

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: 462,470,632

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

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Subiaco, WA, 6008.

Share Register: Computershare
Investor Services

Quarterly Activities Report for the Period Ending 31 March 2024

HIGHLIGHTS

Eloise Copper Mine

- **Solid production** – Eloise produced 11,648dmt of concentrate containing 3,066t of copper at an AISC of A\$5.18/lb Cu sold and an AIC of A\$5.49/lb Cu sold. Eloise is on track to exceed its Full Year production target of 12,500t Cu in concentrate at an AISC of A\$5.00/lb Cu.
- **Cashflow positive** – despite seasonal rain impacting the ability to transport concentrate off site, sales of 2,674t of copper and by-product gold and silver generated net revenue of \$38.3 million, operating cashflow of \$13.3 million and net mine cashflow of \$0.7 million after capital. At 31 March 2024 approximately 453t of copper in concentrate, with a notional value of \$6.1 million, remained on site awaiting shipment.

Growth

- **Significant increase in Jericho Mineral Resources and Ore Reserves:**
 - 59% increase in copper and a 60% increase in gold contained in resources
 - 86% increase in both copper and gold contained in reserves
- **Further increase in Eloise Mineral Resources and Ore Reserves:**
 - 13% increase in copper and a 14% increase in gold contained in resources
 - 10% increase in copper and a 9% increase in gold contained in reserves

Exploration

- **Commencement of drilling at Swagman** – diamond drilling commenced at the Swagman Prospect, located midway between Eloise and Jericho. The drilling is part of a larger program which will also test strike and plunge extensions of the known high-grade shoots at Jericho and early-stage regional targets.
- **CEI Grant** – The Company was awarded a \$258,000 Collaborative Exploration Initiative grant by the Queensland Government for the trial of audio-frequency magnetotelluric geophysics over the Jericho-Eloise area as well as at four early-stage targets within the Eloise Regional Project area.

Corporate

- At 31 March 2024, AIC Mines held \$25.7 million in cash at bank (31 December 2023: \$26.7 million) and approximately 453t of copper in concentrate, with a notional value of \$6.1 million, awaiting shipment.

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 and longhole stoping. Eloise is an owner-miner operation with a mining contractor used for underground development and production drilling.

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 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 2024 was 5.2 (31 December 2023 – 6.9) per one million hours worked. There were no recordable injuries during the Quarter. Areas of focus continued to be critical control effectiveness auditing and developing the e-learning tools within the new Safety Management System.

There were no environmental incidents during the Quarter. Eloise recorded 602mm of rain during the Quarter with a peak period between 18 January and 1 February when 223mm was received from ex tropical cyclone Kirrily. The site maintained compliance with its Environmental Authority and water management plan throughout the Quarter.

An Environmental Authority amendment for the Eloise camp expansion and sewage treatment plant was approved by the Department of Environment, Science and Innovation during the Quarter.

Sustainability

Cultural heritage surveys commenced at Eloise and Jericho during the Quarter with the Mitakoodi and Mayi people, the registered native title claimants over the Eloise and Jericho mining lease areas. Interactions with the Mitakoodi and Mayi people have been very positive.

Production and Costs

Eloise produced 11,648dmt of concentrate containing 3,066t of copper at an AISC of A\$5.18/lb Cu sold after by-product credits.

The main ore sources in the March 2024 Quarter were Macy and the z330 level sublevel cave (SLC). The z330 level SLC was completed in March 2024. Production from the high-grade Elrose Levuka North 1105 level (1.2km haul to ROM) commenced in March 2024 following backfilling of the 1085 level void.

Underground development during the Quarter focused on the Deeps z355 level. The mine is on track to commence production from the z355 level SLC in May 2024. The Elrose Levuka North 1105 level will be the primary source of ore while the z355 level SLC is being developed.

Processing plant throughput was impeded during the Quarter by wet ore as a result of seasonal rainfall. Production was impacted by failure of the Mill 3 feed-end trunnion bearing inner race in March 2024. Mill 3 was offline for 10 days leaving Mill 1 as the only primary grinding mill. As a result, ROM and crushed ore stocks at the end of the Quarter were higher than normal at 33,000t containing approximately 500t of copper.

