ASX ANNOUNCEMENT

7 November 2019

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 Marymia exploration project, strategically located within trucking distance of the Plutonic Gold Mine and the Degrussa Copper Mine, and the Lamil exploration JV located in the Paterson Province immediately west of the Telfer Gold-Copper Mine.

CAPITAL STRUCTURE

Shares on Issue: **52m**
Share Price (6/11/19): **$0.345**
Market Capitalisation: **$17.9m**
Cash & Liquids (30/9/19): **$9.3m**
Enterprise Value: **$8.6m**

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

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Exploration Commences at Lamil Project Paterson Province WA

AIC Mines Limited (ASX: A1M) ("AIC" or "the Company") is pleased to announce that it has commenced initial field work at its Lamil Gold-Copper Project in the Paterson Province, East Pilbara, Western Australia.

The Lamil Project is a conceptual exploration project with a previously unrecognised and untested Telfer look-alike "domal" aeromagnetic signature. The project secures an area of 1,375km^2 and is located midway between the world class Telfer Gold-Copper mine, located just 30 kilometres to the northeast, and the Nifty Copper mine to the immediate west.

An ultra-detailed airborne magnetic survey completed earlier in the year by joint venture partner Rumble Resources (ASX: RTR) highlighted several anomalies including a major domal structure (Target P1 – see Figure 1 and Figure 2) which has many important similarities to Telfer.

Recent geophysical work indicates that the target area has a maximum depth of cover of only 100m. The basement sequences of interest were previously believed to have been obscured beneath much deeper cover and as a result the area has remained essentially unexplored. None of the targets identified have been previously drilled.

Following the receipt of land access approvals, AIC has now commenced its initial phase of field work including:

- Ground based gravity surveys;
- Ground-based passive seismic surveys; and
- Geochemical orientation surveys.

The principal aims of this work are to refine the depth to basement models and the regional structural interpretation of the target areas, and to determine the effectiveness of surface geochemical techniques over the target areas. The information from these surveys will be integrated with the existing ultra-detailed airborne magnetic data to better map the possible source structures for gold and copper mineralisation and to ultimately guide targeting of future exploration drilling programs.

The Lamil Project

The Lamil Project covers 1,375km^2, is approximately 90km in length and is located midway between the Telfer gold-copper mine and the Nifty copper mine in the Paterson Province, Western Australia.

