ASX ANNOUNCEMENT

25 May 2020

ABOUT AIC MINES

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

AIC currently has two key projects, the Lamil exploration JV located in the Paterson Province WA and the Marymia exploration project, within the Capricorn Orogen WA, strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine.

CAPITAL STRUCTURE

Shares on Issue: 52.0m
Share Price (22/05/20): $0.32
Market Capitalisation: $16.6m
Cash & Liquids (31/3/20): $8.3m
Enterprise Value: $8.35m

CORPORATE DIRECTORY

Josef El-Raghy
Non-Executive Chairman

Aaron Colleran
Managing Director & CEO

Brett Montgomery
Non-Executive Director

Tony Wolfe
Non-Executive Director

Linda Hale & Heidi Brown
Joint Company Secretaries

CORPORATE DETAILS

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GEOCHEMICAL SURVEY IDENTIFIES NEW GOLD-COPPER TARGETS AT LAMIL PROJECT, PATERSON PROVINCE WA

Multiple geochemical anomalies with key components indicative of Intrusive Related Gold-Copper Systems identified through transported cover.

HIGHLIGHTS

- Ultra-fine soil geochemistry has identified 5 new geochemical anomalies with key components indicative of Intrusive Related Gold-Copper Systems at the Lamil Project.
- Two of the target areas are coincident with the Lamil Main and NE Domes and significantly enhance these targets:
    - Target LGCTA 2 – covers an area of 2.5km x 2.5km along the northwest flank of Main Dome. The area includes a peak gold-in-soil result of 100ppb Au.
    - Target LGCTA 4 – covers an area of 2km x 2km over the NE Dome
- A new target area LGCTA1, located on the southwest flank of the Lamil Main Dome, is associated with an area of structural complexity over an area of 2.5km x 2.5km.
- None of the targets have been previously drill-tested.
- AIC plans to commence drilling and associated field activities once COVID-19 access restrictions impacting the region are lifted and all necessary approvals are received.

AIC Mines Ltd (ASX: A1M) ("AIC" or the "Company") is pleased to announce that a trial surface geochemical survey over its Lamil Gold-Copper Project ("Lamil"), located in the highly prospective Paterson Province of Western Australia, has been successful in identifying widespread basement sourced geochemical anomalism indicative of Intrusive Related Gold-Copper Mineralised Systems.

