

AIC Resources Limited ("AIC" or "the Company")
(ASX:A1C)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017

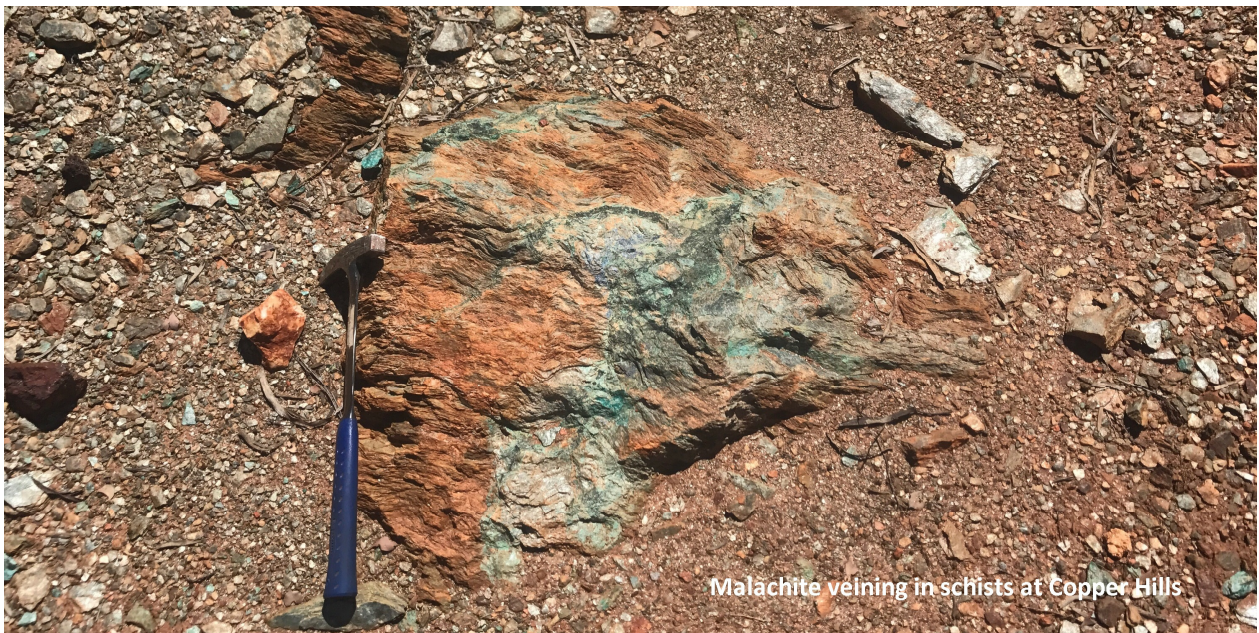
HIGHLIGHTS

Exploration

- ❖ Completion of airborne magnetic survey.
- ❖ Commencement of airborne magnetic interpretation, geological mapping and geochemical sampling.
- ❖ Geochemical sampling over the Copper Hills prospect has clearly defined a distinct gold anomaly co-incident to known supergene copper with over 6km strike extent. The best rock chip returned a value of 1.1 g/t Au and 9.7% Cu.
- ❖ Geochemical sampling at Pinnyrini has outlined a substantial gold anomaly traceable for approximately 1.5km.

Corporate

- ❖ Capital raising of \$7m - \$10m closed early with full \$10m received.
- ❖ Official quotation of Company on ASX commencing on 1 December 2017.



Malachite veining in schists at Copper Hills

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MARYMIA PROJECT BACKGROUND

The Company is the 100% owner of the ~3,160km² Marymia Project located 1,200km north-east of Perth on the northern margin of the Yilgarn.

