APPENDIX 4E

AIC MINES LIMITED ACN 060 156 452 AND CONTROLLED ENTITIES PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

Results for Announcement to the Market

Key Information

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000	Up / (down) $'000	%
Revenues from contracts with customers	125,635	79,252	46,383	59%
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)*	24,429	29,225	(4,796)	(16%)
Statutory (loss) /profit before income tax	(7,157)	20,311	(27,468)	(135%)
(Loss) / profit from ordinary activities after income tax attributable to the members	(5,815)	21,157	(26,972)	(127%)

**Includes transaction and integration costs*

Dividend Information

No dividends have been paid or declared in the current period or the prior period.

Net Tangible Assets

	For the 12 months ended 30 June 2023 Cents	For the 6 months ended 30 June 2022 Cents
Net tangible assets per share	50.00	39.78

(Loss) / earnings per share

	For the 12 months ended 30 June 2023 Cents	For the 6 months ended 30 June 2022 Cents
Basic (loss) / earnings per share	(1.52)	6.85
Diluted (loss) / earnings per share	(1.46)	6.69

This Appendix 4E is given to the ASX in accordance with Listing Rule 4.3A.

Additional Appendix 4E disclosure requirements can be found in the Directors' Report and the 30 June 2023 Financial Statements and accompanying notes.

This report is based on the consolidated financial statements for period ended 30 June 2023 which have been audited by PricewaterhouseCoopers.

Contents

Corporate Directory

ABN: 11 060 156 452

DIRECTORS

Josef El-Raghy, Chairman
Aaron Colleran, Managing Director and CEO
Brett Montgomery, Non-Executive Director
Jon Young, Non-Executive Director
Linda Hale, Non-Executive Director (appointed 1 February 2023)
Tony Wolfe, Non-Executive Director (resigned 31 January 2023)

COMPANY SECRETARY

Audrey Ferguson (appointed 10 October 2022)
Linda Hale (resigned as Company Secretary 31 January 2023)

REGISTERED OFFICE

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Subiaco WA 6008
Tel: (08) 6269 0110
Email: info@aicmines.com.au

BANKERS

National Australia Bank
100 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000
Tel: 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia)
www.computershare.com/au

STOCK EXCHANGE

AIC Mines Limited shares are listed on the Australian Securities Exchange (ASX).
ASX Code: A1M

AUDITORS

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

INTERNET ADDRESS

www.aicmines.com.au

Directors' Report

The Directors present their report together with the consolidated financial statements for AIC Mines Limited ("the Company" or "AIC Mines") and the entities it controlled at the end of, or during, the period ended 30 June 2023 ('the Group") and the auditor's report thereon.

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

DIRECTORS

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

Josef El-Raghy

Chairman

Mr. El-Raghy has extensive experience in developing and managing gold 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. Mr. El-Raghy joined Centamin as Managing Director in August 2002 and oversaw the Group's transition from junior explorer to successful gold miner before ceasing with the Group in June 2020. Mr. El-Raghy was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett and had a ten-year career in stockbroking. In addition to his direct management experience of project development and operation, his time at Centamin has also provided him with deep experience with international capital markets.

Aaron Colleran

Managing Director and CEO

Mr. Colleran has extensive experience in public markets mergers and acquisitions and strategic planning. Prior to joining AIC Mines, Mr. Colleran was a founding member of the leadership team of Australian gold producer Evolution Mining Limited, having managed its business development and investor relations program from inception through to 2018. He was instrumental in the multiple merger and acquisition transactions that created Evolution Mining, now one of Australia's largest gold mining companies. Mr. Colleran was previously a Non-Executive Director of Kidman Resources Limited (from January 2018 to September 2019) and Riversgold Limited (from February 2019 to August 2019). Appointed Non-Executive Director of Demetallica Limited November 2022 (delisted from ASX 23 January 2023).

Brett Montgomery

Non-Executive Director

Mr. Montgomery has extensive experience in public company management in both executive and non-executive roles. Mr. Montgomery is currently a Non-Executive Director of Tanami Gold NL (since February 2013) and is Non-Executive Chairman of Golden Rim Resources Ltd (since February 2023). He was previously Managing Director of Kalimantan Gold NL and a Director of Bard 1 Life Sciences Ltd (from November 2014 to June 2019), Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd. Appointed Non-Executive Director of Demetallica Limited November 2022 (delisted from ASX 23 January 2023).

Mr. Montgomery is Chair of the Remuneration and Nomination Committee.

Jon Young

Non-Executive Director

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

Mr. Young is Chair of the Risk and Sustainability Committee.

Linda Hale

Non-Executive Director - Appointed 1 February 2023

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

Ms. Hale is Chair of the Audit Committee.

Tony Wolfe

Non-Executive Director - Appointed 25 November 2016, resigned 31 January 2023

Mr. Wolfe has experience in asset management having managed event driven and special situations portfolios across the Asia-Pacific region. Mr. Wolfe currently holds the position of Portfolio Manager for Brahman Capital Management Pte Ltd focusing on equity driven and special situation investments. Brahman Pure Alpha Pte Ltd, an entity controlled by Brahman Capital Management Pte Ltd is a substantial holder in AIC Mines. Previously, Mr. Wolfe was a Portfolio Manager at Brummer & Partners AG, a multi-strategy hedge fund that manages over US$15.0 billion in assets under management. Mr. Wolfe has also held senior portfolio management roles at Pengana Capital and Rubicon Asset Management in Sydney.

OFFICERS

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

Audrey Ferguson

Company Secretary - Appointed 10 October 2022

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

Michael Frame

Chief Financial Officer - Appointed 1 December 2021

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

PRINCIPAL ACTIVITIES

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

KEY HIGHLIGHTS FOR THE REPORTING PERIOD

Key highlights for the 12 months ended 30 June 2023 ("period") include:

- The Group recorded a statutory net loss after tax of $5.8 million for the period, a $27.0 million decrease on the prior period (for the 6 months ended 30 June 2022: $21.2 million profit).
- The Eloise Copper Mine ("Eloise") produced 39,507 dry metric tonnes ("dmt") of concentrate containing 10,559 tonnes of copper generating operating mine cashflow of $35.8 million.
- In September 2022, underground drilling at Eloise intersected a new high-grade copper-gold lens (Lens 6) located approximately 150 metres northeast of the current Deeps mining level. This new discovery was largely responsible for the increase in Ore Reserves at Eloise announced in March 2023.
- In September 2022, AIC Mines launched an all-scrip takeover offer for Demetallica Limited which held exploration properties adjoining Eloise. The takeover was successfully completed in January 2023. The key asset within the Demetallica Limited portfolio was the Jericho Copper Deposit ("Jericho") located 4 kilometres south of Eloise. The acquisition of Jericho provides the opportunity to both expand and extend copper production at Eloise.
- In February 2023, a re-estimation of the Jericho Mineral Resources was completed. The new estimate used a higher cut-off grade than that used by the previous owner (1.0% Cu compared to 0.85% Cu) and was constrained within optimised stope shapes. Accordingly, the new estimate is more robust and better suited to mine planning. The new Mineral Resource estimate totals 9.8 million tonnes grading 1.8% copper and 0.4g/t gold containing 180,000 tonnes of copper and 110,600 ounces of gold. For further details regarding the Jericho Mineral Resource, including JORC Code (2012) disclosures see AIC Mines ASX announcement "Jericho Mineral Resource" dated 6 February 2023.

- In February 2023, AIC Mines completed a two-tranche placement of approximately 66.7 million new fully paid ordinary shares at an issue price of $0.45 per share, raising $28.5 million net of costs, to fund initial work related to the Jericho mine development and Eloise processing plant expansion.
- In March 2023, the Eloise Annual Mineral Resources and Ore Reserves estimates as at 31 December 2022 were updated with both Mineral Resources and Ore Reserves increasing significantly from the previously released estimates. Mineral Resources increased to 137,200 tonnes (30 June 2022: 115,000 tonnes) of contained copper and 118,800 ounces (30 June 2022: 101,100 ounces) of contained gold, representing a 19% increase in copper and a 17.5% increase in gold net of mining depletion. Ore Reserves increased to 52,600 tonnes (30 June 2022: 36,000 tonnes) of contained copper and 43,100 ounces (30 June 2022: 32,600 ounces) of contained gold, representing a 32% increase in copper and a 46% increase in gold net of mining depletion. For further details regarding the Eloise Mineral Resources and Ore Reserves, including JORC Code (2012) disclosures see AIC Mines ASX announcement "Significant Increase in Mineral Resources and Ore Reserves at Eloise Copper Mine" dated 30 March 2023.
- In May 2023, a new tailings storage facility ("TD5") was successfully commissioned after a 12 month build at a cost of $16.1 million. Commissioning of TD5 is a significant achievement for Eloise, it provides 5 years of tailings storage, and up to a further 10 years with lifts, at current production rates. Importantly, TD5 significantly de-risks water management at Eloise.
- Subsequent to the end of the period, AIC Mines announced a maiden Ore Reserve for Jericho as at 30 June 2023. The Ore Reserves estimate totals 1.8 million tonnes grading 1.8% copper and 0.3g/t gold containing 32,800 tonnes of copper and 19,900 ounces of gold. The maiden Jericho Ore Reserve represents a conversion of less than 20% of the entire Jericho Mineral Resources, suggesting significant potential exists to expand the Ore Reserve in the future with infill drilling. For further details regarding the Jericho Ore Reserve, including JORC Code (2012) disclosures see AIC Mines ASX announcement "Jericho Maiden Ore Reserve" dated 14 July 2023.

Financial Review

Profit and loss

- The Group recorded a consolidated loss after income tax of $5.8 million for the period (for the 6 months ended 30 June 2022: $21.2 million profit). Net revenue from concentrate sales for the period increased to $125.6 million (for the 6 months ended 30 June 2022: $81.4 million). Gross metal revenue before treatment, refining and transport charges comprised $122.8 million of copper, $13.9 million of gold and $2.9 million of silver (for the 6 months ended 30 June 2022: $89.1 million, collectively).
- The basic and diluted loss per share for the period totalled (1.52 cents) and (1.46 cents), respectively (for the 6 months ended 30 June 2022: basic and diluted earnings per share of 6.85 cents and 6.69 cents).

