

QUARTERLY REPORT

20 July 2023



ABOUT AIC MINES

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

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

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

CAPITAL STRUCTURE

Shares on Issue: 462,224,392

BOARD MEMBERS

Josef El-Raghy

Non-Executive Chairman

Aaron Collieran

Managing Director & CEO

Linda Hale

Non-Executive Director

Brett Montgomery

Non-Executive Director

Jon Young

Non-Executive Director

Audrey Ferguson

Company Secretary

CORPORATE DETAILS

ASX: A1M

www.aicmines.com.au

ABN: 11 060 156 452

E: info@aicmines.com.au

A: Suite 3, 130 Hay Street,
Subiaco, WA, 6008

Share Register:

Computershare Investor Services

Quarterly Activities Report for the Period Ending 30 June 2023

HIGHLIGHTS

Eloise Copper Mine

- **Produced** 11,197dmt of concentrate containing 2,890t of copper at an AISC of A\$5.63/lb Cu and AIC of A\$6.16/lb Cu.
- **Reliability improvements now evident** – ore mined increased by 34% and copper production increased by 17% in the June Quarter compared to the previous Quarter.
- Sales of 2,654t of copper, 1,406oz of gold and 26,540oz silver generated net revenue of \$32.2 million and operating cashflow of \$7.0 million. Net mine cashflow was negative \$6.4 million after capital of \$13.4 million.

Growth

- Maiden Ore Reserve completed for Jericho – 1.8Mt grading 1.8% copper and 0.3g/t gold containing 32,800 tonnes of copper and 19,900 ounces of gold.
- The Maiden Ore Reserve supports accelerated development of the Jericho Deposit and provides a detailed mine plan for the early years of the project.

Exploration

- **Eloise Deepes Lens 6 and new Lens 7** returned excellent drill results:
 - ED296 – 21.0m ETW grading 5.2% Cu and 1.9g/t Au – Lens 7
 - ED299 – 2.5m ETW grading 4.5% Cu and 1.6g/t Au – Lens 6
 - ED323 – 3.3m ETW grading 7.8% Cu – Lens 6
- Resource extension and definition drilling program commenced at Jericho.

Corporate

- **FY24 Guidance** – AIC Mines is targeting full year production from Eloise of approximately 12,500t of copper and 5,000oz of gold in concentrate at an AISC of approximately A\$5.00/lb Cu and AIC of A\$5.20/lb Cu¹.
- At 30 June 2023, AIC Mines held \$30.9 million in cash at bank. In addition, 1,225t of concentrate containing 320t of copper, with a notional value of approximately \$4.0 million, was held at Eloise awaiting sale at the end of the Quarter. Transport of this concentrate to Mt Isa was delayed due to rain.
- Sustainability strategy document released during the Quarter. The sustainability strategy complements AIC Mines' sustainability policy and outlines the actions it will take to mitigate and manage any potential environmental or social impact its operations could have.

1. Production targets are based on 100% current JORC compliant Ore Reserves, recent mining and metallurgical performance, and forecast operational capital and operating cost structures.

PRODUCTION

Eloise Copper Mine

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

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

Safety and Environment

The Total Recordable Injury Frequency Rate (12 month moving average) at 30 June 2023 was 16.8 per one million hours worked. There were 2 recordable injuries during the Quarter. A fitter crushed his finger between a breaker bar and engine block while undoing an engine mount bolt on a haul truck resulting in a medically treated injury and a fitter twisted his knee resulting in a lost time injury. A review of AIC Mines' safety management system is underway and is due for completion in the September 2023 Quarter. Recommendations from the review will be implemented over FY24.

There were no environmental incidents during the Quarter.

Sustainability

During the Quarter, AIC Mines released its Sustainability Strategy. The document is available on the AIC Mines website at www.aicmines.com.au/sustainability/. The Strategy complements the Company's Sustainability Policy and outlines the actions AIC Mines will take to mitigate and manage any potential environmental or social impact its operations could have. Implementation of the strategy will be overseen by the Company's newly formed Risk and Sustainability Committee. Delivery of the strategy will be reported on annually commencing in 2024, through an annual sustainability report to be included with the Company's Annual Report.

Sustainability initiatives during the June 2023 Quarter included:

- Stakeholder engagement meetings to introduce and outline the Jericho project to local landholders and council members.
- Hosting a site visit for the local Julia Creek Primary School (see photo right).
- Sponsorship of the Isolated Childrens Parents Association, Queensland State Conference and sponsorship for the annual McKinlay race meeting.



Photo 1. Julia Creek Primary School site visit.

Production and Costs

Eloise produced 11,197dmt of concentrate containing 2,890t of copper at an AISC of A\$5.63/lb Cu and AIC of A\$6.16/lb Cu of copper sold after by-product credits in the June 2023 Quarter.

Production showed ongoing improvement from previous Quarters and was higher than the 2,700t – 2,800t Cu production target set for the June 2023 Quarter. The production improvements are mainly due to commencement of mining in the Macy North 675L stope (commenced in early March 2023). The Macy North deposit is relatively shallow, providing higher productivity than deeper areas in the mine.

