

ASX ANNOUNCEMENT

12 January 2024



ABOUT AIC MINES

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

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

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

CAPITAL STRUCTURE

Shares on Issue: 462,470,632

BOARD MEMBERS

Josef El-Raghy

Non-Executive Chairman

Aaron Colleran

Managing Director & CEO

Linda Hale

Non-Executive Director

Brett Montgomery

Non-Executive Director

Jon Young

Non-Executive Director

Audrey Ferguson

Company Secretary

CORPORATE DETAILS

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Computershare Investor Services

Drilling Extends Mineralisation at Sandy Creek and Artemis Prospects

AIC Mines Limited (ASX: A1M) (“AIC Mines” or the “Company”) is pleased to report positive results from exploration drilling completed at the Sandy Creek and Artemis prospects located 20 kilometres west of the Company’s flagship asset, the Eloise Copper Mine.

Both prospects are within trucking distance of the Eloise processing plant and are part of the Company’s strategy to extend the life of the Eloise project through a hub and spoke approach to regional development.

Highlights

- Drilling at Sandy Creek to test for a southerly plunge has successfully intersected extensive alteration including a best result of:
 - 7.1m grading 1.10% Cu, 0.2g/t Au and 7.67g/t Ag from 359.5m
- This result has extended the mineralised zone 100m down plunge.
- Drilling at Sandy Creek also confirmed the continuation of high-grade mineralisation at shallow depths with the significant intercept:
 - 2.2m grading 3.00% Cu, 0.2g/t Au and 2.15g/t Ag from 56.3m
- Drilling at the nearby Artemis Prospect intersected mineralisation down plunge, indicating potential for additional zones of mineralisation at depth.
 - 2.0m grading 2.40% Cu from 468.0m
 - 0.4m grading 1.20% Cu from 289.9m

Commenting on the drilling program, AIC Mines’ Managing Director, Aaron Colleran said:

“AIC Mines holds tenements covering approximately 2,000km² surrounding the Eloise mine. This highly endowed area contains a strong pipeline of targets that we believe will extend the Eloise project well beyond 10 years. This short program of drilling at the Sandy Creek and Artemis prospects has successfully confirmed that mineralisation remains open at depth. Further drilling is clearly warranted at both prospects.”

Eloise Regional Project (AIC Mines 100%)

The Eloise Regional Project consists of approximately 2,000km² of contiguous tenure immediately surrounding the Eloise mine (see Figure 1). The highly endowed project contains a strong pipeline of targets from early-stage prospects along the same trend as Jericho (e.g. **Bagdad to St Louis**) to advanced exploration prospects (e.g. **Artemis**) to known historical resources at **Sandy Creek**.

