AIC Mines
Limited

Annual Report 2024

CONTENTS

CORPORATE DIRECTORY

ABN:
11 060 156 452

Directors

Josef El-Raghy
Non-Executive Chairman

Aaron Colleran
Managing Director and CEO

Brett Montgomery
Non-Executive Director

Jon Young
Non-Executive Director

Linda Hale
Non-Executive Director

Company Secretary

Audrey Ferguson

Registered Office

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Bankers

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Share Registry

Computershare Investor
Services Pty Limited

Level 17, 221 St Georges Terrace
Perth WA 6000

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(within Australia) or
+ 61 3 9415 4000
(outside Australia)

www.computershare.com/au

Stock Exchange

AIC Mines Limited shares
are listed on the Australian
Securities Exchange (ASX).

ASX Code:
A1M

Auditors

PricewaterhouseCoopers
One International Towers,
Waterman's Quay
Barangaroo NSW 2000

Internet Address

www.aicmines.com.au

Chairman's Letter

Dear Fellow Shareholders,

I am pleased to present the AIC Mines 2024 Annual Report.

DELIVERING AT ELOISE

Since we acquired Eloise in November 2021, we have made a determined effort to improve our safety standards and operational reliability. We have brought additional focus to safety and have made major investments in upgrading the mining fleet, underground development and resource extension drilling. The excellent results achieved in FY24 are a result of this effort.

In the financial year just completed:

- We reduced the Total Recordable Injury Frequency Rate (12 month moving average) to 3.2 per one million hours worked at 30 June 2024, down significantly from 16.8 at 30 June 2023;
- We produced 49,994dmt of concentrate containing 13,412t of copper at an All-in Sustaining Cost of A$5.15/lb – a production record under our ownership, and the highest annual production achieved at Eloise since 2017; and
- The Eloise Mine produced net mine cashflow of $23.1 million after capital investment of $50.1 million – a cashflow record for Eloise under our ownership.

JERICHO DEVELOPMENT

The next step in the transformation of Eloise is to increase copper production to 20,000tpa. The Jericho deposit, located 4 kilometres south of Eloise, should deliver that growth.

We commenced development of the Jericho deposit during the year with the commencement of the Jericho link drive, a 3-kilometre underground drive connecting the deposit to the Eloise decline. The link drive is expected to reach first development ore in June 2026.

As we advance underground, we will expand the Eloise processing plant from 725,000tpa to 1.1Mtpa to treat the additional ore from Jericho. Good progress has been made, with detailed design work for the plant expansion now underway.

EXPLORATION SUCCESS

Resource definition and exploration drilling successfully increased Mineral Resources and Ore Reserves at Eloise and Jericho during the year. At Jericho, copper contained in Mineral Resources and Ore Reserves was increased by 59% and 86% respectively compared to the 31 December 2022 estimates. At Eloise, copper contained in Mineral Resources and Ore Reserves was increased by 13% and 10% respectively compared to the 31 December 2022 estimates.

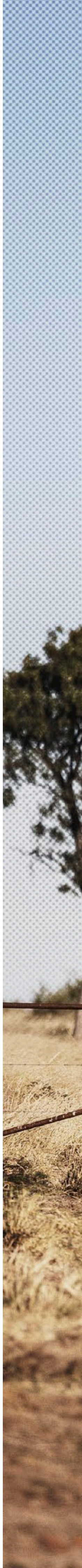
In addition to this success, discovery of the Swagman deposit located between Jericho and Eloise, and good drilling results from regional prospects such as Sandy Creek, give us confidence that we will be mining in the region for a long time to come.

GROWTH

We continue to assess opportunities to grow the Company through mergers and acquisitions. We are targeting late-stage copper and gold projects located in Australia where we can add value through exploration, development or operational improvement. We remain disciplined in our review of acquisition opportunities.

Thank you for your ongoing support as we build the next Australian mid-tier copper mining company.

Josef El-Raghy
Chairman



Directors' Report

The Directors present their report together with the consolidated financial statements for AIC Mines Limited ('the Company' or 'AIC Mines') and the entities it controlled at the end of, or during, the year ended 30 June 2024 ('the Group') and the auditor's report thereon.

Items included in the Directors' Report and consolidated financial statements are presented in Australian dollars unless otherwise stated.

Directors

The names and details of the Company's Directors in office during the year and until the date of this report are as follows. The Directors were in office for the entire period unless otherwise stated. No Director has served as a director of any other ASX-listed company in the past 3 years unless mentioned below.

JOSEF EL-RAGHY

Non-Executive Chairman

Mr El-Raghy has extensive experience in developing and managing gold mining companies. Prior to joining AIC Mines, he was Chairman of Centamin Plc, a gold mining company listed on the Main Board of the London Stock Exchange and the Toronto Stock Exchange. Mr El-Raghy joined Centamin as Managing Director in August 2002 and oversaw the company's transition from junior explorer to successful gold miner before ceasing with Centamin in June 2020. Mr El-Raghy was formerly a Director of both CIBC Wood Gundy and Paterson Ord Minnett and had a ten-year career in stockbroking. In addition to his direct management experience of project development and operation, his time at Centamin has also provided him with deep experience in international capital markets. Mr El-Raghy is also Executive Chairman of WIA Gold Limited (since April 2024).

AARON COLLERAN

Managing Director and Chief Executive Officer

Mr Colleran has extensive experience in public markets mergers and acquisitions and strategic planning. Prior to joining AIC Mines, Mr Colleran was a founding member of the leadership team of Australian gold producer Evolution Mining Limited, having managed its business development and investor relations program from inception through to 2018. He was instrumental in the multiple merger and acquisition transactions that created Evolution Mining, now one of Australia's largest gold mining companies. Mr Colleran was appointed as a Non-Executive Director of Demetallica Limited in November 2022 (delisted from ASX on 23 January 2023).

BRETT MONTGOMERY

Non-Executive Director

Mr Montgomery has extensive experience in public company management in both executive and non-executive roles. Mr Montgomery is a Non-Executive Director of Tanami Gold NL (since February 2013) and Asara Resources Ltd (since February 2023). Mr Montgomery was appointed as a Non-Executive Director of Demetallica Limited in November 2022 (delisted from ASX on 23 January 2023).

Mr Montgomery is Chair of the Remuneration and Nomination Committee.

JON YOUNG

Non-Executive Director

Mr Young is Chairman of FMR Investments Pty Ltd, AIC Mines' largest shareholder, and is a Director of Wealth Management at Canaccord Genuity Financial Limited. Mr Young has over 30 years' experience in financial services and has been advising clients with Canaccord Genuity (formerly Patersons) since 2001. Mr Young holds a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Chartered Accountants Australia and New Zealand. Mr Young was formerly a Non-Executive Director of ASX-listed Greenstone Resources Limited, ceasing in November 2022.

Mr Young is Chair of the Risk and Sustainability Committee.

LINDA HALE

Non-Executive Director

Ms Hale has over 30 years' experience in financial services, stockbroking and mining sectors. Prior to joining the Board, Ms Hale was Company Secretary at AIC Mines from 20 February 2020 until her resignation on 31 January 2023. Previous roles have included Executive Director of Finance and Administration and Company Secretary for CIBC Eyres Reed. She has also consulted on organisational change and held project management roles. Ms Hale holds a Bachelor of Business, is a member of CPA Australia and a graduate of the Australian Institute of Company Directors. She was previously a Non-Executive Director of Demetallica Limited (December 2022 to October 2023 delisted from ASX on 23 January 2023).

Ms Hale is Chair of the Audit Committee.

Officers

The names and details of the Company's officers in office during the year and until the date of this report are as follows. The officers were in office for the entire period unless otherwise stated.

AUDREY FERGUSON

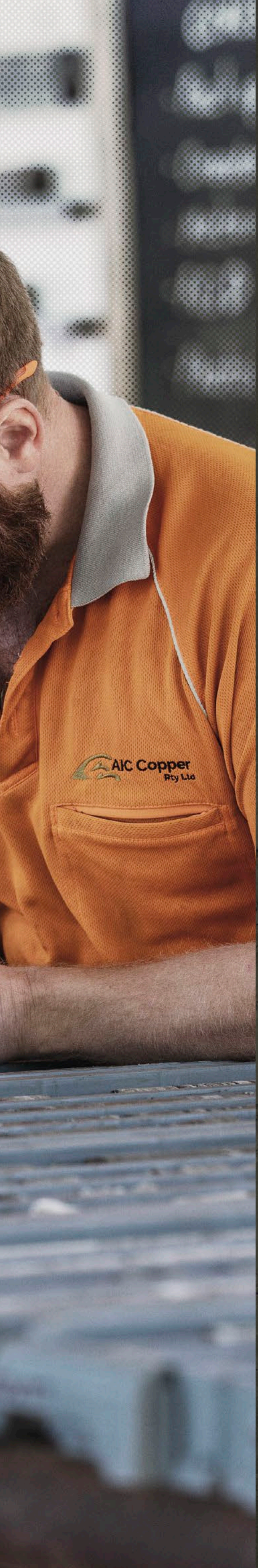
Company Secretary

Ms Ferguson is a qualified solicitor, an experienced company secretary and a graduate of the Australian Institute of Company Directors. Ms Ferguson has more than 25 years' experience in legal and company secretarial roles. Before joining AIC Mines Ms Ferguson was General Counsel and Company Secretary for Bindaree Food Group. Prior to this role she held a range of legal and corporate roles with Rio Tinto in London and Sydney across the copper, diamonds, minerals and energy businesses.

MICHAEL FRAME

Chief Financial Officer

Mr Frame has over 15 years' experience in commercial and financial functions with gold and copper mining companies. He has gained significant experience from site-based roles in Australia and the Asia Pacific. Before joining AIC Mines he was the Group Finance Manager at Evolution Mining where he oversaw the statutory accounting, management reporting, shared services, and group-wide payroll functions. Mr Frame holds a Bachelor of Commerce, a Bachelor of Economics, and a Graduate Diploma in Materials Science. He is a member of CPA Australia and a member of the AusIMM.



Principal Activities

The principal activities of the Group during the year were exploration, mine development and production, mine operations and the sale of copper concentrate in Australia.

KEY HIGHLIGHTS FOR THE REPORTING YEAR

Key highlights for the 12 months ended 30 June 2024 ('year') include:

- The Group recorded a statutory net profit after tax of $7.7 million for the year, a $13.5 million increase on the prior year (30 June 2023: $5.8 million loss).
- The Group recorded EBITDA of $51.8 million for the year, a $27.4 million increase on the prior year (30 June 2023: $24.4 million).
- The Eloise Copper Mine ('Eloise') achieved full year production guidance and record production under AIC Mines ownership, producing 49,994 dry metric tonnes ('dmt') of concentrate containing 13,412 tonnes of copper which along with gold and silver by-product sales generated record net mine cash flow of $23.1 million (after capital).
- In September 2023, a high-grade copper shoot, named Swagman, at the Jericho Project was discovered. See AIC Mines ASX announcement 'High-grade Copper Discovery at Jericho North' dated 19 September 2023 for further information.
- In November 2023, a significant increase in the Mineral Resource and Ore Reserve of Lens 6 at Eloise was announced. The updated estimates saw a 74% increase in copper in Mineral Resources and a 119% increase in copper in Ore Reserves. For further details including JORC Code (2012) disclosures, see AIC Mines ASX announcement 'Significant Increase in Lens 6 Mineral Resource and Ore Reserve, Eloise Copper Mine' dated 22 November 2023.
- In January 2024, the Mineral Resource estimate for Jericho was updated. The updated estimate saw a 59% increase in copper in Mineral Resource compared to the 31 December 2022 Mineral Resource estimate. For further details regarding the Jerico Mineral Resources, including JORC Code (2012) disclosures see AIC Mines ASX announcement 'Significant Increase in Jericho Mineral Resource' dated 30 January 2024.
- In March 2024, the Ore Reserve estimate for Jericho was updated with an 86% increase in copper in Ore Reserves compared to the 30 June 2023 Ore Reserve estimate. For further details regarding the Jericho Ore Reserves, including JORC Code (2012) disclosures see AIC Mines ASX announcement 'Significant Increase in Jericho Ore Reserve' dated 28 March 2024.
- In April 2024, the Mineral Resource and Ore Reserve estimates were updated for Eloise, with both the Mineral Resources and Ore Reserves increasing by 13% and 10% in contained copper respectively compared to the 31 December 2022 Mineral Resource estimate, net of mining depletion. For further details regarding the Eloise Mineral Resources and Ore Reserves, including JORC Code (2012) disclosures see AIC Mines ASX announcement 'Increased Resources and Reserves at Eloise, Sandy Creek and Artemis' dated 18 April 2024.
- In May 2024, the mining lease for the Jericho Copper Mine was approved for grant by the Minister for Resources and Critical Minerals Queensland, and subsequently granted by the Queensland Government, Department of Resources.
- Also in May 2024, a successful placement to institutional and sophisticated investors was completed raising total proceeds of $57.2 million to predominantly fund the Jericho link drive (net proceeds of $53.7 million were received to 30 June 2024).

Financial Review

PROFIT AND LOSS

- The Group recorded a consolidated profit after income tax of $7.7 million for the year (30 June 2023: $5.8 million loss). Net revenue from concentrate sales for the year increased to $180.5 million (30 June 2023: $125.6 million). Gross metal revenue before treatment, refining and transport charges comprised $174.8 million of copper, $21.5 million of gold and $5.1 million of silver (30 June 2023: $139.6 million, collectively).
- The basic and diluted earnings per share for the year totalled 1.63 cents and 1.54 cents, respectively (30 June 2023: basic and diluted loss per share of 1.52 cents and 1.46 cents).

BALANCE SHEET

- At year end, net assets of the Group totalled $219.1 million (30 June 2023: $154.3 million). Total assets increased during the year to $266.8 million (30 June 2023: $194.7 million) mainly due to the increase in cash and cash equivalents from the institutional placement of $53.7 million (net of costs), increases in mine development at Eloise and increases to exploration properties. Cash and cash equivalents totalled $74.3 million (30 June 2023: $30.9 million). Mine properties increased by $11.3 million in the year, which was driven by the capitalisation of mining costs related to underground mine development at Eloise, offset by depreciation and amortisation. Exploration properties increased by $9.3 million primarily driven by resource definition drilling, permitting and studies at the Jericho Project.
- Total liabilities for the Group increased by $7.3 million during the year to $47.7 million (30 June 2023: $40.4 million). This was mainly due to the increase in trade and other payables of $1.5 million, increase in interest-bearing liabilities of $4.4 million, net increase in provisions of $1.1 million and decrease in lease liabilities of $0.3 million.

CASH FLOW

- The net cash inflow from operating activities totalled $51.9 million (30 June 2023: inflow $22.9 million). The $29.0 million increase in cash inflow was driven by improved copper production at Eloise and higher achieved metal prices on sales.
- Net cash outflows from investment activities totalled $66.4 million, an increase of $15.4 million from the prior year (30 June 2023: outflow $50.9 million). Major items contributing to the change in outflows were the investment in mine development, plant and equipment at Eloise and investment in the development of Jericho.
- Net cash inflows from financing activities were $57.9 million for the year, an increase of $27.0 million from the prior year (30 June 2023: $30.9 million). The key item contributing to the change in inflows was the institutional placement of $53.7 million net of costs.

TAXATION

- During the year, the Group recognised an income tax expense totalling $3.5 million for the year (30 June 2023: $1.3 million tax benefit) and made no income tax payments as it is not in a tax payable position.

DIVIDENDS

- There was no dividend paid or declared during the year.

Operations Review

ELOISE

Production for the year totalled 49,994dmt of concentrate containing 13,412t of copper at an All-in Sustaining Cost of $5.15/lb and All-in Cost of $5.39/lb. This was a production record under AIC Mines ownership and the highest annual production recorded at the Eloise mine since 2017.

Operating mine cash flow for the year was $73.2 million and net mine cash flow was positive $23.1 million post total capital investment of $50.1 million at an achieved copper price of $13,329 per tonne ($6.05/lb) of copper sold – both record cash flow results for Eloise under AIC Mines ownership.

The production improvements at Eloise in FY24 were driven by higher ore mined and higher mill throughput. This was achieved due to improved fixed and mobile plant availability, improved drill and blast performance and maintaining access to multiple ore sources throughout the year. All of these improvements were a direct result of investment and operational changes made in FY23.

The table below outlines the key operating metrics for Eloise during the year ended 30 June 2024 and the year ended 30 June 2023:

Summary of operating results	**Year ended 30 June 2024**	**Year ended 30 June 2023**
Ore mined (t)	662,875	582,703
Copper grade mined (%)	2.08	1.93
Ore processed (t)	687,691	574,408
Copper grade processed (%)	2.07	1.96
Copper recovery (%)	94.27	93.68
Operating mine cash flow ($'000)	73,195	35,769
Sustaining capital ($'000)	(43,157)	(37,061)
All-in cost capital ($'000)	(6,962)	(18,579)
Total capital ($'000)	(50,120)	(55,640)
Net mine cash flow ($'000)	23,076	(19,876)
Payable copper production (t)	12,912	10,164
All-in Sustaining Cost ($/lb)	**5.15**	**5.58**
All-in Cost ($/lb)	**5.39**	**6.43**

Exploration Review

ELOISE REGIONAL PROJECT

The Eloise Regional Project consists of approximately 2,000 square kilometres of contiguous, 100% owned tenure immediately surrounding the Eloise mine. The highly endowed project contains a pipeline of targets from early-stage prospects to known resources. Endowment is centred on two geological areas, the 20-kilometre long Levuka Shear Zone, which hosts Eloise Mine and the Jericho resource, and the Middle Creek Anticline which hosts the advanced prospects of Sandy Creek, Artemis and Roberts Creek as well as numerous earlier-stage targets-within a 20-kilometre radius of Eloise.

Exploration in FY24 focused on copper resource growth at Jericho, delivering a 59% increase in Mineral Resources, and conversion of Mineral Resources to Ore Reserves, delivering an 86% increase in Ore Reserves compared to the 31 December 2022 estimates. Drilling between Jericho and Eloise resulted in the discovery of the Swagman Shoot, which is over 800m in strike length and open. At Sandy Creek, extensions to mineralisation were defined along strike and down plunge.