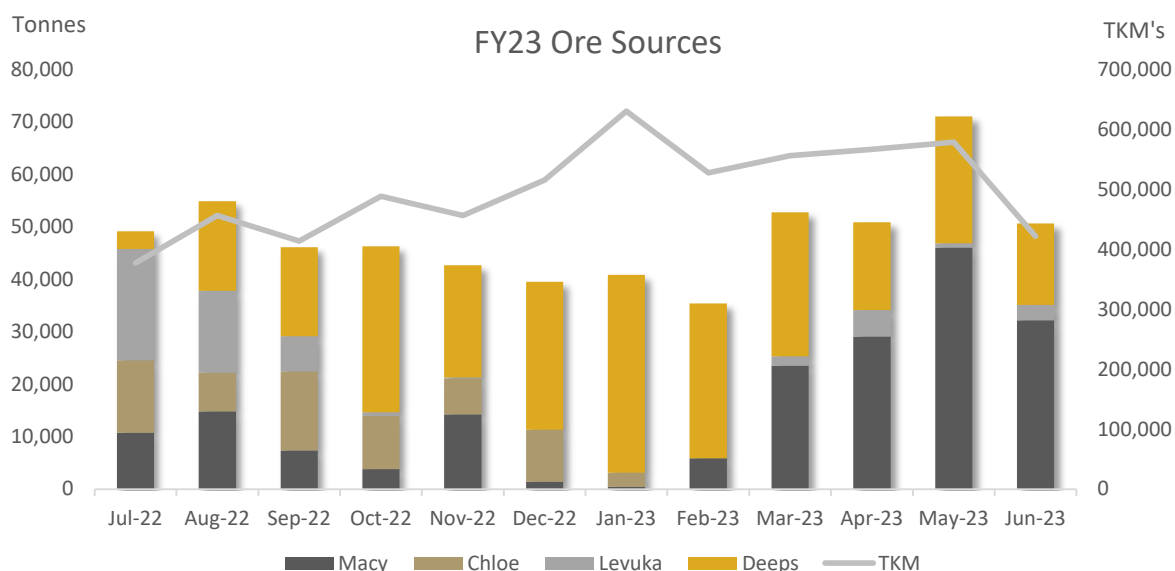


Chart 1. Ore production location and TKM (tonnes of material trucked multiplied by distance trucked)

Underground mine production was impacted in the month of June (see Chart 1 above) by delays caused by equipment availability (shotcrete agitator truck and charmec explosives vehicle) and seismic activity in the Deeps development. These issues have been rectified.

Mined grade was below forecast late in the Quarter due to delays to development and production in the Deeps z330 Level (as described above) and production in the Macy 755 Panel 2 stope initiating in a lower grade zone. Grade has subsequently improved.

The recapitalisation of the Eloise mine that commenced in FY23 is delivering a progressive improvement in production. The June 2023 Quarter was the best production Quarter of the year – driven mainly by increased ore production. We expect this production rate to continue to improve in FY24. With good progress now made on operational reliability the operational focus will shift to reducing costs. The gradual change-out of hired and contracted equipment for owned equipment is expected to reduce operating costs in FY24.

Full year FY23 production was 10,559t Cu and 5,219oz Au in concentrate at an AISC of A\$5.58/lb Cu and AIC of A\$6.43/lb Cu. Production was below forecast and as a consequence costs were higher than forecast. The main constraint on production in FY23 was poor mining fleet availability although high rainfall and seismic activity in the Deeps also played a part. The recent completion of detailed mining and processing constraint reviews by independent experts has provided a clear roadmap to production and cost improvements in FY24.

Eloise Production and Cost Metrics	Units	September 2022 Qtr	December 2022 Qtr	March 2023 Qtr	June 2023 Qtr	Full Year 2023
Underground development - capital	m	485	490	468	601	2,043
Underground development - operating	m	480	237	311	212	1,239
Total development	m	964	727	779	812	3,282
Ore mined	kt	150	131	129	173	583
Copper grade mined	%	1.75%	1.98%	2.06%	1.96%	1.93%
Tonnes processed	kt	153	137	123	160	574
Copper grade processed	%	1.80%	1.97%	2.14%	1.98%	1.96%
Copper recovery	%	95.2%	95.0%	93.7%	91.2%	93.7%
Concentrate produced	dmt	9,828	9,187	9,295	11,197	39,507
Copper in concentrate	t	2,629	2,565	2,475	2,890	10,559
Payable copper produced	t	2,530	2,473	2,382	2,778	10,164
Gold produced	oz	1,305	1,263	1,136	1,515	5,219
Silver produced	oz	22,349	23,317	23,344	28,584	97,594
Copper sold	t	2,334	2,529	2,467	2,654	9,984
Achieved copper price	A\$/t	11,389	12,970	13,435	11,888	12,428
Achieved copper price	A\$/lb	5.17	5.88	6.09	5.39	5.64
Gold sold	oz	1,203	1,255	1,228	1,406	5,092
Achieved gold price	A\$/oz	2,692	2,766	2,684	2,772	2,730
Silver sold	oz	18,632	22,870	23,419	26,540	91,461
Achieved silver price	A\$/oz	33	34	29	31	32
Cost Summary						
Mining	A\$/lb prod	1.45	1.92	2.09	2.05	1.88
Processing	A\$/lb prod	1.38	1.32	1.27	1.19	1.29
Site admin and transport	A\$/lb prod	0.72	0.65	0.67	0.57	0.65
TC/RC and shipping	A\$/lb prod	0.58	0.56	0.67	0.67	0.62
Ore stockpile adjustments	A\$/lb prod	(0.03)	0.04	(0.09)	(0.16)	(0.06)
By-product credits	A\$/lb prod	(0.64)	(0.81)	(0.76)	(0.82)	(0.75)
C1 Cash Cost	A\$/lb prod	3.45	3.67	3.86	3.50	3.62
C1 Cash Cost	A\$/lb sold	3.74	3.59	3.73	3.66	3.69
Royalties	A\$/lb sold	0.24	0.23	0.26	0.31	0.26
Metal in circuit and finished goods	A\$/lb sold	(0.28)	(0.03)	0.15	(0.15)	(0.08)
Reclamation and other adjustments	A\$/lb sold	0.0	0.01	0.05	0.05	0.03
All-in Sustaining Capital ¹	A\$/lb sold	1.65	1.73	1.58	1.76	1.68
All-in Sustaining Cost	A\$/lb sold	5.35	5.54	5.76	5.63	5.58
All-in Capital ²	A\$/lb sold	1.58	0.97	0.36	0.53	0.84
All-in Cost	A\$/lb sold	6.93	6.51	6.12	6.16	6.43
Depreciation & Amortisation ³	A\$/lb prod	0.98	1.15	1.41	1.37	1.22

1. All-in Sustaining Capital includes PPE, Resource Definition and 80% of underground mine development capital

2. All-in Capital includes major project capital and 20% of underground mine development capital

3. Depreciation & Amortisation information is preliminary and subject to FY23 year-end review

The new tailings storage facility, TD5, was successfully commissioned during the Quarter after a 12 month build at a cost of \$16.1M. Commissioning of TD5 is a significant achievement for Eloise, it provides 5 years of tailings storage and up to a further 10 years with lifts, at current production rates. Importantly, TD5 significantly de-risks water management at Eloise.



