

QUARTERLY REPORT

28 January 2021



ABOUT AIC MINES

AIC Mines is a growth focused Australian exploration company. The Company's strategy is to build a portfolio of gold and copper assets in Australia through exploration, development and acquisition.

AIC currently has two key projects, the Lamil exploration JV located in the Paterson Province WA immediately west of the Telfer Gold-Copper Mine and the Marymia exploration project, within the Capricorn Orogen WA strategically located within trucking distance of the Plutonic Gold Mine and the DeGrussa Copper Mine.

CAPITAL STRUCTURE

Shares on Issue: 68.7m
Share Price (27/1/21): 38c
Market Capitalisation: \$26.1m
Cash & Liquids (31/12/20): \$7.4m
Enterprise Value: \$18.7m

CORPORATE DIRECTORY

Josef El-Raghy

Non-Executive Chairman

Aaron Collieran

Managing Director & CEO

Brett Montgomery

Non-Executive Director

Tony Wolfe

Non-Executive Director

Linda Hale & Heidi Brown

Joint Company Secretaries

CORPORATE DETAILS

ASX: A1M

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ABN: 11 060 156 452

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A: A8, 435 Roberts Rd,
Subiaco, WA, 6008

Share Register:

Computershare Investor
Services

Quarterly Activities Report for the Period Ending 31 December 2020

HIGHLIGHTS

Lamil Project

- Maiden drilling program, comprising aircore, reverse circulation and diamond drilling, completed at the Lamil Project.
- The drilling successfully confirmed the presence of prospective basement lithologies, large scale structures (faults, folds, brecciation), extensive hydrothermal alteration (silicification and possible albitisation) and copper bearing minerals (chalcopyrite) – all the ingredients required to host an intrusive related gold-copper mineral system.
- A significant alteration cell with elevated sodium (possible albite alteration) has been identified over a strike length of at least 1,500m along the central eastern flank of the Lamil Main Dome. Within this zone diamond drillhole 20ALDD0003 has reported extensive brecciation, quartz-carbonate stockwork veining and coincident, anomalous levels of key pathfinder elements including copper, bismuth, gold and lead. Assays from additional holes within this zone, 20ALDD0006 and 20ALDD0007, are still awaited.

Marymia Project

- A review of all surface and drillhole geochemistry over the Curara Well joint venture tenements has identified a significant DeGrussa VHMS style Cu-Mo-Au-Pb-Zr-Sc geochemical anomaly within the interpreted eastern extension of the prospective Naracoota sequence (host to DeGrussa Copper-Gold Deposit) and proximal to the regionally important Jenkins Fault. All approvals are now in place to drill test the anomaly following completion of a Heritage Survey during the December 2020 Quarter.
- Awarded a Government Co-Funded Drilling Program grant of \$150,000 for drilling at the Stetson Prospect to test for extensions of the Plutonic-Marymia greenstone belt immediately north of the historical K1 and K2 gold deposits.

Corporate

- At 31 December 2020, AIC held \$5.1 million in cash and a further \$2.3 million in listed investments.

EXPLORATION ACTIVITIES

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

Lamil Joint Venture (earning up to 65%)

The Lamil Gold-Copper Project is located in the Paterson Province in the northwest of Western Australia, 500 kilometres east of Port Hedland. Under the terms of the earn-in and exploration joint venture agreement with Rumble Resources (ASX: RTR) (“Rumble”), AIC can earn a 50% interest by spending \$6 million over 4 years. Thereafter AIC can earn a further 15% by spending \$4 million over 1 year if Rumble elects not to commence contributing. The key terms of the earn-in and exploration joint venture agreement are described in the Company’s ASX announcement dated 22 July 2019.