QUEENSLAND PROJECTS

In addition to the Eloise Regional Project, AIC Mines holds the Windsor base metal project, Pyramid gold project, and the Cannington base metal project in Queensland. A program of reverse circulation drilling was completed at the Pyramid project testing five coincident geophysical and geochemical targets. Drilling intersected anomalous gold and base metal intervals typical of epithermal style mineralisation. At the other two Queensland projects, preparatory land access work was completed for exploration programs in FY25. An additional project was added to the portfolio, consisting of two tenements for 460 square kilometres, located 100 kilometres north of Cloncurry (North Cloncurry Project). The project is considered prospective for large iron-oxide copper gold (IOCG) style deposits.

DELAMERIAN PROJECT

The Delamerian project consists of three large exploration licences in western New South Wales. The project is prospective for mafic-ultramafic intrusive related Ni-Cu deposits and volcanogenic massive sulphide Cu-Zn deposits. Exploration commenced at the project with high-resolution aeromagnetics acquired at the Koonenberry target area and high-resolution ground gravity data collected along parts of the Loch Lilly Belt. A ground electromagnetic survey was also completed at the Kars prospect. These foundational datasets are the first step in target generation for this frontier region, facilitating target testing in FY25.

WESTERN AUSTRALIAN PROJECTS

At the Marymia project, a review of the copper and gold targets on the southern and northern margins of the Plutonic Marymia Greenstone belt resulted in the priority of the project being lowered. As a result, no material exploration was completed in FY24 at the Marymia project.

At the Lamil project in the Paterson Province we commenced a partner search, along with our 50% joint venture partner Rumble Resources, to attract a partner to advance the project. No material exploration was completed in FY24 at the Lamil project.

SOUTH AUSTRALIAN PROJECTS

Our joint venture partner at the Peake and Denison project, BHP Group Limited, withdrew from the earn-in and joint venture. The project is held 100% by AIC Mines and contains numerous untested geophysical targets considered prospective for IOCG style deposits such as Prominent Hill and Olympic Dam. With a focus on Queensland and NSW, a partner is being sought to advance this project.

The Lake Purdilla gypsum project located 130km southeast of Ceduna was divested.

Development Review

JERICHO PROJECT

AIC Mines is developing the Jericho copper deposit which is located 4 kilometres south of the existing Eloise processing plant with similar geology, mineralisation and metallurgy to the Eloise Mine. Staged development of the Jericho mine and expansion of the Eloise processing plant over the next three years is expected to lift production to over 20,000 tonnes per annum copper and 7,500 ounces per annum gold. It is also expected to reduce operating costs through economies of scale and de-risk production by increasing the number of available ore sources.

During the year the Jericho Project reached a key milestone with the granting of the Jericho Mining Lease allowing the Jericho link drive to commence. The Jericho link drive is a 3,000 metre underground drive connecting the Eloise decline directly to the Jericho orebody.

The development of Jericho and expansion of the Eloise processing plant is expected to transform Eloise into a cornerstone asset for AIC Mines.

Material Business Risks

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2024 are:

FLUCTUATIONS IN COMMODITY PRICE AND AUSTRALIAN DOLLAR

The Group's revenues are exposed to fluctuations in the copper, gold and silver prices and the Australian dollar exchange rate. Volatility in the copper, gold and silver prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar commodity price fall. Declining copper, gold and silver prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

MINERAL RESOURCES AND ORE RESERVES

The Group's Mineral Resources and Ore Reserves are estimates, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted.

Market price fluctuations of copper, gold and silver as well as increased production and capital costs may render the Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Ore Reserves may need to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Group's financial results and prospects.

REPLACEMENT OF DEPLETED ORE RESERVES

The Group must continually replace Ore Reserves depleted by production to maintain production levels over the long term. Ore Reserves can be replaced by discovering extensions to known ore bodies, discovering new deposits or acquiring new deposits. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered (or acquired), it may take several years from the initial phases of drilling until production is possible. There is no assurance that current or future exploration programs will be successful. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions.

MINING RISKS AND INSURANCE RISKS

The mining industry is subject to significant risks and hazards, including, but not limited to, environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, rock bursts, seismic events, cave-ins and severe weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial and operational performance.

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

The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

PRODUCTION AND COST ESTIMATES

The Group prepares estimates of future production, cash costs and capital costs of production for its operations. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition. The Group's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the Ore Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors including changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

ENVIRONMENTAL, HEALTH, SAFETY AND PERMITTING RISKS

The Group's mining and processing operations and exploration activities are subject to laws and regulations governing the protection and management of the environment, water management, waste disposal, worker health and safety, mine development and rehabilitation and the protection of endangered and other special status species. The Group's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with the Group's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Group's operations, including its ability to continue operations.

The Group has implemented health, safety and community initiatives at its sites to manage the health and safety of its employees, contractors and members of the community. While these control measures are in place there is no guarantee that these will eliminate the occurrence of incidents which may result in personal injury or damage to property. In certain instances, such occurrences could give rise to regulatory fines and/or civil liability.

CLIMATE CHANGE

The Group recognises that physical and non-physical impacts of climate change may affect assets, productivity, markets and the community. Risks related to the physical impacts of climate change include the risks associated with increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns. Non-physical risks and opportunities arise from a variety of policy, legal, technological and market responses to the challenges posed by climate change and the transition to a lower carbon world.

Other Information

RISK MANAGEMENT

The Group manages the risks listed above, and other day-to-day risks through an established risk management framework which conforms to Australian and international standards and guidance. The Group's risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Board and the Risk and Sustainability Committee, supported by management review throughout the year. The financial reporting and control mechanisms are reviewed during the year by management, the Audit Committee and the Risk and Sustainability Committee and the external auditors.

The site leadership team, the executive leadership team and the Board regularly review the risks of the business and the effectiveness of the Group's management of those risks.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of the activities of the Group during the year, other than those included in the Key Highlights. Further information on likely developments in the operations of the Group and expected results of operations has not been included in this Directors' Report as the Directors believe doing so would likely result in unreasonable prejudice to the Group.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Refer to Note 31 of the Consolidated Financial Statements for details of events occurring after the reporting period.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Managing Director and Chief Executive Officer reports to the Board on all significant environmental incidents. The Board also has a Risk and Sustainability Committee which has oversight of the sustainability performance of the Group. The Directors are not aware of any environmental incidents occurring during the year ended 30 June 2024 which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to stringent environmental regulation. All of the Group's mining and exploration operations are subject to environmental regulation specific to its environmental activities as part of their operating licence, permit and/or, approvals. Each operation is required to manage its environmental obligations in accordance with the Group's corporate governance statement.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreements with each of the Directors and Officers of the Company in office at the date of this report and former Directors indemnifying them to the extent permitted by law against all liabilities incurred in their capacity as Officers of the Company and its controlled entities and all reasonable legal costs incurred by any of them in the defence of an action for a liability incurred by that Officer. The indemnity continues to have effect when the Directors and Officers cease to hold office.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability as such disclosures are confidential under the terms of the contract.

ROUNDING

Amounts in these financial statements have been rounded off in accordance with the Australian Securities and Investment Commission's instrument 2016/191, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2024. This report contains details of the remuneration paid to the Directors and other Key Management Personnel (collectively 'KMP') and is aligned to the Group's overall remuneration strategy and framework. The Group's remuneration strategy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and retain high quality and appropriately experienced Directors, other KMP and employees. The information provided in this report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth) ('Corporations Act')

DIRECTORS

Josef El-Raghy	Non-Executive Chairman
Aaron Colleran	Managing Director and Chief Executive Officer
Brett Montgomery	Non-Executive Director, Chair of the Remuneration and Nomination Committee
Jon Young	Non-Executive Director, Chair of the Risk and Sustainability Committee
Linda Hale	Non-Executive Director, Chair of the Audit Committee

Other Key Management Personnel

Tim Benfield	Chief Operating Officer (appointed 29 January 2024)
Matthew Fallon*	Executive General Manager Development (determined not a KMP as of 29 January 2024)
Michael Frame	Chief Financial Officer

*Previous title was Chief Development Officer.

Other than as detailed above there are no other KMP of the Group.

1. Remuneration Committee

The Remuneration and Nomination Committee is chaired by Mr Brett Montgomery, an independent Non-Executive Director who is responsible for determining and reviewing compensation arrangements for the Directors and other KMP, in accordance with the Remuneration and Nomination Committee Charter. An affected Director or other KMP will not participate in the decision-making process.

2. Use of Independent Remuneration Consultants

During the year ended 30 June 2024, no external remuneration consultants were used.

3. Remuneration Policy

The objective of the Group's remuneration strategy is to attract and retain high quality and appropriately experienced Directors, other KMP and employees, by remunerating them fairly and appropriately with reference to relevant and prevailing employment market conditions. Remuneration packages are reviewed at least annually.

4. Non-Executive Director Remuneration

4.1 FIXED REMUNERATION

The fixed remuneration to Non-Executive Directors will not exceed the maximum approved amount of $750,000 per annum (approved by shareholders on 3 March 2008). The Board seeks to set fixed remuneration at a level which provides the Group with the ability to attract and retain Directors of high calibre, whilst incurring a cost which is acceptable to shareholders. The amount of fixed remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking a regular review as well as the time commitment required. Remuneration of Non-Executive Directors for the year ended 30 June 2024 is disclosed in section 6 of this Report.

4.2 VARIABLE REMUNERATION – SHORT TERM INCENTIVES

During the year, Non-Executive Directors did not receive short term incentives for their membership of the Board, Committees or Boards of subsidiaries. During the year, the Group had no contractual obligations to provide short term incentives to Non-Executive Directors.

4.3 VARIABLE REMUNERATION – LONG TERM INCENTIVES

Non-Executive Directors do not receive long term incentives for their membership of the Board, Committees or Boards of subsidiaries. During the year, the Group had no contractual obligations to provide long term incentives to Non-Executive Directors.

5. Executive Remuneration

The objectives of the Group's Executive Remuneration Strategy are to:

- provide market competitive levels of remuneration having regard to the level of work and the impact executives can potentially have on the performance of the Group;
- attract, retain, motivate and reward an executive team capable of delivering business objectives and growth;
- align incentives for executives with shareholder interests; and
- comply with the Group's standards of corporate governance.

Remuneration packages are made up of fixed and variable remuneration. Fixed remuneration is cash paid in the form of salary and superannuation. Short Term Incentives are ordinarily in the form of cash bonuses paid for a financial year subject to individual and company performance. Long Term Incentives are performance rights subject to performance hurdles and a multi-year performance period.

Remuneration packages are reviewed annually using industry and peer group benchmarking and are amended when deemed appropriate given the Group's financial position and performance at the time. There are no guaranteed increases to the fixed remuneration included in employment contracts for executives.

5.1 COMPANY PERFORMANCE

The table below shows the Group's financial performance over the last four (4) accounting periods.

Performance Summary	12 months ended 30 June 2024	12 months ended 30 June 2023	6 months ended 30 June 2022	31 December 2021 Restated[1]
Closing Share Price	$0.42	$0.41	$0.55	$0.53
Profit/(loss) after tax $'000	7,694	(5,815)	21,157	1,811
Net tangible asset per share	$0.57	$0.50	$0.40	$0.32

1. Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated.

5.2 FIXED REMUNERATION

Fixed remuneration benefits

Executives are offered via formal written contracts a competitive fixed remuneration comprised of base salary and applicable legislated superannuation contributions. Superannuation contributions are capped at the legislated maximum employer superannuation contribution cap.

From 1 July 2023, the fixed remuneration for the Managing Director and Chief Executive Officer was reinstated to $500,000 per annum inclusive of superannuation following a voluntary reduction of $100,000 fixed remuneration by Mr Colleran from 1 August 2022 until 30 June 2023.

The fixed remuneration for Mr Benfield, the Chief Operating Officer, was set during the year at $300,000 per annum inclusive of superannuation. The fixed remuneration for Mr Frame (Chief Financial Officer) and Mr Fallon (Executive General Manager Development, previously Chief Development Officer), was set during the year at $275,000 per annum inclusive of superannuation.

5.3 VARIABLE REMUNERATION

Short Term Incentive ('STI')

KMP excluding Non-Executive Directors are eligible for an annual STI based on a percentage of their fixed remuneration. The calculation and payment of any STI is determined at the discretion of the Board (following review and a recommendation from the Remuneration and Nomination Committee) and includes consideration of the individual's performance as well as the performance of the Group for the year against a key performance indicator scorecard (STI Scorecard) set by the Board at the beginning of the year.

In August 2023 the Board approved the FY24 STI Scorecard set for the 12 months to 30 June 2024.

Outlined below are the four main categories of the STI Scorecard and the relevant weightings used to evaluate individual's and Group performance. The weighted achieved scores for 30 June 2024 were approved by the Board on 21 August 2024.

Group STI Scorecard

STI Metric	Weighting	Percentage of goals achieved	Weighted Score
Result for 12 months to 30 June 2024			
Financial Delivery	33%	33%	11%
Sustainability	17%	87%	14%
Operational Excellence	22%	100%	22%
Growth	28%	40%	11%
Total	**100%**		**59%**
Result for 12 months to 30 June 2023			
Financial Delivery	20%	0%	–
Sustainability	15%	67%	10%
Operational Excellence	25%	0%	–
Growth	40%	50%	20%
Total	**100%**		**30%**

The Group STI Scorecard result of 58.9% was an improvement over the prior year's results and mainly reflects an improvement in operational performance at Eloise. Good outcomes in exploration, resource growth, employee engagement and sustainability commitments also positively impacted the score. Cost inflation at Eloise, unattractive debt funding options for Jericho and the inability to acquire a new project negatively impacted the score.

During the year, the following STI results were achieved. For reference, FY23 STI results are also included.

STI Outcomes

	Maximum STI achievable (% of TFR)	STI achieved (% of TFR)[1]	STI payment
30 June 2024			
A Colleran	100%	64%	$322,222
M Fallon[2]	50%	30%	$48,125
M Frame	50%	27%	$75,000
T Benfield[3]	50%	30%	$37,500
30 June 2023			
A Colleran	100%	46%	$182,667
M Fallon	50%	36%	$45,500
M Frame	50%	38%	$48,000

1. The final STI achieved % for Mr Colleran is based on a 70% weighting to Group STI Scorecard result and 30% weighting to his individual result. Mr Fallon's, Mr Frame's and Mr Benfield's final STI achieved % is based on a 60% weighting to Group STI Scorecard result and 40% weighting to their individual results.
2. Following the appointment of Mr Benfield, the Group determined that Mr Fallon no longer held responsibility for planning, directing, and controlling the activities of the Group, and is therefore not considered a KMP from 29 January 2024. Balances shown for Mr Fallon in the table above are up until 29 January 2024.
3. A pro rata calculation was applied to reflect Mr Benfield's commencement date of 29 January 2024.

Long Term Incentive Plan (LTIP)

Pursuant to the revised AIC Mines Equity Participation Plan ('EPP') which was reapproved by shareholders on 22 November 2023, KMP excluding Non-Executive Directors participate in the EPP whereby long term incentives ('LTIs') in the form of performance rights or share options may be offered. Non-Executive Directors do not receive LTIs. The Board consider that the LTIs are a cost effective and efficient incentive, as well as a retention mechanism.

The purpose of the EPP is to:

- assist in the reward, retention, and motivation of EPP participants;
- link the reward of EPP participants to performance and the creation of shareholder value;
- align the interests of EPP participants more closely with the interests of shareholders by providing an opportunity for EPP participants to receive an equity interest in the form of options, performance rights and/or shares;
- provide EPP participants with the opportunity to share in any future growth in value of the Group; and
- provide greater incentive for EPP participants to focus on the Group's longer-term goals.

The Managing Director and Chief Executive Officer is eligible for an annual grant of LTIs in the form of performance rights up to 200% of fixed remuneration, subject to shareholder approval. Other KMP are eligible for annual grants of LTI in the form of performance rights up to 150% of fixed remuneration. The grant of any LTI is at the absolute discretion of the Board and is subject to approval by the Board.

The calculation and vesting of any LTIs will be based on the performance of the Group for each period and assessed against criteria such as absolute share price performance, relative share price performance when compared to a peer group and Mineral Resource and Ore Reserve growth.

Set out in the table below are the LTI vesting conditions adopted and approved by the Board in relation to the grant of performance rights issued to KMP during the year ended 30 June 2024.

Goal	Weighting	Measure	Level of vesting
Total Shareholder Return – Absolute ('TSRA')[1]	30%	Share price increase greater than 50%	100%
		Share price increase between 25% and 50%	Pro rata 75%-100%
		Share price increase 10% and 25%	Pro rata 50%-75%
		Share price <10%	Nil
Total Shareholder Return – Relative ('TSRR')[2]	30%	Equal to or above 75th percentile	100%
		Equal to or above 50th percentile and below the 75th percentile	Pro rata vesting on a straight-line basis between 50% and 100%
		Less than 50th percentile	Nil
Copper equivalent Ore Reserve growth[3]	20%	Depletion* replacement +>10% increase	100%
		Between depletion replacement and up to 10% increase	Pro rata vesting on a straight-line basis between 50% and 100%
		Depletion* replaced	50%
		Depletion* not replaced	Nil
Copper equivalent Mineral Resource growth[3]	20%	Depletion* replacement +>10% increase	100%
		Between depletion* replacement and up to 10% increase	Pro rata vesting on a straight-line basis between 50% and 100%
		Depletion* replaced	50%
		Depletion* not replaced	Nil

1. TSRA measured by calculating the percentage by which the 30-day volume weighted average share price quoted on the ASX (VWAP) at close of trade on the first day of the performance period (1 July 2024) has increased compared to the 30-day VWAP quoted on the ASX on the last day of the performance period (30 June 2027).
2. TSRR measured by calculating the TSRA over the performance period compared to peer companies. Peer companies may be updated over time, with Board approval. Refer below for the Peer entities used for the relevant period.
3. 30 June 2024: Reserve and Resource growth is calculated by comparing JORC compliant MROR current at the first day of the performance period (1 July 2024) to MROR at the last day of the performance period (30 June 2027).

* Depletion refers to mining depletion.

The peer group relevant to the performance rights granted during FY22 and FY23.

Peer Group Entities			
Aeris Resources	Aurelia Metals	Austral Resources	Copper Mountain Mining Corp
Cyprium Metals	Develop Global	Galena Mining	KGL Resources
Mincor Resources	New Century Resources	Panoramic Resources	Pantoro Limited
Poseidon Nickel	Red River Resources		

The peer group relevant to the performance rights granted during FY24.

Peer Group Entities			
Aeris Resources	Aurelia Metals	Austral Resources	True North Copper
Cyprium Metals	Develop Global	Galena Mining	KGL Resources
Hillgrove Resources	Polymetals Resources	Panoramic Resources	Pantoro Limited
Poseidon Nickel	Carnaby Resources		

The Board has the discretion to adjust the composition and number of the peer group companies to take into account events including, but not limited to, takeovers, mergers, and demergers that might occur during the performance period.