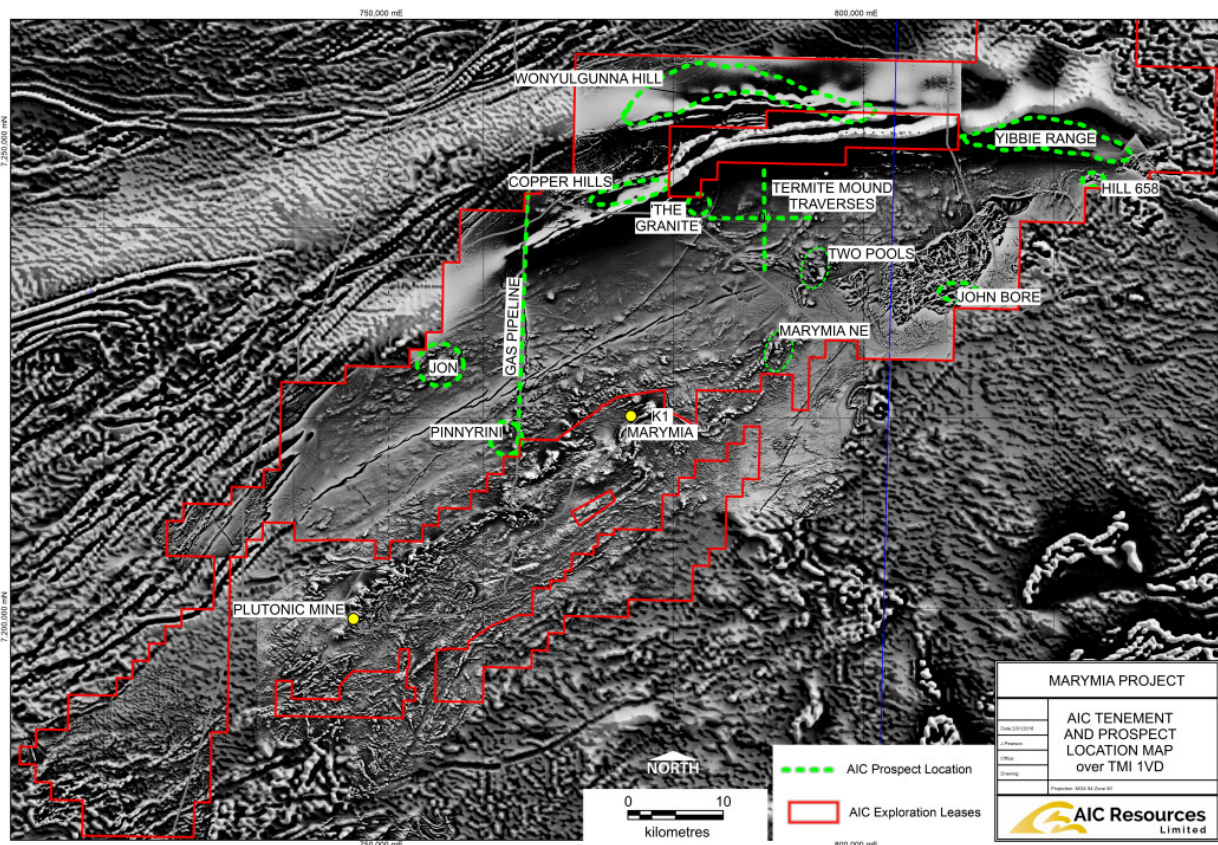
The Marymia Project is considered to have the potential to host gold ore deposits. Additionally, some Tenements have the potential to host base metal, lithium or rare earth metal mineralisation. The Company proposes to undertake an exploration work program in order to define a mineral resource capable of sustaining an independent and viable mining operation.

EXPLORATION

Exploration has commenced on both a Regional and Project scale with completion of a low level detailed airborne magnetic survey, geological mapping and surface sampling.

Airborne magnetics

A high resolution fixed wing airborne magnetic and radiometric survey which commenced in June 2017 by GPX Surveys Pty Ltd was completed and final data delivered in mid-December 2017. A total of 47,416 line kms were collected at a nominal terrain clearance of 30m on 50m spaced lines. Interpretation of data, together with field mapping, is being used to re-evaluate the geological understanding and structural setting of the Plutonic greenstone belt and surrounds. Several priority targets and multiple areas of interest have been identified, and field work is underway.