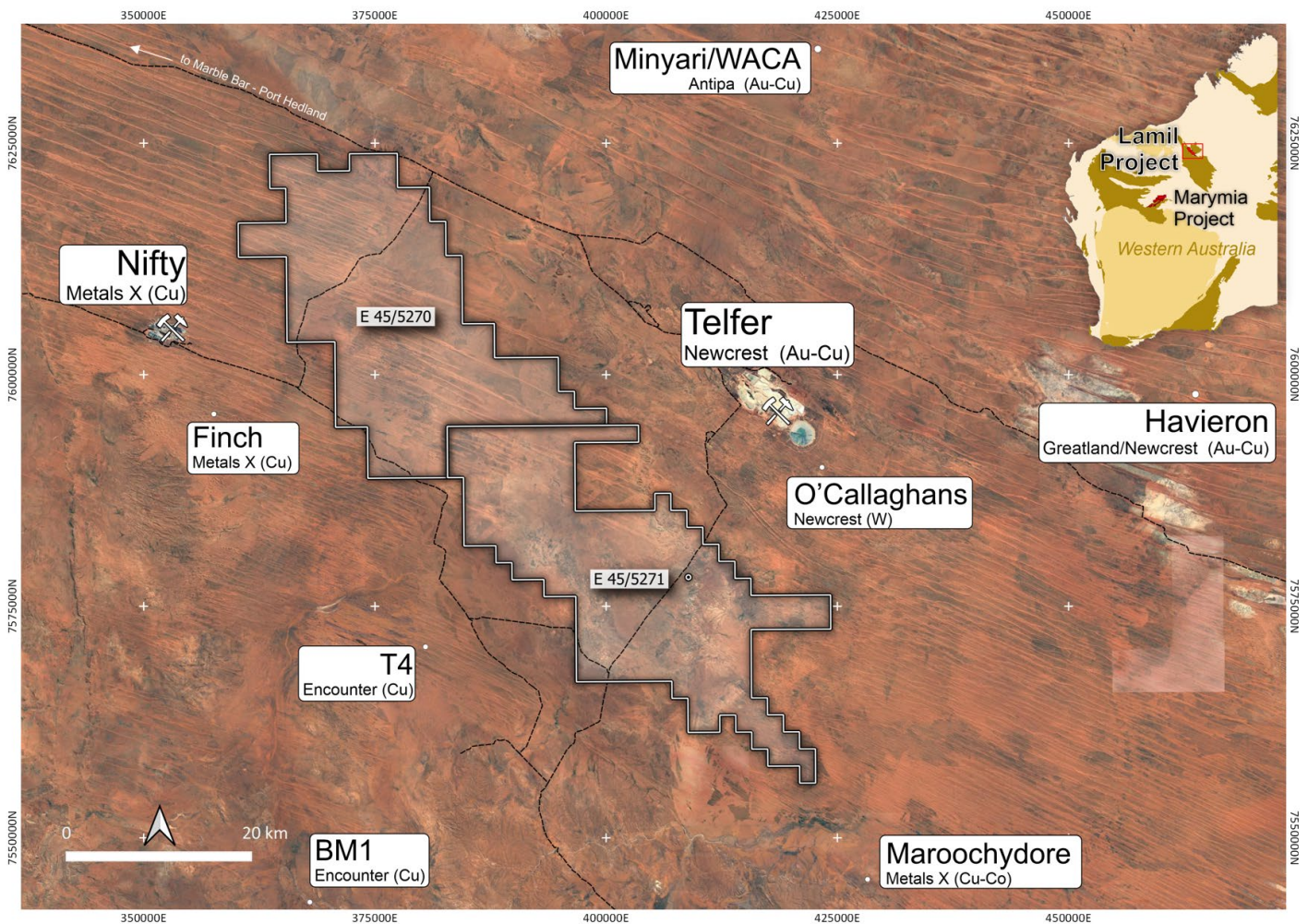


Figure 1. Location of the Lamil Project – Tenements E45/5270 and E45/5271

The Paterson Province is one of the most highly endowed yet under-explored mineral provinces in Australia. It hosts the world-class Telfer gold-copper mine and the Nifty copper mine. The Lamil Project, which covers an area of 1,280km², is situated midway between these two mines. Recent exploration success by Rio Tinto

at Winu and by the Newcrest-Greatland Gold JV at Havieron has confirmed the prospectivity of the region and particularly in areas where the basement rocks of interest are hidden beneath younger cover. These discoveries have resulted in the Paterson Province becoming one of the most sought-after exploration areas in Australia.

The Lamil Project occupies a prominent regional structural “hinge zone” which is clearly defined by a significant flexure in a set of major deep penetrating, belt parallel structures. The structures trend NNW in E45/5270 (the northern tenement) and swing NW in E45/5271 (the southern tenement). The hinge transition is dissected by a series of major NE trending structures extending through the tenement package and linking across to the Telfer gold-copper deposit.

The most noteworthy of these NE cross structures correlates with the well documented Telfer Main Dome structures and is traceable for over 30 kilometres from Telfer to the northern boundary of the Lamil Dome. These features represent a potential locus of deep crustal faulting and an associated plumbing system for circulating and trapping mineralising fluids (see Figure 2).

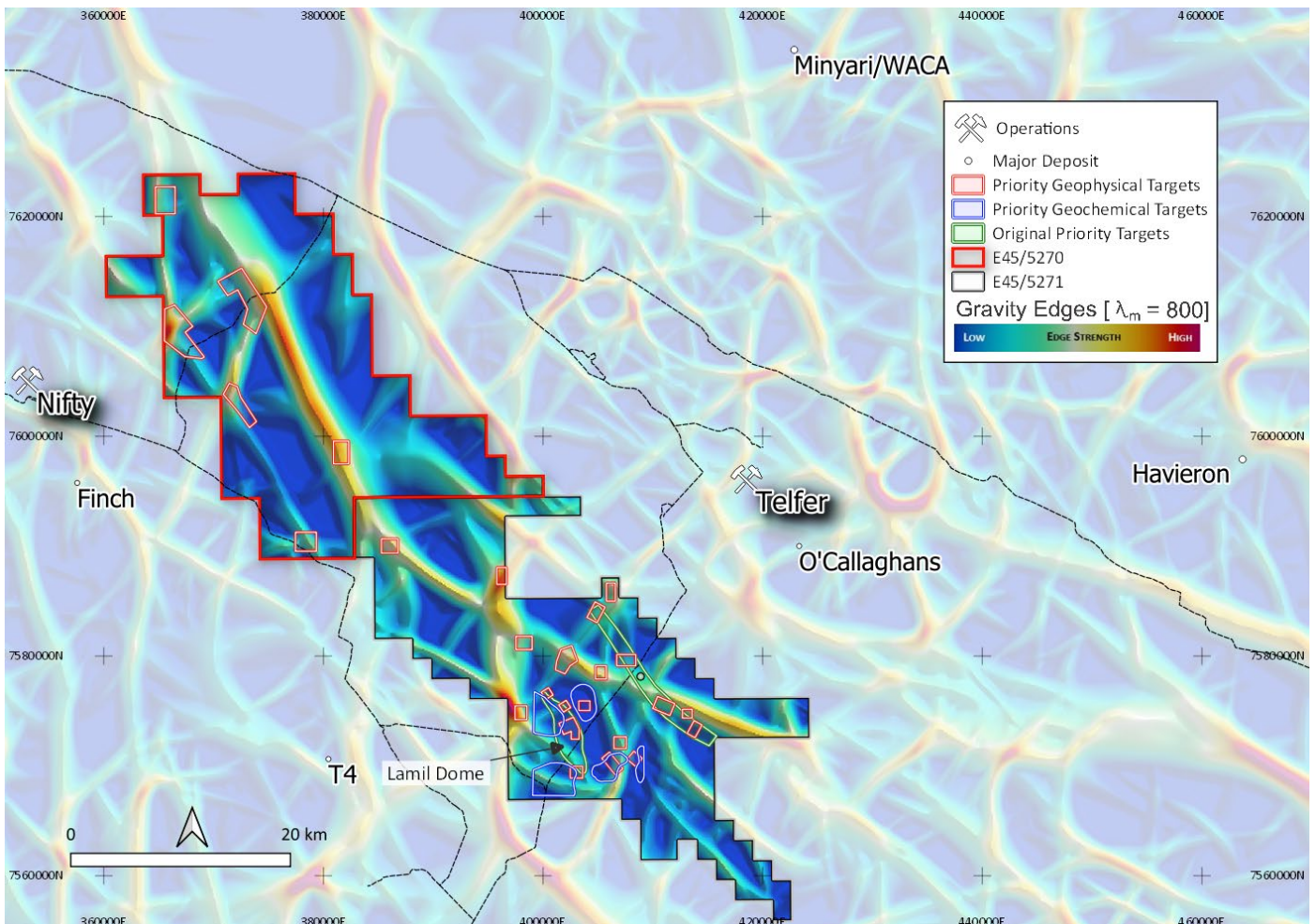


Figure 2. Regional Review of Geophysical Data – Gravity Derived Edges

Drilling

Reconnaissance drilling, comprising aircore, reverse circulation (RC) and diamond drilling, commenced at the Lamil Project in late September 2020 and Phase 1 of this drilling was completed during the December 2020 Quarter (see Figure 3 and Table 1).