LTIP Outcomes

Outcomes for the FY22 performance rights vesting, as approved by the Board shortly after the year end, are as follows:

Performance Target	Measure	Weighting	FY24 Outcome	Level of Vesting	% Vested
Total Shareholder Return – Absolute	Compound annual return	30%	-0.5%	0%	0%
Total Shareholder Return – Relative	Percentile rank	30%	100th	100%	30%
Copper Equivalent Ore Reserves Growth	Percentage increase	20%	365%	100%	20%
Copper Equivalent Mineral Resources Growth	Percentage increase	20%	376%	100%	20%
				Total Vested	**70%**

LTI Outcomes	FY22 Performance rights issued	% Vested	Performance rights vested[2]
30 June 2024			
A Colleran	1,697,793	70%	1,188,455
M Fallon	636,672	70%	445,670
M Frame	636,672	70%	445,670
T Benfield[1]	–	–	–

1. Mr Benfield was appointed on 29 January 2024 as Chief Operating Officer and as such was not entitled to any performance rights relating to the FY22 grant.
2. Incentives related to the FY22 performance rights grant that met the performance criteria, vested following Board approval shortly after the year end.

* Linda Hale (Non-Executive Director) received a vesting of 228,183 performance rights in relation to Ms Hale's time as company secretary of AIC Mines (resigned on 31 January 2023).

6. Remuneration of Directors and other KMP

Details of the remuneration of Directors and other KMP of the Group for the year are set out in the following tables. Other than the information disclosed in the tables below, no KMP received any additional compensation in either the current or comparative periods.

Year ended 30 June 2024	Short-term employee benefits		Post-employment benefits	Other Entitlements	Share-based Payments		
Name	**Salary and fees $**	**Cash bonus $**	**Super-annuation $**	**AL & LSL $**	**Performance rights amortised value[1] $**	**Total $**	**Percentage of remuneration that is performance related %**
Non-Executive Directors							
J El-Raghy	81,448	–	8,959	–	–	90,407	–
B Montgomery	63,348	–	6,968	–	–	70,316	–
J Young	63,348	–	6,968	–	–	70,316	–
L Hale[2]	67,873	–	7,466	–	–	75,339	–
Sub-total NED	**276,017**	**–**	**30,361**	**–**	**–**	**306,378**	**–**
Executive Director							
A Colleran	472,601	322,222	27,399	60,942	765,497	1,648,661	66%
Other KMP							
T Benfield[3]	116,120	37,500	12,342	6,751	–	172,713	22%
M Fallon[4]	144,520	48,125	16,044	6,144	161,968	376,801	56%
M Frame	247,748	75,000	27,252	(4,528)	277,659	623,131	57%
Total[5]	**1,257,006**	**482,847**	**113,398**	**69,309**	**1,205,124**	**3,127,684**	

1. Amortised value of share-based rights comprises the fair value of performance rights expensed during the year for KMP.
2. In addition to the NED salary and fees, performance rights amortisation of $80,513 occurred during the year relating to performance rights issued to Ms Hale during her time as Company Secretary.
3. Mr Benfield was appointed on 29 January 2024 as Chief Operating Officer.
4. Following the appointment of Mr Benfield, the Group determined that Mr Fallon no longer held responsibility for planning, directing, and controlling the activities of the Group, and is therefore not considered a KMP from 29 January 2024. Balances shown for Mr Fallon in the table above are up until 29 January 2024.
5. Premium for Director's liability insurance is not included in the remuneration table above and no termination payments were paid in FY24.

Year ended 30 June 2023	Short-term employee benefits		Post-employment benefits	Other Entitlements	Share-based Payments		
Name	Salary and fees $	Cash bonus $	Super-annuation $	AL & LSL $	Performance rights amortised value[1] $	Total $	Percentage of remuneration that is performance related %
Non-Executive Directors							
J El-Raghy	67,149	–	7,051	–	–	74,200	–
B Montgomery	60,166	–	6,317	–	–	66,483	–
T Wolfe	25,783	–	–	–	–	25,783	–
J Young	47,783	–	5,017	–	–	52,800	–
Linda Hale[2]	25,958	–	2,726	–	–	28,683	–
Sub-total NED	**226,839**	**–**	**21,111**	**–**	**–**	**247,950**	
Executive Director							
A Colleran	354,623	182,667	25,292	28,426	645,944	1,236,952	67%
Other KMP							
M Fallon	208,841	45,500	24,140	17,404	227,104	522,988	52%
M Frame	208,841	48,000	24,140	17,404	227,104	525,489	52%
Total[3]	**999,144**	**276,167**	**94,683**	**63,234**	**1,100,152**	**2,533,379**	

1. Amortised value of share-based rights comprises the fair value of performance rights expensed during the year for KMP.
2. In addition to the Director fee, a bonus of $25,381 was awarded and performance rights amortisation of $83,068 incurred relating to Ms Hale's time as company secretary of AIC Mines (resigned on 31 January 2023).
3. Premium for Director's liability insurance is not included in the remuneration table above and no termination payments were paid in FY23.

6.1 PERFORMANCE RIGHTS HELD, AWARDED, VESTED, AND LAPSED DURING THE YEAR

The tables below disclose the number of performance rights held, granted, vested, or lapsed during the current and comparative years. No performance rights were forfeited in the current or comparative years.

Year ended 30 June 2024

Opening Balance 1 July 2023	Granted during year	Vested during year[1]	Exercised during year	Balance at end of year	Vested and exercisable	Unvested at end of year	Lapsed[2]	Vesting Condition	Grant Date[3]
A Colleran									
2,000,000	–	–	–	2,000,000	2,000,000	–	–	A	3 Jun 19
2,000,000	–	–	–	2,000,000	2,000,000	–	–	B	3 Jun 19
500,000	–	–	–	500,000	500,000	–	–	B	21 Dec 20
1,697,793	–	1,188,455	–	1,697,793	1,188,455	–	509,338	C	27 May 22
2,262,443	–	–	–	2,262,443	–	2,262,443	–	D	25 Nov 22
–	2,496,885	–	–	2,496,885	–	2,496,885	–	E	22 Nov 23
M Fallon[4]									
636,672	–	445,670	–	636,672	445,670	–	191,002	C	15 Jun 22
848,416	–	–	–	848,416	–	848,416	–	D	5 Sep 22
–	1,029,965	–	–	1,029,965	–	1,029,965	–	E	18 Sep 23
M Frame									
636,672	–	445,670	–	636,672	445,670	–	191,002	C	15 Jun 22
848,416	–	–	–	848,416	–	848,416	–	D	5 Sep 22
–	1,029,965	–	–	1,029,965	–	1,029,965	–	E	18 Sep 23
T Benfield[5]									
–	–	–	–	–	–	–	–	–	–
Total									
11,430,412	**4,556,815**	**2,079,795**	**–**	**15,987,227**	**6,579,795**	**8,516,090**	**891,342**		

* The performance rights issued have a zero-exercise price. The performance rights may be exercised on or after the vesting date. With the exception of the performance rights granted 3 June 2019 (which have a 15-year expiry period), all performance rights will expire on its fifth anniversary from issue date, if not exercised prior.

A. 60 Day VWAP $0.40.

B. 60 Day VWAP $0.60.

C. As per vesting conditions set out in section 5.3 of AIC Mines 2022 Annual Report.

D. As per vesting conditions set out in section 5.3 of AIC Mines 2023 Annual Report.

E. As per vesting conditions set out in section 5.3.

1. Incentives related to the FY22 performance rights grant that met the performance criteria, vested following Board approval shortly after the year end.
2. Incentives related to the FY22 performance rights grant that did not meet the performance criteria, lapsed following Board approval shortly after the year end.
3. Grant date is defined by AASB 2 as the date at which the entity and employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. If that agreement is subject to an approval process (for example, by shareholders), grant date is the date when that approval is obtained.
4. Following the appointment of Mr Benfield, the Group determined that Mr Fallon no longer held responsibility for planning, directing, and controlling the activities of the Group, and is therefore not considered a KMP from 29 January 2024. Balances shown for Mr Fallon in the table above are up until 29 January 2024.
5. Mr Benfield was appointed on 29 January 2024 as Chief Operating Officer.

Year ended 30 June 2023

Opening Balance 1 July 2022	Granted during year	Vested during year	Exercised during year	Balance at end of year	Vested and exercisable	Unvested at end of year	Vesting Condition	Grant Date
A Colleran								
2,000,000	–	–	2,000,000	–	–	–	A	3 Jun 19
2,000,000	–	–	–	2,000,000	2,000,000	–	B	3 Jun 19
2,000,000	–	–	–	2,000,000	2,000,000	–	C	3 Jun 19
500,000	–	–	–	500,000	500,000	–	C	21 Dec 20
1,697,793	–	–	–	1,697,793	–	1,697,793	D	27 May 22
–	2,262,443	–	–	2,262,443	–	2,262,443	E	25 Nov 22
M Fallon								
250,000	–	–	250,000	–	–	–	C	4 Oct 19
100,000	–	–	100,000	–	–	–	C	21 Dec 20
636,672	–	–	–	636,672	–	636,672	D	15 Jun 22
–	848,416	–	–	848,416	–	848,416	E	5 Sep 22
M Frame								
250,000	–	–	250,000	–	–	–	C	1 Mar 22
636,672	–	–	–	636,672	–	636,672	D	15 Jun 22
–	848,416	–	–	848,416	–	848,416	E	5 Sep 22
Total								
10,071,137	**3,959,275**	**–**	**2,600,000**	**11,430,412**	**4,500,000**	**6,930,412**		

* The performance rights issued have a zero-exercise price. The performance rights may be exercised on or after the vesting date. With the exception of the performance rights granted on 3 June 2019 (which have 15 years until expiry), all performance rights will expire on its fifth anniversary from issue date, if not exercised prior.

A. 60 Day VWAP $0.30.

B. 60 Day VWAP $0.40.

C. 60 Day VWAP $0.60.

D. As per vesting conditions set out in section 5.3 of AIC Mines 2022 Annual Report.

E. As per vesting conditions set out in section 5.3 of AIC Mines 2023 Annual Report.

The fair value at grant date for other KMP and the Managing Director and Chief Executive Officer that qualify for performance rights are stated in the table below.

Performance rights issue	Absolute TSR	Relative TSR	Growth in Ore Reserve	Growth in Mineral Resource
Other KMP				
Fair value at grant date for financial year 2024 issue	$0.21	$0.16	$0.34	$0.34
Fair value at grant date for financial year 2023 issue	$0.33	$0.42	$0.50	$0.50
Fair value at grant date for financial year 2022 issue	$0.37	$0.49	$0.55	$0.55
Managing Director and Chief Executive Officer				
Fair value at grant date for financial year 2024 issue[1]	$0.20	$0.29	$0.34	$0.34
Fair value at grant date for financial year 2023 issue[2]	$0.30	$0.52	$0.48	$0.48
Fair value at grant date for financial year 2022 issue[3]	$0.46	$0.52	$0.60	$0.60

1. Financial year 2024 performance rights approved at the AGM on the 22 November 2023.
2. Financial year 2023 performance rights approved at the AGM on the 24 November 2022.
3. Financial year 2022 performance rights approved at the AGM on the 27 May 2022.

6.2 SHAREHOLDINGS OF DIRECTORS

At the end of the year, the interests of the Directors in the shares of the Company were:

Name	Role	Ordinary Shares	Performance Rights
Josef El-Raghy	Non-Executive Chairman	37,300,000	—
Aaron Colleran	Managing Director and Chief Executive Officer	11,000,000	10,957,121
Jon Young	Non-Executive Director	819,055	—
Brett Montgomery	Non-Executive Director	25,000	—
Linda Hale	Non-Executive Director	—	502,447

6.3 DIRECTORS AND OTHER KMP SERVICE AGREEMENTS

The Group has entered into the following agreements with the Directors and other KMP:

Josef El-Raghy

- Letter of Appointment (dated 18 April 2019)
- Current year remuneration: $90,407 per annum including superannuation effective 1 July 2023
- Deed of Access and Indemnity (dated 17 April 2019)

Aaron Colleran

- Executive Employment Agreement (dated 17 April 2019)
- Current year remuneration: $500,000 per annum including superannuation effective 1 July 2023
- Deed of Access and Indemnity (dated 17 April 2019)

Brett Montgomery

- Letter of Appointment (dated 18 April 2019)
- Current year remuneration: $70,317 per annum inclusive of superannuation and fees related to being Chair of the Remuneration and Nomination Committee effective 1 July 2023
- Deed of Access and Indemnity (dated 17 April 2019)

Jon Young

- Letter of Appointment (dated 22 October 2021)
- Current year remuneration: $70,317 per annum inclusive of superannuation and fees related to being Chair of the Risk and Sustainability Committee effective 1 July 2023
- Deed of Access, Insurance and Indemnity (dated 22 October 2021)

Linda Hale

- Letter of Appointment (dated 27 January 2023)
- Current year remuneration: $75,339 per annum inclusive of superannuation and fees related to being Chair of the Audit Committee effective 1 July 2023
- Deed of Access, Insurance and Indemnity (dated 20 February 2020)

Michael Frame

- Executive Employment Agreement (dated 30 November 2021)
- Current year remuneration: $275,000 per annum including superannuation effective 1 July 2023
- Deed of Access, Insurance and Indemnity (dated 18 January 2023)

Tim Benfield (considered a KMP as of 29 January 2024, upon appointment as Chief Operating Officer)

- Executive Employment Agreement (29 January 2024)
- Current year remuneration: $300,000 per annum including superannuation effective 29 January 2024

Matt Fallon (not considered a KMP as of 29 January 2024)

- Executive Employment Agreement (dated 6 September 2019)
- Current year remuneration: $275,000 per annum including superannuation effective 1 July 2023
- Three months termination notice payable by the company on company-initiated termination

Termination and redundancy

In the event of termination without cause the Group is required to provide the Managing Director and Chief Executive Officer with a 12-month notice period while for the Chief Operating Officer and Chief Financial Officer a 6-week notice period is required.

Apart from the details disclosed above, and disclosed in Note 26 in the Notes to the Consolidated Financial Statements, no Director has entered into any other material contract with the Group since the end of the financial year.

End of Remuneration Report

Directors' Meetings

The number of meetings of Directors held during the period and the number of meetings attended by each Director was as follows:

	Audit Committee		Risk & Sustainability Committee		Remuneration & Nomination Committee		Board of Directors	
	A	B	A	B	A	B	A	B
Josef El-Raghy	2	2	2	4	2	3	3	5
Aaron Colleran	–	–	4	4	–	–	5	5
Brett Montgomery	2	2	3	4	3	3	5	5
Jon Young	2	2	4	4	3	3	5	5
Linda Hale	2	2	4	4	3	3	5	5

A = number of meetings attended.

B = number of meetings held during the time the Director held office during the year or was a committee member.

During the year the Directors approved nine (9) circular resolutions which were signed by all Directors of the Company.

Committee Membership

The role of the Audit, Risk and Sustainability, and Remuneration and Nomination Committees are carried out in accordance with the specific charters. The Audit and the Remuneration and Nomination Committees comprise all four Directors other than the Managing Director and Chief Executive Officer. All five Directors are members of the Risk and Sustainability Committee.

Proceedings on behalf of the Group

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Group with leave of the court under section 237 of the Corporations Act 2001.

Non-Audit Services

The services provided by the Group's auditors are disclosed in note 30 to the financial statements. The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. During the year, there were no non-audit services provided by the Group's auditors.

The Board of Directors, in accordance with advice provided by the audit committee, is satisfied that the provision of services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that no non-audit services were provided by the auditor and as such did not compromise the auditor independence requirements of the Corporations Act 2001.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Auditor Independence

Section 370C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers to provide the Directors of the Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is disclosed on page 28 of this report and forms part of this Directors' Report for the year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.

