

ABOUT AIC MINES

AIC Mines is a growth focused Australian exploration company. Its strategy is to build a portfolio of gold and copper mines 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.

AIC has recently entered into an agreement to acquire the Eloise copper mine - a high-grade operating underground mine located SE of Cloncurry in North Queensland. The acquisition remains subject to conditions including shareholder approval, completing a capital raising and receiving approval from ASX for re-admission of AIC's securities to official quotation.

CAPITAL STRUCTURE

Shares on Issue: 68.7m
Cash & Liquids (30/6/21): \$6.1m

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

Company Secretary

CORPORATE DETAILS

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Services

Drilling Commences at the Lamil Gold-Copper Project, WA

AIC Mines Limited (ASX: A1M) ("AIC" or the "Company") is pleased to announce that reverse circulation ("RC") drilling has commenced at its Lamil Gold-Copper Project located 30 kilometres west of the Telfer Gold-Copper Mine in the highly prospective Paterson Province of Western Australia.

Overview:

- The 10,000m drilling program will focus on four high priority target areas including infill and extension of the Lamil Main and NE dome areas and three newly defined targets that have never been drilled.
- Primary copper sulphide mineralisation and associated low level gold was intersected in diamond and RC drilling at the Lamil Main Dome in the maiden drilling program conducted in 2020 confirming the potential of the project. This program will follow-up these anomalous results with a reduced drill spacing, aimed at vectoring into a mineral system.
- Drilling will also test three newly defined targets related to coincident geophysical anomalies. These targets are interpreted to be hosted in prospective geological units within the Yeneena Supergroup, which host mineralisation at the nearby Nifty copper mine and Telfer gold-copper mine.
- The drilling will provide litho-geochemical data to aid with the interpretation of the basement geology and structure, which lies under 40m to approximately 200m of cover.



RC Drilling Commences at Goodenia Target

Lamil Joint Venture (earning up to 65%)

The Lamil Gold-Copper Project is located in the Paterson Province in the northwest of Western Australia, 500 kilometres east of Port Hedland (Figure 1). 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.

The Lamil Project is located within the highly prospective Paterson Province of remote northern Western Australia. The Paterson Province is one of the most highly endowed yet under-explored mineral provinces in Australia. It hosts the world-class Telfer gold-copper mine and the Nifty copper mine. The Lamil Project, which covers an area of 1,280km², is situated midway between these two mines. Discoveries by Rio Tinto at Winu and by the Newcrest-Greatland Gold JV at Havieron has confirmed the prospectivity of the region.

The Lamil Project captures a covered belt of Yeneena Supergroup rocks (which host mineralisation at both the Telfer and Nifty mines) bound by two deep penetrating, belt parallel NNW trending structures. In the southern tenement (E45/5271) the project is also influenced by regionally important NW orientated faults, and a series of major NE trending cross faults that are mappable across the entire belt. All these structural features are considered important in the development of major mineral deposits in the Paterson Province as they represent critical vertically accretive plumbing systems for circulating and trapping mineralising fluids.

