



ACN 060 156 452

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of Ernst & Young, Level 5, EY Building, 11 Mounts Bay Road, Perth, Western Australia on Friday, 21 May 2021 at 11.00 am (WST).

AIC Mines is taking precautions to facilitate an in-person meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to conduct an in-person meeting the Company will provide an update ahead of the meeting by way of an ASX announcement.

Shareholders are strongly encouraged to vote by lodging the proxy form included with this Notice.

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company by telephone on +61 (8) 6269 0110 or by email at info@aicmines.com.au

**AIC Mines Limited
ACN 060 156 452
(Company)**

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of AIC Mines Limited will be held at the offices of Ernst & Young, Level 5, EY Building, 11 Mounts Bay Road, Perth, Western Australia on Friday, 21 May 2021 at 11.00 am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2020.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Re-election of Director – Brett Montgomery

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That Mr Brett Montgomery, in accordance with rule 19.3 of the Constitution, Listing Rule 14.5 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the

time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval to issue Incentives to Aaron Colleran

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That pursuant to and in accordance Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 500,000 Incentives to Aaron Colleran (or his nominees) under the Company's Equity Participation Plan on the terms and conditions set out in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons; and
- (b) Resolution 4 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 4: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the relevant Resolution if:


- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD



Linda Hale
Company Secretary
AIC Mines Limited
Dated: 19 April 2021

AIC Mines Limited
ACN 060 156 452
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of Ernst & Young, Level 5, EY Building, 11 Mounts Bay Road, Perth, Western Australia on Friday, 21 May 2021 at 11.00 am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Brett Montgomery
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 – Approval to issue Incentives to Aaron Colleran
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Incentives
Schedule 3	Summary of the Company's Employee Securities Incentive Plan

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority of the Company.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Entitlement to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that persons who are registered holders of Shares in the Company as at 5:00 pm (WST) on 19 May 2021 will be entitled to attend and vote at the Meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

On a poll, shareholders have one vote for every fully paid ordinary Share held (subject to the restrictions on voting referred to in the Notice of Meeting).

2.3 Voting in person

In the interests of public health and the safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.4 Proxies

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online	At www.investorvote.com.au
By mail:	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax:	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile:	Scan the QR Code available on the proxy form.
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

2.5 Chair's voting intentions

Subject to the voting prohibitions described above, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://www.aicmines.com.au/investors/company-announcements/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **Resolution 1 – Remuneration Report**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. **Resolution 2 – Re-election of Director – Brett Montgomery**

5.1 **General**

Listing Rule 14.5 provides that an entity must hold an election of directors at each annual general meeting.

As:

- (a) there is no vacancy on the Board;
- (b) none of the existing Directors are required to retire under rule 19.2(b) of the Constitution or Listing Rule 14.4 by reason of having been appointed as a casual vacancy or as an addition to the Board during the previous year; and
- (c) none of the existing Directors are required to retire under rule 19.3(b) of the Constitution or Listing Rule 14.4 by reason of having held the position of Director for three years without re-election,

in accordance with rule 19.3(a) of the Constitution, the Director (excluding the Managing Director) who has been the longest in office since last being elected must retire.

Josef El-Raghy and Brett Montgomery have held the office of director for the longest period, having been elected by Shareholders on 31 May 2019. In accordance with rule 19.3(d) of the Constitution, it has been agreed between Mr El-Raghy and Mr Montgomery that Mr Montgomery will retire at this Meeting and, being eligible, seek re-election pursuant to Resolution 2.

5.2 **Brett Montgomery**

Mr Montgomery was appointed to the Board of the Directors on 18 April 2019 and elected by Shareholders at the Annual General Meeting held on 31 May 2019. Mr Montgomery is Chairman of the Audit and Risk Committee.

The Board considers Mr Montgomery is not an independent Director, as a result of having been employed in an executive capacity as managing director of AIC Resources Limited being a subsidiary of the Company within the last three years (Resigned 11 February 2019) as set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations 4th Edition February 2019.

Mr Montgomery has extensive experience in public company management in both executive and non-executive roles. Mr Montgomery is currently a Non-Executive Director of Tanami Gold NL. He was previously Managing Director of Kalimantan Gold NL and a Director of Bard 1 Life Sciences Ltd, Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Mr Montgomery has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as a Non-Executive Director.

If Resolution 2 is passed, Mr Montgomery will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Montgomery will not be appointed as a Non-Executive Director of the Company and the size of the Company's Board will be reduced from four Directors to three Directors.

5.3 **Board recommendation**

Resolution 2 is an ordinary resolution.

