



ACN 060 156 452

Prospectus

**For an offer of 160,000,000 Shares at an issue price of \$0.25
to raise up to \$40,000,000 (before costs)**

This Prospectus has been issued to provide information on the public offer of fully paid ordinary Shares in the capital of AIC Mines Limited at an issue price of \$0.25 per Share.

General Offer

Up to 140,000,000 Shares at an Offer Price of \$0.25 per Share to raise up to \$35,000,000 (before costs) will be offered to the general public. Applications for Shares under the General Offer must be made on the General Offer Application Form accompanying this Prospectus or as directed by the Joint Lead Managers.

Priority Allocation

AIC Mines Minority Shareholders will be given priority (on an individual basis) for an allocation of Shares under the Priority Allocation.

Up to 20,000,000 Shares at an Offer Price of \$0.25 per Share to raise up to \$5,000,000 (before costs) will be offered to Minority Shareholders. Applications for Shares under the Priority Allocation must be made on the Priority Allocation Application Form accompanying this Prospectus.

IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered **speculative** in nature. Refer to Section 4 for a summary of key risks associated with an investment in the Company.

JOINT LEAD MANAGERS



Table of contents

1.	Transaction Overview	23
2.	Details of the Offer	28
3.	Overview of the Company and the Eloise Mine	39
4.	Risk Factors	52
5.	Financial Information	62
6.	Directors, Key Management and Corporate Governance	64
7.	Material Contracts	75
8.	Additional Information	91
9.	Directors' Authorisation	102
10.	Definitions	103
Annexure A	Independent Limited Assurance Report	109
Annexure B	Solicitors Reports on Tenements	135

Important information

Prospectus

This Prospectus is dated 27 September 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX (or any of their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

Shares will not be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offers must do so using the applicable Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Shares;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

Risks

Any investment in the Company should be considered **speculative**. Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation

issues). The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to risk factors. Persons considering applying for Shares pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

International Offer Restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus may be distributed, and the Shares offered and sold, outside Australia only to existing shareholders of the Company in a limited number of jurisdictions as contemplated in Section 2.16. This Prospectus may not be distributed to, or relied upon by, persons in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares are registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. See Section 2.16 for more detail on offer restrictions that apply to the Offers and sale of Shares in jurisdictions outside Australia

Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this

Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to applying for Shares. This examination may result in the identification of deficiencies in this Prospectus and, in those circumstances; any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under the Offers set out in this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the Official List of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Offer and issuing the Consideration Shares pursuant to the Consideration Offer.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their Application

Monies without interest. Please refer to Section 2.4 for further details on the conditions attaching to the Offers.

No forecast financial information

After considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.

Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company at info@aicmines.com.au and the Company will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.aicmines.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus may not be drawn to scale.

Miscellaneous

All references to "\$", "A\$", "AUD", "dollar" and "cents" are references to Australian currency unless otherwise stated. All references to time relate to the time in Sydney, Australia unless otherwise stated.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 10.

Corporate Directory

Existing Board of Directors

Mr Josef El-Raghy – Non-Executive Chairman
Mr Aaron Colleran – Managing Director and Chief Executive Officer
Mr Brett Montgomery – Non-Executive Director
Mr Tony Wolfe – Non-Executive Director

Proposed Director

Mr Jonathan (Jon) Young – Non-Executive Director

Company Secretary

Ms Linda Hale

Registered Office

A8, 435 Roberts Road
Subiaco WA 6008

ASX Code

A1M

Website

www.aicmines.com.au

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 Georges Terrace
Perth WA 6000

Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

FMR Trust Auditor*

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Legal Advisers

HWL Ebsworth Lawyers
Level 19
480 Queen Street
Brisbane QLD 4000

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
Level 1
38 Station Street
Subiaco WA 6008

Joint Lead Managers

Argonaut Securities Pty Ltd
Level 30
77 St Georges Terrace
Perth WA 6000

Canaccord Genuity (Australia) Limited
Level 62
25 Martin Place
Sydney NSW 2000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Chairman's Letter

Shareholders and New Investors,

On behalf of the Board, I am pleased to offer you the opportunity to invest in AIC Mines Limited at this exciting juncture in its evolution.

On 24 August 2021, AIC Copper Pty Ltd (a wholly owned subsidiary of AIC Mines) entered into an agreement to acquire the Eloise Mine from FMR Investments Pty Ltd (the "**Acquisition**"). The Acquisition is subject to certain conditions, which include AIC obtaining shareholder approval of the Acquisition and successfully completing a capital raising of at least \$30 million (the "**Capital Raising**").

Shareholders who have nominated to receive electronic communications from the Company will have received a letter providing details for electronic access to a Notice of Meeting and Explanatory Statement outlining information relevant to Shareholder approval of the Acquisition and Capital Raising. A General Meeting of the Company will be held on 25 October 2021 to seek Shareholder approval for the Acquisition and Capital Raising. If approved, the major remaining condition to the Acquisition will be completing the Capital Raising which is the purpose of this Prospectus. If the Acquisition is *not* approved, then the Capital Raising will not proceed and any funds received by the Company will be returned.

The Eloise Mine is a high-grade operating underground mine located 60 kilometres southeast of Cloncurry in North Queensland. It commenced production in 1996 and has since produced approximately 339,000t of copper and 167,000oz of gold. Current annual production is approximately 40,000dmt of high-quality copper concentrate containing approximately 11,000t of copper and 6,000oz of gold.

AIC will pay approximately \$27 million to acquire Eloise subject to certain inventory adjustments on closing. The consideration comprises:

- A payment of \$5 million in cash and \$20 million in AIC Shares payable on Completion; and
- A contingent payment of \$2 million in cash payable six months after Completion if certain production milestones are achieved.

The current owner of the Eloise Mine, FMR, will join AIC as a supportive new major shareholder – on completion of the Acquisition and Capital Raising, FMR will hold approximately 26% - 29.9% of the issued capital of AIC.

The Acquisition will create a new ASX-listed copper mining company with significant upside. AIC expects to add value through exploration success, resource growth, regional consolidation and improving operational reliability. The Board believes that the Acquisition provides a very compelling investment opportunity.

This Prospectus contains detailed information about the Offers and AIC's operations, as well as the risks of investing in the Company. I encourage you to read it carefully.

Yours sincerely,



Josef El-Raghy
Chairman
AIC Mines Limited

Key Offer Details

The Company is seeking to raise a minimum of \$30,000,000 (before costs) and a maximum of \$40,000,000 (before costs) under the Offer through an offer of a minimum of 120,000,000 and a maximum of 160,000,000 Shares at an issue price of \$0.25 per Share.

The table below sets out the indicative capital structure of the Company following the issue of Shares under the Priority Allocation and the General Offer and the issue of the Consideration Shares to FMR.

Name	Note	Current		Minimum Subscription		Maximum Subscription	
		Shares	%	Shares	%	Shares	%
Nordana Pty Ltd; El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	1	13,174,710	19.2%	38,174,710	14.2%	38,174,710	12.4%
Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd	2	5,347,615	7.8%	5,347,615	2.0%	5,347,615	1.7%
Gold Elegant (HK) Investment Limited	3	4,100,001	6.0%	4,100,001	1.5%	4,100,001	1.3%
FMR (Consideration Offer)		-	-	80,000,000	29.9%	80,000,000	26.0%
General Offer	4	-	-	75,000,000	27.9%	115,000,000	37.3%
Minority Shareholders + Priority Allocation	5	46,092,692	67.1%	66,092,692	24.5%	66,092,692	21.3%
Total		68,715,018	100%	268,715,018	100%	308,715,018	100%

Notes:

1. As at the date of this Prospectus, Mr Josef El-Raghy via his nominee El-Raghy Kriewaldt Pty Ltd intends to subscribe for up to 25,000,000 Shares under the General Offer.
2. As at the date of this Prospectus, AIC is not aware of the intentions of Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd regarding subscribing to the General Offer (to which they will have access). Nil subscription assumed.
3. As at the date of this Prospectus, AIC is not aware of the intentions of Gold Elegant (HK) Investment Limited regarding subscribing to the General Offer (to which they will have access). Nil subscription assumed.
4. General Offer Shares shown here are less the 25,000,000 Shares that Mr Josef El-Raghy via his nominee El-Raghy Kriewaldt Pty Ltd intends to subscribe for under the General Offer. See Section 10 for more information.
5. Calculation assumes that current Minority Shareholders subscribe for all of the Priority Allocation and current Substantial Shareholders do not participate in the Priority Allocation.

Indicative Timetable

Event	Date
Lodgement of this Prospectus with ASIC	27 September 2021
Record Date for Priority Allocation	27 September 2021
Opening Date for the Offer	7 October 2021
Closing Date for the Offer	25 October 2021
General Meeting	25 October 2021
Issue of Shares under the Offers	29 October 2021
Completion of the Acquisition	1 November 2021
Dispatch of holding statements	1 November 2021
Expected date for Shares to be reinstated to trading on ASX	5 November 2021

Note: The dates shown above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form(s) as soon as possible after the Opening Date if they wish to participate the Offer. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.

Investment Overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	<p>AIC Mines is a growth focused Australian exploration company. The Company's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition.</p> <p>AIC currently has two key projects, the Marymia exploration project, strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine, and the Lamil exploration joint venture located in the Paterson Province immediately west of the Telfer Gold-Copper Mine.</p>	Section 3.1
What is the Acquisition?	<p>On 24 August 2021, AIC Copper Pty Ltd (AIC Copper), a wholly owned subsidiary of the Company and guaranteed by the Company, entered into the Eloise Mine Sale Agreement with FMR Investments Pty Ltd (FMR), pursuant to which AIC Copper has agreed to purchase the Eloise business and assets (Mine Sale Agreement) with effect from Completion.</p> <p>The purchase price paid by AIC Copper for the Eloise Assets and business comprise of:</p> <ul style="list-style-type: none"> • the completion payment, being \$5,000,000 in cash; plus • the issue of the consideration shares, being the number of fully paid ordinary shares in the capital of AIC as determined by dividing \$20,000,000 by the Offer Price (Consideration Shares); and • a contingent payment of \$2,000,000 if at least 20,000dmt of copper concentrate is produced by the Eloise Mine within six months following Completion. <p>Completion of the Mine Sale Agreement is conditional upon:</p> <ul style="list-style-type: none"> • the Minister or their delegate giving FMR an indicative approval, being an approval under section 23 of the Mineral and Energy Resources (Common Provisions) Act 2014 (MERCP Act), in respect of each Eloise tenement, and any conditions contained in the indicative approval being satisfactory to the Company, acting reasonably; • the resolution of AIC Shareholders being approved for the issue of the Consideration Shares to FMR for all purposes (including for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 11.1.2 and approvals required to raise capital); • the financiers, in respect of each equipment finance contract, consenting in writing to the assignment or novation of the respective finance contract to the Company or to FMR paying out the equipment finance contract at or prior to Completion, and releasing FMR from any obligations arising after Completion under the equipment finance contracts; 	Sections 1 and 3.5

Topic	Summary	More information
	<ul style="list-style-type: none"> • each party to certain contracts agreeing to assign, novate, or otherwise transfer the benefit and burden of those contracts, to the Company from Completion on terms which leave no residual liability for FMR following Completion (and otherwise on terms acceptable to FMR and AIC Copper, each acting reasonably) or entering into new arrangements on terms acceptable to AIC; • FMR entering in a contract with a specified contractor for the provision of specified materials on terms acceptable to AIC Copper and the contractor agreeing, on terms and conditions acceptable to FMR and AIC Copper, to the assignment or novation of that contract to AIC Copper or AIC Copper and that contractor entering into a contract for the provision of those materials which takes effect on Completion, on terms acceptable to AIC Copper; • AIC conducting a capital raising pursuant to which no less than \$30,000,000 is raised; • AIC re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the Acquisition and receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms reasonably acceptable to the Company; • no less than 80% of FMR employees engaged at the Eloise Mine accepting AIC Copper's offer of employment and certain key employees entering into service agreements with AIC Copper, subject to Completion occurring; • the schedules to the Corporate Services Agreement being agreed between FMR and AIC Copper; and • no Material Adverse Change having occurred in relation to the Eloise Business since the date of the Mine Sale Agreement. 	
What is the corporate structure of the Company on completion of the Acquisition?	On completion of the Acquisition, the Eloise Mine will be 100% owned by AIC Copper, a wholly owned subsidiary of the Company.	Section 3.6
What is the Eloise Mine?	The Eloise Mine is an operating underground mine located in North Queensland, 60 kilometres SE of Cloncurry and 155 kilometres ESE of Mt Isa. The mine was commissioned in 1996 and has since mined approximately 12.5Mt of ore grading 2.8% copper and 0.8 g/t Au to produce 339,000t copper and 167,000oz gold in concentrate. Current annual production is approximately 40,000dmt of high-quality copper concentrate containing approximately 11,000t copper and 6,000oz gold.	Section 3.5
Who is FMR?	Eloise is currently 100% owned by FMR. FMR is a private mining and investment company owned by interests associated with mining identities Peter Bartlett and Ron Sayers. The company was founded in 1989 by Peter Bartlett and was formerly known as Barmenco Investments Pty Ltd. FMR originally owned specialist underground mining contractor Barmenco until a restructure and subsequent sale of Barmenco in 2007.	Section 3.14

Topic	Summary	More information
What is the Company's strategy post Acquisition?	Subject to completing the Offers, AIC intends to operate the Eloise Mine and to continue to explore and develop its Existing Projects, being the Marymia and the Lamil gold and copper exploration projects. The Company will also continue to pursue acquisitions of late-stage Australian gold and copper projects where it can add value through exploration and development.	Section 3.7
How was the value of, and consideration for, the Acquisition determined?	<p>The Company completed due diligence and conducted arm's length negotiations with FMR to arrive at the commercial terms of the Acquisition.</p> <p>The Company also commissioned an Independent Expert Report to determine whether the transaction was fair and reasonable to Shareholders. In its report dated 20 September 2021 the Independent Expert concluded that the Acquisition (the Consideration Offer) and the Offer considered as a whole is both fair and reasonable to Shareholders.</p>	Section 3.10
Why is the Company required to re-comply with Chapters 1 & 2 of the Listing Rules?	The Acquisition will constitute a change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Offer. The Company's securities are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.	Section 1.2
What is the Offer?		
What is the Offer?	<p>The Company is offering for subscription up to 160,000,000 Shares at an Offer Price of \$0.25 to raise up to \$40,000,000 under the Offer.</p> <p>Up to 140,000,000 Shares to raise up to \$35,000,000 (before costs) will be offered to the general public under the General Offer.</p> <p>Up to 20,000,000 Shares to raise up to \$5,000,000 (before costs) are available under the Priority Allocation to any Eligible Shareholder of the Company.</p> <p>The Offer also includes the Broker Firm Offer.</p> <p>To be eligible to participate in the General Offer, Priority Allocation or Broker Firm Offer you must have a registered address in Australia, France (but only those shareholders who are "qualified investors" as defined in the Article 2(e) of the EU Prospectus Regulation), Germany, Hong Kong, Liechtenstein, Malaysia (but only those shareholders who are persons prescribed under Schedules 6 and 7 of the Malaysian Capital Markets and Services Act), New Zealand, Singapore, Spain, Switzerland and the United Kingdom.</p>	Section 2.1(a) and 8.1
What is the Offer Price	\$0.25 per Share.	Section 2.1
Who can participate in the Priority Allocation?	Minority Shareholders of the Company on the Record Date (27 September 2021).	Section 2.1(b)

Topic	Summary	More information																				
Who can participate in the General Offer?	The General Offer is open to the general public and to all Shareholders of the Company with a registered address in Australia.	Section 2.1(a)																				
What are the Consideration Shares?	The Consideration Shares represent the main part of the consideration payable by the Company to FMR for the Acquisition pursuant to the terms of Mine Sale Agreement. Accordingly no monies are payable by FMR in respect of the Consideration Shares.	Section 2.3																				
What is the Consideration Offer?	<p>The Consideration Offer is comprised of the Consideration Shares and is only being made to FMR. It is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued under the Consideration Offer to FMR.</p> <p>The Consideration Shares are of the same class and will rank equally in all respects with the existing Shares in the Company.</p>	Section 2.3 and Section 8.1																				
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> (a) satisfaction of each of the Conditions Precedent (save for the Capital Raising Condition Precedent) pursuant to the Mine Sale Agreement; (b) the Company raising the Minimum Subscription of at least \$30,000,000, under the Offer (refer to Section 2.1(d)); (c) to the extent (if any) required by ASX or the Listing Rules, each person entering into a Restriction Agreement imposing restrictions on securities as mandated by the Listing Rules; and (d) ASX providing the Company with a list of conditions which, when satisfied, will result in Reinstatement. 	Section 2.4																				
What is the proposed capital structure of the Company after the Acquisition, the issue of the Consideration Shares and the Offer?	<p>The pro forma capital structure of the Company following completion of the Acquisition, the Offer and the issue of the Consideration Shares is as follows:</p> <table border="1" data-bbox="405 1393 1222 1693"> <thead> <tr> <th></th> <th>Shares (Minimum Subscription)</th> <th>Shares (Maximum Subscription)</th> <th>Performance Incentives</th> </tr> </thead> <tbody> <tr> <td>Existing</td> <td>68,715,018</td> <td>68,715,018</td> <td>7,150,000</td> </tr> <tr> <td>Offer</td> <td>120,000,000</td> <td>160,000,000</td> <td>-</td> </tr> <tr> <td>Consideration Shares</td> <td>80,000,000</td> <td>80,000,000</td> <td>-</td> </tr> <tr> <td>Total</td> <td>268,715,018</td> <td>308,715,018</td> <td>7,150,000</td> </tr> </tbody> </table>		Shares (Minimum Subscription)	Shares (Maximum Subscription)	Performance Incentives	Existing	68,715,018	68,715,018	7,150,000	Offer	120,000,000	160,000,000	-	Consideration Shares	80,000,000	80,000,000	-	Total	268,715,018	308,715,018	7,150,000	Section 2.5
	Shares (Minimum Subscription)	Shares (Maximum Subscription)	Performance Incentives																			
Existing	68,715,018	68,715,018	7,150,000																			
Offer	120,000,000	160,000,000	-																			
Consideration Shares	80,000,000	80,000,000	-																			
Total	268,715,018	308,715,018	7,150,000																			

Topic	Summary	More information
Summary of key risks and key dependencies		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks. The risks below assume completion of the Acquisition and operation of the Eloise Mine by the Company.</p>		
Risks relating to the change in nature and scale		
Re-Quotation of Shares on ASX	<p>Due to its acquisition of the Eloise Mine which ASX regards as a change to nature and scale, ASX has required the Company to re-comply with chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.</p>	Section 4.1(a)
Shareholder Approvals	<p>Shareholders must vote in favour of all the Essential Resolutions at the General Meeting in order for the Acquisition (and the related Offer) to proceed. If Shareholder approval is not obtained for all, or any of the Essential Resolutions the Acquisition, and therefore the Offers, will not proceed.</p>	Section 4.1(b)
Regulatory Requirements	<p>Each of the Acquisition, the issue of the Consideration Shares (the Consideration Offer) and the Offer require approval by Shareholders at the General Meeting. The Acquisition and the Offers will not proceed if not approved by Shareholders.</p>	Section 4.1(c)
Dilution risk	<p>On completion of the Acquisition, the issue of the Consideration Shares and completion of the Offer, the existing Shareholders (other than FMR) will retain 32.9% of the issued Share capital under the Minimum Subscription and 28.7% of the issued Share capital under the Maximum Subscription (assuming that current Minority Shareholders subscribe for all of the Priority Allocation and current Substantial Shareholders do not participate in the Priority Allocation); FMR will hold 29.9% under the Minimum Subscription and 26.0% under the Maximum Subscription and investors under the Offer will hold approximately 37.2% under the Minimum Subscription and 45.3% under the Maximum Subscription.</p> <p>There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.</p>	Section 4.1(d)
Completion, counterparty and contractual risk	<p>There is a risk that the Conditions Precedent for completion of the Acquisition will not be fulfilled and, in turn, that Completion of the Acquisition will not occur.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by FMR of its obligations under the Mine Sale Agreement.</p>	Section 4.1(e)
FMR Shareholding	<p>The majority of the consideration payable to FMR pursuant to the Acquisition is the Consideration Shares. As a result, FMR will have an interest in the Company of up to maximum of 29.9% if the Acquisition completes. FMR also has the right to nominate a director to the Company and has nominated Mr Jonathan (Jon) Young. FMR will</p>	Section 4.1(f)

Topic	Summary	More information
	not control the Company, but it will be able to vote the Shares it holds (subject to applicable laws) in relation to matters requiring shareholder approval, including the election of directors, significant corporate transactions and certain issues of securities.	
Due diligence risk	The Company has undertaken financial, operational, business and other analyses of whether to proceed with the Acquisition. There is a risk that such analyses, and the estimates and assumptions made by the Company during the course of its due diligence enquiries, leads to conclusions or estimates that are inaccurate or which will not be realised in due course.	Section 4.1(g)
Specific risks applicable to operating the Eloise Mine		
Integration Risk	The Acquisition may consume a large amount of management time and attention, and it may fail to meet strategic objectives or achieve expected financial and operational performance targets.	Section 4.2(a)
Historical Liabilities	If the Acquisition completes, the Company may be liable for any liabilities FMR has incurred in the past during the time it owned the Eloise Mine, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may be inadequate or unavailable.	Section 4.2(b)
Operational and Cost Risk	Both the mining and exploration activities of the Company may be affected by a number of factors, including but not limited to geological conditions (including geotechnical issues, such as seismicity), force majeure events; power outages; adverse/seasonal weather patterns; critical equipment failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians and labour shortages.	Section 4.2(c)
Product Sales and Commodity Price Risk	If the Acquisition completes, the Company will derive revenues mainly from the sale of copper and to a lesser extent gold and silver. Consequently, the Company's potential future earnings and profitability are likely to be closely related to the demand for, and price of copper, gold and silver. The long-term price of these commodities may rise or fall.	Section 4.2(d)
Employees	As part of the Acquisition, the Company will make offers of employment to all FMR employees at the Eloise Mine. However, there is a risk that not all employees will accept the offers of employment from the Company and there could be an associated workforce shortage at the Eloise Mine.	Section 4.2(e)
Production and Cost Estimates	The ability of the Company to achieve production and cost targets cannot be assured. The Eloise Mine, as with other mines, is subject to uncertainty with ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents, and other unforeseen circumstances such as unplanned mechanical failure of plant and equipment.	Section 4.2(f)
Ore Reserves and Mineral Resources	The Eloise Ore Reserves and Mineral Resources are estimates only and are expressions of judgement based on industry practice, experience and knowledge. Estimates of Ore Reserves and Mineral Resources are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Ore Reserves and Mineral Resources are accurate or that the indicated level of copper or gold is present or can be recovered.	Section 4.2(g)

Topic	Summary	More information
Replacement of Ore Reserves	AIC will need to continually replace Ore Reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions.	Section 4.2(h)
General risks related to an investment in the Company		
Discretion in use of capital	The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. If they are not applied effectively, the Company's financial and/or operational performance may suffer.	Section 4.3(a)
Investment in capital markets	Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance.	Section 4.3(b)
General economic conditions	The operating and financial performance of the Company is influenced by a variety of general economic and business conditions. A prolonged deterioration in these conditions could have an adverse impact on the Company's operating and financial performance and financial position.	Section 4.3(c)
Changes in government policies and legislation	Any material adverse changes in government policies or legislation may affect the viability and profitability of the Company.	Section 4.3(d)
Unforeseen expenditure risk	Expenditure may need to be incurred that has not been considered in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.	Section 4.3(e)
COVID-19 risk	The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.	Section 4.3(f)
Climate change risks	The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.	Section 4.3(g)
Exploration Risk	Mineral exploration, mining and development are high risk undertakings and there can be no assurance that the Existing Projects currently held by the Company or acquired by it in the future will result in the discovery of an economic ore deposit.	Section 4.3(h)

Topic	Summary	More information
Additional Requirements for Capital	Any additional equity financing may be dilutive to the Company's existing Shareholders. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and activities.	Section 4.3(i)
Dependence Upon Key Personnel	The Company has a core team of executives whose loss could influence its progress in pursuing its exploration and acquisition programs within the time frames and cost structures envisaged.	Section 4.3(j)
Litigation	The Company may be exposed to legal proceedings, with or without merit over the course of its operations. The Company is currently defending legal proceedings as further detailed at Section 8.10. There is no guarantee that the Company's defence and counterclaim will succeed.	Sections 4.3(k) and 8.10
Acquisition Risk	The Company's growth plans, in part, require the availability of appropriate and suitable project acquisitions and the Company being able to successfully negotiate the acquisition of additional projects.	Section 4.3(l)
Regulatory Risk	The availability and rights to explore and produce copper concentrate and precious metals, as well as operational profitability generally, can be affected by changes in government policy that are beyond the control of the Company.	Section 4.3(m)
Health and Safety Risk	There are general health and safety risks associated with the Company's operations. The Company manages these risks, through the application of structured health and safety management systems.	Section 4.3(n)
Insurance Risk	If the Company incurs losses or liabilities for which it is uninsured, this will have a negative impact on the Company's financial performance and ability to operate its businesses.	Section 4.3(o)
Competition Risk	AIC is one of a large number of exploration and mining companies that operate in the base and precious metals industry in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors.	Section 4.3(p)
Joint Venture Risks	A number of the Company's projects are the subject of joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.	Section 4.3(q)
Tenement Forfeiture Risk	A failure to adhere to the requirements to exceed certain levels of expenditure on tenements held by the Company (or its subsidiaries) in relation to the Existing Projects may make certain tenements subject to forfeiture.	Section 4.3(r)
Environmental Risks	The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations.	Section 4.3(s)
Environmental Impact	The Company could be subject to claims due to environmental damage arising out of current or former activities at sites that AIC owns or operates, including the Eloise Mine and new projects.	Section 4.3(t)

Topic	Summary	More information																														
Native Title and Heritage Risks	The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of native title legislation.	Section 4.3(u)																														
Share Market Risk	The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular.	Section 4.3(v)																														
Ability to Utilise Tax Losses	The Company's carried forward tax losses are subject to Australian tax loss recoupment rules and there is no guarantee that the Company will be able to utilise these tax losses.	Section 4.3(w)																														
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of investors.	Section 4.3(x)																														
Directors, Related Party Interests and Substantial Holders																																
Who are the Directors?	<p>As at the date of this Prospectus, the Board comprises:</p> <ul style="list-style-type: none"> (a) Mr Josef El-Raghy; (b) Mr Aaron Colleran; (c) Mr Brett Montgomery; and (d) Mr Tony Wolfe. <p>On completion of the Acquisition, the Company will appoint Mr Jonathan Young, who has been nominated by FMR as its nominee director. A profile of Mr Young is set out in Section 3.11.</p>	Section 3.11 and 6.1																														
What interests do Directors have in the Securities of the Company?	<p>Set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Director (and their respective related entities) in the Securities of the Company immediately following Completion of the Acquisition, the issue of the Consideration Shares and the Offer (Minimum and Maximum Subscription Scenarios):</p> <table border="1" data-bbox="308 1536 1329 1980"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>% Shares (Minimum Subscription)</th> <th>% Shares (Maximum Subscription)</th> <th>Performance Incentives</th> </tr> </thead> <tbody> <tr> <td>Mr Josef El-Raghy</td> <td>38,174,710</td> <td>14.2%</td> <td>12.4%</td> <td>-</td> </tr> <tr> <td>Mr Aaron Colleran</td> <td>9,000,000</td> <td>3.3%</td> <td>2.9%</td> <td>6,500,000</td> </tr> <tr> <td>Mr Brett Montgomery</td> <td>3,509,358</td> <td>1.3%</td> <td>1.1%</td> <td>-</td> </tr> <tr> <td>Mr Tony Wolfe</td> <td>Nil</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mr Jon Young</td> <td>507,143</td> <td>0.2%</td> <td>0.2%</td> <td>-</td> </tr> </tbody> </table> <p>The number of Shares in which each Director and Proposed Director has a relevant interest is based on their current relevant interest plus the number of Shares that they</p>	Name	Shares	% Shares (Minimum Subscription)	% Shares (Maximum Subscription)	Performance Incentives	Mr Josef El-Raghy	38,174,710	14.2%	12.4%	-	Mr Aaron Colleran	9,000,000	3.3%	2.9%	6,500,000	Mr Brett Montgomery	3,509,358	1.3%	1.1%	-	Mr Tony Wolfe	Nil	-	-	-	Mr Jon Young	507,143	0.2%	0.2%	-	Section 6.3
Name	Shares	% Shares (Minimum Subscription)	% Shares (Maximum Subscription)	Performance Incentives																												
Mr Josef El-Raghy	38,174,710	14.2%	12.4%	-																												
Mr Aaron Colleran	9,000,000	3.3%	2.9%	6,500,000																												
Mr Brett Montgomery	3,509,358	1.3%	1.1%	-																												
Mr Tony Wolfe	Nil	-	-	-																												
Mr Jon Young	507,143	0.2%	0.2%	-																												

Topic	Summary	More information												
	intend to subscribe for in the General Offer as at the date of this Prospectus (subject to shareholder approval at the General Meeting).													
What benefits are being paid to the Directors?	For each of the Directors and the Proposed Director, their annual remuneration together with their relevant interest (direct and indirect) in the securities of the Company as at the date of this Prospectus are set out in Sections 6.4 to 6.7.	Sections 6.4 to 6.7												
Transactions with entities in which the Directors have an interest	<p>The Company notes that the Proposed Director, Mr Jon Young, is a Director, Wealth Management at Canaccord Genuity Financial Limited. The Company has entered into a Joint Lead Manager mandate with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd.</p> <p>Mr Young has not and will not be involved in advising the Company in relation to the General Offer or in carrying out the work of the Joint Lead Managers to manage the General Offer.</p> <p>The Company has also entered into deeds of indemnity, insurance and access with each of its Directors, the Company Secretary and will enter into a deed with the Proposed Director following Completion.</p>	<p>Section 6.9</p> <p>Section 6.8</p>												
Who will be the substantial holders of the Company?	<p>If the Acquisition completes and the Consideration Shares are issued to FMR, FMR will become the largest shareholder in the Company holding 80,000,000 Shares, representing between 26.0% (Maximum Subscription) and 29.9% (Minimum Subscription) of the Company.</p> <p>At the date of this Prospectus, the following shareholders are substantial shareholders:</p> <table border="1" data-bbox="422 1176 1209 1588"> <thead> <tr> <th data-bbox="422 1176 855 1279">Name</th> <th data-bbox="855 1176 1038 1279">Shares</th> <th data-bbox="1038 1176 1209 1279">% of Issued Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="422 1279 855 1382">Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy</td> <td data-bbox="855 1279 1038 1382">13,174,710</td> <td data-bbox="1038 1279 1209 1382">19.2%</td> </tr> <tr> <td data-bbox="422 1382 855 1485">Brahman Pure Alpha Pte Ltd and Brahman Capital Pte Ltd</td> <td data-bbox="855 1382 1038 1485">5,347,615</td> <td data-bbox="1038 1382 1209 1485">7.8%</td> </tr> <tr> <td data-bbox="422 1485 855 1588">Gold Elegant (HK) Investment Limited</td> <td data-bbox="855 1485 1038 1588">4,100,001</td> <td data-bbox="1038 1485 1209 1588">6.0%</td> </tr> </tbody> </table>	Name	Shares	% of Issued Shares	Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	13,174,710	19.2%	Brahman Pure Alpha Pte Ltd and Brahman Capital Pte Ltd	5,347,615	7.8%	Gold Elegant (HK) Investment Limited	4,100,001	6.0%	Section 8.3
Name	Shares	% of Issued Shares												
Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	13,174,710	19.2%												
Brahman Pure Alpha Pte Ltd and Brahman Capital Pte Ltd	5,347,615	7.8%												
Gold Elegant (HK) Investment Limited	4,100,001	6.0%												
Financial information														
How have the Company and the Eloise Mine performed over the past 2 years?	<p>BDO Corporate Finance (WA) Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information of the Company and Pro Forma Historical Financial Information of the Company following the Acquisition.</p> <p>A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A.</p>	Section 5 and Annexure A												
What is the financial outlook for the Company	There are significant uncertainties associated with forecasting the future demand and prices for copper and gold. Consequently, and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably	Section 5.3												

Topic	Summary	More information																																								
following the Acquisition?	forecast future earnings and accordingly have not included a financial outlook for the Company in this Prospectus.																																									
Will the Company have sufficient funds for its activities?	The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.	Section 3.13																																								
What is the proposed use of funds raised under the Offer?	<p>The use of funds shown below includes the current cash position of \$3,900,000¹.</p> <table border="1" data-bbox="309 577 1294 1126"> <thead> <tr> <th data-bbox="309 577 651 663">Use of Funds</th> <th data-bbox="651 577 858 663">\$ (Min)</th> <th data-bbox="858 577 991 663">% (Min)</th> <th data-bbox="991 577 1171 663">\$ (Max)</th> <th data-bbox="1171 577 1294 663">% (Max)</th> </tr> </thead> <tbody> <tr> <td data-bbox="309 663 651 734">Acquisition Completion Payment</td> <td data-bbox="651 663 858 734">5,000,000</td> <td data-bbox="858 663 991 734">14.7%</td> <td data-bbox="991 663 1171 734">5,000,000</td> <td data-bbox="1171 663 1294 734">11.4%</td> </tr> <tr> <td data-bbox="309 734 651 806">Financial Assurances (Eloise Environmental Bond)²</td> <td data-bbox="651 734 858 806">6,800,000</td> <td data-bbox="858 734 991 806">20.1%</td> <td data-bbox="991 734 1171 806">6,800,000</td> <td data-bbox="1171 734 1294 806">15.4%</td> </tr> <tr> <td data-bbox="309 806 651 878">Exploration Expenditure - Eloise³</td> <td data-bbox="651 806 858 878">5,000,000</td> <td data-bbox="858 806 991 878">14.7%</td> <td data-bbox="991 806 1171 878">6,000,000</td> <td data-bbox="1171 806 1294 878">13.7%</td> </tr> <tr> <td data-bbox="309 878 651 949">Exploration Expenditure - Lamil and Marymia</td> <td data-bbox="651 878 858 949">3,900,000</td> <td data-bbox="858 878 991 949">11.5%</td> <td data-bbox="991 878 1171 949">7,600,000</td> <td data-bbox="1171 878 1294 949">17.3%</td> </tr> <tr> <td data-bbox="309 949 651 1034">Fees and Costs (Eloise Acquisition and Offer)</td> <td data-bbox="651 949 858 1034">3,200,000</td> <td data-bbox="858 949 991 1034">9.4%</td> <td data-bbox="991 949 1171 1034">3,800,000</td> <td data-bbox="1171 949 1294 1034">8.7%</td> </tr> <tr> <td data-bbox="309 1034 651 1084">Working Capital⁴</td> <td data-bbox="651 1034 858 1084">10,000,000</td> <td data-bbox="858 1034 991 1084">29.5%</td> <td data-bbox="991 1034 1171 1084">14,700,000</td> <td data-bbox="1171 1034 1294 1084">33.5%</td> </tr> <tr> <td data-bbox="309 1084 651 1126">Total</td> <td data-bbox="651 1084 858 1126">33,900,000</td> <td data-bbox="858 1084 991 1126">100%</td> <td data-bbox="991 1084 1171 1126">43,900,000</td> <td data-bbox="1171 1084 1294 1126">100%</td> </tr> </tbody> </table> <p data-bbox="309 1126 373 1149">Notes:</p> <ol data-bbox="309 1149 1321 1323" style="list-style-type: none"> <li data-bbox="309 1149 772 1171">1. AIC cash at bank as at 21 September 2021. <li data-bbox="309 1171 1262 1225">2. FMR has lodged bonds with the State of Queensland amounting to \$6,799,000 in relation to the Eloise Mine tenements. AIC will need to replace these bonds. <li data-bbox="309 1225 1321 1272">3. AIC is planning to increase both surface and underground drilling at Eloise targeting extensions to the known resource areas and the discovery of new satellite lodes within the Eloise Mine tenements. <li data-bbox="309 1272 1286 1323">4. If required to be paid, the Eloise Contingent Payment will be funded from cashflow from the Eloise Mine or Working Capital. 	Use of Funds	\$ (Min)	% (Min)	\$ (Max)	% (Max)	Acquisition Completion Payment	5,000,000	14.7%	5,000,000	11.4%	Financial Assurances (Eloise Environmental Bond) ²	6,800,000	20.1%	6,800,000	15.4%	Exploration Expenditure - Eloise ³	5,000,000	14.7%	6,000,000	13.7%	Exploration Expenditure - Lamil and Marymia	3,900,000	11.5%	7,600,000	17.3%	Fees and Costs (Eloise Acquisition and Offer)	3,200,000	9.4%	3,800,000	8.7%	Working Capital ⁴	10,000,000	29.5%	14,700,000	33.5%	Total	33,900,000	100%	43,900,000	100%	Section 3.13
Use of Funds	\$ (Min)	% (Min)	\$ (Max)	% (Max)																																						
Acquisition Completion Payment	5,000,000	14.7%	5,000,000	11.4%																																						
Financial Assurances (Eloise Environmental Bond) ²	6,800,000	20.1%	6,800,000	15.4%																																						
Exploration Expenditure - Eloise ³	5,000,000	14.7%	6,000,000	13.7%																																						
Exploration Expenditure - Lamil and Marymia	3,900,000	11.5%	7,600,000	17.3%																																						
Fees and Costs (Eloise Acquisition and Offer)	3,200,000	9.4%	3,800,000	8.7%																																						
Working Capital ⁴	10,000,000	29.5%	14,700,000	33.5%																																						
Total	33,900,000	100%	43,900,000	100%																																						
Additional information																																										
What are the key dates of the Offers?	<p>The key dates of the Offers are set out below.</p> <table border="1" data-bbox="320 1458 1310 1928"> <thead> <tr> <th data-bbox="320 1458 951 1514">Event</th> <th data-bbox="951 1458 1310 1514">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1514 951 1552">Lodgement of this Prospectus with ASIC</td> <td data-bbox="951 1514 1310 1552">27 September 2021</td> </tr> <tr> <td data-bbox="320 1552 951 1590">Record Date for Priority Allocation</td> <td data-bbox="951 1552 1310 1590">27 September 2021</td> </tr> <tr> <td data-bbox="320 1590 951 1628">Opening Date for the Offers</td> <td data-bbox="951 1590 1310 1628">7 October 2021</td> </tr> <tr> <td data-bbox="320 1628 951 1666">Closing Date for the Offers</td> <td data-bbox="951 1628 1310 1666">25 October 2021</td> </tr> <tr> <td data-bbox="320 1666 951 1704">General Meeting</td> <td data-bbox="951 1666 1310 1704">25 October 2021</td> </tr> <tr> <td data-bbox="320 1704 951 1742">Issue of Shares under the Offer</td> <td data-bbox="951 1704 1310 1742">29 October 2021</td> </tr> <tr> <td data-bbox="320 1742 951 1780">Issue of Consideration Shares</td> <td data-bbox="951 1742 1310 1780">29 October 2021</td> </tr> <tr> <td data-bbox="320 1780 951 1818">Completion of the Acquisition</td> <td data-bbox="951 1780 1310 1818">1 November 2021</td> </tr> <tr> <td data-bbox="320 1818 951 1856">Dispatch of holding statements</td> <td data-bbox="951 1818 1310 1856">1 November 2021</td> </tr> <tr> <td data-bbox="320 1856 951 1895">Expected date for Shares to be reinstated to trading on ASX</td> <td data-bbox="951 1856 1310 1895">5 November 2021</td> </tr> </tbody> </table>	Event	Date	Lodgement of this Prospectus with ASIC	27 September 2021	Record Date for Priority Allocation	27 September 2021	Opening Date for the Offers	7 October 2021	Closing Date for the Offers	25 October 2021	General Meeting	25 October 2021	Issue of Shares under the Offer	29 October 2021	Issue of Consideration Shares	29 October 2021	Completion of the Acquisition	1 November 2021	Dispatch of holding statements	1 November 2021	Expected date for Shares to be reinstated to trading on ASX	5 November 2021	Indicative Timetable																		
Event	Date																																									
Lodgement of this Prospectus with ASIC	27 September 2021																																									
Record Date for Priority Allocation	27 September 2021																																									
Opening Date for the Offers	7 October 2021																																									
Closing Date for the Offers	25 October 2021																																									
General Meeting	25 October 2021																																									
Issue of Shares under the Offer	29 October 2021																																									
Issue of Consideration Shares	29 October 2021																																									
Completion of the Acquisition	1 November 2021																																									
Dispatch of holding statements	1 November 2021																																									
Expected date for Shares to be reinstated to trading on ASX	5 November 2021																																									

Topic	Summary	More information
What rights and liabilities attach to the Securities?	The rights and liabilities attaching to the Shares are described in Section 8.1. The rights and liabilities attaching to Performance Incentives are described in Section 8.2.	Section 8.1 and 8.2
How do I apply for Shares under the Offers?	Applications for Shares under the Offers must be made on the relevant Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date, unless otherwise instructed by the Joint Lead Managers. Persons wishing to apply for Shares under the Offers should refer to Section 2.6 for further details and instructions.	Section 2.6
Is the Offer underwritten?	No.	Section 2.1(f)
What will happen if the Minimum Subscription amount of \$30 million is not achieved?	If the Company does not receive Applications for at least \$30,000,000 of Shares then the Acquisition will not proceed and the Company will not proceed with the Offers and will repay all Application Monies received by it in connection with this Prospectus (without interest).	Section 1.3 and 2.11
What will happen if Shareholders do not approve the Eloise Acquisition?	If the Eloise Acquisition is not approved by Shareholders at the General Meeting, the Company will not proceed with the Offers and will repay all Application Monies received by it in connection with this Prospectus (without interest).	Section 1.3 and 2.11
Who is the lead manager to the Offer?	The Company has appointed Canaccord Genuity (Australia) Limited (Canaccord) and Argonaut Securities Pty Ltd (Argonaut) as Joint Lead Managers (Joint Lead Managers) to manage the Offer.	Section 2.2 and 7.3(c)
What fees are payable to the Joint Lead Managers?	The Joint Lead Managers will receive the following fees: (a) a management fee of 1.5% (plus GST) of gross proceeds raised pursuant to the General Offer; (b) a selling fee of 4.0% (plus GST) of gross proceeds raised pursuant to the Offer less Contributed Proceeds; (c) a selling fee of 2.0% (plus GST) of Contributed Proceeds. The Company will also pay Canaccord a corporate advisory fee equal to 0.5% (plus GST) of gross proceeds (capped at \$150,000).	Section 7.3(c)
What are the Joint Lead Manager's interests in the Securities of the Company?	As at the date of this Prospectus, Canaccord (and its associates) do not hold a relevant interest in the Company's Securities. As at the date of this Prospectus, Argonaut Partners Pty Ltd holds 901,804 AIC Shares. Argonaut Partners Pty Ltd and Argonaut Securities Pty Limited are wholly owned entities of Argonaut Limited (ACN 109 326 418). Argonaut Securities Pty Limited is an Australian Financial Services licensee. Argonaut Partners does not have any direct relationship with Argonaut Securities and it does not act as an authorised representative of Argonaut Securities.	Section 2.10

Topic	Summary	More information
What is the allocation policy for the General Offer?	<p>The Directors, in consultation with the Joint Lead Managers will allocate Shares under the General Offer at their sole discretion with a view to:</p> <ul style="list-style-type: none"> • identifying new potential long-term or cornerstone investors; • ensuring no shareholder receives a relevant interest in more than 20% of the Company (other than FMR); • ensuring an appropriate Shareholder base for the Company going forward; and • facilitating participation for Substantial Shareholders who will not receive an allocation pursuant to the Priority Allocation. <p>The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.</p>	Section 2.8
What is the allocation policy under the Priority Allocation?	<p>The Directors, in consultation with the Joint Lead Managers will allocate Shares under the Priority Allocation at their sole discretion and in a way that is fair and equitable to Minority Shareholders having regard to their current holdings. Any Shares not taken up under the Priority Allocation will become available to be taken up under the General Offer.</p>	Section 2.9
Do the Directors intend to participate in the Offer?	<p>Yes. As at the date of this Prospectus:</p> <ul style="list-style-type: none"> • Mr El Raghy, via his nominee El-Raghy Kriewaldt Pty Ltd, intends to subscribe for up to 25,000,000 Shares under the General Offer. • Mr Colleran intends to subscribe for up to 6,000,000 Shares under the General Offer. • Mr Montgomery intends to subscribe for up to 2,354,000 Shares under the General Offer. • Mr Young intends to subscribe for up to 400,000 Shares under the General Offer. 	Section 6.3
Will any Securities be subject to escrow?	<p>Shares offered under the Offer will not be subject to any escrow restrictions.</p> <p>The Company does not expect that any of the Consideration Shares the subject of the Consideration Offer will be subject to escrow.</p>	Section 2.12
When will I receive confirmation that my application has been successful?	<p>The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. Holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment.</p>	Section 2.13
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growth of the business following completion of the Acquisition.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company,</p>	Section 8.4

Topic	Summary	More information
	future capital requirements, general business and other factors considered relevant by the Directors.	
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 6269 0110.	Section 2.20

1. Transaction Overview

1.1 The Acquisition

On 24 August 2021 AIC Copper Pty Ltd (AIC's wholly-owned subsidiary), guaranteed by AIC (referred to collectively as the Company or AIC) entered into the Mine Sale Agreement with FMR Investments Pty Ltd (**FMR**), pursuant to which the Company agreed to purchase the Eloise Mine business and assets (**Mine Sale Agreement**) with effect from completion.