Mr Aaron Colleran
Managing Director and Chief Executive Officer

21 August 2024

Auditor's Independence Declaration

As lead auditor for the audit of AIC Mines Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AIC Mines Limited and the entities it controlled during the period.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
21 August 2024

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Consolidated Financial Statements

for the year ended 30 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Sales revenue	6(a)	**180,515**	125,635
Cost of sales	6(b)	**(112,264)**	(88,487)
		68,251	37,148
Depreciation and amortisation expense	6(b)	**(39,879)**	(29,564)
Corporate and administration costs		**(6,959)**	(5,386)
Exploration and evaluation costs		**(6,600)**	(5,388)
Share-based payment expense	25	**(2,628)**	(2,025)
Transaction and integration costs		**–**	(1,485)
Net interest (expense)	6(c)	**(734)**	(537)
Other income/(expense)		**104**	70
Fair value (loss)/profit on financial assets		**(144)**	6
(Loss)/profit on sale of plant and equipment		**(221)**	4
Profit/(loss) before income tax expense		**11,190**	(7,157)
Income tax (expense)/benefit	7	**(3,496)**	1,342
Net profit/(loss) for the year after tax		**7,694**	(5,815)
Other comprehensive income		**–**	–
Total comprehensive income/(loss) for the year		**7,694**	(5,815)
Total comprehensive income for the year is attributable to:			
Owners of AIC Mines Limited		**7,694**	(5,815)
Earnings per share			
Basic earnings per share (cents)	22	**1.63**	(1.52)
Diluted earnings per share (cents)	22	**1.54**	(1.46)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Assets			
Current Assets			
Cash and cash equivalents	8	**74,341**	30,888
Trade and other receivables	9	**1,975**	1,020
Inventories	10	**9,545**	10,834
Financial assets at fair value through profit and loss	11	**13,285**	6,864
Total Current Assets		**99,146**	49,606
Non-Current Assets			
Right of use assets	12	**130**	467
Performance bond	13	**5,685**	4,354
Property, plant and equipment	14	**44,031**	40,840
Exploration properties	15	**49,243**	39,972
Mine properties	16	**68,551**	57,274
Deferred tax assets	17	**—**	2,187
Total Non-Current Assets		**167,640**	145,094
Total Assets		**266,786**	194,700
Liabilities			
Current Liabilities			
Trade and other payables	18	**16,308**	14,768
Provisions	19	**4,073**	2,329
Interest bearing liabilities	20	**2,944**	826
Lease liabilities	12	**92**	261
Total Current Liabilities		**23,417**	18,185
Non-Current Liabilities			
Provisions	19	**19,851**	20,480
Interest bearing liabilities	20	**3,893**	1,609
Lease liabilities	12	**65**	136
Deferred tax liabilities	17	**446**	–
Total Non-Current Liabilities		**24,255**	22,225
Total Liabilities		**47,672**	40,410
Net Assets		**219,114**	154,290
Equity			
Issued capital	21	**206,628**	151,932
Share-based payment reserve		**5,075**	2,640
Option reserve		**409**	409
Accumulated profit/(loss)		**7,002**	(692)
Total Equity		**219,114**	154,290

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers		**174,054**	135,519
Payments to suppliers, employees and contractors		**(121,979)**	(111,127)
Payments for transaction and integration costs		**–**	(1,485)
Interest paid		**(149)**	(56)
Net cash inflow from operating activities	8	**51,926**	22,851
Cash flows from investing activities			
Payments for property, plant and equipment	14	**(14,870)**	(19,845)
Payments for mine property	16	**(41,414)**	(38,517)
Payments for exploration properties	15	**(9,271)**	(1,314)
Cash acquired from Demetallica at acquisition date		**–**	5,697
Cash (paid)/net proceeds on performance bonds	13	**(1,331)**	2,446
Proceeds from sale of property, plant and equipment		**532**	4
Proceeds from disposal of listed investments		**–**	582
Net cash outflow from investing activities		**(66,354)**	(50,947)
Cash flows from financing activities			
Lease liability principal payments		**(256)**	(133)
Net proceeds from interest bearing liabilities	20	**4,400**	2,435
Net proceeds from issue of shares	21	**53,737**	28,586
Net cash inflow from financing activities		**57,881**	30,888
Net increase in cash and cash equivalents		**43,453**	2,793
Cash and cash equivalents at beginning of the year		**30,888**	28,095
Cash and cash equivalents at end of the year	8	**74,341**	30,888

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Issued capital $'000	Accumulated profit/(loss) $'000	Option reserve $'000	Share-based payment reserve $'000	Total Equity $'000
Balance at 01 July 2022	**83,704**	**5,124**	**–**	**1,339**	**90,167**
Profit or loss and other comprehensive income					
Net (loss) for the year	–	(5,815)	–	–	(5,815)
Total comprehensive profit	**–**	**(5,815)**	**–**	**–**	**(5,815)**
Transactions with owners					
Issue of shares (note 21)	68,228	–	–	–	68,228
Share-based payment expense	–	–	–	1,302	1,302
Option reserve	–	–	409	–	409
Balance at 30 June 2023	**151,932**	**(692)**	**409**	**2,640**	**154,290**
Profit or loss and other comprehensive income					
Net profit for the year	–	7,694	–	–	7,694
Total comprehensive profit	**–**	**7,694**	**–**	**–**	**7,694**
Transactions with owners					
Issue of shares net of costs and tax (note 21)	54,696	–	–	–	54,696
Share-based payment expense (note 25)	–	–	–	2,435	2,435
Balance at 30 June 2024	**206,628**	**7,002**	**409**	**5,075**	**219,114**

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

1. REPORTING ENTITY

AIC Mines Limited (‘AIC Mines’ or ‘the Company’) is a for profit company domiciled in Australia and publicly listed on the Australian Securities Exchange (ASX). The Company was incorporated on 9 June 1993. The address of the Company’s registered office is Suite 3, 130 Hay Street, Subiaco WA 6008. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

The consolidated financial statements of the Company as at and for the year comprise the Company and its subsidiaries (together referred to as the ‘Group’). The consolidated financial statements were authorised in accordance with a resolution of the Directors dated 21 August 2024 for issue on 22 August 2024.

2. BASIS OF PREPARATION

Statement of compliance

This financial report is a general-purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report also complies with the International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been presented in Australian dollars and all values are rounded to the nearest $1,000 ($’000) unless otherwise stated. The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior periods. A number of standards, amendments and interpretations were applicable for the first time from 1 July 2023. These have not had a significant or immediate impact on the Group’s financial statements. New standards and interpretations are also available for early adoption from 1 July 2024. The amendments to these standards are not expected to have a material impact on the Group’s financial statements. Comparative information is reclassified where appropriate to enhance comparability or in conformity with revised standards and interpretations.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis with the exception of investments at fair value through profit or loss (note 11).

Functional and presentation currency

These financial statements are presented in Australian dollars $, which is the Group’s functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AIC Mines Limited as at 30 June 2024 and the results of all subsidiaries for the year. Subsidiaries are all those entities (including special purpose entities) over which the Company has control. Control over an entity exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised profits on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies detailed below have been consistently applied throughout the year presented, unless otherwise stated.

Cash and cash equivalents

Cash comprises cash at bank and on hand and deposits held at call with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation of operational assets is calculated using a diminishing value method based on units of production over the Ore Reserve life of the operation. Depreciation of other assets is calculated using the straight-line method over a 2-5 year period to allocate their cost, net of their residual values, over their estimated useful lives. Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Profits and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

The Directors have considered the economic life of plant and equipment with due regard to the physical life limitations. The estimated remaining useful life for all such assets is reviewed regularly with annual re-assessments being made for major items.

Mining properties and exploration

MINE PROPERTIES

Mine properties include aggregate expenditure in relation to mine construction and mine development. Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to access the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine development represents expenditure in respect of near-mine exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred by or on behalf of the Group previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is probable. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are probable, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

AMORTISATION

The Group uses the units of production basis when amortising mine properties which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. The change in Ore Reserves and Mineral Resources driving the remaining life of mine production is reflected from the beginning of the financial year when amortising existing mine properties. In order to achieve a consistent amortisation rate throughout the life of the mine, future mine development costs are revised with each annual life of mine plan and such costs are amortised or unwound on a units of production basis resulting in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production.

EXPLORATION PROPERTIES AND EVALUATION EXPENDITURE

All greenfield exploration and evaluation expenditure incurred by or on behalf of the Group up to the establishment of a commercially viable mineral deposit (as approved by the Board) is expensed as incurred.

Expenditure incurred by the Group in acquiring exploration properties where the expenditure is expected to be recouped through the successful development and exploitation of the area of interest, or alternatively, by its sale, and the regional mine exploration costs incurred near existing assets are all capitalised to exploration properties. The carrying value of capitalised exploration and evaluation assets are assessed for impairment at each reporting period and when facts and circumstances suggest that the carrying value may exceed its recoverable amount. Any amounts in excess of the recoverable amount are derecognised in the financial year it is determined.

Inventories

Ore stockpiles, metal in circuit, metal in transit and metal in concentrate stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. If the stockpile is not expected to be processed within 12 months after the reporting date, it is included in non-current assets.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered previous impairment are reviewed for possible reversal of the impairment at each reporting date.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid as at the balance sheet date. They are initially recognised at fair value and subsequently measured at amortised cost. The amounts are unsecured and are usually paid within thirty days of recognition.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Benefits

WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date, are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

LONG SERVICE LEAVE

The liability for long service leave expected to be settled within twelve months of the reporting date is recognised in the current provision for employee benefits and is measured in accordance with the above. The liability for long service leave expected to be settled more than twelve months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

SHARE-BASED PAYMENTS

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Vesting conditions that are linked to the price of shares of the Company (market conditions) are taken into account when determining the fair value of equity settled transactions. Other vesting conditions such as service conditions are excluded from the measurement of fair value but are considered in estimating the number of investments that may ultimately vest.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled ('the vesting period').

The charge to the Statement of Profit or Loss for the year is the cumulative amount as calculated above less the amounts already recognised in previous periods. There is a corresponding entry to equity.

EMPLOYEE BENEFIT ON-COSTS

Employee benefit on-costs, including payroll tax and contributions to the employee's defined contributions superannuation plan, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing the termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after reporting date are discounted to present value.

Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on a classification of current or non-current.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets not classified as current are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities not classified as current as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control over an entity exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the power over the investee. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the profit is recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction and integration costs incurred by the Group in relation to the business combination, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Share capital transaction costs

Transaction costs of an equity transaction relating to the raising of new share capital or other transactions with owners of the Group such as the buyback of shares or return of capital are accounted for as a deduction from equity, net of any recoverable income tax benefit applicable.

Revenue and other income

REVENUE RECOGNITION

Revenue from the sale of goods, is recognised when there has been a transfer of risks and rewards to the customer and no further processing is required by the Group, the quality and quantity of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is probable. The point at which risk and title passes for concentrate sales is generally upon receipt of the bill of lading when the commodity is delivered for shipment. Revenue is measured at the fair value of the consideration received or receivable.

The terms of metal in concentrate sales contracts with third parties, contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period).

Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is typically between one and four months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

INTEREST

Interest revenue is recognised as it accrues using the effective interest method.

GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

OTHER INCOME

Other income includes the proceeds from the disposal of non-current assets and profits resulting from non-recurring or non-standard transactions. Proceeds from the disposal of non-current assets are recognised at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs). A profit is realised when there is a measurable increase in equity to the Group that arises from peripheral transactions not in the ordinary course of business.

Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Any additional income tax expense that arises from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised.

The Group does not distribute non-cash assets as dividends to its shareholders.

AIC Mines Limited and its wholly owned Australian resident companies formed a tax consolidated group effective from 1 October 2010. Newly incorporated companies are added to the tax consolidated group. Consequently, all members of the tax consolidated group are taxed as a single entity from this point in time.

Financial assets

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost;
- financial assets at fair value through OCI with recycling of cumulative profits and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative profits and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

The Group does not currently have any financial assets classified to either of the fair value through OCI categories.

FINANCIAL ASSETS AT AMORTISED COST

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for the payment of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Profits and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminated, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss includes listed and unlisted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Group has transferred substantially all the risks and rewards of the asset; or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

In both the current and prior year, the Group's only financial liabilities were trade and other payables which are measured at amortised cost.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

FAIR VALUE ESTIMATION

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In valuing financial instruments, the Group uses the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows.

Earnings per share

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after- tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting estimates and judgements

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

NET REALISABLE VALUE OF INVENTORY

Net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

UNITS OF PRODUCTION METHOD OF DEPRECIATION AND AMORTISATION

The Group uses the units of production basis when depreciating and amortising specific assets which results in a depreciation and amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions. The changes in Ore Reserves are accounted for prospectively when depreciating and amortising existing assets.

ORE RESERVES AND MINERAL RESOURCES

The Group estimates its Ore Reserves and Mineral Resources each year and reports them based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources (JORC Code 2012). The estimated quantities of economically recoverable Ore Reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long- term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported Ore Reserve estimates can impact the carrying amount of mine development (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of amortisation charged to the statement of profit or loss.

EMPLOYEE BENEFITS

Management judgement is required in determining the future probability of employee departures and period of service used in the calculation of long service leave.

SHARE-BASED PAYMENTS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external specialist using an option pricing model, based off the assumptions detailed above.

REHABILITATION

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the year in which they change or become known. Cash flows related to rehabilitation are expected to occur progressively as rehabilitation becomes possible albeit with the majority of cash out flow occurring at the end of the mine's life.

IMPAIRMENT OF CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

The future recoverability of any capitalised exploration and evaluation expenditure (i.e., capitalised exploration and evaluation acquired or developed) is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the year in which this determination is made. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the year in which this determination is made.

DEFERRED TAX

Judgement is required to determine whether deferred tax assets are recognised in the Consolidated Statement of Financial Position. Management assesses the likelihood that the Group will generate sufficient taxable earnings in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws. These assessments require the use of estimates such as commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the Group's ability to realise the deferred tax assets reporting could be impacted.

5. SEGMENT REPORTING

The Group operates in one geographical area being Australia and operates in the mining industry. The Chief Operating Decision Makers are the Board of Directors and Key Management Personnel. There are two operating segments identified being mining and exploration and corporate activities based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. The Group's mine and exploration and corporate activities are treated as individual operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. All of the revenue in the mining segment relates to the sale of concentrate to one customer.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA) which is a non-IFRS number.

	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Mining		
Sales revenue	**180,515**	125,635
EBITDA	**68,134**	37,148
Exploration and Corporate		
EBITDA	**(16,331)**	(12,719)
Group EBITDA	**51,803**	24,429
Reconciliation of EBITDA to profit before income tax		
Mining segment – EBITDA	**68,134**	37,148
Exploration and corporate – EBITDA	**(16,331)**	(12,719)
Group – EBITDA	**51,803**	24,429
Depreciation and amortisation	**(39,879)**	(29,564)
Transaction and integration costs	**—**	(1,485)
Interest income/(expense)	**(734)**	(537)
Profit/(loss) before income tax	**11,190**	(7,157)

6. REVENUE AND EXPENSES

	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
a) Revenue from contracts with customers[1]		
Concentrate sales	**182,469**	125,600
Provisional pricing adjustment[2]	**(1,954)**	35
	180,515	125,635
b) Expenses		
Cost of sales		
Mine operating costs	**102,593**	80,746
Royalty and transport costs	**9,671**	7,741
	112,264	88,487
Depreciation and amortisation		
Mining properties	**28,801**	24,404
Property, plant and equipment	**11,007**	5,147
Right of use asset	**71**	14
	39,879	29,564
c) Interest income/(expense)		
Interest income	**1,283**	540
Interest expense	**(2,017)**	(1,077)
	(734)	(537)

1. Revenue comprises two parts:
   - Concentrate revenue recognised at the bill of lading date at current prices.
   - Provisional pricing adjustments which represent any difference between the revenue recognised at the bill of lading date and the final settlement price.
2. Concentrate sales are provisionally priced at the initial revenue recognition (bill of lading) date, with the final settlement price based on a pre-determined quotation period.

7. INCOME TAX EXPENSE

	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Current tax benefit/(expense) for the year	**–**	4,109
Deferred tax movement	**(3,496)**	(2,767)
	(3,496)	1,342
Reconciliation of tax expense to prima facie tax payable		
Profit/(loss) before income tax	**11,190**	(7,157)
Tax (expense)/benefit at the statutory income tax rate 30%	**(3,357)**	2,147
Non-deductible/non-assessable	**(690)**	(805)
Previously unrecognised tax losses used to reduce deferred tax expense	**551**	–
Income tax (expense)/benefit	**(3,496)**	1,342

8. CASH AND CASH EQUIVALENTS

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Cash and cash equivalents		
Cash at bank and on hand	**74,173**	30,594
Restricted cash	**168**	294
	74,341	30,888

The above figures are shown as cash and cash equivalents as at the end of the year and prior year in the Consolidated Statement of Cash flows. Cash at bank includes a term deposit of $40.0 million and restricted cash relates to term deposits acting as bank guarantees facilities.

a) Reconciliation of profit/(loss) after tax to net cash flows from operations		
Profit/(loss) after tax	**7,693**	(5,815)
Adjustments to reconcile profit to net cash flows from operating activities:		
Depreciation charge to profit and loss	**39,879**	29,564
Share-based payment expense	**2,628**	2,025
Interest unwind	**750**	481
Fair value profit/(loss) on sale of listed investments	**144**	(6)
Profit/(loss) on sale of property, plant and equipment	**221**	(4)
Operating profit before changes in working capital and provisions	**51,315**	26,245
Changes in operating assets & liabilities:		
(Increase)/decrease in receivables	**(791)**	1,251
(Increase)/decrease in inventories	**1,305**	(5,784)
(Increase)/decrease in financial assets fair value through P/L	**(6,558)**	9,688
Increase/(decrease) in trade and other payables	**819**	(6,659)
Increase/(decrease) in deferred tax	**3,496**	(1,342)
Increase/(decrease) in employee benefits	**2,368**	(514)
Increase/(decrease) in provisions	**(28)**	(34)
Net cash inflow from operating activities	**51,926**	22,851

b) Net cash/(debt) reconciliation		
Net cash		
Cash and cash equivalents	**74,341**	30,888
Interest bearing liabilities	**(6,837)**	(2,435)
Lease liabilities	**(157)**	(398)
Net cash/(debt) balance	**67,348**	28,055
Net cash/(debt) at the beginning of the year	**28,055**	28,095
Cash inflow/(outflow)	**35,148**	(2,342)
Interest bearing liabilities	**4,401**	2,435
Lease liabilities	**(256)**	(133)
Net cash/(debt) as at end of the year	**67,348**	28,055

9. TRADE AND OTHER RECEIVABLES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Trade debtors	**273**	–
Prepayments	**269**	453
Equipment deposits	**440**	–
Diesel fuel rebate/Net GST receivable	**852**	394
Rent receivable	**–**	125
Deferred consideration receivable[1]	**5,696**	5,696
Impairment of deferred consideration receivable[1]	**(5,696)**	(5,696)
Security deposits	**142**	48
	1,975	1,020

Due to the short-term nature of the trade and other receivables, their carrying value is assumed to approximate their fair value.

1. The deferred consideration receivable of $5.7 million (US$4.0 million) owed to the Group by Vulcan Copper Limited ('Vulcan') relates to the sale of the Mumbwa and Kitumba copper projects located in Zambia, completed on 14 February 2019 for cash consideration of US$5 million which has been impaired because Vulcan has failed to make any repayments of the deferred consideration to date. The Group continues to exhaust all avenues to recover value from this transaction. In the current year, negotiations have progressed but not enough to indicate any change in the decision to fully impair the value of the asset.

10. INVENTORIES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Inventory stores	**8,153**	7,139
Less: provision for obsolescence	**(913)**	(1,086)
	7,240	6,053
Ore stockpile inventory	**83**	2,066
Metal in circuit and finished goods	**2,222**	2,715
	9,545	10,834

Ore stockpile inventory and metal in circuit and finished goods are physically measured and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Inventory stores are valued at the lower of cost and net realisable value. The provision for obsolescence is determined by reference to stock items identified.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Trade receivables at fair value through profit and loss	**13,215**	6,657
Fair value of listed shares in Rumble Resources Ltd	**36**	173
Fair value of unlisted options in Larvotto Resources Ltd	**5**	34
Fair value of listed shares in Power Nickel Inc	**29**	–
	13,285	6,864

Fair value hierarchy

The Group held the following financial instruments measured at fair value:

Valuation technique	Quoted market price (Level 1) $'000	Market observable inputs (Level 2) $'000	Non-market observable inputs (Level 3) $'000	Total $'000
Financial Assets at fair value through profit and loss				
30 June 2024				
Trade receivables at fair value through profit and loss	**–**	**13,215**	**–**	**13,215**
Unlisted options	**–**	**5**	**–**	**5**
Listed shares	**65**	**–**	**–**	**65**
Carrying value at the end of the year	**65**	**13,220**	**–**	**13,285**
30 June 2023				
Trade receivables at fair value through profit and loss	–	6,657	–	6,657
Unlisted options	–	34	–	34
Listed shares	173	–	–	173
Carrying value at the end of the year	173	6,691	–	6,864

a) TRADE RECEIVABLES AT FAIR VALUE THROUGH PROFIT AND LOSS

Trade receivables relate to concentrate sale contracts still subject to price adjustments where the final consideration to be received will be determined based on prevailing London Metals Exchange (LME) metal prices at the final settlement date. Receivables still subject to price adjustments at balance date are measured at fair value.

b) LISTED SHARES

The Group holds 962,094 listed shares (30 June 2023: 962,094 listed shares) in Rumbles Resources Limited (ASX:RTR) with the closing share price as at the 30 June 2024 quoted on the ASX used to determine the fair value at the end of the year.