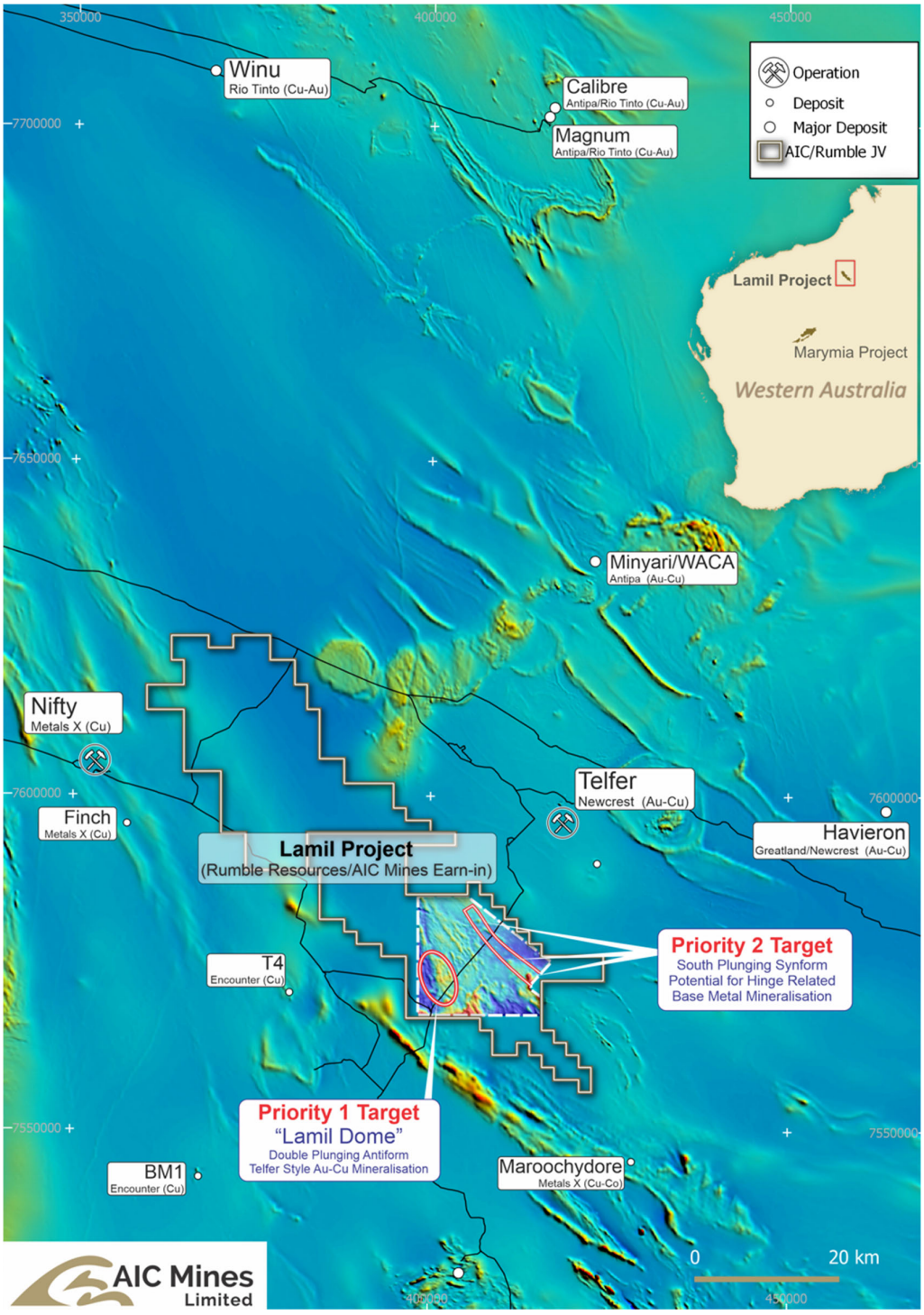

Figure 1. Location of the Lamil Project and Priority Targets

AIC is currently earning an interest in the Lamil Project according to an 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 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 region has attracted renewed interest following significant recent discoveries by Rio Tinto Limited at the large Winu copper-gold project and the Newcrest Mining – Greatland Gold joint venture at the exciting Havieron gold-copper project.

The Paterson Province remains underexplored due its remoteness and relatively deep Permian and recent cover. A recent breakthrough, based on the detailed airborne magnetic survey completed by Rumble Resources in March 2019, indicates that the depth of cover to the main targets in the Lamil Project area is less than 100m. The area has essentially been ignored due to the previous perception of ubiquitous deep (>400m) cover.

The airborne magnetic survey highlighted a major dome structure (Target P1 – see Figure 2) which has many important similarities to the world class Telfer gold-copper deposit which lies only 30km to the northeast. Independent interpretation of the airborne magnetic data completed by AIC has confirmed that the Lamil Dome exhibits the key structural features required to potentially host Telfer-style gold and copper mineralisation.