Assets Acquired

The Mine Sale Agreement provides for the purchase of the:

- (a) **Business**, being the business relating to the Eloise Mine presently carried on in Queensland by FMR; and
- (b) **Assets** relating to the Business, being plant and equipment, inventory, tenements, business intellectual property, statutory licences, equipment finance contracts, contracts, records and mining information,

(together the **Eloise Assets**).

The tenements subject to the Mine Sale Agreement include the following leases granted under the Mining Act, including any applications for and any extensions, renewals, conversions, or substitutions:

- (a) ML90064;
- (b) ML90086;
- (c) ML90155; and
- (d) ML90080.

Completion

The Completion Date of the Mine Sale Agreement is the first date which:

- (a) falls on a Business Day on the first day, 15th day, 16th day or last day of a calendar month; and
- (b) is at least five Business Days after the satisfaction or waiver of the last of the conditions precedent,
- (c) or any other date agreed by the Company and FMR.

Purchase Price

The purchase price to be paid by the Company for the Eloise Assets is comprised of:

- (a) the completion payment, being \$5,000,000 in cash (**Eloise Completion Payment**); plus
- (b) the issue of the **Consideration Shares**, being 80,000,000 fully paid ordinary shares in the capital of AIC determined by dividing \$20,000,000 by the Offer Price rounded up to the nearest whole number of shares; and
- (c) if 20,000 dry metric tonnes of copper concentrate or more is produced by the Eloise Mine within six months following completion, then the Company must pay a contingent payment of \$2,000,000 (**Eloise Contingent Payment**).

Adjustments

The Purchase Price is subject to adjustment to reflect any positive or negative differences greater than \$200,000 between the actual value of the Inventory and Run of Mine (**ROM**) stock acquired and the pre-agreed value of the Inventory and the ROM stock. The adjustment will occur after the Completion Date

The pre-agreed value of the Inventory and the ROM stock are the average end of month values over the past 24 months:

- The pre-agreed value of the Inventory is \$3,800,000;
- The pre-agreed value of the ROM stock is \$665,625.

Adjustment payments are therefore only made if the value of Inventory at the Completion Date is less than \$3,600,000 or greater than \$4,000,000 or if the value of the ROM stock is less than \$465,625 or greater than \$865,625.

In order to calculate the adjustment, FMR and the Company will jointly undertake a calculation of the value of Inventory, a valuation of the ROM stock and a review of the unpaid goods and services, prepaid goods and services, expenses and outgoings at the Completion Date.

FMR will then prepare an adjustment statement within 10 Business Days after the Completion Date. Within 5 business days of the adjustment statement being agreed the adjustment amount must be settled:

- If the amount is payable by AIC to the FMR, the Company must pay the amount to FMR; or
- If the amount is payable by FMR to the Company, FMR must pay the amount to the Company.

Over the past 24 months the value of the Inventory and the ROM stock have rarely moved outside of a \$200,000 range such that the Company does not expect there to be an adjustment required. Additionally, the Mine Sale Agreement, imposes a positive obligation on FMR to run the business in the ordinary course up to the Completion Date. On this basis, any possible adjustment amount is likely to be less than \$200,000 (either positive or negative) and hence is not considered material in comparison to the value attributed to the Acquisition.

If, for example the value of Inventory on the Completion Date is \$4,100,000 then AIC will pay FMR \$100,000. In contrast, if for example the value of inventory at the Completion Date is \$3,500,000 then FMR will pay AIC \$100,000.

Further examples are provided in the table below:

Value of Inventory at Completion Date	Adjustment	Payment made by AIC	Payment received by AIC
\$3,400,000	\$200,000	0	\$200,000
\$3,500,000	\$100,000	0	\$100,000
\$3,600,000	0	0	0
\$3,700,000	0	0	0
\$3,800,000	0	0	0
\$3,900,000	0	0	0
\$4,000,000	0	0	0
\$4,100,000	\$100,000	\$100,000	0
\$4,200,000	\$200,000	\$200,000	0

Value of ROM stock at Completion Date	Adjustment	Payment made by AIC	Payment received by AIC
\$300,000	\$165,625	0	\$165,625
\$400,000	\$65,625	0	\$65,625
\$500,000	0	0	0
\$600,000	0	0	0
\$700,000	0	0	0
\$800,000	0	0	0
\$900,000	\$34,375	\$34,375	0
\$1,000,000	\$134,375	\$134,375	0

There is no cap on the maximum adjustment amount, however the Company's financial and technical due diligence has shown that over the past 24 months the value of Inventory and the ROM stock have rarely moved outside of a \$200,000 range such that AIC does not expect to make (or receive) an adjustment payment.

The Company will also need to replace security bonds and financial provisions given by FMR in respect of the Eloise Assets. These bonds total \$6,799,000 and will be funded from proceeds raised pursuant to the Offer. For more detail on the use of funds, refer to Section 3.13

FMR will retain ownership of copper concentrate produced before the effective time of Completion.

Conditions Precedent

Completion of the Mine Sale Agreement is conditional upon satisfaction of the following Conditions Precedent:

- (a) the Minister or their delegate giving FMR an indicative approval, being an approval under section 23 of the *Mineral and Energy Resources (Common Provisions) Act 2014 (MERC Act)*, in respect of each Eloise tenement, and any conditions contained in the indicative approval being satisfactory to the Company, acting reasonably;
- (b) the resolution of Shareholders approving the issue of the Consideration Shares to FMR for all purposes (including for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 11.1.2 and approvals required to raise capital);
- (c) the financiers in respect of each equipment finance contract consenting in writing to the assignment or novation of the respective finance contract to the Company or to FMR paying out the equipment finance contract at or prior to Completion, and releasing FMR from any obligations arising after Completion under the equipment finance contracts;
- (d) each party to certain contracts agreeing to assign, novate, or otherwise transfer the benefit and burden of those contracts, to the Company from Completion on terms which leave no residual liability for FMR following Completion (and otherwise on terms acceptable to FMR and AIC Copper acting reasonably) or entering into new arrangements on terms acceptable to AIC;
- (e) FMR entering in a contract with a specified contractor for the provision of specified materials on terms acceptable to AIC Copper and the contractor agreeing, on terms and conditions acceptable to FMR and AIC Copper, to the assignment or novation of that contract to AIC Copper or AIC Copper and that contractor entering into a contract for the provision of those materials which takes effect on Completion, on terms acceptable to AIC Copper;

- (f) the Company conducting the Offer to which no less than the Minimum Subscription of \$30,000,000 is raised;
- (g) the Company re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the Acquisition and receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms reasonably acceptable to the Company;
- (h) no less than 80% of FMR employees engaged at the Eloise Mine accepting AIC Copper's offer of employment and certain key employees entering into service agreements with AIC Copper subject to Completion occurring;
- (i) the schedules to the Corporate Services Agreement being agreed between FMR and AIC Copper; and
- (j) no Material Adverse Change having occurred in relation to the business since the date of the Mine Sale Agreement.

The parties are required to use reasonable endeavours to satisfy the Conditions Precedent and keep the other party informed of any circumstances which may result in a Condition Precedent being unsatisfied.

FMR Board Nominee

FMR will have the right from Completion to nominate one director to the board of directors of the Company. This right continues while FMR continues to hold at least 10% of the ordinary shares in the Company.

See Section 7.2 for a more fulsome summary of the Mine Sale Agreement.

1.2 Suspension and reinstatement on ASX

ASX has determined that the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's activities and therefore requires:

- (a) the approval of Shareholders (which the Company will seek to obtain at the General Meeting); and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's securities are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

It is expected that the conduct of the Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements. The Company's current Shareholder base satisfies the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders.

Entities seeking admission under the assets test must disclose the objectives they are hoping to achieve from their admission to the official list of the ASX so that they can confirm that they have adequate

working capital to achieve those objectives. Details of the Company's strategy following Completion of the Acquisition is set out in Section 3.7.

Under the assets test, ASX requires that an entity have at least A\$1.5 million in working capital in its reviewed pro forma statement of financial position. Please refer to Annexure A for the pro forma statement of financial position.

Applicants should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

If the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer and will repay all Application Monies received by it in connection with this Prospectus (without interest).

The Company will apply to ASX no later than 7 days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Offer will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.3 General Meeting

The Company will hold the General Meeting primarily for the purpose of seeking the approval of Shareholders for a number of resolutions required to implement the Acquisition, including:

- (a) **Change in nature and scale of activities:** the Company changing the nature and scale of its activities as a result of the Acquisition;
- (b) **Consideration Offer:** the issue of 80,000,000 Consideration Shares to FMR under the Consideration Offer (refer to Section 2.3);
- (c) **General Offer:** the issue of up to 140,000,000 Shares at an issue price of \$0.25 each to raise up to \$35,000,000 (before costs) under the General Offer (refer to Section 2.1);
- (d) **Priority Allocation:** the issue of up to 20,000,000 Shares at an issue price of \$0.25 each to raise up to \$5,000,000 (before costs) under the Priority Allocation (refer to Section 2.1);
- (e) **Related party participation:** approval for certain Directors and Proposed Directors to participate in the General Offer (refer to Section 6.3);

If the Company does not receive Shareholder approval for the change in nature of scale of activities, the Offer, (comprising the Priority Allocation and the General Offer) and the Consideration Offer, then the Company will not proceed with the Offers and will repay all Application Monies received by it in connection with this Prospectus (without interest).

2. Details of the Offer

2.1 Offer

The Offer is made up of the Priority Allocation (detailed in Section 2.1(b)), the Broker Firm Offer, (detailed in Section 2.1(c)) and the General Offer (detailed in Section 2.1(a)).

The Offer is conditional upon satisfaction of the Conditions Precedent (save for the Capital Raising Condition Precedent) which are detailed in Sections 1.1 and 7.2(c). No Shares will be issued pursuant to this Prospectus until the Conditions Precedent (save for the Capital Raising Condition Precedent) have been satisfied or waived.

(a) General Offer

Pursuant to the General Offer, the Company offers up to 140,000,000 Shares at an Offer Price of \$0.25 per Share to raise up to \$35,000,000 (before costs). The General Offer is open to the general public and to all Shareholders of the Company with a residential address within Australia.

The Shares to be issued pursuant to the General Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the General Offer must be made on the General Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the General Offer should refer to Section 2.6 for further details and instructions.

(b) Priority Allocation

Pursuant to the Priority Allocation, the Company offers up to 20,000,000 Shares at an Offer Price of \$0.25 per Share to raise up to \$5,000,000 (before costs). The Priority Allocation is open to Minority Shareholders only.

The Directors in consultation with the Joint Lead Managers will allocate Shares under the Priority Allocation at their sole discretion in a way that is fair and equitable to Minority Shareholders having regard to their current holdings in the Company.

Any Shares not taken up under the Priority Allocation will become available to be taken up under the General Offer.

The Shares to be issued pursuant to the Priority Allocation are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the Priority Allocation must be made on the Priority Allocation Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Priority Allocation should refer to Section 2.6 for further detail and instructions.

(c) Broker Firm Offer

Shares available under the Broker Firm Offer form part of (and are not additional to) the 140,000,000 Shares available under the General Offer.

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker. Applicants who have been offered a firm allocation by a Broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation. To participate in the Broker Firm Offer, your Application Form must be received by your Broker by 5.00pm AEDT on the Closing Date. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry. Applicants should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer.

(d) **Minimum Subscription**

The minimum level of subscription for the Offer is 120,000,000 Shares to raise a minimum of \$30,000,000 (before costs) (**Minimum Subscription**). If the Minimum Subscription has not been achieved within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies in accordance with the Corporations Act.

(e) **Purpose of the Offer**

The purposes of the Offer are to:

- (i) pay the Eloise completion payment;
- (ii) assist with the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules following a significant change to the nature and scale of the Company's activities; and
- (iii) provide funding for the purposes outlined in Section 3.13.

(f) **No underwriting**

The Offer is not underwritten.

2.2 **Joint Lead Managers**

The Company has entered into a mandate with Canaccord and Argonaut who have agreed to act as Joint Lead Managers to the Offer on standard commercial terms. Refer to Sections 2.10 and 7.3(c) for further information regarding the Joint Lead Managers mandate.

2.3 **Consideration Offer**

The Company is also undertaking the Consideration Offer (described below) in connection with the Acquisition. The Consideration Offer is being made under this Prospectus for the purposes described below and also to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued under the Consideration Offer.

Accordingly, this Prospectus also includes the Consideration Offer under which the Company offers 80,000,000 Shares (**Consideration Shares**) to FMR (or its nominees) in consideration for the Acquisition.

The Consideration Shares to be issued pursuant to the Consideration Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 8.1 of the Prospectus.

Applications for Consideration Shares under the Consideration Offer may only be made by FMR (or its nominees) on the Consideration Offer Application Form issued to FMR together with a copy of this Prospectus and must be completed and received by the Company on or before the Closing Date.

FMR should refer to Section 2.6 for further details and instructions. No Application Monies are payable under the Consideration Offer as the Consideration Shares are being offered to FMR as part of the purchase price for the Eloise Assets.

2.4 Conditionality of the Offers

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Mine Sale Agreement (save for the Capital Raising Condition Precedent) becoming unconditional;
- (b) the Company raising the Minimum Subscription of at least \$30,000,000, under the Offer (refer to Section 2.1(d));
- (c) to the extent (if any) required by ASX or the Listing Rules, each person entering into a Restriction Agreement imposing restrictions on securities as mandated by the Listing Rules; and
- (d) ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.

2.5 Capital Structure

The pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Shares (Minimum Subscription)	% (Min)	Shares (Maximum Subscription)	% (Max)	Performance Incentives
Existing	68,715,018	25.6	68,715,018	22.2	7,150,000
Offer	120,000,000	44.7	160,000,000	51.8	-
Consideration Offer	80,000,000	29.9	80,000,000	26.0	-
Total	268,715,018	100	308,715,018	100	7,150,000

Columns may not add due to rounding

The Company's free float at the time of Admission will be not less than 20%.

2.6 Applications under the General Offer or Priority Allocation

Applications for Shares under both the General and Priority Allocation can be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

(a) Option 1: Submit an online Application Form and pay with BPAY

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (CRN) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (i) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (ii) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (iii) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (iv) select which account payment is to be made from;
- (v) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (vi) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online at aicminesoffer.thereachagency.com by following the instructions set out in the Application Form and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

(a) Option 2: Submit an Application Form with a cheque

Investors may complete an Application Form which accompanies and forms part of this Prospectus and enclose a cheque, made payable to "AIC Mines Limited " and crossed "Not Negotiable". Investors must mail both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm (AEDT) on the Closing Date by being posted to the following addresses:

Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

An original, completed and lodged Application Form together with a cheque for the Application Monies (if applicable), constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained, and that the Applicant:

- (a) is resident in Australia, France (but only those shareholders who (i) are “qualified investors” as defined in the Article 2(e) of the EU Prospectus Regulation or (ii) have sought to participate in the Priority Allocation on its own initiative), Germany, Hong Kong, Liechtenstein, Malaysia (and if the Applicant is in Malaysia, such Applicant is a person prescribed under Schedules 6 and 7 of the Malaysian Capital Markets and Services Act), New Zealand, Singapore, Spain, Switzerland or the United Kingdom (and is not a resident of the United States);
- (b) agrees to be bound by the terms of the relevant Offer;
- (c) declares that all details and statements in the Application Form are complete and accurate;
- (d) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (e) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The General Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the General Offer or accept late Applications.

Applications under either the Priority Allocation or General Offer must be for a minimum of 8,000 Shares (\$2,000) and then in increments of 2,000 Shares (\$500).

Applications for Shares under the Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to the relevant Application Form for further details and instructions.

Without the consent of the Company, nominees and custodians may only apply for Shares on behalf of beneficial shareholders who are resident in Australia, New Zealand and Singapore.

Only FMR or its nominee may accept the Consideration Offer. The Company will only provide an Application Form in relation to the Consideration Offer to FMR, together with a copy of this Prospectus. No monies are payable for the Shares under the Consideration Offer as the Consideration Shares are being offered to FMR as part of the purchase price for the Eloise Assets.

2.7 Applications under the Broker Firm Offer

To be eligible to apply for Shares under the Broker Firm Offer, you must have a registered Australian address, or otherwise fall within the exemptions of an eligible jurisdiction as listed in Section 2.16 below.

If you are applying for Shares under the Broker Firm Offer, you should arrange for your Broker Firm Application Form to be lodged with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Application Form. By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a copy of this Prospectus. Applicants under the Broker Firm Offer must complete their Broker Firm Application Form and pay their Application Monies to their Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Company or Registry. The Broker Firm Offer is expected to close at 5.00pm (AEDT) on 25 October 2021. Please contact your Broker for instructions. Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions from their Broker. The allocation of Shares to Brokers will be determined by the Company and the Joint Lead Managers. Shares that are allocated to Brokers for allocation to their clients will be issued to the successful Applicants who have received a valid allocation of Shares from those Brokers. It will be a matter for the Brokers how they allocate Shares among their clients, and they (and not the Company) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Shares. The Company and the Share Registry take no responsibility for any acts or omissions by your Broker in connection with your Application, Broker Firm Application Form and Application Monies (including, without limitation, failure to submit Broker Firm Application Forms by the close of the Broker Firm Offer). Delivery versus payment (DvP) settlement is available for applicants under the Broker Firm Offer. Please contact your Broker or the Joint Lead Managers for further details

2.8 Allocation Policy and allotment of Shares under the General Offer

The Directors, in consultation with the Joint Lead Managers, will allocate Shares under the General Offer at their sole discretion with a view to:

- (a) obtaining an appropriate spread of Shareholders to satisfy Listing Rule 1.1 condition 8;
- (b) ensuring no Shareholder obtains a relevant interest in more than 20% of the Company (other than FMR);
- (c) identifying new potential long-term or cornerstone investors;
- (d) ensuring an appropriate Shareholder base for the Company going forward; and
- (e) facilitating participation for Substantial Shareholders who will not receive an allocation pursuant to the Priority Allocation.

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.

Subject to the satisfaction of the conditions of the General Offer, the allotment of Shares will occur as soon as practicable after the General Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk. There is no assurance that any Applicant will be allocated any Shares for which the Applicant has applied.

2.9 Allocation Policy and allotment of Shares under the Priority Allocation

The Directors, in consultation with the Joint Lead Managers, will allocate Shares under the Priority Allocation at their sole discretion in a way that is just and equitable to Minority Shareholders having regard to their current holdings.

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.

Subject to the satisfaction of the conditions of the Priority Allocation, the allotment of Shares will occur as soon as practicable after the Priority Allocation closes. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk. There is no assurance that any Applicant will be allocated any Shares for which the Applicant has applied.

2.10 Advisers' interests in the Offer

As set out in Section 2.2, the Company has appointed Canaccord and Argonaut as Joint Lead Managers (**Joint Lead Managers**) to manage the Offer. The Joint Lead Managers will receive the following fees:

- (a) a management fee of 1.5% (plus GST) of gross proceeds raised pursuant to the General Offer;
- (b) a selling fee of 4.0% (plus GST) of gross proceeds raised pursuant to the Offer less Contributed Proceeds;
- (c) a selling fee of 2.0% (plus GST) of Contributed Proceeds.

"Contributed Proceeds" refers to the gross amount received under the Offer from the following substantial shareholders of the Company: Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd; Brahman Pure Alpha Pte Ltd, Brahman Capital Management Pte Ltd; and Gold Elegant (HK) Investment Limited.

In addition, the Company will pay Canaccord a corporate advisory fee equal to 0.5% (plus GST) of gross proceeds (capped at \$150,000).

As at the date of this Prospectus, Canaccord (and its associates) do not hold a relevant interest in the Company's Securities.

As at the date of this Prospectus, Argonaut Partners Pty Ltd holds 901,804 Shares in the Company. Of this holding, 151,804 Shares were acquired at \$0.28 per Share via participation in a placement and

entitlement offer completed by the Company in July 2020. Argonaut Partners Pty Ltd and Argonaut Securities Pty Limited are wholly owned entities of Argonaut Limited (ACN 109 326 418). Argonaut Securities Pty Limited is an Australian Financial Services Licensee. Argonaut Partners does not have any direct relationship with Argonaut Securities and it does not act as an authorised representative of Argonaut Securities.

Other than as detailed above, Argonaut Securities Pty Ltd (and its associates) have not participated in a placement of securities by the Company in the two years preceding lodgement of this Prospectus.

2.11 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Offer will be held in a separate bank account on behalf of Applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to official quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.12 Escrow arrangements

The Company does not expect that any of the Consideration Shares issued pursuant to the Consideration Offer will be subject to escrow.

Shares offered under the Offer will not be subject to any escrow restrictions.

2.13 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

2.14 Reinstatement and Official Quotation

Within seven days after lodgement of this Prospectus, the Company will apply to ASX for re-admission to the Official List of ASX and for the Shares, including those offered by this Prospectus, to be granted official quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for official quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC), none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.15 Risks

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 4 of this Prospectus. The Shares offered under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

2.16 International Offer Restrictions

This document does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

France, Germany, Liechtenstein and Spain

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in France, Germany, Liechtenstein and Spain is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors) in each of Germany, Liechtenstein and Spain; or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Shares. The Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and

may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Prospectus may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully

communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

2.17 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities, to provide facilities and services to security holders, and to carry out various administrative functions. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

If the information requested is not supplied, the Company may not be able to process your application for Shares. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

A security holder has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2.18 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.19 Anti-Money Laundering/Counter Terrorism Financing Act

The Company, Manager or Joint Lead Managers may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Company reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

2.20 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 6269 0110.

3. Overview of the Company and the Eloise Mine

3.1 Existing activities of the Company

AIC is an Australian exploration company listed on the ASX. The Company was registered as Taipan Resources N.L. on 9 June 1993 as a public company with no liability. The Company changed its name to Nustar Mining Corporation on 20 February 2004 and at the same time converted to a public company limited by shares. The Company made a further change of company name to Intrepid Mines Limited on 4 July 2006. On 21 May 2019, the Company changed its name to AIC Mines Limited following a merger with AIC Resources Limited. The Company's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition.

The Company currently has two exploration projects, both located in Western Australia: the Marymia project (**Marymia Project**) located in the eastern Gascoyne region, and the Lamil joint venture (**Lamil Project**) located in the Paterson Province. AIC also holds shares in Ausgold Resources Limited and unlisted options over shares in Kalium Lakes Limited.

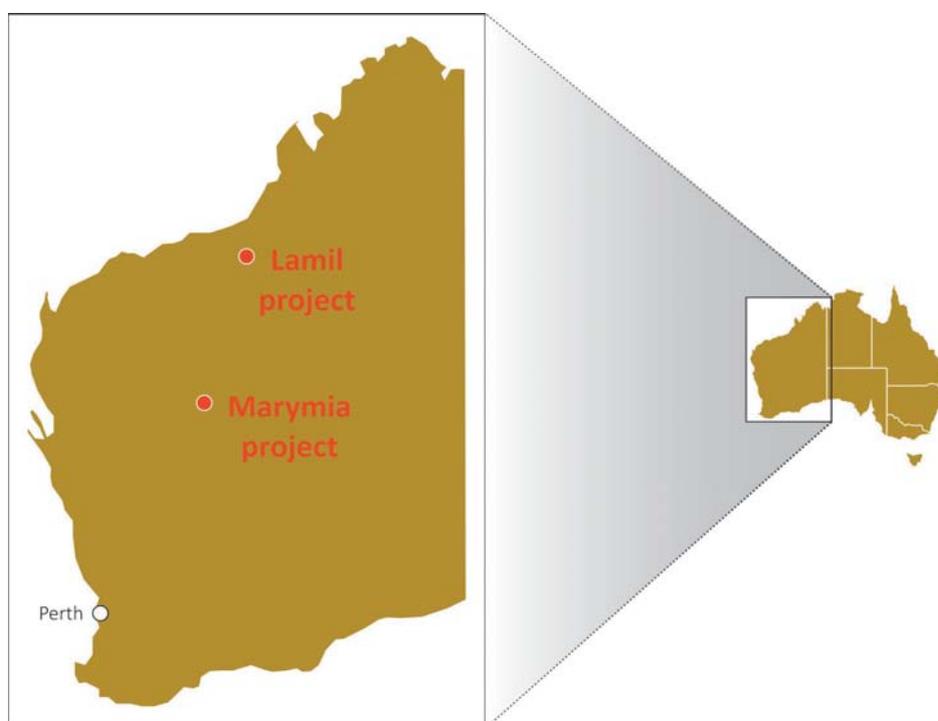


Figure 1. Location of the Lamil and Marymia Projects

On 24 August 2021, the Company, through its wholly owned subsidiary, AIC Copper entered into a conditional Mine Sale Agreement with FMR to acquire 100% of the Eloise Mine. An overview of the Eloise Mine is set out at Section 3.5 and further details of the Mine Sale Agreement are set out in Section 7.2.

3.2 Recent Corporate Events

In February 2019, AIC Resources Limited entered into a takeover implementation deed to acquire Intrepid Mines in a reverse merger transaction. Intrepid offered 1 share for every 2 AIC Resources Limited shares and existing AIC Resources Limited shareholders ended up owning approximately 73% of the combined entity. The merged entity was renamed to AIC Mines Limited.

In July 2020, the Company completed an equity raising of approximately \$4.7 million consisting of a \$2.6 million two tranche placement and a \$2.1 million 1 for 7 non renounceable entitlement offer. The offer price was \$0.28 per Share. Proceeds were used to fund exploration drilling at the Lamil Project discussed

at section 3.4 below and to explore the Marymia Project discussed at section 3.3, as well as to assess potential acquisition opportunities.

3.3 The Marymia Project

The Marymia Project is prospective for both copper and gold. The project is located approximately 160 kilometres south of Newman in the eastern Gascoyne region of Western Australia and covers approximately 3,600 square kilometres. It is located within trucking distance of the Plutonic Gold Mine and DeGrussa Copper Mine, owned by Superior Gold Inc and Sandfire Resources, respectively.

Tenements under the Marymia Project are mostly 100% held by the Company, although two are a joint venture (**JV**) ownership. The Doolgunna JV is with Ausgold Resources Limited which allows AIC to earn up to an 80% interest in tenement E52/3031 by spending a minimum of \$2.15 million over 4 years (**Doolgunna JV**), while the Curara Well JV is with Venus Metals Corporation Limited (**Venus Metals**) and provides AIC with an 80% interest in seven tenements (**Curara Well JV**).

In the case of the Curara Well JV, AIC has earned its 80% interest and Venus Metals is now free-carried through to a decision to mine, at which point Venus Metals can either elect to contribute to ongoing expenditure or withdraw from the JV and receive a 1.5% net smelter royalty in respect of any production from the Curara Well JV.

One of the Company's main areas of focus at Marymia is the Copper Hills Belt. It is interpreted as a preserved portion of Paleoproterozoic basin rocks, equivalent to the Bryah, Yerrida or Padbury basins, accreted to the northern margin of the Archean Marymia Inlier. It hosts the Copper Hills Prospect where oxide copper mineralisation associated with discontinuous stringers of malachite and azurite was discovered in the 1970's. Mapping and rock chip sampling by AIC has indicated the presence of strongly foliated mafic and felsic (rhyolite) volcanic rocks. A strongly sericite altered rhyolite contains copper-bearing "stringer" veins, at high-angle to stratigraphy, separated from a chlorite altered mafic by a thin but laterally extensive silica-hematite (chert) horizon; a geological setting common to volcanogenic massive sulphide (VMS) deposits also hosted within the Bryah and Padbury basins, which both host known copper deposits.

For more information on the Marymia joint venture arrangements refer to Section 7.3(a). For more information on the Marymia Tenements, refer to the Solicitors Report contained in Annexure B, and the SRK Report which is incorporated by reference in this Prospectus. For more detail about the SRK Report, refer to Section 3.5.

3.4 The Lamil Project

The Lamil Project comprises Exploration Licences (E45/5270 and E45/5271) and covers an area of 1,275km². The Lamil Project is prospective for copper and gold. It is located midway between the Telfer Gold Copper Mine owned by Newcrest Mining Limited and the Nifty Copper Mine owned by Metals X Limited. A maiden drill campaign was completed at the Lamil Project in 2020.

The Company's interest in the Lamil Project is through an earn-in joint venture with Rumble Resources Limited (**Rumble Resources**) entered into in July 2019, under which AIC can earn a 50% interest in the project by spending \$6 million over four years. Upon meeting the minimum expenditure requirement and acquiring a 50% interest, AIC will subscribe for further shares in Rumble Resources to a value of \$250,000 (based on the 30 day volume average weighted price (**VWAP**) of Rumble Resources) and AIC will issue to Rumble Resources, Shares in the Company to a total value of \$250,000 (based on the 30 day VWAP of AIC) for nil cash consideration. Thereafter AIC can earn a further 15% (to a total of 65%) by spending \$4 million over a one year period if Rumble Resources elects not to commence contributing. During these earn in periods, AIC is the manager of the Lamil Project. As at 30 June 2021, the Company has spent approximately \$3.8 million at the Lamil Project.

The Lamil Project captures a covered belt of Yeneena Supergroup rocks (which host mineralisation at the nearby Telfer and Nifty mines) bound by two deep penetrating, belt parallel NNW trending structures. In the southern tenement the project is also influenced by regionally important NW orientated faults, and a series of major NE trending cross faults that are mappable across the entire belt. All these structural features are considered important in the development of major mineral deposits in the Paterson Province as they represent critical vertically accretive plumbing systems for circulating and trapping mineralising fluids.

For more information on the Lamil joint venture arrangements refer to Section 7.3(b). For more information on the Lamil Tenements, refer to the Solicitors Report contained in Annexure B, and the SRK Report which is incorporated by reference in this Prospectus. For more detail about the SRK Report, refer to Section 3.5.

3.5 The Eloise Mine

The Eloise Mine is a copper mine located in North Queensland, 60 kilometres SE of Cloncurry and 155 kilometres ESE of Mt Isa. The mine is accessible by the Landsborough Highway to within 12km west of the mine. Access thereafter is via a well-maintained unsealed access road.



Figure 2. Location of the Eloise Mine

The mine has an extensive production history. It was commissioned in 1996 and has since mined approximately 12.5Mt of ore grading 2.8% Cu and 0.8g/t Au to produce 339,000t Cu and 167,000oz Au in concentrate.

Current operations consist of an underground mine accessed via decline. The upper levels of the mine (above 1,190m below surface) are extracted by longhole open stoping and the lower levels are extracted by sublevel caving, together producing up to 700,000tpa ore. Since being owned by FMR, the Eloise Mine has been an owner-miner operator with a mining contractor used only for underground development.

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

Power for the processing plant is provided by an on-site diesel power station. Metallurgically the ore is very consistent as the ore mineralogy at Eloise is almost exclusively chalcopyrite. Processing achieves high copper recoveries (generally 94% - 95%) and produces a clean concentrate. The concentrate has significant by-product credits from gold and silver. The concentrate is currently sold under contract with Trafigura Pte Ltd.

Infrastructure

Infrastructure included in the acquisition includes a 750,000tpa copper concentrator, offices, warehouse, mobile plant, 220 room accommodation village for FIFO workforce, bore-field and diesel generators with 12MW total generating capacity.

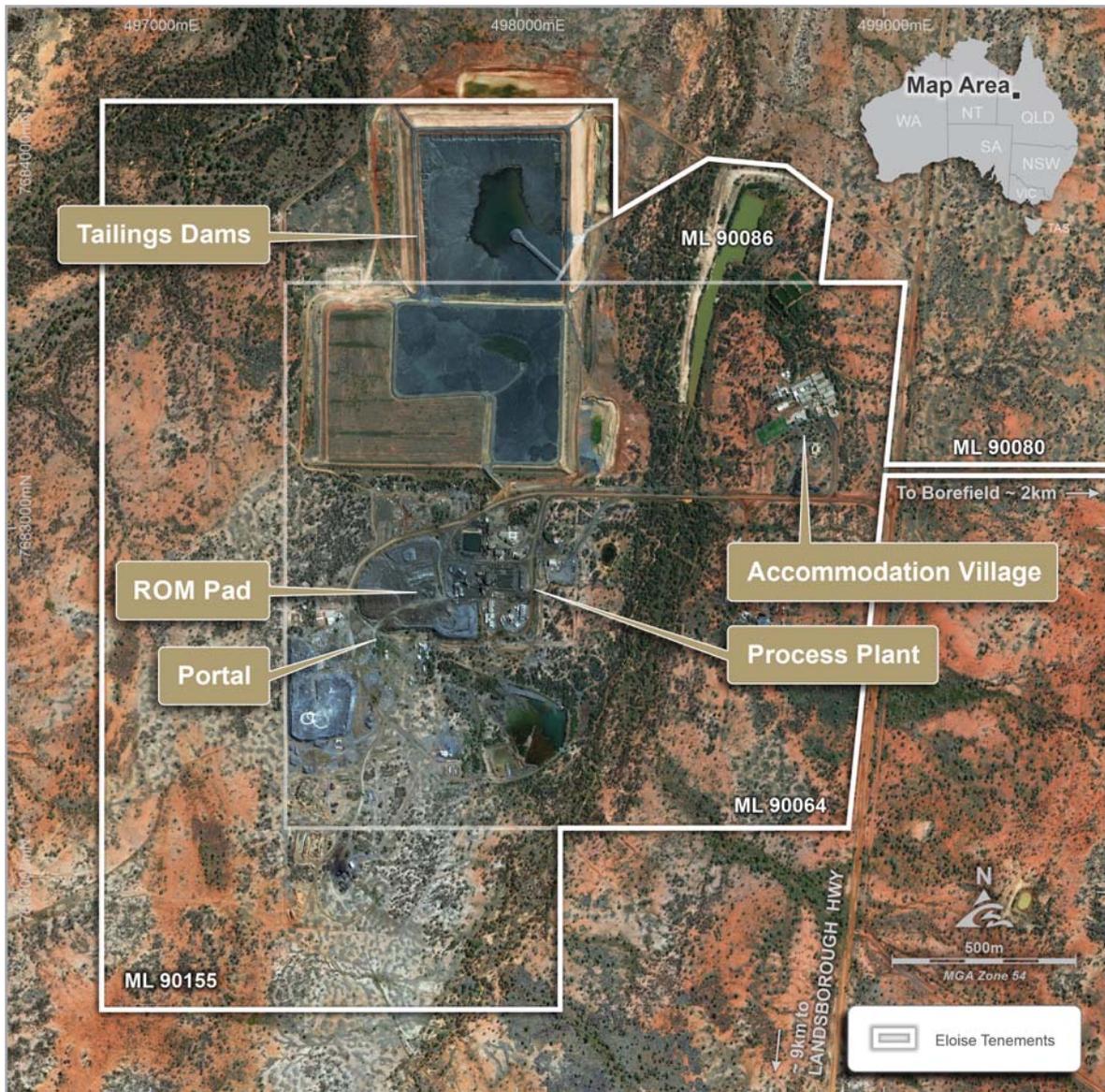


Figure 3. Eloise site layout and tenements.

Tenements

The tenement package being acquired consists of four mining leases covering an area of 5 square kilometres:

Tenement	Status	Expiry	Current Ownership	AIC Ownership on Completion
ML 90064	Active	31 August 2025	FMR 100%	100%
ML 90086	Active	31 March 2022	FMR 100%	100%
ML 90155	Active	31 October 2026	FMR 100%	100%
ML 90080	Active	31 December 2021 (renewal lodged)	FMR 100%	100%

For more information on the Eloise Tenements, refer to the Solicitors Report contained in Annexure B.

Geology and the Geological Interpretation

The Eloise copper-gold deposit lies within Early-Middle Proterozoic rocks of the Cloncurry-Selwyn zone, of the Eastern Fold Belt, of the Mount Isa Inlier (see Figure 3). The lithologies have been tentatively assigned to the Table Creek Volcanics and Mount Norma Quartzite members of the Soldiers Gap Group.

At Eloise, this sequence comprises north-south striking arenitic meta-sediments and ortho-amphibolite's located on the sub-vertical eastern limb of the Middle Creek Anticline, coincident with a regional northerly trending shear zone, the "Levuka Shear". The deposit is located under 60m of Mesozoic sediment cover of the Eromanga Basin.

Mineralisation is hosted within a strongly foliated meta-sedimentary sequence comprising arenites and schists (see Figure 3). The metasediment sequence also contains a coarse-grained amphibolite body possibly representing an early intrusion of gabbroic composition. Mineralised zones occur as steeply plunging lenticular bodies with strike lengths between 100m and 200m and attaining a maximum width of 25m. The main zone of mineralisation (Levuka-Eloise Deeps) demonstrates continuity down plunge over 1,500m and remains open at depth.

Post-mineralisation faulting has severely dislocated the orebodies, resulting in a complex arrangement of fault bounded ore blocks. These faults display considerable variability in regard to strike, dip and amount and direction of movement.

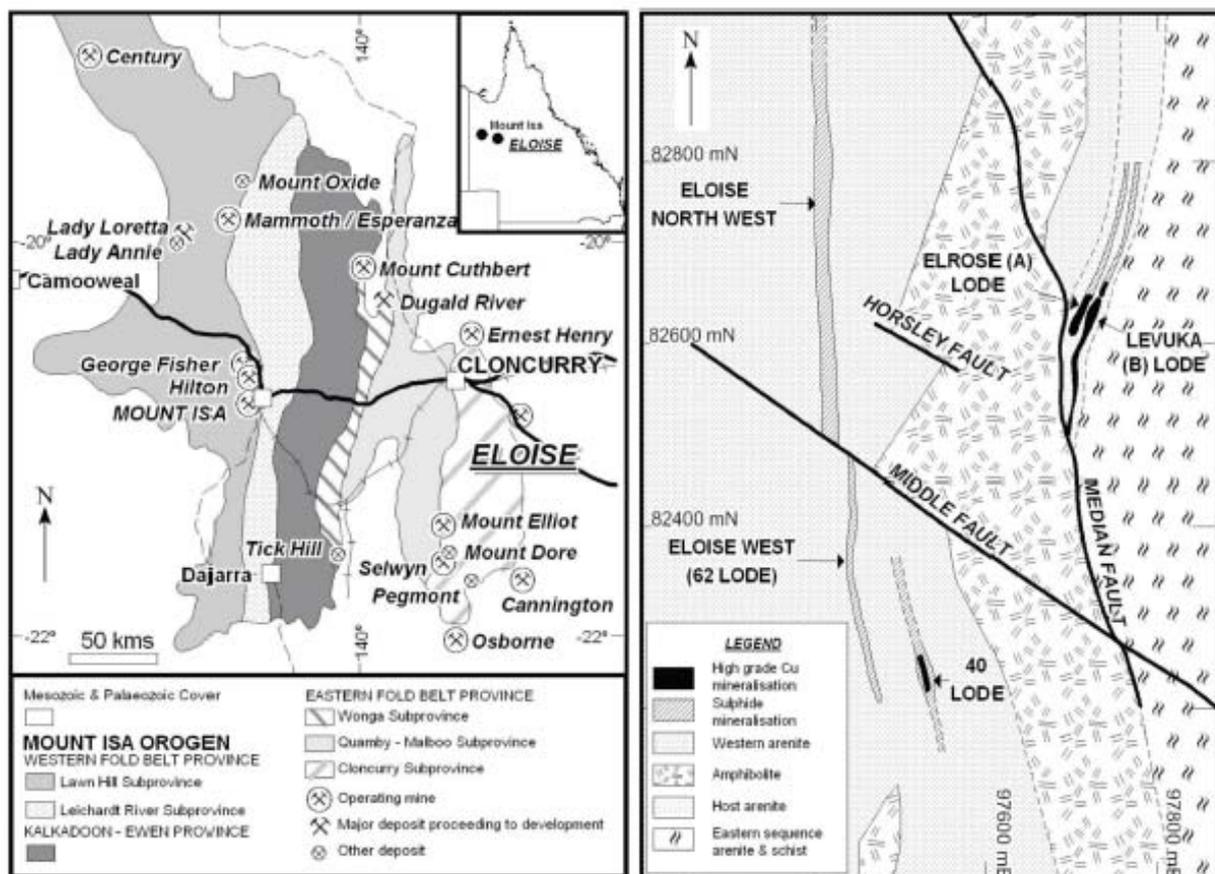


Figure 4. Regional geology (after Blake, 1997) and local geology (after Hodkinson et.al., 2003).

The main controls to the Eloise mineral system are structural, and mineralisation occurs as a series of en echelon sub vertical lodes. The known structural framework has been defined from underground face and development mapping, visual observation and core logging. The interpretation is represented a series of continuous wireframed domains. A nominal 1% Cu cut-off grade is used to interpret the mineralised boundaries, although some intercepts below 1% Cu have been included for continuity purposes.

Up to five separate lodes or zones are interpreted within each resource area. Post-mineralisation faulting has created a series of mineralised compartments, approximately 400m x 400m in size. The five ore zones are interpreted and continued into each fault block compartment.

Ore Reserve

Ore Reserves at Eloise total 1,424,000t containing 30,300t of copper and 26,700oz of gold as at 30 June 2021 (see Table A below). The Ore Reserves are reported and classified in accordance with the JORC Code (2012).

Table A. Eloise Ore Reserves as at 30 June 2021

Reserve Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	-	-	-	-	-
Probable	1,424,000	2.1	0.6	30,300	26,700
Total	1,424,000	2.1	0.6	30,300	26,700

The Ore Reserves Estimate is reported using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded up to the nearest 1,000 tonnes.

Competent Persons Statement: The information in this Prospectus 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 FMR Investments Pty Ltd and is based at the Eloise Mine. Mr McInerney consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

Mineral Resource

Mineral Resources at Eloise total 2,696,000t containing 65,500t of copper and 60,100oz of gold (inclusive of Ore Reserves) as at 30 June 2021 (see Table B below). The Mineral Resources are reported and classified in accordance with the JORC Code (2012).

Table B. Eloise Mineral Resources as at 30 June 2021

Resource Category	Tonnes	Cu Grade (%)	Au Grade (g/t)	Contained Copper (t)	Contained Gold (oz)
Measured	-	-	-	-	-
Indicated	1,308,000	2.5	0.7	32,500	28,500
Inferred	1,338,000	2.4	0.7	33,000	31,600
Total	2,696,000	2.4	0.7	65,500	60,100

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.

Mineral Resources are estimated using a 1% Cu cut-off (above 0mRL) and 1.5% Cu (below 0mRL). Tonnages have been rounded up to the nearest 1,000 tonnes.

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

Exploration Opportunity

The exploration potential of the Eloise tenement holding was one of the main features that attracted the Company to the Acquisition. Exploration expenditure at the Eloise Mine has been constrained over at least the past 5 years. The Company plans to reinvigorate the exploration effort at Eloise and is confident that it will be able to increase the resource and reserve base.

The Company is planning to increase both surface and underground drilling at Eloise. AIC's exploration strategy for the Eloise Mine will focus on both extensions to the known resource areas and the discovery of new satellite lodes within the Eloise mining tenements.

Previous geophysical surveys have identified electromagnetic conductors in the Far West Corridor, the West Corridor (including Macy North, Emerson and Wynberg), the East Corridor (Nobbies) and Far East Corridor.

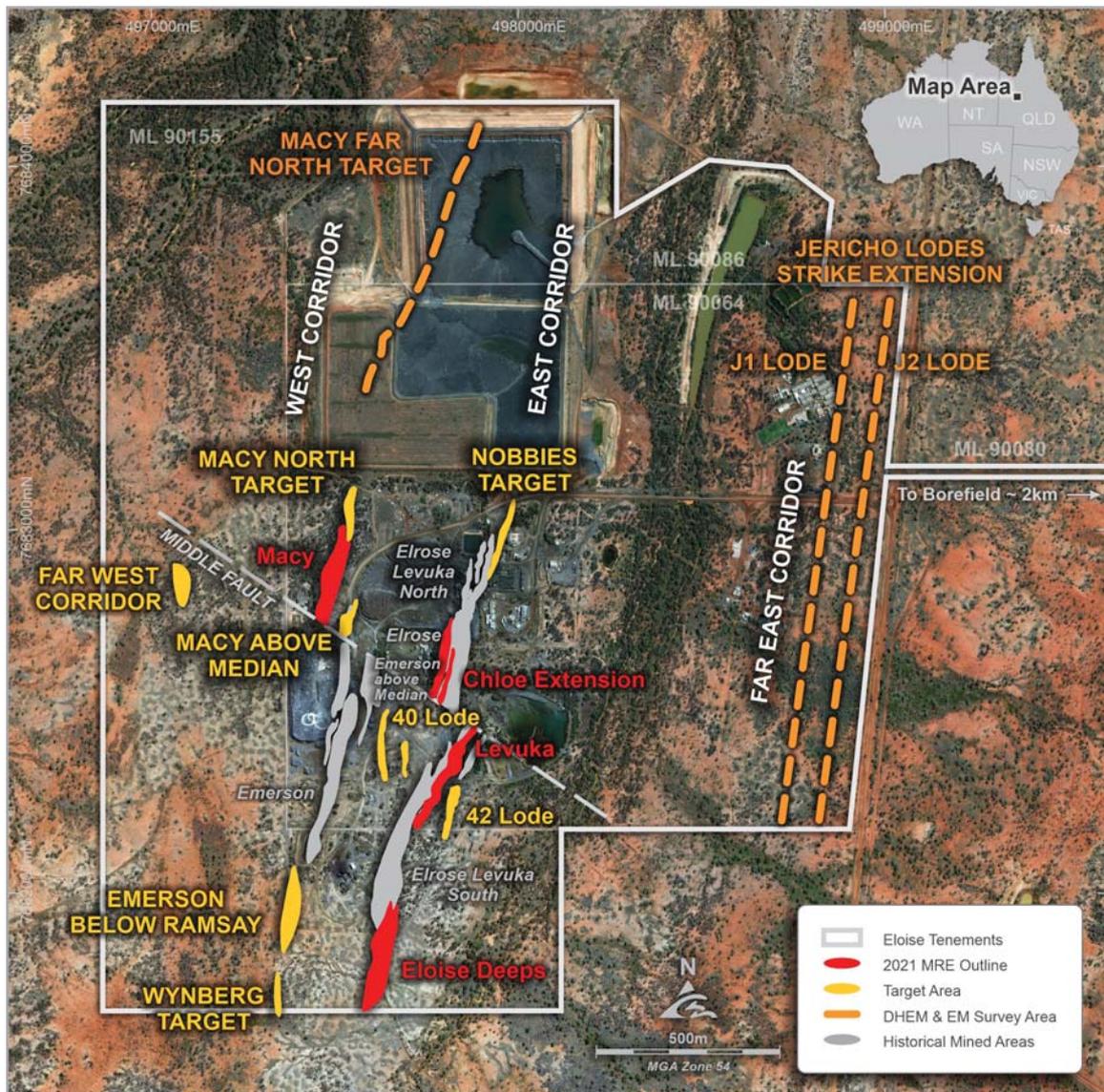


Figure 5. Plan showing surface projection of Eloise exploration target areas

Historic Production Results

The Eloise Mine has an extensive production history. It was commissioned in 1996 and has since mined approximately 12.5Mt of ore grading 2.8% Cu and 0.8g/t Au to produce 339,000t Cu and 167,000oz Au in concentrate.