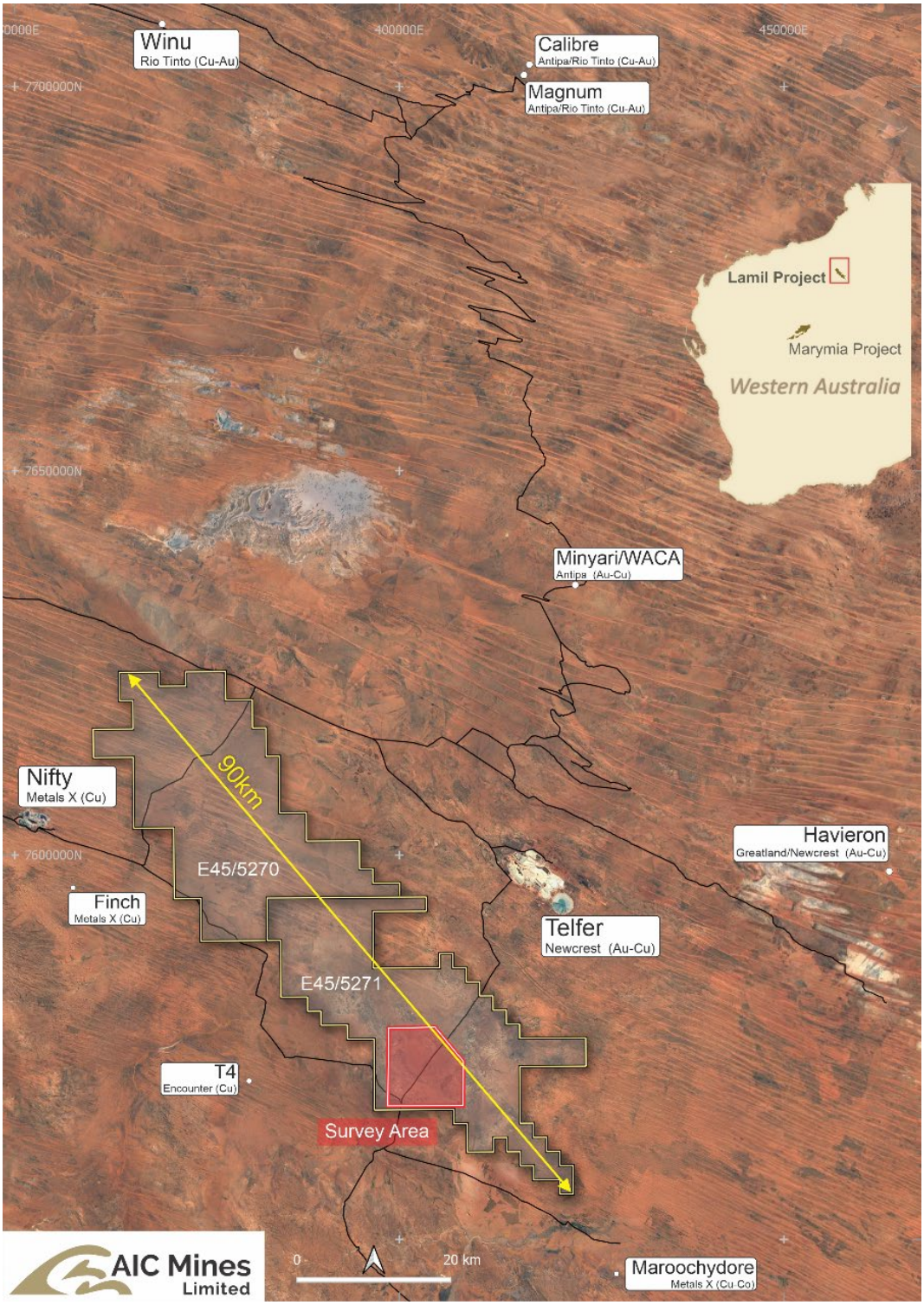

Figure 1: Lamil Project Tenure and Location

From a regional perspective, the Lamil Project occurs within a significant structural flexure which has played an important role in the development of the major deposits in the region. The target area is very large and we are still early in the assessment process. We are taking a methodical approach to the assessment, with every stage designed to refine our final targets ahead of drill testing, to give ourselves the best chance of early success. The surface geochemical survey has helped to further refine the recently identified priority geophysical targets. The success of the geochemical survey is an exciting breakthrough at Lamil as it now provides AIC with a cost effective first-pass method of assessing a large area.

The survey was undertaken as a trial and orientation exercise in combination with a more extensive ground geophysical program completed in December 2019. A total of 295 samples were collected over a selected trial area of approximately 80 square kilometres centred on the Lamil Main Dome with a sample spacing of 600m x 600m (off-set grid).

Despite being located just 20 kilometres from the world class Telfer Gold-Copper Deposit no previous surface sampling or drilling has been completed at the Lamil Project due to the perception of ubiquitous deep cover (>400m). Recent work by AIC has confirmed the depth of cover to be less than 100m and in part ranging from just 30m – 70m.

The Lamil Project - Overview

AIC is currently earning an interest in the Lamil Project located within the highly prospective Paterson Province of remote North Western Australia under the terms of an earn-in and exploration joint venture agreement with Rumble Resources Limited (ASX: RTR).

The Paterson Province is widely recognised as being one of the most well-endowed yet under-explored regions in Australia due largely to its remoteness and extensive cover.

Recent exploration success by Rio Tinto at Winu and by the Newcrest-Greatland Gold JV at Havieron has confirmed the prospectivity of the region and particularly in areas where the bedrock sequences of interest are under cover. These discoveries have resulted in the Paterson Province becoming one of the most sought-after exploration areas in Australia.

The Lamil Project comprises 2 Exploration Licences (E45/5270 and E45/5271) spanning a strike length of 90 kilometres which together secure an area totalling 1,375km^2 situated midway between the Telfer Gold-Copper Mine and the Nifty Copper Mine some 500km's east of Port Hedland (see Figure 2).

The licences are underlain by Proterozoic Basement rocks that are prospective for Telfer-style Gold-Copper Deposits and Winu-style Copper-Gold mineralisation.

Geophysical surveys have been successful in developing an improved understanding of the regional framework, depth to basement and the structural architecture of the basement sequence at Lamil. Understanding these key elements is critical in guiding effective exploration across such a large ground holding. A recent assessment of the geophysical data has identified some 26 targets including 15 which are considered high priority and "drill ready" (see AIC ASX Announcement dated 6 April 2020).

Surface geochemical sampling has now provided an additional means of refining and re-ranking the existing targets as well as identifying new target areas.

