ASX ANNOUNCEMENT

20 August 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 immediately west of the Telfer Gold-Copper Mine 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: 68.7m
Share Price (19/08/20): $0.36
Market Capitalisation: $24.7m
Cash & Liquids (5/8/20): $10.8m*
Enterprise Value: $13.9m
* Immediately following completion of Placement and Entitlement Offer. See ASX Announcement 30/7/20

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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MARYMIA PROJECT – EXPLORATION UPDATE

Formation of Curara Well Joint Venture

AIC Mines Limited (ASX: A1M) ("AIC" or the "Company") is pleased to announce that its wholly owned subsidiary AIC Resources Limited has completed the earn-in requirements at the Curara Well Joint Venture with Venus Metals Corporation (ASX: VMC) ("Venus"). AIC now holds an 80% interest in five tenements that form the Curara Well Joint Venture located within the broader Marymia Project in Western Australia. Venus holds a 20% interest and is free carried through to a decision to mine. Once a decision to mine has been made Venus can elect either to contribute to ongoing expenditure in proportion to its percentage interest or withdraw from the Joint Venture. If Venus withdraws from the Joint Venture it will be entitled to receive a 1.5% net smelter royalty in respect of any production from the Curara Well Joint Venture tenements.

The Curara Well Joint Venture secures a strategic tenement holding located immediately south of Superior Gold Inc's Plutonic Gold Mine and northeast of Sandfire's DeGrussa and Monty Copper-Gold mining operations.

Recent exploration by AIC has identified a significant, previously unrecognised DeGrussa/Monty style multi-element surface geochemical anomaly at the Curara Well Joint Venture. The target area is located at the base of the Naracoota Formation and in close proximity to the regionally important Jenkins Fault. This is the equivalent setting to Sandfire Resources' DeGrussa Cu-Au mine and the more recently discovered Monty Cu-Au deposit.

The anomaly has not been drill tested previously. Preparations for drilling including scheduling Heritage Surveys are now in progress. It is anticipated that the anomaly will be drill tested during the December 2020 Quarter subject to receipt of all approvals and drill rig availability.

The Marymia Project

The Marymia Project is located 160km south of Newman in the eastern Gascoyne region of Western Australia. The region has produced in excess of 6 million ounces of gold. The Marymia project area covers approximately 3,600 km^2 and secures the strike extensions and potential repetitions of the highly endowed Plutonic-Marymia Greenstone Belt in addition to several geological domains which are considered to be prospective for gold, copper-gold and magnetite iron ore (see Figure 1 and 2). The Curara Well tenements (E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489) are contiguous with AIC's Marymia Project and cover an area of 89.7km^2.

