

# QUARTERLY REPORT

20 October 2021



## Quarterly Activities Report for the Period Ending 30 September 2021

### ABOUT AIC MINES

AIC Mines is a growth focused Australian resources company. Its 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.

AIC has recently entered into an agreement to acquire the Eloise Copper Mine located 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 (30/9/21): \$3.7m

### CORPORATE DIRECTORY

**Josef El-Raghy**

Non-Executive Chairman

**Aaron Collieran**

Managing Director & CEO

**Brett Montgomery**

Non-Executive Director

**Tony Wolfe**

Non-Executive Director

**Linda Hale**

Company Secretary

### CORPORATE DETAILS

ASX: A1M

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ABN: 11 060 156 452

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F: +61 (8) 6230 5176

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A: A8, 435 Roberts Rd,

Subiaco, WA, 6008

Share Register:

Computershare Investor Services

### HIGHLIGHTS

#### Eloise Copper Mine

- Entered into an agreement to acquire the Eloise Copper Mine – a high-grade operating underground mine located SE of Cloncurry in North Queensland.
- A transformational acquisition – creating a new junior copper miner with strong free cashflow to add value through exploration success, resource growth, operational reliability and regional consolidation.

#### Lamil Project

- Commenced a 10,000m RC drilling program to test five key target areas, including extensions to Lamil Dome area where multiple narrow intervals of primary copper sulphide were intersected in the 2020 maiden drilling program, and 3 new targets areas considered prospective for base metal and gold mineralisation.
- Completed an extensive airborne electromagnetic survey over the western margin of the northern tenement and the majority of the southern tenement.

#### Marymia Project

- Commenced a 5,000m RC drilling program to test targets at the Middle Island, Copper Hills and DeGrussa North Prospects.
- Completed an airborne electromagnetic survey to test the northern dip extensions of the Copper Hills copper-oxide occurrence where the prospective sequence dips beneath sand cover.

#### Corporate

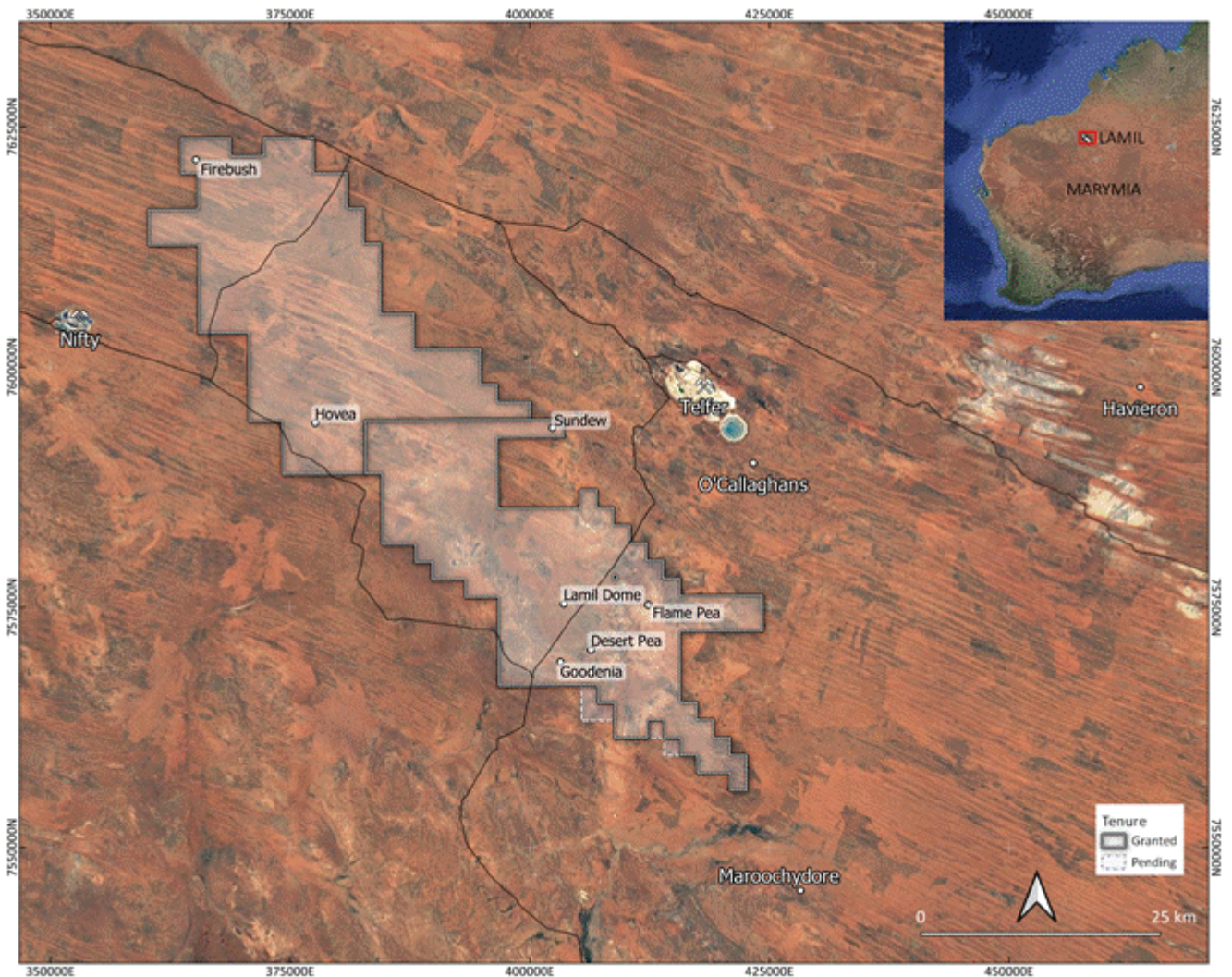
- Convened a General Meeting of shareholders to obtain the shareholder approvals necessary to complete the Eloise acquisition and capital raising. A Notice of Meeting and Explanatory Statement, including an Independent Expert Report, was sent to shareholders on 24 September 2021. The General Meeting will be held in Perth on 25 October 2021.
- Launched a capital raising of up to \$40 million to fund the Eloise acquisition as well as hold sufficient capital for working capital movements, accelerated exploration expenditure and environmental performance bonds. A Prospectus was issued on 27 September 2021. The capital raising is due to close on 25 October 2021 if not closed sooner.
- At 30 September 2021, AIC held \$3.1 million in cash and a further \$0.6 million in listed investments.

## EXPLORATION ACTIVITIES

AIC Mines Limited (“AIC” or “the Company”) has two key exploration projects, the Marymia Project in which it holds a 100% interest in the majority of the tenements and the Lamil Joint Venture in which it is earning an initial 50% interest. Both projects are located in Western Australia and are prospective for gold and copper.