Current annual production is approximately 40,000dmt of high-quality copper concentrate containing approximately 11,000t Cu and 6,000oz Au.

Table C. Eloise Historic Production Information

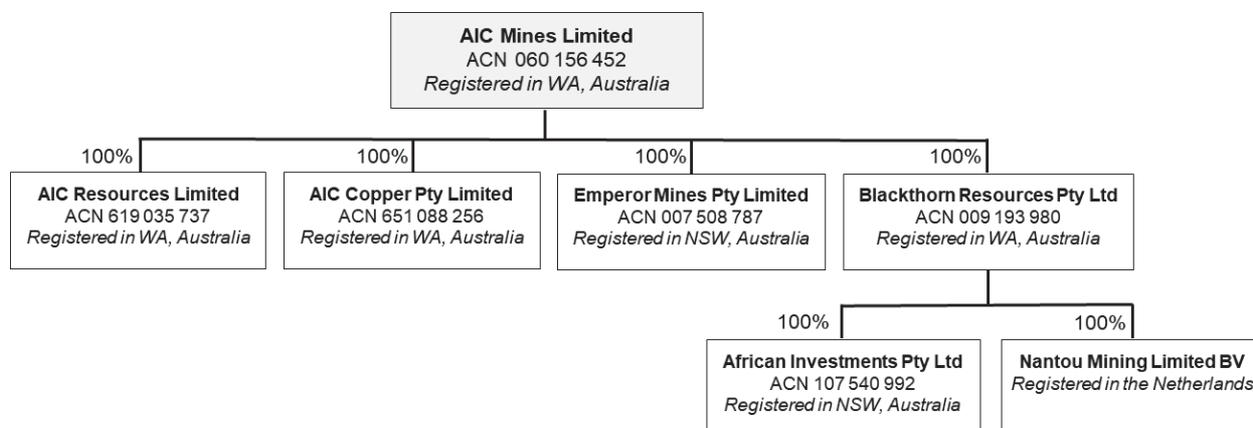
	Units	FY20	FY21
Ore Mined	t	519,074	662,775
Ore Milled	t	499,719	622,795
Cu feed grade	%	1.74	1.88
Au head grade	g/t	0.49	0.54
Concentrate Produced	dmt	30,315	40,089
Concentrate Cu grade	%	27.4	27.5
Concentrate Au grade	g/t	4.8	4.9
Cu produced in concentrate	t	8,321	11,038
Au produced in concentrate	oz	4,632	6,314
C1 Cash Costs	A\$/lb	3.85	3.32
All-in Sustaining Costs	A\$/lb	4.79	3.92

SRK Independent Specialist Report (incorporated by reference)

Investors who would like to further detail regarding the Eloise Mine including the Ore Reserves and Mineral Resource estimates and the Life of Mine Plan are directed to Annexure D of the SRK Independent Specialist Report (**SRK Report**) The SRK Report was included in the Notice of Meeting materials sent to Shareholders to vote on the Acquisition and the Offers and is incorporated by reference in this Prospectus. Investors wishing to obtain a copy of the SRK Report can do so by downloading it from the company's website at www.aicmines.com.au under the Investors/Company Announcements tab. Alternatively, investors may request a copy of the document from the Company (free of charge) by telephoning +61 8 6269 0110.

3.6 Corporate Structure following the Acquisition

On completion of the Acquisition, the Eloise Mine will be owned by AIC Copper. AIC Copper is a wholly owned subsidiary of the Company. The corporate structure of the Company, following the Acquisition will be as follows:



3.7 Strategy

Subject to completing the Offers, and completing the Acquisition as described in Section 1.1, AIC intends to continue to operate and explore the Eloise Mine and to continue to explore its Existing Projects. The Company will also continue to target acquisitions of late-stage Australian gold and copper projects where it can add value through exploration and development.

The Acquisition creates a new ASX-listed copper mining company with the ability to add value through exploration success, resource growth, operational reliability and regional consolidation.

Longer term, the Company plans to build a portfolio of mines through exploration, development and acquisition. Its approach is to start small and use stepping-stone transactions to grow the Company. It plans to use the benefits of diversity to deliver reliable operating and financial results. The Company also aims to continue to add projects to its exploration and development pipeline.

3.8 Business Model

Exploration for gold and copper will continue to be an important part of the Company's business model going forward. The Company is committed to ongoing exploration at its Existing Projects and at Eloise. As reported in its recent ASX announcement, the Company has recently commenced exploration drilling at its Lamil Project and expects to commence exploration drilling at its Marymia Project in the December 2021 Quarter.

There are significant uncertainties associated with forecasting the future demand and prices for copper and gold. Consequently, and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly have not included a financial outlook for the Company in this Prospectus.

3.9 Key Dependencies of the Business Model

The Company's business model following completion of the Acquisition depends on being able to continue to produce copper concentrate at the Eloise Mine and transport it efficiently to market for a viable sales price. It also depends on discovery success at its exploration prospects at the mine and at its Existing Projects in Western Australia.

In order to achieve this, the Company:

- (a) has established processing infrastructure at the Eloise Mine to produce copper concentrate;
- (b) has a pipeline of exploration prospects which could develop into additional resources to allow it to extend the mine life at the Eloise Mine;
- (c) has entered into a copper concentrate offtake contract for the Eloise Mine;
- (d) has established logistics arrangements for the transportation of the Eloise Mine copper concentrate to customers under the offtake contract;
- (e) has a pipeline of exploration prospects at its Existing Projects in Western Australian which could develop into copper or gold resources sufficient for stand-alone processing or toll-treating at a nearby processing facility;
- (f) is raising funds pursuant to the Offer to provide adequate working capital to operate the Eloise Mine; and
- (g) through AIC Copper, is entering into the Corporate Services Agreement with FMR to supply management accounting services, management of the concentrate offtake contract, assistance with procuring insurances, provision of document management and enterprise resource planning services and oversight of mobile equipment and fixed plant maintenance.

3.10 Consideration for Acquisition

The Board considers that the quantum of Consideration Shares to be issued for the Acquisition reflects the fair value of the Eloise Mine in view of the Company having conducted arm's length negotiations with representatives of FMR to arrive at the commercial terms of the Acquisition.

In determining the consideration for the Acquisition, the Company also took into account the following considerations:

- (a) the stronger financial platform for exploration and growth that the Acquisition could provide;
- (b) the enhanced scale and increased market presence that the Acquisition and Offer could provide;
- (c) current copper market supply and demand fundamentals.

The Company also commissioned an Independent Expert Report to determine whether the transaction was fair and reasonable to Shareholders. In its report dated 20 September 2021 the Independent Expert concluded that the Acquisition (the Consideration Offer) and the Offer considered as a whole is both fair and reasonable to Shareholders. The Independent Expert Report is included in the Notice of Meeting materials sent to Shareholders to vote on the Acquisition and the Offers. Investors wishing to obtain a copy of the Independent Expert Report can do so by downloading it from the company's website at www.aicmines.com.au under the Investors/Company Announcements tab. Alternatively, investors may request a copy of the report from the Company (free of charge) by telephoning +61 8 6269 0110.

The Company conducted an extensive due diligence process prior to entering into the Mine Sale Agreement and consequently the Board is of the opinion that the Acquisition represents an opportunity that is in the best interests of current Shareholders of the Company.

The Company's entry into the Mine Sale Agreement followed an extensive search for potential acquisition assets by the Company.

3.11 Board of Directors

Under the terms of the Mine Sale Agreement, FMR has the right to nominate one director to AIC's Board for so long as it holds at least a 10% interest in AIC. FMR has nominated Mr Jonathan (Jon) Young for that purpose.

On completion of the Acquisition, all of the existing Directors will remain and will be joined by Jon Young who will be appointed as a non-executive director. For more details on the Board of the Company following the Acquisition, refer to Section 6.1.

Mr Young is Chairman of FMR and is a Director Wealth Management at Canaccord Genuity Financial Limited. Mr Young has over 30 years' experience in financial services. He 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 is also a non-executive director of ASX-listed Barra Resources Limited and was previously a non-executive director of ASX-listed Breakaway Resources Limited.

3.12 Executive Management Team

The Company has assembled a highly experienced executive management team to transition management of the Eloise asset and implement the Company's strategy and business plans. Profiles of each member of the Company's executive management team, including recent appointments, are set out below.

Mr Aaron Colleran, Managing Director and Chief Executive Officer

See Section 6.1.

Mr Sebastian Casey, Executive General Manager People and Safety

Mr Casey has over 14 years' experience in corporate services spanning human resources, safety and environmental, social, and corporate governance. He has over 10 years' experience in base metals mining across both operational and corporate roles, Mr Casey has previously held similar roles with Oz Minerals, Evolution Mining and First Quantum Minerals. Mr Casey holds a Bachelor of Commerce, a Bachelor of Laws and a Graduate Diploma of Legal Practice.

Ms Linda Hale, Company Secretary

Ms Hale has over 20 years' experience in the mining, stockbroking and financial service sectors. Previous roles have included Executive Director of Finance and Administration and Company Secretary for CIBC Eyres Reed. She has also consulted on organisational change with RBC Dexia and held project management roles with a number of other stockbrokers. Ms Hale holds a Bachelor of Business and is a member of CPA Australia.

Mr Matthew Fallon, Chief Development Officer

Mr Fallon has over 35 years' experience in mining and exploration holding senior positions with Westgold Resources, Evolution Mining, Goldfields Australia and Barrick Australia undertaking underground manager, project management, geology, mining and technical services roles. Mr Fallon holds Diplomas in Mining, Business and Coaching, Bachelor of Applied Science (Geology) and Masters of Mineral

Economics and Mining Engineering. He is a member of the Australian Institute of Geoscientists and holds a Western Australian Underground Supervisor's Certificate of Competency.

Mr Michael Frame, Chief Financial Officer

Mr Frame has over 13 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. Most recently he was the Group Finance Manager at Evolution Mining where he oversaw the statutory accounting, management reporting, shared service and group wide payroll functions. Prior to this he was the onsite Commercial Manager for the Mt Carlton Gold Mine located in Queensland. 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.

Mr Michael Taylor, Executive General Manager Exploration

Mr Taylor has over 25 years' experience in base and precious metals exploration and mining. He has a track record of exploration success having played a key role in the discovery of significant zinc-lead and gold deposits in Australia. Mr Taylor has also worked in North America and Asia both in exploration and business development. Most recently he was the Country Manager, Australia, for Teck Resources Ltd. Mr Taylor holds a Master of Business Administration and a Bachelor of Science with Honours. Mr Taylor was a joint recipient of the AMEC Prospector of the Year 2016 Award for the discovery of the Teena Zn-Pb Deposit in Queensland.

3.13 Proposed use of funds

The purpose of the Offer is to provide funds for the Acquisition and costs and expenditure related to the Acquisition as set out in the table below.

Funds Available	Minimum Subscription		Maximum Subscription	
Cash reserves ¹	\$3,900,000		\$3,900,000	
Funds raised from the Offer	\$30,000,000		\$40,000,000	
Total funds available	\$33,900,000		\$43,900,000	
Use of Funds	Minimum Subscription		Maximum Subscription	
Acquisition Completion Payment	\$5,000,000	14.7%	\$5,000,000	11.4%
Financial Assurances (Eloise Environmental Bond) ²	\$6,800,000	20.1%	\$6,800,000	15.4%
Exploration Expenditure – Eloise ³	\$5,000,000	14.7%	\$6,000,000	13.7%
Exploration Expenditure - Lamil and Marymia	\$3,900,000	11.5%	\$7,600,000	17.3%
Fees and Costs (Eloise Acquisition and Offer)	\$3,200,000	9.4%	\$3,800,000	8.7%
Working Capital ⁴	\$10,000,000	29.5%	\$14,700,000	33.5%
TOTAL	\$33,900,000	100%	\$43,900,000	100%

Notes:

1. AIC cash at bank as at 21 September 2021.
2. FMR has lodged bonds with the State of Queensland amounting to \$6,799,000 in relation to the Eloise Mine tenements. AIC will need to replace these bonds.
3. AIC is planning to increase both surface and underground drilling at Eloise targeting both extensions to the known resource areas and the discovery of new satellite lodes within the Eloise mining tenements.
4. If required to be paid, the Eloise Contingent Payment will be funded from cashflow from the Eloise Mine or Working Capital.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including:

- (a) the risk factors outlined in Section 4; and
- (b) the outcome of operational activities, market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied.

The Company expects the Offer funds (net of costs), together with existing cash reserves to provide sufficient working capital for the first two years following completion of the Acquisition and its Reinstatement.

3.14 About FMR

FMR was incorporated in Western Australia on 14 July 1989. It is a private company limited by shares and is the trustee of the FMR Unit Trust (ABN 24 757 019 296).

FMR owns and operates a private mining and investment business and the beneficiaries of the FMR Unit Trust are associates of Mr Peter Bartlett and Mr Ron Sayers. The FMR business was founded in 1989 by Peter Bartlett and was formerly known as Barmenco Investments Pty Ltd as trustee of the Barmenco Unit Trust.

FMR originally owned specialist underground mining contractor Barmenco until a restructure in 2004 and subsequent sale of a majority interest in Barmenco in 2007.

Along with the Eloise Assets, FMR currently owns and operates the Gordon Sirdar gold mine located 55 kilometres northeast of Kalgoorlie, the Greenfields gold processing plant located in Coolgardie, Western Australia and has interests in several other mining joint ventures in the West Australian Goldfields.

As at the date of this Prospectus, Bremerton Pty Ltd as trustee for the Bartlett Family Fund (an associate of FMR) holds 250,000 Shares.

The board of directors of FMR is comprised of Mr Peter Bartlett, Mr Jon Young (Chairman), Mr Charles Watson and Mr Bob Colville.

3.15 Voting power of FMR

As detailed in Section 2.5, on Completion, it is expected that FMR will hold approximately 29.9% of the issued capital in the Company on a Minimum Subscription basis and 26% on a Maximum Subscription basis and accordingly FMR will be the largest shareholder in the Company.

4. Risk Factors

Investors should be aware that if the Acquisition proceeds and Completion occurs, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks.

The Directors aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them. Many of these risks are common to base and precious metal mining and exploration companies operating in Australia.

While some common risk factors are set out below, it is not possible to produce an exhaustive list. This Section identifies the major areas of risk associated with the Acquisition, the operating business of the Company on completion of the Acquisition, and other general risks but should not be taken as an exhaustive list of the risk factors to which the Company and its security holders are exposed. References to the Company in this Section 4 include the Eloise Mine.

4.1 Risks relating to the change in nature and scale

(a) Re-quotation of Shares on the ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules. The Company believes that it will be able to re-comply with the Listing Rules in a timely manner and intends to use its best efforts to ensure that it does successfully re-comply with the provisions of Chapters 1 and 2 of the Listing Rules.

(b) Shareholder Approvals

A notice of meeting seeking shareholder approval for resolutions required to give effect to the Eloise Acquisition, the Offer and the Consideration Offer has been sent to Shareholders. AIC will convene a General Meeting on or around 25 October 2021 to facilitate shareholder approval for matters in respect of the Eloise Acquisition. These approvals will include:

- (i) the change in scale and nature of the Company's activities;
- (ii) the issue of Consideration Shares to FMR pursuant to the Consideration Offer (Item 7, 611 approval);
- (iii) the issue of Shares in connection with the Offer.

There is a risk that these approvals will not be received. The Board has unanimously recommended that eligible Shareholders vote in favour of the relevant resolutions at the General Meeting and as at the date of this Prospectus the Board is not aware of any reason why these approvals will not be received.

(c) **Regulatory Requirements Generally**

The Company notes that:

- (i) the Acquisition, the Offer and the Consideration Offer require shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- (ii) the Company is required to re-comply with the ASX's requirements for admission and quotation ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Acquisition, the Offer and the Consideration Offer may not proceed if ASX exercises that discretion; and
- (iii) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

(d) **Dilution risk**

On Completion of the Acquisition, the Company proposes to issue up to 160,000,000 Shares pursuant to the Offer and 80,000,000 Consideration Shares pursuant to the Consideration Offer which will dilute existing Shareholders, as detailed in Sections 2.1 and 2.5.

On completion of the Acquisition, the Consideration Offer and the Offer, the existing Shareholders (other than FMR) will retain 32.9% of the issued Share capital under the Minimum Subscription and 28.7% of the issued Share capital under the Maximum Subscription (assuming that current Minority Shareholders subscribe for all of the Priority Allocation and current Substantial Shareholders do not participate in the Priority Allocation); FMR will hold 29.9% under the Minimum Subscription and 26.0% under the Maximum Subscription and investors under the Offer will hold approximately 37.2% under the Minimum Subscription and 45.3% under the Maximum Subscription.

There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(e) **Completion, counterparty and contractual risk**

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Mine Sale Agreement and other agreements related to the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

If the Acquisition completes, there can be no guarantee as to the ongoing financial capacity of FMR. In these circumstances, if a warranty or other claim was made under an agreement in respect of the Acquisition, there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed could materially adversely affect the Company's financial position and distributions.

If the Acquisition completes, the Company's ability to efficiently conduct operations at Eloise will in a number of respects depend upon third party product and service providers and contracts. AIC will need to enter into contractual arrangements. As in any contractual relationship, the ability for AIC to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default on their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

The existing contractual arrangements entered into by FMR in relation to the Eloise Mine may be subject to the consent of third parties being obtained to novate or transfer those contractual arrangements to the Company. No assurance can be given that any such required consent will be forthcoming. Failure by AIC

to obtain such consent may result in AIC not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent.

(f) **FMR Shareholding**

The main consideration payable by the Company to FMR under the Acquisition is new Shares in the Company. As a result, FMR will have an interest in the Company of up to a maximum of 29.9% pursuant to the Minimum Subscription if the Acquisition completes. Although FMR will not control AIC as a result of the Acquisition, it will be able to vote the Shares it holds (subject to applicable laws) in relation to matters requiring shareholder approval, including the election of directors, significant corporate transactions and certain issues of equity securities. In this regard FMR's interests may not always be aligned with those of other Shareholders in the Company. FMR's interest in the Company may also mean that its support for any proposal by a third party to acquire all of the Shares in the Company may potentially be important for that proposal to be successful given it has the ability to block special resolutions.

(g) **Due Diligence Risk**

The Company has undertaken financial, operational, business and other analyses of whether to pursue the Acquisition. There is a risk that such analyses, and the estimates and assumptions made by the Company during the course of the analyses, leads to conclusions or estimates that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by the Company differ from those indicated by its analysis of the Acquisition, there is a risk the profitability and future earnings of the operations of the Company may differ from the estimates and forecasts made by it.

The Company has performed a due diligence review of material aspects of Eloise. There is a risk that the due diligence conducted has not identified issues that would have been material to the decision to proceed with the Acquisition. A material adverse issue which was not identified prior to the completion of the Acquisition could have an adverse impact on the financial performance or operations of Eloise.

The due diligence process undertaken by the Company identified a number of risks associated with the Acquisition. The mechanisms that the Company will use to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Company's earning and financial position.

The due diligence process relied in part on the review of financial and operational information provided by FMR. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. If any of the data or information provided to and relied upon by the Company in its due diligence process proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Company may be materially different to the financial position and performance expected by AIC.

The information reviewed by the Company includes forward looking information. While AIC has been able to review some of the foundations for the forward-looking information relating to Eloise, forward looking information is inherently unreliable and based on assumptions that may change in the future.

4.2 **Specific risks applicable to operating the Eloise Mine**

On completion of the Acquisition, the Eloise Mine will be 100% owned by AIC Copper. Set out below is a non-exhaustive list of key risks of operating the mine.

(a) **Integration Risk**

The Acquisition may consume a large amount of management time and attention, and may fail to meet strategic objectives, or achieve expected financial and operational performance.

The integration of a business with substantial assets such as the Eloise Assets carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition, is dependent on the effective and timely integration of the Eloise Assets and their operation into the Company's existing business operations. A failure to fully integrate the Eloise Assets, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of the Company.

(b) Historical Liabilities

If the Acquisition completes, the Company may become directly or indirectly liable for any liabilities that FMR has incurred in the past, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which AIC may not have post-closing recourse under the Mine Sale Agreement. These could include liabilities relating to environmental claims or breaches, contamination, regulatory actions and health and safety claims. Such liabilities may adversely affect the financial performance or position of the Company.

(c) Operational and Cost Risk

If the Acquisition completes, the Company will become a producer of copper concentrate which is sold under commercial contract. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do so will depend largely upon an efficient and successful operation and exploitation of the resources and associated business activities and management of commercial factors.

Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The mining and exploration activities of the Company may be affected by a number of factors, including but not limited to geological conditions; force majeure events; power outages; adverse/seasonal weather patterns; critical equipment failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; labour shortages; industrial and other accidents; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding and unforeseen cost changes beyond the control of the Company can negatively impact the Company's activities, thereby affecting its profitability and the value of its securities.

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, wall failures, 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 Company's financial and operational performance.

(d) Product Sales and Commodity Price Risk

If the Acquisition completes, AIC will derive revenues mainly from the sale of copper and to a lesser extent gold and silver. Consequently, the Company's potential future earnings, profitability and growth are likely to be closely related to the demand for and price of copper, gold and silver. The long-term price of these commodities may rise or fall.

Additionally, the Company's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities it produces. Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity

markets, the costs of production and general global economic and financial market conditions. These factors may cause volatility which in turn, may affect the Company's ability to finance its future activities.

The Company may enter into hedging arrangements from time to time to partially protect against changes in commodity prices.

(e) Employees

AIC Copper will make offers of employment to all FMR employees at the Eloise Mine to transfer to AIC on terms and conditions that are the same or substantially similar to and, considered on an overall basis, no less favourable than the terms and conditions of their employment with FMR. The Company will also put in place a process to ensure that it engages with employees prior to completion of the Acquisition in order to facilitate the acceptance of offers of employment. However, there is a risk that not all employees will accept the offers of employment from AIC Copper and there could be an associated workforce shortage at the Eloise Mine.

(f) Production and Cost Estimates

The ability of AIC to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The Eloise Mine, as with other mines, is subject to uncertainty with ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents, and other unforeseen circumstance such as unplanned mechanical failure of plant or equipment.

The Company has prepared estimates of future production and associated operating and capital costs for the Eloise Mine. No assurance can be given that such estimates will be achieved. Costs of production may also be affected by a variety of factors, including: ore grade; metallurgy; labour and other input costs; general inflationary pressures and currency exchange rates. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

(g) Ore Reserves and Mineral Resources

The Eloise Ore Reserves and Mineral Resources are estimates only and are expressions of judgement based on industry practice, experience and knowledge. Estimates of Ore Reserves and Mineral Resources are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Ore Reserves and Mineral Resources are accurate or that the indicated level of copper, gold or any other mineral will be produced. Such estimates are, in large part, 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. No assurance can be given that any or all of the Eloise Mineral Resources constitute or will be converted into Ore Reserves. Actual Ore Reserves and Mineral Resources may differ from those estimated, which could have a positive or negative effect on AIC's financial performance.

Commodity price fluctuations as well as increased production and capital costs may render the Eloise 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. Estimated Ore Reserves may have to be recalculated based on actual production experience. Any of these factors may require AIC to reduce its Ore Reserves and Mineral Resources, which could have a negative impact on the Company's financial results and the expected operating life of the Eloise Mine.

(h) Replacement of Ore Reserves

The Company will need to continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. There is no assurance that current or future exploration programs will be successful. Also,

if a discovery is made, it may take several years from the initial phases of drilling until production is possible.

4.3 **General risks related to an investment in AIC**

(a) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of AIC's Shares regardless of the Company's performance.

(c) **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

(d) **Changes in government policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(e) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(f) **COVID-19 risk**

The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

(g) Climate change risks

The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(h) Exploration Risk

Mineral exploration, mining and development are high risk undertakings and there can be no assurance that the tenements currently held by the Company or acquired by it in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

(i) Additional Requirements for Capital

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(j) Dependence Upon Key Personnel

The Company has a core team of executives whose loss could influence its progress in pursuing its exploration and acquisition programs within the time frames and cost structures envisaged. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment. There is no guarantee that the key personnel of the Company will be successful in their objectives despite their considerable experience and previous success.

(k) Litigation

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Any litigation, arbitration, proceeding or criminal or government prosecution of a material nature in which the Company or its subsidiaries are directly or indirectly involved could divert management time and have a material impact on the business or financial position of AIC.

The Company is currently a party to legal proceedings in the Supreme Court of British Columbia. The legal proceedings related to AIC's predecessor company Intrepid Mines Limited shareholding in New Nadina Explorations Limited. AIC is defending the proceedings, however there is no guarantee that the

Company's defence and counterclaim will succeed. The outcome of such litigation may adversely affect AIC's financial position. For further details of this litigation refer to Section 8.10.

(l) **Acquisition Risk**

The Company's growth plans, in part, require the availability of appropriate and suitable project acquisitions and the Company being able to successfully negotiate the acquisition of additional projects. There is no guarantee that that Company will be able to identify and acquire suitable projects or that successful acquisitions will be able to be efficiently integrated into the operations of the Company.

(m) **Regulatory Risk**

The availability and rights to explore and produce copper concentrate and precious metals, as well as operational profitability generally, can be affected by changes in government policy that are beyond the control of the Company. The governments of the relevant states in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of exploration and mining tenements. Changing attitudes to environmental matters, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration, development or operational plans or, indeed, its rights and/or obligations with respect to the tenements.

(n) **Health and Safety Risk**

There are general health and safety risks associated with the Company's operations. The Company manages these risks through the application of structured health and safety management systems. As the operator of plant and equipment, the Company has specific legislative obligations to ensure that its personnel and contractors operate in a safe working environment.

(o) **Insurance Risk**

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. If the Acquisition completes, the Company intends to extend this coverage to include the Eloise Mine operations. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage or obtain new insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(p) **Competition Risk**

The Company is one of a large number of exploration and mining companies that operate in the base and precious metals industry in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with other base and precious metals exploration and mining companies in the search for reserves and resources.

(q) **Joint Venture Risks**

A number of the Company's projects are the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

(r) **Tenement Forfeiture Risk**

A failure to adhere to the requirements to exceed certain levels of expenditure on tenements held by the Company (or its subsidiaries) in relation to the Existing Projects may make certain tenements subject to possible forfeiture. All granted tenements are currently in good standing and, in accordance with normal industry practice, the Company surrenders some or all un-prospective parts of its tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas. In respect of granted tenements, no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements. In Western Australia there is a process for mandatory relinquishment of tenement area over time. As a result, the Company may be required to relinquish areas that it considers are prospective.

(s) **Environmental Risks**

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company intends to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

(t) **Environmental Impact**

The Company could be subject to claims due to environmental damage arising out of current or former activities at sites that it owns or operates, including the Eloise Mine, Existing Projects and new projects. This could subject the Company to potential liability and have a material adverse effect on its financial and operational performance.

(u) **Native Title and Heritage Risks**

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation. There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage. In carrying out exploration and/or mining operations, the Company must observe native title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations.

(v) **Share Market Risk**

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

The Company has investments in a number of listed exploration and development companies. There is a risk that the value of these investments could fall. This could adversely affect its financial position.

(w) **Ability to Utilise Tax Losses**

The Company has a total carried forward tax loss balance of \$67,145,889 and carried forward capital losses of \$198,392,999 as at 31 December 2020. These tax losses are subject to Australian tax loss recoupment rules and there is no guarantee that the Company will be able to utilise these tax losses.

(x) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. Investors are accordingly encouraged to seek their own independent advice before deciding whether to invest.

5. Financial Information

5.1 Financial Information

The Independent Limited Assurance Report contained in Annexure A sets out:

- (a) The Historical Financial Information of the Company comprising:
 - (i) the Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 June 2021 (and comparatives for the half year ended 30 June 2020) and the years ended 31 December 2020 and 2019;
 - (ii) the Statement of Cash Flows for the half year ended 30 June 2021 (and comparatives for the half year ended 30 June 2020) and the years ended 31 December 2020 and 2019; and
 - (iii) the Statement of Financial Position as at 30 June 2021;
 - (b) The Historical Financial Information of the Eloise Mine comprising:
 - (i) the Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2021 and 2020;
 - (ii) the Statement of Financial Position as at 30 June 2021; and
 - (iii) the Statement of Cash Flows for the years ended 30 June 2021 and 2020;

(collectively, the **Historical Financial Information**); and
 - (c) the Pro Forma Consolidated Statements of Financial Position of the Company post Acquisition as at 30 June 2021;
- (collectively, the **Pro Forma Consolidated Historical Financial Information**).

The Directors are responsible for the preparation and inclusion of the Historical Financial Information and Pro Forma Consolidated Historical Financial Information (together, the **Financial Information**) in the Prospectus. BDO Corporate Finance (WA) Pty Ltd (**Investigating Accountant**) has prepared an Independent Limited Assurance Report (**ILAR**) in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A.

5.2 Eloise Accounts

Pursuant to the terms of the Mine Sale Agreement, the Company is acquiring the individual assets that form the Eloise Mine and not a corporate entity that contains these assets. As such, it will acquire the Eloise Mine on a cash-free, debt-free basis (although the Company will take on certain liabilities in connection with the Acquisition).

Special purpose audited accounts have been prepared by the FMR Trust Auditor and these have been used by the Investigating Accountant in the preparation of its ILAR which can be found in Annexure A.

The ASX has indicated that the Company will need to provide tier one general purpose accounts for the Eloise Mine as part of its re-admission application. These general purpose accounts will be released to the market as part of the Company's pre-quotations disclosure. As at the date of this Prospectus, the general purpose accounts are still in the process of being prepared by the FMR Trust Auditor, however

the Company does not expect there will be any material matters arising from the general purpose accounts that are not already addressed by the special purpose accounts and which have been relied upon by the Investigating Accountant in the preparation of its ILAR.

For a set of financial statements to be referred to as general purpose financial statements, the measurement, recognition and disclosure requirements of all relevant Australian Accounting Standards are required to be adhered to. As a result, general purpose financial statements typically contain additional disclosures compared to special purpose financial statements.

The historical financial information of FMR has been prepared applying all relevant measurement and recognition requirements of the relevant Australian Accounting Standards in preparing the special purpose statements, however additional note disclosures are required to convert the current special purpose statements to general purpose statements.

The following is a summary of the additional note disclosures required to convert the current Eloise Copper Mine Business Unit Special Purpose Financial Report to a General Purpose Financial Report:

- Inclusion of a Statement of Changes in Equity for the year ended 30 June 2021 and the prior comparative period;
- Further disclosures under the “Financial Reporting Framework” accounting policy and reference to the entity as a “for-profit entity”;
- Additional disclosure on the accounting policy notes for revenue recognition, trade and other receivables, property, plant and equipment, borrowings, provisions, financial instruments, key management personnel, remuneration of auditors and related party transactions;
- Details of any non-cash financing and investing activities; and
- Other disclosures around the domicile, legal form of the reporting entity, its principal activities and its registered address.

5.3 Forecast Financial Information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

6. Directors, Key Management and Corporate Governance

6.1 Board of Directors

On completion of the Acquisition the Board will be comprised of:

Mr Josef El-Raghy, Director, Non-Executive Chairman

Mr El-Raghy has extensive experience in developing and managing gold mining companies. Most recently, Mr El-Raghy was Chairman of Centamin plc, a gold mining company listed on the Main Board of the London Stock Exchange and the Toronto Stock Exchange and previously the ASX. Mr El-Raghy joined Centamin as Managing Director in August 2002 and oversaw the company's transition from junior explorer to successful gold miner. During Mr El-Raghy's tenure the company successfully financed and developed the world-class Sukari Gold Mine, the first large scale modern gold mine in Egypt. The mine began production in 2009 and is now a successful open pit and underground operation with a production rate of approximately 500,000 ounces of gold per annum.

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 Australia. In addition to his direct management experience of project development and operation, his time at Centamin has also provided him with deep experience with international capital markets.

The Board does not consider Mr El-Raghy to be an independent director given his status as a substantial shareholder in the Company.

Mr Aaron Colleran, Managing Director and Chief Executive Officer

Mr Colleran has extensive experience in public markets mergers and acquisitions and strategic planning in the mining and exploration sectors. Prior to joining AIC, Mr Colleran was a founding member of the leadership team of ASX-listed Australian gold mining company 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.

Originally an exploration geologist, he worked as a mining analyst with stockbroker Eyres Reed Limited before moving into investment banking with CIBC World Markets and Standard Bank Plc. In 2006 Mr Colleran set up a consultancy providing corporate advice to junior and mid-tier exploration and mining companies.

The Board does not consider Mr Colleran to be an independent director as he is an executive officer of the Company.

Mr Tony Wolfe, Non-Executive Director

Mr Wolfe is a Portfolio Manager with Brahman Capital Management Pte Ltd, one of AIC Mines' major shareholders, based in Singapore. At Brahman, Mr Wolfe focuses on equity event driven and special situation investments. Mr Wolfe has extensive experience in asset management having managed event driven and special situations portfolios across the Asia-Pacific region. Mr Wolfe was previously a Portfolio Manager at Brummer & Partners AG, a multi-strategy hedge fund, and has also held senior portfolio management roles at Pengana Capital and Rubicon Asset Management in Sydney.

The Board does not consider Mr Wolfe to be an independent director as he is an employee of Brahman Capital Management Pte Ltd and its nominee director.

Mr Brett Montgomery, Non-Executive Director

Mr Montgomery has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Mr Montgomery is currently Non-Executive Director of ASX-listed company Tanami Gold NL. He was previously Managing Director of Kalimantan Gold NL, and a Director of Bard1 Life Sciences Limited, Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

The Board does not currently consider Mr Brett Montgomery to be an independent director as he was formally the Managing Director of AIC Resources Limited (a child entity of AIC Mines Limited). Mr Montgomery resigned from this role on 11 February 2019.

Mr Jon Young, Non-Executive Director

Mr Young is Chairman of FMR 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. Canaccord Genuity is a leading, full service financial services firm with operations in two principal segments of the securities industry: wealth management and capital markets.

For 12 years, until the sale of the underground mining contractor Barmenco Limited in August 2007, Mr Young served as Non-executive Chairman of the Barmenco Group of companies, including Barmenco Limited where he continued to serve as an alternate director until November 2018 when Barmenco was acquired by Ausdrill Limited (now Perenti Global Limited).

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 is also a non-executive director of ASX-listed Barra Resources Limited and was previously a non-executive director of ASX-listed Breakaway Resources Limited.

The Board does not consider Mr Young to be an independent director as he is the Chairman of FMR and its AIC nominee director.

6.2 Directors' interests

Other than as disclosed in this Prospectus, no Director nor Proposed Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers;
- (c) the Offers.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director or Proposed Director, either to induce that Director or Proposed Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

6.3 Directors' security holdings

The Company's Directors and Proposed Directors (and their respective related entities) have the following interests in Securities as at the date of this Prospectus:

Name	Shares	% Shares	Performance Incentives
Mr Josef El-Raghy	13,174,710 ¹	19.2%	-
Mr Aaron Colleran	3,000,000	4.4%	6,500,000 ²
Mr Brett Montgomery	1,155,358 ³	1.7%	-
Mr Tony Wolfe	-	-	-
Mr Jon Young ⁴	107,143	0.2%	-

Notes:

1. Nordana Pty Ltd is a nominee of Mr Josef El-Raghy and holds 7,428,572 Shares; El-Raghy Kriewaldt Pty Ltd is a nominee of Mr Josef El-Raghy and holds 5,746,138 Shares.
2. 2,000,000 vesting any time up to 11 February 2021 when the 60 day VWAP is \$0.30 or more (vested 3 August 2019 - not yet exercised); 2,000,000 vesting any time up to 11 February 2022 when the 60 day VWAP is \$0.40 or more (vested 26 August 2019 - not yet exercised); 2,000,000 vesting any time up to 11 February 2023 when the 60 day VWAP is \$0.60 or more; and 500,000 vesting any time up to 1 December 2023 when the 60 day VWAP is \$0.60 or more.
3. Mr Brett Montgomery holds 857,143 Shares; Gerise Pty Ltd is a nominee of Mr Montgomery and holds 285,715 Shares; Lily Montgomery is an associate of Mr Montgomery and holds 12,500 Shares.
4. Ragged Holdings Pty Ltd ATF Jon Young Family Fund is a nominee of Mr Jon Young and holds 107,143 Shares.

Set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Director (and their respective related entities) in the Securities of the Company upon Completion of the Acquisition, the issue of Consideration Shares pursuant to the Consideration Offer and the Offer:

Name	Shares	% Shares (Minimum Subscription)	% Shares (Maximum Subscription)	Performance Incentives
Mr Josef El-Raghy	38,174,710	14.2	12.4	-
Mr Aaron Colleran	9,000,000	3.3	2.9	6,500,000
Mr Brett Montgomery	3,509,358	1.3	1.1	-
Mr Tony Wolfe	-	-	-	-
Mr Jon Young	507,143	0.19	0.16	-

Notes:

As at the date of this Prospectus and subject to Shareholder approval at the General Meeting:

1. Mr Josef El-Raghy via his nominee El-Raghy Kriewaldt Pty Ltd intends to subscribe for up to 25,000,000 Shares under the General Offer;
2. Mr Aaron Colleran intends to subscribe for up to 6,000,000 Shares under the General Offer;
3. Mr Brett Montgomery intends to subscribe for up to 2,354,000 Shares under the General Offer;
4. Mr Tony Wolfe does not intend to subscribe for Shares under the General Offer;
5. Mr Jon Young via his nominee Ragged Holdings Pty Ltd intends to subscribe for up to 400,000 Shares under the General Offer.

6.4 **Directors' remuneration**

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at \$750,000 per annum.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered as commensurate for a company of its size and level of activity as well as the relevant Directors time, commitment and responsibility.

6.5 **Agreements with Directors and Related Parties**

The Company's policy in respect of related party arrangements is

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Details of the appointment and services agreements the Company has entered into with its Directors are set out in Section 6.7 below.

6.6 **Executive Service Agreement - Aaron Colleran**

Mr Colleran has entered into an Executive Services Agreement with the Company pursuant to which the Company agreed to pay Mr Colleran a commencing base remuneration of \$250,000 per annum (including superannuation) for services provided to the Company as Managing Director and Chief Executive Officer. The agreement commenced on 18 April 2019. Effective 1 August 2020, Mr Colleran's base remuneration was increased to \$300,000 per annum (including superannuation).

Mr Colleran is also eligible for an annual short term incentive of up to 100% of base remuneration and in addition for an annual long term incentive of up to 100% of base remuneration in the form of Performance Incentives. For more information on Performance Incentives refer to Section 8.2.

6.7 **Non-Executive Appointment Letters**

(a) **Mr Josef El-Raghy – Letter of Appointment**

Mr Josef El-Raghy has entered into a letter agreement with the Company pursuant to which the Company agrees to pay Mr El-Raghy \$60,000 per annum plus superannuation for services (including for services of any committees of the Board) provided to the Company as a Non-Executive Director and Chairman of the Board. The fee is subject to annual review by the Board. The agreement commenced on 18 April 2019 and shall cease when Mr El-Raghy advises in writing his resignation, he is not re-elected by the shareholders at a general meeting or as otherwise in accordance with the Constitution.

(b) Mr Brett Montgomery – Letter of Appointment

Mr Brett Montgomery has entered into a letter agreement with the Company pursuant to which the Company agrees to pay Mr Montgomery \$40,000 per annum plus superannuation for services (including for services of any committees of the Board) provided to the Company as a Non-Executive Director. The fee is subject to annual review by the Board. The agreement commenced on 18 April 2019 and shall cease when Mr Montgomery advises in writing his resignation, he is not re-elected by the shareholders at a general meeting or as otherwise in accordance with the Constitution.

Effective 1 January 2021, Mr Montgomery's fee was increased to \$45,000 per annum plus superannuation due to his additional role as Chairman of the Audit and Risk Committee.

(c) Mr Tony Wolfe – Letter of Appointment

Mr Tony Wolfe has entered into a letter of change to non-executive director fees with the Company pursuant to which the Company agrees to pay Mr Wolfe \$40,000 per annum plus superannuation (or an equivalent payment) for services (including for services of any committees of the Board) provided to the Company as a Non-Executive Director. The fee is subject to annual review by the Board. The agreement commenced on 1 May 2019 and shall cease when Mr Wolfe advises in writing his resignation, he is not re-elected by the shareholders at a general meeting or as otherwise in accordance with the Constitution.

(d) Mr Jon Young (Proposed Director)

Mr Jon Young will enter into a letter agreement with the Company pursuant to which the Company agrees to pay Mr Young \$40,000 per annum plus superannuation for services provided to the Company as a Non-Executive Director. The agreement will commence the next Business Day after Completion and shall cease when Mr Young advises in writing his resignation, he is not re-elected by the shareholders at a general meeting or as otherwise in accordance with the Constitution.

6.8 Deeds of Indemnity, Insurance and Access

The Company has entered into deeds of indemnity, insurance and access with each of its Directors and the Company Secretary. The Company will enter into a Deed of Indemnity, Insurance and Access with the Proposed Director following Completion.

Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a Related Body Corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

6.9 Transactions with entities in which the Directors have an interest

The Company notes that pursuant to the terms of the Mine Sale Agreement, FMR has the right to nominate a Director whilst they continue to hold 10% of the Company. FMR has nominated Mr Jon Young as its nominee.

Mr Young's experience is set out in Section 3.11 and includes his current position as a director of Wealth Management at Canaccord Genuity Financial Limited. The Company has appointed Canaccord to act as one of the Joint Lead Managers along with Argonaut.

Mr Young has not and will not be involved in advising the Company in relation to the General Offer or in carrying out the work of the Joint Lead Managers to manage the General Offer, except to the extent of providing input in relation to the nature, value and merits of the Eloise Assets and background on the Eloise Acquisition. Mr Young is familiar with these matters from his long term role as Chairman of FMR (see further detail in Sections 6.7 and 3.11).

6.10 Corporate Governance

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 6.10. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at <https://www.aicmines.com.au/investors/corporate-governance/>

(a) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) appointment, and where necessary, the replacement, of the managing director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual and half yearly accounts, and quarterly cash flow report;

- (vii) approving significant changes to the organisational structure;
- (viii) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules if applicable);
- (ix) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (x) approving the Company's remuneration framework;
- (xi) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (xii) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and
- (xiii) meeting with the external auditor, at their request, without management being present.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Board considers that the proposed Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in a general meeting. However, subject thereto, the Company is committed to the following principles:

- (i) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (ii) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

The Board currently consists of 4 members. Following completion of the Offers and the Acquisition, the Board will consist of 5 members. The Company has a Remuneration and Nomination Committee currently made up of all four Directors, none of which are considered independent. The Remuneration and Nomination Committee is chaired by Mr Tony Wolfe who is not the Chair of the board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

(c) **Identification and management of risk**

The Company has an Audit and Risk Committee made up of all four Directors, none of which are considered independent. The Audit Committee is chaired by Mr Brett Montgomery who is not the Chair of the Board. The Committee operates under the Audit and Risk Committee Charter and in accordance with the Risk Management Policy.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

Subject to prior consultation with the Chairman, the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Remuneration arrangements**

The total maximum remuneration of Non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of Non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

(g) **Share Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by Directors, other Company officers, executives and employees and their related parties. The policy generally provides that prior written approval of the Chairman or the Board must be obtained prior to trading.

(h) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(i) **Audit committee**

The Company has an Audit and Risk Committee made up of all four Directors, none of which are considered independent. The Audit and Risk Committee is chaired by Mr Brett Montgomery who is not the Chair of the board. The full board operates under the adopted Audit and Risk Committee Charter. The Board believes that the individuals on the Board can make, and do make, quality and informed judgements in the best interests of the Company on all relevant issues. External audit recommendations, internal control

matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Board and the audit partner. The Board encourages contact between Non-Executive Directors and the Company's external auditors, independently of executive management.