Surface Geochemical Survey

The survey was completed over an area of 80 square kilometres (see Figure 2) centred on the Lamil Main Dome (the P1 Target). The area is covered by transported material with depths to basement ranging between 30m and 70m – hence conventional surface sampling would be ineffective. The survey was designed to target the clay dominant "ultra-fine" fraction of the soil as it is this component which absorbs

pathfinder elements released via the processes of hydromorphic dispersion from weathered, buried mineralisation.

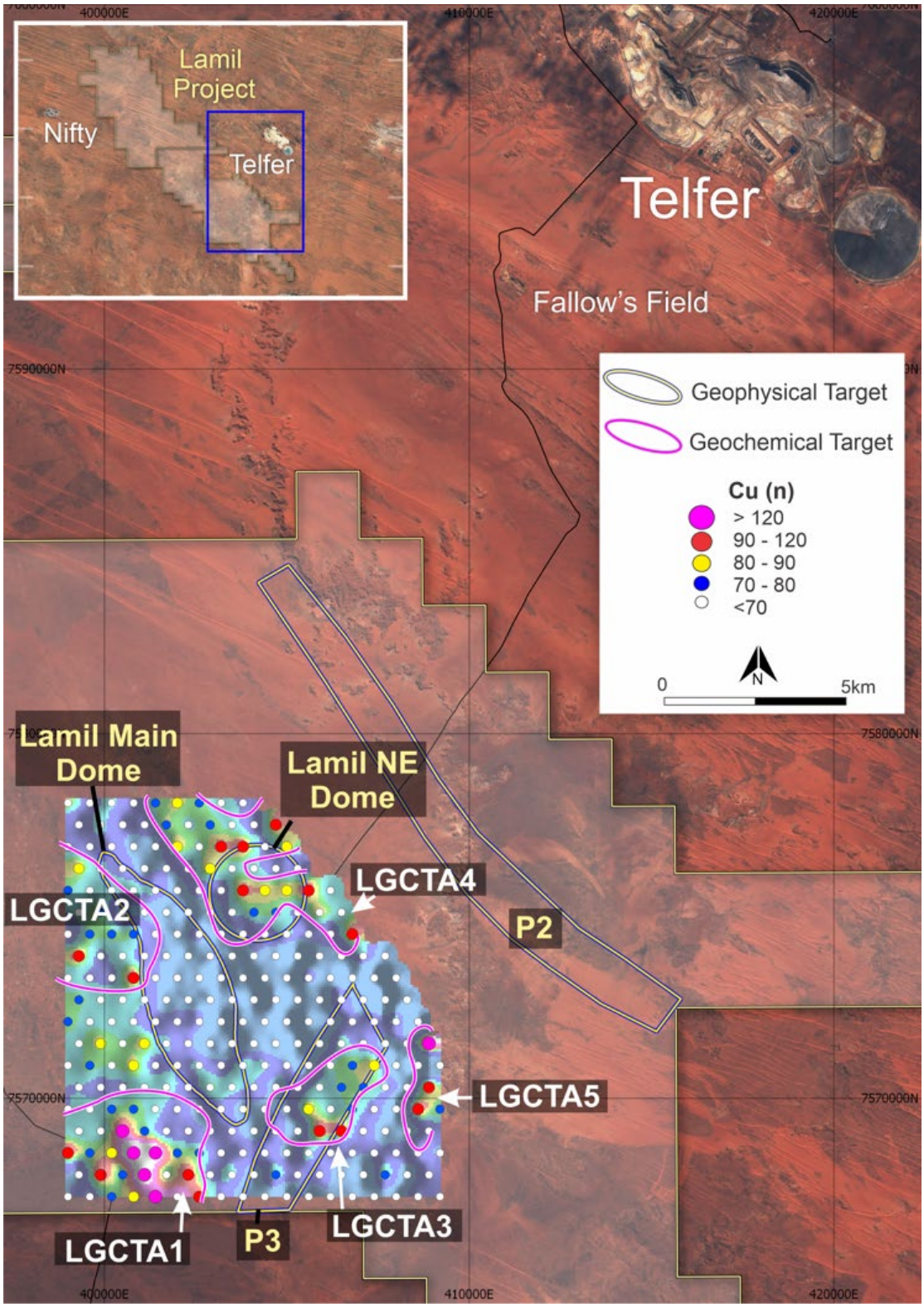

Figure 2: Lamil Surface Geochemical Survey area showing Geochemical Target Areas (LGCTA1-5) with previously identified geophysical targets including the Lamil Main and Northeast Domes.

The survey has identified widespread geochemical anomalism across a number of previously reported geophysical targets and has also identified several new target areas.

