous estimate as at 30 June 2022.

Since taking ownership of the Eloise Copper Mine in November 2021, AIC Mines has completed almost 15,000m of underground drilling in the Macy, Levuka and Deeps areas at a cost of $4.6M. The drilling has delivered the increase in Ore Reserves and Mineral Resources at a cost of $0.09/lb of copper and $0.03/lb of copper respectively.

Ongoing evaluation of the Eloise drilling database continues to identify opportunities for Mineral Resource and Ore Reserve growth.

Exploration and Resource Drilling

The current focus of resource definition drilling at Eloise includes targeting additional Ore Reserves in the upper zone at Macy and Levuka as well as extending Ore Reserves in the Deeps at Lens 6. A second underground drilling rig commenced drilling during the Quarter.

Resource definition drilling in the **Macy** area continues to confirm the continuity of high-grade mineralisation. Significant intercepts received during the Quarter include:

- MA268 – 6.1m (5.6m ETW) grading 2.5% Cu and 1.5g/t Au
- MA286 – 7.7m (7.5m ETW) grading 3.7% Cu and 2.1g/t Au
- MA288 – 2.0m (1.8m ETW) grading 1.5% Cu and 0.2g/t Au

Macy North drilling intersected high-grade mineralisation 180m north and 110m up plunge beyond the current Mineral Resource limits. Significant intercepts received during the Quarter include:

- MA318 – 2.0m (1.8m ETW) grading 2.3% Cu and 0.3g/t Au;
  2.2m (1.7m ETW) grading 1.1% Cu and 0.3g/t Au;
  4.0m (3.0m ETW) grading 1.6% Cu and 0.7g/t Au; and
  3.1m (2.3m ETW) grading 1.2% Cu and 0.1g/t Au

For further details of Macy and Macy North drilling see Appendix 1 (Table 1) and AIC Mines ASX announcement “Exploration Extends Macy Ore Lenses” dated 13 October 2022.

Underground exploration drilling at the new **Lens 6** discovery continued during the Quarter, extending the mineralisation 75m up plunge and along strike beyond the current Mineral Resource limits. High-grade mineralisation remains open up and down plunge. Significant intercepts received during the Quarter include:

- ED242 – 11.0m (10.6m ETW) grading 3.0% Cu and 1.0g/t Au

For further details see Appendix 1 (Table 2) and AIC Mines ASX announcement “Lens 6 Discovery” dated 30 September 2022.

PROJECT DEVELOPMENT

Jericho Mine Development and Eloise Processing Plant Expansion

The recently acquired Jericho copper deposit is located 4 kilometres south of the Eloise processing plant and has similar geology, mineralisation and metallurgy to Eloise. Planned development of the Jericho mine and expansion of the Eloise processing plant will lift production to over 20,000tpa copper and 10,000ozpa gold. It will reduce operating costs through economies of scale and de-risk production by increasing the number of available ore sources. Development of Jericho transforms Eloise into a cornerstone asset.

Approvals Process

Work during the Quarter culminated in lodgement of Mining Licence (ML) and Environmental Authority (EA) applications. The Jericho ML and EA are expected to be approved in the March 2024 Quarter enabling construction of the Jericho portal, water storage dam and surface workshop to commence.

Work commenced on the initial Eloise EA amendment application relevant to the Eloise processing plant expansion and is expected to be lodged in the September 2023 Quarter.

Jericho Mining Studies

During the Quarter a re-estimate of the Jericho Mineral Resource was completed (see AIC Mines ASX announcement "Jericho Mineral Resources" dated 6 February 2023). The new estimate (see Table 3) uses a higher cut-off grade than that used by the previous owner (1.0% Cu compared to 0.85% Cu) and is constrained within optimised stope shapes. The new estimate is more robust and better suited to mine planning.

Table 3. Jericho Copper Deposit – Mineral Resources as at 31 January 2023

Resource Category	Ore Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	2,629,000	2.0	0.4	2.3	52,400	31,400	191,600
Inferred	7,214,000	1.8	0.4	2.0	127,600	79,200	453,500
Total	**9,843,000**	**1.8**	**0.4**	**2.0**	**180,000**	**110,600**	**645,100**

Mineral Resources are estimated using a 1.0% Cu cut-off within optimised stope shapes.
Tonnages have been rounded to the nearest 1,000 tonnes.

The Mineral Resource estimate is based on a long-term copper price of A$10,500/t and is reported and classified in accordance with the JORC Code (2012).

The Jericho Mineral Resource has a strike length of over 2.3 kilometres, commencing at 50m below surface and extends to a vertical depth of 550m below surface (see Figure 1). Mineralisation remains open along strike and at depth.

Mining studies, under the guidance of consultants Orelogy Ltd, are progressing and the maiden Jericho Ore Reserve estimate is expected to be completed in the June 2023 Quarter.

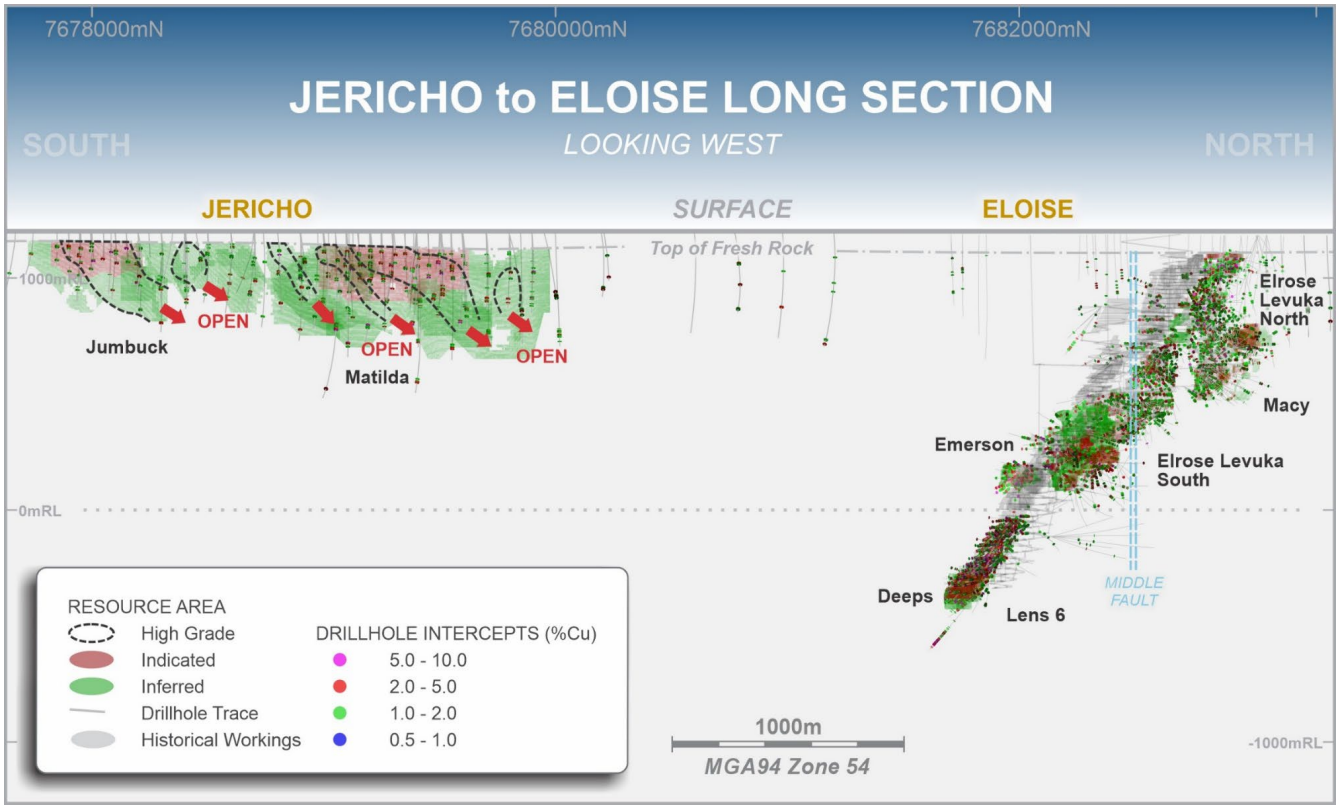


Figure 1. Jericho to Eloise Long Section

Eloise Processing Plant Expansion Studies

GR Engineering Services commenced an expansion trade-off study to understand existing process constraints and expansion strategy options. The study will be completed in the June 2023 Quarter. The study has quantified crushing, grinding, rougher flotation and concentrate filtration capacity constraints in the current plant. Initial designs for upgrades to the crushing, grinding, flotation and concentrate dewatering circuits have commenced.

