

QUARTERLY REPORT



ABOUT AIC MINES

AIC Mines is a growth focused Australian exploration company formed through the merger of AIC Resources and Intrepid Mines in April 2019. Its principal asset is the Marymia exploration project in Western Australia, strategically located within trucking distance of the Plutonic Gold Mine and the Degussa Copper Mine.

The Company's strategy is to build a portfolio of producing gold and copper assets in Australia through exploration, development and acquisition. AIC Mines has the management and operational skills, together with the balance sheet strength, to pursue acquisitions whilst maintaining momentum at Marymia.

CAPITAL STRUCTURE

Shares on Issue: **51.3m**

Share Price: **\$0.38**

Market Capitalisation: **\$19m**

Cash & Liquids: **\$10m**

Enterprise Value: **\$9m**

CORPORATE DIRECTORY

Josef El-Raghy

Non-Executive Chairman

Aaron Colleran

Managing Director & CEO

Brett Montgomery

Non-Executive Director

Tony Wolfe

Non-Executive Director

Heidi Brown

Company Secretary

CORPORATE DETAILS

ASX: **A1M**

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A: A8, Lvl 1, 435 Roberts Rd,
Subiaco, WA, 6008

Share Register:

Computershare Investor
Services

12 July 2019

Activities Report for the Period Ending 30 June 2019

HIGHLIGHTS

Exploration

- Costean sampling to follow up previous high-grade rock chip samples at the 4G Hill Prospect returned further high-grade results of up to 85.86 g/t gold from a highly gossanous and brecciated quartz vein.
- Four composite samples across the exposed gossan at 4G Hill returned 8m grading 47.99 g/t gold, 5m grading 33.07 g/t gold, 5m grading 57.58 g/t gold and 6.5m grading 32.21 g/t gold.
- The host rocks at 4G Hill can be traced for over 30 kilometres and have seen very limited exploration for gold.

Corporate

- The takeover offer for AIC Resources Limited by Intrepid Mines Limited (now AIC Mines Limited) successfully closed on 30 April 2019.
- Josef El-Raghy was appointed as Chairman and Aaron Colleran was appointed as Managing Director of the Company on 18 April 2019.
- As at 30 June 2019, AIC held \$7.02 million in cash and a further \$3.16 million in listed investments.

EXPLORATION ACTIVITIES

AIC Mines Limited ("AIC Mines" or "the Company") is the 100% owner of the ~3,200km² Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn.

Exploration during the quarter was focused on costean sampling at the 4G Hill prospect and completion of an airborne magnetic interpretation over the entire tenement area.

