

**Building a new Australian
mid-tier copper and gold
miner through exploration,
development and
acquisition**

19 September 2022



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Authorisation – This presentation has been approved for issue by, and enquiries regarding this presentation may be directed to Aaron Colleran, AIC Mines Managing Director – email info@aicmines.com.au

AIC Mines Takeover Offer for Demetallica

Rationale for the Offer

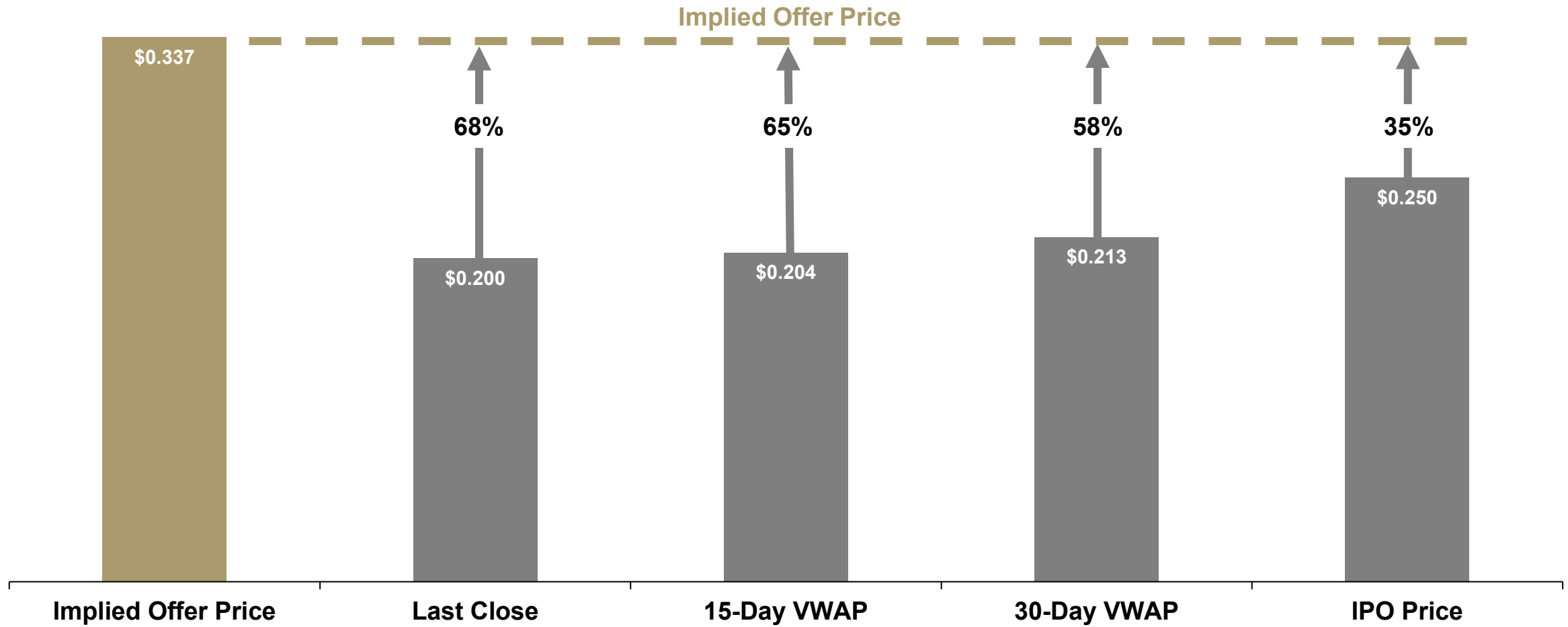
- A logical combination with a strong strategic rationale.
- The quickest path to production for the Jericho copper deposit.
- Sensible regional consolidation creates the opportunity for numerous synergies.
- Potential to significantly increase mine life and expand production at Eloise.
- Enhanced scale, market relevance and trading liquidity.
- Removes inefficient duplication of overhead costs and corporate fees and charges.
- Eliminates wasteful duplication of infrastructure and allows for a smaller development footprint with reduced environmental impact.

Terms of the Offer¹

- An off-market takeover offer (the **Offer**) for all of the shares in Demetallica Limited.
- AIC Mines will offer Demetallica shareholders 1 AIC Mines share for every 1.5 Demetallica shares held.
- A substantial and attractive premium:
 - 68% to the closing price of Demetallica shares on 16 September 2022 (the last trading day prior to announcement of the Offer)²
 - 58% to the 30-day VWAP of Demetallica shares to 16 September 2022³
 - 35% premium to the Initial Public Offering price of Demetallica Shares of \$0.25.
- Conditional on AIC Mines obtaining a relevant interest in at least 50.1% of Demetallica shares and on certain other market standard conditions being fulfilled.
- On successful completion of the Offer, Demetallica Shareholders will hold approximately 18.7% of the Combined Group (on an undiluted basis)⁴.

