AIC Mines Limited

APPENDIX 4E – PRELIMINARY FINAL REPORT
AIC MINES LIMITED ACN 060 156 452 AND CONTROLLED ENTITIES
For the six month period ended 30 June 2022

Results for Announcement to the Market

Key Information

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000	Up / (down) $'000	Up / (down) %
Revenues from contracts with customers	79,252	24,817	54,435	219
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	29,225	7,528	21,698	288
Statutory profit before income tax	20,311	1,811	18,500	1,021
Profit from ordinary activities after income tax attributable to the members	21,157	1,811	19,345	1,068

*Upon revising the provisional fair values of the Eloise operation (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 in the note to the financial statements of the Annual Report for further details.

Dividend Information

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

Net Tangible Assets`

	For the six months ended 30 June 2022 $	For the year ended 31 December 2021 Restated* $
Net tangible assets per share	0.40	0.32

Earnings Per Share

	For the six months ended 30 June 2022 $	For the year ended 31 December 2021 Restated* $
Basic earnings per share	0.069	0.016
Diluted earnings per share	0.067	0.015

This Appendix 4E is given to the ASX in accordance with Listing Rule 4.3A.
Additional information supporting the Appendix 4E disclosure requirements can be found in the Annual Report which contains the Directors' Report and the 30 June 2022 Financial Statements and accompanying notes.
This report is based on the consolidated financial statements for year ended 30 June 2022 which have been audited by PricewaterhouseCoopers

AIC Mines Limited

ANNUAL REPORT 2022

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www.aicmines.com.au

Contents

Corporate Directory

ABN: 11 060 156 452

DIRECTORS

Josef El-Raghy, Chairman
Aaron Colleran, Managing Director and CEO
Brett Montgomery, Non-Executive Director
Tony Wolfe, Non-Executive Director
Jon Young, Non-Executive Director

COMPANY SECRETARY

Linda Hale

REGISTERED OFFICE

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BANKERS

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Perth WA 6000

SHARE REGISTRY

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Level 11
172 St Georges Terrace
Perth WA 6000
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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
Watermans Quay, Barangaroo NSW 2000

INTERNET ADDRESS

www.aicmines.com.au

Chairman's Letter

Dear Fellow Shareholders,

I am pleased to present the 2022 Annual Report to you and provide an overview of our production and exploration activities for the period of 1 January 2022 to 30 June 2022 (the "period"). This 2022 Annual Report only covers a six month period as we transitioned our accounting period year end from 31 December to 30 June.

Following a transformational year in 2021 during which we successfully completed the acquisition of the Eloise Copper Mine, your Company has focused on operational reliability and resource growth at Eloise while continuing to progress exploration at the Lamil and Marymia Projects.

The Eloise Copper Mine is a high-grade mine with a robust mine life supported by current reserves and resources. Ore is processed by conventional crushing, grinding and sulphide flotation to produce a high-quality Cu-Au-Ag concentrate. In the first eight months of ownership the mine generated A$50.2 million in operating mine cashflow and A$16.9 million in net mine cashflow at a low all-in sustaining cost of A$4.33/lb of copper sold.

We believe that there is an outstanding opportunity at Eloise to add value through exploration success, resource growth, operational reliability, and regional consolidation. During the period we commenced a significant resource definition drilling program to upgrade the mineral resources and to add mine life. Drilling conducted by AIC Mines during the period has successfully delineated new Mineral Resources and Ore Reserves such that we started the 2023 financial year with a larger Mineral Resource and Ore Reserve inventory than we started the 2022 financial year. An excellent result.

Our exploration projects have also been advanced during the period. At Lamil, we commenced a diamond drilling program in June 2022 to test high-priority targets at Lamil Dome, Goodenia and Firebush prospects. We recently met the expenditure requirement to earn a 50% interest in the Lamil Project from our joint venture partner Rumble Resources Limited. At Marymia, encouraging assay results were returned during the period from the Copper Hills and Middle Island prospects. Also during the period we advanced permitting of our new exploration project in western New South Wales, the Delamerian Project. The project is prospective for both base and precious metals and offers belt-scale exploration opportunities in an emerging and under-explored province – the Delamerian Orogen.

We continue to assess opportunities to grow the Company through mergers and acquisitions. We are targeting late-stage gold and copper projects located in Australia where we can add value through exploration and development. We remain disciplined in our review of new projects.

I would like to thank shareholders for their ongoing support and the AIC Mines team for their ongoing commitment. We look forward with confidence to the year ahead.

Yours sincerely,

Josef El-Raghy
Chairman

Directors' Report

The Directors present their report together with the consolidated financial statements for AIC Mines Limited ("the Company" and the entities it controlled at the end of, or during, the period ended 30 June 2022 ('the Group", "AIC") 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 - Appointed 18 April 2019

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 - Appointed 18 April 2019

Mr Colleran has extensive experience in public markets mergers and acquisitions and strategic planning. Prior to joining AIC, 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).

Brett Montgomery

Non-Executive Director - Appointed 18 April 2019

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). 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.

Tony Wolfe

Non-Executive Director - Appointed 25 November 2016

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.

Jon Young

Non-Executive Director - Appointed 2 November 2021

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.

Directors' Report

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.

Linda Hale

Company Secretary - Appointed 20 February 2020

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

Michael Frame

Chief Financial Officer - Appointed 1 December 2021

Mr Frame has over 14 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 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 6 month period ended 30 June 2022 ("period") include:

- The Group achieved a statutory net profit after tax of $21.2 million for the period, a $19.4 million increase on the prior year (Restated year ended 31 December 2021 $1.8 million).
- The Eloise Copper Mine produced 21,307 dry metric tonnes ("dmt") of concentrate containing 5,874 tonnes of copper generating operating mine cashflow of $38.9 million; and net mine cashflow of $12.2 million for the period.
- Subsequent to the end of the period the Group released the Eloise Copper Mine annual Mineral Resources and Ore Reserves estimates as at 30 June 2022. Mineral Resources increased to 115,000 tonnes of contained copper and 101,100 ounces of contained gold, representing an 11% increase in copper and a 7% increase in gold year-on-year net of mining depletion. Ore Reserves increased to 36,000 tonnes of contained copper and 32,600 ounces of contained gold, representing a 19% increase in copper and a 22% increase in gold year-on-year net of mining depletion.
- Commenced a diamond drilling program at the Lamil Project to test high-priority targets at Lamil Dome, Goodenia and Firebush prospects.
- Positive results were received from reverse circulation drilling at the Copper Hills and Middle Island prospects at the Marymia Project.

Financial Review

Profit and loss

- The Group recorded a consolidated profit after income tax of $21.2 million, for the period (Restated year ended 31 December 2021 $1.8 million). Net revenue from concentrate sales for the period increased to $81.4 million (31 December 2021: $25.0 million). Gross metal revenue comprised $78.9 million of copper, $8.2 million of gold and $2.0 million of silver (31 December 2021: $27.3 million collectively).
- The basic and diluted earnings per share for the period totalled $0.069 and $0.067 respectively (Restated 31 December 2021: $0.016 and $0.015).

Balance Sheet

- At period end net assets of the Group were $90.2 million (Restated year ended 31 December 2021: $68.5 million). Total assets increased during the period to $123.7 million (Restated year ended 31 December 2021: $99.6 million) mainly due to the increase in property plant and equipment and mine development at Eloise. Cash and cash equivalents were $28.1 million (31 December 2021 $29.3 million). The net carrying amount of property, plant and equipment increased by $5.6 million in the period. This was primarily driven by the acquisition of mining equipment and the on-going construction of a new tailings dam facility offset by depreciation at Eloise. Mine properties increased by $13.4 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 $2.4 million during the period to $33.5 million (Restated year ended 31 December 2021 $31.1 million). This was mainly due to the increase in trade and other payables of $3.7 million offset by a reduction in provisions of $1.3 million.

Cash flow

- The net cash inflow from operating activities totalled $26.5 million (31 December 2021: inflow $5.9 million) and the cash balance at period end totalled $28.1 million (31 December 2021: $29.3 million).
- Net cash outflows from investment activities totalled $27.6 million, an increase of $8.1 million from the prior period (31 December 2021: outflow $19.5 million). Major items contributing to the change in outflows were the investment in plant and equipment and mine development at the Eloise Copper Mine.
- Net cash inflows from financing activities were $nil for the period, a decrease of $37.8 million from the prior period (31 December 2021: inflow $37.8 million). The key item contributing to the change in inflows was the capital raising of $37.8 million net of costs to fund the acquisition in the prior period.

Taxation

- During the period, the Group made no income tax payments and recognised a $0.8m income tax benefit as a result of recognising a net deferred tax asset during the period (31 December 2021: $nil).

Dividends

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

Operations Review

Eloise

Production for the period totalled 21,307 dmt of concentrate containing 5,874t of copper at an All-in Sustaining Cost of A$4.55/lb and All-in Cost of A$5.11/lb.

Ore mined period totalled 269.7 thousand tonnes at an average grade of 2.16% copper. Underground development was 1,668 metres. Ore processed was 294.8 thousand tonnes at an average grade of 2.10% copper. Copper recovery of 94.8% was achieved for the year.

Operating mine cashflow for the period was strong at $38.9 million and net mine cashflow of $12.2 million was achieved post total capital investment of $26.6 million and an achieved copper price of $12,917 per tonne ($5.86/lb) of copper sold.

The table below outlines the key operating metrics for Eloise during the 6 month period ended 30 June 2022 and the 2 month ownership period to 31 December 2021:

Summary of operating results	30 June 2022	31 December 2021
Operating mine cash flow ($'000)	38,859	11,353
Sustaining capital ($'000)	(19,289)	(5,670)
All-in cost capital ($'000)	(7,342)	(970)
Total capital ($'000)	(26,631)	(6,640)
Net mine cash flow ($'000)	12,228	4,712
Payable Copper production (t)	5,660	2,306
All-in Sustaining Cost ($/lb)	4.55	3.05
All-in Cost ($/lb)	5.11	3.29

Exploration Review

Marymia Project

At Marymia, assay results were received from the reverse circulation (RC) drilling programs completed in late 2021. Results from the Copper Hills prospect confirmed the continuation of copper mineralisation into fresh rock. Follow-up and infill RC and diamond drilling is planned in the first half of FY23. Results from the Middle Island target identified anomalous gold at two discrete areas that warrant follow-up RC drilling. Drilling at the DeGrussa North, Hermes North and Stetson prospects downgraded these prospects.

Lamil Project

Assay results from the 8,800m of RC drilling that was completed in 2021 were received in early 2022. Results from the Lamil Dome target confirmed the presence of prospective lithologies with zones of alteration and associated sulphides that returned a peak value of 1m grading 2.25% Cu from 90m. At the Goodenia target further wide-spaced drilling returned anomalous zinc and lead results. Encouraged by these results a program of diamond drilling commenced in late June 2022 to test the Lamil Dome, Goodenia and Firebush targets.