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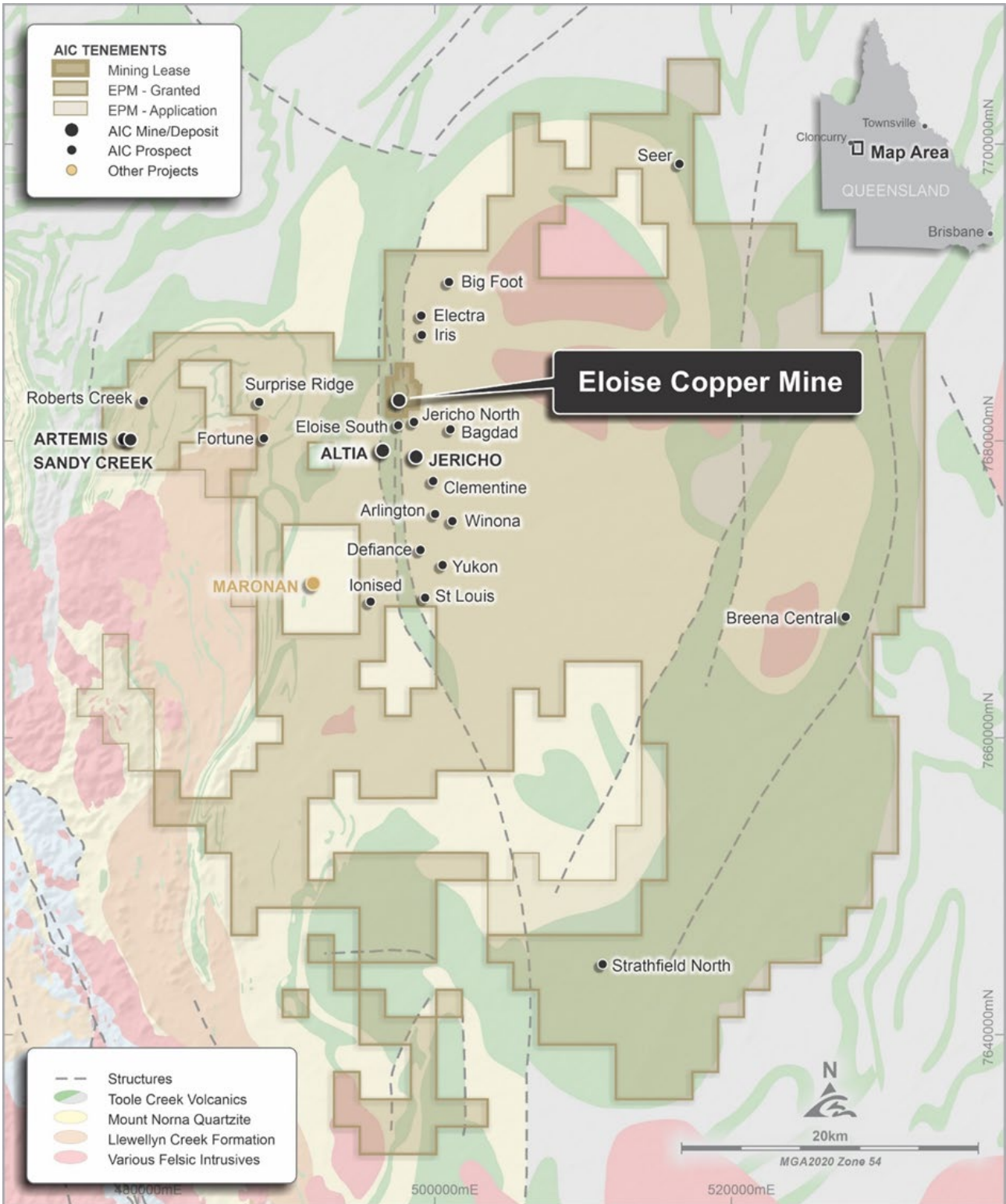


Figure 1. Eloise Regional Project showing identified prospects

Exploration Drilling Program

A program of diamond drilling targeting extensions to mineralisation at the Sandy Creek Copper-Gold Prospect and the Artemis Polymetallic Prospect was completed in November 2023 (see AIC Mines ASX announcement “Drilling Commences at Eloise Regional Copper Prospects” dated 10 October 2023). A total of 6 holes for 2,326m were completed with the aim of:

- Confirming the potential extension of mineralisation down dip and down plunge at both prospects.
- Infilling a gap in the resource at the near surface at Sandy Creek where no drilling data exists.
- Testing previously untested ground electromagnetic (GEM) conductors to the east of Sandy Creek mineralisation.
- Testing along strike and down plunge of the Artemis mineralisation.

Both prospects are within trucking distance of the Eloise processing plant and are part of the Company’s strategy to extend the life of the Eloise project through a hub and spoke approach to regional development.

Sandy Creek – Drilling Results

Sandy Creek contains a historic resource of 2Mt grading 1.32% Cu and 0.30g/t Au (see Demetallica Limited’s Prospectus dated 8 April 2022 for further details and the Competent Person’s Statement relating to the Mineral Resource). The mineralisation commences at surface and extends to a depth of approximately 300m below surface, as defined by drilling.