AIC Mines Takeover Offer for Demetallica

A substantial and attractive premium



Demetallica

Demetallica is an ASX-listed exploration company formed via demerger from Minotaur Exploration Limited in January 2022.

Commenced trading on the ASX on 26 May 2022 after completing an IPO of 60 million shares at an issue price of \$0.25ps to raise \$15 million

ASX Code	DRM
Share Price ¹	\$0.20
Shares on Issue	102.0M
Market Capitalisation	\$20.4M
Cash ²	\$10.6M
Debt	Nil
Enterprise Value	\$9.8M



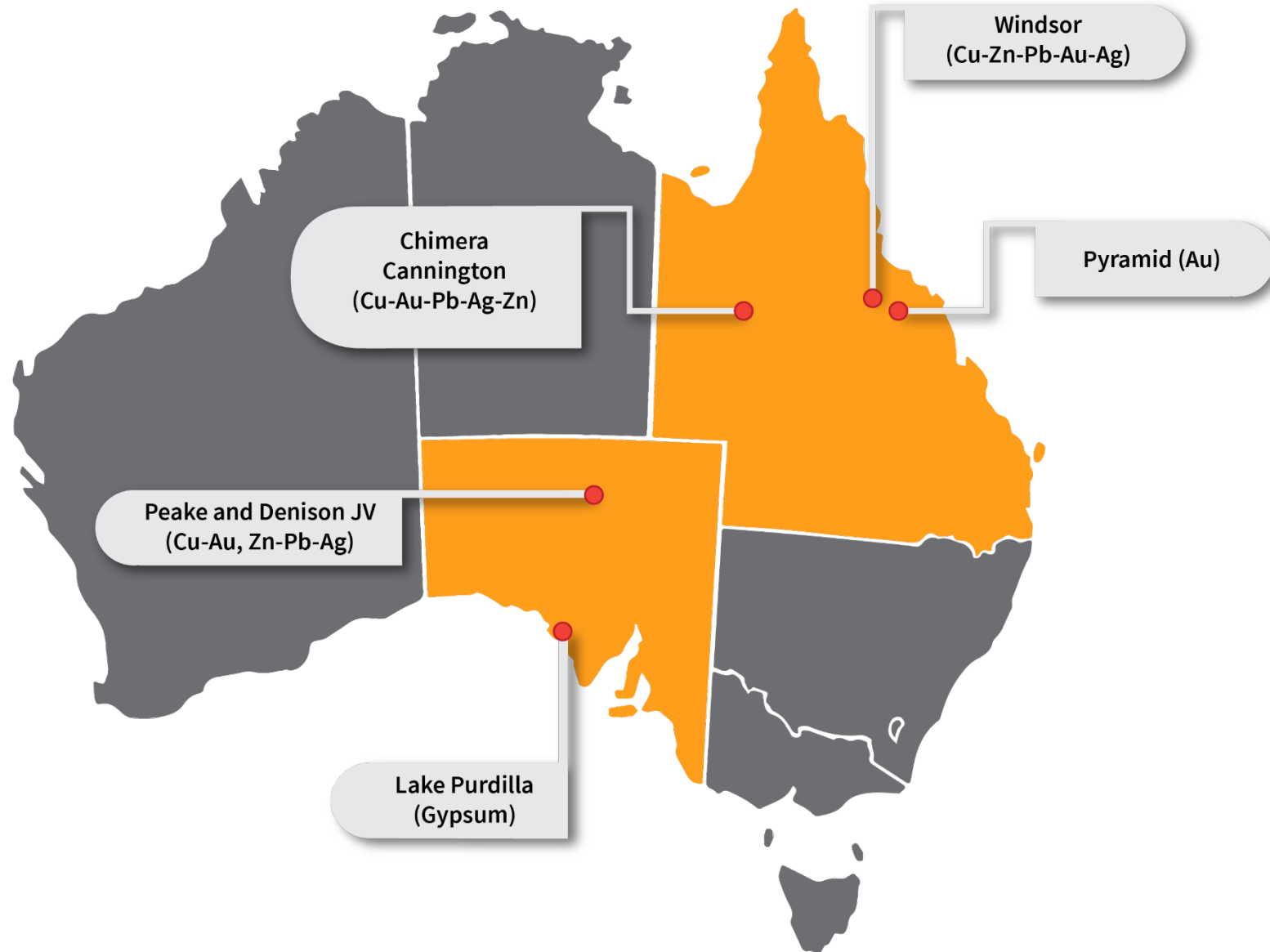
Demetallica

Demetallica holds exploration projects in Queensland and South Australia.