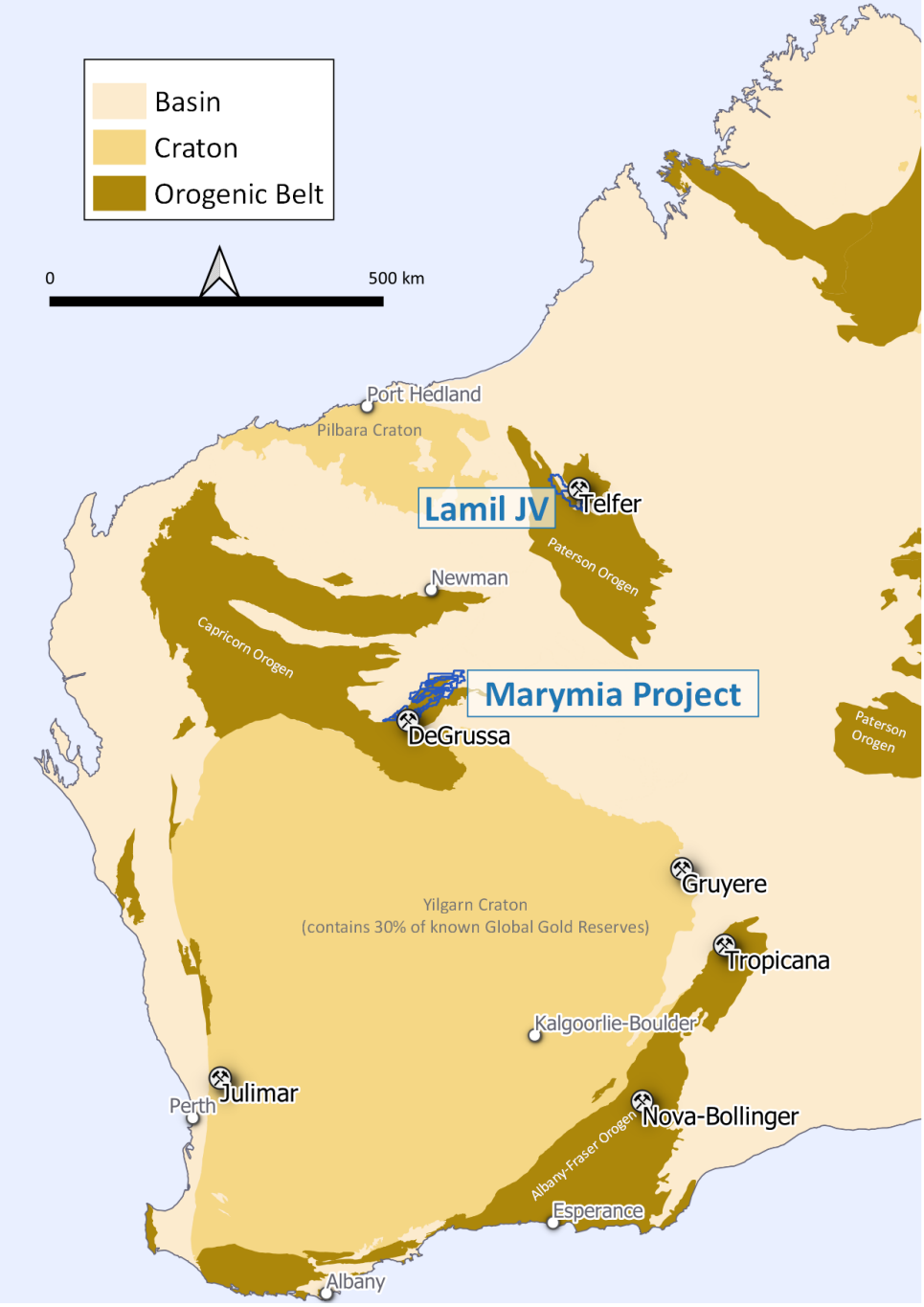

Figure 1: Location of AIC Project Areas – Marymia and Lamil

The Curara Well Joint Venture

AIC Resources (a wholly owned subsidiary of AIC Mines Limited entered into a farm-in and joint venture agreement with Venus in September 2018 whereby AIC could earn an 80% interest in the Curara Well tenements (see Figure 2) by spending $175,000 within two years. This expenditure requirement has now been met and the parties have entered into a joint venture agreement providing AIC with an 80% interest in the five tenements. Venus holds the remaining 20% interest and is free carried through to a decision to mine. Once a decision to mine has been made Venus can elect either to contribute to ongoing expenditure in proportion to its percentage interest or withdraw from the Joint Venture. If Venus withdraws from the Joint Venture it will be entitled to receive a 1.5% net smelter royalty in respect of any production from the Curara Well Joint Venture tenements.