Five large, robust and coherent Geochemical Target Areas (LGCTA1 – 5) displaying coincident multi-element anomalism, including gold and copper, consistent with the recognised pathfinder signatures of Intrusive Related Gold-Copper Mineral Systems have been defined (see Figures 2, 3 and 4).

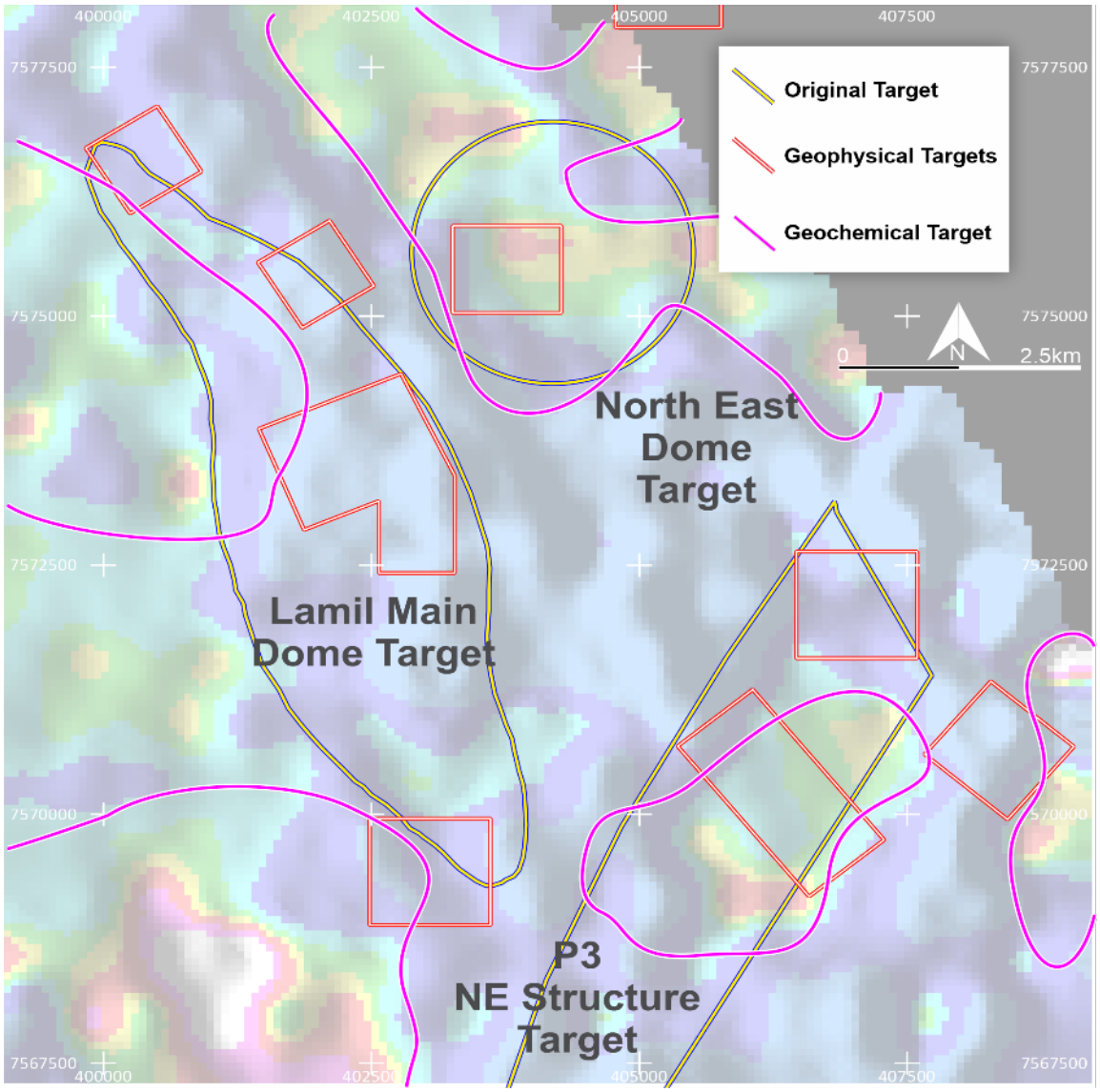

Figure 3. Plan view of geochemical anomalies combined with geophysical targets.