### Lamil Joint Venture (earning up to 65%)

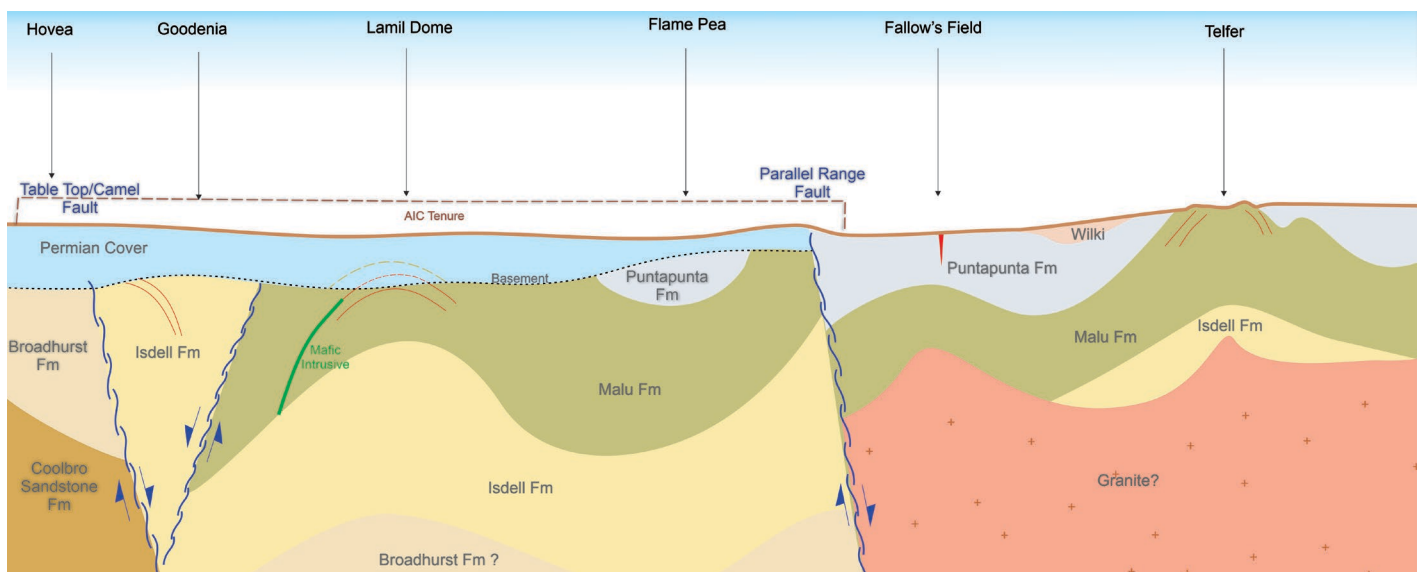
The Lamil Gold-Copper Project is located in the Paterson Province in the northwest of Western Australia, 500 kilometres east of Port Hedland. Under the terms of the earn-in and exploration joint venture agreement with Rumble Resources (ASX: RTR) (“Rumble”), AIC can earn a 50% interest by spending \$6 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. At 30 September 2021 AIC has spent approximately \$4.3 million at the Lamil Project.



**Figure 1. Lamil Project Tenements E45/5270 and E45/5271 (AIC earning up to 65%) and Applications E45/5909, E45/5914 and E45/5919 (AIC 100%), with Key Target Areas**

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 1,280km<sup>2</sup>, 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. A schematic cross section through the project illustrating geological architecture and Key Target Area locations is shown in Figure 2.



**Figure 2. Schematic cross section showing relative positions of Key Target Areas and interpreted geology.**

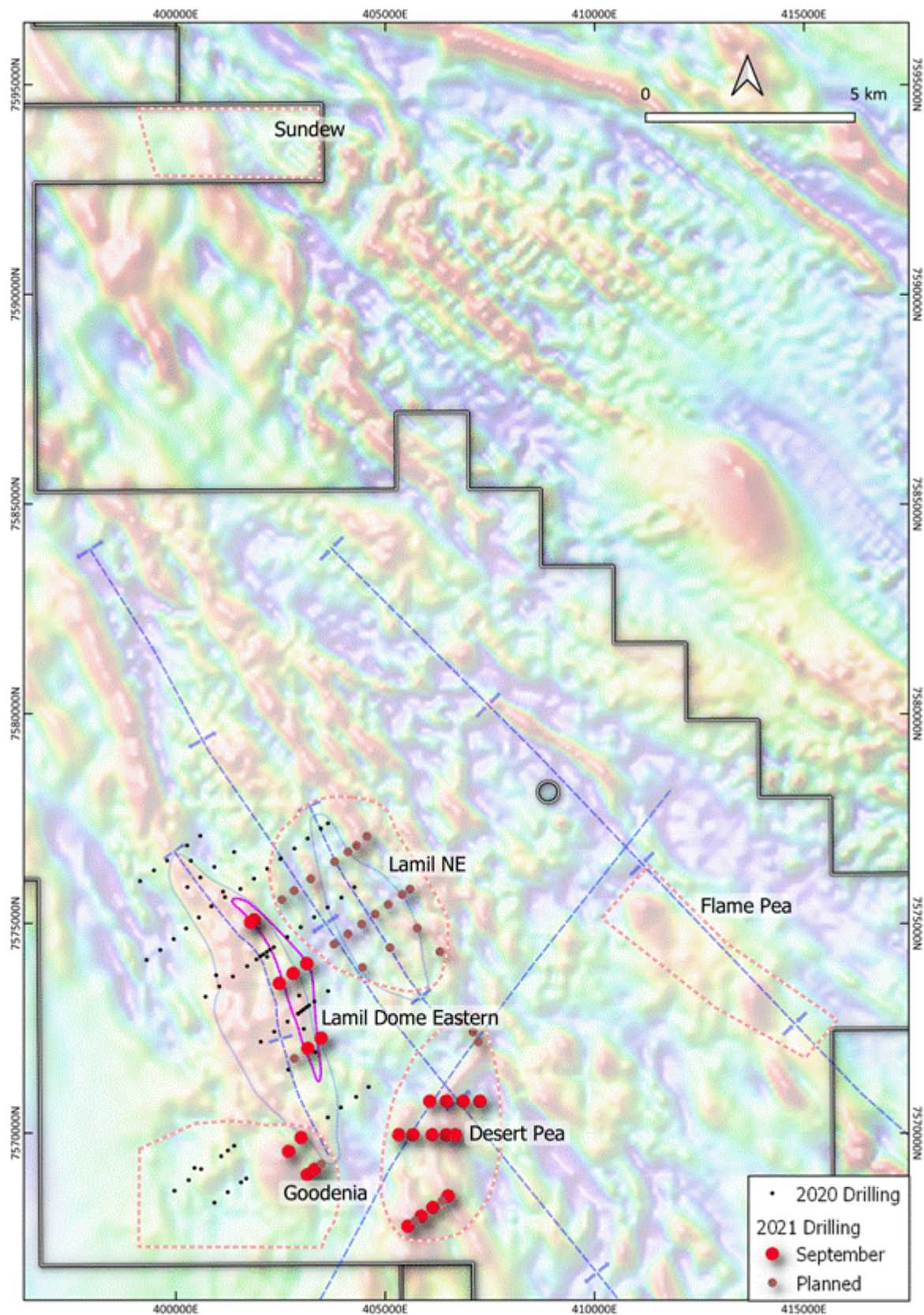
## Drilling

A 10,000m reverse circulation (RC) drilling program commenced in September 2021. A total of 23 holes for 4,738m were completed by the end of the September 2021 Quarter. Further information is contained in the Company's ASX announcement released on 6 September 2021.