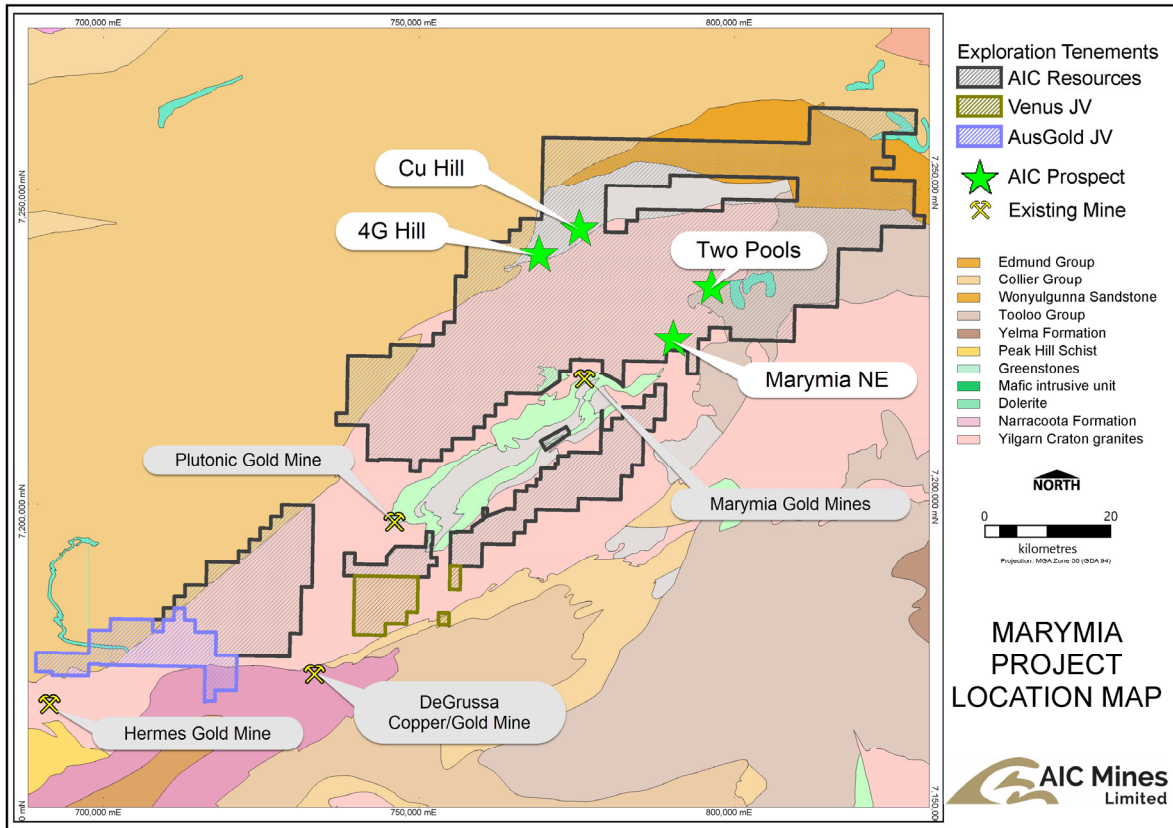


Figure 1: Location map

4G Hill

As announced on 21 June 2019, four shallow costeans were excavated across the 4G Hill gossan (see Figure 2). The gossan was identified through soil sampling and rock chip sampling. High-grade rock chip sample assay results of 387 g/t gold and 230 g/t gold have previously been reported from the 4G Hill gossan (AIC Resources Ltd December 2018 Quarterly Report and March 2019 Quarterly Report).

Four composite samples were taken across the exposed gossan surface and returned 8m grading 47.99 g/t gold, 5m grading 33.07 g/t gold, 5m grading 57 g/t gold and 6.5m grading 32.21 g/t gold. Samples were collected on 0.5m intervals with a handheld jackhammer along channels whose orientation was dictated by exposure and were designed to return a representative grade of the gossan. The sample locations are shown in Figure 2 and further information is provided below in Table 1.

Composite Sample ID	Sample Central Location (MGA94 Z50)		Sample Orientation	Number of samples	Distance (m) and Grade (g/t Au)	
	East	North				
4G_COMP01	769257	7239760	014	16	8m @ 47.99	Including 0.5m @ 38.99, 0.5m @ 148.77, 0.5m @ 89.12, 0.5m @ 232.15 and 0.5m @ 149.31
4G_COMP02	769253	7239762	171	10	5m @ 33.07	Including 0.5m @ 179.46, 0.5m @ 44.49 and 0.5m @ 46.72
4G_COMP03	769250	7239761	136	10	5m @ 57.58	Including 0.5m @ 91.5, 0.5m @ 55.01, 0.5m @ 55.88, 0.5m @ 116.17, 0.5m @ 32.31, 0.5m @ 25.96, 0.5m @ 116.79 and 0.5m @ 70.85
4G_COMP04	769253	7239763	68	13	6.5m @ 32.21	Including 0.5m @ 73.62, 0.5m @ 116.52, 0.5m @ 135.65, 0.5m @ 13.13, 0.5m @ 12.07, 0.5m @ 10.36, 0.5m @ 12.41 and 0.5m @ 17.62

Table 1: Composite sample highlights

In addition to the composite samples, rock chips were taken from the four costeans at 1 metre intervals. These rock chip samples also returned high-grade gold results where the gossan was intercepted with a maximum result of 85.86 g/t gold.

The exposed 4G Hill gossan is a highly ferruginous and shattered quartz vein up to 0.5m thick, which appears to have formed within a flexure in an iron-rich coarse gritty sandstone unit. Host rocks are Sedimentary Iron Formations (SIF), probably of Proterozoic age, and form part of the Copper Hills Schist Belt located along the northern margin of the Archean Marymia Inlier. The source of the gold is not yet understood but could be from within the Proterozoic SIF or from the Archean Basement. There has been very limited gold exploration along the SIF units which can be traced for over 30 kilometres.