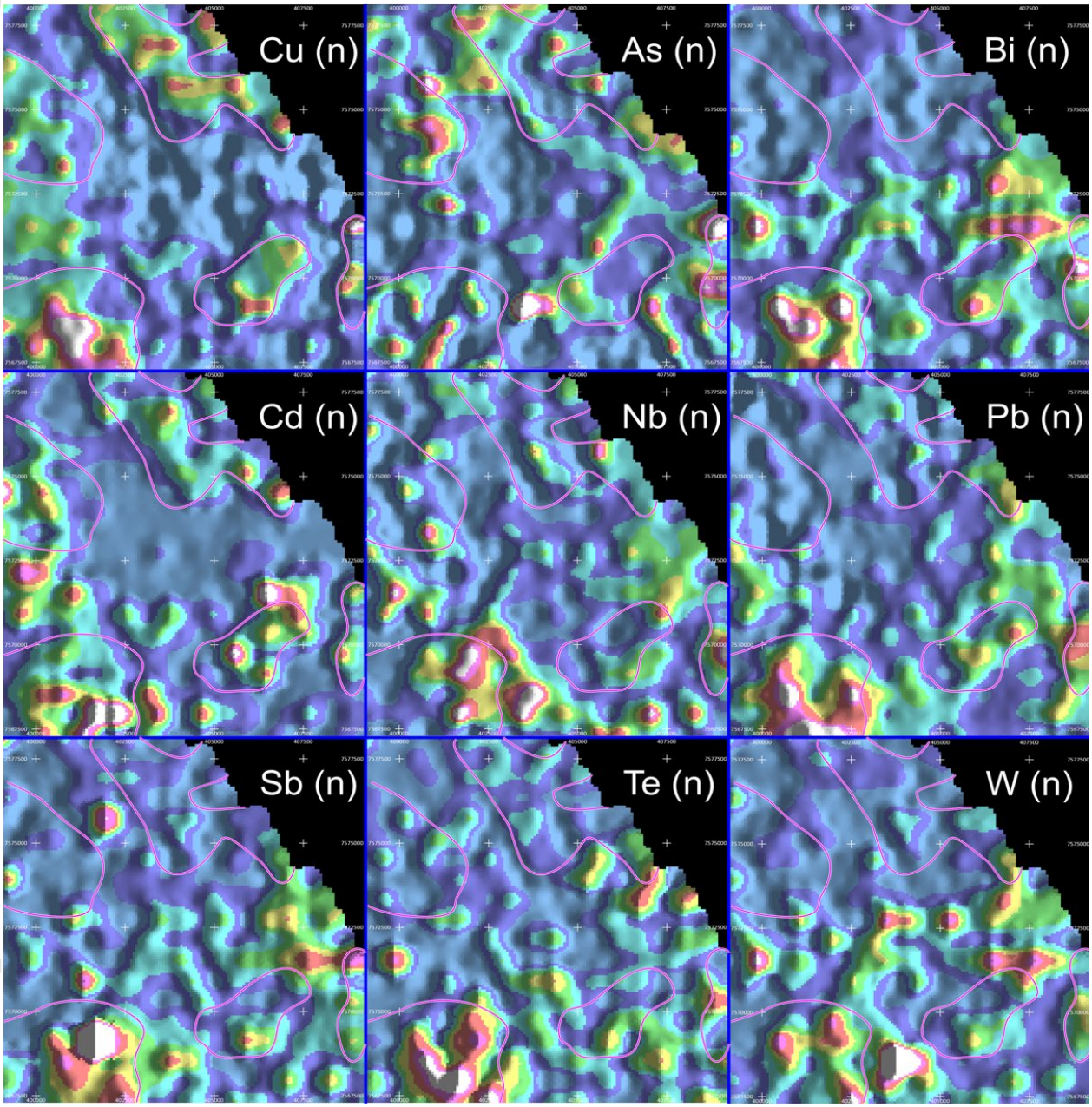

Figure 4. Plan views of surface multi-element geochemical anomalism. Areas of interest defined by copper are displayed on each image to demonstrate principal areas of coincidence.

Five areas of interest have also been defined by elevated gold-in-soil results with peak values of 100ppb gold, 67ppb gold and 13ppb gold being reported on the northwestern flank of the Lamil Main Dome, the NE Structure and the NE Lamil Dome respectively (see Figure 5).

