

**Metminco Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Metminco Limited  
ABN: 43 119 759 349  
Reporting period: For the half-year ended 30 June 2019  
Previous period: For the half-year ended 30 June 2018

---

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	88.8% to	279
Loss from ordinary activities after tax	down	69.5% to	(1,707,161)
Loss for the half-year	down	69.5% to	(1,707,161)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,707,161 (30 June 2018: \$5,598,767).

---

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.62</u>	<u>0.69</u>

---

**4. Control gained over entities**

Not applicable.

---

**5. Loss of control over entities**

Not applicable.

---

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

---

**7. Dividend reinvestment plans**

Not applicable.

---

**8. Details of associates and joint venture entities**

The Company entered into a Joint Venture arrangement with AngloGold Ashanti to develop the Chuscal gold exploration target in Colombia.

---

**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

---

**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The auditors have issued an unqualified report with an emphasis of matter relating to going concern.

---

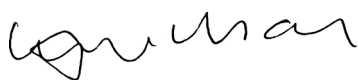
**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Metminco Limited for the half-year ended 30 June 2019 is attached.

---

**12. Signed**



Signed \_\_\_\_\_

Date: 12 September 2019

Kevin Wilson  
Non-Executive Chairman

**Metminco Limited**

**ABN 43 119 759 349**

**Interim Report - 30 June 2019**

**Metminco Limited**  
**Corporate directory**  
**30 June 2019**

Directors	Kevin Wilson (Non-Executive Chairman) Jason Stirbinskis (Managing Director) Ross Ashton (Non-Executive Director, Independent)
Company secretary	Andrew Metcalfe Julia Beckett
Registered office	Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia
Principal place of business	Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia
Share register	Link Market Services Limited Level 12, 680 George Street, Sydney, NSW, Australia, 2000 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 1 727 Collins St Melbourne VIC 3000
Stock exchange listing	Metminco Limited shares are listed on the Australian Securities Exchange (ASX code: MNC)

**Metminco Limited**  
**Directors' report**  
**30 June 2019**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metminco Limited (referred to hereafter as 'Metminco', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

**Directors**

The following persons were Directors of Metminco Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kevin Wilson	- Executive Chairman (to 16 August 2019); Non-Executive Chairman (from 16 August 2019)
Roger Higgins	- Non-Executive Director (resigned 16 August 2019)
Glenister Lamont	- Non-Executive Director (resigned 16 August 2019)
Mr Jason Stirbinskis	- Managing Director (appointed 16 August 2019)
Mr Ross Ashton	- Non-Executive Director (appointed 16 August 2019)

**Principal activities**

The Group's Quinchia Gold Project encompasses a potential development project at Miraflores, as well as assets with substantial exploration upside potential including the significant gold porphyry system targets of Tesorito, Dosquebradas and Chuscal. During the half-year, work continued on an Environmental Impact Statement for potential gold mining operations at Miraflores and the preparation of the Chuscal Gold Prospect ('Chuscal') for future exploration activities.

In December 2018, Metminco entered into a joint venture to explore and develop Chuscal in Quinchia, Colombia. Chuscal is a major drill-ready gold exploration target, defined by soil and rock chip geochemistry. Chuscal is situated 1,700m south of the proposed Miraflores plant and 1,100m south of Tesorito. Drilling is expected to commence within a few weeks of the date of this report.

While the Company also retains its 100% Chilean Projects, the primary focus is on the Quinchia Gold Project and the Chilean projects are on care and maintenance whilst Directors seek the sale of the land and mineral rights. The Chilean projects provide significant exposure to copper through Mollacas on which a mining study announced in 2014 demonstrated robust economics for development of the Mollacas Project, which is subject to resolution of a dispute with the surface land holder. The Vallecillo Project is a polymetallic deposit with identified resources.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,707,161 (30 June 2018: \$5,598,767).

On 13 March 2019, the Company announced a Merger of Metminco and Andes Resources Limited ('Andes') to create a leading Colombian gold explorer and developer. The Merger results in the Company holding a dominant position in the richly gold-copper endowed Mid-Cauca Gold Belt. The Merger brings together Metminco's advanced Quinchia Gold Project, with Andes' extensive tenement holding to create a company with multiple exploration assets in richly endowed gold camps. A total of \$4 million was raised as part of the Merger.

In March 2019, the Company completed a placement of convertible notes raising \$918,000 before costs (as part of the \$4 million Merger financing). The Convertible Notes were subsequently converted into Metminco shares in July 2019.