(j) **Diversity Policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

Recruitment and selection practices at all levels will be structured so that a diverse range of candidates are considered, and the Company will attempt to remove any gender bias.

The Company has not at this time, implemented measurable objectives regarding the proportion of females to be employed or appointed to Board positions. The Board will consider doing so when more appropriate to the size and nature of the Company's operations.

(k) **Whistleblower Policy**

The Company has adopted a Whistleblower Policy which encourages employees to raise any concerns and report instances of illegal or unethical behaviour, without fear of reprisal. The Whistleblower Policy establishes the mechanisms and procedures for employees to report unethical or illegal conduct in a manner which protects the whistleblower and gathers the necessary information for the Company to investigate such reports and act appropriately.

(l) **Departures from Recommendations**

The Company is required to report any *departures* from the Recommendations in the form of an Appendix 4G lodged with ASX. The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below:

Principles and Recommendations	Comply	Comments
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p style="padding-left: 20px;">i. has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">ii. is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 20px;">iii. the charter of the committee;</p> <p style="padding-left: 20px;">iv. the members of the committee; and</p> <p style="padding-left: 20px;">v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual</p>	No	<p>The Company has a Remuneration and Nomination Committee made up of all four directors, none of which are considered independent.</p> <p>The Remuneration and Nomination Committee is chaired by Mr Tony Wolfe who is not the Chair of the board.</p> <p>The Remuneration and Nomination Committee Charter is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/</p> <p>The Company believes the Committee members have the appropriate skills to carry out this function.</p>

<p>attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>The Board upon Reinstatement will consist of 5 Directors and all are not considered to be independent directors.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>Mr El-Raghy will serve as Non-Executive Chairman of the Company and is not considered to be independent.</p> <p>Mr Colleran will serve as the Managing Director (and CEO).</p>
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Company has an Audit and Risk Committee made up of all four Directors, none of which are considered independent.</p> <p>The Audit and Risk Committee is chaired by Mr Brett Montgomery who is not the Chair of the board.</p> <p>The Committee operates under the adopted Audit and Risk Committee Charter, which is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/ and carries out the functions delegated under that Charter.</p> <p>The Company believes the Committee members have the appropriate skills to carry out this function.</p>

<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>No</p>	<p>The Company has an Audit and Risk Committee made up of all four Directors, none of which are considered independent.</p> <p>The Audit and Risk Committee is chaired by Mr Brett Montgomery who is not the Chair of the board.</p> <p>The Committee operates under the Audit and Risk Committee Charter and in accordance with the Risk Management Policy (adopted on 31 May 2019 - both available on the Company's website at www.aicmines.com.au/investors/corporate-governance/).</p> <p>Under the Risk Management Policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Managing Director, supported by the senior executive team, having ultimate responsibility to the Board for the implementation of the risk management and control framework.</p>
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> i. the charter of the committee; ii. the members of the committee; and iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>No</p>	<p>The Company has a Remuneration and Nomination Committee made up of all four Directors, none of which are considered independent.</p> <p>The Remuneration and Nomination Committee is chaired by Mr Tony Wolfe who is not the Chair of the board.</p> <p>The Remuneration and Nomination Committee Charter is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/</p> <p>The Company believes the Committee members have the appropriate skills to carry out this function.</p>

7. Material Contracts

7.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The key terms of these material contracts and arrangements are summarised in this Section.

7.2 Acquisition Agreements

(a) Mine Sale Agreement

On 24 August 2021 AIC Copper, guaranteed by the Company, entered into the Mine Sale Agreement with FMR.

The Mine Sale Agreement provides for the purchase of the:

- (i) **Business**, being the business relating to the Eloise Mine presently carried on in Queensland by FMR, utilising the assets; and
- (ii) **Assets**, being goodwill, plant and equipment, inventory, tenements, business intellectual property, statutory licences, equipment finance contracts, contracts, records and mining information.

The tenements subject to the Mine Sale Agreement include the following leases granted under the Mining Act, including any applications for and any extensions, renewals, conversions, or substitutions:

- (i) ML90064;
- (ii) ML90086;
- (iii) ML90155; and
- (iv) ML90080.

The Completion Date of the Mine Sale Agreement is the first date which:

- (i) falls on a Business Day on the first day, 15th day, 16th day or last day of a calendar month; and
- (ii) is at least five Business Days after the satisfaction or waiver of the last of the conditions precedent,

or any other date agreed by the Company and FMR (noting that the intention is for the completion date to be 15 October 2021 or 1 November 2021 if all Conditions Precedent are satisfied or waived at least five Business Days before those dates).

(b) Purchase Price and Adjustments

The purchase price paid by the Company for the assets and business comprise of:

- (i) the Eloise completion payment, being \$5,000,000 in cash; plus
- (ii) the issue of the **Consideration Shares**, being the number of fully paid ordinary shares in the capital of the Company as determined by dividing \$20,000,000 by the Offer Price rounded up to the nearest whole number of shares; and

- (iii) if 20,000 dry metric tonnes of concentrate or more is produced by the Eloise Mine within six months following completion, then the Company must pay a contingent payment of \$2,000,000 (**Eloise Contingent Payment**).

The purchase price paid by the Company is subject to adjustment in the completion statement to reflect, as at 5:30pm on the Completion date or as otherwise agreed between the Company and FMR and as follows:

- (i) an adjustment to the purchase price to reflect any positive or negative differences greater than \$200,000 between the actual value of the Inventory acquired and Run of Mine (ROM) stock and the pre-agreed value of the Inventory and ROM stock, with FMR and the Company to jointly conduct a physical stocktake of the inventory in determining the value acquired. The adjustment will occur after the Completion Date. For more information on the adjustment mechanism refer to Section 1.1;
- (ii) any apportionments for outgoings, unpaid goods and services, prepaid goods and services, expenses and outgoings normally apportioned on the purchase of a similar business and state royalties;

FMR will retain ownership of copper concentrate produced before the effective time of Completion.

(c) **Conditions Precedent**

Completion of the Mine Sale Agreement is conditional upon:

- (i) the Minister or their delegate giving FMR an indicative approval, being an approval under section 23 of the Mineral and Energy Resources (Common Provisions) Act 2014 (**MERCPC Act**), in respect of each tenement, and any conditions contained in the indicative approval being satisfactory to the Company, acting reasonably (**Indicative Approval**);
- (ii) the resolution of AIC Shareholders being approved for the issue of the Consideration Shares to FMR for all purposes (including for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 11.1.2 and approvals required to raise capital);
- (iii) the financiers, in respect of each equipment finance contract, consenting in writing to the assignment of the respective finance contract to the Company or to FMR paying out the equipment finance contract at or prior to Completion, and releasing FMR from any obligations arising after Completion under the equipment finance contracts;
- (iv) each party to certain contracts agreeing to novate, or otherwise transfer the benefit and burden, to the Company from completion or on terms which leave no residual liability for FMR following Completion (and otherwise on terms acceptable to FMR and AIC Copper, each acting reasonably) or entering into new arrangements on terms acceptable to AIC;
- (v) the Company conducting the Offer to which no less than the Minimum Subscription of \$30,000,000 is raised;
- (vi) FMR entering into a contract with a specified contractor for the provision of specified materials on terms acceptable to AIC Copper and the contractor agreeing, on terms and conditions acceptable to FMR and AIC Copper, to the assignment or novation of that contract to AIC Copper or AIC Copper and that

contractor entering into a contract for the provision of those materials which takes effect on Completion, on terms acceptable to AIC Copper;

- (vii) the Company re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the transaction and receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms reasonably acceptable to the Company;
- (viii) no less than 80% of FMR employees engaged at the Eloise Mine accepting AIC Copper's offer of employment and certain key employees entering into service agreements with AIC Copper, subject to Completion occurring;
- (ix) the schedules to the Corporate Services Agreement being agreed between FMR and AIC Copper; and
- (x) no material adverse change having occurred in relation to the business since the date of the Mine Sale Agreement.

The parties are required to use reasonable endeavours to satisfy the Conditions Precedent and keep the other party informed of any circumstances which may result in a Condition Precedent being unsatisfied.

(d) **Termination**

With respect to the rights of either party to terminate the agreement, certain Conditions Precedent are inserted for the benefit of FMR and/or the Company and may only be waived by agreement in writing between them. If these conditions are not fulfilled by the sunset date (being 31 December 2021) or another agreed date, if the party who has complied with the requirements of reasonable endeavours and certain specific obligations then the agreement may be terminated by notice before completion.

The Company may terminate the Mine Sale Agreement before Completion by notice if any warranty is found to be incorrect or misleading.

(e) **Conduct of Business Pending Completion**

From the date of the agreement to the earlier of Completion or termination of the Agreement, FMR must use reasonable endeavours to ensure that the business is conducted materially in the ordinary course and in the specified manner, which includes obligations to:

- (i) not cease to carry on the operation of the business;
- (ii) take reasonable measures to ensure the senior management of FMR keep the Company informed about the general state of operation of the business prior to completion;
- (iii) not without the consent of the Company (which shall not be unreasonably withheld) vary the terms of employment of employees;
- (iv) not without the written consent of the Company vary the terms or conditions of any contract, specified contract, equipment finance contract, or other statutory licence;
- (v) promptly notify the Company of any abnormal or unusual events with respect to the business or any event outside the ordinary course of business;
- (vi) either satisfy the expenditure requirements and rentals applicable to the tenements or, to the extent that they do not or will not satisfy the expenditure requirements applicable to any tenement, then apply for all exemptions from

expenditure requirements applicable to those tenements on a timely basis and in accordance with prudent mining tenement management practices and otherwise maintain the tenements in good standing;

- (vii) allow an individual nominated by the Company reasonable access to the Eloise Mine for the purpose of observing operations and familiarising themselves with the business.

(f) **Risk and Insurance**

FMR remains the owner of and bears all risk in connection with the business and assets before Completion, at which time title and risk passes to the Company. FMR must maintain insurance until the Completion date.

The Company accepts and assumes responsibility for all environmental liabilities arising under the terms and conditions of the tenements or environmental authorities or law with effect on and from Completion, and indemnifies and agrees to hold harmless FMR from all environmental liabilities suffered or incurred by FMR.

(g) **Employees**

Prior to the Completion date, AIC Copper must make an offer of employment to each FMR employee on terms no less favourable than the terms of employment with FMR.

(h) **Warranties**

The Company and AIC Copper agree to indemnify and warrant to FMR that:

- (i) they have the power to enter into and perform the agreement, they are not breaching or defaulting under another agreement or their own governance laws in doing so, and the agreement is valid and binding;
- (ii) there is no voluntary agreement with any creditors, nor are the Company or AIC Copper insolvent, nor will the Acquisition cause either to become insolvent;
- (iii) they understand the environmental liabilities. (In that regard, refer to environmental risk disclosure at Section 4.3(s));
- (iv) they have the financial and technical capabilities to comply with obligations owed under the agreement;
- (v) they are, or will prior to completion, be a "registered suitable operator" as required under environmental laws;
- (vi) the Company is not aware of any matters that could result in the Company being disqualified from being transferred the tenements;
- (vii) the Company has financial and technical capabilities as required by relevant government agencies;
- (viii) all information provided in relation to the Indicative Approval application is true and complete;
- (ix) the Consideration Shares will rank equally to the existing issued fully paid shares in the Company, and the issue of the Consideration Shares will not breach obligations binding on the Company or its members and are validly issued;
- (x) the Consideration Shares will, upon issue, comprise not less than 20% of the issued capital of AIC;

- (xi) except to the extent of any escrow requirement imposed by ASX, FMR will acquire good marketable and valid title to unencumbered Shares, which will be freely-tradeable subject to the terms of the agreement;
- (xii) the Consideration Shares are in a class of shares that are quoted securities or quoted on a financial market operated by ASX;
- (xiii) there has been no exemption under section 111AS or 111AT of the Corporations Act, no order under section 340 or 241 of the Corporations Act and no determination under section 708A(2) of the Corporations Act;
- (xiv) AIC complies with the ASX Listing Rules;
- (xv) except in relation to the transactions contemplated by the agreement and the capital raising, there is no excluded information in respect of the Company; and
- (xvi) none of AIC or its related bodies corporate are involved in any proceeding, investigation or dispute, other than a civil claim filed on 5 January 2018 in the Supreme Court of British Columbia by Christopher Anderson. (Refer to Section 8.10 for further information).

FMR warrants to the Company, relevantly, that:

- (i) it owns the assets and has the power to carry on the business, and enter into the agreement;
- (ii) it is not insolvent;
- (iii) it is the sole legal owner of the assets and the assets will be unencumbered at Completion, except for certain permitted encumbrances;
- (iv) the tenements are valid, subsisting and in good standing and they have not done anything which could cause the tenements to be cancelled or forfeited;
- (v) it has paid all tenement rents and rates and complied with all minimum expenditure conditions;
- (vi) no other party has any right to explore or mine for minerals on the tenement land;
- (vii) it has not received a notice of an act or omission which could cause the tenements to be cancelled or cause a term or condition to be amended or varied in a way that restricts enjoyment of the rights conferred by the tenements;
- (viii) there are no royalty agreements applicable to any tenement and the tenements are not subject to orders or notices issued by a government agency;
- (ix) there are no circumstances affecting the tenements which could adversely affect the rights of the Company;
- (x) there are no disputes, claims or circumstances known to FMR that may give rise to the same against or in relation to the tenements or rights granted under the agreement;
- (xi) it has complied with obligations and laws in respect of the tenements;
- (xii) each item of plant and equipment contained within the agreement is in the physical possession of FMR;

- (xiii) as far as FMR is aware, there are no proposals by any competent authority which would adversely affect the tenements;
- (xiv) it has complied with all contracts and arrangements entered into with respect to the assets and business, and as far as they are aware no other party to any contract is in default;
- (xv) all security held by FMR and included in the assets subject to the agreement are valid and enforceable by FMR against the provider of that security in accordance with the terms of the security;
- (xvi) it has obtained, maintained in force and complied in all material respects with, all approvals, licences, consents, authorities or permits required to conduct the business and to own, use, operate and receive the benefit of the assets;
- (xvii) it has maintained insurance in connection with the business and assets against all material risks in accordance with ordinary business practice; and the information provided by FMR in the agreement is accurate in all material respects and has been provided in good faith.

FMR makes no warranty or representation to the Company concerning the following:

- (i) any matter in connection with native title (including the determination of any registered native title claim or future native title claim, or the consequences of such a determination being made by consent or otherwise), or any matter in connection with heritage or sacred sites (or the determination of such sites) under any legislation or otherwise in respect of any of the tenements;
- (ii) the state of repair or maintenance or serviceability of any item of plant and equipment, or the ability of the plant and equipment to operate as an entire unit or the correspondence of any item of plant or equipment to the description in the agreement, or compliance with any requirements or applicable law concerning the use or operation of any plant and equipment, or the safety of any item of plant and equipment;
- (iii) the ability to operate or use the assets (or any part of them) as a going concern, or FMR's rights or the value of the rights in respect to the assets, or the financial return from the use of the assets, or costs, profit or similar forecasts with respect to the assets, or the sufficiency of the assets to run the business;
- (iv) whether or not the copper resources and reserves in or under the tenement can be feasibly and/or economically mined using any mining or production method;
- (v) the likelihood or otherwise of the tenement or any mining tenement being granted over the tenement being renewed;
- (vi) the regulation of the mining industry and other industries (and the relationship of such other industry regulation to the regulation of the mining industry);
- (vii) the principles to be applied by government agencies with respect to the regulation of the mining industry or any part of it and, in particular, matters affecting production, revenue, prices, royalties and charges and service levels; or
- (viii) the grant or non-grant of any consent or approval by any Government Agency.

(i) **Limitations of Liability**

If a claim is brought against FMR by a third party under or in connection to the agreement, or in connection with a claim by or liability to a third party then, the Company must cooperate with and take direction from FMR on the action and obtain consent from FMR before admitting liability or settling a claim.

The agreement expressly excludes liability for indirect and consequential loss or damage and imposes obligations for the parties to mitigate any loss or damage.

FMR will not be liable to the Company for any claim under or in relation to the agreement if:

- (i) the Company does not comply with the prescribed notice and/or third party claim requirements;
- (ii) the claim results from an act of the Company after Completion;
- (iii) the claim is the result of legislation not in force at the date of Completion;
- (iv) the claim arises from an increase in taxation after Completion;
- (v) the claim results from a change in accounting standards after Completion;
- (vi) the claim arises or is increased by an action taken or not taken by FMR in consultation with and with prior written approval of the Company;
- (vii) the provision has been made in the completion statement for the circumstances giving rise to the claim;
- (viii) the circumstances were properly and fairly disclosed to the Company; or
- (ix) except to the extent warranted, the claim relates to a forecast, forward looking statement made by FMR or its representatives.

FMR's liability for loss or damage is an aggregated amount of \$12,500,000, or if relating to unencumbered title in respect of the assets then the purchase price (including \$20,000,000 in relation to the AIC shares).

The Company may not make a claim for a breach of warranty under the terms of the agreement if the amount of the claim is less than \$250,000 unless and until the aggregate amount of claims made under the agreement exceeds \$1,000,000, and unless full details of the claim have been notified to FMR within 12 months from the Completion Date.

(j) **Default**

A default will arise under the agreement where:

- (i) a party fails to complete, other than as a result of default by the other party, which allows the non-defaulting party to issue a notice requiring Completion; and
- (ii) if the Completion is not subsequently carried out within the period specified in the notice, then the non-defaulting party may seek specific performance of the agreement or terminate and seek damages for the default.

(k) **Guarantee and indemnity**

The Company provided a guarantee for AIC Copper's compliance with obligations in connection with the agreement, including monetary obligations, and acknowledged that if AIC Copper does not comply then AIC will comply with the obligations on demand from FMR.

The terms of the guarantee are customary for an agreement of this nature.

(l) **Corporate Services Agreement**

On 24 August 2021, AIC Copper Pty Ltd (AIC's wholly-owned subsidiary), guaranteed by the Company, entered into the Corporate Services Agreement with FMR to pay FMR a fee for FMR to supply transitional support for:

- (i) management accounting including payroll and accounts payable;
- (ii) assisting with supervision and management of the concentrate offtake contract;
- (iii) copper pricing assistance;
- (iv) foreign exchange assistance;
- (v) liaison with the copper concentrate offtaker regarding timing of shipments;
- (vi) assay exchanges;
- (vii) assistance with procuring insurances;
- (viii) assistance with management of site human resource functions;
- (ix) provision of occupational health and safety document management software and services;
- (x) provision of information technology and enterprise resource planning software (Pronto) and services;
- (xi) oversight of mobile equipment and fixed plant maintenance;
- (xii) fleet management (i.e. rebuilds/capex);
- (xiii) assisting AIC with external audits to the extent audit enquiries relate to the services provided by FMR; and
- (xiv) any other new services that FMR and AIC agree are to be provided by FMR.

The Corporate Services Agreement continues until the later of the date which is 12 months from the Commencement Date (being the Completion of the Mine Sale Agreement) or if, by no later than 9 months after the Commencement Date (or such later date as agreed by FMR), AIC elects to continue receiving the Services beyond the date which is 12 months after the Commencement Date, the date which is three months after the date on which either AIC or FMR gives notice to the other that all services are to be discontinued.

(m) **Trafigura Agreement**

On 25 August 2021, the Company (via its wholly owned AIC Copper) entered into an exclusive offtake agreement with Trafigura Pte. Ltd. (**Trafigura**) pursuant to which the Company agreed to supply and sell 100% of all copper, gold and silver concentrate (**Concentrate**) produced from Eloise (**Offtake Agreement**). Trafigura is the incumbent offtaker for Eloise, and this new Offtake Agreement replaces the existing agreement in place with FMR subject to and with effect from completion of the Acquisition.

The Offtake Agreement contains terms and conditions that are considered standard for agreements of this nature. It adopts INCOTERMS 2010, contains customary force majeure provisions.

The purchase price of the Concentrate is calculated with reference to the London Metals Exchange (for copper) or the London Bullion Market Association (for silver and gold). Payments to the Company shall be less treatment charges and refining charges determined on industry standard benchmark rates.

Unless terminated earlier, the agreement will remain in full force and effect for the life of the Eloise mine. The Company has the right to terminate the agreement on a sale of the Eloise mine to a third party.

7.3 Company material contracts

(a) Marymia Project Joint Venture Agreements

The project comprises a mix of AIC 100%-owned tenements, as well as those of the Curara Well JV and Doolgunna JV. Collectively, the project comprises 35 exploration licences (34 granted and 1 application) and a single granted prospecting licence as follows:

Tenement	Status	AIC Interest	Registered Holder	Granted	Expiry	Area (km ²)
E52/2943	Granted	100%	AIC Resources Ltd	29/04/2015	29/04/2025	217.0
E52/2944	Granted	100%	AIC Resources Ltd	17/06/2017	17/06/2025	232.5
E52/2945	Granted	100%	AIC Resources Ltd	17/06/2017	17/06/2025	114.7
E52/2973	Granted	100%	AIC Resources Ltd	29/04/2015	29/04/2025	80.6
E52/3027	Granted	100%	AIC Resources Ltd	1/07/2015	1/07/2025	217.0
E52/3028	Granted	100%	AIC Resources Ltd	15/05/2015	15/05/2025	124.0
E52/3029	Granted	100%	AIC Resources Ltd	15/05/2015	15/05/2025	58.9
E52/3044	Granted	100%	AIC Resources Ltd	17/06/2015	17/06/2025	52.7
E52/3154	Granted	100%	AIC Resources Ltd	20/10/2015	20/10/2025	55.8
E52/3171	Granted	100%	AIC Resources Ltd	18/11/2015	18/11/2025	31.0
E52/3190	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	142.6
E52/3265	Granted	100%	AIC Resources Ltd	13/05/2016	13/05/2021	49.6
E52/3317	Granted	100%	AIC Resources Ltd	4/10/2016	4/10/2021	62.0
E52/3318	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	65.1
E52/3319	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	21.7
E52/3346	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	207.7
E52/3368	Granted	100%	AIC Resources Ltd	27/07/2016	27/07/2021	58.9

Tenement	Status	AIC Interest	Registered Holder	Granted	Expiry	Area (km ²)
E52/3397	Granted	100%	AIC Resources Ltd	23/03/2017	23/03/2022	102.3
E52/3455	Granted	100%	AIC Resources Ltd	16/08/2016	16/08/2021	127.1
E52/3622	Granted	100%	AIC Resources Ltd	20/12/2018	20/12/2023	3.1
E52/3623	Granted	100%	AIC Resources Ltd	18/09/2018	18/09/2023	3.1
E52/3624	Granted	100%	AIC Resources Ltd	18/09/2018	18/09/2023	3.1
E52/3648	Granted	100%	AIC Resources Ltd	6/04/2020	6/04/2025	139.5
E52/3721	Granted	100%	AIC Resources Ltd	14/02/2020	14/02/2025	142.6
E52/3743	Granted	100%	AIC Resources Ltd	11/09/2020	11/09/2025	31.0
E52/3768	Pending	100%	AIC Mines Ltd	-	-	40.3
E69/3247	Granted	100%	AIC Resources Ltd	5/06/2015	5/06/2025	294.5
P 52/1585	Granted	100%	AIC Resources Ltd	20/03/2019	20/05/2023	0.42
E52/3068	Granted	80%	Venus Metals Corp Ltd	5/01/2016	5/01/2026	37.2
E52/3069	Granted	80%	Venus Metals Corp Ltd	10/02/2016	10/02/2026	68.2
E52/3320	Granted	80%	Venus Metals Corp Ltd	20/12/2016	20/12/2021	6.2
E52/3486	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	27.9
E52/3487	Granted	80%	Venus Metals Corp Ltd	19/01/2018	19/01/2023	9.3
E52/3488	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	3.1
E52/3489	Granted	80%	Venus Metals Corp Ltd	15/05/2018	15/05/2023	3.1
E52/3031	Granted	Earning up to 80%	Ausgold Exploration Pty Ltd	4/02/2014	4/02/2024	117.8

Joint Venture - Doolgunna Project

In June 2018, the Company entered into an Exploration Farm-in and Joint Venture Agreement (**Ausgold Exploration FIJVA**) for the Doolgunna Project with Ausgold Exploration Pty Ltd (ASX:AUC) (**Ausgold**) which allows the Company to earn up to an

80% interest in tenement E52/3031 by spending a minimum of \$2.15 million over 2 years (**Doolgunna JV**).

Under the terms of the Agreement:

- (i) the Company has the right to earn up to an 80% interest in the Project by expending \$2,150,000 (**Commitment Expenditure**) over a term of two years commencing on the date the conditions precedent are satisfied (**Earning Period**);
- (ii) as at the date of this Prospectus, the Company has expended approximately \$835,000 and has not yet earned an interest in the Doolgunna Project;
- (iii) should the Company wish to withdraw from the farm-in prior to meeting the Commitment Expenditure, it is obliged to pay a cash consideration equal to the minimum annual expenditure required to keep E52/3031 in good standing less the actual expenditure incurred by the Company on E52/3031 for the year in which it elects to withdraw;
- (iv) upon the Company meeting the Commitment Expenditure, Ausgold can elect to either:
 - (A) transfer a 70% interest in E52/3031 to the Company and retain a 30% contributing interest in E52/3031 for itself; or
 - (B) transfer an 80% interest in E52/3031 to the Company and retain a 20% interest in E52/3031 for itself which will be a free-carried interest to a decision to mine (Sole-Funding Period);
- (v) with effect on and from the date of the election (summarised at point (iv) above), the Company and Ausgold will form an unincorporated joint venture for the purpose of exploration and development of E52/3031;
- (vi) during the Earning Period and, if applicable, the Sole-Funding Period, the Company must keep E52/3031 in good standing.

On 30 July 2019, by way of a side letter varying the Ausgold Exploration FIJVA, the parties agreed to extend the Earning Period from two years to four years. The Earning Period now expires on 4 June 2022.

Upon Ausgold making the election to transfer to the Company either the 70% interest or the 80% interest in E52/3031, an unincorporated joint venture will be formed between Ausgold and the Company.

The terms of the joint venture are dealt with in the Ausgold Exploration FIJVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a management committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of the Company and Ausgold in E52/3031.

The Ausgold Exploration FIJVA contains additional provisions, including various warranties in favour of the Company in respect of E52/3031, which are considered standard for agreements of this nature.

Joint Venture - Curara Well

On 18 September 2018, AIC Resources Limited (**AIC Resources**) (a wholly owned subsidiary of the Company) entered into a farm-in and joint venture agreement (**Curara Well JVA**) with Venus Metals Corporation Limited (**Venus Metals**). Venus Metals granted to AIC Resources the right to earn up to an 80% legal and beneficial interest in tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489 by expending A\$175,000 within two years. Venus Metals holds the remaining 20% interest and is free-carried through to a decision to mine. Having satisfied the expenditure requirements to earn in to tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489, an 80% legal interest in the tenements was transferred to AIC Resources and an unincorporated contractual joint venture formed between Venus Metals (20% interest) and AIC Resources (80% interest) (**Curara Well Joint Venture**).

The key terms of the Curara Well JVA are as follows:

- (i) AIC Resources was appointed as the initial manager of the Curara Well Joint Venture and is responsible for the following in managing, supervising and conducting joint venture activities:
 - (A) (**Proposed Programmes and Budgets**) prepare and submit to the management committee for approval, proposed programmes and budgets and all other estimates and reports required under the Curara Well JVA;
 - (B) (**Approved Programmes and Budgets**) carry out effectively and efficiently the work required to implement all approved programmes and budgets;
 - (C) (**tenders and contracts**) obtain, evaluate and accept quotes and tenders, and enter into, administer and enforce, as agent of the Curara Well Joint Venture participants, all contracts required for the performance of works and services necessary to undertake joint venture activities;
 - (D) (**Laws and authorisations**) comply with all laws and authorisations applicable to the conduct of joint venture activities;
 - (E) (**Tenements**) keep and renew the tenements in good standing (including paying all rents, taxes, expenditures and other outgoings), and manage, administer, protect and enforce the rights and obligations of the holders under the Tenements;
 - (F) (**statutory reports**) prepare, file and lodge all statutory reports as and when required under the Mining Act and any other applicable laws in respect of the area the subject of the tenements; and
 - (G) (**insurances**) effect and maintain all insurances appropriate in relation to joint venture property and joint venture activities, or as required by law.
- (ii) Venus' 20% interest in the Curara Well Joint Venture will be free carried through to a decision to mine.
- (iii) If a decision to mine is made, Venus may elect to contribute to all ongoing joint venture expenditure in accordance with its 20% interest, or elect to convert its 20% interest to a 1.5% net smelter return royalty. Venus and AIC Resources

have entered into a royalty deed in respect to this arrangement. For further information, please refer to the summary below.

The remaining terms of the Curara Well JVA are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a joint venture committee, the functions, rights, powers and duty of the manager and that joint venture costs and entitlements will be in proportion to the respective percentage interests of AIC Resources and Venus in the Curara Well Joint Venture.

By way of a deed of variation to the Curara Well JVA dated 22 December 2020 (**Deed**), Venus agreed to transfer to AIC Resources an 80% legal and beneficial interest in additional tenements: E52/3068 and E52/3486. Pursuant to the Deed, Venus and AIC Resources have agreed to enter into relevant assignment deeds for the applicable native title heritage agreements in respect to E52/3068 and E52/3486. Upon transfer of the 80% interest in E52/3068 and E52/3486 to AIC Resources, these tenements will form part of the Curara Well Joint Venture.

The impact to the Company is, once a decision to mine has been made, Venus can elect either to contribute to ongoing expenditure in proportion to its percentage interest or withdraw from the joint venture. If Venus withdraws from the joint venture, it will be entitled to receive a 1.5% net smelter return (**NSR**) royalty in respect of any production from the Curara Well joint venture tenements.

The Curara JV continues until the earliest of the following occur:

- this joint venture agreement is terminated by mutual agreement between the parties;
- all of the tenements have either been relinquished or have expired;
- AIC Resources or Venus cease to hold any interest in the tenements; or
- AIC Resources or Venus holds a 100% joint venture interest (including where either (as applicable) withdraws, or is deemed to have withdrawn, from the joint venture pursuant to the terms of this Agreement.

Royalty Deed - Curara Well

On 17 August 2020 the Company entered into a royalty agreement with Venus granting Venus the right to a royalty of 1.5% of net smelter returns from all revenue received by the Company through the sale of all mineral or metallic product extracted from tenements the subject of the Curara JV (Royalty Deed). The Royalty Deed continues for the full term of the tenements.

The terms and conditions of the Royalty Deed are standard for its type and expressly incorporates terms in reference to customary good mining and metallurgical practice in Australia.

Any sales to the Company's related entities are considered revenue for the purpose of calculating royalty payments. Additionally, any material derived from the tenements that are disposed of without sale are subject to royalty calculations as agreed by the Company and Venus.

Venus has no legal or equitable interest in the tenements, but pursuant to the Mining Act, has a right to register a caveat to protect its royalty interest. The Company is not under any positive obligation to explore, develop or mine any of the tenements.

If the Company intends to relinquish any subject tenements (in whole or part), Venus has the option to acquire them without further consideration. The Company's obligation to make royalty payments on relinquished or transferred tenements is then extinguished, including in respect of any tenements the Company is required by law to relinquish or surrender (in whole or part) which are not capable of being conveyed to Venus. If all tenements are relinquished, surrendered or conveyed, the Royalty Deed terminates entirely.

The Company may not sell or assign its rights or interest in all or part of the tenements (other than to a related body corporate), except by encumbrance (which is expressly subject to the royalty), by sale of products in the ordinary course of business, or by the express prior consent of Venus. Venus may assign or deal with its rights (in whole or part) under the Royalty Deed; however if it wishes to sell or assign its rights, it must first offer to sell the whole of its available interest to the Company for cash consideration.

(b) **Lamil Project Joint Venture Agreements**

On or around 22 July 2019, the Company entered into the Lamil Project Earn-In and Joint Venture Agreement (**Lamil EIJVA**) with Rumble Resources Limited (**'Rumble Resources'**), under which, the Company has the right to earn up to an 65% interest in E45/5270 and E45/5271 over two stages. The first stage gives the Company a right to earn up to a 50% interest in E45/5270 and E45/5271, following which, an unincorporated joint venture will be formed with Rumble Resources. The second stage gives the Company a right to earn an additional 15% interest in E45/5270 and E45/5271 (being a total of a 65% interest).

As at the date of this Prospectus, the Company has expended approximately \$4,166,000 and not yet earned an interest in the Lamil Project.

The key terms of the Lamil EIJVA are as follows:

- (i) **(Earn-In Period)**: The period in which the Company may earn in the initial 50% Percentage Share is 4 years commencing 13 August 2019.
- (ii) **(Withdrawal and Minimum Expenditure Commitment)**: The Company may withdraw from the earn-in within 2 years commencing on the date that all conditions precedent are satisfied, provided it has expended \$2,000,000 (**Minimum Expenditure Commitment**) or paid to Rumble Resources any shortfall between the amount of expenditure funded to the date of withdrawal and the Minimum Expenditure Commitment.
- (iii) **(Stage 1 Earn-In)**: The Company may earn a 50% interest in E45/5270 and E45/5271 by expending at least \$6,000,000 (**Stage 1 Expenditure Requirement**) on exploration within 4 years of the date that all conditions precedent are satisfied. Upon completion of the Stage 1 Earn-In:
 - (A) the Company will have earned a 50% interest in both E45/5270 and E45/5271 (with Rumble holding the remaining 50% interest in these tenements); and
 - (B) an unincorporated joint venture will be formed between Rumble Resources and the Company.
- (iv) **(Stage 2 Earn-In)**: Subject to the Company completing the Stage 1 Earn-In and electing to proceed with the Stage 2 Earn-In (**Stage 2 Election**) and Rumble Resources electing not to contribute to the activities of the Project, the Company

may earn a further 15% interest in E45/5270 and E45/5271 by sole funding at least \$4,000,000 (**Stage 2 Expenditure Requirement**) within 1 year after the Company notifies Rumble Resources of the Stage 2 Election.

The terms of the unincorporated joint venture are dealt with in the Lamil EIJVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a joint venture committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of the Company and Rumble Resources in E45/5270 and E45/5271 (except in respect to the Stage 2 Expenditure Requirement, which is to be sole funded by the Company, per item (iv) above).

If Rumble Resources' percentage share in the joint venture dilutes to less than 10%, then Rumble will be deemed to have withdrawn from the joint venture and to have converted its joint venture interest to a 1.25% net smelter return royalty with respect to any minerals (as that term is defined in the Mining Act) produced from the E45/5270 and E45/5271. The Company and Rumble will negotiate in good faith the terms of a formal royalty deed to give effect to the royalty.

(c) **Joint Lead Manager Mandate**

The Company has entered into a mandate with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd (together **Joint Lead Managers**) who will assist AIC through the provision of capital raising services to assist AIC to meet its equity funding requirements with respect to the acquisition of the Eloise Mine from FMR Investments Pty Ltd.

The Joint Lead Managers will receive the following fees:

- (i) a management fee of 1.5% (plus GST) of gross proceeds raised pursuant to the Offer;
- (ii) a selling fee of 4.0% (plus GST) of gross proceeds raised pursuant to the Offer less Contributed Proceeds;
- (iii) a selling fee of 2.0% (plus GST) of Contributed Proceeds.

"Contributed Proceeds" refers to the gross amount received under the Offer from the following Substantial Shareholders of AIC:

- (i) Nordana Pty Ltd;
- (ii) El-Raghy Kriewaldt Pty Ltd;
- (iii) Brahman Pure Alpha Pte Ltd;
- (iv) Brahman Capital Management Pte Ltd; and
- (v) Gold Elegant (HK) Investment Limited.

In addition, the Company will pay Canaccord a corporate advisory fee equal to 0.5% (plus GST) of gross proceeds (capped at \$150,000).

AIC will reimburse the Joint Lead Managers for reasonable out of pocket expenses incurred in connection with the Offer including legal fees (up to a maximum of \$15,000),

marketing and communication costs, printing couriers, postage and distribution costs and travel and accommodation costs.

The Joint Lead Managers are not underwriting the Offer nor committing to subscribe for Shares.

8. Additional Information

8.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Subject to the rights of any preference Shares, the Directors may declare a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each member entitled to that dividend. The Directors may rescind or alter such declaration before the payment is made. No dividend carries interest against the Company.

The Directors may also resolve a dividend be satisfied by a distribution of specific assets, provide Shareholders the right to participate in a dividend reinvestment plan or capitalise the reserves and profits of the Company.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

If permitted by the Listing Rules, the Company may refuse to register a transfer of Shares and must refuse to register a transfer, where the transfer would result in a breach of the Listing Rules or a Restriction Agreement.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the

minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid-up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.2 Terms and conditions of Performance Incentives

The terms and conditions of the Company's Equity Participation Plan (**Plan**) are summarised below.

Invitations and Award

The Board has absolute discretion to issue invitations to eligible persons in a form determined by the Board. Invitations may be made by the Board on a differential basis to different eligible persons. Acceptance of invitations will be in accordance with any instructions accompanying the invitation and the Board may at any time up until the award of incentives (i.e. an option or conditional right to acquire a share) refuse the participation of an eligible person where that person ceases to satisfy any condition imposed by the Board. No invitations will be made where the potential award of incentives would result in the Company exceeding the maximum permitted under any instrument of relief issued by ASIC.

The Board will grant the number of incentives and/or allocate the number of Shares to each participant set out in the invitation, as accepted by the participant. Participants do not pay for such awards. An eligible person has no entitlement to be awarded any incentives unless and until they are awarded, and has no interest in Shares unless and until they are allocated. An incentive does not confer on a participant the right to participate in the issue of new Shares by the Company.

An allocation of Shares to a participant who is a director of the Company must be satisfied by Shares that have been purchased on-market, unless no shareholder approval is required under the ASX listing rules or Shareholders have approved the director's participation to the extent required under those rules. All Shares allocated to a participant under the Plan rank equally with other Shares and the Company will apply for official quotation of those shares on each stock exchange on which the Shares are quoted.

Vesting and Exercise of Incentives

Incentives will only vest where and to the extent that any performance conditions have been satisfied and any additional terms specified in the invitation have been satisfied. The Board has discretion, taking certain matters into account, to determine that vesting some or all of the incentives is not justifiable or supportable, in which case the incentive will lapse.

Incentives may only be exercised to the extent they have vested. The exercise of any incentive will be effected in the form and manner determined by the Board, and is to be accompanied by payment of the relevant exercise price (if any). The vesting and exercise of an incentive will be satisfied by the Company, at the Board's discretion by either allocating a Share to the participant or making a cash payment in lieu of an allocation of Shares and delivering any payment that the participant becomes entitled to. The Board may determine, prior to making an award, that the vesting and exercise of incentives will only be satisfied through an allocation of Shares to the participant.

The Board may determine at the time an invitation is made that a participant who becomes entitled to an allocation of Shares (or equivalent cash amount) following vesting or exercise of incentives will also receive a 'dividend equivalent payment', to be delivered as soon as reasonably practicable following the allocation of the Shares (or payment of the equivalent cash amount).

An incentive will lapse upon the earliest to occur of 15 years after the date on which the incentive was granted to the participant, or any other date nominated as the expiry date in the invitation, or on the failure to meet a performance condition, or subject to the terms of the invitation, the receipt by the Company of a notice in writing from a participant to the effect that the participant has elected to surrender the incentive.

Incentives are not transferable, do not have voting rights attached, do not confer an entitlement to a dividend or any right to a return of capital, do not confer any right to participate in the surplus profits or assets of the Company in a winding up event and do not confer any right to participate in new issues of securities.

Restrictions on Dealings

Any dealing in respect of the incentive is prohibited unless the dealing is with the consent of the Board or occurs by force of law. Any prohibited dealings will result in the incentive lapsing. Participants must not grant any security interest in or over, or otherwise deal with any incentive or interest in that incentive until the relevant Shares are allocated to that participant.

The Board has discretion to impose restrictions on dealings in respect of any Shares that are allocated, and may implement any procedure it considers appropriate to enforce restrictions.

Cessation of Employment

The Board has discretion to determine that some or all of a participants incentives or Shares have lapsed, are forfeited, vest, are no longer exercisable for a prescribed period and will lapse or are no longer subject to conditions previously applied as a result of a participant ceasing to be an employee of the group.

Where a participant owes money to a group company, the Board may, in respect of any incentives awarded to the participant, prevent the exercise of some or all of the incentives, determine that the incentives lapse or reduce the number of incentives which vest.

Preventing Inappropriate Benefits

The Board has discretion to determine whether Shares or incentives are lapsed or forfeited or the Company should be reimbursed in circumstances where there is fraud, dishonesty, misstatements or omissions in respect of financial statements or any other circumstance that the Board determines in good faith to have resulted in an unfair benefit to a participant.

Takeovers, Reconstructions and Winding Up

Where a control event occurs (e.g. change of control) the Board may determine that all or a specified number of a participant incentives vest, cease to be subject to dealing restrictions, lapse or be cancelled.

Forfeiture of Shares

Where Shares are forfeited in accordance with the Plan or the terms of an invitation, the participant is deemed to have agreed to dispose of their beneficial interest in the Shares for no consideration and the Shares will be transferred into the name of the Company's nominee. Where forfeited Shares are held by a trustee, the participant's rights in the Shares will be extinguished for no consideration. Where Shares are

forfeited in accordance with the rules of the Plan, the Company will repay any exercise price paid in relation to the Shares.

Variation of Awards

The Board may make adjustments, subject to the ASX listing rules and the Plan, as it considers appropriate, to the exercise price, the number of Shares and the terms of a performance condition in the event that there are certain variations in the share capital of the Company or, as applicable, where a term of the performance condition is no longer measurable or meaningful. The Board will give notice in writing of any variation.

General

The Plan will be administered by the Board who has a wide range of powers in this respect, including suspension or termination of the Plan in certain circumstances. The Plan may be amended by resolution of the Shareholders and any amendment to the Plan is subject to the ASX Listing Rules.

The Board may determine that incentives vest, will be settled by cash in lieu of Shares or any other treatment it sees fit, including where a participant is transferred to work overseas and continues to hold office or employment with the group. This will apply in circumstances of tax disadvantages, where the Company would be restricted in its ability to vest incentives or allocate Shares to a participant, or where the participant would become subject to restrictions on their ability to deal with the incentives or Shares. Additional rules may be adopted for non-Australian residents.

The Company will pay all costs and expenses in relation to the establishment, implementation and administration of the Plan. Each participant appoints the company secretary of the Company as their agent to do anything necessary to allocate Shares to the participant, effect a forfeiture of Shares or to execute share transfers.

If an error is made in providing an incentive or Share allocation, the mistaken recipient has no rights or interests in respect of the incentive or Shares and the Company may take whatever steps it deems reasonably necessary to seek repayment.

Any disputes arising under the Plan will be referred to the Board, and its decision is final and binding. The Plan and the rights of eligible persons and participants under the Plan, are governed by the laws in force in the state of Western Australia.

The Company has a total of 7,150,000 Performance Incentives on issue, only 4,000,000 of which are vested as at the date of this Prospectus, as detailed below.

Number	Vesting Term	Vesting Condition	Vesting Status	Holder
2,000,000	11 February 2021	AIC 60-day VWAP is \$0.30 or more	Vested 3 August 2019	A Colleran
2,000,000	11 February 2022	AIC 60-day VWAP is \$0.40 or more	Vested 26 August 2019	A Colleran
250,000	4 October 2022	AIC 60-day VWAP is \$0.60 or more	Unvested	M Fallon
2,000,000	11 February 2023	AIC 60-day VWAP is \$0.60 or more	Unvested	A Colleran

650,000	1 December 2023	AIC 60-day VWAP is \$0.60 or more	Unvested	A Colleran (500,000) M Fallon (100,000) M Eisenlohr (50,000)
250,000	30 July 2024	AIC 60-day VWAP is \$0.60 or more	Unvested	M Taylor

All Performance Incentives have been issued under the Plan (adopted and approved by Shareholders on 31 May 2019). The Performance Incentives are 'performance securities' for the purpose of the ASX Listing Rules, with each incentive:

- (a) vesting at any time within the Vesting Term when the Vesting Condition is met (or lapsing); and
- (b) exercisable into one Share.

The Performance Incentives are granted at no cost and no amount is payable upon exercise.

8.3 Substantial Shareholders

At the date of this Prospectus, the following Shareholders hold an interest in 5% or more of the Shares on issue.

Name	Shares	Percentage of Issued Shares
Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy	13,174,710	19.2
Brahman Pure Alpha Pte Ltd and Brahman Capital Pte Ltd	5,347,615	7.8
Gold Elegant (HK) Investment Limited	4,100,001	6.0

Based on the information known as at the date of this Prospectus, upon re-admission of the Company to the Official List, the following persons will have an interest in 5% or more of the Shares on issue.

Name	Shares	Percentage of Issued Shares	
		Minimum Subscription	Maximum Subscription
Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy ¹	38,174,710	14.2	12.4
FMR	80,250,000	29.9	26.0

Notes

- As at the date of this Prospectus, Mr Josef El-Raghy, via his nominee El-Raghy Kriewaldt Pty Ltd, intends to subscribe for up to 25,000,000 Shares under the General Offer.

8.4 Dividend Policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growth of AIC following completion of the Acquisition. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

8.5 Interests of experts and advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Share Registry

Computershare Investor Services Pty Limited has been appointed to conduct the Company's Share Registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions.

