

METMINCO LIMITED
ACN 119 759 349

NOTICE OF GENERAL MEETING

**The General Meeting of the Company will be held at
of Grant Thornton, Collins Square, Tower 5, Level 22, 727
Collins Street, Melbourne VIC 3008 on Monday 15th July 2019
at 10.00 am (AEST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Joint Company Secretaries by telephone on +61 3 9867 7199

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Metminco Limited (**Company**) will be held of Grant Thornton, Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne VIC 3008 on Monday 15th July 2019 at 10.00 am (AEST) (**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.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Saturday 13th July 2019 at 7.00pm (AEST).

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

AGENDA

1. Resolution 1 - Approval to change in scale of activities

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

"That, subject to the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the scale of the Company's activities resulting from the proposed Transaction, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Approval to issue Tranche 2 Notes as Equity Securities

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the Tranche 2 Notes as Equity Securities to be convertible into Shares on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in the proposed issue, and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 - Approval of the issue of Free-Attaching Options

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 459,000,000 Free-Attaching Options, each on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution, a person who is expected to participate in the proposed issue, and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 - Approval to issue Consideration Shares

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,784,135,217 Shares to the Andes Shareholders on the terms and conditions in the Explanatory Memorandum"

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andes, any person who will obtain a material benefit as a result of the Transaction or the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company or Andes) or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 - Approval of the issue of shares under the Priority Offer & Placement

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,166,000,000 Shares under the Priority Offer and Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andes, any person who is expected to participate in, or who will obtain a material benefit as a result of the Takeover Bid or the proposed issue (except a benefit solely by reason of being a Shareholder or a shareholder of Andes) or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 - Approval of the debt for equity RMB re-financing

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,000,000,000 Shares to RMB Australia Holdings Limited (or its nominee) pursuant to the Debt Refinancing Agreement and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of RMB Australia Holdings Limited (and its nominee) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 - Approval of the issue of Advisor Securities

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the following issue of securities to Hartleys Limited (or its nominees):

- (a) 62,500,000 Shares; and
- (b) 50,000,000 Options,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Hartleys Limited (and its nominees) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities), or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 8 - Approval of the issue of Replacement Options

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 625,000,000 Replacement Options and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andes, any person who is expected to participate in, or who will obtain a material benefit as a result of the Takeover Bid or the proposed issue (except a benefit solely by reason of being a Shareholder or a shareholder of Andes) or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 9 - Approval of Consolidation

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

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with section 254H of the Corporations Act, Shareholders approve and authorise the Company to consolidate the issued capital on the basis that:

- (a) *every 40 Shares be consolidated into 1 Share; and*
- (b) *all Options on issue be adjusted in accordance with Listing Rule 7.22,*

and where the Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up to the nearest whole security."

10. Resolution 10 - Election of Directors

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

"That, subject to each of the other Interconditional Resolutions being passed and in accordance with Article 15.2 and 15.8 of the Constitution, Listing Rule 14.4 and for all other purposes, the following persons, being eligible and having consented to act, be elected as Directors:

(a) Mr Jason Stirbinskis; and

(b) Mr Ross Ashton,

on the terms and conditions in the Explanatory Memorandum."

11. Resolution 11 - Ratification of prior issue of Tranche 1 Notes

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes Shareholders ratify the issue of 115 Tranche 1 Notes on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Tranche 1 Notes or any associates of those persons.

However, the Company need not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Geoffrey Widmer
Company Secretary
Metminco Limited

Dated: Friday 14th June 2019

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at Grant Thornton, Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne, Victoria 3008 on Monday 15th July 2019 at 10.00 am (AEST).

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	Conditional Resolutions
Section 4	Background to proposed acquisition of Andes Resources Limited
Section 5	Key risks
Section 6	Resolution 1 - Approval to change in scale of activities
Section 7	Resolution 2 - Approval to issue Tranche 2 Notes as Equity Securities
Section 8	Resolution 3 - Approval of the issue of Free-Attaching Options
Section 9	Resolution 4 - Approval to issue Consideration Shares
Section 10	Resolution 5 - Approval of the issue of shares under the Priority Offer & Placement
Section 11	Resolution 6 - Approval of the debt for equity RMB re-financing
Section 12	Resolution 7 - Approval of the issue of Advisor Securities
Section 13	Resolution 8 - Approval of the issue of Replacement Options
Section 14	Resolution 9 - Approval of Consolidation
Section 15	Resolution 10 - Election of Directors
Section 16	Resolution 11 - Ratification of prior issue of Tranche 1 Notes
Schedule 1	Definitions

Schedule 2	Terms of the Tranche 1 and Tranche 2 Notes
Schedule 3	- Andes Options - Classes A, B, C and X
Schedule 4	Terms of Free-Attaching, Advisor Options & Replacement Options
Schedule 5	Pro-forma balance sheet
Schedule 6	Bid Conditions

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 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. Interconditional Resolutions

The Interconditional Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Interconditional Resolutions is not approved at the Meeting, none of the Interconditional Resolutions will take effect and the Takeover Bid and other matters contemplated by the Interconditional Resolutions will not be completed pursuant to this Notice.

For the avoidance of doubt, Resolutions 1 and 4 to 10 (inclusive) are referred to as the Interconditional Resolutions throughout this Notice.

4. Background to proposed acquisition of Andes Resources Limited

4.1 Existing Activities of Metminco Limited.

The Company was incorporated on 18 May 2006 and is currently listed on the ASX, having commenced quotation on 2 October 2007. The principal activity of the Company is gold exploration and development in Colombia.

The company's existing exploration assets comprise the Quinchia gold project in the Cauca Valley of Colombia. This includes a potential mine development project (**Miraflores**), a recently discovered gold porphyry prospect (**Tesorito**) and a large undrilled gold vein/porphyry target at surface (**Chuscal**) (together, the **Quinchia Gold Project**). The Company also has three mineral projects on care and maintenance in Chile.

(a) Chuscal

The Company formed a joint venture with AngloGold Ashanti Colombia SA (**AngloGold**) in late 2018 to explore the large Chuscal porphyry/ epithermal gold target. This is currently the focus of drill target definition activities and the Company plans to undertake a maiden drilling campaign at Chuscal in 3Q 2019. Chuscal is located approximately 2 kilometres from the proposed Miraflores plant in the Quinchia Gold Project in the Mid-Cauca Gold Belt in Colombia. Chuscal features an extensive, undrilled surface gold geochemical anomaly (rock-soils and rockchips) with high grade sample results (up to 54 gpt Au).¹ The samples in the Central Zone at Chuscal average 2.66 gpt Au (uncut) and this lies within a large (900m by 530m) envelope averaging 1.76 gpt (uncut) (refer ASX release dated 6 December 2018).¹

Previous review of underground samples has revealed two mineralisation populations which reflect an early phase of stockwork / disseminated mineralisation (porphyritic diorite) with an average grade of approximately 1.5 gpt Au; cut by a later high-grade epithermal vein population with an average grade of approximately 8 gpt Au using a 20 gpt Au top-cut (uncut: 19 gpt Au) (refer ASX release dated 21 January 2019).²

A joint venture between the Company and AngloGold was formed in 2018 and covers three licences. Drilling permits are currently being sought and drilling will be initiated soon after the Capital Raise (as set out in Section 4.7) is complete.

(b) Tesorito

Tesorito is located approximately 1 kilometre to the north of Chuscal. The Company drilled the Tesorito gold porphyry prospect in 2018. Tesorito is regarded as an outcropping medium grade (1gpt to 1.7gpt) gold porphyry system. TSDH-02 reported 384m @ 1.01gpt Au from surface to end-of-hole (refer to ASX announcement of 30 August 2018)² and TSDH-07, 253.1m @ 1.01 gpt Au from 2.9m, including 64.0m @ 1.67 gpt Au from 144m. Tesorito will be progressed within the context of the broader Chuscal exploration program.

(c) Miraflores

The Miraflores Gold Project is based on Mineral Resources of 877,000 ounces gold and Reserves of 457,000 ounces at the Miraflores deposit (refer Table in 4.1(d), below). The critical path for the development of the project remains the completion an environmental impact assessment (**EIA**). This includes the validation of the impacts on the local communities and the strengthening of social licence for the project. The EIA is due for completion during 2019.

(d) Miraflores Resources and Reserves

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. The Miraflores Project Ore Reserve estimate has been

¹ As per the ASX announcement of 6th December 2018. The Company confirms that it is not aware of any new information or data which materially affects the announcement.

² The Company confirms that it is not aware of any new information or data which materially affects the announcement.

estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 27 October 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

Miraflores Mineral Resource Estimate, as at 14 March 2017 (100% basis):

Resource Classification	Tonnes ('000)	Au (gpt)	Ag (gpt)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
Measured & Indicated	9,269	2.82	2.77	840	826
Inferred	487	2.36	3.64	37	57

Notes:

1. Reported at a 1.2 gpt gold cut-off.
2. Mineral Resource estimated by Metal Mining Consultants Inc.
3. First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation and the Company confirms that all material assumptions and technical parameters applicable to the Reserve continue to apply.
4. These Mineral Resources are inclusive of the Mineral Reserves listed below.
5. Rounding may result in minor discrepancies.

Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)

Reserve Classification	Tonnes (Mt)	Au (gpt)	Ag (gpt)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
Total	4.32	3.29	2.77	457	385

Notes:

1. Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
2. These Ore Reserves are included in the Mineral Resources listed in the Table above.
3. First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation and the Company confirms that all material assumptions and technical parameters applicable to the Reserve continue to apply.
4. Source: Ausenco 2017

(e) Chile

The Company is examining options for exiting its Chilean mineral exploration projects at Mollacas, Vallecillo and Loica which are currently on care and maintenance.

4.2 Takeover Bid

As announced on 17 May 2019, the Company entered into a bid implementation agreement (**Implementation Agreement**) with Andes pursuant to which the Company made a conditional off-market takeover bid under Chapter 6 of the Corporations Act for 100% of the issued capital in Andes, by way of the issue of 25 Company Shares for every 1 Andes Share (**Takeover Bid**).

A summary of the material terms and conditions of the Implementation Agreement is set out in Section 4.4. A summary of Andes and its existing activities and assets is set out in Section 4.3.

ASX has indicated that Listing Rule 11.1.3 will not apply to the Transaction, and the Company will not need to re-comply with Chapters 1 and 2 of the Listing Rules. Resolution 1 seeks Shareholder approval for a change in the scale of the activities of the Company pursuant to Listing Rule 11.1.2.

