

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 (17/12/20): \$0.39
Market Capitalisation: \$26.8m
Cash & Liquids (30/9/20): \$9.9m
Enterprise Value: \$16.9m

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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Phase 1 Drilling Completed at Lamil Project Paterson Province, WA

AIC Mines Limited (ASX: A1M) ("AIC" or the "Company") is pleased to report that it has successfully completed Phase 1 wide-spaced reconnaissance drilling at its Lamil Gold-Copper Project ("Lamil") located 30 kilometres west of the Telfer Gold-Copper Mine in the highly prospective Paterson Province of Western Australia.

Overview:

- The objective of the Phase 1 drilling program was to confirm depth-to-basement modelling and to provide important lithological and geochemical data to further refine the high priority geophysical and geochemical targets centred on the Lamil Main Dome prospect area.
- Wide-spaced aircore ("AC") and reverse circulation ("RC") drilling was used to gather litho-geochemical data over the prospect area and test the basement-cover sequence interface. A total of 68 AC/RC holes were completed to an average depth of 126m (total 8,591m).
- Deeper diamond drilling was used to gather information about the basement geology and structure. A total of 7 diamond holes were completed to an average depth of 406m (total 2,840m).
- The drilling has confirmed depth-to-basement geophysical modelling with basement depth across the target area varying between 19m and 186m with depths generally increasing towards the western side of the Lamil Main Dome.
- The drilling has identified basement lithologies and structural characteristics considered prospective for intrusive related gold-copper mineral systems. Assaying is now underway with final results from all holes expected in the March 2021 Quarter.

The Lamil Project

AIC is currently earning an interest in the Lamil Project according to an earn-in and exploration joint venture agreement with Rumble Resources Limited (ASX: RTR). Under the terms of the agreement 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.

The Lamil Project is located within the highly prospective Paterson Province of remote North Western Australia. 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 Haverion has confirmed the prospectivity of the region and particularly in areas where the basement 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 two Exploration Licences (E45/5270 and E45/5271) spanning a strike length of 90 kilometres which together secure an area totalling 1,280km² (see Figure 1). The licences are underlain by Proterozoic Basement rocks that are considered to be prospective for Telfer and Haverion-style gold-copper deposits, Winu-style copper-gold deposits and Nifty-style copper deposits. Despite the Project being situated only 30 kilometres west of the world-class Telfer Gold-Copper Mine the area has never been previously drill tested due to an historical perception of ubiquitous deep cover (>400m).