The main project is the Chimera Project located southeast of Cloncurry and adjacent to AIC Mines' Eloise copper mine.

The Chimera Project covers 2,067km² and hosts three deposits with published resources¹:

- Jericho
- Sandy Creek
- Altia



Demetallica

Logical regional consolidation

The Chimera Project completely surrounds the Eloise mine.

The Jericho deposit is located 4km south of Eloise.

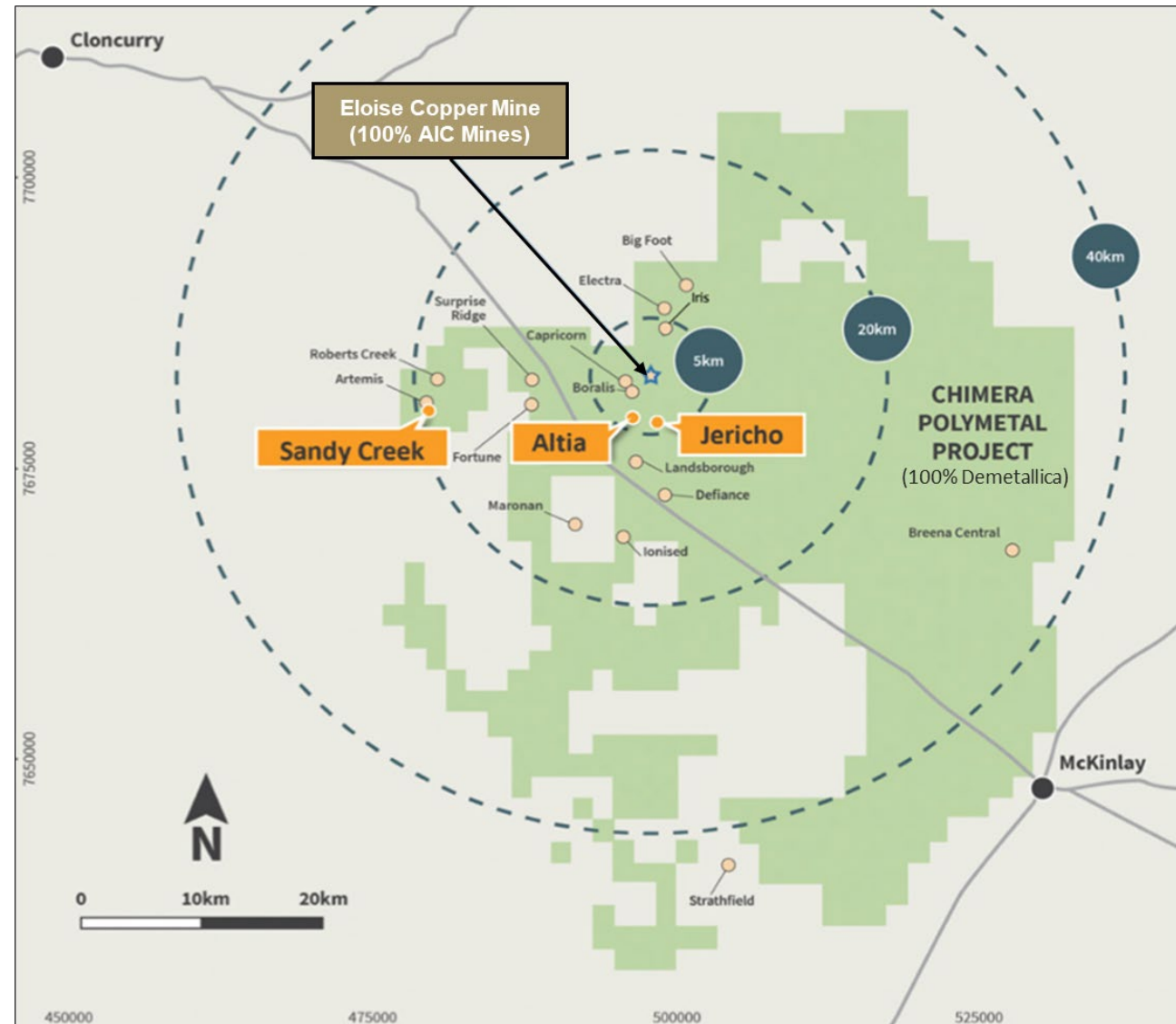
It has similar host rocks, alteration and sulphide mineralisation to Eloise meaning:

- Similar mining method
- Similar metallurgy

Jericho hosts an Inferred Resource¹ of 9.1Mt grading 1.45% Cu and 0.30g/t Au for 130,000t Cu and 88,000oz Au.