In early July 2022, the Group met the expenditure requirement to earn a 50% interest in the Lamil Project from Rumble Resources Limited ("Rumble"). Rumble can elect to form a joint venture in which AIC Mines and Rumble will each hold a 50% interest and contribute equally to exploration expenditure moving forward. If Rumble does not elect to contribute to exploration expenditure, then AIC Mines can elect to earn an additional 15% interest in the joint venture by sole funding $4.0 million in exploration expenditure within 12 months. If AIC Mines does not elect to sole fund and earn the additional 15% then each party will continue to hold a 50% interest in the joint venture. If this is the case, then each party can either contribute to ongoing exploration expenditure equal to its interest in the joint venture or have its interest in the joint venture diluted according to a standard dilution mechanism. If a party's interest in the joint venture dilutes to 10% or less, that party's interest will automatically convert to a 1.25% net smelter royalty on any minerals produced and sold from the joint venture

Delamerian Project

The granting process for the three large exploration licence applications in western New South Wales, that make up the Delamerian Project, was progressed during the period and completed in July 2022. The project represents a belt-scale exploration opportunity prospective for multiple deposits styles – namely mafic-ultramafic intrusive related Ni-Cu deposits, volcanogenic massive sulphide Cu-Zn-Pb deposits and felsic magmatic related Cu-Au deposits. The Delamerian Orogen is a largely under-explored cratonic margin setting analogous to other highly endowed provinces in Australia, such as the Paterson Orogen and Albany-Fraser Orogen.

MINERAL RESOURCE AND ORE RESERVE STATEMENT

The Group released the Eloise Copper Mine annual Mineral Resources and Ore Reserves (MROR) estimates as at 30 June 2022 to the ASX on 22 August 2022. Full details, including 2012 JORC Code reporting tables, can be found in the announcement lodged on the ASX and also available on the Company's website.

Mineral Resources

Resource definition drilling conducted by the Group successfully increased the Mineral Resource estimate year-on-year in terms of resource tonnes and contained copper, gold and silver. The majority of the increase has been in the Deeps area (Elrose Levuka South – Lower) and from inclusion of the Emerson deposit.

The Mineral Resource estimates (see Table 1) are based on a long-term copper price of A$10,500 per tonne and are reported and classified in accordance with the JORC Code (2012).

Table 1. Eloise Copper Mine – Mineral Resources as at 30 June 2022

Resource Category	Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Measured	-	-	-	-	-	-	-
Indicated	2,668,000	2.5%	0.7	10.6	65,900	59,600	912,500
Inferred	2,083,000	2.4%	0.6	9.3	49,100	40,500	623,700
Total	**4,751,000**	**2.4%**	**0.6**	**10.1**	**115,000**	**100,100**	**1,536,200**
Net Change	**309,000**	**3.7%**	**0.7**	**16.3**	**11,500**	**6,800**	**162,400**

Mineral Resources are inclusive of Ore Reserves.
Mineral Resources are estimated using a 1.1% Cu cut-off above 0mRL and 1.4% Cu below 0mRL.
There is no certainty that Mineral Resources not included in Ore Reserves will be converted to Ore Reserves.
Tonnages have been rounded to the nearest 1,000 tonnes.

Total Mineral Resource tonnes increased by 7%, contained copper by 11% and contained gold by 7% year-on-year net of mining depletion (see Table 2). The major changes from the Mineral Resource estimate as at 30 June 2021 to the current estimate include:

Additions of 1,378,000 tonnes grading 2.3% Cu contributed by:

- New mineralisation intersected during resource definition drilling in the Elrose Levuka South upper areas of approximately 497,200 tonnes grading 2.8% Cu.
- Reassessment of the geological interpretation in the Emerson area adding approximately 880,800t grading 2.0% Cu.

Decreases of 1,069,000 tonnes grading 1.9% Cu were the result of:

- Mining depletion of 594,000t grading 2.1% Cu.
- Reassessment of the geological interpretation following resource definition drilling in the Macy and Elrose Levuka North.
- Geotechnical and geological reassessment of the Elrose Levuka South Lower located within geotechnical stress zones close to the sublevel cave.

Table 2. Comparison of June 2022 vs. June 2021 Mineral Resources by Mining Area

		Mineral Resources @ 30 June 2022					Mineral Resources @ 30 June 2021				
Area	**Mining Type**	**Tonnes (t)**	**Cu Grade %**	**Au Grade (g/t)**	**Contained Copper (t)**	**Contained Gold (oz)**	**Tonnes (t)**	**Cu Grade %**	**Au Grade (g/t)**	**Contained Copper (t)**	**Contained Gold (oz)**
Macy	LHOS	682,000	2.1%	0.6	14,100	13,850	948,800	2.4%	0.7	23,200	22,450
Elrose Levuka North - Upper	LHOS	454,300	2.2%	0.5	9,900	6,750	768,700	2.1%	0.5	16,350	11,650
Elrose Levuka South - Upper	LHOS	1,320,200	2.2%	0.5	29,250	22,250	823,000	1.9%	0.5	15,400	13,400
Elrose Levuka South - Lower	SLC	1,413,700	3.1%	0.9	44,050	39,950	1,901,500	2.6%	0.7	48,550	45,800
Emerson	LHOS	880,800	2.0%	0.6	17,700	17,300	0	0.0%	0.0	0	0
Total Resource		**4,751,000**	**2.4%**	**0.6**	**115,000**	**100,100**	**4,442,000**	**2.3%**	**0.7**	**103,500**	**93,300**

Ore Reserves

Similar to the outcome with Mineral Resources, infill drilling and mine planning evaluation has successfully increased the Ore Reserve estimate year-on-year in terms of ore tonnes and contained copper, gold and silver. The majority of the increase has been in the Deeps area (Elrose Levuka South – Lower).

The Ore Reserve estimates (see Table 3) are based on a long-term copper price of A$10,500/t and are reported and classified in accordance with the JORC Code (2012).

Table 3. Eloise Copper Mine – Ore Reserves as at 30 June 2022

Reserve Category	Tonnes (t)	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	Contained Copper (t)	Contained Gold (oz)	Contained Silver (oz)
Proved	19,000	1.4%	0.6	9.1	200	300	5,700
Probable	1,526,000	2.3%	0.7	9.7	35,800	32,300	477,600
Total	**1,545,000**	**2.3%**	**0.6**	**9.6**	**36,000**	**32,600**	**483,300**
Change	**121,000**	**4.7%**	**1.5**	**27.0**	**5,700**	**5,900**	**104,900**

Ore Reserves are estimated using a 1.4% Cu cut-off above 0mRL and 1.6% Cu cut-off below 0mRL.
Tonnages have been rounded to the nearest 1,000 tonnes.

Total Ore Reserve tonnes increased by 8%, contained copper by 19% and contained gold by 22% year-on-year net of mining depletion of 594,000 tonnes grading 2.1% Cu and 0.7g/t Au (see Table 4). The major changes from the Ore Reserve estimate as at 30 June 2021 to the current estimate include:

- The break-even cut-off grades for longhole stopes was calculated at 1.4% Cu for the upper (above 0mRL) and 1.6% Cu for the lower areas (below 0mRL), compared to 1.0% Cu and 1.5% Cu used for the 30 June 2021 Ore Reserve estimate
- The break-even cut-off grade for the SLC was estimated at 1.6% Cu compared to 1.5% Cu estimated for the 30 June 2021 Ore Reserve estimate.
- Infill drilling in Elrose Levuka South "Deeps" added 316,700t grading 3.1% Cu.
- Production from the upper areas (above 0m RL) outpaced the rate of infill drilling resulting in a decrease of 214,700 tonnes grading 2.0% Cu in the Macy and Levuka North and South areas.

Table 4. Comparison of June 2022 vs. June 2021 Ore Reserves by Mining Area

		Ore Reserves @ 30 June 2022					Ore Reserves @ 30 June 2021				
Reserve Category	**Mining Type**	**Tonnes (t)**	**Cu Grade %**	**Au Grade (g/t)**	**Contained Copper (t)**	**Contained Gold (oz)**	**Tonnes (t)**	**Cu Grade %**	**Au Grade (g/t)**	**Contained Copper (t)**	**Contained Gold (oz)**
Macy	LHOS	339,000	2.0%	0.6	6,750	6,000	437,600	2.2%	0.6	9,630	8,550
Elrose Levuka North - Upper	LHOS	61,400	2.0%	0.4	1,200	750	247,400	2.1%	0.4	5,160	3,160
Elrose Levuka South - Upper	LHOS	230,700	1.9%	0.7	4,450	5,100	344,000	1.7%	0.7	5,900	7,400
Elrose Levuka South - Lower	LHOS	183,200	2.2%	0.7	3,950	3,950					
Elrose Levuka South - Lower	SLC	711,700	2.7%	0.7	19,450	16,450	395,000	2.4%	0.6	9,610	7,590
Stockpiles		19,000	1.4%	0.6	200	350					
Total		**1,545,000**	**2.3%**	**0.6**	**36,000**	**32,600**	**1,424,000**	**2.1%**	**0.6**	**30,300**	**26,700**

JORC 2012 and ASX Listing Rules Requirements

This annual statement of Mineral Resources and Ore Reserves was prepared in accordance with the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code 2012). Full details, including 2012 JORC Code reporting tables, can be found in the announcement lodged on the ASX on 22 August 2022 and also available on the Company's website.

Competent Person's Statement – Eloise Mineral Resources

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

Competent Person's Statement – Eloise Ore Reserves

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

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 2022 are:

COVID-19

The COVID-19 pandemic continued throughout the period but did not cause material disruption to the Group's planned activities. There has been no material impact to the value of the Group's assets and therefore no adjustments have been made to the Group's result for 30 June 2022 for the impacts of COVID-19. At the date of this report the Group expects to be able to execute its operations as planned for 2022. However, the scale and duration of possible future Government measures to limit the spread of the COVID-19 virus, and their impact on the Group's operations and financial situation, necessarily remains uncertain. The Group's utmost priority remains the safety and wellbeing of our employees, our contractors and the local communities within which we operate.

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 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 and Risk 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.

INTERESTS IN THE SHARES AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares of the Company were:

Name	Role	Ordinary Shares	Rights
Josef El-Raghy	Chairman	33,174,710	-
Aaron Colleran	Managing Director and CEO	10,000,000	6,197,793
Brett Montgomery	Non-Executive Director	1,167,858	-
Tony Wolfe	Non-Executive Director	-	-
Jon Young	Non-Executive Director	507,143	-

CORPORATE STRUCTURE

AIC Mines Limited is a company limited by shares that is incorporated and domiciled in Australia.

CAPITAL STRUCTURE

As at the date of this report the Company had 311,740,018 fully paid ordinary shares (31 December 2021: 308,715,018), and 9,975,507 performance rights on issue (31 December 2021: 7,150,000).

Statement Regarding Use of Cash and Assets

The following information is provided in accordance with Listing Rule 4.10.19: From the time of the AIC's reinstatement to quotation to the ASX until 30 June 2022, the Group has used the cash and assets in a form readily convertible to cash, that it had at the time of reinstatement to quotation, in a way that is consistent with its business objectives at that time.

Significant Changes in the State of Affairs

On 1 November 2021, the Group completed the acquisition of the Eloise Copper Mine, located 155km from Mt Isa in Queensland. With this acquisition the Group's activities have expanded to include production activities in addition to its existing exploration project in Western Australia, and another new exploration project in New South Wales.