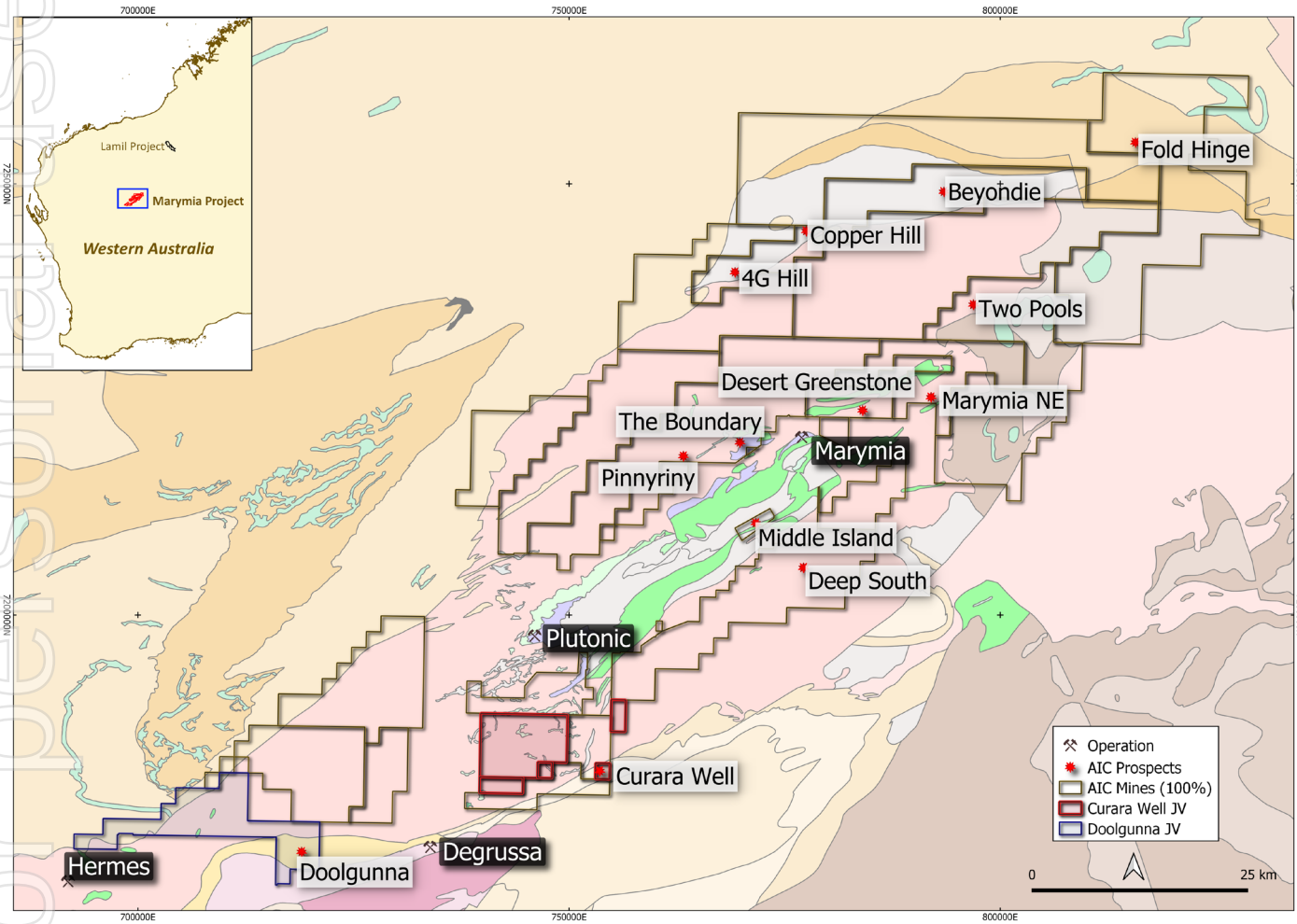

Figure 2: Marymia Project Tenure and Location
Curara Well Joint Venture tenements outlined in red

Recent exploration by AIC has identified a significant multi-element DeGrussa-Monty VHMS style surface geochemical anomaly at the Curara Well Joint Venture. (see Figure 3) The anomaly is a coincident Cu-Mo-Au-Pb-Zr-Sc geochemical anomaly zoned by Ba trending NW and extending over ~400m in strike. The target area is located within the interpreted Johnston Cairn Formation, a metasedimentary sequence at the base of the Naracoota Formation and is in close proximity to the regionally important Jenkins Fault. This is the equivalent setting to Sandfire Resources' DeGrussa copper-gold mine and the more recently discovered Monty copper-gold deposit.