Photo 2. First tailings being deposited into the newly commissioned TD5.

Production and Cost Outlook

Production of approximately 2,800t – 3,000t Cu and 1,350oz Au in concentrate is targeted in the September 2023 Quarter.

Planned ore sources for the September 2023 Quarter are:

- 49% from Macy North (4.6km haul to ROM)
- 37% from Deeps (12.3km haul to ROM)
- 14% from Levuka (8.4km haul to ROM)

FY24 Guidance

AIC Mines is targeting full year FY24 production from Eloise of approximately 12,500t Cu and 5,000oz Au in concentrate at an AISC of approximately A\$5.00/lb Cu and AIC of A\$5.20/lb Cu¹.

Recapitalisation of Eloise will continue into FY24 to improve operational reliability by removing production constraints and replacing old equipment and infrastructure. The main areas of investment are outlined below.

Sustaining Capital:

- \$9.0 million for plant and equipment replacement focused on underground loaders, ancillary fleet and ongoing truck and diesel generator rebuilds.
- \$25.0 million for underground mine development.
- \$5.0 - \$6.0 million for resource definition drilling.

Growth Capital:

- \$5.5 million for long-term mine development in the Deeps

The capital expenditure outlined here only relates to the current Eloise operation and does not include capital expenditure related to the Jericho development and related Eloise processing plant expansion.

Depreciation for FY24 is expected to be in the range of \$25.0 - \$30.0 million.

1. Production targets are based on 100% current JORC compliant Ore Reserves, recent mining and metallurgical performance, and forecast operational capital and operating cost structures.

Eloise Exploration and Resource Drilling

Resource extension and definition drilling during the Quarter focused on the Deeps Lens 6 and Macy North areas.

Lens 6 drilling extended the high-grade mineralisation up dip. Drilling beyond Lens 6 appears to have intersected a new zone of mineralisation, possibly **Lens 7**. Significant intercepts received during the Quarter include:

- ED296 – 8.0m (6.2m ETW) grading 2.6% Cu and 0.5g/t Au – Lens 6
- ED296 – 23.8m (21.0m ETW) grading 5.2% Cu and 1.9g/t Au – Lens 7
- ED299 – 5.0m (2.5m ETW) grading 4.5% Cu and 1.6g/t Au – Lens 6
- ED323 – 3.4m (3.3m ETW) grading 7.8% Cu – Lens 6
- ED327 – 6.4m (4.5m ETW) grading 1.6% Cu and 0.3g/t Au – Lens 6
- ED330 – 5.9m (4.5m ETW) grading 2.1% Cu – Lens 6
- ED341 – 2.6m (1.9m ETW) grading 2.3% Cu and 0.3g/t Au – Lens 6

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

Macy North drilling continued to define mineralisation up plunge beyond the current Mineral Resource limits. Significant intercepts received during the Quarter include:

- MA319 – 1.5m (1.1m ETW) grading 5.5% Cu and 0.2g/t Au – Lens 1
- MA321 – 2.2m (2.2m ETW) grading 1.2% Cu and 0.2g/t Au – Lens 1
- MA300 – 2.2m (2.2m ETW) grading 3.2% Cu and 0.4g/t Au – Lens 1
- MA301 – 4.0m (4.0m ETW) grading 5.1% Cu and 2.1g/t Au – Lens 1
- MA303 – 2.9m (2.9m ETW) grading 2.9% Cu and 1.0g/t Au – Lens 5

For further details of Macy North drilling see Appendix 1 (Table 2) and AIC Mines ASX announcement “Exploration Extends Macy Ore Lenses” dated 13 October 2022.

PROJECT DEVELOPMENT

Jericho Mine Development and Eloise Processing Plant Expansion

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

Jericho Ore Reserves

A maiden JORC Code 2012 compliant Ore Reserve estimate for the Jericho deposit of 1.8Mt grading 1.8% copper and 0.3g/t gold containing 32,800 tonnes of copper and 19,900 ounces of gold was released subsequent to the end of the Quarter (see AIC Mines ASX announcement “Jericho Maiden Ore Reserve” dated 14 July 2023). The Ore Reserve is based on a Mineral Resource of 9.8 million tonnes grading 1.8% copper and 0.4g/t gold containing 180,000 tonnes of copper and 110,600 ounces of gold (see AIC Mines ASX announcement “Jericho Mineral Resource” dated 6 February 2023).

Table 1. Jericho Deposit – Ore Reserves as at 30 June 2023

Ore Reserve Category	Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	-	-	-	-	-	-	-
Probable	1,834,000	1.8	0.3	2.1	32,800	19,900	122,100
Total	1,834,000	1.8	0.3	2.1	32,800	19,900	122,100

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

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

The Ore Reserve is based on a long-term copper price of A\$10,500/t. The Ore Reserve is contained entirely within Indicated Resources and represents a conversion rate of approximately 70% of Indicated Resources. From a broader perspective, the Ore Reserve represents a conversion rate of less than 20% of the entire Mineral Resource, suggesting there is significant potential to expand the Ore Reserve with additional infill drilling. Mineralisation on both J1 and J2 Lenses remains open along strike and at depth.

Jericho Exploration and Resource Drilling

A resource extension and definition drilling program commenced during the Quarter (see AIC Mines ASX announcement “Drilling Commences at the Jericho Copper Deposit” dated 17 May 2023). The drilling will target extensions to the Jericho resource and will also infill high-priority areas of the current Jericho resource.

Resource definition drilling is expected to upgrade Inferred Resources to Indicated category, providing a larger base for ultimate conversion to Probable Reserves.

Extension drilling is expected to increase resources down plunge of the higher-grade Jumbuck shoot (see Figure 1), along strike in the J2 lens and potentially add new resources at the promising Jericho North target. The drilling is expected to be completed by the end of the year.

A series of holes will also be drilled for geotechnical, hydrological, and metallurgical testwork to inform the mining and processing studies.