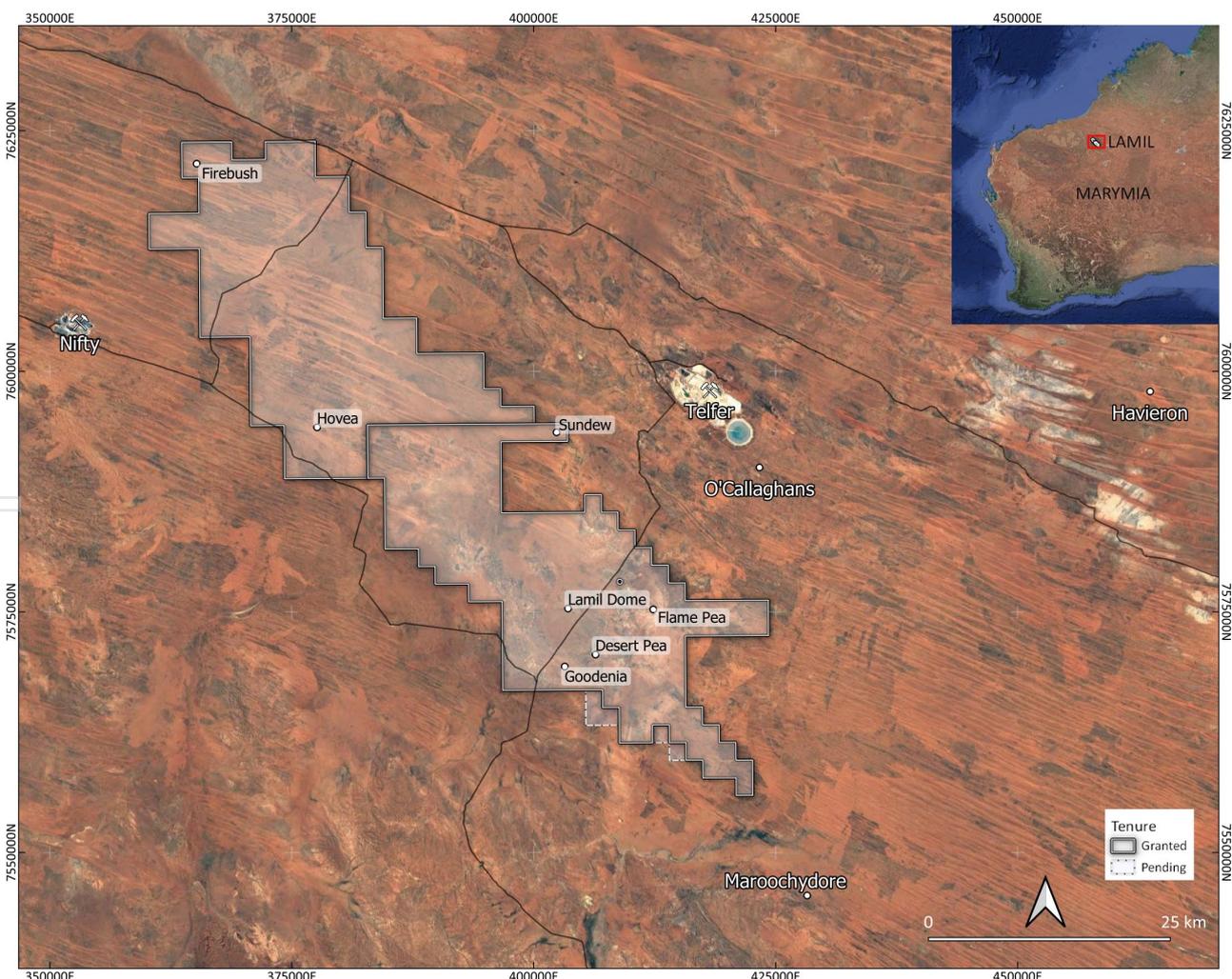


Figure 1. Location of the Lamil Project – Tenements E45/5270 and E45/5271

Drilling

The prospective eastern margin of the **Lamil Main Dome** target will be infilled to a spacing of 800m x 400m, targeting gold and copper mineralisation associated with a mafic intrusive and sodic alteration that formed the loci of anomalism intersected in the maiden drilling program completed in 2020 (Figure 2 and Figure 3). The central axis of the larger Lamil Dome and the southern extension of the NE Dome target will also be drilled as these are considered favourable position for Telfer style mineralisation.

The **Desert Pea** target is defined by a magnetic anomaly developed in close proximity to a regionally significant NE trending fault coincident with a surface copper geochemical anomaly (Figure 2). Wide spaced drilling (1600m and 800m x 400m) is designed to intersect the interpreted position of a NE fault and the majority the magnetic anomalism over a 4km trend. Apart from providing lithogeochemical samples to aid vectoring for Telfer-style mineralisation, the drilling will provide insight into the nature of the stratigraphy, and the depth to the Proterozoic basement.

