



**Half Year Financial Report
31 December 2017
(incorporated on 11 May 2017)**

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Corporate Directory

ACN 619 035 737

ASX CODE

A1C

56,500,000 shares are listed on the Australian Stock Exchange (ASX) (an additional 18,500,001 shares remain in escrow)

DIRECTORS

Josef El-Raghy	Chairman
Brett Montgomery	Managing Director
Heidi Brown	Non Executive Director

COMPANY SECRETARY

Heidi Brown

REGISTERED OFFICE

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BANKERS

National Australia Bank
100 St Georges Terrace
Perth WA 6000

SHARE REGISTER

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

INDEPENDENT AUDITORS

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

WEBSITE ADDRESS

www.aicresources.com.au

Directors' Report

The directors submit their report for AIC Resources Limited ("AIC" or "the Company") for the half year ended 31 December 2017.

DIRECTORS

The names and details of the Company's directors in office during the half year and until the date of this report are as follows:

Josef El-Raghy
Chairman
Appointed 11 May 2017

Josef holds a Bachelor of Commerce degree from the University of Western Australia and had a ten year career in stock broking. Josef is currently Chairman of Centamin plc, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett.

Brett Montgomery
Managing Director
Appointed 11 May 2017

Brett has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Brett is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Heidi Brown
Non-Executive Director - Appointed 11 May 2017
Company Secretary - Appointed 11 May 2017

Heidi is a Fellow Chartered Secretary and a Graduate of the AICD Company Directors Course. Heidi holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Heidi was the company secretary of Centamin plc from July 2004 until December 2012, during which time, she contributed to the company's growth from a small exploration company to a multi-billion dollar company.

The directors were in office for the entire period unless otherwise stated.

Directors' Report

CORPORATE STRUCTURE

AIC Resources Limited ("AIC" or "the Company") is a company limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

AIC is an early stage gold exploration and development company.

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.

The Company has commenced collating a full digital dataset of all work previously conducted on the Marymia Project area, concluded field verification and geochemical orientation studies, and completed an airborne geophysical survey.

REVIEW OF OPERATIONS

The Company recorded an operating loss after income tax of \$1,156,503 for the half year ended 31 December 2017. The Company was incorporated on 11 May 2017 and accordingly there are no comparatives for the half year ended 31 December 2016.

There was no dividend declared or paid during the half year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 November 2017, the Company closed its Initial Public Offering for 50,000,000 shares issued at \$0.20 per share to raise \$10 million before costs.

On 29 November 2017, the Company was admitted to the Official List of ASX Limited, and official quotation commenced on 1 December 2017.

For the period from admission to the ASX to 31 December 2017, the Company used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

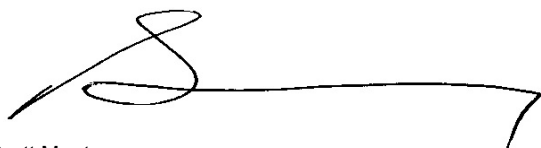
SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no significant events following the balance date that affected the Company's equity or state of affairs.

AUDITOR INDEPENDENCE

Section 307C of the Corporation Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the financial report. This Independence Declaration is disclosed on page 6 of this report and forms part of this directors' report for the half year ended 31 December 2017.

Signed in accordance with a resolution of the directors



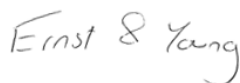
Brett Montgomery
Managing Director

01 February 2018

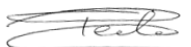
Auditor's Independence Declaration to the Directors of AIC Resources Limited

As lead auditor for the review of AIC Resources Limited for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Philip Teale
Partner
1 February 2018

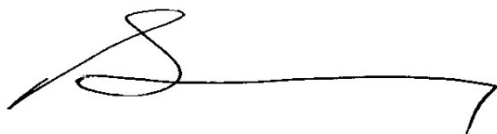
Directors' Declaration

In accordance with a resolution of the directors of AIC Resources Limited, I state:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half year then ended; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, consisting of a stylized 'B' followed by a horizontal line that ends in a small hook.

Brett Montgomery
Managing Director

01 February 2018

Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	For the half year ended 31 December 2017 \$
Revenue	3(a)	2,668
Directors', employee and consultant benefit expenses		
- Wages & salary		(91,285)
- Directors fees		(50,000)
- Consulting fees (exploration)		(238,243)
- Superannuation		(13,422)
Compliance costs	3(b)	(44,730)
Administration costs	3(c)	(121,187)
Depreciation expense		(9,248)
Exploration and evaluation costs	3(d)	(591,056)
Loss before income tax expense		(1,156,503)
Income tax expense		-
Net loss after income tax expense for the period		(1,156,503)
Other comprehensive income		-
Total comprehensive loss for the period		(1,156,503)
Total comprehensive loss for the period is attributable to:		
Owners of AIC Resources Limited		(1,156,503)
		(1,156,503)
Loss per share		
Basic loss per share	9	(0.03)
Diluted loss per share	9	(0.03)