(c) Auditor to the Company

Ernst & Young is the auditor of the Company. The Company has paid Ernst & Young fees of approximately \$177,468 (excluding GST) during the 24 months preceding lodgement of this Prospectus for services unrelated to the Offers.

(d) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this Prospectus. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$30,000 (excluding GST) for these services.

The Company engaged BDO Corporate Finance (WA) Pty Ltd to prepare an Independent Expert Report in relation to the Acquisition, (the Consideration Offer) and the Offer. This report was sent to Shareholders as part of the notice materials for the Shareholder meeting. The Company paid BDO Corporate Finance (WA) Pty Ltd a total of \$95,893 (excluding GST) for these services.

(e) Legal Advisers

HWL Ebsworth Lawyers (Brisbane) has acted as the solicitors to the Company in relation to the Offers, the Acquisition and the General Meeting. The Company estimates it will pay HWL Ebsworth Lawyers \$244,000 (excluding GST) for these services. The Company has paid HWL Ebsworth Lawyers fees of approximately \$14,045 (excluding GST) during the 24 months preceding lodgement of this Prospectus with ASIC for services unrelated to the Offers. The Company has not paid HWL Ebsworth Lawyers any other fees during the 24 months preceding lodgement of this Prospectus with ASIC other than as set out in this Section and Section 8.5(g).

(f) Joint Lead Manager

Canaccord and Argonaut are acting as the joint lead managers to the Offer and for this are entitled to be paid fees in accordance with the Joint Lead Manager Mandate Agreement summarised in Section 7.3(c).

The Company has not paid any fees to Canaccord during the 24 months preceding lodgement of this Prospectus with ASIC.

The Company has paid total fees to Argonaut of approximately \$239,584 (excluding GST) during the 24 months preceding lodgement of this Prospectus with ASIC for services unrelated to the Offers. These fees paid to Argonaut include fees related to an equity capital raising completed in July 2020 of \$219,244 (excluding GST) and brokerage of \$20,340 (excluding GST) related to the sale of ASX-listed investments held by the Company during the 24 months preceding lodgement of this Prospectus with ASIC.

(g) Solicitor Reports

HWL Ebsworth Lawyers (Perth) has prepared the Solicitors Reports on Tenements in Annexure B at the request of the Company. The Company estimates it will pay HWL Ebsworth Lawyers a total of \$20,000 (excluding GST) for these services. The Company has not paid HWL Ebsworth Lawyers any other fees during the 24 months preceding lodgement of this Prospectus with ASIC other than as set out in this Section and Section 8.5(e).

8.6 Consents

(a) General

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, the Proposed Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- (i) does not make the Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry to the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry.

(c) Auditor to the Company

Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

(d) Legal Adviser

HWL Ebsworth has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as legal adviser to the Company in the form and context in which it is named.

(e) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(f) Joint Lead Managers

Canaccord Genuity (Australia) Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer in the form and context in which it is named, together with all references to it in this Prospectus.

Argonaut Securities Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer in the form and context in which it is named, together with all references to it in this Prospectus.

(g) Tenement Report Author

HWL Ebsworth Lawyers has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in the Prospectus as the author of the Solicitors Report on Tenements in the form and context in which it is named and has

given and not withdrawn its consent to the inclusion of the Solicitors Report on Tenements in the form and context in which it is included.

8.7 Expenses of the Offers

The expenses of the Offers (excluding GST) are estimated to be approximately \$2,600,000 (on a Maximum Subscription basis) and are expected to be applied towards the items set out in the table below.

Items of expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
Joint Lead Manager fees	1,600,000	2,200,000
Legal fees (including Solicitors Report on Tenements and Overseas Investors)	244,000	244,000
Accounting and Independent Limited Assurance Report	30,000	30,000
ASIC fees	3,200	3,200
ASX fees	131,000	139,000
Other expenses	10,000	10,000
Total estimated expenses	2,009,200	2,617,200

8.8 ASX waivers

The Company has obtained the following Listing Rule waivers from ASX:

- (a) A waiver from ASX Listing Rule 10.3.5 to the extent necessary to permit the issue of the Shares to Directors under the General Offer (**Related Party Shares**) (if Shareholders approve that participation at the General Meeting), to allow the issue of those Shares to be made no later than 3 months after the date on which Shareholders approve the issue of those Shares. Without this waiver, the Shareholder approval obtained for the purposes of ASX Listing Rule 10.11 would only permit the issue of the Related Party Shares within a timeframe of one month, which may be insufficient to enable AIC to complete the Eloise Acquisition.

ASX agreed to grant the waiver on the condition that this Prospectus clearly state that the Related Party Shares must be issued no later than 3 months after the date of the Meeting, and the terms of the waiver are included in the Prospectus in respect of the Offer.

8.9 Continuous disclosure obligations

As the Company is admitted to the Official List of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.10 **Litigation**

As at the date of this Prospectus, there is litigation whereby the Company (the action is filed against Intrepid Mines Ltd the former name of the Company) agreed to sell their ownership of 1,000,000 shares in New Nadina Explorations Limited (**NNA**) at C\$0.045 per share in October 2017 to Christopher Anderson (**Anderson**). NNA's share price increased significantly immediately after the agreement. The share price subsequently declined and the Company completed the sale in March 2018.

Anderson has pursued a claim against the Company on the basis that they failed to fulfil their obligations under the share sale agreement given delays in completing the sale. The Company is defending the claim and has also filed counter claims against NNA and its CEO in relation to their conduct surrounding the agreement. Anderson has not stipulated the amount of his claim in Court filings.

A trial is anticipated to commence 21 January 2022. This litigation is in the Supreme Court of British Columbia.

8.11 **Electronic Prospectus**

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.12 **Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 8.6.

8.13 **Statement of Directors**

The Directors and Proposed Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

9. Directors' Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.



Josef El-Raghy

Non-Executive Chairman

10. Definitions

\$	means Australian Dollars.
AEDT	means Australian Eastern Daylight-savings Time.
Acquisition	means the acquisition of the Eloise Assets (including the Eloise Mine and Eloise Business) in accordance with the Mine Sale Agreement.
AIC Copper	means AIC Copper Pty Ltd (ACN 651 088 256), a wholly owned subsidiary of the Company.
Applicant	means a person who submits an Application Form.
Application Form	means the General Offer Application Form, the Priority Allocation Application Form and the Consideration Offer Application Form, as the context requires.
Application Monies	means the amount of money in dollars and cents payable for Shares at the Offer Price per Share pursuant to the Offer. No application monies will be payable pursuant to the Consideration Offer.
Argonaut	means Argonaut Securities Pty Ltd (ACN 108 330 650).
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX Settlement	means ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	means the settlement and operating rules of ASX Settlement.
ASX Waivers	means any waivers, confirmations and approvals required to be obtained by the Company, or agreed by the Company to be obtained by the Company, from ASX to enable it to conduct the Offer in compliance with the Listing Rules.
Board	means the board of Directors.
Broker Firm Application Form	means the application form supplied by a broker pursuant to a Broker Firm Offer, to an Applicant.
Broker Firm Offer	means an offer open to persons who have received a firm allocation from a Joint Lead Manager and who have a registered address in Australia or otherwise fall within the exemptions of an eligible jurisdiction as listed in Section 2.16.
Business Day	means Monday to Friday except for any day that ASX declares is not a business day.

Canaccord	means Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Capital Raising	means the Offer to raise not less than \$30,000,000 and up to \$40,000,000.
Capital Raising Condition Precedent	means the Mine Sale Agreement condition precedent requiring the Company to conduct the Offer to raise not less than \$30,000,000.
CHESS	means the Clearing House Electronic Sub-register System operated by ASX Settlement.
Closing Date	means the date that the Offers close which is 5.00pm (AEDT) on 25 October 2021 or such other time and date as the Board determines.
Company or AIC	means AIC Mines Limited (ACN 060 156 452).
Completion	means completion of the Acquisition in accordance with the Mine Sale Agreement.
Conditions Precedent	means the conditions precedent contained in the Mine Sale Agreement as set out in Section 7.2.
Conditional Reinstatement Letter	means a letter from the ASX setting out that the Company's securities will be reinstated to official quotation subject to the satisfaction of certain conditions.
Consideration Offer	means the offer of the Consideration Shares to FMR (or its nominees) under this Prospectus.
Consideration Offer Application Form	means the Application Form in respect of the Consideration Offer.
Consideration Shares	means 80,000,000 Shares to be issued to FMR (or its nominees) pursuant to the Mine Sale Agreement
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporate Services Agreement	means the transitions services agreement to be entered into between AIC Copper and FMR, as described in Section 7.2(I)).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
dmt	means dry metric tonne.
Date of this Prospectus	means 27 September 2021.
Director	means a director of the Company.
Eligible Shareholders	means Minority Shareholders of the Company with a registered address in Australia, France (but only those shareholders who are "qualified investors" as defined in the Article 2(e) of the EU

	Prospectus Regulation), Germany, Hong Kong, Liechtenstein, Malaysia (but only those shareholders who are persons prescribed under Schedules 6 and 7 of the Malaysian Capital Markets and Services Act), New Zealand, Singapore, Spain, Switzerland or the United Kingdom, on the Record Date.
Eloise or Eloise Mine	means the underground copper mine known as "Eloise Mine" owned by FMR, operated on the tenement land pursuant to the tenements and located in Queensland, Australia.
Eloise Assets	means the Eloise Mine, and related business and assets, as further described at paragraph 1.1 of 'The Acquisition' in Section 1 of this Prospectus.
Eloise Business	means the business relating to Eloise presently carried on in Queensland by FMR.
Equity Security	has the same meaning as in the Listing Rules.
Essential Resolutions	means the resolutions proposed at the General Meeting in respect of the matters described at Section 1.3 of this Prospectus, other than in respect of the related party participation in the Offer (such resolutions being non-essential to the Acquisition proceedings).
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union
Existing Projects	means the Marymia Project and the Lamil Project, each described at Sections 3.3 and 3.4 respectively.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
FMR Trust Auditor	means HLB Mann Judd (WA Partnership) (ABN 22193232714).
General Offer	means the general offer of up to 140,000,000 Shares at the Offer Price pursuant to this Prospectus to raise up to \$35,000,000 before costs.
General Offer Application Form	means the Application Form in respect of the General Offer.
General Meeting or Meeting	means the General Meeting of Shareholders to be held on Monday 25 October 2021 at 11am (WST).
Governmental Agency	includes: <ul style="list-style-type: none"> (a) ASIC; (b) any government in any jurisdiction, whether federal, state, territorial or local; (c) any governmental, semi-governmental, administrative, judicial or quasi-judicial body, minister, department, office, commission, delegate, instrumentality, agency,

board, authority, tribunal, agency or other organisation or entity; and

- (d) any non-government regulatory authority, including ASX.

Inventory	has the meaning given in the Mine Sale Agreement and includes stock in trade (including fuel, reagents, mill stores, mining stores and engineering stores) in use or intended for use in connection with the Eloise Business, and items owned by FMR which are in transit to FMR, but excluding concentrate and other finished product inventory produced before a time fixed at or around Completion.
Investigating Accountant	means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Joint Lead Managers	means Canaccord and Argonaut.
Joint Lead Manager Mandate	has the meaning given in Section 7.3(c).
Listing Rules	means the listing rules of ASX.
Material Adverse Change	<p>means any change, effect, event, circumstance, occurrence or state of facts that has had, or is reasonably likely to have, a material adverse effect on:</p> <ul style="list-style-type: none">(a) the condition (financial or otherwise) of the Eloise Business;(b) the financial results or operations of the Eloise Business; or(c) the value of the Eloise Assets, <p>but excludes any change, effect, event, circumstance, occurrence or state of facts arising directly or indirectly in connection with:</p> <ul style="list-style-type: none">(a) any matter that is fairly disclosed in the disclosure material in the Mine Sale Agreement;(b) changes in general economic or political conditions (including as a result of pandemics), commodity prices, the securities market in general or law or governmental policy;(c) changes in taxation, interest rates or exchange rates; or

	(d) changes in generally accepted accounting principles or the interpretation of them; or
	(e) the negotiation, execution, public announcement or performance of the Mine Sale Agreement, or the impact of any of the foregoing on the agreements, arrangements or relationships with customers, lenders, suppliers, employees or other persons (including any resultant termination or threatened termination of an arrangement or contract as a result of the transactions contemplated by the Mine Sale Agreement).
Maximum Subscription	means the raising of \$40,000,000 by the acceptance of applications for 160,000,000 Shares at \$0.25 each pursuant to the Offer.
Minimum Subscription	means the raising of \$30,000,000 by the acceptance of applications for 120,000,000 Shares at \$0.25 each pursuant to the Offer.
Mining Act	means the Mineral Resources Act 1989 (Qld) and if the context requires includes the Mineral and Energy Resources (Common Provisions) Act 2014 (Qld).
Minority Shareholder	means any Shareholder who is not a Substantial Shareholder.
Offer Price	means \$0.25 per Share under the Offer.
Offers	means the General Offer (including the Broker Firm Offer), the Priority Allocation and the Consideration Offer.
Official List	means the official list of ASX.
Opening Date	means the first date for receipt of completed Application Forms under the Offers, being 7 October 2021.
Option	means an option to acquire a Share.
Performance Incentives	means the 7,150,000 Performance Incentives which have been issued to Mr Aaron Colleran and other employees on the terms and conditions set out in Section 8.2.
Plan	means the Company's Equity Participation Plan on the terms set out in Section 8.2.
Priority Allocation	means the offer made to Minority Shareholders for an allocation of Shares, as further described at Section 2.1(b).
Priority Allocation Application Form	means the application form for Priority Allocation supplied to an Applicant.
Proposed Director	means Jonathan (Jon) Young.
Prospectus	means this Prospectus dated 27 September 2021.

Publication	means any media statements, announcements, advertisements, publicity or other materials relating to the Offer or the Company
Record Date	27 September 2021.
Reinstatement	means reinstatement of the Shares to quotation on ASX, following the Company satisfying the requirements set out in Chapters 1 and 2 of the Listing Rules.
Related Body Corporate	has the meaning given in section 9 of the Corporations Act.
Restriction Agreement	means a restriction agreement in accordance with the Listing Rules to be entered into by a security holder of the Company.
Section	means a section of this Prospectus.
Securities	means Shares and Performance Incentives.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Computershare Investor Services Pty Limited (ACN 078 279 277).
Shareholder	means a holder of one or more Shares.
Substantial Shareholder	means Gold Elegant (HK) Investment Limited, Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd and Nordana Pty Ltd, El-Raghy Kriewaldt Pty Ltd and Mr Josef El-Raghy.
SRK Report	means the independent specialist technical report prepared by SRK Consulting Limited and which is incorporated by reference in this Prospectus in Section 3.5.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Annexure A Independent Limited Assurance Report



AIC MINES LIMITED
Independent Limited Assurance Report

27 September 2021

27 September 2021

The Directors
AIC Mines Limited
A8, 435 Roberts Road
Subiaco WA 6008

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by AIC Mines Limited (**'AIC'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of AIC, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 160,000,000 Shares at an issue price of \$0.25 each to raise up to \$40,000,000 before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 120,000,000 Shares to raise \$30,000,000 before costs and comprises:

- a priority offer for up to 20,000,000 Shares at an issue price of \$0.25 each to raise up to \$5 million (before costs) from eligible AIC shareholders (**'Priority Offer'**); and
- a general offer to the public for up to 140,000,000 Shares at an issue price of \$0.25 each to raise up to \$35 million (before costs), including any potential shortfall from the Priority Offer (**'General Offer'**). Part of the Shares available under the General Offer is allocated to persons who have received firm allocation from their broker (**'Broker Firm Offer'**). Shares available under the Broker Firm Offer form part of (and are not additional to) the 140,000,000 Shares available under the General Offer.

The Offer is not underwritten and AIC has entered into a mandate with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd (collectively **'the Joint Lead Managers'**) who have agreed to act as Joint Lead Managers to the Offer. Further details on the Offer are outlined in Section 2.1 of the Prospectus.

Completion of the Offer is a condition precedent to the proposed acquisition of the Eloise Copper Mine based in Queensland (**'the Eloise Mine'**) from FMR Investments Pty Ltd (**'FMR'**) (**'the Acquisition'**), as announced on 31 August 2021. The consideration for the Acquisition is up to \$27 million (subject to certain inventory adjustments on closing) and comprises:

- \$5 million cash payment due on completion ('**Eloise Completion Payment**');
- 80,000,000 Shares in AIC issued to FMR (or its nominees) at \$0.25 each for the value of \$20 million due on completion ('**Consideration Shares**'). The offer of the Consideration Shares to FMR (or its nominees) is also included in the Prospectus as '**the Consideration Offer**'; and
- \$2 million contingent payment that is payable six months after completion if within that six-month period the Eloise Mine produces 20,000 dry metric tonnes of copper concentrate ('**Eloise Contingent Payment**').

Further details of the Acquisition, including the conditions precedent to its completion, are contained in Section 1.1 of the Prospectus.

The Offer (comprising the Priority Offer, the General Offer and the Broker Firm Offer) and the Consideration Offer are collectively referred to as '**the Offers**'.

Following completion of the Offers and the Acquisition, FMR will have an interest in the Company of up to a maximum of 29.9%. FMR will also have the right to nominate a director to the Company and has nominated Mr Jonathan Young.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('**BDO**') holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide ('**FSG**') has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the '**Historical Financial Information**') included in the Prospectus:

- AIC's Statement of Financial Position as at 30 June 2021, AIC's historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 December 2019 and 31 December 2020 and AIC's historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half-years ended 30 June 2020 and 30 June 2021; and
- The Eloise Mine's historical Statement of Financial Position as at 30 June 2020 and 30 June 2021, and the Eloise Mine's historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 30 June 2020 and 30 June 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The Historical Financial Information for AIC has been extracted from the financial reports of AIC for the half-years ended 30 June 2020 and 30 June 2021, which were reviewed by Ernst & Young LLP ('EY'), and the financial reports of AIC for the years ended 31 December 2019 and 31 December 2020, which were audited by EY in accordance with the Australian Auditing Standards. EY issued an unmodified audit and review opinion on each of the financial reports.

The Historical Financial Information for the Eloise Mine has been extracted from the financial reports of the Eloise Mine for the year ended 30 June 2021 (including comparatives for the year ended 30 June 2020), which was audited by HLB Mann Judd ('HLB') in accordance with the Australian Auditing Standards. HLB issued an unmodified audit opinion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the '**Pro Forma Historical Financial Information**') of AIC included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2021.

The Pro Forma Historical Financial Information has been derived from the historical financial information of AIC and the Eloise Mine, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by AIC to illustrate the impact of the events or transactions described in Section 6 and Section 7 of this Report on AIC's financial position as at 30 June 2021. As part of this process, information about AIC's financial position has been extracted by AIC from its financial statements for the half-year ended 30 June 2021.

3. Directors' responsibility

The directors of AIC are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A

limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2021:

- The sale of AIC's 1,925,000 shares in Rumble Resources Limited ('**Rumble Resources**') for net proceeds after brokerage of approximately \$849,000. As such, cash and cash equivalents have been increased by \$849,000 and financial assets at fair value through profit and loss has been reduced by the 30 June 2021 carrying value of the parcel of shares sold (\$1,020,000). A \$171,000 corresponding loss on the sale of the shares (including brokerage) was recognised in accumulated losses. Tax implications of the sale are not material and have not been reflected in the pro-forma adjustments.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of AIC not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2021, the subsequent events set out in Section 6, and the following transactions and events relating to the Offers and the Acquisition:

- The issue of 120,000,000 Shares at an offer price of \$0.25 each to raise \$30 million before costs pursuant to the Prospectus (based on the minimum subscription) and the issue of 160,000,000 Shares at an offer price of \$0.25 each to raise \$40 million before costs pursuant to the Prospectus (based on the maximum subscription);

- Cash costs of the Offers are estimated to be approximately \$2,018,000 and \$2,626,000 for the minimum and maximum raises respectively. In addition to the costs of the Offer, there are also costs associated with the Acquisition of approximately \$1,445,000. Of that amount, \$50,000 had already been incurred prior to 30 June 2021 and \$1,395,000 remains outstanding. Therefore, the remaining cash costs of the Offers and of the Acquisition (totaling \$3,413,000 and \$4,021,000 for the minimum and maximum raises respectively), are reflected as a pro-forma adjustment to cash and cash equivalents. Those costs which are directly attributable to the Offers are offset against contributed equity, while the remaining costs are expensed through accumulated losses;
- The payment of the \$5 million Eloise Completion Payment as part-consideration for the Acquisition;
- The recognition of a provision for deferred consideration in relation to the \$2 million Eloise Contingent Payment;
- The assumption of the assets and liabilities forming the Eloise Mine as part of the Acquisition including:
 - The mineral assets and equipment associated with the Eloise Mine, the fair values of which are capitalised to AIC's exploration and evaluation asset. On completion of the Acquisition, part of this value may be attributed to property, plant and equipment;
 - Consumable inventories of \$3,936,000 per the Eloise Mine's audited accounts at 30 June 2021;
 - Run-of-mine ('ROM') stock with a pre-agreed value of \$665,625;
 - Current and non-current hire purchase liabilities associated with the Eloise Mine of \$2,922,000 and \$1,409,000, respectively per the Eloise Mine's audited accounts at 30 June 2021;
 - The non-current provision for mine rehabilitation associated with the Eloise Mine which had a book value of \$7,554,000 per the audited accounts at 30 June 2021; and
 - Current and non-current employee-related provisions associated with the Eloise Mine of \$883,000 and \$271,000, respectively per the Eloise Mine's audited accounts at 30 June 2021.

The Acquisition also results in the recognition of a gain on bargain purchase and the associated deferred tax liability. Further details are provided in note 19 below; and

- The issue of the 80 million Consideration Shares to FMR as part-consideration for the Acquisition.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offers other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO also prepared an Independent Expert's Report ('IER') in relation to the Acquisition and will receive approximately \$96,000 (excluding GST) for its services.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes

Director

APPENDIX 1

AIC MINES LIMITED

HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statements of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 30-Jun-21 \$'000	Reviewed for the half-year ended 30-Jun-20 \$'000
Other income		
Interest income	4	17
Other	48	50
Expenses		
Directors', employee and consultant benefits expenses	(403)	(382)
Corporate and administration costs	(318)	(477)
Exploration and evaluation costs	(1,788)	(830)
Depreciation expense	(16)	(19)
Fair value gain/(loss) on financial assets	1,779	(1,529)
Share based payment expense	(81)	(60)
Loss before income tax expense	(775)	(3,230)
Income tax expense	-	-
Net loss for the year after tax	(775)	(3,230)
Other comprehensive income	-	-
Total comprehensive loss for the year	(775)	(3,230)

Statements of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-20 \$'000	Audited for the year ended 31-Dec-19 \$'000
Other income		
Interest income	32	429
Other	220	3
Expenses		
Directors', employee and consultant benefits expenses	(789)	(690)
Corporate and administration costs	(760)	(1,282)
Exploration and evaluation costs	(4,249)	(1,659)
Depreciation expense	(35)	(84)
Fair value gain/(loss) on financial assets	(1,136)	1,268
Gain/(loss) on sale of property, plant & equipment	-	2
Share based payment expense	(120)	(572)
Impairment of deferred consideration receivable	-	(5,696)
Foreign exchange gain/(loss)	-	116
Loss before income tax expense	(6,837)	(8,165)
Income tax expense	-	-
Net loss for the year after tax	(6,837)	(8,165)
Other comprehensive income	-	-
Total comprehensive loss for the year	(6,837)	(8,165)

APPENDIX 2

AIC MINES LIMITED

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Pro-forma Consolidated Statement of Financial Position	Notes	Reviewed as at	Subsequent	Pro-forma	Pro-forma	Pro-forma	Pro-forma
		30-Jun-21	events	adj.	adj.	after Offers	after Offers
		\$'000	\$'000	Min	Max	Min	Max
				\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash and cash equivalents	7	4,285	849	21,587	30,979	26,721	36,113
Prepayments		539	-	-	-	539	539
Trade and other receivables		144	-	-	-	144	144
Financial assets at fair value through profit and loss	8	2,175	(1,020)	-	-	1,155	1,155
Inventories	9	-	-	4,602	4,602	4,602	4,602
TOTAL CURRENT ASSETS		7,143	(171)	26,189	35,581	33,161	42,553
NON CURRENT ASSETS							
Capitalised exploration and evaluation expenditure and mine properties	10	1,653	-	50,954	50,954	52,607	52,607
Plant and equipment		26	-	-	-	26	26
TOTAL NON CURRENT ASSETS		1,679	-	50,954	50,954	52,633	52,633
TOTAL ASSETS		8,822	(171)	77,143	86,535	85,794	95,186
CURRENT LIABILITIES							
Trade and other payables		652	-	-	-	652	652
Provision for deferred consideration	11	-	-	1,890	1,890	1,890	1,890
Employee provisions	12	148	-	883	883	1,031	1,031
Borrowings	13	-	-	2,922	2,922	2,922	2,922
TOTAL CURRENT LIABILITIES		800	-	5,695	5,695	6,495	6,495
NON-CURRENT LIABILITIES							
Borrowings	14	-	-	1,409	1,409	1,409	1,409
Provisions	15	-	-	7,825	7,825	7,825	7,825
Deferred tax liability	16	-	-	4,688	4,688	4,688	4,688
TOTAL NON-CURRENT LIABILITIES		-	-	13,922	13,922	13,922	13,922
TOTAL LIABILITIES		800	-	19,617	19,617	20,417	20,417
NET ASSETS/(LIABILITIES)		8,022	(171)	57,526	66,918	65,377	74,769
EQUITY							
Contributed equity	17	25,868	-	48,191	57,587	74,059	83,455
Share based payment reserve		773	-	-	-	773	773
Accumulated losses	18	(18,619)	(171)	9,335	9,331	(9,455)	(9,459)
TOTAL EQUITY		8,022	(171)	57,526	66,918	65,377	74,769

The cash and cash equivalents balance above does not account for working capital movements over the period from 30 June 2021 until completion. We have been advised that the net operating costs of AIC for the period subsequent to 30 June 2021 and up to the date of the lodgement of the Prospectus are expected to be approximately \$1,352,000.

APPENDIX 3
AIC MINES LIMITED
HISTORICAL STATEMENTS OF CASH FLOWS

Statements of Cash Flows	Reviewed for the half-year ended 30-Jun-21 \$'000	Reviewed for the half-year ended 30-Jun-20 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	6	19
Payments for exploration and evaluation	(2,480)	(976)
Payments to suppliers, employees and contractors	(642)	(761)
Government grants received and tax incentives	168	50
Net cash used in operating activities	(2,948)	(1,668)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(3)	(17)
Proceeds from the sale of investments	2,170	410
Net cash used in investing activities	2,167	393
CASH FLOW FROM FINANCING ACTIVITIES		
Unclaimed shareholder monies held in trust	-	204
Net cash from financing activities	-	204
Net increase/(decrease) in cash and cash equivalents	(781)	(1,071)
Cash and cash equivalents at the beginning of the period	5,066	5,422
Effects of exchange rate fluctuations on cash held	-	-
Cash and cash equivalents at the end of the period	4,285	4,351

Statements of Cash Flows	Audited for the year ended 31-Dec-20 \$'000	Audited for the year ended 31-Dec-19 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	32	437
Payments for exploration and evaluation	(4,000)	(1,422)
Payments to suppliers, employees and contractors	(1,540)	(1,534)
Government grants received and tax incentives	100	-
Deferred consideration received from Troy Resources	-	213
Net cash used in operating activities	(5,408)	(2,306)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(27)	(10)
Proceeds from sale of plant and equipment	-	2
Payments for acquisition of exploration properties	(10)	(150)
Payments for acquisition of listed investments	-	(1,407)
Proceeds from the sale of investments	845	1,086
Cash acquired on reverse acquisition of AIC Mines Ltd	-	2,955
Net cash used in investing activities	808	2,476
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,681	-
Payment of share issue costs	(328)	(31)
Unclaimed shareholder monies held in trust	(109)	-
Net cash from financing activities	4,244	(31)
Net increase/(decrease) in cash and cash equivalents	(356)	139
Cash and cash equivalents at the beginning of the period	5,422	5,277
Effects of exchange rate fluctuations on cash held	-	6
Cash and cash equivalents at the end of the period	5,066	5,422

In respect of Appendices 1, 2 and 3, we note the following:

- This Historical Statements of Profit or Loss and Other Comprehensive Income set out in Appendix 1 shows the historical financial performance of Company;
- The Pro-Forma Statement of Financial Position after the Offers set out in Appendix 2 is as per the statement of financial position before the Offers adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus; and
- The Historical Statements of Cash Flows set out in Appendix 3 show the historical cash flows of AIC.

The above financial statements are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 4

AIC MINES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Historical Financial Information included in this Report is set out below.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared 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 consolidated financial statements also comply with International Financial Reporting Standards ('IFRS') and interpretations adopted by the International Accounting Standards Board.

b) 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.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

d) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AIC Mines Limited. 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 gains 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 Company.

e) Going concern basis of preparation

The directors are satisfied that there are reasonable grounds to believe that the Company will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. Furthermore, the directors also note the following:

- The Company has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;

- The Company retains the ability, if required, to wholly or in part dispose of interests in mineral exploration assets; and
- The directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

f) Changes in accounting policies

There have been no significant changes to the accounting policies adopted by the Company in preparation of the financial report. There are no standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) 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.

b) INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

c) RECEIVABLES

Trade receivables and other receivables are recorded at amounts due less any provision for expected credit loss in accordance with AASB 9 Financial Instruments.

d) HIRE PURCHASE ASSETS

Assets acquired under hire purchase agreements are capitalised as fixed assets. Hire purchase payments are allocated between interest expense and reduction of hire purchase liability over the term of the hire purchase agreement.

e) 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 period in which they are incurred. Depreciation of operational assets is calculated using a diminishing value method based on production levels over the ore reserve life of the operation. Depreciation of other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment: 2 to 25 years
- Computer equipment: 2 years
- Leasehold improvements: 10 years
- Motor vehicles: 12.5 years to 3.3 years
- Buildings: 20 to 40 years

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. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These 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.

f) MINING PROPERTIES

Exploration and evaluation

All exploration and evaluation costs incurred by or on behalf of the Company up to the establishment of a commercially viable mineral deposit (as approved by the Board) are expensed as incurred except for the cost of acquiring exploration properties (where the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale).

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Expenditure is classified as development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

g) 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 impairment are reviewed for possible reversal of the impairment at each reporting date.

h) TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Company 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.

i) PROVISIONS

Provisions are recognised when the Company 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 Company 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.

j) 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.

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 Company 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 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.

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.

k) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is 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 are classified as non-current.

A liability is 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 the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

l) 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 Company. 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. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The Company 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 Company re-assesses whether it has correctly identified all of the assets acquired and all of the 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 gain 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. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination 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.

m) 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 Company 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.

n) REVENUE AND OTHER INCOME

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which AIC is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, AIC: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good

or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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 gains 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 gain 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 gain is realised when there is a measurable increase in equity to the Company that arises from peripheral transactions not in the ordinary course of business.

o) TAXES

Income tax expense comprises current and deferred tax. Current tax and deferred tax is 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 years. 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. Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Company does not distribute non-cash assets as dividends to its shareholders.

p) 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 Company's business model for managing them. The Company 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. In order 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 Company's business model for managing financial assets refers to how it manages its financial assets in order 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 gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

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

Financial assets at amortised cost

The Company 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 in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely 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. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company'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. This category includes listed and unlisted equity investments which the Company 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 Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 Company 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 Company 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.

q) 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 period, the Company'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.

r) 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 Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In valuing financial instruments, the Company 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.

s) 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 Australian Taxation Office ('ATO') is included as a current asset or liability in the balance sheet.

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

t) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Company, 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 income 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.

u) SEGMENT REPORTING

An operating segment is a component of the Company 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 Company's other components. All operating segments' operating results are regularly reviewed by the Company'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

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 period 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:

i. Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company 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 period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. 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 period in which this determination is made.

ii. Impairment of deferred consideration receivable

The future recoverability of all receivable balances is assessed at each period end. The Company has a deferred consideration receivable from Vulcan Copper Limited ('Vulcan'). Vulcan has failed to make any repayments since February 2019 and has not paid any of the interest due on the balance since 14 October 2019. AIC has been unable to resolve the non-payment through consultation with Vulcan but continues to consider remedial actions available to the Company.

During the year ended 31 December 2019, the Directors made the decision to fully impair the value of the asset given the failure of the counterparty to meet its payment obligations and uncertainty in relation to resolution of the matter. While AIC intends to exhaust all avenues to recover value from this transaction, there have not been any developments since which would indicate any change in the decision to fully impair the value of the asset.

iii. Costing of concentrate inventories

The costing of concentrate inventories requires a degree of estimation and judgement. The cost of concentrate inventories is estimated based on the cost of production per tonnes produced.

iv. Provision for mine rehabilitation

A provision has been made for the present value of anticipated costs for future restoration and rehabilitation of the Eloise Copper mine site. The provision includes future cost estimates associated with the decommissioning of the mine and restoration of the site. The calculation of

this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for the site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for the site are recognised in the Statement of Financial Position by adjusting both the retained earnings/(accumulated losses), the expense or asset, if applicable, and the provision.

NOTE 5: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 6: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 7. CASH AND CASH EQUIVALENTS	\$'000	\$'000	\$'000
Cash and cash equivalents	4,285	26,721	36,113
<i>Reviewed balance at 30 June 2021:</i>			
AIC's cash and cash equivalents		4,285	4,285
<i>Subsequent events:</i>			
Net proceeds from sale of shares in Rumble Resources		849	849
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		30,000	40,000
Costs associated with the Offers and the Acquisition		(3,413)	(4,021)
\$5 million Eloise Completion Payment		(5,000)	(5,000)
		21,587	30,979
Pro-forma Balance		26,721	36,113

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	2,175	1,155	1,155
<i>Reviewed balance at 30 June 2021:</i>			
AIC's financial assets at fair value through profit and loss		2,175	2,175
<i>Subsequent events:</i>			
Sale of shares in Rumble Resources		(1,020)	(1,020)
Pro-forma Balance		1,155	1,155

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 9. INVENTORIES	\$'000	\$'000	\$'000
Inventories	-	4,602	4,602
<i>Reviewed balance at 30 June 2021:</i>			
AIC's inventories balance		-	-
<i>Pro-forma adjustments:</i>			
Audited 30 June 2021 value of consumables acquired from the Eloise Mine		3,936	3,936
Agreed upon value of ROM stock acquired from the Eloise Mine		666	666
		4,602	4,602
Pro-forma Balance		4,602	4,602

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 10. CAPITALISED EXPLORATION AND EVALUATION AND MINE PROPERTIES	\$'000	\$'000	\$'000
Capitalised exploration and evaluation and mine properties	1,653	52,607	52,607
<i>Reviewed balance at 30 June 2021:</i>			
AIC's capitalised exploration and evaluation		1,653	1,653
<i>Pro-forma adjustments:</i>			
Fair value uplift to mine properties on acquisition of Eloise*		50,954	50,954
Pro-forma Balance		52,607	52,607

*The calculation of the fair value uplift to mine properties on acquisition of Eloise is set out in note 19 below.

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min \$'000	Pro-forma after Offers Max \$'000
NOTE 11. PROVISION FOR DEFERRED CONSIDERATION			
Provision for deferred consideration	-	1,890	1,890
<i>Reviewed balance at 30 June 2021:</i>			
AIC's provision for deferred consideration		-	-
<i>Pro-forma adjustments:</i>			
Fair value of Eloise Contingent Payment payable by AIC to FMR*		1,890	1,890
Pro-forma Balance		1,890	1,890

*This was calculated as the present value of the Eloise Contingent Payment discounted at 12% (being the discount rate used to assess the discounted cash flow valuation of the Eloise Mine in the IER) assuming that the production milestone is met.

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min \$'000	Pro-forma after Offers Max \$'000
NOTE 12. CURRENT EMPLOYEE PROVISIONS			
Current employee provisions	148	1,031	1,031
<i>Reviewed balance at 30 June 2021:</i>			
AIC's current employee provisions		148	148
<i>Pro-forma adjustments:</i>			
Audited 30 June 2021 value of current employee provisions assumed from the Eloise Mine		883	883
Pro-forma Balance		1,031	1,031

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min \$'000	Pro-forma after Offers Max \$'000
NOTE 13. CURRENT BORROWINGS			
Current borrowings	-	2,922	2,922
<i>Reviewed balance at 30 June 2021:</i>			
AIC's current borrowings		-	-
<i>Pro-forma adjustments:</i>			
Audited 30 June 2021 value of current hire purchase liabilities assumed from the Eloise Mine		2,922	2,922
Pro-forma Balance		2,922	2,922

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 14. NON-CURRENT BORROWINGS	\$'000	\$'000	\$'000
Non-current borrowings	-	1,409	1,409
<i>Reviewed balance at 30 June 2021:</i>			
AIC's non-current borrowings		-	-
<i>Pro-forma adjustments:</i>			
Audited 30 June 2021 value of non-current hire purchase liabilities assumed from the Eloise Mine		1,409	1,409
Pro-forma Balance		1,409	1,409

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 15. NON-CURRENT PROVISIONS	\$'000	\$'000	\$'000
Non-current provisions	-	7,825	7,825
<i>Reviewed balance at 30 June 2021:</i>			
AIC's non-current provisions		-	-
<i>Pro-forma adjustments:</i>			
Audited 30 June 2021 value of non-current provisions assumed from the Eloise Mine		7,825	7,825
Pro-forma Balance		7,825	7,825

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 16. DEFERRED TAX LIABILITY	\$'000	\$'000	\$'000
Deferred tax liability	-	4,688	4,688
<i>Reviewed balance at 30 June 2021:</i>			
AIC's deferred tax liability		-	-
<i>Pro-forma adjustments:</i>			
Deferred tax liability recognised at 30% of the gain on bargain purchase		4,688	4,688
Pro-forma Balance		4,688	4,688

		Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 17. CONTRIBUTED EQUITY		\$'000	\$'000	\$'000
Issued capital		25,868	74,059	83,455
	Number of shares (min)	Number of shares (max)	\$'000 (min)	\$'000 (max)
<i>Reviewed balance at 30 June 2021:</i>				
AIC's fully paid ordinary shares	68,715,018	68,715,018	25,868	25,868
<i>Pro-forma adjustments:</i>				
Proceeds from shares issued under this Prospectus	120,000,000	160,000,000	30,000	40,000
Consideration Shares issued as part of the Acquisition	80,000,000	80,000,000	20,000	20,000
Costs of the Offers capitalised	-	-	(1,809)	(2,413)
	200,000,000	240,000,000	48,191	57,587
Pro-forma Balance	268,715,018	308,715,018	74,059	83,455

In respect of options and performance rights of AIC, the Company currently does not have any options on issue and only has the following performance rights on issue.

Performance rights	Number
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.30 or more (vested on 3 August 2019)	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.40 or more (vested on 26 August 2019)	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more (vesting period ends 4 October 2022)	250,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more (vesting period ends 11 February 2023)	2,000,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more (vesting period ends 1 December 2023)	650,000
Unlisted performance rights with \$nil exercise price vesting when the 60 day VWAP of the Company's share price is \$0.60 or more (vesting period ends 30 July 2024)	250,000
Total	7,150,000

	Reviewed as at 30-Jun-21	Pro-forma after Offers Min	Pro-forma after Offers Max
NOTE 18. ACCUMULATED LOSSES	\$'000	\$'000	\$'000
Accumulated losses	(18,619)	(9,455)	(9,459)
<i>Reviewed balance at 30 June 2021:</i>			
AIC's accumulated losses		(18,619)	(18,619)
<i>Subsequent events:</i>			
Loss realised on sale of shares in Rumble Resources (including brokerage)		(171)	(171)
<i>Pro-forma adjustments:</i>			
Costs of the Offers not directly attributable to the capital raising		(1,604)	(1,608)
Gain on bargain purchase net of deferred tax liability recognised		10,939	10,939
		9,335	9,331
Pro-forma Balance		(9,455)	(9,459)

NOTE 19. PROVISIONAL ACCOUNTING FOR THE ACQUISITION OF THE ELOISE MINE

AIC has entered into an agreement to acquire the Eloise Mine from FMR, conditional upon the Offers completing. The consideration for the Acquisition is up to \$27 million (subject to certain inventory adjustments on closing) and comprises:

- \$5 million Eloise Completion Payment;
- 80,000,000 Consideration Shares issued at \$0.25 each for the value of \$20 million due on completion; and
- \$2 million Eloise Contingent Payment.

The Company has considered whether the Acquisition falls within the scope of AASB 3 Business Combinations and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors.

The Company considers that the Acquisition meets the definition of a business combination in accordance with AASB 3 Business Combinations as the acquired assets are deemed to be a business for accounting purposes. Therefore the Acquisition has been provisionally accounted for as a business combination. A summary of the acquisition details in respect of the Acquisition, as included in our Report, is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 30 June 2021, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

In respect of the notional fair values outlined in the table below, we note the following:

- the present value of the \$2 million Eloise Contingent Payment was calculated assuming payment in six months and discounted at a 12% discount rate which was the same discount rate applied in the discounted cash flow ('DCF') valuation of the Eloise Mine (refer to the next point);

- the DCF valuation of the Eloise Mine used is the preferred DCF value as assessed by BDO and detailed in the IER pursuant to the Acquisition. The DCF valuation below has been adjusted to exclude hire purchase payments and the Eloise Contingent Payment, as well as the rehabilitation provision assumed by AIC as set out in note 15; and
- the value of the residual Mineral Resources associated with the Eloise Mine but not included in the DCF valuation ('Residual Resources'), was assessed by SRK Consulting (Australasia) Pty Ltd ('SRK') and detailed in the SRK report which is appended to the IER. The value of the Residual Resources shown below reflects SRK's preferred valuation estimate.

BUSINESS COMBINATION	Fair value \$'000
Purchase consideration comprises:	
80,000,000 Consideration Shares issued at \$0.25 each	20,000
\$5 million Eloise Completion Payment	5,000
Present value of \$2 million Eloise Contingent Payment	1,890
Total consideration paid (A)	26,890
Net identifiable assets acquired from the Eloise Mine:	
DCF value of the Eloise Mine (excluding hire purchase payments and the Eloise Contingent Payment but including future rehabilitation and closure costs)	45,954
Value of the Eloise Mine's Residual Resources (SRK's preferred valuation)	5,000
Fair value uplift attributable to capitalised exploration and evaluation	50,954
Other assets and liabilities of the Eloise Mine not included in the DCF value:	
Consumable inventories	3,936
ROM stock	666
Current hire purchase liabilities	(2,922)
Provision for mine rehabilitation	(7,554)
Current employee-related provisions	(883)
Non-current hire purchase liabilities	(1,409)
Non-current employee-related provisions	(271)
	(8,437)
Total net identifiable assets acquired from the Eloise Mine (B)	42,517
Gain on bargain purchase recognised (B - A)	15,627
Less: Deferred tax liability recognised at 30% of the gain on bargain purchase	(4,688)
Gain on bargain purchase net of deferred tax liability recognised	10,939

As indicated in the table above, a gain on bargain purchase is recognised as the total net identifiable assets acquired from the Eloise Mine exceeds the consideration paid. This also results in the recognition of a deferred tax liability (see note 16), as measured based on the corporate tax rate applicable to AIC. The gain on bargain purchase net of this deferred tax liability recognised is reflected in accumulated losses (see note 18).

APPENDIX 5
THE ELOISE MINE
HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statements of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-21 \$'000	Audited for the year ended 30-Jun-20 \$'000
Revenue from ordinary activities	132,928	83,187
Changes in inventories	5,403	(777)
Raw materials and consumables used	(44,745)	(40,806)
Employee benefits expense	(21,468)	(19,970)
Depreciation and amortisation expense	(8,941)	(9,205)
Contractors and consultants expenses	(17,321)	(8,615)
Borrowing costs	(220)	(822)
Other expenses from ordinary activities	(26,693)	(18,479)
Net profit/(loss)	18,943	(15,487)
Other comprehensive income	-	-
Total Comprehensive Income/(Loss)	18,943	(15,487)

This historical statements of profit or loss and other comprehensive income shows the historical financial performance of the Eloise Mine and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 6
THE ELOISE MINE
HISTORICAL STATEMENTS OF FINANCIAL POSITION

Statements of Financial Position	Audited as at 30-Jun-21 \$'000	Audited as at 30-Jun-20 \$'000
CURRENT ASSETS		
Cash assets	4,886	7,009
Receivables	67,022	28,763
Inventories	10,475	5,003
TOTAL CURRENT ASSETS	82,383	40,775
NON CURRENT ASSETS		
Property, plant and equipment	21,073	22,923
TOTAL NON-CURRENT ASSETS	21,073	22,923
TOTAL ASSETS	103,456	63,698
CURRENT LIABILITIES		
Payables	12,586	7,454
Borrowings	2,922	3,906
Provisions	883	921
TOTAL CURRENT LIABILITIES	16,391	12,281
NON-CURRENT LIABILITIES		
Borrowings	1,409	4,331
Provisions	7,825	7,839
TOTAL NON-CURRENT LIABILITIES	9,234	12,170
TOTAL LIABILITIES	25,625	24,451
NET ASSETS	77,831	39,247
EQUITY		
Contributed by owners	130,056	110,415
Accumulated losses	(52,225)	(71,168)
TOTAL EQUITY	77,831	39,247

The Historical Statements of Financial Position show the historical financial position of the Eloise Mine and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 7
THE ELOISE MINE
HISTORICAL STATEMENTS OF CASH FLOWS

Statements of Cash Flow	Audited for the year ended 30-Jun-21 \$'000	Audited for the year ended 30-Jun-20 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	89,686	64,379
Payments to suppliers and employees	(107,687)	(82,656)
Net cash used in operating activities	(18,001)	(18,277)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(3,322)	(1,621)
Net cash used in investing activities	(3,322)	(1,621)
CASH FLOW FROM FINANCING ACTIVITIES		
Net contributions by owner	19,200	25,000
Net cash from financing activities	19,200	25,000
Net increase/(decrease) in cash and cash equivalents	(2,123)	5,102
Cash and cash equivalents at the beginning of the period	7,009	1,907
Cash and cash equivalents at the end of the period	4,886	7,009

The Historical Statements of Cash Flows show the historical cash flows of the Eloise Mine and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 8 FINANCIAL SERVICES GUIDE

27 September 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by AIC Mines Limited ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$30,000 (exclusive of GST). BDO also prepared an Independent Expert's Report in relation to the Acquisition and will receive approximately \$96,000 (exclusive of GST) for its services.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from AIC for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

Annexure B Solicitors Reports on Tenements

22 September 2021

The Directors
AIC Mines Limited
Level 1
435 Roberts Rd
Subiaco WA 6008

Dear Directors

AIC Mines Limited
Solicitor's Report – Queensland Mining Tenements

This report has been prepared for AIC Mines Limited (ACN 060 156 452) (**Company**) for inclusion in the Company's prospectus (**Prospectus**) in connection with the Company's offer of 160,000,000 shares at an issue price of \$0.25 to raise up to \$40,000,000.