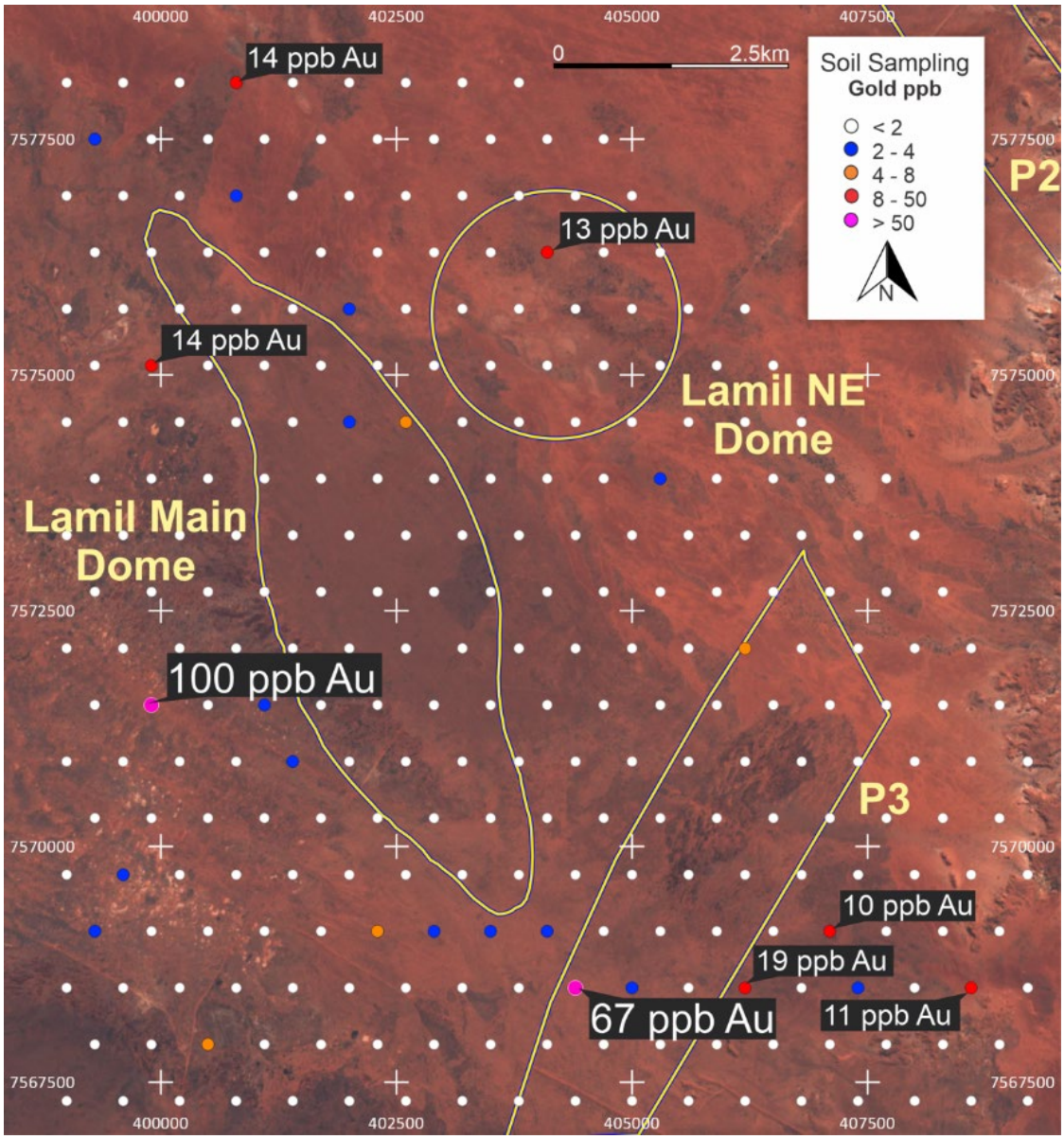

Figure 5. Plan view of geochemical survey area showing peak gold responses with geophysical targets areas including the Lamil Main and NE Domes.

The analysis relies on the distribution of elements and the recognition of subtle key pathfinder signatures rather than the absolute concentration of elements. The results have been rigorously assessed utilising element normalisation methods to identify and enhance "true" anomalies from background values combined with a selection of relevant principal component analyses (PCA) to confirm that any anomalism identified is associated with and sourced from basement rocks. The responses were then placed into spatial context using the Exploration Model for Intrusive Related Gold-Copper Mineral Systems.

Normalisation Procedure

The results were normalised with respect to both Fe and Al recognising the potential scavenging effects of these elements. Areas of interest, "Geochemical Target Areas", were then defined by plotting normalised images of Cu, as this is a key target element, together with key pathfinder elements consistent with the industry accepted Intrusive Related Gold-Copper Mineral System exploration model. These elements include Cu, Au, Pb, Te, Bi, Cd, Sb, W, Nb and As. Highest priority targets are those anomalies displaying coincidence in multiple elements.

