ASX ANNOUNCEMENT

8 August 2022

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 Mines owns the Eloise Copper Mine, a high-grade operating underground mine located SE of Cloncurry in North Queensland.

AIC Mines also has significant gold, copper and nickel exploration projects in Western Australia and New South Wales.

CAPITAL STRUCTURE

Shares on Issue: 311,740,018

CORPORATE DIRECTORY

Josef El-Raghy
Non-Executive Chairman

Aaron Colleran
Managing Director & CEO

Brett Montgomery
Non-Executive Director

Tony Wolfe
Non-Executive Director

Jon Young
Non-Executive Director

Linda Hale
Company Secretary

CORPORATE DETAILS

ASX: **A1M**
www.aicmines.com.au
ABN: 11 060 156 452
P: +61 (8) 6269 0110
F: +61 (8) 6230 5176
E: info@aicmines.com.au
A: A8, 435 Roberts Rd,
Subiaco, WA, 6008
Share Register:
Computershare Investor Services

Exploration Update
Lamil Project, Paterson Province WA

AIC Mines Limited (ASX: A1M) ("AIC Mines" or the "Company") is pleased to provide an update on exploration activity 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

- A 5,000m program of reverse circulation (RC) drilling has recently commenced at the Lamil Project.
- The drilling will test four previously undrilled targets. The Sundew, Flame Pea North and Flame Pea South targets will be tested for copper-gold mineralisation proximal to major regional structures. The Foxtail target will be tested for Nifty-style copper mineralisation.
- The diamond drilling program that commenced in June at Lamil is almost complete. Four diamond holes for 1,584m have been completed at the Lamil Dome Prospect. Drilling is currently underway at the Goodenia target and once completed the rig will move to the final hole of the program at the Firebush target.
- AIC Mines has recently met the expenditure requirement to earn a 50% interest in the Lamil Project from Rumble Resources Limited ("Rumble"). Rumble can now elect to form a joint venture in which AIC Mines and Rumble will each hold a 50% interest and contribute equally to exploration expenditure moving forward. If Rumble does not elect to form the joint venture, then AIC Mines can elect to earn an additional 15% interest by sole funding a further $4 million in exploration expenditure within 12 months.

Lamil Joint Venture

The Lamil Gold-Copper Project is located in the Paterson Province in the northwest of Western Australia, 500 kilometres east of Port Hedland. The Paterson Province is one of Australia's most highly endowed yet under-explored mineral provinces. It hosts the world-class Telfer Gold-Copper Mine, the Nifty Copper Mine and the recent copper-gold discoveries at Winu by Rio Tinto and Havieron by the Greatland Gold-Newcrest JV (Figure 1).

The Lamil Project, which covers an area of 1,280km², captures a covered belt of Yeneena Supergroup rocks bound by two deep penetrating, belt parallel, NNW trending structures. The Yeneena Supergroup hosts mineralisation at both Telfer and Nifty mines.