The Group also holds 32,812 listed shares (30 June 2023: nil listed shares) in Power Nickel Inc. (CVE: PNPN) with the closing share price as at the 30 June 2024 quoted on the CVE used to determine the fair value at the end of the year.

c) UNLISTED OPTIONS

The Group holds 5 million options to acquire shares in Kalium Lakes Limited with an exercise price of $0.36 each and expiry on 30 June 2025 ('KLL Options'). A valuation review was undertaken using the Black-Scholes pricing method, which resulted in the value of the KLL Options being written down to $nil during the year.

The Group also holds 703,301 options in Larvotto Resources Limited which have an exercise price of $0.30 each and expire on 1 December 2024. A valuation of the options using the Black-Scholes pricing method calculated a value of $4,539.

d) TRANSFER BETWEEN CATEGORIES

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement during the year.

12. LEASES

This note provides information for leases where the Group is in a lease. The consolidated balance sheet includes the following amounts relating to leases:

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Right-of-use assets		–
Property	**130**	467
	130	467
Lease Liabilities		
Current	**92**	261
Non-current	**65**	136
	157	397

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Depreciation charge for right-of-use assets	**71**	14
Interest payments	**15**	12
	86	26
Lease Liability Maturities		
Less than 1 year	**71**	320
Between 1 and 5 years	**59**	163
	130	483

Commitments for leases not yet commenced

As at April 12, 2024, the Group had committed to a long term rental agreement for a 9MW Chiller that had not yet commenced. Accordingly, this lease contract is not included in the calculation of the Group's lease liabilities. The Group has estimated that the potential future lease payments for this contract, as at the end of the financial year, would result in an increase in undiscounted lease liabilities of $16.9 million.

13. PERFORMANCE BOND

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Performance bond	**5,685**	4,354

During the year, the Group had increased the amount of surety posted with Queensland Treasury for the standard environment authority (EA) at Jericho and the camp expansion at Eloise. The increased amounts of $0.16 million for Jericho and $1.2 million for Eloise is cash backed with NAB and the bank guarantees were provided to Queensland Treasury in May and June 2024.

The Group has cash backed term deposits with NAB totalling $5.7 million.

14. PROPERTY, PLANT AND EQUIPMENT

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Cost	**64,498**	51,691
Accumulated depreciation	**(20,467)**	(10,851)
Net carrying amount	**44,031**	40,840
At beginning of year, net carrying amount	**40,840**	26,141
Additions – cost	**14,870**	19,845
Disposals	**(672)**	–
Depreciation charge to profit and loss	**(11,007)**	(5,147)
At end of year, net carrying amount	**44,031**	40,840

15. EXPLORATION PROPERTIES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Balance at the beginning of the year	**39,972**	1,653
Exploration property additions – Demetallica (a)	**–**	36,905
Exploration property additions – Jericho (b)	**9,271**	1,414
	49,243	39,972

a) EXPLORATION PROPERTY ADDITIONS – DEMETALLICA

In respect to the acquired Demetallica exploration property balance, there are no indications of impairmant under AASB 6 related to Deferred Exploration Expenditure as at 30 June 2024. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

b) EXPLORATION PROPERTY ADDITIONS – JERICHO

Other exploration property additions totalling $9.3 million (30 June 2023: $1.4 million) included expenditure on resource definition drilling, Environmental Authority permitting, Mining Lease approvals and project labour.

16. MINE PROPERTIES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Cost	**128,630**	88,507
Accumulated amortisation	**(60,079)**	(31,233)
Net carrying amount	**68,551**	57,274
Balance at the beginning of the year	**57,274**	36,818
Mine development additions	**41,414**	38,517
Additions/remeasurement of rehabilitation asset (see note 19)	**(1,336)**	6,344
Depreciation charge to profit and loss	**(28,801)**	(24,404)
Net carrying amount at year end	**68,551**	57,274

17. DEFERRED TAX

Deferred tax balances	**As of 30 June 2024 $'000**	As of 30 June 2023 $'000
Mine properties	**(20,565)**	(15,693)
Plant and equipment	**(7,094)**	(4,416)
Exploration properties	**(5,162)**	(845)
Employee provisions	**1,158**	711
Rehabilitation provision	**5,944**	6,125
Provision for stores obsolescence	**274**	326
Provisions other	**20**	6
Share issue costs	**1,921**	202
Transaction costs	**84**	84
Recognised tax losses	**22,974**	15,687
Net deferred tax (liabilities)/assets	**(446)**	2,187

Movement in deferred tax balances	30 June 2023 $'000	Recognised in profit and loss $'000	Recognised in equity $'000	30 June 2024 $'000
Mine properties	(15,693)	(4,872)	–	(20,565)
Plant and equipment	(4,416)	(2,678)	–	(7,094)
Exploration properties	(845)	(4,317)	–	(5,162)
Employee provisions	711	447	–	1,158
Rehabilitation provision	6,125	(181)	–	5,944
Provision for stores obsolescence	326	(52)	–	274
Provisions other	6	14	–	20
Share issue costs	202	856	863	1,921
Transaction costs	84	–	–	84
Recognised tax losses	15,687	7,287	–	22,974
Net deferred tax (liabilities)/assets	**2,187**	**(3,496)**	**863**	**(446)**

The Group has $121.7 million (30 June 2023: $98.2 million) in total gross revenue losses consisting of Group losses of $76.6 million (30 June 2023: $52.3 million) and transferred losses subject to available fractions of $45.1 million (30 June 2023: $45.8 million).

There are also $197.5 million (30 June 2023: $198.4 million) in available gross capital losses for income tax purposes.

At the end of the year, the Group has recognised tax losses of $23.0 million being 30% of the $76.6 million in Group losses which, represents the future tax benefit of the tax losses to be utilised based on:

- forecast models, showing that the Group will derive future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be used;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the tax losses.

18. TRADE AND OTHER PAYABLES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Trade payables	**3,710**	5,177
Accruals	**12,598**	9,591
	16,308	14,768

Trade payables and other creditors are non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Accruals include royalties, goods and services received not yet invoiced, and audit and tax compliance services.

19. PROVISIONS

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Current		
Employee benefits	**4,073**	2,329
	4,073	2,329
Non-current		
Employee benefits	**13**	41
Other	**20**	20
Rehabilitation provision	**19,818**	20,419
	19,851	20,480
	23,924	22,809

Employee benefits

The provision for employee benefits represents wages and salaries, annual leave, long service leave entitlements, and other short-term benefits.

Other

The provision includes a make good provision for a lease office building.

Rehabilitation provision

The rehabilitation provision includes the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation and revegetation of affected areas of the site in accordance with the requirements of the mining permits. The provision was remeasured as at 30 June 2024 resulting in a decrease due to a higher forward interest rate used.

The Group covers its rehabilitation obligations with Queensland Treasury through a financial guarantee provided by NAB (Note 13 $5.7 million) and the remainder by financial guarantee, at commercial interest rates, secured by Trafigura Asia Pte Ltd.

Movement in provisions	**Annual leave $'000**	**Long service leave $'000**	**Other Employee Benefits $'000**	**Other $'000**	**Rehabilitation $'000**	**Total $'000**
Carrying amount at 30 June 2022	1,943	507	–	–	13,595	**16,044**
Additions/remeasurement	–	–	–	20	6,344	**6,364**
Movement in the year	80	(161)	–	–	–	**(80)**
Unwind charged to the profit and loss	–	–	–	–	480	**480**
Carrying amount at 30 June 2023	**2,023**	**346**	**–**	**20**	**20,419**	**22,809**
Additions/remeasurement	–	–	1,548	–	(1,336)	**212**
Movement in the year	15	154	–	–	–	**168**
Unwind charged to the profit and loss	–	–	–	–	735	**735**
Carrying amount at 30 June 2024	**2,038**	**500**	**1,548**	**20**	**19,818**	**23,924**

20. INTEREST BEARING LIABILITIES

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Current		
Equipment Financing	**2,944**	826
Non-current		
Equipment Financing	**3,893**	1,609
	6,837	2,435

The Group maintains a revolving equipment finance facility with NAB for $13.4 million (30 June 2023: $5.4 million) in order to finance the purchase of mining equipment. As at the end of June 2024 $6.8 million was owing on this facility. The mining equipment subject to the finance has been pledged as security.

21. ISSUED CAPITAL

	Number	$'000
Issued capital at end of year as at 30 June 2022	**308,765,018**	**83,704**
Issue of shares – DRM takeover net of costs	82,949,634	38,668
Issue of shares – capital raising net of costs	66,666,667	28,586
Shares issued on conversion of performance incentives	3,100,000	624
Shares issued as Employee Share Scheme	198,500	100
Shares issued for JVs	544,573	250
Issued capital at end of the year 30 June 2023	**462,224,392**	**151,932**
Shares issued as Employee Share Scheme	246,240	95
Issue of shares	108,407,692	56,372
	570,878,324	208,399
Less: Transaction costs arising on share issues	–	(2,634)
Deferred tax credit recognised directly in equity	–	863
Issued capital at end of the year 30 June 2024	**570,878,324**	**206,628**

Terms and conditions of contributed equity

Ordinary shares (including escrowed shares) have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. As per the *Corporations Act 2001*, the Group does not have authorised capital and ordinary shares do not have a par value.

22. EARNINGS PER SHARE

	For the 12 months ended 30 June 2024	For the 12 months ended 30 June 2023
Basic earnings/(loss) per share – cents per share	**1.63**	(1.52)
Diluted earnings/(loss) per share – cents per share	**1.54**	(1.46)
Earnings/(Loss) per share used in the calculation of basic and diluted earnings per share		
Profit/(loss) after tax attributable to the owners of the parent	**7,693,409**	(5,815,416)
Weighted average number of ordinary shares (basic)	**471,633,193**	383,586,654
Effect of dilutive securities[1]	**27,839,452**	15,357,534
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**499,472,645**	398,944,188

1. Performance rights have been included in the determination of diluted earnings per share.

Basic earnings/(loss) per share is calculated by dividing the after-tax profit or net loss for the year by the weighted average number of ordinary shares outstanding during the year.

At 30 June 2024, the Company had 28,476,565 unlisted performance rights (30 June 2023: 17,889,791) and 2,076,924 unlisted options (30 June 2023: 2,076,924).

23. COMMITMENTS

Exploration Expenditure Commitment

In order to maintain the Group's interest in mining and exploration tenements, the Group is committed to meet the minimum expenditure conditions under which the tenements were granted. These amounts change annually as tenements are relinquished, partially relinquished, or tenements are staked and granted. The amounts are also based on whether extensions of term are granted for each tenement. The amounts disclosed below represent expenditure commitments for tenements owned by the Group and those covered by earn in arrangements. The disclosure also assumes that all tenements will be renewed at the relevant milestone date.

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Within 1 year	**5,271**	4,080
After 1 year but not more than 5 years	**14,671**	12,782
	19,942	16,862

Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As of 30 June 2024 $'000	As of 30 June 2023 $'000
Property, plant and equipment[1]	**3,987**	–

1. Relates to the purchase of two new Sandvik trucks for Eloise which arrived at Eloise in July 2024. The purchase was fully financed under the Group's existing equipment finance facility with NAB.

Lease Expenditure Commitment

The Group had committed to a long-term rental agreement that had not yet commenced. Refer to Note 12 for the details of the commitment.

24. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash and short-term deposits. The Group has various other financial assets and liabilities such as trade receivables, interest bearing liabilities, lease liabilities and trade payables, which arise directly from its operations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 8, 9, 11, 12, 18, and 20 to the financial statements.

The Group manages its exposure to a variety of financial risks: market risk (including commodity risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the approved Company policies. Primary responsibility for the identification and control of financial risks rest with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rates and foreign exchange. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through cash flow forecasting.

Price risk

The Group is currently exposed to the risk of fluctuations in prevailing market commodity prices for copper, gold, and silver which are produced from its copper mine. The Group is also exposed to market share price movements on its equity investments at fair value.

The following table outlines the effect on the results and equity for 30 June 2024 of a 5% increase or decrease in the average achieved copper price of $13,329/t (30 June 23: $12,428/t) for Eloise Copper Mine's production.

Effect on profit and equity	**For the 12 months ended 30 June 2024 $'000**	For the 12 months ended 30 June 2023 $'000
5% increase in average sales copper price	**8,701**	5,893
5% decrease in average sales copper price	**(8,701)**	(5,893)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to interest earned on its cash holdings and its equipment finance facility. During the year, the Group utilised a mix of fixed interest term deposits and at call cash accounts to maximise interest earned on its cash holdings. Also during the year, the Group drew down $6.3 million from its equipment finance facility taking total drawn downs since inception to $8.6 million. The drawdowns include a series of equipment financing loans over 3-year terms at fixed interest rates.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group continuously reviews its procedures to manage its foreign exchange risk against its functional currency and is measured using sensitivity analysis and cash flow forecasting.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group sells all of its copper concentrate to one customer who has an exemplary track record of meeting their contractual obligations. In addition, the Group only deals with financial institutions that have investment grade or higher credit ratings. For these reason at the balance sheet date there were no significant concentrations of credit risk. The total trade and other receivables outstanding at 30 June 2024 was $15.3 million (30 June 2023: $7.9 million). Cash and cash equivalents at 30 June 2024 were $74.3 million (30 June 2023: $30.9 million). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets in the Statement of Financial Position.

	S&P credit rating				
Credit Quality of Financial Assets	**AAA $'000**	**A1+ $'000**	**A1 $'000**	**A2 $'000**	**Unrated $'000**
As at 30 June 2024					
Cash and cash equivalents	**74,341**	**–**	**–**	**–**	**–**
Performance bond	**5,685**	**–**	**–**	**–**	**–**
Trade and other receivables at amortised cost	**–**	**–**	**–**	**–**	**1,975**
Trade and other receivables at fair value through P&L	**–**	**–**	**–**	**–**	**13,285**
As at 30 June 2023					
Cash and cash equivalents	30,888	–	–	–	–
Performance bond	4,354	–	–	–	–
Trade and other receivables at amortised cost	–	–	–	–	1,020
Trade and other receivables at fair value through P&L	–	–	–	–	6,864

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Prudent liquidity risk management focuses on maintaining sufficient cash to meet the operating requirements of the business and investing excess funds into higher yielding term deposits. The Group manages liquidity risk by continuously monitoring actual and forecasted cash flows and matching the maturity profiles of financial assets and liabilities. The Group's liquidity needs can be met through a variety of sources, including cash generated from metal sales, interest accrued on cash balances, short- and long-term borrowings and the issue of equity instruments.

Cash (inflows)/outflow	**Less than 1 year $'000**	**Between 1 & 2 years $'000**	**Between 2 & 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount (assets)/ liabilities $'000**
At 30 June 2024					
Trade and other payables	**16,308**	**–**	**–**	**16,308**	**16,308**
Interest bearing liabilities	**3,294**	**3,094**	**994**	**7,382**	**6,837**
Lease liabilities	**97**	**66**	**–**	**163**	**157**
	19,699	**3,160**	**994**	**23,853**	**23,302**
At 30 June 2023					
Trade and other payables	14,768	–	–	14,768	14,768
Interest bearing liabilities	957	957	678	2,593	2,435
Lease liabilities	–	–	–	–	–
	15,726	**957**	**678**	**17,361**	**17,204**

Capital risk management

The Group's capital management objectives are:

- To safeguard the business as a going concern;
- To maximise potential returns for shareholders through minimising dilution; and
- To retain an optimal debt to equity balance in order to minimise the cost of capital.

The Group may issue new shares or sell assets to improve liquidity if needed.

25. SHARE-BASED PAYMENTS

Current year

During the year, the Group had incurred a total of $191,959 share-based payment expense under the Group's tax-exempt Employee Share Scheme (Scheme). A total of 246,240 shares were issued under the Scheme on 31 July 2023.

On 22 November 2023, shareholder approval was provided at the annual general meeting for the issue of 2,496,885 Performance rights to Aaron Colleran (Managing Director and Chief Executive Officer).

In addition, the Group granted 8,596,569 performance rights to employees (including KMP) as a result of the Company's Board approved LTIP remuneration framework and in-line with the AIC Mines Equity Participation Plan ('EPP') as approved by shareholders. All of the performance rights granted during the year are subject to the same vesting criteria as set out in section 5.3 of the Remuneration Report. The performance rights were valued at grant date using a Monte-Carlo simulation model for the market based vesting conditions of absolute total shareholder return and relative total shareholder return and a Black-Scholes-Merton model for non-marketing based vesting conditions related to the growth in copper equivalent Ore Reserve and copper equivalent resource. The fair values are amortised on a straight-line basis over the vesting period. Current year amortisation is recognised as share-based payment expense in the Statement of Comprehensive Income net of the tax effects (if applicable). The share-based payment expense for the year on amortisation of the performance rights is $2.4 million (for year ended 30 June 2023: $2.0 million).

The following table illustrates the number and movements in performance rights during the year.