Subject to the receipt of Shareholder's approval of the Interconditional Resolutions and the terms of the Implementation Agreement (including the bid conditions summarised in Section 4.4 below), the Company proposes to:

- (a) raise funds of up to \$2,332,000 (before costs) via a Priority Offer & Placement through the issue of up to 1,166,000,000 Shares at an issue price of \$0.002 per Share (on a pre-Consolidation basis);
- (b) issue 1,000,000,000 Shares (on a pre-Consolidation basis) pursuant to a Debt Refinancing Agreement to RMB (or its nominees) (**Debt Refinancing Shares**), (Resolution 6);
- (c) issue 62,500,000 Shares and 50,000,000 Options (on a pre-Consolidation basis) to Hartleys Limited (or its nominees) (**Advisor Securities**) as consideration for advisory services (Resolution 7);
- (d) proceed to Completion of the Takeover Bid pursuant to which the Company will issue:
 - (i) up to 2,784,135,217 Shares (on a pre-Consolidation basis) to Andes Shareholders as consideration for the acquisition of their shares in Andes (**Consideration Shares**) (Resolution 4); and
 - (ii) up to 625,000,000 Options (on a pre-Consolidation basis) to Andes optionholders as consideration for the cancellation of their options in Andes (**Replacement Options**) (Resolution 8);
- (e) appoint Messrs Jason Stirbinskis and Ross Ashton (**Proposed Directors**) to the Board (Resolutions 10(a) and (b)); and
- (f) consolidate the issued capital of the Company on a 1 for 40 basis (**Consolidation**) (Resolution 9).

It is the Company's intention, post-Completion, to issue bonus Options (**Bonus Options**). The intended record date for the issue of the Bonus Options is 16 December 2019 and the Bonus Options are intended to be issued on a one for five basis, with one Bonus Option issued in respect of each five Shares held at the Bonus Option issue record date.

4.3 Existing activities of Andes Resources Limited

Andes holds a 90% interest in a large portfolio (circa 800 km²) of applications and granted titles which is considered highly prospective for both epithermal gold-silver veins as well as porphyry gold-copper.

Approximately 35Moz of gold has been discovered within a 30 km radius of Andes' portfolio including AngloGold's Nuevo Chaquiro (Quebradona) at 5.66Moz gold & 3.63Mt copper.³

The Andes' properties occur only ~70 kms to the north of the Company's Quinchia Gold Project (refer Figure 1 below) presenting potential operational and administrative cost savings.

Andes was established in 2013 and undertook extensive regional and local sampling programs to identify at least 12 vein-style drill targets interpreted to be in five regional NW trending mineralised corridors.

As announced to the ASX on 13 March 2019, Andes have also defined several porphyry gold-copper targets. To date over 14,000 surface and rock chip samples have been collected to define multiple vein hosted and porphyry targets including the Gibraltar porphyry copper/gold target just 22 kms from, and in the same porphyry belt, as AngloGold's Nuevo Chaquiro deposit.⁴ Andes completed drilling its first of many targets in late 2018. Only, approximately 10% of Andes' land holding has been explored.

Andes' major properties are:

(a) El Culpio

El Culpio is a mining title hosting a corridor of gold-silver veins. LiDAR imagery suggests the target is within a regional scale ring structure often associated with substantial mineralised discoveries. A maiden scout drilling program by Andes in November 2018, and the first drill program within the entire project area, reported NW/SE oriented epithermal gold veining with best intersection of a 26.79m wide zone grading 1.58 gpt Au and 83.17 gpt Ag from 52.4m including 7.27m grading 3.32 gpt Au and 247.57 gpt Ag from 72.07m). High silver: gold ratios and other signature elements suggest the extensive veining mapped at El Culpio formed on the flanks of a causative intrusion such as a porphyry, with some evidence in surface results and the limited drilling pointing northward to an intrusive heat source(s).⁴

(b) San Pablo

San Pablo lies two kilometers to the south of El Culpio and within an interpreted 11 km long mineralised corridor (refer Figure 2). San Pablo is a granted licence of 150 Ha (permitted for drilling). It comprises numerous historical and active artisanal adits with 9 substantial veins mapped thus far, some traced for 700 vertical meters and for over 1km of strike with veining swelling to over 5m wide in some locations. In addition to San Pablo being a vein hosted gold-silver target, recent results and mapping have raised the potential of the area to also be a gold porphyry target. Potassic alteration has been recorded at lower elevations with stockworks and porphyritic textured intrusives observed over an area of 500m x 300m in the deep valley below the extensively vein mineralized regions. This target is drill ready subject to receipt of certain drilling permits. Immediately to the east of San Pablo and on Andes licence applications is the El Bosque mineralised zone including the El Bosque Mine which is the largest artisanal mine in the region. Andes' Other Targets Andes has only explored approximately 10% of its land holding and has thus far identified numerous priority targets based on surface work and artisanal mining

³ See AngloGold Ashanti 2018 Annual Report - this information has not been independently verified by the Company.

⁴ As announced on 13 March 2019 - the Company confirms that it is not aware of any new material information that affects the information in the announcement.

activity in the western portion of the portfolio (refer Figure 3). Some of these regions such as San Esteban, Santa Rita and La Alianza are considered to represent the AuAg-As-base metal bearing intermediate-sulphidation epithermal veins that typically occur from 500m to 5km from a causal intrusive (porphyry). Others such as Taparto and San Pablo show potential to occur in the middle to upper portions of porphyry systems characterised by anomalous Cu-Mo and Bi. La Rochela, San Agustin prospects indicate potential to lie within the upper parts of porphyry systems as inferred from anomalous Mo, Bi, Au & Ag. The eastern region of Andes' portfolio lies within the same subsection of the Mid-Cauca Gold Belt that hosts Quinchia along with other significant discoveries such as Nuevo Chaquiro and Continental Gold's Buritica project to the north. Andes has a number of established porphyry targets in this region including Gibraltar, an outcropping porphyry just 20 kms south of Nuevo Chaquiro.

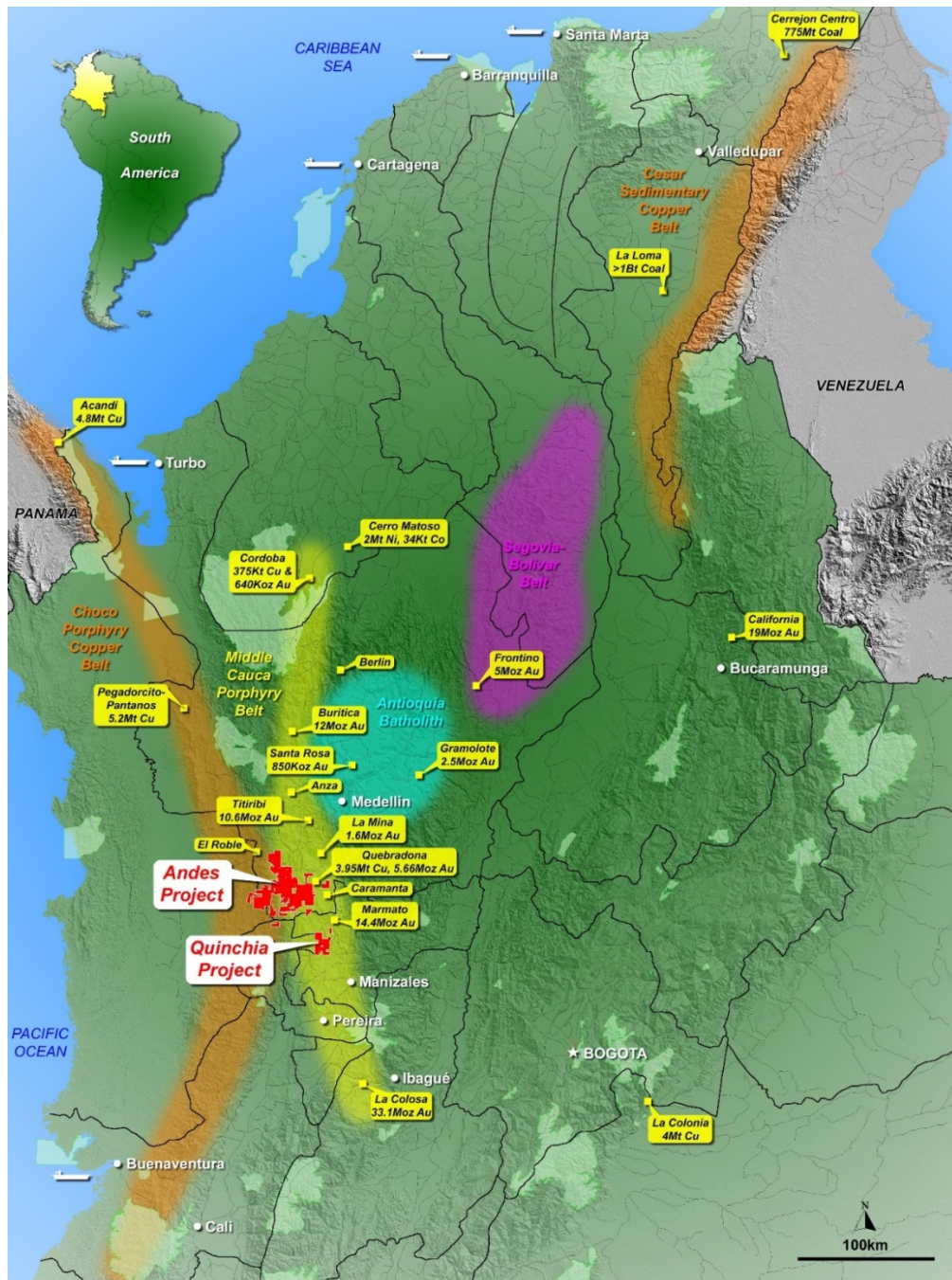


Figure 1: Location of Andes' exploration ground and Metminco's ground (Quinchia) in the Mid-Cauca Gold Belt, along with major nearby gold discoveries. Source: various company public reports- the Company has not independently verified the information.