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2017

	Notes	As at 31 December 2017 \$	As at 30 June 2017 \$
Assets			
Current Assets			
Cash and cash equivalents		9,304,320	711,957
Prepayments		84,745	-
Receivables	8	88,225	136,515
Total Current Assets		9,477,290	848,472
Non-Current Assets			
Capitalised exploration and evaluation expenditure	7	1,200,000	1,200,000
Plant and equipment		90,367	5,233
Total Non-Current Assets		1,290,367	1,205,233
Total Assets		10,767,657	2,053,705
Liabilities			
Current Liabilities			
Trade and other payables	8	286,538	42,899
Total Current Liabilities		286,538	42,899
Total Liabilities		286,538	42,899
Net Assets		10,481,119	2,010,806
Equity			
Issued capital	5	11,926,816	2,300,000
Accumulated losses		(1,445,697)	(289,194)
Total Equity		10,481,119	2,010,806

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	For the half year ended 31 December 2017 \$
Cash flows from operating activities		
Gross interest received		2,668
Payments for exploration and evaluation		(548,999)
Payments to suppliers, employees and contractors		(380,646)
Net cash used in operating activities		(926,977)
Cash flows from investing activities		
Payment of plant and equipment		(94,382)
Net cash used in investing activities		(94,382)
Cash flows from financing activities		
Proceeds from issue of shares		10,200,000
Payment of share issue costs		(586,278)
Net cash from financing activities		9,613,722
Net increase in cash and cash equivalents		8,592,363
Cash and cash equivalents at beginning of half year		711,957
Cash and cash equivalents at end of half year		9,304,320

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Issued capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 July 2017	2,300,001	(289,194)	2,010,807
Issue of shares	10,200,000	-	10,200,000
Share issue costs	(573,185)	-	(573,185)
Net loss for the period	-	(1,156,503)	(1,156,503)
Balance at 31 December 2017	11,926,816	(1,445,697)	10,481,119

The accompanying notes form part of these financial statements.

Notes to the Half Year Financial Statements

1. CORPORATE INFORMATION

AIC Resources Limited ("AIC" or "the Company") is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The condensed financial report was authorised for issue by the directors on 01 February 2018 in accordance with a resolution of the directors. The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the most recent annual financial report for the period from date of incorporation on 11 May 2017 to 30 June 2017. It is also recommended that the half year financial report be considered together with any public announcements made by AIC during the half year ended 31 December 2017 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

In preparing the half year financial statements for the period ended 31 December 2017, the Company has applied AASB 1 *First-time Adoption of Australian Accounting Standards* ("AASB 1"). The Company's financial statements for the period from incorporation on 11 May 2017 to 30 June 2017 were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. Accordingly, except as required by AASB 1, the Company has adopted all Australian Accounting Standards and Interpretations effective 1 July 2017 and applied these retrospectively. The adoption of these Standards and Interpretations has had no impact on:

- the total equity as at 30 June 2017; and
- the net loss after tax or cash flows for the period from incorporation on 11 May 2017 to 30 June 2017.

The accounting policies and methods of computation are the same as those adopted in the Annual Financial Report for the period from date of incorporation on 11 May 2017 to 30 June 2017.

(b) Comparatives

The Company was incorporated on 11 May 2017 and therefore, there is no prior period comparative information in the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity.

Notes to the Half Year Financial Statements

For the half year ended
31 December 2017

\$

3. REVENUE AND EXPENSES

(a) Revenue

Interest revenue	2,668
	2,668

(b) Compliance costs

Accounting/audit/company secretarial fees	41,953
ASX fees	1,984
Share registry fees	793
	44,730

(c) Administration costs

Office expenses (rent, parking, electricity)	19,091
Costs of capital raising (not attributable to equity)	70,806
Insurance	4,135
Telephone	1,055
Travel	10,421
Other administration costs	15,679
	121,187

(d) Exploration and evaluation costs

Airborne geophysical survey	320,634
Rents, rates, tenement management, native title and other tenement costs	77,805
Stamp duty on transfer of tenements	55,715
Assays	28,702
Motor vehicle expenses	36,326
Accommodation and meals	55,000
Other exploration expenses	16,874
	591,056

Notes to the Half Year Financial Statements

4. SEGMENT INFORMATION

The Company operates in one geographical area being Australia and one industry, being exploration for the period to 31 December 2017. The Chief Operating Decision Makers are the Board of Directors and management of the Company. There is only one operating segment identified being exploration activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

5. ISSUED CAPITAL

a) Issued and paid up

	31 December 2017 \$	30 June 2017 \$
Issued and fully paid	11,926,816	2,300,000
Total	11,926,816	2,300,000

b) Movement in shares on issue

	31 December 2017	
	Number of Shares	Amount Paid \$
At 1 July 2017	23,000,001	2,300,001
Issued during the period	52,000,000	10,200,000
Cost of issue	-	(573,185)
At 31 December 2017	75,000,001	11,926,816

6. COMMITMENTS & CONTINGENCIES

	As at 31 December 2017 \$	As at 30 June 2017 \$
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(a) Exploration Expenditure Commitment

In order to maintain the Company's interest in mining tenements, the Company is committed to meet the minimum expenditure conditions under which the tenements were granted.