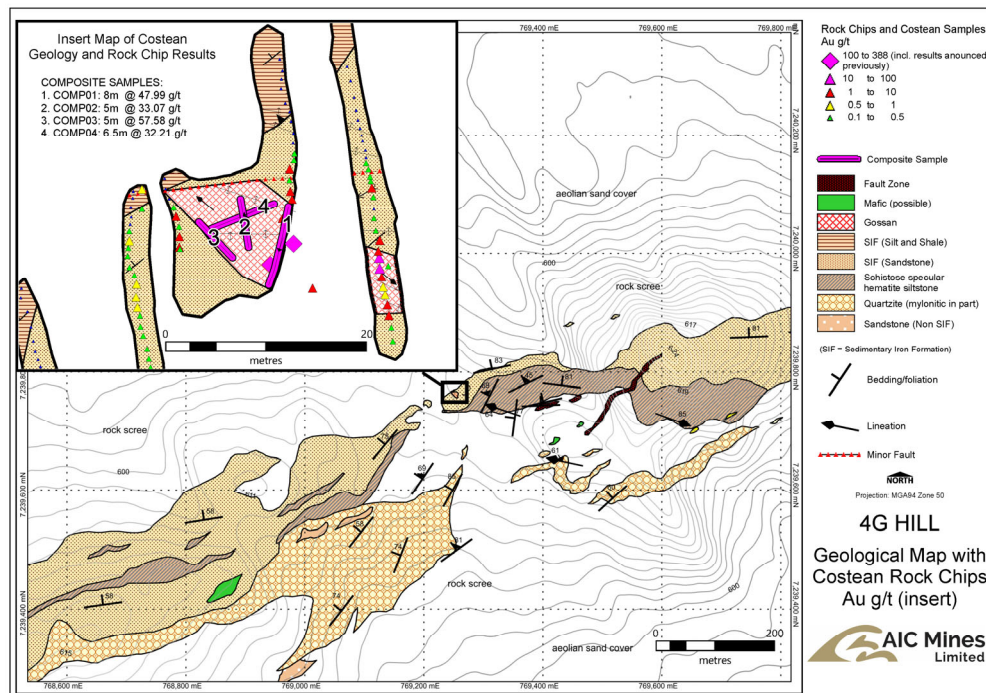


Figure 2: Location of composite channel samples and rock chip samples

These results are very promising and clearly warrant follow up. A detailed interpretation of airborne magnetic data is currently being completed with the objective of determining the likely structural controls on the location of mineralisation. This interpretation will be used to plan an RC drilling program.

Cu Hills

Preliminary interpretation of airborne magnetic data indicates that the Sedimentary Iron Formation (SIF) occurring at 4G Hill has been buckled by faulting which may have facilitated pathways for gold and copper mineralisation. There is very little outcrop in the area and geology is obscured by cover. However geochemical sampling of termite mounds over potential target areas has returned distinct anomalous copper patterns coinciding with interpreted faults. This termite sampling will be extended along the strike of the unexposed Copper Hills belt.