(i) Change in year-end

In April 2022, the Board approved the change in the accounting year end to 30 June 2022, previously, 31 December 2021. Following the acquisition of the Eloise Copper Mine which was operating on a 30 June financial year, it was determined to align the Group to the Australian fiscal reporting period.

Significant Events After the Balance Date

Subsequent to the end of the period the Group had the following significant events.

In early July 2022, the Group met the expenditure requirement to earn a 50% interest in the Lamil Project from Rumble Resources Limited ("Rumble"). Rumble can elect to form a joint venture in which AIC Mines and Rumble will each hold a 50% interest and contribute equally to exploration expenditure moving forward. If Rumble does not elect to contribute to exploration expenditure, then AIC Mines can elect to earn an additional 15% interest in the joint venture by sole funding $4.0 million in exploration expenditure within 12 months. If AIC Mines does not elect to sole fund and earn the additional 15% then each party will continue to hold a 50% interest in the joint venture. If this is the case, then each party can either contribute to ongoing exploration expenditure equal to its interest in the joint venture or have its interest in the joint venture diluted according to a standard dilution mechanism. If a party's interest in the joint venture dilutes to 10% or less, that party's interest will automatically convert to a 1.25% net smelter royalty on any minerals produced and sold from the joint venture

In August 2022 the Group announced the results of the significant resource definition drilling program at Eloise, which resulted in an upgrade to both the Mineral Resources and Ore Reserves as at 30 June 2022. Mineral Resources increased to 115,000 tonnes of contained copper and 101,100 ounces of contained gold, representing an 11% increase in copper and a 7% increase in gold year-on-year net of mining depletion. Ore Reserves increased to 36,000 tonnes of contained copper and 32,600 ounces of contained gold, representing a 19% increase in copper and a 22% increase in gold year-on-year net of mining depletion.

No additional matters or circumstances to those outlined above 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.

Likely Developments and Expected Results

The Group is actively continuing its search for suitable exploration/mining ventures.

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
Tony Wolfe	Non-Executive Director
Jon Young	Non-Executive Director

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 2022, 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 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 he or she sits. Remuneration of non-executive directors for the period ended 30 June 2022 is disclosed in section 6 of the remuneration report.

4.2 Variable Remuneration – Short Term Incentives

Non-executive directors do not receive performance-based bonuses for their membership of subsidiary boards or committees.

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	30 June 2022	31 December 2021 Restated*	31 December 2020
Closing Share Price	$0.55	$0.53	$0.40
Profit after tax $'000	21,157	1,811	(6,837)
Net tangible asset per share	$0.40	$0.32	$0.14

* *Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 in the financial statements for further details.*

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

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 fixed remuneration for KMP, excluding the Managing Director and CEO, is set 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 February 2022 the Board approved the FY22 STI Scorecard set for the period 1 January 2022 to 30 June 2022. The shorter time-period was required to transition from a 1 January to 31 December financial year to a 1 July to 30 June financial year. Outlined below are the four main categories of the STI Scorecard along with the Group's results against that scorecard.

Group STI Scorecard result for six month period ended 30 June 2022			
STI Metric	Weighting	Achieved (out of 10 for each area)	Weighted Score
Financial Delivery	30%	-	-
Sustainability	20%	6	12%
Operational Excellence	25%	8	19%
Growth	25%	3	6%
Total (out of 40)	**100%**	**18**	**37%**

The Group STI Scorecard result reflects a challenging six-month period where financial delivery came in below the goals set for the Group Cash flow and All-in Sustaining Cost mainly due to movements in the diesel and copper pricing and accelerated capital expenditure for the new tails dam construction.

The Group STI scorecard result of 37% is a component of the STI payment for a KMP and when combined with each KMP's scorecard goal provides their overall result.

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

Six month period ended 30 June 2022			
KMP	Maximum STI achievable (% of TFR)	STI achieved (% of TFR)	STI $ payment as a six month pro-rata
A Colleran	100%	37%	-
M Fallon	50%	18.9%	23,625
M Frame	50%	19.9%	24,875

Long Term Incentive Plan (LTIP)

On 31 May 2019, shareholders approved the AIC Mines Limited Equity Participation Plan and on 27 May 2022, shareholders approved a revised AIC Mines Limited Equity Participation Plan ("together EPP"). Under the EPP, 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. Under the EPP, 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 at up to 200% and 150% of fixed remuneration, respectively. The following LTI vesting conditions were adopted and approved by the Board relating to grants issued in the six-month transitional reporting period ended 30 June 2022 to KMP of performance rights which are outlined in section 6 below.

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 January 2022) has increased compared to the cumulative average of the 30-day VWAP as measured at 30 June 2022, 30 June 2023 and 30 June 2024.

[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] Reserve and resource growth is calculated by comparing JORC compliant MROR current at 1 January 2022 to MROR at 30 June 2024. Depletion refers to mining depletion.

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. Refer to note 25 for further detail.

Six month period ended 30 June 2022	Short-term employee benefits		Post-employment benefits	Long-term Entitlement	Share Based Payments	
Name	Salary and fees	Cash bonus	Superannuation	AL & LSL[1]	Performance rights amortised value [2]	Total
	$	$	$			$
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
Other KMP						
M Fallon	113,636	23,625	11,364	8,741	37,986	195,353
M Frame	113,636	24,875	11,364	8,741	127,767	286,384
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

Other than what is disclosed in the table above, no director or KMP received any additional compensation in the six month period ended 30 June 2022.

Year ended 31 December 2021	Short-term employee benefits		Post-employment benefits	Long-term Entitlement	Share Based Payments	
Name	Salary and fees	Cash bonus	Superannuation	AL & LSL[5]	Performance rights amortised value	Total
	$	$	$			$
Non- Executive Directors						
J El-Raghy	60,000	-	5,850	-	-	65,850
B Montgomery	45,000	-	4,388	-	-	49,388
T Wolfe	43,900	-	-	-	-	43,900
J Young [1]	6,667		666	-	-	7,333
Sub-total NED	**155,567**	**-**	**10,904**	-	-	**166,471**
Executive Director						
A Colleran	277,369	255,000	22,631	23,773	112,222	690,995
Other KMP						
M Fallon [2]	208,766	124,790	20,611	17,606	28,129	399,902
M Frame [3]	18,939	-	1,894	1,457	-	22,290
Total [4 6]	**660,641**	**379,790**	**56,040**	**42,836**	**140,351**	**1,279,658**

[1] *Jon Young was appointed to the Board on 2 November 2021*
[2] *Matt Fallon was recognised as a KMP on 1 January 2021*
[3] *Michael Frame was appointed to the Chief Financial Officer role on 1 December 2021*
[4] *Premium for Director's liability insurance is not included in the remuneration table above*
[5] *AL & LSL benefits represented the amounts of annual leave and long service leave accrued in the period*
[6] *There were no termination payments paid during the year*

Other than what is disclosed in the table above, no director or KMP received any additional compensation in the financial year ended 30 December 2021.

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 period.

Six month period ended 30 June 2022									
KMP	Balance 1 January 2022	Granted as compensation during period	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Performance Condition	Expiry Date
A Colleran	2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	A	03-Jun-34
	2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	B	03-Jun-34
	2,000,000	-	2,000,000	-	2,000,000	2,000,000	-	C	03-Jun-34
	500,000	-	500,000	-	500,000	500,000	-	C	01-Dec-23
	-	1,697,793	-	-	1,697,793	-	1,697,793	D	15-Jun-27
M Fallon	250,000	-	250,000	-	250,000	250,000	-	C	04-Oct-22
	100,000	-	100,000	-	100,000	100,000	-	C	01-Dec-23
	-	636,672	-	-	636,672	-	636,672	D	15-Jun-27
M Frame	-	250,000	250,000	-	250,000	250,000	-	C	01-Mar-25
	-	636,672	-	-	636,672	-	636,672	D	15-Jun-27
Total	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. FY22 Board approved vesting conditions refer 5.3

Year ended 31 December 2021									
KMP	Balance 1 January 2021	Granted as compensation	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Performance Condition	Expiry Date
A Colleran	2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	A	03-Jun-34
	2,000,000	-	Vested 2019	-	2,000,000	2,000,000	-	B	03-Jun-34
	2,000,000	-	-	-	2,000,000	-	2,000,000	C	03-Jun-34
	500,000	-	-	-	500,000	-	500,000	C	01-Dec-23
M Fallon[1]	250,000	-	-	-	250,000	-	250,000	C	04-Oct-22
	100,000	-	-	-	100,000	-	100,000	C	01-Dec-23
Total	6,850,000	-	-	-	6,850,000	4,000,000	2,850,000		

[1] *Matt Fallon was recognised as a KMP on 1 January 2021*

Fair Value at grant date for KMP and other employees (excluding the MD / CEO) that qualify for FY22 LTI performance rights are stated below.

June 2022 Performance rights issue	Absolute TSR	Relative TSR	Growth in ore reserve	Growth in mineral resource
Fair value at grant date ($)	0.37	0.491	0.55	0.55

Fair Value at Grant date for Managing Director and CEO’s FY22 performance rights approved at the AGM on the 27th of May 2022 are stated below.

June 2022 Performance rights issue	Absolute TSR	Relative TSR	Growth in ore reserve	Growth in mineral resource
Fair Value at grant date ($)	0.46	0.52	0.60	0.60

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 of termination, to the Chief Development Officer a 12-week notice period and to the Chief Financial Officer a 6-week notice period.

6.3 Shareholdings of Directors

At the date of this report, the interests of the directors in the shares of the Company were:

Name	Role	Ordinary Shares	Rights
Josef El-Raghy	Chairman	33,174,710	-
Aaron Colleran	Managing Director and CEO	10,000,000	6,197,793
Brett Montgomery	Non-Executive Director	1,167,858	-
Tony Wolfe	Non-Executive Director	-	-
Jon Young	Non-Executive Director	507,143	-

6.4 Directors and Executive services 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 + superannuation per annum
- Deed of Access and Indemnity (dated 17 April 2019)

Aaron Colleran
- Executive Service Agreement (dated 17 April 2019) - $250,000 per annum including superannuation which increased to $300,000 per annum including superannuation from 1 August 2020 and further increased to $500,000 per annum including superannuation from 1 January 2022 (see 5.2 in Directors' Report).
- 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 in line with increased time requirement as a result of taking on Chairmanship of Audit and Risk Committee)
- Deed of Access and Indemnity (dated 17 April 2019)

Tony Wolfe
- 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)

Jon Young
- Letter of Appointment - Director fee (dated 22 October 2021) - $40,000 per annum plus superannuation
- Deed of Access, Insurance and Indemnity (dated 22 October 2021)

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

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 & Risk Committee		Remuneration & Nomination Committee		Board of Directors	
	A	B	A	B	A	B
Josef El-Raghy	-	1	-	-	1	3
Aaron Colleran	1	1	-	-	3	3
Brett Montgomery	1	1	-	-	3	3
Tony Wolfe	1	1	-	-	3	3
Jon Young	1	1	-	-	3	3

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 directors approved five (5) circular resolutions which were signed by all directors of the Company. Mr Colleran stepped down from membership of the Audit & Risk and Remuneration & Nomination Committees effective May 2022.