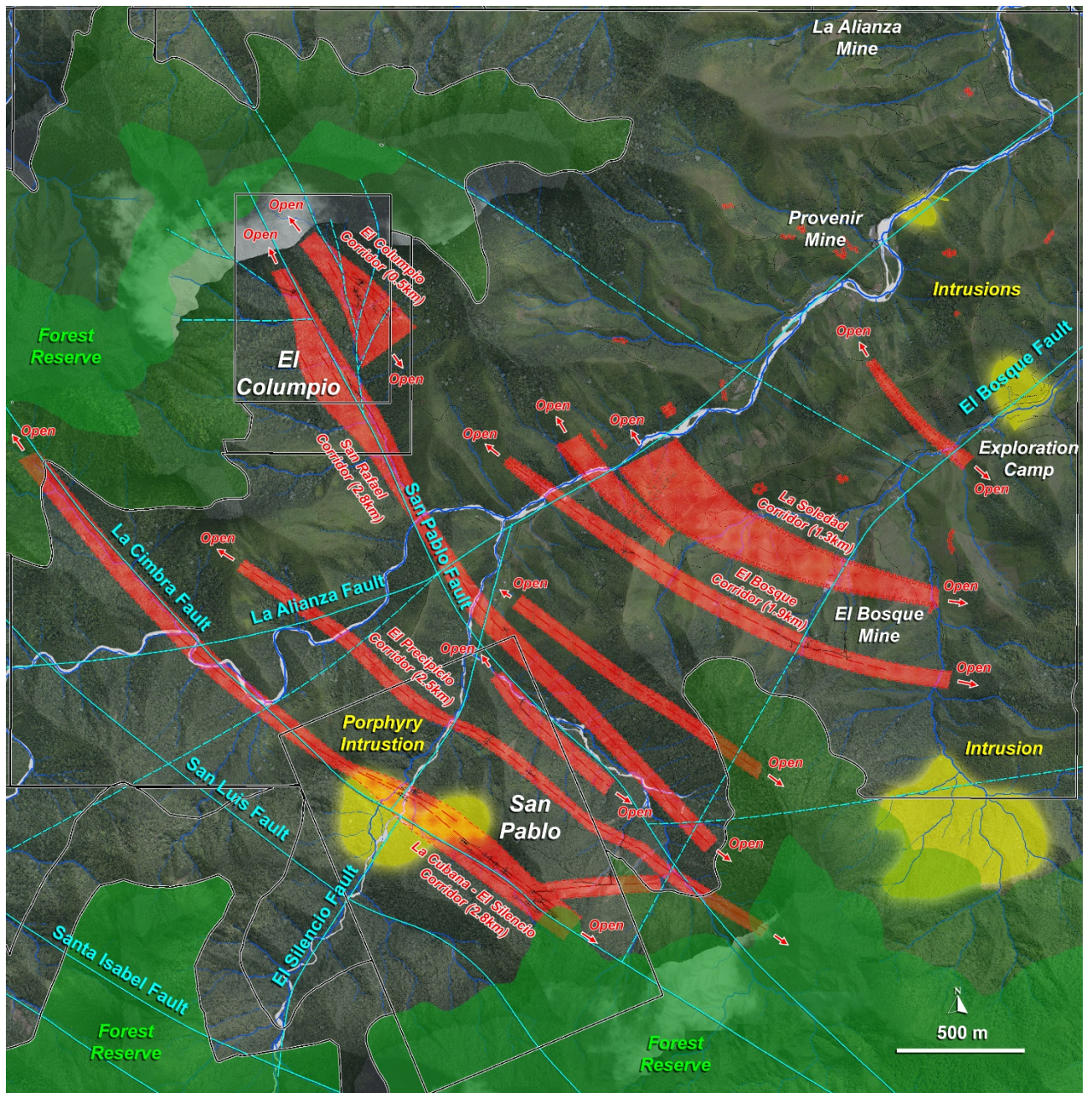


Figure 2: El Cumpio and San Pablo / El Bosque cover parallel mineralised corridors. The valley at San Pablo contains an intrusion (potentially a porphyritic diorite subject to petrography) traced over an area of 500m x 300m. Observed alteration zonation combined with element signatures are consistent with porphyry-style zonation and points to the deep valley in the centre of the licence area as the mineralised source. The combination of highly anomalous soil samples, extensive alteration and numerous workings in the El Cumpio and San Pablo/El Bosque area indicates the potential for a significant mineralized NW oriented corridor.

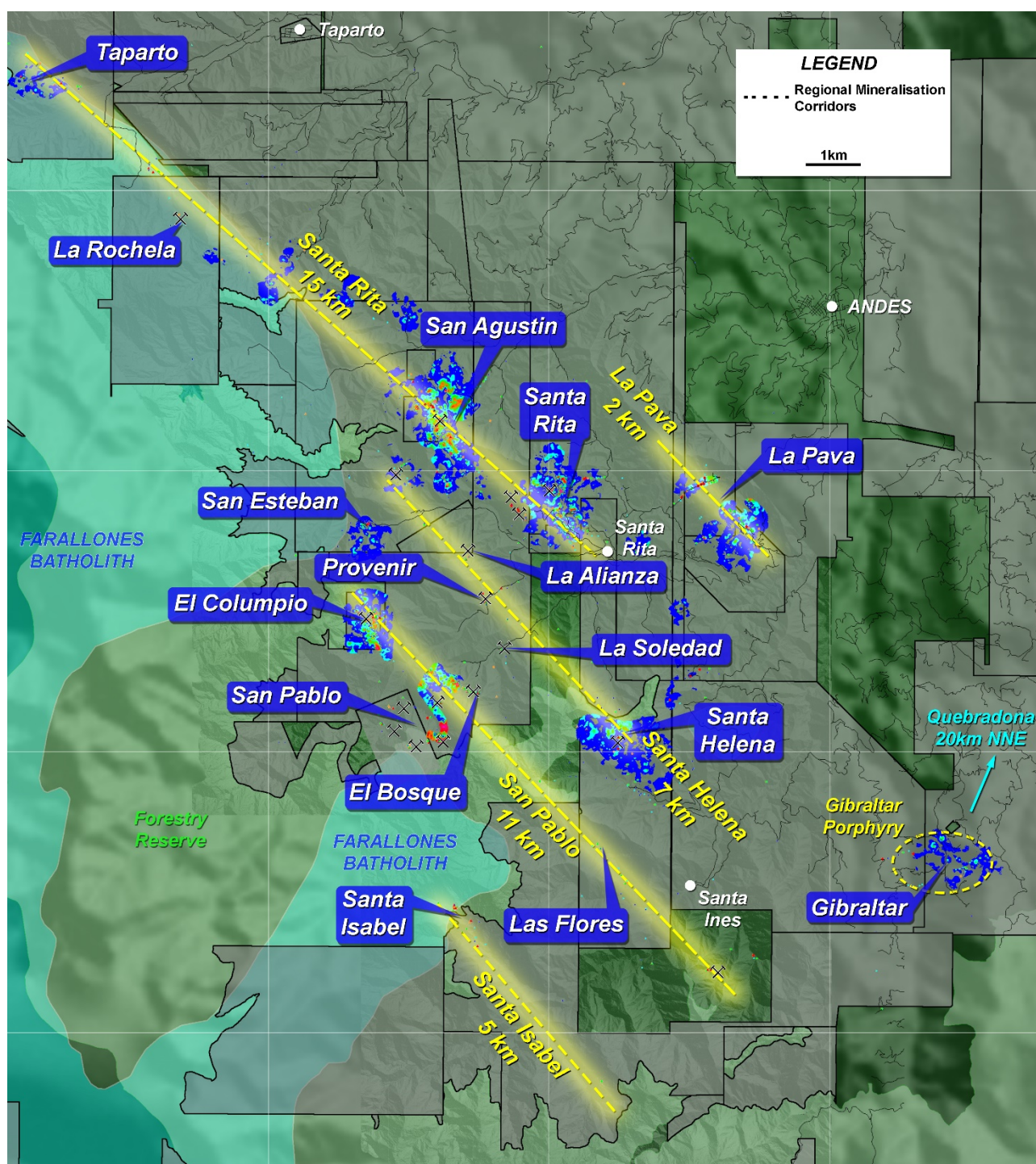


Figure 3: A subsection of Andes' portfolio. Surface mapping and sampling has defined 12 targets interpreted to lie with five NW trending mineralised corridors. Much of Andes' portfolio remains unexplored by modern techniques.

4.4 Key terms of the Implementation Agreement

As announced on 17 May 2019, the Company entered into the Implementation Agreement with Andes, which sets out the terms and conditions upon which the Company proposes to acquire 100% of the issued capital in Andes.

(a) **Consideration**

In consideration for the acquisition of 100% of the issued capital of Andes and subject to the satisfaction of the bid conditions set out in Schedule 6, the Company will issue to the shareholders of Andes (or their respective nominees) up to 2,784,135,217 Shares on a pre-consolidation basis.

The Company will offer 25 Shares for each Andes Share held.

There are currently 85,811,474 Andes Shares on issue, with up to a further 18,292,683 Andes Shares to be issued under the Andes Placement.

Bullet Holding Corp (**BHC**) and Delta Holdings LLC (**Delta**) are shareholders of Andes, which acquired interests in Andes through the issue of Andes Shares under an interest transfer agreement (in a respective proportion of 90% to BHC and 10% to Delta). BHC and Delta will be issued 181,531,292 Consideration Shares in satisfaction of a minimum participation right in favour of the entities, to be issued in accordance with their respective interests.

It is anticipated that 504,166,650 Consideration Shares will be issued to Sandfire (see Section 4.5).

(b) **Bid Conditions**

The Implementation Agreement contains Bid Conditions (set out in Schedule 6) that must be satisfied or waived for Completion of the Transaction to occur.

(c) **Warranties and indemnities**

The Implementation Agreement contains additional provisions, including warranties and indemnities in respect to Andes and the Company which are considered standard for agreements of this kind.

4.5 Sandfire Collaboration Agreement

On 16 May 2019, the Company entered a collaboration agreement with Sandfire (**Collaboration Agreement**). The Collaboration Agreement replaces an existing collaboration agreement Sandfire had in place with Andes.

The Collaboration Agreement becomes effective upon Sandfire having a voting interest of 15% or greater in the Company. Under the Collaboration Agreement, the Company grants Sandfire:

- (a) an anti-dilution right to ensure Sandfire is offered the ability to participate in any new offer of Securities for consideration no more favourable than third party subscribers;
- (b) the right to appoint a nominee to the Company's technical committee; and
- (c) the right to submit a competing proposal in respect of any debt financing; and
- (d) the right to appoint a Board nominee.

The Collaboration Agreement will terminate in the event that Sandfire's voting interest falls below 15% (other than as a result of the issue of Shares to which the

anti-dilution rights applies and Sandfire still being entitled to exercise its rights under the anti-dilution right) as a result of either:

- (a) its non-participation in a new offer of securities; or
- (b) as a result of the conversion of convertible securities.

The Company has sought and been granted a waiver from ASX in respect of Listing Rule 6.18 to permit it to grant the Anti-Dilution Right to Sandfire.

4.6 Cancellation and Replacement Option Deeds

Pursuant to the Implementation Agreement and in satisfaction of a bid condition, cancellation and replacement deeds will be executed between the Company and Andes Optionholders, in respect of all the Andes Options on issue. Under these deeds, Andes Optionholders will be issued Replacement Options as consideration for the cancellation of their Andes Options, on a 25 Company Options to 1 Andes Option basis.

See Schedule 3 for further details regarding the Andes Options and Replacement Options and Schedule 4 for the terms and conditions of the Replacement Options.

4.7 Capital Raising

- (a) It is a condition under the Implementation Agreement that the Company and Andes undertake a joint capital raising. The proposed capital raising will raise no less than \$4,000,000 (**Capital Raise**) and comprises:
 - (i) the issue of Tranche 1 and Tranche 2 Notes, which has been completed and raised \$918,000 (before costs), with the Tranche 1 and 2 Notes convertible into a maximum of 459,000,000 Shares, subject to Shareholder approval of the issue of the Tranche 2 Notes as Equity Securities under Resolution 2;
 - (ii) a placement by Andes to raise up to \$750,000 (**Andes Placement**);
 - (iii) a Priority Offer to raise up to \$1,000,000 through the issue of up to 500,000,000 Shares at an issue price of \$0.002, made to the Company's Shareholders as at the Priority Record Date (**Priority Offer**); and
 - (iv) a Placement to raise up to \$1,332,000 through the issue of up to 666,000,000 Shares at an issue price of \$0.002 (**Placement**).