1. Scope

We have been requested to report on four granted mining leases (prefixed '**ML**' and collectively referred to as the '**Tenements**') which are all located in Queensland.

The Company, through its wholly owned subsidiary, AIC Copper Pty Ltd (ABN 73 651 088 256) (**AIC Copper**) will acquire the Tenements from FMR Investments Pty Ltd (ACN 009 411 349) as trustee of the FMR Unit Trust (ABN 24 757 019 296) (**FMR**), pursuant to the Eloise Copper Mine Sale Agreement (**Sale Agreement**).

Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the tenements on the 'GeoResGlobe' register maintained by Queensland Government Department of Resources (**Department**) pursuant to the Mining Act on 26 July 2021 (**Geo Searches**);
- (b) searches of the schedule of native title claimant applications, register of native title claims, national native title register, register of indigenous land use agreements as maintained by the NNTT for any native title claimant applications (registered or unregistered), approved determinations of native title and ILUAs that overlap or apply to the Tenements on 23 July 2021 (**NNTT Searches**); and

Adelaide
Brisbane
Canberra
Darwin
Hobart
Melbourne
Norwest
Perth
Sydney

Doc ID 866746713/v6

Level 20, 240 St Georges Terrace, Perth WA 6000 Australia
PO Box 7222, Cloisters Square WA 6850 Australia

Telephone +61 8 6559 6500
Facsimile 1300 704 211 (Australia) +61 2 8507 6580 (International)
hwlebsworth.com.au

ABN 37 246 549 189

- (c) searches from the online Cultural Heritage Database and Register (**CHDR**) maintained by the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships for any Aboriginal cultural heritage sites registered on the CHDR over the Tenements on 27 July 2021.

3. Purpose

The purpose of this Report is to determine and identify, as at the date of this Report:

- (a) the interests in the Tenements that will be acquired by AIC Copper pursuant to the Sale Agreement;
- (b) any third party interests, including encumbrances, in relation to the Tenements;
- (c) any material issues existing in respect of the Tenements;
- (d) the good standing, or otherwise, of the Tenements; and
- (e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, Crown leases, native title and Aboriginal cultural heritage.

This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the development of a mining project on the Tenements and any subsequent mining and processing of ore.

4. Risk factors

4.1 Title

As at the date of this Report, the Company and its wholly owned subsidiary, AIC Copper have entered into the Sale Agreement for the acquisition of the Tenements (and other related assets) from FMR. Completion of the Sale Agreement is conditional upon the following conditions precedent (amongst others): the Minister (or the Minister's delegate) giving the FMR an Indicative Approval in respect of each Tenement, and any conditions which are contained in the Indicative Approval in respect of each Tenement being satisfactory to AIC Copper, acting reasonably. Following completion of the Sale Agreement, AIC Copper will acquire a 100% legal and beneficial interest in the Tenements.

For further information, refer to section 10 of this Report.

4.2 Third-party tenure

Our Searches indicate that the Tenements overlap the following tenure:

- (a) made and unmade roads and road reserves (see section 8.1 for further information); and
- (b) certain parcels of private land see section 8.2 for further information).

In respect to the above overlaps, conduct and compensation agreements have been entered into with the affected landholders in respect to activities on the Tenements over the common areas.

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas or may result in increases costs and/or delays to the Company's activities.

4.3 Native title

The Searches indicate that the Tenements are subject to one registered native title claimant application under the Native Title Act, which is yet to be determined.

For further information, please refer to section 6.12 of this Report.

The existence of approved determinations of native title (that native title exists) or native title claimant applications over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

However, if any of the Tenements were not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities. There is nothing in our enquiries to indicate that any of the Tenements were not or will not be validly granted in accordance with the Native Title Act.

The grant of any future tenements to the Company over areas that are covered by registered native title claimant applications or approved determinations of native title (that native title exists) will likely require engagement with the relevant registered native title claimants or native title holders (as relevant) in accordance with the Native Title Act.

4.4 Aboriginal Cultural Heritage risks

The Searches indicate that there are three registered sites of Aboriginal cultural heritage located on ML90064. However, there remains a risk that additional sites or places of Aboriginal cultural heritage may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit exploration and mining activities in certain areas of the Tenements.

Please see section 7 of this Report for further details.

5. Tenements

The following provides a description of the nature and key terms of the Tenements that may be granted under the Mining Act which are relevant to the Tenements the subject of this Report.

The Mining Leases the subject of this Report were granted pursuant to the Mining Act.

(a) Application

- (i) a person who is an eligible person may apply for a mining lease.
- (ii) a mining lease may be granted for the mining of minerals or coal, and may also be granted for purposes associated with mining (such as for infrastructure to support mining, plant sites, camps, tailings dams, storage and associated rehabilitation activities). All the relevant purposes should be listed in the application for a mining lease.
- (iii) where an application is a mining lease for coal, it is a prerequisite to the application that the proposed lease must be in the area of either a prospecting permit, exploration permit for coal, or mineral development licence.
- (iv) there is no size restriction for a mining lease, except in restricted areas.
- (v) prior to the grant of a mining lease, an appropriate environmental authority will be required and any native title requirements will need to be addressed.

(b) Rights

During the term of a mining lease, the holder any person acting as agent or employee of the holder (or who delivers goods or substances or provides services to the holder) is permitted to enter and be within the area and surface area comprising the mining lease for a purpose or right for which the mining lease is granted.

A mining lease allows the holder to conduct larger scale mining operations, machine-mine for specified minerals and conduct other activities associated with mining or promoting the activity of mining. A mining lease can be issued for any specified mineral.

(c) Term

The term of a mining lease will depend on identified reserves and projected mine life and will be determined by the Minister. An applicant for a mining lease will need to justify the term it is seeking when applying for the mining lease.

The holder of a mining lease may, not less than 6 months or more than 12 months before the expiry of the term, apply to the Minister for the renewal of the mining lease.

(d) Conditions

Mining leases are granted subject to various standard conditions under the Mining Act whereby the holder:

- (i) shall use the area of the mining lease for the purpose for which it was granted and in accordance with the Mining Act and the conditions of the mining lease and for no other purpose;
- (ii) must comply with certain land access conditions if using land outside the boundary of the area of the mining lease to access the mining lease;
- (iii) must carry out improvement restoration for the mining lease;
- (iv) prior to the termination of the mining lease, shall remove any building or structure erected under the authority of the mining lease and all mining equipment and plant, on or in the area of the mining lease unless otherwise approved by the Minister;
- (v) shall not, without the prior approval of the Minister obstruct or interfere with any right of access had by any person in respect of the area of the mining lease;
- (vi) must provide, all prescribed reports, returns, documents, statements and give materials obtained from mining operations to the Minister as required by the Minister;
- (vii) must pay compensation and comply with all terms of any agreement or determination relating to the compensation as agreed;
- (viii) pay, rent, royalties, all local government rates and charges and shall deposit as required by the Minister any security from time to time; and
- (ix) comply with the Mining Act, any other relevant legislation and regulations and such other conditions as may be imposed from time to time.

Where the holder of a mining lease does not comply with the conditions imposed, the holder may be subject to a penalty or the mining lease may not be renewed at the expiry of the current term.

(e) Rent

The holder of a mining lease is required to pay rent in respect of each rental year or part thereof. Upon the grant of a mining lease, rent is payable from the commencement of the term to 31 August of that year and shall be paid within 20 business days of the grant. Rent is payable in advance not later than 31 August for each year following the first rental period.

(f) Transfer

The transfer of a mining lease under the Mining Act will fall into one of two categories, either an 'assessable' transfer or 'non-assessable' transfer.

Assessable transfers are those where one or more holders are either transferring the whole of its interest in the permit, or a new holder is acquiring an interest in a permit. These transfers need to be assessed by the Department to determine that all outgoing holders have met their obligations and all incoming holders have met any necessary requirements and conditions to be a permit holder.

A non-assessable transfer does not need to be assessed by the Department, provided that all evidence is provided and may include the transfer of shares between current holders (such as where part of a holder's percentage interest in a permit is transferred to another existing holder of the same permit).

(g) Royalty

All minerals lawfully mined under the authority of a mining lease cease to be the property of the Crown and become the property of the mining lease, subject to the rights to royalty payments under the Mining Act.

The holder of a mining lease who mines or allows to be mined minerals, whether or not the Crown has the property in the minerals, from the area of the mining lease shall pay a royalty to the State of Queensland at a prescribed rate depending on the mineral mined.

The holder of a mining lease is required to lodge a royalty return under the Mining Act, subject to certain requirements for a royalty return.

If the holder of a mining lease fails to pay the royalty by the due date for payment, the Minister may cancel the mining lease or impose on the holder a penalty.

(h) Security

Under the Mining Act, security must be provided before a mining lease is granted or renewed. The amount of security is determined by the Minister to ensure the holder complies with the conditions of the lease and the Mining Act, rectifies damage caused by activities to any pre-existing improvements and pays amounts (other than penalties) payable to the State of Queensland.

The Minister may, at any time and in its absolute discretion, decide that the holder must deposit extra security. A mining lease will not be granted or renewed until the applicant pays the security.

6. Native title

6.1 General

- (a) The law in Australia recognises native title. In particular, it recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a

traditional connection to their land and waters, provided it has not been extinguished.

- (b) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

6.2 An explanation: Native title

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants (**Aboriginal people**) can establish that they have maintained a continuous connection with their land in accordance with their traditional laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).
- (b) The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

6.3 Native title claims

- (a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests in certain land and waters. Whilst the Federal Court is assessing the claimed native title rights and interests, the Registrar of the NNTT will assess whether the native title claimant application meets certain registration requirements set out in the Native Title Act, and if so, the native title claimant application's details will be entered on the Register of Native Title Claims (**RNTC**). Certain amendments made to a native title claimant application, such as a change to the composition of the native title claim group or the native title rights and interests claimed, can result in the Registrar of the NNTT again assessing the amended native title claimant application against the registration requirements. If the Federal Court makes a determination, either with the agreement of the relevant parties or following a contested hearing, that native title rights and interests exist in relation to all or part of the land and waters claimed, details of the determined native title claimant application (including the native title holders and the determined native title rights and interests) are then entered on the National Native Title Register (**NNTR**). The native title holders are required to appoint a prescribed body corporate to either act as their agent in relation to their determined native title or hold the determined native title on trust for them. On such a prescribed body corporate being entered on the NNTR, it becomes a registered native title body corporate (**RNTBC**).
- (b) If a native title claimant application is entered on the RNTC, or a determined claimant application is entered on the NNTR, the Native Title Act provides

the registered native title claimant / RNTBC with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of an exploration or mining tenement.

6.4 **Validation of acts (ie grant of a mining tenement)**

The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claimant application entered on the NNTR) or is claimed to exist (a native title claimant application entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example is the proposed grants of mining tenements by the Department.

6.5 **'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994**

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Queensland, that legislation is the *Native Title (Queensland) Act 1993* (Qld) (**Queensland NTA**). It provides that all 'acts' (eg grants of mining tenements) done prior to 1 January 1994 are valid to the extent they affect native title.

6.6 **'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994**

- (a) Generally, a 'future act' is an 'act' (eg grant of mining tenement) occurring after 1 January 1994 which affects native title.
- (b) The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.
- (c) Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an Indigenous Land Use Agreement (**ILUA**), or if certain procedures are to be followed where a native title claimant application is entered on the RNTC, or a determined native title claimant application is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and the 'Expedited Procedure'.

6.7 **Intermediate Period Acts Between 1 January 1994 and 23 December 1996**

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain Intermediate Period Acts (eg grants of mining tenements) done between 1 January 1994 and to 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted.

6.8 **ILUA**

An ILUA is an agreement which has been authorised by the native title claimant / holding group and has been registered with the NNTR. There are three kinds of ILUAs, Body Corporate ILUAs (limited to areas where there are only RNTBCs), Area ILUAs (utilised where there are not RNTBCs for all of the areas covered) and the yet to be used Alternative Procedure ILUAs. On registration of an ILUA on the Register

of ILUAs, it binds not only the parties to the ILUA but also all persons holding native title to the relevant area that may not be a party, who will be bound by the agreement in the same way as the RNTBC, or the native title group, as the case may be. If an ILUA that is registered on the Register of ILUAs provides that any particular mining tenement(s) may be granted, then the relevant mining tenement(s) may be granted as provided for by the ILUA, generally without following other future act procedures under the Native Title Act, including the Right to Negotiate Procedure or the Expedited Procedure.

6.9 Right to Negotiate Procedure

(a) General

- (i) The Right to Negotiate Procedure commences with the relevant State or Territory giving notice of the proposed future act (ie proposed grant of a mining tenement) (**S29 Notice**).
- (ii) Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of negotiations

- (i) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal cultural heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (ii) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, contracting opportunities, environmental rehabilitation, Aboriginal cultural heritage protection, cultural awareness and the payment of compensation to or for the benefit of the native title party.

(c) What if negotiations break down?

- (i) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a

determination as to whether the future act may be done, and if so, on what conditions.

- (ii) Accordingly, the doing of a future act (ie granting of the mining tenement) is dependent on the Negotiation Parties reaching agreement, or the NNTT making a determination that the future act may be done.

6.10 Expedited Procedure

- (a) If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the S29 Notice elect to use the Expedited Procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the Expedited Procedure.
- (b) If no objection is lodged, the mining tenement can be granted without delay. In the case of Queensland, the mining tenement can be granted with the native title protection conditions (**NTPC**) imposed on the mining tenement.
- (c) If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay (and again will be granted with the NTPCs imposed). If the objection is not dismissed, the Right to Negotiate Procedure outlined at section 6.9 applies.
- (d) Current Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process of the Native Title Act, taking into account the NTPCs. In Queensland, there is a 'dual deed' system, which means that the applicant and the native title party generally have 2 agreements: the section 31 deed and ancillary agreement (i.e. private agreement). The State is a party to the section 31 deed to ensure that the exploration or prospecting licence can be validly granted. The section 31 deed contains a standard compensation release in favour of the State and the applicant, with the native title party agreeing that the benefits received under the ancillary agreement are in full and final satisfaction of any claims to compensation that they might have. The ancillary agreement covers the confidential components, such as land access arrangements, conduct and compensation arrangements, and the protection of native title rights and interests and Aboriginal cultural heritage. As the ancillary agreement is confidential, it is not usually submitted to the NNTT. Most agreements include Aboriginal cultural heritage management provisions to ensure the continued protection of Aboriginal cultural heritage.
- (e) In the event that the native title party and the applicant for the mining tenement cannot reach an agreement, the matter will proceed to the NNTT for mediation and a formal enquiry to determine whether the act attracts the Expedited Procedure.
- (f) In Queensland, the Right to Negotiate Procedure is generally used for the processing of mining lease applications, as well as mining claims, mineral development licences (that include bulk sampling in the work program),

exploration authorities for minerals or coal (where significant land disturbance is proposed), authorities to prospect for petroleum and petroleum leases.

6.11 Compensation

- (a) In certain circumstances holders of native title (a determined native title claimant application that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the RNTBC files a native title compensation application in the Federal Court seeking compensation, the usual position is that the Commonwealth, State or Territory that did the act is liable to pay any compensation determined.
- (b) To date, only a few native title compensation applications under the Native Title Act have been lodged with the Federal Court and only one application has proceeded to a hearing and judgment on liability and the quantum of compensation to be paid. In *Griffiths v Northern Territory (No 3)* [2016] FCA 900, compensation was claimed by the Ngaliwurru and Nungali Peoples for around 60 "valid" past and intermediate period acts comprising land grants and public works, covering about 23 km², attributable to the Northern Territory, which took place in the town of Timber Creek between 1980 and 1996 and which either extinguished native title in its entirety, or impaired or suspended native title in areas where native title continues to exist, but which were validated by the Validation (Native Title) Act (NT). The Federal Court ordered the Northern Territory Government to pay just over \$3.3 million to the Ngaliwurru and Nungali Peoples, as compensation for the impact of the majority of these acts on their non-exclusive native title rights and interests. On appeal to the Full Federal Court, the award of compensation was reduced to \$2.7 million. Following a subsequent appeal to the High Court, the award was further reduced to \$2.5 million.

It is due to this potential risk that the applicant for a mining lease will agree to the inclusions of payment of compensation provisions during the negotiations that lead to the grant of the mining lease, as the applicant is able to agree the level of compensation payable and secure, through the section 31 Deed and Ancillary Agreement appropriate compensation releases, and bars, in relation to any future claims for compensation, under the Native Title Act or otherwise, which also operate for the benefit of the State.

6.12 Native title claims and determinations affecting the Tenements

The NNTT Searches in respect of the Tenements indicate that all of the Tenements wholly (100%) lie within the Mitakoodi People #5 native title claimant application (NNTT No. QC2015/009, Federal Court No. QUD556/2015). The claim is an active application which was registered from 21 February 2020. The existence of any native title claimant applications, or any subsequent determination of native title (that native title exists), over the area covered by the Tenements will not impact the rights

and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered native title claimant application or a determination of native title (that native title exists) will require engagement with the relevant registered native title claimant or RNTBC (as relevant) in accordance with the Native Title Act.

Pursuant to the Native Title Act, a native title claimant application cannot be made for an area over which there is already an approved determination of native title. However, the Company should note that, in very limited circumstances, an application may be made to vary or revoke an approved determination of native title determination over an area, but only the relevant RNTBC, the Commonwealth Minister, the relevant State or Territory Minister or the Native Title Registrar can make a revised native title determination application. Whilst a number of approved determinations of native title have been revised on applications made by the relevant RNTBCs, no approved determination of native title is yet to be revoked.

6.13 **Indigenous Land Use Agreements**

Our Searches indicate that none of the Tenements are situated within the areas covered by ILUAs.

6.14 **Validity of Tenements**

ML90080, ML90086 and ML90155 were all granted after 23 December 1996, and were therefore granted subject to the Native Title Act. Provided that ML90080, ML90086 and ML90155 were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

ML90064 was applied for after 1 January 1994 and granted prior to 23 December 1996, and was therefore granted as an 'Intermediate Period Act' under the Queensland NTA. Our Searches indicate that native title has not been extinguished over the area of ML90064. This is because ML90064 is deemed to be 'valid' as a 'Category C' past act in accordance with the Native Title Act. In relation to 'Category C' past acts:

- (a) the non-extinguishment principle applies to all Category C past acts;
- (b) native title continues to exist in its entirety but the rights and interests of the native title holders have no effect in relation to the act (ie the granting of ML90064), to the extent of the inconsistency of the rights and interests with the act (section 238 of the Native Title Act); and
- (c) after ML90064 expires, the rights and interests of the native title holders again have full effect (ie will be revived) (section 238(8) of the Native Title Act).

If a law of a State or Territory validates a past act which is caused by the State or Territory (for example, the grant of mining leases prior to 1994), then the native title holders are entitled to compensation under the Native Title Act. The State will be required to pay compensation to the native title holders.

7. Aboriginal cultural heritage

7.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

7.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

7.3 Queensland legislation

The *Aboriginal Cultural Heritage Act 2003* (Qld) and the *Torres Strait Islander Cultural Heritage Act 2003* (Qld) (together the '**Heritage Acts**') provide a framework for the protection of Aboriginal and Torres Strait Islander cultural heritage in Queensland. Noting the location of the Tenements the *Aboriginal Cultural Heritage Act 2003* (Qld) is likely to be more applicable.

The Heritage Acts define 'Aboriginal or Torres Strait Islander cultural heritage' as anything that is:

- (a) a significant Aboriginal or Torres Strait Islander area in Queensland, or
- (b) a significant Aboriginal or Torres Strait Islander object in Queensland, or
- (c) evidence of archaeological or historic significance, of Aboriginal or Torres Strait Islander occupation of an area of Queensland.

An area or object is significant because of either or both of the following:

- (a) Aboriginal or Torres Strait Islander tradition; and/or
- (b) the history, including contemporary history, of any Aboriginal or Torres Strait Islander party for the area.

Due to the way in which the Native Title Party is defined in the Heritage Acts, it does not always follow that the area of an approved determination of native title (that native title exists) will be the full extent to which the native title holders might be a

Native Title Party for the purposes of the Heritage Acts. In relation to the Tenements, we note that the searches of the CHDR reveal that there is no cultural heritage body recorded in the area specific to the Tenements.

The main mechanism through which each of the Heritage Acts operate is a list of places and artefacts of heritage significance. The Heritage Acts also create offences in respect to a breach of the cultural heritage duty of care (**Duty of Care**). The Duty of Care requires any person carrying out an activity to take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage.

The Duty of Care applies to any activity where Aboriginal or Torres Strait Islander cultural heritage is located, including freehold land, and regardless of whether or not the cultural heritage it has been identified or recorded in a database.

The Duty of Care can be met by acting:

- (a) in compliance with gazetted cultural heritage duty of care guidelines (discussed further below);
- (b) under an approved cultural heritage management plan developed and approved under the Heritage Acts;
- (c) under a native title agreement or another agreement with an Aboriginal or Torres Strait Islander party that addresses cultural heritage; and
- (d) in compliance with the NTPCs (for low-impact mineral exploration), but only if the conditions address cultural heritage (our Searches indicate that the Tenements have not been granted subject to the NTPCs).

An activity is taken to have complied with the cultural heritage duty of care if the activity is necessary because of an emergency such as a natural disaster.

The Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships developed 'Duty of Care Guidelines' in 2003 (**Guidelines**) to help land users in assessing reasonable and practicable measures for meeting the Duty of Care. The Guidelines identify reasonable and practicable measures for ensuring certain activities are managed to avoid or minimise harm to Aboriginal cultural heritage.

Whilst there is no offence in not complying with the Guidelines, compliance with the Guidelines affords strict compliance with the Duty of Care. As at the date of this Report, fines of up to \$133,450 for an individual and \$1,334,500 for a corporation apply for causing unlawful harm to Aboriginal and Torres Strait Islander cultural heritage or for breaching the Duty of Care.

7.4 **Ongoing review of Heritage Acts**

The Heritage Acts are currently under review by the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (**DSDSATSIP**). The review is examining whether the Heritage Acts, as currently drafted:

- (a) are still operating as intended;
- (b) are achieving positive outcomes for Aboriginal and Torres Strait Islander peoples and other stakeholders;
- (c) are in line with broader objectives to reframe the relationship with Aboriginal and Torres Strait Islander peoples;
- (d) should be updated to reflect the current native title landscape; and
- (e) are consistent with contemporary drafting standards.

In mid-2019, a public consultation paper was released by the DSDSATSIP and seminars were held across the state of Queensland to which stakeholders were invited to make submissions on matters raised in the consultation paper.

The DSDSATSIP received approximately 70 submissions in response to the consultation paper and is currently reviewing these submissions.

7.5 **Aboriginal sites and other heritage places on the Tenements**

The CHDR Searches of the Tenements identified 3 sites of Aboriginal cultural heritage located on ML90064, as set out in the below table.

Registered Aboriginal Sites (Cultural Heritage Site Points)			
Site IDs	Record Date	Type	Party
BJ:A95 BJ:A96 BJ:A97	11 October 1994	Artefact Scatter	Mitakoodi People #5

The CHDR Searches of the Tenements did not identify any Aboriginal or Torres Strait Islander Cultural Heritage Site Polygons within the tenements.

The CHDR search results summarised above do not mean that there are no other sites, objects or places of Aboriginal cultural heritage within the area of the Tenements as the Heritage Acts do not require all known or identified Aboriginal cultural heritage to be registered. It is only an indication that no other sites, objects or places of Aboriginal cultural heritage have been registered in the areas covered by the Tenements to date.

7.6 **Aboriginal cultural heritage agreements affecting the Tenements**

As mentioned at section 6.10(d) above, exploration permits that are notified in Queensland under the expedited procedure are usually either granted subject to the NTPCs or granted following the negotiation and signing of either an Ancillary Agreement to a section 31 Deed (where an expedited procedure objection has been lodged and will be withdrawn) or a standalone agreement, known as an Exploration Agreement or an Aboriginal Cultural Heritage Protection Agreement (where no expedited procedure objection has been lodged but the applicant and the native title

party have agreed that the Aboriginal cultural heritage management arrangements in the agreement will be utilised rather than the NTPCs). The Ancillary Agreement or standalone agreement generally include detailed Aboriginal cultural heritage management arrangements to ensure that any exploration activities are conducted in a way that avoid, protect and manage any Aboriginal cultural heritage. As long as the relevant Aboriginal Party under the Heritage Acts is a party to such an agreement, the agreement will be "another agreement with an Aboriginal Party" for the purposes of the Heritage Act. If the holder of the tenement, who is a party to such an agreement, carries out activities in accordance with that agreement, is taken to have complied with the Duty of Care.

We have not be provided with any agreements applying to the Tenements for the avoidance, protection and management of Aboriginal cultural heritage.

Should the Company wish to undertake future exploration or mining activities which are not covered by an Aboriginal cultural heritage agreement, then, it may need to enter into a new agreement to facilitate the protection of Aboriginal cultural heritage and enable it to conduct of surveys on the Tenements.

8. Land access

8.1 Road Reserve

Our Searches indicate that ML90064 and ML90155 overlap Road Reserve: PAR Arrolla Beaconsfield and that ML90080 overlaps a road (made and unmade).

In respect to these roads, a compensation agreement is in place with the McKinley Shire Council (as trustee) (**Council**) and FMR dated 15 March 2015 (**Road Agreement**). Pursuant to the Road Agreement, FMR is required to pay annual compensation to the Council for land that is owned by the Council and subject to ML90064, ML90080 and ML90155, and is required to make annual donations to local fundraising and charity organisations. The Road Agreement does not have an expiry date.

Pursuant to the *Mineral and Energy Resources (Common Provisions) Act 2014* (QLD) (**MERCPA**), the holder of a mining tenement must not use public roads unless:

- (a) the holder has given the public road authority for the road a notice specifying that the holder proposes to use the road; and
- (b) either:
 - (i) the holder and the relevant public road authority have signed a compensation agreement for the use;
 - (ii) the public road authority has given written consent to the carrying out of the use; or
 - (iii) an application has been made under section 100 of the MERCPA to decide the holder's compensation liability to the public road authority relating to the road.

The holder of a mining tenement is liable to compensate the public road authority for a public road for any cost, damage or loss the public road authority incurs or will incur that is or will be caused by tenement holder's use of the road. Examples of compensation costs include:

- (c) the costs to repair and rectify damage to the road caused or that will be caused by any use of the road;
- (d) capital costs for unplanned upgrades of the road incurred or that will be incurred because of any use of the road; and
- (e) bring-forward costs, including interest charges, for a planned upgrade of the road that because of any use of the road that is or will be required earlier than planned.

The holder of a mining tenement and the public road authority for a public road may enter into an agreement (a road compensation agreement) regarding the tenement holder's compensation liability to the public road authority. In the absence of a road compensation agreement, the Land Court may decide the compensation payable.

8.2 Private Land

Our Searches indicate that all of the Tenements overlap certain parcels of privately owned or leased land and, as per the table below, conduct and compensation agreements (**CCA**) have been entered into with the affected landholders in respect to activities over the land:

Tenement	Parties to the CCA	Date of CCA	Summary	Affected Land	Term
ML90080	Lorena Jefferis, Rodger Jefferis and FMR Investments Pty Limited	12 October 2016	The compensation agreement provides for FMR to pay compensation to the land owners for ML90080, which includes part of the land owners' property.	Lot 1 on AL 31	The compensation agreement remains ongoing until the tenements expire, surrender or are otherwise terminated.
ML90064 ML90086	Gordon Teast Batt (Batt) and FMR Investments Pty Ltd	10 November 2014	The compensation agreement provides for Batt's right to annual compensation in connection with FMR conducting activities on the Tenements within the area of Batt's land.	Lot 4 on BD164	The compensation agreement remains ongoing until the tenements expire, surrender or are otherwise terminated.

Pursuant to section 279 of the Mining Act, a mining lease will not be granted or renewed unless compensation has been determined (whether by agreement or by determination of the Land Court) between the tenement holder and the owner of land which is the subject of any surface access to the mining lease. The CCAs outlined in the table above have been entered in to pursuant to section 279 of the Mining Act and compensation is payable to the owners on an annual basis for the term of the

CCA. The Geo Searches conducted in respect to the Mining Leases show that the access and compensation requirements have not been registered on the Tenements.

We have not reviewed the provisions of the CCAs in significant detail, however, the CCAs that have been entered in to are considered industry standard and appear to be pro forma documents that would ordinarily be entered in to for tenements of this nature.

8.3 **Biosecurity and regional travel restrictions applicable in QLD**

In response to the COVID-19 pandemic, certain directions and determinations were issued which restrict the travel of persons within regions of Queensland. These restrictions have since been revoked, and as at the date of this Report, there are currently no entry and quarantine requirements or travel restrictions for Queensland's remote Aboriginal and Torres Strait Islander communities.

However, if an outbreak of COVID-19 occurs in a community, the Chief Health Officer may re-introduce restrictions. Any decision to re-introduce restrictions will be made by the Chief Health Officer based on public health conditions for each community and in consultation with local leaders.

Any additional restrictions and directions which may be issued in response to COVID-19 may impact on the ability of the Company to access its tenure.

9. **Environmental Authorities**

It is a requirement in Queensland that prior to conducting activities that are likely to have impacts on the environment ("environmentally relevant activities" or '**ERA**'), that an environmental authority (**EA**) is obtained, pursuant to the *Environmental Protection Act 1994* (QLD) (**EP Act**). For the purpose of the EP Act, a 'resource activity' constitutes an ERA and includes mining activities that are authorised for a mining tenement under the Mining Act or other activities that are authorised under an approval under the Mining Act that grants rights over land.

An EA authorises the carrying out of an ERA (relevant to the Company, mining activities), but, does not authorise any environmental harm unless a condition stated by the EA specifically permits the authorisation of environmental harm.

All of the Tenements are subject to a granted EA (EA number: EPML00818113) in respect to the relevant mining activities. The EA is in the name of FMR Investments Pty Limited and is effective from 13 March 2018. Pursuant to the EA, an annual return and payment of an annual fee are payable. We are advised by the Company that all fees in respect to the EAs are paid and up to date.

An EA for a resource activity attaches to the mining tenure. The EA attaches to the tenure through the definition of "holder" in Schedule 4 of the EP Act:

- (a) the holder of an EA for a resource activity is the holder of the relevant tenure; and

- (b) the holder of a resource tenure is the holder of the tenure under the Mining Act.

This means that when a mining tenure is transferred to another company under the Mining Act, the EA automatically transfers with the tenure and no application to transfer an EA is required.

The EAs are granted with standard conditions, setting out the minimum operating requirements that the holder of an EA must comply with in carrying out the activities on the Tenements. For the purpose of this Report, we have not conducted a detailed review of the conditions imposed on the EAs and compliance thereof.

Under the EP Act it is an offence to breach a condition of an EA. The holder of the EA must also ensure that everyone acting under the EA complies with the conditions of the EA. If another person acting under the EA commits a breach of the EA, the holder is also deemed to commit an offence.

In addition to this, the holder of the EA must comply with the following provisions of the EP Act:

- (c) general environmental duty;
- (d) duty to notify environmental harm;
- (e) not cause serious or material environmental harm;
- (f) not cause environmental nuisance;
- (g) not deposit prescribed water contaminant in waters and related matters; and
- (h) not place contaminant where environmental harm or nuisance may be caused.

10. Material Contracts Summary

10.1 Sale Agreement

On 24 August 2021, FMR, the Company and AIC Copper entered into the Eloise Copper Mine Sale Agreement (**Sale Agreement**). Pursuant to the Sale Agreement, AIC Copper agreed to purchase the business and assets, including a 100% legal and beneficial interest in the Tenements, for consideration comprising cash and shares in the Company. The Completion Date of the Sale Agreement is the first date which:

- (a) falls on a business day on the first day, 15th day, 16th day or last day of a calendar month; and
- (b) is at least five business days after the satisfaction or waiver of the last of the conditions precedent,

or any other date agreed by AIC Copper and FMR.

The conditions precedent to completion under the Sale Agreement are:

- (c) the Minister or the Minister's delegate giving FMR an indicative approval, being an approval under section 23 of the MERC Act, in respect of each Tenement, and any conditions contained in the indicative approval being satisfactory to the Company, acting reasonably;
- (a) the resolution of Company shareholders being approved for the issue of the Company share consideration to FMR for all purposes (including for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 11.1.2 and approvals required to raise capital);
- (b) the financiers in respect of each equipment finance contract consenting in writing to the assignment of the respective finance contract to the Company or to FMR paying out the equipment finance contract at or prior to completion, and releasing FMR from any obligations arising after completion under the equipment finance contracts;
- (c) each party to certain contracts agreeing to assign, novate, or otherwise transfer the benefit and burden of those contracts to the Company from Completion on terms which leave no residual liability for the Seller following Completion (and otherwise on terms acceptable to the Buyer and the Seller each acting reasonably);
- (d) FMR entering in a contract with a specified contractor for the provision of specified materials on terms acceptable to AIC Copper and the contractor agreeing, on terms and conditions acceptable to the FMR and AIC Copper, to the assignment or novation of that contract to the AIC Copper or AIC Copper and that contractor entering into a contract for the provision of those materials which takes effect on Completion, on terms acceptable to AIC Copper;
- (e) the Company conducting a capital raising pursuant to which no less than \$30,000,000 is raised;
- (f) the Company re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the acquisition and receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms reasonably acceptable to the Company;
- (g) no less than 80% of FMR employees engaged at the Eloise Copper Mine accepting AIC Copper's offer of employment and certain key employees entering into service agreements with AIC Copper subject to completion occurring;
- (h) the schedules to the Corporate Services Agreement to be entered into between FMR and AIC Copper being agreed between those parties; and
- (i) no material adverse change having occurred in relation to the Eloise Copper Mine business since the date of the Sale Agreement.

Under the Sale Agreement, with effect on and from completion, AIC Copper accepts and assumes responsibility for all environmental and other liabilities in connection with the mining operations at the Eloise Copper Mine and the Tenements arising under the terms and conditions of the Tenements or environmental authorities or laws, and indemnifies and agrees to hold harmless FMR from all such liabilities suffered or incurred by FMR.

The above assumption of liabilities by AIC Copper does not affect FMR's liability for any breach of warranties given by FMR under the Sale Agreement, which are the usual warranties given for a transaction in the nature of the Sale Agreement.

Under the Sale Agreement, AIC Copper will need to replace security bonds and financial provisions given by FMR in respect of the Tenements.

10.2 **Elrose Airstrip and Water Infrastructure Usage Agreement**

On 20 February 2010, FMR and Elrose Enterprises Pty Ltd (ACN 101 640 591) (**Elrose**) entered into the Elrose Airstrip and Water Infrastructure Usage Agreement (**Elrose Agreement**). Pursuant to the Elrose Agreement, FMR was granted access to the aerodrome known as the 'Elrose Airstrip' and Elrose Station, owned by Elrose in order to access and use the Elrose Airstrip and access certain water sources (including pipelines and bore pumps installed by FMR and dams) on Elrose Station.

The Elrose Agreement was subsequently assigned to Swiss Australian Farm Holding Pty Ltd (ACN 083 257 381) (**SAFH**) by way of a deed of covenant and amendment dated 16 March 2021 between Elrose, Rodger Grant Jefferis (**Jefferis**) (being a director of Elrose and owner of the Elrose Airstrip and Elrose Station), FMR and SAFH, after Elrose and Jefferis sold the property the subject of the Elrose Airstrip and Elrose Station to SAFH.

11. **Definitions**

In this Report:

Aboriginal people has the meaning given in section 6.2(a).

AIC Copper means AIC Copper Pty Ltd (ABN 73 651 088 256).

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

CCA means conduct and compensation agreements.

CHDR Searches has the meaning given in section 2.

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means AIC Mines Limited (ACN 060 156 452).

Council means the McKinley Shire Council.

Department means the Queensland Department of Resources.

Duty of Care has the meaning given in section 7.3.

EA means an environmental authority pursuant to the EP Act.

Elrose means Elrose Enterprises Pty Ltd (ACN 101 640 591).

EP Act means the *Environmental Protection Act 1994* (Qld).

ERA means environmentally relevant activities.

Expedited Procedure has the meaning given in section 6.6(c).

Federal Court means the Federal Court of Australia.

FMR means FMR Investments Pty Ltd (ACN 009 411 349) as trustee of the FMR Unit Trust (ABN 24 757 019 296).

Geo Searches has the meaning given in section 2.

Guidelines has the meaning given in section 7.3.

Heritage Acts means *Aboriginal Cultural Heritage Act 2003* (Qld) and the *Torres Strait Islander Cultural Heritage Act 2003* (Qld).

ILUA has the meaning given in section 6.6(c).

Indicative Approval means, in respect of a Tenement, an indicative approval given by the Minister (or the Minister's delegate) FMR under section 23 of the MERCPC Act which indicates that the Minister is likely to give approval to register the transfer of FMR's 100% interest in the Tenement from the FMR to AIC Copper.

Intermediate Period Acts has the meaning given in section 6.6(c).

Jefferis means Rodger Grant Jefferis.

Material Contracts means any agreements summarised in section 9.

MERCPA means the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld).

Mining Act means the *Mineral Resources Act 1989* (Qld).

Mining Leases or **ML** has the meaning given in section 1.

Mining Regulations means the *Mineral Resources Regulations 2013* (Qld).

Minister means the Minister under the Mining Act.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in section 6.9(a)(ii).

NNTR has the meaning given in section 6.3(a).

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in section 2.

NTC has the meaning given in section 6.10(d).

NTPCs means native title protection conditions.

Prospectus has the meaning given in the opening section of this document.

Queensland NTA means the *Native Title (Queensland) Act 1993 (Qld)*.

Report means this document, including any schedule or annexure to this document.

Right to Negotiate Procedure has the meaning given in section 6.6(c).

RNTC has the meaning given in section 6.3(a).

Sale Agreement means the Eloise Copper Mine Sale Agreement dated 24 August 2021 between the Company, AIC Copper and FMR.

Searches means the searches referred to in section 2.

Tenements means the tenements set out in Schedule 1, and Tenement means any one of them.

12. Qualifications and assumptions

12.1 General

This is a high level Report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

Although nothing has come to our attention to lead us to believe that any of the assumptions are incorrect, we have not made any independent investigations in respect to the matters the subject of our assumptions.

12.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;

- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently); and
- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined.

In relation to the Material Contracts, we have assumed that:

- (j) the Material Contracts have been duly executed:
 - (i) if by the State of Queensland, in accordance with valid delegated authority; and
 - (ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;
- (k) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;
- (l) all dates, execution and seals and signatures are authentic;
- (m) there are no material documents or information to be provided other than the material contracts referred to in this Report; and
- (n) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts.

12.3 Qualifications

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (f) this Report relates only to the laws of Queensland and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in section 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations Queensland

and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;

- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;
- (m) we have not conducted searches of the Environmental Management and Contaminated Land Registers (to determine any Contaminated Land) maintained by the Department of Environment and Science;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the Heritage Acts or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

12.4 Conclusion

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours sincerely



HWL Ebsworth Lawyers

+61 8 6559 6513
bdavies@hwle.com.au

Schedule 1 Tenement Summary

Tenement	Registered Holder (100%)	Status	Area	Grant Date	Expiry Date	Conditions	Purpose / Prescribed Minerals	Activities / Dealings	Background Land
ML90064	FMR Investments Pty Limited	Live	241.9 Ha	17 August 1995 (Commenced 1 September 1995)	31 August 2025	Standard Conditions	Copper Ore, Gold, Silver Ore	N/A	Road Reserve: PAR Arrolla Beaconsfield (subject of compensation agreement with McKinley Shire Council dated 18 March 2015). Lot 4 on BD164 (subject of compensation agreement with Gordon Batt dated 10 November 2014).
ML90080	FMR Investments Pty Limited	Live	39.68 Ha	11 December 2001 (Commenced 1 January 2002)	31 December 2021	N/A	Pipeline - water only, water supply.	N/A	Lot 1 on AL 31 (subject of compensation agreement with Lorena and Rodger Jefferis dated 12 October 2016). Road Made and Unmade (subject of compensation agreement with McKinley Shire Council dated 18 March 2015).

Tenement	Registered Holder (100%)	Status	Area	Grant Date	Expiry Date	Conditions	Purpose / Prescribed Minerals	Activities / Dealings	Background Land
ML90086	FMR Investments Pty Limited	Live	18.70 Ha	14 March 2002 (Commenced 1 April 2002)	31 March 2022	N/A	Copper Ore, Gold, Silver Ore	N/A	Lot 4 on BD164 (subject of compensation agreement with Gordon Batt dated 10 November 2014).
ML90155	FMR Investments Pty Limited	Live	205.60 Ha	2 October 2003 (Commenced 1 November 2003)	31 October 2026	N/A	Stock pile ore, overburden, tailings, settling dam. Copper Ore, Gold, Silver Ore	N/A	Road Reserve: PAR Arrolla Beaconsfield (subject of compensation agreement with McKinley Shire Council dated 18 March 2015).

22 September 2021

The Directors
AIC Mines Limited
Level 1
435 Roberts Rd
Subiaco WA 6008

Dear Directors

AIC Mines Limited
Solicitor's Report – Western Australian Mining Tenements

This Report has been prepared for AIC Mines Limited (ACN 060 156 452) (**Company**) for inclusion in the Company's prospectus (**Prospectus**) in connection with the Company's offer of 160,000,000 shares at an issue price of \$0.25 to raise up to \$40,000,000.

1. Scope

We have been requested to report on 37 granted exploration licences (prefixed 'E') and 1 granted prospecting licence (prefixed 'P') (collectively referred to as the '**Tenements**') which are all located in Western Australia, and in respect of which the Company, or its wholly owned subsidiary, AIC Resources Limited (ACN 619 035 737) (**AIC Resources**), either holds a beneficial and/or registered legal interest or has the right to earn an interest.

Key details of the Tenements are set out in Schedule 1 of this Report and must be read in conjunction with this Report.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the tenements on the register maintained by DMIRS pursuant to the Mining Act on 21 September 2021 (**DMIRS Searches**);
- (b) quick appraisal user searches of the Tengraph system maintained by DMIRS on 12 August 2021 (**Tengraph Searches**);
- (c) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the NNTT for any native title claims (registered or unregistered), native title determinations and ILUAs that overlap or apply to the Tenements on 13 August (**NNTT Searches**); and

Adelaide
Brisbane
Canberra
Darwin
Hobart
Melbourne
Norwest
Perth
Sydney

- (d) searches from the online Aboriginal Heritage Inquiry System (**AHIS Searches**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 13 August 2021 and 15 August 2021.

3. Scope

The purpose of this Report is to determine and identify, as at the time of the offer under the Prospectus:

- (a) the interests held by the Company in the Tenements;
- (b) any third party interests, including encumbrances, in relation to the Tenements;
- (c) any material issues existing in respect of the Tenements;
- (d) the good standing, or otherwise, of the Tenements; and
- (e) any concurrent interests in the land the subject of the Tenements, including other mining tenements, private land, pastoral leases, native title and Aboriginal heritage.

This Report is limited to the matters contained within and, for example, does not consider risks and issues (such as any additional approvals) that may arise in relation to the development of a mining project on the Tenements and any subsequent mining and processing of ore.

4. Summary of key items and overview of risk factors

4.1 Title

As at the date of the DMIRS Searches, the Company, through its wholly owned subsidiary, AIC Resources, holds a 100% registered legal interest in the Tenements except as otherwise set out below:

- (a) AIC Resources has a 80% registered legal interest in Tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489. Venus Metals Corporation Limited (ACN 123 250 582) (**Venus**) holds the remaining 20% registered legal interest in these Tenements. Venus and AIC Resources hold their interests in the Tenements under an unincorporated joint venture (**Curara Well Joint Venture**), which is governed by the Curara Well Joint Venture Agreement (**Curara Well JVA**) dated 17 August 2020 (as amended by a deed of variation dated 22 December 2020). Under the Curara Well JVA, Venus' 20% interest will be free carried through to a decision to mine. For further information on the Curara Well JVA, please refer to section 9.1(a).
- (b) 100% of the legal interests in E52/3068 and E52/3486 are currently held by Venus. An 80% legal and beneficial interest will be transferred to AIC Resources pursuant to the deed of variation to the Curara Well JVA dated 22 December 2020. Upon transfer of the 80% interest in E52/3068 and

E52/3486, these Tenements will form part of the Curara Well Joint Venture. For further information on the Curara Well JVA, please refer to section 9.1(a).