Geochemical Orientation Survey

Orientation soil traverses were completed over 4 separate areas, 2 with known mineralisation (Two Pools and Marymia NE) and 2 with distinctly varying regolith and geology styles (Pinnyrini and John Bore). At each orientation site, samples were taken at 100m spacings along either a NS or EW traverses. Three samples were taken at each location at a depth of 10 – 15cm below surface, a -1.6mm soil, a -5mm+1.6mm lag and a -6mm MMI. All samples were analysed for gold and multi-elements. Both the soil and the lag samples were analysed by aqua-regia ICPMS at Intertek Genalysis and the MMI samples were analysed by MMI technique at SGS in Perth. All sample types responded well over the 2 known mineralised locations, however the lag samples returned the highest values and best anomaly definition. Follow up samples of a bulk soil (-6mm) were trialed at the lag peak at the Pinnyrini prospects, and although the peak values were confirmed, the best definition was still the -5mm+1.6mm lag fraction, presumably because the finer fractions are diluted by a high percentage of windblown sand.

Soil Geochemistry and Mapping

Following results from the orientation study, 3 projects and a traverse were selected for initial sampling based on previous reconnaissance, drilling data and field observations. All surface geochemical sampling is carried out in accordance with JORC 2012 exploration guidelines.

Copper Hills

Field work and interpretation of airborne magnetics is being used to gain a better understanding of the Copper Hills mineralisation in the broader geological setting of the Marymia Project area. Geological mapping, rock chip and lag sampling has been completed over the Copper Hills area. A -5mm+1.6mm lag sample was taken at 10 – 15cm depth, at 80m spacings on 160m spaced north south lines. Although this project has known supergene copper mineralisation, it has not been effectively tested for gold. Both lag and rock chip samples were analysed by aqua-regia ICPMS (1ppb DL Au) at Intertek Genalysis in Perth and all results have been received. Rock chip results returned best values from the malachite bearing schists near the 1972 Endeavor Oil costeans:

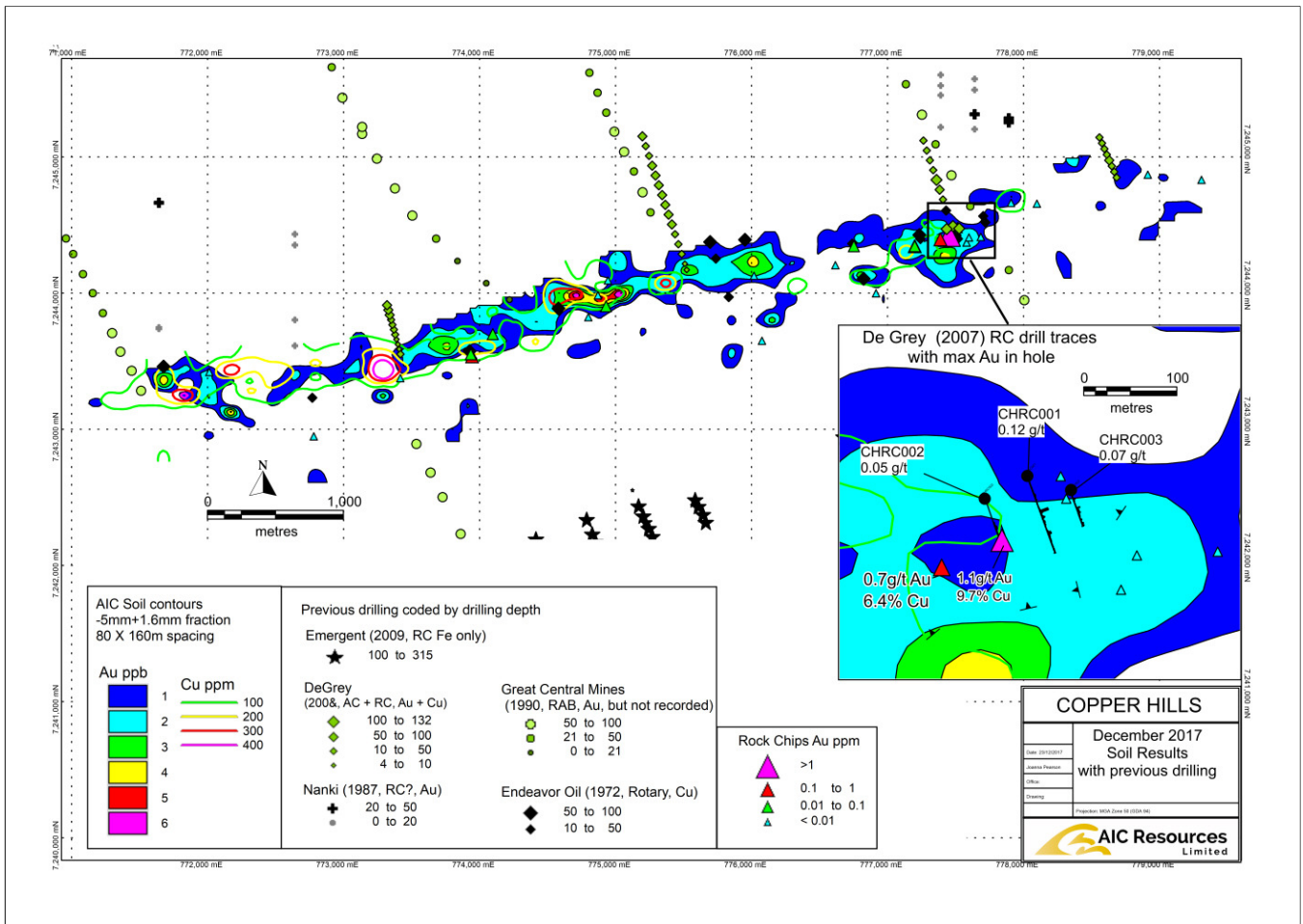
SampleID	Au g/t	Cu %
Z007013	1.1	9.7
Z007014	0.6	6.5
Z007027	0.4	5.5
Z007015	0.1	2.8
Z007012	<0.1	2.9

Lag sampling has clearly defined a distinct gold anomaly co-incident to copper with over 6km strike extent.

Previous drilling has not effectively tested the gold potential:

- 1972 drilling by Endeavor Oil did not assay for gold.
- 1987 drilling by Nanki drilled to the north and did not test the hills.
- 1995 drilling by Great Central Mines only crossed over the hill in the far east and west, lines over 6.5 km apart.
- 2007 RC drilling by De Grey was targeted on copper, drilling below the main costean. These holes (shown on the insert) although proximal to the 1g/t rock chip do not test the peak of the gold soil anomalies.
- 2009 RC drilling by Emergent was for iron only and are over 1km to the south of the hill.

Integration of geochemistry, airborne magnetics and geological mapping will assist in defining a future drilling program.