The Board (other than Mr Montgomery) recommends that Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Mr Montgomery has the necessary level of experience;
- (b) Mr Montgomery has an in-depth knowledge and understanding of the Company and its business;
- (c) Mr Montgomery has a strong strategic understanding of the business environment in which the Company operates;
- (d) Mr Montgomery has a deep network within the mining investment community,

and his continuing role as a member of the Board will therefore benefit the Company.

6. **Resolution 3 – Approval of 10% Placement Facility**

6.1 **General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 **Listing Rule 7.1A**

(a) **Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$20.3 million, based on the closing price of Shares of \$0.295 on 8 April 2021.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 3 will no longer be effective and will be withdrawn.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of partly paid Shares that became fully paid in the relevant period;
 - (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
 - (F) less the number of fully paid Shares cancelled in the relevant period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) **What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.147 50% decrease in Current Market Price	\$0.295 Current Market Price	\$0.590 100% increase in Current Market Price
68,715,018 Shares Variable A	10% Voting Dilution	6,871,501 Shares	6,871,501 Shares	6,871,501 Shares
	Funds raised	\$1,010,111	\$2,027,093	\$4,054,186
103,072,527 Shares 50% increase in Variable A	10% Voting Dilution	10,307,252 Shares	10,307,252 Shares	10,307,252 Shares
	Funds raised	\$1,515,166	\$3,040,639	\$6,081,279
137,430,036 Shares 100% increase in Variable A	10% Voting Dilution	13,743,003 Shares	13,743,003 Shares	13,743,003 Shares
	Funds raised	\$2,020,221	\$4,054,186	\$8,108,372

Notes:

- The table has been prepared on the following assumptions:
 - the issue price is the current market price \$0.295, being the closing price of the Shares on ASX on 8 April 2021, being the latest practicable date before the finalisation of this Notice;
 - Variable A comprises of 68,715,018 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
 - the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted options, it is assumed that those quoted options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 July 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.

(g) Voting exclusion statement

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

6.4 **Board recommendation**

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

7. **Resolution 4 – Approval to issue Incentives to Aaron Colleran**

7.1 **General**

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 500,000 Incentives to Aaron Colleran (or his nominees).

The Company is at an important stage of development with both significant opportunities and challenges in both the near and medium term, and the proposed issue seeks to align the efforts of Mr Colleran to achieving the key objectives of the Company through this critical phase and the resultant creation of Shareholder value. In addition, the Board believes it is important to offer these Incentives to continue to attract and maintain highly experienced and qualified executives in a competitive market whilst conserving the Company's available cash reserves by providing such incentive.

The Incentives are to be issued under the Company's Equity Participation Plan 2019 (**Plan**), the terms of which are summarised in the Company's 2019 notice of annual general meeting, announced on ASX on 2 May 2019 and in Schedule 3.

Subject to the terms and conditions in Schedule 2, the Incentives will vest, converting to Shares, at any time on or before 1 December 2023 when the 60 day VWAP of the Company's Share price is \$0.60 or more.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.14 for the issue of up to a total of 500,000 Incentives under the Plan to Mr Colleran (or his nominees).

7.2 **Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a Director of the Company (Listing Rule 10.14.1);
- (b) an associate of a Director of the Company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of the Securities falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if Mr Colleran elects for the Incentives to be granted to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval to the proposed issue under and for the purposes of Listing Rule 10.14. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 4 is passed, the Company will be able to proceed with the issue of up to 500,000 Incentives to Mr Colleran (or his nominees).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of 500,000 Incentives to Mr Colleran (or his nominees) and the Company will need to agree alternative remuneration incentives with Mr Colleran.

7.3 **Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentives:

- (a) The Incentives will be issued under the Plan to Mr Colleran (or his nominees), a Director of the Company.
- (b) Mr Colleran is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1.
- (c) The maximum number of Incentives to be issued to Mr Colleran (or his nominees) is 500,000.
- (d) Mr Colleran's current total remuneration package as at the date of this Notice is \$300,000 per annum (inclusive of superannuation).
- (e) Mr Colleran has previously been issued 6,000,000 Incentives under the Plan, as approved at the Annual General Meeting held on 31 May 2019. The Incentives were issued at an acquisition price of nil.
- (f) The Incentives will be issued on the terms and conditions in Schedule 2.
- (g) The Board considers that Incentives, rather than Shares, are an appropriate form of incentive because they reward the achievement of financial and non-financial business objectives over a multi-year period and the holder will only obtain the value of the Incentives upon satisfaction of the relevant milestones.
- (h) The Company attributes a value of \$143,500 to the Incentives. The valuation was performed using the Monte Carlo Valuation Methodology and has been subject to independent audit.
- (i) The Incentives will be issued as soon as practicable after the Meeting and in any event, no later than three years after the date of the Meeting.
- (j) The Incentives will have an issue price of nil as they will be issued as part of Mr Colleran's remuneration package.
- (k) A summary of the material terms of the Plan is in Schedule 3.