- (b) **Tranche 1 and 2 Notes**

On 1 April 2019, the Company announced that it had issued 306 Notes (comprising 115 Tranche 1 Notes and 191 Tranche 2 Notes to unrelated professional and sophisticated investors to raise \$918,000 (before costs). Subject to Shareholder approval, the Notes automatically convert upon Completion at an issue price of \$0.003. To reflect the pricing of the Priority Offer and Placement, the Noteholders have amended the terms of the Note Deeds (**Note Amendment Deed**), such that the Notes the subject of the Note Amendment Deed convert at \$0.002.⁵

- (c) **Priority Offer and Placement**

⁵ As at 10 June 2019, one Noteholder had not entered into the respective Note amendment deed.

The Priority Offer and Placement will be conducted under a Prospectus and together will raise \$2,332,000 by the issue of up to 1,166,000,000 Shares. The Company will accept applications from professional, sophisticated and retail investors.

The Board in consultation with Hartleys retains the ultimate discretion to allocate Shares under the Priority and Placement Offer as it sees fit, however, it is noted that its current intention is to prioritise applications as follows:

- (i) under the Priority Offer to the Company's existing Shareholders;
- (ii) under the Placement to Andes Shareholders, including Sandfire; and
- (iii) in respect of shortfall to the Priority Offer and Placement, with a preference to the Company's Shareholder and Andes Shareholders.

The Company has executed an underwriting agreement with Hartleys for approximately \$1.342 million of its Placement and Priority Offer at \$0.002 per share (**Underwriting Agreement**), taking total firm commitments for the Priority Offer and Placement to \$2,332,000. The Underwriting Agreement is conditional upon the bid implementation agreement dated 16 May 2019 not terminating, RMB entering into the Debt Refinancing Agreement with the Company, and industry standard underwriting conditions.

4.8 Proposed use of funds

The Company intends to use the funds raised under the Capital Raise to:

Use of funds	Fully Subscribed (\$2.332m)	
	\$	%
Costs of the Offer	182,000	8
Corporate, Admin, Working Capital	700,000	30
Exploration (existing projects)	1,250,000	53
Exploration (new projects)	200,000	9
TOTAL	2,332,000	100

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Capital Raising, the Company will have sufficient working capital to meet its stated objectives.

4.9 Advisor Securities

Pursuant to a mandate dated 24 February 2019, Hartleys has been appointed as the Company's corporate advisor in relation to the proposed Transaction (**Advisor Mandate**).

Under the Advisor Mandate, the Company has agreed to pay Hartleys certain fees in consideration for its services, namely:

- (a) a success fee payable on Completion of the Transaction of:
 - (i) 62,500,000 fully paid Shares; and
 - (ii) \$125,000;
- (b) an abort fee of 25% of any break fee paid to the Company in respect to the Transaction; and
- (c) Capital raising fees of:
 - (i) 50,000,000 Advisor Options conditional on the Company and Andes raising \$4,000,000 through the Capital Raise; and
 - (ii) 6% of the gross amount subscribed for Shares pursuant to capital raisings undertaken while Hartleys is engaged, which does not include fees raised under the Andes Placement.

The Advisor Options will have an exercise price of \$0.006 and an expiry date of 3 years from the date of issue.

The Advisor Securities are deemed to be issued on a pre-consolidation basis.

4.10 Debt Refinancing

The Company and RMB have provisionally agreed to enter into a formal agreement in respect of a proposed re-financing of the Company's existing debt obligations to RMB, the key commercial terms of which are summarised below:

- (a) subject to approval from the South African Reserve Bank, conversion of \$2,000,000 of repayments due to RMB into Shares at a price of \$0.002 per Share, through the issue of 1,000,000,000 Shares on a pre-Consolidation basis (as per Resolution 6);
- (b) a payment of \$1,250,000 upon the earlier of the Company's market capitalisation exceeding \$30,000,000 for more than 10 consecutive trading days, or a new indicated resource on the Company's current assets of greater than 500,000 oz. of gold at a grade of 5 gpt, or 1Moz grading at 4 gpt;
- (c) a payment of \$1,250,000 upon the earlier of the Company's market capitalisation exceeding \$35,000,000 for more than 10 consecutive trading days, or of the merged company defining a new reserve on the Company's current assets of greater than 500,000 oz. of gold at a grade of 5 gpt, or 1Moz grading at 4 gpt; and
- (d) a final payment of \$1,000,000 upon the earlier of the Company's market capitalisation exceeding \$40,000,000 for more than 10 consecutive trading days, or upon the merged company announcing a decision to mine on any licences or applications or rights to applications or joint venture

entitlements held by the Company in the Quinchia Gold Project prior to the Completion.

Attaining the above noted milestones will trigger a call from RMB for the Company to repay those debts in cash. A backstop date of 31 March 2025 has been set, at which point any remaining debt outstanding to RMB (if any) would become due. The Company has also agreed to extend the cap on the 2% royalty due to RMB to \$15,000,000.

RMB will maintain its existing security over the Quinchia Gold Project assets (**Security**).

The Company has successfully sought a confirmation from ASX in respect of Listing Rule 10.1 to confirm that Listing Rule 10.1 does not apply to the grant of the Security on the basis that RMB was not a substantial Shareholder at the time the Security was granted.

4.11 Pro-forma balance sheet

A reviewed pro forma statement of the financial position of the Company as at 31 December 2018 based on the audited accounts of the Company is set out in Schedule 5.

4.12 Pro-forma capital structure

The pro forma capital structure of the Company on completion of the Transaction, consolidation, RMB debt conversion and capital raising will be as follows:

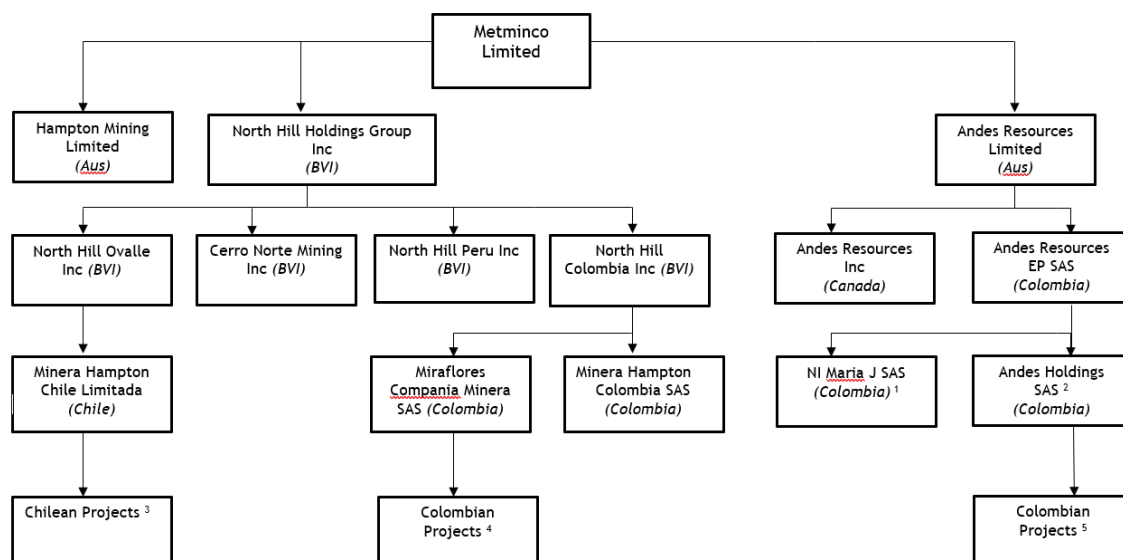
	Shares	Options / PRs
Current	1,187,940,614	642,945,422 ¹
Consideration Shares²	2,784,135,217	625,000,000 ³
Debt Refinancing Shares⁴	1,000,000,000	0-
Company Capital Raising Shares⁵	1,625,000,000	459,000,000 ⁶ -
Broker Securities	62,500,000	50,000,000 ⁷
Bonus Options⁸	0	1,331,915,166
TOTAL (pre-Consolidation)	6,659,575,831	3,108,860,588
TOTAL (post Consolidation)	166,489,396	77,721,515

Notes:

1. Comprising:
 - a. 547,345,422 quoted Options with an exercise price of \$0.011 expiring 1 June 2020;
 - b. 76,400,000 performance rights (as per the terms announced on 26 April 2018); and
 - c. 9,600,000 unquoted Options issued under the Company's long-term incentive plan exercisable at \$0.016 on or before 31 December 2019, subject to vesting conditions; and 9,600,000 unquoted Options issued under the Company's long-term incentive plan exercisable at \$0.024 on or before 31 December 2020, subject to vesting conditions.
2. This figure comprises Consideration Shares issued as follows:
 - a. 2,145,286,850 to existing Andes Shareholders;
 - b. 181,531,292 to BHC and Delta. in satisfaction of a minimum participation right in Andes; and
 - c. 457,317,075 to Andes Shareholders in respect of shares issued under the Andes Placement.
3. This figure comprises:
 - a. 250,000,000 Options exercisable at \$0.008 in consideration for 10,000,000 Andes Options; and
 - b. 375,000,000 Options exercisable at \$0.005 in consideration for an estimated 15,000,000 free-attaching Andes options exercisable at \$0.10 to be issued in connection with the Andes Placement.
4. Being a debt for equity swap, whereby the \$2,000,000 of the Company's debt owing to RMB is converted into the Debt Refinancing Shares.
5. Assuming a total capital raising of \$4,000,000 as follows:
 - a. 459,000,000 Shares issued on conversion of the Tranche 1 and Tranche 2 Notes.
 - b. 1,166,000,000 Shares issued in the Priority Offer & Placement
6. 459, 000,000 Company Options (Free-Attaching options) issued on a 1 for 1 basis to Tranche 1 and Tranche 2 Noteholders, subject to Shareholder approval, exercisable at \$0.004 within 2 years from the date of issue.
7. 50,000,000 unquoted options exercisable at \$0.006 (on a pre-Consolidation basis) and an expiry date three years from the date of completion.
8. The bonus options exercisable at \$0.004 (on a pre-Consolidation basis) and an expiry date two years from the date of issue, which is expected to be 16 December 2019.

4.13 Proposed corporate structure

At Completion, the Company's structure will be as follows:



Note:

- a. Andes has constituted Metminco Ni - Maria J SAS before the Chamber of Commerce Medellin, a company currently owned 70% by Andes Resources EP SAS and which will be the assignee of 100% of the rights derived from the permit for exploration and exploitation of gold No. P8717011. Once Andes makes the final outstanding payment through Ni - Maria J SAS to Minería Integral de Colombia Minincol SAS, Nicanor Maria de Jesus Restrepo has undertaken to assign 100% of his fully paid ordinary shares in Ni - Maria J SAS to Andes Resources EP SAS for the benefit of Andes Holdings SAS.
- b. Owned 90% by Andes Resources EP SAS, with the remaining 10% held by BHC.
- c. Mollacas, Vallecillo and Loica projects, owned as to 100% by Minera Hampton Chile Limitada.