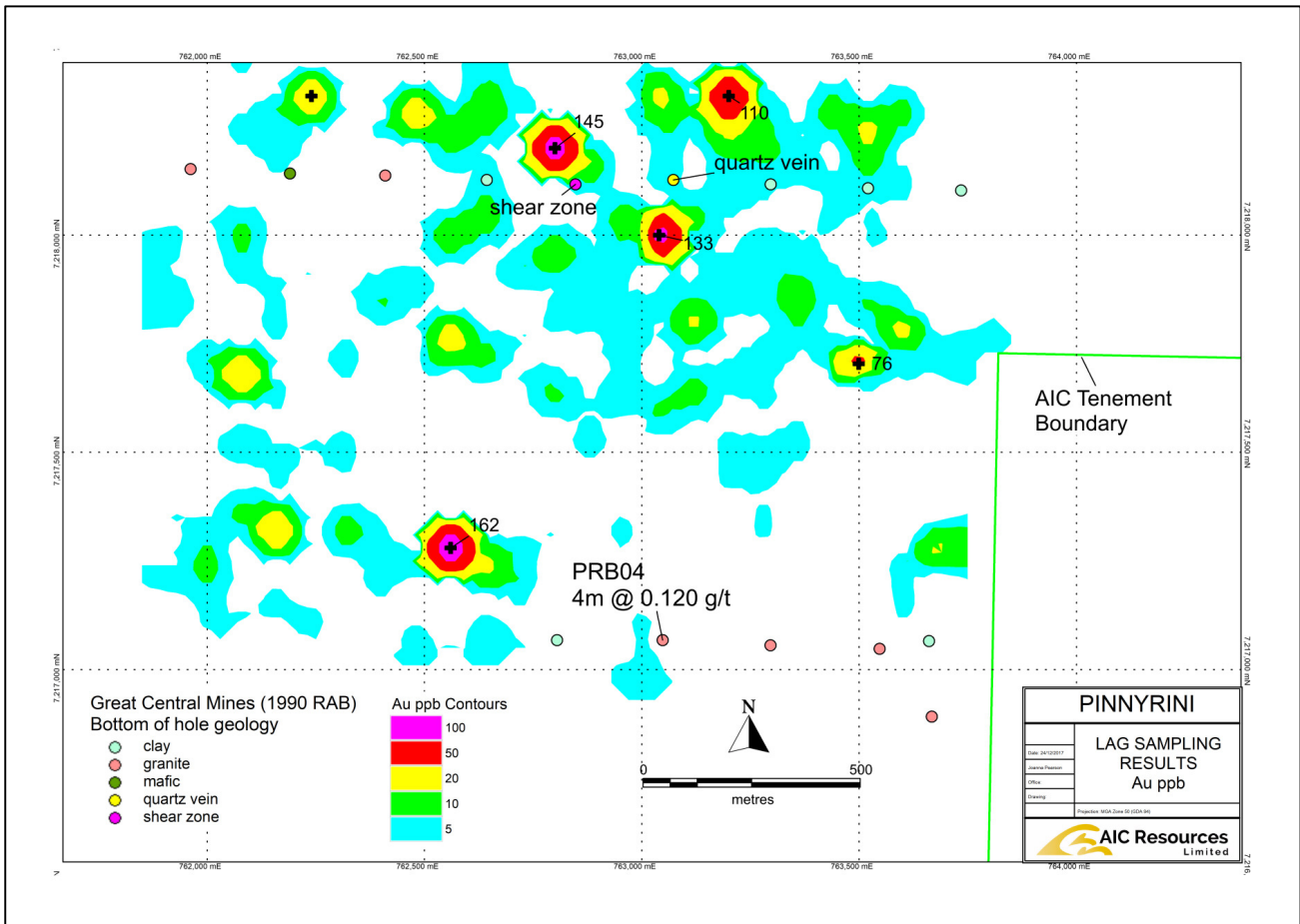


Pinnyrini

Pinnyrini is located within an interpreted embayment in the granite/greenstone contact north east of Plutonic Mine. The area was chosen for initial orientation sampling based on:

- early reconnaissance portable XRF results by AIC Resources, which indicated high arsenic values in the regolith,
- a single result reported from Great Central Mines in 1990 RAB drilling of 4m @ 0.12 g/t Au that was not followed up,
- shearing and quartz veining recorded in bottom of the hole geology.

Subsequent to anomalous gold results returned from orientation survey an 80 x 160m spaced lag sampling program has been completed. Results highlight a substantial gold anomaly with a near continuous 5ppb gold contour traceable for approximately 1.5km. A geophysical interpretation is underway at Pinnyrini as well as an expansion of the initial grid sampled for a further 1km.



The 'Granite'

The 'Granite' is an area with anomalous white deeply weathered granite with minor quartz vein and bordering on an outcrop of more gneissic less deeply weathered rock. Two shallow rips (100m and 40m length) across the exposure made by a previous explorer (although no record has been found in WAMEX reports) have been rock chipped and a lag sampling program completed. Results are pending.