Seven holes were drilled on the eastern margin of the **Lamil Main Dome** (Figure 3) aimed at intersecting the mafic intrusive that was intersected in the 2020 drilling program which returned the better Cu-Au mineralisation. The intrusive has now been defined over a strike length of approximately 4 kilometres and again chalcopyrite and pyrite were observed associated with the contact of the mafic and host sediments.

Thirteen holes were drilled at the **Desert Pea** target (Figure 3). The aim of the program was to determine the nature of a magnetic anomaly associated with an interpreted NE trending fault. While the program appears to have been successful in confirming the presence of the interpreted fault, the cover depth was greater than modelled and contains a considerable component of magnetically responsive gravels which contribute to the overall magnetic response and makes the discrimination of basement responses from that of cover difficult. However, strong alteration and the presence of sphalerite and pyrite was intersected in two adjacent holes proximal to the fault.



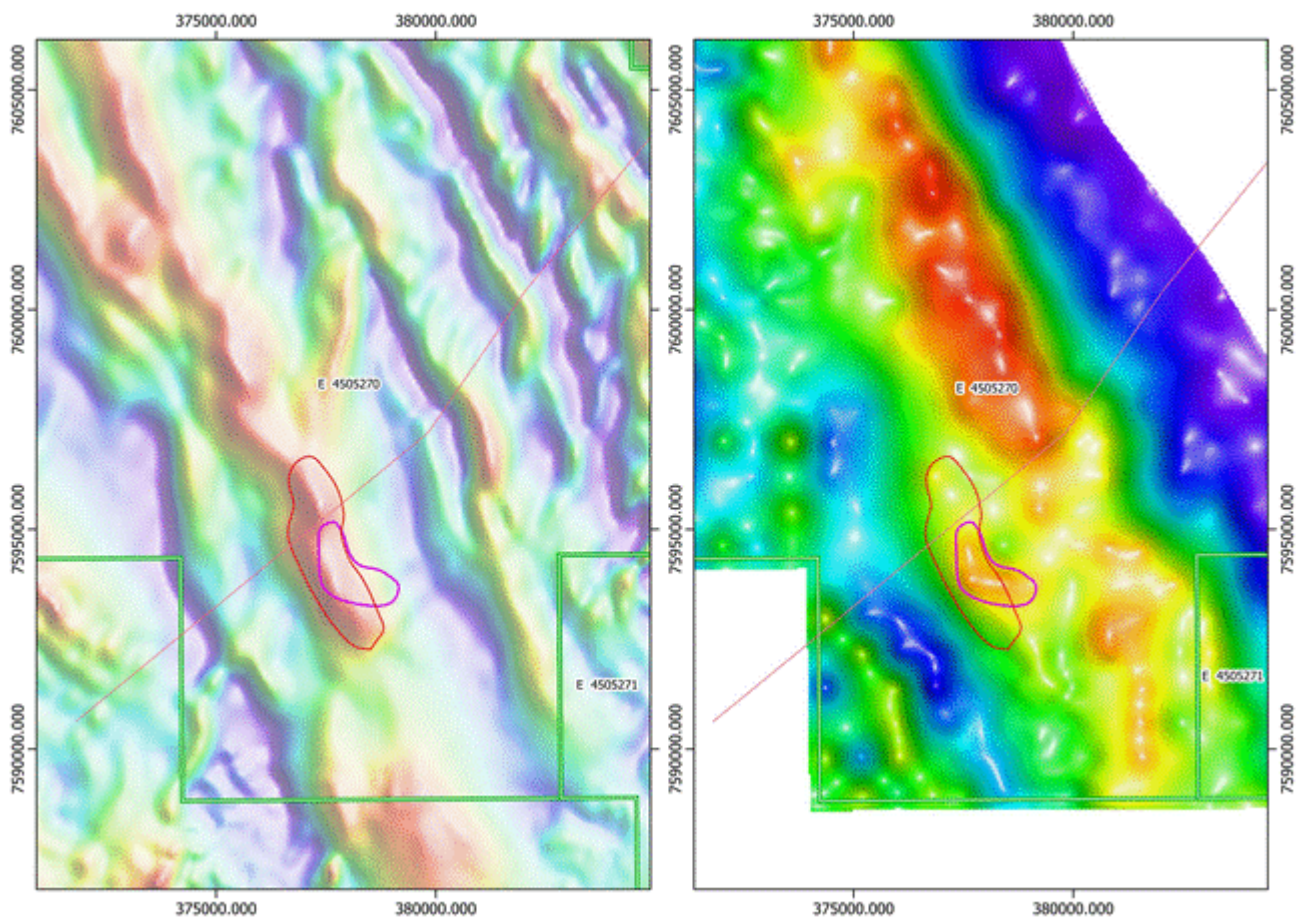


**Figure 3. Location of prospects with planned and completed drilling on a RTP aeromagnetic image**



Three holes were completed at the **Goodenia** target (Figure 3), a conceptual base metal target defined by co-incident magnetic and gravity anomalies located on the eastern margin of a soil Cu-Pb-Zn geochemical anomaly. Carbonaceous sediments were intersected in an area of shallower than modelled cover. Sulphides (predominately pyrite) associated with intervals of brecciation with silica-carbonate infill, and moderate to intensive intervals of bleaching and silicification were observed in the holes situated above the modelled gravity and magnetic anomaly centres.

Drilling is also planned at the **Hovea** target, 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 4). The target is interpreted as hosted within the Broadhurst Formation and thus represents a Nifty-style sediment hosted copper target.