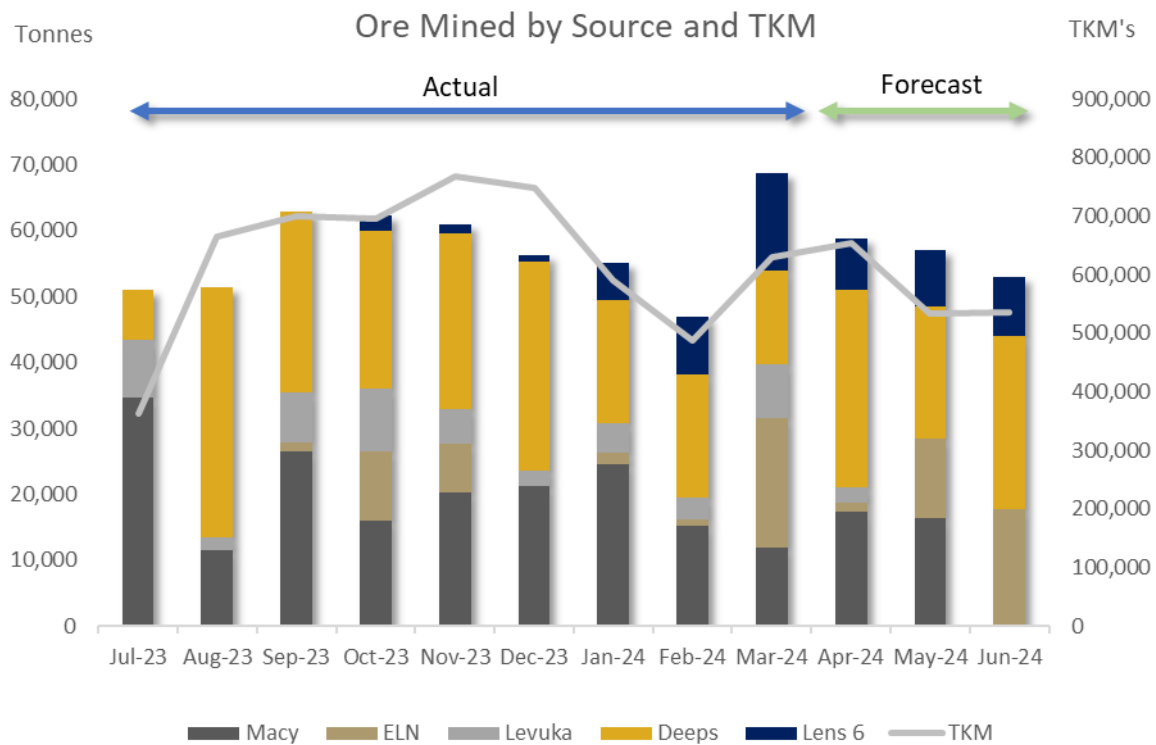


Chart 1. Ore production location and TKM (tonnes of material trucked multiplied by distance trucked)

Outlook

Production of approximately 3,000t – 3,200t Cu and 1,500oz Au in concentrate is targeted in the June 2024 Quarter. Planned ore sources for the June 2024 Quarter are:

- 20% from Macy North (4.6km haul to ROM)
- 45% from Deeps (12.5km haul to ROM)
- 19% from Elrose-Levuka North (1.2km haul to ROM)
- 15% from Lens 6 (11.6km to ROM)
- 1% from Levuka (8.4km haul to ROM)

Eloise is on track to exceed its full year production target of approximately 12,500t of copper and 5,000oz of gold in concentrate at an AISC of approximately A\$5.00/lb Cu and AIC of A\$5.20/lb Cu.

Eloise Production and Cost Metrics	Units	June 2023 Qtr	September 2023 Qtr	December 2023 Qtr	March 2024 Qtr
Underground development - capital	m	601	655	437	345
Underground development - operating	m	212	263	362	496
Total development	m	812	918	799	840
Ore mined	kt	173	165	180	171
Copper grade mined	%	1.96%	2.07%	2.21%	2.06%
Tonnes processed	kt	160	179	180	149.8
Copper grade processed	%	1.98%	2.02%	2.21%	2.17%
Copper recovery	%	91.2%	94.0%	94.8%	94.2%
Concentrate produced	dmt	11,197	12,565	14,092	11,648
Copper in concentrate	t	2,890	3,402	3,759	3,066
Payable copper produced	t	2,778	3,276	3,618	2,950
Gold produced	oz	1,515	1,820	1,889	1,532
Silver produced	oz	28,584	34,344	36,895	32,365
Copper sold	t	2,654	3,360	3,705	2,674
Achieved copper price	A\$/t	11,888	13,118	12,079	13,549
Achieved copper price	A\$/lb	5.39	5.95	5.48	6.15
Gold sold	oz	1,406	1,906	1,886	1,412
Achieved gold price	A\$/oz	2,772	3,028	3,074	3,390
Silver sold	oz	26,540	34,354	36,982	28,354
Achieved silver price	A\$/oz	31	38	35	38
Cost Summary					
Mining	A\$/lb prod	2.05	1.81	1.81	1.90
Processing	A\$/lb prod	1.19	1.13	1.07	1.08
Site admin and transport	A\$/lb prod	0.57	0.52	0.53	0.61
TC/RC and shipping	A\$/lb prod	0.67	0.68	0.69	0.58
Ore stockpile adjustments	A\$/lb prod	(0.16)	0.14	0.01	(0.20)
By-product credits	A\$/lb prod	(0.82)	(0.95)	(0.91)	(0.90)
C1 Cash Cost	A\$/lb prod	3.50	3.32	3.20	3.07
C1 Cash Cost	A\$/lb sold	3.66	3.24	3.12	3.38
Royalties	A\$/lb sold	0.31	0.28	0.27	0.29
Metal in circuit and finished goods	A\$/lb sold	(0.15)	0.10	0.06	(0.41)
Reclamation and other adjustments	A\$/lb sold	0.05	0.06	0.06	0.08
All-in Sustaining Capital ¹	A\$/lb sold	1.76	1.26	1.32	1.84
All-in Sustaining Cost	A\$/lb sold	5.63	4.94	4.84	5.18
All-in Capital ²	A\$/lb sold	0.53	0.22	0.17	0.31
All-in Cost	A\$/lb sold	6.16	5.16	5.01	5.49
Depreciation & Amortisation ³	A\$/lb prod	1.37	0.98	1.38	1.47

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 FY24 year-end review

Eloise Mineral Resources and Ore Reserves

During the Quarter, updates to the Eloise Mineral Resource and Ore Reserve (**MROR**) estimates were completed.

Exploration and resource definition drilling at Eloise over the twelve months to 31 December 2023 successfully delivered an increase in both Mineral Resources and Ore Reserves in terms of tonnes and contained copper, gold and silver.

Since acquiring Eloise in November 2021, AIC Mines has increased copper contained in Mineral Resources by 89,250t (+136%) and in Ore Reserves by 27,800t (+92%), and produced 29,052t of copper in concentrate.

Mineral Resources at Eloise have increased to 154,750 tonnes of contained copper and 135,250 ounces of contained gold, representing a 13% increase in copper and a 14% increase in gold, net of mining depletion, as compared to the 31 December 2022 estimate.

Table 1. Eloise Copper Mine – Mineral Resources as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	6,000	2.4	0.7	9.1	150	150	1,850
Indicated	3,776,000	2.6	0.7	10.0	97,100	82,800	1,215,500
Inferred	2,421,000	2.4	0.7	9.7	57,500	52,300	754,300
Total	6,203,000	2.5	0.7	9.9	154,750	135,250	1,971,650
Net Change	+499,000	+0.1	0.0	0.0	+17,550	+16,450	+165,450

Tonnages have been rounded to the nearest 1,000 tonnes.