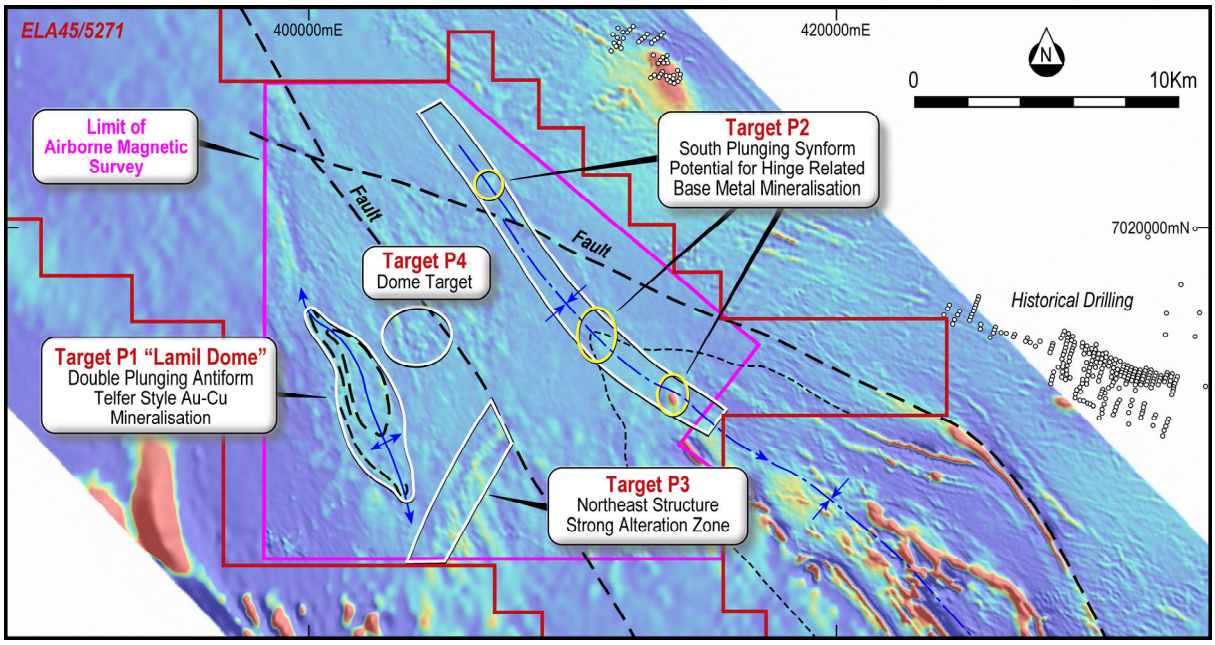

Figure 2. Priority targets at the Lamil Project

A reconnaissance site visit to assess field logistics was undertaken in late September 2019. Although remote, the main target area is easily accessed by sealed road from Port Hedland to the Woodie Woodie manganese mine, then via well maintained dirt roads which service the Nifty and Telfer mining operations.

Unlike much of the Paterson Province, the Lamil Project area is flat, being largely devoid of sand dunes (which present significant challenges to many other explorers operating in the Paterson) and is sparsely covered by spinifex grass, which is positive for planned exploration activities and any future mining operations.

Enquiries regarding this announcement may be directed to:

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Competent Person's Statements
The information in this announcement that relates to all Geological Data and Exploration Results is based on, and fairly represents information and supporting documentation compiled by consultant geologist Steve Vallance of Wilderness Exploration Pty Ltd. Steve 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".

The Competent Person consents to the inclusion of such information in this announcement 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	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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 (eg '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.*	• Not applicable - no drilling or sampling completed.
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, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable - no drilling or sampling completed.
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.

Criteria	JORC Code explanation	Commentary
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.*	• Not applicable - no drilling or sampling completed.
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	Commentary
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.*	• The project comprises a granted exploration license EL45/5271 and an exploration license application ELA 45/5270 • The tenements lie midway between the Telfer Au-Cu and Nifty Cu mines within the Paterson Province, East Pilbara, Western Australia. • ELA45/5270 and EL45/5271 are 100% owned by Rumble Resources. • AIC has entered into an Earn-in and Joint Venture Agreement with Rumble Resources over ELA45/5270 and EL45/5271.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Rumble Resources completed a 1565 line-km survey on 200m line spacing bearing 050 (normal to regional geology) over the southeast portion of EL45/5271.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Telfer gold-copper deposit style - structurally controlled, multiple sheeted / conjugate vein style deposit. • Nifty copper deposit style – sediment hosted coper deposit with structural and epigenetic overprint.
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:*	• Within the entire project area of ELA45/5270&5271, WAMEX open-file data records only 15 drill holes were completed. No mineralisation was

Criteria	JORC Code explanation	Commentary
	○ *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.*	intersected in these holes. • No historic drilling is related to the targets presented in this announcement.
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 - no drilling or sampling results reported.
Relationship between mineralisation widths and intercept lengths	• *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 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').*	• Not applicable - no drilling or sampling results reported.
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.*	• Figure 1 – Project location diagram. • Figure 2 – High priority targets with interpreted structure over merged TMI airborne magnetics.
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 to this stage of exploration.
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.*	• During Feb/Mar 2019, a 1,565 line km airborne magnetic survey was completed on 200m line spacing by Thomson Aviation Airborne Geophysical Surveys using 20hz (0.05sec) sampling rate and sensor height of 45m. The heading was 050. • New 200m line data merged with publicly available 400m line data. • Processing of corrected data by Armada Exploration Services. • The government sponsored Tempest airborne EM survey (North Paterson) covers the project area. Channel 15 outlines the deeper Permian cover. • AIC has based their assessment and due diligence of the project on data supplied by Rumble Resources.
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.*	• AIC Mines is currently planning its exploration program with the aim of defining a drilling program.