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

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. The Company Corporate Governance Statement is contained in this annual report.

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
During the period, the Group changed auditors from Ernst & Young to PricewaterhouseCoopers. The Group's auditors did not provide any services in addition to the statutory audit, as disclosed in note 29 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.

The board of directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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

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 18 of this report and forms part of this Directors' Report for the period ended 30 June 2022.

Signed in accordance with a resolution of the directors.

Mr Aaron Colleran
Managing Director and CEO
26 August 2022

Auditor's Independence Declaration

As lead auditor for the audit of AIC Mines Limited for the six-month period ended 30 June 2022, 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
26 August 2022

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	**For the six months ended 30 June 2022 $'000**	For the year ended 31 December 2021 Restated* $'000
Sales revenue	6(a)	**79,252**	24,817
Cost of sales	6(b)	**(45,521)**	(10,651)
		33,731	14,166
Directors, employee and consultant benefits expense		**(1,955)**	(1,635)
Corporate and administration costs		**(1,616)**	(1,241)
Exploration and evaluation costs		**(1,328)**	(5,342)
Transaction and integration costs	20	**(699)**	(2,636)
Depreciation and amortisation expense	6(b)	**(7,995)**	(3,095)
Gain on sale of financial assets		**320**	1,380
Other income / (expenses)	6(c)	**(155)**	211
Profit on sale of plant & equipment		**8**	4
Profit before income tax expense		**20,311**	1,811
Income tax benefit	7	**845**	-
Net profit for the period after tax		**21,157**	1,811
Other comprehensive income		**-**	-
Total comprehensive income for the period		**21,157**	1,811
Total comprehensive income for the period is attributable to:			
Owners of AIC Mines Limited		**21,157**	1,811
Earnings per share			
Basic earnings per share	21	**0.069**	0.016
Diluted earnings per share	21	**0.067**	0.015

The accompanying notes form part of these consolidated financial statements.

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

Consolidated Statement of Financial Position

FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Assets			
Current Assets			
Cash and cash equivalents	8	**28,095**	29,259
Prepayments		**611**	280
Trade and other receivables	9	**1,144**	1,267
Inventories	10	**5,042**	9,351
Financial assets at fair value through profit and loss	11	**16,510**	7,024
Total Current Assets		**51,402**	**47,181**
Non-Current Assets			
Performance bond	12	**6,799**	6,799
Property, plant and equipment	13	**26,141**	20,545
Exploration properties	14	**1,653**	1,653
Mine properties	15	**36,818**	23,404
Deferred Tax Assets	16	**845**	-
Total Non-Current Assets		**72,256**	52,401
Total Assets		**123,658**	99,582
Liabilities			
Current Liabilities			
Trade and other payables	17	**17,447**	13,756
Provisions	18	**2,374**	3,555
Total Current Liabilities		**19,821**	17,311
Non-Current Liabilities			
Provisions	18	**13,670**	13,765
Total Non-Current Liabilities		**13,670**	**13,765**
Total Liabilities		**33,491**	**31,075**
Net Assets		**90,167**	**68,507**
Equity			
Issued capital	19	**83,704**	83,689
Share based payment reserve		**1,339**	851
Accumulated profit / (losses)		**5,124**	(16,033)
Total Equity		**90,167**	68,507

The accompanying notes form part of these consolidated financial statements.

* Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

Consolidated Statement of Cashflows

FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	**For the six months ended 30 June 2022 $'000**	For the year ended 31 December 2021 $'000
Cash flows from operating activities			
Receipts from customers		**68,920**	18,850
Payments to suppliers, employees and contractors		**(41,668)**	(10,336)
Payments for transaction and integration costs		**(699)**	(2,636)
Interest received		**(77)**	16
Net cash inflow from operating activities	8	**26,476**	**5,894**
Cash flows from investing activities			
Payments for property, plant and equipment	13	**(8,955)**	(1,374)
Payments for mine property	15	**(17,940)**	(4,849)
Proceeds from sale of property, plant and equipment		**8**	3
Proceeds from disposal of listed investments		**1,247**	3,020
Payments for acquisition of Eloise Copper Mine	20	**(2,000)**	(9,523)
Payment to establish performance bond		**-**	(6,799)
Net cash outflow from investing activities		**(27,640)**	**(19,522)**
Cash flows from financing activities			
Proceeds from issue of shares	19	**-**	40,000
Payment of share issue costs	19	**-**	(2,179)
Net cash inflow from financing activities		**-**	**37,821**
Net decrease) / increase in cash and cash equivalents		**(1,163)**	24,193
Cash and cash equivalents at beginning of the period		**29,259**	5,066
Cash and cash equivalents at end of the period	8	**28,095**	**29,259**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2022

	Issued capital $'000	Accumulated profit/(loss) $'000	Share based payment reserve $'000	Total Equity* $'000
Balance at 1 January 2021	25,868	(17,844)	692	8,716
Profit or loss and other comprehensive income				
Net profit for the period*	-	1,811	-	1,811
Total comprehensive profit	**25,868**	**1,811**	**692**	**10,527**
Transactions with owners				
Issue of shares (note 19)	60,000	-	-	60,000
Share issue costs (note 19)	(2,179)	-	-	(2,179)
Share based payment expense	-	-	158	158
Balance at 31 December 2021*	**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 19)	15	-	-	15
Share based payment expense	-	-	488	488
Balance at 30 June 2022	**83,704**	**5,124**	**1,339**	**90,167**

The accompanying notes form part of these consolidated financial statements.

* Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

Notes to the Consolidated Financial Statements

1. REPORTING ENTITY

AIC Mines Limited (“AIC” 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 A8, 435 Roberts Road, 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 for issue by the directors on 26 August 2022 in accordance with a resolution of the directors.

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 2022 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 profit after income tax of $21.2 million for the period ended 30 June 2022 (Restated year ended 31 December 2021: $1.8 million). As at 30 June 2022, the Group had cash and cash equivalents of $28.1 million (31 December 2021: $29.3 million).

Given the strong financial position of the Group 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.

- **Changes in accounting policies**

There have been no significant changes to the accounting policies adopted by the Group in the preparation of the financial report. Certain new accounting standards became effective in the current period but they did not have a material impact on the Group. There are also new accounting standards and interpretations that were issued but are not yet applicable until future periods and are not expected to have a material impact on the entity in future reporting periods.

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 production levels over the ore reserve life of the operation. Depreciation of other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment:	2 to 4 years
Computer equipment:	2 years

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

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

- **Mining properties and exploration**

Mine properties

Mine properties include aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

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

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as mines under construction. Stripping costs incurred during the production phase are generally considered to create two benefits:

- The production of ore inventory in the period - accounted for as a part of the cost of producing those ore inventories; or
- Improved access to the ore to be mined in the future - recognised under producing mines if the following criteria are met:
- Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
- The component of the ore body for which access has been improved can be accurately identified; and
- The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of copper tonnes contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained copper tonnes ratio exceeds the expected 'life of component' ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

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.

Exploration and evaluation

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

- **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.

- **Employees Benefits**

Wages and salaries, annual leave and sick leave

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

Long service leave

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

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The 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.

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.

- **Current versus non-current classification**

The Group presents assets and liabilities in the 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 components 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.

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.

Impairment of deferred consideration receivable

The future recoverability of all receivable balances is assessed at each period end. Refer to note 9 for further detail in relation to the deferred consideration receivable from Vulcan Copper Limited ("Vulcan"). Vulcan has failed to make any repayments since Feb 2019 and has not paid any of the interest due on the balance since 14 October 2019. AIC has been unable to resolve the non-payment through consultation with Vulcan but continues to consider remedial actions available to the Group.

During the year ended 31 December 2019, the Directors made the decision to fully impair the value of the asset given the failure of the counterparty to meet its payment obligations and uncertainty in relation to resolution of the matter. While AIC intends to exhaust all avenues to recover value from this transaction, there have not been any developments in the period ended 30 June 2022 which would indicate any change in the decision to fully impair the value of the asset.

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 for the period ended 30 June 2022. The Chief Operating Decision Makers are the Board of Directors and management of the Group. 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 six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Mining		
Sales revenue	**79,252**	24,817
EBITDA	**33,738**	14,165
Exploration and Corporate		
EBITDA	**(4,513)**	(6,637)
Reconciliation of EBITDA to profit before income tax		
Mining segment - EBITDA	**33,738**	14,165
Exploration and corporate – EBITDA	**(4,513)**	(6,637)
Group EBITDA	**29,225**	7,528
Depreciation and amortisation	**(7,995)**	(3,095)
Transaction and integration costs	**(699)**	(2,636)
Interest and interest unwind	**(220)**	14
Profit before income tax	**20,311**	1,811

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

6. REVENUE AND EXPENSES

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
(a) Revenue from contracts with customers		
Concentrate Sales	**81,448**	25,037
Provisional Pricing Adjustment**	**(2,195)**	(220)
	79,252	24,817
(b) Expenses		
Cost of Sales		
Mine Operating Costs	**40,087**	9,229
All Royalty and transport costs	**5,435**	1,422
	45,522	10,651
Depreciation and Amortisation		
Mining Properties	**4,636**	2,193
Property Plant and Equipment	**3,359**	2,346
	7,995	4,539
(c) Other income / expenses		
All grant income	**-**	126
Other	**(155)**	84
	(155)	210

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

**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.

Operating sales revenue comprise 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.

7. INCOME TAX EXPENSE

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Current tax for the period	**(2,317)**	6,900
Deferred tax	**(3,832)**	(6,900)
Tax benefit related to recognising tax losses	**6,994**	-
	845	-

Reconciliation of tax expense to prima facie tax payable	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated $'000
Profit before income tax	**20,311**	1,811
Tax expense at the statutory income tax rate 30%	**(6,093)**	(543)
Non-deductible / non-assessable	**(56)**	366
Unrecognised tax losses now recognised	**6,994**	177
Income tax expense	**845**	-

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

8. CASH AND CASH EQUIVALENTS

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
(a) Cash and cash equivalents		
Cash at bank and on hand	**28,095**	29,259
	28,095	29,259

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.

(b) Reconciliation of profit after tax to net cash flows from operations

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Profit for the period	**21,157**	1,811
Adjustments to reconcile profit to net cash flows from operating activities:		
Depreciation charge to profit and loss	**7,995**	3,095
Profit on sale of listed investments	**(320)**	(1,379)
Profit on sale of property, plant and equipment	**(8)**	(4)
Share based payment expense	**503**	159
Operating profit before changes in working capital and provisions	**29,327**	3,682
Changes in operating assets & liabilities:		
(Increase) / decrease in prepayments	**(333)**	82
(Increase) / decrease in receivables	**124**	(894)
(Increase) / decrease in inventories (net of depreciation)	**5,813**	(2,999)
(Increase) in accrued revenue	**(12,618)**	(6,098)
Increase in trade and other payables	**5,581**	10,782
Increase / (decrease) in employee benefits	**(1,181)**	1,290
Increase / (decrease) in provisions	**(237)**	49
Net cash flows used in operating activities	**26,476**	5,894

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

9. TRADE AND OTHER RECEIVABLES

		For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
Trade debtors		**150**	198
Diesel fuel rebate		**959**	656
GST receivable		**-**	413
Deferred consideration receivable	(a)	**5,696**	5,696
Impairment of deferred consideration receivable	(a)	**(5,696)**	(5,696)
Security deposits		**35**	-
		1,144	1,267

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

Deferred consideration receivable

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.