Mineral Resources are inclusive of Ore Reserves.

Mineral Resources are estimated using a 1.1% Cu cut-off above OmRL (1,190mBSL) and 1.4% Cu below OmRL.

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

Net Change is the difference between Mineral Resources as at 31 December 2022 and Mineral Resources as at 31 December 2023.

Ore Reserves at Eloise have increased to 58,100 tonnes of contained copper and 47,050 ounces of contained gold, representing a 10% increase in copper and a 9% increase in gold, net of mining depletion, as compared to the 31 December 2022 estimate.

Table 2. Eloise Copper Mine – Ore Reserves as at 31 December 2023

Reserve Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	6,000	2.4	0.7	9.1	150	150	1,850
Probable	2,439,000	2.4	0.6	8.8	57,950	46,900	690,700
Total	2,445,000	2.4	0.6	8.8	58,100	47,050	692,550
Net Change	+247,000	0.0	0.0	0.0	+5,500	+3,950	+71,850

Tonnages have been rounded to the nearest 1,000 tonnes.

Ore Reserves are estimated using a 1.4% Cu cut-off above OmRL and 1.6% Cu cut-off below OmRL.

Net Change is the difference between Ore Reserves as at 31 December 2022 and Ore Reserves as at 31 December 2023.

The Eloise MROR 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 commodity prices, economic inputs and cut-off grades used for the MROR estimates are identical to those used in the previous 31 December 2022 estimates. For further information, including full JORC Code (2012) reporting requirements, see AIC Mines ASX announcement "Increased Resources and Reserves at Eloise, Sandy Creek and Artemis" dated 18 April 2024.

Eloise Exploration and Resource Drilling

Underground drilling during the Quarter focused on grade control drilling in the Deeps and completing the in-mine EM loop (for electromagnetic geophysics).

Exploration drilling was conducted in the **Elrose-Levuka North** 1070RL remnant area. The results were much better than expected and further drilling is planned. Better results included:

- EN347 – 4.7m (3.0m ETW) grading 4.2% Cu
- EN348 – 9.0m (9.0m ETW) grading 2.9% Cu

Resource definition drilling was conducted in the **Elrose-Levuka North** 800RL and 845RL remnant areas. Better results included:

- EN338 – 3.0m (2.7m ETW) grading 5.3% Cu and 0.2g/t Au
- EN339 – 3.8m (2.9m ETW) grading 4.1% Cu and 1.0g/t Au
- EN341 – 5.1m (2.6m ETW) grading 4.0% Cu
- EN341 – 5.3m (2.7m ETW) grading 2.8% Cu
- EN344 – 2.5m (2.2m ETW) grading 4.9% Cu

For further details of the Elrose-Levuka North drilling see Appendix 1 (Table 1) and AIC Mines ASX announcement “Eloise Remnant Mining Strategy” dated 18 July 2023.

Drilling and electrical installation for the in-mine EM loop was completed during the Quarter. The EM loop is a rapid, cost-effective way of testing large undrilled areas deeper in the mine for parallel lenses and structural offsets of known lenses. EM surveys are now underway and results are expected to be received in the June 2024 Quarter.

PROJECT DEVELOPMENT

Jericho Mine Development and Eloise Processing Plant Expansion

The Jericho copper deposit is located 4 kilometres south of the Eloise processing plant and has similar geology, mineralisation and metallurgy to Eloise. Staged development of the Jericho mine and expansion of the Eloise processing plant will lift production to over 20,000tpa copper and 7,500ozpa 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.

Jericho Mineral Resource and Ore Reserve Update

During the Quarter, updates to the Jericho Mineral Resource and Ore Reserve (**MROR**) estimates were completed. Drilling completed at Jericho in 2023 delivered a significant increase in both Mineral Resources and Ore Reserves.

Jericho Mineral Resources increased to 285,600 tonnes of contained copper and 179,600 ounces of contained gold, representing a 59% increase in copper and a 60% increase in gold compared to the previous estimate as at 31 January 2023. This increase was delivered at a resource discovery cost of only A\$36.90/t (A\$0.02/lb) of contained copper.

Table 3. Jericho Mineral Resource Estimate as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	5,581,000	2.1	0.4	2.2	117,300	71,800	401,400
Inferred	8,486,000	2.0	0.4	2.1	168,300	105,100	579,500
Total	14,067,000	2.0	0.4	2.2	285,600	176,900	980,900
Net Change	+4,224,000	+0.2	0.0	+0.2	+105,600	+66,300	+335,800

Tonnages have been rounded to the nearest 1,000 tonnes.

Mineral Resources are inclusive of Ore Reserves.

Mineral Resources are estimated using a 1.0% Cu cut-off within optimised stope shapes.

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

Net Change is the difference between the previous MRE (as at 31 January 2023) and the updated MRE (as at 31 December 2023).

Mine design and project evaluation based on the upgraded Mineral Resource estimate increased Jericho Ore Reserves to 61,100 tonnes of contained copper and 37,000 ounces of contained gold, representing an 86% increase in both copper and gold, compared to the previous estimate as at 30 June 2023.

Table 4. Jericho Ore Reserves as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	-	-	-	-	-	-	-
Probable	3,162,000	1.9	0.4	2.1	61,100	37,000	211,800
Total	3,162,000	1.9	0.4	2.1	61,100	37,000	211,800
Net Change	+1,328,000	+0.1	+0.1	0.0	+28,300	+17,100	+89,700

Tonnages have been rounded to the nearest 1,000 tonnes.

Ore Reserves are estimated using a 1.2% Cu cut-off within optimised stope shapes.

Net Change is the difference between Ore Reserves as at 30 June 2023 and Ore Reserves as at 31 December 2023.

The increase in Ore Reserves was predominantly due to drilling being focused along the J1 Lens where 22,400 tonnes of copper and 14,300 ounces of gold were added. The improvement in average copper and gold grade on the J1 Lens is also noteworthy. Further drilling is required on the less advanced J2 Lens where only 5,900 tonnes of copper and 2,800 ounces of gold were added.