The Pipeline

As the start of a program to map and understand the changes in rock type, geochemistry and regolith profiles across the granitic gneiss belt and into the Copper Hill Schist belt, a single traverse along the north-south gas pipeline has been completed. The traverse was geological mapped and lag samples taken every 200m. Results are pending.

Marymia NE

A detailed model of Marymia NE project using airborne magnetic data has commenced in conjunction with resampling and multi-element analysis of available drill chips and core, to gain a better understanding of mineralisation controls in the broader structural setting.

Two Pools

Geophysical interpretation has commenced with field mapping and lag sampling planned over the NW extension of the Two Pools magnetic feature.

Termite Mound sampling

As a trial to test whether it is possible to detect changes in underlying chemistry beneath shallow Proterozoic sedimentary and/or windblown sand cover, two traverses of termite mound sampling were completed. Samples were taken approximately every 200m over 10km north-south and east-west line covering an interesting magnetic circular feature east of the 'granite' and just south of the Granite/Copper Hills Schist belt contact. Field reconnaissance indicates that the area is covered in shallow Proterozoic sediments and windblown sand. Samples were submitted for low level (0.1ppb detection) gold and multi-element analysis. Results are pending.

Regional Reconnaissance

Wonyulgunna and Yibbie Ranges.

Prospecting and rock chip sampling have been completed over the Wonyulgunna and Yibbie Ranges. Both are extensive ranges of hills consisting of Lower Proterozoic Scorpion Group sandstones that overlie the Earraheedy and Archean units. Results are pending.

Hill 658

To the south east of the Yibbie Range an isolated group of lower hills with no topographic name (except for a datum of 658) was prospected. Sulphidic (<5%) and silicified fine-grained sandstones and feldspathic sandstones, together with a felsic dyke were identified and rock chipped. Results are pending.

Planned Work Program

Mapping and sampling programs will continue during the next quarter, along with continued interpretation of the magnetic and radiometric data (geophysics). This work will better enable the Company to define drilling programs, currently intended for the second half of the calendar year.

CORPORATE

Cash

As at 31 December 2017, AIC held \$9.304 million in cash. Refer to Appendix 5B for principal movements in cash for the quarter.

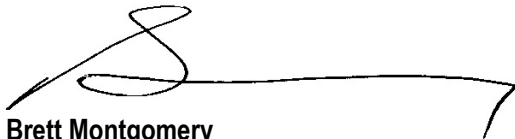
The Company raised \$10 million before costs at an issue price of \$0.20 per share pursuant to a replacement prospectus dated 2 November 2017.

Admission to the Australian Securities Exchange

AIC was successfully admitted to the Official List of ASX Limited on 29 November 2017 with official quotation commencing on 1 December 2017.

The Company has 75,000,001 shares on issue of which 56,500,000 are tradeable and not subject to escrow.

On behalf of AIC Resources Limited



Brett Montgomery
Managing Director
31 January 2018

For more information please contact:-

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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 his information in the form and context in which they appear.

The assay samples were analysed by Intertek Genalysis Laboratory Services Pty Ltd, Maddington, Western Australia.

APPENDIX 1 – AIC RESOURCES LIMITED TENEMENTS

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 ⁽²⁾	Granted	100%
E52/3397	Granted	100%
E52/3455	Granted	100%
ELA52/3087 ⁽¹⁾	Pending	0%

Notes:

- (1) For ELA52/3087, to the effect that if this tenement is not granted it does not adversely affect the prospectivity of the Marymia Project and the proposed exploration budget or program will not be revised. Note that Cosmopolitan Minerals Ltd ("CML") is the registered applicant of ELA 52/3087 and once this application is granted, application will be made for the tenement to be transferred to AIC. This tenement was recommended for approval.
- (2) On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.