Preliminary findings indicate that a staged expansion of the Eloise processing plant may provide the best return on investment and minimise production interruption.

Engineering studies for supporting infrastructure and services, including offices and camp facilities at Eloise, have commenced.

Jericho Resource Drilling

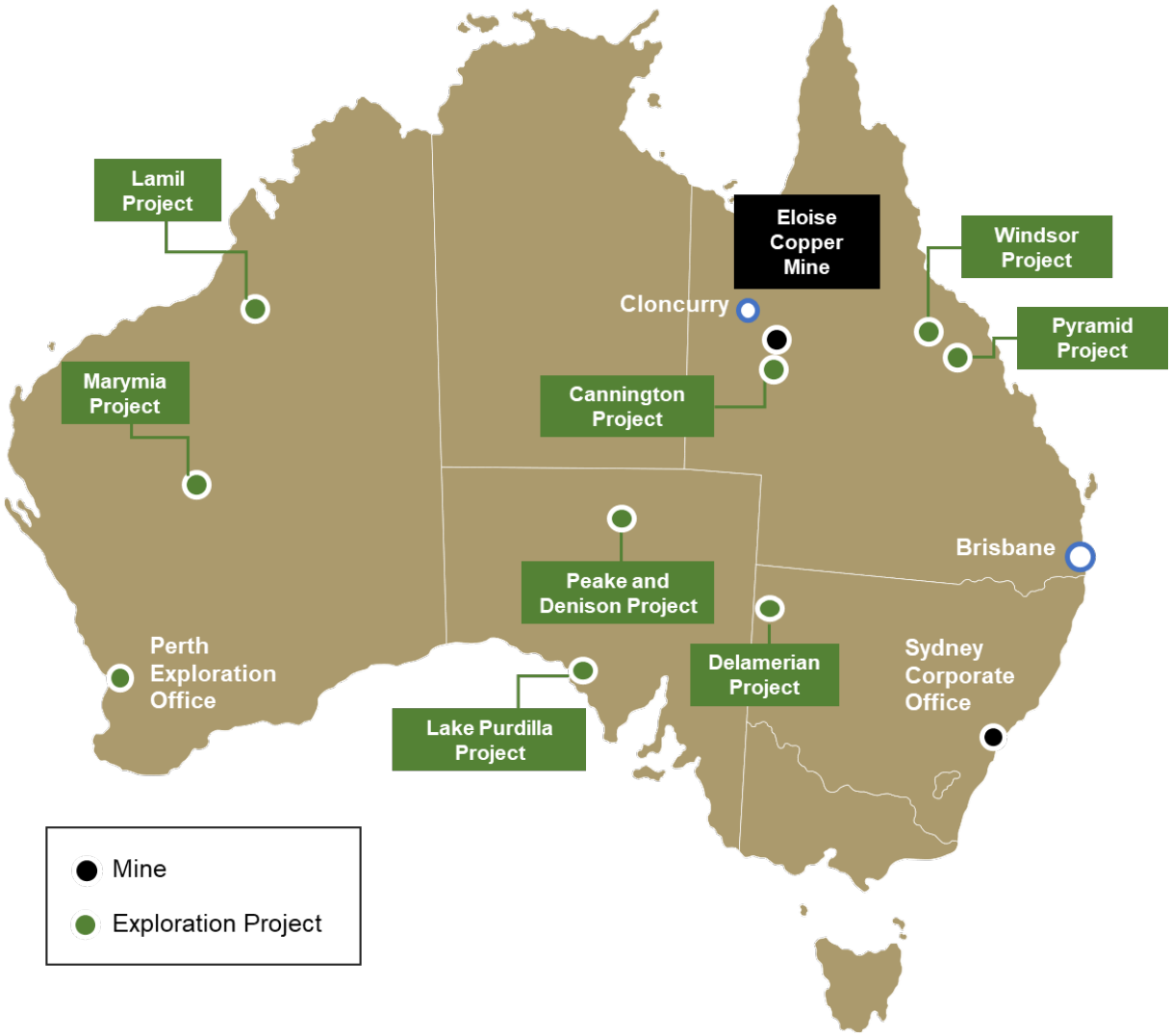
Approximately 20,000m of drilling is planned for Jericho. The program is expected to commence in the June 2023 Quarter and will target both resource definition (infill) and extension drilling:

- Resource definition drilling to upgrade Inferred Resources to Indicated Resources will provide a larger base for ultimate conversion to Probable Reserves.
- Extension drilling is expected to extend the known high-grade lenses at depth and drilling along strike has the potential to locate additional high-grade lenses.

The Jericho Mineral Resource is currently constrained by drilling to a vertical depth of 550m below surface. This compares to the Eloise deposit, which is known to extend to 1,800m below surface. There is approximately 7.8Mt of Mineral Inventory at Jericho (above a 1% Cu cut-off and within optimised stope shapes) that is insufficiently drilled to qualify as Inferred Resource. Infill drilling of this Mineral Inventory therefore provides an excellent opportunity to expand the Jericho Mineral Resource.

EXPLORATION

AIC Mines holds a pipeline of copper, gold and base metal exploration projects capturing extensive land positions in well-endowed mineral sub-provinces across Australia.



AIC Mines' exploration portfolio has expanded significantly as a result of the recent acquisition of exploration company Demetallica Limited. AIC Mines is currently reviewing the expanded portfolio with the aim of divesting or joint venturing early stage and non-core projects (i.e. those projects that are not copper or gold focused).

Eloise Regional Project (AIC Mines 100%)

The Eloise Regional project consists of approximately 2,000km^2 of contiguous tenure immediately surrounding the Eloise mine (see Figure 2). The project contains a rich pipeline of targets from early-stage prospects (e.g. **Defiance**) to advanced exploration prospects (e.g. **Iris-Electra-Big Foot** trend) to known resources at **Sandy Creek** and **Artemis.**