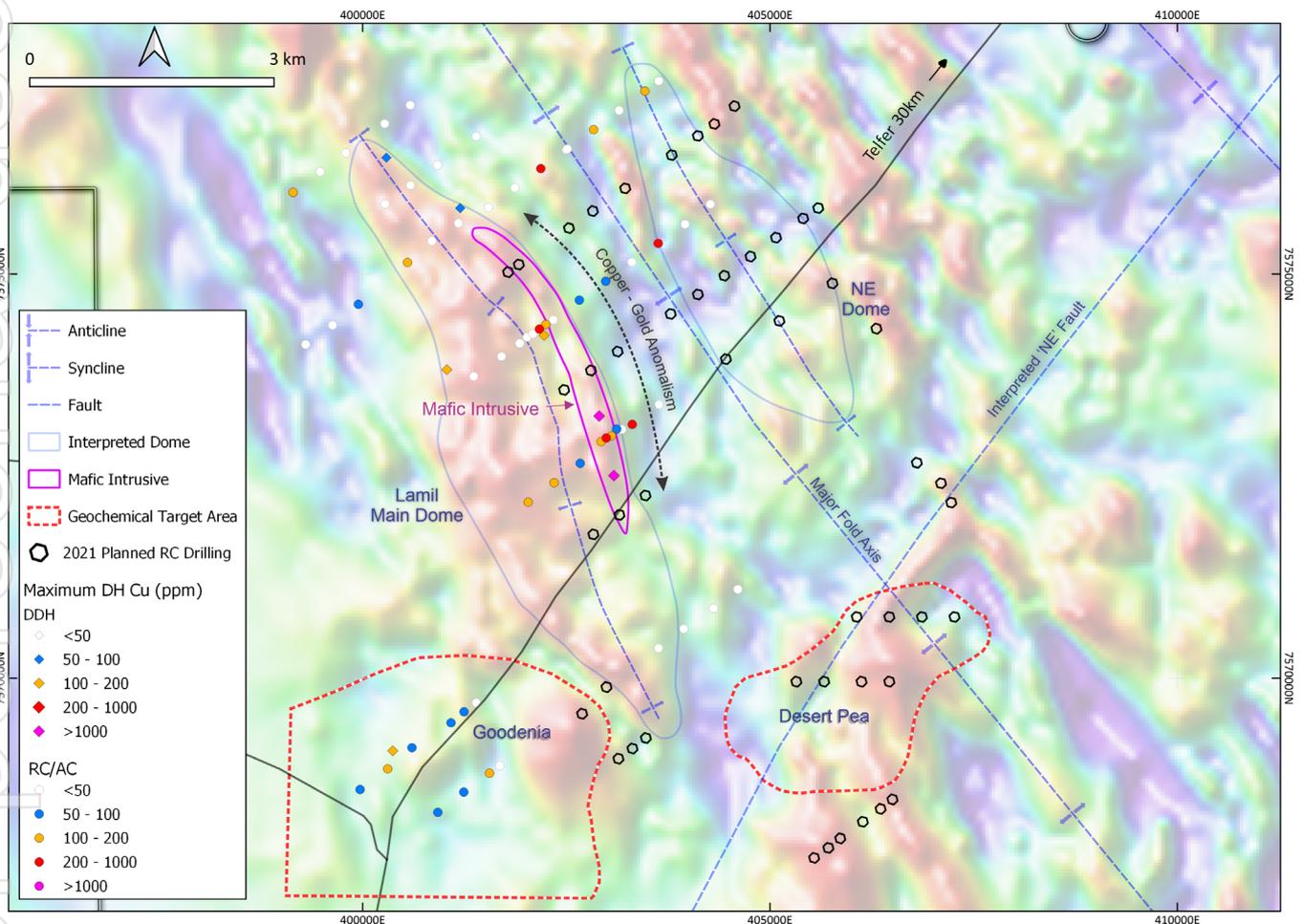


Figure 2. Location of prospects with planned and initial drilling on a RTP aeromagnetic image

In addition to Telfer-style prospects, 400m x 200m spaced RC drilling will test two undrilled base metal targets straddling the regionally significant Table Top-Camel fault zone (Figure 3) – the Goodenia and Hovea targets.

The **Goodenia Target** is a conceptual base metal target defined by co-incident magnetic and gravity anomalies located on the eastern margin of a soil Cu-Pb-Zn geochemistry anomaly, only partially tested by two lines of RC drilling in 2020. The two RC holes closest to the target returned elevated zinc and lead in carbonaceous sediments, interpreted as belonging to the Isdell Formation, but the magnetic and gravity feature remained undrilled (Figure 4).