- d. Miraflores, Tesorito and Dosquebradas projects, owned as to 100%; Chuscal Project earning 51% interest in joint venture with AngloGold Ashanti Colombia SA.
- e. Includes 800km² of applications and granted exploration permits including the San Pablo and Columpio prospects. Andes Holding SAS currently has a 77% beneficial right to San Pablo and capacity to secure 100% of the rights on payment of the final milestone payment. Andes Holding SAS, holds 100% of the beneficial interest to all other titles and applications.

4.14 Composition of the Board

The Board currently comprises:

- (a) Kevin Wilson - Executive Chairman;
- (b) Roger Higgins - Non-Executive Director; and
- (c) Glenister Lamont - Non-Executive Director.

It is proposed that upon the Company acquiring a relevant interest in at least 90% (by number) or all Andes Shares and the Takeover Bid becoming unconditional or completing, Kevin Wilson will remain on the Board as a Non-Executive Chairman and that Messrs. Roger Higgins and Glenister Lamont will resign.

The Company will then appoint (subject to Shareholder approval) the following Andes Directors as directors of the Company:

- (a) Jason Stirbinskis - Managing Director; and
- (b) Ross Ashton - Non-Executive Director.

At completion of the Board will comprise:

- (a) **Kevin Wilson - Non-executive Chairman:** Kevin has over 30 years' experience in the minerals and finance industries, including as Managing Director of Leviathan Resources, a successful Victorian gold mining company prior to its takeover in 2006. Kevin was also previously Managing Director of Rey Resources, an Australian energy exploration company. He has prior experience as a geologist with the Anglo American Group in Africa and North America and as a stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australia and USA.
- (b) **Jason Stirbinskis - Managing Director:** originally a Geologist, Mr Jason Stirbinskis is a Corporate Executive with 12+ years' experience leading both private and public companies in the mining and mining services space. He is experienced across a number of commodities including gold, zinc, lead, copper, and nickel and has managed projects ranging from greenfield to DFS/Development in West Africa, Scandinavia, Australia and Central Asia. He is well networked across international and Australian capital markets and skilled in leading multidisciplinary, international teams.
- (c) **Ross Ashton - Non-executive Director:** Mr Ashton has over 45 years' experience as a geologist specialising in mineral exploration and development internationally. He was founding Managing Director of Red Back Mining Limited a company subsequently acquired by Kinross Gold Corporation for US\$7.2 billion in 2010. He was also a director of TSX/ASX listed PMI Gold Ltd and ASX listed Brockman Resources Ltd. Both companies were involved in corporate transactions following the discovery of significant mineral resources.

4.15 Substantial holders

As at the date of the Notice, no person holds greater than 5% of the Shares on issue. In the event Completion occurs, the Company is likely to have the following substantial shareholders:

Holder	Shares (on a pre-Consolidation basis)	Percentage
Sandfire ¹	998,936,375	15%
RMB ²	1,008,000,000	15.1%
BHC & Delta (in aggregate) ³	650,000,000	9.8%

Notes:

- 1 It is anticipated that Sandfire will be issued 504,166,650 Consideration Shares. Sandfire has provided an intention statement to subscribe for 494,769,725 Shares under the Placement.
- 2 Through the issue of the Debt Refinancing Shares and RMB's existing 8,000,000 Shares.
- 3 Through the issue of Consideration Shares to BHC and Delta.

4.16 Indicative timetable

Step	Date
Notice of meeting dispatched to Shareholders	12 June 2019
Lodgement Date Company lodges Bidder's Statement with ASIC and serves it to Target and ASX Date Andes lodges Target Statement with ASIC and serves it to Company and ASX Andes agrees to earlier dispatch date Dispatch of bidder's statement to Andes Shareholders and dispatch of target's statement to Company, Shareholders, ASIC and ASX Register Date - Date set by Company pursuant to section 633(3) of the Corporations Act Lodge Priority Offer Prospectus with ASIC	14 June 2019
Complete Priority Offer and Placement	5 July 2019
Shareholder Approval	15 July 2019
Offer to close unless extended (and for compulsory acquisition notices to be sent to non-accepting Andes Shareholders)	17 July 2019
Completion of Takeover Offer Conversion of Notes	23 July 2019

Complete compulsory acquisition	19 August 2019
Commence Consolidation	20 August 2019
Issue of Bonus Options	16 December 2019

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

4.17 Taxation

The Takeover Bid may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Transaction or the Resolutions.

4.18 Plans for the Company if the Interconditional Resolutions are not passed or if the Transaction does not proceed

If the Interconditional Resolutions are not passed or if the Transaction is otherwise not completed, the Company will continue to explore its Quinchia Gold Project and search for complementary exploration and development assets in Colombia. However, the Debt Refinancing Agreement will not proceed and, as a consequence, \$5 million will be due and payable to RMB in June 2020. The Company will be required to undertake further equity financing in order to continue its business activities and repay its creditors. There is no guarantee that the Company will be able to access funds in a timely manner to pursue its development plans or settle its obligations in a timely manner.

4.19 Directors interests in the Takeover Bid

None of the Company's existing Directors have any interest in the proposed Transaction pursuant to the Implementation Agreement, other than disclosed in this Notice or in this Section 4.19 or as Securityholders or creditors of the Company.

5. Key risks

This Section identifies the major areas of risk associated with the Takeover Bid, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed.

5.1 Dilution risk

At the date of the Meeting it is expected that Company will have 1,187,940,614 Shares on issue. On Completion and on issue of the securities pursuant to the Resolutions, including the Consideration Shares, Capital Raising Shares, Debt Refinancing Shares and Advisor Securities, the existing Shares will be equal to 17.8% of the issued capital of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company's projects.

5.2 Contractual and Completion risk

Pursuant to the Implementation Agreement the Company has agreed to acquire the Andes Shares subject to the fulfilment of certain bid conditions. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Implementation Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

5.3 Transaction Completion risk

The Company seeks to acquire 100% of the issued capital of Andes by way of the Takeover Bid. The Takeover Bid is subject to Bid Conditions. If any of the Bid Conditions are not satisfied or waived, or any of the counterparties do not comply with their obligations, Completion of the Takeover Bid may be deferred or not occur. Failure to Complete the Takeover Bid would adversely impact the Company's financial condition and level of operations.

5.4 Transaction due diligence risk

The Company and its advisers have performed certain pre-acquisition due diligence on Andes. While the Company has obtained certain warranties from Andes under the bid implementation agreement with respect to information provided by Andes, there is a risk that the due diligence conducted has not identified issues that would have been material to the decision by the Company to acquire Andes. A material adverse issue which was not identified prior to the Company's acquisition of Andes could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on the Company.

5.5 Future capital requirements

The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements.

The Company's ability to raise further equity or debt, or to divest part of its interest in a tenement, and the terms of such transactions will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities.

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.

Additional financing may not be available on terms acceptable to the Company, or at all. Significantly, any additional equity financing or the exercising of Options, may dilute your existing shareholdings; and debt financing, if available, may restrict financing and future activities. If the Company fails to obtain additional financing, as needed, it may have to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.

5.6 Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species, bribery, corruption and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

5.7 Foreign governments and legal systems risk

The Colombian and Chilean jurisdictions, where the Company's current operating assets reside, differ from the legal system found in Australia. This could lead to exposure to any or all of the following risks:

- (a) lack of guidance or interpretation of the applicable rules and regulations; and
- (b) delays in redress or greater discretion on the part of governmental authorities.

Whilst there is no evidence of material impact of this risk has had on operations in these countries, the Company cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected or even forfeited as a result of the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain. In addition, political instability changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

5.8 Tenure, access and grant of applications

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences/permits for the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.

5.9 Exploration risk

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

5.10 Chuscal expenditure risk

The Company is party to a joint venture agreement with AngloGold, which currently owns the Chuscal project. The Company is required to spend \$2,500,000 by May 2022 in order to obtain a 51% interest in the Chuscal licences. To date the Company has not yet undertaken substantive expenditure on Chuscal. In the event that the Company is unable to meet its expenditure commitments under the joint venture agreement, there is a risk that the Company may not obtain a 51% interest in the Chuscal project.

5.11 Environmental risk

Mining and exploration has become subject to increasing environmental responsibility and liability in Australia, Colombia and Chile. The potential for liability is an "ever present" risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. Consistent with this, the Company may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised. The discovery of any endangered species of fauna and flora may impact upon the Company's ability to freely explore or develop its tenements.

There is no guarantee that nature reserves or parks will not be decreed by government agencies in the areas in which the Company works. These could constrain the Company's ability to operate on its existing or future licences.

5.12 Social Licence

In order to explore, develop or operate in communities, the general acceptance of certain stakeholder populations may be required. This may include formal agreements that can require extended negotiations with large numbers of stakeholders, for example indigenous communities and groups with native title rights. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company's plans.

5.13 Mine development risk

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, the Transaction and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, , unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

5.14 Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (b) developing an economic process route to produce a metal and/or concentrate; and
- (c) changes in mineralogy in the ore deposit can result in inconsistent metal/mineral recovery, affecting the economic viability of the project.

5.15 Insurance risks

There are significant exploration and operating risks associated with exploring for gold, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and damage of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

5.16 Ability to exploit successful discoveries

Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences, mining concessions and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied.

5.17 Commodity Prices

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Metminco has an interest as well as Metminco's ability to raise capital.

5.18 Loss of key management personnel

The Company's success largely depends upon key management personnel for the management of the Company as well as upon other management and technical personnel for the daily operation of the Company. Consequently, there is a possibility that the Company will be adversely affected, particularly in respect of the rate at which its exploration programs and tenements are developed or prioritised, if one or more of the key management personnel cease their employment.

5.19 Transactional Risks

The Company intends to divest its non-core assets. This can be impacted by many risks beyond the control of the Company including market risks which itself is impacted by business cycles, political, government and regulatory risks amongst others. There is no guarantee that the Company will be able to divest its assets, or

achieve reasonable prices for these assets, or complete these transactions in any timeframe.

5.20 Exploration costs

The exploration costs of the Company are premised upon a number of assumptions and estimates as regards the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the cost estimates and the underlying assumptions will be realised in practice, which may adversely affect the Company's

5.21 Tax rules

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

5.22 Litigation Risks

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is aware that a former director (of a company that was acquired by the Company (Minera Seafeld SAS, now called Miraflores Compañía Minería SAS)) previously lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking termination payments, unpaid bonus payments and damages in the amount of approximately US\$2 million. The Directors are of the opinion that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is remote. The next court hearing is expected to occur on or around November 2019. The Company intends to defend the proceeding.

5.23 Competition risk

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's business.

5.24 Economic Risks

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

5.25 Force Majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

6. Resolution 1 - Approval to change in scale of activities

6.1 General

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Takeover Bid.

A detailed description of the Takeover Bid is outlined in Section 4 above.

Resolution 1 is an ordinary resolution.

Resolution 1 is an Interconditional Resolution and is subject to Shareholders passing each of the Interconditional Resolutions.

The Chair intends to exercise all available proxies in favour of Resolution 1.