	For the year ended 30 June 2024	For the year ended 30 June 2023
Outstanding balance at the beginning of the year	17,889,791	12,950,507
Performance rights granted during the year	11,093,454	8,420,557
Exercised during the year	—	(3,100,000)
Forfeited during the year	(506,680)	(381,273)
Outstanding balance at the end of the year	**28,476,565**	17,889,791
Weighted average remaining contractual life (in years) of performance rights outstanding at end of year	**4.50**	5.57

The following tables list the inputs to the models used for the performance rights granted for the year:

	Absolute TSR	Relative TSR	Growth in Ore Reserve	Growth in Mineral Resource
September 2023 performance rights grant				
Number of rights	2,534,529	2,534,529	1,689,686	1,689,686
Methodology	Monte Carlo	Monte Carlo	Black-Scholes	Black-Scholes
Spot price ($)	0.34	0.34	0.34	0.34
Risk-free rate (%)	3.76%	3.76%	3.76%	3.76%
Term (years)	5	5	5	5
Volatility (%)	65%	65%	65%	65%
Dividend yield (%)	Nil	Nil	Nil	Nil
Fair value at grant date ($)	0.21	0.16	0.34	0.34
November 2023 performance rights grant				
Number of rights	749,066	749,066	499,377	499,377
Methodology	Monte Carlo	Monte Carlo	Black-Scholes	Black-Scholes
Spot price ($)	0.34	0.34	0.34	0.34
Risk-free rate (%)	4.05%	4.05%	4.05%	4.05%
Term (years)	5	5	5	5
Volatility (%)	65%	65%	65%	65%
Dividend yield (%)	Nil	Nil	Nil	Nil
Fair value at grant date ($)	0.20	0.29	0.34	0.34
March 2024 performance rights grant				
Number of rights	44,442	44,442	29,627	29,627
Methodology	Monte Carlo	Monte Carlo	Black-Scholes	Black-Scholes
Spot price ($)	0.31	0.31	0.31	0.31
Risk-free rate (%)	3.6%	3.6%	3.6%	3.6%
Term (years)	5	5	5	5
Volatility (%)	65%	65%	65%	65%
Dividend yield (%)	Nil	Nil	Nil	Nil
Fair value at grant date ($)	0.17	0.27	0.31	0.31

Comparative year

On 25 November 2022, shareholder approval was provided at the annual general meeting for the issue of 2,262,443 Performance rights to Aaron Colleran (Managing Director and Chief Executive Officer).

In addition, the Group granted 6,158,114 performance rights to employees (including KMP) as result of the Company's Board approved LTIP remuneration framework and in-line with the AIC Mines EPP updated on 27 May 2022 and approved by shareholders. All the performance rights granted during the year are subject to the same vesting criteria as set out in section 5.3 of the Remuneration report. The performance rights were valued at grant date using a Monte Carlo simulation model for the market based vesting conditions of absolute total shareholder return and relative total shareholder return and a Black-Scholes-Merton model for non-marketing based vesting conditions related to the growth in copper equivalent Ore Reserve and copper equivalent resource. The fair values are amortised on a straight-line basis over the vesting period. Current year amortisation is recognised as share-based payment expense in the statement of comprehensive income net of the tax effects (if applicable). The share-based payment expense for the year totalled $2.0 million (for the 6 months ended 30 June 2022: $0.5 million).

The following table illustrates the number and movements in performance rights during the year.

	For the year ended 30 June 2023	For the year ended 30 June 2022
Outstanding balance at the beginning of the year	12,950,507	7,150,000
Performance rights granted during the year	8,420,557	5,850,507
Exercised during the year	(3,100,000)	(50,000)
Forfeited during the year	(381,273)	–
Outstanding balance at the end of the year	**17,889,791**	12,950,507
Weighted average remaining contractual life (in years) of performance rights outstanding at end of year	**5.57**	7.77

26. RELATED PARTY TRANSACTIONS

Parent entity

Parent entity disclosures in note 27 reflect AIC Mines Limited.

Subsidiaries

Interests in subsidiaries are set out in note 28. Disclosures within this note are also based on the corporate structure of the group from a legal perspective with AIC Mines Limited as the ultimate parent entity.

KMP compensation

Directors and other KMP compensation is summarised below:

	For the 12 months ended 30 June 2024 $	For the 12 months ended 30 June 2023 $
Short-term benefits	**1,739,853**	1,275,311
Post-employment benefits	**113,398**	94,683
Long-term entitlements	**69,309**	63,234
Share-based payments	**1,205,124**	1,100,152
	3,127,684	2,533,379

Share-based Payments

Refer to note 25 in relation to disclosure of share-based payments awarded to the Managing Director and Chief Executive Officer. There have not been any share-based payments awarded to other related parties in either the current or comparative periods.

Agreements with Directors

In addition to the details disclosed in the Remuneration Report, four Directors (Mr El-Raghy, Mr Colleran, Mr Young and Ms Hale and/or entities associated with these directors) participated in the Company's placement to institutional and sophisticated investors of 110 million shares which was announced to the ASX on 24 May 2024. The subsequent issue of the directors' shares was approved by shareholders at the Company's EGM held on 24 July 2024.

Agreement with shareholder

During the year, the Group sold $0.5 million of surplus mining equipment to FMR Investments Pty Ltd. There has not been any other material change in related parties or related party transactions other than the transactions described above regarding the Directors' participation in the placement.

27. PARENT ENTITY DISCLOSURES

The parent entity for legal purposes is AIC Mines Limited	For the 12 months ended 30 June 2024 $'000	For the 12 months ended 30 June 2023 $'000
Loss for the year	**(11,052)**	(11,287)
Total comprehensive loss	**(11,052)**	(11,287)
Financial position of the parent entity at year end		
Current assets	**138,476**	31,035
Non-current assets	**58,745**	81,507
Total assets	**197,221**	112,542
Current liabilities	**3,923**	1,323
Non-current liabilities	**530**	1,584
Total liabilities	**4,453**	2,907
Net assets	**192,768**	109,635
Total equity of the parent entity comprising of:		
Share capital	**412,265**	357,569
Option reserve	**409**	409
Accumulated losses	**(224,981)**	(250,983)
Share-based payment reserve	**5,075**	2,639
Total equity	**192,768**	109,635
Parent entity commitments		
Within one year	**–**	765
One year or later and no later than five years	**–**	1,390
Total commitments	**–**	2,155

28. SUBSIDIARIES

Company name	Country of Incorporation	Ownership interest held by the Group as at	
		30 June 2024	30 June 2023
African Investments Pty Ltd	Australia	100%	100%
AIC Copper Pty Ltd	Australia	100%	100%
AIC Delamerian Pty Ltd	Australia	100%	100%
AIC Jericho Pty Ltd	Australia	100%	100%
AIC Lamil Pty Ltd	Australia	100%	100%
AIC Resources Pty Ltd[1]	Australia	100%	100%
Blackthorn Resources Pty Ltd	Australia	100%	100%
Demetallica Pty Ltd[1]	Australia	100%	100%
Demetallica Gold Mines Pty Ltd	Australia	100%	100%
Demetallica Investments Pty Ltd	Australia	100%	100%
Demetallica Operations Pty Ltd	Australia	100%	100%
Emperor Mines Pty Limited	Australia	100%	100%
Levuka Resources Pty Ltd	Australia	100%	100%
Nantou Mining Limited B.V.[2]	Netherlands	0%	100%

1. Both AIC Resources Pty Ltd and Demetallica Pty Ltd were converted from a public to a proprietary company during the year ended 30 June 2024. Both were formerly named AIC Resources Limited and Demetallica Limited respectively.
2. Nantou Mining Limited B.V. has been deregistered.

29. DEED OF CROSS GUARANTEE

AIC Mines Limited, AIC Copper Pty Ltd, AIC Resources Pty Ltd and Demetallica Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The companies identified above represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by AIC Mines Limited.

The Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group is materially equal to the Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity of the Group.

30. AUDITORS' REMUNERATION

	For the 12 months ended 30 June 2024 $	For the 12 months ended 30 June 2023 $
Audit of statutory financial reports		
Audit and review of AIC Mines Limited	**230,000**	337,000
Fees for other services		
Other assurance services	**–**	–
Tax compliance and advice	**–**	–
Total fees to auditor of the Group	**230,000**	337,000

31. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the year the four Directors of AIC Mines Limited (or entities associated with these Directors) paid for and received 1,592,308 shares at an issue price of $0.52 per share following shareholder approval of the issue on 24 July 2024. The new shares were subscribed for as part of the placement to institutional and sophisticated investors of 110 million shares which was announced to the ASX on 24 May 2024.

Apart from the matters outlined above, no other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Consolidated Entity Disclosure Statement

for the year ended 30 June 2024

Name of Entity[1]	% of Share Capital	Country of Incorporation	Australian Resident or Foreign Resident	Foreign Jurisdiction(s) or Foreign Residents
AIC Mines Limited	n/a	Australia	Australia	N/A
African Investments Pty Ltd	100%	Australia	Australia	N/A
AIC Copper Pty Ltd	100%	Australia	Australia	N/A
AIC Delamerian Pty Ltd	100%	Australia	Australia	N/A
AIC Jericho Pty Ltd	100%	Australia	Australia	N/A
AIC Lamil Pty Ltd[2]	100%	Australia	Australia	N/A
AIC Resources Pty Ltd	100%	Australia	Australia	N/A
Blackthorn Resources Pty Ltd	100%	Australia	Australia	N/A
Demetallica Pty Ltd	100%	Australia	Australia	N/A
Demetallica Gold Mines Pty Ltd	100%	Australia	Australia	N/A
Demetallica Investments Pty Ltd	100%	Australia	Australia	N/A
Demetallica Operations Pty Ltd	100%	Australia	Australia	N/A
Emperor Mines Pty Limited	100%	Australia	Australia	N/A
Levuka Resources Pty Ltd	100%	Australia	Australia	N/A

1. All entities are body corporate entities.
2. AIC Lamil Pty Ltd holds the Lamil Project, a joint venture, where AIC Mines and Rumble Resources (ASX: RTR) each hold a 50% interest in the project.

Directors' Declaration

for the year ended 30 June 2024

In accordance with a resolution of the Directors of AIC Mines Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) the consolidated entity disclosure statement on page 67 is true and correct, and

(e) as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to, including by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries identified in Note 29.

This declaration has been made after receiving the declarations required to be made to the Directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2024.

On behalf of the Board

Mr Aaron Colleran
Managing Director and Chief Executive Officer

21 August 2024

Independent auditor's report

To the members of AIC Mines Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of AIC Mines Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matters*
Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group's operations are wholly based in Australia. • We performed further audit procedures including procedures over the consolidation of the Group's businesses and the preparation of the financial reports.	• Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee: – Depreciation and Amortisation • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Depreciation and Amortisation *(Refer to notes 4 and 6) [Property plant and equipment – depreciation of $11.0 million and Mine properties – amortisation of $28.8 million]* The Group uses the units of production basis when calculating depreciation and amortisation relating to mine specific assets which results in a depreciation and amortisation charge proportional to the depletion of the anticipated remaining life of mine production. This was a key audit matter due to the significant estimates and judgements required in these	Our audit procedures included the following: • Developed an understanding of the relevant controls the Group has in place to estimate the reserves used in the calculations of depreciation and amortisation • Assessed the scope, competence and objectivity of the Group's experts involved in estimating the ore reserves used in the calculations of depreciation and amortisation. • Agreed the ore reserves and future mine development used in the calculation to the life of mine plan and

Key audit matter	How our audit addressed the key audit matter
calculations, including the amount of ore reserves and future mine development expenditure.	agreed production for the year to the production reports • Tested the mathematical accuracy of the calculations used to determine the depreciation and amortisation expense. • Assessed the reasonableness of the note disclosures in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of AIC Mines Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
21 August 2024

Mineral Resource and Ore Reserve Estimates

OVERVIEW

The Company's annual Mineral Resource and Ore Reserve estimates are reported for its 100% owned Eloise Project, located in North Queensland. The Eloise Project consists of the Eloise Copper Mine and the Jericho, Sandy Creek and Artemis copper deposits. The Mineral Resource and Ore Reserve estimates are reported in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserve ("JORC Code 2012").

AIC Mines reviews and reports its Mineral Resource and Ore Reserve at least annually. The date of reporting is typically 31 December each year, to coincide with the Company's annual mine planning and budgeting cycle. Intra-cycle updates were reported for the Jericho Mineral Resource and Ore Reserve following completion of the acquisition and then completion of detailed mining studies.

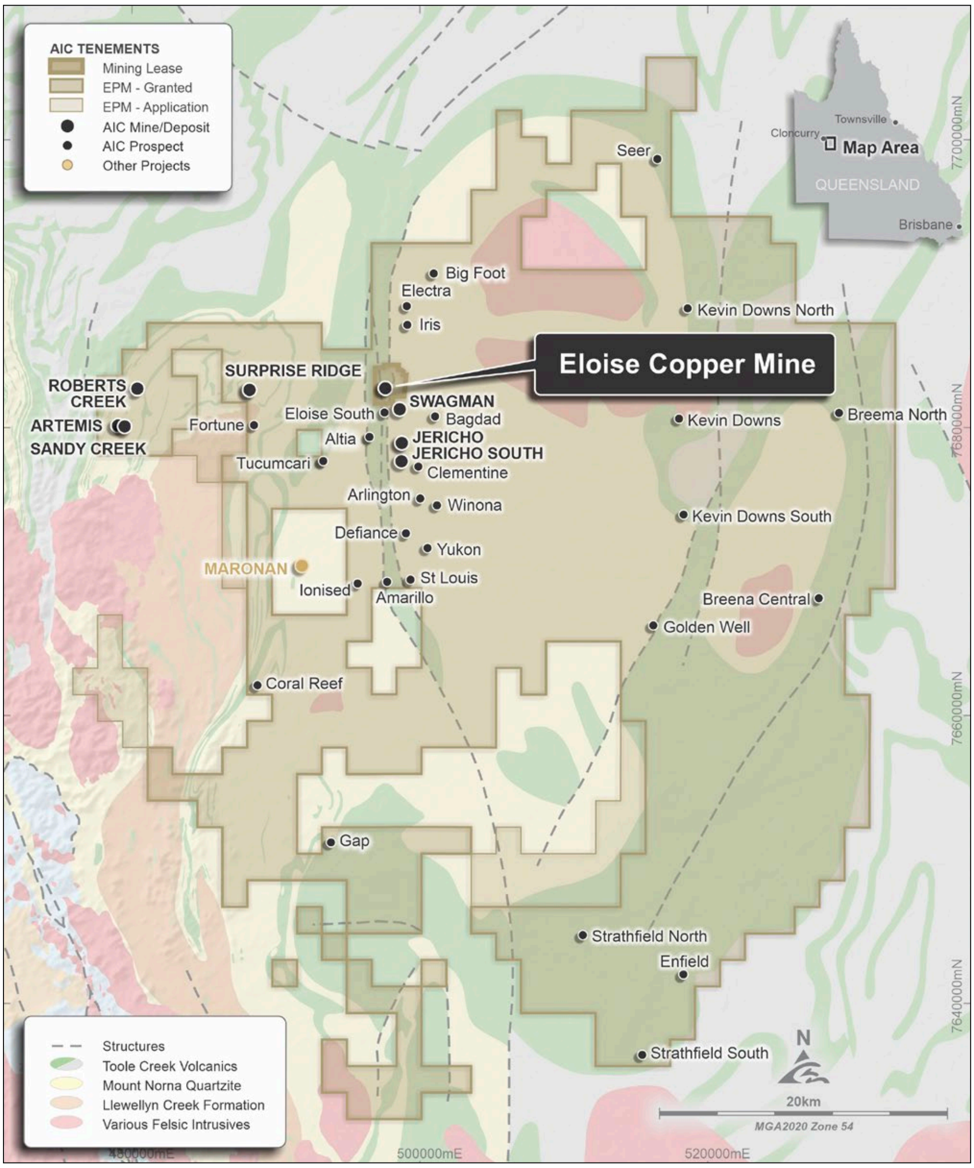


Figure 1: Eloise Project Location

Combined Eloise Project Mineral Resources total 22.9 million tonnes grading 2.1% copper and 0.5g/t gold containing 471,950 tonnes of copper and 353,950 ounces of gold. The Mineral Resources estimates are based on a long-term copper price of A$10,500/t.

Table 1: 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							
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							
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							
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**

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

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 within optimised slope shapes.

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.

Combined Eloise Project Ore Reserves total 5.6 million tonnes grading 2.1% copper and 0.5g/t gold containing 119,200 tonnes of copper and 84,050 ounces of gold. The Ore Reserves estimates are based on a long-term copper price of A$10,500/t.

Table 2: 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							
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**

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

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.

MINERAL RESOURCES

Eloise

At the Eloise Copper Mine, exploration and resource definition drilling, completed in 2023, and improved understanding of geological controls delivered an increase in the Mineral Resources estimate as compared to the previous estimate as at 31 December 2022. The majority of the increase was in the Deeps and Lens 6 (Elrose Levuka South – Lower) deposits.

Table 3. 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**

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

Eloise Mineral Resources are estimated using a 1.1% Cu cut-off above 0mRL (1,190mBSL) and 1.4% Cu below 0mRL within optimised stope shapes.

Eloise Mineral Resources are inclusive of Ore Reserves.

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

Jericho

At the Jericho deposit, resource definition drilling completed during 2023 resulted in a significant increase in the Mineral Resources estimate as compared to the previous estimate as at 31 January 2023. The majority of the increase was in the J1 Lens deposit.

Drilling at Jericho remains relatively shallow. The high-grade Jumbuck, Matilda and Billabong shoots are now defined to a depth of 550m below surface. As such, the deepest extent of the Jericho Mineral Resources remains shallower than the majority of the Eloise Mineral Resources and mining fronts. Indicated Resources have only been defined to an average depth of 275m below surface on the J1 Lens and 200m below surface on the J2 Lens. For comparison, drilling at the Eloise Copper Mine continues to intersect high-grade mineralisation 1,770m below surface.

The Jericho mineralisation remains open along strike and at depth.

Table 4. Jericho Copper Deposit – 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	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**

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

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

Jericho Mineral Resources are inclusive of Ore Reserves.

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

Sandy Creek

The Mineral Resource estimate for the Sandy Creek deposit was updated following completion of four diamond drillholes in 2023 that were aimed at extending historical resources down dip and testing the concept of a southerly plunge.

The 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 2-12m 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 Copper Deposit – 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.

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

There is no certainty that Mineral Resources will be converted to Ore Reserves.

Artemis

The Artemis deposit was discovered in 2012 and has seen several drilling campaigns, the latest being completed by AIC Mines in 2023. 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. A maiden Mineral Resource estimate was reported for Artemis during the year.

Table 6. Artemis Polymetallic Deposit – 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	45.5	4.8	8,100	21,100	849,000	27,700
Total	**580,000**	**1.4**	**1.1**	**45.5**	**4.8**	**8,100**	**21,100**	**849,000**	**27,700**

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

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

There is no certainty that Mineral Resources will be converted to Ore Reserves.

All AIC Mines Mineral Resource estimates are based on a long-term copper price of A$10,500/t. Recent economist consensus forecasts for the copper price and the Australian dollar indicate that AIC Mines' long-term copper price assumption is conservative.

ORE RESERVES

Eloise

At the Eloise mine, infill drilling, reinterpretation and mine planning evaluation delivered an increase in the Ore Reserve estimate in terms of ore tonnes and contained copper, gold and silver as compared to the previous estimate as at 31 December 2022. The majority of the increase was in the Deeps and Lens 6 (Elrose Levuka South Lower Zone) deposits.