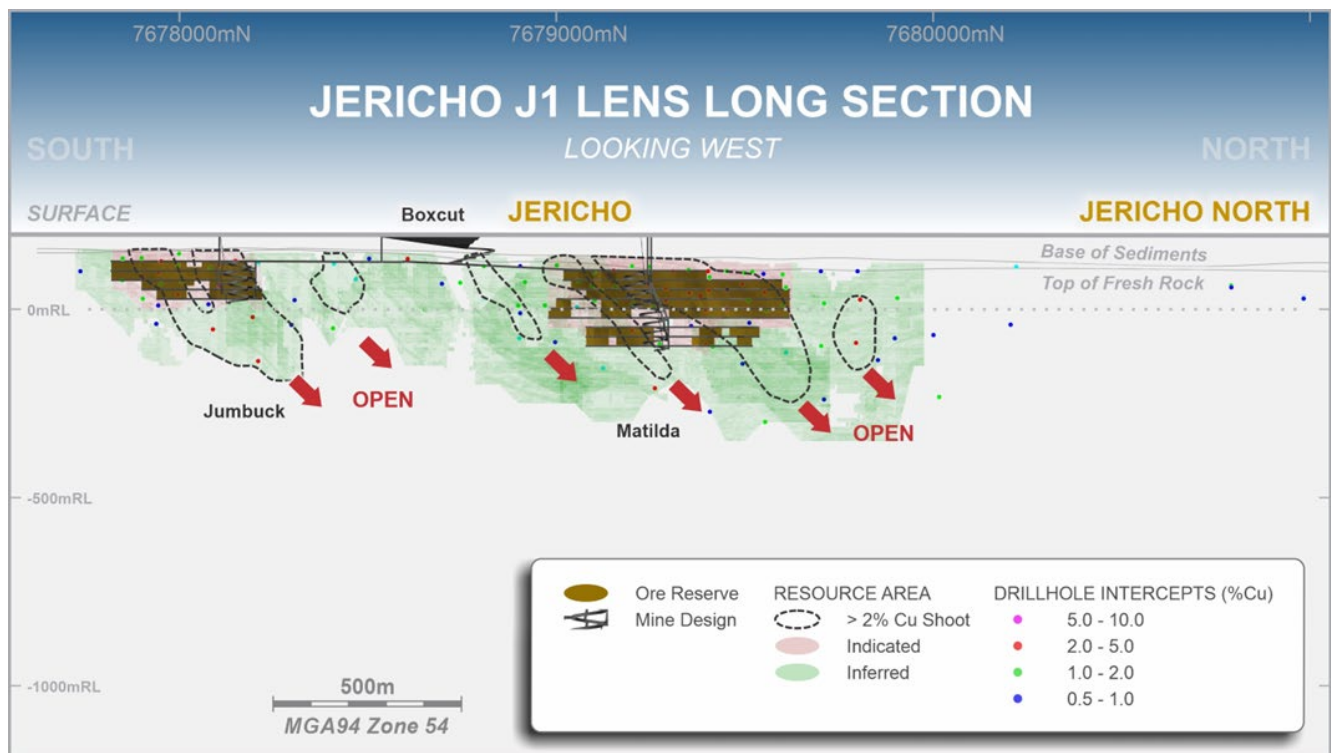


Figure 1. Jericho Long Section (looking west) showing location of Jumbuck and Matilda (J1) Ore Reserves, Mineral Resources and trend of high grade zones

Jericho Mining Studies

The Jericho mine design optimisations, based on the current mineral inventory, were completed during the Quarter. Two designs have merit – a two decline scenario and a three decline scenario (both accessed from a single boxcut). A staged development commencing with two declines is likely to be the optimal way forward. With the designs now complete the contract for mining of the boxcut, decline and horizontal development will be put out for tender.

Eloise Processing Plant Expansion Studies

GR Engineering Services completed an expansion trade-off study during the Quarter which quantified crushing, grinding, rougher flotation and concentrate filtration capacity constraints in the current plant and upgrade design options that can be implemented to meet future requirements. Preliminary financial modelling indicates that a staged expansion will provide the best return on investment and minimise production interruption.

Engineering design for new crushing and concentrate dewatering circuits has commenced.

Non-Processing Infrastructure studies were also completed to quantify the requirement for supporting infrastructure and services such as offices, accommodation facilities, ore haulage and power supply.