On 15 February 2019 the Company announced it had reached agreement to defer the acquisition payment due to RMB (Australia) Holdings Limited ('RMB') in June 2019. As part of the merger, Metminco negotiated a significant restructuring of the existing RMB deferred acquisition payments of \$5 million through a debt for equity swap for \$1 million, and realigning future payments of \$4 million to project milestones out to 2025. These terms were revised subsequent to the half-year end balance date (refer below).

The Company's focus remains mineral exploration on the Andes and Quinchia Projects with an initial focus on the Chuscal project.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

On 11 July 2019, the Company executed the RMB Debt Financing Agreement with revised terms including a debt for equity swap for \$2 million and realignment of future payments of \$3.5 million to project milestones out to 2025, conditional upon RMB receiving approval from the South African Reserve Bank to receive shares in Metminco.

On 15 July 2019, the Company held a General Meeting of Shareholders to approve the issue of securities to convertible note holders, new securities to Andes shareholders on completion of the Merger, and new securities to participants in the Merger arrangement.

On 17 July 2019, the Company lodged a replacement Prospectus to raise a total of \$2,332,000, underwritten to \$1,342,461, as the final component of the \$4 million Merger financing.

On 17 July 2019, the Company lodged a supplementary Bidders Statement to acquire all the issued shares in Andes on a scrip bid of \$0.002 per share.

On 8 August 2019, the Company completed the capital raising pursuant to the Prospectus, raising \$2,332,000 before costs.

On 15 August 2019, the Company completed the takeover of Andes Resources Limited.

On 16 August 2019, following closure of the Prospectus offer and completion of the Merger of Metminco and Andes Resources Limited, the following Board changes took place:

- Resignation of Messrs Roger Higgins and Glenister Lamont; and
- Appointment of Messrs Jason Stirbinskis and Ross Ashton.

On 19 August 2019, the following securities were issued by the Company:

Fully paid ordinary shares ("FPO") - 4,464,474,042, consisting of:

- Convertible Note - Conversion to FPO - 459,000,000.
- Consideration FPO for Takeover Offer of Andes Resources Ltd - 2,595,624,750.
- Minimum Participation FPO to nominated Andes shareholders - 181,531,292.
- Priority Offer, Placement and Shortfall FPO - 1,166,000,000.
- Broker Shares in FPO issued pursuant to Broker Mandate - 62,500,000.

Options – unquoted options - 1,134,000,000 consisting of:

- Replacement Options issued to Andes Resources Ltd shareholders –625,000,000.
- Free Attaching Options issued to Convertible Noteholders – 459,000,000.
- Broker Options issued pursuant to Broker Mandate – 50,000,000.

On 3 September 2019 the Company announced it had allotted 1,000,000,000 fully paid Metminco shares to RMB in consideration for a debt to equity swap as part of the Merger.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

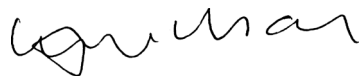
**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Metminco Limited**  
**Directors' report**  
**30 June 2019**

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



---

Kevin Wilson  
Non-Executive Chairman

12 September 2019

## Auditor's Independence Declaration

To the Directors of Metminco Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Metminco Limited for the half-year ended 30 June 2019. I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 12 September 2019



**Metminco Limited****Contents****30 June 2019**

Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	25
Independent auditor's review report to the members of Metminco Limited	26

**General information**

The financial statements cover Metminco Limited as a consolidated entity consisting of Metminco Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Metminco Limited's functional and presentation currency.

Metminco Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Suite 3, Level 2  
470 Collins Street  
Melbourne VIC 3000  
Australia

**Principal place of business**

Suite 3, Level 2  
470 Collins Street  
Melbourne VIC 3000  
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 September 2019.