Demetallica has stated that it plans to release an updated resource estimate for Jericho in late October 2022 incorporating 56 new drillholes².

Demetallica has estimated an Exploration Target for Jericho¹, lodes J1 and J2, at 13Mt – 15Mt at between 1.3% - 1.5% Cu and 0.29g/t Au – 0.32g/t Au.



Location of Eloise Copper Mine and Demetallica's 100% owned Chimera Polymetal Project (green shading)³.

Eloise Copper Mine

AIC Mines' foundation asset

A high-grade underground mine with a 26-year operating history.

- Reserve grade of 2.3% Cu and 0.6g/t Au – one of the highest-grade copper mines currently operating in Australia.

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

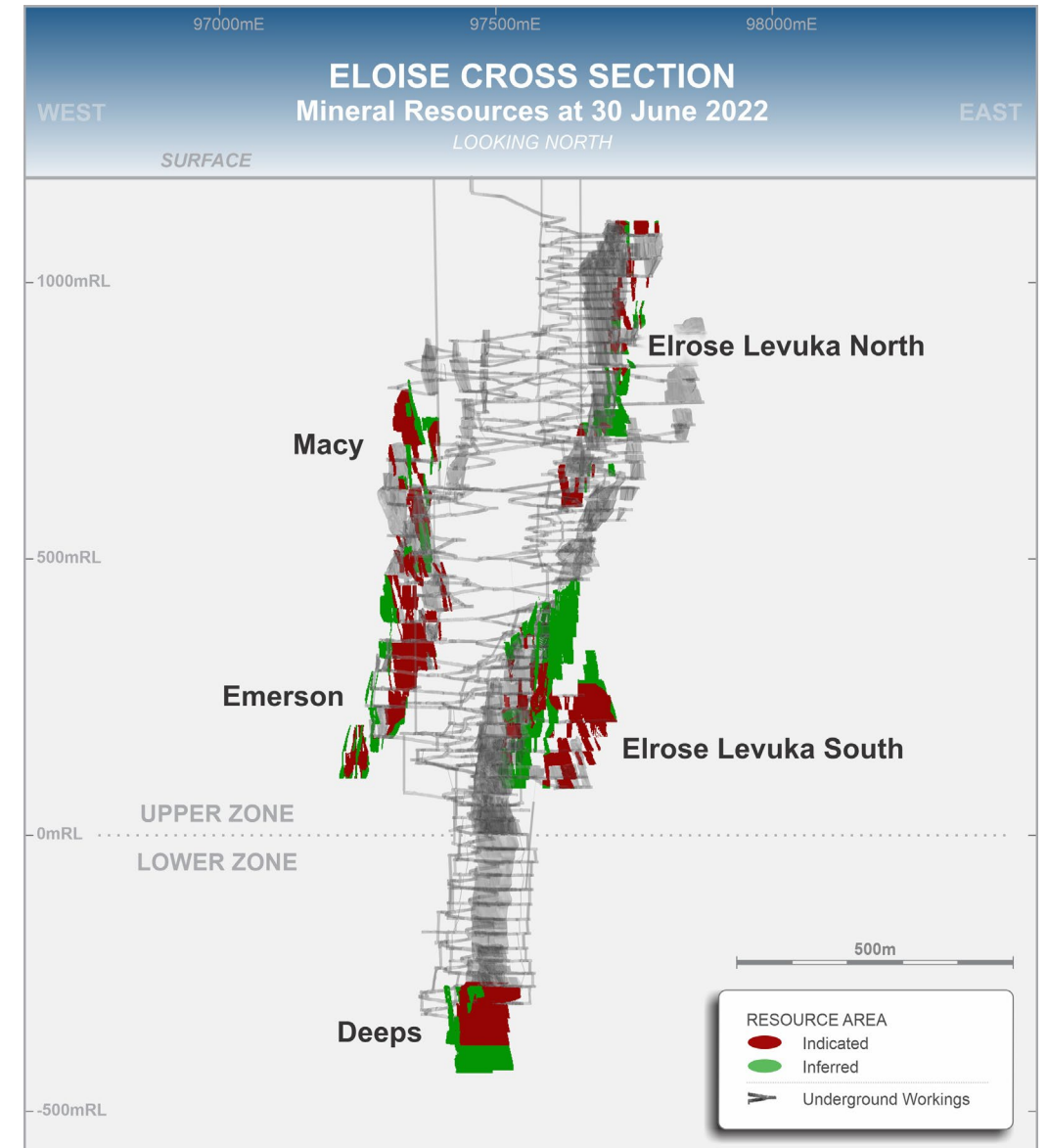
- Currently processing 650,000tpa providing immediate spare capacity for satellite projects.