Balance Sheet

- At period end, net assets of the Group totalled $154.3 million (30 June 2022: $90.2 million). Total assets increased during the period to $194.7 million (30 June 2022: $123.7 million) mainly due to the increase in exploration properties totalling $38.3 million following the acquisition of Demetallica Limited and increases to property plant and equipment and mine development at Eloise totalling $35.2 million. Cash and cash equivalents totalled $30.9 million (30 June 2022: $28.1 million). The net carrying amount of property, plant and equipment increased by $14.7 million in the period. This was primarily driven by the construction of TD5 and rebuilds of mining and power generation equipment at Eloise. Mine properties increased by $20.5 million in the period, which was driven by the capitalisation of mining costs related to underground mine development activity at Eloise, partially offset by depreciation.
- Total liabilities for the Group increased by $6.9 million during the period to $40.4 million (30 June 2022: $33.5 million). This was mainly due to the increase in rehabilitation provision of $6.8 million and interest-bearing liabilities of $2.4 million, which was partially offset by a decrease in trade and other payables of $2.7 million.

Cashflow

- The net cash inflow from operating activities totalled $22.9 million (for the 6 months ended 30 June 2022: inflow $26.5 million) and the cash balance at the end of the period totalled $30.9 million (for the 6 months ended 30 June 2022: $28.1 million).
- Net cash outflows from investment activities totalled $50.9 million, an increase of $23.3 million from the prior period (for the 6 months ended 30 June 2022: outflow $27.6 million). Major items contributing to the change in outflows were the investment in plant and equipment and mine development at Eloise.
- Net cash inflows from financing activities were $30.9 million for the period, an increase of $30.9 million from the prior period (for the 6 months ended 30 June 2022: $nil). The key item contributing to the change in inflows was the equity raising of $28.6 million net of costs to fund early works for the development of the Jericho deposit.

Taxation

- During the period, the Group made no income tax payments and recognised an income tax benefit totalling $1.3 million for the period (for the 6 months ended 30 June 2022: $0.8 million tax benefit).

Dividends

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

OPERATIONS REVIEW

Eloise

Production for the period totalled 39,507dmt of concentrate containing 10,559t of copper at an All-in Sustaining Cost of A$5.58/lb and All-in Cost of A$6.43/lb.

Ore mined in the period totalled 582,703 tonnes at an average grade of 1.93% copper. Underground development was 3,282 metres. Ore processed was 574,408 tonnes at an average grade of 1.96% copper. Copper recovery of 93.68% was achieved for the year.

Operating mine cashflow for the period was $35.8 million and net mine cashflow was negative $19.9 million post total capital investment of $55.6 million and an achieved copper price of $12,428 per tonne ($5.64/lb) of copper sold. Importantly the new tailings storage facility was successfully commissioned during the year after a 12 month build at a capital cost of $16.1 million. The new tailings storage facility provides 5 years of tailings storage and up to a further 10 years with lifts, at current production rates.

The recapitalisation of the Eloise mine is delivering a progressive improvement in production. The June 2023 Quarter was the best production Quarter of the year, driven mainly by increased ore production. With good progress now made on operational reliability the operational focus has shifted to reducing costs. The gradual change-out of hired and contracted equipment for owned equipment is expected to reduce operating costs.

The table below outlines the key operating metrics for Eloise during the year ended 30 June 2023 and the 6-month period ended 30 June 2022:

Summary of operating results	12 months to 30 June 2023	6 months to 30 June 2022
Operating mine cash flow ($'000)	35,763	38,859
Sustaining capital ($'000)	(37,061)	(19,289)
All-in cost capital ($'000)	(18,579)	(7,342)
Total capital ($'000)	(55,640)	(26,631)
Net mine cash flow ($'000)	(19,876)	12,228
Payable Copper production (t)	10,164	5,660
All-in Sustaining Cost ($/lb)	5.58	4.55
All-in Cost ($/lb)	6.43	5.11

EXPLORATION REVIEW

Eloise Regional Project

The extensive tenement holding surrounding Eloise, approximately 2,000 square kilometres, contains a pipeline of exploration prospects from early-stage to advanced, that provide the opportunity to discover additional copper and gold resources. Advanced prospects such as Sandy Creek, Artemis and Roberts Creek, within a 20km radius of Eloise, will be prioritised for drilling in the second half of the 2024 financial year.

Marymia Project

At Marymia, encouraging results from the Copper Hills reverse circulation ("RC") drilling program confirmed the presence of copper sulphide mineralisation in fresh rock below the extensive geochemistry anomaly. A follow-up RC and diamond drilling program during the period returned further anomalous results defining copper mineralisation and alteration consistent with other volcanogenic massive sulphide style occurrences in the district over a strike length of 5kms.

Follow up drilling was also completed at the Middle Island and Black Hills gold prospects, but results do not warrant immediate follow up drilling. The project was also upgraded through the staking of several tenement applications on the southern margin of the Plutonic Marymia Greenstone belt which include advanced targets with known gold mineralisation.

Lamil Project

Encouraged by the results of the 2021 program, a 6,992m diamond and RC drilling program was completed during the period at Lamil Dome, Goodenia and four additional locations across the project. At the Lamil Dome, drilling below previous intercepts of merit, failed to improve the average tenor of mineralisation. At the Goodenia target, a single deep diamond hole returned anomalous zinc and lead results confirming the potential of this target to host base metal mineralisation. At the Sundew target, located 25 kilometres north of Lamil Dome, RC drilling returned anomalous copper results in several holes. Testing of two targets in the northern tenement was again hampered by difficult drilling conditions with targets remaining untested.

The expenditure requirement to earn a 50% interest in the Lamil Project from Rumble Resources Limited was met during the period. The parties then subsequently elected to form a 50:50 joint venture.

Peake and Denison Project

Located in the underexplored Peake and Denison Inlier in South Australia, results from the first two holes drilled by Demetallica Limited, in joint venture with OZ Minerals, returned encouraging intervals of copper sulphide mineralisation associated with extensive zones of intense hydrothermal alteration analogues to IOCG-style deposits in the region, such as Prominent Hill and Olympic Dam. These results are very exciting considering the size of the project, numerous geophysical targets untested, and the size of the target areas tested by only a single hole. A third hole in the project, abandoned in cover, started producing water from an underground aquifer. Remediation of this issue was undertaken in March 2023.

Delamerian Project

The three large exploration licence applications in western New South Wales, that make up the Delamerian Project, were granted in July 2022. Stakeholder engagements have progressed to allow for exploration programs to commence. Drilling programs and geophysical surveys conducted by the various government bodies, along with associated research reports, have confirmed the project is prospective for mafic-ultramafic intrusive related Ni-Cu deposits, volcanogenic massive sulphide Cu-Zn-Pb deposits and felsic magmatic related Cu-Au deposits. AIC Mines' exploration, commencing with a broad area aeromagnetic and radiometric survey is planned for the 2024 financial year.

MATERIAL BUSINESS RISKS

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2023 are:

Fluctuations in commodity price and Australian dollar

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

Mineral Resources and Ore Reserves

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

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

Replacement of depleted Ore Reserves

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

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins and weather conditions (including flooding and bush fires), most of which are beyond the Group’s control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group’s financial performance, liquidity and results of operation.

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

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

Production and cost estimates

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

Environmental, health, safety and permitting risks

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

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

Climate Change

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

Risk management

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

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

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no significant events occurring after the reporting period.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Chief Executive Officer and Managing Director reports to the Board on all significant safety and environmental incidents. The Board also has a Risk and Sustainability Committee which has oversight of the sustainability performance of the Group. The directors are not aware of any environmental incidents occurring during the year ended 30 June 2023 which would have a materially adverse impact on the overall business of the Group.

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

The environmental laws and regulations that cover our mining and exploration operations, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land, waste, tailings management, and the potential impact upon sensitive receptors and flora and fauna.

INDEMNIFICATION AND INSURANCE OF OFFICERS

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

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

ROUNDING

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

REMUNERATION REPORT (AUDITED)

The Directors of the Group present the Remuneration Report for the Group for the period. The information provided in this report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth) ("Corporations Act") and forms part of the Directors' Report.

The Remuneration Report sets out information relating to the remuneration of the non-executive directors of the Group and the executive director and management personnel of the Group, collectively termed, "Key Management Personnel" ("KMP"), who are the persons primarily accountable for planning, directing, and controlling the affairs of the Group. Listed below are the KMP of the Group at any time during the reporting period and unless otherwise indicated were KMP for the entire period.

Directors

Josef El-Raghy	Chairman
Aaron Colleran	Managing Director and CEO
Brett Montgomery	Non-Executive Director, Chair of the Remuneration and Nomination Committee
Jon Young	Non-Executive Director, Chair of the Risk and Sustainability Committee
Linda Hale	Non-Executive Director (appointed 1 February 2023), Chair of the Audit Committee
Tony Wolfe	Non-Executive Director (resigned 31 January 2023)

Other Management

Matthew Fallon	Chief Development Officer
Michael Frame	Chief Financial Officer

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

1. Remuneration Committee

The Remuneration and Nomination Committee is responsible for determining and reviewing compensation arrangements for the directors and executives, in accordance with the Remuneration and Nomination Committee Charter. The affected director or executive will not participate in the decision-making process.

2. Use of Independent Remuneration Consultants

During the period ended 30 June 2023, no external remuneration consultants were used.

3. Remuneration Policy

It is the objective of the Group to provide maximum stakeholder benefit from the retention of high-quality Board members and executives by remunerating directors and key executives fairly and appropriately with reference to relevant and prevailing employment market conditions. Remuneration packages will be reviewed at least annually, and retirement benefits or termination payments (other than notice periods) will not be provided or agreed other than in exceptional circumstances.

4. Non-Executive Director Remuneration

4.1 Fixed Remuneration

The aggregate remuneration to non-executive directors will not exceed the maximum approved amount of $750,000 per annum (approved by shareholders on 3 March 2008). The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the time commitment involved. It is considered good corporate governance for directors to have a stake in the Group on whose board they sit. Remuneration of non-executive directors for the period ended 30 June 2023 is disclosed in section 6 of this Report.