- (c) E52/3031 is held by Ausgold Exploration Pty Ltd (ACN 078 093 606) (**Ausgold**). Pursuant to the Exploration Farm-in and Joint Venture Agreement (**Ausgold Exploration FIJVA**) entered into on or around 4 June 2018, the Company has the right to earn up to an 80% interest in E52/3031. For further information on the Ausgold Exploration FIJVA, please refer to section 9.1(b).
- (d) E45/5270 and E45/5271 are held by Rumble Resources Limited (ACN 148 214 260) (**Rumble**). Pursuant to the Lamil Project Earn-In and Exploration Joint Venture Agreement entered into on or around 22 July 2019 (**Lamil Project EIJVA**), the Company has the right to earn up to a 65% interest in E45/5270 and E45/5271. For further information on the Lamil Project EIJVA, please refer to section 9.1(c).

4.2 **Native title**

The existence of native title determinations or claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been or will be validly granted in accordance with the Native Title Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

For information on native title affecting the Tenements, please see section 6.8 for details.

Our Searches also indicate that the Tenements are all subject to ILUAs. For further information on the ILUAs, please see section 6.9 below.

4.3 **Aboriginal Heritage**

The Searches indicate that there are 17 registered Aboriginal heritage sites and one application for an 'other' Aboriginal heritage place which has been lodged within Tenements E52/3455, E52/3317, E52/3028, E52/3031 and E45/5217.

However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

See section 7 below for further details.

4.4 **Overlapping Land**

The Searches indicate that certain Tenements overlap with land that is the subject of other rights, including:

- (a) File Notation Areas (**FNA**), (see section 8.1 for details);
- (b) pastoral leases, (see section 8.2 for details);
- (c) certain 'C' Class Crown Reserves (see section 8.3 for details);
- (d) mining tenements held by third parties (see section 8.4 for details);
- (e) petroleum tenure (see section 8.5 for details); and
- (f) a CALM Purchased Former Lease (see section 8.6 for details).

Any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

4.5 **Royalties**

Pursuant to the royalty deed between AIC Resources and Venus dated 17 August 2020 (**Curara Well Royalty Deed**), in the event Venus withdraws from the Curara Well Joint Venture, AIC Resources grants to Venus a 1.5% net smelter return royalty. The royalty is payable on minerals (as that term is defined in the Mining Act) or metallic product extracted from Tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489. For further information, please refer to section 10.

This royalty, along with the usual royalties payable to the State of Western Australia, may have an impact on the economics of progressing any proposed mining operations.

5. **Tenements**

The following provides a description of the nature and key terms of the Tenements (including potential successor tenements) that may be granted under the Mining Act which are relevant to the Tenements the subject of this Report.

5.1 **Exploration Licences**

- (a) Licence area and authority

The holder of an exploration licence is entitled to enter the land for the purposes of exploring for minerals with employees, contractors and such vehicles, machinery and equipment as may be necessary or expedient. An exploration licence will not be granted over land the subject of an existing mining tenement other than a miscellaneous licence.

- (b) Term and extension

Exploration licences are granted for a term of 5 years. The Minister has discretion to extend the exploration licence for one further period of 5 years and then by further 2 year periods if satisfied that a prescribed ground for extension exists.

(c) Other conditions

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and observance of Aboriginal heritage, environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

(d) Relinquishment requirement

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the sixth year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(e) Retention status

The holder of an exploration licence applied for after 10 February 2006 may apply for retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is approved, the minimum expenditure requirements are reduced in the year of grant and cease in future years, however, the Minister has the right to impose a programmed of works or require the holder to apply for a mining lease.

(f) Transfer during first year

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister. Exploration licences can otherwise be transferred without the requirement to obtain the consent of the Minister.

(g) Right to apply for mining lease

The holder of an exploration licence has priority to apply for a mining lease over any land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(h) Rent and expenditure requirements

Annual rent is payable for an exploration licence and the holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. An exemption to the minimum expenditure conditions will only be granted on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless an exemption is granted, renders the exploration licence liable to forfeiture or the Minister imposing a monetary penalty as an alternative.

5.2 Mining Leases

(a) Application

- (i) Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.
- (ii) The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

(b) Rights

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

(c) Term and transfer

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant. The consent of the Minister is required to transfer a mining lease.

(d) Conditions

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. For the purpose of this Report, we have only summarised material conditions and endorsements relating to the Tenements in Schedule 1.

(e) Royalty

A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the Mining Act. In Western Australia, there are currently two systems used to collect mineral royalties:

- (i) *specific rate* - calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The current rates on production between 1 July 2015 and 30 June 2025 are 73 cents per tonne and 117 cents per tonne; and
- (ii) *ad valorem* - calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:
 - (A) bulk material (subject to limited treatment) - 7.5% of the royalty value;
 - (B) concentrate material (subject to substantial enrichment through a concentration plant) - 5% of the royalty value; and
 - (C) metal - 2.5% of the royalty value.

(f) Mining Rehabilitation Fund

The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013 (WA)*, are required to participate in the Mining Rehabilitation Fund. This is a pooled fund to which Western Australian mining operators contribute and the money is used to rehabilitate abandoned mine sites in Western Australia. Tenement holders with an annual rehabilitation liability of \$50,000 or less are not required to contribute.

6. Native title

6.1 General

- (a) On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.
- (b) The law in Australia recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where

Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

- (c) The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (ie be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

6.2 Native title claims

- (a) The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act, and if so, the native title claim will be entered on the Register of Native Title Claims (**RNTC**). If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (**NNTR**).
- (b) If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a 'future act' is proposed. An example of a 'future act' is the grant of a mining tenement.
- (c) The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (ie are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and waters. A common example in Western Australia is the proposed grants of mining tenements by DMIRS.

6.3 'Past Acts' (ie grants of mining tenements): Prior to 1 January 1994

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994. In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 (WA)*. It provides that all 'acts' (eg grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

6.4 'Future Acts' (ie proposed grants of mining tenements): After 1 January 1994

- (a) Generally, a 'future act' is an 'act' (eg grant of mining tenement) occurring after 1 January 1994 which affects native title.
- (b) The Native Title Act sets out the circumstances in which, and procedures by which, 'future acts' will be valid should that 'act' affect native title.

- (c) Such circumstances include if the 'act' was done in certain circumstances between 1 January 1994 and 23 December 1996 (called 'Intermediate Period Acts'), or if the 'act' is permitted by an Indigenous Land Use Agreement (ILUA), or if certain procedures are to be followed where a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR. Such procedures include the 'Right to Negotiate Procedure' and the 'Expedited Procedure'. The key elements of these processes are outlined below.

6.5 Right to Negotiate Procedure

- (a) Under the Right to Negotiate Procedure the native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (collectively, the **Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.
- (b) The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.
- (c) Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such an agreement may address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation.
- (d) If the Negotiation Parties negotiate in good faith but cannot reach agreement as to the doing of the future act, then provided at least 6 months have elapsed since the S29 Notice, any party (in most cases the applicant for the mining tenement) may apply to the NNTT for a determination as to whether the future act may be done, and if so, on what conditions.

6.6 Expedited Procedure

- (a) If the proposed future act (ie grant of the tenement) is not likely to interfere with the activities or sites of significance of the registered native title party or involved major disturbances to land or waters, a simplified process may apply (known as the Expedited Procedure). A registered native title party may object to this process and, if it does, the NNTT must determine the validity of the objection (which may result in the Expedited Process not being able to be followed).
- (b) Current Department policy is that it will process applications for exploration and prospecting licences through the Expedited Process once the applicant provides evidence by way of a statutory declaration / affidavit that a regional standard heritage agreement (**RSHA**) exists or has been signed by the

proponent and sent to any affected registered Native Title Claimant (NTC) group (if any) or that an alternative heritage agreement exists between the NTC group and the explorer. If this cannot be demonstrated, the Right to Negotiate Procedure will apply.

6.7 Compensation

In certain circumstances holders of native title (a determined native title claim that is registered on the NNTR) may be entitled to apply under the Native Title Act to the Federal Court for compensation for any effect on their native title. The Mining Act provides that holders of mining tenements are liable for such compensation where awarded by reason of their mining tenements having affected native title. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement (or granted future act) and the holders of the native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined.

6.8 Native title claims and determinations affecting the Tenements

The NNTT Searches in respect of the Tenements indicate that the Tenements lie within certain registered native title claimant applications and / or registered determinations of native title, the details of which are as follows:

Tenement affected	Overlap (%)	NNTT No.	Federal Court No.	Name	Date filed / Determined	Status
E45/5270	100%	WCD2002/002	WAD6110/1998	Martu and Ngurrara	Determined on 27 September 2002	Registered
E45/5271	100%	WCD2002/002	WAD6110/1998	Martu and Ngurrara	Determined on 27 September 2002	Registered

E52/2943, E52/2944, E52/2945, E52/2973, E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3154, E52/3171, E52/3317, E52/3318, E52/3319, E52/3346, E52/3368, E52/3397, E52/3487, E52/3622, E52/3648, E52/3721, E69/3247, and P52/1585	100%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3069	26%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	26%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27 October 2021
	74%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3190	81.86%	WCD2000/001	WAD72/1998	Nharnuwangga	Determined on 29 August 2000 and effective on 5 July 2001	Registered
	16.71%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3265	26.64%	WCD2000/001	WAD72/1998	Nharnuwangga	Determined on 29 August 2000 and	Registered

					effective on 5 July 2001	
	68.71%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3320	42.05%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	42.05%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27 October 2021
	57.95%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3455, E52/3623 and E52/3624	100%	WCD2000/001	WAD72/1998	Nharnuwangga	Determined on 29 August 2000 and effective on 5 July 2001	Registered
E52/3486	71.44%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	71.44%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27 October 2021
	28.56%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3488 and E52/3489	100%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	100%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27

						October 2021
E52/3743	95.31%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	95.31%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27 October 2021
	4.69%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered
E52/3768	91.37%	WC1999/046	WAD29/2019	Yugunga-Nya People	Filed on 9 December 1999	Active application, not accepted for registration
	91.37%	WC2020/003	WAD230/2020	Gingirana #4	Filed on 6 October 2020	Accepted for registration and in notification until 27 October 2021
	8.63%	WCD2017/011	WAD6002/2003	Gingirana	Determined on 7 December 2017	Registered

The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted.

However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

In respect to Tenements E52/3069, E52/3320, E52/3486, E52/3488, E52/3489, E52/3743 and E52/3768, the Tenements are subject to multiple overlapping native title claims, by the Yugunga-Nya People and Gingirana #4, which either wholly or partially overlap the Tenements. These claims are yet to be determined. Caution should be exercised in relation to any heritage agreements entered into with the native title parties, so to ensure that dual compensation is not being paid to multiple native title groups (particularly as the claims have not been determined).

Pursuant to the Native Title Act, a native title determination cannot be made for an area over which there is already a registered native title determination. However, the Company should note that an application may be made to revoke the existing native title determination over the area, and that the application for native title claims is likely to continue over the already determined claim area in case the determined claim is subsequently revoked.

6.9 Indigenous Land Use Agreements

An ILUA is an agreement which has been authorised by the native title claimant group and has been registered with the NNTT. An ILUA binds the parties to the ILUA and also all persons holding native title to the relevant area that may not be a party. If an ILUA provides that any particular petroleum permit(s) may be granted, then the relevant petroleum permit(s) may be granted as provided for by the ILUA, generally without following other procedures, including the Right to Negotiate Procedure or the Expedited Procedure.

Our Searches indicate that all or part of the areas of Tenements are situated within the areas covered by ILUAs, as shown in the below table.

Our searches indicate that all or part of the area of all of the Tenements overlaps the following ILUAs:

Tenement	ILUA Name	ILUA Type and Primary Subject Matter	Date registered	NNTT File Number	Overlap (%)
E45/5270	Lake Disappointment Project Mining and Indigenous Land Use Agreement	Body Corporate - Mining	21 December 2012	WI2012/009	100%
	Kintyre Mining Development ILUA	Area Agreement - Mining	19 August 2013	WI2013/002	0.71%
	Newcrest Mining Project Area ILUA	Body Corporate - Infrastructure	17 February 2016	WI2015/022	99.97%
E45/5271	Lake Disappointment Project Mining and Indigenous Land Use Agreement	Body Corporate - Mining	21 December 2012	WI2012/009	100%
	Kintyre Mining Development ILUA	Area Agreement - Mining	19 August 2013	WI2013/002	33.63%
	Newcrest Mining Project Area ILUA	Body Corporate - Infrastructure	17 February 2016	WI2015/022	100%
E52/2943, E52/2944, E52/2945, E52/2973, E52/3027, E52/3028,	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	100%

Tenement	ILUA Name	ILUA Type and Primary Subject Matter	Date registered	NNTT File Number	Overlap (%)
E52/3029, E52/3044, E52/3068, E52/3154, E52/3171, E52/3317, E52/3318, E52/3319, E52/3346, E52/3368, E52/3397, E52/3487, E52/3622, E52/3648, E52/3721, E69/3247 and P52/1585					
E52/3031, E52/3455, E52/3623 and E52/3624	Nharnuwangga Wajarri and Ngarlawangga	Area Agreement - Extinguishment	5 July 2001	WIA2000/001	100%
E52/3069	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	74%
	Yugunga-Nya People & Sandfire ILUA (Non- overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	26%
E52/3190	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	18.14%
	Nharnuwangga Wajarri and Ngarlawangga	Area Agreement - Extinguishment	5 July 2001	WIA2000/001	81.86%
E52/3265	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	26.64%
	Nharnuwangga Wajarri and Ngarlawangga	Area Agreement - Extinguishment	5 July 2001	WIA2000/001	68.71%
E52/3320	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	57.95%

Tenement	ILUA Name	ILUA Type and Primary Subject Matter	Date registered	NNTT File Number	Overlap (%)
	Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	42.05%
E52/3486	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	28.56%
	Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	71.44%
E52/3488, and E52/3489	Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	100%
E52/3743	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	4.69%
	Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	95.31%
E52/3768	Gingirana People and Sandfire Resources Indigenous Land Use Agreement	Area Agreement - Mining	24 January 2012	WI2011/009	8.63%
	Yugunga-Nya People & Sandfire ILUA (Non-overlapping area)	Area Agreement - Mining	21 September 2012	WI2012/001	91.37%

We have not reviewed the terms of the ILUAs in detail as the Company (and AIC Resources, Rumble and Venus) are not parties to the ILUAs.

6.10 Compliance with the Validity of Tenements

With respect to the Tenements, we have assumed that, prior to grant, DMIRS was satisfied that the Native Title Act had been complied with. Provided that the Tenements are validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests.

7. Aboriginal heritage

7.1 General

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

7.2 Commonwealth Legislation

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

7.3 Western Australian legislation

The provisions of the WA Heritage Act are endorsed on all tenements in Western Australia.

The WA Heritage Act protects all Aboriginal sites in Western Australia which meet the criteria in section 5 of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites. It is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

A holder of a Western Australian mining tenement has the legislative right to submit an application under the WA Heritage Act seeking approval to disturb or destroy an Aboriginal site.

7.4 Proposed Aboriginal Heritage Bill

On 2 September 2020, the WA State Government released the draft *Aboriginal Cultural Heritage Bill 2020 (ACH Bill)* which is intended to replace the current WA Heritage Act. The ACH Bill proposes that proponents of resources projects will (depending on the type of activity to be carried out on the tenements) need to apply for an Aboriginal Cultural Heritage Permit or obtain approval of an Aboriginal Cultural Heritage Management Plan.

The ACH Bill also establishes an Aboriginal Cultural Heritage Council, with broader functions, intended to replace the current Aboriginal Cultural Material Committee, introduces a 'tiered' approvals system and a 'continuous disclosure' obligation, gives broad ministerial powers to issue orders to stop activities, prohibit activities or enforce remediation, and imposes harsher penalties for carrying out activities which

harm Aboriginal cultural heritage, failing to report on Aboriginal cultural heritage or non-compliance.

Public consultation on the ACH Bill closed on 9 October 2020 and around 157 submissions were received in relation to the ACH Bill, the vast majority of which did not support the ACH Bill. Further changes have been made to the draft ACH Bill, which we understand is intended to be introduced to Parliament before the end of the year.

7.5 Aboriginal sites and other heritage places on the Tenements

The AHIS Searches of the Tenements identified a total of 17 registered Aboriginal heritage sites within Tenements E52/3455, E52/3317, E52/3028, E52/3031 and E45/5217 as shown in the below table (see over page).

Registered Aboriginal Sites				
Tenement affected	Site ID	Site name	Status	Type
E52/3455	36843	NSR16-07	Registered Site	Artefacts / Scatter, Quarry
E52/3317	6140	Mythological 'Showplace'	Registered Site	Mythological
E52/3028	1034	TOR Engraving	Registered Site	Artefacts / Scatter, Engraving
E52/3031	36841	NSR16-06	Registered Site	Artefacts / Scatter
	36844	NSR16-10	Registered Site	Artefacts / Scatter, Quarry, Ochre
E45/5217	6488	Paterson Range 1	Registered Site	Artefacts / Scatter
	6489	Paterson Range 2	Registered Site	Artefacts / Scatter
	6491	Mt Isdell	Registered Site	Artefacts / Scatter, Engraving, Painting
	7066	Trotman's Cave 2	Registered Site	Painting
	11813	Christmas Pool 2	Registered Site	Ceremonial, Man-Made Structure, Painting
	12008	Zero Location	Registered Site	Grinding Patches / Grooves, Rockshelter, Camp
	12009	Slant Cave	Registered Site	Artefacts / Scatter, Engraving, Painting
	12010	Sandy Cave	Registered Site	Artefacts / Scatter, Engraving, Grinding Patches / Grooves, Painting, Camp
	12011	Butcher Bird Site	Registered Site	Painting, Water Source, Other: ?
	12053	Trotman's Cave	Registered Site	Artefacts / Scatter, Engraving, Painting, Arch Deposit, Camp, Massacre, Shell, Other: PA 24
	12054	Waterfall Site	Registered Site	Engraving, Grinding Patches / Grooves, Painting, Water Source, Other: ?
	12110	Christmas Pool	Registered Site	Artefacts / Scatter, Engraving, Grinding Patches / Grooves, Painting, Camp, Water Source, Other: ?

The AHIS Searches of the Tenements also identified one 'other heritage places' which has been lodged within Tenement E45/5217, as shown in the below table.

Other Aboriginal Heritage Places			
Site ID	Site name	Status	Type
19850	Paterson Range Location 14	Lodged	Painting

The other Aboriginal heritage place summarised above has been lodged but is not registered. As of the date of this Report, it has not been assessed to determine whether this place meets the criteria to be registered as an Aboriginal site or heritage place.

In respect to Aboriginal heritage sites, the AHIS search results do not mean that there are no other Aboriginal sites within the area of the Tenements. It is only an indication that no other Aboriginal sites have been registered in the area to date.

7.6 Aboriginal heritage agreements affecting the Tenements

As discussed above at section 6.6, Department policy provides that applications for exploration licences will generally not be processed for grant through the Expedited Procedure unless the applicant for the licence provides evidence that an appropriate Aboriginal heritage agreement has been entered into with any affected registered Native Title Claimant (**NTC**) (if any).

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal site. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The Company has provided us with the following information in relation to the regional standard heritage agreements (**RSHA**) (or other heritage agreements) that relate to the Tenements:

Marymia Project

- (a) Land Access and Mineral Exploration Deed of Agreement between Marputu Aboriginal Corporation RNTBC (on behalf of the Gingirana native title determination) and AIC Resources Ltd (ACN 619 035 737) (**AIC Resources**) dated 25 October 2018 (as amended by deed of variation dated 25 August 2020). This agreement is on generally industry standard terms for agreements of this nature.
- (b) Nharnuwangga Wajarri and Ngarlawangga Heritage Agreement between Jidi Jidi Aboriginal Corporation RNTBC and the AIC Resources dated 16 January 2020. This agreement is on generally industry standard terms for agreements of this nature.
- (c) Yugunga-Nya Aboriginal Cultural Heritage Protocol Agreement between Yugunga-Nya Heritage Pty Ltd (ACN 635 592 602) as agent for and on behalf of Yugunga-Nya Claimant Group and AIC Resources dated 26 June

2020. This agreement is on generally industry standard terms for agreements of this nature.

- (d) RSHA between the Central Desert Native Title Service Ltd on behalf of the Gingirana native title determination and the Company dated 9 November 2020. This agreement has been signed by the Company and provided to the NTC. As at the date of this Report, the Company has not received a response from the NTC and, to the Company's knowledge, the RSHA has not been signed by the NTC. Despite this, the Tenements the subject of the RSHA have been granted.
- (e) RSHA between the Central Desert Native Title Service Ltd on behalf of the Yugunga-Nya People native title claim and the Company dated 9 November 2020. This agreement has been signed by the Company and provided to the NTC. As at the date of this Report, the Company has not received a response to date from the NTC and, to the Company's knowledge, the RSHA has not been signed by the NTC. Despite this, the Tenements the subject of the RSHA have been granted.
- (f) Heritage Agreement between Ausgold and Jidi Jidi Aboriginal Corporation dated 8 April 2010 (as assigned to the Company by way of a deed of assignment and assumption dated 31 July 2020). This agreement is on generally industry standard terms for agreements of this nature.
- (g) Exploration and Prospecting Deed of Agreement between Venus and the Gingirana Native Title Claim Group dated 11 November 2015 (as varied by deeds of variation dated 25 November 2016 and 16 January 2018, respectively and assigned from Venus to AIC Resources by deeds of assignment and assumption dated 5 August 2020 and 22 December 2020, respectively). This agreement is on generally industry standard terms for agreements of this nature.
- (h) Heritage Agreement between Venus and the Yamatji Marlpa Aboriginal Corporation as agent for the Yugunga-Nya People native title claim dated 8 February 2016 (as varied on 14 May 2018 and as assigned from Venus to AIC Resources by deeds of assignment and assumption dated 5 August 2020 and 22 December 2020, respectively). This agreement is on generally industry standard terms for agreements of this nature.

Lamil Project

- (i) Land Access and Mineral Exploration Agreement 2019 (**LAA**) between Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC (**WDLAC**) on behalf of the Martu Native Title Holders and Rumble Resources Limited Dated 9 August 2019 (as varied by deed of variation dated 9 January 2020). Pursuant to letters dated 11 September 2019 and 6 April 2020, respectively, Rumble provided notice to WDLAC that it has authorised the Company to, on Rumble's behalf, interact directly with WDLAC in relation to the LAA and applicable tenements. The LAA is otherwise on generally standard terms for agreements of this nature.

The entry into Aboriginal heritage agreements is not a requirement of the WA Heritage Act but is an industry standard means of managing the risk of contravention of the WA Heritage Act where there is a NTC or other claim group with a recognised connection to the relevant land.

8. Land access

8.1 File Notation Areas

File Notation Areas (**FNAs**) are generally an indication of areas:

- (a) where Government has proposed some change of land tenure that is being considered or endorsed by DMIRS for possible implementation; or
- (b) areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions.

The existence of an FNA will not, of itself, prevent the grant of a tenement or preclude exploration or mining activities.

FNAs may relate to land in respect of which Ministerial approval is sought under section 16(3) of the Mining Act. Section 16(3) requires prior Ministerial approval be obtained for any Crown land that is in a mineral field to be leased, transferred in fee simple, or otherwise disposed of under the provisions of the *Land Administration Act 1997* (WA).

The Searches indicates that the following Tenements are overlapped by various FNA as further detailed in the table below.

FNA	Tenement (% overlap)	Description shown on Tengraph Search
7148	E52/3069 (2.29%), E52/3190 (0.2%), E52/3318 (3.65%), E52/3743 (7.21%)	File Notation Area - Great Northern Highway Road Network
13287	E45/5270 (0.02%)	File Notation Area - Proposed Extension for Access and Use of Borrow Pits and Water Bores Section 91 LAA

8.2 Pastoral Leases

The Tengraph Searches indicate that several of the Tenements either wholly or partially overlap the following pastoral leases:

Pastoral Lease Name	Lease number	Tenement (% overlap)
Marymia	N050486	P52/1585 (100%), E52/2943 (56.26%), E52/2944 (99.77%), E52/2945 (80.02%), E52/2973 (100%), E52/3027 (77.53%), E52/3028 (13.61%), E52/3044 (100%), E52/3154 (100%), E52/3171 (7.21%), E52/3317 (100%), E52/3319 (100%), E52/3346 (65.1%) E52/3397 (100%), E52/3368 (100%), E52/3622 (100%), E52/3648 (100%), E69/3247 (99.84%), E52/3721 (79.67%)
Kumarina	N050094	E52/2943 (43.26%), E52/2944 (0.23%), E52/3721 (20.22%)
Three Rivers	N049591	E52/2945 (19.98%), E52/3027 (22.47%), E52/3028 (86.39%), E52/3029 (100%), E52/3031 (78.28%), E52/3068 (100%), E52/3069 (74%), E52/3171 (92.79%), E52/3190 (96.57%), E52/3320 (57.95%), E52/3265 (95.35%), E52/3318 (100%), E52/3346 (34.89%), E52/3455 (81.87%), E52/3486 (28.56%), E52/3743 (4.69%), E52/3768 (8.63%)
Bryah	N049600	E52/3031 (14.49%)
Neds Creek	N049751	E52/3069, E52/3320 (42.05%), E52/3489 (100%), E52/3743 (95.31%), E52/3768 (53.9%)

The Mining Act:

- (a) generally prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the pastoral lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that a holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lease holder) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any

substantial loss of earnings suffered by the lessee as a result of, or arising from, any exploration or mining activities.

Compensation payable to a pastoral lease holder can be, and usually is, determined by agreement with the pastoral lease holder or by the Warden's Court if no agreement can be reached.

8.3 Crown Reserves

Our Searches indicate that the land the subject of the following Tenements overlaps several Crown Reserves, as shown in the below table.

ID	Tenement (% overlap)	Description shown on Tengraph Search
R 12297	E52/2943 (0.03%), E69/3247 (0.08%), E52/3721 (0.05%)	"C" Class Reserve - Rabbit Proof Fence No 1
R 1200	E52/3190 (1.85%), E52/3455 (1.11%)	"C" Class Reserve - Water & Stopping Place
R 9700	E52/3190 (0.15%), E52/3455 (17.02%)	"C" Class Reserve - De Grey Peak Hill Stock Route

A Crown Reserve refers to land set aside or "reserved" for a designated purpose (ie for parks, recreation, drainage or church sites) and is managed by the State of Western Australia or designated management authority/agency.

There are three different categories of Crown Reserves, with Class A having the highest form of protection, Class B having a medium form of protection and Class C, which forms the vast majority of reserves, having a lower level of protection.

The existence of a Crown Reserve may require additional approvals or plans to be implemented by the Company in order to progress with exploration activities on the Tenements. In respect to the above Tenements, although the encroachment on the various Crown Reserves is minimal, conditions have been imposed on the Tenements requiring the prior written consent of the Minister before commencing any exploration activities on the reserves.

8.4 Overlapping tenure

Our searches indicate that the below Tenements overlap with the following mining tenure:

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
E45/5270	L45/101	0.02%	Newcrest Mining Limited	E45/5270 has been granted with a standard condition to preserve access rights to the miscellaneous licences to the holder of the miscellaneous licences and non-interference with the purpose or installations on the miscellaneous licences.
	L45/107	0.97%	Newcrest Mining Limited	
	L45/110	0.07%	Newcrest Mining Limited	
	L45/128	0.27%	Nifty Copper Pty Ltd	Rumble is party to an access agreement with Nifty Copper Pty Ltd in respect to the overlap with L45/128 and L45/143. For further information please refer to section 9.2(b).
	L45/143	0.29%	Nifty Copper Pty Ltd	
E52/2944	L52/188	0.07%	Dampier (Plutonic) Pty Ltd	AIC Resources is party to an access agreement with Dampier (Plutonic) Pty Ltd in respect to the overlap with L52/188. For further information please refer to section 9.2(a).
E52/2945	L52/48	0.28%	Billabong Gold Pty Ltd	E52/2945 has been granted with a standard condition to preserve access rights to the miscellaneous licence to the holder of the

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
				<p>miscellaneous licence and non-interference with the purpose or installations on the miscellaneous licence.</p> <p>AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/48. For further information please refer to section 9.2(d).</p>
E52/3027	L52/48	0.06%	Billabong Gold Pty Ltd	<p>E52/3027 has been granted with a standard condition to preserve access rights to the miscellaneous licence to the holder of the miscellaneous licence and non-interference with the purpose or installations on the miscellaneous licence.</p> <p>AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/48. For further information please refer to section 9.2(e).</p>
	L52/116	0.75%	Billabong Gold Pty Ltd	E52/3031 has been granted with a

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
E52/3031	L52/164	3.22%	Billabong Gold Pty Ltd	standard condition to preserve access rights to the miscellaneous licences to the holder of the miscellaneous licences and non-interference with the purpose or installations on the miscellaneous licences.
E52/3044	L52/48	0.21%	Billabong Gold Pty Ltd	E52/3044 has been granted with a standard condition to preserve access rights to the miscellaneous licences to the holder of the miscellaneous licences and non-interference with the purpose or installations on the miscellaneous licences.
	L52/52	0.12%	Billabong Gold Pty Ltd	
	L52/188	0.56%	Dampier (Plutonic) Pty Ltd	
E52/3154	L52/188	0.3%	Dampier (Plutonic) Pty Ltd	AIC Resources is party to an access agreement with Dampier (Plutonic) Pty Ltd in respect to the overlap with

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
				L52/188. For further information please refer to section 9.2(a).
E52/3190	L52/55	0.84%	Billabong Gold Pty Ltd	<p>E52/3190 has been granted with a standard condition to preserve access rights to the miscellaneous licence to the holder of the miscellaneous licence and non-interference with the purpose or installations on the miscellaneous licence.</p> <p>AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/55. For further information please refer to section 9.2(h).</p>
	L52/116	0.38%	Billabong Gold Pty Ltd	AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with
	L52/117	0.09%	Billabong Gold Pty Ltd	L52/116 and L52/117. For further information please refer to section 9.2(f).
	L52/164	1.42%	Billabong Gold Pty Ltd	AIC Resources is party to an access

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
	L52/165	0.25%	Billabong Gold Pty Ltd	agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/164 and L53/165. For further information please refer to section 9.2(g).
	L52/166	1.15%	Billabong Gold Pty Ltd	AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/166. For further information please refer to section 9.2(i).
E52/3265	L52/152	0.03%	Sandfire Resources Limited	E52/3265 has been granted with a standard condition to preserve access rights to the miscellaneous licence to the holder of the miscellaneous licence and non-interference with the purpose or installations on the miscellaneous licence.
E52/3317	L52/154	<0.01%	Dampier (Plutonic) Pty Ltd	E52/3317 has been granted with a standard condition to preserve access rights to the miscellaneous licence to the holder of the miscellaneous licence and non-

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
				interference with the purpose or installations on the miscellaneous licence.
	L52/188	0.15%	Dampier (Plutonic) Pty Ltd	AIC Resources is party to an access agreement with Dampier (Plutonic) Pty Ltd in respect to the overlap with L52/188. For further information please refer to section 9.2(a).
E52/3455	L52/116	0.44%	Billabong Gold Pty Ltd	E52/3455 has been granted with a standard condition to preserve access rights to the miscellaneous licences to the holder of the miscellaneous licences and non-interference with the purpose or installations on the miscellaneous licences.
	L52/164	2.76%	Billabong Gold Pty Ltd	
	L52/204	0.11%	Billabong Gold Pty Ltd	
E52/3346	L52/71	0.02%	Billabong Gold Pty Ltd	E52/3346 has been granted with a standard condition

Affected Tenement	Overlapping mining tenure	Encroachment %	Holder	Notes
				<p>to preserve access rights to the miscellaneous licence to the holder of the miscellaneous licence and non-interference with the purpose or installations on the miscellaneous licence.</p> <p>AIC Resources is party to an access agreement with Billabong Gold Pty Ltd in respect to the overlap with L52/71. For further information please refer to section 9.2(j).</p>
E52/3368	L52/188	<0.01%	Dampier (Plutonic) Pty Ltd	AIC Resources is party to an access agreement with Dampier (Plutonic) Pty Ltd in respect to the overlap with L52/188. For further information please refer to section 9.2(a).
E69/3247	L52/162	0.62%	Kalium Lakes Infrastructure Pty Ltd	AIC Resources is party to an access agreement with Kalium Lakes Infrastructure Pty Ltd in respect to the overlap with L52/162 and L69/28. For further information please refer to section 9.2(k).
	L69/28	0.03%	Kalium Lakes Infrastructure Pty Ltd	

The above Tenements overlap miscellaneous licences. A miscellaneous licence may be granted for one or more prescribed purposes that are directly connected with mining operations and may be granted over any existing tenements, whether held by the applicant or another person. Where this occurs, the miscellaneous licence and the mining tenement will coexist on the land. Generally, although not a requirement under the Mining Act, an access agreement will be entered in to in order to facilitate and coordinate the activities between the holder of the miscellaneous licence and the mining tenement holder.

In the event that a tenement is granted over an existing miscellaneous licence, standard conditions will be imposed on the tenement which preserve the rights of access to the miscellaneous licence to the holder of the miscellaneous licence and which provide that the tenement holder must not interfere with the purpose or installations on the miscellaneous licences.

8.5 Petroleum interests

Our searches indicate that the land subject of several of the Tenements overlap petroleum tenure, as shown in the table below:

ID	Tenure Type	Holder	Tenement and encroachment (%)
STP-EPA-0013	PGERA67 Exploration Permit	Pangaea Resources Pty Limited	E52/2943 (27.71%), E52/2945 (32.46%), E52/3027 (12.16%), E52/3028 (75.81%), E52/3029 (100%), E52/3171 (19.99%), E52/3190 (53.53%), E52/3368 (25.48%)
PL24	PPA69 Pipeline Centreline and Pipeline Licence	Alinta Energy GGT Pty Limited, Southern Cross Pipelines (NPL) Australia Pty Ltd, Southern Cross Pipelines Australia Pty Limited	E52/2945 (0.14%), E52/3027 (0.21%), E52/3028 (0.09%), E52/3171, E52/3346 (0.08%), E52/3368 (0.19%)
PL35	PPA69 Pipeline Centreline and Pipeline Licence	Billabong Gold Pty Ltd	E52/3346 (0.01%)
PL117	PPA69 Pipeline Centreline and Pipeline Licence	Kalium Lakes Infrastructure Pty Ltd	E69/3247 (0.39%)

ID	Tenure Type	Holder	Tenement and encroachment (%)
PL 60	PPA69 Pipeline Centreline and Pipeline Licence	EII Gas Transmission Services WA (Operations) Pty Limited	E45/5270 (0.01%)
PL 68	PPA69 Pipeline Centreline and Pipeline Licence	EII Gas Transmission Services WA (Operations) Pty Limited	E45/5270 (0.07%)

For the purposes of this Report, we have not conducted further searches in respect to the petroleum licences. However, given there appear to be existing pipelines that traverse the area of these tenement applications, the grant of any tenements may be subject to entering into suitable access and co-ordination agreements in relation to the interaction of rights in the encroachment area to effectively manage the access and interests of both parties. Such agreements may restrict the ability of the Company to undertake exploration and mining activities on certain parts of the Tenements.

8.6 CALM Purchased Former Pastoral Leases

The Searches indicate that Tenements E52/3031, E52/3486 and E52/3768 partially overlap a CALM Purchased Former Lease, as follows:

Calm Purchased Former Lease Name	Lease number	Tenement (% overlap)
Doolgunna P/L 3114/1026	CPL 8	E52/3031 (7.23%), E52/3486 (71.44%), E52/3768 (37.47%)

Since 1988, the Western Australian Government, with assistance from the Australian Government purchased over five million hectares of pastoral lease land (now 'former' pastoral lease land). These areas are owned by the Department of Biodiversity, Conservation and Attractions, (formerly known as the Department of Environment and Conservation) and were acquired to protect ecosystems containing threatened species and ecological communities which may not be adequately represented in existing reserves (**CALM Purchased Former Lease**).

Through conservation focussed management, the purchases of these CALM Purchased Former Leases improved Western Australia's ability to conserve the natural diversity in these areas.

As a result of the purchases for CALM Purchased Former Leases, properties were no longer intended to be run as commercial pastoral operations by private individuals or corporations and therefore no longer able to comply with the pastoral

lease provisions of the *Land Administration Act 1997*. As a result, the former pastoral leases were surrendered at purchase, and these areas were reverted to unallocated Crown land, on an interim basis (pursuant to the *Land Administration Act 1997*).

In the future the areas of the CALM Purchased Former Leases will be considered for conversion to Crown reserves, or possibly other tenure, to allow for vesting in the Conservation and Parks Commission of WA.

The existence of these CALM Purchased Former Leases may require additional approvals or plans to be implemented by the Company in order to progress with exploration activities on the Tenements. In respect to the above Tenements, conditions have been imposed on the Tenements requiring the prior written consent of the Minister before commencing any exploration activities on the CALM Purchased Former Lease.

9. Material Agreements

9.1 Earn-in and JVA

(a) Curara Well JVA

Pursuant to a binding heads of agreement (**HOA**) between Venus and AIC Resources dated on or about 18 September 2018, Venus granted to AIC Resources the right to earn up to an 80% legal and beneficial interest in Tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489 by expending certain expenditure on these Tenements. After having satisfied the expenditure requirements to earn in to Tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489, an 80% legal interest in the Tenements was transferred to AIC Resources and an unincorporated contractual joint venture formed between Venus (20% interest) and AIC Resources (80% interest) (**Curara Well Joint Venture**).

On 17 August 2020, Venus and AIC Resources entered into the Curara Well Joint Venture Agreement (**Curara Well JVA**) which replaced the HOA in governing the Curara Well Joint Venture.

The key terms of the Curara Well JVA are as follows:

- (i) AIC Resources was appointed as the initial manager of the Curara Well Joint Venture and is responsible for the following in managing, supervising and conducting joint venture activities:
 - (A) (**Proposed Programmes and Budgets**) prepare and submit to the management committee for approval, proposed programmes and budgets and all other estimates and reports required under the Curara Well JVA;
 - (B) (**Approved Programmes and Budgets**) carry out effectively and efficiently the work required to implement all approved programmes and budgets;

- (C) **(tenders and contracts)** obtain, evaluate and accept quotes and tenders, and enter into, administer and enforce, as agent of the Curara Well Joint Venture participants, all contracts required for the performance of works and services necessary to undertake joint venture activities;
 - (D) **(Laws and authorisations)** comply with all laws and authorisations applicable to the conduct of joint venture activities;
 - (E) **(Tenements)** keep and renew the Tenements in good standing (including paying all rents, taxes, expenditures and other outgoings), and manage, administer, protect and enforce the rights and obligations of the holders under the Tenements;
 - (F) **(statutory reports)** prepare, file and lodge all statutory reports as and when required under the Mining Act and any other applicable laws in respect of the area the subject of the Tenements; and
 - (G) **(insurances)** effect and maintain all insurances appropriate in relation to joint venture property and joint venture activities, or as required by law.
- (ii) Venus' 20% interest in the Curara Well Joint Venture will be free carried through to a decision to mine.
 - (iii) If a decision to mine is made, Venus may elect to contribute to all ongoing joint venture expenditure in accordance with its 20% interest, or elect to convert its 20% interest to a 1.5% net smelter return royalty. Venus and AIC Resources have entered into a royalty deed in respect to this arrangement. For further information, please refer to section 10.1 below.

The remaining terms of the Curara Well JVA are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a joint venture committee, the functions, rights, powers and duty of the manager and that joint venture costs and entitlements will be in proportion to the respective percentage interests of AIC Resources and Venus in the Curara Well Joint Venture.

By way of a deed of variation to the Curara Well JVA dated 22 December 2020 (**Deed**), Venus agreed to transfer to AIC Resources an 80% legal and beneficial interest in additional Tenements: E52/3068 and E52/3486. Pursuant to the Deed, Venus and AIC Resources have agreed to enter into relevant assignment deeds for the applicable native title heritage agreements in respect to E52/3068 and E52/3486. Upon transfer of the 80% interest in E52/3068 and E52/3486 to AIC Resources, these Tenements will form part of the Curara Well Joint Venture.

(b) **Ausgold Exploration FIJVA**

On 4 June 2018, the Company (then known as Intrepid Mines Limited) entered into the Ausgold Exploration FIJVA with Ausgold, under which, the Company has the right to earn up to an 80% interest in E52/3031, following which, an unincorporated joint venture will be formed with Ausgold. The key terms of the Ausgold Exploration FIJVA are as follows:

Under the terms of the Agreement:

- (i) the Company has the right to earn up to an 80% interest in the Project by expending \$2,150,000 (**Commitment Expenditure**) over a term of two years commencing on the date the conditions precedent are satisfied (**Earning Period**).
- (ii) should the Company wish to withdraw from the farm-in prior to meeting the Commitment Expenditure, it is obliged to pay a cash consideration equal to the minimum annual expenditure required to keep E52/3031 in good standing less the actual expenditure incurred by the Company on E52/3031 for the year in which it elects to withdraw.
- (iii) upon the Company meeting the Commitment Expenditure, Ausgold can elect to either:
 - (A) transfer a 70% interest in E52/3031 to the Company and retain a 30% contributing interest in E52/3031 for itself; or
 - (B) transfer an 80% interest in E52/3031 to the Company and retain a 20% interest in E52/3031 for itself which will be a free-carried interest to a decision to mine (**Sole-Funding Period**).
- (iv) with effect on and from the date of the election (summarised at point (iii) above), the Company and Ausgold will form an unincorporated joint venture for the purpose of exploration and development of E52/3031.
- (v) during the Earning Period and, if applicable, the Sole-Funding Period, the Company must keep E52/3031 in good standing.

On 30 July 2019, by way of a side letter varying the Ausgold Exploration FIJVA, the parties agreed to extend the Earning Period from two years to four years. The Earning Period now expires on 4 June 2022.

Upon Ausgold making the election to transfer to the Company either the 70% interest or the 80% interest in E52/3031, an unincorporated joint venture will be formed between Ausgold and the Company.

The terms of the joint venture are dealt with in the Ausgold Exploration FIJVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a management committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a

pro-rata basis in proportion to the respective percentage interest of the Company and Ausgold in E52/3031.

The Ausgold Exploration FIJVA contains additional provisions, including various warranties in favour of the Company in respect of E52/3031, which are considered standard for agreements of this nature.

(c) **Lamil Project EIJVA**

On or around 22 July 2019, the Company entered into the Lamil Project EIJVA with Rumble, under which, the Company has the right to earn up to a 65% interest in E45/5270 and E45/5271 over two stages. The first stage gives the Company a right to earn up to a 50% interest in E45/5270 and E45/5271, following which, an unincorporated joint venture will be formed with Rumble. The second stage gives the Company a right to earn an additional 15% interest in E45/5270 and E45/5271 (being a total of a 65% interest).

The key terms of the Lamil Project EIJVA are as follows:

- (i) **(Earn-In Period)**: the period in which the Company may earn in the initial 50% Percentage Share is 4 years commencing on the date that all conditions precedent are satisfied. The conditions precedent were satisfied on 13 August 2019, meaning the last day of the Earn-In Period is 12 August 2023.
- (ii) **(Withdrawal and Minimum Expenditure Commitment)** the Company may withdraw from the Earn-In within 2 years commencing on the date that all conditions precedent are satisfied, provided it has expended \$2,000,000 (**Minimum Expenditure Commitment**) or paid to Rumble any shortfall between the amount of expenditure funded to the date of withdrawal and the Minimum Expenditure Commitment.
- (iii) **(Stage 1 Earn-In)**: The Company may earn a 50% interest in E45/5270 and E45/5271 by expending at least \$6,000,000 (**Stage 1 Expenditure Requirement**) on exploration within 4 years of the date that all conditions precedent are satisfied. Upon completion of the Stage 1 Earn-In:
 - (A) the Company will have earned a 50% interest in both E45/5270 and E45/5271 (with Rumble holding the remaining 50% interest in these Tenements); and
 - (B) an unincorporated joint venture will be formed between Rumble and the Company.
- (iv) **(Stage 2 Earn-In)**: subject to the Company completing the Stage 1 Earn-In and electing to proceed with the Stage 2 Earn-In (**Stage 2 Election**) and Rumble electing not to contribute to the activities of the Project, the Company may earn a further 15% interest in E45/5270 and E45/5271 by sole funding at least \$4,000,000 (**Stage**

2 Expenditure Requirement) within 1 year after the Company notifies Rumble of the Stage 2 Election.

The terms of the unincorporated joint venture are dealt with in the Lamil Project EIJVA and are considered standard for a joint venture of this nature, including a standard dilution mechanism, the establishment of a joint venture committee, the functions, rights, powers and duty of the manager and that joint venture costs and activities will be conducted on a pro-rata basis in proportion to the respective percentage interest of the Company and Rumble in E45/5270 and E45/5271 (except in respect to the Stage 2 Expenditure Requirement, which is to be sole funded by the Company, per item (iv) above).