**Metminco Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2019**

	Note	Consolidated 30 June 2019 \$	30 June 2018 \$
<b>Revenue</b>			
Interest revenue calculated using the effective interest method		279	2,496
<b>Expenses</b>			
Employee benefits expense	3	(625,033)	(703,250)
Foreign exchange loss		(19,160)	(420,441)
Depreciation and amortisation expense	3	(3,069)	(32,073)
Impairment of assets		-	(50,705)
Write off of assets		-	(2,485,725)
Share based payment expense	3	(43,092)	(781,607)
Realised loss on derivative asset		-	(228,273)
Finance costs	3	(331,303)	(230,253)
Corporate expenses	3	(453,358)	(478,567)
Occupancy		(24,529)	(67,677)
Administration	3	(207,896)	(122,692)
Total expenses		<u>(1,707,440)</u>	<u>(5,601,263)</u>
<b>Loss before income tax expense</b>		(1,707,161)	(5,598,767)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		(1,707,161)	(5,598,767)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>275,840</u>	<u>435,451</u>
Other comprehensive income for the half-year, net of tax		<u>275,840</u>	<u>435,451</u>
<b>Total comprehensive loss for the half-year</b>		<u>(1,431,321)</u>	<u>(5,163,316)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	22	(0.15)	(1.44)
Diluted loss per share	22	(0.15)	(1.44)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Metminco Limited**  
**Statement of financial position**  
**As at 30 June 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		113,082	167,614
Trade and other receivables	4	65,376	73,323
Other	5	23,391	61,426
		<u>201,849</u>	<u>302,363</u>
Non-current assets classified as held for sale	6	2,859,571	2,861,983
Total current assets		<u>3,061,420</u>	<u>3,164,346</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	641,094	637,774
Exploration and evaluation	9	10,887,510	10,411,767
Total non-current assets		<u>11,528,604</u>	<u>11,049,541</u>
<b>Total assets</b>		<u>14,590,024</u>	<u>14,213,887</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	6,919,541	4,413,855
Borrowings	11	50,000	-
Provisions	12	219,854	213,133
Total current liabilities		<u>7,189,395</u>	<u>4,626,988</u>
<b>Non-current liabilities</b>			
Payables	13	-	1,781,946
Total non-current liabilities		<u>-</u>	<u>1,781,946</u>
<b>Total liabilities</b>		<u>7,189,395</u>	<u>6,408,934</u>
<b>Net assets</b>		<u>7,400,629</u>	<u>7,804,953</u>
<b>Equity</b>			
Issued capital	14	340,395,282	339,411,378
Reserves	16	12,108,921	12,216,161
Accumulated losses		<u>(345,103,574)</u>	<u>(343,822,586)</u>
<b>Total equity</b>		<u>7,400,629</u>	<u>7,804,953</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Metminco Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2019**

	Issued capital \$	Acquisition reserve \$	Convertible note equity & option reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>						
Balance at 1 January 2018	332,987,792	(41,506,662)	492,308	11,100,307	(294,481,956)	8,591,789
Loss after income tax expense for the half-year	-	-	-	-	(5,598,767)	(5,598,767)
Other comprehensive income for the half-year, net of tax	-	-	-	435,451	-	435,451
Total comprehensive income for the half-year	-	-	-	435,451	(5,598,767)	(5,163,316)
Shares issued during the period	6,282,789	-	-	-	-	6,282,789
Transaction costs	(540,612)	-	-	-	-	(540,612)
Equity component of convertible note	-	-	(11,448)	-	-	(11,448)
Options issued	-	-	781,617	-	-	781,617
Options expired - prior period adjustment	-	-	(54,687)	-	54,687	-
Balance at 30 June 2018	<u>338,729,969</u>	<u>(41,506,662)</u>	<u>1,207,790</u>	<u>11,535,758</u>	<u>(300,026,036)</u>	<u>9,940,819</u>

	Issued capital \$	Acquisition reserve \$	Convertible note equity & option reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>						
Balance at 1 January 2019	339,411,378	-	1,166,117	11,050,044	(343,822,586)	7,804,953
Loss after income tax expense for the half-year	-	-	-	-	(1,707,161)	(1,707,161)
Other comprehensive income for the half-year, net of tax	-	-	-	275,840	-	275,840
Total comprehensive income for the half-year	-	-	-	275,840	(1,707,161)	(1,431,321)
Shares issued during the period	154,760	-	-	-	-	154,760
Convertible notes issued	918,000	-	-	-	-	918,000
Transaction costs	(88,856)	-	-	-	-	(88,856)
Options issued	-	-	43,093	-	-	43,093
Options expired	-	-	(426,173)	-	426,173	-
Balance at 30 June 2019	<u>340,395,282</u>	<u>-</u>	<u>783,037</u>	<u>11,325,884</u>	<u>(345,103,574)</u>	<u>7,400,629</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Metminco Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(857,725)	(1,677,704)
Interest received		279	2,496
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities		<u>(857,446)</u>	<u>(1,675,208)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(1,100)	(170,394)
Payments for exploration and evaluation	9	(286,178)	(712,408)
Payment for deferred consideration		-	(1,000,000)
		<u>                    </u>	<u>                    </u>
Net cash used in investing activities		<u>(287,278)</u>	<u>(1,882,802)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	14	154,760	6,282,789
Proceeds from borrowings	11	50,000	-
Cash received from equity swap		-	44,410
Share issue transaction costs	14	(88,856)	(540,612)
Capital received from issue of convertible notes	14	918,000	(842,383)
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		<u>1,033,904</u>	<u>4,944,204</u>
Net increase/(decrease) in cash and cash equivalents		(110,820)	1,386,194
Cash and cash equivalents at the beginning of the financial half-year		167,614	834,377
Effects of exchange rate changes on cash and cash equivalents		56,288	(514,573)
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial half-year		<u><u>113,082</u></u>	<u><u>1,705,998</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