4.2 Variable Remuneration – Short Term Incentives

Non-executive directors do not receive performance-based bonuses for their membership of the Board, Committees or Boards of subsidiaries.

4.3 Variable Remuneration – Long Term Incentives

During the period, the Group had no contractual obligations to provide long term incentives to non-executive directors.

5. Executive Remuneration

The objectives of the Executive Remuneration Strategy are to:

- provide market competitive levels of remuneration having regard to the level of work and the impact executives can potentially have on the performance of the business;
- attract, motivate, reward and retain a workforce capable of delivering the business plan and substantially growing the business;
- align performance right incentives for executives with shareholder interests; and
- comply with the Group's standards of Corporate Governance.

Remuneration packages will be reviewed at least annually and will be amended when deemed appropriate given the Group's position and performance at the time.

5.1 Company Performance

The table below shows the Company's financial performance over the last 3 accounting periods.

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

The periods presented above are limited to the last 3 years due to the reverse acquisition of AIC Resources Ltd in 2019.

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

5.2 Fixed Remuneration

Base remuneration benefits

Base pay is structured as a total employment cost package that may be delivered as a combination of cash and salary sacrifice superannuation at the executive's discretion.

Executives are offered, via formal written contracts, a competitive base pay that comprises fixed remuneration and performance rights. From 1 January 2022, following an external benchmark study (in 2021), the fixed remuneration for the Managing Director and CEO increased to $500,000 per annum inclusive of superannuation. The Managing Director and CEO was paid the monthly equivalent of this increased remuneration only once during the year ended 30 June 2023 and for the remainder of the financial year has been paid an equivalent of $400,000 per annum inclusive of superannuation.

The fixed remuneration for KMP, excluding the Managing Director and CEO, was set during the period at $250,000 per annum inclusive of superannuation. The remuneration of KMP and executives is reviewed at least annually to ensure the remuneration is competitive with the market. There are no guaranteed increases to the fixed remuneration included in employment contracts for senior executives.

5.3 Variable Remuneration

Short Term Incentive Bonus (STI)

KMP are eligible for an annual short term incentive bonus ("STI") based on a percentage of their fixed remuneration. The calculation and payment of any STI is determined at the discretion of the Board and includes consideration of the individual performance of each KMP as well as the performance of the Group for each period against a key performance indicator scorecard set by the Board at the beginning of the period. The STI may be paid in part or in full depending on the KMP meeting such criteria and objectives, as recommended by the Remuneration and Nomination Committee to the Board following the performance reviews. Payment of any STI is at the absolute discretion of the Board and is subject to approval by the Board.

In August 2022 the Board approved the FY23 STI Scorecard set for the 12 months to 30 June 2023.

Outlined below are the four main categories of the STI Scorecard and the relevant weightings used to evaluate KMP and the Group performance. The weightings for achieved goals for 30 June 2023 were approved by the Board on 23 August 2023.

Group STI Scorecard			
STI Metric	Weighting	Percentage of goals Achieved	Weighted Score
Result for 12 months to 30 June 2023			
Financial Delivery	20%	0%	-
Sustainability	15%	67%	10%
Operational Excellence	25%	0%	-
Growth	40%	50%	20%
Total	**100%**		**30%**
Result for 6 months to 30 Jun 2022			
Financial Delivery	30%	0%	-
Sustainability	20%	60%	12%
Operational Excellence	25%	80%	20%
Growth	25%	30%	8%
Total	**100%**		**40%**

The Group STI Scorecard result of 30% reflects a challenging twelve-month period where financial delivery and operational excellence came in below target meaning no STI has been awarded for these two goals. This was mainly due to the lower than planned production at Eloise resulting in higher than planned All-in Costs and lower cashflow generated than planned.

During the period the following STI results were achieved for KMP members by:

KMP	Maximum STI achievable (% of TFR)	STI achieved (% of TFR) [1]	STI payment
30 Jun 2023			
A Colleran	100%	46%	$182,667
M Fallon	50%	36%	$45,500
M Frame	50%	38%	$48,000
6 months to 30 June 2022			
A Colleran[2]	100%	37%	-
M Fallon	50%	18.9%	$23,625
M Frame	50%	19.9%	$24,875

[1] The final STI achieved % for Mr. Colleran is based on a 70% weighting to Group STI Scorecard result and 30% weighting to his individual result. Mr. Fallon and Mr. Frame's final STI achieved % is based on a 60% weighting to Group STI Scorecard result and 40% weighting to their individual results.

[2] In the prior period, Mr. Colleran elected to forego his bonus due to the low copper price.

Long Term Incentive Plan (LTIP)

Pursuant to the revised AIC Mines Equity Participation Plan ("EPP") approved by shareholders on 27 May 2022, KMP may be offered the opportunity to subscribe for long term incentives in the form of performance rights or share options in order to increase the range of potential incentives available to the Group and to strengthen links between the Group and KMP. The EPP is designed to provide long term incentives to KMP and to recognise their contribution to the success of the Group. Given the Group's current circumstances, the Directors consider that the long-term incentives (LTIs) are a cost effective and efficient incentive as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. KMP are eligible for an initial and annual grant of LTIs based on a percentage of fixed remuneration. The calculation and grant of any LTI will be based on the performance of both the KMP and the Group for each period and assessed against criteria such as financial and share price performance and each KMP meeting their key objectives. The LTIs will vest in accordance with the performance rights vesting conditions being achieved. The grant of any LTI is at the absolute discretion of the Board and is subject to approval by the Board.

The purpose of the EPP is to:

- assist in the reward, retention, and motivation of KMP;
- link the reward of KMP to performance and the creation of shareholder value;
- align the interests of KMP more closely with the interests of shareholders by providing an opportunity for KMP to receive an equity interest in the form of options, performance rights and shares;
- provide KMP with the opportunity to share in any future growth in value of the Group; and

- provide greater incentive for KMP to focus on the Group's longer-term goals.

The Managing Director and CEO (subject to shareholder approval) and KMP are eligible for an annual grant of LTIs in the form of performance rights up to 200% and 150% of fixed remuneration, respectively. Set out in the table below are the LTI vesting conditions adopted and approved by the Board in relation to the grant of performance rights issued to KMP during the period ended 30 June 2023.

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

[1] *TSRA measured by calculating the percentage by which the 30-day volume weighted average share price quoted on the ASX (VWAP) at close of trade on the first day of the performance period (1 July 2022) has increased compared to the cumulative average of the 30-day VWAP as measured at 30 June 2023, 30 June 2024 and 30 June 2025.*

[2] *TSRR measured by calculating the TSRA over the performance period compared to peer companies. Peer companies may be updated over time, with Board approval.*

[3] *30 June 2023: Reserve and resource growth is calculated by comparing JORC compliant MROR current at 1 July 2022 to MROR at 30 June 2025. Depletion refers to mining depletion.*

In order to simplify the calculation methodology for the performance rights to be issued in future years, the following changes to the TSRA, TSRR and Reserve and Resource growth calculations are proposed: TSRA to be measured by calculating the percentage by which the 30-day volume weighted average share price quoted on the ASX (VWAP) at close of trade on the first day of the performance period (1 July 2023) has increased compared to the 30-day VWAP quoted on the ASX on the last day of the performance period (30 June 2026). TSRR to be measured by calculating the TSRA over the performance period compared to peer companies. Peer companies may be updated over time, with Board approval. Reserve and resource growth is calculated by comparing JORC compliant MROR current at the first day of the performance period (1 July 2023) to MROR at the last day of the performance period (30 June 2026).

6. Remuneration of directors and KMP

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

Year ended 30 June 2023	Short-term employee benefits		Post-employment benefits	Other Entitlements	Share Based Payments	Total	Percentage of remuneration that is performance related
Name	Salary and fees	Cash bonus	Superannuation	AL & LSL[1]	Performance rights amortised value [2]		
	$	$	$	$	$	$	%
Non- Executive Directors							
J El-Raghy	67,149	-	7,051	-	-	74,200	-
B Montgomery	60,166	-	6,317	-	-	66,483	-
T Wolfe	25,783	-	-	-	-	25,783	-
J Young	47,783	-	5,017	-	-	52,800	-
L Hale[3]	25,958	-	2,726			28,683	-
Sub-total NED	**226,839**	**-**	**21,111**	-		**247,950**	
Executive Director							
A Colleran	354,623	182,667	25,292	28,426	645,944	1,236,952	67%
Other KMP							
M Fallon	208,841	45,500	24,140	17,404	227,104	522,988	52%
M Frame	208,841	48,000	24,140	17,404	227,104	525,489	52%
Total[4 5]	**999,144**	**276,167**	**94,683**	**63,234**	**1,100,152**	**2,533,379**	

[1] AL & LSL benefits represented the amounts of annual leave and long service leave accrued in the year

[2] Amortised value of share based rights comprises the fair value of performance rights expensed during the year for KMP

[3] In addition to the director fee, a bonus of $25,381 was awarded and performance rights amortisation of $83,068 incurred relating to Ms Hale's time as company secretary of AIC Mines.