FY23 targeted production of approximately 12,500t Cu and 6,000oz Au¹ in concentrate at an AISC of approximately A\$4.50/lb and AIC of A\$5.00/lb.

Mineral Resources contain 115,000t Cu and 100,100oz Au².

Ore Reserves contain 36,000t Cu and 32,600oz Au².

Current Life of Mine Plan extends to June 2030.



Eloise and Jericho

Logical regional consolidation

Combining Eloise and Jericho provides the quickest and most efficient means of developing, mining and processing Jericho¹.

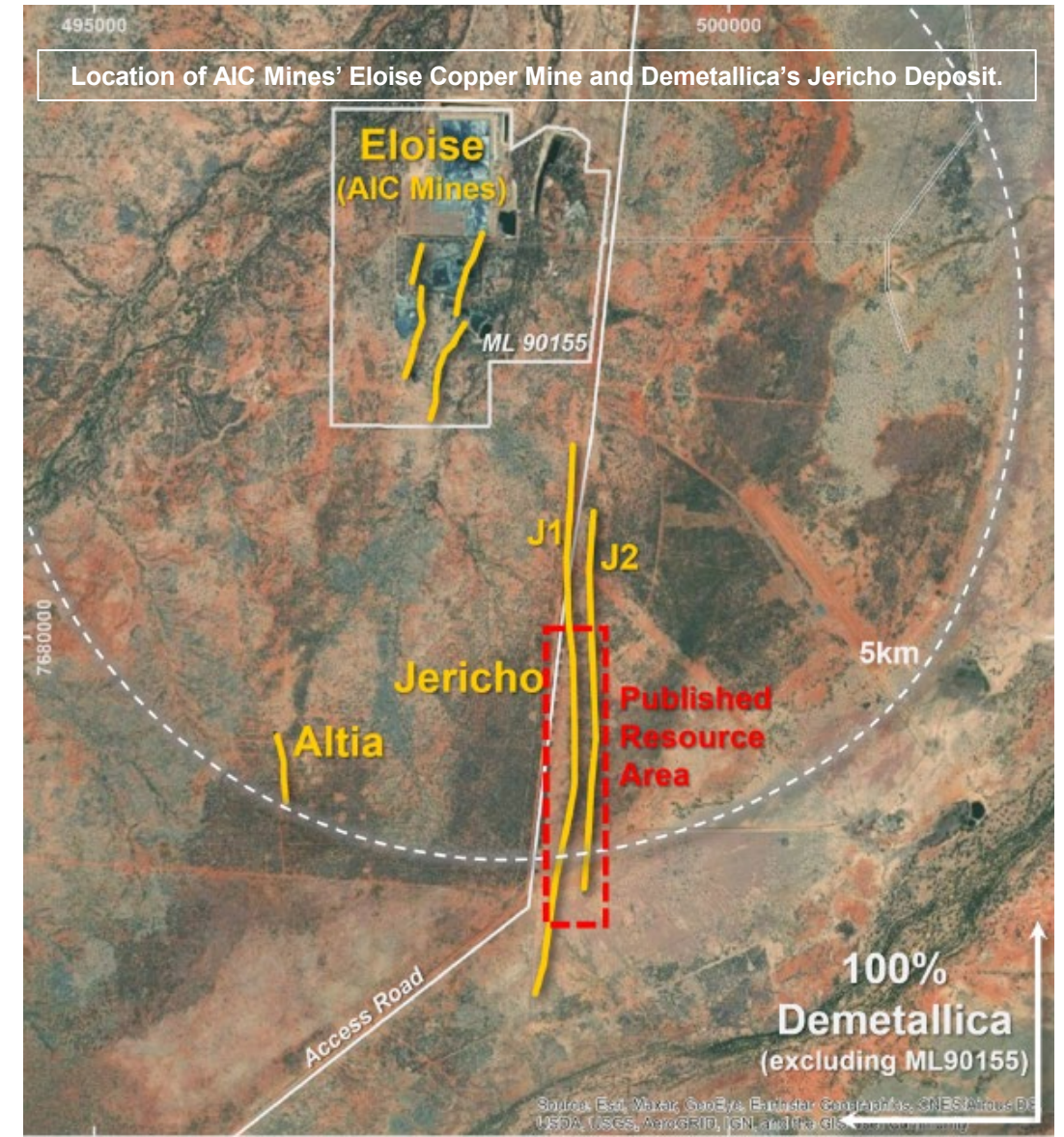
Combined resources of 245,000t Cu and 188,100oz Au².

Increases mine life to +10 years.

Potential to increase annual production to +20,000t Cu and 10,000oz Au in concentrate – a 60% increase on current production rate³.

Potential economies of scale to reduce AISC.