Mining Tenements disposed: Nil.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Surface geochemical results stated in this report are based on soil lag sampling. Surface vegetation was cleared, and a hole dug to approximately 15cm. Samples were sieved through aluminum sieves and approximately 300g of -5mm+1.6mm fraction collected in manila packets. Rock chips samples are collected from surface outcrop directly into calico bags. No measures have yet been taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. However an orientation was first conducted to determine the most appropriate sampling medium and assay technique. Reports of mineral occurrences are based in information sourced from open file data. On ground verification of these occurrences is purely visual reconnaissance at this stage. No work worthy of current 'industry standard' has been done to verify reported drill holes or mineral occurrences.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> No drilling has been undertaken by AIC Resources during this reporting period. Drilling results from previous explorers is mentioned at the Copper Hills and Pinnyrini prospect in relation to surface geochemical anomalies defined by AIC Resources The drilling type, age and depth and location of the drill holes are portrayed on relevant maps in the text.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Historical drill holes mentioned in the text at Copper Hills and Pinnyrini are in relation to the current surface geochemical anomalies. All drilling information is sourced from the Western Australia Mineral WAMEX database and measures taken to maximize sample recovery and to ensure representative nature of the samples is generally not recorded. No comment can be made as to relationship between sample recovery and grade in historical drill hole data
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable. Not applicable. Not applicable.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Not applicable. No techniques are discussed in relation to historical drill hole data mentioned in the Report. An orientation geochemical program was first undertaken by AIC Resources to determine the appropriate sample type and analysis. All samples are dried, and pulverised by Intertek Genalysis laboratory in Perth. No information is available, and is not relevant for this stage of exploration, for historical drill holes mentioned in the report.

Criteria	JORC Code explanation	Commentary
	<p>collected, including for instance results for field duplicate/second-half sampling.</p> <ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Lag and rock chip sample results reported were assayed at Intertek Genalysis Laboratory in Perth by aqua-regia digest ICPMS analysis (AR10/MS, 1ppb detection level Au). This is considered a partial digest and is appropriate for this stage of exploration. No information is reported, and is not relevant for this stage of exploration. for the assay technique used for historical drilling. No geophysical data or hand held XRF instrument data is reported. Quality control procedures for lag sampling involves insertion of 2 certified reference material samples (standards) and collection of 2 field duplicates for every 100 samples collected. This is considered acceptable levels for early stage exploration. No information is available for the quality control procedures used for historical drilling.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No significant intersections are reported and therefor have not been verified. No twinned holes are reported. Field data is collected with a hand-held GPS and LogChief data collection software. It is imported directly into an SQL DataShed database. No adjustments have been made to assay data.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Lag and rock chip samples are collected with a hand-held GPS which has an accuracy of approximately 5m. Historical drill hole PRB04 location has been verified by visual location in field. Historical drill holes locations at Copper hills have not been verified. The company is using MGA 94 zone 50 as a standard grid system; Historical data was recorded in AMG66, AMG84 and Lat and Long projections. The data is re-projected to MGA94 and verified visually where possible. All topographic controls are currently by hand held GPS normally with a 5m error and visual.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Exploration lag sampling density at Pinnyrini is based on a 80 X 80 m offset grid. As the trend of the underlying bedrock is not understood it was considered the most appropriate spacing and pattern to use at this prospect. Sampling at Copper Hills is based on 80m spaced samples along 160m spaced lines which run perpendicular to the known strike of rock and mineralisation. Not applicable No sample compositing has been recorded and is not being reported.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Exploration lag sampling density at Pinnyrini is based on a 80 X 80 m offset grid. As the trend of the underlying bedrock is not understood it was considered the most appropriate spacing and pattern to use at this prospect. Sampling at Copper Hills is based on 80m spaced samples along 160m spaced lines which run perpendicular to the known strike of rock and mineralisation. At this early stage of assessment of the Marymia project is it not possible to comment on the relationship between drilling orientation and orientation of key mineralised structures.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Individual lag samples are collected in manila packets at each site and collated in bundles of 10 in calico bags which are then collected into polyweave sacks and wired