[4] Premium for Director's liability insurance is not included in the remuneration table above

[5] There were no termination payments paid during the year

6 month period ended 30 June 2022	Short-term employee benefits		Post-employment benefits	Other Entitlements	Share Based Payments	Total	Percentage of remuneration that is performance related
Name	Salary and fees	Cash bonus	Superannuation	AL & LSL[1]	Performance rights amortised value [2]		
	$	$	$	$	$	$	%
Non- Executive Directors							
J El-Raghy	30,000	-	3,000	-	-	33,000	-
B Montgomery	22,500	-	2,250	-	-	24,750	-
T Wolfe	22,000	-	-	-	-	22,000	-
J Young	20,000	-	2,000	-	-	22,000	-
Sub-total NED	94,500	-	7,250	-	-	101,750	
Executive Director							
A Colleran	238,216	-	11,784	17,483	298,768	566,250	53%
Other KMP							
M Fallon	113,636	23,625	11,364	8,741	37,986	195,353	32%
M Frame	113,636	24,875	11,364	8,741	127,767	286,384	53%
Total [3 4]	**559,989**	**48,500**	**41,761**	**34,965**	**464,521**	**1,149,736**	

[1] AL & LSL benefits represented the amounts of annual leave and long service leave accrued in the period

[2] Amortised value of share based rights comprises the fair value of performance rights expensed during the period for KMP

[3] Premium for Director's liability insurance is not included in the remuneration table above

[4] There were no termination payments paid during the period

6.1 Performance rights held, awarded, vested, and lapsed during the period

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

Directors' Report

Year ended 30 June 2023									
Opening Balance 1 July 2022	Granted during period	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Vesting Condition	Grant Date	Expiry Date
KMP									
A Colleran									
2,000,000	-	-	2,000,000	-	-	-	A	3 Jun-19	3 Jun-34
2,000,000	-	-	-	2,000,000	2,000,000	-	B	3 Jun-19	3 Jun-34
2,000,000	-	-	-	2,000,000	2,000,000	-	C	3 Jun-19	3 Jun-34
500,000	-	-	-	500,000	500,000	-	C	21 Dec-20	1 Dec-23
1,697,793		-	-	1,697,793	-	1,697,793	D	27 May-22	15 Jun-27
-	2,262,443	-	-	2,262,443	-	2,262,443	E	25 Nov-22	25 Nov-27
M Fallon									
250,000	-	-	250,000	-	-	-	C	4 Oct-19	4 Oct-22
100,000	-	-	100,000	-	-	-	C	21 Dec-20	1 Dec-23
636,672	-	-	-	636,672	-	636,672	D	15 Jun-22	15 Jun-27
-	848,416	-	-	848,416	-	848,416	E	5 Sep-22	5 Sep-27
M Frame									
250,000		-	250,000	-	-	-	C	1 Mar-22	1 Mar-25
636,672		-	-	636,672	-	636,672	D	15 Jun-22	15 Jun-27
	848,416	-	-	848,416	-	848,416	E	5 Sep-22	5 Sep-27
10,071,137	**3,959,275**	**-**	**2,600,000**	**11,430,412**	**4,500,000**	**6,930,412**			

A. 60 Day VWAP $0.30
B. 60 Day VWAP $0.40
C. 60 Day VWAP $0.60
D. As per vesting conditions set out in section 5.3 of AIC Mines 2022 Annual Report
E. As per vesting conditions set out in section 5.3

6 months ended 30 June 2022									
Opening Balance 1 January 2022	Granted during period	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Vesting Condition	Grant Date	Expiry Date
KMP									
A Colleran									
2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	A	3 Jun-19	3 Jun-34
2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	B	3 Jun-19	3 Jun-34
2,000,000	-	2,000,000	-	2,000,000	2,000,000	-	C	3 Jun-19	3 Jun-34
500,000	-	500,000	-	500,000	500,000	-	C	21 Dec-20	1 Dec-23
-	1,697,793	-	-	1,697,793	-	1,697,793	D	27 May-22	15 Jun-27
M Fallon									
250,000	-	250,000	-	250,000	250,000	-	C	4 Oct-19	4 Oct-22
100,000	-	100,000	-	100,000	100,000	-	C	21 Dec-20	1 Dec-23
-	636,672	-	-	636,672	-	636,672	D	15 Jun-22	15 Jun-27
M Frame									
-	250,000	250,000	-	250,000	250,000	-	C	1 Mar-22	1 Mar-25
-	636,672	-	-	636,672	-	636,672	D	15 Jun-22	15 Jun-27
6,850,000	**3,221,137**	**3,100,000**	**-**	**10,071,137**	**7,100,000**	**2,971,137**			

A. 60 Day VWAP $0.30
B. 60 Day VWAP $0.40
C. 60 Day VWAP $0.60
D. As per vesting conditions set out in section 5.3 of AIC Mines 2022 Annual Report

The fair value at grant date for KMP and the MD / CEO that qualify for performance rights are stated in the table below.

Performance rights issue	Absolute TSR	Relative TSR	Growth in ore reserve	Growth in mineral resource
KMP				
Fair value at grant date for financial year 2023 issue	$0.33	$0.42	$0.50	$0.50
Fair value at grant date for financial year 2022 issue	$0.37	$0.49	$0.55	$0.55
MD / CEO				
Fair value at grant date for financial year 2023 issue[1]	$0.30	$0.52	$0.48	$0.48
Fair value at grant date for financial year 2022 issue[2]	$0.46	$0.52	$0.60	$0.60

[1] *Financial year 2023 performance rights approved at the AGM on the 25 November 2022*

[2] *Financial year 2022 performance rights approved at the AGM on the 27 May 2022*

Termination and redundancy

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

6.2 Shareholdings of Directors

At the end of the period, the interests of the directors in the shares of the Company were:

Name	Role	Ordinary Shares	Rights
Josef El-Raghy	Chairman	35,000,000	-
Aaron Colleran	Managing Director and CEO	10,555,556	8,460,236
Brett Montgomery	Non-Executive Director	1,167,858	-
Tony Wolfe	Non-Executive Director	-	-
Jon Young	Non-Executive Director	619,055	-
Linda Hale	Non-Executive Director	-	502,447

6.3 Directors and KMP service agreements

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

Josef El-Raghy

- Letter of Appointment – Director fee (dated 18 April 2019) - $60,000 per annum plus superannuation. From 1 March 2023 this was increased to $90,000 per annum including superannuation;
- Deed of Access and Indemnity (dated 17 April 2019).

Aaron Colleran

- Executive Service Agreement (dated 17 April 2019) - $250,000 per annum including superannuation. From 1 August 2020 increased to $300,000 per annum including superannuation. From 1 January 2022, increased to $500,000 per annum including superannuation (see 5.2 in Directors’ Report) however from 1 August 2022, Mr. Colleran has been paid $400,000 per annum including superannuation after taking a voluntary reduction in his salary when the copper price dropped during the period. From 1 July 2023 his salary has been reinstated to $500,000 per annum including superannuation;
- Deed of Access and Indemnity (dated 17 April 2019).

Brett Montgomery

- Letter of Appointment – Director fee (dated 18 April 2019) - $40,000 per annum plus superannuation (subsequently increased by Board Resolution to $45,000 per annum plus superannuation effective 1 January 2021 to include fees related to being Chair of the Audit and Risk Committee). From 1 March 2023 this was increased to $70,000 per annum inclusive of superannuation and fees related to being Chair of the Renumeration and Nomination Committee. During the period Brett stood down from the Chair of the Audit and Risk Committee. In addition, Mr. Montgomery received a $10,000 payment in March 2023 as remuneration for his directorship of Demetallica Limited while the company was listed on the ASX;
- Deed of Access and Indemnity (dated 17 April 2019)

Jon Young

- Letter of Appointment - Director fee (dated 22 October 2021) - $40,000 per annum plus superannuation. From 1 March 2023 this was increased to $70,000 per annum including superannuation and inclusive of fees related to being Chair of the Risk and Sustainability Committee;
- Deed of Access, Insurance and Indemnity (dated 22 October 2021).

Linda Hale
- Letter of Appointment – Director fee (dated 27 January 2023) - $40,000 per annum plus superannuation. From 1 March 2023 this was increased to $75,000 per annum including superannuation and inclusive of fees related to being Chair of the Audit Committee.
- Deed of Access, Insurance and Indemnity (dated 20 February 2020).

Tony Wolfe (resigned 31 January 2023)
- Letter of Change to Non-Executive Director Fees – Director fee (dated 30 April 2019, effective 1 May 2019) - $40,000 per annum plus superannuation;
- Deed of Access, Insurance and Indemnity (dated 15 November 2016).

Matt Fallon
- Employment Contract (dated 6 September 2019) - $200,000 per annum including superannuation increased to $250,000 per annum including superannuation from 1 June 2021.

Michael Frame
- Employment Contract (dated 30 November 2021) - $250,000 per annum including superannuation;
- Deed of Access, Insurance and Indemnity (dated 18 January 2023).

Apart from the details disclosed above, no director has entered into a material contract with the Group since the end of the financial period, and there were no material contracts involving directors' interests at period end.

End of Remuneration Report

Directors' Report

Directors' Meetings
The number of meetings of directors held during the period and the number of meetings attended by each director was as follows:

	Audit Committee*		Risk & Sustainability Committee		Remuneration & Nomination Committee		Board of Directors	
	A	B	A	B	A	B	A	B
Josef El-Raghy	2	2	1	1	3	3	5	6
Aaron Colleran	0	0	1	1	0	0	6	6
Brett Montgomery	2	2	1	1	3	3	6	6
Jon Young	2	2	1	1	3	3	6	6
Linda Hale	1	1	1	1	2	2	2	2
Tony Wolfe	1	1	0	0	1	1	3	4

A = number of meetings attended
B = number of meetings held during the time the Director held office during the period or was a committee member.
** During the period the Audit and Risk Committee split into the Audit Committee and the Risk & Sustainability Committee*

During the period the directors approved twenty one (21) circular resolutions which were signed by all directors of the Company. Mr. Colleran stepped down from membership of the Audit and Risk and Remuneration and Nomination Committees effective May 2022.

Committee Membership
The role of the Audit, Risk and Sustainability and Remuneration and Nomination Committees are carried out in accordance with the appropriate charters. The Audit and the Remuneration and Nomination Committees comprise all four directors other than the Managing Director and CEO. All five directors are member of the Risk and Sustainability Committee.

Corporate Governance
In recognising the need for the highest standards of corporate behaviour and accountability, the directors of AIC Mines Limited support and have adhered to the principles of corporate governance.

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

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

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

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

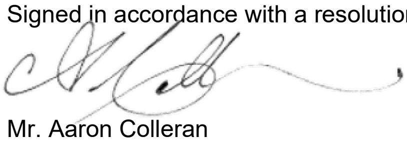
Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Directors' Report

Auditor Independence

Section 370C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers to provide the directors of the Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is disclosed on page 21 of this report and forms part of this Directors' Report for the period ended 30 June 2023.

Signed in accordance with a resolution of the directors.