A 100m step-out hole testing for a southerly plunge at Sandy Creek successfully intersected extensive alteration with sulphide mineralisation (see Figure 2). A broad zone consisting of **25.6m grading 0.62% Cu, 0.1g/t Au and 4.28g/t Ag from 341m in SCDD001**, including a higher-grade zone of **7.1m grading 1.10% Cu, 0.2g/t Au and 7.67g/t Ag from 359.5m** was intersected. This result confirmed the interpretation of a southerly plunging extension to the mineralisation that remains open and thus warrants further drilling.

The top of drillhole SCDD002 infilled a gap in the historic resource drilling and returned **2.2m grading 3.00% Cu, 0.2g/t Au and 2.15g/t Ag from 56.3m**, providing confidence in the continuity of the mineralisation.

Drillholes testing GEM conductors to the east of the Sandy Creek mineralisation did not intersect mineralisation.

The results from this drilling will be used to complete an updated Mineral Resource Estimate.

Artemis – Drilling Results

The Artemis prospect is located 200m west of Sandy Creek. It contains polymetallic mineralisation consisting of copper, gold and zinc.

Broad spaced step-out drilling testing the southern extent of mineralisation intersected **2.0m grading 2.40% Cu from 514.7m in ARDD001 and 0.4m grading 1.20% Cu from 289.9m in ARDD002** (see Figure 3).

Drillholes testing GEM conductors directly beneath the Artemis mineralisation did not intersect significant thicknesses of mineralisation.

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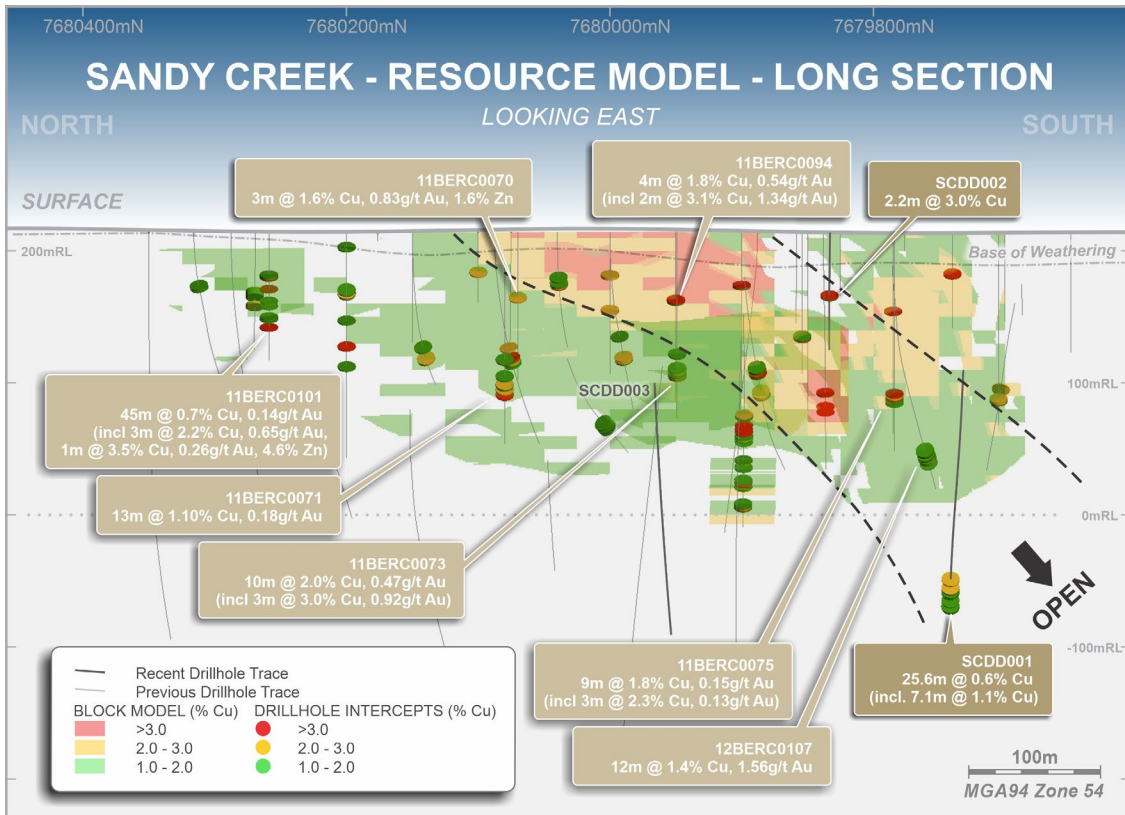


Figure 2. Sandy Creek long section showing drill hole traces and results from SCDD holes.