If Rumble's percentage share in the joint venture dilutes to less than 10%, then Rumble will be deemed to have withdrawn from the joint venture and to have converted its joint venture interest to a 1.25% net smelter return royalty with respect to any minerals (as that term is defined in the Mining Act) produced from the E45/5270 and E45/5271. The Company and Rumble will negotiate in good faith the terms of a formal royalty deed to give effect to the royalty.

9.2 Tenement Access Agreements

- (a) **Dampier Plutonic Access Agreement:** AIC Resources is party to an access agreement with Dampier (Plutonic) Pty Ltd (ACN 131 670 963) (**Dampier Plutonic**) dated on or around 9 March 2018. The access agreement is in respect to the overlap of Dampier Plutonic's miscellaneous licence L52/188 with AIC Resources' existing E52/2944, E52/3044, E52/3154, E52/3317 and E52/3368. The access agreement contains generally standard terms for agreements of this nature, including standard provisions in relation to the construction of infrastructure by Dampier Plutonic on L52/188 and the temporary or permanent relocation or removal of infrastructure on Dampier Plutonic's L52/188 as a result of a bona fide requirement of AIC Resources to conduct lawful activities on the portion of E52/2944, E52/3044, E52/3154, E52/3317 and E52/3368 which overlap L52/188. In the event the parties are unable to agree to an alternative location for the infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure. The agreement also provides that Dampier Plutonic consents to AIC Resources using any road located on L52/188, subject to certain conditions.
- (b) **Nifty Copper Access Agreement:** On 14 August 2019, Rumble entered into an access agreement with Nifty Copper Pty Ltd (ACN 074 145 636) (**Nifty Copper**) in respect to the overlap with Nifty Copper's existing miscellaneous licences L45/128 and L45/143 and E45/5270. The access agreement contains generally standard terms for agreements of this nature, including standard provisions in relation to the relocation of infrastructure on Nifty Copper's miscellaneous licences L45/128 and L45/143 where Rumble wishes to conduct mining activities on the area of E45/5270 which overlaps L45/128 and L45/143 and such activities would or would be reasonably likely to, prevent, interfere with or impede Nifty Copper's use of the infrastructure. In the event the parties are unable to agree to an alternative location for the

infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure.

- (c) **L52/204 Billabong Access Agreement:** On 1 April 2019, AIC Resources entered into an access agreement with Billabong Gold Pty Ltd (ACN 613 900 922) (**Billabong**) in respect to the overlap of Billabong's miscellaneous licence L52/204 with AIC Resources' existing E52/3455. The access agreement contains generally standard terms for agreements of this nature, including:
- (i) that the activities of AIC Resources will take priority under the access agreement;
 - (ii) the requirement for Billabong to provide notice and seek the written consent of AIC Resources prior to accessing the portion of L52/204 which overlaps E52/3455 (including the duration of the activities);
 - (iii) the requirement for Billabong to provide prior written notice to AIC Resources where it proposes to construct any infrastructure on or nearby the portion of L52/204 which overlaps E52/3455 (such notice to include specifics of the proposed construction); and
 - (iv) standard provisions in relation to the temporary or permanent relocation or removal of infrastructure on Billabong's miscellaneous licence L52/204 as a result of a bona fide requirement of AIC Resources to conduct mining operations on or nearby to the portion of L52/204 which overlaps E52/3455. In the event the parties are unable to agree to an alternative location for the infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure.
- (d) **E52/2945 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan Minerals Limited (ACN 161 948 536) (**Cosmopolitan**) in respect to the access agreement with Billabong dated 8 November 2013 (as assigned from time to time). The access agreement is in respect to E52/2945 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licence L52/48. The access agreement contains generally standard terms for agreements of this nature, including standard provisions in relation to the temporary or permanent relocation or removal of infrastructure on Billabong's miscellaneous licence L52/48 as a result of a bona fide requirement of AIC Resources to undertake mining on the portion of L52/48 which overlaps E52/2945. In the event the parties are unable to agree to an alternative location for the infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure.
- (e) **E52/3027 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 13 November 2014 (as assigned from time to time). The access agreement is in respect to E52/3027 (as transferred to AIC

Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licence L52/48. The access agreement is largely on the same terms as the E52/2945 Billabong Access Agreement referred to in section 9.2(d) above.

- (f) **E52/3190, L52/116 and L52/117 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 8 March 2016 (as assigned from time to time). The access agreement is in respect to E52/3190 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licences L52/116 and L52/117. The access agreement contains generally standard terms for agreements of this nature, including standard provisions in relation to the relocation of infrastructure on Billabong's miscellaneous licences L52/116 and L52/117 where AIC Resources wishes to conduct mining activities on the area of E52/3190 which overlaps L52/116 and L52/117 and such activities would or would be reasonably likely to, prevent, interfere with or impede Billabong's use of the infrastructure. In the event the parties are unable to agree to an alternative location for the infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure.

However, it should be noted that in the event of any conflict between the competing purposes of Billabong's construction, maintenance and usage of infrastructure on miscellaneous licences L52/116 and L52/117 and the exploration activities of AIC Resources, it is agreed that Billabong's construction, maintenance and usage of infrastructure on miscellaneous licences L52/116 and L52/117 must be treated as having priority over the exploration activities of AIC Resources.

- (g) **E52/3190, L52/164 and L52/165 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 8 March 2016 (as assigned from time to time). The access agreement is in respect to E52/3190 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licences L52/164 and L52/165. The access agreement is largely on the same terms as the E52/3190, L52/116 and L52/117 Billabong Access Agreement referred to in section 9.2(f)(d) above.
- (h) **E52/3190 and L52/55 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 8 March 2016 (as assigned from time to time). The access agreement is in respect to E52/3190 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licence L52/55. The access agreement is largely on the same terms as the E52/3190, L52/116 and L52/117 Billabong Access Agreement referred to in section 9.2(f) above.
- (i) **E52/3190 and L52/166 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption,

assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 27 September 2016 (as assigned from time to time). The access agreement is in respect to E52/3190 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licence L52/55. The access agreement is largely on the same terms as the E52/3190, L52/116 and L52/117 Billabong Access Agreement referred to in section 9.2(f) above.

- (j) **E52/3346 and L52/71 Billabong Access Agreement:** On 21 September 2018, AIC Resources, by way of a deed of assignment and assumption, assumed the obligations of Cosmopolitan in respect to the access agreement with Billabong dated 8 March 2016 (as assigned from time to time). The access agreement is in respect to E52/3346 (as transferred to AIC Resources from Cosmopolitan in September 2017) and Billabong's miscellaneous licence L52/71. The access agreement is largely on the same terms as the E52/3190, L52/116 and L52/117 Billabong Access Agreement referred to in section 9.2(f) above.
- (k) **Kalium Lakes Access Agreement:** On 23 April 2018, AIC Resources entered into an access agreement with Kalium Lakes Potash Pty Ltd (ACN 601 436 060) as assigned to Kalium Lakes Infrastructure Pty Ltd (ACN 631 042 450) (**Kalium Lakes**). The access agreement is in respect to Kalium Lakes' miscellaneous licences L52/162 and L69/28 and AIC Resources' E69/3247. The access agreement contains generally standard terms for agreements of this nature, including a relocation clause for the right for AIC Resources' to request that Kalium Lakes to relocate its infrastructure, if:
- (i) AIC Resources has a bona fide, detailed and economically feasible proposal to conduct mining operations on the portion of E69/3247 which overlaps Kalium Lakes' miscellaneous licences L52/162 and L69/28; and
 - (ii) the implementation of the proposal is prevented by the existence of any of the infrastructure or terms of the access agreement,

In the event the parties are unable to agree to an alternative location for the infrastructure, an expert will be appointed to make a determination in respect to an alternative site (if any) for the infrastructure.

The access agreement also contains the following provisions:

- (iii) AIC Resources is to seek the consent of Kalium Lakes before conducting any activities in the safety zone (being 25 metres either side of the gas pipeline constructed or to be constructed on miscellaneous licences L52/162 and L69/28) established under the access agreement; and
- (iv) Kalium Lakes provides its consent to AIC Resources using the road constructed or to be constructed on miscellaneous licences L52/162 and L69/28, provided that AIC Resources does not interfere with the use of the road or any other infrastructure on miscellaneous licences L52/162 and L69/28 being used by Kalium Lakes, and, that in using

the road, AIC Resources does do in accordance with a road access plan which has been consented to by Kalium Lakes (amongst other provisions).

10. Royalties

10.1 Curara Well Royalty Deed

On 17 August 2020, AIC Resources entered into a royalty deed, as amended by letter deed of variation dated 22 December 2020 (**Curara Well Royalty Deed**) with Venus. Under the Curara Well Royalty Deed (and in accordance with the Curara Well JVA), AIC Resources has agreed to grant Venus a 1.5% net smelter return royalty in the event that Venus withdraws from the joint venture (in which case it will no longer hold a joint venture interest). The royalty is payable on minerals (as that term is defined in the Mining Act) or metallic product extracted from Tenements E52/3068, E52/3069, E52/3320, E52/3486, E52/3487, E52/3488 and E52/3489. The royalty will become payable on the date on which the extraction and recovery of mineral and metallic products commences from Tenements E52/3068, E52/3069, E52/3320, E52/3486, E52/3487, E52/3488 and E52/3489.

11. Definitions

In this Report:

ACH Bill means the *Aboriginal Cultural Heritage Bill 2020*.

AHIS Searches has the meaning given in section 2(d).

AIC Resources means AIC Resources Limited (ACN 619 035 737).

ASX means the ASX Limited (ABN 98 008 624 691).

Ausgold means Ausgold Exploration Pty Ltd (ACN 078 093 606).

Ausgold Exploration FIJVA means the Exploration Farm-in and Joint Venture Agreement entered into on or around 4 June 2018.

Billabong means Billabong Gold Pty Ltd (ACN 613 900 922).

CALM Purchased Former Lease has the meaning given in section 8.6.

Commitment Expenditure has the meaning given in section 9.1(b)(i).

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

Company means AIC Mines Limited (ACN 060 156 452).

Cosmopolitan means Cosmopolitan Minerals Limited (ACN 161 948 536).

Curara Well Joint Venture means the unincorporated joint venture of that name between AIC Resources and Venus Metals Corporation Limited.

Curara Well JVA means the Curara Well Joint Venture Agreement dated 17 August 2020 (as amended by letter deed of variation dated 22 December 2020).

Curara Well Royalty Deed means the royalty deed between AIC Resources and Venus dated 17 August 2020.

Dampier Plutonic means Dampier (Plutonic) Pty Ltd (ACN 131 670 963).

Dampier Plutonic Access Agreement has the meaning given in section 9.2(a).

DMIRS means the Western Australian Department of Mines, Industry Regulation and Safety.

DMIRS Searches has the meaning given in section 2(a).

E52/2945 Billabong Access Agreement has the meaning given in section 9.2(d).

E52/3027 Billabong Access Agreement has the meaning given in section 9.2(e).

E52/3190, L52/116 and L52/117 Billabong Access Agreement has the meaning given in section 9.2(f).

E52/3190, L52/164 and L52/165 Billabong Access Agreement has the meaning given in section 9.2(g).

E52/3190 and L52/55 Billabong Access Agreement has the meaning given in section 9.2(h).

E52/3190 and L52/166 Billabong Access Agreement has the meaning given in section 9.2(i).

E52/3346 and L52/71 Billabong Access Agreement has the meaning given in section 9.2(j).

Federal Court means the Federal Court of Australia.

FNA means a File Notation Area.

ILUA has the meaning given in section 6.4(c).

Kalium Lakes means Kalium Lakes Infrastructure Pty Ltd (ACN 631 042 450).

Kalium Lakes Access Agreement has the meaning given in section 9.2(k).

L52/204 Billabong Access Agreement has the meaning given in section 9.2(c).

Lamil Project EIJVA means the Lamil Project Earn-In and Exploration Joint Venture Agreement entered into on or around 22 July 2019.

Material Agreements means any agreements summarised in section 9.

Mining Act means the *Mining Act 1978* (WA).

Mining Regulations means the *Mining Regulations 1981* (WA).

Minister means the Minister under the Mining Act.

Native Title Act means the *Native Title Act 1993* (Cth).

Negotiation Parties has the meaning given in section 6.5(a).

Nifty Copper means Nifty Copper Pty Ltd (ACN 074 145 636).

Nifty Copper Access Agreement has the meaning given in section 9.2(b).

NNTR means the National Native Title Register.

NNTT means the Australian National Native Title Tribunal.

NNTT Searches has the meaning given in section 2(c).

NTC has the meaning given in section 6.6(b).

Prospectus has the meaning given in the opening section of this document.

Report means this document, including any schedule or annexure to this document.

RNTC has the meaning given in section 6.2(a).

RSHA means regional standard heritage agreement.

Rumble means Rumble Resources Limited (ACN 148 214 260).

Searches means the searches referred to in section 2.

Sole-Funding Period has the meaning given in section 9.1(b)(iii)(B).

Tenements means the tenements set out in Schedule 1 and Tenement means any one of them.

Tengraph Searches has the meaning given in section 2(b).

Venus means Venus Metals Corporation Limited (ACN 123 250 582).

WA Heritage Act means the *Aboriginal Heritage Act 1972* (WA).

12. Qualifications and assumptions

12.1 General

This is a high level report covering material legal issues affecting the Tenements and does not purport to cover all possible issues which may affect the Tenements. This Report is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this Report.

12.2 Assumptions

This Report is based on, and subject to, the following assumptions (in addition to any assumptions expressed elsewhere in this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from DMIRS, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) each of the Company and AIC Resources has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);
- (i) that there are no other documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined;
- (j) the Material Agreements have been duly executed and the copies of the Material Agreements made available to us are accurate, complete and conform to the originals of the Material Agreements and there have been no material breaches of the Material Agreements.

12.3 **Qualifications**

This Report is subject to the following qualifications:

- (a) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (b) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

- (c) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (d) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (e) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (f) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (g) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (h) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (i) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (j) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments referred to in section 2 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (k) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (l) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;

- (m) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;
- (n) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (o) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

12.4 Disclaimer

HWL Ebsworth Lawyers has prepared this Report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



HWL Ebsworth Lawyers

+61 8 6559 6513
bdavies@hwle.com.au

Schedule 1 Tenement Summary

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
P52/1585	AIC Resources Limited - 100%	Live	42 Hectares	20 March 2019	19 March 2023	Reporting year ends 19 March. 2021: \$2,000 - expended in full (total expended \$5,403.52) 2022: \$2,000	2022: Paid in full, \$126. 2023: \$138.60	N/A
E45/5270	Rumble Resources Limited - 100%	Live	200 Blocks	9 June 2020	8 June 2025	Reporting year ends 8 June. 2021: \$200,000 - expended in full (total expended \$575,250.44) 2022: \$200,000	2022: Paid in full, \$28,200. 2023: \$29,200	N/A
E45/5271	Rumble Resources Limited - 100%	Live	200 Blocks	13 August 2019	12 August 2024	Reporting year ends 12 August. 2021: \$200,000 - expended in full (total expended \$2,062,675.53)	2022: Paid in full, \$29,200.	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
						2022: \$200,000	2023: , \$54,400	
E52/2943	AIC Resources Limited - 100%	Live	70 Blocks	29 April 2015	28 April 2025	Reporting year ends 28 April. 2021: \$234,000 - expended in full (total expended \$248,005) 2022: \$140,000	2022: Paid in full, \$38,025 (\$15,275 refund = \$22,750). 2023: \$47,390	On 24 May 2021, 47 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>
E52/2944	AIC Resources Limited - 100%	Live	75 Blocks	17 June 2015	16 June 2025	Reporting year ends 16 June. 2021: \$250,000 - expended in full (total expended \$252,460.05). 2022: \$150,000	2022: Paid in full, \$40,625 (\$16,250 refund = \$24,375). 2023: \$50,775	On 12 July 2021, 50 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/2945	AIC Resources Limited - 100%	Live	37 Blocks	17 June 2015	16 June 2025	Reporting year ends 16 June. 2021: \$124,000 - expended in full (total expended \$144,807.02) 2022: \$74,000	2022: Paid in full, \$20,150 (\$8,125 refund = \$12,025). 2023: \$25,049	On 12 July 2021, 25 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>
E52/2973	AIC Resources Limited - 100%	Live	26 Blocks	29 April 2015	28 April 2025	Reporting year ends 24 April. 2021: \$88,000 expended in full - (total expended \$103,426.05) 2022: \$52,000	2022: Paid in full, \$14,300 (\$5,850 refund = \$8,450) 2023: \$17,602	On 24 May 2021, 18 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>
E52/3027	AIC Resources Limited - 100%	Live	42 Blocks	1 July 2015	30 June 2025	Reporting year ends 30 June. 2021: \$140,000 expended in full - (total expended \$147,564.09)	2022: Paid in full, \$22,750 (\$7,714	On 25 August 2021, 28 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
						2022: \$84,000	refund = \$15,036). 2023: \$28,434	
E52/3028	AIC Resources Limited - 100%	Live	40 Blocks	15 May 2015	14 May 2025	Reporting year ends 14 May. 2021: \$132,000 expended in full - (total expended \$133,499.84) 2022: \$80,000	2022: Paid in full, \$21,450 (\$8,450 refund = \$13,000). 2023: \$27,080	On 5 July 2021, 26 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>
E52/3029	AIC Resources Limited - 100%	Live	19 Blocks	15 May 2015	14 May 2025	Reporting year ends 14 May. 2021: \$50,000 expended in full - (total expended \$65,215.87) 2022: \$50,000	2022: Paid in full, \$10,400 (\$4,225 refund = \$6,175). 2023: \$12,863	On 5 July 2021, 13 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3031	Ausgold Exploration Pty Ltd - 100%	Live	38 Blocks	4 February 2014	3 February 2024	Reporting year ends 3 February. 2021: \$76,000 expended in full - (total expended \$106,311.56). 2022: \$114,000	2022: Paid in full, \$23,370 2023: \$25,726	On 25 June 2015, DMIRS advised that there was a breach for non-compliance with expenditure obligations pursuant to Reg 21 and 22. A fine of \$4,845 was imposed on 8 January 2016 and was paid on 16 February 2016. On 28 February 2021, 25 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i> .
E52/3044	AIC Resources Limited - 100%	Live	17 Blocks	17 June 2015	16 June 2025	Reporting year ends 16 June. 2021: \$58,000 expended in full - (total expended \$65,282.34) 2022: \$50,000	2022: Paid in full, \$8,425 (\$3,900 refund = \$5,525). 2023: \$11,509	On 12 July 2021, 12 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i>

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3068	Venus Metals Corporation Limited - 100%	Live	12 Blocks	5 January 2016	4 January 2026	Reporting year ends 4 January. 2021: \$30,000 expended in full - (total expended \$40,858.82) 2022: \$50,000	2022: Paid in full, \$3,900. 2023: \$4,296	On 5 June 2018, DMIRS advised that there was a breach for non-compliance with expenditure obligations pursuant to Reg 15. A fine of \$793 was imposed on 6 August 2018 and was paid on 8 August 2018.
E52/3069	Venus Metals Corporation Limited - 20% (20/100 Shares) AIC Resources Limited - 80% (80/100 Shares)	Live	22 Blocks	10 February 2016	9 February 2026	Reporting year ends 9 February. 2021: \$33,000 expended in full - (total expended \$34,311.78) 2022: \$50,000	2022: Paid in full, \$7,150. 2023: \$7,876	On 22 May 2017, DMIRS advised that there was a breach for non-compliance with expenditure obligations pursuant to Reg 115A. A fine of \$90 was imposed on 3 July 2017 and was paid on 5 July 2017.

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3154	AIC Resources Limited - 100%	Live	18 Blocks	20 October 2015	19 October 2025	Reporting year ends 19 October. 2020: \$30,000 expended in full - (total expended \$36,520.34) 2021: \$50,000	2021: Paid in full, \$5,850. 2022: \$6,444	N/A
E52/3171	AIC Resources Limited - 100%	Live	10 Blocks	18 November 2015	17 November 2025	Reporting year ends 17 November. 2020: \$30,000 expended in full - (total expended \$39,578.40) 2021: \$50,000	2021: Paid in full, \$3,250. 2022: \$3,580	N/A
E52/3190	AIC Resources Limited - 100%	Live	46 Blocks	23 March 2017	22 March 2022	Reporting year ends 22 March. 2021: \$69,000 expended in full - (total expended \$70,396.01) 2022: \$69,000	2022: Paid in full, \$10,948. 2023: \$16,468	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3265	AIC Resources Limited - 100%	Live	16 Blocks	13 May 2016	12 May 2026	Reporting year ends 12 May. 2021: \$30,000 expended in full (total expended \$31,744.96) 2022: \$50,000	2022: Paid in full, \$5,200. 2023: \$5,728	N/A
E52/3317	AIC Resources Limited - 100%	Live	20 Blocks	4 October 2016	3 October 2021	Reporting year ends 3 October. 2020: \$30,000 expended in full - (total expended \$33,012.35) 2021: \$30,000	2021: Paid in full, \$4,760. 2022: \$7,160	N/A
E52/3318	AIC Resources Limited - 100%	Live	21 Blocks	27 July 2016	26 July 2021	Reporting year ends 26 July. 2021: \$31,500 expended in full - (total expended \$38,848.90) 2022: \$50,000	2022: Paid in full, \$7,518. 2023: \$7,518	An application for Extension / Renewal of term 628303 was lodged with DMIRS on 16 July 2021 to extend the term for a period of 5 years. The renewal is yet to be formally recorded. E52/3318 will continue in force until the renewal application is determined.

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3319	AIC Resources Limited - 100%	Live	7 Blocks	27 July 2016	26 July 2021	Reporting year ends 26 July. 2021: \$30,000 expended in full - (total expended \$43,620.58) 2022: \$50,000	2022: Paid in full, \$2,506. 2023: \$2,506	An application for Extension / Renewal of term 628304 was lodged with DMIRS on 16 July 2021 to extend the term for a period of 5 years. The renewal is yet to be formally recorded. E52/3319 will continue in force until the renewal application is determined.
E52/3320	Venus Metals Corporation Limited - 20% (20/100 Shares) AIC Resources Limited - 80% (80/100 Shares)	Live	2 Blocks	20 December 2016	19 December 2021	Reporting year ends 19 December. 2020: \$20,000 expended in full - (total expended \$22,367.03) 2021: \$20,000	2021: Paid in full, \$476. 2022: \$716	N/A
E52/3346	AIC Resources Limited - 100%	Live	67 Blocks	23 March 2017	22 March 2022	Reporting year ends 22 March.	2022: Paid in full, \$15,946.	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
						2021: \$100,500 expended in full - (total expended \$104,056.94) 2022: \$100,500	2023: \$23,986	
E52/3368	AIC Resources Limited - 100%	Live	19 Blocks	27 July 2016	26 July 2021	Reporting year ends 26 July. 2021: \$30,000 expended in full - (total expended \$75,241.11) 2022: \$50,000	2022: Paid in full, \$6,802. 2023: \$6,802	N/A
E52/3397	AIC Resources Limited - 100%	Live	33 Blocks	23 March 2017	22 March 2022	Reporting year ends 22 March. 2021: \$49,500 expended in full - (total expended \$54,679.60) 2022: \$49,500	2022: Paid in full, \$7,854. 2023: \$11,814	N/A
E52/3455	AIC Resources Limited - 100%	Live	41 Blocks	16 August 2016	15 August 2021	Reporting year ends 15 August. 2021: \$61,500 expended in full - (total expended \$70,050.57)	2021: Paid in full, \$9,758.	An application for Extension / Renewal of Term 629645 was lodged with DMIRS on 4 August 2021 to extend the term for a period of 5 years. The renewal is yet to be

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
						2022: \$82,000	2022: Paid in full, \$14,678	formally recorded. E52/3455 will continue in force until the renewal application is determined.
E52/3486	Venus Metals Corporation Limited - 100%	Live	9 Blocks	15 May 2018	14 May 2023	Reporting year ends 14 May. 2021: \$20,000 expended in full - (total expended \$22,922.23) 2022: \$30,000	2022: Paid in full, \$2,142. 2023: \$2,358	N/A
E52/3487	Venus Metals Corporation Limited - 20% (20/100 Shares) AIC Resources Limited - 80% (80/100 Shares)	Live	3 Blocks	19 January 2018	18 January 2023	Reporting year ends 18 January. 2021: \$15,000 expended in full - (total expended \$15,753.16) 2022: \$20,000	2022: Paid in full, \$714. 2023: \$786	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3488	Venus Metals Corporation Limited - 20% (20/100 Shares) AIC Resources Limited - 80% (80/100 Shares)	Live	1 Block	15 May 2018	14 May 2023	Reporting year ends 14 May. 2021: \$10,000 expended in full - (total expended \$12,247.30) 2022: \$10,000	2022: Paid in full, \$369. 2023: \$406	N/A
E52/3489	Venus Metals Corporation Limited - 20% (20/100 Shares) AIC Resources Limited - 80% (80/100 Shares)	Live	1 Block	15 May 2018	14 May 2023	Reporting year ends 14 May. 2021: \$10,000 expended in full (total expended \$46,635.38) 2022: \$10,000	2022: Paid in full, \$369. 2023: \$406	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3622	AIC Resources Limited - 100%	Live	1 Block	20 December 2018	19 December 2023	Reporting year ends 19 December. 2020: \$10,000 expended in full - (total expended \$13,501.18) 2021: \$10,000	2021: Paid in full, \$369. 2022: \$406	N/A
E52/3623	AIC Resources Limited - 100%	Live	1 Block	18 September 2018	17 September 2023	Reporting year ends 17 September. 2020: \$10,000 expended in full - (total expended \$11,928.20) 2021: \$10,000 (expenditure not yet lodged) 2022: \$10,000	2022: Paid in full, \$406. 2023: \$406	N/A
E52/3624	AIC Resources Limited - 100%	Live	1 Block	18 September 2018	17 September 2023	Reporting year ends 17 September. 2020: \$10,000 expended in full - (total expended \$15,359.72)	2021: Paid in full, \$369. 2022: \$406	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
						2021: \$10,000		
E52/3648	AIC Resources Limited - 100%	Live	45 Blocks	6 April 2020	5 April 2025	Reporting year ends 5 April. 2021: \$45,000 expended in full - (total expended \$50,888.72) 2022: \$45,000	2022: Paid in full, \$6,345. 2023: \$6,570	N/A
E52/3721	AIC Resources Limited - 100%	Live	46 Blocks	14 February 2020	13 February 2025	Reporting year ends 13 February. 2021: \$46,000 expended in full - (total expended \$48,422.37) 2022: \$46,000	2022: Paid in full, \$6,486. 2023: \$6,716	N/A
E52/3743	AIC Resources Limited - 100%	Live	10 Blocks	11 September 2020	10 September 2025	Reporting year ends 10 September. 2021: \$20,000 (expenditure not yet lodged) 2022: \$20,000	2021: Paid in full, \$1,380. 2022: \$1,460	N/A

Tenement	Registered Holder (%)	Status	Area	Grant Date	Expiry Date	Minimum expenditure commitment	Annual Rent	Notes
E52/3768	AIC Mines Limited - 100%	Live	13 Blocks	1 July 2021	30 June 2026	Reporting year ends 30 June. 2022: \$20,000	2022: Paid in full, \$1,794. 2023: \$1,898	N/A
E69/3247	AIC Resources Limited - 100%	Live	95 Blocks	5 June 2015	4 June 2025	Reporting year ends 4 June. 2021: under-expended by \$37,562.59, minimum expenditure required \$232,000 - (total expended \$194,437.41). An exemption from the minimum expenditure requirement was lodged on 3 August 2021, and has been recorded, but is yet to be granted. 2022: \$190,000	2022: Paid in full, \$37,700 (\$6,825 refund = \$30,875). 2023: \$64,315	On 26 October 2018, 42 Blocks were voluntarily surrendered. On 12 July 2021, 21 Blocks were surrendered under Section 65(3) of the <i>Mining Act 1978</i> .

Schedule 2 Tenement Conditions and Endorsements

The notes below refer to particular conditions and endorsements attached to the Tenements and other findings from the DMIRS Searches and Tengraph Searches. It is not an exhaustive list. For all conditions and endorsements attached to the Tenements, a search of DMIRS register should be consulted. For details of overlapping tenure and other interests, the Tengraph system should be consulted.

	Condition/ Endorsement	Tenement/s
Prior Ministerial consent over certain land		
1.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Rabbit Proof Fence Reserve 12297 (Bullen).	E52/2943, E52/2944, E52/3721, E69/3247
2.	The Licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorised to explore for iron.	E52/3069
3.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water & Stopping Place Reserve 1200.	E52/3190
4.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water and Stopping Place Reserve 1200.	E52/3455
No interference, restrictions to mining width and depth activities		
5.	Mining on a strip of land 30 metres wide with the Rabbit Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.	E52/2943, E52/2944, E52/3721, E69/3247
6.	No interference with Geodetic Survey Stations L 15 and L 15T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E52/2943
7.	No mining within 25 metres of either side of the Gas Pipeline. In relation to the Safety Zone established by this condition, the following conditions apply:	E52/2945, E52/3027, E52/3028

	Condition/ Endorsement	Tenement/s
	<p>(a) No surface excavation approaching closer to the boundary of the Safety Zone (25 metres of either side of the Gas Pipeline) than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer DMIRS.</p> <p>(b) No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone (25 metres of either side of the Gas Pipeline) without the prior written approval of the operators of the Gas pipeline.</p> <p>(c) The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone (25 metres of either side of the Gas Pipeline), any pit, well, pavement, foundation, building or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer DMIRS.</p> <p>(d) No explosives being used or stored within one hundred and fifty (150) metres of the Gas pipeline without the prior consent of the State Mining Engineer DMIRS.</p> <p>(e) Mining on the Safety Zone (25 metres of either side of the Gas Pipeline) being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the State Mining Engineer DMIRS.</p> <p>(f) The rights of ingress to and egress from the Safety Zone (25 metres of either side of the Gas Pipeline) being at all times preserved for employees, contractors and agents of the operators of the Gas pipeline.</p>	
8.	No interference with Geodetic Survey Station R18 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface,	E52/2973
9.	No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface, and on any other road or road verge, to below a depth of 15 metres from the natural surface.	E52/3029, E52/3190, E52/3265
10.	No interference with Geodetic Survey Station R 528 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E52/3044

	Condition/ Endorsement	Tenement/s
11.	<p>No mining within 25 metres of either side of the Gas/Petroleum pipeline contained within Petroleum Pipeline Licence No 24 as shown in Tengraph. In relation to the Safety Zone established by this condition, the following conditions apply:</p> <ul style="list-style-type: none"> (a) No surface excavation approaching closer to the boundary of the Safety Zone (25 metres of either side of the Gas Pipeline) than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer DMIRS. (b) No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone (25 metres of either side of the Gas Pipeline) without the prior written approval of the operators of the Gas/Petroleum pipeline. (c) The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone (25 metres of either side of the Gas Pipeline), any pit, well, pavement, foundation, building or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer DMIRS. (d) No explosives being used or stored within one hundred and fifty (150) metres of the Gas/Petroleum pipeline without the prior consent of the State Mining Engineer DMIRS. (e) Mining on the Safety Zone (25 metres of either side of the Gas Pipeline) being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the State Mining Engineer DMIRS. (f) The rights of ingress to and egress from the Safety Zone (25 metres of either side of the Gas Pipeline) hereof being at all times preserved for employees, contractors and agents of the operators of the Gas/Petroleum pipeline. 	E52/3171, E52/3368
12.	No exploration activities being carried out on De Grey Peak Hill Stock Route Reserve 9700 which restrict the use of the reserve.	E52/3190, E52/3455
13.	No interference with Geodetic Survey Station SSM-Peak Hill 53-56 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E52/3190

	Condition/ Endorsement	Tenement/s
14.	No interference with Geodetic Survey Station SSM-Peak Hill 48, SSM-Peak Hill 49, SSM-Peak Hill 50, SSM-Peak Hill 51 & SSM-Peak Hill 52 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E52/3265
15.	<p>No mining within 25 metres of either side of the Gas/Petroleum pipelines contained within Petroleum Pipeline Licence Nos 24 and 35 as shown in Tengraph. In relation to the Safety Zone established by this condition, the following conditions apply:</p> <ul style="list-style-type: none"> (a) No surface excavation approaching closer to the boundary of the Safety Zone (25 metres of either side of the Gas Pipeline) than a distance equal to three times the depth of the excavation without the prior written approval of the Director Petroleum DMIRS. (b) No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone (25 metres of either side of the Gas Pipeline) hereof without the prior written approval of the operators of the Gas/Petroleum pipeline. (c) The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone (25 metres of either side of the Gas Pipeline), any pit, well, pavement, foundation, building or other structure or installation, or material of any nature whatsoever without the prior written consent of the Director Petroleum DMIRS. (d) No explosives being used or stored within one hundred and fifty (150) metres of the Gas/Petroleum pipeline without the prior consent of the Director Petroleum DMIRS. (e) Mining on the Safety Zone (25 metres of either side of the Gas Pipeline) being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the Director Petroleum DMIRS. (f) The rights of ingress to and egress from the Safety Zone (25 metres of either side of the Gas Pipeline) hereof being at all times preserved for employees, contractors and agents of the operators of the Gas/Petroleum pipeline. 	E52/3346

	Condition/ Endorsement	Tenement/s
16.	<p>No mining within 25 metres of either side of the petroleum pipeline licence areas of PL 60 and PL 68 and to a depth of 50 metres being the Consultation Area as shown in Tengraph, without the mining tenement holder and the petroleum pipeline licensee consulting with each other and reaching agreement on access and mining activities to be undertaken within the Consultation Area. In relation to the Safety Zone established by this condition, the following conditions apply:</p> <ul style="list-style-type: none"> (a) No surface excavation approaching closer to the boundary of the Consultation Area than a distance equal to three times the depth of the excavation without the mining tenement holder and the petroleum pipeline licensee reaching agreement as to a lesser distance. (b) No explosives being used or stored within 150 metres of the petroleum licence area without the mining tenement holder and the petroleum pipeline licensee reaching agreement as to a lesser distance. (c) The rights of ingress to and egress from the petroleum pipeline licence area being at all times preserved for the employees, contractors and agents of the owners and operators of the pipeline. (d) The rights of ingress to and egress from the Safety Zone (25 metres of either side of the petroleum pipeline and to a depth of 50 metres) hereof being at all times preserved to the employees, contactors and agents of the operators of the Gas/Petroleum Pipeline. (e) The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone (25 metres of either side of the petroleum pipeline and to a depth of 50 metres), any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of Mines Safety, DMIRS. (f) No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone (25 metres of either side of the petroleum pipeline and to a depth of 50 metres) without the prior approval of the operator of the Gas/Petroleum Pipeline. (g) Mining on the Safety Zone (25 metres of either side of the petroleum pipeline and to a depth of 50 metres) being confined to below a depth of 50 metres from the natural surface unless otherwise approved by Mines Safety, DMIRS. 	E45/5270

	Condition/ Endorsement	Tenement/s
17.	No interference with Geodetic Survey Station SSM GA18, Patterson Range 14 and 15 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.	E45/5271
Miscellaneous Licences		
18.	The rights of ingress to and egress from Miscellaneous Licences 52/48 and 52/52 being at all times preserved to the licensees and no interference with the purpose or installations connected to the licences.	E52/2945, E52/3044
19.	The rights of ingress to and egress from Miscellaneous Licences 52/48 and 52/52 being at all times preserved to the licensees and no interference with the purpose or installations connected to the licences.	E52/3027
20.	The rights of ingress to and egress from Miscellaneous Licence 52/116 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3031
21.	The rights of ingress to and egress from Miscellaneous Licence 52/55 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3190
22.	The rights of ingress to and egress from Miscellaneous Licence 52/152 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3265
23.	The rights of ingress to and egress from Miscellaneous Licence 52/154 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3317
24.	The rights of ingress to and egress from Miscellaneous Licence 52/71 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3346
25.	The rights of ingress to and egress from Miscellaneous Licence 52/116, 52/134 and 52/164 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E52/3455
26.	The rights of ingress to and egress from Miscellaneous Licences 45/101, 45/107, 45/110, 45/128 and 45/143 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E45/5270
27.	The Licensee must advise the operator of the Gas/Petroleum Pipeline at least 48 hours prior to any heavy vehicle crossings of the pipeline or any exploration activities over or adjacent to Miscellaneous Licence 45/110.	E45/5270
Main Roads' access		

	Condition/ Endorsement	Tenement/s
28.	The Licensee providing reasonable access to Main Roads' employees, contractors and agents to the land designated FNA 7148 in Tengraph and not interfering with the operations of Main Roads' employees, contractors and agents thereon.	E52/3069, E52/3190, E52/3318, E52/3743
29.	The Licensee observing the right of Main Roads' employees, its agents or contractors to remove and stockpile road making material within the land designated FNA 7148 in Tengraph.	E52/3069, E52/3190, E52/3318, E52/3743
30.	Should any of the land designated FNA 7148 in Tengraph be required for mining operations, the lessee entering into an agreement with Main Roads to determine the terms for removing and relocating any road making material prior to commencing any mining.	E52/3069; E52/3190, E52/3318, E52/3743
Indigenous Land Use Agreements		
31.	In respect of the area covered by this licence if the Yugunga-Nya People (being the applicants in Federal Court Application No. WAD6132/1998 send a request by pre-paid post to the licensee's or agent's address, not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of Yugunga-Nya People the Regional Standard Heritage Agreement (RSHA) endorsed by peak industry groups and the Yamatji Marlpa Aboriginal Corporation.	E52/3320
32.	The grant of the Exploration Licence has been made in accordance with the Nharnuwanagga Wajarri and Ngarlawangga Indigenous Land Use Agreement WIA2000/001 between the State of Western Australia and the Native Title Holders registered under Section 24CL of the Native Title Act 1993 on 5 July 2001.	E52/3455, E52/3623, E52/3624
33.	<p>In respect to NWN ILUA the following conditions apply:</p> <p>(a) The rights conferred by this Exploration Licence may not be exercised until a Heritage Agreement (as defined in the Nharnuwanagga Wajarri and Ngarlawangga Indigenous Land Use Agreement) has been entered into in respect of the Licence provided that this restriction only applies for so long as the Nharnuwanagga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force.</p> <p>(b) The holder from time to time of this Exploration Licence shall not so long as the Nharnuwanagga Wajarri and Ngarlawangga Indigenous Land Use Agreement is in force carry out an exploration activity (as</p>	E52/3455, E52/3623, E52/3624

	Condition/ Endorsement	Tenement/s
	defined in the Nharnuwangga Wajarri and Ngarlawangga Indigenous Land Use Agreement) other than in accordance with the Heritage Agreement.	
Water resource endorsements		
34.	The tenement is subject to certain endorsements in respect of Water Resource Management Areas.	E52/2943, E52/2944, E52/2945, E52/2973; E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E52/3190, E52/3265, E52/3317, E52/3318, E52/3319, E52/3320, E52/3346, E52/3368, E52/3397, E52/3455, E52/3486, E52/3487, E52/3488, E52/3489, E52/3622, E52/3623, E52/3624, E52/3648, E52/3721, E52/3743, E52/3768, E69/3247, E45/5270, P52/1585, E45/5271
35.	The tenement is subject to certain endorsements in respect to Artesian (confined) Aquifers and Wells.	E52/2943, E52/2944, E52/2945, E52/2973, E52/3027, E52/3028,

	Condition/ Endorsement	Tenement/s
		E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E69/3247
36.	The tenement is subject to certain endorsements in respect to Waterways.	E52/2943, E52/2944, E52/2945, E52/2973, E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E69/3247
37.	The tenement is subject to certain endorsements in respect of Proclaimed Surface Water and Irrigation District Areas.	E52/2943, E52,2944, E52/2945, E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3171, E52/3190
38.	The tenement is subject to certain endorsements in respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act).	E52/3190, E52/3265, E52/3318, E52/3319, E52/3320, E52/3346, E52/3368, E52/3455, E52/3486, E52/3487, E52/3488, E52/3622, E52/3623, E52/3624, E52/3768
39.	The tenement is subject to certain endorsements in respect to Gascoyne Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act).	E52/3743

	Condition/ Endorsement	Tenement/s
40.	The tenement is subject to certain endorsements in respect of the Proclaimed Ground Water Areas.	E52/2943, E52/2944, E52/2945, E52/2973; E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E52/3265, E52/3317, E52/3318, E52/3319, E52/3320, E52/3346, E52/3368, E52/3397, E52/3455, E52/3486, E52/3487, E52/3488, E52/3489, E52/3622, E52/3623, E52/3624, E52/3648, E52/3768, E69/3247, E45/5270, P52/1585, E45/5271
41.	The tenement is subject to certain endorsements in respect of the Proclaimed Ground Water Areas 15 (East Murchison).	E52/3721, E52/3743
Other		
42.	The existence of a permit to conduct agricultural activities on Kumarina Station granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as 7781 in Tengraph.	E52/2943
43.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the Gas pipeline.	E52/2945, E52/3027, E52/3028, E52/3171, E52/3346, E52/3346

	Condition/ Endorsement	Tenement/s
44.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purposes of protecting the pipeline and any existing condition imposed for this purpose may be cancelled or varied.	E45/5270
45.	Consent to conduct exploration activities on Stock Route Reserve 9700 granted, subject to no exploration activities being carried out on Stock Route Reserve 9700 which restrict the use of the reserve.	E52/2945
46.	<p>In respect to the area designated as CPL 8 (Doolgunna) in Tengraph the following conditions apply:</p> <p>(a) Prior to any ground-disturbing activity, as defined by the Executive Director, Environment Division, DMIRS the licensee preparing a detailed program for each phase of proposed exploration for approval of the Executive Director, Environment Division, DMIRS. The program to include:</p> <ul style="list-style-type: none"> • maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and other disturbances; • the purpose, specifications and life of all proposed disturbances; • proposals which may disturb any declared rare or geographically restricted flora and fauna; and • technique, prescriptions and timetable for the rehabilitation of all proposed disturbances. <p>(b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Executive Director, Environment Division, DMIRS. Such rehabilitation as is appropriate and may include:</p> <ul style="list-style-type: none"> • stockpiling and return of topsoil; • backfilling all holes, trenches and costeans; • ripping; 	E52/3031, E52/3768

	Condition/ Endorsement	Tenement/s
	<ul style="list-style-type: none"> • contouring to the original landform; • revegetation with seed; and • capping and backfilling of all drill holes. <p>(c) Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, DMIRS and arranging an inspection as required.</p>	
47.	<p>In respect to that portion of land designated as CPL 8 in Tengraph being a portion of former Pastoral Lease 3114/1026 Doolgunna, the following conditions apply:</p> <p>(a) Prior to any ground-disturbing activity, as defined by the Executive Director, Resource and Environmental Compliance, Department of Mines, Industry Regulation and Safety (DMIRS) the licensee preparing a detailed program for each phase of proposed exploration for approval of the Executive Director, Resource and Environmental Compliance, DMIRS. The program to include:</p> <ul style="list-style-type: none"> • maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances; • the purpose, specifications and life of all proposed disturbances; • proposals which may disturb any declared rare or geographically restricted flora and fauna; and • techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances. 	E52/3486

	Condition/ Endorsement	Tenement/s
	<p>(b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Executive Director, Resource and Environmental Compliance, DMIRS. Such rehabilitation as is appropriate and may include:</p> <ul style="list-style-type: none"> • stockpiling and return of topsoil; • backfilling all holes, trenches and costeans; • ripping; • contouring to the original landform; • revegetation with seed; and • capping and backfilling of all drill holes. <p>(c) Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, DMIRS and arranging an inspection as required.</p>	
48.	The Licensee's attention is drawn to the provisions of section 55 of the <i>Land Administration Act 1997 (WA)</i> .	E52/3743, E52/3768
49.	The Licensee's attention is drawn to the existence of a licence for Proposed extension for Access and use of Borrow Pits and Water Bores granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA/13287 in Tengraph.	E45/5270
50.	The Licensee's attention is drawn to the existence of a licence for Access track to lake disappointment granted pursuant to section 91 of the Land Administration Act 1997 and which is shown designated as FNA10250 in Tengraph.	E45/5271

	Condition/ Endorsement	Tenement/s
51.	The licensee must notify the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.	E52/2943, E52/2944, E52/2945, E52,2973, E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E52/3190, E52/3265, E52/3317, E52/3318, E52/3319, E52/3320, E52/3346, E52/3368, E52/3397, E52/3455, E52/3486, E52/3487, E52/3488, E52/3489, E52/3622, E52/3623, E52/3624, E52/3648, E52/3721, E52/3743, E69/3247, P52/1585
52.	The licensee must make verbal or written contact with the holder of any underlying pastoral or grazing lease within a reasonable time prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.	E52/3768
53.	The licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of the grant of the licence or registration of a transfer introducing a new licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.	E52/2943, E52/2944, E52/2945, E52/2973, E52/3027, E52/3028, E52/3029, E52/3031, E52/3044, E52/3068, E52/3069, E52/3154, E52/3171, E52/3190,

	Condition/ Endorsement	Tenement/s
		E52/3265, E52/3317, E52/3318, E52/3319, E52/3320, E52/3346, E52/3368, E52/3397, E52/3455, E52/3486, E52/3487, E52/3488, E52/3489, E52/3622, E52/3623, E52/3624, E52/3648, E52/3721, E52/3743, E52/3768, E69/3247, P52/1585