

ASX ANNOUNCEMENT

6 July 2020



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Placement Completed and Entitlement Offer Commenced

HIGHLIGHTS

- Strongly supported \$2.6 million Placement to existing and new professional and sophisticated investors.
- A 1-for-7 Entitlement Offer to raise up to an additional \$2.1 million.
- Net proceeds of the Placement and Entitlement Offer to fund an inaugural drilling program at the Lamil Project as well as ongoing exploration, geophysics and drilling programs at the Marymia Project, and assessing new opportunities.

Successful Completion of Placement

AIC Mines Ltd (ASX: A1M) (AIC or the Company) is pleased to announce the successful completion of its placement of fully paid ordinary shares in AIC (**New Shares**) at the offer price of \$0.28 per New Share (**Offer Price**) to sophisticated and professional investors (**Placement**). The Offer Price represents an 8.2% discount to AIC's last closing price (30 June 2020) of \$0.305 per share and an 8.6% discount to the 5-day VWAP of \$0.3064 per share

The Placement received strong support from both existing and new investors, with applications received in respect of \$2.6 million.

The Placement will be completed in two tranches, with Tranche 1 consisting of 6,785,714 New Shares to be issued within the Company's placement capacity under Listing Rule 7.1. Tranche 2 will consist of 2,500,000 New Shares to be issued subject to shareholder approval, which the Company will seek to procure at the Annual General Meeting to be held on 29 July 2020.

Key dates of the Placement are provided in the Appendix to this announcement.

The New Shares issued under the Placement will be listed on the ASX and rank equally with existing fully paid ordinary shares in AIC.

The Placement was managed by Argonaut Securities Pty Limited.

Non-renounceable Entitlement Offer

The Company is also undertaking a fully underwritten, non-renounceable entitlement offer to raise up to \$2.1 million (**Entitlement Offer**).

The Entitlement Offer will offer Eligible Shareholders (defined below) the opportunity to subscribe for 1 New Share for every 7 existing AIC shares held on the Record Date, being Thursday, 9 July 2020 at the Offer Price (**Entitlements**). Eligible Shareholders who elect to take up their full Entitlements and who are not a related party of AIC, may also apply for additional New Shares, subject to the terms of the oversubscription facility to be fully set out in the Entitlement Offer materials.

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.

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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Share Register:

Computershare Investor

Services

The Entitlement Offer Price of \$0.28 per New Share is the same price that was offered to investors who participated in the Placement.

Together, the Placement and Entitlement Offer seek to raise \$4.7 million (before costs), which will be used to fund an inaugural drilling program at the Lamil Project as well as ongoing exploration, geophysics and drilling programs at the Marymia Project, and assessing new opportunities.

Who is eligible to participate in the Entitlement Offer?

The Entitlement Offer is available to all registered shareholders who hold shares on the Record Date with an address on the AIC register in Australia, New Zealand, Hong Kong, Singapore, Indonesia or the United Kingdom, or certain other foreign jurisdictions determined by AIC (as described in the "Selling Restrictions" section of the Investor Presentation released to ASX at the same time as this announcement) (**Eligible Shareholders**).

If you are not an Eligible Shareholder or you choose to let your Entitlement lapse, you cannot participate in the Entitlement Offer and your percentage shareholding in AIC will be diluted as a result of the Entitlement Offer.

Underwriting

The Entitlement Offer is fully underwritten by Argonaut Capital Limited (**Underwriter**). It is proposed that the Entitlement Offer will be sub-underwritten by major shareholder and Chairman, Josef El-Raghy (through his related entity, El-Raghy Kriewaldt Pty Ltd), and Managing Director, Aaron Colleran, on the terms set out in the respective sub-underwriting agreements with the Underwriter. These arrangements will be further detailed in the Offer Booklet.

Additional Information

Eligible Shareholders will be sent the Offer Booklet and a personalised entitlement and acceptance form by 14 July 2020. Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet (and their personalised entitlement and acceptance form). Copies of the Offer Booklet will also be available on the ASX website at www.asx.com.au and on AIC's website at www.aicmines.com.au.

If shareholders have any questions about the Entitlement Offer they can call the Company's share registry on 1300 850 505 or +61 (03) 9415 4000 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Entitlement Offer period.

Key dates of the Entitlement Offer are provided in the Appendix to this announcement.

Updates on the Lamil Project

Drilling Campaign at Lamil Project

The first phase of drilling at the Lamil Project remains on schedule to commence in September 2020 subject to Heritage Surveys being completed as planned during late July-early August 2020.

The focus of this inaugural campaign will be the Priority 1 and Priority 2 target areas as currently defined within the southern portion of the project area (E45/5271). This will require a combination of Reverse Circulation and Diamond Core drilling.

With the recent granting of the northern half of the project area (E45/5270) preparations are also underway to extend the existing surface gravity surveys and ultra-fine soil geochemical surveys.