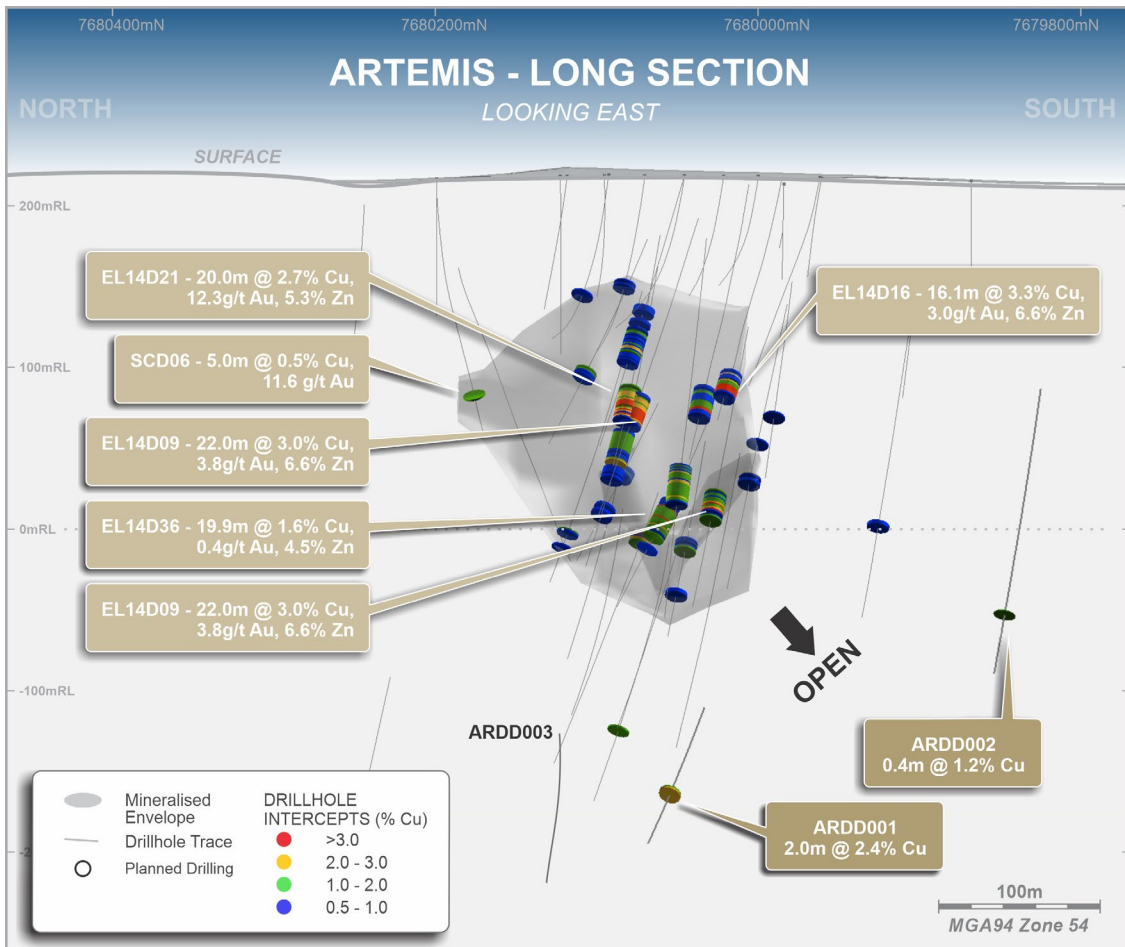


Figure 3. Artemis long section showing drill hole traces and result from ARDD holes.