Contiguous 2,072km² tenement holding increases exploration prospectivity and secures full ownership of Eloise Deep extensions.



1. Jericho development remains subject to development studies, regulatory approvals and permitting.
2. Eloise Mineral Resources see Appendix to this presentation. Jericho Mineral Resource see Demetallica Prospectus as released to ASX on 24 May 2022 for full JORC (2012) disclosure. AIC Mines will review the Jericho Mineral Resource estimates and the assumptions made in developing these estimates. It is expected that AIC Mines will re-estimate the Jericho Mineral Resources using similar estimation practices and assumptions used at Eloise. This may result in a downgrade.
3. Based on a staged expansion of the Eloise processing facility to 1.4Mtpa.
4. Diagram from Demetallica Noosa Mining Conference presentation 20 July 2022 released to ASX on 20 July 2022.

People

Ready to build a new copper mine in North Queensland

Consolidating Eloise and Jericho provides the quickest path to production for Jericho so that benefits of employment, commercial opportunities and royalties will flow to local communities more quickly and with greater certainty.

We are committed to creating a diverse and inclusive workplace where everyone feels safe, valued and supported.

We are committed to robust governance, ethical business practices and transparency through public reporting and compliance with applicable laws and regulations.



On strategy

Building a portfolio of mines through exploration, development and acquisition

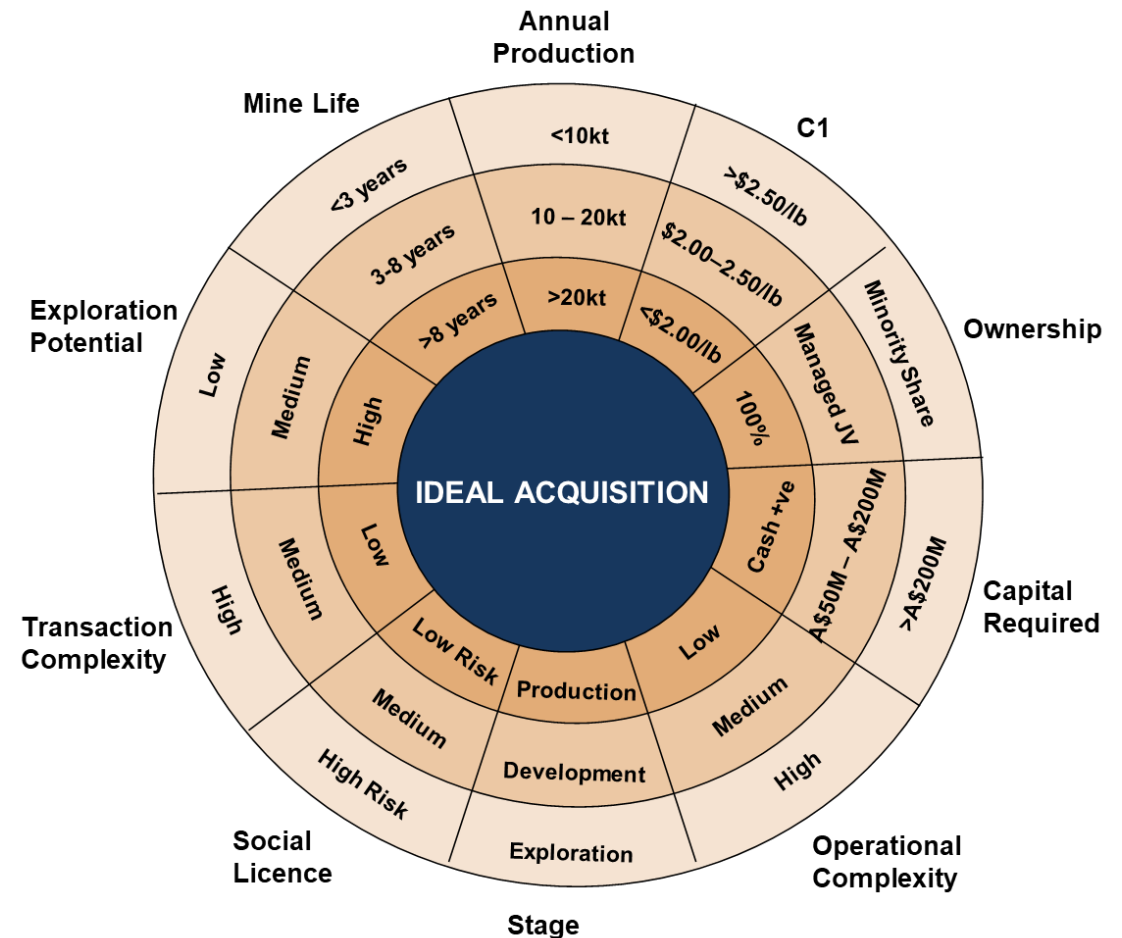
Logical regional consolidation – Demetallica's Chimera Project represents a clear and obvious bolt-on acquisition that provides Eloise with mine life, expansion and exploration upside.