Principal Component Analysis (PCA)

Principal Component Analysis has been used to evaluate the lithic components (possible rock types) associated with each of the geochemical anomalies identified. The method provides confirmation that the anomalies are associated with and derived from basement related sources and enables each anomaly to be interpreted in context with the deposit model being targeted. The PCA categories are described in the table below:

Reference	Signature	Characteristic Elements
PCA1	Granitic	Mo, V, Ti, U, Sn, Nb and Zr
PCA1 Inverted	Mafic	K, Mg, Ni, Zn, Rb, Cu, Al and Ca
PCA2	Granitic	Li, Zr, Ga, Al, Rb, Cs, K and Au
PCA2 Inverted	Granite Pegmatite	Ce, La, Nb, Y, W, Sb, P, Yi, U and Th
PCA3 Inverted	Mafic Dolerite	Cr, W, Sb, Bi, Nb, Ti, P, Cs, Zr, Cd, Zn, Mg and Ca
PCA5	Auriferous Pathfinders – Granitic and Mafic Elements	Au, Cu, As, Te, Sr, Ca, Ba, V, Be, Cr, Sb, Nb and Mg
PCA6	Auriferous Pathfinders – Mafic Origin	Au, Cu, As, Te, Mo, Pb, V, Ga, Bi, Sc, Li, Cs, Tl, Nb and Sb

Summary of Target Areas

Each of the main targets shown in Figure 2 are described below.

Target	Description	Characteristics
LGCTA1	Located southwest of the southern flank of the Lamil Main Dome. Target area of 2.5kms x 2.5kms. Displays the requisite components of an Intrusive Related Gold-Copper mineral system. A subsequent detailed review of the geophysical data in this area has identified a complex structural setting marked by the convergence of multiple major structures coincident with the centroid of the geochemical anomaly.	• A central granitic/pegmatitic core (Inverse PCA2) • Proximal auriferous signature (PCA6) • Multiple key element anomalies incl. Cu, Au, Bi, Te, Mo, As and Sb • Several well defined linear trends interpreted as representing formational fluid pathways (elevated W, Sb, Bi) associated with possible hornfelsing (elevated W, Zn, Cd) and mafic intrusives (elevated Cr, Ti, P, Zn, Mg, Ca) proximal to an interpreted central granitic core

LGCTA2	Coincident with the P1 Lamil Main Dome. Target area of over 2.5kms x 2.5kms.	• Well defined Cu and Au anomalism • Proximal granitic/pegmatitic signature with elevated Cu, Au, Te, As and Sb associated with pegmatite elements and mafic/dolerite elements • Enveloped by a granitic signature (PCA2)
LGCTA3	Coincident with the P3 north-east trending structural target. Target area of 2.5kms x 2.5kms.	• Well defined Cu and Au anomalism • Proximal auriferous signature (PCA6) • Well defined NW structural trends
LGCTA4	Coincident with the Lamil NE Dome (P4 Target). Target area of 2.0kms x 2.0kms.	• Well defined Cu anomaly • Proximal (underlying?) granitic signature with elevated Cu, Au, Te, As and Sb associated with pegmatite elements and mafic/dolerite elements (PCA5: Ca, Sr, Cr, Cu and Mg)
LGCTA5	Coincident with a prominent north-west trending structure identified in multiple geophysical datasets. Target area of 2.0kms x 2.5kms.	• Well defined Cu anomaly which remains open to the east. • Proximal granitic/pegmatitic signature (Inversed PCA2)

Next Steps

The results of the geochemical survey are now being incorporated with the results from the geophysical targeting exercise completed recently (see AIC ASX announcement "Multiple Targets Identified at Lamil Project" dated 06 April 2020). This will help further refine the Company's targets ahead of drill testing.

Due to the success of the trial geochemical survey, additional surface geochemical surveys are now being planned to infill the known target areas and to expand the existing coverage.

Drill testing will require a combination of Reverse Circulation and Diamond Core drilling. This phase of work will be ready to commence as soon as restrictions associated with COVID-19 are lifted and all regulatory approvals have been received. Planning is underway such that we can mobilise to site and commence drilling at the Priority 1 and Priority 2 target areas as quickly as possible once the access restrictions are lifted.