- A total of 68 AC/RC holes were completed to an average depth of 126m for a total 8,591m.
- A total of 7 diamond holes were completed to an average depth of 406m for a total 2,840m.

This was the first drilling program ever conducted at the Lamil Dome targets.

Aircore and Reverse Circulation Drilling

An initial program of broad-spaced (1600m x 400m) litho-geochemical aircore ("AC") and reverse circulation ("RC") reconnaissance drilling was completed across the Lamil Main Dome, the northern portion of the Lamil NE Dome and target GTA-1 of the southern geochemical anomalies.

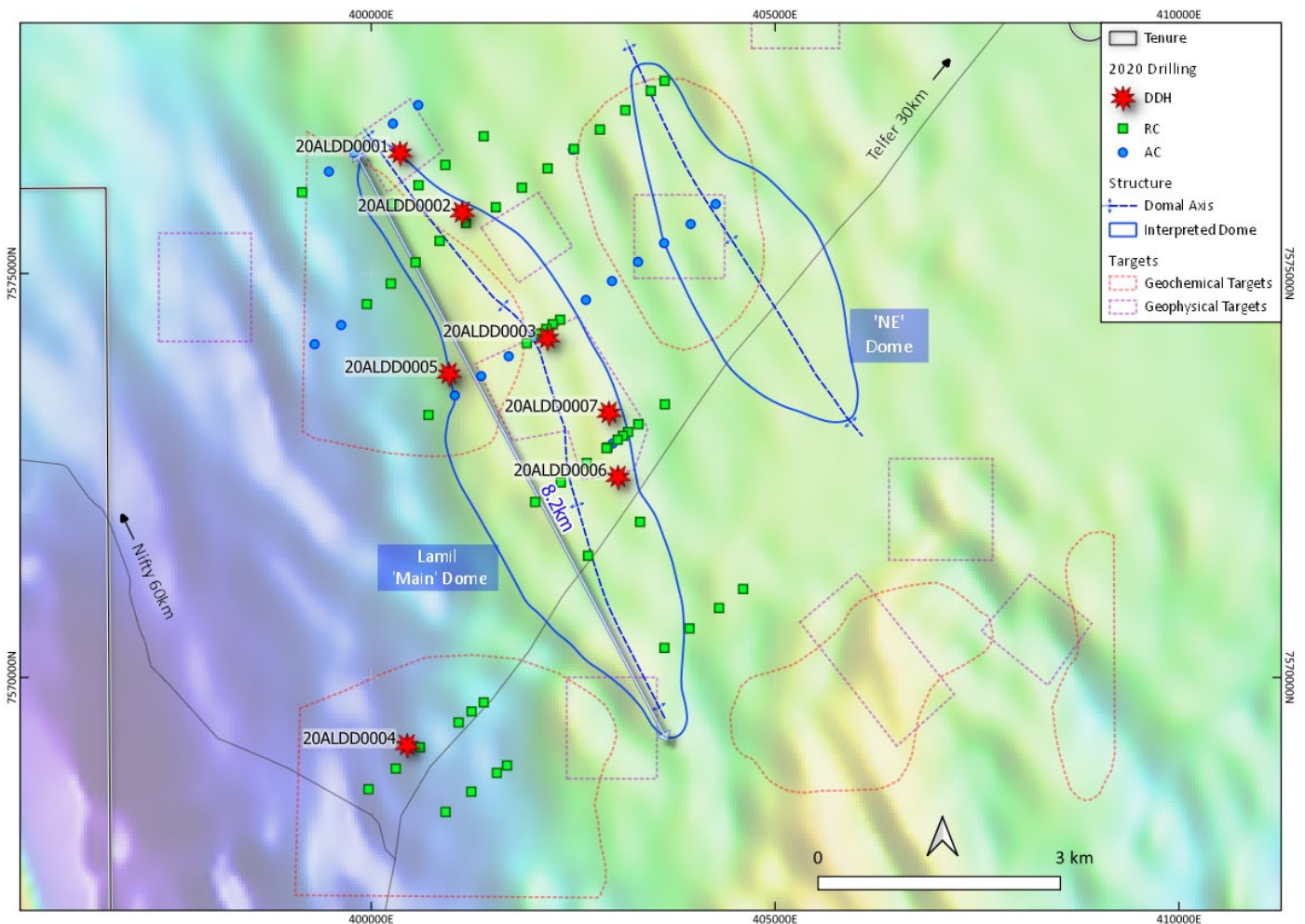


Figure 3. Location of Interpreted Lamil Main Dome and NE Dome with Inaugural Drilling Program
Background is 25m RTP aeromagnetic data and outlines of previously released geochemical ("GC") and geophysical ("GPX") targets

The aim of the program was to confirm depth to Proterozoic basement modelling across the broader prospect area, to confirm the presence of prospective basement lithologies and to map and sample the basement-cover interface to provide geochemical vectors towards basement hosted mineralisation. The program has successfully delivered on all of these objectives and exceeded our expectations for such a broad-spaced drilling pattern.

Depth to basement varied from just 19m towards the southeastern margin of the area drill tested to a maximum of 186m on the western side of the Lamil Main Dome. Overall, depth to basement is shallowest on the eastern side of the Lamil Main Dome and becomes increasingly deeper towards the western-southwestern margin.

The drilling has successfully confirmed the presence of prospective basement lithologies including metasedimentary rocks (quartz sandstones, siltstones, quartzite) and mafic intrusives (dolerite) interpreted as belonging to the Lamil Group sequence of the Neoproterozoic Yeneena Supergroup. Importantly, Lamil Group sequences host mineralisation at the Telfer gold-copper mine, the Havieron gold-copper deposit and the Winu copper-gold deposit.

Key pathfinder elements are present albeit in low concentrations. Analysis is now underway to understand potential geochemical vectors towards mineralisation. The 1 drilling was completed on a very wide spacing (1600m x 400m). Full coverage of the Lamil Dome targets and infill drilling at the initially planned 800m x 400m will likely be required to confirm geochemical vectors.

