ASX ANNOUNCEMENT

18 June 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 Marymia exploration project, strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine, and the Lamil exploration JV located in the Paterson Province immediately west of the Telfer Gold-Copper Mine.

CAPITAL STRUCTURE

Shares on Issue: 52.0m
Share Price (17/06/20): $0.30
Market Capitalisation: $15.6m
Cash & Liquids (31/3/20): $8.3m
Enterprise Value: $7.3m

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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EXPLORATION UPDATE – LAMIL PROJECT PATERSON PROVINCE WA

Granting of E45/5270 opens up the northern half of the Lamil Project for commencement of field activities in the highly prospective Paterson Province

HIGHLIGHTS

- Tenement E45/5270, the northern tenement of the two tenements that make up the Lamil Project, has now been granted. This completes the permitting of the project area and allows for commencement of field work over the full 1,375km^2 tenure.
- Recently completed geophysical data interpretation identified 26 priority target zones across the project area, 6 of which are located on E45/5270.
- AIC expects to be able to commence its inaugural drill program in the September 2020 Quarter following completion of Heritage Surveys over the priority target areas. With the lifting of COVID-19 travel restrictions in the Pilbara region, Heritage Surveys conducted by the traditional custodians of the land have recommenced.

AIC Mines Ltd (ASX: A1M) ("AIC" or the "Company") is pleased to announce that Exploration Licence Application ELA45/5270, representing the northern half of the Lamil Project, has now been granted.

The Lamil Project is located 500 kilometres east of Port Hedland, midway between the world class Telfer Gold-Copper Mine and the Nifty Copper Mine in the Paterson Province of Western Australia (see Figure 1).

The Paterson Province is regarded as one of the most highly endowed yet under-explored regions in Australia. Exploration activity in the region has increased significantly in recent times following the discovery of the Havieron Gold-Copper deposit by the Newcrest-Greatland Gold JV and of the Winu Copper Deposit by Rio Tinto. The region remains under-explored due its remoteness and relatively deep cover.

A recent breakthrough at the Lamil Project, based on a detailed airborne magnetic survey completed in March 2019 and the more recent interpretation of additional geophysical data sets including airborne and surface gravity and surface passive seismic surveys, indicates that the depth of cover to the main targets in the Lamil Project area is less than 100m. It was previously thought to be >400m and as a result the area has seen minimal previous exploration and no drilling.

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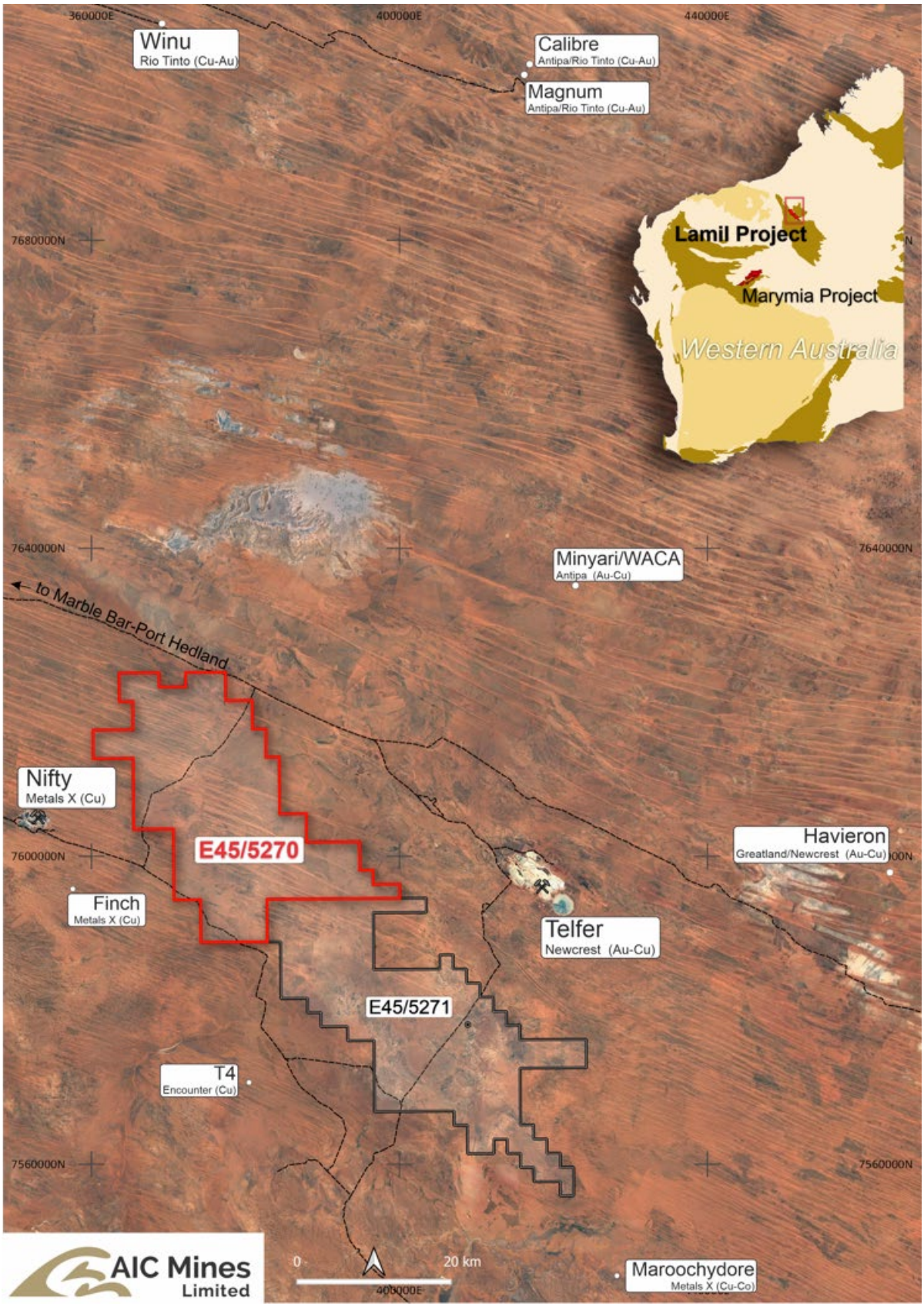