Table 7. Eloise Copper Mine – 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	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**

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

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

Jericho

At Jericho, infill and step-out drilling, reinterpretation and mine planning evaluation delivered a significant increase in the Ore Reserve estimate as compared to the previous estimate as at 31 December 2022.

Table 8. Jericho Copper Deposit – Ore Reserve 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**

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

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

A review of the drill core, geological interpretation and drill spacing has confirmed the potential to further extend the Jericho Ore Reserves by infill drilling. Future drilling will target the down plunge trend of the high-grade shoots. Mineralisation within the J1 and J2 Lenses remains open along strike and at depth.

All AIC Mines Ore Reserve estimates are based on a long-term copper price of A$10,500/t. Recent economist consensus forecasts for the copper price and the Australian dollar indicate that AIC Mines' long-term copper price assumption is conservative.

JORC 2012 AND ASX LISTING RULES REQUIREMENTS

This annual statement of Mineral Resources and Ore Reserves has been prepared in accordance with the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012) and the ASX Listing Rules.

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

- Increased Resources and Reserves at Eloise, Sandy Creek and Artemis 18 April 2024
- Significant Increase in Jericho Ore Reserve 28 March 2024
- Significant Increase in Jericho Mineral Resource 30 January 2024
- Jericho Maiden Ore Reserve – Amended 14 July 2023
- Significant increase in Mineral Resources and Ore Reserves 30 March 2023
- Jericho Mineral Resource 6 February 2023

These documents are available to view at www.aicmines.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the releases and that all material assumptions and parameters underpinning the estimates in the release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the releases.

AIC Mines employees acting as a Competent Person may hold equity in AIC Mines Limited and may be entitled to participate in AIC Mines' Equity Participation Plan, details of which are included in AIC Mines' annual Remuneration Report. Annual replacement of depleted Mineral Resources is one of the vesting conditions of AIC Mines' long-term incentive plan.

COMPETENT PERSON'S STATEMENTS

Eloise Mineral Resources

The information in this report that relates to the Eloise Mineral Resource is based on information, and fairly represents information and supporting documentation compiled by Matthew Thomas who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Thomas is a full-time employee of AIC Copper Pty Ltd and is based at the Eloise Copper Mine. Mr Thomas consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Jericho Mineral Resources

The information in this report 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 2012. Mr Fallon is a full-time employee of AIC Mines Limited. Mr Fallon consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sandy Creek and Artemis Mineral Resources

The information in this report 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 2012. Mr Price is a full-time employee of AIC Mines Limited. Mr Price consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Eloise Ore Reserves

The information in this report that relates to the Eloise Ore Reserve is based on information, and fairly represents information and supporting documentation compiled by 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 2012. 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 report of the matters based on his information in the form and context in which it appears.

Jericho Ore Reserves

The information in this report that relates to the Jericho Ore Reserve 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 they have undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Pocock is a full-time employee of AIC Mines Limited. Mr Pocock consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

ASX Additional Information

Additional information required by the Australian Securities Exchange (**ASX**) and not shown elsewhere in this report is as follows. The information is current as at 9 September 2024.

SUBSTANTIAL SHAREHOLDER INFORMATION (>5%)

The disclosed number of ordinary shares held by substantial shareholders may not equal the actual number of ordinary shares held as at 9 September 2024 as only movements of at least 1% are required to be disclosed in the substantial holding notices given to the Company and notified to the ASX.

	Fully Paid Ordinary Shares	
Substantial Shareholders	**Shares**	**Percentage**
FMR Investments Pty Limited, the Bartlett/Sayers groups and their associates (FMR Group)	82,600,310	14.47%
Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd, El-Raghy Pty Ltd and Mr Josef El-Raghy	33,174,710	7.34%
Firetrail Investments Pty Ltd	24,278,641	5.25%
Total		**27.06%**

TOP 20 SHAREHOLDERS OF QUOTED SECURITIES

	Fully Paid Ordinary Shares	
Shareholder	**Number**	**% Issued Capital**
FMR INVESTMENTS PTY LIMITED <FMR UNIT A/C>	82,339,793	14.30
CITICORP NOMINEES PTY LIMITED	52,848,550	9.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	41,393,662	7.19
EL-RAGHY KRIEWALDT PTY LTD	30,500,000	5.30
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO 14 A/C>	28,076,923	4.88
MCCUSKER HOLDINGS PTY LTD	24,900,000	4.33
UBS NOMINEES PTY LTD	13,112,558	2.28
MR AARON MARK COLLERAN	12,100,000	2.10
GOLD ELEGANT (HK) INVESTMENT LIMITED	11,534,287	2.00
BNP PARIBAS NOMS PTY LTD	9,229,492	1.60
JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,169,460	1.59
NORDANA PTY LTD	8,000,000	1.39
YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	7,692,307	1.34
LUJETA PTY LTD <MARGARET A/C>	6,831,667	1.19
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,639,490	1.15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	6,314,999	1.10
AEGP SUPER PTY LTD <AEGP SUPERANNUATION FUND A/C>	5,000,000	0.87
OZ EXPLORATION PTY LTD	4,786,472	0.83
BPM INVESTMENTS LIMITED	4,400,000	0.76
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO 12 A/C>	3,550,000	0.62
Total	**368,419,660**	**64.00**

DISTRIBUTION OF FULLY PAID SHARES

Range	No. of Holders	No. of Fully Paid Ordinary Shares	% Issued Capital
1 – 1,000	444	167,648	0.03
1,001 – 5,000	1,417	3,824,494	0.66
5,001 – 10,000	692	5,494,287	0.95
10,001 – 100,000	1,800	64,604,594	11.22
100,001 and over	404	501,591,617	87.13
Total	**4757**	**575,682,640**	**100.00**
Unmarketable Parcels (minimum parcel size 1,695)	759	594,857	0.10

VOTING RIGHTS

Every holder of ordinary shares has the right to receive notices of, attend and vote at general meetings of the Company. On a show of hands, every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

CANADIAN SHAREHOLDERS

The Company is a designated foreign issuer as that term is defined in National Instrument 71-102 – Continuous Disclosure and other Exemptions Relation to Foreign Issuers and it is subject to the foreign regulatory requirements of the ASX.

CORPORATE GOVERNANCE STATEMENT

The Company is required to disclose the extent to which it has followed the ASX Corporate Governance Principles and Recommendations (4th Edition). This information is set out in the Company's corporate governance statement. See the Corporate Governance section of the Company's website – Corporate Governance – AIC Mines.

AIC Mines Limited

2024 Annual Sustainability Report

CONTENTS

'*New Beginnings*' artwork designed and created by Mitakoodi Descendant artist Daniel Simpson.

Clockwise from top left: Male, Female, Child.

INTRODUCTION

Welcome to the FY24 Sustainability Report for AIC Mines. This is the first year of reporting against our sustainability strategy which was published in 2023. That strategy established our main sustainability topic areas through a materiality assessment and mapped out our initial commitments and Key Performance Indicators (**KPIs**). It also outlined our overarching sustainability goals which sit above all of our activity.

This report serves as a progress update on our path to delivering against the strategy. Overall, we are proud of the progress made over the last year. Highlights include strengthened climate-based action and reporting, a significant uplift in policies and procedures governing our sustainability action, and new ambitious diversity, equity and inclusion KPIs approved by the Board.

Despite this progress, we are aware we have significant work to do, and that sustainability is a process of continual improvement. As such, this report includes new or updated KPIs across Environment, Social and Governance (**ESG**). We have also consolidated some KPIs to aid ongoing monitoring and reporting. Finally, after a review of the first year of action, we have taken the decision to set a two-year timeline for completion of the new KPIs to enable adequate time for meaningful progress and to align with the transformational changes happening within our business, namely the development of the Jericho mine and the associated expansion of the Eloise processing plant.

The report reflects the structure set out in the original sustainability strategy, with reporting split into separate ESG sections. Within these, we offer both overarching commentary and specific updates on our commitments and KPIs.

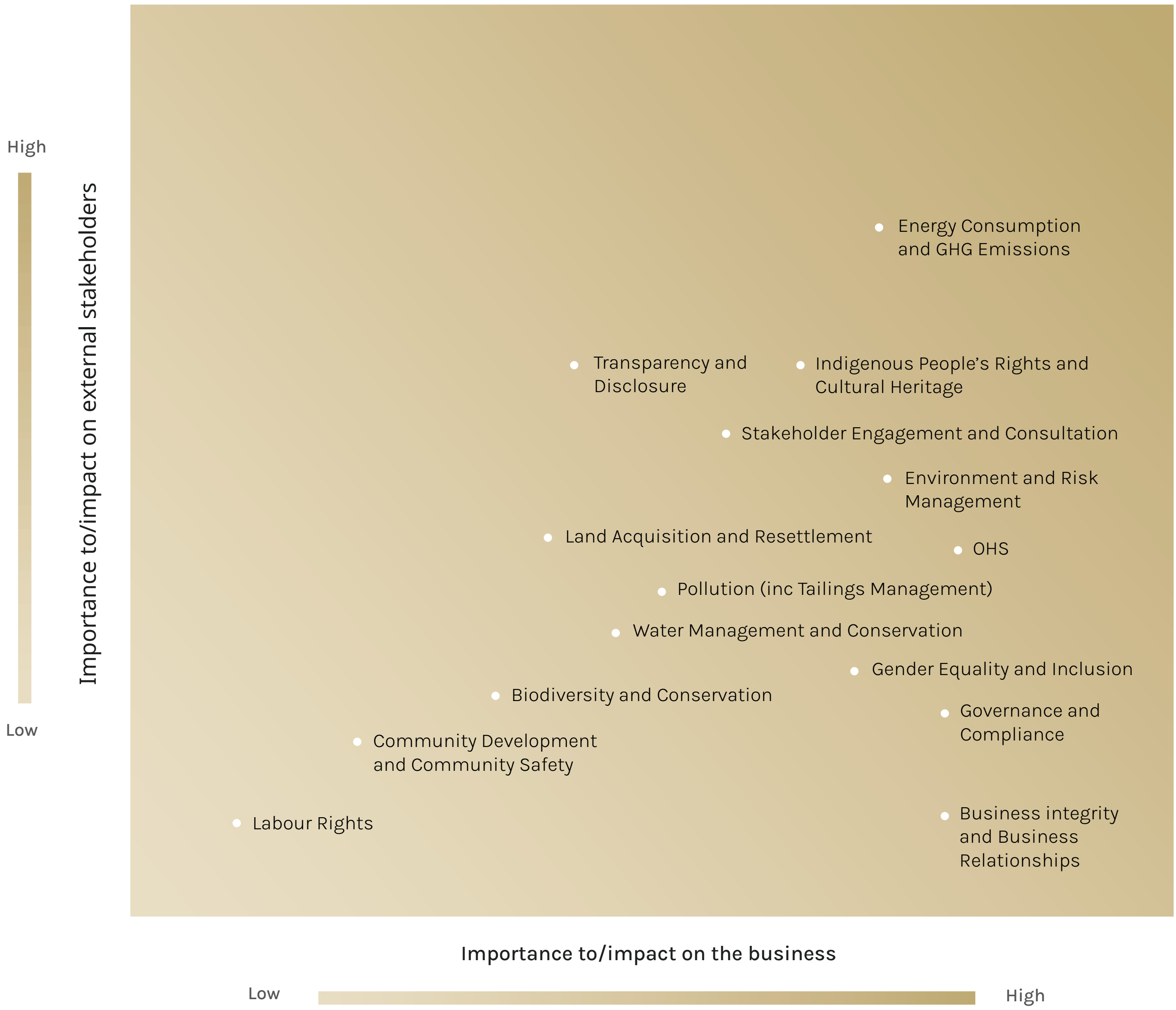
Immediately below, we also feature our materiality matrix to add further context to the report. The matrix has been reviewed against the evidence and input for this report and the Company's overall position over the last year. It remains appropriate for our current circumstances. It is likely though that it will be updated over the next one to two years as our business matures and we continue to receive feedback from our stakeholders.

MATERIALITY

Our materiality matrix was developed based on findings from a review of company material and stakeholder consultation.

Areas of materiality were identified from 32 criteria listed by the Responsible Minerals Initiative (**RMI**) in its Risk Readiness Assessment Version 2.0[1]. These findings were then tested with internal and external stakeholders representing staff, local community, suppliers, investors and customers.

Note that materiality relates primarily to our operational Eloise mine.



1. Responsible Minerals Initiative (2019), 2019 Risk Readiness Assessment Issue Areas and Industry Norms. Visit responsiblemineralsinitiative.org/media/docs/RRA/2019%20RRA%20Issue%20Areas%20and%20Industry%20Norms_FINAL.pdf

OUR SUSTAINABILITY STRATEGY

Environment

Our overall goal is to minimise our impact on the environment, while exploring ways to progressively reduce our greenhouse gas (**GHG**) emissions at our operations. Over the last year, we have made significant steps to achieve these goals, completing or progressing all of the short term commitments set out in our sustainability plan.

CLIMATE CHANGE MITIGATION AND ADAPTATION

In addition to formalising our commitment to mitigating and adapting to climate change through the publication of our company Climate Change Position Statement, AIC Mines has commissioned an external technical specialist to undertake a Climate Change Risk Assessment (**CCRA**) of our operations at Eloise and Jericho. These assets represent the core of our business and are the only sites where mining activity is currently taking place.

The assessment will be aligned with best practice as defined by the International Finance Corporation (**IFC**) and Australian Standard 5334:2013 Climate Change Adaption for Settlements and Infrastructure. The assessment and associated provisional adaptation plan is scheduled to be completed within FY25. Within this context, we are aware of the likely climate reporting requirements under the incoming Australian Sustainability Reporting Standards (**ASRS**).

ENERGY USE AND GHG EMISSIONS

We are pleased to be able to publish our Scope 1 and Scope 2 emissions data as part of this year's report. This will become part of the report annually, enabling us to benchmark progress on emissions reduction year on year.

The emission and energy usage set out below in Table 1 encompass data from Eloise, our Perth and Sydney offices, and our exploration activities across Australia.

Over the past year we have reduced our overall energy consumption and Scope 1 emissions.

We have seen an increase in our Scope 2 emissions as this exclusively consists of emissions related to electricity consumed at our two corporate offices. This increase is attributed to our recent expansion in staff numbers and office space at these locations. This increase is minimal compared to our company wide footprint and is to be expected with organisational growth.

Overall, we are pleased to show we have materially reduced our total GHG emissions by approximately 9% from the previous reporting year.

Table 1: Scope 1 and 2 emissions

Activity Description	Units	FY23	FY24	Comparison on previous year
Energy Consumption	GJ	726,309	666,598	
Energy Production	GJ	150,889	184,861	
Scope 1 Emissions	tCO_2-e	50,767	46,443	
Scope 2 Emissions	tCO_2-e	8	15	
Total Emissions	**tCO_2-e**	**50,775**	**46,458**	**-9%**

With regard to our emissions reduction approach, we are currently completing a range of assessments to provide the relevant inputs for a meaningful net-zero strategy. As such, over the last 12 months AIC Mines has completed initial concept and feasibility assessments for potential onsite renewable energy generation and storage options at Eloise, spanning wind and solar generation and onsite battery storage. Initial assessments have shown that due to the high power draw of the mine, renewable energy generation options currently are not economically viable. The cost and efficiency of renewable energy generation is rapidly changing so this work will continue with findings fed into business planning.

The Company's long-term decarbonisation focus remains on connection to the CopperString 2032 line (**CopperString**), a high voltage transmission line connecting the North West Minerals Province to the National Electricity Market (**NEM**). This would be transformational for Eloise, enabling the site to connect to the grid and access renewable power. Having lodged a formal connection enquiry to CopperString in FY23, over the last financial year a review of technical requirements for connection has been completed and discussions with CopperString are continuing.

We are also exploring the opportunity to connect to the Mica Creek power station in Mt Isa at an earlier date prior to CopperString. Mica Creek is gas fired complemented with solar generation. The power station and power infrastructure owner have indicated that they are interested in providing power supply to Eloise. This will be further explored in FY25.

Finally, in FY24 AIC Mines progressed initial supplier consultation on the adoption of battery-electric mobile mining equipment with Original Equipment Manufacturers (**OEMs**). The findings were compelling both from a cost and emission reduction perspective but only if recharging is from the grid. If grid connection is achieved through CopperString, the feasibility of battery-electric mobile mining equipment adoption will be reopened.

BIODIVERSITY AND CONSERVATION

Protection of regional landscapes and biodiversity is a fundamental requirement of the environmental approvals regime we operate under. It is also a key part of our overall environmental goal to minimise our impact on the environment where we operate. In the last 12 months AIC Mines' work in this space has focused on undertaking a series of studies in preparation for the development of the Jericho project. These studies included ecological assessments outlining Matters of National Environmental Significance (**MNES**) and Matters of State Environmental Significance (**MSES**), aquatic environmental value assessment of waterways and wetlands local to future projects, a soil and land suitability assessment and a waste characterisation assessment.

We will be using the findings of these assessments to understand the environmental sensitivities of the surrounding environments to enable us to competently manage and minimise our impacts. This work will also act as a precursor to wider investigation into how to expand our biodiversity and conservation monitoring and reporting. We are aware of the emerging guidance under the Taskforce on Nature-based Financial Disclosures (**TNFD**) and are committed to aligning our approach with future best practice.

In terms of on-the-ground progress at Eloise, we have been progressing rehabilitation efforts on our decommissioned Tailings Storage Facility (**TSF**). Interim soil caps have been placed on two former TSFs and we are seeing revegetation from self-seeding. Over the next year, focus will be placed on monitoring growth rates, coverage and species over time and contrasts across wet and dry seasons on the two TSFs. This process will provide solid indication of a pioneer species and what will be best suited for final rehabilitation to ensure we are leaving our operating sites in a stable and regenerative state after closure of our operations. Moving forward we will be looking to share updates on our TSF rehabilitation efforts and relay any specific learnings from the project.

WATER MANAGEMENT AND CONSERVATION

AIC Mines takes water management and conservation extremely seriously, as reflected in our Water Management Plan. At Eloise, our processing operations do not impact local fresh water resources. Processing water is drawn from mine dewatering, recycled water from the TSF and rainwater harvesting. Potable water (for drinking water and minor other uses) is drawn from bores and purified via a reverse osmosis (**RO**) plant. Our water management priorities are therefore focused on managing periods of excess water on site, contamination control, wastewater management, and managing water storage capacity to suit rainfall seasons.