### **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the consolidated entity.

#### **Going Concern**

The Directors believe there are reasonable grounds to believe the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The Company completed a \$2.33M capital raising in August 2019 to fund its exploration activities in Colombia and provide additional working capital;
- The Company is preparing to commence a maiden drilling program on its highly prospective Chuscal Gold Project in Colombia;
- The Company will consider a fundraising associated with results from the drilling program;
- The Company is also considering additional and alternative funding activities through the issue of new share capital;
- The Company holds a US\$2M land 'held for sale' asset that would provide additional working capital to fund the Company's exploration operations;
- The Company has completed a restructure of its debt arrangements via the RMB Debt Financing Agreement with revised terms including the debt for equity swap for \$2 million and realignment of future payments of \$3.5 million to project milestones out to 2025.

Accordingly, the Directors believe that the Consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 2. Operating segments**

*Identification of reportable operating segments*

The Company's primary activity is mineral exploration in the geographic area of South America. This focus is consistent with the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily for the sole purpose of mineral exploration.

*Intersegment transactions*

There are no intersegment transactions.

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

*Segment liabilities*

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Head office income / expenses and related assets / liabilities

*Operating segment information*

	Mineral exploration \$	Non-core Reconciling Items \$	Other segments \$	Total \$
<b>Consolidated - 30 June 2019</b>				
<b>EBITDA</b>	(427,068)	(946,000)	-	(1,373,068)
Depreciation and amortisation	(962)	(2,107)	-	(3,069)
Interest revenue	-	279	-	279
Finance costs	-	(331,303)	-	(331,303)
<b>Loss before income tax expense</b>	<b>(428,030)</b>	<b>(1,279,131)</b>	<b>-</b>	<b>(1,707,161)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(1,707,161)</b>
<b>Assets</b>				
Segment assets	14,458,846	131,178	-	14,590,024
<b>Total assets</b>				<b>14,590,024</b>
<b>Liabilities</b>				
Segment liabilities	324,603	6,864,792	-	7,189,395
<b>Total liabilities</b>				<b>7,189,395</b>

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 2. Operating segments (continued)**

	Mineral Exploration \$	Non-core Reconciling Items \$	Other segments \$	Total \$
<b>Consolidated - 30 June 2018</b>				
<b>EBITDA</b>	(245,638)	(2,607,574)	-	(2,853,212)
Depreciation and amortisation	(31,024)	(1,049)	-	(32,073)
Impairment of assets	(2,485,725)	-	-	(2,485,725)
Interest revenue	-	2,496	-	2,496
Finance costs	-	(230,253)	-	(230,253)
<b>Loss before income tax expense</b>	<u>(2,762,387)</u>	<u>(2,836,380)</u>	-	<u>(5,598,767)</u>
Income tax expense				-
<b>Loss after income tax expense</b>				<u>(5,598,767)</u>

**Consolidated - 31 December 2018**

<b>Assets</b>				
Segment assets	13,959,425	254,462	-	14,213,887
<b>Total assets</b>				<u>14,213,887</u>
<b>Liabilities</b>				
Segment liabilities	351,676	6,057,258	-	6,408,934
<b>Total liabilities</b>				<u>6,408,934</u>

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	30 June 2019	30 June 2018	30 June 2019	31 December 2018
	\$	\$	\$	\$
Australia	-	-	8,420	10,527
Colombia	-	-	11,583,206	11,039,014
	-	-	<u>11,591,626</u>	<u>11,049,541</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.



**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 3. Expenses**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	3,069	32,073
<i>Impairment</i>		
Exploration and evaluation	-	2,485,725
<i>Other expenses</i>		
Corporate expenses	453,358	1,685,036
Administration expenses	207,896	122,692
Total other expenses	661,254	1,807,728
<i>Finance costs</i>		
Interest and finance charges paid/payable	331,303	230,253
<i>Share-based payments expense</i>		
Share-based payments expense	43,092	781,607
<i>Employee benefits expense</i>		
Employee benefits expense	625,033	703,250

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2019</b>	<b>31 December</b>
	<b>\$</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Other receivables	65,376	73,323

**Note 5. Current assets - other**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2019</b>	<b>31 December</b>
	<b>\$</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Prepayments	23,391	61,426