Trace amounts of disseminated and quartz-carbonate vein related sulphide minerals including pyrite, pyrrhotite and chalcopyrite were intersected in a number of AC and RC holes, particularly in the vicinity of diamond holes 20ALDD0003, 20ALDD0006 and 20ALDD0007 (see descriptions below). Extensive alteration, including silicification, albitisation and carbonate-biotite-sericite-chlorite alteration, was also prevalent within the central area of the Lamil Main Dome. All are good indicators of hydrothermal fluid activity potentially associated with the development of intrusive related gold-copper mineral systems and will be useful vectors to target follow-up drilling. A coherent zone of sodium enrichment (albite alteration) has been outlined over a strike length of at least 1500m along the central eastern flank of the Lamil Main Dome. Albite alteration is a key feature of the Telfer mineral system and its presence at Lamil is very encouraging.

Diamond Drilling

The diamond drilling program was designed to test several targets which exhibit geophysical and geochemical responses consistent with intrusive related gold-copper deposits (such as Telfer, Havieron and Winu).

Similar to the AC and RC drilling the diamond drilling has successfully identified basement lithologies and structural characteristics considered prospective for intrusive related gold-copper mineral systems. The Company's commitment to diamond drilling early in the evaluation of the project has been invaluable in providing control for the broader spaced lithogeochemical AC/RC drilling and in enabling detailed analysis of key structural elements including faulting, folding and brecciation. These are all important elements of a plumbing system for intrusive related gold-copper mineral systems. Diamond drillholes 20ALDD0003, 20ALDD0006 and 20ALDD0007 displayed all these elements and a detailed description of these holes was provided in the Company's ASX announcement titled "Initial Results from Maiden Drilling Program at Lamil Project" dated 28 January 2021. Note that assay results from hole 20ALDD0006 and 20ALDD0007 have not yet been received.

Geochemistry

Surface geochemical sampling has proven successful at Lamil despite the Permian cover. A wide-spaced (600m x 600m) surface geochemical survey using the clay dominant ultra-fine fraction of the soil, completed during November-December 2019, identified 5 coherent multi-element geochemical anomalies. Given the success of this survey, an additional program to infill the coverage over the Lamil Dome area and extend coverage over the P2 geophysical target area was completed in the December 2020 Quarter (see Figure 4).

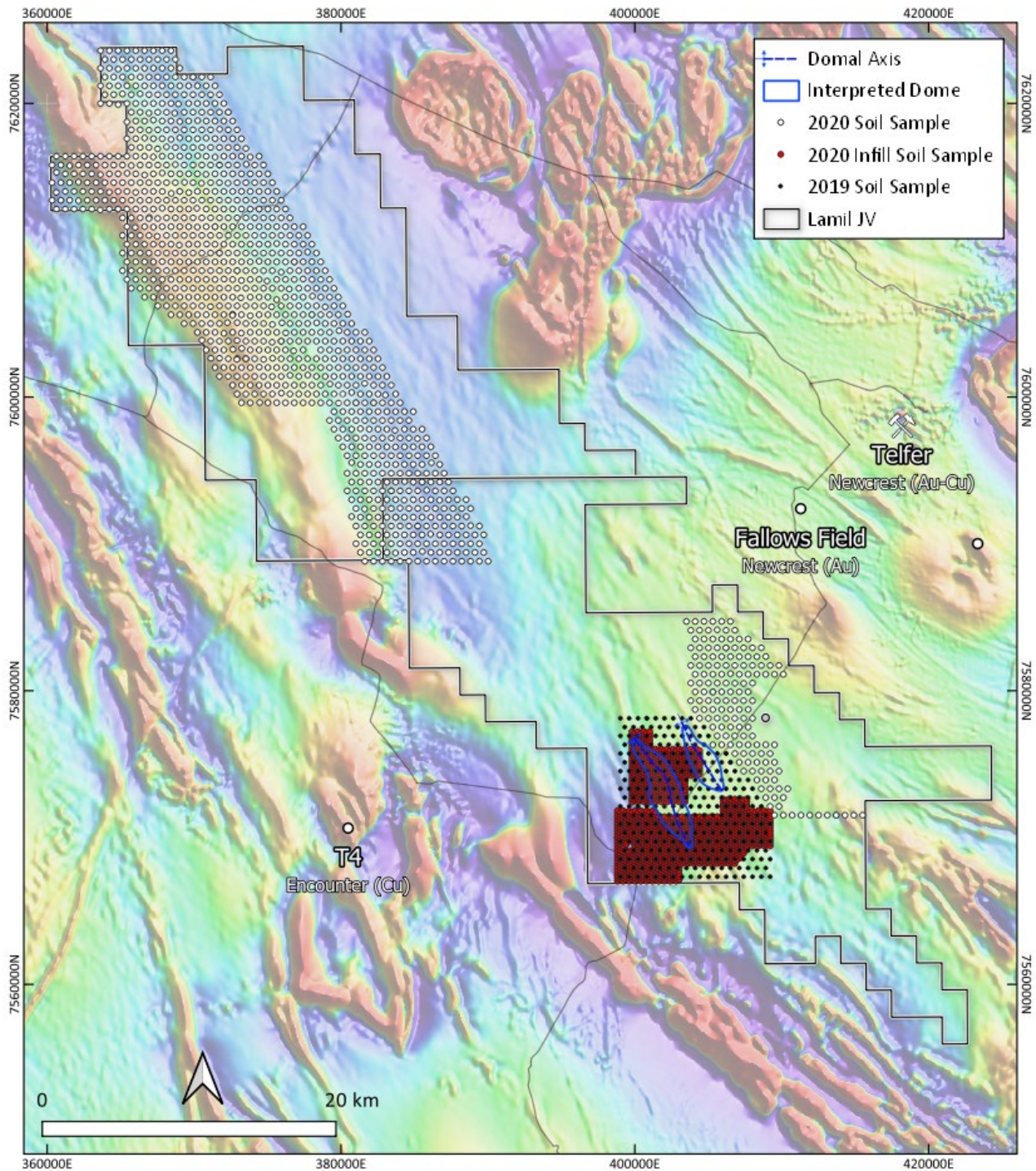


Figure 4. Lamil Project – Soil Sampling Surveys (background image is regional magnetics)

Geophysics

Late in the December 2020 Quarter Atlas Geophysics commenced extensional and infill ground gravity surveys over areas where cover has been interpreted to be less than 100m deep within both E52/5270 and E52/5271 – the “Western Corridor” (see Figure 5). This survey will be completed in the March 2021 Quarter. The survey has already highlighted several high priority targets based on coincident gravity and magnetic features combined with areas of previously identified structural complexity. Analysis of this data is ongoing.