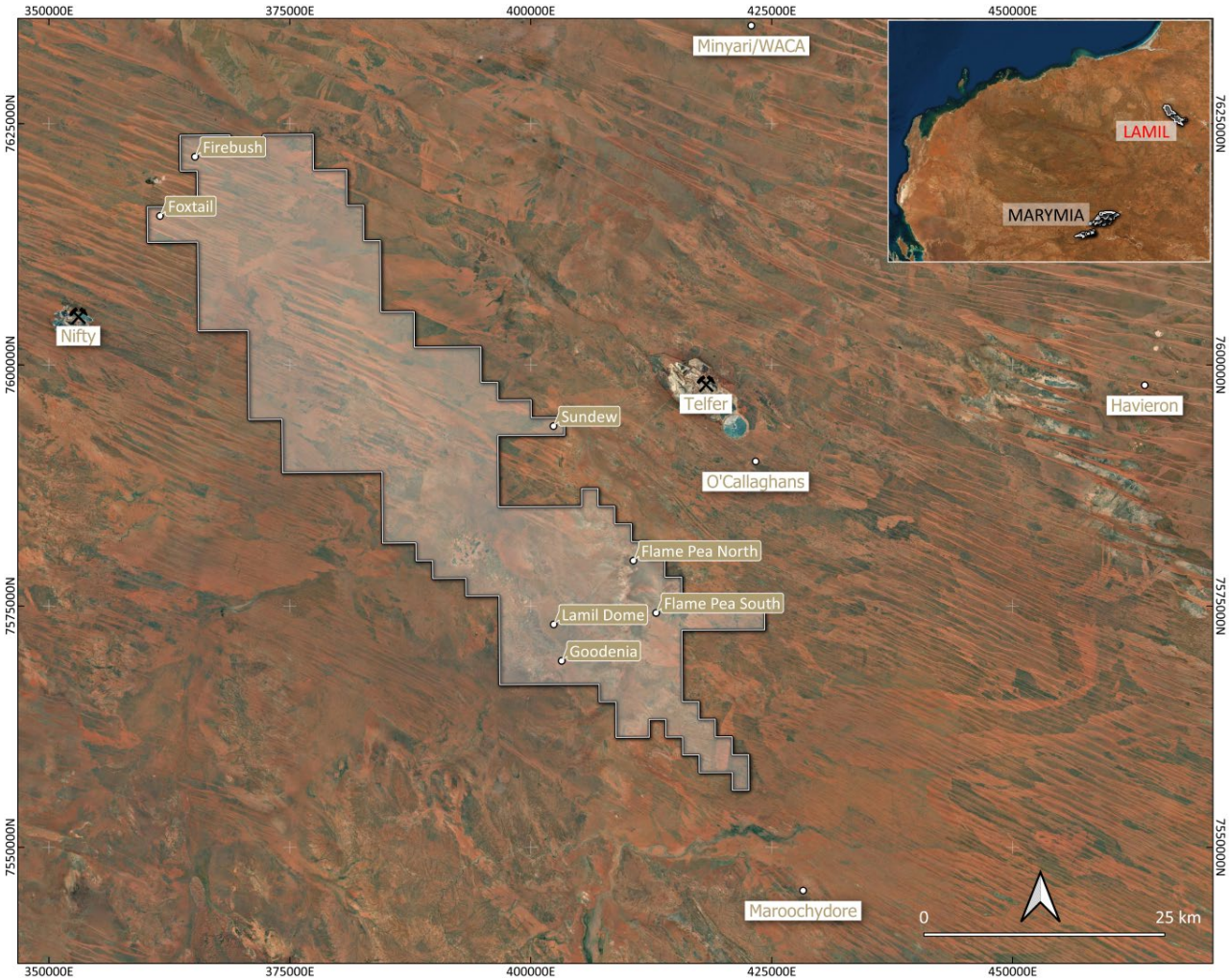

Figure 1. Location of the Lamil Project and target areas.

Diamond Drilling

The diamond drilling program that commenced in June at Lamil (see AIC Mines ASX announcement "Drilling Commences at the Lamil Gold-Copper Project" released on 23 June 2022) is almost complete. Four diamond holes for 1,584m have been completed at the Lamil Dome Prospect. Drilling is currently underway at the Goodenia target and once completed the rig will move to the final hole of the program at the Firebush target.).

RC Drilling

A 5,000m program of reverse circulation (RC) drilling has recently commenced. The drilling will test four previously undrilled targets. The Sundew, Flame Pea North and Flame Pea South targets will be tested for copper-gold mineralisation proximal to major regional structures. The Foxtail target will be tested for Nifty-style copper mineralisation.