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

## Geophysics

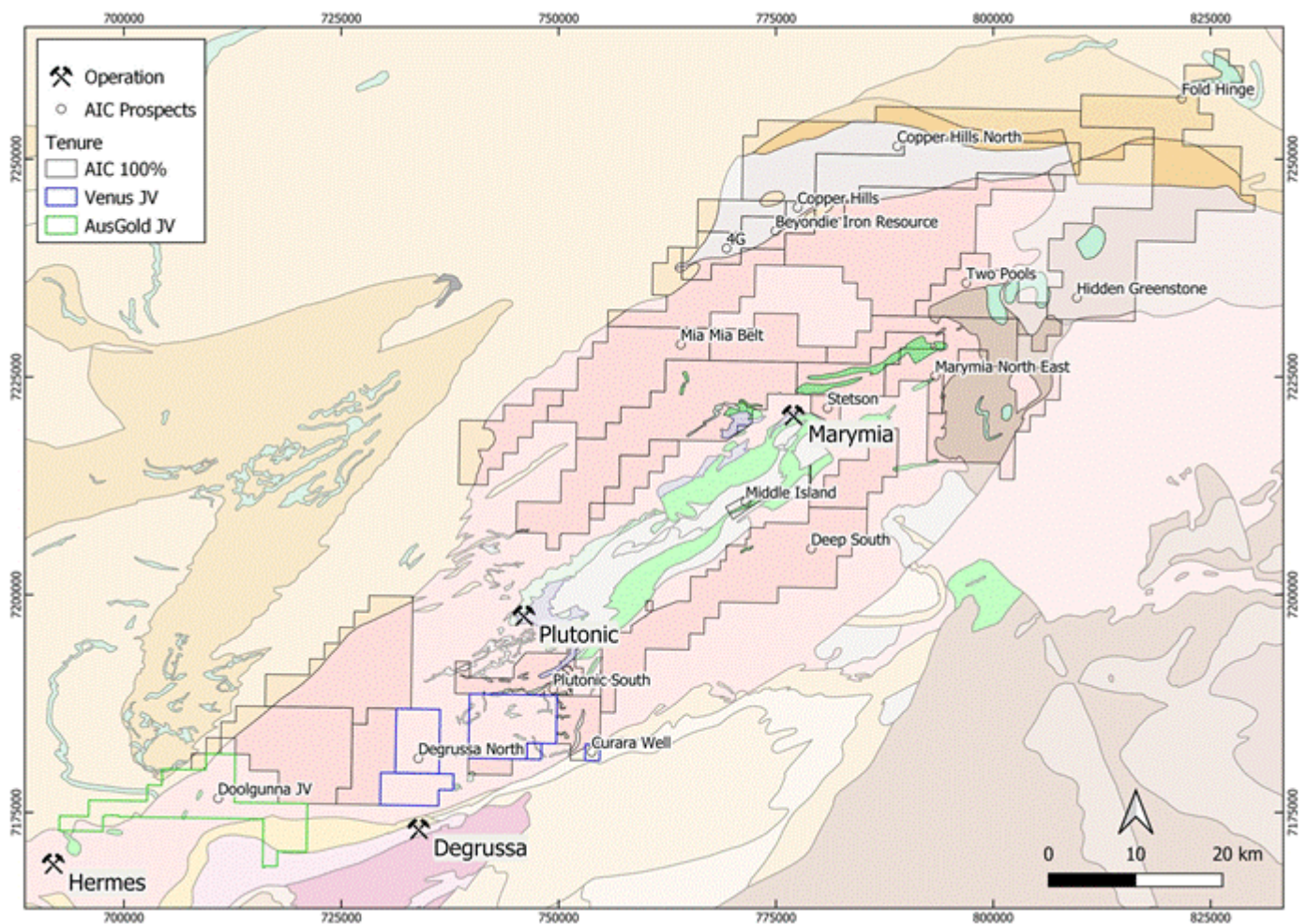
An Airborne Electromagnetic (AEM) survey was flown over the western margin of the northern tenement and the majority of the southern tenement on 250m spaced lines for a total of 2,600 line kilometres by Geotech Airborne in mid-August. The survey has the potential for both direct detection of sulphide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

### Next Steps – Lamil Project

The current drilling program is expected to be completed in November 2021. Given the large backlog of samples at Western Australian assay laboratories, assay results are not expected until very late in the December 2021 Quarter and probably into the March 2022 Quarter.

### Marymia Project (predominantly 100% owned tenements)

AIC Mines holds a very large area of tenements located about 790km northeast of Perth on the northern margin of the Yilgarn Craton. The project includes joint ventures with Ausgold Limited (ASX: AUC) and Venus Metals Corporation Limited (ASX: VMC) (Figure 5).



**Figure 5. Marymia Project Location**

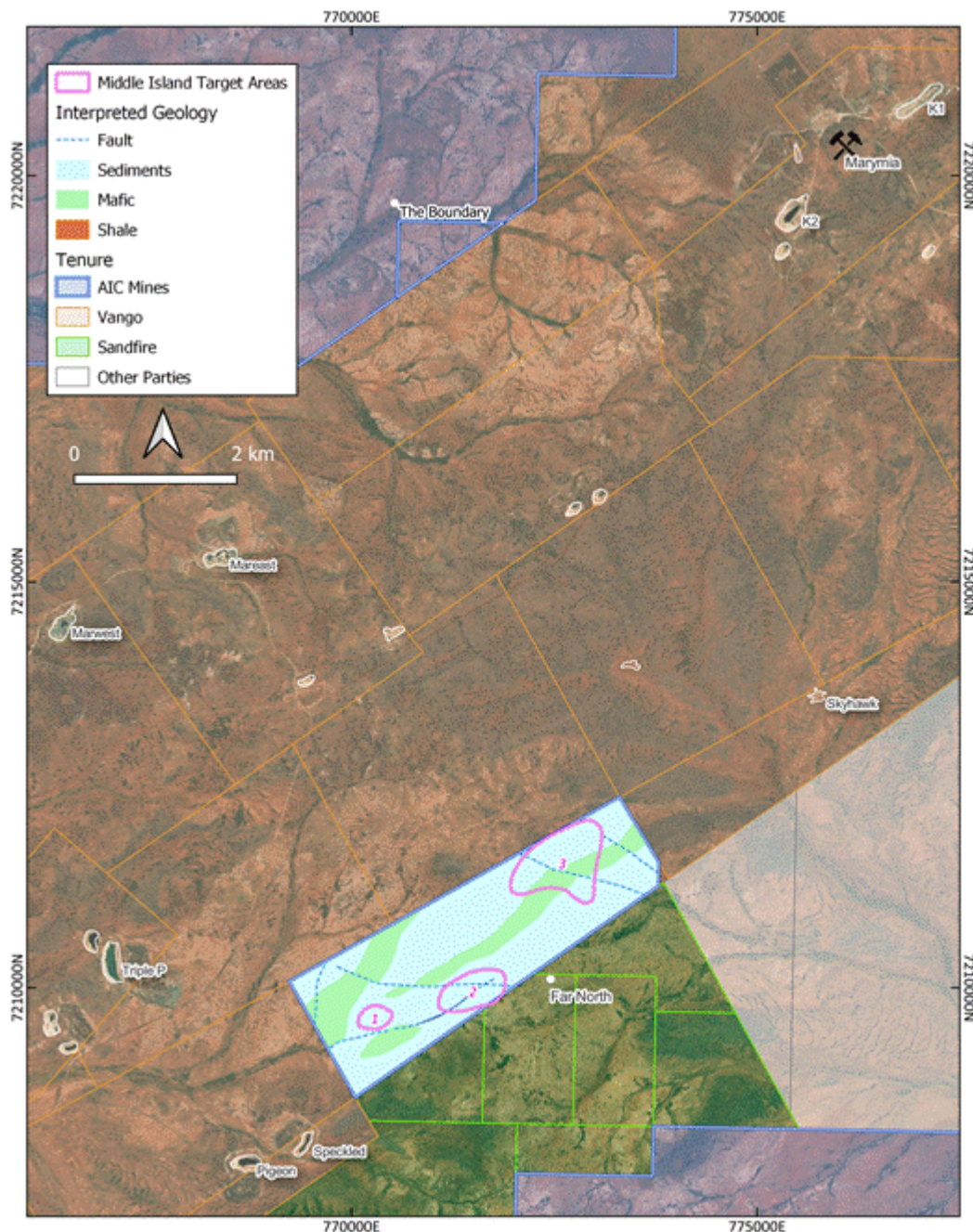
The Marymia Project is prospective for both gold and copper deposits. It is strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine.