With cover depths of potentially up to 100m at some target areas, the application of appropriate geophysical surveys combined with surface geochemistry where effective will be critical for ongoing exploration. Additional surveys currently being considered include:

- Gravity – both ground and airborne
- Passive Seismic – ground based
- Electrical – trial IP over selected areas of shallow cover to highlight chargeable zones that may represent areas of disseminated sulphides
- Magnetotellurics – trial over selected areas to better define basement geometry and deep structural architecture

Authorisation

This announcement has been approved for issue by, and enquiries regarding this announcement may be directed to:

Aaron Colleran
Managing Director
Email: info@aicmines.com.au

Competent Persons Statement

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

Background

AIC is earning an interest in the Lamil Gold-Copper Project in the Paterson Province in the northwest of Western Australia. Under the terms of the earn-in and exploration joint venture agreement with Rumble Resources (ASX: RTR) ("Rumble"), AIC can earn a 50% interest by spending $6 million over 4 years. Thereafter AIC can earn a further 15% by spending $4 million over 1 year if Rumble elects not to commence contributing. The key terms of the earn-in and exploration joint venture agreement are described in the Company's ASX announcement dated 22 July 2019.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil samples were collected at a depth of ~25cm and sieved to -2mm with a sample weight typically between 750-1115 grams. Samples were collected in double bagged in manila packets. • A total of 295 samples were collected over an area of approximately 80 square kilometres with a sample spacing of 600m x 600m (off-set grid). • The samples are considered to be an effective representative of the soil at the collection point. • Company QAQC was introduced into the sample stream ~ 3 standards and ~3 duplicates per 100 samples. • The samples were delivered to Intertek, Maddington for preparation and analysis. • Laboratory standards, blanks and checks were analysed as part of the lab's standard analytical procedure. • Samples were subjected to a low temperature dry (SD03), then riffle split to 50:50 portion (A and B) – B was bagged and retained. Portion A was dry sieved to 63microns (SV23) – collect -63micron fraction for assay, bag and retain +63 micron. • Samples were analysed by aqua regia ultima package (AR005/MS53) with Au at a 0.1 ppb detection with a MS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable - no drilling or sampling completed.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable - no drilling or sampling completed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable - no drilling or sampling completed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results*	• Not applicable - no drilling or sampling completed.

Criteria	JORC Code explanation	Commentary
	for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not applicable - no drilling or sampling completed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable - no drilling or sampling completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Not applicable - no drilling or sampling completed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not applicable - no drilling or sampling completed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable - no drilling or sampling completed.
Sample security	• *The measures taken to ensure sample security.*	• Samples were zip-tied in calico bags, samples were stored at a secured facility prior to delivery to the lab.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable - no drilling or sampling completed.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The project comprises a granted exploration license EL45/5271 and an exploration license application ELA 45/5270 • The tenements lie midway between the Telfer Au-Cu and Nifty Cu mines within the Paterson Province, East Pilbara, Western Australia. • ELA45/5270 and EL45/5271 are 100% owned by Rumble Resources. • AIC has entered into an Earn-in and Joint Venture Agreement with Rumble Resources over ELA45/5270 and EL45/5271.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Rumble Resources completed a 1565 line-km survey on 200m line spacing bearing 050 (normal to regional geology) over the southeast portion of EL45/5271.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Telfer gold-copper deposit style - structurally controlled, multiple sheeted / conjugate vein style deposit. • Nifty copper deposit style – sediment hosted coper deposit with structural and epigenetic overprint.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Within the entire project area of ELA45/5270&5271, WAMEX open-file data records only 15 drill holes were completed. No mineralisation was intersected in these holes.
		• No historic drilling is related to the targets presented in this announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable - no drilling or sampling results reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable - no drilling or sampling results reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All relevant figures are referred to and included in their appropriate positions within the report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable to this stage of exploration.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• During November 2019, a detailed passive seismic survey was completed. 100m spaced stations were taken of 800m spaced lines, totalling 432 readings taken. • The passive seismic survey was completed by AIC personnel utilising Tromino seismometer supplied by Resource Potentials Geophysical Consultants. • The data is currently being Interpreted by Resource Potentials to create accurate cross sections of interpreted depth of cover over the P1 & P4 targets. • During Nov/Dec 2019, a regional gravity survey was completed on 100x400m spaced grid taking a total of 2157 readings. The survey was completed over P1, P2, P3 & P4 targets. • The gravity survey was completed by Atlas Geophysics personnel who used a UTV for mobilisation between stations and utilised a CG-5 AutoGrav Gravity Meter. A preliminary interpretation of the data was undertaken by Newexco Geophysics and Geological Consultants. • During March 2020 Fathom Geophysical Consultants integrated all of the available geophysical survey results and completed detailed data analysis and targeting.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• AIC Mines is currently assessing the outcomes of the recent work and refining target selection with the aim of defining a drilling program.