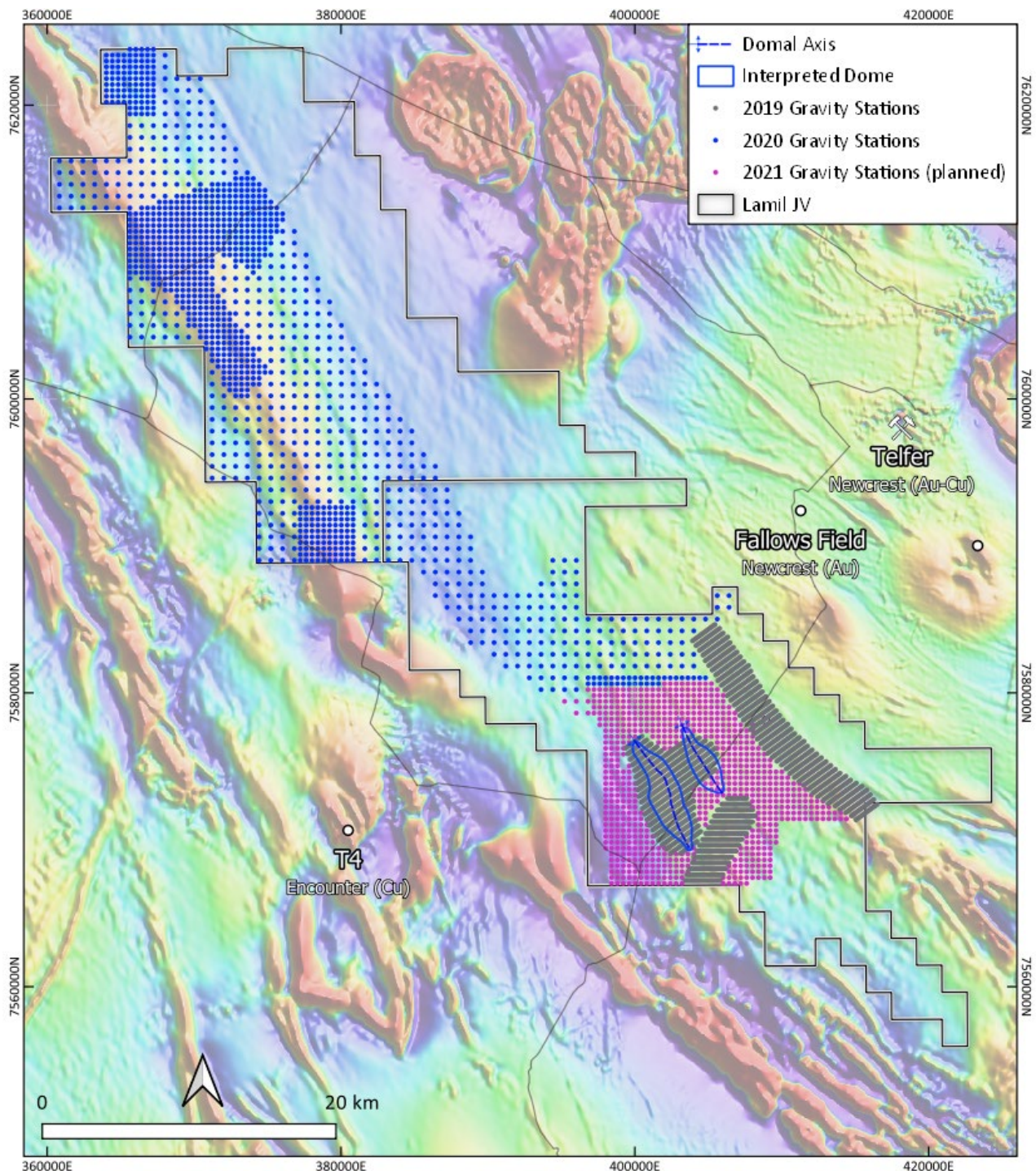


Figure 5. Lamil Project – Ground Gravity Surveys (background image is regional magnetics)

Next Steps – Lamil Project

A detailed evaluation of drill results will be undertaken on receipt of all analytical data from the 2020 field season. Assay results from the final drill holes are expected to be received in early February.

Additional RC and diamond drill holes are planned to both extend and infill the recently completed Phase 1 drilling. Preparation for this work is underway with Heritage Surveys expected to be completed mid-April 2021. Drilling will recommence shortly thereafter dependent on drill rig availability.

Marymia Project (predominantly 100% owned tenements)

AIC Mines also owns a large area of tenements (approximately 3,600km²) located about 790km northeast of Perth on the northern margin of the Yilgarn Craton. The project includes joint ventures with Ausgold Limited (ASX: AUC) and Venus Metals (ASX: VMC) (see Figure 6).