## Drilling

A 5,000m reverse circulation (RC) drilling program commenced in September 2021. Further information is contained in the Company's ASX announcement released on 29 September 2021. A total 16 holes for 1,934m were completed at the Middle Island Prospect by the end of the September Quarter.

The **Middle Island Prospect** covers a NE-SW trending package of dominantly sedimentary rocks intercalated with mafic and ultramafic units. The prospectivity of the belt is demonstrated by the presence of several open pit resources within the package, including Vango Mining's recently drilled Skyhawk Prospect and the Pigeon and Speckled open pit targets (Figure 6).



**Figure 6. Middle Island location with geology and drilling target areas**

The program of 16 holes was planned on roughly 500m spaced lines with drilling focused on three target areas (Figure 6):

- Target 1 – a historical chargeability anomaly detected from an IP survey located at the terminus of a mafic body.
- Target 2 – a mafic-sedimentary faulted contact trending immediately west of Sandfire Resources' Far North Prospect, where shallow oxide gold intercepts have been intersected up to the tenement boundary.
- Target 3 – an untested mafic-sedimentary contact associated with a fault jog in the NE corner of the tenement imaged in both magnetics and ground gravity, the latter determined from the ground gravity survey completed by AIC in the June Quarter 2021 (for further details see AIC's ASX announcement "Quarterly Activities Report for the Period Ending 30 June 2021" dated 16 July 2021).

Targets at the Copper Hills Belt and DeGrussa North Prospect will also be drilled.

The **Copper Hills Belt** is interpreted as a preserved portion of Paleoproterozoic basin rocks, equivalent to the Bryah, Yerrida or Padbury basins, accreted to the northern margin of the Archean Marymia Inlier. It hosts the Copper Hills Prospect where oxide copper mineralisation associated with discontinuous stringers of malachite and azurite was discovered in the 1970's (for further details see AIC's ASX announcement "Marymia Project Exploration Update" dated 24 June 2020).

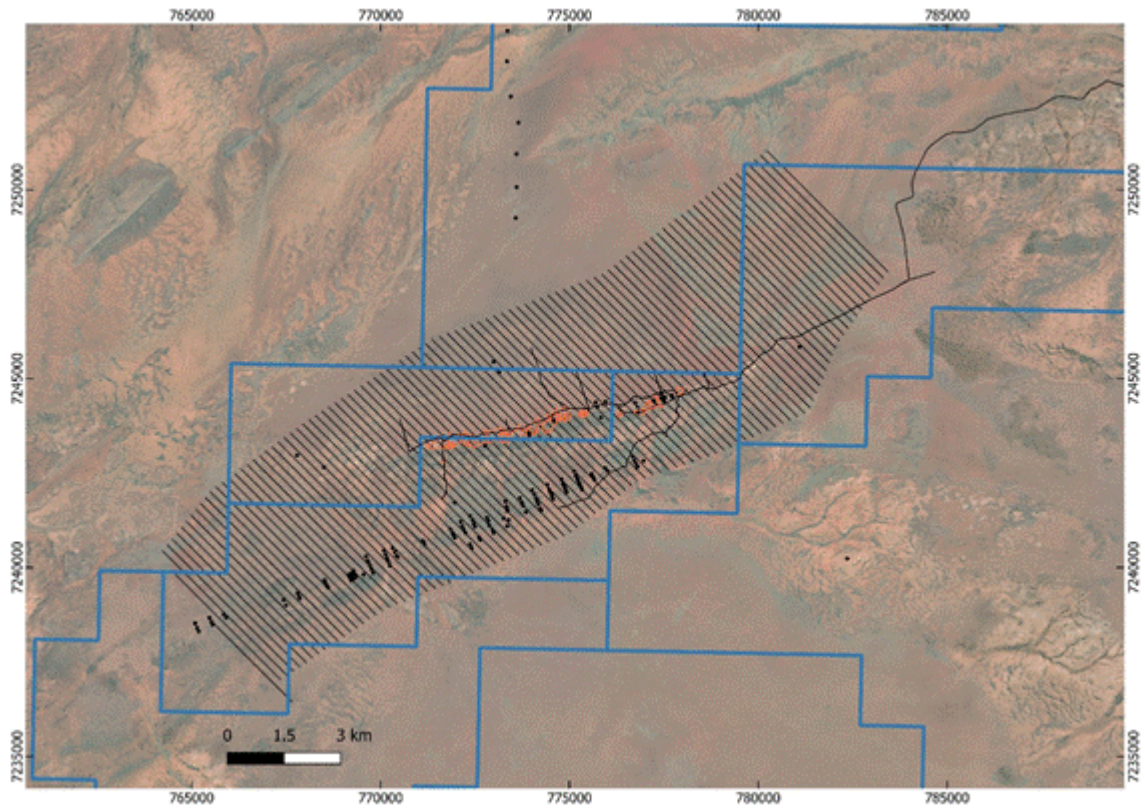
Mapping by AIC of the exposed north-eastern portion of the prospect indicated the presence of strongly altered bimodal volcanosedimentary rocks and a silica-hematite (chert) horizon. Both of these features are common to volcanogenic massive sulphide (VMS) deposits hosted within the Bryah basin (host to the DeGrussa and Horseshoe Lights copper deposits).

A soil sampling program (400m x 400m offset grid with 200m infill) was completed during the September 2021 Quarter to extend the soil coverage eastward, to where the belt is obscured by younger cover, and into the Copper Hills North area.