- (l) No loan will be provided in relation to the issue of the Incentives.
- (m) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 4 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

- (n) A voting exclusion statement is included in the Notice.

7.4 Chapter 2E of the Corporations Act

In accordance with section 208 of the Corporations Act, the Company must obtain Shareholder approval to give a financial benefit to a related party unless an exception applies.

The issue of the Incentives constitutes the giving of a financial benefit and Mr Colleran is a related party of the Company by virtue of being a Director.

Section 211 of the Corporations Act provides an exception to the requirement to obtain Shareholder approval for giving a financial benefit to a related party if:

- (a) the benefit is remuneration of a related party as an officer (including a Director) of the company; and
- (b) to give the remuneration would be reasonable given the circumstances.

The Board (excluding Mr Colleran, in light of his personal interest in the Resolution) considers that the proposed issue of Incentives is reasonable in all the circumstances and that the exception in section 211 of the Corporations Act applies. Accordingly, the Board (excluding Mr Colleran) considers that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Incentives.

7.5 Board recommendation

Resolution 4 is an ordinary resolution.

The Board (other than Mr Colleran who has a personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 4 for the reasons set out above.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means AIC Mines Limited (ACN 060 156 452).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Incentives	means up to 500,000 incentive rights to be issued to Aaron Colleran (or his nominees) on the terms and conditions in Schedule 2, which is the subject of Resolution 4.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 6.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Plan	means the Company's Equity Participation Plan.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share Trading Policy	means the securities trading policy of the Company, available on the Company's website.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Incentives

The following terms and conditions currently apply to the Incentives:

Performance period	The performance period is from 21 December 2020 to 1 December 2023.
Vesting conditions	<p>Service condition</p> <p>Unless the Board determines otherwise, for any Incentives to vest and become exercisable, Mr Colleran must remain employed on a full-time basis by the Company at the time of vesting and not given notice of their resignation.</p> <p>Performance Conditions</p> <p>The Incentives will vest at any time up to 1 December 2023 when the 60 day VWAP of the Company's Shares is \$0.60 or more.</p>
Consideration	The Incentives form part of Mr Colleran's remuneration and are granted at no cost and no amount is payable upon vesting.
Cessation of employment	<p>The Board, in its discretion, may determine that some or all of the Incentives awarded to Mr Colleran:</p> <ul style="list-style-type: none"> • lapse; • are forfeited; • vest (immediately or subject to conditions); • are only exercisable for prescribed period and will otherwise lapse; and/or • are no longer subject to some of the restrictions (including any performance condition) that previously applied, <p>as a result of Mr Colleran ceasing to be an employee of the Company.</p> <p>The Board may specify in the Invitation to Mr Colleran how the Incentives and Shares will be treated on cessation of employment. The applicable treatment may vary depending on the circumstances in which Mr Colleran's employment ceases.</p>
Change of control	<p>Upon a change of control event occurring, then:</p> <ul style="list-style-type: none"> • The Board may, in its absolute discretion, determine that all or a specified number of Mr Colleran's Incentives: <ul style="list-style-type: none"> – vest and are exercisable (if applicable) as determined by the Board;

	<ul style="list-style-type: none"> – cease to be subject to dealing restrictions (as applicable); or – lapse or be cancelled if the Board determines in its absolute discretion that a term of the change of control event is that Mr Colleran will participate in an acceptable alternative employee share incentive scheme which is reasonable acceptable to the Board in its absolute discretion; and • all Incentives held by Mr Colleran subject to a dealing restrictions will be released.
Clawback	The Board has broad clawback powers to determine that Incentives lapse, or that allocated Shares are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).
Restrictions on dealing	<p>The Incentives are not transferable (and consequently, will not be quoted on ASX or any other exchange)</p> <p>The Board may at its discretion impose restrictions on dealing in respect of any Shares that are allocated either under an award or upon vesting and exercise (if applicable) of an Incentive.</p> <p>If the release of any restrictions imposed would arise in a period where dealings by Mr Colleran would be prohibited under law or the Share Trading Policy of the Company, such release will be delayed until such time as dealings are permitted.</p>
Voting rights	The Incentives do not confer any right to vote, except as otherwise required by law, unless and until the Incentives have been converted into Shares.
Dividends	The Incentives do not confer any entitlement to a dividend, whether fixed or at the discretion of the Directors, unless and until the Incentives have been converted into Shares.
Rights to a return of capital	The Incentives do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital, or otherwise, unless and until the Incentives have been converted into Shares.
Rights on winding up	The Incentives do not confer any right to participate in the surplus in profit or assets of the Company upon a winding up, unless and until the Incentives have been converted into Shares.
Right to participate in new issues	The Incentives do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues, unless and until the Incentives have been converted into Shares.