Mr. Aaron Colleran
Managing Director and CEO
24 August 2023

Auditor's Independence Declaration

As lead auditor for the audit of AIC Mines Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
24 August 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Sales revenue	6(a)	**125,635**	79,252
Cost of sales	6(b)	**(88,487)**	(45,521)
		37,148	33,731
Depreciation and amortisation expense	6(b)	**(29,564)**	(7,995)
Corporate and administration costs[1]		**(5,386)**	(3,068)
Exploration and evaluation costs[1]		**(5,388)**	(1,328)
Share based payment expense	25	**(2,025)**	(503)
Transaction and integration costs		**(1,485)**	(699)
Net interest (expense)	6(c)	**(537)**	(155)
Other income / (expense)		**70**	-
Gain on sale of financial assets		**6**	320
Profit on sale of plant & equipment		**4**	8
(Loss) / profit before income tax expense		**(7,157)**	20,311
Income tax benefit	7	**1,342**	845
Net profit for the period after tax		**(5,815)**	21,157
Other comprehensive income		**-**	-
Total comprehensive income for the period		**(5,815)**	21,157
Total comprehensive income for the period is attributable to:			
Owners of AIC Mines Limited		**(5,815)**	21,157
Earnings per share			
Basic earnings per share (cents)	22	**(1.52)**	6.85
Diluted earnings per share (cents)	22	**(1.46)**	6.69

[1] The classifications in the comparative period include previously disclosed amounts for Directors, employee and consultant benefits expense apportioned between Corporate and administration costs, Exploration and evaluation costs and Share based payments expense

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Assets			
Current Assets			
Cash and cash equivalents	8	**30,888**	28,095
Trade and other receivables	9	**1,020**	1,755
Inventories	10	**10,834**	5,042
Financial assets at fair value through profit and loss	11	**6,864**	16,510
Total Current Assets		**49,606**	51,402
Non-Current Assets			
Right of use assets	12	**467**	-
Performance bond	13	**4,354**	6,799
Property, plant and equipment	14	**40,840**	26,141
Exploration properties	15	**39,972**	1,653
Mine properties	16	**57,274**	36,818
Deferred Tax Assets	17	**2,187**	845
Total Non-Current Assets		**145,094**	72,256
Total Assets		**194,700**	123,658
Liabilities			
Current Liabilities			
Trade and other payables	18	**14,768**	17,447
Provisions	19	**2,329**	2,374
Interest bearing liabilities	20	**826**	-
Lease liabilities	12	**261**	-
Total Current Liabilities		**18,185**	19,821
Non-Current Liabilities			
Provisions	19	**20,480**	13,670
Interest bearing liabilities	20	**1,609**	-
Lease liabilities	12	**136**	-
Total Non-Current Liabilities		**22,225**	13,670
Total Liabilities		**40,410**	33,491
Net Assets		**154,290**	90,167
Equity			
Issued capital	21	**151,932**	83,704
Share based payment reserve		**2,640**	1,339
Option reserve		**409**	-
Accumulated (loss) / profit		**(692)**	5,124
Total Equity		**154,290**	90,167

Consolidated Statement of Cashflows

FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	**For the 12 months ended 30 June 2023 $'000**	For the 6 months ended 30 June 2022 $'000
Cash flows from operating activities			
Receipts from customers		**135,519**	68,920
Payments to suppliers, employees and contractors		**(111,127)**	(41,668)
Payments for transaction and integration costs		**(1,485)**	(699)
Interest paid		**(56)**	(77)
Net cash inflow from operating activities	8	**22,851**	26,476
Cash flows from investing activities			
Payments for property, plant and equipment	14	**(19,845)**	(8,955)
Payments for exploration properties	15	**(1,314)**	-
Payments for mine property	16	**(38,517)**	(17,940)
Cash acquired from Demetallica at acquisition date	15	**5,697**	-
Net proceeds from performance bond	13	**2,446**	-
Proceeds from sale of property, plant and equipment		**4**	8
Proceeds from disposal of listed investments		**582**	1,247
Payments for acquisition of Eloise Copper Mine		**-**	(2,000)
Net cash outflow from investing activities		**(50,947)**	(27,640)
Cash flows from financing activities			
Lease liability principal payments		**(133)**	-
Net proceeds from interest bearing liabilities	20	**2,435**	-
Proceeds from issue of shares	21	**28,586**	-
Net cash inflow from financing activities		**30,888**	-
Net decrease / increase in cash and cash equivalents		**2,793**	(1,163)
Cash and cash equivalents at beginning of the period		**28,095**	29,259
Cash and cash equivalents at end of the period	8	**30,888**	28,095

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2023

	Issued capital	Accumulated profit/(loss)	Option reserve	Share based payment reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2022	**83,689**	**(16,033)**	**-**	**850**	**68,507**
Profit or loss and other comprehensive income					
Net profit for the period	-	21,157	-	-	21,157
Total comprehensive profit	**-**	**21,157**	**-**	**-**	**21,157**
Transactions with owners					
Issue of shares (note 21)	15	-	-	-	15
Share based payment expense	-	-	-	488	488
Balance at 30 June 2022	**83,704**	**5,124**	**-**	**1,339**	**90,167**
Profit or loss and other comprehensive income					
Net loss for the period	-	(5,815)	-	-	(5,815)
Total comprehensive profit	**-**	**(5,815)**	**-**	**-**	**(5,815)**
Transactions with owners					
Issue of shares (note 21)	68,228	-	-	-	68,228
Share based payment reserve movement	-	-	-	1,302	1,302
Option reserve	-	-	409	-	409
Balance at 30 June 2023	**151,932**	**(692)**	**409**	**2,640**	**154,290**

The accompanying notes form part of these consolidated financial statements.

1. REPORTING ENTITY

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

The consolidated financial statements of the Company as at and for the period comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements were authorised in accordance with a resolution of the Directors for issue on 24 August 2023.

2. BASIS OF PREPARATION

Statement of compliance

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

The financial report has been presented in Australian dollars and all values are rounded to the nearest $1,000 ($'000) unless otherwise stated. The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior periods except for changes arising from adoption of new accounting standards which have been separately disclosed. Comparative information is reclassified where appropriate to enhance comparability or in conformity with revised standards and interpretations.

Basis of measurement

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

Functional and presentation currency

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

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AIC Mines Limited as at 30 June 2023 and the results of all subsidiaries for the period. Subsidiaries are all those entities (including special purpose entities) over which the Company has control. Control over an entity exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

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

Going concern basis of preparation

The Group made a net loss after income tax of $5.8 million for the period ended 30 June 2023 (for the 6 months ended 30 June 2022: net profit after tax of $21.2 million). As at 30 June 2023, the Group had cash and cash equivalents of $30.9 million (for the 6 months ended 30 June 2022: $28.1 million).

At the date of signing the financial report, the directors are satisfied that there are reasonable grounds to believe that the Group 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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Mining properties and exploration

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

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

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

Amortisation
The Group uses the units of production basis when amortising mine properties which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. The change in ore reserves and mineral resources driving the remaining life of mine production is reflected from the beginning of the financial period when amortising existing mine properties. During the period the Company completed its annual life of mine planning process and identified that there are substantial future mine development costs expected to be incurred in order to extract the entire reserve base from the mine. To achieve a consistent amortisation rate throughout the life of the mine, such costs are amortised or unwound on a units of production basis resulting in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Future mine development costs will be revised with each annual life of mine plan. This represents a change in accounting policy applied prospectively from 1 July 2022 as the current method could not be applied to previous reporting periods without longer-term mine planning incorporating future mine development activities.

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

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

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

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

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

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

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

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

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

Employee Benefits

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

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

Share based payments
The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).
Vesting conditions that are linked to the price of shares of the Company (market conditions) are taken into account when determining the fair value of equity settled transactions. Other vesting conditions such as service conditions are excluded from the measurement of fair value but are considered in estimating the number of investments that may ultimately vest.
The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (“the vesting period”).

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

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

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

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

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

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

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

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

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

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

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

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

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group 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.

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

Revenue and other income

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

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

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

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

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

Other income

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

Taxes

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

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

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

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

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

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

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

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

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

Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

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

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

Financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

Financial Liabilities

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

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

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

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

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

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

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

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

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

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

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

Earnings per share

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

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting estimates and judgements
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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:

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

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

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

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

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

Rehabilitation
Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates. When these factors change or become known in the future, such differences

will impact the mine rehabilitation provision in the period in which they change or become known. Cash flows related to rehabilitation are expected to occur progressively as rehabilitation becomes possible albeit with the majority of cash out flow occurring at the end of the mine's life.

Impairment of capitalised exploration and evaluation expenditure

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

Deferred Tax

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

5. SEGMENT REPORTING

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

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

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Mining		
Sales revenue	**125,635**	79,252
EBITDA	**37,148**	33,738
Exploration and Corporate		
EBITDA	**(12,719)**	(4,513)
Group EBITDA	**24,429**	29,225

Reconciliation of EBITDA to profit before income tax

Mining segment – EBITDA	**37,148**	33,738
Exploration and corporate – EBITDA	**(12,719)**	(4,513)
Group – EBITDA	**24,429**	29,225
Depreciation and amortisation	**(29,564)**	(7,995)
Transaction and integration costs	**(1,485)**	(699)
Interest and interest unwind	**(537)**	(220)
(Loss) / profit before income tax	**(7,157)**	20,311

6. REVENUE AND EXPENSES

	For the12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
a) Revenue from contracts with customers [1]		
Concentrate Sales	**125,600**	81,448
Provisional Pricing Adjustment [2]	**35**	(2,236)
	125,635	79,252
b) Expenses		
Cost of Sales		
Mine Operating Costs	**80,746**	40,087
All Royalty and transport costs	**7,741**	5,435
	88,487	45,522
Depreciation and Amortisation		
Mining Properties	**24,404**	4,636
Property Plant and Equipment	**5,147**	3,359
Right of use asset	**14**	-
	29,564	7,995
c) Interest income / (expense)		
Interest income	**540**	-
Interest expense	**(1,077)**	(155)
	(537)	(155)

[1] Revenue comprises two parts:

- *Concentrate revenue recognised at the bill of lading date at current prices.*
- *Provisional pricing adjustments which represent any difference between the revenue recognised at the bill of lading date and the final settlement price.*

[2] Concentrate sales are provisionally priced at the initial revenue recognition (bill of lading) date, with the final settlement price based on a pre-determined quotation period.