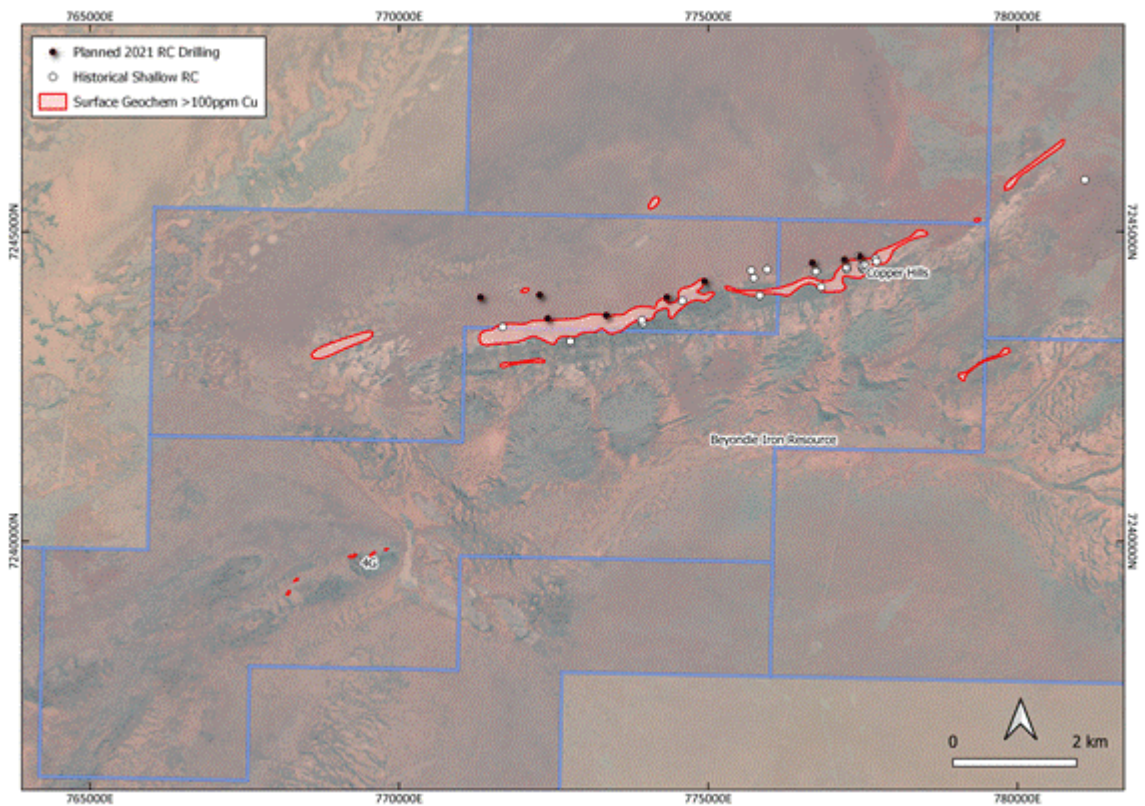
An Xcite AEM geophysical survey was also completed during the September 2021 Quarter. A total of 547 line kilometres was flown on a 200m line spacing capturing the Copper Hills belt, predominantly over the Copper Hills Cu oxide prospect and strike extensions, as well as the volcano-sedimentary packages considered prospective for gold, such as 4G Hill (see Figure 7).

A program of 10 holes for up to 2,000m is planned to test the Copper Hills Prospect on 1km spaced lines along the approximately 7km trend of surficial copper oxide mineralisation defined by both soil geochemistry and sporadic shallow drilling (see Figure 8). Angled drilling will test the better position of the soil anomaly along the trend for the first time and will provide insight into the nature of the copper mineralisation in terms of style, extent and tenor at depth.





**Figure 7. Location of Copper Hills Belt AEM survey lines with oxide (orange) and RC holes (black)**

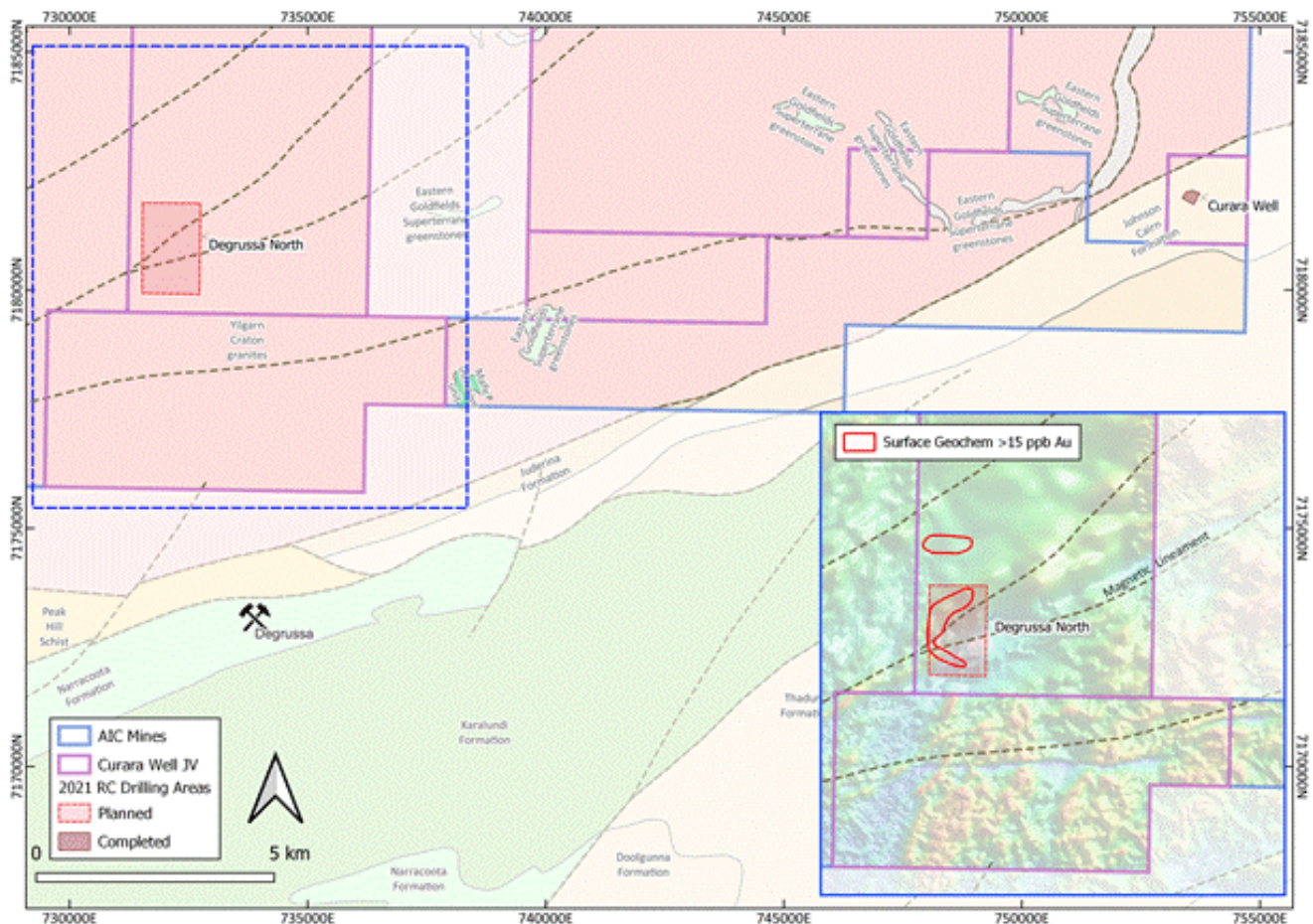


**Figure 8. Copper Hills Propsect showing geochemistry and planned drill locations**



The **DeGrussa North** and **Curara Well Prospects** are located within the Curara Well Joint Venture between AIC's wholly owned subsidiary AIC Resources Limited and Venus Metals Corporation (ASX: VMC) ("Venus") (Figure 5). AIC secured an 80% interest in the project in August 2020 in accordance with an earn-in agreement. Venus holds a 20% interest and is free-carried to a decision to mine.

The **DeGrussa North Prospect** is interpreted to lie within the southern extension of the Plutonic-Marymia granite greenstone belt. A soil geochemistry survey completed by Venus in 2017 returned an arcuate 1km by 800m gold anomaly (+15ppb Au) coincident with the intersection of a regionally significant magnetic lineament interpreted to represent major thrust faults. A 5 hole for 1,000m program centred on the soil anomaly straddling the interpreted thrust will test this discrete target.