The **Hovea Target** is defined by a coincident magnetic and gravity anomaly at a prominent flexure in the NNW trending stratigraphy proximal to the regionally significant Table Top-Camel fault zone and a NE trending cross fault (Figure 5). The target is interpreted as hosted within the Broadhurst Formation and thus represents a Nifty-style sediment hosted copper target.

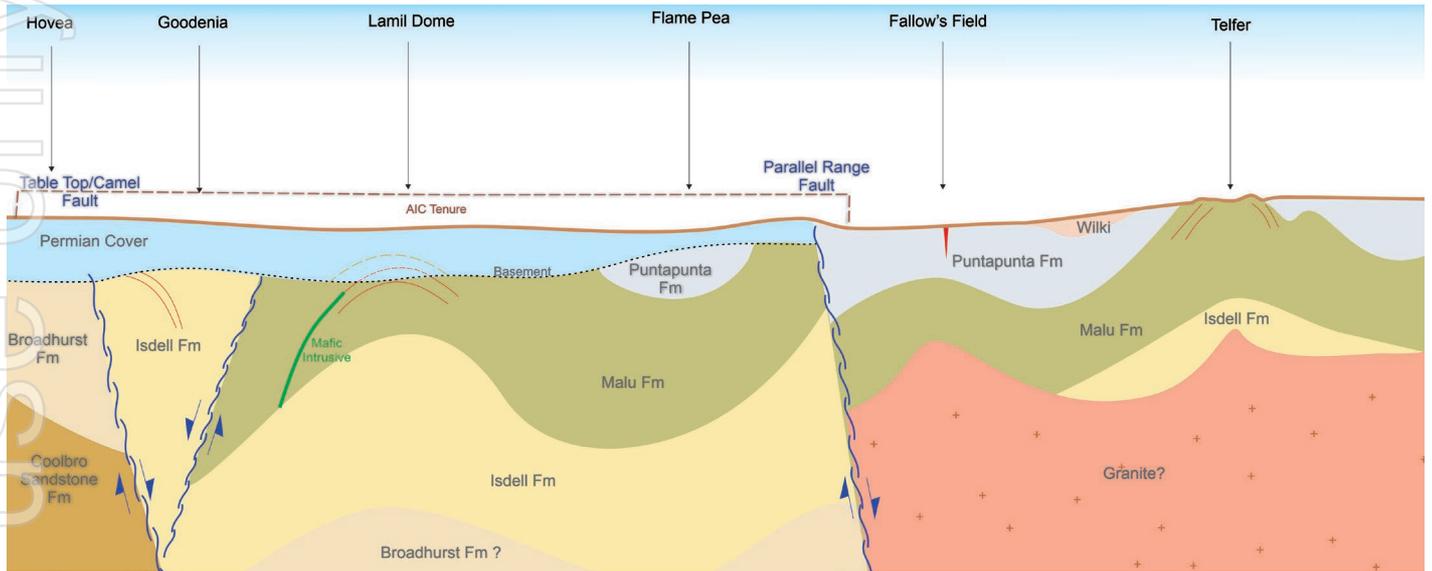


Figure 3. Schematic cross section illustrating relative positions of key targets areas with respect to interpreted geology.