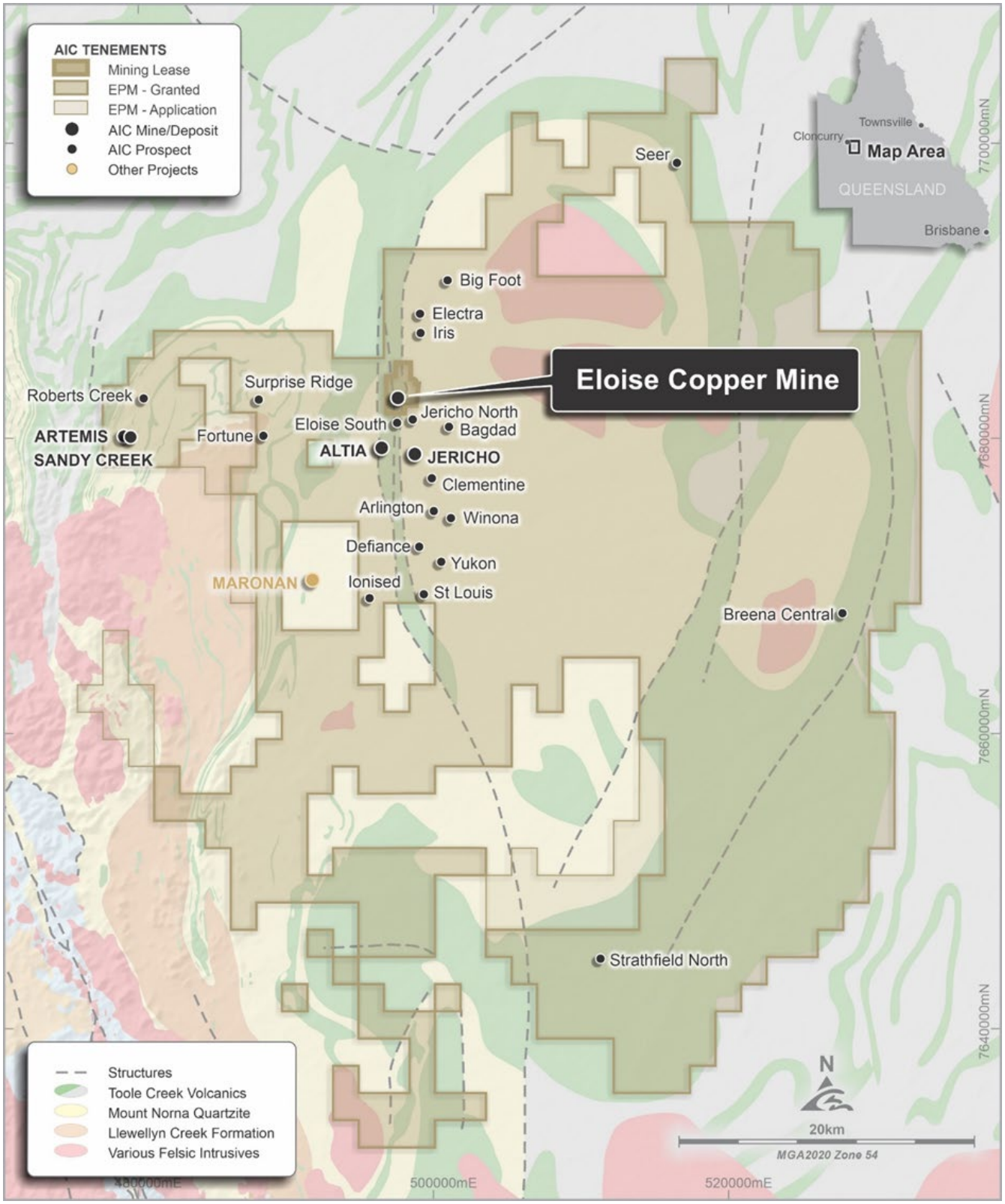


Figure 2. Eloise regional exploration tenure showing idenitifed prospects

The highest priority prospect within the Eloise Regional Project area (i.e. excluding Jericho) is the Sandy Creek prospect located approximately 20 kilometres west of Eloise. Sandy Creek contains an historic resource of 2Mt grading 1.32% Cu and 0.30g/t Au (see Demetallica Limited's Prospectus dated 8 April 2022 for further details and for the Competent Person's Statement relating to the Sandy Creek Mineral Resource). Mineralisation at Sandy Creek is open both along strike and down dip. It has only been

effectively drilled to a depth of 200m below surface (see Figure 3). Exploration drilling planned for late in 2023 aims to better define the higher-grade zones and extend the mineralisation down plunge.

Exploration drilling is also planned at the nearby polymetallic Artemis prospect (located 200m west of Sandy Creek) and at the Iris copper target (located 5km north of Eloise).

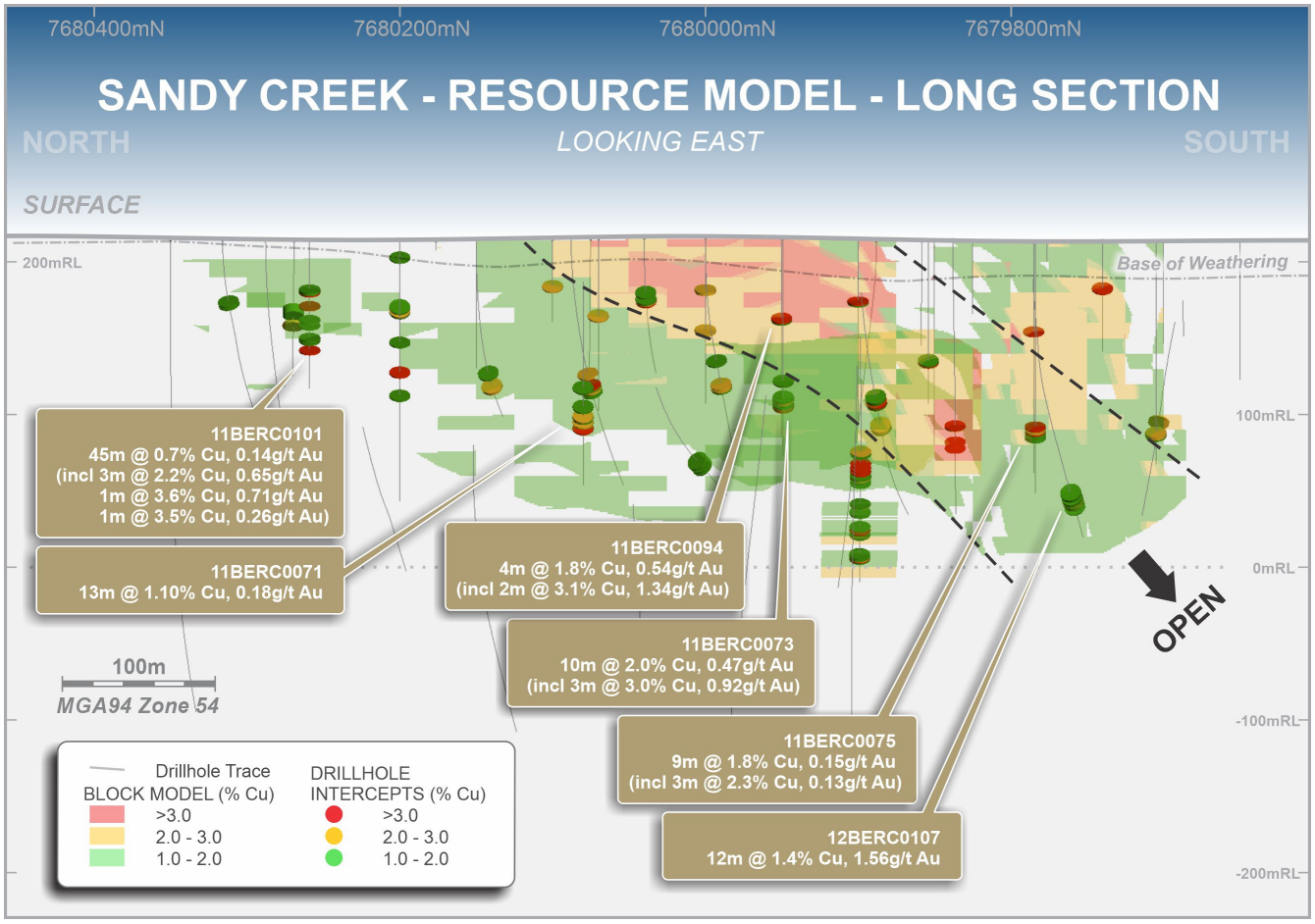


Figure 3. Sandy Creek long section showing higher grade plunge to the south

Marymia Project (predominantly 100% owned tenements)

AIC Mines holds over 2,100km^2 of tenements located 790 kilometres northeast of Perth on the northern margin of the Yilgarn Craton. The project includes 100% owned tenure and a joint venture with Venus Metals Corporation Limited (ASX: VMC) (see Figure 4). The Marymia Project is prospective for both gold and copper deposits. It is strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine.