7. INCOME TAX EXPENSE

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Current tax benefit /(expense) for the period	**4,109**	(2,317)
Deferred tax movement	**(2,767)**	(3,832)
Tax benefit related to recognising tax losses	**-**	6,994
	1,342	845

Reconciliation of tax expense to prima facie tax payable		
(Loss) / profit before income tax	**(7,157)**	20,311
Tax benefit / (expense) at the statutory income tax rate 30%	**2,147**	(6,093)
Non-deductible / non-assessable	**(805)**	(56)
Unrecognised tax losses now recognised	**-**	6,994
Income tax benefit	**1,342**	845

8. CASH AND CASH EQUIVALENTS

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Cash and cash equivalents		
Cash at bank and on hand	**30,594**	27,965
Restricted cash	**294**	130
	30,888	**28,095**

The above figures are shown as cash and cash equivalents as at the end of the period and prior period in the cash flow statement. Cash at bank includes interest-bearing amounts and restricted cash relates to term deposits.

(a) Reconciliation of (loss) / profit after tax to net cash flows from operations

(Loss) /profit after tax	**(5,815)**	21,157
Adjustments to reconcile profit to net cash flows from operating activities:		
Depreciation charge to profit and loss	**29,564**	7,995
Share based payment expense	**2,025**	503
Interest unwind	**481**	-
Profit on sale of listed investments	**(6)**	(320)
Profit on sale of property, plant and equipment	**(4)**	(8)
Operating profit before changes in working capital and provisions	**26,245**	29,327
Changes in operating assets & liabilities:		
(Increase) / decrease in prepayments	**-**	(333)
(Increase) / decrease in receivables	**1,251**	124
(Increase) / decrease in inventories (net of depreciation)	**(8,381)**	5,813
(Increase) in accrued revenue	**10,299**	(12,618)
Increase in trade and other payables	**(6,059)**	5,581
Increase / (decrease) in employee benefits	**(470)**	(1,181)
Increase / (decrease) in provisions	**(34)**	(237)
Net cash inflow from operating activities	**22,851**	26,476

(b) Net cash/(debt) reconciliation

Net Cash		
Cash and cash equivalents	**30,888**	28,095
Interest bearing liabilities	**(2,435)**	-
Lease liabilities	**(398)**	-
Net cash/(debt) balance	**28,055**	28,095
Net cash/(debt) at the beginning of the year	**28,095**	29,259
Cash inflow/ (outflow)	**(2,342)**	(1,164)
Interest bearing liabilities	**2,435**	-
Lease liabilities	**(133)**	-
Net cash/(debt) as at end of the year	**28,055**	28,095

9. TRADE AND OTHER RECEIVABLES

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
	$'000	$'000
Trade debtors	**-**	150
Prepayments	**453**	611
Diesel fuel rebate / GST receivable	**394**	959
Rent receivable	**125**	-
Deferred consideration receivable[1]	**5,696**	5,696
Impairment of deferred consideration receivable[1]	**(5,696)**	(5,696)
Security deposits	**48**	35
	1,020	1,755

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

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

10. INVENTORIES

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
	$'000	$'000
Inventory stores	**7,139**	4,571
Less: provision for obsolescence	**(1,086)**	(978)
	6,053	3,593
Ore stockpile inventory	**2,066**	502
Metal in circuit and finished goods	**2,715**	947
	10,834	5,042

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

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

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
	$'000	$'000
Trade receivables at fair value through profit and loss	**6,657**	16,414
Fair value of listed shares in Rumble Resources Ltd	**173**	-
Fair value of unlisted options in Larvotto Resources Ltd	**34**	-
Fair value of unlisted options in Kalium Lakes Ltd	**-**	96
	6,864	16,510

Fair value hierarchy

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

Valuation technique	Quoted market price (Level 1)	Market observable inputs (Level 2)	Non-market observable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Financial Assets at fair value through profit and loss				
30 June 2023				
Trade receivables at fair value through profit and loss	-	6,657	-	6,657
Unlisted options	-	34	-	34
Listed shares	173	-	-	173
Carrying value at the end of the year	173	6,691	-	6,864
6 months ended 30 June 2022				
Trade receivables at fair value through profit and loss	-	16,414	-	16,414
Unlisted options	-	96	-	96
Carrying value at the end of the year	-	16,510	-	16,510

a) Trade receivables at fair value through profit and loss

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

b) Listed shares

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

c) Unlisted options

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

The Group also holds 703,000 options in Larvotto Resources Limited which have an exercise price of $0.30 each and expire on 1 December 2024. A valuation of the options using the Black-Scholes pricing method calculated a value of $34,000.

d) Transfer between categories

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

12. LEASES

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

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Right-of-use assets		-
Property	467	-
	467	-
Lease Liabilities		
Current	261	-

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Non-current	**136**	-
	397	-

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

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Depreciation charge for right-of-use assets	**14**	-
Interest payments	**12**	-
	26	-
Lease Liability Maturities		
Less than 1 year	**320**	-
Between 1 and 5 years	**163**	-
	483	-

13. PERFORMANCE BOND

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Performance bond	**4,354**	6,799

During the year, the Performance bond placed with Macquarie Bank and used as security for partial cash backing of the rehabilitation bond for Eloise Copper Mine totalling $6.80 million was returned. Post commissioning of TD5 an in-line with a greater disturbance area at Eloise, increased surety was required to be posted with Queensland treasury. This occurred via a financial guarantee from National Australia Bank Limited (NAB) totalling $4.4 million which AIC Mines has cash backed via a term deposit with NAB.

14. PROPERTY PLANT AND EQUIPMENT

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Cost	**51,691**	31,846
Accumulated depreciation	**(10,851)**	(5,705)
Net carrying amount	**40,840**	26,141
At beginning of year, net carrying amount	**26,141**	20,545
Additions – cost	**19,845**	8,955
Depreciation charge to profit and loss	**(5,147)**	(3,359)
At end of year, net carrying amount	**40,840**	26,141

15. EXPLORATION PROPERTIES

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Balance at the beginning of the period	**1,653**	1,653
Exploration property additions – Demetallica	**36,905**	-
Exploration property additions – other	**1,414**	-
	39,972	1,653

a) Exploration property additions – Demetallica

The Group has accounted for the Demetallica acquisition as an asset acquisition. Transaction and integration costs relating to the acquisition of Demetallica totalled $0.8 million and have been capitalised as part of the acquisition cost of the assets.

Net assets acquired 16 November 2022:	**$'000**
Cash and cash equivalents net of payables and provisions[1]	2,246
Share investments	443
Property, plant & equipment	486
Exploration properties	36,905
Fair value of net assets acquired	**40,080**

[1]Cash and cash equivalents net of payables and provisions is the net amount of cash acquired from Demetallica at the acquisition date after paying $3.4 million in trade payables and $0.4 million in employee entitlements subsequent to the acquisition. The cash balance of $5.7 million at acquisition date was subsequently reduced to $2.2 million shortly after the acquisition date.

b) Exploration property additions - other

Other exploration property additions totalling $1.4 million included expenditure on plans and studies for the future mine development and regulatory approvals required for Jericho, the Lamil JV and the acquisition of other exploration tenements.

Other than for the above acquisitions of exploration properties, for the current and comparative periods no costs were capitalised for the acquisition of tenement rights.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. As at 30 June 2023 there are no indicators of impairment under AASB 6 related to Deferred Exploration Expenditure.

The Group also has a joint venture agreement in relation to Lamil (refer ASX announcement 22 July 2019). Expenditure incurred under this agreement is recorded as exploration expenditure in the statement of comprehensive income, consistent with the accounting policy in relation to expenditure on exploration properties.

16. MINE PROPERTIES

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Cost	**88,507**	43,647
Accumulated amortisation	**(31,233)**	(6,829)
Net carrying amount	**57,274**	36,818
Balance at the beginning of the period	**36,818**	23,404
Mine development additions	**38,517**	18,050
Remeasurement of rehabilitation asset (see note 19)	**6,344**	-
Depreciation charge to profit and loss	**(24,404)**	(4,636)
Net carrying amount at period end	**57,274**	36,818

17. DEFERRED TAX

Deferred tax balances	**For the 12 months ended 30 June 2023 $'000**	For the 6 months ended 30 June 2022 $'000
Mine properties	**(15,693)**	(11,045)
Plant and equipment	**(4,416)**	(5,371)
Exploration properties	**(845)**	-
Employee provisions	**711**	735
Rehabilitation provision	**6,125**	4,078
Provision for stores obsolescence	**326**	293
Provisions other	**6**	
Share issue costs	**202**	451
Transaction costs	**84**	126
Recognised tax losses	**15,687**	11,577
Net deferred tax assets	**2,187**	845

Movement in deferred tax balances	30 June 2022 $'000	Recognised in profit & loss $'000	Recognised in equity $'000	30 June 2023 $'000
Mine properties	(11,045)	(4,648)	-	(15,693)
Plant & equipment	(5,371)	955	-	(4,416)
Exploration properties	-	(845)	-	(845)
Employee provisions	735	(24)	-	711
Rehabilitation provision	4,078	2,047	-	6,125
Provision for stores obsolescence	293	33	-	326
Provisions other	-	6	-	6
Share issue costs	451	-	(249)	202
Transaction costs	126	(42)	-	84
Recognised tax losses	11,577	3,861	249	15,687
Deferred tax assets / (liabilities)	**845**	**1,343**	**-**	**2,187**

The Group has $98.2 million (6 months 30 Jun 2022: $83.7 million) in total gross revenue losses consisting of Group losses of $52.3 million in the current period (6 months ended 30 June 2022: $38.6 million) and transferred losses subject to available fractions of $45.8 million (6 months ended 30 June 2022: $45.1 million).

There are also $198.4 million (6 months 30 Jun 2022: $198.4 million) in available gross capital losses for income tax purposes.