The Jericho MROR 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 commodity prices, economic inputs and cut-off

grades used for the MROR estimates are identical to those used in the previous estimates. For further information, including full JORC Code (2012) reporting requirements, see AIC Mines ASX announcement “Significant Increase in Jericho Mineral Resource” dated 30 January 2024 and “Significant Increase in Jericho Ore Reserve” dated 28 March 2024.

Jericho mineralisation remains open along strike and at depth. Accordingly, a diamond drilling program commenced at Jericho subsequent to the end of the March 2024 Quarter. Initially four diamond holes for 1,600m will target the up-plunge extension of the Swagman discovery intersection made in September 2023 of 9.8m (6.9m ETW) grading 2.1% Cu from 491m (see AIC Mines ASX announcement “High-Grade Copper Discovery at Jericho North” dated 19 September 2023).

Being located midway between Eloise and Jericho, Swagman has the potential to positively impact development decisions through the addition of resources closer to Eloise underground infrastructure. Resources at Swagman could warrant development via an underground drive directly from Eloise underground infrastructure. This drive could then be extended to access Jericho resources.

Planned drilling will also test strike and plunge extensions of the known high-grade shoots at Jericho and early-stage regional targets.

Jericho Mining Studies

The updated Mineral Resource estimate was used to refine the Jericho mine design. This has resulted in a more aggressive development pace and has reduced the time taken to achieve full production of 600,000tpa from 45 months to 36 months.

The contract mining tender process advanced during the Quarter with tenders received for the combined Eloise and Jericho mining contract from five specialist underground mining contractors. The process proved to be very competitive and tendered rates are similar to or slightly better than expected.

Following review of the Swagman discovery and with more reliable mining and ventilation shaft sinking rates becoming available, the option to access Jericho directly from Eloise underground infrastructure is being re-evaluated. This option presents a number of advantages over a boxcut and portal at Jericho.

Eloise Processing Plant Expansion Studies

During the Quarter, engineering studies were completed to determine which Eloise processing plant equipment would require upgrade or replacement. The study recommended a higher throughput crushing circuit, an additional ball mill, an additional rougher flotation cell and associated conditioning tank as well as an upgraded concentrate filtration system. Work is now underway to understand the integration of the new and old plant equipment.

Part of the expansion includes a camp and kitchen upgrade to accommodate the larger workforce. During the Quarter a new kitchen and dry mess building was installed.

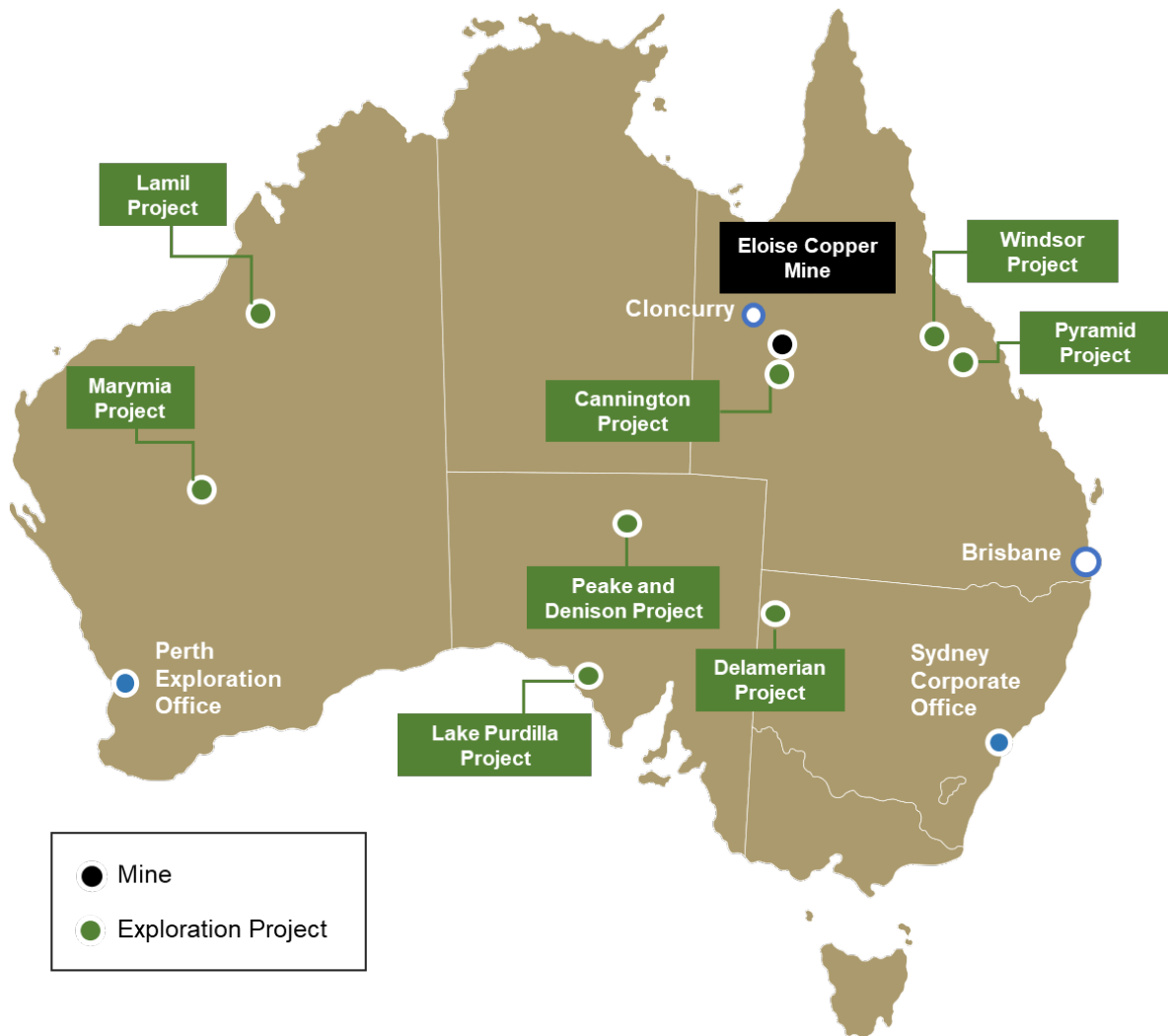
Jericho Development Approvals

Compensation and access agreements were finalised with remaining impacted stakeholders during the Quarter and the Jericho Mining Lease is now expected to be granted in the June 2024 Quarter. The Mining Lease and related Standard Environmental Approval will allow surface works at Jericho to commence, including access roads, ventilation shafts, water dams and laydown areas.