Drilling at the **Copper Hills** prospect completed in 2022 to test for VHMS style copper mineralisation, similar to known copper deposits in the region, highlighted two zones of interest – one centred on drillhole 22ACHAC0013 and a second zone over 1km centred on drillhole 21ACHC007 (see Figure 5). Follow-up exploration is planned for later 2023. For full details of the Copper Hills drilling see AIC Mines ASX announcement "Drilling Commences at the Marymia Gold and Copper Project" dated 15 September 2022 and Appendix 1 (Table 3) and Appendix 2 to this report.

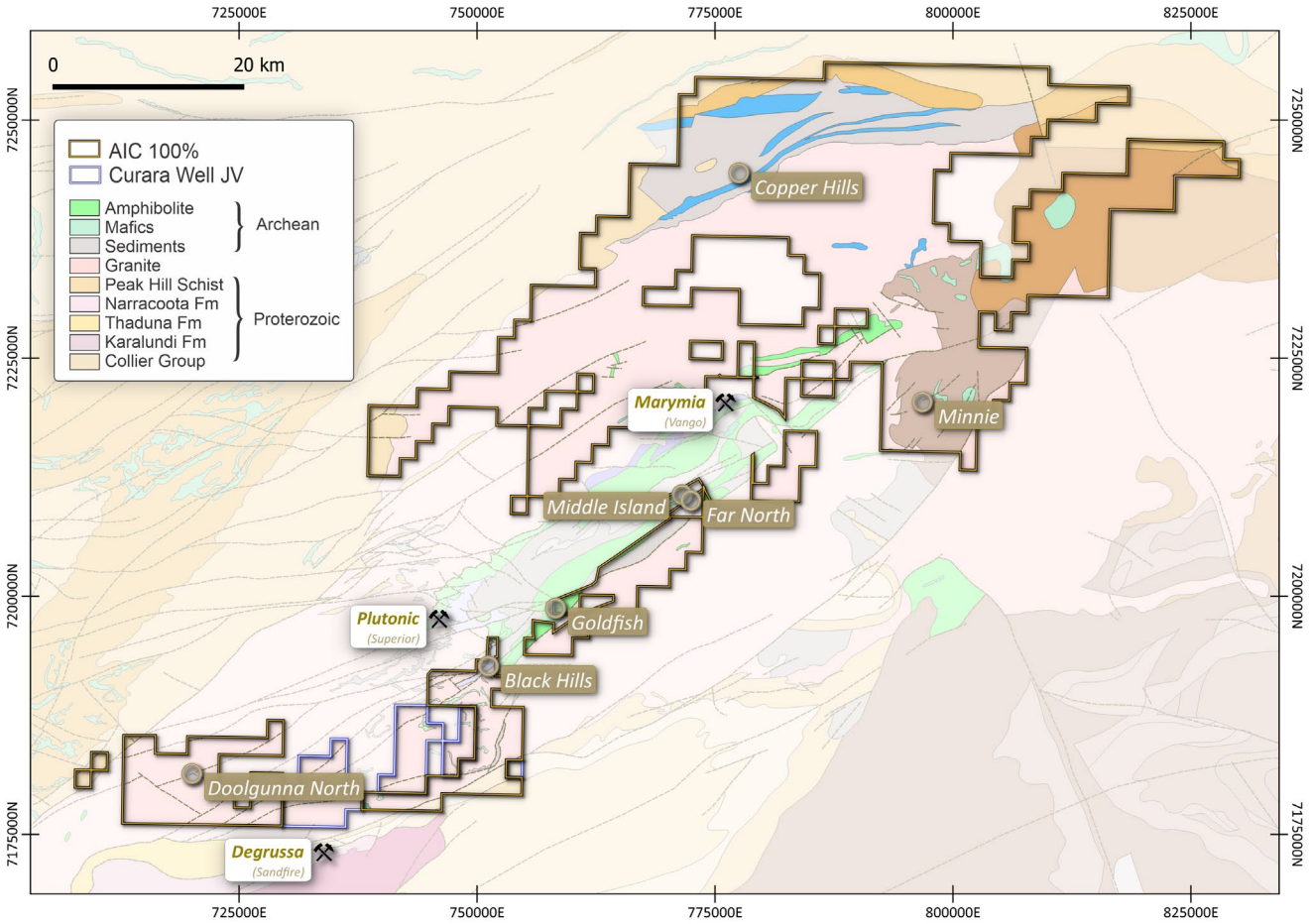


Figure 4. Marymia Project Location with target areas

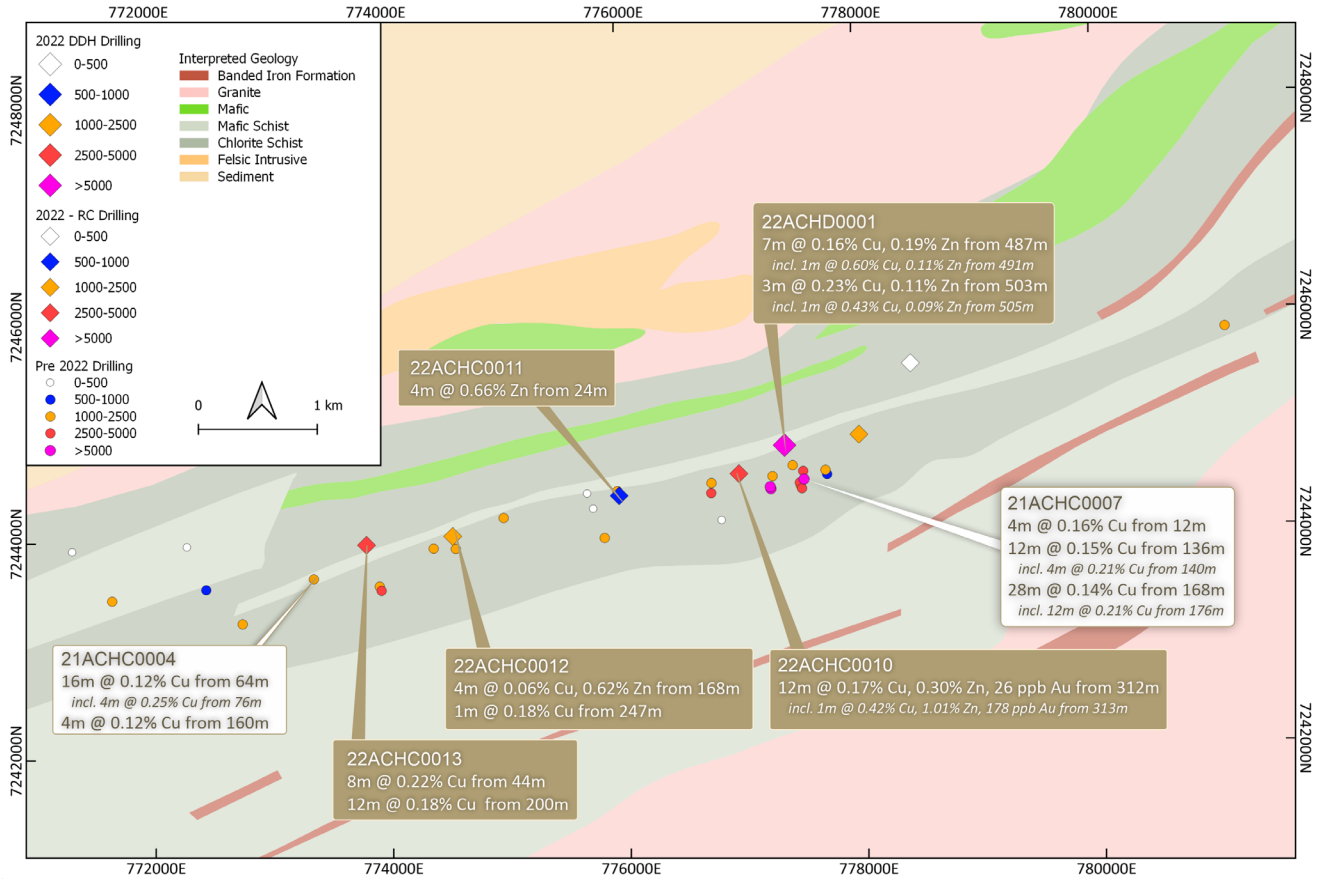


Figure 5. Copper Hills prospect showing significant results from the 2022 drilling campaign