Since 28 February 2019, Vulcan has failed to make any repayments of the deferred consideration and has not paid any of the interest due. During the year ended 31 December 2019 a decision was made by the Board to fully impair the value of the receivable and not to recognise the interest owing on the deferred consideration.

The Group continues to exhaust all avenues to recover value from this transaction. There have not been any developments in the year ended 30 June 2022 which would indicate any change in the decision to fully impair the value of the asset.

10. INVENTORIES

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Inventory stores	**4,571**	4,179
Less: provision for obsolescence	**(978)**	(978)
	3,593	3,201
Ore stockpile inventory	**502**	3,119
Metal in circuit and finished goods	**947**	3,031
	5,042	9,351

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

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 six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
Trade receivables at fair value through profit and loss	**16,414**	6,098
Fair value of unlisted options over shares in KLL	**96**	96
Fair value of listed shares in Ausgold Resources Limited (AUC)	**-**	830
	16,510	7,024

There was no fair value movement of these financial assets held at fair value through profit and loss for the period (December 2021: profit of $1,379,000), the amounts all relate to the sale of the group's holdings in Ausgold Resources Limited shares.

a) Fair value hierarchy

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

	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non-market observable inputs (Level 3)	Total
Financial Assets at fair value through profit and loss $'000				
30 June 2022				
Trade receivables at fair value through profit and loss	-	16,414	-	**16,414**
Listed shares	-	-	-	**-**
Unlisted options	-	96	-	**96**
Carrying value at the end of the year	**-**	**16,510**	**-**	**16,510**
31 December 2021				
Trade receivables at fair value through profit and loss	-	6,098	-	**6,098**
Listed shares	830	-	-	**830**
Unlisted options	-	96	-	**96**
Carrying value at the end of the year	**830**	**6,194**	**-**	**7,024**

b) Unlisted options

The Group holds 5 million options to acquire shares (options) in KLL. The options have an exercise price of $0.36 each and will expire on 30 June 2025.

The options were valued using the Monte Carlo pricing method, using 56% volatility (2021: 56%), the prevailing government interest rate reflecting the relevant term to maturity at each balance date, and no discount.

c) 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.

d) 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 fair valued by estimating the present value of the final settlement price using the LME forward metals prices at balance date. The fair value takes into account relevant other fair value considerations including any relevant credit risk.

The table above illustrates the classification of the Group's financial instruments based on the fair value hierarchy. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

12. PERFORMANCE BOND

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
Performance bond	**6,799**	6,799

The performance bond has been backed with cash and is in relation to the rehabilitation provision for Eloise copper mine and has been placed with Macquarie Bank.

13. PROPERTY PLANT AND EQUIPMENT

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Cost	**31,846**	22,891
Accumulated depreciation	**(5,705)**	(2,346)
Net carrying amount	**26,141**	20,545
At beginning of year, net carrying amount	**20,545**	39
Fair value of assets acquired through acquisition of Eloise Copper Mine (note 20)	**-**	21,478
Additions – cost	**8,955**	1,374
Disposals – cost	**-**	(10)
Disposals – accumulated depreciation	**-**	10
Depreciation charge to inventory	**-**	(836)
Depreciation charge to profit and loss	**(3,359)**	(1,510)
At end of year, net carrying amount	**26,141**	20,545

* Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior year comparative figures have been restated. Refer to note 20 for further details.

The useful life of the assets was estimated between 2 and 4 years for both 2022 and 2021.

14. EXPLORATION PROPERTIES

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
Balance at the beginning of the period	**1,653**	1,653
Exploration property additions	**-**	-
	1,653	1,653

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 2022 there are no indicators of impairment under AASB 6 related to Deferred Exploration Expenditure.

The Group also has farm-in and joint venture agreements in relation to the following projects: Doolgunna (refer ASX announcement 4 June 2018), Curara Well (refer ASX announcement 20 August 2020) and Lamil (refer ASX announcement 22 July 2019). Expenditure incurred under these agreements is recorded as exploration expenditure in the statement of comprehensive income, consistent with the accounting policy in relation to expenditure on exploration properties.

15. MINE PROPERTIES

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Balance at the beginning of the period	**23,404**	-
Acquisition of Eloise Copper Mine (note 20)	**-**	20,747
Mine development additions	**18,050**	4,849
Depreciation charge to inventory	**-**	(608)

Depreciation charge to profit and loss	**(4,636)**	(1,585)
	36,818	23,404

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

16. DEFERRED TAX

Deferred tax balances	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Mine properties	**(11,045)**	(7,021)
Plant and equipment	**(5,371)**	(6,138)
Employee provisions	**735**	1,160
Rehabilitation provision	**4,078**	4,035
Provision for stores obsolescence	**293**	293
Share issue costs	**451**	601
Transaction costs	**126**	168
Recognised tax losses	**11,577**	6,900
Net deferred tax assets	**845**	-

	31 December 2021 $'000	Recognised in profit & loss $'000	Recognised in equity $'000	Recognition of DTA for tax losses $'000	30 June 2022 $'000
Mine properties	(7,021)	(4,024)	-	-	**(11,045)**
Plant & equipment	(6,138)	767	-	-	**(5,371)**
Employee provisions	1,160	(425)	-	-	**735**
Rehabilitation provision	4,035	43	-	-	**4,078**
Provision for stores obsolescence	293	-	-	-	**293**
Share issue costs	601	-	(150)	-	**451**
Transaction costs	168	(42)	-	-	**126**
Recognised tax losses	6,900	(2,467)	150	6,994	**11,577**
Deferred tax assets / (liabilities)	**-**	**(6,148)**	**-**	**6,994**	**845**

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

The Group has $83.7 million (restated 31 December 2021: $91.4 million) in total gross revenue losses consisting of group losses of $38.6 million after the utilisation of tax losses in the current period (restated 31 December 2021: $46.3 million) and transferred losses subject to available fractions of $45.1 million (31 December 2021: $45.1 million).

There are also $198.4 million (31 December 2021: $198.4 million) in available gross capital losses for income tax purposes.

At the end of the period, the Group recognised a deferred tax asset of $11.6 million at 30% of the $38.6 million in group losses representing the future tax benefit of the tax losses to be utilised. This is based on:

(a) 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;
(b) the Group continues to comply with the conditions for deductibility imposed by the tax law; and
(c) no changes in tax legislation adversely affect the Group in realising the benefit from the tax losses.

17. TRADE AND OTHER PAYABLES

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000
Trade payables	**4,995**	4,294
Accruals	**11,777**	6,823
GST payable	**674**	749
Contingent payment – Eloise acquisition (note 20)	**-**	1,890
	17,447	13,756

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, audit and tax compliance services, legal costs in relation to Canadian based litigation.

18. PROVISIONS

	For the six months ended 30 June 2022 $'000	For the year ended 31 December 2021 Restated* $'000
Current		
Employee benefits	**2,374**	3,555
	2,374	3,555
Non-current		
Employee benefits	**75**	313
Rehabilitation provision	**13,595**	13,451
	13,670	13,764

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

Employee benefits

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

Rehabilitation provision

As a result of the Eloise Copper Mine the Group has recognised the rehabilitation provision which 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.

A performance bond (note 12) totalling $6.8 million, placed with Macquarie Bank Limited is security for the rehabilitation provision for Eloise Copper Mine.

Movement in provisions	**Annual leave $'000**	**Long service leave $'000**	**Rehabilitation $'000**	**Total $'000**
Balance at the beginning of the year	2,588	1,280	13,451	**17,319**
Movement in the period	(645)	(773)	143	**(1,275)**
Carrying amount at the end of the year	**1,943**	**507**	**13,595**	**16,044**

19. ISSUED CAPITAL

	Number	$'000
Issued capital at beginning of year as at 1 January 2021	68,715,018	25,868
Issue of shares – capital raising [1]	160,000,000	40,000
Costs in relation to issue of shares – capital raising net of tax	-	(2,179)
Issue of shares – Eloise sale agreement (note 20)	80,000,000	20,000
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[2]	50,000	15
Issued capital at end of period as at 30 June 2022	**308,765,018**	**83,704**

[1]*Completion of the* capital raising activities in relation to the issue of shares was outlined in an ASX announcement dated 26 October 2021

[2]*For* 30 June 2022 the issued shares were by to an employee following the conversion vested performance rights

Following the end of the period, 2,975,000 fully paid ordinary shares have been issued following the exercise of vested performance rights.

Terms and conditions of contributed equity

Ordinary shares (including escrowed shares)

Ordinary 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.

20. BUSINESS COMBINATIONS

On 1 November the Group completed the acquisition of Eloise copper mine located 155km from Mt Isa, Queensland, from FMR Investments Ltd. The operation comprises an underground mine and processing plant.

Details of the final and preliminary purchase consideration and the net assets acquired are as follows:

	Final Purchase consideration $	Provisional Purchase Consideration $
Shares issued to FMR Investments Ltd	**20,000,000**	20,000,000
Cash [1]	**9,517,000**	9,523,000
Contingent consideration [2]	**1,890,000**	1,890,000
	31,407,000	31,413,000

[1]*Cash paid comprised $5.0 million for the initial acquisition and a working capital adjustment totaling $5.4 million net of costs.*
[2]*Contingent consideration of $2.0 million was paid during the period pursuant to the terms of the Eloise Sale Agreement.*

Transaction and integration costs relating to the acquisition of Eloise copper mine totalling $3.3 million, have been expensed in the income statement since acquisition. Costs incurred in relation to the equity raising, used to fund the acquisition were capitalised and netted against the equity raised.

The assets and liabilities recognised as a result of the acquisition are set out below:

Net assets acquired:	Final purchase price allocation $'000	Provisional purchase price allocation $'000
Other receivables	**118**	123
Ore stockpile inventory	**1,777**	1,777
Inventory – stores	**3,132**	4,110

Property, plant & equipment	**21,478**	21,590
Mine properties and exploration	**20,747**	13,760
Employee provisions	**(2,393)**	(2,393)
Rehabilitation provision	**(13,451)**	(7,554)
Fair value of net assets acquired	**31,407**	31,413

For the 8 months 1 November 2021 to 30 June 2022, revenue totalled $106.5 million and net profit after tax totalled $23.0 million.

Pursuant to *AASB 3, Business Combinations*, the initial accounting for the acquisition for the period ended 31 December 2021 was determined on a provisional basis given the acquisition occurred near the end of the prior period. Following a detailed review during the period the Group has recognised adjustments to those provisional values including tax adjustments required as a result of completing the initial accounting within 12 months of the acquisition date.

The 31 December 2021 profit and loss was restated from $2.5 million to $1.8 million due to additional depreciation of $0.68 million having occurred in the prior period with the increase of $7.0 million in Mine Properties balance as at 1 November 2021 as result of the finalisation of the purchase price allocation.