Figure 1. Location of the Lamil Project – Highlighting Recently Approved Tenement E45/5270

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The Lamil Project occupies a prominent regional structural "hinge zone" which is clearly defined by a significant flexure in a set of major deep penetrating, belt parallel structures. The structures trend NNW in E45/5270 (the northern tenement) and swing NW in E45/5271 (the southern tenement). The hinge transition is dissected by a series of major NE trending structures extending through the tenement package and linking across to the Telfer gold-copper deposit.

The most noteworthy of these NE cross structures correlates with the well documented Telfer Main Dome structures and is traceable for over 30 kilometres to the northern boundary of the Lamil Dome. These features represent a potential locus of deep crustal faulting and an associated plumbing system for circulating and trapping mineralising fluids (see Figure 2).

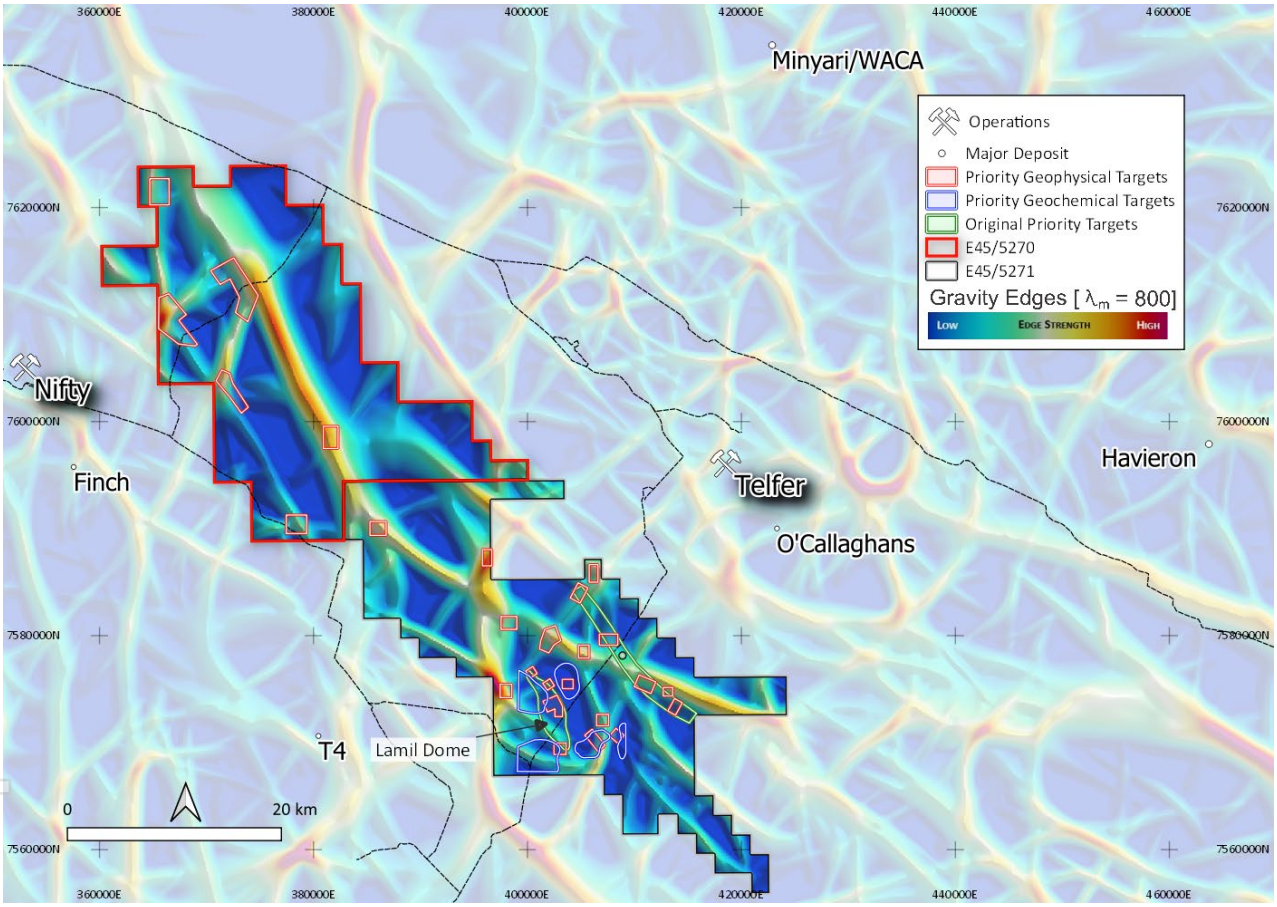


Figure 2. Regional Review of Geophysical Data – Gravity Derived Edges

Geophysics

A synthesis of all available geophysical data was completed in April 2020. The work incorporated a range of open file regional scale data sets together with prospect scale surveys completed by the joint venture parties during 2019 (refer to ASX announcement "Multiple New Targets Identified at Lamil Project' released 6 April 2020).

This work refined the existing Lamil Dome P1 and P4 targets (now referred to as the Lamil Main and NE Domes), the P2 Dome and the P3 structural corridor as well as identifying 26 new Telfer-style structural targets. A total of 6 priority targets are located within recently granted E45/5270 (see Figure 3).

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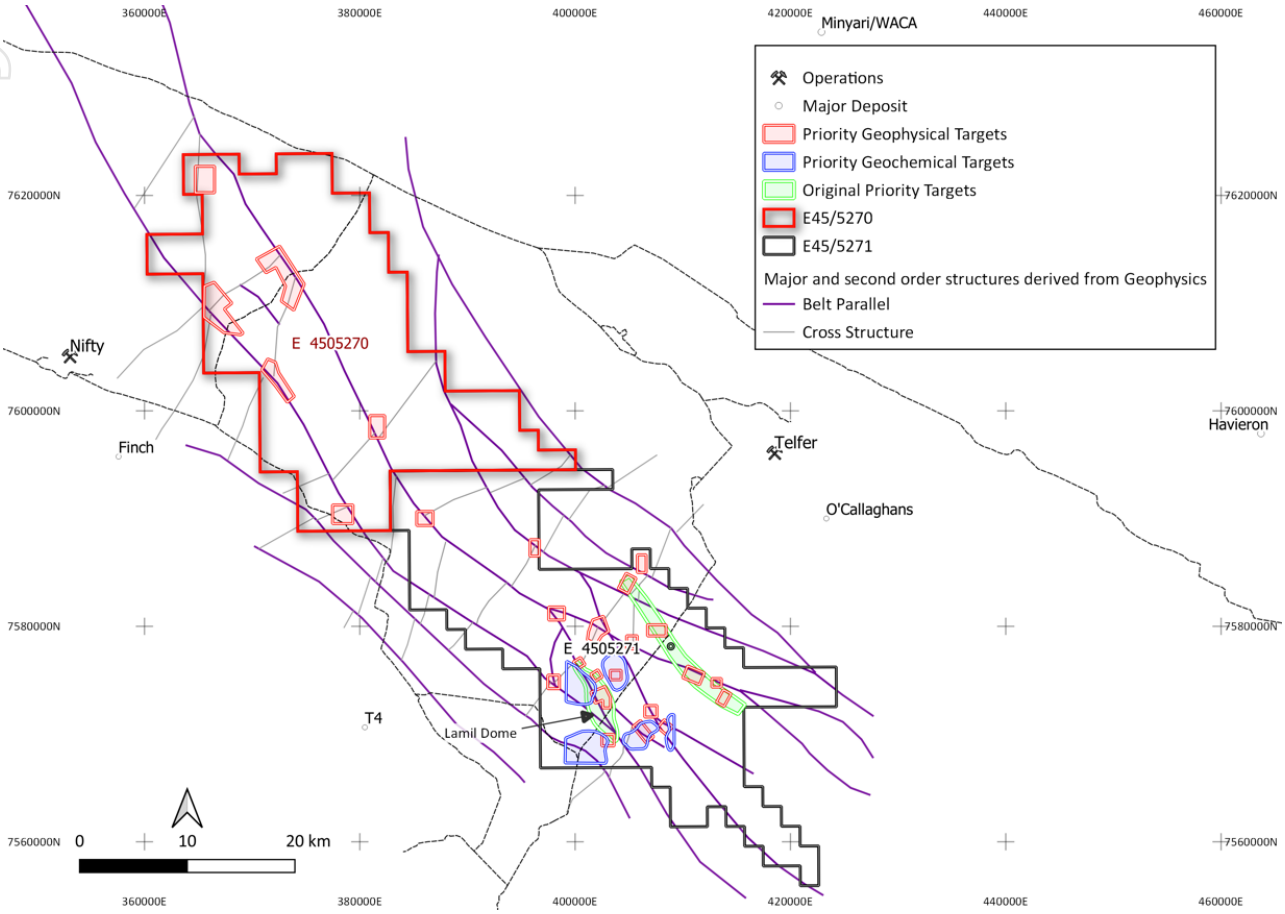