An application for a Site Specific Environmental Authority (**SSEA**) was submitted to the Queensland Department of Environment, Science and Innovation (**DESI**) in the March 2024 Quarter. Feedback from DESI indicates that additional environmental information, predominantly water table data, will be required. The additional information is now being collected; it is not expected to cause any issues for eventual permitting of the operation other than time delay. The environmental submission is now expected to be considered later this year with approval early in the new year. This timing will not materially impact the overall timeline to ramp up to full production of 600,000tpa at Jericho with recent mining studies having reduced the time from 45 months to 36 months. Further optimisation studies are underway including the option to access Jericho directly from Eloise underground infrastructure.

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. We are currently looking to rationalise the exploration portfolio through sale or joint venture.



Eloise Regional Project (AIC Mines 100%)

The Eloise Regional Project consists of approximately 2,000km² of contiguous, 100% owned tenure immediately surrounding the Eloise mine (see Figure 1). The highly endowed project contains a pipeline of targets from early-stage prospects to known resources. It includes numerous prospects that have intersected chalcopyrite in wide-spaced or single test drillholes along the 20-kilometre trend (e.g. **Big Foot to St Louis**).

To the east, the project area includes the Middle Creek Anticline which hosts the advanced prospects of **Sandy Creek, Artemis** and **Roberts Creek** as well as numerous undrilled targets.

To the west, the project area includes the immature but highly prospective Kevin Downs and Brena Plains shear zones which host several inadequately tested targets under conductive cover rocks (e.g. **Kevin Downs North to Strathfield South**).

Regional Resources Growth

A program of diamond drilling targeting extensions to mineralisation at the Sandy Creek Copper-Gold Prospect and the Artemis Polymetallic Prospect was completed during the December 2023 Quarter aimed at increasing resources within trucking distance of the Eloise Mine. See AIC Mines ASX announcement “Drilling Extends Mineralisation at Sandy Creek and Artemis Prospects” dated 12 January 2024. Data from this drilling was used to estimate Mineral Resources at both deposits.

The updated Mineral Resource estimate for Sandy Creek is shown below. Mineralisation at Sandy Creek commences at surface and extends to a depth of approximately 300m, as defined by wide-spaced drilling. Mineralisation is defined over a strike of 650m in two parallel lenses that are 2m – 12m wide, with the main lens defined by a moderate southerly plunge trending southeast. Mineralisation remains open along strike to the southeast and down plunge.

Table 5. Sandy Creek – Mineral Resources as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	2,050,000	1.1	0.3	4.5	23,500	20,700	297,600
Total	2,050,000	1.1	0.3	4.5	23,500	20,700	297,600

Tonnages have been rounded to the nearest 1,000 tonnes.

Mineral Resources are estimated using a 0.5% Cu cut-off

Tonnages have been rounded to the nearest 1,000 tonnes.

The maiden Mineral Resource estimate for Artemis is shown below. The deposit is polymetallic; composed of chalcopyrite, sphalerite and galena, with significant credits of silver and gold. The deposit commences approximately 100m below surface. Mineralisation is typically 20m wide and has a strike length of 250m with a down plunge extent of 250m. Mineralisation has a steep plunge to the south and remains open down plunge.

Table 6. Artemis – Mineral Resources as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Zn + Pb Grade (%)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)	Contained Zinc + Lead (t)
Measured	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-
Inferred	580,000	1.4	1.1	45.7	4.8	8,100	21,100	849,000	27,800
Total	580,000	1.4	1.1	45.7	4.8	8,100	21,100	849,000	27,800

Tonnages have been rounded to the nearest 1,000 tonnes.

Mineral Resources are estimated using a 0.5% Cu cut-off

Tonnages have been rounded to the nearest 1,000 tonnes.

The Sandy Creek and Artemis Mineral Resource estimates are reported and classified in accordance with the JORC Code (2012). For further information, including full JORC Code (2012) reporting requirements, see AIC Mines ASX announcement “Increased Resources and Reserves at Eloise, Sandy Creek and Artemis” dated 18 April 2024.

Drilling

The 2024 drilling campaign commenced with a 4 hole 1,600m program at the **Swagman** discovery at the end of the Quarter (see AIC Mines ASX announcement “Drilling Commences at Swagman” dated 9 April 2024). The program is designed to test the up-plunge extension of the north plunging shoot to shallower depth.

Drilling is also planned to test the strike extent of the Jericho resource to the south and between the Billabong and Swagman shoots. In addition, regional exploration will focus on testing several advanced to early-stage targets within a 20km radius of the Eloise Mine.

Collaborative Exploration Initiative Grant

AIC Mines was awarded a \$258,000 Collaborative Exploration Initiative (CEI) grant from the Queensland Government for the trial of audio-frequency magnetotelluric (AMT) geophysics at the Eloise Regional Project. The trial will determine the effectiveness of the tool in detecting Jericho-style mineralisation under conductive cover. AMT is a deep-sensing geophysical tool (effectively can image 1km deep) developed to see electrical responses specifically beneath conductive cover where conventional geophysical methods are ineffective.