The **Sundew Target** is planned to test Telfer Formation rocks under shallow cover in the hinge of a NNW trending anticline adjacent to the interpreted position of the regionally extensive Parallel Fault (Figure 2). Wide-spaced RC drilling will target both the limbs and axis of the anticline proximal to the regional fault known to host a series of gold prospects (e.g. Joy's Gossan, Hasties) along strike of the target to the south-east. A 200m x 200m surface geochemistry campaign completed in 2021 returned two multielement (Au, Ag, Bi, Mo, Sb and Cu) anomalies. Furthermore, the affinity of the rocks, interpreted to be Telfer Formation units, and proximity to the Parallel Fault bolsters the prospectivity of this target.

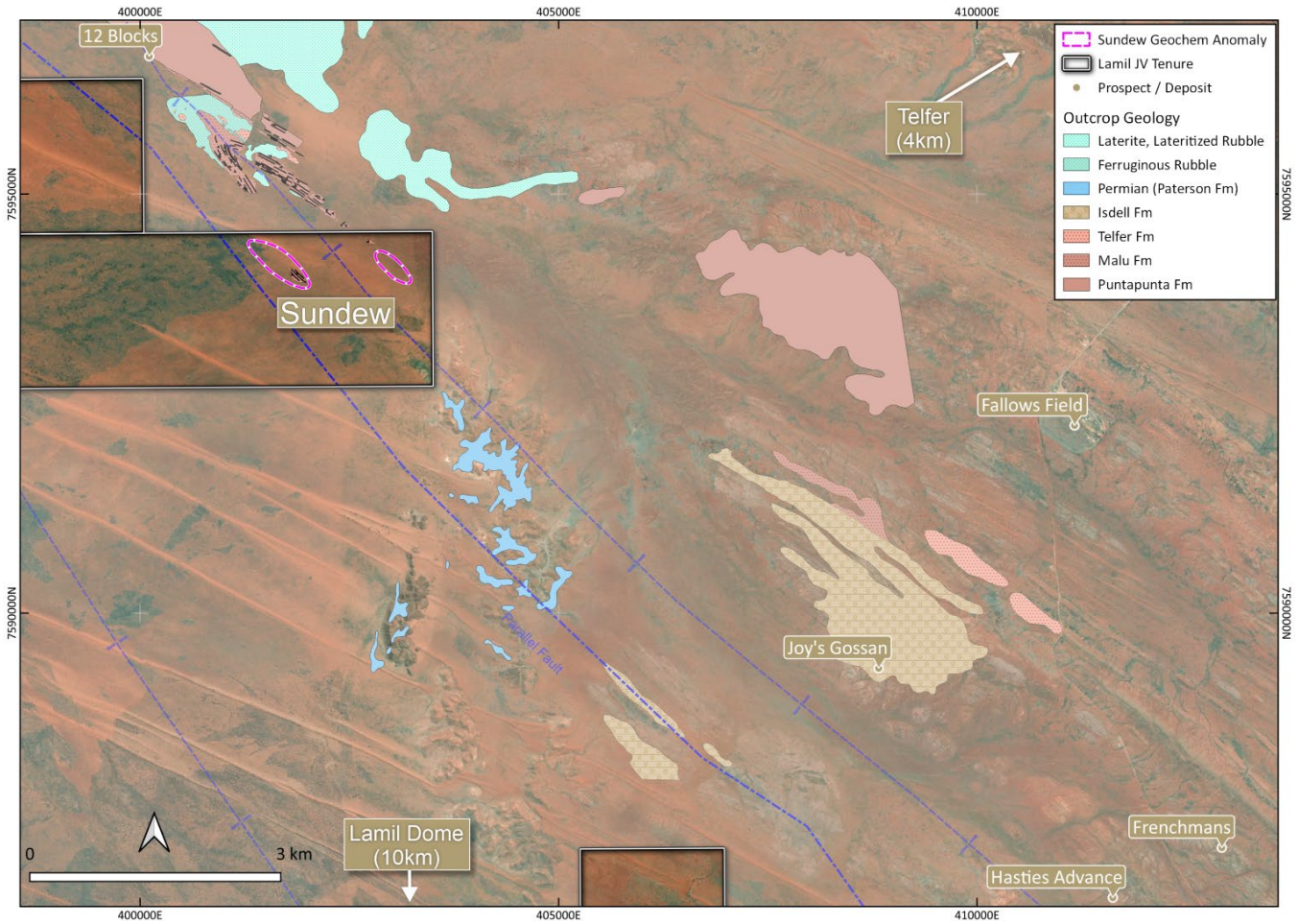

Figure 2. Sundew Target showing outcropping geology over high-resolution satellite imagery with regional prospects.