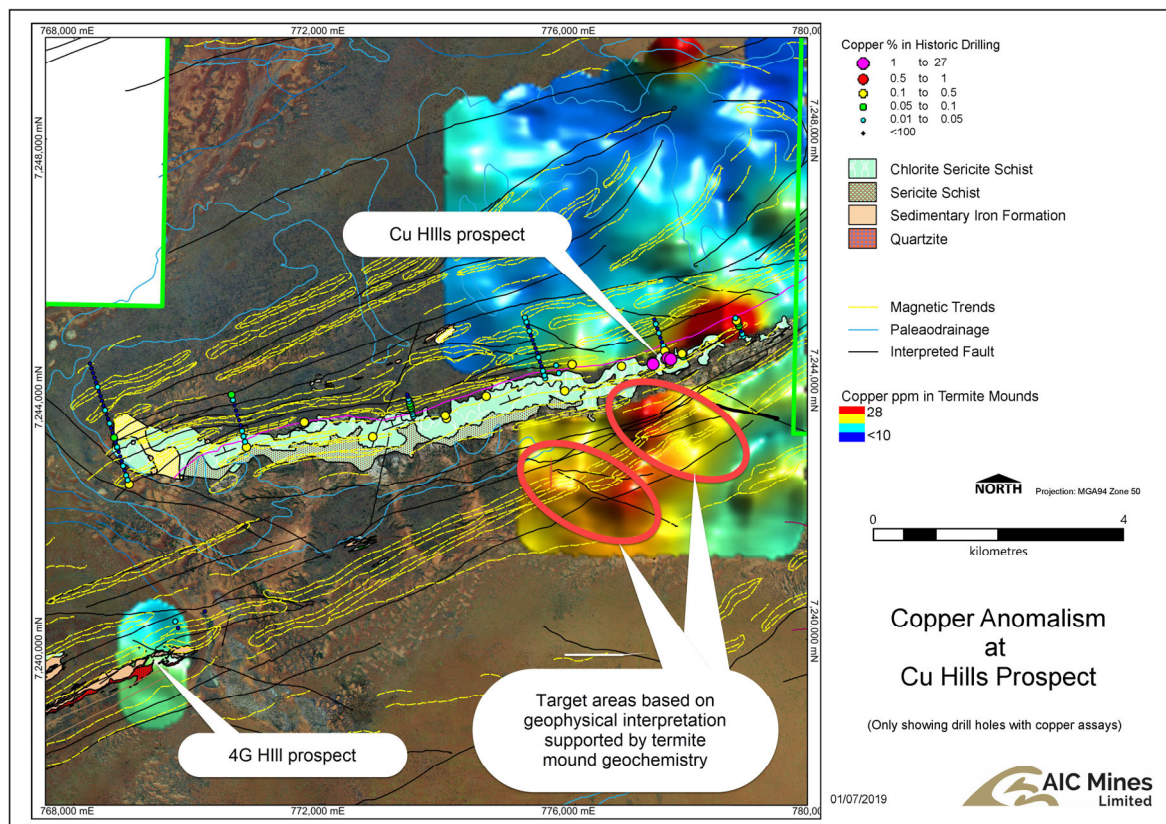


Figure 3: Copper anomalism at Cu Hills Prospect

Regional Exploration

Integration of airborne magnetic data flown by the Company with publicly available data has been completed and a regional structural interpretation is in progress. Based on the airborne geophysical interpretation, geochemical sampling (termites, soils and rock chips) have been collected during on ground verification and mapping. These results are pending.

Venus Metals JV

A broad spaced geochemical sampling program was carried out over tenement EL52/3489 which forms part of the joint venture with Venus Metals. Results are pending.

Planned Work Program

Planned exploration work for the September 2019 quarter consists of:

- Drilling program at 4G Hill to follow-up costean sampling results.
- Infill geochemical sampling and potentially bedrock aircore drilling to follow up geophysics and geochemical targets.

CORPORATE

Merger of Intrepid Mines and AIC Resources

The merger of Intrepid Mines Limited (now AIC Mines Limited) and AIC Resources Limited successfully closed on 30 April 2019 and the compulsory acquisition process was commenced on 6 May 2019. AIC Resources Limited shareholders received 1 AIC Mines Limited share for every 2 AIC Resources Limited shares they held.

As a result of the merger, Josef El-Raghy was appointed as Chairman, Aaron Colleran was appointed as Managing Director and Brett Montgomery was appointed as a Non-Executive Director of the Company during the quarter. Peter Evans and Richard Baumfield resigned from the Board during the quarter.

The Company effectively now has a new management team, a new project, the Plutonic-Marymia exploration project in Western Australia and a new strategic direction. To reflect this change, the name of the Company was changed from Intrepid Mines Limited to AIC Mines Limited. This change was approved by shareholders at the Company's AGM on 31 May 2019 and the Company's ASX code was subsequently changed to A1M.

Cash Position

As at 30 June 2019, AIC Mines held \$7.02 million (approximately 14cps) in cash and a further \$3.16 million (approximately 6cps) in listed investments.