21. EARNINGS PER SHARE

	For the six months ended 30 June 2022	For the year ended 31 December 2021 Restated*
Basic earnings per share – cents per share	**0.069**	0.016
Diluted earnings per share – cents per share	**0.067**	0.015
Earnings per share used in the calculation of basic and diluted earnings per share		
Profit after tax attributable to the owners of the parent	**21,516,734**	1,811,361
Weighted average number of ordinary shares (basic)	**308,742,366**	110,797,210
Effect of dilutive securities (1)	**7,454,144**	7,138,698
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**316,196,510**	117,935,908

(1) *Performance rights have been included in the determination of diluted earnings per share*

*Upon revising the provisional fair values of Eloise (acquired 1 November 2021), prior period comparative figures have been restated. Refer to note 20 for further details.

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 2022 the Company had 12,950,500 unlisted performance rights (31 December 2021: 7,150,000) and no listed options (31 December 2021: Nil) on issue.

22. COMMITMENTS

(a) 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 six months ended 30 June 2022 $'000	For the year ended 31 December 2021 $'000

Within 1 year	2,862	2,348
After 1 year but not more than 5 years	14,469	12,895
	17,331	15,243

(b) 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 2022.

23. 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 2022 of a 5% increase or decrease in the average achieved sales copper price of $12,917/t (Dec 2021 $13,346/t) for the Eloise Copper Mine in the six month period ended 30 June 2022.

Effect on profit and equity for 30 June 2022	**$'000**
5% increase in average sales copper price	3,842
5% decrease in average sales copper price	(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. The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss. During the period, the Group has managed its cash assets by entering into a fixed interest term deposits to maximise its cash balance.

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 is reviewing 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.

Credit Quality of Financial Assets

	S&P Credit rating				
	AAA	A1+	A1	A2	Unrated
	$'000	$'000	$'000	$'000	$'000
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**
As at 31 December 2021					
Cash and cash equivalents	29,259	-	-	-	-
Trade and other receivables at amortised cost	-	-	-	-	1,267
Trade and other receivables at fair value through P&L	-	-	-	-	6,098

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. As at 30 June 2022, the Group's financial liabilities have payment terms of less than 12 months.

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.

24. SHARE BASED PAYMENTS

Comparative period

The performance rights previously awarded to Aaron Colleran (Managing Director and CEO) on 21 December 2020 received shareholder approval at the annual general meeting held on 21 May 2021. A revised valuation of these performances rights has been performed as of the approval date. This did not result in a material change in the valuation of the performance rights which continue to be amortised over the service period from the award date of 21 December 2020.

On 30 July 2021, the Group awarded 250,000 performance rights to a non-KMP in conjunction with their employment agreement with AIC Mines. These performance rights will vest and convert to fully paid ordinary shares at any time up to 30 July 2024 when the 60-day VWAP of the Group's share price is $0.60 or more.

The performance rights were valued at grant date using a Monte-Carlo simulation model (60% volatility and government interest rate relevant to the respective vesting periods). The value is 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).

Current period

1,697,793 Performance rights were granted to Aaron Colleran (Managing Director and CEO) on 15 June 2022 after shareholder approval at the annual general meeting held on 27 May 2022.

During the period, the Group awarded granted 650,000 performance rights in total to non-KMP and a KMP in conjunction with their employment agreements with AIC Mines. 500,000 of these performance rights vested on 21 March 2022 as the 60-day VWAP of the Group's share price of $0.60 was achieved along with 3,150,000 previously granted performance rights. The performance rights were not converted to fully paid ordinary shares at the end of the period, however this may occur at any time up to the time of their date of expiry. A further 3,502,714 performance rights were granted as a result of the Company's revised remuneration framework for the FY2022. 50,000 vested performance rights were exercised and converted to fully paid ordinary shares in the period.

The performance rights were valued at grant date using a Monte-Carlo simulation model for the market based vesting conditions of TSRA and 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 six months to 30 June 2022 totalled $0.503 million (31 December 2021: $0.158 million).

Period ended 30 June 2022[1]

Grant date	Balance 1 January 2022	Granted as compensation	Fair Value at award date	Vested during period	Exercised during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Performance Condition	Expiry date	Amortised value of rights granted
3-Jun-19	2,000,000	-	$0.16	Vested 2019	-	2,000,000	2,000,000	-	A	03-Jun-34	-
3-Jun-19	2,000,000	-	$0.12	Vested 2019	-	2,000,000	2,000,000	-	B	03-Jun-34	-
3-Jun-19	2,000,000	-	$0.14	2,000,000	-	2,000,000	2,000,000	-	C	03-Jun-34	-
4-Oct-19	250,000	-	$0.22	250,000	-	250,000	250,000	-	C	04-Oct-22	-
21-Dec-20	500,000	-	$0.15	500,000	-	500,000	500,000	-	C	01-Dec-23	$14,450
21-Dec-20	150,000	-	$0.29	150,000	50,000	100,000	100,000	-	C	01-Dec-23	-
30-Jul-21	250,000	-	$0.15	250,000	-	250,000	250,000	-	C	30-Jul-24	-
7-Feb-22	-	250,000	$0.25	250,000	-	250,000	250,000	-	C	07-Feb-25	$61,250
1-Mar-22	-	250,000	$0.49	250,000	-	250,000	250,000	-	C	01-Mar-25	$122,500
2-May-22	-	150,000	$0.49	-	-	150,000	-	150,000	C	02-May-25	$36,750
27-May-22[2]	-	1,697,793	$0.55	-	-	1,697,793	-	1,697,793	D	15-Jun-27	$154,362
15-Jun-22	-	3,502,714	$0.49	-	-	3,502,714	-	3,502,714	D	15-Jun-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] The Grant date for these performance rights represents the date in which approval was received at the AGM on 27th of May 2022. The performance rights were issued on the 15th of June 2022.

A. 60 Day VWAP $0.30

B. 60 Day VWAP $0.40

C. 60 Day VWAP $0.60

D. FY22 Board approved vesting conditions pursuant to the Remuneration Report

Year ended 31 December 2021[1]

Grant date	Balance 1 January 2021	Granted as compensation	Fair Value at award date	Vested during period	Lapsed during period	Balance at end of period	Vested and exercisable	Unvested at end of period	Performance Condition	Expiry date	Amortised value of rights granted
3-Jun-19	2,000,000	-	0.16	Vested 2019	-	2,000,000	2,000,000	-	A	03-Jun-34	-
3-Jun-19	2,000,000	-	0.12	Vested 2019	-	2,000,000	2,000,000	-	B	03-Jun-34	-
3-Jun-19	2,000,000	-	0.14	-	-	2,000,000	-	2,000,000	C	03-Jun-34	-
4-Oct-19	250,000	-	0.22	-	-	250,000	-	250,000	C	04-Oct-22	-
13-Feb-20	250,000	-	0.16	-	250,000	-	-	-	C	13-Feb-23	-
21-Dec-20	500,000	-	0.15	-	-	500,000	-	500,000	C	01-Dec-23	-
21-Dec-20	275,000	-	0.29	-	125,000	150,000	-	150,000	C	01-Dec-23	-
30-Jul-21	-	250,000	0.15	-	-	250,000	-	250,000	C	30-Jul-21	$36,750
Total	7,275,000	250,000		-	375,000	7,150,000	4,000,000	3,150,000			$36,750

[1] No performance rights were exercised during the period

A. 60 Day VWAP $0.30

B. 60 Day VWAP $0.40

C. 60 Day VWAP $0.60

25. RELATED PARTY TRANSACTIONS

(a) Parent entity

Parent entity disclosures in note 26 reflect AIC Mines Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 27. 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.

(c) 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 six months ended 30 June 2022 $	For the year ended 31 December 2021 $
Short term benefits	**608,489**	1,040,431
Post-employment benefits	**41,762**	56,040
Long term entitlements	**34,965**	42,836
Share based payments	**464,521**	140,351
	1,149,736	1,279,658

(d) Share Based Payments

Refer to note 24 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.

(e) 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.

(f) Agreement with shareholder

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 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.

26. PARENT ENTITY DISCLOSURES

The parent entity for legal purposes is AIC Mines Limited	**For the six months ended 30 June 2022 $'000**	For the year ended 31 December 2021 $'000
Loss for the period	**(4,551)**	(7,480)
Total comprehensive loss	**(4,551)**	(7,480)
Financial position of the parent entity at period end		
Current assets	**28,174**	30,195
Total assets	**52,115**	58,301
Current liabilities	**1,153**	2,635
Total liabilities	**7,530**	9,666
Net assets	**44,585**	48,635

Total equity of the parent entity comprising of:		
Share capital	**289,340**	289,326
Accumulated losses	**(246,093)**	(241,542)
Share based payment reserve	**1,339**	851
Total equity	**44,585**	48,635
Parent entity commitments		
Within one year	**1,237**	514
One year or later and no later than five years	**1,393**	2,896
Total operating commitments	**2,630**	3,410

27. SUBSIDIARIES

Company name	Country of Incorporation	30 June 2022	31 December 2021
African Investments Pty Limited	Australia	100%	100%
AIC Copper Pty Ltd [1]	Australia	100%	100%
AIC Delamerian Pty Ltd [2]	Australia	100%	-
AIC Resources Limited	Australia	100%	100%
Blackthorn Resources Pty Limited	Australia	100%	100%
Emperor Mines Pty Limited	Australia	100%	100%
Nantou Mining Limited B.V.	Netherlands	100%	100%

[1] *Incorporated on 16 June 2021*
[2] *Incorporated on 14 March 2022*

28. DEED OF CROSS GUARANTEE

AIC Mines Limited, AIC Copper Pty Ltd and AIC Resources 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 Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the period ended 30 June 2022 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.

29. AUDITORS’ REMUNERATION

	For the six months ended 30 June 2022	For the year ended 31 December 2021
	$	**$**
Audit of statutory financial reports		
Audit and review of AIC Mines Limited [1]	**135,000**	187,200
Fees for other services		
Change of auditor [2]	**5,000**	
Tax compliance and advice [2]	**24,500**	43,000
Total fees to auditor of the Group	**164,500**	230,200

[1] Fees paid for the audit of the statutory financial reports for 30 June 2022 were paid to PwC being the newly appointed auditor of the Group (as advised at the AGM on 27 May 2022), while fees paid for the audit of the statutory financial reports for 31 December 2021 were paid to the previous auditor of the Group, Ernst and Young.

[2] Fees paid for other services including the change of auditor and tax compliance and advice for both 30 June 2022 and 31 December 2021 were paid to the previous auditor, Ernst and Young.

30. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the period the Group had the following significant events.

In July 2022 the Group met the expenditure requirement to earn a 50% interest in the Lamil Project from Rumble Resources Limited ("Rumble"). Rumble did not elect to form a joint venture in which AIC Mines and Rumble will each hold a 50% interest and contribute equally to exploration expenditure. Accordingly, AIC Mines can elect to earn an additional 15% interest in the joint venture by sole funding $4.0 million in exploration expenditure within 12 months. AIC Mines has until 25 September 2022 to make this election. If AIC Mines does not elect to sole fund and earn the additional 15% then each party will continue to hold a 50% interest in the joint venture. If this is the case, then each party can either contribute to ongoing exploration expenditure equal to its interest in the joint venture or have its interest in the joint venture diluted according to a standard dilution mechanism. If a party's interest in the joint venture dilutes to 10% or less, that party's interest will automatically convert to a 1.25% net smelter royalty on any minerals produced and sold from the joint venture.