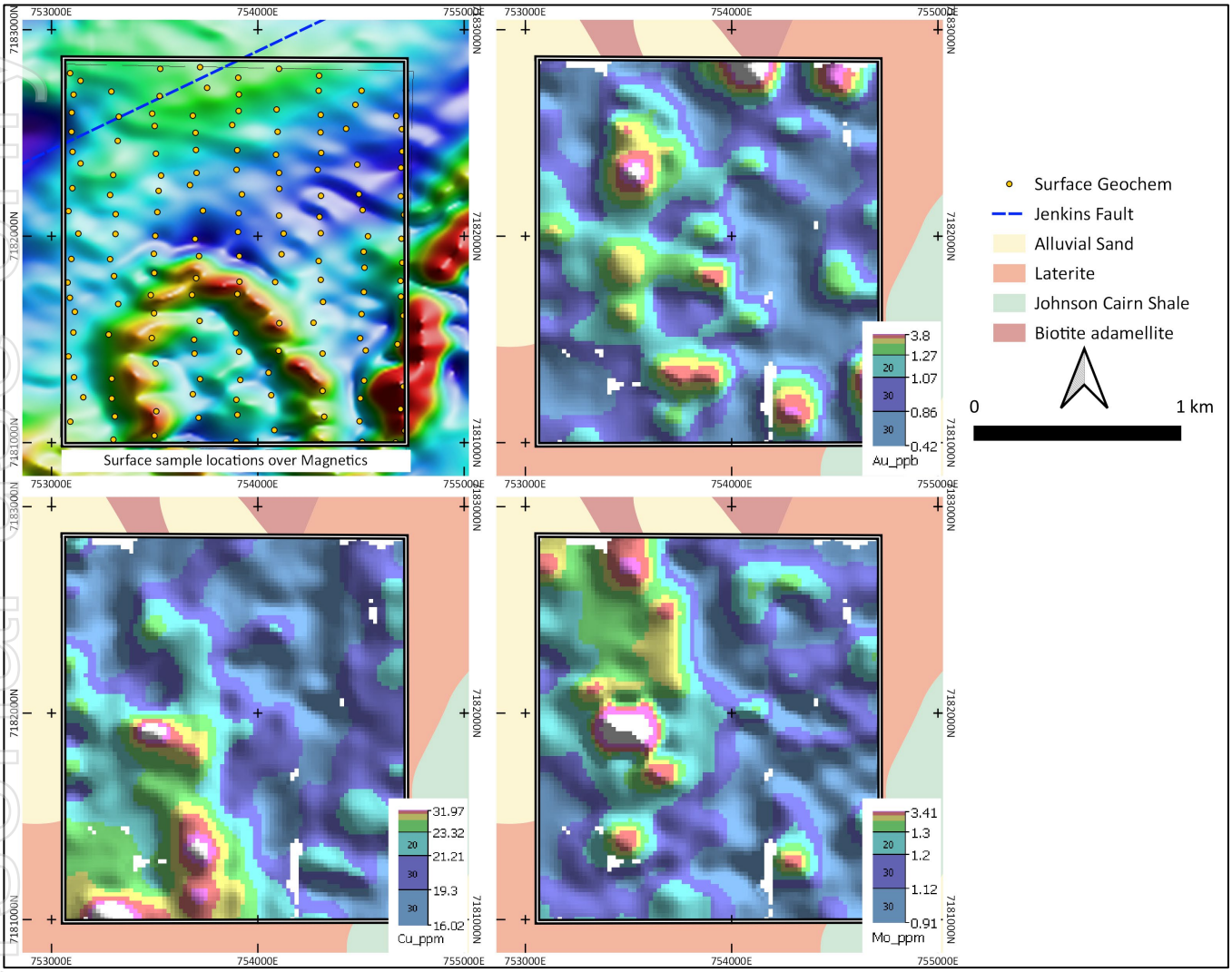

Figure 3: Curara Well Surface Geochemical Anomaly

Next Steps

The Curara Well anomaly has not been tested previously and represents a walk-up drill target. Preparations for drilling including scheduling Heritage Surveys are now in progress. It is anticipated that the anomaly will be drill tested during the December 2020 Quarter subject to receipt of all approvals and drill rig availability.