At the end of the period, the Group has recognised tax losses of $15.7 million being 30% of the $52.3 million in Group losses which, represents the future tax benefit of the tax losses to be utilised based on:

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

18. TRADE AND OTHER PAYABLES

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Trade payables	**5,177**	4,995
Accruals	**9,591**	11,777
GST payable	**-**	674
	14,768	17,447

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

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

19. PROVISIONS

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
	$'000	$'000
Current		
Employee benefits	**2,329**	2,374
	2,329	2,374
Non-current		
Employee benefits	**41**	75
Other	**20**	-
Rehabilitation provision	**20,419**	13,595
	20,480	**13,670**
	22,809	**16,044**

Employee benefits
The provision for employee benefits represents wages and salaries, annual leave and long service leave entitlements.

Rehabilitation provision
The rehabilitation provision includes the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation and revegetation of affected areas of the site in accordance with the requirements of the mining permits.

During the period the rehabilitation provision was increased mainly as a result of the completion of the new Tailings Dam Facility (TD5) that was commissioned during the period. The previously lodged cash backed performance bond (note 13) totalling $6.8 million was returned during the period and was replaced by a combination of financial guarantee provided by NAB ($4.4 million cash backed) and the remainder by financial guarantee, at commercial interest rates, secured by Trafigura Asia Pte Ltd.

Movement in provisions	**Annual leave $'000**	**Long service leave $'000**	**Other $'000**	**Rehabilitation $'000**	**Total $'000**
Carrying amount at 1 January 2022	2,588	1,280	-	13,451	**17,319**
Movement in the period	(645)	(773)	-	143	**(1,275)**
Carrying amount at 30 June 2022	**1,943**	**507**	**-**	**13,595**	**16,044**
Additions / remeasurement	-	-	20	6,344	**6,364**
Movement in the period	80	(161)	-	-	**(80)**
Unwind charged to the profit & loss	-	-	-	480	**480**
Carrying amount at 30 June 2023	**2,023**	**346**	**20**	**20,419**	**22,809**

20. INTEREST BEARING LIABILITIES

	For the 12 months ended 30 June 2023 $'000	For the 6 months ended 30 June 2022 $'000
Current		
Bank loan	**826**	-
Non-current		
Bank loan	**1,609**	-
	2,435	-

During the year, the Group secured a revolving finance facility with NAB for $5.4 million in order to finance the purchase of mining equipment over a three year period. As at the end of June 2023 $2.4 million was owing on this facility. The mining equipment subject to the finance has been pledged as security.

21. ISSUED CAPITAL

	Number	$'000
Issued capital at end of year as at 31 December 2021	**308,715,018**	**83,689**
Shares issued as a result of performance rights converted	50,000	15
Issued capital at end of period as at 30 June 2022	**308,765,018**	**83,704**
Issue of shares – DRM takeover net of costs	82,949,634	38,668
Issue of shares – capital raising net of costs	66,666,667	28,586
Shares issued on conversion of performance incentives	3,100,000	624
Shares issued as Employee Share Scheme	198,500	100
Shares issued for JVs	544,573	250
Issued capital at end of the period 30 June 2023	**462,224,392**	151,932

Terms and conditions of contributed equity

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

22. EARNINGS PER SHARE

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
Basic earnings per share – cents per share	**(1.52)**	6.85
Diluted earnings per share – cents per share	**(1.46)**	6.69

Earnings per share used in the calculation of basic and diluted earnings per share

Profit after tax attributable to the owners of the parent	**(5,815,416)**	$21,516,734
Weighted average number of ordinary shares (basic)	**383,586,654**	308,742,366
Effect of dilutive securities [1]	**15,357,534**	7,454,144
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**398,944,188**	316,196,510

[1]*Performance rights have been included in the determination of diluted earnings per share*

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

At 30 June 2023 the Company had 17,889,791 unlisted performance rights (30 June 2022: 12,950,507) and 2,076,924 unlisted options issued as part of the Demetallica takeover (30 June 2022: Nil).

23. COMMITMENTS

Exploration Expenditure Commitment

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

	For the 12 months ended 30 June 2023	For the 6 months ended 30 June 2022
	$'000	$'000
Within 1 year	4,080	2,862
After 1 year but not more than 5 years	12,782	14,469
	16,862	**17,331**

Lease Expenditure Commitment

The Group maintains some short-term leases that are less than twelve months and therefore applies the short-term exemption and records these leases over a straight-line basis in profit or loss.

There are no other known commitments or contingencies as at 30 June 2023.

24. FINANCIAL RISK MANAGEMENT

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

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

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

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

Price risk

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

The following table outlines the effect on the results and equity for 30 June 2023 of a 5% increase or decrease in the average achieved sales copper price of $12,428/t (six months ended 30 June 22 $12,917/t) for the Eloise Copper Mine.

Effect on profit and equity	**For the 12 months ended 30 June 2023 $'000**	**For the 6 months ended 30 June 2022 $'000**
5% increase in average sales copper price	**5,893**	3,842
5% decrease in average sales copper price	**(5,893)**	(3,842)

Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board. During the period, the Group has managed its cash assets by through mix of fixed interest term deposits and at call cash accounts to maximise its cash balance. During the period, the Group drew down $2.4 million on its new finance facility totalling $5.4 million over a fixed 3 year term and fixed interest rates.

Foreign currency risk

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

Credit risk

Credit risk arises in the event the counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks and receivables. The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets in the Statement of Financial Position.

	S&P Credit rating				
Credit Quality of Financial Assets	**AAA**	**A1+**	**A1**	**A2**	**Unrated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
As at 30 June 2023					
Cash and cash equivalents	**30,888**	**-**	**-**	**-**	**-**
Trade and other receivables at amortised cost	**-**	**-**	**-**	**-**	**1,020**
Trade and other receivables at fair value through P&L	**-**	**-**	**-**	**-**	**6,864**
As at 30 June 2022					
Cash and cash equivalents	28,095	-	-	-	-
Trade and other receivables at amortised cost	-	-	-	-	1,144
Trade and other receivables at fair value through P&L	-	-	-	-	16,414

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The Group's liquidity needs can be met through a variety of sources, including cash generated from metal sales, interest accrued on cash balances, short- and long-term borrowings and issue of equity instruments. Alternatives for sourcing our future capital needs include our current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

Cash (inflows)/outflow	**Less than 1 year**	**Between 1 & 2 years**	**Between 2 & 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/liabilities**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 30 June 2023					
Trade and other payables	14,768	-	-	14,768	14,768
Interest bearing liabilities	957	957	678	2,593	2,435
	15,726	**957**	**678**	**17,361**	**17,204**

Capital risk management

The Group's capital management objectives are:

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

The Group may issue new shares or sell assets to reduce debt in order to maintain the optimal capital structure.

25. SHARE BASED PAYMENTS

Current period

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

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

The following table illustrates the number and movements in performance rights issued, vested, lapsed and exercised during the period year.

Period ended 30 June 2023												
Grant date	Balance 1 July-22	Granted	Fair Value at award date	Vested during period	Exercised during period	Lapsed	Balance at end of period	Vested and exercisable	Unvested at end of period	Vesting Condition	Expiry date	Amortised value of rights $
3/06/19	2,000,000	-	$0.16	-	2,000,000	-	-	-	-	A	3/06/34	-
3/06/19	2,000,000	-	$0.12	-	-	-	2,000,000	2,000,000	-	B	3/06/34	-
3/06/19	2,000,000	-	$0.14	-	-	-	2,000,000	2,000,000	-	C	3/06/34	-
4/10/19	250,000	-	$0.22	-	250,000	-	-	-	-	C	4/10/22	-
21/12/20	500,000	-	$0.15	-	-	-	500,000	500,000	-	C	1/12/23	-
21/12/20	100,000	-	$0.29	-	100,000	-	-	-	-	C	1/12/23	-
30/07/21	250,000	-	$0.15	-	250,000	-	-	-	-	C	30/07/24	-
7/02/22	250,000	-	$0.25	-	250,000	-	-	-	-	C	7/02/25	-
1/03/22	250,000	-	$0.49	-	250,000	-	-	-	-	C	1/03/25	-
2/05/22	150,000	-	$0.49	-	-	-	150,000	-	150,000	C	2/05/25	-
27/05/22	1,697,793	-	$0.55	-	-	-	1,697,793	-	1,697,793	D	15/06/27	374,285
15/06/22	3,502,714	-	$0.49	-	-	151,273	3,351,441	-	3,351,441	D	15/06/27	699,025
5/09/22	-	5,145,135	$0.42	-	-	230,000	4,915,135	-	4,915,135	E	5/09/27	565,446
25/11/22	-	2,262,443	$0.44	-	-	-	2,262,443	-	2,262,443	E	25/11/27	271,659
20/03/23	-	1,012,979	$0.23	-	-	-	1,012,979	-	1,012,979	E	20/03/28	44,533
Total	12,950,507	8,420,557		-	3,100,000	381,273	17,889,791	4,500,000	13,389,791			1,924,948

A. 60 Day VWAP $0.30

B. 60 Day VWAP $0.40

C. 60 Day VWAP $0.60

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

E. As per vesting conditions set out in section 5.3 of the Remuneration Report

Comparative period

On 15 Jun 2022, shareholder approval was provided at the annual general meeting held on 27 May 2022, for the issue of 1,697,793 Performance rights to Aaron Colleran (Managing Director and CEO).

In addition, the Group granted 650,000 performance rights in total to non-KMP and a KMP in conjunction with their employment agreements with AIC Mines. On 21 March 2022, 3,650,000 performance rights vested (comprised of 500,000 granted during the for the 6 months ended 30 June 2022 and 3,150,000 from previous periods) when the 60-day VWAP of the share price of AIC Mines achieved $0.60. A further 3,502,714 performance rights were granted as a result of the Company's revised remuneration framework. 50,000 vested performance rights were exercised and converted to fully paid ordinary shares during the comparative period.

The performance rights were valued at grant date using a Monte-Carlo simulation model for the market based vesting conditions of absolute total shareholder return (TSRA) and relative total shareholder return (TSRR) and a Black-Scholes-Merton model for non-marketing based vesting conditions related to the growth in copper equivalent ore reserve and copper equivalent resource. The fair values are amortised on a straight-line basis over the vesting period. Current period amortisation is recognised as share-based payment expense in the statement of comprehensive income net of the tax effects (if applicable). The share-based payment expense for the 6 months to 30 June 2022 totalled $0.5 million.