A total of 8 lines are planned, with four lines over the Levuka Shear Zone (**LSZ**) between the Eloise Mine and Jericho to establish the response from the three mineral systems already defined (Eloise, Jericho and Altia) and provide insight into the structure of the LSZ. Eastern and western extensions to the Eloise Deeps line is aimed at determining the greater extent of the LSZ and shear zones associated with the **Tucumcari Prospect** and the **Bagdad to St Louis** trend to aid with further target generation.

Outside of the LSZ, four lines are planned (see Figure 1) to test targets in the greater Eloise Regional Project area:

- A single line over the Iris to Big Foot trend to provide insights on the structural architecture and assist with targeting along a trend where copper sulphides are present in wide-spaced drilling.
- Two lines over the Kevins Down Shear Zone, at the Kevins Down North target and further to the south, to assist in resolving structural architecture and to detect any sulphide bodies beneath the conductive cover that obscures the majority of the project.
- A single line over the Breena Plains Shear Zone at its southern end in the region of the Enfield target, to image the shear zone to focus further exploration in this structurally complex zone under conductive cover.

AIC Mines is very appreciative of the Collaborative Exploration Initiative in supporting new approaches to exploration in Queensland.

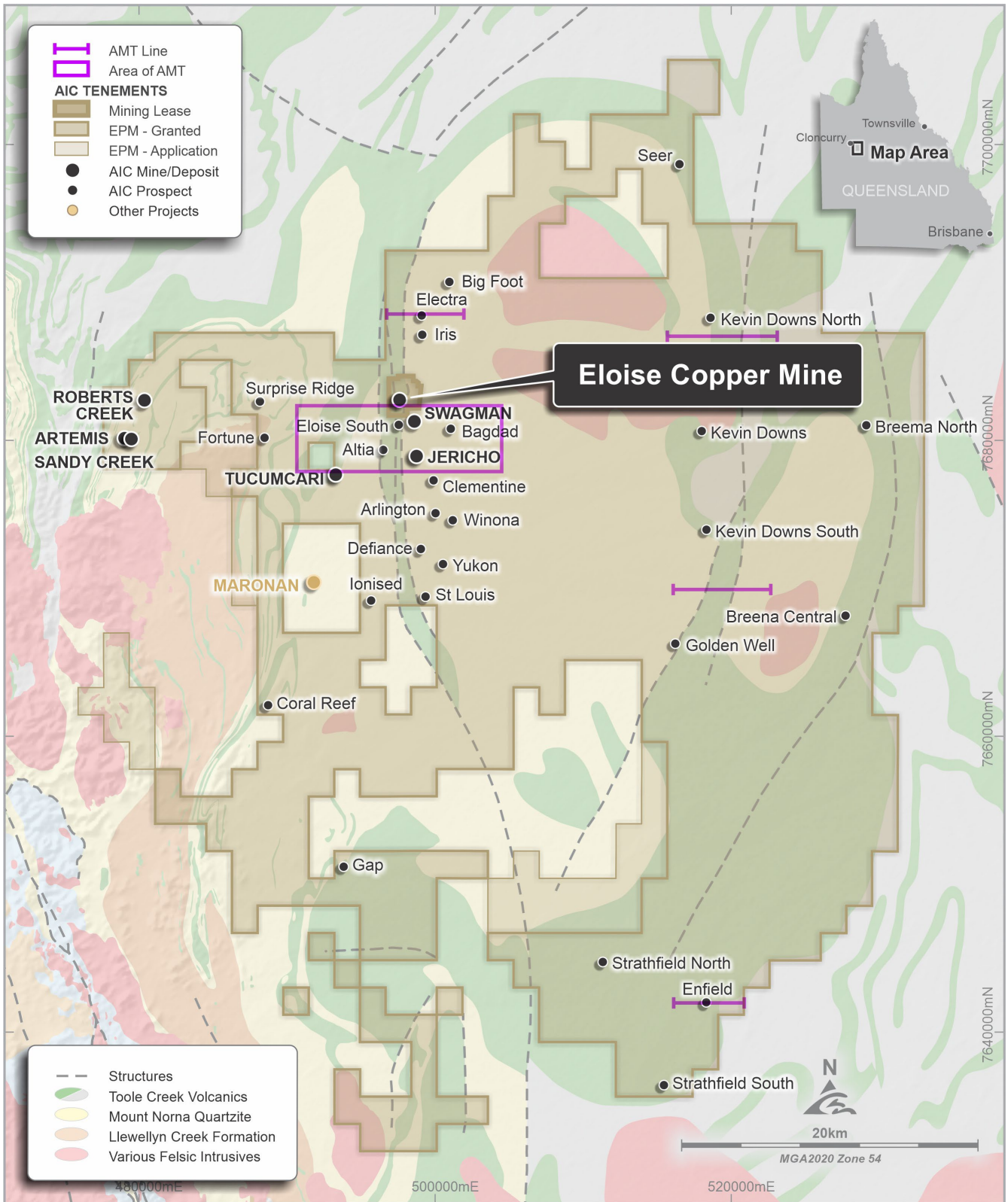


Figure 1. Eloise Regional Project showing geology, tenure, prospects and planned AMT lines.

CORPORATE

Financial Performance

AIC Mines finished the Quarter with \$25.7 million in cash at bank (31 December 2023: \$26.7 million) excluding \$4.4 million held in a term deposit for environmental bonding purposes and approximately 1,783dmt of concentrate containing 453t of copper, with a notional value of \$6.1 million at a copper price of A\$13,500/t, awaiting shipment. This was an unusually high level of concentrate held at Eloise, caused by wet weather during March 2024 impacting drying and transport of concentrate.

Eloise produced 2,950t of payable copper and sold 2,674t (December 2023 Quarter: 3,705t) of copper during the Quarter at an average price of A\$13,549/t (12% increase from the December 2023 Quarter: A\$12,079/t) generating \$38.3 million in metal sales post TC/RC deductions and including gold and silver by-product credits. Operating cashflow for the Quarter was \$13.3 million and after capital investment of \$12.7 million, net mine cashflow was \$0.7 million.