**Figure 9. Curara Well JV area showing geology and RTP magnetic insert**

The **Curara Well Prospect** is located within the eastern margin of the highly prospective Doolgunna VMS domain (Figure 9). An eight hole program drilled on a 100m by 100m spacing over the multielement anomaly was completed in two campaigns (March 2021 and June 2021), with holes averaging 98m depth. The geology intersected consisted of quartz arenite and feldspathic sandstone beds assigned to the Johnson Cairn Formation.

Drill samples returned only background levels of key elements. No further work is currently planned. Further information is contained in the Company's ASX announcement released on 29 September 2021.



### **Stetson (AIC 100%)**

The Stetson Prospect is interpreted as a buried extension of the Plutonic-Marymia Greenstone Belt located beneath the over-thrust granite immediately northeast of the historical K1 and K2 gold deposits (owned by Vango Mining Ltd). AIC was successful in attracting a Western Australian Government Co-Funded drilling grant of \$150,000 to test the target with diamond drilling.

Cultural Heritage surveys were completed at Stetson in the September 2021 Quarter and drilling is expected to commence in the December 2021 Quarter.

### **Next Steps – Marymia Project**

The current drilling program is expected to be completed in October 2021. Given the large backlog of samples at Western Australian assay laboratories, assay results are not expected until very late in the December 2021 Quarter and probably into the March 2022 Quarter.

The Stetson to Two Pools ground gravity survey is due to commence in mid-October 2021.

Preparation for diamond drilling at the Stetson Prospect is well advanced with tendering for drill contractors underway.

## **CORPORATE**

### **Eloise Copper Mine Acquisition**

On 24 August 2021, AIC Copper Pty Ltd (a wholly owned subsidiary of AIC Mines) entered into an agreement to acquire the Eloise Copper Mine from FMR Investments Pty Ltd (the “Acquisition”). The Acquisition is subject to certain conditions, which include AIC obtaining shareholder approval of the Acquisition and successfully completing a capital raising of at least \$30 million (the “Capital Raising”).

One of the conditions to the Acquisition completing, indicative approval under section 23 of the Mineral and Energy Resources (Common Provisions) Act 2014 (MERC Act) for the transfer of each Eloise tenement, was recently achieved. The major outstanding conditions are now shareholder approval, successfully completing the Capital Raising and AIC re-complying with the requirements of Chapter 1 and 2 of the Listing Rules in connection with the Acquisition and receiving conditional approval from ASX to admit its securities to official quotation on ASX.

Eloise is a high-grade operating underground mine located 60 kilometres southeast of Cloncurry in North Queensland. It commenced production in 1996 and has since produced approximately 339,000t of copper and 167,000oz of gold. Current annual production is approximately 40,000dmt of high-quality copper concentrate containing approximately 11,000t of copper and 6,000oz of gold.

AIC will pay approximately \$27 million to acquire Eloise subject to certain inventory adjustments on closing. The consideration comprises:

- A payment of \$5 million in cash and \$20 million in AIC Shares issued on Completion; and
- A contingent payment of \$2 million in cash payable six months after Completion if certain production milestones are achieved.

The current owner of the Eloise Copper Mine, FMR, will join AIC as a supportive new major shareholder – on completion of the Acquisition and Capital Raising, FMR will hold approximately 26.0% - 29.9% of the issued capital of AIC.

The Acquisition will create a new ASX-listed copper mining company with significant upside. AIC expects to add value through exploration success, resource growth, regional consolidation and improving operational reliability.

Further information is provided in the Company's ASX announcement released on 31 August 2021, available at the Company's website.

### **Shareholder Approval**

AIC Shareholders who have nominated to receive electronic communications from the Company will have received a letter providing details for electronic access to a Notice of Meeting and Explanatory Statement outlining information relevant to Shareholder approval of the Acquisition and Capital Raising. A General Meeting of the Company will be held on 25 October 2021 to seek Shareholder approval for the Acquisition and Capital Raising. If approved, the major remaining condition to the Acquisition will be completing the Capital Raising.

Further information is provided in the Company's Notice of General Meeting released on 24 September 2021, available at the Company's website.

### **Capital Raising**

AIC has entered into a Joint Lead Manager mandate with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd to facilitate the Capital Raising. The Company is seeking to raise a minimum of \$30 million (before costs) and a maximum of \$40 million (before costs) through an offer of a minimum of 120,000,000 and a maximum of 160,000,000 Shares at an issue price of \$0.25 per share. The Capital Raising will fund the Acquisition as well as provide sufficient capital for working capital movements, exploration expenditure and environmental performance bonds.

The Capital Raising is not underwritten however bids received have far exceeded the maximum \$40 million amount.

The Capital Raising opened on 7 October 2021 and is due to close on 25 October 2021 if not closed sooner.

Existing AIC shareholders can participate in the Priority Allocation component of the Capital Raising. AIC minority shareholders are given priority (on an individual basis) for an allocation of shares under the Priority Allocation consisting of up to 20,000,000 shares at an offer price of \$0.25 per share. Applications received to date exceed 20,000,000 shares.

Shareholders should visit the Public Offer website which can be accessed via a link on the home page of the Company's website at [www.aicmines.com.au](http://www.aicmines.com.au) or directly via [aicminesoffer.thereachagency.com](http://aicminesoffer.thereachagency.com).

In order to participate in the Priority Allocation shareholders should use their SRN or HIN as their Applicant Reference Number in the box provided in the online Allocation Form or at Section F of the Priority Allocation Application Form.

Further information is provided in the Company's Prospectus released on 29 September 2021, available at the Company's website.



### **Eloise Copper Mine**

Current operations consist of an underground mine accessed via decline. The upper levels of the mine (above 1,190m below surface) are extracted by longhole open stoping and the lower levels are extracted by sublevel caving, together producing up to 700,000tpa ore. Eloise is an owner-miner operation with a mining contractor used only for underground development.

Processing is via conventional crushing, grinding and sulphide flotation with capacity to treat 750,000tpa. Power for the processing plant is provided by an on-site diesel power station. Metallurgically the ore is very consistent as the ore mineralogy at Eloise is almost exclusively chalcopyrite. Processing achieves high copper recoveries (generally 94% - 95%) and produces a clean concentrate. The concentrate has significant by-product credits from gold and silver.



**Figure 10. Eloise Processing Plant**

Eloise produced 9,715dmt of concentrate containing 2,704t Cu and 1,538oz Au in the September 2021 Quarter. Lower than average grade was planned and mined from Macy lode during July and August for stope geometry purposes. The second half of September saw the average grade exceed target as the access to Macy high-grade ore was established.

Mill throughput was impacted in July by unplanned downtime of 4.5 days due to a failed mill motor.

Approval for an Environmental Authority amendment to commence discharging tailings into TD1/TD2 was received in August.