Figure 3. Priority Drill Targets

Geochemistry

A wide-spaced (600m x 600m) surface geochemical survey using the clay dominant ultra-fine fraction of the soil was completed during November-December 2019. The results identified 5 coherent multi-element geochemical anomalies displaying all of the features considered indicative of Intrusive Related Gold-Copper mineral systems such as those associated with Telfer, Havieron and Winu (refer to ASX announcement "Geochemical Survey Results from Lamil Project" released 25 May 2020).

The effectiveness of the ultra-fine surface sampling technique at Lamil, in an area of transported cover of variable thickness, has been highly encouraging and provides AIC with a rapid, cost effective means of assessing a large portion of the Lamil Project area.

Next Steps

Planning for the inaugural drilling campaign at Lamil is now well advanced. The focus will be the Priority 1 and Priority 2 target areas which will require a combination of Reverse Circulation and Diamond Core drilling. This phase of work will be ready to commence as soon as all regulatory approvals have been received. Heritage Surveys to support commencement of this work are scheduled for late July - early August 2020 with drilling anticipated to commence in September 2020.

Depth to basement modelling across the project is currently being refined to support and guide all ongoing activities. With cover depths of potentially up to 100m at some target areas, the application of appropriate geophysical surveys will be critical for ongoing exploration. Accordingly, additional geophysical surveys are also being considered.

Infill surface geochemical surveys (200m x 200m) over previously identified areas of geochemical anomalism to assist in refining drill targets and additional wide-spaced (600m x 600m) extensional surveys are scheduled to commence in late July 2020 in concert with the planned Heritage Surveys.

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

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Lamil Project Joint Venture Information

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.

Exploration Information Extracted from ASX Announcements

This announcement contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcements lodged on the ASX:

- Paterson Province Exploration Joint Venture — 22 July 2019
- Exploration Commences at Lamil Project — 7 November 2019
- Multiple New Targets Identified at Lamil Project — 6 April 2020
- Geochemical Survey Results from Lamil Project — 25 May 2020

The announcements are available for viewing on the Company's website www.aicmines.com.au under the Investors tab.

AIC confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement.

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.

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.*	• Not applicable - no drilling or sampling completed.
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 for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable - no drilling or sampling completed.
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.

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Criteria	JORC Code explanation	Commentary
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.*	• Not applicable - no drilling or sampling completed.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable - no drilling or sampling completed.

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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 two granted exploration licenses EL45/5270 and EL 45/5271 • 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.

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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. This report presents the results of that stage of work.
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 geophysical work and refining target selection with the aim of defining a drilling program.

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