Authorisation

This announcement has been approved for issue by, and enquiries regarding this announcement may be directed to Aaron Colleran, Managing Director, via info@aicmines.com.au

Competent Person's Statement – Exploration Results

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

Exploration Information Extracted from ASX Announcements

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

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

- Drilling Commences at Eloise Regional Copper Prospects 10 October 2023

Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcement lodged on the ASX by Demetallica Limited (under ASX code DRM):

- Demetallica Limited Prospectus 8 April 2022

Forward-Looking Statements

This Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond AIC Mines' control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding AIC Mines' future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause AIC Mines' actual results, performance, or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete the project in the time frame and within estimated costs currently planned; the failure of AIC Mines' suppliers, service providers and partners to fulfil their obligations under supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. Although AIC Mines believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 1.**Table 1. Drilling Results of Anomalous Intercepts**

Hole ID	Hole Type	Northing (m)	Easting (m)	Elevation (mRL)	Hole Length (m)	Dip (deg)	Azi (deg)	From (m)	To (m)	Downhole Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
23SCDD001	DD	7679728	479332	215	390.9	-55	90	341.0	366.6	25.6	0.62	0.1	4.28
	Including							359.5	366.6	7.1	1.10	0.2	7.67
23SCDD002	DD	7679833	479468	214.3	241.0	-60	241	56.3	58.5	2.2	3.00	0.2	2.15
23SCDD003	DD	7679970	479255	215.8	351.8	-65	90	NSA					
23ARDD001	DD	7679947	479343	211.9	514.7	-60	290	468.0	470.0	2.0	2.40	<0.1	3.8
23ARDD002	DD	7679809	479181	212.4	331.7	-60	290	289.9	290.3	0.4	1.20	0.13	2.10
23ARDD003	DD	7680081	479337	212.1	496.0	-60	290	NSA					

Data aggregation method

Length weighting averaging technique with:

- minimum grade truncation comprises of copper assays greater than 0.5% Cu
- no high assay cuts have been applied to copper, gold or silver grades
- minimum width of 1 metre downhole
- maximum internal dilution of maximum of 3 metres downhole containing assays below 0.3% Cu

Downhole intervals are rounded to one decimal place where applicable

NSA = no significant assay results

Appendix 2. JORC Code 2012 Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Samples used in this announcement were obtained through diamond drilling methods. • The sampling methodology described below has been consistent for all of the holes completed at Sandy Creek and Artemis by previous explorers, with the methodology considered to comply with industry standard. • Diamond drill sample intervals are generally 1m lengths with some occasional changes varying from 0.3m to 1.2m to honour geological zones of interest (lithology or mineralisation) as identified by the geologist. • Holes were generally angled to optimally intersect the mineralised zones as close to the true width intersection as possible. • Diamond drilling was completed using HQ or NQ drilling bit for all diamond holes. Core selected from geological observation was cut in half for sampling, with a half core sample sent for analysis at measured geological intervals. • For drill core specific gravity measurements have been recorded approximately every 1m throughout mineralised zones. Core orientation has been determined where possible and photographs have been taken of all drill core. • There is no apparent correlation between ground conditions and assay grade. • The assays reported are derived half-core lengths. • Core samples were split with a core saw and half core samples ranging from 0.3-1.20 metre lengths were sent to ALS laboratories for assay. One metre length core samples are considered appropriate the style of mineralization. Variation in sample length to align with visible changes in lithology or sulphide content is also considered appropriate. • Samples were either sent to ALS laboratory in Mount Isa or ALS laboratory in Townsville for sample preparation (documentation, crushing, pulverizing and subsampling and analysis). Geochemical analyses for Cu, Ag, As, Pb, Zn, Fe and S are undertaken at ALS Mt Isa laboratory analysis of Au is completed at ALS laboratory in Townsville.
Drilling techniques	<ul style="list-style-type: none"> • Diamond drilling was undertaken by DDH1 drilling contractor. All core is orientated using a Reflex ACT III orientation tool. • A Reflex north-seeking gyro downhole survey system was used every ~30m by DDH1 to monitor drillhole trajectory during drilling.
Drill sample recovery	<ul style="list-style-type: none"> • Core recovery measurements for the mineralised zones indicate 99% recovery for sampled intervals. • No apparent correlation between ground conditions/drilling technique and anomalous metal grades has been observed. • Recoveries and ground conditions have been monitored by AIC personnel during drilling. • No relationship or bias was noted between sample recovery and grade.
Logging	<ul style="list-style-type: none"> • Logging of lithology, alteration, mineralisation, regolith and veining was undertaken. • In addition, diamond core has been logged for structure and geotechnically. • Photography of diamond core trays are undertaken as part of the logging process. • Specific gravity measurements have been recorded approximately every 1m throughout mineralised zones within the cored portions of drillholes. • Retained half core and whole unsampled core have been retained in industry-standard core trays in AIC's storage facility as a complementary record of the intersected geology. • Data has been collected and recorded with sufficient detail to be used in resource estimation. • Geological logging is qualitative. Specific gravity, RQD and structural measurements are quantitative.