**Note 6. Current assets - non-current assets classified as held for sale**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2019</b>	<b>31 December</b>
	<b>\$</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Land	2,859,571	2,861,983

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 6. Current assets - non-current assets classified as held for sale (continued)**

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening balance	2,861,983	2,586,122
Impact of foreign exchange movement	<u>(2,412)</u>	<u>275,861</u>
	<u><u>2,859,571</u></u>	<u><u>2,861,983</u></u>

The Directors decided that the land at Mollacas, Chile is surplus to requirements and has therefore been offered for sale. As at 31 December 2018, the Directors recorded the land at the lower valuation based upon a prompt sale value as provided by an independent valuer. The independent valuation is subject to changes in water conditions and water supply to the property which can change from time to time. As at 30 June 2019 the Directors applied a forced sale valuation of USD \$2,006,000 to the land as provided by an independent valuer.

**Note 7. Non-current assets - receivables**

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
VAT Receivables (i)	383,352	370,057
Provision for impairment of VAT receivables	<u>(383,352)</u>	<u>(370,057)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

(i) VAT incurred by Miraflores Compania Minera SAS relating to the Quinchia Gold Portfolio in Colombia.

**Note 8. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	<b>31 December</b>
	<b>30 June 2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Land - at cost	<u>566,564</u>	<u>556,792</u>
Plant and equipment - at cost	1,427,578	1,427,412
Less: Accumulated depreciation	<u>(1,353,048)</u>	<u>(1,346,430)</u>
	<u>74,530</u>	<u>80,982</u>
	<u><u>641,094</u></u>	<u><u>637,774</u></u>

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 8. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Land \$	Plant and equipment \$	Total \$
Balance at 1 January 2019	556,792	80,982	637,774
Additions	-	1,100	1,100
Disposals	-	(5,909)	(5,909)
Exchange differences	9,772	1,426	11,198
Depreciation expense	-	(3,069)	(3,069)
Balance at 30 June 2019	<u>566,564</u>	<u>74,530</u>	<u>641,094</u>

**Note 9. Non-current assets - exploration and evaluation**

	<b>Consolidated</b> <b>30 June 2019</b> \$	<b>31 December</b> <b>2018</b> \$
Exploration and evaluation	<u>10,887,510</u>	<u>10,411,767</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Exploration and Evaluation Expenditure \$	Total \$
Balance at 1 January 2019	10,411,767	10,411,767
Additions	286,178	286,178
Exchange differences	189,565	189,565
Balance at 30 June 2019	<u>10,887,510</u>	<u>10,887,510</u>

Exploration and evaluation capitalised at 30 June 2019 represents the Miraflores Gold Project within the Quinchia Gold Portfolio.

Recoverability of the carrying amount of exploration assets is dependent upon the successful recovery of ore reserves. Impairment indicators in AASB 6 are considered for each area of interest.

**Impairment:**

In the 2018 financial year, a detailed review was undertaken of the exploration and evaluation assets held in the Groups' Quinchia Gold Project resulting in a decision to impair and expense expenditure relating to the Tesorito, Dosquebradas and Chuscal project target areas and other expenditure outside of the Miraflores project target area.

Expenditure incurred by the Company on this target area continued to be expensed in the period ended 30 June 2019, with the exception of expenditure incurred directly associated to the Miraflores project target area.

Exploration and evaluation costs amounting to \$286,178 for the period ended 30 June 2019 have been included in cash flows from investing activities.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 10. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,080,100	710,426
Deferred consideration (i)	5,000,000	2,886,751
Other payables (ii)	839,441	816,678
	<u>6,919,541</u>	<u>4,413,855</u>

(i) In May 2016, the Quinchia Gold Portfolio in Colombia was acquired from RMB Australia Holdings Limited ('RMB'). Part consideration for the purchase included A\$7 million in deferred acquisition payments. A scheduled payment of \$1 million occurred in June 2017 and a further scheduled \$1 million payment occurred in June 2018.

In February 2019 the company entered into an agreement with RMB to defer a \$3 million deferred acquisition payment from June 2019 to June 2020 when the final deferred acquisition payment of \$2 million was also due for repayment.

In July 2019, the \$5 million of deferred acquisition payments due in June 2020 were restructured in connection with the Merger with Andes (refer Note 21 - Events after the reporting period).