*AIC is not expected to take ownership of Eloise until at earliest 1 November 2021 following completion of all conditions precedent. Eloise production results for the September 2021 Quarter are included for information only.*

Further information about the Eloise acquisition is provided in the Company's Notice of General Meeting released on 24 September 2021, available at the Company's website.

## Cash Position

At 30 September 2021, AIC held \$3.1 million in cash (30 June 2021: \$4.3 million) and a further \$0.65 million in listed investments (31 March 2021: \$1.8 million).

Cash outflows in relation to operating activities for the September 2021 Quarter totalled \$2.1 million across exploration activity (45%), exploration salaries (11%), corporate salaries (11%) and corporate administration (33%). Corporate administration costs were higher than previous quarters due to costs related to the Eloise Copper Mine acquisition. Payments to related parties and their associates totalled \$115,000 consisting of Directors fees and Managing Director salary and superannuation payments.

Cash inflows for the September 2021 Quarter totalled \$926,000 consisting of the sale of listed investments (\$850,000), a payment to withdraw new tenement applications at Mt Gibson (\$70,000), the sale of a motor vehicle and bank interest.

## Authorisation

This Quarterly Activities Report has been approved for issue by, and enquiries regarding this report may be directed to:

**Aaron Colleran**  
Managing Director  
Email: [info@aicmines.com.au](mailto: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 compiled by Michael Taylor 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". Michael is a full-time employee of AIC Mines Limited. Michael consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## Exploration Information Extracted from 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:

- |  |                   |
|--|-------------------|
| • Marymia Project Exploration Update                                 | 24 June 2020      |
| • Initial Results from Maiden Drilling Program at Lamil Project      | 28 January 2021   |
| • Final Results from Maiden Drilling Program at Lamil Project        | 26 February 2021  |
| • Transformational Acquisition AIC to Acquire the Eloise Copper Mine | 31 August 2021    |
| • Drilling Commences at the Lamil Gold-Copper Project                | 6 September 2021  |
| • Drilling Commences at Marymia Project                              | 29 September 2021 |

These announcements are available for viewing on the Company's website [www.aicmines.com.au](http://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.



## APPENDIX 1 – TENEMENT HOLDINGS AT 30 SEPTEMBER 2021

Tenement	Status	Project	AIC Ownership Interest
E52/2943	Live	Marymia	100%
E52/2944	Live	Marymia	100%
E52/2945	Live	Marymia	100%
E52/2973	Live	Marymia	100%
E52/3027	Live	Marymia	100%
E52/3028	Live	Marymia	100%
E52/3029	Live	Marymia	100%
E52/3044	Live	Marymia	100%
E52/3154	Live	Marymia	100%
E52/3171	Live	Marymia	100%
E52/3190	Live	Marymia	100%
E52/3265	Live	Marymia	100%
E52/3317	Live	Marymia	100%
E52/3318	Live	Marymia	100%
E52/3319	Live	Marymia	100%
E52/3346	Live	Marymia	100%
E52/3368	Live	Marymia	100%
E52/3397	Live	Marymia	100%
E52/3455	Live	Marymia	100%
E52/3622	Live	Marymia	100%
E52/3623	Live	Marymia	100%
E52/3624	Live	Marymia	100%
E52/3648	Live	Marymia	100%
E52/3721	Live	Marymia	100%
E52/3743	Live	Marymia	100%
E52/3768	Live	Marymia	100%
E69/3247	Live	Marymia	100%
P52/1585	Live	Marymia	100%
E45/5270	Live	Lamil JV	Earning up to 65%
E45/5271	Live	Lamil JV	Earning up to 65%
E45/5909	Pending	Lamil South	100%
E45/5914	Pending	Lamil South	100%
E45/5919	Pending	Lamil South	100%
E52/3068	Live	Curara Well JV	80%
E52/3069	Live	Curara Well JV	80%
E52/3320	Live	Curara Well JV	80%
E52/3486	Live	Curara Well JV	80%
E52/3487	Live	Curara Well JV	80%
E52/3488	Live	Curara Well JV	80%
E52/3489	Live	Curara Well JV	80%
E52/3031	Live	Doolgunna JV	Earning up to 80%
E59/2545	Application Withdrawn	Mt Gibson	0%
E59/2547	Application Withdrawn	Mt Gibson	0%
E59/2550	Application Withdrawn	Mt Gibson	0%
E59/2555	Application Withdrawn	Mt Gibson	0%

Mt Gibson tenement applications were withdrawn during the Quarter.

**Lamil JV:** AIC Mines has entered into an earn-in and joint venture agreement with Rumble Resources Limited (ASX: RTR) under which, subject to the satisfaction of regulatory consents, it may earn up to a 65% interest in tenements ELA45/5270 and EL45/5271. Details of the agreement were released to the ASX on 22 July 2019.

**Curara Well JV:** AIC Resources Limited, a wholly owned subsidiary of AIC Mines, has entered into a Joint Venture Agreement with Venus Metals Corporation (ASX: VMC) providing AIC with an 80% interest in tenements E52/3069, E52/3320, E52/3487, E52/3488, E52/3489, E52/3068 and E52/3486. Details of the agreement were released to the ASX on 20 August 2020.

**Doolgunna JV:** 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. Details of the agreement were released to the ASX on 4 June 2018. On 30 July 2019, the parties agreed to extend the Earning Period from two years, to four years, by way of a side letter.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AIC Mines Limited

ABN

11 060 156 452

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,172)	(3,652)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(237)	(611)
	(e) administration and corporate costs	(679)	(947)
1.3	Dividends received	-	-
1.4	Interest received	2	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	168
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,086)</b>	<b>(5,034)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(52)	(55)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	70	70
	(c) property, plant and equipment	4	4
	(d) investments	850	3,020
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>872</b>	<b>3,039</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,285	5,066
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,086)	(5,034)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	872	3,039
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,071</b>	<b>3,071</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,991	4,205
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	80	80
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,071</b>	<b>4,285</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	115
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,086)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,086)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,071
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,071
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.47
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Completion of the Eloise Copper Mine acquisition, expected to occur on 1 November 2021, will change the Company's level of net operating cash flows. Further information is provided in the Company's Notice of General Meeting released to the ASX on 24 September 2021 and available at the Company's website.	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company has entered into a Joint Lead Manager mandate with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd to facilitate a Capital Raising to raise a minimum of \$30 million (before costs) and a maximum of \$40 million (before costs).

The Capital Raising opened on 7 October 2021 and is due to close on 25 October 2021 if not closed sooner. Bids received to date indicate that the Company will be successful in raising the maximum \$40 million amount.

Further information is provided in the Company's Prospectus released to the ASX on 29 September 2021 and available at the Company's website.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

On the basis that the Eloise Copper Mine acquisition and Capital Raising (referred to above) close successfully the Company expect to be able to continue its operations and to meet its business objectives. The Company is confident that the Eloise Copper Mine acquisition and Capital Raising will close successfully.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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.
- 3 The Company's Board of Directors have received a declaration from its CEO and Group Financial Controller that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion had been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Authorised by: the Company's Board of Directors

Date: 20 October 2021

## Notes

1. 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.
2. This quarterly report has not been audited or reviewed by the Company's auditor.