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Criteria	Commentary
	<ul style="list-style-type: none"> All holes have been geologically logged for the entire drilled length.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Half core was sampled except for duplicate samples where quarter core was taken. No wet samples from the mineralised zone were submitted for assay. Sample preparation is considered appropriate to the style of mineralization being targeted. Samples were prepared at ALS in Mt Isa. Samples were dried at approximately 120°C half-core samples are passed through a Boyd crusher with nominal 70% of samples passing <4 mm. Between each sample, the crusher and associated trays are cleaned with compressed air to minimise cross contamination. The crushed sample is then passed through a rotary splitter and a catch weight of approximately 1 kg is retained. Between crushed samples the splitter is cleaned with compressed air to minimise cross contamination. Approximately 1 kg of retained sample is then placed into a LM5 pulveriser, where approximately 85% of the sample passes 75um. An approximate 200 g master pulp subsample is taken from this pulverised sample for ICP/AES and ICP-MS analyses, with a 60 g subsample also taken and dispatched to ALS Global (Townsville) for the FA analysis for gold (Au-AA25). Logging of the drillcore was conducted to sufficient detail to maximise the representivity of the samples when determining sampling intervals. AIC submitted standards and blanks into the Diamond sample sequence as part of the QAQC process. CRM's were inserted at a ratio of approximately 1-in-30 samples. Sampling was carried out using AIC Mines' protocols and QAQC procedures as per industry best practice. Duplicate samples were routinely submitted and checked against originals for both drilling methods. The grainsize of mineralisation varies from disseminated sub-millimetre grains to massive, aggregated sulphides. Geological logging indicates that typically sampling 1m intervals are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Analytical samples were analysed through ALS Laboratories in (either Mount Isa or Townsville) From the 200g master pulp, approximately 0.5 g of pulverised material is digested in aqua regia (ALS – GEO-AR01). The solution is diluted in 12.5 mL of de-ionized water, mixed, and analysed by ICP-AES (ALS Global – ME-ICP41) for the following elements: Cu, As, Ag and Fe. Over range samples, in particular Cu >5% are re-analysed (ALS Global methods ASY-AR01 and ME-OG46) to account for the higher metal concentrations. Gold analysis is undertaken at ALS Global (Townsville) laboratory where a 30 g fire assay charge is used with a lead flux in the furnace. The prill is totally digested by HCL and HNO3 acids before AAS determination for gold analysis (Au-AA25). Sample analyses are based upon a total digestion of the pulps. Pulps are maintained by ALS Global laboratory in Mount Isa for 90 days to give adequate time for re-analysis and are then disposed. AIC Mines runs an independent QAQC program with the insertion of blanks at a rate of 1 in 30, and certified reference material (CRM) at a rate of 1 in 30. Analysis of the QAQC shows there is no contamination and that assaying of CRM's report within three standard deviations of the expected value. Analytical methods Au-AA25, ME-ICP41 and ME-OG46 are considered to provide 'near-total' analyses and are considered appropriate style of mineralisation expected and evaluation of any high-grade material intercepted. Certified reference materials that are relevant to the type and style of mineralisation targeted were inserted at regular intervals. Results from certified reference material highlight that sample assay values are accurate. Results of duplicate analysis of samples showed the precision of samples is within acceptable limits.