(ii) Included in Other payables is an amount of \$91,500 in relation to a tax assessment by the Chilean taxation authorities. Minera Hampton Chile Limitada, a wholly owned subsidiary of Metminco, received notice from SII, the government taxation authority in Chile, that they had assessed non-deductable expenses claimed by Minera Hampton Chile Limitada following a review of the company's VAT, Income tax losses and non-deductable expenses claimed by that company since 2009. At the date of this report Minera Hampton Chile Limitada are in the process of preparing an objection notice to submit to the Chilean tax authorities.

**Note 11. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Loan from related party	50,000	-
	<u>50,000</u>	<u>-</u>

**Note 12. Current liabilities - provisions**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Annual leave	219,854	213,133
	<u>219,854</u>	<u>213,133</u>

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 13. Non-current liabilities - payables**

	<b>Consolidated</b>
	<b>31 December</b>
	<b>30 June 2019</b>
	<b>2018</b>
	<b>\$</b>
	<b>\$</b>
Deferred consideration	- 1,781,946

The deferred consideration has been discounted at 8% per annum (2018: 8% per annum).

	Opening Balance	Payment during the year	Fair value adjustment	Closing Balance
	\$	\$	\$	\$
Deferred consideration (present value) – 31 December 2018	5,285,117	(1,000,000)	207,338	4,492,455
Deferred consideration (present value) - 30 June 2019	4,668,697	-	331,303	5,000,000

**Note 14. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 June 2019</b>	<b>31 December</b>	<b>30 June 2019</b>	<b>31 December</b>
	<b>Shares</b>	<b>2018</b>	<b>\$</b>	<b>2018</b>
		<b>Shares</b>		<b>\$</b>
Ordinary shares - fully paid	<u>1,187,940,614</u>	<u>1,136,416,664</u>	<u>340,395,282</u>	<u>339,411,378</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2019	1,136,416,664		339,411,378
Exercise of listed options	21 Jan 2019	23,950	\$0.0110	-
Share issue	15 Feb 2019	51,500,000	\$0.0030	154,760
Convertible note issue	15 Feb 2019	-	\$3,000.0000	918,000
Costs of capital raising		-	\$0.0000	(88,856)
Balance	30 June 2019	<u>1,187,940,614</u>		<u>340,395,282</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Convertible notes*

On 29 March 2019 the Company issued 306 unlisted convertible notes at a price of \$3,000 per note to raised \$918,000 before costs. The Company subsequently issued a revised conversion notice whereby the notes became convertible into fully paid ordinary shares at a conversion price of \$0.002 per share on completion of the Merger with Andes.

The Convertible Notes were issued at a face value of \$3,000 each, interest free and repayable in limited circumstances.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 14. Equity - issued capital (continued)**

The Convertible Notes were issued in a single tranche, but were converted into fully paid ordinary shares in Metminco ("Shares") in two tranches:

- The Shares resulting from the conversion of the first 115 Convertible Notes ("Tranche 1 Notes") were issued under the Company's existing placement capacity available under ASX Listing Rule 7.1.1. The Tranche 1 Notes automatically converted into fully paid ordinary shares at the conversion price of \$0.002 upon completion of the Merger with Andes.
- The Shares resulting from the conversion of the remaining 219 Convertible Notes ("Tranche 2 Notes") (which were issued as debt securities) converted subject to Metminco shareholder approval (received on 15 July 2019). The Tranche 2 Notes also converted at a conversion price of \$0.002 upon completion of the Merger with Andes.

The Convertible Notes were converted to ordinary shares on 19 August 2019 (refer Note 21 - Events after the reporting period).

*Share buy-back*

There is no current on-market share buy-back.

**Note 15. Equity - options**

Options:

Listed (MNCOA)

Expiry date	Exercise price \$	Outstanding at 31 Dec 2018	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2019
01/06/2020	0.011	547,369,372	-	(23,950)	-	547,345,422

All outstanding options above were exercisable as at 30 June 2019.

Options:

Unlisted

Expiry date	Exercise price \$	Outstanding at 31 Dec 2018	Granted during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2019
17/05/2019	\$0.0810	12,345,639	-	-	(12,345,639)	-
25/05/2019	\$0.0810	12,345,639	-	-	(12,345,639)	-
31/12/2019	\$0.0160	9,600,000	-	-	-	9,600,000
31/12/2020	\$0.0240	9,600,000	-	-	-	9,600,000
		<u>43,891,278</u>	<u>-</u>	<u>-</u>	<u>(24,691,278)</u>	<u>19,200,000</u>

All outstanding options above were exercisable as at 30 June 2019.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 15. Equity - options (continued)**