There is limited reliable existing geochemistry over the remainder of the Curara Well joint venture tenements and as such additional surveys are also being planned in areas where surface sampling will be effective.

Litho-geochemical drilling in areas of cover will be planned once a review of geophysical data, which is currently underway, is completed.

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

Exploration Information Extracted from ASX Announcements

This announcement contains information extracted from previous AIC Mines 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 announcement lodged on the ASX:

- June 2019 Quarterly Activities Report 12 July 2019
- June 2020 Quarterly Activities Report 20 July 2020

These 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 the Senior Exploration Geologist and a 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	
Sampling techniques	• *Nature and quality of sampling (e.g. 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 (e.g. '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.*	• Termite mound samples were homogenously collected from multiple locations on each termite mound, using a hammer/pick. Samples were typically between 500-750 grams and were placed into a calico bag. A sample grid of 100x200m spacing was designed, however due to the nature of termite mound availability, samples site localities were adjusted to account for the position of termite mounds. • The samples are considered to be an effective representative of the residual 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 prepared by drying and crushing utilizing QA Screen-sizing for -75um – Internal. (SV10) • Analysis Details - Samples were analysed by enhanced inductively coupled plasma mass spectrometry (AR10/eMS33) to a detection limit of 0.1ppb
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,*	• Not applicable - no drilling or sampling completed.

Criteria	JORC Code explanation	
	including for instance results 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 wire-tied in polyweave 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	
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.*	• AIC Resources, a wholly owned subsidiary of AIC Mines, is the registered operator of the joint venture tenements (E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489). AIC has completed the earn-in requirements at the Curara Well Joint Venture, it now holds an 80% interest in the five tenements. Venus Metals Corp. holds a 20% interest and is free carried through to a decision to mine. • The tenements co-exist within multiple pastoral leases including the Three Rivers and Neds Creek pastoral leases. • No registered heritage sites are recorded on the Curara Well Joint Venture tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration has been undertaken by numerous explorers since ~1990 until 2016, primarily by Astro Mining in ~1997. Exploration Incentive Scheme (EIS) funded drilling was completed by Venus Metals in 2016. Due to the large area and relatively extensive cover, the tenements are deemed under-explored.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Curara Well Joint Venture tenements are situated within potentially two geological domains, being the Archean Marymia Greenstone Belt and the Proterozoic Bryah Basin sediments. The dominant exploration model for the Marymia Greenstone Belt is the Plutonic Mine sequence however other styles of mineralisation may be present. The Bryah Basin hosts the VHMS DeGrussa deposit within the Naracoota volcanic sequence. These two domains are interpreted to be differentiated by the Jenkins Fault, which is interpreted to traverse part of the Curara Well Joint Venture area.

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.*
		• Not applicable

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
Relationship between	• *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*	• Not applicable

Criteria	JORC Code explanation	
mineralisation widths and intercept lengths	*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').*	
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.*	• Not applicable
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
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.*	• The images are created from the interpolation of located data onto a regular grid or matrix which is then rendered so that it can be viewed. Grids are coloured using a percentile slicing method. The colours and slice levels are set according to the available colour palettes during grid creation. Directional shading is used.
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.*	• Preparations for drilling including scheduling Heritage Surveys are now in progress. • Additional surface geochemical surveys are also being planned in areas where surface sampling will be effective. • Litho-geochemical drilling in areas of cover will be planned once a review of geophysical data is completed.