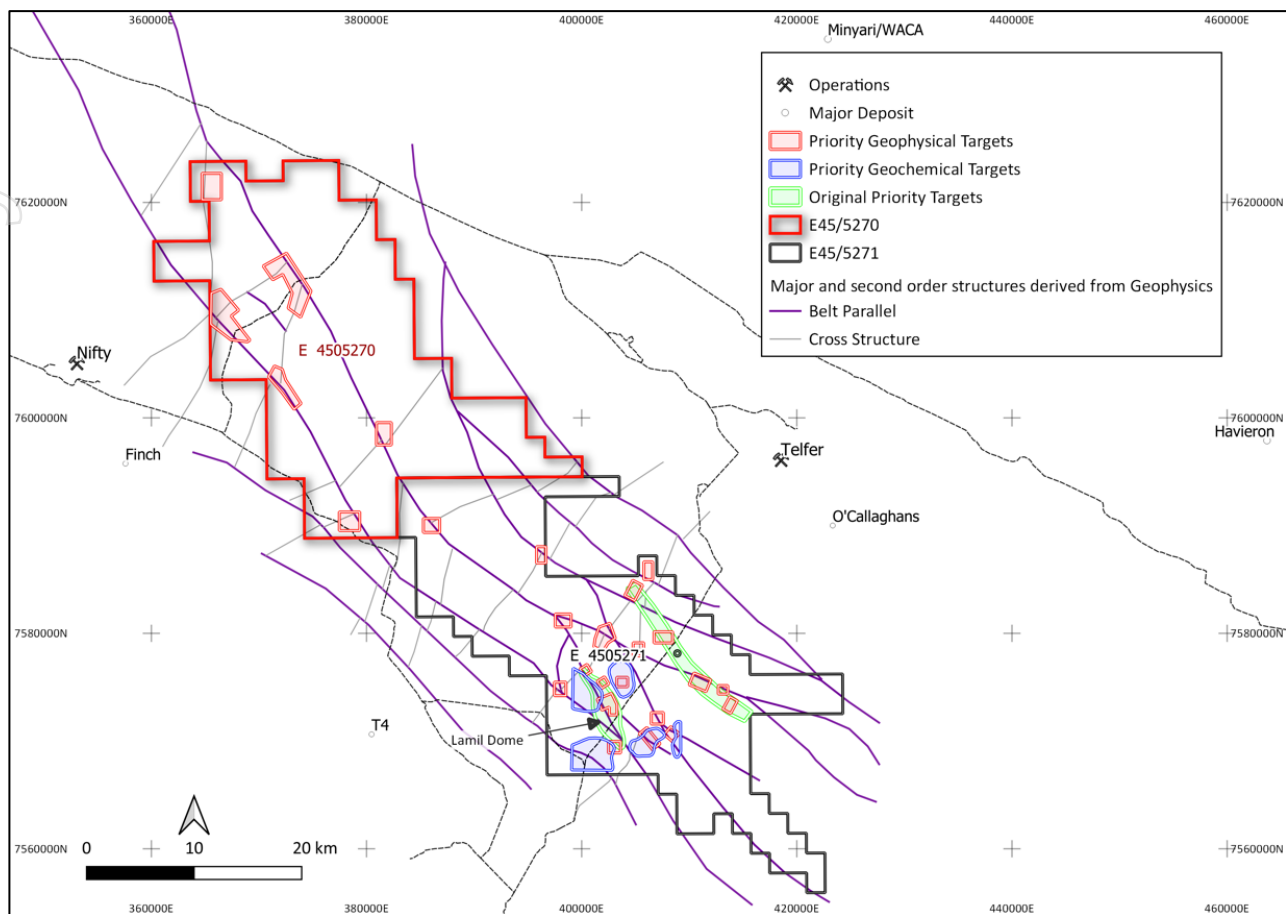


Figure 1. Priority Drill Targets

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 1,280km² situated midway between the Telfer Gold-Copper Mine and the Nifty Copper Mine.

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).

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

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 |
| • Multiple New Gold-Copper Targets Identified at Lamil Project | 6 April 2020 |
| • Geochemical Survey Identifies New Gold-Copper Targets at Lamil Project | 25 May 2020 |
| • Exploration Update – Lamil Project Paterson Province | 18 June 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.

Nature of this release

This release is for information purposes only and is not financial product or investment advice or a recommendation to acquire AIC shares (nor does it or will it form any part of any contract to acquire AIC shares). The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in AIC. It should be read in conjunction with AIC's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and seek legal, financial and taxation advice.

This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

All dollar values are in Australian dollars (A\$) unless otherwise stated. All times and dates refer to Australian Eastern Standard time (AEST).

Appendix 1

Key Dates of the Placement

Event	Date
Placement results announced	Monday, 6 July 2020
Settlement of Tranche 1 New Shares	Friday, 10 July 2020
Allotment of Tranche 1 New Shares	Monday, 13 July 2020
Settlement of Tranche 2 New Shares (subject to shareholder approval)	Monday, 3 August 2020
Allotment of Tranche 2 New Shares (subject to shareholder approval)	Tuesday, 4 August 2020

The Indicative Timetable is subject to change. AIC reserves the right to vary the timetable for the Placement without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Key Dates of the Entitlement Offer

Event	Date
Entitlement Offer announced	Monday, 6 July 2020
Record Date to determine eligibility to participate in the Entitlement Offer	Thursday, 9 July 2020
Entitlement Offer opens and Offer Booklet despatched	By Tuesday, 14 July 2020
Entitlement Offer closes	Monday, 27 July 2020
Announcement of Results of the Entitlement Offer	By Thursday, 30 July 2020
Issue of New Shares under the Entitlement Offer	Friday, 31 July 2020
Holding Statements sent to Shareholders	Friday, 31 July 2020
Trading of New Shares and Additional New Shares (if any) issued under the Entitlement Offer expected to commence on ASX	Monday, 3 August 2020

The Indicative Timetable is subject to change. AIC reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. In particular, AIC reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.