Within 1 year	1,059,000	1,059,000
After 1 year but not more than 5 years	2,078,500	2,608,000

Notes to the Half Year Financial Statements

6. COMMITMENTS & CONTINGENCIES (CONTINUED)

	As at 31 December 2017	As at 30 June 2017
	\$	\$
(b) Office Lease Expenditure Commitment		
In order to maintain the Company's registered office, the Company is committed to meet the office lease commitment. The Company has elected to exercise their option to renew the lease for a further 1 year term terminating on 28 February 2019.		
Within 1 year	26,452	-
After 1 year but not more than 5 years	2,204	-

There are no other known commitments or contingencies as at 31 December 2017.

7. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	As at 31 December 2017	As at 30 June 2017
	\$	\$
Costs carried forward in respect of:		
Acquisition of tenements – At cost		
Balance at beginning of the half year	1,200,000	-
Acquisition of tenements*	-	1,200,000
Total capitalised exploration and evaluation expenditure	1,200,000	1,200,000

* The issue of 12,000,000 shares to Cosmopolitan Minerals Ltd ("CML") at \$0.10 per share for acquisition of the tenements. This amount of \$1,200,000 was considered to be the fair value of the tenements acquired on the basis that this is what CML had spent on the tenements to the date of acquisition by the Company. The Company believes that looking at historical expenditure is a reasonable method to fair value exploration tenements.

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Tenement Application ELA52/3087 has not yet been granted. 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 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.

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.

Notes to the Half Year Financial Statements

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	31 December 2017 Carrying Value \$
Receivables	88,225
Trade and other payables	(286,538)

The fair value of financial assets and financial liabilities of the Company approximate their carrying amount due to their short term nature.

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

The basic and diluted loss per share are the same as there are no instruments on issue that have a dilutive effect on the loss per share.

	For the half year ended 31 December 2017 \$	For the period from incorporation on 11 May 2017 to 30 June 2017 \$
Net loss attributable to ordinary shareholders	(1,156,503)	(289,194)
Weighted average number of ordinary shares	33,487,773	8,081,001
Basic and diluted loss per ordinary share	(0.03)	(0.04)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

10. RELATED PARTY TRANSACTIONS

The following Directors held office during and since the end of the period:

J El-Raghy
B Montgomery
H Brown

At 31 December 2017, the Directors held direct and indirect interests in 23,054,001 shares in the Company.

Amounts paid to Directors in the ordinary course of business was \$140,257 (directors' fees, salaries, tax and superannuation).

Notes to the Half Year Financial Statements

10. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company acquired 21 tenements from Cosmopolitan Minerals Limited by way of a Sale Agreement dated 7 June 2017. Josef El-Raghy and Heidi Brown are both shareholders of Cosmopolitan Minerals Limited, and Heidi Brown has since been appointed a director. The tenements were purchased for \$1,200,000 (12,000,000 shares @ \$0.10 per share), which is equal to the amount spent on the tenements by Cosmopolitan Minerals Limited to the date of transfer. The Company also paid to Cosmopolitan Minerals Limited a total of \$91,300 (inc GST) for the provision of geological and geophysical services to 30 September 2017.

The Company has sub-leased office space from Montana Realty Pty Ltd, a company of which Josef El-Raghy is a director and shareholder, and Heidi Brown is an alternate director. There is no formal agreement in place. It is intended to transfer the lease to AIC Resources Limited at some point. The lease is due to expire on 28 February 2018 but can be extended for a further year. The Company has elected to exercise their option to renew the lease for a further 1 year term terminating on 28 February 2019. As at 31 December 2017, \$7,053 is payable to Montana Realty Pty Ltd.

The Company acquired second hand vehicles and exploration equipment and consumables for a total of \$84,978 from Tanami Gold NL, a company in which Brett Montgomery is a director and shareholder.

The Company intends to or has entered into the following agreements with the Directors:-

- Brett Montgomery
 - o Executive Service Agreement (effective 1 July 2017) - \$144,000 + superannuation per annum
- Josef El-Raghy
 - o Letter of Appointment – Director fee (effective 1 July 2017) - \$60,000 + superannuation per annum
- Heidi Brown
 - o Letter of Appointment – Director fee (effective 1 July 2017) - \$40,000 + superannuation per annum
 - o Consultancy Agreement (effective 1 July 2017) - \$80,000 per annum for Company Secretarial Services (note: this agreement was terminated on 1 December 2017 – see below)
 - o Employment Agreement (effective 1 December 2017) - \$80,000 per annum including superannuation for Company Secretarial Services (this replaces the Consultancy Agreement above).

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the financial period, and there were no material contracts involving Directors' interests at period end.

11. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events following the balance date that affected the Company's equity or state of affairs.

Independent auditor's review report to the members of AIC Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of AIC Resources Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date.
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

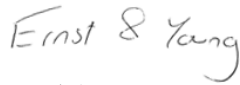
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

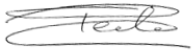
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Ernst & Young



Philip Teale
Partner
Perth
1 February 2018