Criteria	JORC Code explanation	Commentary
		closed at exploration camp. The polyweave sacks are then driven to Newman and dispatched to Perth by commercial trucking company. No information is available as to measures taken to ensure sample security for historical drilling.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No data audits or sampling reviews have been undertaken.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> AIC is the registered holder of the granted Tenements. Exploration licence application 58/3087 is still pending grant. Should this application be granted, consent will be sought to have title transferred to AIC in accordance with the Mining Act 1978 (WA). The Tenements co-exist with a number of pastoral leases including the Marymia, Three Rivers and Kumarina pastoral leases. On 30 October 2017, the registered native title group in respect of the area of E52/3368, lodged an objection with the National Native Title Tribunal alleging that the grant of E52/3368 (which occurred on 27 July 2016) was invalid as it did not comply with the relevant Native Title Act 1993 (Cth) processes. If the grant of E52/3368 is unwound, the prospectivity of the Marymia Project will not be adversely affected and the funds set aside for exploration on E52/3368 will be re-directed to other granted Tenements.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration was undertaken by numerous sources dating from 1972 until 2016 primarily Great Central Mines from 1990 – 1993. Drilling by previous explorers at Copper Hills are identified on an appropriate map in the text. Information from previous exploration has been sourced from the Western Australia Mineral WAMEX database and is publicly available
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Marymia Project is located within the south-eastern part of the Capricorn Orogen situated between the Pilbara and Yilgarn Cratons. The main exploration model for the district is the Plutonic Mine sequence however, other structural styles and mineralisation may also be present. Specifically, at the Pinnyrini prospect where soils results are reported, there is no outcrop and the underlying geology is not known. However preliminary interpretation based on geophysics and limited GCM RAB drilling is that the prospect is located in an embayment in the overthrust granite and is underlain by greenstone and granite similar to elsewhere in the Plutonic greenstone belt.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> No drilling has been undertaken by AIC Resources. Results from previous explorers are in relation to geochemical anomalies defined by AIC Resources and a table of results is not appropriate.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ 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. 	
Data aggregation methods	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Not applicable ● Not applicable
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● 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'). 	<ul style="list-style-type: none"> ● Not applicable at this stage of exploration
Diagrams	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● A plan of the lag sampling anomaly in relation to previous drilling is given in the text of the report.
Balanced reporting	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Not applicable to this stage of exploration
Other substantive exploration data	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Not applicable to this stage of exploration
Further work	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● AIC Resources has just commenced exploration program and sampling is ongoing. Further lag sampling and geophysical interpretation is planned for Pinnyrini and Copper Hills, with the aim to define a drilling program.

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 Resources Limited

ABN

71 619 035 737

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	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	(96)	(549)
(b) development	-	-
(c) production	-	-
(d) staff costs	(182)	(342)
(e) administration and corporate costs	(66)	(39)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(342)	(927)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(58)	(94)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(58)	(94)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	10,000	10,200
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	(572)	(586)
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)	-	-
3.10	Net cash from / (used in) financing activities	9,428	9,614

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	276	711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(342)	(927)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(94)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,428	9,614
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	9,304	9,304

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	1,304	276
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (term deposits)	8,000	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,304	276

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	87
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	
Includes cash payments for directors fees (for the six months ended 31 December 2017 - \$29,759), salaries (\$27,306), consulting fees (\$14,667 - inc GST), superannuation (\$8,748) to Josef El-Raghy, Brett Montgomery and Heidi Brown. Also includes the payment of \$6,877 for rent of office space (including outgoings, car bay, internet and electricity) from Montana Realty Pty Ltd (a company Josef El-Raghy is a director and shareholder, and Heidi Brown is an alternate director) for the period 1 July to 30 September 2017.	

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	
N/A	

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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	319
9.2 Development	-
9.3 Production	-
9.4 Staff costs	294
9.5 Administration and corporate costs	26
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	639

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	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

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

Sign here: 
Director and Company secretary

Date: 31 January 2017

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.