Performance Rights:  
Unlisted

Grant date	Expiry date	Exercise price \$	Outstanding at 31 December 2018	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30 Jun 2019
28/05/2018	31/12/2019	\$0.0160	11,600,000	-	-	-	11,600,000
21/05/2018	31/12/2019	\$0.0000	11,600,000	-	-	-	11,600,000
28/05/2018	31/12/2020	\$0.0240	11,600,000	-	-	-	11,600,000
28/05/2018	31/12/2020	\$0.0000	11,600,000	-	-	-	11,600,000
13/05/2019	31/12/2019	\$0.0040	-	10,000,000	-	-	10,000,000
13/05/2019	31/12/2020	\$0.0060	-	10,000,000	-	-	10,000,000
13/05/2019	31/12/2021	\$0.0100	-	10,000,000	-	-	10,000,000
			<u>46,400,000</u>	<u>30,000,000</u>	<u>-</u>	<u>-</u>	<u>76,400,000</u>

Performance rights outstanding as at 31 December 2018 are subject to the following vesting conditions:

- Tranche 1 vesting on 30 day VWAP of \$0.0160 before December 31, 2019.
- Tranche 2 vesting on delivery of resource of at least 1 million ounces gold at Tesorito before December 31, 2019.
- Tranche 3 vesting on 30 day VWAP of \$0.0240 before December 31, 2020.
- Tranche 4 vesting on delivery of a resource of at least 1 million ounces gold at Chuscal before December 31, 2020.

Performance rights were issued during the period in 3 equal tranches of 10 million with the following vesting conditions:

- Tranche 1 vesting on 30 day VWAP of \$0.004 or higher before December 31, 2019.
- Tranche 2 vesting on 30 day VWAP of \$0.006 or higher on or before December 31, 2020.
- Tranche 3 vesting on delivery of at least 1 million ounces resource at Chuscal before December 31, 2021.

**Note 16. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	11,325,884	11,050,044
Options reserve	783,037	1,166,117
	<u>12,108,921</u>	<u>12,216,161</u>

**Note 17. Contingent liabilities**

The Company is aware that a former director and chief executive officer of one of the Company's subsidiaries (Miraflores Compania Minera SAS (previously Minera Seafield 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.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 17. Contingent liabilities (continued)**

Ausenco Chile Limitada - Under the terms of a Memorandum of Understanding with Ausenco Chile Limitada ('Ausenco') dated 30 November 2017, Metminco has agreed that Ausenco will provide a Guaranteed Maximum Price and a Lump Sum Turnkey price and will enter into an EPC for the development of the Miraflores mine. If Metminco withdraws from this agreement, Metminco has agreed to pay Ausenco \$838,500 representing 150% of the \$559,000 liability which is owed to Ausenco by Miraflores and accrued as a liability (refer Note 10)

The Company has no material commitment other than lease commitment obligations (refer Note 18) and mining access rights.

The Group is not aware of any other contingent liabilities.

**Note 18. Commitments**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
<i>Lease commitments - operating</i> *		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>19,455</u>	<u>51,580</u>
<i>Exploration Tenement Licence Commitments</i> **		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	<u>460,350</u>	<u>457,458</u>
Total commitment	460,350	457,458
Less: Future finance charges	<u>-</u>	<u>-</u>
Net commitment recognised as liabilities	<u>460,350</u>	<u>457,458</u>

\* The Group has lease commitments over four premises in Colombia with terms ranging up to 12 months. Rent is payable monthly in advance.

\*\* Represents mining and exploration licence fees for tenements held by the Group but not yet capitalised in the financial statements.



**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 19. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2019 %	31 December 2018 %
Controlled Entities consolidated			
Subsidiaries of Metminco Limited:			
- Hampton Mining Limited	Australia	100%	100%
- North Hill Holdings Group Inc.	British Virgin Islands	100%	100%
Wholly owned subsidiaries of North Hill Holdings Group Inc.:			
- Cerro Norte Mining Inc.	British Virgin Islands	100%	100%
- North Hill Ovalle Inc.	British Virgin Islands	100%	100%
- North Hill Perú Inc.	British Virgin Islands	100%	100%
- North Hill Colombia Inc.	British Virgin Islands	100%	100%
- Minera Hampton Chile Limitada	Chile	100%	100%
- Miraflores Hampton Colombia SAS	Colombia	100%	100%
- Miraflores Compania Minera SAS	Colombia	100%	100%

**Note 20. Interests in joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2019 %	31 December 2018 %
Chuscal JV	Colombia	10%	10%

**Key Terms of the JV**

In December 2018 Metminco and AngloGold Ashanti Limited (“AngloGold”) formed the Chuscal JV with ownership: MNC 10% and AGA 90%. Metminco have the right to earn a further 41% interest in the JV by spending US\$2.5 million over 3 years, including at least 7,500m of drilling. AngloGold holds a free carried interest during this period.