At the **Flame Pea North Target**, a small program of wide-spaced reconnaissance RC drilling will test the Parallel Fault 15 kilometres to the southeast of Sundew, coincident with an elevated magnetic response which is interpreted to overlie the southwest extension of the northeast trending O'Callaghan's Granite suite (Figure 3).

Located a further 10 kilometres south is the more extensive **Flame Pea South Target** which covers the western limb and axis of a regionally extensive NNW trending anticline (Figure 3). Drilling will focus on two

discrete magnetic anomalies, the southernmost of which coincides with a moderate airborne electromagnetic (AEM) anomaly detectable below approximately 100m of Permian cover.

The **Foxtail Copper Target** is defined by a moderate west-dipping AEM conductor coincident with a gravity anomaly, beneath approximately 200m of Permian cover (Figure 4), located adjacent to the regionally extensive Camel-Table Top Fault. Drilling will test the anomaly, which is interpreted as being hosted in Broadhurst Formation, the same rock package which hosts the Nifty copper mine located some 10 kilometres to the west.

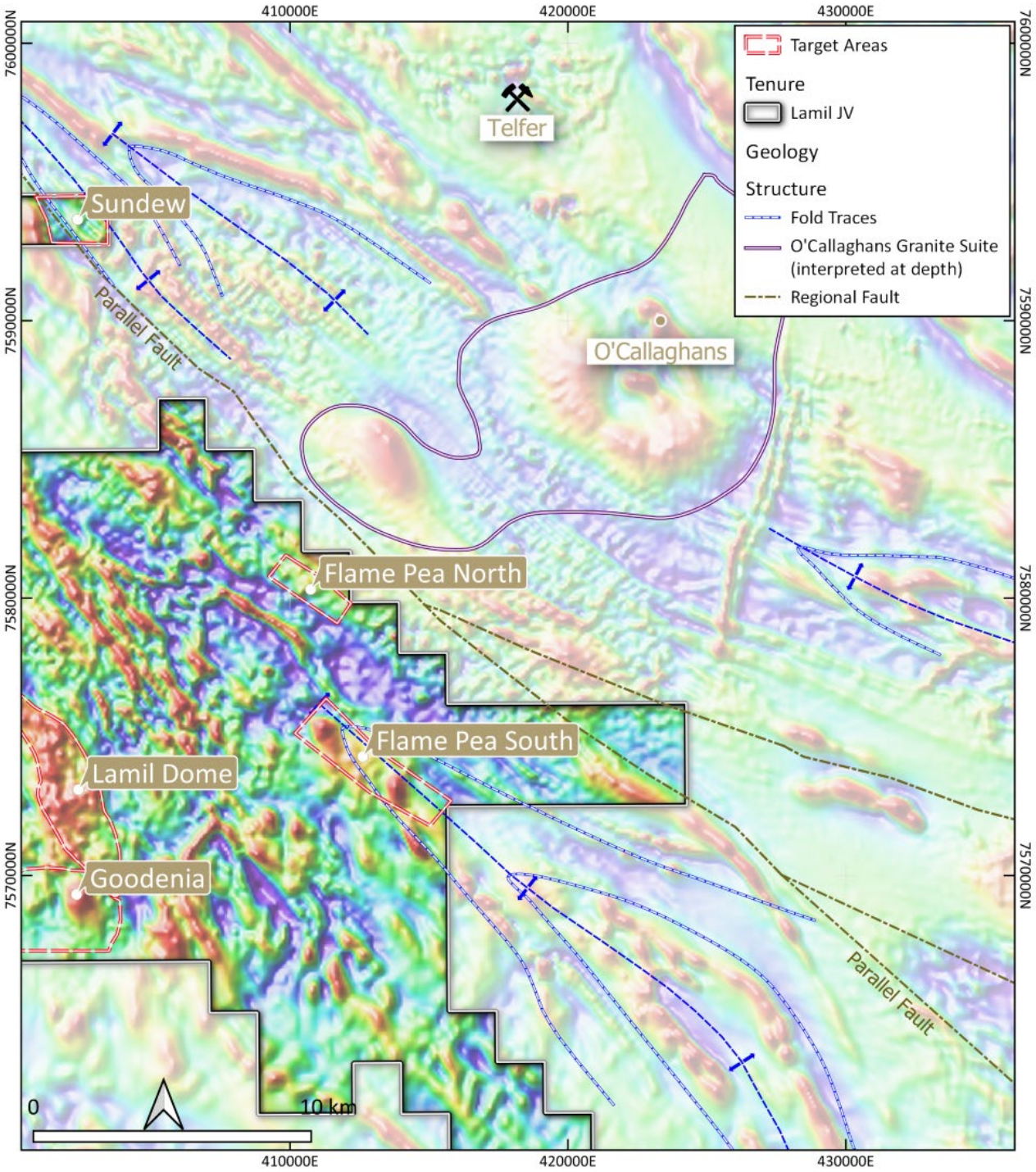

Figure 3. Location of Flame Pea Target shown together with the interpreted geological features draped over the RTP magnetic image.