- Jericho deposit located only 4km south of Eloise.
- Similar metallurgy.
- Similar mining method.
- Consolidates 2,072km² tenement package around Eloise.

Value-accretive – AIC Mines has the underground mining and processing capability, and financing capacity to more rapidly and efficiently develop the copper resources at Chimera.

Improving the average asset quality of the portfolio – addition of the Jericho deposit provides opportunity to increase production and extend mine life at Eloise – creating a cornerstone asset.

Filling the exploration and development pipeline – Demetallica exploration portfolio adds complementary copper and gold projects in Queensland and South Australia.



Combined company

A growth-oriented Australian copper mining company

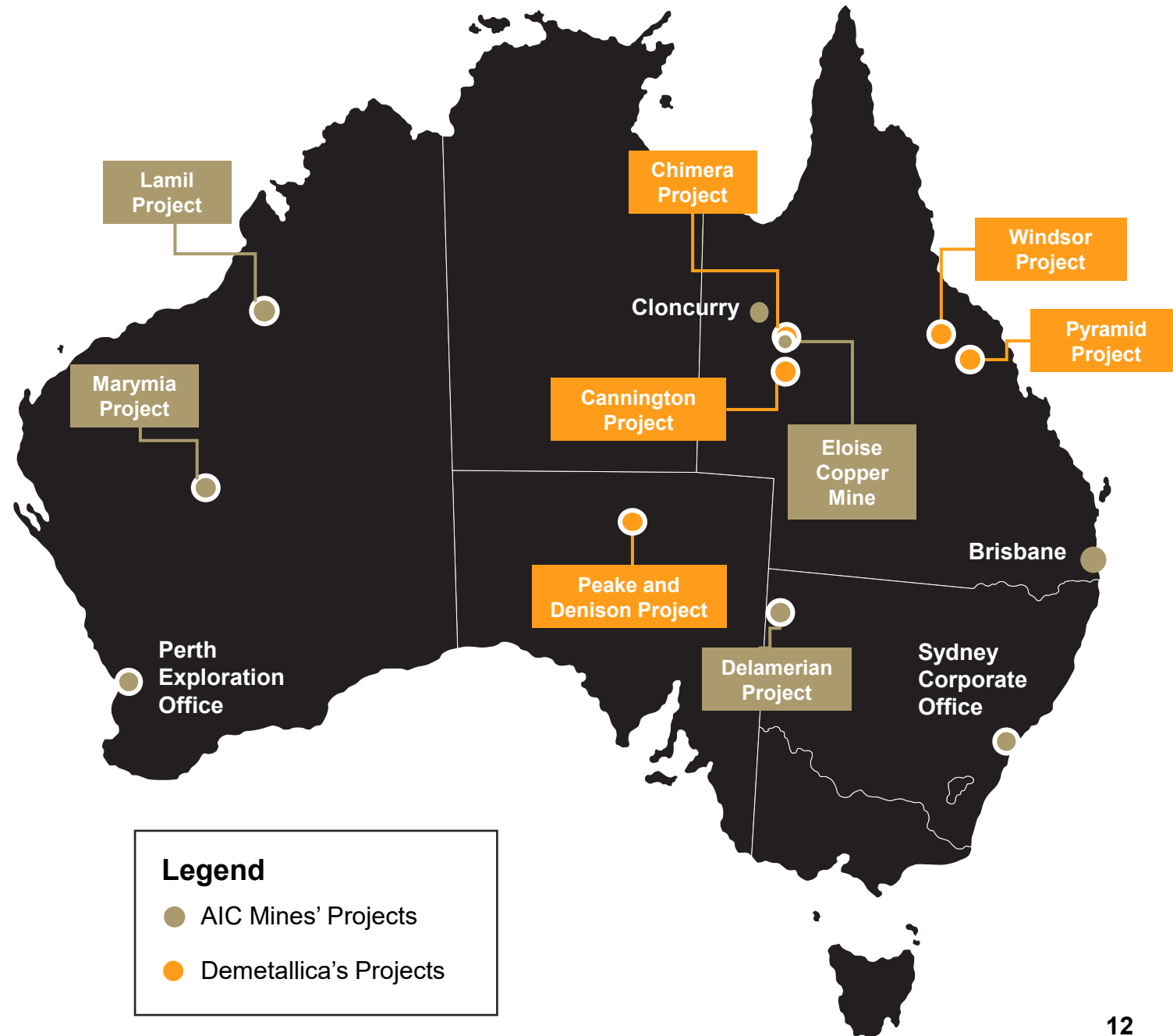
All assets located in mining friendly jurisdictions.