Unit operating costs were impacted by lower sales with AISC of A\$5.18/lb and AIC of A\$5.49/lb (prior Quarter: A\$4.84/lb and A\$5.01/lb respectively). At the average AUD/USD exchange rate for the Quarter of 0.6581 the costs convert to an AISC of US\$3.41/lb and AIC of US\$3.61/lb.

Reports during the Quarter confirmed that spot copper treatment charges and copper refining charges (TC/RCs) are now at all-time lows. Although AIC Mines sells Eloise concentrate at Benchmark TC/RCs, being the annual TC/RCs agreed between the major miners and Asian smelters in December each year for the following 12 months, the current spot prices bode well for a material reduction in Benchmark terms from 1 January 2025.

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

- \$1.5 million on resource definition drilling at Eloise.
- \$2.1 million on equipment purchases, reliability improvements, wet season works and equipment financing costs.
- \$7.3 million on underground development.

Eloise non-sustaining capital expenditure for the Quarter (captured in AIC) included:

- \$1.8 million on decline, Lens 6 and Deeps development.

Investment during the Quarter relevant to the Jericho development and Eloise expansion project totalled \$1.9 million. This mainly consisted of:

- \$0.6 million on environmental and mining lease approvals process.
- \$0.6 million on camp expansion and owners team costs.
- \$0.7 million on studies, land compensation and mining contract tender.

Exploration expenditure for the Quarter of \$0.9 million was lower than the prior Quarter due to planned down-time activities during the north Queensland wet season. Expenditure consisted primarily of \$0.3m for ongoing work at Marymia and Lamil, \$0.2m in pre-drilling works at Swagman and \$0.4m in generative exploration works.

AIC Mines' creditor position (trade and other payables) at the end of the Quarter was \$17.1 million (31 December 2023: \$15.4 million) due to a larger GST payable following a larger than normal copper concentrate sale in March.

AIC Mines' cash movements for the Quarter are summarised in the table on the following page.

Jericho Development and Eloise Expansion Funding

During the Quarter, AIC Mines progressed the debt funding process for the Jericho project with a number of concentrate traders and debt providers submitting indicative termsheets. SRK Consulting (Australasia) Pty Ltd completed its Independent Technical Expert report on behalf of debt providers. Final offers from concentrate traders and debt providers are due to be received early in the September 2024 Quarter.

Cashflow (A\$ Millions)	September 2023 Qtr	December 2023 Qtr	March 2024 Qtr	FY24 YTD
Metal sales (net of TC/RC) ¹	46.2	46.4	38.3	130.9
Mine operating costs	(27.0)	(29.5)	(25.0)	(81.5)
Operating Mine Cashflow	19.2	16.9	13.3	49.4
Total capital	(11.0)	(12.2)	(12.7)	(35.8)
Net Mine Cashflow	8.2	4.7	0.7	13.6
Corporate	(1.3)	(1.6)	(1.7)	(4.6)
Exploration	(1.5)	(1.4)	(0.9)	(3.8)
Jericho	(3.7)	(2.0)	(1.9)	(7.6)
Net interest and other income	0.1	0.0	(0.0)	0.0
Working capital movement	(3.7)	(2.0)	2.9	(2.9)
Group Cashflow	(1.9)	(2.3)	(1.0)	(5.2)
Acquisition and integration costs	-	-	-	-
Net Group Cashflow	(1.9)	(2.3)	(1.0)	(5.2)
Opening Cash Balance 1 July 2023	30.9			30.9
Opening Cash Balance 1 October 2023		29.0		
Opening Cash Balance 1 January 2024			26.7	
Closing Cash Balance	29.0	26.7	25.7	25.7

1. Metals sales information is preliminary and subject to FY24 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.

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 Jericho Copper Deposit | 17 May 2023 |
| • Eloise Remnant Mining Strategy | 18 July 2023 |
| • High-Grade Copper Discovery at Jericho North | 19 September 2023 |
| • Drilling Commences at Eloise Regional Copper Prospects | 10 October 2023 |
| • Drilling Extends Mineralisation at Sandy Creek and Artemis Prospects | 12 January 2024 |
| • Significant Increase in Jericho Mineral Resource | 30 January 2024 |
| • Significant Increase in Jericho Ore Reserve | 28 March 2024 |
| • Drilling Commences at Swagman | 9 April 2024 |
| • Increased Resources and Reserves at Eloise, Sandy Creek and Artemis | 18 April 2024. |

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.

Competent Person’s Statement – Eloise Drilling Results

The information in this announcement that relates to Eloise drilling results is based on information, and fairly represents information and supporting documentation compiled by Angas Cunningham who is a member of the Australasian Institute of Geoscientists. Mr Cunningham 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. Cunningham is a full-time employee of AIC Copper Pty Ltd and is based at the Eloise Mine. Mr Cunningham consent 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 – Jericho and Eloise Regional Exploration Results and Drilling Results

The information in this announcement that relates to the Jericho and Eloise Regional exploration results and drilling results is based on information, and fairly represents information and supporting documentation compiled by Mike 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 they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr. Taylor is a full-time employee of AIC Mines Ltd. 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 Mineral Resources

The information in this announcement that relates to the Eloise Mineral Resource is based on information, and fairly represents information and supporting documentation compiled by Matthew Thomas who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Thomas is a full-time employee of AIC Copper Pty Ltd and is based at the Eloise Mine. Mr Thomas 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 fulltime 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.

Competent Person's Statement – Sandy Creek and Artemis Mineral Resources

The information in this announcement that relates to the Sandy Creek and Artemis Mineral Resources is based on information, and fairly represents information and supporting documentation compiled by David Price who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Price is a full-time employee of AIC Mines Limited. Mr Price 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 – 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 Ore Reserves

The information in this announcement that relates to the Jericho Ore Reserves is based on information, and fairly represents information and supporting documentation compiled by Craig Pocock 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 Pocock is a fulltime employee of AIC Mines Limited. Mr Pocock consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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.

