

6 July 2020

AIC Mines Limited - Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Dear Sir/Madam,

This notice is given by AIC Mines Limited (**Company**) (ASX: A1M) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

On 6 July 2020, AIC announced a pro rata non-renounceable entitlement offer (the **Entitlement Offer**) of 1 for every 7 fully paid ordinary shares in AIC (**New Shares**) held as at 7:00pm (AEST) on Thursday, 9 July 2020 (the **Record Date**) by AIC shareholders with a registered address in Australia, New Zealand, Hong Kong, Singapore, Indonesia and the United Kingdom (**Eligible Jurisdictions**), and certain other jurisdictions in which AIC has decided to extend the Entitlement Offer.

An entitlement offer booklet prepared in connection with the Entitlement Offer is expected to be dispatched to eligible shareholders on 14 July 2020.

The Entitlement Offer is being conducted in conjunction with an institutional placement, announced on 6 July 2020 (the **Placement**). A separate cleansing notice under section 708A(5)(e) of the Act in respect of the Placement will be released by the Company to ASX.

In relation to the Entitlement Offer, AIC confirms that:

- (a) The New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) This notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) As at the date of this notice, AIC has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to AIC; and
 - (ii) section 674 of the Corporations Act.
- (d) As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act.
- (e) The potential effect the issue of New Shares under the Entitlement Offer will have on the control of AIC, and the consequences of that effect, will depend on a number of factors, including investor demand, existing shareholdings and the extent to which eligible shareholders take up their entitlements under the Entitlement Offer. However, given the size of the Entitlement Offer, composition of AIC's share register and the structure of the Entitlement Offer as a pro-rata offer, AIC does not expect the Entitlement Offer to have any material effect or consequence on the control of AIC. The details and potential effect that the Entitlement Offer will have on the control of the Company is as follows:

- (i) El Raghy Kriewaldt Pty Ltd have committed to provide a sub-underwriting commitment in respect of the Entitlement Offer, for such number of Additional New Shares equal to:
- (i) a total subscription price of \$400,000 at \$0.28 per Additional New Share; or
 - (ii) the amount that would give Josef El-Raghy (and his related entities) voting power in AIC of no more than a 19.9% following completion of the Placement and Entitlement Offer,
- whichever is lower.
- (ii) The Entitlement Offer includes an Oversubscription Facility pursuant to which eligible shareholders who take up all of their Entitlement (and who are not a Related Party of the Company) may apply for up to 50% of their Entitlement in addition to their Entitlement as Additional New Shares subject to a cap on the total number of Additional New Shares equal to 10% of New Shares to be issued under the Entitlement Offer.
- (iii) No related party of the Company is permitted to participate in the Oversubscription Facility.
- (iv) As a result of taking up all entitlements under the Entitlement Offer and acting as limited sub-underwriter for the shortfall up to the agreed cap, the aggregate holding of Josef El-Raghy and his related entities in AIC will not increase above 19.9%.

Yours Sincerely,



Aaron Colleran
Managing Director