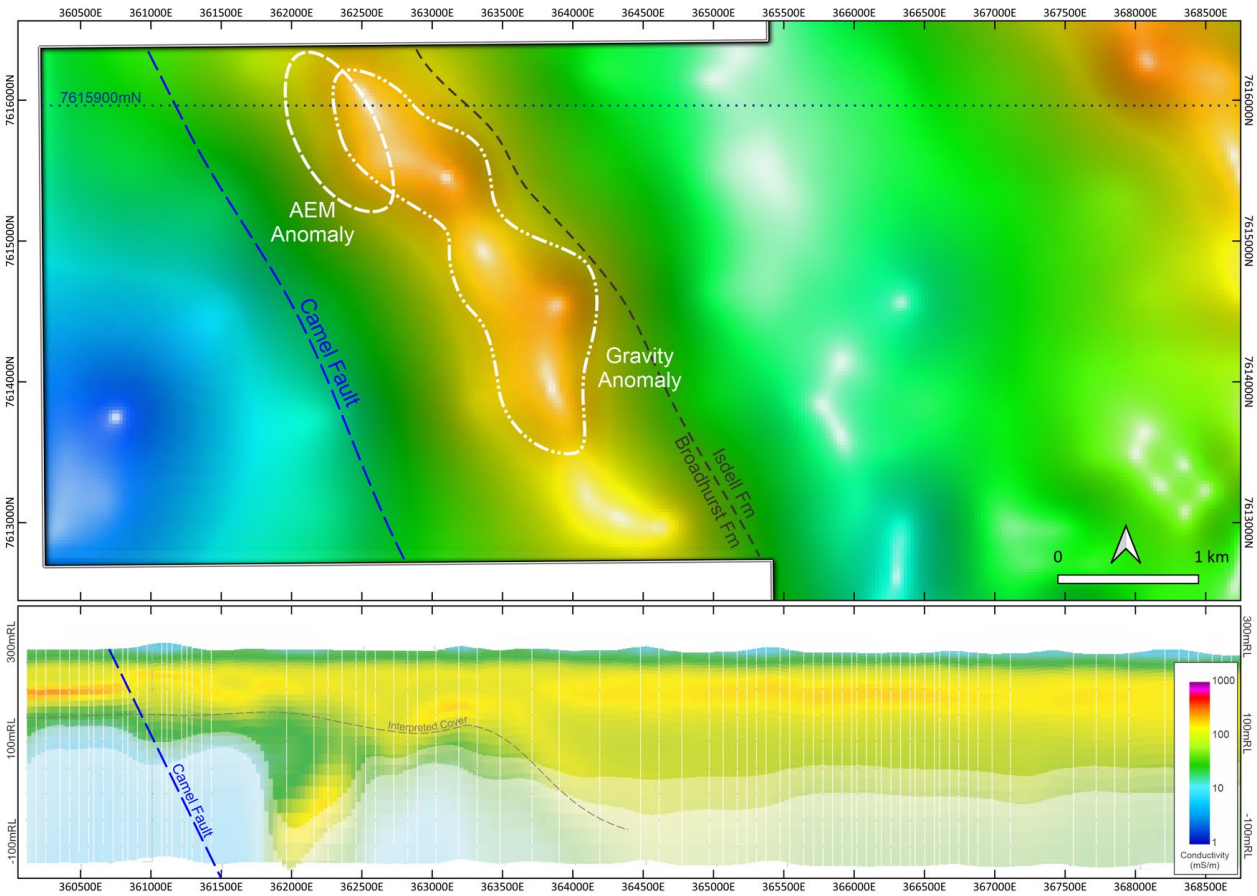

Figure 4. Foxtail Target defined by an elongated gravity ridge in the Bouguer gravity (top image) and a discrete conductor under conductive Permian cover on AEM line L1310 (7615900mN) (bottom image)

Lamil Earn-In and Joint Venture Agreement

Under the terms of the earn-in and joint venture agreement with Rumble Resources Limited ("Rumble") (ASX: RTR), AIC has the right to earn a 50% interest in the Lamil Project by spending $6 million over 4 years (Stage 1) and thereafter earn a further 15% by spending $4 million over 1 year (Stage 2) if Rumble elects not to commence contributing.

AIC Mines has recently met the Stage 1 expenditure requirement to earn a 50% interest in the Lamil Project and has provided notice to Rumble. Rumble can now elect to form a joint venture in which AIC Mines and Rumble will each hold a 50% interest and contribute equally to exploration expenditure moving forward. If Rumble does not elect to form the joint venture, then AIC Mines can elect to earn an additional 15% interest by sole funding a further $4 million in exploration expenditure within 12 months. If AIC Mines does not elect to sole fund and earn the additional 15% then each party will hold a 50% interest in the joint venture and can either contribute to ongoing exploration expenditure equal to its interest or have its interest in the joint venture diluted according to a standard dilution mechanism. Notification and decision periods stipulated by the earn-in and exploration joint venture agreement close at the end of September 2022. Further updates will be provided once the Stage 2 position is finalised.

Completion of the Stage 1 expenditure requirement also triggers a milestone payment to Rumble. AIC Mines must issue AIC shares with an aggregate value of $250,000 to Rumble and must subscribe for

Rumble shares with an aggregate value of $250,000. The milestone payment is currently being finalised and resultant shares are expected to be issued by the end of August 2022.

The key terms of the earn-in and exploration joint venture agreement are described in the Company's ASX announcement dated 22 July 2019.

Authorisation

This announcement has been approved for issue by, and enquiries regarding this announcement may be directed to Aaron Colleran, Managing Director, via info@aicmines.com.au.

Exploration Information Extracted from ASX Announcements

This announcement contains information extracted from previous AIC Mines ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details, including 2012 JORC Code reporting tables where applicable, can be found in the following announcement lodged on the ASX:

- Paterson Province Exploration Joint Venture 22 July 2019
- Drilling Results from Lamil Project 9 February 2022
- Drilling Commences at the Lamil Gold-Copper Project 23 June 2022

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 the original ASX announcement.

Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results is based on data analysis and fairly represents information and supporting documentation compiled by Mike 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 they have undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Taylor is a full-time employee of AIC Mines Limited. Mr Taylor consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.