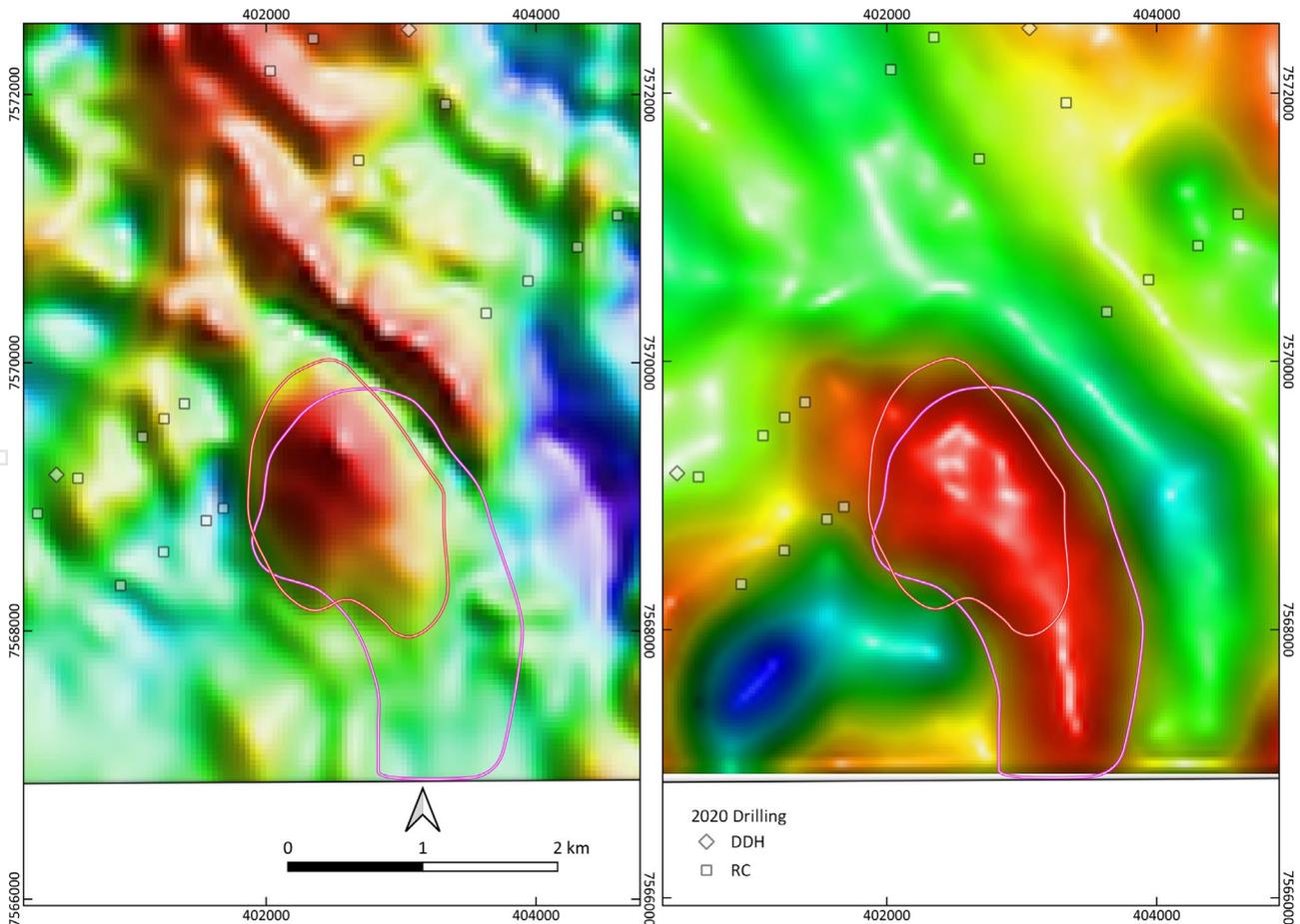


Figure 4. Goodenia Target - Magnetic RTP Image (LHS) and Gravity Bouguer Image (RHS)