The Board recommends that Shareholders vote in favour of Resolution 1.

6.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised that it requires the Company to obtain the approval of its Shareholders for the proposed change of scale of its activities pursuant to ASX Listing Rule 11.1.2. However, the Company is not required to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under ASX Listing Rule 11.1.2.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

7. Resolution 2 - Approval to issue Tranche 2 Notes as Equity Securities

7.1 General

As announced by the Company on 13 March 2019, the Company issued 191 Tranche 2 Notes at a face value of \$3,000 each (**Tranche 2 Notes**) to raise up to \$573,000.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Tranche 2 Notes as equity securities, convertible into up to 286,500,000 Shares at the issue price of \$0.002 if Completion occurs.

If Shareholder approval is not received, the Tranche 2 Notes will remain on issue until the Company either:

- (a) obtains subsequent shareholder approval;
- (b) converts all or a portion of the Tranche 2 Notes from its available placement capacity as and when it sees fit (noting that at no time does the Company have an obligation to use its available placement capacity - nor does a Noteholder have a right to call for the conversion of the Tranche 2 Notes); or
- (c) repays the Tranche 2 Notes.

A detailed description of the Takeover Bid is outlined in Section 4 above.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

7.2 Listing Rule 7.1

Listing Rule 7.1 provides that an entity must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The Tranche 2 Notes have been issued as debt instruments. The Tranche 2 Notes were not issued as Equity Securities, as they cannot be converted into Shares in the Company unless Shareholder approval is obtained.

The effect of Resolution 2 will be to allow the Tranche 2 Notes to be issued as Equity Securities without using the Company's placement capacity under Listing Rule 7.1.

7.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the conversion of the Tranche 2 Notes:

- (a) if Resolution 2 is approved, the Tranche 2 Notes will become Equity Securities and the Notes will be convertible into up to 286,500,000 Shares;
- (b) the Tranche 2 Notes were issued on 1 April 2019 as debt instruments. If Resolution 2 is approved, all Tranche 2 Notes will be issued and converted simultaneously into Equity Securities for the purposes of the Listing Rules at the time of the approval being obtained (that is, the date of the Meeting) and in any event, on the same date, no later than 6 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price of the Tranche 2 Notes was \$3,000 each. Subject to the receipt of Shareholder approval, the subject of Resolution 2, the Tranche 2 Notes may be converted into shares at a conversion price of either \$0.002 or \$0.003 (subject to the acceptance of the Note Amendment Deed);
- (d) the Tranche 2 Notes were issued to sophisticated or professional investors who are unrelated parties of the Company. Shares issued on conversion of the Tranche 2 Notes will be issued to the Noteholders or their nominees;
- (e) the material terms of the Tranche 2 Notes are summarised in Schedule 2. Shares issued on the Conversion of the Tranche 2 Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with all other Shares on issue at the time;
- (f) funds raised from the issue of the Tranche 2 Notes are being used towards the Company's working capital and progressing the Transaction. See Section 4 for detailed information on the Takeover Bid and the use of funds raised from the Tranche 1 and Tranche 2 Notes. No further funds will be raised from the conversion of the Tranche 2 Notes into Shares; and
- (g) a voting exclusion statement is included in the Notice.

8. Resolution 3 - Approval of the issue of Free-Attaching Options

8.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 459,000,000 Free-Attaching Options to the holders of Tranche 1 Noteholders and Tranche 2 Noteholders (or their nominees) pursuant to the Note Deeds.

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

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 3 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.3 Specific information required by Listing rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to the issue of the Free-Attaching Options:

- (a) the maximum number of Free-Attaching Options to be issued is 459,000,000;
- (b) the Free-Attaching Options will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Free-Attaching Options will occur on the same date, which is intended to be Completion;
- (c) the Free-Attaching Options will be issued for nil cash consideration on an equal basis to the number of Shares issued under the Tranche 1 Notes and Tranche 2 Notes;
- (d) the Free-Attaching Options will be issued to Noteholders, none of whom will be related parties of the Company;
- (e) the Free-Attaching Options will be exercisable at \$0.004 each on or before the date that is 2 years after the date of issue, and will otherwise be issued on the terms and conditions in Schedule 3;
- (f) as the Free-Attaching Options attach to the Tranche 1 Notes and the Tranche 2 Notes, no funds will be raised from their issue; and
- (g) a voting exclusion statement is included in the Notice.

9. Resolution 4 - Approval to issue Consideration Shares

9.1 General

On 16 May 2019, the Company entered the Implementation Agreement, pursuant to which it will acquire 100% of the issued capital in Andes. Pursuant to the Implementation Agreement the Company will offer consideration of 25 Shares per 1 Andes Share held on the record date, comprising the issue of 2,784,135,217 Shares on a pre-consolidation basis (**Consideration Shares**).

Full details of the Implementation Agreement and Takeover Bid are set out above in Section 4.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Consideration Shares to Andes Shareholders.

Resolution 4 is an ordinary resolution.

Resolution 4 is an Interconditional resolution and is subject to the approval of each of the other Interconditional Resolutions.

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

The Chair intends to exercise all available proxies in favour of Resolution 4.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 4 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

9.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Consideration Shares will be issued to the Proposed Directors who are current Andes Shareholders.

The existing Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Shares to the Proposed Directors and entities associated with Proposed Directors because the Implementation Agreement was negotiated on an arm's length basis.

9.4 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Shares to Andes Shareholders (including Proposed Directors and entities associated with Proposed Directors) and consequently Shareholders' approval is not sought under Listing Rule 10.11.

9.5 Specific information required by Listing Rule 7.3

- (a) the maximum number of Consideration Shares to be issued is 2,784,135,217;
- (b) the Shares will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or

modification of the Listing Rules) and it is intended that the issue of the Shares will occur on the same date, which is intended to be at Completion;

- (c) the Shares will be issued for nil cash consideration as consideration for Andes Shares pursuant to the Implementation Agreement;
- (d) the Shares will be offered to Andes Shareholders;
- (e) the Shares proposed to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised as the Shares will be issued for nil cash consideration;
- (g) the Shares will be issued on the same date after Completion of the Takeover Bid;
- (h) a voting exclusion statement is included in the Notice; and
- (i) full details of the Takeover Bid are set out above in Section 4.

10. Resolution 5 - Approval of the issue of shares under the Priority Offer & Placement

10.1 General

Resolution 5 seeks Shareholder approval for the issue by way of a Priority Offer and Placement of up to a maximum of 1,166,000,000 Shares at an issue price of \$0.002 each to raise up to \$2,332,000 (before costs).

The Priority Offer and Placement will be conducted under a Prospectus and the Company will accept applications from professional, sophisticated and retail investors.

The Board in consultation with Hartleys retains the ultimate discretion to allocate Shares under the Priority and Placement Offer as it sees fit, however, it is noted that its current intention is to prioritise applications as follows:

- (a) under the Priority Offer to the Company's existing Shareholders who hold Shares at the Priority Offer Record Date;
- (b) under the Placement to Andes Shareholders, including Sandfire; and
- (c) in respect of shortfall to the Priority Offer and Placement, with a preference to the Company's Shareholder and Andes Shareholders.

The Priority Offer and Placement intend to raise the remainder of the \$4,000,000 under the Capital Raise, less the \$918,000 raise through issue of the Tranche 1 and Tranche 2 Notes and the amount to be raised under the Andes Placement, estimated at \$750,000.

Full details of the proposed Capital Raise and the proposed use of funds is set out above in Section 4.7.

Resolution 5 is an ordinary resolution.

Resolution 5 is an Interconditional Resolution and is subject to the approval of each of the other Interconditional Resolutions.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

The Chair intends to exercise all available proxies in favour of Resolution 5.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 5 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

10.3 Specific information required by Listing Rule 7.3

- (a) the maximum number of Shares to be issued under the Priority Offer & Placement is 1,166,000,000;
- (b) the Shares will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Shares will occur on the same date, which is intended to be Completion;
- (c) the issue price for the Shares will be \$0.002 per Share;
- (d) the Shares will be offered to existing Shareholders of the Company under the Priority Offer, Andes Shareholders under the Placement (including Sandfire) and to professional, sophisticated and retail investors as determined in the discretion of the Directors and Hartleys;
- (e) the Shares proposed to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Priority Offer and Placement as described in Section 4.9;
- (g) a voting exclusion statement is included in the Notice; and
- (h) full details of the Takeover Bid are set out above in Section 4.

11. Resolution 6 - Approval of the debt for equity RMB re-financing

11.1 General

The Company intends to enter the Debt Refinancing Agreement with RMB.

As part of the Debt Refinancing Agreement, the Company has agreed, subject to the approval set out in Section 4.10(a), to issue 1,000,000,000 Shares to RMB (**Debt Refinancing Shares**).

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Debt Refinancing Shares to RMB or its nominees.

Resolution 6 is an ordinary resolution.

Resolution 6 is an Interconditional Resolution and is subject to the approval of each of the other Interconditional Resolutions.

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

The Chair intends to exercise all available proxies in favour of Resolution 6.

11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 6 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

11.3 Specific information required by Listing Rule 7.3

- (a) the maximum number of Debt Refinancing Shares to be issued is 1,000,000,000;
- (b) the Debt Refinancing Shares will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Debt Refinancing Shares were issued for nil cash consideration as part of the Debt Refinancing Agreement;
- (d) the Debt Refinancing Shares will be offered to RMB (or its nominees), who is not a related party of the Company;
- (e) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the Debt Refinancing Shares as they will be issued for nil cash consideration pursuant to the Debt Refinancing Agreement;
- (g) it is intended that the Debt Refinancing Shares will be issued on the same date which is intended to be at Completion.
- (h) a voting exclusion statement is included in the Notice; and
- (i) full details of the Takeover Bid are set out above in Section 4.

12. Resolution 7 - Approval of the issue of Advisor Securities

12.1 General

On 24 February 2019, the Company entered into an agreement with Hartleys (Advisor) for the Advisor to provide corporate advisory services to the Company.

The Company has agreed to issue to the Advisor:

- (a) 62,500,000 Shares in part payment for advising on the Takeover Bid (Advisor Shares); and

- (b) 50,000,000 Options in conjunction with the proposed capital raisings (Advisor Options),
(together, **Advisor Securities**).

Full details of the Advisor Mandate are set out above in Section 4.9.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Advisor Securities to the Advisor or its nominees.

Resolution 7 is an ordinary Resolution.

Resolution 7 is an Interconditional Resolution and is subject to the approval of each of the other Interconditional Resolutions.

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

The Chair intends to exercise all available proxies in favour of Resolution 7.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 7 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

12.3 Specific information required by Listing Rule 7.3

- (a) the maximum number of Advisor Securities to be issued is:
- (i) 62,500,000 Shares; and
 - (ii) 50,000,000 Options;
- (b) the Advisor Securities will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Advisor Securities were issued for nil cash consideration as part consideration for advisory services provided to the Company;
- (d) the Advisor Securities will be offered to Hartleys Limited (or its nominees), none of whom is a related party of the Company;
- (e) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Advisor Options will have an exercise price of \$0.006 and expire 3 years from the date of issue, on the terms and conditions set out in Schedule 3;
- (g) no funds will be raised from the Advisor Securities as they will be issued for nil cash consideration;
- (h) it is intended that the issue of the Advisor Securities will occur on the same date as Completion of the Takeover Bid;
- (i) a voting exclusion statement is included in the Notice; and

(j) full details of the Takeover Bid are set out above in Section 4.