In August 2022 the Group announced the results of the significant resource definition drilling program at Eloise, which resulted in an upgrade to both the Mineral Resources and Ore Reserves. Subsequent to the end of the period the Group released the Eloise Copper Mine annual Mineral Resources and Ore Reserves estimates as at 30 June 2022. Mineral Resources increased to 115,000 tonnes of contained copper and 101,100 ounces of contained gold, representing an 11% increase in copper and a 7% increase in gold year-on-year net of mining depletion. Ore Reserves increased to 36,000 tonnes of contained copper and 32,600 ounces of contained gold, representing a 19% increase in copper and a 22% increase in gold year-on-year net of mining depletion.

No matters or circumstances outside of the above 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 2022

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 2022 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 2022.

On behalf of the Board

Mr Aaron Colleran
Managing Director and CEO

26 August 2022

pwc

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 2022 and of its financial performance for the six-month period 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 2022
- the consolidated statement of profit or loss and other comprehensive income for the period then ended
- the consolidated statement of changes in equity for the period then ended
- the consolidated statement of cashflows for the period 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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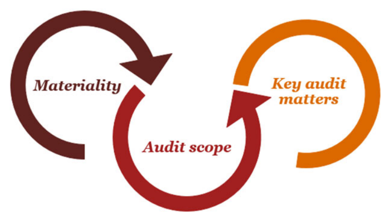
Our audit approach

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 $1 million, which represents approximately 5% of the Group's profit before tax. • 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 profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 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. • Our audit work covered operations in Australia. • All our audit procedures were performed at the head offices in Sydney. • We performed further audit procedures including procedures over the consolidation of the Group's businesses and the preparation of the financial and remuneration 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 notes 4 and 18) [$13.6m]* 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 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 4 and 16 in light of the requirements of Australian Accounting Standards.
Depreciation and Amortisation *(Refer to notes 4, 6, 13, 15) [$8.0m]* The Group uses the units of production basis when calculating depreciation and amortisation relating to mine specific assets which results in a depreciation and amortisation charge proportional to the depletion of the anticipated remaining life of mine production. This was a key audit matter due to the significant estimates and judgements required in the these calculations, including the amount of ore reserves.	We performed the following procedures, amongst others: • Developed an understanding of the relevant controls the Group has in place to estimate the reserves used in the calculations of depreciation and amortisation. • Assessed the scope, competence and objectivity of the Group's experts involved in estimating the ore reserves used in the calculations of depreciation and amortisation • Validated the ore depleted and ore reserves used in the calculation to supporting documentation. • Tested the mathematical accuracy of the calculations used to determine the depreciation and amortisation expense. • Assessed the reasonableness of the note disclosures in notes 4, 6, 13 and 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 six-month period ended 30 June 2022, 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.

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.

pwc

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 14 to 20 of the directors' report for the six-month period ended 30 June 2022.

In our opinion, the remuneration report of AIC Mines Limited for the six-month period ended 30 June 2022 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

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
26 August 2022

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 9 August 2022.

SUBSTANTIAL SHAREHOLDER INFORMATION (HOLDING MORE THAN 5%)

The name of the substantial holder in the Company and the number of equity securities to which the substantial holder and the substantial holder's associates have a relevant interest, as disclosed in the substantial holding notices given to the Company as at 9 August 2022 are as follows.

Substantial shareholders	**Fully Paid Ordinary Shares**	
Name	**Shares**	**Percentage**
FMR Investments Pty Limited, Peter Mervyn Bartlett and Ronald George Sayers and their associates (FMR Group)	80,250,000	25.99%
Nordana Pty Ltd; El-Raghy Kriewaldt Pty Ltd; El-Raghy Pty Ltd and Mr Josef El-Raghy	33,174,710	10.75%
Brahman Pure Alpha Pte Ltd and Brahman Capital Management Pte Ltd	17,847,615	5.78%
Total	**131,272,325**	**42.52%**

TOP 20 SHAREHOLDERS OF QUOTED SECURITIES

	Quoted Securities - Fully Paid Ordinary Shares	
Shareholder	**Number**	**% Held**
FMR INVESTMENTS PTY LIMITED	80,000,000	25.66
EL-RAGHY KRIEWALDT PTY LTD	25,746,138	8.26
ABN AMRO CLEARING SYNEY NOMINEES PTY LTD <CUSTODIAN A/C>	17,847,665	5.73
CITICORP NOMINEES PTY LIMITED	17,120,981	5.49
MCCUSKER HOLDINGS PTY LTD	15,430,000	4.95
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	13,386,994	4.29
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,312,102	3.95
MR AARON MARK COLLERAN	10,000,000	3.21
GOLD ELEGANT (HK) INVESTMENT LIMITED	8,814,287	2.83
NATIONAL NOMINEES LIMITED	7,922,534	2.54
NORDANA PTY LTD	7,428,572	2.38
BNP PARIBAS NOMS PTY LTD <DRP>	6,113,432	1.96
MR JAMIE PHILIP BOYTON	5,000,000	1.60
AEGP SUPER PTY LTD <AEGP SUPERANNUATION FUND A/C>	4,150,000	1.33
UBS NOMINEES PTY LTD	3,422,231	1.10
PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	3,000,000	0.96
GOLDCREST CORPORATION PTY LTD	2,600,000	0.83
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO 12 A/C>	2,350,000	0.75
GOLDRICH HOLDINGS PTY LTD <GOLDRICH INVESTMENT A/C>	2,000,000	0.64
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,960.764	0.63
Total Top 20 holders of Ordinary Fully Paid Shares	**246,605,700**	**79.11**

ASX Additional Information

DISTRIBUTION OF FULLY PAID SHARES

Range	No. of Holders	No. of Fully Paid Ordinary Shares	% Issued Capital
1 - 1,000	281	106,110	0.03
1,001 - 5,000	487	1,268,392	0.41
5,001 - 10,000	179	1,450,952	0.47
10,001 - 100,000	474	14,805,061	4.75
100,001 and over	123	294,109,503	94.34
Total	**1,544**	**311,740,018**	**100.00**

As at 9 August 2022, there were 299 shareholders with less than a marketable parcel of 1,137 fully paid shares.

VOTING RIGHTS

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

CANADIAN SHAREHOLDERS

The Company advises that it is a designated foreign issuer as that term is defined in National Instrument 71-102 – Continuous Disclosure and other Exemptions Relation to Foreign Issuers and it is subject to the foreign regulatory requirements of the Australian Securities Exchange.

Corporate Governance Statement

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with transparency and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The information in this Statement is current as at 30 June 2022 and has been approved by the Board of the Company.

Unless otherwise disclosed, the Company has adopted the ASX Corporate Governance Council's The Corporate Governance Principles and Recommendations (4th Edition) as published by the ASX Corporate Governance Council (Recommendations) for the transitional six-month reporting period ending 30 June 2022.

The Company's policies and charters were updated effective 1 January 2020 to take into account the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) and have subsequently been revised as required.

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. The various Charters and Policies mentioned below can be found on the Company's website via the following link https://www.aicmines.com.au/investors/corporate-governance/.

In accordance with ASX Listing Rule 4.10.3, the Company is required to disclose the extent to which it has followed the Principles and Recommendations during the financial year. The Company's compliance with and departures from the Principles and Recommendations are set out below.

Principles and Recommendations		Compliance	Comment
1.	**Lay solid foundations for management and oversight**		
1.1	A listed entity should have and disclose a board charter setting out: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Complies	The Board Charter (available on the Company's website at www.aicmines.com.au/investors/corporate-governance/) adopted by the board outlines the role and responsibilities of the Board, as well as the role and responsibility of management. The Board delegates responsibility for the day-to-day operations and administration of the Group to the Managing Director and CEO.
1.2	A listed entity should: a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The Board has procedures in place to select suitable candidates with suitable experience to ensure a balanced and effective board. The Board Charter adopted by the Board outlines the pre-appointment procedures undertaken when appointing new directors and undertakes to provide sufficient information to allow shareholders to make an informed decision on whether or not to elect or re-elect a director. Full details of current directors are outlined in the directors' report contained within this Annual Report. Senior executives undergo appropriate pre-employment checks including but not limited to capability screening and police clearance checks.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	As per the Board Charter, new directors receive a Letter of Appointment which sets out the terms of their appointment. Senior executives are also presented with an Executive Service/Employment Agreement which sets out

<table>
<tr><td></td><td></td><td></td><td>the terms, rights, responsibilities and any entitlements. Please refer to the Remuneration Report for the key terms of the agreements with directors and senior executives.</td></tr>
<tr><td>1.4</td><td>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</td><td>Complies</td><td>All directors have access to the Company Secretary who is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the board. Please refer to the Board Charter.</td></tr>
<tr><td>1.5</td><td>A listed entity should:
a) have and disclose a diversity policy;
b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
c) disclose in relation to each reporting period:
1) the measurable objectives set for that period to achieve gender diversity;
2) the entity's progress towards achieving those objectives; and
3) either:
(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</td><td>Complies</td><td>A dedicated Diversity Policy has been adopted by the Board. On 13 December 2021, the Board set measurable objectives for achieving gender diversity. Below is a list of the objectives and the progress to 30 June 2022.

<table>
<tr><th>Measurable Objective</th><th>Progress</th></tr>
<tr><td>Adoption and promotion of a Formal Diversity Policy</td><td>✓Adoption complete. Promotion ongoing.</td></tr>
<tr><td>To ensure Company policies are aligned with the goals of the Diversity Policy</td><td>✓Complete.</td></tr>
<tr><td>To provide flexible work and salary arrangements to accommodate family commitments, study, cultural traditions and other personal choices of current and potential employees</td><td>✓In place. Ongoing.</td></tr>
<tr><td>To provide professional development and training opportunities for all employees</td><td>✓In place. Ongoing.</td></tr>
<tr><td>Actively review our job advertisements to remove gender bias</td><td>✓In place. Ongoing.</td></tr>
</table>

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

As at 30 June 2022, the respective proportions of men and women were: -
- On the board was 100% men and 0% women;
- In senior executive positions was 83% men and 17% women (outside the board); and
- Across the Group (including directors and all employees) was 78% men and 22% women.</td></tr>
</table>

1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Complies	The Board is responsible for assessing its performance each year and examining ways of performing its duties more effectively. The process for evaluating the performance of the Board, its committees and individual directors was not undertaken in the transitional reporting period. The process was undertaken in December 2021 involving all board members in office for the full year completing a board performance assessment questionnaire, rating 62 statements out of five, about the Board's role, the people, the procedures and practices, and the behaviours of the Board. The responses were combined, presented and discussed at a Remuneration and Nomination Committee meeting held 13 December 2021. Future technical Board membership requirements on the change in nature and scale of activities of the Group are being considered.
1.7	A listed entity should: a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Complies	Details of the principles used to determine executive remuneration and performance are set out in the Remuneration Report contained within this Annual Report. Due to the transitional reporting period and change in remuneration approach performance reviews were undertaken during June/July 2022, with an evaluation of all senior executives occurring by way of formal performance reviews in August 2022 in accordance with the process described.
2.	**Structure the board to be effective and add value**		
2.1	The board of a listed entity should: a) Have a nomination committee which:- 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director; and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Does not comply	The Company has a Remuneration and Nomination Committee made up of four directors (all five till May 2022), one of which is considered independent (from February 2022). The Remuneration and Nomination Committee is chaired by Mr Tony Wolfe who is not the Chair of the Board. The Remuneration and Nomination Committee Charter is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/ Details of the number of meetings of the Remuneration and Nomination Committee are outlined in the Directors' Report contained within this Annual Report.