Reorganisation of capital	In the event of any reorganisation of the issued capital of the Company, all rights of the holder of the Incentives will be varied to comply with the Listing Rules at the time of the reorganisation.
Adjustments for new issues	<p>There will be no change to the number of Shares over which the Incentives may convert are in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares (other than a bonus issue).</p> <p>If the Company makes a bonus issue of Shares or other securities to existing Shareholders, there will be no change to the number of Shares which must be issued on the conversion of an Incentive as a result of such bonus issue.</p>

Schedule 3 Summary of the Company's Employee Securities Incentive Plan

The terms and conditions of the Plan are summarised below.

Board	The Board is responsible for the operation of the Plan and may in its absolute discretion issue or cause to be issued Invitations of behalf of the Company to Eligible Persons
Participants	An Eligible Person who accepts an Invitation and to whom an Award is made under the Plan.
Eligibility	The Board may determine in its absolute discretion who is eligible to participate in the Plan, other than a person whose participation in the Plan would disentitle the Company from relying on any applicable instrument of relief issued by ASIC from time to time relating to employee incentive schemes.
Number of Incentives	The Board has discretion to determine the number of Incentives offered to Eligible Persons, subject to a limit in accordance with the maximum permitted under any instrument of relief issued by ASIC from time to time relating to employee incentive schemes which the Company is relying on in regards to the Invitation.
No payment on grant or vesting	Unless the Board determines otherwise, a Participant will not pay anything for the Award of Incentives or Shares.
Vesting Conditions	Vesting of the Incentives is conditional on the Participant satisfying the pre-determined vesting conditions and Performance Conditions imposed by the Board at the end of the vesting period. The vesting period applicable to Incentives is the period determined by the Board and provided in the Invitation.
Vesting of Incentives	The Incentives will only vest if the Participant meets the specified vesting conditions and Performance Conditions within the vesting period. The Board retains a residual discretion to reduce the number of Incentives that will vest depending upon the particular circumstances. Exercise of Incentives is subject to the vesting of the Incentives.
Entitlements under Incentives	An Eligible Person has no entitlement to be Awarded any Incentives unless and until such Incentives are Awarded. Unless and until a Share has been Allocated to a Participant under an Award or on vesting and exercise (if applicable) of the Incentives, the Participant has no interest in those Shares. An Incentive does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
Issue, transfer or allocation of Share on vesting of Incentives	The vesting and exercise (if applicable) of an Incentive will be satisfied by the Company, at the Board's discretion, either: (i) Allocating a Share to the Participant; or (ii) making a cash payment in lieu of an Allocation of Shares, and delivering any Dividend Equivalent Payment that a Participant becomes entitled to under the Plan.
Cessation of employment	On a Participant's cessation of employment, subject to the particular terms of the Award, the Board may determine that some or all of the Participant's

Incentives lapse, vest, are exercisable for a prescribed period (if applicable), or are no longer subject to some or all applicable restrictions.

Change of control Upon a change of control event occurring, then:

- the Board may, in its absolute discretion, determine that all or a specified number of Participant's Incentives:
 - vest and are exercisable (if applicable) for the period determined by the Board;
 - cease to be subject to dealing restrictions (as applicable); or
 - lapse or be cancelled if the Board determines in its absolute discretion that a term of the change of control event is that holders of those Incentives will participate in an acceptable alternative employee share incentive scheme which is reasonably acceptable to the Board in its absolute discretion; and
- all Shares held by an Eligible Person under the Plan which are subject to a dealing restriction will be released.

Clawback provision

The Board has broad clawback powers to determine that Incentives lapse, or that allocated Shares are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).

Restrictions on dealing

The Board may at its discretion impose restrictions on dealing in respect of any Shares that are Allocated either under an Award or upon vesting and exercise (if applicable) of an Incentive.

If the release of any restrictions imposed would arise in a period where dealings by an Eligible Person would be prohibited under law or the Securities Trading Policy, such release will be delayed until such time as dealings are permitted.

Need assistance?**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00 AM (AWST)** on **Wednesday, 19 May 2021**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 185071****SRN/HIN:**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of AIC Mines Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of AIC Mines Limited to be held at the offices of Ernst & Young, Level 5, EY Building, 11 Mounts Bay Road, Perth, WA 6000 on Friday, 21 May 2021 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Brett Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Incentives to Aaron Colleran	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