Once Metminco has earned its 51% interest, the parties may participate pro rata or dilute. On a party being diluted to a 9.9% interest, the participation of the diluting party reverts to a 2% Net Profit Royalty.

AngloGold has a one-off right to buy back a 21% interest from Metminco on the publication of a JORC resource of at least 3 million ounces of gold with the price of the 21% interest to be agreed between the parties or determined by an independent valuer at that time. On exercise of the buyback right ownership will be AngloGold 70% and Metminco 30%; AngloGold will be manager of the JV; and AngloGold will free carry Metminco through feasibility and until permits have been granted for a development proposal of an operation to produce over 250,000oz annual gold production.

As at 30 June 2019, the amount invested into the Chuscal JV was NIL.

**Note 21. Events after the reporting period**

On 11 July 2019, the Company executed the RMB Debt Financing Agreement with revised terms including a debt for equity swap for \$2 million and realignment of future payments of \$3.5 million to project milestones out to 2025, conditional upon RMB receiving approval from the South African Reserve Bank to receive shares in Metminco.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 21. Events after the reporting period (continued)**

On 15 July 2019, the Company held a General Meeting of Shareholders to approve the issue of securities to convertible note holders, new securities to Andes shareholders on completion of the Merger, and new securities to participants in the Merger arrangement.

On 17 July 2019, the Company lodged a replacement Prospectus to raise a total of \$2,332,000, underwritten to \$1,342,461, as the final component of the \$4 million Merger financing.

On 17 July 2019, the Company lodged a supplementary Bidders Statement to acquire all the issued shares in Andes on a scrip bid of \$0.002 per share.

On 8 August 2019, the Company completed the capital raising pursuant to the Prospectus, raising \$2,332,000 before costs.

On 15 August 2019, the Company completed the takeover of Andes Resources Limited.

On 16 August 2019, following closure of the Prospectus offer and completion of the Merger of Metminco and Andes Resources Limited, the following Board changes took place:

- Resignation of Messrs Roger Higgins and Glenister Lamont; and
- Appointment of Messrs Jason Stirbinskis and Ross Ashton.

On 19 August 2019, the following securities were issued by the Company:

Fully paid ordinary shares ("FPO") - 4,464,474,042, consisting of:

- Convertible Note - Conversion to FPO - 459,000,000.
- Consideration FPO for Takeover Offer of Andes Resources Ltd - 2,595,624,750.
- Minimum Participation FPO to nominated Andes shareholders - 181,531,292.
- Priority Offer, Placement and Shortfall FPO - 1,166,000,000.
- Broker Shares in FPO issued pursuant to Broker Mandate - 62,500,000.

Options – unquoted options - 1,134,000,000 consisting of:

- Replacement Options issued to Andes Resources Ltd shareholders –625,000,000.
- Free Attaching Options issued to Convertible Noteholders – 459,000,000.
- Broker Options issued pursuant to Broker Mandate – 50,000,000.

On 3 September 2019 the Company announced it had allotted 1,000,000,000 fully paid Metminco shares to RMB in consideration for a debt to equity swap as part of the Merger.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Metminco Limited**  
**Notes to the financial statements**  
**30 June 2019**

**Note 22. Loss per share**

	<b>Consolidated</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	<u>(1,707,161)</u>	<u>(5,598,767)</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.15)	(1.44)
Diluted loss per share	(0.15)	(1.44)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,175,134,100</u>	<u>388,803,264</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,175,134,100</u>	<u>388,803,264</u>

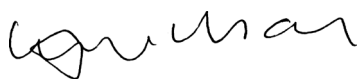
**Metminco Limited**  
**Directors' declaration**  
**30 June 2019**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



---

Kevin Wilson  
Non-Executive Chairman

12 September 2019

# Independent Auditor's Review Report

## To the Members of Metminco Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Metminco Limited (the 'Company'), which comprises the consolidated statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising both the Company and the entities it controlled at the half-year end or from time to time during the half year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Metminco Limited does not give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Material uncertainty related to going concern

We draw attention to Note 1, in the financial report, which indicates that the consolidated entity incurred a net loss of \$1,707,161 during the half year ended 30 June 2019 and has net cash used in operations (including payments for exploration) of \$857,446 during the half-year ended 30 June 2019 and has a cash balance of \$113,082 as of that date. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in normal course of business, and at the amounts stated in the financial report. Our report is not modified in relation to this matter.

#### Directors' responsibility for the half year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Metminco Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 12 September 2019