Peake and Denison Project (AIC Mines 100%, OZ Minerals earning 70%)

The Peake and Denison project is located 750km NNW of Adelaide along the north-eastern margin of the Gawler Craton and 150km NE of the Prominent Hill Mine (see Figure 6). The project tenements cover approximately 2,500km^2 of the Peake and Denison Inlier. Exploration is funded by OZ Minerals Ltd under a Farm-in and Joint Venture Agreement. OZ Minerals Ltd can earn an initial 51% interest in the project by sole funding $4 million of exploration expenditure over three years (Stage 1). OZ Minerals Ltd can earn an additional 19% interest by sole funding a further $6 million of expenditure over the subsequent three years (Stage 2).

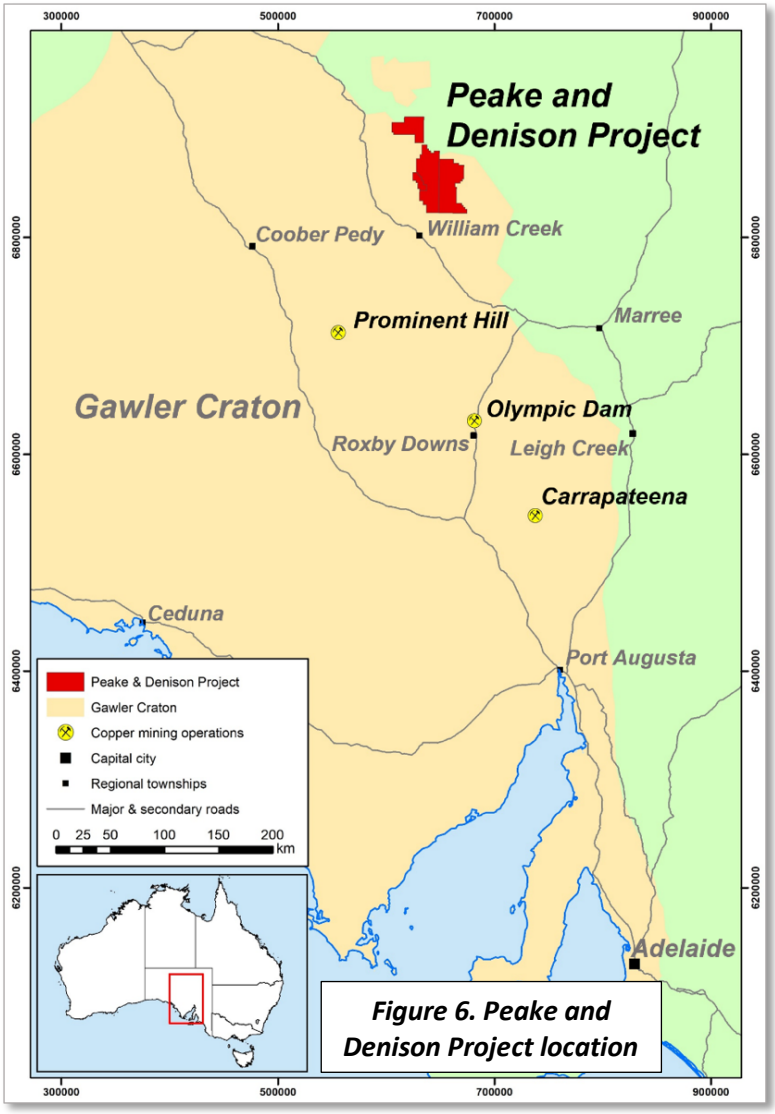


Figure 6. Peake and Denison Project location

Three targets were selected for initial testing by diamond drilling (see Figure 7) however, only the Mawson and Wills targets were effectively tested as the hole testing the Wentworth target encountered drilling difficulties in the cover sequence and was abandoned at 107m depth. Both the Wills and Mawson targets intersected anomalous copper sulphide mineralisation (chalcopyrite) associated with intense hydrothermal alteration throughout the length of basement intersected, including the following intercepts:

- Wills Target – drillhole WL22DD001
  - 27m grading 0.08% Cu from 449m including:
    - 1m grading 0.20% Cu from 458m; and
    - 5m grading 0.12% Cu from 470m
  - 10m grading 0.21% Cu from 572m including 3m grading 0.40% Cu from 575m
- Mawson Target – drillhole MW22DD001
  - 6.0m grading 0.11% Cu from 384m

For full details of the Peake and Denison drilling program see ASX announcement "Encouraging Copper Results from Maiden Drilling Program at Peake and Denison Project" released by Demetallica Limited on 18 January 2023 and Appendix 1 (Table 4) to this report.

The drilling has confirmed that the large discrete magnetic and gravity features are the result of intense hydrothermal alteration associated with copper mineralisation. This is highly encouraging given the ample space remaining to define further copper mineralisation on the scale of a large IOCG deposit. Further work is warranted.

Studies of the mineralisation have commenced to provide insight into the alteration and establish if the mineralisation is temporally related to the copper-gold deposits in the Cloncurry region.