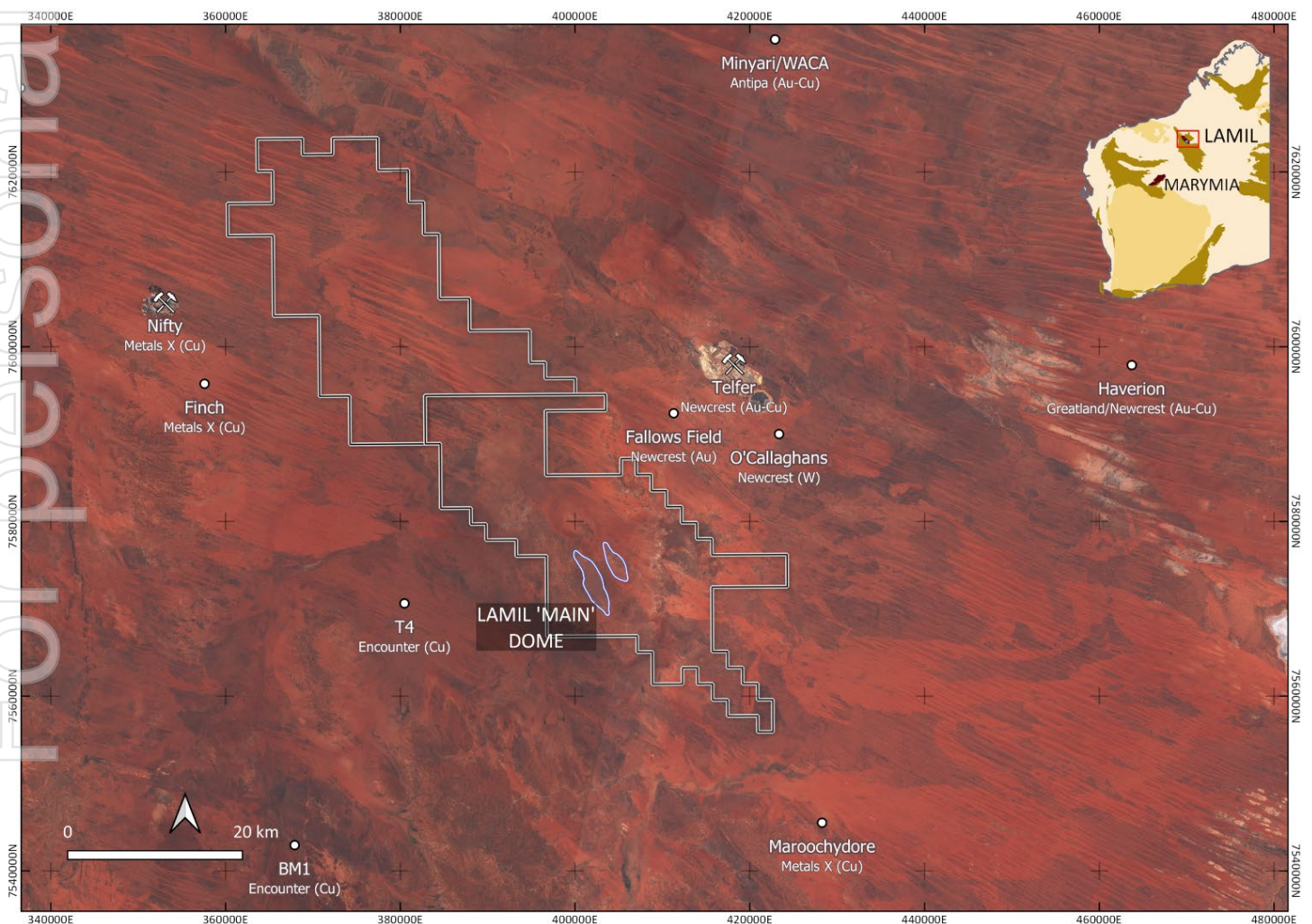


Figure 1. Location of the Lamil Project – Tenements E45/5270 and E45/5271

Aircore and Reverse Circulation Reconnaissance Drilling

An initial program of broad-spaced (1600m x 400m) litho-geochemical aircore and/or reverse circulation reconnaissance drilling has now been completed across the Lamil Main Dome, the northern portion of the Lamil NE Dome and target GTA-1 of the southern geochemical anomalies. A total of 68 AC/RC holes were completed to an average depth of 126m for a total drilled of 8,591m (see Figure 2).

The aim of the program was to confirm depth to Proterozoic basement across the area, to confirm prospective basement lithologies and to map and sample the basement-cover interface to provide geochemical vectors towards basement hosted mineralisation.

The depth to basement across the target area varied between 19m and 186m at the southern end and central west respectively of the Lamil Main Dome. Depth to basement was shallowest on the eastern side of the Lamil Main Dome and becomes deeper towards the western margin.

Diamond Drilling

The diamond drilling program was designed to test several targets which exhibit geophysical and geochemical responses consistent with intrusive related gold-copper deposits (e.g. Telfer, Winu and Haviron). A total of 7 diamond holes were completed to an average depth of 406m for a total drilled of 2,840m (see Figure 2).

The drilling has successfully identified basement lithologies and structural characteristics considered prospective for intrusive related gold-copper mineral systems. Final assay results for all holes are expected to be received during the March 2021 Quarter.