13. Resolution 8 - Approval of the issue of Replacement Options

13.1 General

Pursuant to the Implementation Agreement and in satisfaction of a bid condition, the Company proposes to enter into cancellation and replacement deeds with Andes Optionholders. In consideration for entry of Andes Optionholders into cancellation and replacement deeds in relation to Andes Options, the Company has agreed to offer Andes Optionholders, Company Options (**Replacement Options**), on the terms set out in Schedule 3.

Currently there are 10,000,000 Andes Options. During the Andes Capital Raise up to a maximum of 15,000,000 additional Andes Options are proposed to be issued for a total of 25,000,000. See Schedule 3, for further details regarding the Andes Options. This means up to 625,000,000 Replacement Options could be issued under the ratio of 25 Company Options for 1 Andes Option.

The Proposed Directors hold, or are likely to hold at the conclusion of the Andes Placement, the following Andes Options:

Proposed Director	Current	Andes Placement
Mr Jason Stirbinskis	1,000,000 exercisable at \$0.20 and expiring on 1 July 2023	1,500,000 exercisable at \$0.16
Mr Ross Ashton	3,000,000 exercisable at \$0.20 and expiring on 1 July 2023	400,000 exercisable at \$0.16

For further information on the Andes Options please see Schedule 3. For further information on the terms of the Replacement Options, please see Schedule 4.

Full details of the Implementation Agreement and Takeover Bid are set out above in Section 4.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Replacement Options to Andes Optionholders.

Resolution 8 is an ordinary resolution.

Resolution 8 is an Interconditional resolution and is subject to the approval of each of the other Interconditional Resolutions.

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

The Chair intends to exercise all available proxies in favour of Resolution 8.

13.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 8 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

13.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Replacement Options to the Andes Optionholders (including Proposed Directors and entities associated with Proposed Directors) because the agreement to grant the Replacement Options reached as part of the Implementation Agreement was negotiated on an arm's length basis.

13.4 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Replacement Options to Andes Optionholders (including Proposed Directors and entities associated with Proposed Directors) and consequently Shareholders' approval is not sought under Listing Rule 10.11.

13.5 Specific information required by Listing Rule 7.3

- (a) the maximum number of Replacement Options to be issued is 625,000,000;
- (b) the Replacement Options will be issued no later than 6 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Replacement Options will occur on the same date, which is intended to be at Completion;
- (c) the Replacement Options will be issued for nil cash consideration as consideration for the cancellation of Andes options;
- (d) the Replacement Options will be offered to Andes Optionholders on Completion of the Takeover Bid;
- (e) the Replacement Options are proposed to be issued on the terms and conditions set out in Schedule 4;
- (f) no funds will be raised as the Replacement Options will be issued for nil cash consideration;

- (g) a voting exclusion statement is included in the Notice; and
- (h) full details of the Takeover Bid are set out above in Section 4.

14. Resolution 9 - Approval of Consolidation

14.1 General

Resolution 9 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 1 for 40 basis (**Consolidation**).

The Consolidation will occur post Completion.

Resolution 9 is an ordinary resolution.

Resolution 9 is an Interconditional Resolution and is subject to the approval of each of the other Interconditional Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 9.

14.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

14.3 Fractional entitlements

Not all Securityholders will hold that number of Securities (as the case may be) which can be evenly divided by 40. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

14.4 Taxation

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

14.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

14.6 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current capital structure is set out in the table below. All numbers are subject to rounding (down).

	Shares	Options	Performance Shares
Pre-Consolidation	6,659,575,831	3,032,460,588	76,400,000
Post-Consolidation	166,489,396	75,811,515	1,910,000

14.7 Consolidation timetable

If the Interconditional Resolutions are passed, the Consolidation will take effect on a future date to be confirmed by the Company. The Company will release a timetable in accordance with the Listing Rules following Shareholder approval of this Resolution.

15. Resolution 10 - Election of Directors

15.1 General

Article 15.2 and 15.8 of the Constitution allows the Company to elect any person as a Director by ordinary resolution at a general meeting.

Pursuant to the Implementation Agreement, it is proposed that upon the Company acquiring a relevant interest in at least 90% (by number) of all Andes Shares and the Takeover Bid becoming unconditional or completing, Messrs Jason Stirbinskis and Ross Ashton be appointed as Directors (**Proposed Directors**).

It is proposed that the Proposed Directors will be appointed as follows:

- (a) Jason Stirbinskis - Managing Director; and
- (b) Ross Ashton - Non-Executive Director

Please refer to Section 4.14 for information on the qualifications, skills and experience of each of the Proposed Directors.

Resolutions 10(a) and (b) are separate ordinary resolutions.

The resolutions which form part of Resolution 10 are Interconditional Resolutions and are subject to the Shareholders passing each of the Interconditional Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 10(a) and (b).

16. Resolution 11 - Ratification of prior issue of Tranche 1 Notes

16.1 General

As announced by the Company on 13 March 2019, the Company issued 115 Notes at a face value of \$3,000 (**Tranche 1 Notes**) using the Company's placement capacity

under Listing Rule 7.1. The Tranche 1 Notes raised \$345,000 (before costs) and are convertible into a maximum of 172,500,000 Shares.

The Tranche 1 Notes convert automatically into fully paid Shares upon Completion at an issue price of \$0.002 (subject to entry by Noteholders into the Note Amendment Deed).

Resolution 11, seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Notes.

Resolution 11 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 11.

16.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 7.2 above.

The effect of Resolution 11 will be to allow the Company to retain flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

16.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Notes:

- (a) a total of 115 Tranche 1 Notes were issued which may convert into a maximum number of 172,500,000 Shares;
- (b) the Tranche 1 Notes were issued at \$3,000 each;
- (c) the Tranche 1 Notes will automatically convert into fully paid ordinary shares at the conversion price of either \$0.002 or \$0.003 upon Completion of the Takeover Bid on the terms and conditions set out in Schedule 2;
- (d) in the event the Takeover Bid does not complete, the Tranche 1 Notes will convert at a price of \$0.002;
- (e) the Tranche 1 Notes were issued to Noteholders, none of whom is a related party of the Company;
- (f) the proceeds from the issue of the Tranche 1 Notes have been applied towards working capital, the repayment of creditors and transaction costs, and will be applied in accordance with Section 4.8; and
- (g) a voting exclusion statement is included in the Notice.

Schedule 1 Definitions

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

\$ or A\$ means Australian Dollars.

Advisor Mandate has the meaning given in Section 4.10.

Advisor Option has the meaning given in Section 12.1(b).

Advisor Securities has the meaning given in Section 4.2(c).

Advisor Share has the meaning given in Section 12.1(a).

Andes means Andes Resources Limited (ACN 166 866 691).

Andes Optionholder means the holder of an Andes Option.

Andes Options means an option to acquire Andes Shares.

Andes Placement has the meaning given in Section 4.8(b).

Andes Shares means fully paid ordinary shares in the capital of Andes.

Andes Shareholders means the holders of fully paid ordinary shares in the capital of Andes.

AngloGold means AngloGold Ashanti Colombia SA.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ABN 98 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

BHC means Bullet Holding Corp, a company incorporated in Panama with address Calle 12A, 32-11, el Poblado, Medellin, Colombia.

Bid Conditions means the conditions of the Takeover Bid set out in schedule 1 of the Implementation Agreement, as summarised in Schedule 5.

Board means the board of Directors of the Company.

Bonus Options has the meaning given in Section 4.2.

Business Day means a weekday on which trading banks are open for business in Perth, Western Australia.

Capital Raise has the meaning given in Section 4.8.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Collaboration Agreement has the meaning given in clause 4.5.

Company means Metminco Limited (ACN 119 759 349).

Completion means successful completion of the Takeover Bid. **Complete** has the same meaning.

Consideration Shares has the meaning given in Section 4.2(d).

Consolidation has the meaning given in Section 4.2(f).

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Refinancing Agreement means the intended agreement between RMB and the Company to refinance existing debt owed by the Company to RMB.

Debt Refinancing Shares has the meaning given in Section 4.2(b).

Delta means Delta Holdings LLC, a company incorporated in Wyoming, USA, of 30 N Gold St, Ste R, Sheridan, Wyoming.

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Free-Attaching Option means an unquoted Option attaching to the Shares issued upon conversion of Tranche 1 Notes or Tranche 2 Notes.

gpt means grams per tonne.

gpt Au means grams per tonne of gold.

Hartleys means Hartleys Limited ACN 104 195 057.

Implementation Agreement means the bid implementation agreement between the Company and Andes dated 16 May 2019.

Interconditional Resolutions means Resolutions 1 and 4 to 10 (inclusive).

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Note Amendment Deed has the meaning given in Section 4.7.

Note Deed means the Deeds between the Company and Noteholders.

Noteholder means the holder of a Tranche 1 Note or a Tranche 2 Note.

Notes mean Tranche 1 Notes and Tranche 2 Notes.

Notice means this notice of general meeting.

Offer Period means the period for which the Offer is open for acceptance.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Placement has the meaning given in Sections 4.7 and 4.7(c).

Priority Offer has the meaning given in Sections 4.7 and 4.7(c).

Priority Offer Record Date means the date disclosed in the Prospectus.

Proposed Directors has the meaning given in Section 4.2(e).

Prospectus means the prospectus proposed to be issued by the Company in connection with the Priority Offer.

Quinchia Gold Project has the meaning given in Section 4.1.

Relevant Interest has the meaning given in section 608 of the Corporations Act.

Replacement Options means Options offered to Andes Optionholders on Completion pursuant to the terms and conditions in Schedule 3.

Resolution means a resolution referred to in the Notice.

RMB means RMB Australia Holdings Limited ACN 003 201 214.

Sandfire means Sandfire Resources NL ACN 105 154 185.

Schedule means a schedule to the Notice.

Section means a Section of the Explanatory Memorandum.

Securities mean all Equity Securities of the Company.

Security holder means a holder of one or more Securities.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Takeover Bid means the off-market takeover bid to be made by the Company for all Andes shares under Chapter 6 of the Corporations Act subject to the Bid Conditions and in accordance with the terms of the Implementation Agreement.

Tranche 1 Notes means 115 Notes issued on the terms and conditions set out in Schedule 2.

Tranche 2 Notes means 191 Notes issued on the terms and conditions set out in Schedule 2.

Transaction means the acquisition of Andes by the Company under the Takeover Bid.