Criteria	Commentary
	<ul style="list-style-type: none"> In addition to AIC Mines' standards, duplicates and blanks, ALS Global (Mount Isa and Townsville) conduct their own QAQC protocol, including grind size, standards, and duplicates, and all QAQC data is made available to the mine via the ALS Global Webtrieve website.
Verification of sampling and assaying	<ul style="list-style-type: none"> Assay data from reported results have been compiled and reviewed by the senior geologists involved in the logging and sampling of the drill holes, cross-checking assays with the geological logs and representative photos. All significant intersections reported here have been verified by AIC's Exploration Manager. No twinned holes have been completed at Sandy Creek or Artemis. Logging of data was completed in the field with data entered using a Toughbook with a standardised excel template with drop down fields. Data is stored in an MS access database maintained by AIC Mines. No adjustments to assay data have been undertaken.
Location of data points	<ul style="list-style-type: none"> All maps and drillhole collar locations are in MGA Zone54 GDA grid. Initial hole locations are pegged by field personnel using a handheld GPS unit. At regular intervals during the drilling program the collar locations are surveyed with Rover pole shots using a Leica Captivate RTK GPS (+/-0.1m). Grid system used is GDA1994, Zone 54. The prospect terrain is flat lying with approximately 10m of elevation variation over the extended prospect area. Detailed elevation data of the area was collected by GPS
Data spacing and distribution	<ul style="list-style-type: none"> In the upper parts of the prospects drilling has been completed on less than 50m x 50m spacings. The deeper portions of the deposit drilling points are variable with spacing up 100m. The data spacing is considered appropriate for assessing mineralisation continuity. No compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> The drill hole orientation aims to intersect the mineralisation perpendicular to the strike of the mineralisation. The orientation of the sampling is not expected to have caused biased sampling. No orientation-based sampling bias is evident in the assay results.
Sample security	<ul style="list-style-type: none"> Chain of custody is managed by AIC Mines and the principal laboratory, ALS Mt Isa. Core samples are collected daily by the AIC personnel, where it is transported and laid on racks for logging and sampling. All core is photographed when marked up for a permanent record. On completion of logging, samples are bagged and tied for transport to Mount Isa by commercial courier. Pulps are stored at the ALS Global laboratory in Mount Isa for a period of 90 days before being discarded. Assay results are received from the laboratory in digital format. Once data is finalised, it is imported into a Microsoft Access database.
Audits or reviews	<ul style="list-style-type: none"> AIC Mines has completed reviews of the Principal Laboratory, ALS Mount Isa, and reviewed all drill core handling, logging, and sampling processes. All laboratory equipment was well-maintained, and the laboratory was clean with a high standard of housekeeping. ALS regularly monitor the sample preparation and analytical processes. No audits or reviews of sampling techniques and data were completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Sandy Creek and Artemis prospects are located 20km northwest of AIC Mines' operating Eloise copper mine. All holes were drilled within EPM 17838 which are 100% held by Levuka Pty Ltd, a wholly owned subsidiary of AIC Mines. A registered native title claim exists over the tenement (Mitakoodi and Mayi People #5). Native title site clearances were conducted at each drill site prior to drilling. Conduct and Compensation Agreements are in place with the relevant landholders. EPM 17837 is secure and compliant with the Conditions of Grant. There are no known impediments to obtaining a licence to operate in the prospect area.
Exploration done by other parties	<ul style="list-style-type: none"> The Sandy Creek and Artemis prospects were delineated by work completed by BHP, Minotaur and Demetallica and OZ Minerals in joint venture. Exploration completed consisted of potential field data, ground electromagnetic surveys and drilling
Geology	<p>Sandy Creek</p> <ul style="list-style-type: none"> Sandy Creek is an Iron Sulphide Copper Gold (ISCG) type deposit that outcrops at surface. The host to mineralisation is Proterozoic psammite and psammopelite with amphibolites interpreted to be original dolerite sills. The psammopelitic units are generally strongly foliated with compositional layering sub-parallel to the original bedding that dips steeply west. The mineralisation is typified by massive to semi-massive pyrrhotite-chalcopyrite sulphide with minor sphalerite and galena in breccia zones overprinting earlier quartz-biotite alteration/veining. These zones of high sulphide content typically show deformation textures, and structural studies indicating Sandy Creek formed in a progressively developing ductile shear zone that was active prior to and during mineralisation. The high-grade sulphide zones are bound by lower-grade chalcopyrite and pyrrhotite mineralisation including crackle breccias, stringers and disseminations. The main zone of mineralisation forms a single massive sulphide zone over 600m in strike length (open along strike and at depth). The true thicknesses of individual mineralised lenses range from less than one metre to approximately 30m. <p>Artemis</p> <ul style="list-style-type: none"> Artemis is a variant of an Iron Sulphide Copper Gold (ISCG) type deposit consisting of copper within significant amounts of zinc and lead. The mineralisation starts at approximately 70m below surface. The host to mineralisation is Proterozoic psammite and psammopelite with amphibolites interpreted to be original dolerite sills. The psammopelitic units are generally strongly foliated with compositional layering sub-parallel to the original bedding that dips steeply west. The mineralisation is typified by massive to semi-massive pyrrhotite-chalcopyrite-sphalerite and galena sulphide veins overprinting earlier quartz-biotite alteration/veining. The host rocks are less deformed than Sandy Creek The main zone of mineralisation forms a single massive sulphide zone approximately 100m by 150m in strike and dip (open along strike and potentially down plunge). The true thicknesses of individual mineralised lenses range from less than one metre to approximately 20m.
Drill Information	<ul style="list-style-type: none"> Drill collar details, including hole ID, easting, northing, RL, dip, azimuth, and end-of-hole (EOH) depth for drillholes are included in Table 1 of the body of this report. Downhole lengths and interception depths of the significant mineralised intervals within drillholes included in Table 1. No data deemed material to the understanding of the exploration results have been excluded from this document.