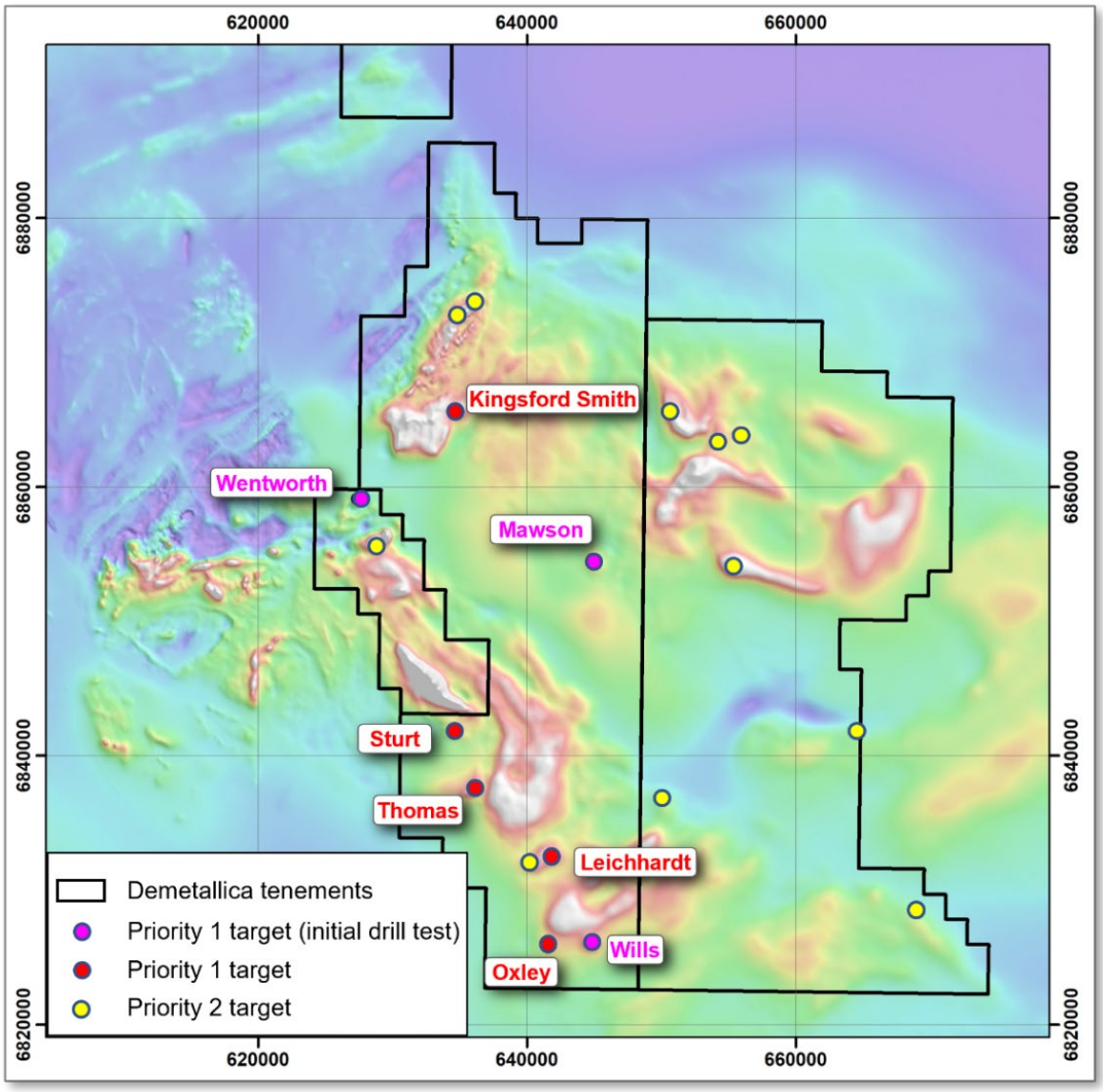


Figure 7. Peake and Denison target locations on magnetic image

CORPORATE

Financial Performance

Eloise produced 2,382t of payable copper and sold 2,467t of copper during the Quarter at an average price of A$13,435/t generating $33.6 million in metal sales post TC/RC deductions and including gold and silver by-product credits (31 December 2022: $34.0 million). Operating cashflow for the Quarter was $11.0 million and after capital investment of $10.5 million (31 December 2022: $15.1 million), net mine cashflow was $0.5 million.

Cash received from operations during the Quarter related to provisionally priced concentrate shipments in January and February 2023 of which 90% of the shipment values were received with the remaining amounts subject to finalisation of the quotational periods and shipment assays. Finalisation amounts for September, October and November 2022 were also received during the Quarter. The remaining 5% of December 2022 production not presold in the December 2022 Quarter was received along with the presale of 75% of March 2023 production.

With a significant reduction in capital investment following substantial completion of the new tailings storage facility (TD5) Eloise returned to positive cashflow.

Significant sustaining capital expenditure for the Quarter (captured in AISC) included:

- $1.0 million on resource definition drilling
- $0.2 million on diesel generator rebuilds
- $6.8 million in sustaining underground mine development

Significant major project capital expenditure (captured in AIC) included:

- $1.7 million for expansionary mine development

During the Quarter, AIC Mines entered into an agreement with NAB to finance up to 3 truck rebuilds for $1.3 million each over 3-year terms. Two of four trucks have now been fully rebuilt with the third truck expected back on site in May 2023.

The AISC of A$5.76/lb copper sold was higher than the prior Quarter primarily due to lower copper tonnes produced and subsequently sold. Gross operating costs were in line with the prior Quarter. Over the past 6 months Eloise has seen relatively stable operating costs of approximately $22.5 million per Quarter. While some consumables have increased in price over the period, a lower diesel price has served to counter these increases. With production set to increase in the June and September 2023 Quarters, unit costs are expected to fall.

Capital Raising

During the Quarter, AIC Mines launched an equity raising of $30.0 million via a two tranche institutional placement comprising:

- the issue of approximately 56.3 million new fully paid ordinary shares to raise $25.3 million, to be issued utilising the Company's available capacity under Listing Rule 7.1 (Tranche One); and
- the issue of approximately 10.4 million new fully paid ordinary shares to raise $4.7 million, subject to shareholder approval (Tranche Two).

The settlement of new shares under Tranche One completed on 15 February 2023 with $24.1 million received after costs. The settlement of new shares under Tranche Two completed on 4 April 2023 with $4.4 million received after costs.

The Placement proceeds will be predominantly used to fund initial work related to the Jericho mine development and Eloise processing plant expansion, specifically:

- Jericho mining studies.
- Eloise expansion studies.
- Jericho resource definition and extension drilling.
- Early works for new crusher and surface infrastructure upgrades.

AIC Mines finished the Quarter with $37.7 million in cash at bank (31 December 2022: $19.3 million).

AIC Mines creditor position (trade and other payables) reduced during the Quarter to finish at $11.5 million (31 December 2022: $17.7 million).

The table below summarises AIC Mines cash movements for the Quarter.

Cashflow (A$ Millions)	September 2022 Quarter	December 2022 Quarter	March 2023 Quarter
Metal sales (net of TC/RC)[1]	27.2	34.0	33.6
Mine operating costs	(21.0)	(22.5)	(22.6)
Operating Mine Cashflow	**6.2**	**11.5**	**11.0**
Total capital	(16.6)	(15.1)	(10.5)
Net Mine Cashflow	**(10.4)**	**(3.6)**	**0.5**
Corporate and exploration	(3.2)	(2.6)	(2.9)
Net interest and other income	0.1	0.1	0.2
Working capital movement	7.6	(4.3)	(3.3)
Group Cashflow	**(6.0)**	**(10.4)**	**(5.6)**
Return of cash backed bond	-	6.8	-
Net cash acquired from Demetallica	-	1.6	-
Cash received from Tranche 1 raising	-	-	24.1
Acquisition and integration costs	(0.0)	(0.8)	(0.1)
Net Group Cashflow	**(6.0)**	**(2.9)**	**18.4**
Opening Cash Balance 1 Jul 2022	**28.1**		
Opening Cash Balance 1 Oct 2022		**22.1**	
Opening Cash Balance 1 Jan 2023			**19.3**
Closing Cash Balance	**22.1**	**19.3**	**37.7**

1. Metals sales information is preliminary and subject to FY23 year-end review

Authorisation

This Quarterly Activities Report has been approved for issue by, and enquiries regarding this report may be directed to Aaron Colleran, Managing Director, via email at info@aicmines.com.au.

Competent Person's Statement – Exploration Results

The information in this report that relates to Exploration Results is based on, and fairly represents information compiled by Michael Taylor who is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Taylor is a full-time employee of AIC Mines Limited. Mr Taylor consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement – Eloise Drilling Results and Mineral Resources

The information in this announcement that relates to Eloise drilling results and Mineral Resources is based on information, and fairly represents information and supporting documentation compiled by Matthew Thomas who is a member of the Australasian Institute of Mining and Metallurgy and Angas Cunningham who is a member of the Australasian Institute of Geoscientists. Mr Thomas and Mr Cunningham have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr. Thomas and Mr. Cunningham are full-time employees of AIC Copper Pty Ltd and are based at the Eloise Mine. Mr Thomas and Mr Cunningham consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Competent Person's Statement – Eloise Ore Reserves

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

Competent Person's Statement – Jericho Mineral Resources

The information in this announcement that relates to the Jericho Mineral Resource is based on information, and fairly represents information and supporting documentation compiled by Matthew Fallon who is a member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Fallon is a full-time employee of AIC Mines Limited. Mr Fallon consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Exploration and Mineral Resource Information Extracted from ASX Announcements

This report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). These announcements are listed below.

Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcements lodged on the ASX by AIC Mines:

- Drilling Commences at the Marymia Gold and Copper Project 15 September 2022
- Lens 6 Discovery - Eloise Copper Mine 30 September 2022
- Exploration Extends Macy Ore Lenses, Eloise Copper Mine 13 October 2022
- Jericho Mineral Resource 6 February 2023
- Significant Increase in Mineral Resources and Ore Reserves at Eloise Mine 30 March 2023

Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcements lodged on the ASX by Demetallica Limited:

- Encouraging Copper Results from Maiden Drilling Program at Peake & Denison 18 January 2023

These announcements are available for viewing on the Company's website www.aicmines.com.au under the Investors tab.

AIC Mines confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Forward Looking Statements

This announcement contains forward looking statements about AIC Mines and Eloise. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "target" and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates, expected costs or production outputs, the outcome and effects of the proposed Transaction and future operation of AIC Mines. To the extent that these materials contain forward looking information, the forward looking information is subject to a number of risk factors, including those generally associated with the gold industry. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which AIC Mines and Eloise operate or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Any such forward looking statements are also based on current assumptions which may ultimately prove to be materially incorrect. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to AIC Mines as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), AIC Mines undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward looking statements.

Appendix 1

Table 1: Eloise Mine – Macy Resource Definition Drilling – Drill Hole Locations and Anomalous Intercepts

JORC Code 2012 Assessment and Reporting Criteria for these holes is included in AIC Mines ASX announcement "Drilling Results from Macy Deposit" dated 3 August 2022.

Hole ID	Hole Type	Northing Local (m)	Easting Local (m)	Elevation Local (m)	Hole Length (m)	Dip Local	Azi Local	From (m)	To (m)	Downhole Interval (m)	ETW (m)	Copper Grade %	Gold Grade g/t	Lens Number
MA268	DD	82698.7	97660.0	1081.9	395.0	-21.9	277.0	213.7	219.8	6.1	5.6	2.5	1.5	5
MA286	DD	82870.0	97531.5	725.2	213.0	17.1	284.2	193.2	200.9	7.7	7.5	3.7	2.1	1
MA288	DD	82870.1	97532.1	725.0	215.9	16.2	291.5	201.0	203.0	2.0	1.8	1.5	0.2	5
MA318	DD	82870.9	97532.6	726.0	360.8	34.5	317.8	250.8	252.8	2.0	1.8	2.3	0.3	5
								330.2	332.4	2.2	1.7	1.1	0.3	2
								337.0	341.0	4.0	3.0	1.6	0.7	1
								350.4	353.5	3.1	2.3	1.2	0.1	1

Data aggregation method uses length weighting averaging technique with:

- minimum grade truncation comprises of copper assays greater than 1.0% Cu
- no upper assay cuts have been applied to copper or gold grades
- minimum width of 1.5 metres downhole
- maximum internal dilution of 3 metres downhole containing assays below 1.0% Cu
- Downhole intervals are rounded to one decimal place

ETW – Estimated True Width

Table 2: Eloise Mine – Deeps Resource Definition Drilling – Drill Hole Locations and Anomalous Intercepts

JORC Code 2012 Assessment and Reporting Criteria for these holes is included in AIC Mines ASX announcement "Lens 6 Discovery" released on 30 September 2022.

Hole ID	Hole Type	Northing Local (m)	Easting Local (m)	Elevation Local (m)	Hole Length (m)	Dip Local	Azi Local	From (m)	To (m)	Downhole Interval (m)	ETW (m)	Copper Grade %	Gold Grade g/t	Lens Number
ED242	DD	81809.7	97498.0	-275.5	281.9	-5.9	71.7	120.0	131.0	11.0	10.6	3.0	1.0	6

Data aggregation method uses length weighting averaging technique with:

- minimum grade truncation comprises of copper assays greater than 1.5% Cu
- no upper assay cuts have been applied to copper or gold grades
- minimum width of 1.5 metres downhole
- maximum internal dilution of maximum of 3 metres downhole containing assays below 1.0% Cu

Downhole intervals are rounded to one decimal place

ETW – Estimated True Width

Table 3: Marymia Project – Copper Hills Drill Hole Locations and Anomalous Intercepts

See also Appendix 2 for JORC table

Hole ID	Hole Type	Northing (m)	Easting (m)	Hole Length (m)	Dip	Azimuth	From (m)	To (m)	Downhole Interval (m)	Copper Grade (ppm)	Gold Grade (ppb)	Zinc Grade (ppm)
22ACHC0010	RC	7244681.5	776933	352	-60	160	192	194	2	1375	12	113
							312	324	12	1756	26	3003
							313	314	1	4160	178	10100
							336	340	8	1806	6	348
22ACHC0011	RC	7244495.5	775921	350	-60	160	24	28	4	1300	NSR	6590
							308	310	2	800	NSR	NSR
22ACHC0012	RC	7244119.5	774521	351	-60	160	16	20	4	1300	NSR	556
							168	172	4	574	NSR	6230
							188	192	4	814	NSR	346
							196	204	8	750	5	3045
							247	248	1	1770	47	152
							260	261	1	1610	102	132
22ACHC0013	RC	7243959	773822	350	-60	160	44	52	8	2225	37	406
							200	212	12	1803	NSR	336
							284	288	4	700	NSR	126
							296	300	4	1670	NSR	126
22ACHC0014	RC	7244965	777969	350	-60	160	100	104	4	786	NSR	188
							108	112	4	634	NSR	104
							184	192	8	934	50	615
22ACHD0001	DD	7245019	777297	710.4	-60	160	336	337	1	940	NSR	304
							377	378	1	1280	NSR	58
							387	389	2	666	NSR	108
							395	396	1	747.7	NSR	1394
							446	448	2	1407	25	70
							479	480	1	700.5	NSR	118
							487	494	7	1597	20	1850
including							491	492	1	6040	61	1115
							497	499	2	914	11	157
							501	502	1	544.2	NSR	171

							503	506	3	2295	42	1054
including							505	506	1	4332.5	63	890
							510	511	1	586.7	NSR	323
							678	679	1	639.6	NSR	2425
							336	337	1	939.9	NSR	304

All coordinates reported in GDA94, Zone 50

The data aggregation method uses length weighted averaging with anomalous values: Cu > 500 ppm and/or Zn >1000 ppm and/or Au >50 ppb

A combination of 1 to 4 metre composite sampling is used in interval calculations for the RC drilling

All intercepts represent down hole lengths. True widths are not currently known due to the wide spacing of the drilling.

NSR = No Significant Result

Table 4: Peake and Denison – Drill Hole Locations and Anomalous Intercepts

JORC Code 2012 Assessment and Reporting Criteria for these holes is included in Demetallica Limited ASX announcement "Encouraging Copper Results from Maiden Drilling Program at Peake and Denison Project, South Australia" dated 18 January 2023

Hole ID	Hole Type	Northing (m)	Easting (m)	Hole Length (m)	Dip	Azimuth	From (m)	To (m)	Downhole Interval (m)	Copper Grade (ppm)	Gold Grade (ppb)
WL22DD001	DD	6854634	644877	720.5	-90	0	428	436	6	864	NSR
including							*434*	*436*	*2*	*1415*	NSR
							449	476	27	850	NSR
including							*449*	*450*	*1*	*1125*	NSR
including							*453*	*454*	*1*	*1175*	NSR
including							*458*	*459*	*1*	*1995*	NSR
including							*466*	*467*	*1*	*1210*	NSR
including							*470*	*475*	*5*	*1185*	NSR
							514	515	1	997	0.02
							542	543	1	1515	NSR
							554	555	1	1010	NSR
							572	582	10	2104	NSR
including							*575*	*578*	*3*	*4020*	NSR
							680	682	2	1738	NSR
							699	702	3	870	0.03
MW22DD001	DD	6826181	644696	535.1	-90	0	356.9	359	2.1	1255	0.01
							384	390	6	1052	0.03