On 7 September 2018, the Company announced that it had entered into a conditional share sale agreement with Vulcan Copper Limited ("Vulcan") in respect of its interest in the Mumbwa and Kitumba Copper projects (together, the "Project") located in Zambia, for cash consideration of US\$5 million subject to customary adjustments. The sale was successfully completed on 14 February 2019. The Company has received US\$1 million of the consideration to date. The remaining USD \$4 million is due on or before 14 August 2019 and is currently bearing interest at a rate of 12.5% pa. During the quarter, the Company received an interest payment of US\$42,465 for the month to 13 June 2019.

Enquiries regarding this activities report may be directed to:

Aaron Colleran

Managing Director

Email: info@aicmines.com.au

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 consultant geologist Dr Joanna Pearson of Odyssey Directions Pty Ltd. Dr Pearson 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 she 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”. Dr Pearson consents to the inclusion in this report of the matters based on her information in the form and context in which they appear.

June Quarter 2019 ASX Announcements

This Quarterly Activities Report 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:

- Costean Sampling Results from 4G Hill Prospect 21 June 2019

This announcement is available for viewing on the Company’s website www.aicmines.com.au under the Investors tab.

AIC Mines confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Marymia Project Background

AIC Mines is the 100% owner of the Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn Craton. It is prospective for both gold and copper mineralisation and is strategically located within trucking distance of the Plutonic gold mine and the Degruusa copper mine. The tenement area held by AIC Mines has seen limited previous exploration. AIC Mines has recently conducted regional mapping along with regional geophysical and geochemical surveys with the aim of discovering new mineral resources.

APPENDIX 1 – AIC MINES TENEMENT HOLDINGS AT 30 JUNE 2019

Mining Act Tenure		Company's Ownership Interest
Tenement	Status	
E52/2943	Granted	100%
E52/2944	Granted	100%
E52/2945	Granted	100%
E52/2973	Granted	100%
E69/3247	Granted	100%
E52/3027	Granted	100%
E52/3028	Granted	100%
E52/3029	Granted	100%
E52/3044	Granted	100%
E52/3154	Granted	100%
E52/3171	Granted	100%
E52/3190	Granted	100%
E52/3265	Granted	100%
E52/3317	Granted	100%
E52/3318	Granted	100%
E52/3319	Granted	100%
E52/3346	Granted	100%
E52/3368	Granted	100%
E52/3397	Granted	100%
E52/3455	Granted	100%
E52/3087 ¹	Surrendered	0%
E52/3622	Granted	100%
E52/3623	Granted	100%
E52/3624	Granted	100%
ELA52/3648 ²	Pending	0%
P52/1585	Granted	100%
ELA52/3721 ³	Pending	0%

Notes:

- 1 For ELA52/3087, this tenement was granted on 8 April 2019, and subsequently surrendered on 17 June 2019.
- 2 This tenement was applied for on 17 July 2018. If it is not granted, it does not affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised.
- 3 This tenement was applied for on 17 June 2019. If it is not granted, it does not affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised.

Mining Tenements disposed during the quarter: Tenement E52/3087 was surrendered on 17 June 2019.

AIC Mines has entered into an Exploration Farm-in and Joint Venture Agreement with Ausgold Limited (ASX: AUC) under which, subject to the satisfaction of regulatory consents, it may earn up to an 80% interest in tenement E52/3031 covering ~176km². Details of the agreement were released to the ASX on 4 June 2018.

AIC Resources Limited, a wholly owned subsidiary of AIC Mines, has entered into a Farm-in and Joint Venture Heads of Agreement with Venus Metals Corporation Limited (ASX: VMC) under which, subject to the satisfaction of regulatory consents, it may earn an 80% interest in tenements E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489 covering ~90km². Details of the agreement were released to the ASX on 20 September 2018.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AIC Mines Limited (formerly Intrepid Mines Limited)

ABN

11 060 156 452

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows (see note 4)	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(481)	(1,044)
(b) development	-	-
(c) production	-	-
(d) staff costs	(211)	(378)
(e) administration and corporate costs	(377)	(433)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	38	60
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Grant income, Doolgunna Project	30	150
- Transaction costs, takeover of AIC Resources Limited	(114)	(217)
- Unclaimed monies recovered	3	108
- Deferred consideration received from Troy Resources Limited	213	283
1.9 Net cash from / (used in) operating activities	(899)	(1,471)