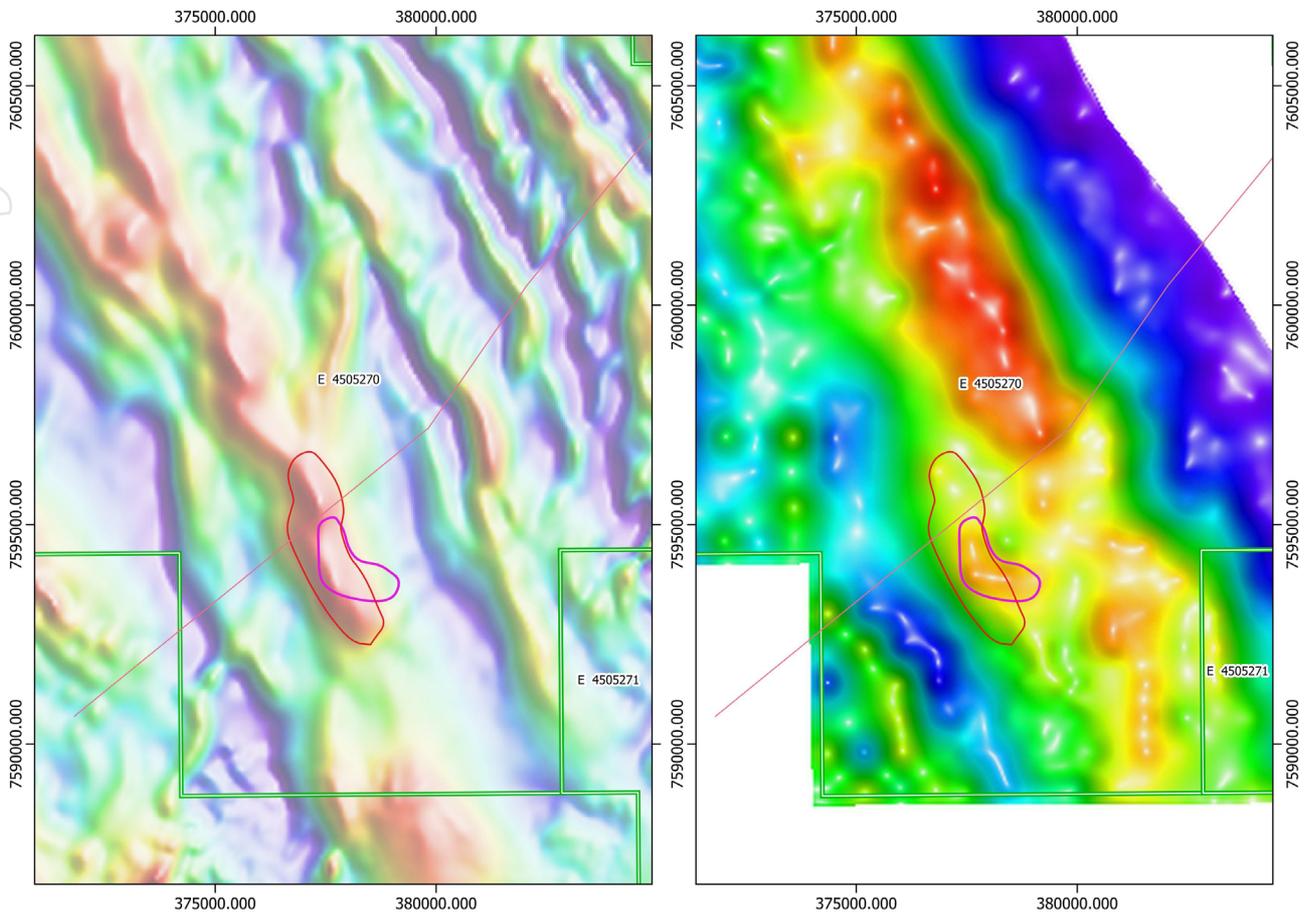


Figure 5. Hovea Target- Magnetic RTP Image (LHS) and Gravity Bouguer Image (RHS)

Geophysics

An Airborne Electromagnetic (AEM) survey was flown over the western margin of the northern tenement and the majority of the southern tenement on 250m spaced lines for a total of 2,600 line kilometres by Geotech Airborne in mid-August. Final results of the survey have yet to be received and additional processing will be completed over the coming weeks. The survey has the potential for both direct detection of sulphide mineralisation but will also complement other geophysical datasets for mapping stratigraphic units under cover sediments and thus provide context for future targeting.

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:

- | | |
|--|--------------|
| • Quarterly Activities Report for the Period Ending 30 June 2021 | 16 July 2021 |
| • Final Results from Maiden Drilling Program at Lamil Project | 26 Feb 2021 |
| • Paterson Province Exploration Joint Venture | 22 July 2019 |

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 Matthew Fallon 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”. Mr Fallon is the Chief Development Officer and a full-time employee of AIC Mines Limited. Matthew consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.