Our main source of water for mining and processing is from rainwater harvesting that collects in two dams during high rainfall events. We have recently completed construction of a fifth tailings dam (**TD5**). TD5 uses a reticulated water system whereby water from tailings slurry deposition and rainfall into TD5 are recycled and reused in the Eloise processing plant on a reticulating basis. This allows us to operate with minimum impact to the surrounding community's water supply and reuse water where possible.

Construction of a water discharge control point for one of our licensed discharge spillways has been completed giving us improved control over our water discharge to help us further minimise our environmental impact to surrounding waterways. Moving forward we will be continuing to look for further ways to enhance the control of mine impacted water using advanced processes and technology.

POLLUTION, TAILINGS AND WASTE MANAGEMENT

We implement comprehensive pollution control measures that address air, water and soil quality, ensuring that all emissions and discharges are within permissible limits. We also undertake continuous monitoring and regular audits to identify and mitigate potential environmental risks proactively.

As with all mining operations, tailings management is a major part of these efforts. A focus of our work in FY24 was progressing completion of our TSF capping design.

Through the last year, AIC Mines worked with specialist geochemical consultants to establish tailings and waste rock characterisation at Eloise. This work established the need for further testing to ensure a suitable capping can be designed for the TSFs. At time of publication the results from this drilling are being assessed. Once data gathering is complete, the TSF capping design will be finalised and implemented. The goal is for the capping design to also be suitable for future TSFs.

More broadly, we are actively engaging with our waste management providers to increase recycling across our main waste products, including oils, lubricants and scrap steel. Over the next two years we will undertake further work with our partners to identify opportunities to recycle and reuse.

ENVIRONMENT SUSTAINABILITY GOAL PROGRESS

Table 2 provides a summary of the progress made by AIC Mines in FY24 against our Environment Sustainability goals. We also set out our FY25 and FY26 commitments.

Table 2: Environment Sustainability Goal Progress

Progress against our plan	FY25 – FY26 commitments	Long term goals
Climate change		
Completed our formal Climate Change Position Statement.	Complete our first CCRA.	Ensure our organisation is resilient and best set up to manage and adapt to the predicted changes in the environment that stem from climate change.
Progressed a CCRA aligned to best practice standards which we are aiming to complete in FY25.	Use the findings and information from the CCRA to develop a Climate Transition Plan.	
Energy use and GHG emissions		
Completed our annual Scope 1 and 2 emissions and started exploring pathways and the required data for reporting Scope 3.	Map and begin reporting on Scope 3 emissions.	Commission full site life-cycle assessment (**LCA**) for the Eloise mine.
Progressed our move towards net zero and lodged a formal connection enquiry to CopperString to enable access to renewable energy at Eloise.	Develop an emission reduction strategy with established reduction targets to feed into the Climate Transition Plan.	Adopt comparable GHG emissions reduction approach to any new operational assets that are acquired or developed.
Completed preliminary investigations into the benefits of a continuous emissions monitoring system (**CEMS**).	Continue to assess CopperString and other interim decarbonisation opportunities.	
Progressed investigations into the feasibility of various on-site renewable generation options.	Continue to explore intermediate solutions to speed up the phase out of diesel-powered energy generation.	

Progress against our plan	FY25 – FY26 commitments	Long term goals
Biodiversity and conservation		
Complied with our environmental regulatory obligations.	Complete current Eloise TSF rehabilitation trial and assess implications for full closure.	Successful rehabilitation of all disturbed land.
Progressed our support of the Queensland government's North West Regional Plan 2010-2031.	Use TNFD guidance to develop reporting of our nature-related dependencies, impacts, risks and opportunities.	Our exploration and mining operations have minimal adverse impacts on biodiversity.
Undertook multiple ecological studies to enhance our ability to protect our regional landscapes and biodiversity.		
Progressed rehabilitation trial of a decommissioned TSF cell with progress in seeding over the area.		
Water management and conservation		
Completed enhancement of our mine-impacted water control following commissioning of a new tailings dam.	Enhance our water efficiency by developing a water balance baseline of all operational water use.	Ensure our exploration and mining operations have no adverse impacts on local fresh water.
Progressed ability to manage and recycle water for usage by installing water transfer lines to enable water transfer between storage facilities.		Minimise our operational potable water usage where possible.
Completed water management plan which has been updated to include management strategies.		
Pollution, tailings and waste management		
Completed initiation of rehabilitation and revegetation trial with progress in seeding over decommissioned TSF.	Complete current Eloise TSF rehabilitation trial and assess implications for full closure.	Continuous rehabilitation program for decommissioned TSFs.
Progressed specific testing to ensure suitable TSF capping design.	Finalise a TSF capping plan and commence implementation.	
Engaged an external expert to monitor the ongoing safety of the Eloise TSFs.		
Environmental risk management		
Completed compliance against all environmental risk management regulations with assurance processes ongoing.		

Social

Our sustainability plan encompasses three primary social objectives. Firstly, we are committed to prioritising health, safety and inclusion throughout our organisation. Secondly, we strive to identify and engage with stakeholders wherever feasible, adding value whenever possible. Lastly, we aim to foster constructive and collaborative relationships with Traditional Owners.

FIRST NATIONS PEOPLES AND COMMUNITY ENGAGEMENT AND CONSULTATION

At Eloise, we are proud of the lasting relationships we have built with local First Nations Peoples, landholders and surrounding communities. We enjoy good relations with these groups and maintain strong social licence for our operations and exploration activities at Eloise and Jericho. This has been further evidenced in the last financial year, with no significant stakeholder complaints registered.

However, we want to further institutionalise our engagement and consultation to ensure it is not reliant on specific team members. To this end, we plan to complete a community stakeholder engagement plan within the next year to codify the positive approach we have put in place.

Over the last year we have also further progressed our engagement with local First Nations communities. At Eloise, we have successfully completed a Cultural Heritage Protection Agreement. As part of the Jericho development and Eloise processing plant expansion we are working in collaboration with the Traditional Owners to complete a Cultural Heritage Assessment, and to undertake monitoring roles at Jericho, providing opportunities for ongoing employment and interaction.

LOCAL EMPLOYMENT

AIC Mines recognises the value and importance of supporting local communities whether that be through engaging local businesses and suppliers or employing members of the local surrounding community. We demonstrate this through specific consideration of the local community strategy within our procurement policy. We also expect this of our suppliers by encouraging any external suppliers we engage to support their local communities by seeking to work with locally based employees and contractors and identifying opportunities that incorporate local procurement. As an extension of this we require all our suppliers to treat members of the community with dignity and respect.

It is well known that there are multiple challenges in hiring local employees at a remote regional mine site, however strengthening our local workforce has been a focus point of our organisation over the last 12 months and will continue to be moving forward. In order to successfully progress this initiative AIC Mines consulted the Queensland Resources Council, the Far North Queensland Department of Employment and Workplace Relations, local employment agencies and local training and education providers to understand the local hiring needs of the region and the optimal ways AIC Mines can support those needs. We also reviewed the ‘North West region resource industry workforce, 2023’ report which provides information on workforce characteristics and places of residence of the North West’s resource industry workforce to provide insight on patterns or trends for attracting and retaining a local workforce.

The outcomes of these meetings and investigations involved discussing employment opportunities with Traditional Owners, offering flexibility in local rosters to suit local employee needs and advertising job vacancies through employment channels that specifically target locals such as local community forums. While we acknowledge there is further work to be done to attract and retain local staff members, AIC Mines takes pride in the progress we have made over the last year.

SUSTAINABLE SOURCING

AIC Mines has zero tolerance for modern slavery in our operations or our value chain upstream or downstream. We have developed a screening system applied to our main suppliers to probe for evidence or red flags relating to modern slavery in any of the following forms:

- Human trafficking
- Slavery
- Servitude
- Forced marriage
- Forced labour
- Debt bondage
- Deceptive recruiting for labour services
- Child labour.

We are pleased to report that the findings from this investigation identified no signs of modern slavery were present and warranted no further deep dive into the questioned suppliers. AIC Mines operates in a low-risk sector as we have a low volume of upstream suppliers, this enables us to monitor and assess suppliers on an ongoing basis as we engage them. We are also aware of the practices of our downstream customers and have high confidence that they are implementing their own modern slavery, child labour and human rights management systems.

As a means of communicating AIC Mines' expectations when it comes to human rights, diversity and inclusion, health and safety, and environmental stewardship, we have developed a responsible sourcing policy that is provided as a term of engagement to all contractors and it is expected that the terms outlined in the policy will be adhered to by all suppliers.

Over the year we have explored various ways of enhancing local sourcing of contractors and suppliers. We attended in-person events in Cloncurry to meet with local contractors and suppliers to discuss and identify potential engagement opportunities at Eloise. We have engaged multiple local businesses over the last 12 months including engineering design consultants, a civil construction company, a bus operating company and concrete suppliers. We will continue to work with local businesses where opportunities arise.

WORK HEALTH, SAFETY AND WELL-BEING

Prioritising the health, safety and wellbeing of our staff is one of our core company values. Over the last year we have conducted a review of our Safety Management System and adopted an assurance system to allow for future reviews. To ensure robustness in our review process we engaged an external safety consultant to audit our surface works and safety management systems in June 2024. We also performed a gap analysis of priority procedures and management plans to ensure our internal systems are aligned to industry best practice.

Over FY24 AIC Mines has seen a reduction in the Eloise total recordable injury frequency rate (**TRIFR**), which AIC Mines reports on both internally and externally. The TRIFR reduced 80% from 17.1 to 3.2 injuries per one million labour-hours over the 12-month reporting period. This is in line with mining industry averages[2].

With remote mine workers three times more susceptible to experiencing psychological distress such as depression or anxiety, we ensure all our staff have access to both preventative and treatment support through an employee assistance program. We also regularly provide our staff with refresher work health, safety and well-being training to enable our teams to take the best care of themselves and their colleagues.

2. **International Council on Mining & Metals (ICMM)**, 2022. *Benchmarking 2022 safety data*. [online] Available at: https://www.icmm.com/en-gb/research/health-safety/benchmarking-2022-safety-data [Accessed 3 September 2024].

DIVERSITY AND INCLUSION

We recognise the value of diversity throughout all levels of the business whether that be the Board, management or broader workforce. One of our key actions over the last year was to review industry benchmarks and establish gender balance targets. Our Board has approved the below targets which we are aiming to achieve by FY28:

- At least 30% representation of each gender at Board level
- At least 20% representation of each gender across entire workforce.

We are aware that while formally committing to gender balance targets is an excellent starting point, we need to implement strategies that support and enable us to progressively and sustainably work towards achieving them.

Through implementation of a new diversity policy we have been looking to further adapt our working environment to be more inclusive. We interviewed a sample of employees to determine meaningful actions to improve inclusivity across our mine site facilities and infrastructure and are currently working to implement the findings from this exercise across Eloise. Our goal is to ensure all our staff feel safe, valued and heard when working at our sites.

SOCIAL SUSTAINABILITY GOAL PROGRESS

Table 3 provides a summary of the progress made by AIC Mines in FY24 against our Social Sustainability goals. We also set out our FY25 and FY26 commitments.

Table 3: Social Sustainability Goal Progress

Progress against our plan	FY25 – FY26 commitments	Long term goals
Community consultation		
Progressed First Nations Peoples engagement through a formalised Cultural Heritage Protection Agreement for Eloise.	Develop a formalised approach to stakeholder engagement in line with International Association for Public Participation (IAP2) guidance.	Embed best practice engagement approaches for First Nations and other stakeholders.
Traditional Owners engaged for cultural heritage assessment and monitoring roles at Eloise and Jericho, providing opportunities for employment and interaction.	Provide cultural awareness training to our staff.	Advance reconciliation by supporting First Nations groups to explore, prioritise, lead and achieve sustainable community benefits in ways that are relevant for each group.
Completed regular communication with stakeholders with communication sent out directly from our CEO to stakeholders to provide opportunities for feedback and questions.		Foster shared value opportunities between AIC Mines and the local communities where we operate to provide sustainable benefits to those communities.
Local employment		
Completed expansion of our responsible sourcing policy to consider the benefits of local sub-contracting.	Set targets for percentage of subcontractor work spend to be engaged locally (where viable).	Scope potential to build local capacity and skills through partnerships with local education and vocational training institutions.
Improved local supplier communications through attendance at local community and industry engagement events, and advertised jobs through channels specifically targeted at the local community.	Map surrounding local educational facilities to assess opportunities to develop ongoing vocational and capacity building partnerships.	

Progress against our plan	FY25 – FY26 commitments	Long term goals
Sustainable sourcing		
Progressed implementation of screening process of our top suppliers to identify any high-risk areas of modern slavery. No signs of modern slavery in our supply chain were identified.	Review our modern slavery screening process to ensure alignment with our evolving procurement processes.	Have processes and policies embedded in our business that place value on non-monetary elements of supplier engagement.
Completed responsible sourcing policy development and implementation.		
Progressed engagement of a range of local contractors/businesses throughout the year.		
Work health, safety and well-being		
Completed audits of Safety Management System to ensure compliance with industry best standards.	Continue to improve our safety standards through implementation of key safety initiatives.	Maintain and expand a strong work health, safety and wellbeing culture in line with AIC Mines' company values.
Total recordable injury frequency rate decreased over the year.	Continue to report our TRIFR results and adopt industry endorsed safety reporting metrics.	
Continued to provide all staff with access to an employee assistance program and work health, safety and well-being training.		
Diversity and inclusion		
Established short and long term gender balance targets across Board level and entire workforce.	Implement a plan to enable progress towards our long term [FY28] gender balance targets at the Board and management levels.	Continually strengthen organisational capacity, culture and environment to attract and retain a talented and diverse workforce.
Completed workplace gender equality agency (WGEA) reporting and submitted for the year.	Develop a channel that allows staff to confidentially raise concerns, incidents or ideas related to diversity and inclusion.	Diverse representation across all levels including Board, management and the workforce.
Progressed diversity, equity and inclusion (DEI) action, including updating our Diversity Policy and started implementing strategies to systemise our talent and succession planning.	Implement inclusivity improvements to our mine site facilities and infrastructure.	
Progressed employee consultation regarding inclusivity improvements to our facilities and are in the process of implementing these requests.		
Progressed action focused on attracting local talent.		

Governance

Our overarching governance goal is to run a transparent and ethical business which operates in line with our company values. Safety, responsibility, delivery and transparency are the values that guide our people through the decisions of their workday. We take this seriously and demonstration of these values is one of the KPIs our staff are assessed against in their performance reviews.

We meet all the relevant corporate governance requirements of an ASX listed business and we report against the ASX corporate governance principles. We have developed a range of diversity, inclusion, safety and ethics polices throughout our business and we regularly review these to ensure we are aligned with the standards of our industry.

GOVERNANCE AND OVERSIGHT

In line with our FY24 commitments, we have established a Risk and Sustainability Committee which comprises the full AIC Mines Board of Directors. Meeting quarterly, the role of the committee is to ensure our sustainability strategy is being adhered to company-wide, to monitor the adequacy of our risk management systems and to monitor the company's processes for managing regulatory compliance.

TRANSPARENCY AND DISCLOSURE

This sustainability report is testimony to our commitment to transparency and disclosure. The report outlines the progress we are making, and challenges we face, in implementing our sustainability plan. Importantly, this year's inaugural report also introduces new metrics on areas including emissions, and DEI. These metrics will be updated annually to enable continual improvement to be monitored. We also plan to introduce new environmental and social metrics in future years.

Table 4: Summarises our progress against governance sustainability goals

Progress against our plan	FY25 – FY26 commitments	Long term goals
Governance and Oversight		
Completed establishment of Risk and Sustainability Committee, consisting of all members of the Board, meeting quarterly.	Continue to conduct quarterly meetings of the Risk and Sustainability Committee.	Explore value of additional sustainability expertise at management and Board level.
Transparency and disclosure		
Completed annual sustainability reporting with FY24 report published.	Continue annual sustainability reporting. Investigate opportunities to include more sustainability metrics in annual reporting.	

HOW AIC MINES IS MEETING THE ICMM PERFORMANCE EXPECTATIONS

■ Meeting or exceeding criteria. ■ Goal in place to achieve conformance. ■ Non-applicable criteria.

Principle 6 Ethical Business	Principle 7 Decision Making	Principle 8 Human Rights	Principle 9 Risk Management	Principle 10 Health & Safety
1.1 – Establish Systems for Legal Compliance	2.1 – Integrate Sustainability into Decision-Making	3.1 – Respect Human Rights	4.1 – Assess Environmental and Social Risks	5.1 – Continually Improve Health and Safety
1.2 – Prevent Bribery and Corruption	2.2 – Support Responsible Business Partners	3.2 – Avoid Involuntary Resettlement	4.2 – Apply Due-Diligence in Conflict-Affected or High-Risk Areas	5.2 – Provide Health and Safety Training
1.3 – Align Policies and Standards to ICMM		3.3 – Manage Security While Protecting Human Rights	4.3 – Systematically Manage Health, Safety and Environmental Risks	
1.4 – Assign Accountability for Sustainable Development at Board/ ExCo level		3.4 – Respect the Rights of Workers		
1.5 – Disclose Financial Contributions		3.5 – Provide Fair Pay and Working Hours		
		3.6 – Respect Indigenous Peoples		
		3.7 – Work to Obtain Free, Prior and Informed Consent		
		3.8 – Promote Workplace Diversity		
		3.9 – Promote an Inclusive Workplace		

Principle 6 Environmental Performance	Principle 7 Conservation of Biodiversity	Principle 8 Responsible Production	Principle 9 Social Performance	Principle 10 Stakeholder Engagement
6.1 – Plan for Closure	7.1 – Avoid World Heritage Sites and Respect Legally Designated Protected Areas	8.1 – Recover, Re-Use and Recycle	9.1 – Contribute to Community Development	10.1 – Engage Corporate Stakeholders Transparently
6.2 – Implement Water Stewardship Practices	7.2 – Apply Mitigation Hierarchy with Ambition of No-Net-Loss	8.2 – Assess Product Hazards	9.2 – Support Local Economic Opportunities	10.2 – Support EITI
6.3 – Effectively Manage Tailings			9.3 – Conduct Local Stakeholder Engagement	10.3 – Report Annually to GRI
6.4 – Prevent Pollution and Manage Releases and Waste			9.4 – Collaborate on Artisanal Mining Challenges	10.4 – Conduct Assurance and Validation
6.5 – Improve Energy Efficiency and Reduce GHG Emissions				

AIC Mines
Limited