Consolidated statement of cash flows (see note 4)		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	(150)	(150)
	(c) investment	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)		
	- Sale of Intrepid Mines Zambia Ltd	-	1,398
	- Interest on deferred consideration payment, sale of IMZL	62	62
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	• Cash acquired on acquisition of AIC Resources Ltd (see note 4)	5,038	5,038
	• Transaction costs, sale of Intrepid Mines Zambia Ltd	-	(557)
2.6	Net cash from / (used in) investing activities	4,950	5,791

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Return of capital to shareholders, net of transaction costs	-	(10,356)
3.10	Net cash from / (used in) financing activities	-	(10,356)

+ See chapter 19 for defined terms

Consolidated statement of cash flows (see note 4)	Current quarter \$A'000	Year to date (6 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,946	13,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(899)	(1,471)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4,950	5,791
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(10,356)
4.5	Effect of movement in exchange rates on cash held	27	21
4.6	Cash and cash equivalents at end of period	7,024	7,024

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,724	2,946
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	4,300	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,024	2,946

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	125
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors remuneration, including both non-executive directors (\$62,889) and the Managing Director/CEO (\$62,499)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	655
9.2 Development	-
9.3 Production	-
9.4 Staff costs	148
9.5 Administration and corporate costs	138
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	941

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E52/3087 ⁴	Application, granted on 8 April 2019 and surrendered on 17 June 2019	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E52/2943 ¹	Granted	-	100%
		E52/2944 ¹	Granted	-	100%
		E52/2945 ¹	Granted	-	100%
		E52/2973 ¹	Granted	-	100%
		E69/3247 ¹	Granted	-	100%
		E52/3027 ¹	Granted	-	100%
		E52/3028 ¹	Granted	-	100%
		E52/3029 ¹	Granted	-	100%
		E52/3044 ¹	Granted	-	100%
		E52/3154 ¹	Granted	-	100%
		E52/3171 ¹	Granted	-	100%
		E52/3190 ¹	Granted	-	100%
		E52/3265 ¹	Granted	-	100%
		E52/3317 ¹	Granted	-	100%
		E52/3318 ¹	Granted	-	100%
		E52/3319 ¹	Granted	-	100%
		E52/3346 ¹	Granted	-	100%
		E52/3368 ¹	Granted	-	100%
		E52/3397 ¹	Granted	-	100%
		E52/3455 ¹	Granted	-	100%
		E52/3622 ¹	Granted	-	100%
		E52/3623 ¹	Granted	-	100%
		E52/3624 ¹	Granted	-	100%
		P52/1585 ¹	Granted	-	100%
		ELA52/3648 ¹	Application	-	-
		E52/3069 ²	JV	-	-
		E52/3320 ²	JV	-	-
		E52/3487 ²	JV	-	-
		E52/3488 ²	JV	-	-
		E52/3489 ²	JV	-	-
		ELA52/3721 ³	Application	-	-

Notes to table 10:

- 1 Tenements acquired as a result of the merger of AIC Resources Limited and AIC Mines Limited.
- 2 Interest in Venus Metals Corporation Limited and AIC Resources Limited Joint Venture tenements acquired as a result of the merger of AIC Resources Limited and AIC Mines Limited.
- 3 Application in the name of AIC Resources Limited.
- 4 Application, grant and surrender were in the name of AIC Resources Limited.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company Secretary

Date: 12 July 2019

Print name: Heidi Brown

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. As outlined in the Quarterly Activities Report, the merger transaction of Intrepid Mines Limited (now AIC Mines Limited) and AIC Resources Limited was successfully completed during the quarter. For accounting purposes, Intrepid obtained control of AIC Resources on 16 April 2019 being the date that over 90% of the issued shares in AIC Resources was obtained by Intrepid.

Therefore, the consolidated cash flows presented above include the cash balance contributed by AIC Resources to the consolidated group as a result of the merger transaction on this date, and the cash flows of the acquired subsidiary (AIC Resources) from this date.