Criteria	Commentary
Data aggregation methods	<ul style="list-style-type: none"> The weighted average assay values of the mineralised intervals (values >0.5% Cu) from drillholes were calculated by multiplying the assay of each drill sample by the length of each sample, adding those products, and dividing the product sum by the entire downhole length of the mineralised interval. No minimum or maximum cut-off has been applied to any of the drillhole assay data presented in this document. Maximum of 3m internal dilution was included for reported intercepts. Individual high-grade values within the intercept have been identified separately. No metal equivalent values have been reported in this document.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> The targeted mineralisation dips steeply east; the orientation of the mineralisation is well-constrained from previous drilling. The current drilling program aimed to test the mineralisation at as high an angle as practical and mineralisation has been intersected in each hole close to the expected position. Down hole intervals and estimated true width values have not been reported.
Diagrams	<ul style="list-style-type: none"> Appropriate images showing the location of the holes are included in the body of the announcement.
Balanced reporting	<ul style="list-style-type: none"> All available exploration results are reported. Table 1 includes all copper, gold and silver data of significance and any data not reported here are deemed immaterial. Significant intercepts reported are balanced and representative of mineralisation.
Other substantive exploration data	<ul style="list-style-type: none"> No meaningful and material exploration data have been omitted. No mining has taken place at Sandy Creek-Artemis
Further work	<ul style="list-style-type: none"> The current drilling program is now complete. Assay data for all drillholes have been reported. Further work is currently being planned as further drilling is warranted.