The following table illustrates the number and movements in, performance rights issued, vested and exercised during the comparative period year.

6 months ended 30 June 2022[1]											
Grant date	Balance 1 Jan-22	Granted	Fair Value at award date $	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Vesting Condition	Expiry date	Amortised value of rights $
3/6/19	2,000,000	-	0.16	Vested 2019	-	2,000,000	2,000,000	-	A	3/6/34	-
3/6/19	2,000,000	-	0.12	Vested 2019	-	2,000,000	2,000,000	-	B	3/6/34	-
3/6/19	2,000,000	-	0.14	2,000,000	-	2,000,000	2,000,000	-	C	3/06/34	-
4/10/19	250,000	-	0.22	250,000	-	250,000	250,000	-	C	4/10/22	-
21/12/20	500,000	-	0.15	500,000	-	500,000	500,000	-	C	1/12/23	14,450
21/12/20	150,000	-	0.29	150,000	50,000	100,000	100,000	-	C	1/12/23	-
30/7/21	250,000	-	0.15	250,000	-	250,000	250,000	-	C	30/7/24	-
7/2/22	-	250,000	0.25	250,000	-	250,000	250,000	-	C	7/2/25	61,250
1/3/22	-	250,000	0.49	250,000	-	250,000	250,000	-	C	1/3/25	122,500
2/5/22	-	150,000	0.49	-	-	150,000	-	150,000	C	02/5/25	36,750
27/5/22[2]	-	1,697,793	0.55	-	-	1,697,793	-	1,697,793	D	15/6/27	154,362
15/6/22	-	3,502,714	0.49	-	-	3,502,714	-	3,502,714	D	15/6/27	28,619
Total	7,150,000	5,850,507		3,650,000	50,000	12,950,507	7,600,000	5,350,507			417,931

[1] No performance rights lapsed during the period

[2] Grant date represents the date that shareholder approval was provided at the AGM. The performance rights were issued on the 15 of June 2022.

A. 60 Day VWAP $0.30

B. 60 Day VWAP $0.40

C. 60 Day VWAP $0.60

D. Board approved vesting conditions pursuant to the Remuneration Report for the 6 months ended 30 June 2022

26. RELATED PARTY TRANSACTIONS

Parent entity

Parent entity disclosures in note 27 reflect AIC Mines.

Subsidiaries

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

KMP

KMP comprise the Board of Directors, the Managing Director and CEO, the Chief Development Officer and the Chief Financial Officer. KMP compensation comprised the following:

	For the 12 months ended 30 June 2023 $	For the 6 months ended 30 June 2022 $
Short term benefits	**1,275,311**	608,489
Post-employment benefits	**94,683**	41,762
Long term entitlements	**63,234**	34,965
Share based payments	**1,100,152**	464,521
	2,533,379	1,149,736

Share Based Payments

Refer to note 25 in relation to disclosure of share-based payments awarded to Aaron Colleran (Managing Director and CEO). There have not been any share-based payments awarded to other related parties in either the current or comparative periods.

Agreements with Directors

Apart from the details disclosed in the Remuneration Report, no director or other related party has entered into a material contract with the Group since the end of the period, and there were no material contracts involving directors' interests as at the end of the period.

Agreement with shareholder

During the comparative period, the Group had a contract with FMR Investments Pty Ltd for the provision of corporate services to assist with the transition of the Eloise Copper Mine following its acquisition from FMR Investments. This agreement was terminated on 31 March 2022 and total payments related to this agreement were $0.3 million during the period.

During the comparative period, the Group made a $2.0 million payment to FMR Investments Pty Ltd in relation to contingent consideration associated with the acquisition of the Eloise Copper Mine.

There has not been any other material change in related parties or related party transactions.

27. PARENT ENTITY DISCLOSURES

The parent entity for legal purposes is AIC Mines Limited	**For the 12 months ended 30 June 2023 $'000**	For the 6 months ended 30 June 2022 $'000
Loss for the period	**(11,287)**	(4,551)
Total comprehensive loss	**(11,287)**	(4,551)
Financial position of the parent entity at period end		
Current assets	**31,035**	28,174
Non-current assets	**81,507**	23,941
Total assets	**112,542**	52,115
Current liabilities	**1,323**	1,153
Non-current liabilities	**1,584**	6,377
Total liabilities	**2,907**	7,530
Net assets	**109,635**	44,585
Total equity of the parent entity comprising of:		
Share capital	**357,569**	289,340
Option reserve	**409**	-
Accumulated losses	**(250,983)**	(246,093)
Share based payment reserve	**2,639**	1,339
Total equity	**109,635**	44,585
Parent entity commitments		
Within one year	**765**	1,237
One year or later and no later than five years	**1,390**	1,393
Total operating commitments	**2,155**	2,630

28. SUBSIDIARIES

Company name	Country of Incorporation	Date acquired / incorporated	30 June 2023	30 June 2022
African Investments Pty Limited	Australia		100%	100%
AIC Copper Pty Ltd	Australia		100%	100%
AIC Delamerian Pty Ltd	Australia		100%	100%
AIC Jericho Pty Ltd	Australia	21/03/2023	100%	-
AIC Lamil Pty Ltd	Australia	03/08/2022	100%	-
AIC Resources Limited	Australia		100%	100%
Blackthorn Resources Pty Limited	Australia		100%	100%
Demetallica Limited[1]	Australia	5/12/2022	100%	-
Demetallica Gold Mines Pty Ltd[1]	Australia	5/12/2022	100%	-
Demetallica Investments Pty Ltd[1]	Australia	5/12/2022	100%	-
Demetallica Operations Pty Ltd[1]	Australia	5/12/2022	100%	-
Emperor Mines Pty Limited	Australia		100%	100%
Levuka Resources Pty Ltd[1]	Australia	5/12/2022	100%	-
Nantou Mining Limited B.V.	Netherlands		100%	100%

[1]*Acquired as a result of a takeover during the period*

29. DEED OF CROSS GUARANTEE

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

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

The Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the period ended 30 June 2023 of the closed group is materially equal to the Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity of the Group.

30. AUDITORS’ REMUNERATION

	For the 12 months ended 30 June 2023 $	For the 6 months ended 30 June 2022 $
Audit of statutory financial reports		
Audit and review of AIC Mines Limited [1]	**337,000**	135,000
Fees for other services		
Other assurance services	**-**	-
Change of auditor [2]	**-**	5,000
Tax compliance and advice [2]	**-**	24,500
Total fees to auditor of the Group	**337,000**	164,500

[1] *For the 6 months ended 30 June 2022, fees paid for the audit of the statutory financial reports were paid to PwC being the newly appointed auditor of the Group (as advised at the AGM on 27 May 2022).*

[2] *For the 6 months ended 30 June 2022, fees paid for other services including the change of auditor and tax compliance and advice were paid to the previous auditor, Ernst and Young.*

31. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Directors' Declaration

FOR THE PERIOD ENDED 30 JUNE 2023

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

In the opinion of the directors:

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

   (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period ended on that date; and

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

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

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

(d) as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 26 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries

This declaration has been made after receiving the declarations required to be made to the directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the period ended 30 June 2023.

On behalf of the Board

Mr. Aaron Colleran
Managing Director and CEO

24 August 2023

Independent auditor's report

To the members of AIC Mines Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

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

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Our audit approach

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

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

Materiality	*Audit scope*
• For the purpose of our audit we used overall Group materiality of $839,000, which represents approximately 2.5% of the Group's average earnings, before interest, taxes, depreciation and amortisation (EBITDA). • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group EBITDA because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Due to fluctuations in copper prices, we chose a 20-month average from November 2021 (acquisition of Eloise copper mine) to June 2023. • We utilised a 2.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group's operations are wholly based in Australia. • We performed further audit procedures including procedures over the consolidation of the Group's businesses and the preparation of the financial reports.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Rehabilitation provision *(Refer to note 19) [$20.4 million]* As a result of its mining and processing operations, the Group is obligated to restore and rehabilitate the land and environment disturbed by these operations and remove the related infrastructure. Rehabilitation activities are governed by a combination of regulatory and legislative requirements and Group standards. This was a key audit matter due to the significance of the balance and the required judgements in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, and the timing of when the rehabilitation will take place.	To assess the Group's rehabilitations obligation, we performed the following procedures, amongst others: • Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data that are appropriate for developing the closure plans and associated cost estimates in the context of the Australian Accounting Standards. • Developed an understanding of the relevant controls the Group has in place to estimate the rehabilitation provision. • Developed an understanding of and assessed the appropriateness of the significant assumptions and key data used to develop the closure and rehabilitation provision with regard to applicable regulatory and legislative requirements. • Tested the mathematical accuracy of the calculations included in the rehabilitation provision model. • Assessed the appropriateness of discount rates and inflation rates used in the calculation. • Assessed the provision movements in the period relating to rehabilitation obligations to determine whether they were consistent with our understanding of the Group's operations and associated rehabilitation plans. • Assessed the reasonableness of the note disclosures in notes 19 in light of the requirements of Australian Accounting Standards.
Acquisition of Demetallica Limited *(Refer to note 15 (a)) [$40.1 million]* During the year, the Group acquired 100% of Demetallica Limited (“Demetallica“) for a total consideration of $40.1 million, mainly through the issuance of AIC Mines Limited shares. The acquisition of Demetallica has been accounted for as an asset acquisition and involved consideration as to the acquisition date and the recognition and measurement of identifiable assets acquired and liabilities assumed as at that date. The accounting for the acquisition was a key audit matter because it was a significant transaction for the year given the financial impact on the Group.	To assess the acquisition of Demetallica, we performed the following procedures, amongst others: • Evaluated the Group’s accounting policy by considering the requirements of Australian Accounting Standards, key transaction documents, our understanding of the assets and liabilities acquired and selected minutes of the board of directors’ meetings. • Assessed the acquisition date values of the acquired assets and liabilities recognised, including assessing the methodology used by the Group against the requirements of the Australian Accounting Standards. • Agreed the amount of the purchase consideration through share issuance to the number of shares issued and the corresponding share price at time of issuance. • Assessed reasonableness of the note disclosures in Note 15 in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 11 to 18 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of AIC Mines Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
24 August 2023