Corporate Governance Statement

2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Complies	The Board's composition and the experience and qualification of each board member is disclosed in the Directors' Report. With the Group's activities currently in the form of mining and mineral exploration, the Board considers that the key desired skillsets are mining, geological and technical expertise, and sound corporate management. The Board is of the opinion that the skills and expertise provided by its current composition is appropriate. Future technical skillset requirements are being considered. The Board Charter adopted by the board defines the skills matrix of the board and senior management. In addition, management reviewed the internal Board Skills Matrix in December 2021. Below is a summary of the Board Skills Matrix.

Experience and Skills	Number of Directors (Out of 5)
Industry knowledge / experience	
Industry	4
Sector	5
Broad public policy direction	3
Government legislation/legislative process	2
Technical skills / experience	
Accounting / Finance	5
Law	1
Marketing	5
Information technology	1
Public relations	4
Developing and implementing risk management systems	3
Human resource management	4
CEO / senior management	4
Strategy development and implementation	3
Governance competencies	
Director – medium organisation (10 to 99 employees)	4

			Director – large organisation (100+ employees): 3
			Financial literacy: 4
			Strategic thinking / planning from a governance perspective: 4
			Executive performance management – management of the CEO: 2
			Governance related risk management experience: 3
			Compliance focus: 3
			Profile / reputation: 3
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Complies	The Board comprises of one independent director being Mr Brett Montgomery (from February 2022) and four other directors having an interest, position, association or relationship of the type described in Box 2.3. The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met. The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic. The names and length of service of the directors are detailed in the Directors Report contained within this Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	The Board does not comprise a majority of independent directors. The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met. The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the board meeting before commencement of discussion on the topic.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does not comply	Mr El-Raghy, who is not considered independent, currently holds the position of Non-

			Executive Chairman which does not comply with the Recommendations. While the Board considers the importance of a division of responsibility and independence at the head of the Company, the existing structure is considered appropriate and provides a unified leadership structure. Mr El-Raghy is an integral force behind the establishment of the Company and its current growth and direction. The Board considers that, at this stage of the Company's development, he is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his long-standing experience of its operations and business relationships. Mr El-Raghy is not the CEO of the entity.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	As per the Board Charter, upon appointment, new Directors are subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively. In order to achieve continuing improvement in board performance, all directors are encouraged to undergo continuing professional development. However, the Company does not have a formal program for professional development for its directors. Members of the Board are expected to provide for their own professional development.
3.	**Instil a culture of acting lawfully, ethically and responsibly**		
3.1	A listed entity should articulate and disclose its values.	Complies	The Board has adopted a Statement of Values. A copy of the Statement is available on the Company's website at www.aicmines.com.au/investors/corporate-governance/
3.2	A listed entity should: a) have and disclose a code of conduct for its directors, senior executives and employees; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Complies	The Board has adopted a Code of Conduct for directors, senior executives and employees. The Code sets out the reporting procedure. A copy of the Code is available on the Company's website at www.aicmines.com.au/investors/corporate-governance/.
3.3	A listed entity should: a) have and disclose a whistleblower policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complies	The Board has adopted a Whistle-blower Policy. The Policy sets out the reporting procedure. A copy of the Policy is available on the Company's website at www.aicmines.com.au/investors/corporate-governance/
3.4	A listed entity should: a) have and disclose an anti-bribery and corruption policy; and	Complies	The Board has adopted an Anti-Bribery and Corruption Policy. The Policy sets out the reporting procedure. A copy of the Policy is available on the Company's website at

	b) ensure that the board or committee of the board is informed of any material breaches of that policy.		www.aicmines.com.au/investors/corporate-governance/
4.	**Safeguard integrity in corporate reports**		
4.1	The board of a listed entity should: a) Have an audit committee which: 1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) Is chaired by an independent director, who is not the chair of the board, and disclose: 3) The charter of the committee; 4) The relevant qualifications and experience of the members of the committee; and 5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and rotation of the audit engagement partner.	Does not comply	The Company has an Audit and Risk Committee made up of four directors (all five till May 2022), one of which is considered independent (from February 2022). The Audit and Risk Committee is chaired by Mr Brett Montgomery who is not the Chair of the board. The Audit and Risk Committee operates under the adopted Audit and Risk Committee Charter, which is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/ and carries out the functions delegated under that charter. External audit recommendations, internal control matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Audit & Risk Committee and the Audit Engagement Partner. The Board encourages contact between Non-Executive Directors and the Company's external auditors, independently of executive management. Details of the number of meetings of the Audit and Risk Committee are outlined in the Directors Report contained within this Annual Report.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The Board requires the Managing Director and CEO, and CFO to provide such a declaration for the half year and annual financial statements.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Complies	The Board requires a declaration from the Managing Director and CEO, and CFO be provided to verify the integrity of periodic reports.
5.	**Make timely and balanced disclosure**		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complies	The Board has a Continuous Disclosure Policy available on the Company's website at: www.aicmines.com.au/investors/corporate-governance/. The Board has designated the Company Secretary as the person responsible for

			overseeing and coordinating disclosure information to the ASX as well as communicating with the ASX. The Managing Director and CEO, and Company Secretary are responsible for ensuring that the Company's announcements are made in a timely manner, are factual and do not omit material information.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complies	The Company Secretary is responsible for ensuring the Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complies	The Company undertakes to release a copy of new and substantive investor or analyst presentation materials on the ASX Market Announcements Platform ahead of the presentation.
6.	**Respect the rights of security holders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company is committed to maintaining a company website with general information about the Company and its operations, details of the Company's corporate governance policies and procedures, and information specifically targeted at keeping the Company's shareholders informed about the Company.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Complies	The board has established a formal Shareholder Communications Policy (available on the Company's website at www.aicmines.com.au/investors/corporate-governance/) aimed at communicating effectively with shareholders. The Company seeks to inform investors of developments regularly by communicating through ASX announcements and by providing information on its website. Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email info@aicmines.com.au or by phone +61 8 6269 0110.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complies	All shareholders are notified in writing of general meetings and encouraged to attend and participate. The Company discloses how it facilitates and encourages participation at meetings of security holders within the Shareholder Communications Policy (available on the Company's website at www.aicmines.com.au/investors/corporate-governance/)
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complies	The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands as set out in the Shareholder Communications Policy – section Meetings of the Company (available on the Company's website at www.aicmines.com.au/investors/corporate-governance/)
6.5	A listed entity should give security holders the option to receive communications from, and send	Complies	Shareholders may communicate via electronic means with the Company's share registry and may register to access personal shareholding

	communications to, the entity and its security registry electronically.		information and receive electronic information. Details of how to access the communications are available on the website www.aicmines.com.au and requests can be emailed via info@aicmines.com.au.
7.	**Recognise and manage risk**		
7.1	The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose: 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Does not comply	The Company has an Audit and Risk Committee made up of four directors (all five till May 2022), one of which is considered independent (from February 2022). The Audit and Risk Committee is chaired by Mr Brett Montgomery who is not the Chair of the Board. The Audit and Risk Committee operates under the Audit and Risk Committee Charter and in accordance with the Risk Management Policy (adopted on 31 May 2019 - both available on the Company's website at www.aicmines.com.au/investors/corporate-governance/). Under the Risk Management Policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Managing Director and CEO, supported by the senior executive team, having ultimate responsibility to the Board for the implementation of the risk management and control framework. Details of the number of meetings of the Audit and Risk Committee are outlined in the directors' report contained within this Annual Report.
7.2	The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The full Board is ultimately responsible for approving and overseeing the risk management system. The Company's risk management systems and control frameworks include the ongoing monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the Board, approval procedures for expenditure above threshold levels, and regular communication between directors on compliance and risk. The Risk Management framework was reviewed and presented to the Board at a meeting dated 13 December 2021. Due to the transitional reporting period the Risk Management framework is being reviewed to be presented to the Board in the 2023 reporting period.
7.3	A listed entity should disclose: a) If it has an internal audit function, how the function is structure and what role it performs; or b) If it does not have an internal audit function, that fact and the processes it employs for	Complies	The Board believes that the Company is not of a size or complexity that justifies having an internal audit function. The Company's risk management systems and control frameworks include the ongoing

	evaluating and continually improving the effectiveness of its risk management and internal control processes.		monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the Board, approval procedures for expenditure above threshold levels, and regular communication between directors on compliance and risk.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	The Board does not believe it has any material exposure to economic, environmental and social sustainability risks not otherwise disclosed to the market. Due to the size and scale of operations, the Company does not publish a sustainability report. To reduce risks, the Company has in place an experienced Board, regular Board meetings, and a financial audit or review six-monthly. The Board is of the view that its risk management systems promote informed and measured decision making on risk issues based on a systematic approach to risk identification, assessment, control, review and reporting. At a Board meeting held 13 December 2021 the board adopted a Sustainability Policy with the commitments defined to be integrated into the business planning and decision-making process.
8.	**Remunerate fairly and responsibly**		
8.1	The board of a listed entity should: a) Have a remuneration committee which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose: 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Does not comply	The Company has a Remuneration and Nomination Committee made up of four directors (all five till May 2022), one of which is considered independent (from February 2022). The Remuneration and Nomination Committee is chaired by Mr Tony Wolfe who is not the Chair of the Board. The Remuneration and Nomination Committee Charter is available for review on the Company's website at www.aicmines.com.au/investors/corporate-governance/ The Committee meets to consider both the level and structure of remuneration and incentive policies for the Executive directors and key executives within the Company for recommendation to the Board for approval. The level of remuneration is established by comparison with peer companies. No Director or Executive decides on their own remuneration. Details of the number of meetings of the Remuneration and Nomination Committee are outlined in the Directors' Report contained within this Annual Report.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration	Complies	The Company has separate policies relating to the remuneration of non-executive directors and that of executive directors and senior

	of executive directors and other senior executives.		executives. This information is detailed in the Remuneration Report which forms part of the Directors' Report in this Annual Report. The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting (currently $750,000 pa – approved by shareholders on 3 March 2008).
8.3	A listed entity which has an equity-based remuneration scheme should: a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) Disclose that policy or a summary of it.	Complies	The Company has an equity-based remuneration scheme. The Company has a Share Trading Policy (available on the Company's website at www.aicmines.com.au/investors/corporate-governance/) which outlines restrictions on trading in the Company's securities.