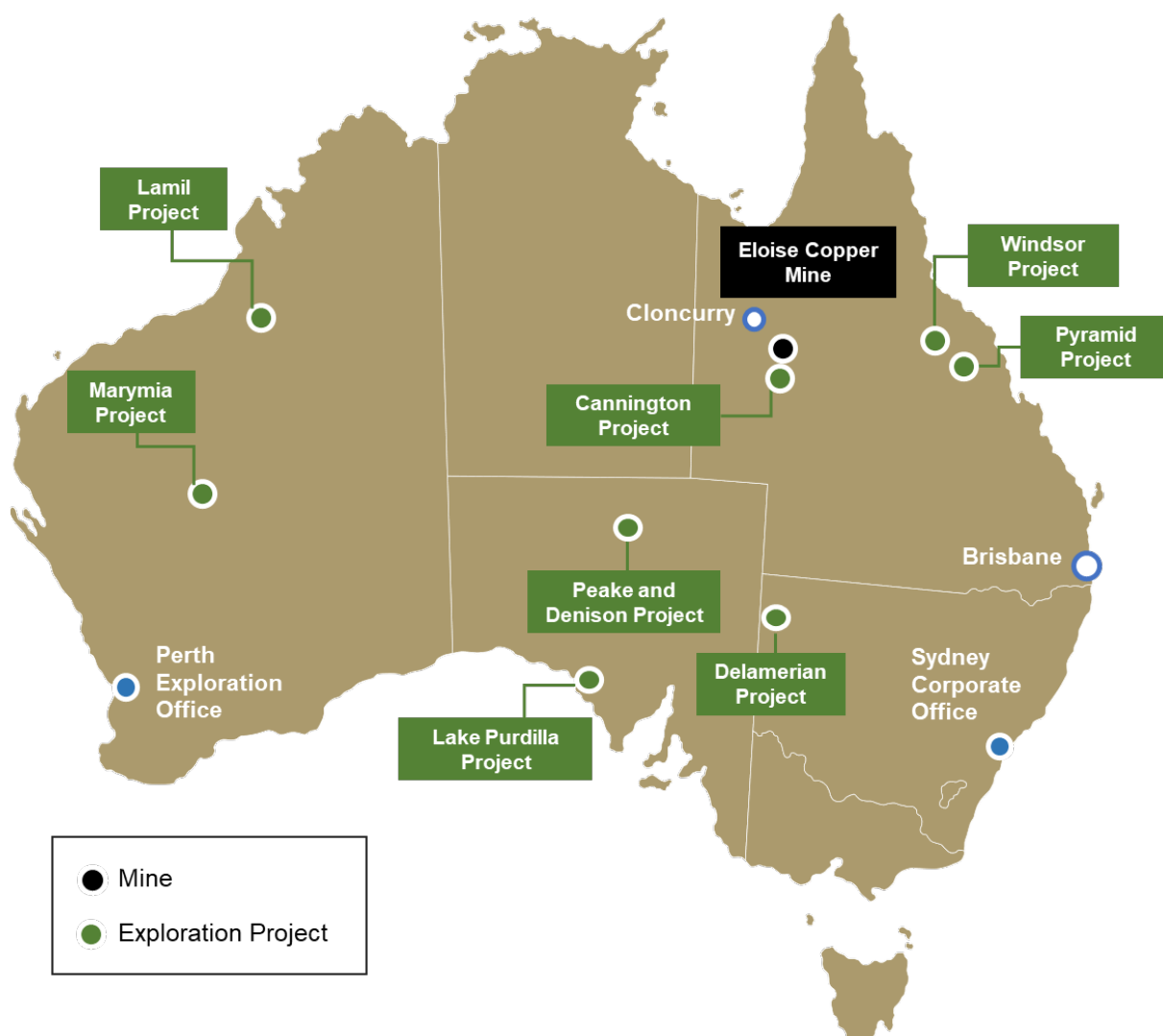
Jericho Development Approvals

During the Quarter, work commenced on the Eloise Environmental Authority minor amendment application relevant to processing Jericho ore. The application is expected to be lodged in the December 2023 Quarter and would potentially be approved in June 2024 Quarter. Approval of the minor amendment will allow Jericho ore to be processed at the Eloise processing plant. Under the current Eloise Environmental Authority, construction of Non-Processing Infrastructure can take place within the current area of disturbance.

Applications for a Mining Lease and Environmental Authority over the Jericho deposit were previously submitted in the March 2023 Quarter and are expected to be approved in the March 2024 Quarter allowing construction of the Jericho boxcut, water storage dam and surface workshop to commence.

EXPLORATION

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



Eloise Regional Project (AIC Mines 100%)

The Eloise Regional project consists of approximately 2,000km² of contiguous tenure immediately surrounding the Eloise mine (see Figure 2). The project contains a rich pipeline of targets from early-stage prospects (e.g. **Defiance, Arlington**) to advanced exploration prospects (e.g. **Iris-Electra-Big Foot** trend) to known mineral resources at **Sandy Creek** and **Artemis**.

A diamond drilling program has been planned to advance several targets:

- Extensions of the known copper-gold resource at the Sandy Creek deposit, located approximately 20 kilometres west of Eloise;
- Testing for strike extensions to the polymetallic Artemis prospect (located 200m west of Sandy Creek);
- Maiden drilling beneath a shallow oxide zone at the Roberts Creek Prospect (located 2.7km NE of Sandy Creek) to test for copper and gold sulphide mineralisation down dip; and
- Several untested early-stage geophysical targets south of Sandy Creek and south of Jericho (e.g. Clementine to St Louis).