Cornerstone asset in the Mt Isa – Cloncurry region, one of the most significant copper producing regions in the world.

Enhanced scale, market relevance and trading liquidity.

AIC Mines board and management team have a successful track record of building and managing mining companies.

Building a portfolio of mines through exploration, development and acquisition.



AIC Mines

ASX Code	A1M
Share Price ¹	\$0.505
Shares on Issue ¹	312.3M
Market Capitalisation	\$157.7M
Cash ²	\$28.1M
Debt	Nil
Enterprise Value	\$129.6M

Substantial Shareholders	
FMR Investments	25.7%
Directors	14.4%
Brahman Pure Alpha	5.7%

An experienced Board and Management team building a new Australian mid-tier copper and gold miner through exploration, development and acquisition

Board of Directors	
Josef El-Raghy	Chairman
Aaron Colleran	Managing Director
Brett Montgomery	Non-Executive Director
Tony Wolfe	Non-Executive Director
Jon Young	Non-Executive Director

Important dates



Announcement date	19 September 2022
Bidder's Statement lodged with ASIC and ASX	19 September 2022
Date of Offer (Offer opens)	5 October 2022
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 7 November 2022

These dates may vary as permitted under the Corporations Act.



Investment thesis



Highly credentialed and heavily invested team



A new junior copper miner with strong cashflow to add value through exploration success, resource growth, operational reliability and regional consolidation



Building a portfolio of Australian copper and gold mines through exploration, development and acquisition

Appendix

Eloise overview

Mineral Resource
and Ore Reserve



Eloise Copper Mine

Overview

Location	60km SE of Cloncurry and 155km ESE of Mt Isa
Tenements	Mining leases covering 505.9 ha
Mineralisation	Iron Sulphide Copper Gold (ISCG).
Mineral Resources	115,000t Cu and 100,100oz Au
Ore Reserves	36,000t Cu and 32,600oz Au
Historic Production	Since commencement of production in 1996 the mine has milled over 13Mt of ore grading 2.8% Cu to produce approximately 350,000t of copper.
Mining Method	The upper levels of the mine are extracted by longhole open stoping and the deep levels are extracted by sublevel caving
Operating Structure	Owner-miner with contractor for underground development
Processing Method	Conventional crushing, grinding and sulphide floatation circuit
Processing Capacity	750ktpa processing capacity. Estimated replacement cost \$85M.
Recovery	94 – 95% Cu
Concentrate production	45 - 50ktpa grading 27% Cu and 4g/t Au. No deleterious elements.
Royalties	Queensland State royalty. No other royalties.
Workforce	Approx. 150 employees and 80 contractors. FIFO. On site accommodation.
Power	On site diesel generators (owned). The powerhouse has total generating capacity of 12MW and consists of seven high voltage (1.5MW) and three low voltage (0.7MW) generators.
Water	Established bore field with annual allocation of 355ML and current annual consumption of approximately 200ML. Water is harvested through runoff into two dams during high rainfall events.



Eloise Mineral Resource and Ore Reserve

Eloise Mineral Resources and Ore Reserves are reported and classified in accordance with the JORC Code (2012).

Further information is provided in the ASX announcement released by AIC Mines "Increase in Mineral Resources and Ore Reserves at Eloise Copper Mine" dated 22 August 2022.

The Mineral Resource Estimate is reported using a 1.1% Cu cut-off above 0mRL and 1.4% Cu below 0mRL. The Ore Reserves Estimate is reported using a 1.4% Cu cut-off above 0mRL and 1.6% Cu below 0mRL.

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

Eloise Mineral Resource as at 30 June 2022							
Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured							
Indicated	2,668,000	2.5%	0.7	10.6	65,900	59,600	912,500
Inferred	2,083,000	2.4%	0.6	9.3	49,100	40,500	623,700
Total	4,751,000	2.4%	0.6	10.1	115,000	100,100	1,536,200

Eloise Ore Reserve as at 30 June 2022							
Reserve Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	19,000	1.4%	0.6	9.1	200	300	5,700
Probable	1,526,000	2.3%	0.7	9.7	35,800	32,300	477,600
Total	1,545,000	2.3%	0.6	9.6	36,000	32,600	483,300

Competent Person Statements

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

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

Disclaimer

AIC Mines has not independently verified the information relating to Demetallica's Mineral Resources contained in this presentation. Please refer to Demetallica's Prospectus dated 8 April 2022 for further details and for the Competent Person's Statement relating to Demetallica's Mineral Resources.

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