- All coordinates reported in GDA94, Zone 53.
- The data aggregation method uses length weighted averaging with anomalous values: Cu > 500 ppm and/or Au >10 ppb
- All intercepts represent down hole lengths. True widths are not currently known due to wide spacing of the drilling.
- Maximum dilution in an interval is 3 metres

Marymia Project – Copper Hills

Appendix 2. JORC Code 2012 Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The Marymia Project was sampled using Diamond Drilling (DDH) and Reverse Circulation (RC) drilling techniques. • RC drilling was used to drill at least 200m into the target areas (where permissible) to test a variety of follow up, geophysical and geochemical anomalies. • DDH drilling was used to test for copper mineralisation at depth and gather structural information of the rocks beneath the surface. • Drill hole collar locations were recorded using a handheld GPS which has an estimated accuracy of+/- 5m. • 1m samples were taken from RC drilling via a rig mounted cone splitter and placed into green bags. Samples were taken at 4m composites from the top of the Proterozoic rock or split to 1 to 3m samples at the geologist's discretion. • DDH sampling was done selectively across zones of alteration of sulphide mineralisation at the geologist's discretion. • RC samples were collected using a plastic spear and placed into pre-numbered calico bags. • The EOH sample was always sampled as a singular meter • Samples were submitted to Intertek (DDH) and Bureau Veritas (RC) Laboratories, for multi-element and Au analysis using acid digest and aqua regia methods
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC holes were drilled using a LC36 (KWL700) drill rig. Most holes were cased with 6m of PVC casing, however where needed deeper casing was put in. • DDH holes were drilled using a Sandvik DE880 truck mounted drill rig. Mud Rotary drilling was completed to a nominated depth, coring started with HQ and then NQ2 to EOH.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC drilling generally provided good sample recovery. Drillholes were terminated in cases of high-water ingress or limited sample recovery. • No relationship is seen to exist between sample recovery and grade. There is insufficient data to ascertain if there is a sample bias due to preferential loss/gain of fine/coarse material. • HQ was started approximately 10 – 20m above the interface of cover and Proterozoic rock. Sample recovery was good. Core loss occurred in areas of broken ground and was verified by AIC personnel.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging was completed on all drill holes, on site by AIC geologists and loaded into an SQL database. • Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation, veining and other features of the samples. • Due to the early stage of this drilling program, data was not expected to be used for resource estimation mining studies or metallurgical studies.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1-meter samples were collected from RC drilling and stored in green bags. 4-meter composites from RC drilling were spear sampled by the field assistant and at the geologist's discretion, split into 1 to 3m samples. The EOH sample was always collected as a single sample. Samples were predominantly dry, however if wet/damp it was recorded on the log. The drill rig cyclone was cleaned after every rod (6m) with a thorough clean being undertaken at the base of the cover sequence and at the end of each hole. • Field duplicates were inserted at a frequency of 2 per 100 samples, this was done by spear sampling 1-meter interval green bags. Standards and blanks were inserted 2 in 100 samples also. Samples for analysis were taken from the basement contact and continued to the end of hole. • Sample sizes are considered appropriate for the material being sampled. • DDH sampling was selected by the geologist and submitted as half core. Where appropriate ¼ core petrography samples were taken to be analysed. Half the drill core has been left in the core tray. • Sample sizes are considered appropriate for the material being sampled.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were delivered to Intertek (DDH) and Bureau Veritas (RC) Laboratories, for analysis. All samples are weighed, placed into trays sequentially then dried to 105°C, samples are sorted and any discrepancies with submission logs noted. • Samples are split to <3kg using a riffle splitter. Samples are pulverised for 5 minutes using LM5 mill to 85% passing 75µm. Checked using wet sieve test. • The analytical stage for all samples is completed sequentially using barcode labelled pulp packets. Each sample is scanned before being weighed. • For every 60 samples 2x control blanks, 2x pulp duplicates (assays from same pulp packet) and two standards are inserted. Certified Reference Materials ("CRM") are used. • Instrument analysis involves calibration before each run using calibration standards made from traceable single element solutions. • Results are reviewed through the LIMS system. CRM's have nominal values and control limits set from certificate values. Control charts of the CRM's are used during QAQC. • The laboratory has ISO 17025:2107 certification and participates in proficiency testing. • Analytical methods at the lab include Aqua regia with a mass spectrometry finish (AR10/AMS) which is considered a partial digest. A 4-acid digest with a mass spectrometry finish (4A/MS48) which is considered a 'near total' digest. • 2 duplicate and 2 standard (CRM) samples are inserted into each sample string by the lab. This level of QAQC is deemed adequate for this stage of exploration. A QAQC report has not been completed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersection reporting has been verified by alternative company personnel. • Data entry is completed in the field using laptops and logged into an excel spreadsheet. The data is uploaded and synced with a master SQL database. • No twinned holes have been drilled. • No adjustments have been made to the assay data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations are determined using a handheld GPS which has an estimated accuracy of +/- 5m. • No downhole surveys were completed on RC holes • The grid system used is MGA_GDA20, zone 50

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• DDH/RC holes were drilled over selected geophysical targets with drill holes varying in spacing from 50m to 800m spaced. • All holes were drilled at a variety of azimuths, but predominantly 160, 90, or 150 and all holes were drilled at a -60 or -70 dip. • RC drill samples from this program were composited into 4m samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The location and orientation of the Copper Hills drilling is appropriate given the strike, dip and morphology of the mineralisation.
Sample security	• *The measures taken to ensure sample security.*	• Sample security is managed by AIC. Samples are zip tied in polyweave bags and placed in bulka bags, with clear to and from locations written on them.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews have been completed at this stage.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The project comprises granted exploration licenses EL52/3319, EL52/2945 and EL 52/3368. • The tenements lie on the margins of the Plutonic -Marymia greenstone belt, Murchison, Western Australia.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration of the Copper Hills prospect dates back to 1972 and hence much of it pre-dates the JORC Code 2012 Edition and related public reporting requirements. • The exploration of the Copper Hills region was conducted by Endeavour Oil (and CRA Exploration) for whom "materiality" considerations determined that extremely limited to no Copper Hills region exploration results were publicly reported other than statutory Annual (and other) technical reports required by the Western Australian Department of Mines and Petroleum (DMIRS). • These various technical reports are publicly accessible via the DMIRS's online WA Mineral Exploration Report system (i.e. WAMEX) or by physically visiting the WA DMIRS. • The specific WAMEX reports related to the exploration information were disclosed in 'Drilling Results from Marymia Project, Murchison WA' dated 28 March 2022. • Assay results are considered to be reliable.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Copper Hills deposit style is interpreted as stratabound stockwork vein style

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Refer to tabulations in Appendix 1 of this report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The average grades presented in this report are length-weighted averages above a 0.05% (500ppm) Cu, 100ppb Au, and 0.1% (1000ppm) Zn cut off. • Given the narrow nature of the mineralised zones identified to date internal dilution is generally <1m. • No high cuts have been applied. • Metal equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The geometry of the mineralisation is not yet known due to insufficient drilling in the targeted area. • Anomalous intercepts are reported over down hole length as true width is not known, due to the early stage of exploration.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All relevant figures are included in the body of this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Any portions of the drill hole that are not quoted in the intercept tables contain grades less than the quoted cut-off. • Any drill holes that have no reported zones of other or additional elements did not return associated element assays of materiality to the style of mineralisation sort.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All meaningful and material information has been included in the body of this announcement. • No metallurgical or mineralogical assessments have been completed.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• AIC Mines is currently assessing the outcomes of the recent drilling, The outcomes of this work are being used to plan future drilling programs.