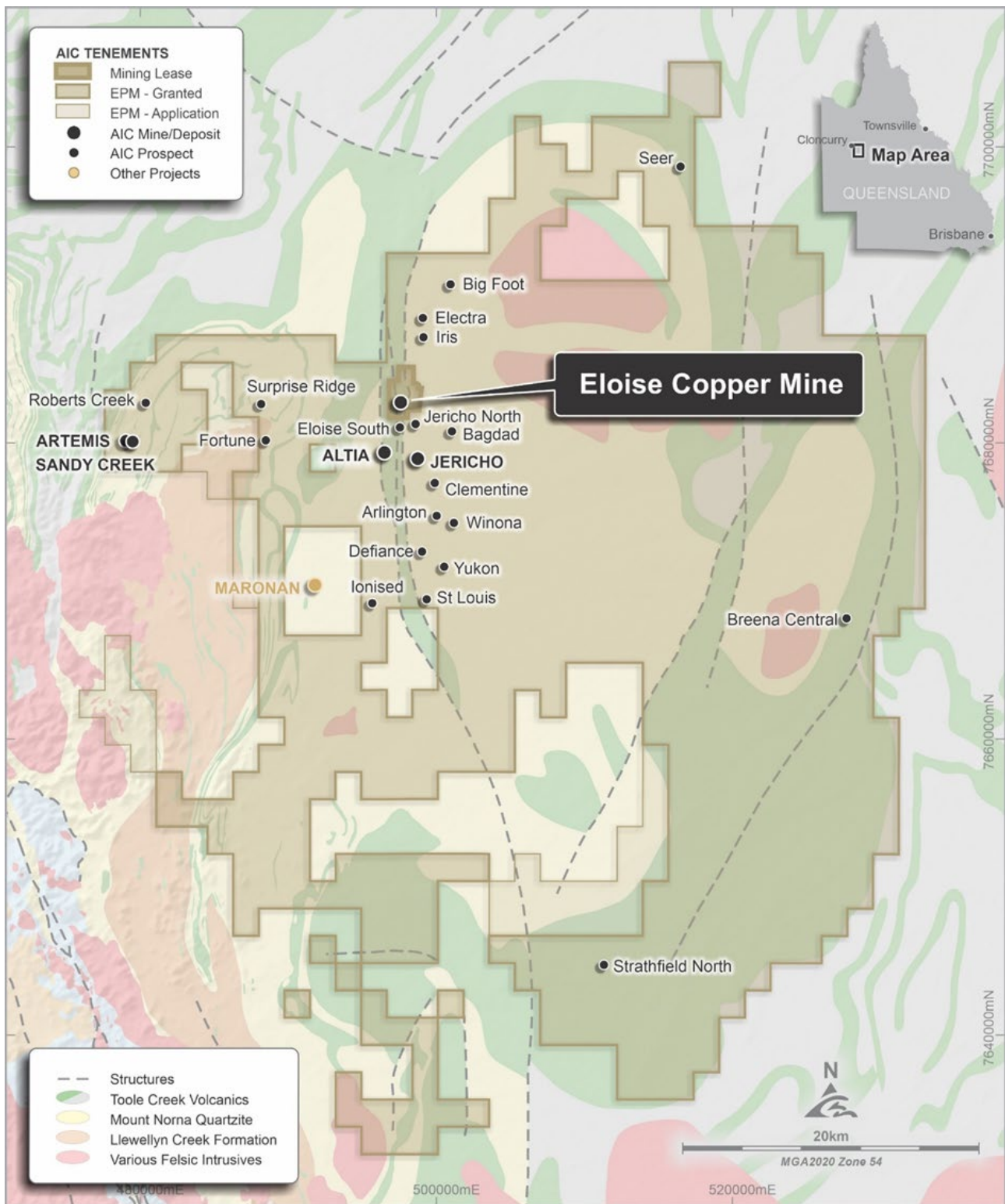


Figure 2. Eloise regional exploration tenure showing identified prospects

An Ambient Noise Tomography survey was completed over a broad (4km by 2km) area centred on the Jericho Deposit. This innovative survey uses a grid of geophones that detect natural source seismic waves to provide information on depth to basement, structure and mineralisation. As the geophones connect via satellite and don't require a direct wave source, the survey was completed with minimal environmental impact and at a fraction of the cost of a traditional seismic survey. Results will be received in July 2023 and will be used to inform mining studies and future exploration targeting.

Pyramid Project (AIC Mines 100%)

The Pyramid Project consists of 176km² of tenure within the highly endowed Drummond Basin in NE Queensland (Figure 3). The project contains the advanced Gettysberg epithermal gold target which is similar in style to the multimillion-ounce Pajingo / Vera Nancy and Mount Leyshon deposits, which occur within 100km of the project (see Demetallica Limited's Prospectus dated 24 May 2022 for further details). Previous exploration focussed solely on this target, leaving several other targets untested. Several strong coincident Induced Polarisation geophysical and elevated soil geochemistry responses along the Pyramid Fault to the south of Gettysberg will be tested with 12 drillholes for approximately 2,000m of drilling in the September 2023 Quarter.

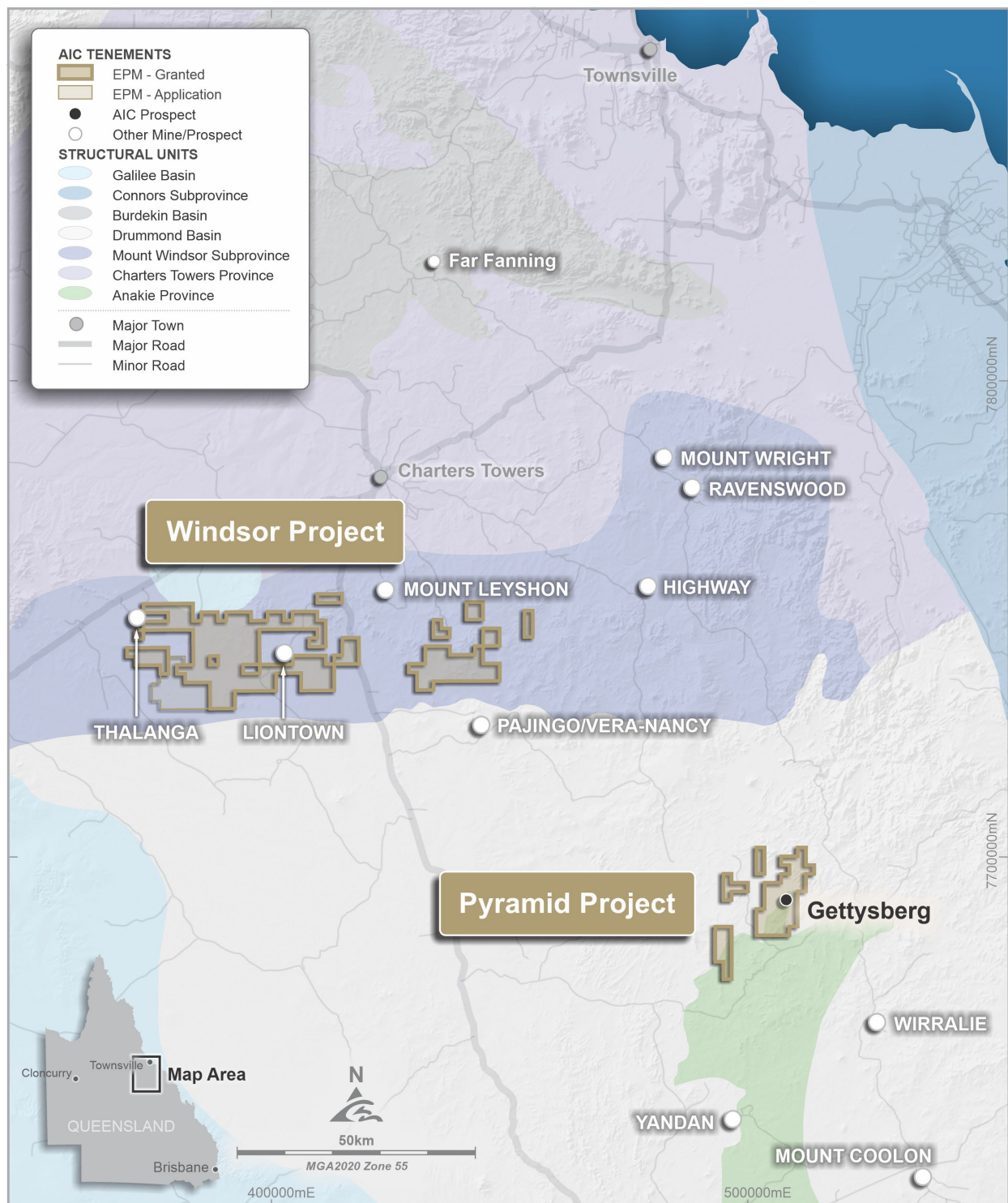


Figure 3. Location of Pyramid and Windsor Projects

Delamerian Project (AIC Mines 100%)