Eloise Project – Combined Mineral Resources as at 31 December 2023

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Eloise Copper Mine							
Measured	6,000	2.4	0.7	9.1	150	150	1,850
Indicated	3,776,000	2.6	0.7	10.0	97,100	82,800	1,215,500
Inferred	2,421,000	2.4	0.7	9.7	57,500	52,300	754,300
Sub Total	6,203,000	2.5	0.7	9.9	154,750	135,250	1,971,650
Jericho Project							
Measured	-	-	-	-	-	-	-
Indicated	5,581,000	2.1	0.4	2.2	117,300	71,800	401,400
Inferred	8,486,000	2.0	0.4	2.1	168,300	105,100	579,500
Sub Total	14,067,000	2.0	0.4	2.2	285,600	176,900	980,900
Sandy Creek Project							
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	2,050,000	1.1	0.3	4.5	23,500	20,700	297,600
Sub Total	2,050,000	1.1	0.3	4.5	23,500	20,700	297,600
Artemis Project							
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	580,000	1.4	1.1	45.5	8,100	21,100	849,000
Sub Total	580,000	1.4	1.1	45.5	8,100	21,100	849,000
Combined Total							
Measured	6,000	2.4	0.7	9.1	150	150	1,850
Indicated	9,357,000	2.3	0.5	5.4	214,400	154,600	1,616,900
Inferred	13,537,000	1.9	0.5	5.7	257,400	199,200	2,480,400
Total	22,900,000	2.1	0.5	5.6	471,950	353,950	4,099,150

Eloise and Jericho Mineral Resources are inclusive of Ore Reserves.

Eloise Mineral Resources are estimated using a 1.1% Cu cut-off above 0mRL and 1.4% Cu below 0mRL.

Jericho Mineral Resources are estimated using a 1.0% Cu cut-off within optimised stope shapes.

Sandy Creek and Artemis Mineral Resources are estimated using a 0.5% Cu cut-off

Tonnages have been rounded to the nearest 1,000 tonnes.

Eloise Project – Combined Ore Reserves as at 31 December 2023

Ore Reserve Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Eloise Copper Mine							
Proved	6,000	2.4	0.7	9.1	150	150	1,850
Probable	2,439,000	2.4	0.6	8.8	57,950	46,900	690,700
Sub Total	2,445,000	2.4	0.6	8.8	58,100	47,050	692,550
Jericho Project							
Proved	-	-	-	-	-	-	-
Probable	3,162,000	1.9	0.4	2.1	61,100	37,000	211,800
Sub Total	3,162,000	1.9	0.4	2.1	61,100	37,000	211,800
Combined Total							
Proved	6,000	2.4	0.7	9.1	150	150	1,850
Probable	5,601,000	2.1	0.5	5.0	119,050	83,900	902,500
Total	5,607,000	2.1	0.5	5.0	119,200	84,050	904,350

Eloise Ore Reserves are estimated using a 1.4% Cu cut-off above 0mRL and 1.6% Cu below 0mRL

Jericho Ore Reserves are estimated using a 1.2% Cu cut-off within optimised stope shapes.

Tonnages have been rounded to the nearest 1,000 tonnes.

Appendix 1

Table 1: Eloise Mine – Elrose-Levuka North Drilling – Drill Hole Locations and Anomalous Intercepts

JORC Code 2012 Assessment and Reporting Criteria for these holes is included in AIC Mines ASX announcement “Eloise Remnant Mining Strategy” dated 18 July 2023.

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
EN338	DD RD	82546.157	97680.272	846.115	86.9	-14.4	108.5	21.0	24.0	3.0	2.2	2.4	0.3	1
EN338								37.8	42.9	5.1	4.7	1.6	0.2	2
EN338								41.3	47.0	5.8	5.3	1.4	0.3	2/3
EN338								50.7	54.0	3.3	3.0	2.7	0.6	3
EN338								58.0	61.0	3.0	2.7	5.3	0.2	4
EN339	DD RD	82546.772	97680.851	844.655	82.9	-47.4	87.5	25.0	27.3	2.3	1.7	1.6	0.4	0
EN339								44.8	52.0	7.2	5.5	1.2	0.3	1/2
EN339								53.9	57.6	3.8	2.9	4.1	1.0	2
EN339								60.3	64.0	3.7	2.8	1.6	0.2	2
EN340	DD RD	82545.663	97679.862	844.714	92.3	-57.1	122.5	48.5	51.0	2.5	1.6	1.1	NR	1
EN340								69.3	75.0	5.7	3.7	2.2	NR	2
EN340								77.0	79.5	2.5	1.6	3.1	NR	2
EN340								83.0	86.0	3.0	1.9	2.2	NR	3
EN341	DD RD	82544.857	97679.226	844.752	70	-48.6	151.0	50.0	55.1	5.1	2.6	4.0	NR	1
EN341								59.0	64.3	5.3	2.7	2.8	NR	1
EN344	DD RD	82547.593	97681.347	847.791	65	17.5	74.2	19.7	22.0	2.3	2.0	2.4	NR	1
EN344								54.0	56.5	2.5	2.2	4.9	NR	3
EN344								58.4	63.3	5.0	4.5	1.9	NR	4
EN345	DD RD	82546.438	97680.266	847.683	45	23.7	99.6	19.0	21.0	2.0	1.9	1.4	1.4	1
EN345								33.1	42.6	9.5	9.0	1.7	0.1	2
EN347	DD EXP	82544.221	97629.571	1072.58	164.6	13.9	58.3	96.0	99.0	3.0	1.9	1.5	NR	2
EN347								117.0	121.0	4.0	2.6	1.0	NR	3
EN347								128.3	133.0	4.7	3.0	4.2	NR	3
EN348	DD EXP	82538.662	97633.989	1072.179	122.2	1.0	114.4	65.0	74.0	9.0	9.0	2.9	NR	3

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

DD RD / EXP – Diamond drillhole resource definition / exploration

NR – Not reported

NSA – No significant assays