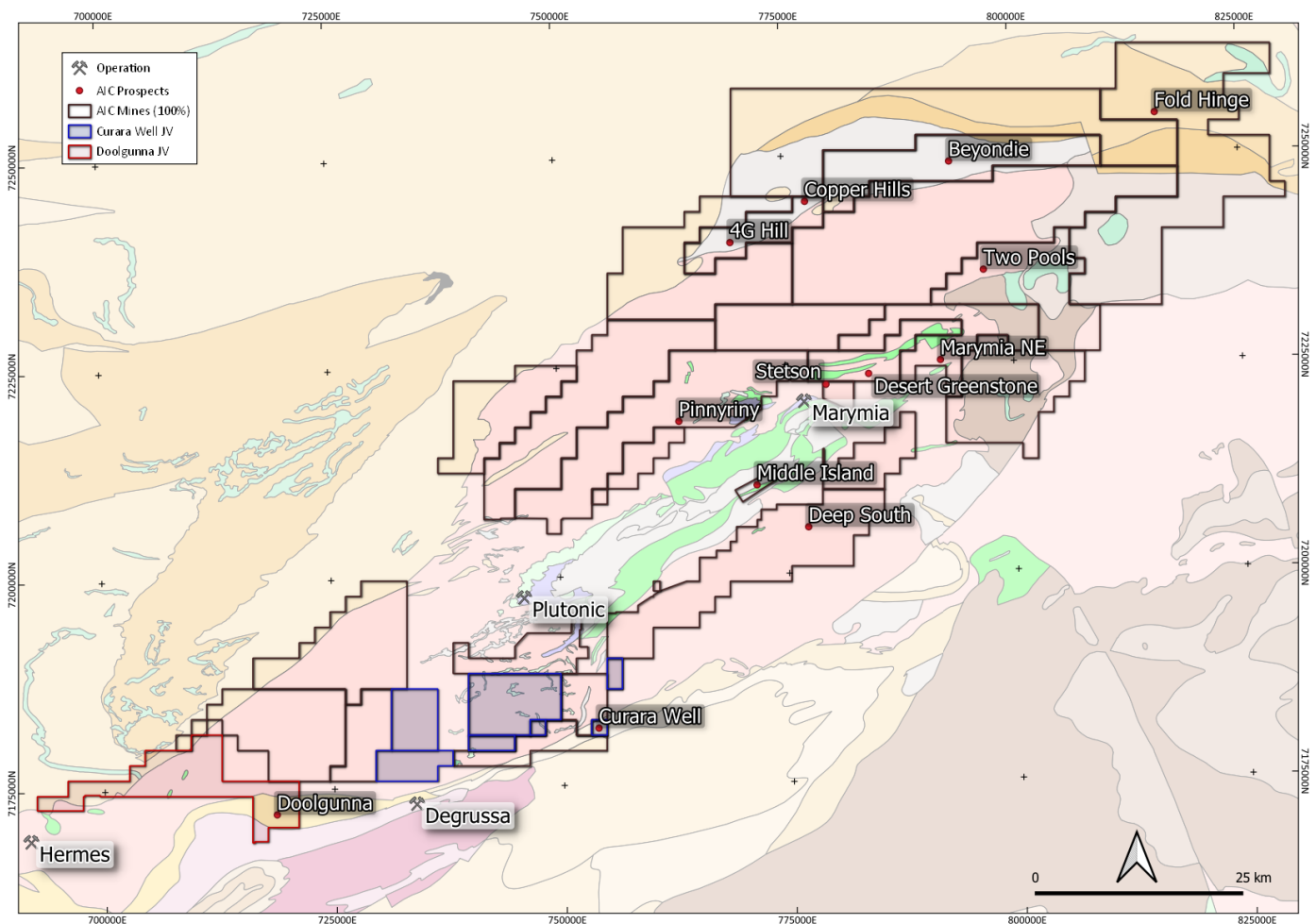


Figure 6. Marymia Project Location

A synthesis of multiple geophysical datasets over the entire Marymia Project area has identified targets with elements consistent with the known major deposits in the region (see Figure 7). Over 150 targets have been identified. AIC geologists are now working through these targets to refine the targets and ranking.

Targets fall into the following broad categories:

- Cross structures that are believed to be important controls on mineralisation
- Key complexity zones along the NNW and NE cross structures that pass through key deposits and trend into AIC ground
- Existing geochemical anomalies verified as key structural intersections
- Possible greenstone under thin cover

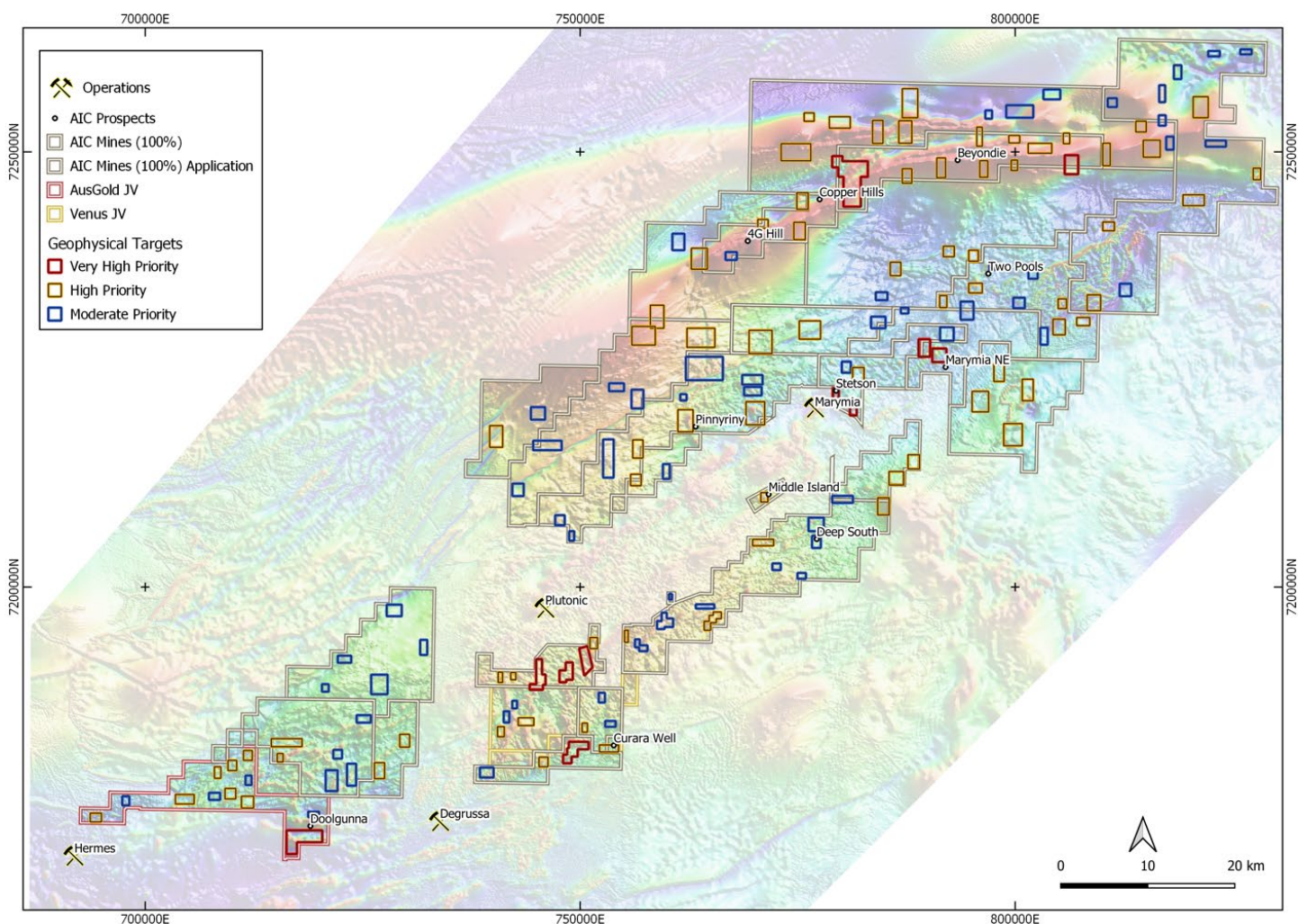


Figure 7. Targets Areas Identified from Multiple Geophysical Datasets

Stetson Prospect

The Stetson Prospect is a high priority target identified by the review work. During the December 2020 Quarter AIC was awarded a Government Co-Funded Drilling Program grant of \$150,000 for drilling at the