AIC Mines controls a dominant position in the immature Delamerian Sub-province of New South Wales (Figure 4). Both Federal and State governments have invested significantly in the collection of data in the area in the last 18 months through drilling, broad-scale geophysical surveys and research. This work has not only aided AIC Mines' target generation but has showed that this region is prospective for ultramafic-mafic hosted nickel and copper, volcanic-hosted massive sulphide (VHMS) copper and intrusion related copper and gold systems.

The first target area to be advanced by AIC Mines will be the southern half of the Koonenberry tenement, with an 8,000-line kilometre airborne magnetic and radiometric survey. Acquisition is planned for the September 2023 Quarter and is designed to improve mapping of key prospective belts obscured under shallow cover and potentially define discrete magnetic features related to mineralisation.



Figure 4. Location of Delamerian Project (tenement packages in white)

CORPORATE

Financial Performance

Eloise produced 2,778t of payable copper and sold 2,654t of copper during the Quarter at an average price of A\$11,888/t (down significantly from the March 2023 Quarter: A\$13,435/t) generating \$32.2 million in metal sales post TC/RC deductions and including gold and silver by-product credits. Operating cashflow for the Quarter was \$7.0 million and after capital investment of \$13.4 million, net mine cashflow was negative \$6.4 million.

The net mine cashflow for the Quarter was impacted by the lower achieved copper sales price of \$11,888/t and timing of concentrate sales compared to concentrate produced. At the end of the Quarter, Eloise had 1,225t of concentrate containing 320t of copper, with a notional value of approximately \$4.0 million at current spot prices, awaiting sale. Transport of this concentrate to Mt Isa had been delayed due to unseasonal rain at the end of June 2023. In addition, mine operating costs were higher (\$2.5 million QOQ) mainly due to higher production drill metres (31,622m vs 17,417m in the March 2023 Quarter), contract hauling for waste development and higher accrued royalties and treatment and refining charges (TC/RC) in line with higher concentrate sales.

Cash received from operations during the Quarter related to provisionally priced concentrate shipments in April and May 2023 of which 90% of the shipment values were received with the remaining amounts subject to finalisation of the quotational periods and shipment assays. Finalisation amounts for December 2022, January and February 2023 were also received during the Quarter. The remaining 30% of March 2023 production not presold in the March 2023 Quarter was received along with the presale of 75% of June 2023 production.

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

- \$1.5 million on resource definition drilling
- \$0.9 million on diesel generator rebuilds and powerhouse automation
- \$0.4 million on equipment deposits for underground loader, ROM loader and 2 x IT's due to arrive in the September 2024 Quarter
- \$7.6 million on sustaining mine development

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

- \$1.9 million on expansionary mine development

Permitting of the new tailings storage facility required an increased environmental bond to be lodged with Queensland Treasury. The increased amount of \$4.4 million was lodged in May 2023.

Proceeds of \$4.5 million from the second tranche of a two-tranche placement launched in February 2023 (see AIC Mines ASX announcement "Successful \$30M Placement" dated 8 February) were received on 4 April 2023.

AIC Mines finished the Quarter with \$30.9 million in cash at bank (31 March 2023: \$37.7 million).

AIC Mines creditor position (trade and other payables) increased during the Quarter to finish at \$14.9 million (31 March 2023: \$11.5 million).

The table on the following page summarises AIC Mines cash movements for the Quarter.

Cashflow (A\$ Millions)	September 2022 Qtr	December 2022 Qtr	March 2023 Qtr	June 2023 Qtr	Full Year 2023
Metal sales (net of TC/RC) ¹	27.2	34.0	33.6	32.2	126.9
Mine operating costs	(21.0)	(22.5)	(22.6)	(25.1)	(91.2)
Operating Mine Cashflow	6.2	11.5	11.0	7.0	35.8
Total capital	(16.6)	(15.1)	(10.5)	(13.4)	(55.6)
Net Mine Cashflow	(10.4)	(3.6)	0.5	(6.4)	(19.9)
Corporate and exploration	(3.2)	(2.6)	(2.9)	(2.4)	(11.1)
Jericho & Mill Expansion				(1.0)	(1.0)
Net interest and other income	0.1	0.1	0.2	(0.1)	0.2
Working capital movement	7.6	(4.3)	(3.3)	3.1	3.1
Group Cashflow	(6.0)	(10.4)	(5.6)	(6.7)	(28.7)
Return of cash backed bond	-	6.8	-		6.8
Cash backed bond for TD5	-	-	-	(4.4)	(4.4)
Net cash acquired from Demetallica	-	1.6	-	-	1.6
Cash received from raising	-	-	24.1	4.5	28.5
Acquisition and integration costs	(0.0)	(0.8)	(0.1)	(0.1)	(1.1)
Net Group Cashflow	(6.0)	(2.9)	18.4	(6.8)	2.8
Opening Cash Balance 1 Jul 2022	28.1				28.1
Opening Cash Balance 1 Oct 2022		22.1			
Opening Cash Balance 1 Jan 2023			19.3		
Opening Cash Balance 1 Apr 2023				37.7	
Closing Cash Balance	22.1	19.3	37.7	30.9	30.9

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

Authorisation

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

Exploration and Mineral Resource Information Extracted from ASX Announcements

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

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

- | | |
|---|-------------------|
| • Lens 6 Discovery - Eloise Copper Mine | 30 September 2022 |
| • Exploration Extends Macy Ore Lenses, Eloise Copper Mine | 13 October 2022 |
| • Jericho Mineral Resource | 6 February 2023 |
| • Drilling Commences at the Jericho Copper Deposit | 17 May 2023 |
| • Jericho Maiden Ore Reserve | 14 July 2023 |