Schedule 2 Terms of the Tranche 1 and Tranche 2 Notes (Notes)

- (a) The Notes have a face value of \$3,000 each.
- (b) The Notes are interest free.
- (c) The Notes are unsecured and do not preclude the Company from borrowing further funds or making further issues of securities.
- (d) The Company does not intend to list the Notes for quotation on ASX and is not obliged to do so.
- (e) The Company acknowledges that on and from the completion date of the Notes and at all times before the conversion date or maturity date of the note, it will be indebted to the Noteholder to the extent of the monies payable.
- (f) The Company may not repay any or all of the subscription sum prior to the date of conversion without the prior written consent of the Noteholder.
- (g) The Notes shall not provide for any voting rights at shareholder meetings of the Company.
- (h) The Noteholder is permitted to transfer all or any part of the Note on the condition that the Noteholder procures that the assignee of the Note agrees to be bound by the terms and conditions of the Note deed.
- (i) The Noteholder may participate in bonus issues in limited circumstances and in accordance with the Listing Rules.
- (j) The Noteholders are not entitled to participate in pro-rata securities issues during the currency of the Notes.
- (k) In an event of default, the Noteholder may by notice to the Company declare all money owing under the Note deed immediately due and payable and cancel its obligations under the deed.
- (l) The Notes are to be issued in a single tranche, however they will convert into fully paid ordinary shares in the Company in two tranches.
- (m) Tranche 1 Notes:
 - (i) The Shares resulting from the conversion of the first 115 Notes will be issued under the Company's existing placement capacity available under ASX Listing Rule 7.1.1
 - (ii) The Tranche 1 Notes will automatically convert into fully paid ordinary shares at the conversion price of \$0.003 upon Completion. Tranche 1 Notes subject to the Note Amendment Deed will convert at \$0.002.
- (n) Tranche 2 Notes:
 - (i) The Shares resulting from the conversion of the remaining 191 Notes (which will be issued as debt securities) will convert subject to Shareholder approval.

- (ii) Subject to the receipt of Shareholder approval, the Tranche 2 Notes will convert at a conversion price of \$0.003 upon Completion. Tranche 2 Notes subject to the Note Amendment Deed will convert at \$0.002.
- (iii) In the event Shareholders do not approve the conversion of the Tranche 2 Notes, the Tranche 2 Notes will remain on issue until the Company does one of the following:
 - (A) obtains a subsequent shareholder approval;
 - (B) converts all or a portion of the Tranche 2 Notes from its available placement capacity as and when it sees fit (noting that at no time does the Company have an obligation to use its available placement capacity - nor does a Noteholder have a right to call for the conversion of the Tranche 2 Notes); or
 - (C) repays the Tranche 2 Notes,

noting that if the Tranche 2 Notes remain on issue 12 months after the conversion of the Tranche 1 Notes, the Tranche 2 Notes must be repaid.
- (o) In the event the Takeover Bid becomes incapable of completion, the conversion price for the Notes will reduce to \$0.002.
- (p) Subject to Shareholder approval, the Company will issue 1 Free Attaching Option exercisable at \$0.004 within 2 years from the date of issue for each Share issued under the Notes.

Schedule 3 - Replacement Options - Classes A, B, C and X

Existing Target Option Series	No. of existing Target Options	Replacement Class	No. of Replacement Classes - A, B and C Options ¹	Expiry Date	Exercise Price
1 July 2023 series - 20c exercise price	8,875,000	A	5,546,875	01-Jul-23	\$0.32
31 Aug 2023 series - 20c exercise price	1,050,000	B	656,250	31-Aug-23	\$ 0.32
15 Nov 2023 series - 20c exercise price	75,000	C	46,875	15-Nov-23	\$0.32
Sub-total	10,000,000		6,250,000		
Issued in conjunction with the Target Raise	15,000,000	X	9,375,000	2 years from issue	\$0.16
Total	25,000,000		15,625,000		

Note 1: all Replacement Options - Class A, B, C and X are set out on a Post-Consolidation basis.

Schedule 4 Terms of Free-Attaching, Advisor Options & Replacement Options

The following terms and conditions apply to the Company's Options (Options):

1. Entitlement

Each Option entitles the holder (Optionholder) to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option.

2. Exercise Price and Expiry Date

Each Option has a (pre-consolidation) exercise price and expiry date as set out in the table below:

Option	Pre -Consolidation Exercise Price	Post-Consolidation Exercise Price	Expiry Date
Advisor Options	\$0.006	\$0.24	At 5:00pm (WST) on the date 3 years from the date of issue
Bonus Options	n/a	\$0.16	At 5:00pm (WST) on the date 2 years from the date of issue
Free Attaching Option	\$0.004	\$0.160	At 5:00pm (WST) on the date 2 years from the date of issue
Replacement Options - Class A	\$0.008	\$0.32	At 5:00pm (WST) on the date of 1 July 2023
Replacement Options - Class B	\$0.008	\$0.32	At 5:00pm (WST) on the date of 31 August 2023
Replacement Options - Class C	\$0.008	\$0.32	At 5:00pm (WST) on the date of 15 November 2023
Replacement Options- Class X	n/a	\$0.16	At 5:00pm (WST) on the date 2 years from the date of issue

Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Exercise Period

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

4. Quotation of the Options

The Company will apply for official quotation on ASX of the Bonus Options, Free Attaching Options and Replacement Options-Class X.

The Company will not apply for official quotation of the Advisor Options and Replacement Options, Classes A, B and C.

5. Transferability of the Options

The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.

6. Notice of Exercise

The Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

7. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

8. Timing of Issue of Shares

Within 15 Business Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

9. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

10. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) (the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 10 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

12. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

Schedule 5 - Pro-forma balance sheet

	Metminco audited 31 Dec 2018 \$	Andes audited 31 Dec 2018 \$	Group adjustments to 30 June 2019 \$	adjustments on merger \$	Metminco Pro Forma
Current Assets					
Cash and cash equivalents	168	246	32 (a)	1,896 (b)	2,342
Trade and other receivables	2,996	22	0	0	3,018
Total Current Assets	3,164	829	32	1,896	5,360
Non-Current Assets					
Non-current financial assets	638	42	0	2,350 (c)	3,030
Deferred exploration, evaluation and development expenditure	10,412	2,768	250	0	13,429
Total Non-Current Assets	11,050	2,810	250	2,350	16,459
OTAL ASSETS	14,214	3,077	282	4,246	21,820
Current Liabilities					
Trade and other payables	4,627	134	481	(2,887) (d)	2,355
Total Current Liabilities	4,627	134	481	(2,887)	2,355
Non-Current Liabilities					
Trade and other payables	1,782	0	0	1,019 (d)	2,801
Total Current Liabilities	1,782	0	0	1,019	2,801
TOTAL LIABILITIES	6,409	135	481	(1,868)	5,156
NET ASSETS (LIABILITIES)	7,805	2,943	(198)	6,114	16,664
Equity					
Issued capital	339,412	9,341	1,743	(611)	349,885
Reserves	12,216	398	0	(398)	12,216
Accumulated losses	(343,823)	(6,796)	(1,941)	7,123	(345,437)
TOTAL EQUITY	7,805	2,943	(198)	6,114	16,664

Notes on adjustments:

- (a) Includes funds raised from the issue of the Tranche 1 and Tranche 2 Notes of (\$900,000), Andes Placement (\$750,000) less Company and Andes operating expenses (\$1.7M).
- (b) Includes capital raisings on Completion (\$2.3M) net of costs of Capital Raise and Takeover Bid (\$400,000).
- (c) Includes goodwill adjustment of \$2.4M on acquisition of Andes.
- (d) Includes elimination of \$2.0M of RMB debt on conversion to equity and transfer of \$1.0M RMB debt from current to non-current liabilities.

Schedule 6 Bid Conditions

Completion of the Transaction remains conditional upon the following bid conditions being satisfied or waived:

1. Minimum Acceptance Condition

As at the end of the Offer Period, Bidder Group has a Relevant Interest in such number of Target Shares as represents at least 90% in aggregate of all Target Shares then on issue.

2. No Target Material Adverse Change

During the period from the Announcement Date to the end of the Offer Period (inclusive), no Target Material Adverse Change occurs, is announced or becomes known to Bidder (whether or not it becomes public).

3. No Target Prescribed Occurrence

During the period from the Announcement Date to the end of the Offer Period (inclusive), no Target Prescribed Occurrence occurs.

4. No Bidder Material Adverse Change

During the period from the Announcement Date to the end of the Offer Period (inclusive), no Bidder Material Adverse Change occurs, is announced or becomes known to the Bidder (whether or not it becomes public).

5. Target Board recommendation

The directors of the Target Board give a unanimous recommendation to the Target Shareholders that they accept the offer and that all directors intend to accept the offer with respect to their own Target Shares (including Target Shares issued on exercise of any Target Options) in the absence of a Superior Proposal.

6. Capital Raise Condition

Bidder and Target receive valid applications or commitments in respect of no less than \$4,000,000 (before costs), comprising (to the extent necessary):

- (a) the Priority Offer and Placement;
- (b) the Target Raise; and
- (c) the funds raised by the issue of Notes.

7. Replacement of Target Option Condition

Target procures the provision of duly executed cancellation and replacement deeds in respect of all Target Options on issue in consideration for the issue of the Replacement Options.

8. Approval of Essential Bidder Resolutions

Bidder Shareholders approve the Essential Bidder Resolutions, in accordance with the Corporations Act and ASX Listing Rules, before the end of the Offer Period.

9. No regulatory intervention

During the period from the Announcement Date to the end of the Offer Period (inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by an Authority; and
- (b) no application is made to any Authority (other than by Bidder or a subsidiary of Bidder), or action or investigation is announced, threatened or commenced by an Authority,

in consequence of or in connection with the Offer (other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer or any transaction contemplated by this Agreement, the Offer or the rights of Bidder in respect of Target or the Target Shares to be acquired under the Takeover Bid, or requires the divestiture by Bidder or Bidder's Shareholders of any Target Shares or the divestiture of any assets of Target Group, Bidder, Bidder Group or otherwise.

10. No material acquisitions

Between the Announcement Date and the end of the Offer Period (each inclusive), no Target Material Transaction occurs.

11. Sandfire Condition

Sandfire does not terminate the Sandfire Collaboration Agreement.

12. No breach of Bid Implementation Agreement

Prior to the end of the Offer Period, Bidder does not become entitled to terminate the Agreement in accordance with clauses 10.1(a) or 10.2(a).

13. No change of control or pre-emptive rights

No person has any pre-emptive or other right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (a) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target, including any interest in any project of the Target Group; or
- (b) terminate or vary, or cause the acceleration of any obligations under, any agreement with Target or a subsidiary of Target, including in respect of any interest in any project of the Target Group.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Metminco Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am on Saturday, 13 July 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Metminco Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am on Monday, 15 July 2019 at Grant Thornton, Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne VIC 3008** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Approval to change in scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to issue Tranche 2 Notes as Equity Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10a Election of Directors – Mr Jason Stirbinskis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the issue of Free-Attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10b Election of Directors – Mr Ross Ashton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Ratification of prior issue of Tranche 1 Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the issue of shares under the Priority Offer & Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of the debt for equity RMB re-financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of the issue of Advisor Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of the issue of Replacement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

MNC PRX1902B