Stetson Prospect (see Figure 8). The funding will be used to test for extensions of the Plutonic-Marymia greenstone belt beneath over-thrust granite immediately northeast of the historical K1 and K2 gold deposits where Vango Mining Limited are currently enjoying significant exploration success.

Geophysical data supports the possibility that the Plutonic-Marymia greenstone belt continues on the northern side of a sequence of cross faults and as a result the zones immediately northeast of K1 and K2 are prospective for gold at depth. There has been no significant drilling in this area. The closest known historical drilling on AIC Mines tenure is shallow RAB drilling located 1.6kms to the northeast.

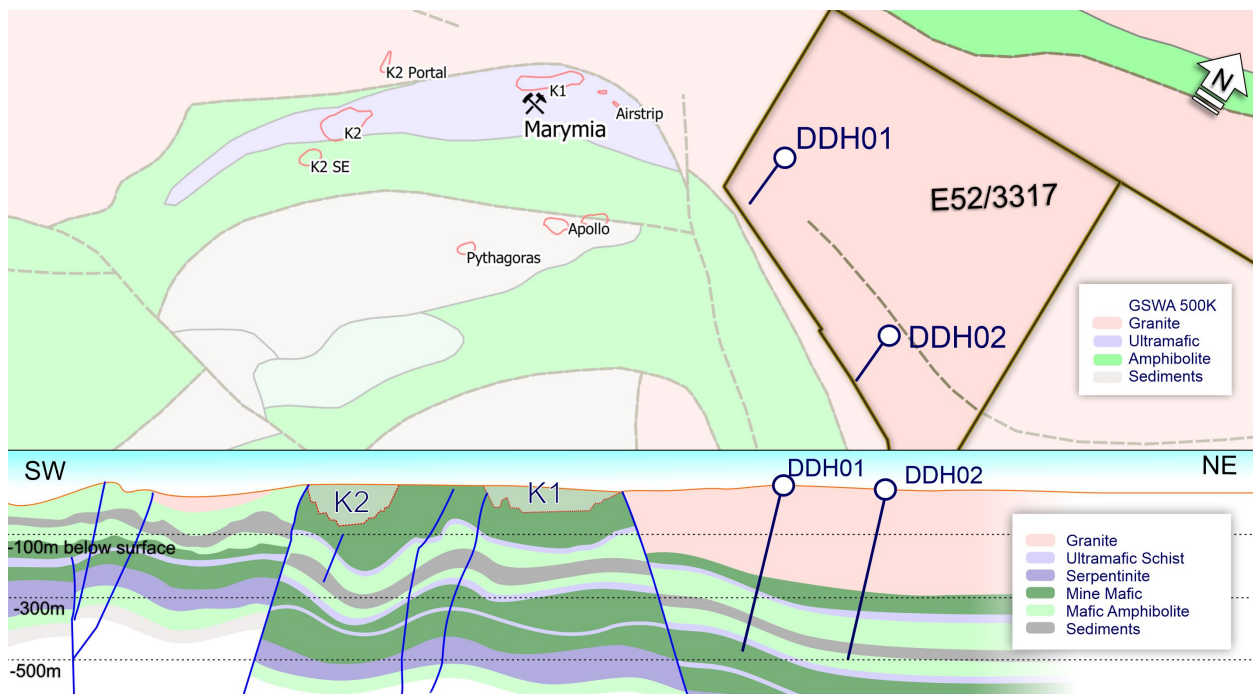


Figure 8. Stetson Prospect – Location of Planned Drill Holes.

Curara Well Joint Venture (AIC 80% with Venus Metals Corporation free-carried to decision to mine)

During the December 2020 Quarter agreement was reached with joint venture partner Venus Metals Corporation to include an additional two exploration tenements, E52/3068 and E52/3486, in the Curara Well Joint Venture. The tenements lie immediately north of Sandfire Resources' high grade DeGrussa Cu-Au mine.

A ground-based gravity survey conducted by Venus Metals over portions of E52/3486 and E52/3068 has defined anomalies which may represent Cu-Au mineralisation beneath the extensive soil and colluvial cover on E52/3068 and E52/3486. 3D inversion of the data indicates that the sources of the gravity anomalies are around 200m – 250m deep. No drilling has ever been conducted over the anomalies. Detailed information is provided in Venus Metals ASX announcement dated 14 December 2018 "DeGrussa North Project – Ground Gravity Survey Defines Promising Anomaly Targets".

A review of all available surface and drillhole geochemistry over the Curara Well joint venture tenements by AIC has also identified a significant DeGrussa VHMS style Cu-Mo-Au-Pb-Zr-Sc geochemical anomaly zoned by Ba on tenement E52/3489. The anomaly is located within the Johnston Cairn Formation at the base of

the Naracoota Formation and is in close proximity to the regionally important Jenkins Fault. This is the equivalent setting to Sandfire Resources' DeGrussa and Monty Cu-Au mines. The anomaly has not been drill tested previously.

A Heritage Survey by the Traditional Landowners was successfully completed during the December 2020 Quarter. The geochemical anomaly is expected to be drill tested during the March 2021 Quarter. An initial program of approximately 10 holes spaced 100m apart will be completed subject to drill rig availability.

Doolgunna Joint Venture (AIC earning up to 80% from Ausgold Limited)

At Doolgunna, the presence of the prospective Karalundi sequence, host to Sandfire Resources' DeGrussa and Monty Cu-Au mines, has been confirmed over a strike length of approximately 5 kilometres and of substantial but unknown thickness. Importantly, the base of the Karalundi sequence at Doolgunna remains untested – which is the position of the DeGrussa Cu-Au deposit located just 10 kilometres to the east.