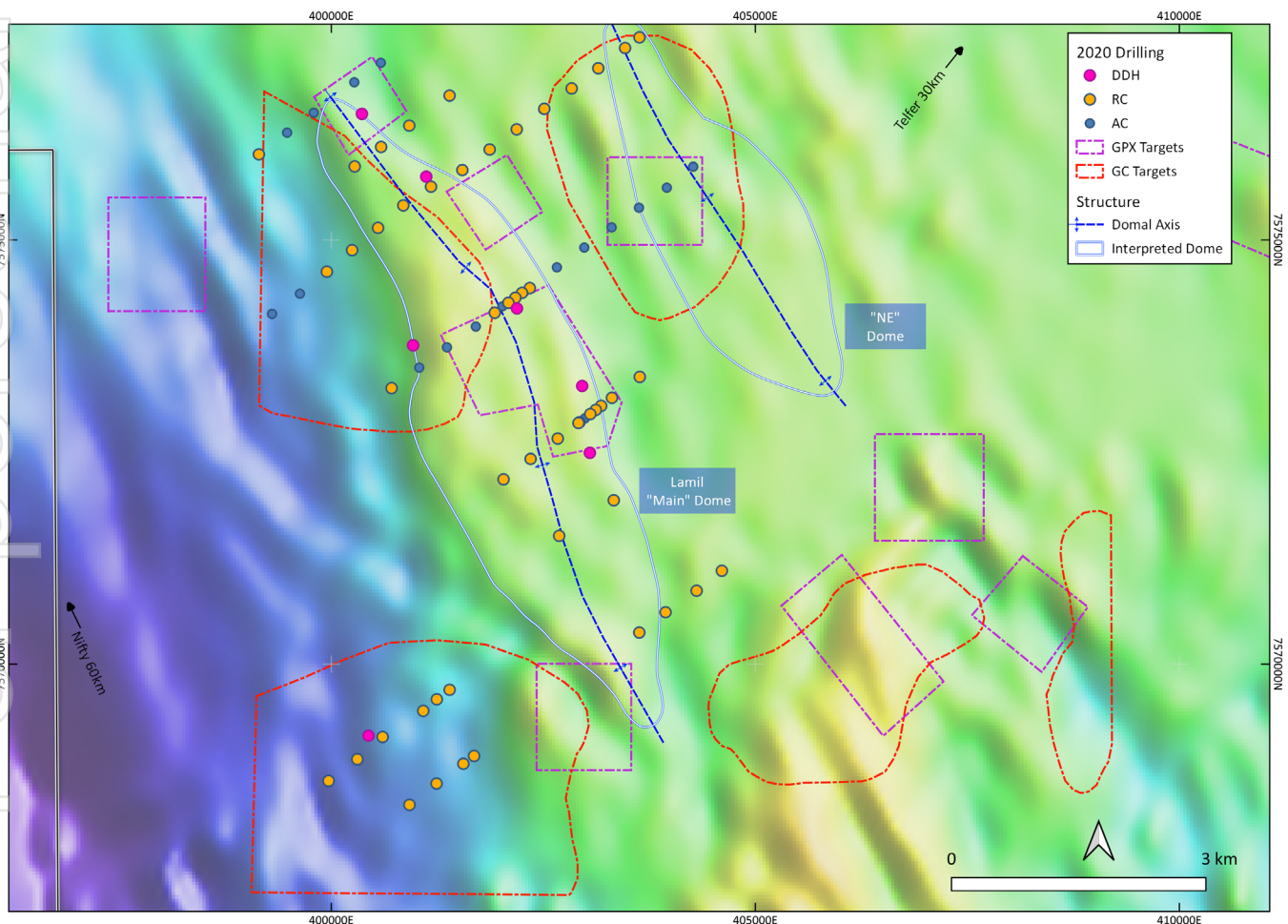


Figure 2. Location of Interpreted Lamil Main Dome and NE Dome with Inaugural Drilling Program
Background is 25m RTP aeromagnetic data and outlines of previously released geochemical ("GC") and geophysical ("GPX") targets

The cost of the drilling was partly funded by a \$150,000 co-funding grant awarded to the project by the Western Australian Government under the Exploration Incentive Scheme for innovative exploration drilling projects.

Next Steps

Regional and infill soil sampling and surface gravity surveys are currently in progress to extend coverage in areas where depth to basement is interpreted to be less than 200m from the Lamil Dome to the northern boundary of E45/5270.

Additional aircore / reverse circulation and diamond drill holes are planned to both extend and infill the Phase 1 program.

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:

- | | |
|--|-------------------|
| • Paterson Province Exploration Joint Venture | 22 July 2019 |
| • Multiple New Gold-Copper Targets Identified at Lamil Project | 6 April 2020 |
| • Geochemical Survey Results from Lamil Project | 25 May 2020 |
| • Lamil Project Exploration Update | 18 June 2020 |
| • Drilling Commences at Lamil Project | 22 September 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.