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

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

Competent Person’s Statement – Eloise Drilling Results

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

Competent Person’s Statement – Jericho Ore Reserves

The information in this announcement that relates to the Jericho Ore Reserve is based on information, and fairly represents information and supporting documentation compiled by Andrew Cooper who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr. Cooper is a full-time employee of Orelogy Mine Consulting. Mr. Cooper consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Competent Person’s Statement – Jericho Mineral Resources

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

Competent Person’s Statement – Eloise Regional, Pyramid and Delamerian Exploration Results

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

Forward Looking Statements

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

Appendix 1

Table 1: Eloise Mine – Deeps Lens 6 Drilling – Drill Hole Locations and Anomalous Intercepts

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

Hole ID	Hole Type	Northing Local (m)	Easting Local (m)	Elevation Local (m)	Hole Length (m)	Dip Local	Azi Local	From (m)	To (m)	Downhole Interval (m)	ETW (m)	Copper Grade %	Gold Grade g/t	Lens Number
ED296	DD EXP	81,848.6	97,502.7	-181.4	330.1	-29	54	5.00	7.00	2.0	1.8	2.0	0.3	1
								210.00	218.00	8.0	6.2	2.6	0.5	6
								250.61	274.37	23.8	21.0	5.2	1.9	7
								295.00	297.00	2.0	1.8	2.3	0.3	7
ED297	DD EXP	81,846.5	97,502.7	-180.7	186.1	-10	112	13.00	15.50	2.5	2.4	1.4	0.1	2
ED299	DD EXP	81,848.0	97,502.8	-182.1	335.0	-51	68	283.00	287.00	5.0	2.5	4.5	1.6	6
ED323	DD EXP	81,846.4	97,502.7	-181.4	244.5	-34	107	141.60	145.00	3.4	3.3	7.8	AR	6
ED324	DD EXP	81,847.0	97,503.0	-181.1	186.1	-21	94	126.45	129.50	3.1	3.0	1.6	AR	6
ED327	DD EXP	81,849.1	97,502.5	-180.8	321.1	-8	42	6.95	9.72	2.8	2.0	2.1	0.4	1
								230.10	236.50	6.4	4.5	1.6	0.3	6
								291.00	296.35	5.4	3.8	1.5	0.5	7
ED330	DD EXP	81,848.6	97,502.6	-181.7	342.1	-36	54	218.01	223.92	5.9	4.5	2.1	AR	6
								261.00	263.00	2.0	1.5	1.7	AR	7
ED340	DD EXP	81,848.9	97,502.5	-181.5	345.0	-31	47	NSA						
ED341	DD EXP	81,848.4	97,502.8	-181.5	294.0	-33	59	205.00	207.60	2.6	1.9	2.3	0.3	6
ED296	DD EXP	81,848.6	97,502.7	-181.4	330.1	-29	54	5.00	7.00	2.0	1.8	2.0	0.3	1

Data aggregation method uses length weighting averaging technique with:

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

Downhole intervals are rounded to one decimal place

ETW – Estimated True Width

AR – Awaiting results from laboratory

DD EXP – Diamond drillhole exploration

Table 2: Eloise Mine – Macy North Drilling – Drill Hole Locations and Anomalous Intercepts

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

Hole ID	Hole Type	Northing Local (m)	Easting Local (m)	Elevation Local (m)	Hole Length (m)	Dip Local	Azi Local	From (m)	To (m)	Downhole Interval (m)	ETW (m)	Copper Grade %	Gold Grade g/t	Lens Number
MA319	DD EXP	82870.742	97532.51	725.567	285.7	28	313	271.05	272.55	1.5	1.1	5.5	0.2	1
MA320	DD EXP	82871.174	97532.8	724.661	233.8	9	327	NSA						
MA321	DD EXP	82870.829	97532.84	723.965	245	-14	322	214.00	216.15	2.2	2.2	1.2	0.2	1
MA322	DD EXP	82870.288	97532.49	723.554	224.7	-35	302	182.84	184.80	2.0	2.0	1.3	0.1	2
MA323	DD RD	82870.625	97532.44	724.168	217.6	-5	309	159.70	161.70	2.0	2.0	1.0	0.1	4
MA293	DD RD	82745.078	97434.97	745.512	134.5	12	272	NSA						
MA295	DD RD	82745.484	97435.35	745.596	134.9	15	284	118.30	123.12	4.8	4.6	1.3	0.4	1
MA297	DD RD	82745.862	97435.72	746.275			299	120.50	124.15	3.7	3.7	1.4	0.3	3
	DD RD							127.35	130.00	2.7	2.7	1.4	0.3	2
MA298	DD RD	82746.202	97435.81	746.253	171	28	308	132.75	135.00	2.3	2.3	1.0	0.2	2
	DD RD							141.00	143.00	2.0	2.0	1.1	15.1	2
	DD RD							147.00	148.95	1.9	1.9	1.0	1.4	1
MA299	DD RD	82746.129	97435.9	746.975	105.2	39	310	NSA						
MA300	DD RD	82746.235	97436.09	746.177	185	28	315	142.04	143.89	1.8	1.8	1.9	0.2	2
	DD RD							155.32	157.54	2.2	2.2	3.2	0.4	1
MA301	DD RD	82746.204	97436.15	745.806	179.7	22	316	136.00	138.00	2.0	2.0	1.5	0.2	2
	DD RD							141.75	144.17	2.4	2.3	1.2	0.2	2
	DD RD							153.20	157.17	4.0	4.0	5.1	2.1	1
	DD RD							160.00	161.80	1.8	1.8	2.4	1.0	1
	DD RD							165.90	169.55	3.7	3.7	1.2	0.3	1
MA302	DD RD	82746.492	97436.22	746.419	115.6	31	324	NSA						
MA303	DD RD	82746.516	97436.4	745.532	122.6	18	331	101.00	103.92	2.9	2.9	2.9	1.0	5

Data aggregation method uses length weighting averaging technique with:

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

ETW – Estimated True Width

DD EXP – Diamond drillhole exploration

DD RD – Diamond drillhole resource definition