A Heritage Survey by the Traditional Landowners was completed during the December 2020 Quarter allowing AIC to again access the area. Downhole electro-magnetic geophysical surveys of existing holes (drilled in 2018) are planned subject to contractor availability.

Impacts of Coronavirus on Exploration Activities

Restrictions implemented by the Western Australian Government in response to the COVID-19 outbreak have been progressively removed from April 2020 and consequently there were no material impacts on the Company's exploration activities as a result of COVID-19 related restrictions in the December 2020 Quarter.

CORPORATE

Cash Position

At 31 December 2020, AIC held \$5.1 million in cash (30 September 2020: \$7.7 million) and a further \$2.3 million in listed investments (30 September 2020: \$2.2 million).

Cash outflows in relation to operating activities for the December 2020 Quarter totalled \$2.7 million across exploration activity (59%), exploration salaries (28%), corporate salaries (7%) and corporate administration (6%). Other cash outflows included payments to acquire equipment of \$3,000. Payments to related parties and their associates totalled \$113,000 consisting of Directors fees and Managing Director salary and superannuation payments.

Cash inflows for the December 2020 Quarter totalled \$21,000 consisting of bank interest and government COVID-19 relief package incentives.

Authorisation

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

Aaron Colleran

Managing Director

Email: info@aicmines.com.au

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 Steve Vallance who is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Steve is Senior Exploration Geologist and full-time employee of AIC Mines Limited. Steve consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Exploration Information Extracted from ASX Announcements

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

- | | |
|--|-------------------|
| • Multiple New Gold-Copper Targets Identified at Lamil Project | 6 April 2020 |
| • Geochemical Survey Results from Lamil Project | 25 May 2020 |
| • Lamil Project Exploration Update | 18 June 2020 |
| • Marymia Project Exploration Update - Formation of Curara Well JV | 20 August 2020 |
| • Drilling Commences at Lamil Project | 22 September 2020 |
| • Phase 1 Drilling Completed at Lamil Project | 18 December 2020 |
| • Initial Results from Maiden Drilling Program at Lamil Project | 28 January 2021 |

These announcements are available for viewing on the Company’s website www.aicmines.com.au under the Investors tab.

AIC Mines confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

APPENDIX 1 – TENEMENT HOLDINGS AT 31 DECEMBER 2020

Mining Act Tenure			AIC Ownership Interest
Tenement	Status	Project	
E 52/2943	Live	Marymia	100%
E 52/2944	Live	Marymia	100%
E 52/2945	Live	Marymia	100%
E 52/2973	Live	Marymia	100%
E 52/3027	Live	Marymia	100%
E 52/3028	Live	Marymia	100%
E 52/3029	Live	Marymia	100%
E 52/3044	Live	Marymia	100%
E 52/3154	Live	Marymia	100%
E 52/3171	Live	Marymia	100%
E 52/3190	Live	Marymia	100%
E 52/3265	Live	Marymia	100%
E 52/3317	Live	Marymia	100%
E 52/3318	Live	Marymia	100%
E 52/3319	Live	Marymia	100%
E 52/3346	Live	Marymia	100%
E 52/3368	Live	Marymia	100%
E 52/3397	Live	Marymia	100%
E 52/3455	Live	Marymia	100%
E 52/3622	Live	Marymia	100%
E 52/3623	Live	Marymia	100%
E 52/3624	Live	Marymia	100%
E 52/3648	Live	Marymia	100%
E 52/3721	Live	Marymia	100%
E 52/3743	Live	Marymia	100%
E 52/3768	Pending	Marymia	100%
E 69/3247	Live	Marymia	100%
P 52/1585	Live	Marymia	100%
E 45/5270	Live	Lamil JV	100%
E 45/5271	Live	Lamil JV	100%
E 52/3068	Live	Curara Well JV	80%
E 52/3069	Live	Curara Well JV	80%
E 52/3320	Live	Curara Well JV	80%
E 52/3486	Live	Curara Well JV	80%
E 52/3487	Live	Curara Well JV	80%
E 52/3488	Live	Curara Well JV	80%
E 52/3489	Live	Curara Well JV	80%
E 52/3031	Live	Doolgunna JV	80%

No tenements were disposed during the Quarter.

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

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

Doolgunna JV: AIC Mines has entered into an Exploration Farm-in and Joint Venture Agreement with Ausgold Limited (ASX: AUC) under which, subject to the satisfaction of regulatory consents, it may earn up to an 80% interest in tenement E52/3031. Details of the agreement were released to the ASX on 4 June 2018. On 30 July 2019, the parties agreed to extend the Earning Period from two years, to four years, by way of a side letter.

Appendix 5B

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

Name of entity

AIC Mines Limited

ABN

11 060 156 452

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,314)	(4,000)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(192)	(715)
	(e) administration and corporate costs	(151)	(825)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	13	100
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(2,636)	(5,408)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(10)
	(c) property, plant and equipment	(3)	(27)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	845
	(e) 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	(3)	808

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,353
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
	- unclaimed shareholder monies held in trust	-	(109)
3.10	Net cash from / (used in) financing activities	-	4,244

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,705	5,422
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,636)	(5,408)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	808

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,244
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,066	5,066

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	2,986	5,665
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	2,080	2,040
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,066	7,705

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	113
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,636)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,636)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,066
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,066
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.92
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No. Net operating cashflows (outflow) in the December 2020 Quarter were materially higher than previous quarters due to contemporaneous diamond and RC drilling programs being conducted at the remote Lamil Project. Net operating cashflows (outflow) are expected to be lower in coming quarters.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes. In addition to cash of \$5.1M the Company holds liquid investments (shares) valued at \$2.3M. The Company plans to liquidate these investments over time to fund ongoing exploration activity.	

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

Answer: Yes. Current expectations for work in the March 2021 and June 2021 Quarters is that this work will be lower cost than that conducted in the December 2020 Quarter.

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.
- 3 The Company's Board of Directors have received a declaration from its CEO and Group Financial Controller that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion had been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Authorised by: the Company's Board of Directors

Date: 28 January 2021

Notes

1. This quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
2. This quarterly report has not been audited or reviewed by the Company's auditor.